RESOLUTION NO. 116-2009

Adopted October 20, 2009

AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH HOUSING SERVICES AFFILIATE OF THE BERNAL HEIGHTS NEIGHBORHOOD CENTER, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR A LOAN IN AN AMOUNT NOT TO EXCEED $1,500,000, FOR THE PREDEVELOPMENT OF UP TO 80 UNITS OF LOW AND VERY LOW-INCOME HOUSING ON A PORTION OF BLOCK 3180, LOT 1, WEST OF THE NORTHWEST CORNER OF OCEAN AND PHELAN AVENUES, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT;

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 or construction in blighted areas in the City and County of San Francisco.

2. On April 1, 2009, the Mayor’s Office of Housing ("MOH"), in collaboration with the Agency, issued a Request for Qualifications (the “RFQ”) for applicants to develop, own, and operate up to 80 units of supportive housing for low- and very low-income families and formerly homeless transitional-age youth on a portion of City-owned Block 3180, Lot 1 (the “Project”), located west of the northwest corner of Ocean and Phelan Avenues (the “Site”). The RFQ set forth specific submission requirements to be met in order to be fully reviewed by MOH and Agency staff. The RFP also set forth that the Agency would seek to enter into an option to ground lease and ground lease for development rights on the Site.

3. MOH received four submittals, which all met the minimum threshold requirements defined in the RFQ. After interviewing all teams, a selection panel composed of Agency and MOH staff and an outside development consultant, determined that the applicant team consisting of Housing Services Affiliate of the Bernal Heights Neighborhood Center ("Bernal") as the lead developer, and Mercy Housing California ("Mercy") as a development consultant, (collectively the “Developer”), had the strongest submittal and was well-suited to enter into an option to ground lease with the Agency.

4. The Developer is now requesting a tax increment predevelopment loan in an amount not to exceed $1,500,000 to enable the Developer to pursue predevelopment activities for the construction and management of the Project. The Citywide Affordable Housing Loan Committee recommended approval of this request on September 18, 2009.

5. Based on the analysis contained in the Final Environmental Impact Report (the “FEIR”) for the Balboa Park Station Area Plan (the “Area Plan”), and the findings pursuant to
the California Environmental Quality Act ("CEQA") adopted by the San Francisco Planning Commission (the "Planning Commission") on December 4, 2008, in Motions No. 17774 and 17775, and the findings adopted by the San Francisco Board of Supervisors (the "Board") on April 7, 2009 in Ordinance No. 060-09 approving the General Plan Amendments in connection with the Area Plan, the Agency Commission adopted findings in accordance with CEQA that the Purchase Agreement and Permit to Enter are Implementing Actions of the Project analyzed in the FEIR, pursuant to the approvals granted by the Planning Commission and the Board, in Agency Resolution No. 115-2009, dated October 20, 2009. Agency staff has determined the Tax Increment Loan Agreement with Bernal, for a loan in an amount not to exceed $1,500,000, for the predevelopment of up to 80 units of low and very low-income housing on a portion of block 3180, lot 1 is another Implementing Action for construction of the project, pursuant to the approvals granted by the Planning Commission.

6. The environmental findings adopted in accordance with CEQA by the Agency Commission in Resolution No. 115-2009 were and remain adequate, accurate and objective and are incorporated herein by reference as applicable to the Implementing Action herein.

7. Staff, in making the necessary findings for the Implementing Action contemplated herein, considered and reviewed the FEIR. Documents related to the Implementing Action and the FEIR have been and continue to be available for review by the Agency Commission and the public and are part of the record before the Agency Commission.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that (1) it has reviewed and considered the Final Environmental Impact Report and hereby adopts the CEQA findings set forth in Agency Resolution No. 115-2009, dated October 20, 2009, and (2) the Executive Director is authorized to execute a Tax Increment Loan Agreement with Housing Services Affiliate of the Bernal Heights Neighborhood Center, a California nonprofit public benefit corporation, in an amount not to exceed $1,500,000, for the predevelopment of up to 80 units of very low-income supportive housing on a portion of Block 3180, Lot 1, west of the northwest corner of Ocean and Phelan Avenues, 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:

James B. Morales
Agency General Counsel