

RESOLUTION NO. 189-2003

Adopted December 16, 2003

AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH VALENCIA GARDENS HOUSING LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$5,000,000 FOR PREDEVELOPMENT AND CONSTRUCTION OF 52 VERY LOW INCOME FAMILY RENTAL UNITS AT 340 – 370 VALENCIA STREET; AGENCY CITYWIDE AFFORDABLE 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. 340 – 370 Valencia Street (the “Site”) is a 246-unit deteriorated public housing development that does not meet the occupancy needs of its residents. Mission Housing Development Corporation, a California nonprofit public benefit corporation (MHDC)(the developer of record and general partner of the Valencia Gardens Housing Limited Partnership, a California Limited Partnership)(the “Partnership”) and the San Francisco Housing Authority (SFHA) have entered into a Disposition and Development Agreement (“DDA”) which calls for MHDC to develop 260 large units that will comply with existing codes and add community spaces and other amenities to increase the level of habitability.
4. The development plan calls for 260 units of new affordable housing, a childcare center, a computer learning center, multi-purpose community room, public spaces and surface parking. Of the proposed 260 units, 208 will be on-site public housing replacement units, and 52 will be tax credit non-public housing family units. The request for tax increment funding is to support the development of the 52 units of tax credit non-public housing only.

5. Units removed from Valencia Gardens will be replaced by newly constructed units on the existing site of Valencia Gardens and at two new senior housing developments on Agency Parcels A and C in the Western Addition Redevelopment Project Area as per the Replacement Housing Plan for Valencia Gardens, which Plan is being considered, pursuant to Resolution No. 189-2003, by the Commission simultaneously with this Resolution.
6. The Partnership is requesting a loan in an amount not to exceed \$5,000,000 for costs associated with the predevelopment and construction of the 52 tax credit non-public housing units.
7. There are sufficient funds available in the Agency's Fiscal Year 2003-2004 budget and the Agency now wishes to approve the loan in the requested amount.

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 Tax Increment Loan Agreement with Valencia Gardens Housing Limited Partnership, a California limited partnership, in an amount not to exceed \$5,000,000 for the predevelopment and construction of 52 very low income family rental units at 340 – 370 Valencia Street, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


JAMES B. MORALES
Agency General Counsel