

1 [Ground Lease - Redevelopment Agency - Carroll Street Senior Community - 5800 Third
2 Street]

3 **Resolution approving and authorizing the Redevelopment Agency of the City and**
4 **County of San Francisco to execute a lease of land at 5800 Third Street, Lot No. 3,**
5 **northwest corner of the larger 5800 Third Street site, Assessor’s Block No. 5431A, Lot**
6 **No. 042 with Bayview Supportive Housing, LLC, a California limited liability company,**
7 **for a term of 55 years for the purpose of developing housing for very low-income**
8 **senior households.**
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10 WHEREAS, The Redevelopment Agency of the City and County (“Agency”) and the
11 City desire to increase the City’s supply of affordable housing and encourage affordable
12 housing development through financial and other forms of assistance; and,
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14 WHEREAS, on May 23, 2006, The Board of Supervisors approved and adopted by
15 Ordinance No. 113-06, the Redevelopment for the Bayview Hunters Point Redevelopment
16 Project (“Redevelopment Plan”), and on August 3, 2010 the Board of Supervisors approved
17 and adopted by Ordinance No. 210-10 an amendment to the Redevelopment Plan, in order to
18 undertake a variety of projects and activities to alleviate blighting conditions; and,
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20 WHEREAS, The Agency-owned parcel located at the northwest corner of 5800 Third
21 Street, Assessor’s Block 5431A, Lot 042, and in the Bayview Hunters Point Redevelopment
22 Project Area (“Site”), is an underutilized and unimproved lot; and,
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24 WHEREAS, The Agency believes that the redevelopment of the Site, pursuant to the
25 proposed Ground Lease Agreement, a copy of which is on file with the Clerk of the Board
under File No. 110513 (“Agreement”), is in the vital and best interests of the City and the

1 public health, safety, and welfare of its residents, and in accord with the public purposes and
2 provisions of the applicable State and Federal laws, including the California Community
3 Redevelopment Law, Health and Safety Code Sections 33000 et seq. (“Community
4 Redevelopment Law”); and,

5 WHEREAS, The Bayview Hunter’s Point Project Area Committee has expressed their
6 support for the development of the Carroll Street Senior Community (“Project”) on the Site;
7 and,

8 WHEREAS, The Agency Commission selected Bayview Supportive Housing, LLC, a
9 California limited liability company an affiliate of Bayview Hunters Point Multipurpose Senior
10 Services, Inc., and McCormack Baron Salazar, (“Developer”), to develop and operate the
11 Project as housing units for very low-income senior households; and,

12 WHEREAS, The Developer has applied to the Agency for predevelopment funding to
13 develop the Project as affordable rental housing; and,

14 WHEREAS, The Agency intends to provide the Developer with financial assistance to
15 leverage equity from an allocation of low-income housing tax credits and other funding
16 sources in order to construct approximately 120 units of affordable rental housing, support
17 service space, and ground floor services (plus one manager’s unit); and,

18 WHEREAS, The Project has been presented, as part of the Choice Neighborhoods
19 Grant Initiative (“Choice Neighborhoods”) Program, with an opportunity to secure Project
20 Based Section 8 vouchers; and,

1 WHEREAS, The Agency has proposed the Agreement with the Developer to allow the
2 Developer to construct and operate improvements on the Site while allowing the Agency to
3 ensure that the affordability of the housing is maintained over the long term; and,

4 WHEREAS, On May 3, 2011, by Resolution No. 56-2011, the Agency Commission
5 authorized the Agreement with the Developer, in which the Agency will lease the Site for
6 Fifteen Thousand Dollars (\$15,000.00) per year for 55 years, in exchange for the Developer's
7 agreement, among other things, to operate the Project with rent levels affordable to Lower
8 Income Households. A copy of Agency Commission Resolution No. 56-2011 is on file with
9 the Clerk of the Board of Supervisors in File No. 110513 and incorporated by reference
10 herein as though fully set forth; and,

11 WHEREAS, Because the Site was purchased with tax increment, Section 33433 of the
12 Community Redevelopment Law, requires the Board of Supervisors to conduct a public
13 hearing and approve of the Agency's sale or lease of the Site; and,

14 WHEREAS, Pursuant to Section 33433 of the community Redevelopment Law, on May
15 17, 2011, the Board of Supervisors held a duly noticed public hearing on the Agreement. The
16 hearing has been closed. Notice of such hearing was published in accordance with Sections
17 33433 of the Community Redevelopment Law; and,

18 WHEREAS, The Agency has prepared and submitted a report in accordance with the
19 requirements of Section 33433 of the Community Redevelopment Law, including a copy of the
20 proposed Agreement, and a summary of the transaction describing the cost of the Agreement
21 to the Agency, the value of the property interest to be conveyed, the lease price and other
22 information was made available for the public inspection and is on file with the Clerk of the
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1 Board of Supervisors in File No. 110513 and incorporated herein by reference as through fully
2 set forth; and,

3 WHEREAS, By Resolution No. 122-2010, the Agency Commission adopted a Final
4 Mitigated Negative Declaration prepared for the Project by the City Planning Department
5 finding that it reflected the independent judgment and analysis by the Agency, and was
6 adequate and prepared in accordance with the California Environmental Quality Act
7 (California Public Resources Code Sections 21000 et seq.); now, therefore, be it
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9 RESOLVED, That the Board of Supervisors does hereby find and determine that:
10 (1) the lease of the Site from the Agency to the Developer in accordance with the Agreement
11 will provide housing for very low-income seniors and is consistent with the Agency's citywide
12 Tax Increment Affordable Housing Program, pursuant to of the Community Redevelopment
13 Law Section 33342.2; (2) the less than fair market value rent of approximately Fifteen
14 Thousand Dollars (\$15,000.00) per year for a term of fifty-five (55) years is necessary to
15 achieve affordability for very low income households; and (3) the consideration to be received
16 by the Agency is not less than the fair reuse value at the use and with the covenants and
17 conditions and developments costs authorized by the Agreement; and, be it
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19 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
20 authorizes the Agency to execute the Agreement with the Developer, substantially in the form
21 on file with the Clerk of the Board of Supervisors in File No. 110513 and lodged with the
22 Agency General Counsel, and make such revisions to the Agreement as do not materially
23 increase the obligations or liabilities of the Agency or materially decrease the benefits to the
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1 Agency, as determined by the Agency's Executive Director, and to take any such further
2 actions as necessary or appropriate to implement the Agreement.

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