

91-09

FILE NO. 090475

ORDINANCE NO.

1 [Exceptions to Seismic Safety Loan Program requirements to amend loan to 53 Columbus
2 Avenue.]

3 **Ordinance approving exceptions to requirements under San Francisco**
4 **Administrative Code Sections 66 and 66A and the Seismic Safety Loan Program**
5 **Regulations, dated May 2006, adopted by the Board of Supervisors through**
6 **Ordinance No. 122-06, to amend an existing Seismic Safety Loan Program ("SSLP")**
7 **loan for a project at 53 Columbus Avenue, San Francisco, California, to allow for**
8 **cooperative housing and a transfer of the commercial portion of the project**
9 **improvements.**

10 NOTE: Additions are single-underline italics Times New Roman;
11 deletions are ~~strike-through italics Times New Roman~~.
12 Board amendment additions are double-underlined;
13 Board amendment deletions are ~~strikethrough normal~~.

13 Be it ordained by the People of the City and County of San Francisco:

14 ~~Section 1. In accordance with the recommendation of the City and County of San~~
15 Francisco Mayor's Office of Housing, the Board of Supervisors hereby approves of a
16 proposed amendment to an existing SSLP loan ("Loan") made by the City and County of
17 San Francisco, acting by and through the Mayor's Office of Housing, to the San Francisco
18 Community Land Trust, a California nonprofit public benefit corporation ("Borrower"), which
19 is governed by a Construction Loan Agreement dated as of December 14, 2007 (the "Loan
20 Agreement"), and other documents executed by Borrower in favor of the City pursuant to
21 the Loan Agreement, as further described in the Loan Agreement (the "Loan Documents"),
22 which collectively impose the requirements required for SSLP loans under San Francisco
23 Administrative Code Sections 66 and 66A, and the Seismic Safety Loan Program
24 Regulations, dated May 2006, adopted by the Board of Supervisors through Ordinance
25

Supervisor Chiu
BOARD OF SUPERVISORS

1 No. 122-06, to permit the Borrower to subdivide the improved real property commonly
2 known as 53 Columbus and defined in the Loan Agreement as the "Property" (the
3 "Project") into three separate legal parcels, with one legal parcel being comprised of the
4 land portion of the Project (the "Land Parcel"), one legal parcel being comprised of the
5 commercial portion of the Project improvements (the "Commercial Parcel"), and one
6 separate legal parcel being comprised of the residential portion of the Project
7 improvements (the "Residential Parcel"), and either sell to or enter into a 99-year lease for
8 the Residential Parcel with Columbus United Cooperative, a California corporation, and
9 either sell to or enter into a 99-year lease for the Commercial Parcel with the Asian Law
10 Caucus, a California nonprofit corporation, without accelerating the term of the Loan or
11 requiring any payment under the Loan for such transfers, provided that such entities
12 assume the obligations of Borrower pursuant to under the Regulatory Agreement made by
13 Borrower in favor of City, dated as of December 14, 2007, recorded in the Official Records
14 of San Francisco County on December 31, 2007, as Document No 2007-1513163, to the
15 extent applicable to the portion of the Project acquired by such entities.

16 Section 2. In accordance with the recommendation of the Mayor's Office of
17 Housing, the Board of Supervisors hereby approves of a proposed amendment to the Loan
18 to permit the conversion of the residential housing on the Residential Parcel to housing that
19 is owned or leased through a 99-year lease by a validly-formed limited equity housing
20 cooperative that meets all of the requirements in Section 33007.5 of the California Health
21 and Safety Code, as may be amended (a "Cooperative"), which grants owners of its stock
22 with the exclusive right to occupancy a residential unit in the Residential Parcel and will
23 operate and maintain the Residential Parcel pursuant to the Cooperative's formation
24 documents and occupancy agreements that require such owners to pay their annual share
25 of such Residential Parcel operation and maintenance costs, if the Cooperative enters into

1 an amendment to the Regulatory Agreement as to the Residential Parcel that requires (a)
2 the formation documents of the Cooperative and any occupancy agreements that it enters
3 into with the owners of its stock limit the purchase and transfer of such stock at a price that
4 is no greater than the greater of (i) the aggregate of (A) \$10,000; (B) the value, as
5 determined by the board of directors of the Cooperative, of any improvements installed at
6 the expense of the owner of such stock with the prior approval of such board of directors;
7 and (C) the accumulated interest, or an inflation allowance at a rate which may be based
8 on a cost-of-living index, an income index, or market-interest index, or such stock, and (ii) a
9 10 percent annual increase on the consideration paid for such stock by its first owner, (b)
10 the number of residential units at the Residential Parcel will not be reduced, and (c) if an
11 owner of Cooperative stock has a household (as defined in 24 CFR Section 570.3) income
12 that does not exceed forty percent (40%) of median income for the San Francisco
13 Metropolitan Statistical Area, as determined from time to time by the United States
14 Department of Housing and Urban Development Median Income ("Median Income"), the
15 annual carrying costs charged to such owner shall be no greater than the annual affordable
16 rent (as established by the San Francisco Housing Agency) that would apply to the Project
17 unit occupied by such owner, adjusted for household size, if such unit were rented to such
18 owner, provided, however, that such annual carrying costs shall not exceed thirty percent
19 (30%) of forty percent (40%) of Median Income (excluding subsidies), adjusted for
20 household size. Adjustments for household size shall be made with the adjustment formula
21 used by the Mayor's Office of Housing for other SSLP loans.

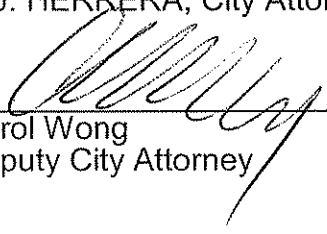
22 Section 3. In accordance with the recommendation of Mayor's Office of Housing,
23 the Board of Supervisors hereby approves of a proposed amendment to the Loan to
24 release the Commercial Parcel from the lien of the construction and permanent deed of
25 trust, assignment of leases and rents, security agreement and fixture filing made by

1 Borrower, as trustor, in favor of City, as beneficiary, recorded in the Official Records of San
2 Francisco County on December 31, 2007, as Document No 2007-1513168.

3 Section 4. The Board of Supervisors hereby authorize and direct the Director of the
4 Mayor's Office of Housing to take any and all actions which the Director of the Mayor's
5 Office of Housing or the City Attorney may deem necessary or advisable in order to
6 effectuate the purpose and intent of this ordinance, including the execution of an
7 amendment to the Loan Agreement and Regulatory Agreement and a partial release of
8 deed of trust.

9 APPROVED AS TO FORM:
10 DENNIS J. HERRERA, City Attorney

11 By:


12 Carol Wong
13 Deputy City Attorney



City and County of San Francisco

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

Tails Ordinance

File Number: 090475

Date Passed:

Ordinance approving exceptions to requirements under San Francisco Administrative Code Sections 66 and 66A and the Seismic Safety Loan Program Regulations, dated May 2006, adopted by the Board of Supervisors through Ordinance No. 122-06, to amend an existing Seismic Safety Loan Program ("SSLP") loan for a project at 53 Columbus Avenue, San Francisco, California, to allow for cooperative housing and a transfer of the commercial portion of the project improvements.

May 19, 2009 Board of Supervisors — PASSED ON FIRST READING

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi

June 2, 2009 Board of Supervisors — FINALLY PASSED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi

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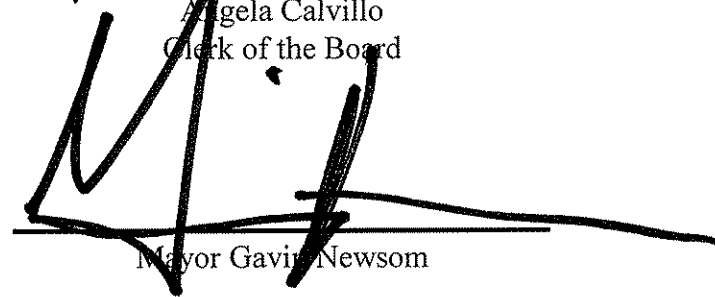
I hereby certify that the foregoing Ordinance
was **FINALLY PASSED** on June 2, 2009 by
the Board of Supervisors of the City and
County of San Francisco.

6/10/09

Date Approved



Angela Calvillo
Clerk of the Board



Mayor Gavin Newsom