

1 GROUNDLEASE OF REDEVELOPMENT AGENCY LAND  
2 APPROVING THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN  
3 FRANCISCO'S LEASE OF THE LAND AT ASSESSOR'S BLOCK 754, LOT 28, COMMONLY  
4 KNOWN AS 1555 TURK STREET, TO LAUREL GARDENS OF BETHEL A.M.E. CHURCH,  
5 L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR 99 YEARS FOR THE PURPOSE OF  
6 PRESERVING A HOUSING DEVELOPMENT FOR VERY LOW AND LOW INCOME  
7 HOUSEHOLDS.

8 WHEREAS, The Redevelopment Agency of the City and County of San  
9 Francisco ("the Agency") is carrying out the Western Addition A-2 Redevelopment Plan ("the  
10 Plan"); and,

11 WHEREAS, The expiration of project-based Section 8 contracts poses a serious threat  
12 to San Francisco's affordable housing stock and the Agency desires to preserve  
13 developments with Section 8 contracts as affordable housing; and,

14 WHEREAS, The housing development located at Assessor's Block 754, lot 28, more  
15 commonly known as 1555 Turk Street (the "Project"), has two Section 8 contracts and the  
16 current private owner of the Project intends to prepay its mortgage, terminate the Section 8  
17 contracts and convert the Project from affordable housing to market rate housing; and,

18 WHEREAS, In order to preserve the long-term affordability of the Project, the Agency  
19 intends to become the owner of the land located at Assessor's Block 754, lot 28, more  
20 commonly known as 1555 Turk Street (the "Property") located in the Western Addition A-2  
21 Redevelopment Project Area; and,

22 WHEREAS, Laura Gardens of Bethel A.M.E. Church, Inc. ("Developer") is a nonprofit  
23 public benefit corporation established solely to acquire, rehabilitate and operate the Project  
24 as housing units for Very Low and Low Income Households and will become the owner of the  
25 improvements on the Property; and,

1           WHEREAS, Three members of Developer's nine person board of directors will be  
2 tenants of the Project and a majority of tenants have endorsed the acquisitions of the Project  
3 by the Developer; and,

4           WHEREAS, Developer has applied to the agency for funding to preserve the Project  
5 as affordable housing; and,

6           WHEREAS, Developer has applied for and received a commitment for Federal Low  
7 Income Housing Tax Credits and an allocation of tax exempt bonds. This funding, which,  
8 together with the lease of the Property for thirty-thousand dollars per year (\$30,000.00), will  
9 make it financially feasible for the Developer to preserve fifty-two (52) dwelling units for  
10 occupancy by Very Low and Low Income Households, as those terms are defined in  
11 California Health and Safety Code Sections 50105 and 33334.2, respectively; and,

12           WHEREAS, Developer intends to from Laurel Gardens of Bethel A.M.E. Church, L.P.,  
13 a California limited partnership controlled by Developer, in order to qualify for Federal Low  
14 Income Housing Tax Credits and thereby maximize the amount of funding for developer of  
15 the Project; and,

16           WHEREAS, The Agency and Laurel Gardens of Bethel A.M.E. Church, L.P. intend to  
17 enter into a groundlease (the "Groundlease"), in which the Agency will lease the Property for  
18 thirty thousand dollars (\$30,000.00) per year, in exchange for Developer's agreement to  
19 preserve the Project as housing affordable to Very Low and Low Income Households; and,

20           WHEREAS, Although the Property could command a higher rent, any amount of rent in  
21 excess of thirty thousand dollars per year (\$30,000.00), would render it impossible to  
22 preserve the Project with rent levels affordable to Very Low and Low Income Households;  
23 and,

1           WHEREAS, Because the Property will be purchased with tax increment money,  
2 Section 33433 of the California Health and Safety Code requires the Board of Supervisors'  
3 approval, after a public hearing, prior to its sale or lease; and,

4           WHEREAS, Notice of the public hearing has been published as required by Health and  
5 Safety Code Section 33433; and,

6           WHEREAS, The Agency prepared a report pursuant to Section 33433 of the Health  
7 and Safety Code containing a copy of the proposed Groundlease and a summary describing  
8 the cost of the Groundlease to the Agency, the value of the property interest to be conveyed,  
9 the lease price and other information was made available for public inspection; now, therefore  
10 be it

11           RESOLVED, That the Board of Supervisors of the City and County of San Francisco  
12 does hereby find and determine that the lease of the Property from the Agency to Laurel  
13 Gardens of Bethel A.M.E. Church, L.P. a California limited partnership: (1) will provide  
14 housing for low- or moderate low- income persons; (2) is consistent with the implementation  
15 plan adopted pursuant to California Health and Safety Code Section 33490; (3) the less than  
16 fair market value rent of thirty thousand dollars (\$30,000,00) per year for a period of ninety-  
17 nine (99) years is necessary to effectuate the purposes of the Western Addition A-2  
18 Redevelopment Plan; and (4) the consideration to be received by the Agency is not less than  
19 the fair reuse value at the use and with the covenants and conditions and developments  
20 costs authorized by the Groundlease; and, be it

21           FURTHER RESOLVED, That the Board of Supervisors hereby approves and  
22 authorizes the Agency to execute the Groundlease of the Property from the Agency to the  
23 Lauel Gardens of Bethel A.M.E. Church, L.P., substantially in the form of the Groundlease  
24 lodged with the Agency General Counsel, and to take such further actions and execute such  
25 documents as are necessary to carry out the Groundlease on behalf of the Agency.



# City and County of San Francisco

Veterans Building  
401 Van Ness Avenue, Room 308  
San Francisco, CA 94102-4532

## Tails Resolution

**File Number:** 981559

**Date Passed:**

Resolution approving the Redevelopment Agency's lease of the land at Assessor's Block 754, Lot 28, commonly known as 1555 Turk Street, to Laurel Gardens of Bethel A.M.E. Church, L.P., A California Limited Partnership, for 99 years for the purpose of preserving a housing development for very low and low income households.

October 13, 1998 Board of Supervisors — ADOPTED

Ayes: 11 - Ammiano, Bierman, Brown, Katz, Kaufman, Leno, Medina, Newsom,  
Teng, Yaki, Yee

File No. 981559

I hereby certify that the foregoing Resolution was ADOPTED on October 13, 1998 by the Board of Supervisors of the City and County of San Francisco.



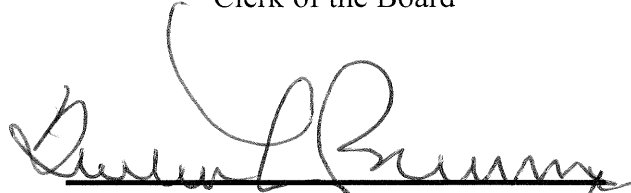
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Gloria L. Young  
Clerk of the Board

OCT 23 1998

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Date Approved



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Mayor Willie L. Brown Jr.