

RESOLUTION NO. 158-2006

Adopted December 5, 2006

**AUTHORIZING A TAX INCREMENT LOAN AGREEMENT
WITH TENDERLOIN NEIGHBORHOOD DEVELOPMENT
CORPORATION, A CALIFORNIA NONPROFIT PUBLIC
BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED
\$7,064,831 FOR THE ACQUISITION AND REHABILITATION OF
APPROXIMATELY 80 VERY LOW INCOME RENTAL UNITS,
PLUS TWO MANAGERS' UNITS, LOCATED AT 249 EDDY
STREET, AND 161-165 TURK STREET, AS PART OF THE
AGENCY'S AFFORDABLE HOUSING PRESERVATION
PROGRAM; 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.*), 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 for very low, low, and moderate income households.
2. Tenderloin Neighborhood Development Corporation (the "Developer") intends to acquire and rehabilitate the real property, located at 249 Eddy Street, Block 0339, Lot 15A, and 161-165 Turk Street, Block 0343, Lot 017, in San Francisco, California (collectively, the "Site") owned by the Aspen Tenderloin Apartment Company with approximately 80 units of affordable family housing for very low-income households, and two managers' units (the "Project") as part of the Affordable Housing Preservation Loan Program.
3. The Developer has requested funds to assist with the acquisition and predevelopment of the Site.
4. On November 3, 2006, the Citywide Affordable Housing Loan Committee reviewed the Developer's request and recommended a tax increment loan amount not to exceed SEVEN MILLION SIXTY-FOUR THOUSAND EIGHT HUNDRED THIRTY-ONE DOLLARS (\$7,064,831) (the "Loan") to the Developer, with funds from the Tax Increment Affordable Housing Fund for acquisition and predevelopment of the Site.
5. Of the requested funds, \$5,564,831 will be used for acquisition purposes, with the remaining \$1,500,000 to be used for predevelopment expenses.

6. The Loan will be repaid as follows: (a) Developer will grant deed the land to the Agency as partial payment of \$3,728,571 upon close of the construction loan; (b) Developer will make a cash payment of \$2,526,342 using tax credit proceeds at permanent closing; and (c) the balance of \$809,918 will be repaid through residual receipts.

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 Loan Agreement for an amount not to exceed \$7,064,831 with Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation, related to the acquisition and rehabilitation of 80 very low income rental units at 249 Eddy Street, Block 0339, Lot 15A, and 161-165 Turk Street, Block 0343, Lot 017, in San Francisco, California, 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:



for James B. Morales 11/30/06
Agency General Counsel