

RESOLUTION NO. 134-2006

Adopted October 3, 2006

AUTHORIZING A TAX INCREMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$18,179,038 WITH MERCY HOUSING CALIFORNIA XXXIV, A CALIFORNIA LIMITED PARTNERSHIP, AND AN AMENDED AND RESTATED GROUND LEASE, AND ALL ANCILLARY DOCUMENTS AS NECESSARY, WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF APPROXIMATELY 106 VERY LOW INCOME SENIOR RENTAL UNITS, AND ONE MANAGER'S UNIT, AT 66 9TH STREET, BLOCK 3508, LOT 54; MID-MARKET REDEVELOPMENT SURVEY AREA; 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. Mercy Housing California XXXIV, a California limited partnership (the "Developer"), intends to develop the underutilized real property, owned by the Agency and located at 9th and Jessie Streets, Block 3508, Lot 54, San Francisco, California (the "Site") in the Mid-Market Redevelopment Survey Area, with approximately 106 units of affordable family housing for very low-income seniors, and a manager's unit (the "Project").
3. On March 16, 2004, pursuant to Resolution No. 37-2004, the Commission approved a grant in an amount not to exceed THREE MILLION FIVE HUNDRED SEVENTY-TWO THOUSAND TWO HUNDRED FOURTEEN and NO/100 DOLLARS (\$3,572,214.00) (the "Grant") to the Developer, with funds from the Tax Increment Affordable Housing Fund, to the Developer for acquisition and predevelopment activities related to the Project.
4. On March 15, 2005, by Resolution Nos. 51-2005 and 52-2005, the Commission approved the acquisition of the Site directly from the previous owner, VILO Properties, Inc., a California corporation, and Victor Honig and Lorraine Honig, as Trustees of the Honig 1986 Family Trust. On March 31, 2005, the Agency took ownership of the Site using the portion of grant funds originally intended for purchase of the Site by the Developer.

5. The Developer has now requested an additional amount not to exceed EIGHTEEN MILLION ONE HUNDRED SEVENTY NINE THOUSAND THIRTY EIGHT AND NO/100 DOLLARS (\$18,179,038) for the development and construction of the Project, and the Agency wishes to execute a Tax Increment Loan Agreement for that amount.
6. The Developer has also requested an Amended and Restated Ground Lease for the Project to allow the Developer to be the lessee, rather than Mercy Housing California, an affiliate of the Developer.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to: (1) enter into a Tax Increment Loan Agreement for an amount not to exceed \$18,179,038; (2) enter into an Amended and Restated Ground Lease with Mercy Housing California XXXIV, a California limited partnership; and (3) all ancillary documents as necessary, related to the development of approximately 107 very low income senior rental units at 9th and Jessie Streets, Block 3508, Lot 54, in the Mid-Market Redevelopment Survey Area, substantially in the form lodged with the Agency General Counsel; and enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

APPROVED AS TO FORM:


s/ James B. Morales 10/3/06
Agency General Counsel