

1 [Ground Lease Amendment - Refinance Property - Turk & Eddy Associates, L.P - 249 Eddy
2 Street and 161-165 Turk Street]

3 **Resolution approving and authorizing the amendment and restatement of an existing**
4 **long term ground lease with Turk & Eddy Associates, LP, on City-owned land at 249**
5 **Eddy Street, and 161-165 Turk Street (“Property”) in order to refinance a 100%**
6 **affordable, 82-unit multifamily rental housing development (plus one staff unit) for low-**
7 **income persons (“Project”); and authorizing the Director of Property and Director of**
8 **Mayor’s Office of Housing and Community Development to execute documents, make**
9 **certain modifications, and take certain actions in furtherance of this Resolution, as**
10 **defined herein.**

11
12 WHEREAS, In 2009, the City (the “Landlord”) and Turk & Eddy Associates, L.P., a
13 California limited partnership (the “Tenant”), an affiliate of Tenderloin Neighborhood
14 Development Corporation, a California nonprofit public benefit corporation (“TNDC”) entered
15 into a ground lease (“Existing Ground Lease”) for the Property, dated November 17, 2009;
16 and

17 WHEREAS, TNDC desires to refinance its leasehold interest in the Property in order to
18 perform certain seismic upgrades and obtain better financing terms;

19 WHEREAS, City and Turk & Eddy Associates, L.P. desire to amend the Existing
20 Ground Lease upon closing of the refinancing of the Property in order to include certain
21 commercially reasonable lender protection provisions required by Freddie Mac (which is
22 providing part of TNDC’s new financing) that are not part of the Existing Ground Lease, but
23 make no other material changes; and

1 WHEREAS, Because these changes modify the City’s rights under the Existing Ground
2 Lease, the changes may be considered material and therefore require the approval of the
3 Board of Supervisors; and

4 WHEREAS, The purpose of the amended and restated ground lease is solely to
5 implement the mission of MOHCD, and the Board of Supervisors’ approval of this Resolution
6 furthers the public purpose of providing affordable housing for low-income households in
7 need, thus obviating the need for a market rent lease appraisal described in San Francisco
8 Administrative Code, Section 23.30; and

9 WHEREAS, MOHCD and the Director of Property have approved the form of the
10 amended and restated ground lease; and,

11 WHEREAS, A copy of the substantially final form of the amended and restated ground
12 lease is on file with the Clerk of the Board of Supervisors in File No. 200045, and is
13 incorporated herein by reference; now, therefore be it

14 RESOLVED, That in accordance with the recommendations of the Director of Property
15 of the San Francisco Real Estate Division and the Director of MOHCD, the Board of
16 Supervisors hereby approves the amended and restated ground lease, and authorizes the
17 Director of Property (or designee) and the Director of MOHCD (or designee) to execute and
18 deliver the amended and restated ground lease and any such other documents that are
19 necessary or advisable to complete the transaction contemplated by the amended and
20 restated ground lease, and to effectuate the purpose and intent of this Resolution; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
22 Property (or designee) and the Director of MOHCD (or designee), in consultation with the City
23 Attorney, to enter into any additions, amendments or other modifications to the amended and
24 restated ground lease (including in each instance, without limitation, the attachment of
25 exhibits), that the Director of Property and the Director of MOHCD determine are in the best

1 interests of the City, do not materially decrease the benefits to the City with respect to the
2 Property, or otherwise materially increase the obligations or liabilities of the City, and are
3 necessary or advisable to complete the transaction contemplated herein, effectuate the
4 purpose and intent of this Resolution, and are in compliance with all applicable laws, including
5 the City's Charter, provided that documents that include amendments from what was
6 previously submitted to the Board shall be provided to the Clerk of the Board, as signed by the
7 parties, together with a marked copy to show any changes, within 30 days of execution for
8 inclusion in the official file; and, be it

9 FURTHER RESOLVED, That all actions taken by any City employee or official with
10 respect to the amendment and restatement of the Existing Ground Lease authorized and
11 directed by this Resolution and heretofore taken are hereby ratified, approved and confirmed
12 by this Board of Supervisors; and, be it

13 FURTHER RESOLVED, That within 30 days of the amended and restated ground lease
14 being fully-executed by all parties, the Director of Property or Director of Mayor's Office of
15 Housing and Community Development shall provide the final amended and restated ground
16 lease to the Clerk of the Board for inclusion into the official file.

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18 RECOMMENDED:

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20 _____
21 Andrico Q. Penick
22 Director of Property

23 _____
24 Daniel Adams
25 Acting Director
Mayor's Office of Housing and Community Development

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