

RESOLUTION NO. 112-2006

Adopted August 15, 2006

AUTHORIZING A THIRD AMENDMENT TO THE ANTONIA MANOR GROUND LEASE WITH AM PRESERVATION, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE PERMITTED USES OF INCOME FROM OPERATIONS FOR THE REHABILITATION OF 133 UNITS OF VERY LOW INCOME RENTAL HOUSING UNITS AT ANTONIA MANOR, 180 TURK STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

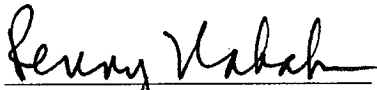
1. In furtherance of the objectives of the California Community Redevelopment Law Health and Safety Code Section 33000 *et seq.*, (the "Law"), the Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the "City").
2. The Agency is authorized pursuant to the Law to distribute monies to nonprofit developers and sponsors for the specific and special purpose of increasing and maintaining the housing stock in the City for very-low, low and moderate-income households.
3. The expiration of project-based Section 8 contracts poses a serious threat to San Francisco's affordable housing stock. The Agency desires to preserve developments with Section 8 contracts as affordable housing by lending or expending Tax Increment Housing Funds, an action which benefits the goals and objectives of the Agency's redevelopment project areas.
4. Antonia Manor is a 133-unit residential property, whose owner had indicated its intent to prepay the HUD-insured mortgage and such property was therefore at risk of conversion to market rate housing.
5. On June 27, 2000 the Agency adopted Resolution No. 114-2000, authorizing the Agency's acquisition of the property known as the Antonia Manor (the "Project"), on the real property located at 180 Turk Street, San Francisco, California (the "Site") and a Tax Increment Loan Agreement for \$2,332,607 with Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation ("TNDC"), for the acquisition and rehabilitation of the Site.
6. On December 5, 2000 the Agency adopted Resolution No. 246-2000, authorizing the substitution of a loan of Community Development Block Grant ("CDBG") funding for the previously authorized loan to TNDC of Tax Increment funds.

7. Pursuant to TNDC's assignment of the right to acquire, renovate and operate the improvements on the Development, AM Preservation, L.P., a California limited partnership (sometimes "Tenant") whose General Partner is TNDC, entered into the Ground Lease with the Agency on December 7, 2000.
8. On March 12, 2002, the Agency adopted Resolution No. 40-2002, authorizing a First Amendment to the Antonia Manor Ground Lease with AM Preservation, L.P., a California limited partnership to revise the Schedule of Performance.
9. On December 17, 2002, the Agency adopted Resolution No. 222-2002, authorizing a Second Amendment to the Antonia Manor Ground Lease with AM Preservation, L.P., a California limited partnership that revised Attachment 4, Schedule of Performance.
10. Subsequent to the completion of the development, Agency Asset Management staff noted that the Antonia Manor Ground Lease did not reflect income during operations as a permitted use of surplus cash during the rehabilitation. As a result, a technical revision to the Ground Lease is required in order to more accurately reflect the agreed upon structure.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco to authorize the Executive Director to execute a Third Amendment to the Antonia Manor Ground Lease with AM Preservation, L.P., a California limited partnership, to revise the permitted uses of income from operations for rehabilitation of 133 units of very low income rental housing units at the Antonia Manor, 180 Turk Street, as part of the Agency's Affordable Housing Preservation Program; Citywide Tax Increment Housing Program, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


for James B. Morales
Agency General Counsel