

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM**

Meeting Date: August 26, 2009

Request for Final Resolution and

Request to Approve Transfer of Infill Grant Award

Prepared by: *Diana Michaelson*

Applicant:	Urban Preservation Foundation	Type of Funding:	N/A
Project Name:	2235 Third Street	Strategic Partner:	CCLR
Project	San Francisco	Amount Requested:	N/A
Location:	(San Francisco County)	Prior Actions:	Application No. 22 Approved 11/19/08

Summary. Martin Building Company, the original Applicant and awardee, and Urban Preservation Foundation (the “New Applicant”) request approval to re-direct or transfer an Infill Grant award of \$2,148,471 from Martin Building Company to Urban Preservation Foundation for the 2235 Third Street Project (the “Project”) in order to utilize tax credit allocation for the Project.

Background. On November 19, 2008, the Board approved a grant in the amount of \$2,148,471 to Martin Building Company to fund the 2235 Third Street Project. The Authority received a request from Martin Building Company to redirect the \$2,148,471 grant award to Urban Preservation Foundation, a partner in the Project. The modification was requested to address the Project’s ownership structure and utilization of tax credit allocation. No other modifications have been made to the Brownfield Infill Development Project or the Infill Development Project as described in the Infill Application.

Martin McNerney Properties, LLC, Urban Preservation Foundation, and Patrick M. McNerney are partners in the 2235 Third Street Project under Potrero Launch Affordable, LP. Martin McNerney Properties, LLC is comprised 99% of Patrick McNerney and 1% Martin Building Company, Inc. (managing member).

The principal owners of the Potrero Launch Affordable, LP are as follows.

Martin McNerney Properties, LLC (co-general partner)	0.009%
Urban Preservation Foundation (managing general partner)	0.001%
Patrick M. McNerney (limited partner)	99.990%
Total	<u>100.000%</u>

The Project will be owned through a joint venture agreement between Martin McNerney Properties, LLC (80% of the Project/Market rate units of the Project) and Potrero Launch Affordable, LP (20% of the Project/Affordable Units of the Project). As part of the necessary due diligence, Authority staff requested that Urban Preservation Foundation submit 1) an amended application that includes information specific to the new Applicant, and 2) a new legal questionnaire.

New Applicant. Urban Preservation Foundation is a 501(c)(3) non-profit corporation established July 14, 1999 in San Francisco, California. The board members of Urban Preservation Foundation are Patrick McNerney, President; Fred Stafford, Chief Financial Officer; Scott Pelichoff, Director; Patrick Banks, Secretary; and Jill Helffenstein, Vice President. Urban Preservation Foundation and Martin McNerney Properties, LLC are jointly leasing the property for an initial term of 20 years, with five options to extend for an additional 15 years.

Legal Questionnaire. Staff has reviewed the New Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of the New Applicant.

Staff Recommendation. Staff recommends approval of the attached Resolution transferring the previous Infill Grant award for the 2235 Third Street Project from Martin Building Company to Urban Preservation Foundation.

**A RESOLUTION OF
THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM
APPROVING AN AMENDMENT TO THE RESOLUTION OF NOVEMBER 19, 2008
FOR MARTIN BUILDING COMPANY TO
TRANSFER GRANT AWARD TO URBAN PRESERVATION FOUNDATION**

August 26, 2009

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, on November 19, 2008 approved a grant in the amount of \$2,148,471 for the 2235 Third Street Project; and

WHEREAS, the grant was awarded to Martin Building Company; and

WHEREAS, Martin Building Company requested the award be transferred to Urban Preservation Foundation, the managing general partner in Potrero Launch Affordable, LP; and

WHEREAS, the Brownfield Infill Project and Infill Development Project have not been modified since the Authority awarded a grant for the 2235 Third Street Project in November 2008; and

WHEREAS, Urban Preservation Foundation has the authority and responsibility to complete the Brownfield Infill Project and Infill Development Project as described in the Infill Application; and

WHEREAS, approval for amending the Resolution is sought;

NOW THEREFORE BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The November 19, 2008 Martin Building Company Resolution is amended to transfer the award of the CALReUSE grant to Urban Preservation Foundation for the 2235 Third Street Project, and all occurrences of “Martin Building Company” are replaced with “Urban Preservation Foundation.”

Section 2. Except as specifically amended in Section 1 hereof, all provisions and conditions of the November 19, 2008 Martin Building Company Resolution shall remain unchanged and in full force and effect. This resolution shall take effect immediately upon its passage.