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[Second Amendment to Ground Lease - Mission Bay Affordable Housing, L.P - 150 Berry Street, 201, 207, 213, 215, 217, 219, 221, 223, 225, and 227 King Streets - Rich Sorro Commons

Resolution authorizing the execution and performance of a Second Amendment to the Ground Lease between the City and County of San Francisco and Mission Bay Affordable Housing, L.P., for real property located at 150 Berry Street, 201, 207, 213, 215, 217, 219, 221, 223, 225 and 227 King Streets, in connection with the loan refinancing and minor rehabilitation of community space at Rich Sorro Commons, a 100-unit affordable housing development for very low income individuals and families, with no change to the length of term or amount.

WHEREAS, The Former Redevelopment Agency of the City and County of San Francisco ("Agency") leased the property located at 150 Berry Street, 201, 207, 213, 215, 217, 219, 221, 223, 225 and 227 King Streets San Francisco, CA 94107 (Assessor's Parcel Block No. 8706, Lot No. 003; Block No. 8706, Lot No. 005; Block No. 8706, Lot No. 006; Block No. 8706, Lot No. 010; Block No. 8706 Lot No. 011-263; Block No. 8706, Lot No. 013; Block No. 8706, Lot No. 264-308) (together the "Property") to Mission Bay Affordable Housing, L.P. ("Developer") pursuant to that certain Orlando Cepeda Place Ground Lease dated as of November 28, 2000 ("Ground Lease"); and

WHEREAS, Developer has constructed and operated the building located thereon (the "Building") as affordable housing for very low income individuals and families; and

WHEREAS, Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, first Extraordinary Session) ("AB 26"), the Agency dissolved as a matter of law on February 1, 2012, and pursuant to AB 26, as amended by California State Assembly Bill No. 1484 ("AB 1484"), and Resolution No. 11-12, adopted by the City's Board of Supervisors and Mayor on January 26, 2012, Ordinance No. 215-12, adopted by the City's Board of

Supervisors and Mayor on October 12, 2012, and the approved housing asset list submitted by City to, and approved by, the State of California Department of Finance pursuant to AB 1484 (Cal. Health & Safety Code, Section 34176(a)(2)), City is successor in interest to Agency's fee interest in the Property and to all of the Agency's rights and obligations with respect to the Lease and the Property; and

WHEREAS, The Developer desires to refinance its existing debt with a new lender, and such lender has requested the City and the Developer amend the Ground Lease to provide certain protections in the event of a default by the Developer; and

WHEREAS, The Mayor's Office of Housing and Community Development ("MOHCD") desires to enter into a Second Amendment to the Ground Lease ("Second Amendment") with the Developer substantially in the form approved by the Director of Property and MOHCD on file with the Clerk of the Board of Supervisors in File No. 171195, incorporated herein by reference; now, therefore, be it

RESOLVED, That in accordance with the recommendations of the Director of Property and the Director of MOHCD, the Board of Supervisors hereby approves and authorizes the Director of Property, along with the Acting Director of MOHCD, to finalize negotiations for the Second Amendment and following the negotiations for the Second Amendment authorizes the Director of MOHCD to execute and deliver the Second Amendment; and be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Property and Acting Director of MOHCD, in consultation with the City Attorney, to enter into any additions, amendments or other modifications to the Second Amendment that the Director of Property and Director of MOHCD determines are in the best interests of the City, do not decrease the revenues of the City in connection with the Property, or otherwise materially increase the obligations or liabilities of the City, and are in compliance with all applicable laws, including the City's Charter; and, be it

FURTHER RESOLVED, That the Director of Property shall provide the Clerk of the Board of the Supervisors a fully executed copy of the Second Amendment to the Ground Lease within thirty (30) days of signature of same.

RECOMMENDED:

John Updike, Director of Property

Kate Hartley, Acting Director of the Mayor's Office of Housing and Community Development



City and County of San Francisco Tails

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

Resolution

File Number: 171195

Date Passed: January 23, 2018

Resolution authorizing the execution and performance of a Second Amendment to the Ground Lease between the City and County of San Francisco and Mission Bay Affordable Housing, L.P., for real property located at 150 Berry Street, 201, 207, 213, 215, 217, 219, 221, 223, 225 and 227 King Streets, in connection with the loan refinancing and minor rehabilitation of community space at Rich Sorro Commons, a 100-unit affordable housing development for very low income individuals and families, with no change to the length of term or amount.

December 07, 2017 Budget and Finance Committee - CONTINUED

December 13, 2017 Budget and Finance Committee - CONTINUED TO CALL OF THE CHAIR

January 11, 2018 Budget and Finance Committee - RECOMMENDED

January 23, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 171195

I hereby certify that the foregoing Resolution was ADOPTED on 1/23/2018 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

Mark E. Farrell Mayor Date Approved