

RESOLUTION NO. 66-2003

Adopted April 29, 2003

AUTHORIZING A SECOND AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT WITH MARY ELIZABETH INN, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION (“MEI”) AND CALIFORNIA PROPERTIES OF WOMAN’S DIVISION, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR ADDITIONAL GRANT FUNDS IN THE AMOUNT OF \$646,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$3,352,406, AND TO REVISE THE CONSTRUCTION COMPLETION DATE, AND AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH MEI IN AN AMOUNT NOT TO EXCEED \$122,319, FOR THE REHABILITATION OF 88 UNITS OF EXTREMELY LOW AND VERY-LOW INCOME RENTAL HOUSING FOR WOMEN, 1040 BUSH STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

1. January 23, 1996, by Resolution No. 10-96, the Agency approved a Regulatory and Grant Agreement of \$1,640,910 in Citywide Tax Increment Housing funds (the “Agreement”) to California Properties of Woman’s Division, Inc., a California nonprofit public benefit corporation, as Owner, and Mary Elizabeth Inn, a California nonprofit public benefit corporation (“MEI”), as Operator (together, “Developer”) for the purpose of rehabilitating Mary Elizabeth Inn, located at 1040 Bush Street for use as rental housing for extremely low and very-low income women (the “Project”).
2. On October 28, 1997, by Resolution 221-97, the Agency approved an amendment to the Agreement for an additional Four Hundred Sixty-Five Thousand Four Hundred and Ninety-Six Dollars (\$465,496) of Citywide Tax Increment Housing Funds.
3. On February 8, 2000, by Resolution 19-2000, the Agency approved Developer’s additional request of Six Hundred Thousand Dollars (\$600,000), which combined with its 1997 approval of \$465,496, amounts to a total increase of One Million Sixty-five Thousand Four Hundred and Ninety-Six Dollars (\$1,065,496) (the “First Amendment”) for a total aggregate grant amount of Two Million Seven Hundred Six Thousand Four Hundred and Six Dollars (\$2,706,406) of Citywide Tax Increment Housing Funds, pursuant to the terms and conditions of the Agreement, as amended.
4. The Developer has requested an additional amount to pay the increased costs caused by a two-year delay in construction, the costs for a marketing consultant to assist in leasing 54 of its 88 rooms, and the costs associated with complying with the new Underwriting Guidelines of the City and the Agency. In addition, MEI, as the Operator, is requesting a tax increment loan in the amount of \$122,319 (the

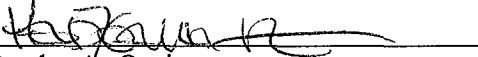
“Agency Loan”) that represents a 5% retention payment required for payment to the General Contractor.

5. On April 18, 2003, the Citywide Affordable Housing Loan Committee (the “Committee”) evaluated the funding request and recommended approving an additional amount of \$637,681 in a Second Amendment to the Regulatory and Grant Agreement for a total aggregate amount not to exceed \$3,344,087; this amount has subsequently been adjusted upwards by \$8,619, and approved subsequently by the Committee, for a revised additional amount of \$646,000, and a total aggregate amount of \$3,352,406. The Committee, also subsequent to its April 18, 2003 meeting, approved the requested Agency Loan to MEI.
6. In addition to the increase in the grant amount, the Developer is also requesting to change the completion of construction date to August 31, 2003 and to clarify the existing affordability restrictions.
7. The Agency now desires to make the requested changes to the Agreement through a Second Amendment, and to authorize the requested Agency Loan.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Second Amendment to the Regulatory and Grant Agreement with California Properties of Woman’s Division, Inc., a California nonprofit public benefit corporation, and the Mary Elizabeth Inn, a California nonprofit public benefit corporation (“MEI”), for additional grant funds in an amount not to exceed \$646,000, for a total aggregate amount not to exceed \$3,352,406 and to revise the construction completion date, and to execute a Tax Increment Loan Agreement with MEI in the amount of \$122,319, for the rehabilitation of 88 units of extremely low and very-low income rental housing for women at Mary Elizabeth Inn, 1040 Bush Street, as part of the Citywide Tax Increment Housing Program, in substantially the form lodged with Agency General Counsel.

APPROVED AS TO FORM:


Bertha A. Ontiveros
Acting Agency General Counsel