

1 [Ground Lease - 1950 Mission Housing Associates, LP - 1950 Mission Street - \$15,000
2 Annual Base Rent]

3 **Resolution approving and authorizing a long term Ground Lease with 1950 Mission**
4 **Housing Associates, LP, on City owned land at 1950 Mission Street (“Property”) for a**
5 **term of 75 years, to commence following approval by the Board of Supervisors, with**
6 **one 24-year option to extend, and with an annual base rent of \$15,000 in order to**
7 **construct a 100% affordable, 155-unit multifamily rental housing development (plus two**
8 **staff units) for low-income persons (“Project”); adopting findings that the Ground**
9 **Lease is consistent with the California Environmental Quality Act, the General Plan,**
10 **and the eight priority policies of Planning Code, Section 101.1; and authorizing the**
11 **Director of Property and the Director of the Mayor’s Office of Housing and Community**
12 **Development to execute documents, make certain modifications, and take certain**
13 **actions in furtherance of this Resolution, as defined herein.**

14
15 WHEREAS, In 2014, the Board of Supervisors approved the exchange of City property
16 located near the intersection of McAllister Street and Ash Alley (555 Fulton and 380 Fulton
17 Street) and an additional fee of \$2,675,000 for real property owned by the San Francisco
18 Unified School District located at 1950 Mission Street (Resolution No. 331-14) of City; and

19 WHEREAS, In 2015, the Mayor’s Office of Housing and Community Development
20 (“MOHCD”), issued a Request for Proposal (“RFP”), seeking submittals from qualified
21 respondents to develop the Property as affordable rental housing; and

22 WHEREAS, Bridge Housing Corporation (“Bridge”), a California nonprofit public benefit
23 corporation, in collaboration with Mission Housing Development Corporation (“MHDC”), a
24 California nonprofit public benefit corporation, jointly responded to the RFP and was selected
25 to be the developer for the Property; and

1 WHEREAS, Bridge and MHDC established 1950 Mission Housing Associates,
2 LP, a California limited partnership (“Lessee”), as a separate entity under which to
3 develop the Project; and

4 WHEREAS, MOHCD is also providing the Lessee with new financial assistance to
5 leverage equity from an allocation of low-income housing tax credits and other funding
6 sources in order for Lessee to construct a 100% affordable, 155-unit multifamily rental
7 housing development for low-income persons (plus two staff units) with ancillary commercial
8 space for public benefit and community serving purposes on the Property; and

9 WHEREAS, An appraisal dated February 21, 2013, valued the Property
10 at \$13,400,000; and

11 WHEREAS, The purpose of this Ground Lease is solely to implement the
12 mission of MOHCD, and the Board of Supervisors’ approval of this Resolution furthers
13 the public purpose of providing affordable housing for low-income households in need,
14 thus obviating the need for a market rent lease appraisal described in San Francisco
15 Administrative Code, Section 23.30; and

16 WHEREAS, MOHCD and the Director of Property have approved the form of the
17 Ground Lease between MOHCD and the Lessee, pursuant to which MOHCD will lease the
18 Property to the Lessee for a Base Rent of \$15,000 per year, in exchange for the Lessee’s
19 agreement, among other things, to construct and operate the Project with rent levels
20 affordable to households up to 60% of unadjusted San Francisco Area Median Income (AMI);
21 and

22 WHEREAS, A copy of the Ground Lease in a form substantially approved is on file with
23 the Clerk of the Board of Supervisors in File No. 181007, and is incorporated herein by
24 reference; and

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

3 WHEREAS, The Project was reviewed under the Eastern Neighborhoods Area Plan
4 Environmental Impact Report ("EIR") certified by the Planning Commission on
5 December 4, 2017, the Project was determined to be consistent with the Eastern
6 Neighborhoods Area Plan EIR and exempt from environmental review per CEQA Guidelines,
7 Section 15183 (Planning Case No. 2016.001514EVN); and

8 WHEREAS, By letter dated January 28, 2014, the Department of City Planning
9 found the acquisition and transfer between the San Francisco Unified School District
10 and MOHCD to be consistent with the City's General Plan, and with the eight priority
11 policies under Planning Code, Section 101.1, and for the reasons set forth in a letter
12 dated October 10, 2018, the Department of City Planning found the ground lease to
13 also be consistent with the City's General Plan, and with the eight priority policies
14 under Planning Code, Section 101.1; now, therefore, be it

15 RESOLVED, That the Board of Supervisors hereby adopts the findings
16 contained in the document dated January 28, 2014, from the Department of City
17 Planning regarding the California Environmental Quality Act, and hereby incorporates
18 such findings by reference as though fully set forth in this Resolution; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the
20 Ground Lease is consistent with the City's General Plan, and with the eight priority
21 policies under Planning Code, Section 101.1, for the same reasons set forth in the
22 letter of the Department of City Planning dated October 10, 2018, and hereby
23 incorporates such findings by reference as though fully set forth in this Resolution; and,
24 be it

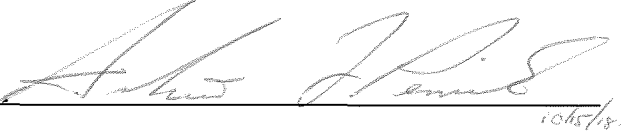
1 FURTHER RESOLVED, That in accordance with the recommendations of the
2 Director of Property and the Director of MOHCD, the Board of Supervisors hereby
3 approves the Ground Lease, and authorizes the Director of Property (or designee) and
4 the Director of MOHCD (or designee) to execute and deliver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

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

21 FURTHER RESOLVED, That all actions taken by any City employee or official
22 with respect to the exercise of the Ground lease authorized and directed by this
23 Resolution and heretofore taken are hereby ratified, approved and confirmed by this
24 Board of Supervisors.
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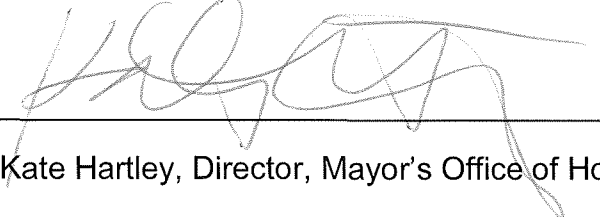
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RECOMMENDED:



A handwritten signature in cursive script, appearing to read "Andrico Q. Penick", written over a horizontal line. To the right of the signature, the date "10/15/18" is written in a smaller, less legible script.

Andrico Q. Penick, Director of Property



A handwritten signature in cursive script, appearing to read "Kate Hartley", written over a horizontal line.

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



City and County of San Francisco
Tails
Resolution

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

File Number: 181007

Date Passed: November 13, 2018

Resolution approving and authorizing a long term Ground Lease with 1950 Mission Housing Associates, LP, on City owned land at 1950 Mission Street ("Property") for a term of 75 years, to commence following approval by the Board of Supervisors, with one 24-year option to extend, and with an annual base rent of \$15,000 in order to construct a 100% affordable, 155-unit multifamily rental housing development (plus two staff units) for low-income persons ("Project"); 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 the Director of the Mayor's Office of Housing and Community Development to execute documents, make certain modifications, and take certain actions in furtherance of this Resolution, as defined herein.


November 01, 2018 Budget and Finance Committee - RECOMMENDED

November 13, 2018 Board of Supervisors - ADOPTED


Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

File No. 181007

I hereby certify that the foregoing Resolution was ADOPTED on 11/13/2018 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor



Date Approved