

RESOLUTION NO. 140-2003

Adopted August 26, 2003

AUTHORIZING A FIRST AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT TO INCREASE THE GRANT AMOUNT BY \$494,871 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$4,381,735 WITH JORDAN HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 55 VERY LOW-INCOME RENTAL UNITS, THE JORDAN APARTMENTS, 820 O'FARRELL STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the "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 ("HIP"), a California nonprofit public benefit corporation, dated May 12, 1993, which provided funds for the acquisition, rehabilitation and operation of 54 units of very low income housing, and one property manager's unit (the "Project") at the Jordan Apartments 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 ("DOT") dated May 12, 1993, duly recorded in the Official Records of the City and County of San Francisco (the "City").
4. HIP assigned its interest in the Grant Agreement, the Loan, and the Deed of Trust to 820 O'Farrell, Inc., a California nonprofit public benefit corporation pursuant to an Assignment and Assumption Agreement, dated June 24, 1994, and later 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 and operate the Project.
5. The Agency issued three Requests for Proposals ("RFP") between 1997 and 1999 in search of a qualified owner/operator for the Project, and in September 1999, the Affordable Housing Loan Committee reviewed and approved a request to recommend

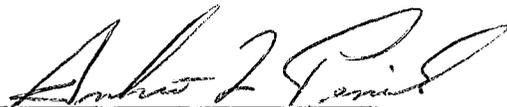
Affordable Housing Loan Committee reviewed and approved a request to recommend that the Commission accept Conard House Inc. ("CHI"), the qualified entity who responded to the last RFP in August 1999, as a potential owner/operator and to proceed with the preparation of a request to rehabilitate the Property. CHI has been providing a variety of support services to residents since April 2000 that have substantially improved the quality of life for tenants residing at the Property.

6. The Agency took the necessary actions to secure its interests under the Deed of Trust and to clear the Project's title and foreclosed on the Property on October 15, 2001 becoming the owner of record. John Stewart Company continues to provide property management services.
7. On February 26, 2002, the Commission authorized a \$75,000 Predevelopment Grant Agreement to permit CHI to make the necessary investigations and assessments to prepare them for ownership and operation of the Jordan Apartments.
8. On December 11, 2002, the Commission authorized a first amendment to the \$75,000 Predevelopment Grant Agreement with CHI.
9. CHI has established a single-asset nonprofit subsidiary, Jordan Housing Corporation ("JHC") to ultimately own and operate the Project.
10. JHC applied for and received a \$1,250,000 award in State Multifamily Housing Program Funds ("MHP") to partially fund the rehabilitation of the Project.
11. On March 11, 2003, the Commission authorized a grant in an amount not to exceed \$3,886,864 to cover development costs associated with the acquisition and rehabilitation of the Project and to improve its ability to compete for the MHP award.
12. On March 11, 2003, the Commission also authorized a \$1,250,000 Tax Increment Loan to provide interim financing subject to receipt of the MHP award.
13. Upon the subsequent completion of the bid process and review of the project by the Mayor's Office of Disability it was determined that the Project would require an additional \$494,871 to make additional improvements associated with items such as lead abatement and accessibility issues.
14. JHC has requested that the Commission consider its request to provide the remaining gap financing to completely finance the Project's acquisition and rehabilitation in the amount of \$494,871, not to exceed an aggregate amount of \$4,381,735.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into a First Amendment to the Regulatory and Grant Agreement to increase the grant amount by \$494,871 for a total aggregate amount not to exceed \$4,381,735, with Jordan Housing Corporation, a California nonprofit public benefit corporation, or its nonprofit single-asset subsidiary, activities in conjunction with the acquisition and rehabilitation of 55 units of very low income rental housing for the formerly homeless at the Jordan Apartments, located at 820 O'Farrell Street, as part of the Agency's Citywide Tax Increment Affordable Housing Program, substantially in the form lodged with Agency General Counsel.

APPROVED AS TO FORM:


for James B. Morales 5/21/03
Agency General Counsel