1 [Grant Agreement - Preservation of Affordable Housing Units - Bayside Village Associates, L.P. - Bayside Village Apartments (3 Bayside Village Place) - $21,680,000]

2

3 **Resolution approving an agreement with Bayside Village Associates, L.P., to preserve**

4 **70 affordable housing units at Bayside Village Apartments (3 Bayside Village Place) in**

5 **an amount not to exceed $21,680,000 and authorizing the Director of the Mayor's Office**

6 **of Housing and Community Development to execute the agreement on behalf of the**

7 **City and County of San Francisco to prevent the displacement of 172 existing low and**

8 **moderate-income households residing at the Bayside Village Apartments and creating**

9 **permanent affordability restrictions for 70 of these units to remain affordable to**

10 **households earning up to 120% of average median income.**

11

12 WHEREAS, On December 1, 1986, the former Redevelopment Agency of the City and

13 County of San Francisco (the "Former Agency") issued a series of bonds in the amount of

14 $50,000,000 as part of the financing for the Bayside Village Apartments (the "Bayside

15 Project"), and on April 28, 1988, the Agency issued another series of bonds in the amount of

16 $30,000,000 as part of the financing for the Bayside Project (collectively, the "Bonds"), which

17 constructed 862 dwelling units, including parking, on Assessor's Parcel Block No. 3773, Lot

18 Nos. 100A, 200A, and 300A, in the Rincon Point/South Beach Redevelopment Project Area

19 (the "Bayside Project Site"); and

20 WHEREAS, In connection with the issuance of the Bonds the Former Agency and the

21 Bayside Project owner entered into (i) that certain Regulatory Agreement and Declaration of

22 Restrictive Covenants, relating to the $50,000,000 Variable Rate Demand Multifamily

23 Housing Revenue Bonds, 1985 Issue D, Series A, dated as of December 1, 1986, as

24 amended by that certain First Amendment to Regulatory Agreement and Declaration of

25 Restrictive Covenants, dated November 1, 2004; and (ii) that certain Regulatory Agreement

Mayor Lee; Supervisor Kim
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1 and Declaration of Restrictive Covenants, relating to the $30,000,000 Variable Rate Demand

2 Multifamily Housing Revenue Bonds, 1985 Issue D, Series B, dated as of April 28, 1988, as

3 amended by that certain First Amendment to Regulatory Agreement and Declaration of

4 Restrictive Covenants, dated November 1, 2004 (the "Regulatory Agreements"); and

5 　　　　WHEREAS, The Regulatory Agreements required the Bayside Project owner, Bayside

6 Village Associates, L.P. (the "Owner") to comply with numerous affordability obligations, as

7 set forth in the Regulatory Agreements; and

8 　　　　WHEREAS, Specifically, the Regulatory Agreements required that twenty percent

9 (20%) or more of the units, equivalent to 172 units at the Bayside Project, must be made

10 available to occupants of low or moderate income until the occurrence of several events, all

11 ending as of December 1, 2016; and

12 　　　　WHEREAS, Accordingly, effective December 1, 2016, the Regulatory Agreements

13 terminate and expire, and, therefore, will no longer impose any affordability or below market

14 rate obligations on the Owner of the Bayside Project; and

15 　　　　WHEREAS, In order to ensure the long term availability of affordable housing in the

16 Rincon Point – South Beach Redevelopment Project area and to prevent the displacement of

17 existing low- and moderate-income households residing at the Bayside Project, the City and

18 County of San Francisco (the "City"), acting through the Mayor's Office of Housing and

19 Community Development (the "MOHCD"), and Owner have reached an agreement which,

20 among other things, will provide that the Owner will voluntarily maintain the current

21 affordability levels of all 172 units and additionally create permanent restrictions on 70 of

22 those units so that they remain affordable to households earning up to 120% of AMI for the life

23 of the Bayside Project in exchange for a grant of Twenty One Million Six Hundred Eighty

24 Thousand Dollars ($21,680,000) (the "Grant Amount"); and

25

1   WHEREAS, Owner and the MOHCD have agreed that in exchange for the retention of

2 70 permanent below-market rate units at the Bayside Project, the City shall provide the Grant

3 Amount to Owner, subject to the terms and conditions set forth in the Grant Agreement for the

4 Preservation of Affordable Housing Units at Bayside Village Apartments (the "Agreement");

5 and

6   WHEREAS, A copy of the Agreement is on file with the Clerk of the Board of

7 Supervisors (the "Clerk") in File No. 161318, which is hereby declared to be a part of this

8 resolution as if set forth fully herein; and

9   WHEREAS, The MOHCD has reviewed the Agreement and recommends its approval;

10 and

11   WHEREAS, The Board of Supervisors of the City and County of San Francisco (the

12 "Board") finds that the public interest demands the need to maintain an affordable housing

13 mandate and that the City maintain existing below-market rate housing to mitigate the impact

14 of displacing tenants; now, therefore, be it

15   RESOLVED, By the Board of Supervisors of the City and County of San Francisco as

16 follows:

17   Section 1. Approval of Recitals. The Board finds and determines that the foregoing

18 recitals are true and correct.

19   Section 2. Approval of the Agreement. The Board hereby approves the Agreement on

20 file with the Clerk in File No. 161318 and authorizes the Director of the MOHCD to execute

21 the Agreement on behalf of the City and County of San Francisco in substantially the form

22 presented to this Board.

23   Section 4. Approval of and Recordation of Notice of Special Restrictions on Bayside

24 Project. The Board hereby approves the Notice of Special Restrictions on the Bayside Project

25

1   on file with the Clerk in File No. 161318 and authorizes the City to execute and record the

2   Notice of Special Restrictions in substantially the form presented to this Board.

3   Section 5. <u>Final Agreement.</u> That within thirty (30) days of the Agreement being fully

4   executed by all parties, the MOHCD shall provide the final Agreement to the Clerk for

5   inclusion into the official file.

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