



TRANSBAY BLOCK 2 WEST

BOARD OF SUPERVISORS

FEBRUARY 13, 2024

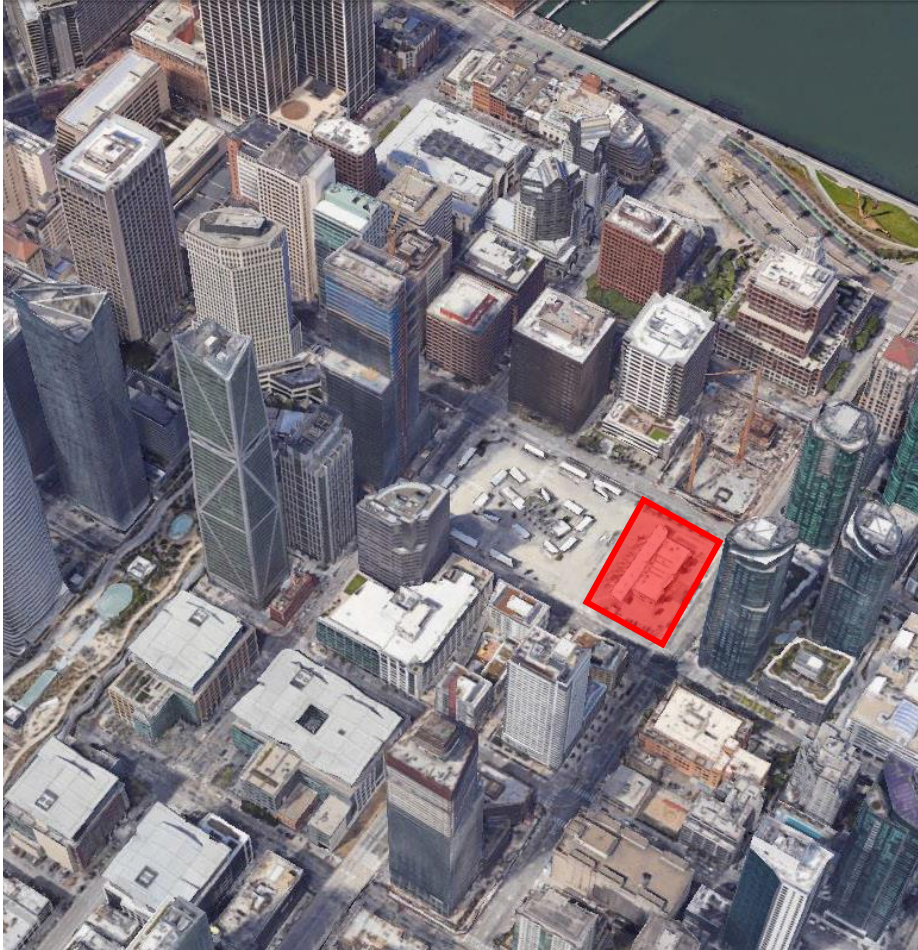
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OFFICE OF COMMUNITY INVESTMENT
AND INFRASTRUCTURE

TRANSBAY BLOCK 2 WEST BOARD OF SUPERVISORS AGENDA ITEMS

File #240059: Ground Lease Agreements

- Authorization to execute ground leases with:
 - Transbay 2 Senior, LP **\$15K/year**
 - CCDC Transbay 2 Commercial LLC **\$1/year**
- Make findings under Health & Safety Code, Section 33433

TRANSBAY



BACKGROUND:

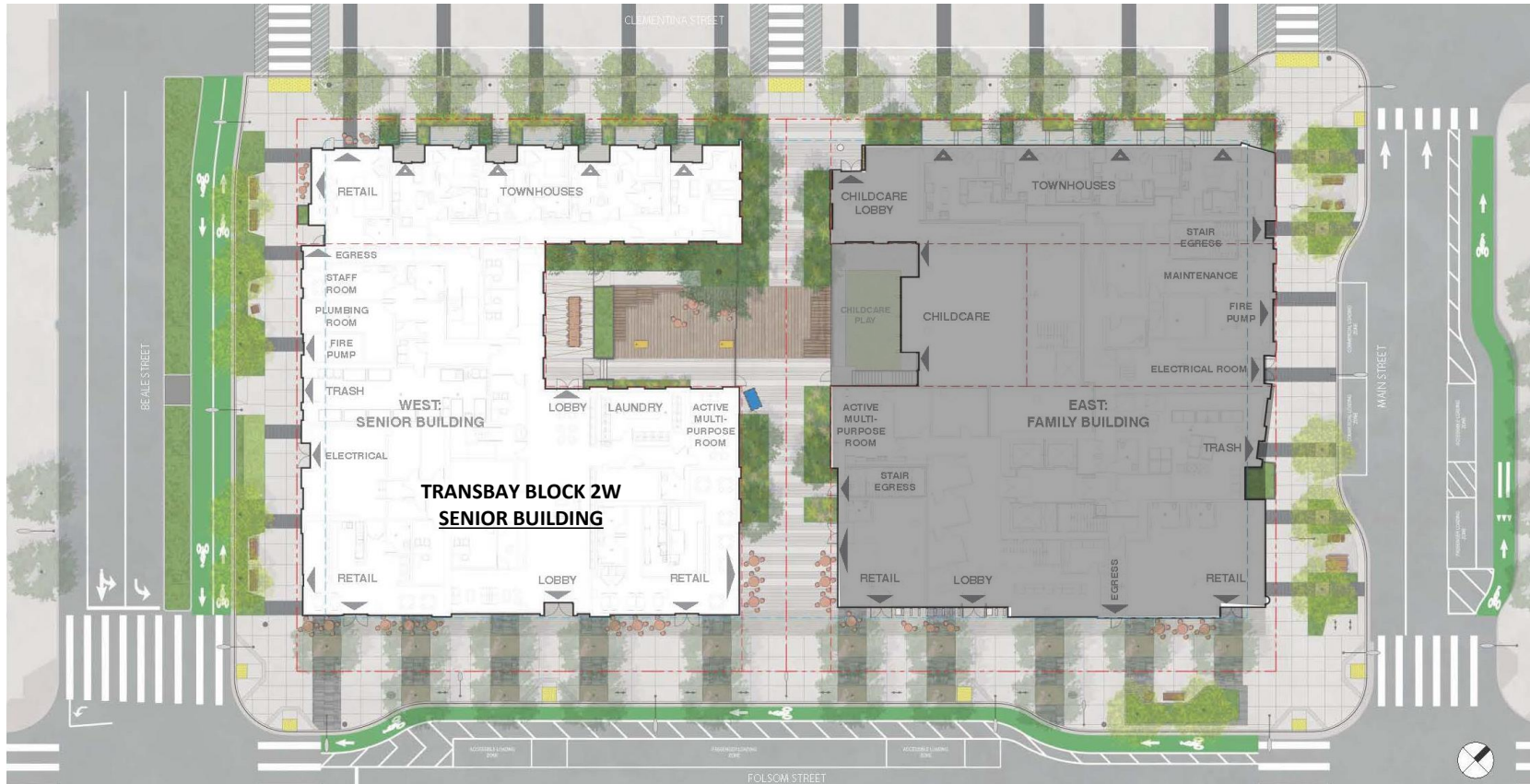
- Transbay Redevelopment Plan Area created in 2005
- Purpose:
 - Create a new mixed-use, mixed-income neighborhood
 - Alleviate blight caused by freeway demolition post-1989 earthquake
- Project Area split into two zones:
 - Zone 1: OCII has land use authority
 - Zone 2: SF Planning Department has land use authority
 - Zone 1 development to date: 2,196 total residential units, 721 affordable units

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BLOCK 2 WEST PROJECT TIMELINE:

- **2020** – Chinatown Community Development Center and Mercy Housing California selected as co-developers for Block 2
- **2023** – OCII Permanent Loan financing approved by Citywide Affordable Housing Loan Committee, Block 2 West received tax-exempt bond allocation
- **2024** – OCII Commission approved Permanent Loan and Ground Lease (Jan. 16)
- **Feb. 7, 2024** – Budget & Finance Committee recommended bond issuance resolution
- **Feb. 13, 2024** – BOS considers bond issuance and ground lease resolutions



PROPOSED PROJECT

- 150 affordable units for seniors and seniors experiencing homelessness (includes 30 LOSP units and 60 SOS units)
 - 39 studio units
 - 111 one-bedroom units
- 1 manager unit
- Large community room, landscaped courtyard and rooftop terrace
- 3 community-serving commercial spaces
- 15% - 50% MOHCD AMI
- 75-year ground lease term
- Developer: Chinatown Community Development Center

LAND VALUE

- Transbay Redevelopment Plan requires the Board to approve OCII's disposition of Transbay properties using provisions under CA Health & Safety Code Sec. 33433
- Highest and best use value:
 - \$15,307,439 (residential parcel)
 - \$2,442,561 (commercial parcel)
- Restricted use value:
 - \$292,275 (residential parcel), present value of lease payments during 75-year ground lease term
 - \$19.48 (commercial parcel), present value of lease payments during 75-year ground lease term
- Less-than-fair-market-value rent is necessary to ensure continued and successful operation of Transbay Block 2 West as affordable housing





THANK YOU