

1 [Ground Lease - 1296 Shotwell Housing, L.P. - 1296 Shotwell Street - \$15,000 Annual Base  
2 Rent]

3 **Resolution approving and authorizing a long term Ground Lease with 1296 Shotwell**  
4 **Housing, L.P., on City owned land at 1296 Shotwell Street for a term of 75 years with**  
5 **one 24-year option to extend, and with an annual base rent of \$15,000 in order to**  
6 **construct a 100% affordable, 94-unit multifamily rental housing development for low-**  
7 **income seniors and formally homeless seniors; adopting findings that the Ground**  
8 **Lease is consistent with the California Environmental Quality Act, the General Plan,**  
9 **and the eight priority policies of Planning Code, Section 101.1; and authorizing the**  
10 **Director of Property and Acting Director of MOHCD to execute documents, make**  
11 **certain modifications, and take certain actions in furtherance of this Resolution, as**  
12 **defined herein.**

13  
14 WHEREAS, In 2013, the Board of Supervisors approved the land dedication  
15 (Resolution No. 153-13) of the property from Thomas Murphy and Martina Murphy, Trustees  
16 of the Murphy Trust UDT dated October 03, 2003 ("Seller"), who owned Assessor's Parcel  
17 Block No. 6571, Lot No. 051, located at 1294-8 Shotwell Street, containing 11,664 square feet  
18 of Production, Distribution and Repair space on .27 acres of land ("Property"); and

19 WHEREAS, Oyster Development, LLC ("Developer") was the developer of 2558  
20 Mission Street, San Francisco, a mixed use project known as the New Mission Theatre  
21 Project (the "Principal Site"); and

22 WHEREAS, Developer had elected to satisfy the Inclusionary Affordable Housing  
23 Program requirements under Planning Code, Section 415 for the Principal Site by dedicating  
24 the Property to the City pursuant to Planning Code, Section 419; and

25

1           WHEREAS, In 2015, the Mayor’s Office of Housing and Community Development  
2 (“MOHCD”), issued a Request for Proposal (“RFP”), seeking submittals from qualified  
3 respondents to develop the City-owned parcel as affordable senior rental housing, including  
4 units serving formerly homeless seniors; and

5           WHEREAS, Mission Economic Development Agency (“MEDA”), a California nonprofit  
6 public benefit corporation, in collaboration with Chinatown Community Development Center  
7 (“CCDC”) a California nonprofit public benefit corporation, jointly responded to the RFP and  
8 was selected to be the developer for the Property; and

9           WHEREAS, MEDA and CCDC established 1296 Shotwell Housing, L.P., a  
10 California limited partnership (“Lessee”), as a separate entity under which to develop  
11 the project; and

12           WHEREAS, MOHCD is also providing the Lessee with new financial assistance to  
13 leverage equity from an allocation of low-income housing tax credits and other funding  
14 sources in order for Lessee to construct a 100% affordable, 94-unit multifamily rental housing  
15 development for low-income seniors and formally homeless seniors (“Project”) on the  
16 Property; and

17           WHEREAS, Lessee has obtained all entitlements and is ready to begin construction of  
18 the Project; and

19           WHEREAS, An appraisal dated October 24, 2017 valued the Property at  
20 \$10,175,000 with entitlements; and

21           WHEREAS, MOHCD and the Director of Property have approved the form of the  
22 Ground Lease between MOHCD and the Lessee, pursuant to which MOHCD will lease the  
23 Property to the Lessee for a Base Rent of Fifteen Thousand Dollars (\$15,000.00) per year, in  
24 exchange for the Lessee’s agreement, among other things, to operate the Project with rent  
25 levels affordable to households up to 50% San Francisco Area Median Income (AMI). A copy

1 of the Ground Lease in substantially the form approved is on file with the Clerk of the Board of  
2 Supervisors in File No. 171204, and is incorporated herein by reference; and,

3 WHEREAS, The Ground Lease provides, among other conditions, for a term of 75  
4 years and one 24 year option to extend; and,

5 WHEREAS, The Planning Department found that the Ground Lease is eligible  
6 for streamlined Environmental Review as an infill project, as defined by CEQA  
7 Guidelines, Section 15183.3 and pursuant to Administrative Code, Section 31.04(h) for  
8 the reasons set forth in the November 21, 2016, Certificate of Determination from the  
9 Department of City Planning, which is on file with the Clerk of the Board in File  
10 No. 170025, and incorporated herein by reference; and

11 WHEREAS, The Planning Department found that Ground Lease is consistent  
12 with the City's General Plan, and with the eight priority policies under Planning Code,  
13 Section 101.1 for the reasons set forth in the letter of the Department of City Planning  
14 dated March 20, 2017, which is on file with the Clerk of the Board in File No. 2016-  
15 015994GPR; now, therefore, be it

16 RESOLVED, That the Board of Supervisors hereby finds that Ground Lease is  
17 consistent with the City's General Plan, and with the eight priority policies under  
18 Planning Code, Section 101.1 for the same reasons set forth in the letter of the  
19 Department of City Planning dated March 20, 2017, and hereby incorporates such  
20 findings by reference as though fully set forth in this Resolution; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the  
22 Ground Lease is eligible for streamlined Environmental Review as an infill project as  
23 defined by CEQA Guidelines, Section 15183.3 and pursuant to Administrative Code,  
24 Section 31.04(h), for the reasons set forth in the November 21, 2016 Certificate of  
25

1 Determination from the Department of City Planning, which is on file with the Clerk of  
2 the Board in File No. 170025; and, be it

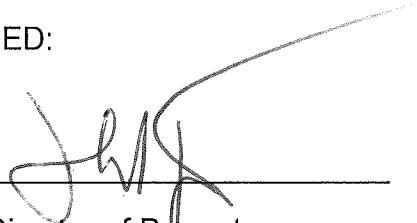
3 FURTHER RESOLVED, That in accordance with the recommendations of the  
4 Director of Property and the Acting Director of MOHCD, the Board of Supervisors  
5 hereby approves the Ground Lease, and authorizes the Director of Property (or  
6 designee) and the Acting Director of MOHCD (or designee) to execute and deliver the  
7 Ground Lease and any such other documents that are necessary or advisable to  
8 complete the transaction contemplated by the Ground Lease, and to effectuate the  
9 purpose and intent of this Resolution; and, be it

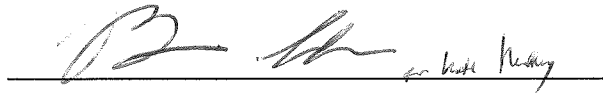
10 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director  
11 of Property (or designee) and the Acting Director of MOHCD (or designee), in  
12 consultation with the City Attorney, to enter into any additions, amendments or other  
13 modifications to the Ground Lease (including in each instance, without limitation, the  
14 attachment of exhibits), that the Director of Property and the Acting Director of MOHCD  
15 determine are in the best interests of the City, do not materially decrease the benefits  
16 to the City with respect to the Property, or otherwise materially increase the obligations  
17 or liabilities of the City, and are necessary or advisable to complete the transaction  
18 contemplated herein, effectuate the purpose and intent of this Resolution, and are in  
19 compliance with all applicable laws, including the City's Charter, provided that  
20 documents that include amendments from what was previously submitted to the Board  
21 shall be provided to the Clerk of the Board, as signed by the parties, together with a  
22 marked copy to show any changes, within 30 days of execution for inclusion in the  
23 official file; and, be it

24 FURTHER RESOLVED, That all actions taken by any City employee or official  
25 with respect to the exercise of the Ground lease authorized and directed by this

1 Resolution and heretofore taken are hereby ratified, approved and confirmed by this  
2 Board of Supervisors.

3 RECOMMENDED:

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5   
6 \_\_\_\_\_  
7 John Updike, Director of Property

8   
9 \_\_\_\_\_  
10 Kate Hartley, Acting Director, Mayor's Office of Housing and Community  
11 Development



City and County of San Francisco  
Tails  
Resolution

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

File Number: 171204

Date Passed: December 12, 2017

Resolution approving and authorizing a long term Ground Lease with 1296 Shotwell Housing, L.P., on City owned land at 1296 Shotwell Street for a term of 75 years with one 24-year option to extend, and with an annual base rent of \$15,000 in order to construct a 100% affordable, 94-unit multifamily rental housing development for low-income seniors and formally homeless seniors; adopting findings that the Ground Lease is consistent with the California Environmental Quality Act, the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of Property and Acting Director of MOHCD to execute documents, make certain modifications, and take certain actions in furtherance of this Resolution, as defined herein.


December 07, 2017 Budget and Finance Committee - RECOMMENDED AS COMMITTEE REPORT


December 12, 2017 Board of Supervisors - ADOPTED

Ayes: 10 - Breed, Cohen, Farrell, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee  
Excused: 1 - Fewer

File No. 171204

I hereby certify that the foregoing Resolution was ADOPTED on 12/12/2017 by the Board of Supervisors of the City and County of San Francisco.

  
\_\_\_\_\_  
Angela Calvillo  
Clerk of the Board

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Date Approved