RESOLUTION NO. 142-2005

Adopted September 20, 2005

AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH THE ALDER HOTEL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR AN AMOUNT NOT TO EXCEED $100,000, PURSUANT TO THE SINGLE ROOM OCCUPANCY HOTEL REHABILITATION LOAN PROGRAM, FOR REHABILITATION ACTIVITIES AT THE ALDER HOTEL LOCATED AT 169 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The South of Market Earthquake Recovery Redevelopment Plan was adopted in 1990 to address the damage from the 1989 Loma Prieta earthquake and to develop and preserve affordable and market rate housing.

2. To accomplish the goal of preserving affordable housing, Agency staff worked with the City Attorney’s Office, the South of Market Project Area Committee (“SOMPAC”), the Department of Building Inspection, the SRO Task Force, the Indian Hotel Owners Association, Tenderloin Housing Clinic, tenant representatives, and the San Francisco Rent Board to design a loan program to provide below market rate loans to owners of Single Room Occupancy (“SRO”) hotels to subsidize physical improvements of properties on the Sixth Street corridor in exchange for affordability restrictions.

3. The program is known as the SRO Hotel Rehabilitation Loan Program (“Program”) and was adopted as amended on February 25, 2003, pursuant to Resolution 28-2003. The Program’s goals are to improve tenant quality of life, extend the useful life of SROs, alleviate blight, and prevent displacement and gentrification through long-term affordability (“Program Goals”).

4. The Program is part of the Agency’s affordable housing efforts on Sixth Street located within the South of Market Earthquake Recovery Redevelopment Project Area (“Project Area”). The total Program amount currently is $1.9 million ($200,000 from fiscal year 2002-2003, $500,000 from fiscal year 2003-2004, $700,000 from fiscal year 2004-2005, and $500,000 from fiscal year 2005-2006).

5. Agency staff proposes to enter into a loan agreement with Alder Hotel, LLC, a California limited liability corporation, to fund $100,000 in quality of life improvements to the Alder Hotel at 169 Sixth Street. All Program loans must be approved by the Citywide Affordable Housing Loan Committee. On August 19, 2005, the Citywide Affordable Housing Loan Committee approved this proposed
loan. Pursuant to the Program, any loan exceeding $50,000 must be also be authorized by the Commission.

6. The proposed loan to Alder Hotel, LLC is consistent with achieving the Program Goals in the Project Area.

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 an SRO Rehabilitation Loan Program loan agreement with Alder Hotel, LLC, a California limited liability corporation, for an amount not to exceed $100,000, for rehabilitation activities at the Alder Hotel, located at 169 Sixth Street, in the South of Market Earthquake Recovery Redevelopment Project Area.

APPROVED AS TO FORM:

\[Signature\]

James B. Morales
Agency General Counsel