

RESOLUTION NO. 74-2003

Adopted May 20, 2003

AUTHORIZING AN AMENDMENT TO THE EXCLUSIVE NEGOTIATIONS PERIOD TO EXTEND THE TERM FOR FOUR MONTHS AND A SECOND AMENDMENT TO A PREDEVELOPMENT GRANT AGREEMENT TO MODIFY THE BUDGET AND SCHEDULE OF PERFORMANCE WITH CONARD HOUSE, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE ACQUISITION AND REHABILITATION OF 55 VERY LOW INCOME RENTAL UNITS AT THE JORDAN APARTMENTS, 820 O'FARRELL STREET; CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") has established a Citywide Tax Increment Affordable Housing Program to assist in the acquisition and rehabilitation of housing for low- and very low-income tenants.
2. The Agency previously provided a grant of \$1,161,181 (the "Grant") and entered into a Regulatory and Grant Agreement (the "Grant Agreement") with Housing for Independent People, a California nonprofit public benefit corporation ("HIP") dated May 12, 1993, which provided funds for the acquisition, rehabilitation and operation of 54 units of very low income housing and one manager's unit at the Jordan Apartments (the "Project") located at 820 O'Farrell Street (the "Property").
3. Concurrently with the Grant Agreement, the Agency also provided a loan in the amount of \$261,493 (the "Loan") to HIP for the Project. HIP's obligations to perform under the Grant and to repay the Loan are secured by a Deed of Trust dated May 12, 1993 ("DOT") duly recorded in the Official Records of the City and County of San Francisco.
4. HIP assigned its interest in the Agreement, the Loan and the DOT to 820 O'Farrell, Inc., a California nonprofit public benefit corporation, a single purpose entity controlled by HIP, to own and operate the Project, pursuant to an Assignment and Assumption Agreement, dated June 24, 1994, duly recorded in the Official Records of the City and County of San Francisco.
5. HIP filed bankruptcy in December 1995 due to financial difficulties. Since 820 O'Farrell Inc. was a controlled corporation and HIP appoints its board members, HIP's bankruptcy affected the ability and desire of 820 O'Farrell, Inc. to own


14. The Developer has had to expend additional predevelopment grant funds for the financial consultant's assistance with the application for MHP funds, the Developer has also requested permission to modify the budget.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to:

- (1) extend the Exclusive Negotiations period with Conard House, Inc., a California nonprofit public benefit corporation, or its single purpose subsidiary, for a four month period, from June 26, 2003 to October 26, 2003; and
- (2) execute a Second Amendment to the Predevelopment Grant Agreement to modify the Budget and the Schedule of Performance in accordance with the extension of time, for the acquisition and rehabilitation of 55 units of very low income housing at the Jordan Apartments located at 820 O'Farrell Street, substantially in the form lodged with Agency General Counsel, as part of the Agency's Citywide Tax Increment Affordable Housing Program.

APPROVED AS TO FORM:



Bertha A. Ontiveros
Agency General Counsel