

RESOLUTION NO. 142-2003

Adopted September 16, 2003

AUTHORIZING A SECOND AMENDMENT TO THE GROUND LEASE WITH NAMIKI APARTMENTS LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF THE NAMIKI APARTMENTS, 1776 SUTTER STREET IN THE WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, 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 November 14, 2000, Chinatown Community Development Center ("CCDC") entered into a Purchase Agreement with Namiki Associates Ltd., the then owner, for the purchase of the Namiki Apartments (the "Site") to preserve the housing affordability.
5. On February 20, 2001, by Resolution No. 33-2001, the Commission approved the execution of an Assignment and Assumption Agreement with CCDC for the Agency's rights under the purchase agreement to purchase the land only, with the goal of eventually preserving 34 units of affordable senior housing units with 8 parking spaces on 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's


contribution to the land purchase amount was \$1,360,000. The total purchase price for the Site was \$5,900,000.

7. On May 27, 2003, by Resolution No. 76-2003, the Commission approved a modification of the lease term of the Ground Lease, the Schedule of Performance also found therein, and the entering into of a lease rider agreement; all to comply with the State of California Multifamily Housing Program ("MHP") funding requirements. These modifications were incorporated into a first amendment to the Ground Lease for the Site (the "First Amendment").
8. On July 8, 2003, by Resolution No. 109-2003, the Commission approved an amended and restated First Amendment to incorporate additional modifications as requested by the State Department of Housing and Community Development ("HCD") relating to the distribution of the Site's surplus cash, which was later executed on August 6, 2003.
9. CCDC and the Agency now desire to modify the Ground Lease to revise the Schedule of Performance, extending the deadline for submission of the request for approval of the certificate of completion for the Site.

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 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 nonprofit corporation), for the land at 1776 Sutter Street to revise the Schedule of Performance; substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


J. James B. Morales 9/1/03
Agency General Counsel