AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED OCII LOAN AGREEMENT WITH BAYVIEW SUPPORTIVE HOUSING, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REDUCE THE INTEREST RATE FROM 3% TO 1.46% AND CLARIFY THE DISTRIBUTION OF SURPLUS CASH, FOR THE DEVELOPMENT OF 120 VERY LOW-INCOME SENIOR RENTAL HOUSING UNITS PLUS ONE MANAGER’S UNIT AT 1751 CARROLL AVENUE (FORMERLY KNOWN AS 5800 THIRD STREET, LOT 3) (ASSESSOR'S BLOCK 5431A, LOT 042)

WHEREAS, In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq., the “CRL”), the former San Francisco Redevelopment Agency (the “Agency”) undertook programs for the reconstruction and construction of blighted areas in the City and County of San Francisco; and,

WHEREAS, In accordance with the CRL, the City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Bayview Hunters Point Redevelopment Project Area (the “Project Area”) by Ordinance No. 113-06, adopted on May 16, 2006. In cooperation with the City, OCII, as successor to the Agency, is responsible for implementing the Bayview Hunters Point Redevelopment Plan; and,

WHEREAS, Pursuant to the State redevelopment dissolution law known as AB X1 26, which was subsequently amended under AB 1484 (together, the “Redevelopment Dissolution Law”), the former Agency was dissolved as of February 1, 2012; and,

WHEREAS, On October 2, 2012 the San Francisco Board of Supervisors, acting as legislative body of the Successor Agency, passed Ordinance 215-12, which outlined the rights and responsibilities of OCII as the Agency’s successor agency, including but not limited to the retained existing enforceable obligations for the development of affordable housing required for the Project Area. Accordingly, under Ordinance 215-12 and the Redevelopment Dissolution Law, OCII has the obligation and authority to provide the Funds for the Project; and,

WHEREAS, The Agency and Bayview Supportive Housing, LLC, a California limited liability company (“BSH”), entered into a Tax Increment Loan Agreement dated January 18, 2011 (the “Loan Agreement”) pursuant to which the Agency agreed to provide BSH with a predevelopment loan in an amount not to exceed $684,000 to pay predevelopment expenses related to the development of 120 very low-income senior rental housing units (plus one manager’s unit) and a ground floor senior center (the “Project”), at 1751 Carroll Avenue (formerly known as 5800 Third Street, Lot 3) (Assessor's Block 5431A, Lot 042); and,
WHEREAS, Subsequently, OCII and BSH entered into an Amended and Restated Loan Agreement, dated September 3, 2013, pursuant to OCII Commission Resolution No. 42-2013, in an amount not to exceed $19,111,224 (the “Loan Amount”) for the development of the Project (the “Amended and Restated Loan Agreement”), consistent with the approved Recognized Obligation Payment Schedule 13-14A, for the period of July 1, 2013 through December 31, 2013, which allowed for an expenditure through Item No. 166 of up to $20,000,000; and,

WHEREAS, Developer (an entity consisting of Bayview Hunters Point Multipurpose Senior Services, Inc., a California corporation (“BHPMSS”) and McCormack Baron Salazar, Inc., a Missouri Corporation (“MBS”)) is now requesting a First Amendment to the Amended and Restated Loan Agreement to clarify the distribution of surplus cash and amend the interest rate from 3% to 1.46% (the “First Amendment”) on or after the Loan Closing Date and to execute a new Note to reflect the reduction in the interest rate, in order to demonstrate for tax purposes that all Project debt can be repaid in full by the end of the term; and,

WHEREAS, Upon completion of the Project, OCII intends to transfer the affordable housing loan obligation, asset, and ground lease to Mayor’s Office of Housing and Community Development (MOHCD) as the designated Successor Housing Agency of the City and County of San Francisco under Board Resolution 11-12, as required by Dissolution Law; and,

WHEREAS, On November 25, 2013, the Oversight Board by Resolution No. 14-2013 authorized the Executive Director to execute the Ground Lease and the long range property management plan of the Successor Agency (the “LRPMP”); and,

WHEREAS, A copy of the First Amendment to the Amended and Restated Loan Agreement and the new Note are on file with the Secretary of this Commission; now, therefore, be it

RESOLVED, That the Commission on Community Investment and Infrastructure authorizes the Executive Director to execute a First Amendment to the Amended and Restated Loan Agreement substantially in the form on file with the Secretary of the Commission and approved as to form by the City Attorney, with Bayview Supportive Housing, LLC, a California limited liability corporation, to clarify the distribution of surplus cash and to reduce the interest rate from 3% to 1.46%, on or after the Loan Closing Date, and to enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of March 18, 2014.

Natasha Jones
Commission Secretary