RESOLUTION NO. 104-2004

Adopted September 7, 2004

AUTHORIZING A FOURTH AMENDMENT TO THE DISPOSITION AND
DEVELOPMENT AGREEMENT WITH SAN FRANCISCO CARE CENTER,
L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE
PERFORMANCE SCHEDULE FOR THE PROJECT LOCATED ON AGENCY
PARCEL 714-A(2), LOT 28 OF ASSESSOR'S BLOCK 714; WESTERN
ADDITION REDEVELOPMENT PROJECT AREA A-2

BASIS FOR RESOLUTION

1. On September 12, 2000, the Redevelopment Agency of the City and County of
San Francisco (the “Agency”) authorized execution of a Disposition and
Development Agreement (the “DDA”) with Van Ness Care Center, Inc., a
California corporation (“VNCC”), for the purchase and development of Agency
Parcel 714-A(2), Lots 2 and 3 of Assessor’s Block 714 (the “Site”), in the
Western Addition Redevelopment Project Area A-2. Since then, the lots have
been merged into Lot 28, and the DDA has been assigned by VNCC to San
Francisco Care Center, L.P., a California limited partnership (the “Developer”).

2. The DDA permitted the Developer to purchase the Site and to develop it with a
nine-story, mixed-use development consisting of a 112-unit, assisted-living
facility, a 20-bed dementia/respite-care facility, a 1,700-square-foot
retail/commercial space, and a 36-stall parking garage (the “Project”).

3. The Agency and the Developer amended the DDA through a First Amendment
dated May 22, 2001. The First Amendment permitted the Developer to: (1)
substitute conventional financing for tax-exempt bond financing in exchange for
increasing the number of affordable units from 20 to 25; (2) reduce the
retail/commercial space from 1,700 square feet to 1,500 square feet; (3) convert
the 20-bed convalescent hospital to a 20-bed licensed dementia/respite-care
facility; and (4) set the total monthly charge for shelter rent and basic personal
services for each affordable unit in the Project.

4. The Agency and the Developer later amended the DDA through a Second
Amendment dated November 13, 2001, which revised the DDA’s performance
schedule.

5. The Agency and the Developer again amended the DDA through a Third
Amendment dated April 30, 2002. The Third Amendment permitted an
assignment of the DDA to the Developer from its predecessor, VNCC, and the
conditional subordination of the Agency’s interest in the DDA to the U.S.
Department of Housing and Urban Development to secure mortgage insurance for
the Project.
6. Construction commenced on the Project in June 2002. Due to higher than expected construction bids, it took the Developer more time than anticipated to complete the necessary cost-reduction activities to reach acceptable bids. At the Developer’s request, the Agency, acting through its Executive Director, extended the date for construction completion from February 10, 2004 to July 21, 2004, as is allowed under the DDA. In July 2004, the Developer informed the Agency that the Project was over 95% completed and that, due to additional re-bidding for some elements of the Project, it anticipated construction completion in late September or early October 2004. To be in compliance with the DDA, the Developer has submitted a request to the Agency to extend the completion date to October 30, 2004.

7. Agency staff has reviewed the Developer’s request and finds the request reasonable. The proposed Fourth Amendment to the DDA will modify the DDA performance schedule by extending the construction completion date to October 30, 2004.

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 and execute a Fourth Amendment to the Disposition and Development Agreement with San Francisco Care Center, L.P., a California limited partnership, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

[Signature]
James B. Morales
Agency General Counsel