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[Air Rights Sale of Land for 1166-1188 Howard Street]

APPROVING THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO'S SALE OF AIR RIGHTS AT ASSESSOR'S BLOCK 758, LOT 28, COMMONLY KNOWN AS 1166-1188 HOWARD STREET, TO THE 1166 HOWARD STREET ASSOCIATES, AN AFFILIATE OF THE TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND CITIZEN'S HOUSING CORPORATION, FOR THE PURPOSE OF PRESERVING A HOUSING DEVELOPMENT FOR VERY LOW AND LOW INCOME HOUSEHOLDS.

WHEREAS, The San Francisco Redevelopment Agency ("Agency") administers a Citywide Affordable Housing Program for purposes of funding the development of affordable housing; and

WHEREAS, Tenderloin Neighborhood Development Corporation and Citizen's Housing Corporation have formed Howard Street Development Corporation (the "Project Sponsor") to build 160 affordable apartments at 1166-1188 Howard Street; and

WHEREAS, In order to preserve the long-term affordability of the Project, the Agency intends retain ownership of the land associated with the Project and sale the air rights to 1166 Howard Street Associates, the limited partnership that will own the development.

WHEREAS, The Sponsor will receive \$3,787,893 in funding from the Agency for funding to develop the Project as affordable housing; and

WHEREAS, The Mayor's Office of Housing anticipates issuing tax exempt multifamily mortgage revenue bonds, and these funds, combined with the Agency funding and the sale of the air rights, for \$4,344,444 will make it financially feasible for the Sponsor to develop 160 dwelling units for occupancy by Very Low and Low Income Households, as those terms are defined in California Health and Safety Code Sections 50105 and 33334.2, respectively; and

WHEREAS, The Agency intends to sale the air rights for \$4,344,444 in exchange for the Sponsor's agreement, among other things, to preserve the Project with rent levels

affordable to Very Low and Low Income Households; and

1 WHEREAS, Selling the air rights to the property for a price in excess of the stated
2 price would render it financially infeasible to preserve the Project with rent levels
3 affordable to Very Low and Low Income Households; and

4 WHEREAS, Because the Property will be purchased with tax increment money,
5 Section 33433 of the California Health and Safety Code requires the Board of
6 Supervisors' approval of its sale or lease, after a public hearing; and

7 WHEREAS, Notice of the public hearing has been published as required by Health
8 and Safety Code Section 33433; and

9 WHEREAS, The Agency prepared and submitted a report in accordance with the
10 requirements of Section 33433 of the Health and Safety Code, including a copy of the Air
11 Rights Option Agreement, and a summary of the transaction describing the cost of the air
12 rights purchase to the partnership, the value of the interest to be conveyed, and other
13 information was made available for the public inspection; now therefore be it

14 RESOLVED, That the Board of Supervisors of the City and County of San
15 Francisco does hereby find and determine that the sale of the Air Rights of the Property
16 from the Agency to 1166 Howard Street Associates, a California Limited Partnership: (1)
17 will provide housing for Very Low and Low Income Persons; (2) is consistent with the
18 Agency's implementation plan adopted pursuant to California Health and Safety Code
19 Section 33490; (3) the less than fair market value sale of approximately four million three
20 hundred and forty-four thousand four hundred and forty-four dollars (\$4,344,444) is
21 necessary to effectuate the purposes of the Mayor's Affordable Housing Preservation
22 Program and Citywide Affordable Housing Program; and (4) the consideration to be
23 received by the Agency is not less than the fair reuse value authorized by the deed
24 restrictions; and be it

25 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
authorizes the Agency to execute the sale of the air rights from the Agency to 1166
Howard Street Associates, substantially in the form of the Option Agreement lodged with
the Agency General Counsel, and to take such further actions and execute such
documents as are necessary to carry out the Ground Lease on behalf of the Agency.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 002044

Date Passed:

Resolution approving the Redevelopment Agency of the City and County of San Francisco's sale of air rights at Assessor's Block 758, Lot 28, commonly known as 1166-1188 Howard Street, to the 1166 Howard Street Associates, an affiliate of the Tenderloin Neighborhood Development Corporation and Citizen's Housing Corporation, for the purpose of preserving a housing development for very low and low income households.

December 4, 2000 Board of Supervisors — ADOPTED

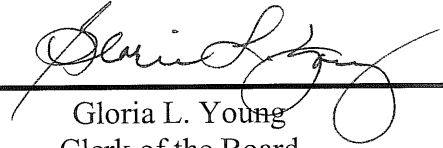
Ayes: 8 - Ammiano, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng

Absent: 2 - Yaki, Yee

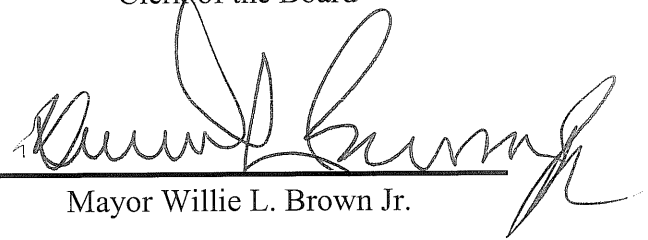
Excused: 1 - Becerril

File No. 002044

I hereby certify that the foregoing Resolution was ADOPTED on December 4, 2000 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board



Mayor Willie L. Brown Jr.

DEC 15 2000

Date Approved