

RESOLUTION NO. 117-2006

Adopted September 19, 2006

AUTHORIZING A FIRST AMENDMENT TO THE NOTRE DAME APARTMENTS GROUND LEASE WITH NOTRE DAME HOUSING PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE PERMITTED USES OF OPERATING INCOME FOR THE REHABILITATION OF 205 UNITS OF VERY LOW INCOME RENTAL HOUSING UNITS AT NOTRE DAME APARTMENTS, 1590 BROADWAY STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING PRESERVATION PROGRAM AND 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. Notre Dame Apartments is a 205-unit residential property, located at 1590 Broadway Street, San Francisco, California (the "Site"), 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.
4. The Agency wished to preserve the Notre Dame Apartments as affordable housing by acquiring the Site and lending or expending tax-income revenues for rehabilitation of the Notre Dame Apartments, an action which benefits the goals and objectives of the Agency's redevelopment project areas.
5. On October 31, 2000, the Agency Commission adopted Resolution No. 211-2000, authorizing the Executive Director to execute a Ground Lease for the Site with Notre Dame Housing Partners L.P., a California limited partnership, an affiliate of Chinatown Community Development Center Inc., a California nonprofit public benefit corporation ("CCDC"), to enable the preservation of the 205 units contained in the Notre Dame Apartments as housing affordable by very low-income persons, and authorizing the issuance, sale and delivery of Multifamily

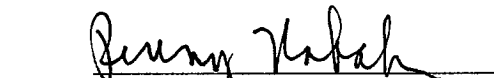
Housing Revenue Bonds in an aggregate principal amount not to exceed \$16,643,472 as part of the Agency's Housing Preservation Program and the Citywide Tax Increment Housing Program.

6. Pursuant to CCDC's assignment of the right to acquire, renovate and operate the Notre Dame Apartments, Notre Dame Housing Partners, L.P., a California limited partnership (sometimes "Tenant") whose General Partner is CCDC, entered into the Ground Lease for the Site with the Agency on December 7, 2000.
7. Subsequent to the completion of the rehabilitation, the Agency's asset management staff noted that the Ground Lease did not state that income from operations could be used to fund the rehabilitation costs. As a result, a technical revision to the Ground Lease is required in order to more accurately reflect the originally agreed upon structure and allow payment of rehabilitation costs in an aggregate amount not to exceed One Million Seventy-Eight Thousand and Two Hundred Eighty-Seven dollars (\$1,078,287.00) from operating income, rather than Surplus Cash.
8. In addition to this, certain sections of the Lease needed to be clarified and restated as related to the definitions of Annual Rent and Surplus Rent, and the application of Surplus Rents. These revisions do not change the provisions of the Lease Agreement, but rather clarify the intent of the original Lease.

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 Notre Dame Ground Lease with Notre Dame Housing Partners, L.P., a California limited partnership, to revise the permitted uses of operating income, for the rehabilitation of 205 units of very low income rental housing units at the Notre Dame Apartments, at 1590 Broadway Street, San Francisco, in an aggregate amount not to exceed One Million Seventy-Eight Thousand and Two Hundred Eighty-Seven dollars (\$1,078,287.00), as part of the Agency's Affordable Housing Preservation Program and 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