

RESOLUTION NO. 138-2009

Adopted December 1, 2009

AUTHORIZING A FIRST AMENDMENT TO A GROUND LEASE WITH 275 10TH STREET LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR 1350 FOLSOM STREET, 275 10TH STREET, AND 72 DORE STREET IN CONJUNCTION WITH THE DEVELOPMENT OF 134 VERY LOW-INCOME RENTAL UNITS; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

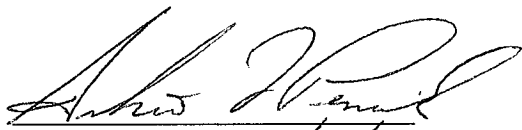
1. The Redevelopment Agency of the City and County of San Francisco (the “Agency”) is authorized pursuant to California Community Redevelopment Law (Health and Safety Code, Section 33000 *et seq.*), and desires to distribute monies from its tax increment Low and Moderate Income Housing Fund to certain nonprofit 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 individuals and families.
2. Episcopal Community Services of San Francisco, a California nonprofit public benefit corporation (“ECS”), is the general partner of a tax credit partnership entity, 275 10th Street LLC, a California limited liability company (the “Developer”), that developed and owns Bishop Swing Community House located at 10th, Folsom and Dore Streets, Block 3518, Lots 14, 17, and 29, San Francisco, California (collectively the “Site”).
3. On April 19, 2005, the land portion of the property was transferred to the Agency pursuant to Agency Resolution No. 60-2005. The 275 10th Street Supportive Housing Ground Lease (the “Ground Lease”) which leased the land back to ECS was executed, pursuant to Agency Resolution No. 61-2005.
4. On June 22, 2005, the Agency, the Developer and ECS entered into an Assignment and Assumption Agreement through which, ECS assigned and the Developer assumed the Ground Lease.
5. The Developer secured additional project financing including: Low Income Housing Tax Credits, Affordable Housing Program Funds, City and County of San Francisco Affordable Housing Funds, and State Multifamily Housing Program Funds.
6. The Developer constructed 134 affordable single room occupancy housing units for very low-income individuals who are at or below 50 percent of Area Median Income, plus one manager’s unit (the “Project”). The Project fronts 10th Street and the south side of Folsom Street on an L-shaped lot. It is five stories or approximately 50 feet in height, with approximately 87,800 square feet in floor area. The Project contains approximately 5,000 square feet of light industrial, commercial, and parking spaces.

7. The Ground Lease requires a modification of language to change the initial term from 65 years to 70 years to be compliant with the requirements of the State of California's Housing and Community Development Department's Multifamily Housing Program ("HCD Program"). The term of the Ground Lease (with the option to extend) will remain 99 years from the effective date, which was April 19, 2005.
8. In order to accommodate the requirements of the HCD Program, the Agency is deleting Article 2(e) of the Ground Lease in its entirety and the last sentence in Article 12.02, which would have given the Developer a right of first refusal to buy the Site from the Agency in the event that the Agency desired to sell the Site.
9. Authorizing the First Amendment to the Ground Lease to change the terms of the Ground Lease is an Agency administrative activity that will not cause any physical change in the environment and is not subject to environmental review under the California Environmental Quality Act ("CEQA"), pursuant to CEQA Guidelines Section 15378(b)(5).

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 First Amendment to the 275 10th Street Supportive Ground Lease with 275 10th Street LLC, a California limited liability company, for the real property at 1350 Folsom Street, 275 10th Street and 72 Dore Street, in conjunction with the development of approximately 134 very low-income units (plus one manager's unit), and related community space, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


for James B. Morales 11/24/09
Agency General Counsel