

RESOLUTION NO. 175-2003

Adopted November 18, 2003

AUTHORIZING A FIRST AMENDMENT TO A TAX INCREMENT GRANT AGREEMENT WITH SAN FRANCISCO MEDICAL CENTER OUTPATIENT IMPROVEMENT PROGRAMS, INC. (COMMONLY KNOWN AS THE SOUTH OF MARKET HEALTH CENTER), A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,420,917, TO MODIFY CERTAIN TERMS, IN CONJUNCTION WITH THE ACQUISITION, PREDEVELOPMENT, AND CONSTRUCTION OF AN APPROXIMATELY 20,000 SQUARE FOOT HEALTH CLINIC FACILITY AT 227-255 SEVENTH STREET (BATMALE SITE); SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

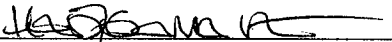
1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, (the "Law"), the Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the "City").
2. Pursuant to the Law, the Board of Supervisors of the City (the "Board") established the South of Market Earthquake Recovery Redevelopment Project Area (the "Project Area") and adopted the South of Market Earthquake Recovery Redevelopment Plan (as amended, the "Redevelopment Plan").
3. 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 and to develop commercial, public or other structures or spaces as may be appropriate or necessary in the interest of the general welfare.
4. The South of Market Health Center, a California nonprofit public benefit corporation (the "SOMHC" or "Grantee"), plans to develop a 20,000 square foot neighborhood health clinic in conjunction with an affordable family housing project (the "Project") to be developed by Mercy Housing California, a California nonprofit public benefit corporation, at 227-255 Seventh Street, (the "Site"), within the Project Area.
5. MHC and SOMHC (together, the "Partnership") have entered into a purchase agreement with the current owner of the Site, the living Trust of Wayne and Therese Batmale (the "Owner").

6. On March 18, 2003 by Resolution Number 40-2003, the Agency authorized a Tax Increment Grant in an amount not to exceed \$1,420,917 (the "Agency Grant") to assist SOMHC, with acquisition and development costs related to developing the health clinic.
7. Under the terms of the purchase agreement with the Owner, Partnership must purchase the Site by December 1, 2003.
8. The Site is occupied by two commercial tenants and generates \$267,114 in commercial lease revenue. SOMHC has asked that a proportionate share of the lease revenue be used to pay for some of the development costs for the health clinic.
9. The Agency now desires to amend the Agency Grant as requested by the Grantee.

BASIS FOR 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 Tax Increment Grant Agreement with San Francisco Medical Center Outpatient Improvement Programs, Inc. (commonly known as the South of Market Health Center), a California nonprofit corporation, in an amount not to exceed \$1,420,917, for the acquisition, predevelopment, and construction of an approximately 20,000 square foot health clinic facility at 227-255 Seventh Street (Batmale Site) 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