

## RESOLUTION NO. 76-2003

*Adopted May 27, 2003*

### **AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE WITH NAMIKI APARTMENTS LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, AND RELATED ACTIONS AND DOCUMENTS FOR THE NAMIKI APARTMENTS, AT 1776 SUTTER STREET IN THE WESTERN ADDITION A-2 PROJECT AREA, ALL AS PART OF THE AGENCY'S HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM**

#### **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 Redevelopment Agency of the City and County of San Francisco (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. The Agency is authorized pursuant to the Law to increase and maintain the affordability of the housing stock in the City for affordability by very-low, low and moderate-income households.
3. The expiration of project-based Section 8 contracts poses a serious threat to San Francisco's affordable housing stock. The Agency desires to preserve developments with Section 8 contracts as affordable housing by lending or expending Tax Increment Housing Funds, an action that benefits the goals and objectives of the Agency's redevelopment project areas.
4. On September 14, 1999, the Commission approved a Resident Capacity Grant with the Namiki Tenants Association for \$22,350 to fund resident organizing and initial feasibility studies with the goal of preserving their housing affordability after the expiration of the Section 8 contract governing the rent limits at the Namiki Apartments (the "Site").
5. After a formal interview process, the Namiki tenants selected Chinatown Community Development Center ("CCDC") to be their developer partner on October 20, 1999.
6. On November 14, 2000, CCDC entered into a Purchase Agreement with Namiki Associates Ltd., the then owner, for the purchase of the Site.

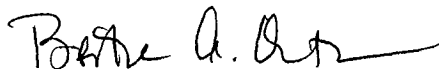
6. On October 9, 2001, by Resolution No. 176-2001, the Commission approved the acquisition and leasing of the land at 1776 Sutter Street to CCDC for the purchase amount of \$1.9 million. After a Ground Lease rent pre-payment, the Agency contribution to the land purchase amount was \$1,360,000. The total purchase price for the Site was \$5,900,000.
7. In order to qualify for State of California Multifamily Housing Program ("MHP") funding, the lease term of the ground lease must be modified as required by the State Department of Housing and Community Development ("HCD") to comply with the state program requirements regarding the term and schedule of performance. In addition, HCD requires the Agency, the Namiki L.P., and HCD itself enter into a lease rider agreement regarding HCD's rights as a lender.
8. CCDC and the Agency now desire to modify the Groundlease to incorporate revised terms required to fulfill the funding conditions of the MHP loan, and to execute a lease rider agreement.

## 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 the following documents, substantially in the form lodged with the Agency General Counsel:

1. A First Amendment to the Ground Lease, with Namiki Apartments Limited Partnership, a California limited partnership (an affiliate entity of and successor in interest to the Chinatown Community Development Center, a California public benefit non-profit corporation), for the land at 1776 Sutter Street to revise the term and schedule of performance;
2. A Lease Rider Agreement with Namiki Apartments Limited Partnership and the California Department of Housing and Community Development to confirm the rights of the lender; and
3. Any and all ancillary documents necessary to carry out the transaction authorized by this Resolution.

**APPROVED AS TO FORM:**



**BERTHA A. ONTIVEROS**  
Agency General Counsel