

office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

122-0382016-146

June 27, 2016

Honorable Jane Kim
City and County of San Francisco
Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Resolution Approving the disposition of OCII-owned land within Transbay Block 1 (160 Folsom Street)

With this memo, I am submitting to you for introduction at the Board of Supervisors meeting on Tuesday, June 28, 2016, a resolution regarding the sale of an OCII-owned parcel of land within Block 1 of the Transbay Redevelopment Project Area to Block One Property Holder L.P., a Delaware Limited Partnership and affiliate of Tishman/Speyer ("Developer"). Located on Folsom Street between Main and Spear Streets, the OCII-owned parcel is Assessor's Block 3740, Lot 027 ("OCII Parcel"). In 2003, the former Redevelopment Agency of the City and County of San Francisco ("Former Agency") acquired the OCII Parcel with tax increment funds for the purpose of developing affordable housing for low and moderate income households. The Board of Supervisors, as the legislative body for the City and County of San Francisco, must approve, under Section 33433 of the California Health and Safety Code ("Section 33433"), the sale of parcels acquired by the Former Agency with tax increment funds. Pursuant to Section 33433, a public hearing must be held prior to consideration by the Board of Supervisors.

Edwin M. Lee
MAYOR

Tiffany Bohee
EXECUTIVE DIRECTOR

Mara Rosales
CHAIR

Miguel Bustos
Marily Mondejar
Leah Pimentel
Darshan Singh
COMMISSIONERS

In addition to the OCII Parcel, Transbay Block 1 consists of Assessor's Block 3740, Lots 029, 030, 031, and 032, currently owned by the Developer. The Transbay Block 1 project was approved by the Commission on Community Investment and Infrastructure on June 21, 2016, and consists of a 39-story tower and attached townhomes, two podium buildings, 10,210 square feet of ground floor retail, a shared parking garage with 340 spaces, and 6,898 square feet of shared open space (collectively the "Project"). The Project includes 391 residential for-sale units, of which 235 units are market rate, and 156 Below Market Rate units available to households earning 80%-120% of Area Median Income.

The OCII Parcel will be sold to the Developer for \$19,180,000, which is based on an appraisal completed by Carneghi-Blum & Partners in August, 2014. In addition, a Section 33433 report determining the sale price meets or exceeds market value will be submitted to the Board File and available to the public no later than the time of publication of the first notice of the hearing,

📍 One S. Van Ness Ave.
5th Floor
San Francisco, CA
94103

☎ 415 749 2400

🏠 www.sfocii.org


pursuant to Section 33433. OCII will subsidize 76 of the Below Market Rate units in the amount of the land price.

In addition to Supervisor Kim's introduction on June 28, 2016, OCII requests a Land Use Committee public hearing on July 25, 2016, and that, if approved, the Committee action be included in a Committee Report so that the Board of Supervisors may consider the resolution on July 26, 2016. The Project lenders have refused to proceed with the loan due diligence and documentation until the 33433 Report is approved by the Board of Supervisors. The Board of Supervisor's approval on July 26, 2016 will allow the Project to proceed forward prior to the August recess, so that the Developer may close escrow on the land and commence construction on the Project per the schedule agreed to by OCII and the Developer.

The attached resolution has been approved as-to-form by OCII Attorney James Morales.

If you have any questions about the resolution or the Project, please contact me at (415) 749-2510.

Sincerely,

A handwritten signature in black ink, appearing to read "Shane Hart", written in a cursive style.

Shane Hart
Transbay Project Manager