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GROUND LEASE OF REDEVELOPMENT AGENCY LAND
APPROVING THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF
SAN FRANCISCO'S LEASE OF THE LAND AT ASSESSORS'S BLOCK 684, LOT
45, COMMONLY KNOWN AS 1820 POST STREET, TO GGA 1820 POST, A
CALIFORNIA LIMITED PARTNERSHIP, FOR 50 YEARS FOR THE PURPOSE OF
PRESERVING A HOUSING DEVELOPMENT FOR VERY LOW AND LOW
INCOME HOUSEHOLDS.

WHEREAS, The Redevelopment Agency of the City and County of San
Francisco ("the Agency") is carrying out the Western Addition A-2 Redevelopment Plan
("the Plan"); and,

WHEREAS, The expiration of project-based Section 8 contracts poses a serious
threat to San Francisco's affordable housing stock and the Agency and the City desire to
preserve developments with Section 8 contracts as affordable housing; and,

WHEREAS, The housing development located at Assessor's Block 684, Lot 45,
more commonly known as 1820 Post Street ("the Project"), has an expiring Section 8
contract and an FHA-insured mortgage eligible for prepayment, and the current private
owner of the Project expressed its intention to prepay that mortgage, terminate the
Section 8 contract and convert the Project from affordable housing to market rate
housing; and,

WHEREAS, In order to preserve the long-term affordability of the Project, the
Agency intends to become the owner of the land associated with the Project ("the
Property") located in the Western Addition A-2 Redevelopment Project Area; and,

1 WHEREAS, GGA 1820 Post, L.P., a California limited partnership (“Developer”)
2 is an entity established solely to acquire, rehabilitate and operate the Project as housing
3 units for Very Low and Low Income Households and will become the owner of the
4 improvements on the Property; and,

5 WHEREAS, a majority of the tenants at the Project have endorsed the acquisition
6 of the Project by the Developer; and,

7 WHEREAS, Developer has applied to the Agency for funding to preserve the
8 Project as affordable housing; and,

9 WHEREAS, The Agency applied for and received an allocation from the State of
10 California to issue tax exempt multifamily mortgage revenue bonds, and, this funding,
11 the Agency funding and the lease of the Property for a restricted rent, estimated to be
12 eighty-two thousand dollars per year (\$82,000.00), will make it financially feasible for
13 the Developer to preserve seventy-two dwelling units for occupancy by Very Low and
14 Low Income Households, as those terms are defined in California Health and Safety
15 Code Sections 50105 and 33334.2, respectively; and,

16 WHEREAS, The Agency and GGA 1820 Post, L. P, intend to enter into a ground
17 lease (“the Ground Lease”), in which the Agency will lease the Property to the Developer
18 for eighty-two thousand dollars (\$82,000.00) per year, in exchange for Developer’s
19 agreement, among other things, to preserve the Project with rent levels affordable to Very
20 Low and Low Income Households; and,

21 WHEREAS, Although the Property could command a higher rent, leasing the
22 Property for a rent in excess of the stated rent would render it financially infeasible to
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1 preserve the Project with rent levels affordable to Very Low and Low Income
2 Households; and,

3 WHEREAS, Because the Property will be purchased with tax increment money,
4 Section 33433 of the California Health and Safety Code requires the Board of
5 Supervisors' approval of its sale or lease, after a public hearing; and,

6 WHEREAS, Notice of the public hearing has been published as required by
7 Health and Safety Code Section 33433; and,

8 WHEREAS, The Agency prepared and submitted a report in accordance with the
9 requirements of Section 33433 of the Health and Safety Code, including a copy of the
10 proposed Ground Lease, and a summary of the transaction describing the cost of the
11 Ground Lease to the Agency, the value of the property interest to be conveyed, the lease
12 price and other information was made available for public inspection; now, therefore be it
13

14 RESOLVED, That the Board of Supervisors of the City and County of San
15 Francisco does hereby find and determine that the lease of the Property from the Agency
16 to GGA 1820 Post, L. P., a California limited partnership: (1) will provide housing for
17 very low, low and moderate income persons; (2) is consistent with the Agency's
18 implementation plan adopted pursuant to California Health and Safety Code Section
19 33490; (3) the less than fair market value rent of approximately eighty-two thousand
20 dollars (\$82,000.00) per year for a period of fifty (50) years is necessary to effectuate the
21 purposes of the Western Addition A-2 Redevelopment Plan; and (4) the consideration to
22 be received by the Agency is not less than the fair reuse value at the use and with the
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1 covenants and conditions and developments costs authorized by the Ground Lease; and,

2 be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
4 authorizes the Agency to execute the Ground Lease of the Property from the Agency to
5 GGA 1820 Post, L. P., substantially in the form of the Ground Lease lodged with the
6 Agency General Counsel, and to take such further actions and execute such documents as
7 are necessary to carry out the Ground Lease on behalf of the Agency.
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City and County of San Francisco

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

Tails Resolution

File Number: 990806

Date Passed:

Resolution approving the Redevelopment Agency of the City and County of San Francisco's lease of the land at Assessor's Block 684, Lot 45, commonly known as 1820 Post Street, to GGA 1820 Post, a California Limited Partnership, for 50 years for the purpose of preserving a housing development for very low and low income households.

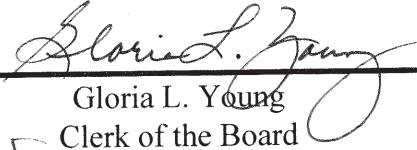
May 17, 1999 Board of Supervisors — ADOPTED

Ayes: 8 - Ammiano, Becerril, Bierman, Katz, Leno, Newsom, Teng, Yaki

Absent: 3 - Brown, Kaufman, Yee

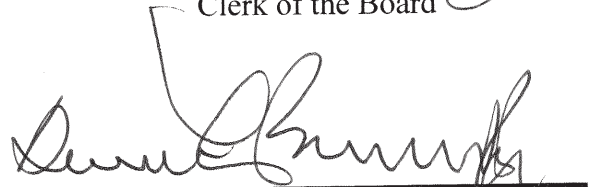
File No. 990806

I hereby certify that the foregoing Resolution
was ADOPTED on May 17, 1999 by the
Board of Supervisors of the City and County
of San Francisco.


Gloria L. Young
Clerk of the Board

MAY 28 1999

Date Approved


Mayor Willie L. Brown Jr.