

Mayor's Office of Housing and Community Development
City and County of San Francisco



London N. Breed
Mayor

Kate Hartley
Director

June 21, 2019

Honorable Board of Supervisors
City and County of San Francisco
Room 244, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: 1515 South Van Ness Avenue Acquisition

Dear Board Members:

The Mayor's Office of Housing and Community Development (MOHCD) supports the purchase of 1515 South Van Ness from LMC San Francisco I Holdings LLC for affordable housing development.

1515 South Van Ness Avenue is in the Mission Street Neighborhood Commercial Transit zoning district. The site currently contains a one-story, 34-foot-tall, 31,680-square-foot building constructed in 1948. An electrical contractor business, McMillan Electric, previously occupied the building. The business has since moved to a new location at 1950 Cesar Chavez Street in San Francisco. MOHCD anticipates that the site will be developed as permanently affordable housing. While the site is currently entitled to include 157 units of housing and 1,074 square feet of retail, MOHCD is conducting further analysis to further refine a feasible project for the site. MOHCD is in receipt of the following documents and information related to 1515 South Van Ness

- 1) Letter of Intent
- 2) Phase I Report
- 3) Tank Closure Report
- 4) Phase I Approval from the San Francisco Department of Public Health
- 5) Preliminary Title Report dated as of March 29th, 2019

Based on our review of the materials provide, the Site is suitable for affordable housing development and meets the City's requirements for a land acquisition by the City. Conditions related to the land acquisition include the following, without limitation:

- 1) Real Estate will manage the asset in accordance with the terms of an appropriate MOU to be negotiated between Real Estate and MOHCD.

- 2) The City's acceptance of the Site is conditioned on a finding of consistency with the General Plan and approval of the conveyance by the Board of Supervisors and the Mayor, in their respective sole discretion.

Any future financing from MOHCD appears to be within our programmatic parameters for multifamily lending. Any MOHCD financing would be to fund construction work and eligible costs attributable to the project on terms and conditions satisfactory to MOHCD, and will be subject to availability of funds, compliance with funding requirements, Board of Supervisors approval, Citywide Affordable Housing Loan Committee approval, execution of all necessary legal documents and any other special terms and conditions related to this project.

Sincerely,



Kate Hartley

cc: Andrico Penick, Josh Keene, Department of Real Estate