

1 [Ground Lease of Redevelopment Agency Land for Parkview Terraces Senior Housing.]

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3 **Resolution approving the Redevelopment Agency of the City and County of San**
4 **Francisco’s lease of land at Assessor’s Block 761, Lot 29, commonly known as 871-881**
5 **Turk Street, southeast corner of Turk and Gough Streets, San Francisco, California**
6 **(the “Site”) in the Western Addition A-2 Redevelopment Project Area, to PARKVIEW**
7 **TERRACE PARTNERS, L.P., a California limited partnership, for 60 years for the**
8 **purpose of developing housing for very low-income senior households.**

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10 WHEREAS, The Agency and the City desire to increase the City’s supply of affordable
11 housing and encourage affordable housing development through financial and other forms of
12 assistance; and

13 WHEREAS, the Agency-owned parcel located at the southeast corner of Turk and
14 Gough Streets, Assessor’s Block 761, Lot 29, San Francisco, California, in the Western
15 Addition A-2 Redevelopment Project Area (“Property”; “Site”), is an underutilized lot currently
16 improved by a surface parking lot that, by Board of Supervisors Resolution No. 824-01, must
17 be developed as permanent, quality, affordable housing for low-income seniors (“Project”);
18 and

19 WHEREAS, the Agency Commission selected Parkview Terrace Partners, L.P., a
20 California limited partnership and affiliate of Chinatown Community Development Center and
21 A.F. Evans Company (“Developer”), to develop and operate the Project as housing units for
22 very low-income senior households; and

23 WHEREAS, The Agency has provided Developer with financial assistance to leverage
24 equity from an allocation of low-income housing tax credits and other funding sources in order
25 construct 101 affordable senior housing units, support service space, and neighborhood-

1 serving commercial space, which financing require that the Developer demonstrate site
2 control; and

3 WHEREAS, The Agency has proposed a long-term ground lease agreement (“Ground
4 Lease”) with the Developer to allow the Developer to construct and operate improvements on
5 the Site while allowing the Agency to ensure that the affordability of the housing is maintained
6 over the long term; and

7 WHEREAS, The Developer’s annual rent obligation for the Site shall be \$288,750,
8 payable from operating income that exceeds operating expenses, and which shall accrue if
9 unpaid; and

10 WHEREAS, Because the Property was purchased with tax increment money, Section
11 33433 of the California Health and Safety Code requires the Board of Supervisors’ approval of
12 its sale or lease, after a public hearing; and

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

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

20 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
21 does hereby find and determine that the lease of the Property from the Agency to Parkview
22 Terrace Partners, a California limited partnership: (1) will provide housing for very low-income
23 seniors; (2) is consistent with the Agency’s Citywide Tax Increment Affordable Housing
24 Program, pursuant to California Health and Safety Code Section 33342.2, et. seq.; (3) the
25 proposed structure of the lease, including an annual rent value of \$288,750, payable from

1 "surplus cash," or operating income that is in excess of operating expenses, is necessary to
2 achieve affordability for very low-income households; and (4) the consideration to be received
3 by the Agency is not less than the fair reuse value at the use and with the covenants and
4 conditions and developments costs authorized by the Ground Lease; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
6 authorizes the Agency to execute the Ground Lease of the Property from the Agency to
7 Parkview Terrace Partners, L.P., a California limited partnership, substantially in the form of
8 the Ground Lease lodged with the Agency General Counsel, and to take such further actions
9 and execute such documents as are necessary to carry out the Ground Lease on behalf of the
10 Agency.

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