

RESOLUTION NO. 135-2009

Adopted November 17, 2009

AUTHORIZING ADOPTION OF A RELOCATION PLAN IN CONJUNCTION WITH THE 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. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, the "Law"), the Agency undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the "City").
3. Tenderloin Neighborhood Development Corporation ("TNDC") applied to the Agency for an acquisition loan in an amount not to exceed Seven Million Sixty-Four Thousand Eight Hundred Thirty-One Dollars (\$7,064,831) to finance the acquisition of the land and a portion of the building and additional expenses of the real properties located at 249 Eddy Street, Block 0339, Lot 15A, and 161-165 Turk Street, Block 0343, Lot 017 in San Francisco, California (the "Site"). The Site is comprised of two properties; 249 Eddy Street is developed with 55 studio units and 161-165 Eddy Street has 22 studio and 5 one-bedroom apartments situated in the Tenderloin neighborhood.
4. On December 5, 2006, by Resolution No. 158-2006, the Agency Commission approved the loan to TNDC in an amount not to exceed Seven Million Sixty-Four Thousand Eight Hundred Thirty-One Dollars (\$7,064,831) (the "Acquisition Loan") to finance a portion of the acquisition and additional costs associated with the purchase and development of the Site.


5. TNDC entered into a Purchase and Sale Agreement (“PSA”) dated September 8, 2006 with Aspen Tenderloin Apartments Company, a California limited partnership, to purchase the Site. TNDC purchased the Site and holds the fee title in trust for the Agency.
6. On or about March 25, 2009, TNDC created Turk & Eddy Associates, L.P. (“Borrower”) to: (i) assume and fulfill its obligations under the Acquisition Loan; (ii) to enter into a ground lease with the Agency; and (iii) to develop and rehabilitate the improvements on the Site.
7. At or prior to the close of Borrower’s construction financing, Borrower will transfer fee title to the Site less the improvements (the “Land”) to the Agency as partial payment of the loan for the credited amount of Three Million Seven Hundred Twenty-Eight Thousand Five Hundred Seventy-One Dollars (\$3,728,571). Concurrently, the Agency will execute a ground lease of the Land with Borrower as tenant and the Agency as landlord (“Ground Lease”).
8. The Borrower intends to rehabilitate a total of 80 units of affordable housing, (plus two managers’ units) consisting of 55 units of studio housing at 249 Eddy Street with approximately 30,185 gross square feet and 22 studio units plus 5 one-bedroom units at 161-165 Eddy with approximately 17,400 gross square feet plus common areas, parking, and open space (the “Project”). Borrower anticipates that the Project will be completed and occupied in 2011.
9. The Borrower has requested Agency adoption of its Turk Eddy Relocation Plan, which will guide the temporary relocation of residents for the rehabilitation of the Project.
10. Some residents will be relocated onsite within the Project, temporary residences will be secured for other residents offsite, and some have elected to stay with friends and/or relatives. The term of resident relocation will not exceed one year.
11. This Project is categorically exempt under the California Environmental Quality Act (“CEQA”), pursuant CEQA Guidelines Section 15301(d). The rehabilitation of existing structures would not independently create any significant effects on the physical environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to adopt a Relocation Plan in conjunction with the rehabilitation of approximately 80 very low income rental units, plus two managers' units, located 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 included as Attachment A.

APPROVED AS TO FORM:



for James B. Morales #1/12/09
Agency General Counsel

Attachment A: Turk Eddy Relocation Plan