

1 [Ground Lease of Redevelopment Agency Land for 275 10th Street Supportive Housing.]

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3 **Resolution approving the Redevelopment Agency of the City and County of San**
4 **Francisco's lease of land at Assessor's Block 3518, Lots 14, 17 and 29, San Francisco,**
5 **California (the "Site"), to EPISCOPAL COMMUNITY SERVICES OF SAN FRANCISCO, a**
6 **California nonprofit public benefit corporation, for 65 years for the purpose of**
7 **developing housing for very low income households; adopting findings pursuant to**
8 **Section 33433 of the California Community Redevelopment Law.**

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10 WHEREAS, The Agency and the City desire to increase the City's supply of affordable
11 housing and encourage affordable housing development through financial and other forms of
12 assistance; and,

13 WHEREAS, The housing development located at 10th, Folsom and Dore Streets,
14 Assessor's Block 3518, Lots 14, 17 and 29, San Francisco, California (the "Site"), are lots
15 which currently are improved by three commercial buildings, which may be converted to
16 permanent, quality, affordable housing for Very Low Income households, as those terms are
17 defined by the United States Department of Housing and Urban Development ("HUD"); and,

18 WHEREAS, Episcopal Community Services of San Francisco, a California nonprofit
19 public benefit corporation ("Developer"), has entered into a Purchase and Sale Agreement
20 with the current owners to acquire the Site; and,

21 WHEREAS, The Developer and the Agency have agreed that the Developer will assign
22 to the Agency and the Agency will assume the Developer's right to purchase the Site, and the
23 Agency will ground lease the Site back to the Developer for One Dollar (\$1.00) per year for
24 the development of a multi-use project consisting of approximately 134 units of affordable
25 housing for Very Low Income Senior households, approximately 3,500 to 4,999 square feet of

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1 light industrial/commercial space, residential parking spaces, and other ancillary uses (the
2 "Project"); and,

3 WHEREAS, The Agency will acquire the Site using tax increment revenues to assist
4 the Developer in developing the Project and to ensure the long-term affordability of the
5 Project; and,

6 WHEREAS, The Mayor's Office of Housing will supply additional predevelopment
7 funding to the Project in order to undertake predevelopment activities; and,

8 WHEREAS, The Developer shall leverage the City's financial assistance through
9 applications to the Federal McKinney Program, State Multifamily Housing Program ("MHP"),
10 California Debt Limit Allocation, and California Tax Credit Allocation Committees for additional
11 Project funding; and,

12 WHEREAS, Although the annual rent under the Ground Lease is below the fair market
13 rental value of the Site, leasing the Site for a rent in excess of the \$1.00 per year would render
14 the Project financially infeasible to operate and remain in compliance with State MHP and Tax
15 Credit regulations and maintaining rent at levels affordable to persons and households with
16 incomes at 50% of area median income ("Very Low Income Households"); and,

17 WHEREAS, Because the Site will be purchased with tax increment money, Section
18 33433 of the California Health and Safety Code requires the Board of Supervisors' approval of
19 its sale or lease, after a public hearing; and,

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

22 WHEREAS, The Agency prepared and submitted a report (the "33433 Report") in
23 accordance with the requirements of Section 33433 of the Health and Safety Code, including
24 a copy of the proposed Ground Lease, and a summary of the transaction describing the cost
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1 of the Ground Lease to the Agency, the value of the property interest to be conveyed, the
2 lease price and other information was made available for the public inspection; now, therefore,
3 be it

4 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
5 does hereby find and determine, based on the record before it, including but not limited to the
6 33433 Report, the Ground Lease, the summary, and other materials, all of which are on file
7 with the Clerk of the Board of Supervisors in File No. 050934, as follows:

8 1. The Agency administers a Citywide Affordable Housing Program (the "Program")
9 pursuant to which the Agency dedicates a portion of the tax increment generated from the
10 Agency's redevelopment project areas to the development of affordable housing throughout
11 the City, both within and outside such redevelopment project areas.

12 2. The appraised fair market value of the Site is \$4,000,000, and the fair market rental
13 value of the Site is greater than \$1.00 per year.

14 3. The Board of Supervisors wishes to encourage the development of decent, safe,
15 and sanitary housing in the City that is affordable to Very Low Income Households and
16 supports the California Legislature's finding and declaration that a fundamental purpose of
17 redevelopment is to expand the supply of low- and moderate-income housing, to expand
18 employment opportunities for jobless, underemployed, and low-income persons, and to
19 provide an environment for the social, economic, and psychological growth and well-being of
20 all citizens (Section 33071 of the California Health and Safety Code).

21 4. The Project will provide decent, safe, and sanitary housing and supportive services
22 to Very Low Income Households within the City, and the Project would not be feasible at a
23 higher annual rental rate.
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1 5. The lease of the Site will assist in providing housing for low- or moderate-income
2 persons by requiring the Developer to develop the Project and rent to or make 100% of the
3 residential units (except for the manager's unit) available for rental by Very Low Income
4 Households for the entire term of the lease.

5 6. The Site is not in a redevelopment project area and therefore is not subject to an
6 implementation plan adopted pursuant to Section 33490 of the California Health and Safety
7 Code.

8 7. The consideration for the lease of the Site is not less than the fair reuse value at the
9 use and with the covenants and conditions and development costs authorized by the lease.

10 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Ground
11 Lease of the Site from the Agency to Episcopal Community Services of San Francisco, a
12 California nonprofit public benefit corporation, in substantially the form of the Ground Lease
13 on file with the Clerk of the Board of Supervisors in File No. 050934, and urges the Agency
14 to take such further actions and execute such documents as are necessary to carry out the
15 Ground Lease.

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BOARD OF SUPERVISORS



City and County of San Francisco

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

Tails

Resolution

File Number: 050934

Date Passed:

Resolution approving the Redevelopment Agency of the City and County of San Francisco's lease of land at Assessor's Block 3518, Lots 14, 17 and 29, San Francisco, California (the "Site"), to EPISCOPAL COMMUNITY SERVICES OF SAN FRANCISCO, a California nonprofit public benefit corporation, for 65 years for the purpose of developing housing for very low income households; adopting findings pursuant to Section 33433 of the California Community Redevelopment Law.

June 14, 2005 Board of Supervisors — ADOPTED

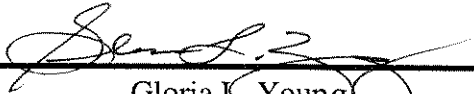
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell,
McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 050934

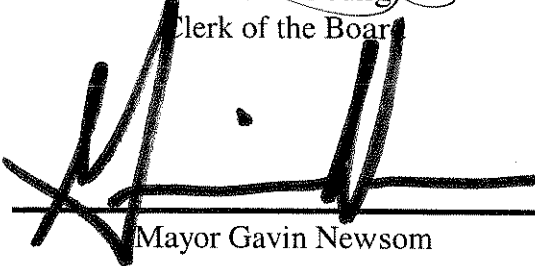
I hereby certify that the foregoing Resolution was ADOPTED on June 14, 2005 by the Board of Supervisors of the City and County of San Francisco.

JUN 27 2005

Date Approved



Gloria L. Young
Clerk of the Board



Mayor Gavin Newsom