

RESOLUTION NO. 147-2009

Adopted December 15, 2009

AUTHORIZING A FIRST AMENDMENT TO A GROUND LEASE WITH 650 EDDY, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR 650 EDDY STREET IN CONJUNCTION WITH THE DEVELOPMENT OF 83 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. Tenderloin Neighborhood Development Corporation ("TNDC") and Community Housing Partnership ("CHP") completed the development of Arnett Watson Apartments, 83 units of supportive housing for formerly homeless families and individuals (the "Project"), located at 650 Eddy Street, Block 0740, Lot 45, San Francisco, California (the "Site"). To develop and own the Project, TNDC and CHP formed 650 Eddy, L.P., a California limited partnership (the "Partnership"), with CHP Eddy LLC as its general partner.
3. The Site was acquired by 650 Eddy, L.P. in part through a tax increment grant of \$1,000,000 from the Agency, approved by the Agency Commission on April 19, 2005. Also on April 19, 2005, pursuant to Agency Resolution No. 63-2005, the Agency Commission approved an Option Agreement with the Partnership, which gave the Agency an irrevocable option to acquire the land after the Mayor's Office of Housing provided a grant to repay a portion of the acquisition financing from private lenders. As consideration for the Option Agreement, the Agency agreed to reconvey the deed of trust securing the Agency grant and to terminate the declaration of restrictions at the time of recordation of the memorandum of lease evidencing the ground lease between the Agency and the Partnership ("Ground Lease").
4. On March 7, 2007, the land portion of the property was transferred to the Agency and the land leased back to the Partnership. The Ground Lease was executed, pursuant to Agency Resolution No. 11-2007, adopted on February 6, 2007.
5. The Partnership secured additional project financing including: Low Income Housing Tax Credits, Affordable Housing Program Funds, City and County of


San Francisco Affordable Housing Program and HOME Funds, and State Multifamily Housing Program Funds.

6. The Partnership constructed 83 affordable units for very low-income individuals and families who are at or below 50 percent of Area Median Income. The Project is nine stories with a small ground floor retail space, six parking spaces, and 25 bicycle stalls. The building includes a community room, management offices, service provision offices, as well as a laundry room and kitchen.
7. 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 Partnership a right of first refusal to buy the Site from the Agency in the event that the Agency desired to sell the Site.
8. 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 650 Eddy Housing Ground Lease with 650 Eddy, L.P., a California limited partnership, for the real property at 650 Eddy Street in conjunction with the development 83 very low-income units, and related community space, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales 12/8/89
Agency General Counsel