RESOLUTION NO. 29-2004

Adopted March 2, 2004

AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE WITH MERCY HOUSING CALIFORNIA XVII, A CALIFORNIA LIMITED PARTNERSHIP, TO CLARIFY THE ANNUAL RENTAL PAYMENTS, FOR THE DEREK SILVA COMMUNITY RESIDENCE, 1580-1598 MARKET STREET

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 Agency is authorized under a Housing Opportunities for Persons with AIDS ("HOPWA") Grant Agreement with the United States Department of Housing and Urban Development ("HUD"), executed pursuant to the AIDS Housing Opportunity Act (42 U.S.C. §§ 12901 to 12912), to provide qualifying sponsors with resources for meeting the housing needs of persons with Acquired Immune Deficiency Syndrome ("AIDS").

4. On December 31, 2001, Mercy Housing California XVII, a California Limited Partnership (the “Developer”), acquired the Derek Silva Community Residence, consisting of 61 residential units and approximately 6,400 square feet of ground floor commercial space, located at 1580-1598 Market Street in San Francisco, California and the improvements thereon (the “Property”), in part with a loan of federal HOPWA funds in the amount of $2,300,000 approved by the Commission on December 4, 2001.

5. On December 19, 2002, the land portion of the Property was transferred to the Agency as repayment of the HOPWA Loan, and a ground lease to lease the land back to the Developer (the “Ground Lease”) was executed, pursuant to Agency Resolution No. 216-2002.

6. The Ground Lease requires modification of language to clarify the accounting of contingent rent. No other material change is contemplated for Commission approval as part of this amendment.
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 Mercy Housing XVII, a California Limited Partnership, for the land at 1580-1598 Market Street, to clarify the annual rental payments, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

[Signature]

James B. Morales
Agency General Counsel