RESOLUTION NO. 26-2004

Adopted March 2, 2004

AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE WITH AR PRESERVATION, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF 179 UNITS OF VERY LOW-INCOME HOUSING AT THE ALEXANDER RESIDENCE, 230 EDDY STREET AS PART OF THE AGENCY’S HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT 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 “CRL”)), 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 under the CRL to increase and maintain the affordability of the housing stock in the City for occupancy by very low-, low- and moderate-income households.

3. Pursuant to the CRL and in response to the serious threat to San Francisco’s affordable housing stock posed by the expiration of Section 8 mortgages, the Agency established a Housing Preservation Program, which has included the lending or expenditure of Tax Increment Housing Funds in order to preserve the affordability of Section 8 rental units.

4. The Alexander Residence is a 179-unit residential property (the “Development”) located at 230 Eddy Street, San Francisco, California, which was at risk of converting to market-rate housing. To preserve this housing, the Agency and Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation (“TNDC”), the managing general partner of AR Preservation L.P., a California limited partnership (the “Tenant”), acquired the land and the Development, respectively, on December 19, 2000. Tenant operates the building under a Ground Lease Agreement (“Lease”) with the Agency.

5. Since TNDC’s acquisition of the building, it has diligently completed all predevelopment work for the property’s rehabilitation, including negotiation of favorable tax credit partnership terms and resolution of structural design issues. Construction commenced in November 2002, and is schedule to conclude by June 2004.
6. To accommodate the delay in construction commencement caused by the tax credit partnership negotiations, Tenant has requested a first amendment ("First Amendment") to the Lease to revise the Schedule of Performance (Attachment 3 of the Lease) to extend the construction completion date and date of Tenant’s submission of a Notice of Completion for Agency Approval.

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 Ground Lease with AR Preservation, L.P., a California limited partnership, to revise the schedule of performance for the rehabilitation of 179 units of very low-income housing at the Alexander Residence, 230 Eddy Street as part of the Agency’s housing preservation program and Citywide Tax Increment Affordable Housing Program.

APPROVED AS TO FORM:

[Signature]

James B. Morales
Agency General Counsel