

RESOLUTION NO. 144-2006

Adopted November 7, 2006

AUTHORIZING A SECOND AMENDMENT TO A TAX INCREMENT GRANT AGREEMENT WITH SAN FRANCISCO MEDICAL CENTER OUTPATIENT IMPROVEMENT PROGRAMS, INC. (COMMONLY KNOWN AS THE SOUTH OF MARKET HEALTH CENTER), A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE PREDEVELOPMENT GRANT AMOUNT BY \$588,061 FOR ADDITIONAL PREDEVELOPMENT EXPENSES, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$2,008,978, AND TO EXTEND THE CONTRACT PERIOD FROM JUNE 30, 2005 TO DECEMBER 31, 2007, FOR THE CONSTRUCTION OF A HEALTH CLINIC FACILITY AT 227-255 SEVENTH STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

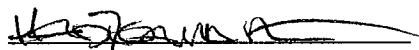
1. On March 18, 2003, by Resolution No. 40-2003, the Redevelopment Agency of the City and County of San Francisco's (the "Agency") Commission authorized a Grant Agreement to San Francisco Medical Center Outpatient Improvement Programs, Inc. (commonly known as the South of Market Health Center), a California nonprofit public benefit corporation (the "Health Center" or the "Grantee"), for a predevelopment grant in the amount of \$216,567 and an acquisition grant in the amount of \$1,204,350 for a total aggregate amount not to exceed \$1,420,917 (the "Grant Amount"). The Grant was intended to enable Grantee to pay for its prorated share of the acquisition costs of the site at 227-255 Seventh Street (the "Site") for a new medical clinic and for professional fees associated with architectural and engineering services, business plan and financing consultant services, legal services and administrative expenses to assist the Grantee in raising the necessary funds to complete the construction and tenant improvements of the new medical clinic (the "New Clinic") at the Site, in the South of Market Redevelopment Project Area, and operate the New Clinic once it has been completed.
2. On November 18, 2003, by Resolution No. 175-2003, the Agency Commission authorized a First Amendment to the Grant Agreement to require the Grantee and Mercy Housing California, a California nonprofit public benefit corporation ("MHC"), its nonprofit housing partner, to jointly manage the Site prior to the start of construction.

3. The initial term of the Grant Agreement expired on June 30, 2005. Grantee has raised over \$1,370,925 in capital funding and has \$1,000,000 in equity to be used for construction and tenant improvements of the New Clinic.
4. Grantee has requested the Agency to extend the period of the Grant Agreement by 30 months to December 31, 2007, and to provide additional funds in the amount of \$588,061 to Grantee to complete the architectural and engineering construction documents, pay for planning and financing consultants to raise additional construction and tenant improvement funds, and pay for additional legal and administrative fees.
5. On September 18, 2006, the South of Market Project Area Committee ("SOMPAC") reviewed the funding request and recommended Agency Commission approval of such 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 Second Amendment to a Tax Increment Grant Agreement with San Francisco Medical Center Outpatient Improvement Programs, Inc. (commonly known as the South of Market Health Center), a California nonprofit public benefit corporation, to increase the predevelopment grant amount by \$588,061 for additional predevelopment expenses, for a total aggregate amount not to exceed \$2,008,978, and to extend the contract period from June 30, 2005 to December 31, 2007, for the construction of a health clinic facility at 227-255 Seventh Street, in the South of Market Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel