

1 [Exceptions to Seismic Safety Loan Program requirements to amend loan to 53 Columbus
2 Avenue.]

3 **Ordinance approving exceptions to requirements under San Francisco Administrative**
4 **Code Sections 66 and 66A and the Seismic Safety Loan Program Regulations, dated**
5 **May 2006, adopted by the Board of Supervisors through Ordinance No. _____, to**
6 **amend an existing Seismic Safety Loan Program ("SSLP") loan for a project at 53**
7 **Columbus Avenue, San Francisco, California, to allow for cooperative housing and a**
8 **transfer of the commercial portion of the project improvements.**

9 Note: Additions are *single-underline italics Times New Roman*;
10 deletions are ~~*strikethrough italics Times New Roman*~~.
11 Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

12 Be it ordained by the People of the City and County of San Francisco:

13 Section 1. In accordance with the recommendation of the City and County of San
14 Francisco Mayor's Office of Housing, the Board of Supervisors hereby approves of a
15 proposed amendment to an existing SSLP loan ("Loan") made by the City and County of San
16 Francisco, acting by and through the Mayor's Office of Housing, to the San Francisco
17 Community Land Trust, a California nonprofit public benefit corporation ("Borrower"), which is
18 governed by a Construction Loan Agreement dated as of December 14, 2007 (the "Loan
19 Agreement"), and other documents executed by Borrower in favor of the City pursuant to the
20 Loan Agreement, as further described in the Loan Agreement (the "Loan Documents"), which
21 collectively impose the requirements required for SSLP loans under San Francisco
22 Administrative Code Sections 66 and 66A, and the Seismic Safety Loan Program
23 Regulations, dated May 2006, adopted by the Board of Supervisors through Ordinance

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1 No. _____, to permit the Borrower to subdivide the improved real property
2 commonly known as 53 Columbus and defined in the Loan Agreement as the "Property" (the
3 "Project") into three separate legal parcels, with one legal parcel being comprised of the land
4 portion of the Project (the "Land Parcel"), one legal parcel being comprised of the commercial
5 portion of the Project improvements (the "Commercial Parcel"), and one separate legal parcel
6 being comprised of the residential portion of the Project improvements (the "Residential
7 Parcel"), and either sell to or enter into a 99-year lease for the Residential Parcel with
8 Columbus United Cooperative, a California corporation, and either sell to or enter into a 99-
9 year lease for the Commercial Parcel with the Asian Law Caucus, a California nonprofit
10 corporation, without accelerating the term of the Loan or requiring any payment under the
11 Loan for such transfers, provided that such entities assume the obligations of Borrower
12 pursuant to under the Regulatory Agreement made by Borrower in favor of City, dated as of
13 December 14, 2007, recorded in the Official Records of San Francisco County on December
14 31, 2007, as Document No 2007-I513163, to the extent applicable to the portion of the Project
15 acquired by such entities.

16 Section 2. In accordance with the recommendation of the Mayor's Office of Housing,
17 the Board of Supervisors hereby approves of a proposed amendment to the Loan to permit
18 the conversion of the residential housing on the Residential Parcel to housing that is owned
19 by a validly-formed limited equity housing cooperative that meets all of the requirements in
20 Section 33007.5 of the California Health and Safety Code, as may be amended (a
21 "Cooperative"), which grants owners of its stock with the exclusive right to occupancy a
22 residential unit in the Residential Parcel and will operate and maintain the Residential Parcel

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1 pursuant to the Cooperative's formation documents and occupancy agreements that require
2 such owners to pay their annual share of such Residential Parcel operation and maintenance
3 costs, if the Cooperative enters into an amendment to the Regulatory Agreement as to the
4 Residential Parcel that requires (a) the formation documents of the Cooperative and any
5 occupancy agreements that it enters into with the owners of its stock limit the purchase and
6 transfer of such stock at a price that is no greater than the greater of (i) the aggregate of (A)
7 \$10,000; (B) the value, as determined by the board of directors of the Cooperative, of any
8 improvements installed at the expense of the owner of such stock with the prior approval of
9 such board of directors; and (C) the accumulated interest, or an inflation allowance at a rate
10 which may be based on a cost-of-living index, an income index, or market-interest index, or
11 such stock, and (ii) a 10 percent annual increase on the consideration paid for such stock by
12 its first owner, (b) the number of residential units at the Residential Parcel will not be reduced,
13 and (c) if an owner of Cooperative stock has a household (as defined in 24 CFR Section
14 570.3) income that does not exceed forty percent (40%) of median income for the San
15 Francisco Metropolitan Statistical Area, as determined from time to time by the United States
16 Department of Housing and Urban Development Median Income ("Median Income"), the
17 annual carrying costs charged to such owner shall be no greater than the annual affordable
18 rent (as established by the San Francisco Housing Agency) that would apply to the Project
19 unit occupied by such owner, adjusted for household size, if such unit were rented to such
20 owner, provided, however, that such annual carrying costs shall not exceed thirty percent
21 (30%) of forty percent (40%) of Median Income (excluding subsidies), adjusted for household

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1 size. Adjustments for household size shall be made with the adjustment formula used by the
2 Mayor's Office of Housing for other SSLP loans.

3 Section 3. In accordance with the recommendation of Mayor's Office of Housing, the
4 Board of Supervisors hereby approves of a proposed amendment to the Loan to release the
5 Commercial Parcel from the lien of the construction and permanent deed of trust, assignment
6 of leases and rents, security agreement and fixture filing made by Borrower, as trustor, in
7 favor of City, as beneficiary, recorded in the Official Records of San Francisco County on
8 December 31, 2007, as Document No 2007-I513168.

9 Section 4. The Board of Supervisors hereby authorize and direct the Director of the
10 Mayor's Office of Housing to take any and all actions which the Director of the Mayor's Office
11 of Housing or the City Attorney may deem necessary or advisable in order to effectuate the
12 purpose and intent of this ordinance, including the execution of an amendment to the Loan
13 Agreement and Regulatory Agreement and a partial release of deed of trust.

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APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Carol Wong
Deputy City Attorney