

RESOLUTION NO. 58-2003

Adopted April 22, 2003

AUTHORIZING A FIRST AMENDMENT TO THE MISSION BAY NORTH HOUSING LOAN AGREEMENT IN THE AMOUNT OF \$752,990 FOR A TOTAL AMOUNT NOT TO EXCEED \$2,719,505 TO MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF 140 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING AT 201 BERRY STREET (PARCEL 1, BLOCK N3a); MISSION BAY NORTH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, the "Law"), the Agency undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the "City").
2. On September 17, 1998, the Agency Commission approved the Mission Bay North and South Redevelopment Plans and Owner Participation Agreements ("OPAs") with Catellus Development Corporation ("Catellus"). The OPAs require that approximately 1,700 of the 6,000 housing units be affordable to low and moderate income households. Catellus is obligated to create approximately 255 affordable units as part of its development plans. The remaining 1,445 units will be developed by nonprofit housing developers selected by the Agency on approximately 16 acres of land that Catellus is required to contribute to the Agency. The 16 acres are composed of 3.8 acres in Mission Bay North and 12.2 acres in Mission Bay South. Catellus is generally required to contribute land to the Agency as it proceeds with its own developments.
3. The Agency's Mission Bay Affordable Housing Policy (the "Policy"), also approved by the Commission on September 17, 1998, states that the Agency will select nonprofit developers for these sites through a Request For Qualifications ("RFQ") process. The RFQ for Parcel 1 of Block N3a ("Site") was developed in consultation with the Director of the Mayor's Office of Housing and in compliance with the City's affordable housing goals, as required by the Policy.
4. On August 15, 2000, the Agency Commission approved Catellus Development Corporation's Major Phase Application for Blocks N3-N4a in the Mission Bay North Redevelopment Project Area. Pursuant to the terms of the Mission Bay North Owner Participation Agreement between the Agency and Catellus ("OPA"), the Site then became available for the Agency to select a developer.
5. At its meeting on January 16, 2001, the Agency Commission authorized the Agency Executive Director to enter Exclusive Negotiations with Mercy and further authorized an Exclusive Negotiations Agreement (the "Agreement") with Mercy to clarify the

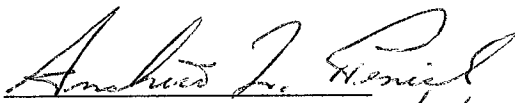
obligations Mercy must fulfill to remain in Exclusive Negotiations leading to the execution of a Ground Lease Agreement and the development of the Site.

6. In 1999, the Agency received \$1.4 million from the California Housing Finance Agency ("CHFA") Housing Enabled Local Partnerships ("HELP") Program for the purpose of creating a revolving loan fund to fund predevelopment and pre-construction costs incurred by developers of Agency Affordable Housing Parcels in Mission Bay. In 2001, the Agency received an additional \$1.5 million so that a total of \$2.9 million is available. The HELP Funds would be loaned through the end of construction at which time the Agency will substitute other Mission Bay Funds so that the HELP Funds will be available to lend to the next Agency Mission Bay affordable housing parcel.
7. On September 10, 2001, Mercy requested a Mission Bay North Housing Loan to pay for predevelopment and pre-construction associated with the Project.
8. At its meeting of November 6, 2001, the Commission recommended approval of a Mission Bay North Housing Loan Agreement for \$1,966,515 subject to the terms and conditions listed in the Loan Evaluation.
9. On February 21, 2003, Mercy requested additional predevelopment funding to pay for costs associated with the elimination of the nonprofit office space and the subsequent redesign.
10. On March 21, 2003 the Affordable Housing Loan Committee recommended approval of \$752,990 in additional funding for an aggregate total of \$2,719,505.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director or her designee is authorized to enter into a Mission Bay North Housing Loan Agreement First Amendment with Mercy Housing California, a California nonprofit public benefit corporation, in an aggregate amount not to exceed \$2,719,505 to pay predevelopment and pre-construction expenses associated with for the development of 140 units of affordable senior rental housing, and related community space substantially in the form lodged with Agency General Counsel; and enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

APPROVED AS TO FORM:


for BERTHA A. ONTIVEROS 4/17/03
Agency General Counsel