RESOLUTION NO. 140-2004

Adopted December 7, 2004

AUTHORIZING A THIRD AMENDMENT TO THE TAX INCREMENT AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH 32-40 6TH STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF THE SENeca HOTEL, 32-40 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") is authorized, pursuant to the California Community Redevelopment Law (Health and Safety Code, Section 33000, et seq.) and desires to distribute money from its Low and Moderate Income Housing Fund for the specific and special purpose of increasing and maintaining the housing stock in the City and County of San Francisco ("City") as affordable to very low, low and moderate income households.

2. On February 25, 2003, by Resolution No. 28-2003, the Agency authorized a Single Room Occupancy ("SRO") Hotel Rehabilitation Loan Program ("Program"), which provides financial assistance to owners of SRO hotels along the Sixth Street Corridor.

3. The Seneca Hotel ("Site") is a 204-unit SRO hotel located at 32-40 Sixth Street in the South of Market Earthquake Recovery Redevelopment Project Area.

4. The Site is leased on a long-term basis by the Tenderloin Housing Clinic, a California nonprofit public benefit corporation ("THC"), from the owner, 32-40 6th Street, LLC, a California limited liability company, ("Owner") (the "Master Lease"), to provide housing to very low-income residents, many of whom are clients of the Personal Assistance Employment Services ("PAES") Program, an employment assistance program administered by the City’s Department of Human Services ("DHS").

5. On July 30, 2002, by Resolution No. 138-2002, the Agency authorized a $142,785 Tax Increment Affordable Housing Program Loan Agreement (the "Loan") to the Owner, for predevelopment activities related to the renovation of the Site. THC, however, will administer the Loan on behalf of the Owner to develop a scope of work for renovating the Site, including improvements to the common areas and elevator repairs. When the Loan was authorized, the Agency anticipated that the Owner would request an additional amount not to exceed $857,215 for the construction of the renovations identified during the predevelopment phase.
6. On May 20, 2003, by Resolution No. 73-2003, the Agency authorized a First Amendment to the Loan ("First Amendment") to revise the Schedule of Performance in order to complete certain predevelopment activities.

7. On September 16, 2003, by Resolution No. 149-2003, the Agency authorized a Second Amendment to the Loan ("Second Amendment") to increase the loan amount to $998,776 for rehabilitation construction costs, and to revise the Schedule of Performance in order to pursue predevelopment activities such as value engineering and obtaining a building permit.

8. On September 23, 2004, the Agency entered into a Letter Agreement with the Owner to define terms of the Owner's share of the cost of the elevator rehabilitation.

9. THC has completed predevelopment activities and executed a contract for improvements according to the scope of work. The Owner has deposited, as required by the Loan, $108,308.00 into a bank account to cover the Owner's share of the elevator rehabilitation. THC, on behalf of the Owner, has requested a Third Amendment to the Loan ("Third Amendment") to revise the Schedule of Performance.

10. The Agency now desires to revise the Schedule of Performance, pursuant to the Owner's and THC's request.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Third Amendment to the Tax Increment Affordable Housing Program Loan Agreement with 32-40 6th Street, LLC, a California limited liability company, to revise the Schedule of Performance, for the rehabilitation of the Seneca Hotel, 32-40 Sixth Street, in the South of Market Earthquake Recovery Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

James B. Morales
Agency General Counsel