

RESOLUTION NO. 38-2006

Adopted March 21, 2006

AUTHORIZING A FIRST AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT WITH NEIGHBORHOOD HOUSING RENEWAL CORPORATION III, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM AND INCREASE THE LEVEL OF AFFORDABILITY, AND TO CONSENT TO THE ASSIGNMENT OF THE REGULATORY AND GRANT AGREEMENT TO 575 EDDY STREET ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE REHABILITATION OF 46 VERY LOW AND LOW INCOME RENTAL UNITS, 575 EDDY STREET; 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.*), and desires to distribute monies from its Tax Increment Affordable Housing Fund to nonprofit developers and sponsors for the specific and special purpose of increasing and maintaining the housing stock in the City and County of San Francisco (the "City") for very low, low, and moderate income households.
2. On March 12, 1991, pursuant to Resolution No. 63-91, the Agency Commission authorized the execution of a Regulatory and Grant Agreement with Neighborhood Housing Renewal Corporation III, a California nonprofit public benefit corporation, ("Neighborhood Housing"), to provide \$500,000 for the acquisition of 575 Eddy Street, a 47 unit apartment building (the "Property") (the "Agreement"). Neighborhood Housing is a nonprofit subsidiary of Asian, Inc. a California nonprofit public benefit corporation (the "Developer").
3. The Developer used the grant, in addition to private funds and funds from the Mayor's Office of Housing ("MOH") to acquire and rehabilitate the Property to serve very-low and low-income tenants.
4. The Developer is now seeking to do another rehabilitation of the Project to reconfigure the units to alleviate overcrowding and improve accessibility, as well as upgrades to major systems, lead paint abatement, and the creation of new exterior and community space.
5. The Developer is seeking the financing for this renovation through the use of 4% low income housing tax credits, tax-exempt mortgage revenue bonds, and Federal lead paint abatement funds. The City will be the issuer of the bonds.

6. The Developer is creating 575 Eddy Street Associates, L.P., a California limited partnership (the "Partnership"), which will purchase the Property from the current owner, Neighborhood Housing. MOH will be providing additional funds of \$875,000 through the lead abatement program and will be assigning an existing loan of \$836,240 to the Partnership.
7. The Developer has asked the Agency to assign the existing Grant Agreement to the Partnership. In addition to consenting to this assignment, staff also recommended, and the Developer agreed to, a deeper level of affordability by restricting 46 of the 47 units to households earning no more than 60% of median income, with an average of the units to be occupied by households earning no more than 50% of median income.
8. Staff also recommended, and the Developer agreed to, an extension of the period of required affordability for the Project for 55 years from the date of the amended Agreement.

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 First Amendment to the Regulatory and Grant Agreement with Neighborhood Housing Renewal Corporation III, a California nonprofit public benefit corporation, to extend the term and increase the level of affordability, and to consent to the assignment of the Regulatory and Grant Agreement to 575 Eddy Street Associates, L.P., a California limited partnership, for the rehabilitation of 46 very-low and low-income rental units, 575 Eddy Street, as part of the Citywide Tax Increment Housing Program, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel