

Mayor's Office of Housing and Community Development
City and County of San Francisco



Edwin M. Lee
Mayor

Olson Lee
Director

April 4, 2016

Mayor Edwin M. Lee
City and County of San Francisco
Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place Room 200
San Francisco, CA 94102

RE: Resolution authorizing execution and performance of an Amendment to Long Term Ground Lease for real property located at 1555 Turk Street

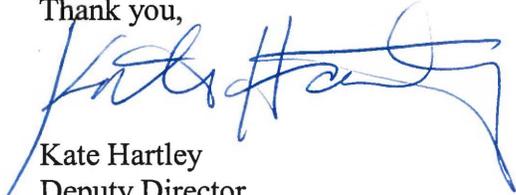
With this memo, I am submitting to you for introduction at the Board of Supervisors meeting on Tuesday, April 5, 2016 a resolution authorizing the execution and performance of an Amendment to Long Term Ground Lease for real property located at 1555 Turk Street between the City and County of San Francisco and Laurel Gardens of Bethel A.M.E. Church L.P., a California limited partnership in connection with the refinancing and rehabilitation of 52 units of affordable housing for low and very low income individuals and families. The Amendment to Ground Lease modernizes the original ground lease executed on October 1, 1998 to current terms for Mayor's Office of Housing and Community Development ("MOHCD") affordable housing related ground leases. Accompanying the Amendment to Ground Lease is a land appraisal that values the subject land at \$9,500,000.

This resolution represents the conclusion of negotiations with Laurel Gardens of Bethel A.M.E. Church L.P. and their lender Citibank. The refinance enables the sponsor to perform approximately \$6,000,000 worth of rehabilitation scope of work with no additional City funds. The rehabilitation will include site improvements, major exterior envelope upgrades, HVAC and electrical system upgrades, interior unit upgrades to kitchens and bathrooms as well as ADA upgrades to the site and interior units. This rehabilitation will enhance the quality of life for the current residents and ensure long term sustainable operations of the property.

We look forward to the introduction of this resolution on April 5, 2016 and expect to see the final approval of this resolution at the Board of Supervisors meeting on April 26, 2016. We anticipate the closing this real estate transaction by the April 29, 2016.

If you have any questions about the resolution or the project, please contact myself or MOHCD Project Manager, Faith Kirkpatrick at 701-5510.

Thank you,



Kate Hartley
Deputy Director
Mayor's Office of Housing and Community Development