

RESOLUTION NO. 109-2006

Adopted August 1, 2006

AUTHORIZING A TAX INCREMENT PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$439,640 TO EM JOHNSON INTEREST INC., A CALIFORNIA CORPORATION, IN CONJUNCTION WITH THE DEVELOPMENT OF AFFORDABLE HOUSING FOR FIRST TIME HOMEBUYERS ON PARCEL EE-2 LOCATED AT WHITNEY CIRCLE AND HUDSON AVENUE; HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., the "Law"), the Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the "City").
2. In accordance with the Law, the City, acting through its Board of Supervisors (the "Board of Supervisors"), approved a redevelopment plan for the Hunters Point Redevelopment Project Area by Ordinance No. 25-69 adopted on January 20, 1969. The redevelopment plan, referred to as the "Hunters Point Redevelopment Plan," was adopted in response to community concern over the physical and economic decline in the Hunters Point community. In cooperation with the City, the Agency is responsible for implementing the Hunters Point Redevelopment Plan.
3. On February 10, 1997, the Board of Supervisors certified the election of the Bayview Hunters Point Project Area Committee (the "PAC"). The PAC worked with Agency staff to develop the Bayview Hunters Point Community Revitalization Plan (the "Concept Plan"). The PAC adopted the Concept Plan at its regular meeting in November 2000. In 2004, the PAC completed the Framework Housing Program that described an array of affordable housing programs and policies supported by the PAC.
4. On June 5, 2001, after a complete selection process, the Agency by Resolution No. 100-2001 entered into exclusive negotiations with Em Johnson Interest, Inc., a California corporation ("EJI"), and Habitat for Humanity San Francisco, a California nonprofit public benefit corporation ("Habitat"), (collectively the "Developer") to negotiate exclusively for the development of 24 low and moderate income for-sale housing for first time homebuyers (the

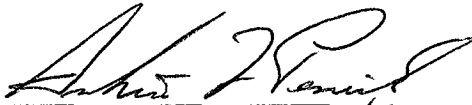
“Project”) located at the corner of Whitney Young Circle and Hudson Avenue (“Parcel EE-2” or the “Site”). The Project is consistent with the PAC’s Concept Plan and the Framework Housing Program.

5. On October 5, 2001, before the Developer and Agency reached a final agreement, the exclusive negotiations period expired. The Developer has submitted a request to re-enter into exclusive negotiations for the development of 24 affordable homeownership units at the Site.
6. EJI has submitted a request for predevelopment funding to the Agency for the purpose of refining the development proposal for 17 of the 24 units proposed at the Site.
7. The Citywide Affordable Housing Loan Committee reviewed Agency staff’s evaluation for the request for funding at its meeting on March 3, 2006, and recommended that the Agency Commission enter into a Predevelopment Loan Agreement with EJI in an amount not to exceed \$439,640.
8. The Developer has met with the Housing Committee, the Land Use Committee, and the Health and Environment Committee of the PAC. On May 18, 2006, the Developer described the Project to the full PAC at its regular meeting who voted to endorse the Project concept and funding 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 enter into a Tax Increment Predevelopment Loan Agreement with Em Johnson Interest, Inc., a California corporation, in an amount not to exceed \$439,640 in conjunction with the development of 17 affordable homeownership units at Parcel EE-2, within the Hunters Point Redevelopment Project Area, 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 7/25/06
Agency General Counsel