

1 [Grant Agreement - Preservation of Affordable Housing Units - Bayside Village Associates,
2 L.P. - Bayside Village Apartments (3 Bayside Village Place) - \$21,680,000]

3 **Resolution approving an agreement with Bayside Village Associates, L.P., to preserve**
4 **70 affordable housing units at Bayside Village Apartments (3 Bayside Village Place) in**
5 **an amount not to exceed \$21,680,000 and authorizing the Director of the Mayor's Office**
6 **of Housing and Community Development to execute the agreement on behalf of the**
7 **City and County of San Francisco to prevent the displacement of 172 existing low and**
8 **moderate-income households residing at the Bayside Village Apartments and creating**
9 **permanent affordability restrictions for 70 of these units to remain affordable to**
10 **households earning up to 120% of average median income.**

11
12 WHEREAS, On December 1, 1986, the former Redevelopment Agency of the City and
13 County of San Francisco (the "Former Agency") issued a series of bonds in the amount of
14 \$50,000,000 as part of the financing for the Bayside Village Apartments (the "Bayside
15 Project"), and on April 28, 1988, the Agency issued another series of bonds in the amount of
16 \$30,000,000 as part of the financing for the Bayside Project (collectively, the "Bonds"), which
17 constructed 862 dwelling units, including parking, on Assessor's Parcel Block No. 3773, Lot
18 Nos. 100A, 200A, and 300A, in the Rincon Point/South Beach Redevelopment Project Area
19 (the "Bayside Project Site"); and

20 WHEREAS, In connection with the issuance of the Bonds the Former Agency and the
21 Bayside Project owner entered into (i) that certain Regulatory Agreement and Declaration of
22 Restrictive Covenants, relating to the \$50,000,000 Variable Rate Demand Multifamily
23 Housing Revenue Bonds, 1985 Issue D, Series A, dated as of December 1, 1986, as
24 amended by that certain First Amendment to Regulatory Agreement and Declaration of
25 Restrictive Covenants, dated November 1, 2004; and (ii) that certain Regulatory Agreement

1 and Declaration of Restrictive Covenants, relating to the \$30,000,000 Variable Rate Demand
2 Multifamily Housing Revenue Bonds, 1985 Issue D, Series B, dated as of April 28, 1988, as
3 amended by that certain First Amendment to Regulatory Agreement and Declaration of
4 Restrictive Covenants, dated November 1, 2004 (the "Regulatory Agreements"); and

5 WHEREAS, The Regulatory Agreements required the Bayside Project owner, Bayside
6 Village Associates, L.P. (the "Owner") to comply with numerous affordability obligations, as
7 set forth in the Regulatory Agreements; and

8 WHEREAS, Specifically, the Regulatory Agreements required that twenty percent
9 (20%) or more of the units, equivalent to 172 units at the Bayside Project, must be made
10 available to occupants of low or moderate income until the occurrence of several events, all
11 ending as of December 1, 2016; and

12 WHEREAS, Accordingly, effective December 1, 2016, the Regulatory Agreements
13 terminate and expire, and, therefore, will no longer impose any affordability or below market
14 rate obligations on the Owner of the Bayside Project; and

15 WHEREAS, In order to ensure the long term availability of affordable housing in the
16 Rincon Point – South Beach Redevelopment Project area and to prevent the displacement of
17 existing low- and moderate-income households residing at the Bayside Project, the City and
18 County of San Francisco (the "City"), acting through the Mayor's Office of Housing and
19 Community Development (the "MOHCD"), and Owner have reached an agreement which,
20 among other things, will provide that the Owner will voluntarily maintain the current
21 affordability levels of all 172 units and additionally create permanent restrictions on 70 of
22 those units so that they remain affordable to households earning up to 120% of AMI for the life
23 of the Bayside Project in exchange for a grant of Twenty One Million Six Hundred Eighty
24 Thousand Dollars (\$21,680,000) (the "Grant Amount"); and

1 WHEREAS, Owner and the MOHCD have agreed that in exchange for the retention of
2 70 permanent below-market rate units at the Bayside Project, the City shall provide the Grant
3 Amount to Owner, subject to the terms and conditions set forth in the Grant Agreement for the
4 Preservation of Affordable Housing Units at Bayside Village Apartments (the "Agreement");
5 and

6 WHEREAS, A copy of the Agreement is on file with the Clerk of the Board of
7 Supervisors (the "Clerk") in File No. 161318, which is hereby declared to be a part of this
8 resolution as if set forth fully herein; and

9 WHEREAS, The MOHCD has reviewed the Agreement and recommends its approval;
10 and

11 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
12 "Board") finds that the public interest demands the need to maintain an affordable housing
13 mandate and that the City maintain existing below-market rate housing to mitigate the impact
14 of displacing tenants; now, therefore, be it

15 RESOLVED, By the Board of Supervisors of the City and County of San Francisco as
16 follows:

17 Section 1. Approval of Recitals. The Board finds and determines that the foregoing
18 recitals are true and correct.

19 Section 2. Approval of the Agreement. The Board hereby approves the Agreement on
20 file with the Clerk in File No. 161318 and authorizes the Director of the MOHCD to execute
21 the Agreement on behalf of the City and County of San Francisco in substantially the form
22 presented to this Board.

23 Section 4. Approval of and Recordation of Notice of Special Restrictions on Bayside
24 Project. The Board hereby approves the Notice of Special Restrictions on the Bayside Project
25

1 on file with the Clerk in File No. 161318 and authorizes the City to execute and record the
2 Notice of Special Restrictions in substantially the form presented to this Board.

3 Section 5. Final Agreement. That within thirty (30) days of the Agreement being fully
4 executed by all parties, the MOHCD shall provide the final Agreement to the Clerk for
5 inclusion into the official file.



City and County of San Francisco

Tails

Resolution

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

File Number: 161318

Date Passed: January 24, 2017

Resolution approving an agreement with Bayside Village Associates, L.P., to preserve 70 affordable housing units at Bayside Village Apartments (3 Bayside Village Place) in an amount not to exceed \$21,680,000 and authorizing the Director of the Mayor's Office of Housing and Community Development to execute the agreement on behalf of the City and County of San Francisco to prevent the displacement of 172 existing low and moderate-income households residing at the Bayside Village Apartments and creating permanent affordability restrictions for 70 of these units to remain affordable to households earning up to 120% of average median income.

January 11, 2017 Budget and Finance Committee - RECOMMENDED

January 24, 2017 Board of Supervisors - ADOPTED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 161318

I hereby certify that the foregoing Resolution was ADOPTED on 1/24/2017 by the Board of Supervisors of the City and County of San Francisco.

Peggy Nevin
for Angela Calvillo
Clerk of the Board

[Signature]

Mayor

2/3/2017

Date Approved