

RESOLUTION NO. 47-2006

Adopted April 4, 2006

AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH THE PRIZE GROUP, 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 HILLSDALE HOTEL LOCATED AT 51 SIXTH STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

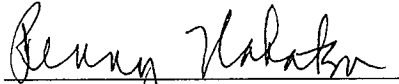
1. The South of Market Earthquake Recovery Redevelopment Plan was adopted in 1990 to address the damage from the 1989 Loma Prieta earthquake and to develop and preserve affordable and market rate housing.
2. To accomplish the goal of preserving affordable housing, Agency staff worked with the City Attorney's 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 No. 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 Redevelopment Project Area ("Project Area"). The total Program amount now totals \$1.9 million.
5. Agency staff proposes to enter into a loan agreement with Prize Group, LLC, a California limited liability company, to fund \$100,000 in quality of life improvements to the Hillsdale Hotel at 51 Sixth Street. All Program loans must be approved by the Citywide Affordable Housing Loan Committee. On March 3, 2006, the Citywide Affordable Housing Loan Committee approved this proposed loan. Pursuant to the Program, any loan exceeding \$50,000 must also be authorized by the Commission.

6. The proposed loan to Prize Group, 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 Prize Group, LLC, a California limited liability company, for an amount not to exceed \$100,000, for rehabilitation activities at the Hillsdale Hotel, located at 51 Sixth Street, in the South of Market Redevelopment Project Area.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel