

1 [Ground Lease of Redevelopment Agency Land for 477 O'Farrell Street]
2 APPROVING THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF
3 SAN FRANCISCO'S LEASE OF THE LAND AT ASSESSOR'S BLOCK 324, LOT 24,
4 COMMONLY KNOWN AS 477 O'FARRELL STREET, TO THE CITIZENS
5 HOUSING CORPORATION, A CALIFORNIA 501 (c) (3) NON-PROFIT
6 CORPORATION, FOR 50 YEARS FOR THE PURPOSE OF PRESERVING A
7 HOUSING DEVELOPMENT FOR VERY LOW AND LOW INCOME SENIOR
8 HOUSEHOLDS.

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10 WHEREAS, The expiration of project-based Section 8 contracts poses a serious
11 threat to San Francisco's affordable housing stock; and,

12 WHEREAS, The Agency and the City desire to preserve developments with
13 Section 8 contracts as affordable housing; and,

14 WHEREAS, The housing development located at Assessor's Block 324, Lot 24,
15 more commonly known as 477 O'Farrell ("the Project"), has an expiring Section 8
16 contract and an FHA-insured mortgage eligible for prepayment; and,

17 WHEREAS, The current private owner of the Project expressed its intention to
18 prepay that mortgage, terminate the Section 8 contract and convert the Project from
19 affordable housing to market rate housing; and,

20 WHEREAS, In order to preserve the long-term affordability of the Project, the
21 Agency intends to become the owner of the land associated with the Project ("the
22 Property") located in the Tenderloin neighborhood; and,

23 WHEREAS, Citizens Housing Corporation, a California 501 (c) (3) Non-profit
24 corporation ("Developer") is an entity established to acquire and operate the Project as
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housing units for Very Low and Low Income Senior Households and will become the
owner of the improvements on the Property , and

WHEREAS, a majority of the tenants at the Project have endorsed the acquisition
of the Project by the Developer; and,

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

WHEREAS, The Developer anticipates issuing tax exempt multifamily mortgage
revenue bonds, and, this funding, the Agency funding and the lease of the Property for a
restricted rent, estimated to be two hundred and ten thousand dollars per year
(\$210,000.00), will make it financially feasible for the Developer to preserve 101
dwelling units for occupancy by Very Low and Low Income Senior Households, as those
terms are defined in California Health and Safety Code Sections 50105 and 33334.2,
respectively; and,

WHEREAS, The Agency and Citizens Housing Corporation, intend to enter into a
ground lease (“the Ground Lease”), in which the Agency will lease the Property to the
Developer for two hundred and ten thousand dollars (\$210,000.00) per year, in exchange
for Developer’s agreement, among other things, to preserve the Project with rent levels
affordable to Very Low and Low Income Senior Households; and,

WHEREAS, Although the Property could command a higher rent, leasing the
Property for a rent in excess of the stated rent would render it financially infeasible to
preserve the Project with rent levels affordable to Very Low and Low Income Senior
Households; and,

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

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

1 WHEREAS, The Agency prepared and submitted a report in accordance with the
2 requirements of Sections 33433 of the Health and Safety Code, including a copy of the
3 proposed Ground Lease, and a summary of the transaction describing the cost of the
4 Ground Lease to the Agency, the value of the property interest to be conveyed, the lease
5 price and other information was made available for public inspection; now therefore be it

6 RESOLVED, That the Board of Supervisors of the City and County of San
7 Francisco does hereby find and determine that the lease of the Property from the Agency
8 to Citizens Housing Corporation, a California 501 (c) (3) Non-profit corporation: (1) will
9 provide housing for Very Low and Low Income Senior and Disabled Persons; (2) is
10 consistent with the Agency's implementation plan adopted pursuant to California Health
11 and Safety Code Section 33490; (3) the less than fair market value rent of approximately
12 two hundred ten thousand dollars (\$210,000.00) per year for a period of fifty (50) years is
13 necessary to effectuate the purposes of the Mayor's Affordable Housing Preservation
14 Program; and (4) the consideration to be received by the Agency is not less than the fair
15 reuse value at the use and with the covenants and conditions and developments costs
16 authorized by the Ground Lease; and be it

17 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
18 authorizes the Agency to execute the Ground Lease of the Property from the Agency to
19 Citizens Housing Corporation, substantially in the form of the Ground Lease lodged with
20 the Agency General Counsel, and to take such further actions and execute such
21 documents as are necessary to carry out the Ground Lease on behalf of the Agency.
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City and County of San Francisco

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

Tails

Resolution

File Number: 000808

Date Passed:

Resolution approving the Redevelopment Agency of the City and County of San Francisco's lease of the land at Assessor's Block 324, Lot 24, commonly known as 477 O'Farrell Street, to the Citizens Housing Corporation, a California 501 (c)(3) non-profit corporation, for 50 years for the purpose of preserving a housing development for very low and low income senior households.

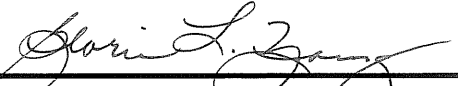
May 15, 2000 Board of Supervisors — ADOPTED

Ayes: 8 - Ammiano, Becerril, Bierman, Brown, Katz, Leno, Yaki, Yee

Absent: 3 - Kaufman, Newsom, Teng

File No. 000808

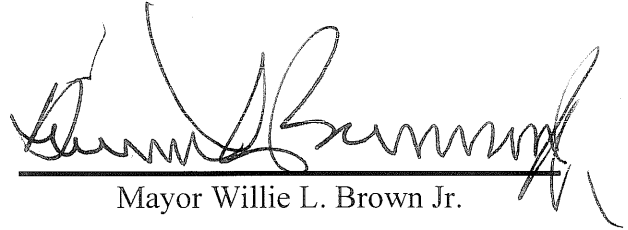
I hereby certify that the foregoing Resolution was ADOPTED on May 15, 2000 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

MAY 26 2000

Date Approved



Mayor Willie L. Brown Jr.