

## **RESOLUTION NO. 167-2006**

*Adopted December 19, 2006*

### **AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$3,357,348, IN CONJUNCTION WITH THE DEVELOPMENT OF APPROXIMATELY 78 UNITS OF AFFORDABLE FAMILY RENTAL HOUSING AT 1036 – 1040 MISSION STREET FOR VERY LOW INCOME FORMERLY HOMELESS FAMILIES AND FAMILIES AT RISK OF HOMELESSNESS; CITYWIDE TAX INCREMENT HOUSING PROGRAM**

#### **BASIS FOR RESOLUTION**

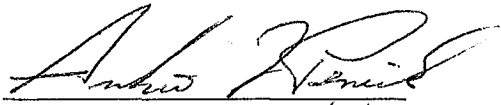
1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is authorized pursuant to California Community Redevelopment Law (Health and Safety Code, Section 33000 *et seq.*) to distribute monies from its tax increment Low and Moderate Income Housing Fund to certain nonprofit sponsors for the purpose of increasing and maintaining the housing stock in the City and County of San Francisco for very low-, low- and moderate-income individuals and families.
2. The 1036 – 1040 Mission Street sites, Block 393, Lots 79 and 80 in San Francisco, California are currently vacant and serve as a subsurface parking lot (the "Site"). The Site is approximately 15,200 sq. feet. Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation ("TNDC"), has entered into an agreement to purchase the Site. TNDC will assign its interest to a future California limited partnership in which TNDC will be the Managing General partner (the "Developer").
3. The Developer intends to construct an affordable multifamily housing development on the Site that will serve homeless and at risk of homelessness families. Based on preliminary planning, the development will be a new construction eight story development with approximately 78 units, comprised of 13 one-bedroom, 50 two- bedroom and 15 three-bedroom units (the "Project"). The Project should be completed by mid 2010 with a total gross building square footage of approximately 87,316.
4. The proposed permanent financing sources for the Project include multifamily housing revenue bonds, low income housing 4% tax credits, State of California Multifamily Housing Program, Federal Home Loan Bank Affordable Housing Program, Green Communities Grant, deferred developer fee, and additional financing from the Mayor's Office of Housing.

5. The Developer proposes to acquire the Site with \$2,700,000 in tax increment loan funds from the Agency, and loans totaling \$2,800,000 from Citibank. The purchase price of \$5,500,000 is supported by an appraisal.
6. The Agency now desires to execute a tax increment loan agreement with TNDC in an amount not to exceed \$3,357,348 to pay for a portion of the Site acquisition and other predevelopment costs. The Agency Executive Director will approve the assignment of the loan to the Developer when formed.

### **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 with TNDC, a California nonprofit public benefit corporation, in an amount not to exceed \$3,357,348 to help pay for acquisition of the real property located at 1036 – 1040 Mission Street in connection with the development of approximately 78 units of affordable rental housing for formerly homeless families and families at risk of homelessness, substantially in the form lodged with the Agency General Counsel; and to 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 12/13/06  
Agency General Counsel