RESOLUTION NO. 127-2004

Adopted October 19, 2004

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXPEND AN AGGREGATE AMOUNT NOT TO EXCEED $175,000 FOR LOAN ASSISTANCE TO OWNERS OF AGENCY ASSISTED BELOW MARKET RATE UNITS IN HILLSIDE VILLAGE WISHING TO UNDERTAKE DRAINAGE REPAIRS; AFFORDABLE HOMEOWNERSHIP PROGRAM; HUNTERS POINT REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. From 1991 to 1993, the Redevelopment Agency of the City and County of San Francisco ("Agency") assisted in the development of townhomes at Hillside Village in the Hunters Point Redevelopment Project Area. The Agency provided a land write-down, constructed infrastructure, and offered second mortgage assistance of $2,365,000, enabling 38 of the 62 homes at Hillside Village to be sold to first-time low- and moderate-income homebuyers, as part of the Agency’s Affordable Homeownership Program.

2. After construction was completed in the early part of 1993, drainage problems became apparent. The Developer (Future Perfect, Inc.), consulting engineers, the San Francisco Department of Building Inspections, and the Agency conferred and agreed to implement a drainage system consisting of a concrete swale and sub-drain system at the perimeter of units’ property lines. The new system was completed in March 1993.

3. Despite these improvements, individual homeowners have continued to experience water seepage problems.

4. Consulting engineers have proposed that one of the solutions for the drainage problems is to install individual sump pumps in the affected units. The cost of the proposed solution is estimated to be between $3,500 and $5,000 per unit.

5. Owners of Below Market Rate (BMR) units may not have the funds necessary to pay for the proposed drainage solution, and the Agency wishes to provide assistance to such homeowners in order to improve the quality of life for the current homeowners at Hillside Village and protect the Agency’s investment of public funds in the BMR units.

6. Additional assistance provided to the homeowners of BMR units would be documented through an amendment to the existing Agency Promissory Notes ("Notes") and amended Deed of Trusts, with the additional principal to be repaid interest-free at the due date of each Note.
RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to expend an aggregate amount not to exceed $175,000 for loan assistance to owners of Agency Assisted Below Market Rate Units in Hillside Village wishing to undertake drainage repairs.

APPROVED AS TO FORM:

[Signature]
James B. Morales  
Agency General Counsel