

RESOLUTION NO. 150-2003

Adopted September 16, 2003

AUTHORIZING A FIRST AMENDMENT TO AN AMENDED AND RESTATED TAX INCREMENT AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH PUBLIC INITIATIVES DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE LOAN AMOUNT BY \$278,078 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$11,200,518, FOR THE PREDEVELOPMENT AND CONSTRUCTION OF 106 VERY LOW INCOME RENTAL UNITS, GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT OF BINDLESTIFF STUDIO, 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. California Redevelopment Law (Health and Safety Code, Section 33000, *et seq.*) (the "Law"), requires a Redevelopment Agency to set aside 20% of its tax increment funds for purposes of developing affordable housing.
2. The Redevelopment Agency of the City and County of San Francisco (the "Agency") administers the tax increment funds for affordable housing projects.
3. On April 9, 2002, by Resolution No. 52-2002, the Agency authorized a Tax Increment Affordable Housing Program Predevelopment Loan of \$500,000 (the "Agency Loan") with Public Initiatives Development Corporation, a California nonprofit public benefit corporation (the "Sponsor"), for the construction of 106 very low income rental units, ground floor commercial space and the replacement of Bindlestiff Studio (the "Project") at the current site of the Plaza Hotel, 988-992 Howard Street (the "Property"), in the Agency's South of Market Earthquake Recovery Redevelopment Project Area ("Project Area").
4. On April 8, 2003, by Resolution No. 47-2003, the Agency authorized an amendment to the Agency Loan that increased the loan amount by \$1,189,639 for a total aggregate loan amount of \$1,689,639.
5. On June 17, 2003, by Resolution No. 98-2003, the Agency authorized an amendment to the Agency Loan that increased the loan amount by \$810,361 for a total aggregate loan amount of \$2,500,000.
6. On July 22, 2003, by Resolution No. 122-2003, the Agency authorized an amendment to the Agency Loan that increased the loan amount by \$8,422,440 so that all the Agency funds required to develop the Project would be committed in order to secure an allocation of 9% federal tax credits through application to the State of California's

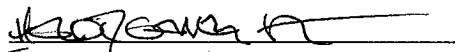
Tax Credit Allocation Committee.

7. After submitting the tax credit application, PIDC learned that their requested allocation exceeded the amount of credit available, resulting in a loss of tax credit equity. To maintain the financial feasibility of the Project an additional \$278,078 is required to compensate for the loss of tax credit equity.
8. On September 5, 2003, the Citywide Affordable Housing Loan Committee approved the Sponsor's request to increase the Agency Loan by \$278,078 for a total aggregate loan amount of \$11,200,518, and recommended Commission approval of such action.
9. The Agency now desires to amend the Agency Loan as requested by the Sponsor and as recommended by the Citywide Affordable Housing Loan Committee.

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 first amendment to the Amended and Restated Tax Increment Affordable Housing Program Loan Agreement, with Public Initiatives Development Corporation, a California nonprofit public benefit corporation, to increase the loan amount by \$278,078 for a total aggregate amount not to exceed \$11,200,518, for the predevelopment and construction of 106 very low income rental units, ground floor commercial space, and the replacement of Bindlestiff Studio at 988-992 Howard Street, in the South of Market Earthquake Recovery Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel