RESOLUTION NO. 63-2005
Adopted April 19, 2005

AUTHORIZING AN OPTION AGREEMENT WITH 650 EDDY, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AND THE ACQUISITION OF THE PROPERTY AT 650 – 666 EDDY STREET, ALL IN CONJUNCTION WITH THE CONSTRUCTION OF APPROXIMATELY 81 UNITS OF SUPPORTIVE RENTAL HOUSING FOR VERY LOW-INCOME FORMERLY HOMELESS FAMILIES AND INDIVIDUALS; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the “Agency”) is authorized pursuant to California Community Redevelopment Law (Health and Safety Code, Section 33000 et seq.) to distribute monies from its tax increment Low and Moderate Income Housing Fund to certain nonprofit sponsors for the purpose of increasing and maintaining the housing stock in the City and County of San Francisco for very low-, low- and moderate-income individuals and families.

2. The 650 – 666 Eddy Street site is an underutilized property located on Eddy Street between Larkin and Polk Streets, Block 740, Lots 11 and 12 in San Francisco, California (the “Site”). Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation (“TNDC”), has assigned their purchase agreement with Prime Apartment Properties LLC to 650 Eddy, L.P., a California limited partnership (the “Developer”).

3. The Developer intends to construct an affordable multifamily housing development on the Site that will serve homeless families and individuals (the “Project”). The Project should be completed by late 2008. Based on preliminary planning, the Project will be designed within existing entitlements, and will be a nine story development with approximately 81 units, comprised of 32 studios, 34 one bedroom, and 15 two bedroom units. The lot is 11,250 sq. feet, and the total gross building square footage will be approximately 69,000.

4. The permanent financing sources for the Project include multifamily housing revenue bonds, low income housing tax credits, State of California supportive housing Multifamily Housing Program, Federal Home Loan Bank Affordable Housing Program, deferred developer fee, and additional financing from the Mayor's Office of Housing.

5. The Developer proposes to acquire the Site with $1,000,000 in tax increment grant funds from the Agency, and loans totaling $1,900,000 from Local Initiatives Support Corporation and Citibank. The purchase price of $2,875,000 is supported by an appraisal.
6. At construction loan closing when the other acquisition financing sources are repaid, the Agency will exercise a purchase option to acquire the Site for one dollar; execute a ground lease with the Developer; and terminate the grant agreement.

7. The Agency now desires to execute a grant agreement with Developer in an amount not to exceed $1,000,000 to help pay for Site acquisition.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized: (1) to enter into an Option Agreement with 650 Eddy, L.P., a California limited partnership, substantially in the form lodged with the Agency General Counsel; (2) to acquire the property at 650 – 666 Eddy Street from 650 Eddy, L.P. for an amount not to exceed One Dollar; and (3) to enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

APPROVED AS TO FORM:

James B. Morales
Agency General Counsel