

**Office of Community
Investment and Infrastructure**
(Successor to the San Francisco
Redevelopment Agency)

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February 18, 2014

SUMMARY OF BAYVIEW SENIOR HOUSING

Action Requested:

Approving the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "Successor Agency" also commonly known as the Office of Investment and Infrastructure ("OCII")) lease of the land at Assessor's Block 5431A, Lot 042, to Carroll Avenue Senior Homes, LP, a California limited partnership ("Developer"), for 55 years for the purpose of creating a housing development for very low-income senior households ("Ground Lease").

Project Summary:

The Bayview Senior Housing site ("Property" or "Site"), currently an unimproved surface parking lot, is located at 1751 Carroll Avenue (formerly 5800 Third Street-Lot 3), Assessor's Block 5431A, Lot 042, in San Francisco's Bayview Hunters Point neighborhood. On September 21, 2010, the Commission of the former San Francisco Redevelopment Agency ("SFRA") authorized an Assignment and Assumption Agreement of a Purchase and Sale Agreement for the Site, which allowed SFRA to take ownership of it. At that same meeting, the SFRA Commission also authorized an Exclusive Negotiations Agreement ("ENA") with Bayview Hunters Point Multipurpose Senior Services, Inc. ("BHPMSS") and McCormack Baron Salazar ("MBS") (together, the "Developer") for the purpose of developing the Site into a project that includes 120 units of affordable rental housing for very low-income seniors, one managers unit, and a multi-purpose senior center (the "Project").

On September 3, 2013, the OCII Commission ("Commission"), as Successor Agency to the SFRA, adopted Resolution No. 42-2013 and approved a Ground Lease Option and an additional funding amount of \$15,173,724, for a total aggregate loan amount of \$19,111,224 (the "Loan"), which provided the Developer with evidence of site control and secured gap funding. The Developer has since secured Low Income Housing Tax Credits, Tax-Exempt Mortgage Revenue Bonds, and Project Based Section 8's available for very low-income senior housing developments to finance the construction of the Project. On November 19, 2013, the Commission authorized the Executive Director to enter into a 55-year Ground Lease, with one option for 44 additional years, with Carroll Avenue Senior Homes, L.P. (a partnership which includes the Developer) (the "Partnership") Through the ground lease, OCII will maintain ownership of the land and the Partnership will own and operate the improvements.

OCII has successfully used the proposed financing and lease structure for many similar affordable housing developments in San Francisco. This structure provides developers with the site control necessary to build and preserve affordable housing, while allowing OCII to ensure that the affordability of the housing is maintained over the long term. Because the SFRA purchased the land using tax increment funds, the Board of Supervisors must approve the Ground Lease Agreement pursuant to Section 33433 of the California Health and Safety Code.

Property:	Assessor's Block 5431A, Lot 042
Land Owner:	Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, a public body, organized and existing under the laws of the State of California
Proposed Developer/ Lessee:	Carroll Avenue Senior Homes, LP, a California limited partnership
Length of Lease:	55 years plus one option for 44 years
Lease Payment:	\$15,000 annual rent
Use of Property:	Affordable housing for very low-income senior households