

1 [Amended and Restated Ground Lease - Improved Real Property located at 477
2 O'Farrell Street - O'Farrell Towers Associates, L.P.]

3 **Resolution authorizing the execution and performance of an Amended and**
4 **Restated Ground Lease, with a term of 99 years, between the City and**
5 **County of San Francisco and O'Farrell Towers Associates, L.P., a California**
6 **limited partnership, of real property located at 477 O'Farrell Street, for the**
7 **rehabilitation of 101 units of affordable housing for low and very low**
8 **income seniors.**

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10 WHEREAS, The former San Francisco Redevelopment Agency (the "Agency")
11 leased the land for the property located at 477 O'Farrell Street (Assessor's Block No.
12 0324, Lot No. 024) (the "Property") to Citizen Housing Corporation ("Citizen") pursuant
13 to that certain ground lease dated August 4, 2000 (the "Original Ground Lease"); and

14 WHEREAS, Citizen assigned its interest in the Original Ground Lease to O'Farrell
15 Senior Housing, Inc. ("OSHI") on April 19, 2005, an affiliate of Citizen; and

16 WHEREAS, OSHI has operated the building located on the Property (the
17 "Improvements") as affordable housing for low and very low income seniors with ground floor
18 commercial use; and

19 WHEREAS, Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes
20 of 2011-12, first Extraordinary Session) ("AB 26"), the Agency dissolved as a matter of
21 law on February 1, 2012, and pursuant to AB 26, as amended by California State
22 Assembly Bill No. 1484 ("AB 1484"), and Resolution No. 11-12, adopted by the City's
23 Board of Supervisors and Mayor on January 26, 2012, Ordinance No. 215-12, adopted
24 by the City's Board of Supervisors and Mayor on October 12, 2012, and the approved
25 housing asset list submitted by City to, and approved by, the State of California

1 Department of Finance pursuant to AB 1484 (Cal. Health & Safety Code, Section
2 34176(a)(2)), City is successor in interest to Agency's fee interest in the Site and to all
3 of the Agency's rights and obligations with respect to the Site; and

4 WHEREAS, MOHCD wishes to consent to the assignment by OSHI to
5 O'Farrell Towers Associates, L.P. (the "Partnership"), the general partner of which is
6 managed by an affiliate of OSHI, of OSHI's leasehold interest in the Property and
7 concurrently enter into an amended and restated ground lease with the Partnership
8 in order to facilitate a tax credit rehabilitation of the Improvements to retain its current
9 use as 101 units of affordable housing for low and very low income seniors; now,
10 therefore, be it

11 RESOLVED, That in accordance with the recommendations of the Director of
12 Property and the Director of MOHCD, the Board of Supervisors hereby approves and
13 authorizes the Director of Property, along with the Director of MOHCD, to finalize
14 negotiations for the amended and restated Ground Lease (the "Amended Ground
15 Lease") and following the negotiations for the Amended Ground Lease authorizes the
16 Director of MOHCD to execute and deliver the Amended Ground Lease; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
18 MOHCD, in consultation with the City Attorney, to enter into any additions,
19 amendments or other modifications to the Amended Ground Lease that the Director of
20 MOHCD determines are in the best interests of the City, do not decrease the revenues
21 of the City in connection with the Property, or otherwise materially increase the
22 obligations or liabilities of the City, and are in compliance with all applicable laws,
23 including the City's Charter.

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RECOMMENDED:

Director of Property

Director of the Mayor’s Office of Housing and Community Development