

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



Edwin M. Lee
Mayor

Olson Lee
Director

August 19, 2014

Honorable Jane Kim
City and County of San Francisco
Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Resolution Recognizing and Accepting the Conveyance of the Asset from OCII to MOHCD & Approving and Authorizing MOHCD to enter into a long term ground lease with Mercy Housing California 51, a California Limited Partnership, for the development and operation of affordable housing at Bill Sorro Community located at 1009 Howard Street

Dear Supervisor Kim,

Thank you for agreeing to introduce this resolution recognizing and accepting the conveyance of the property from the Office of Community Investment and Infrastructure ("OCII") to the Mayor's Office of Housing and Community Development ("MOHCD") as Successor Housing Agency to the Redevelopment Agency and for MOHCD to enter into a long term ground lease with the project sponsor for Bill Sorro Community, located at 1009 Howard Street at corner of Sixth and Howard, the site of the Hugo Hotel. The development will be a 67 unit affordable housing project sponsored by a Mercy Housing California 51, a California Limited Partnership. This resolution authorizes me, as Director of this office, to enter into this agreement with the Mercy Housing California 51.

The Mayor's Office of Housing and Community Development respectfully requests your support in introducing and sponsoring the resolution (attached) along with the resolution authorizing the Bond Issuance, at the Board of Supervisors on Tuesday September 2, 2014, which would accept the conveyance of the property and authorize the City to enter into a long term lease with the sponsor for Bill Sorro Community. Our hope is to have both resolutions calendared for Budget and Finance Committee on Wednesday September 17, 2014, and then returned to the full BoS on Tuesday September 23, 2014 so they can be considered together. The project anticipates closing on its financing in mid-October 2014 and demolition and construction will begin shortly thereafter.

The proposed project will involve the new construction of a 9-story, 67-unit, multifamily rental development comprised of studio, 1, 2, and 3-bedroom units with a ground floor courtyard, rooftop terrace, social services space, and ground floor commercial space. The project site is located in San Francisco's Sixth Street corridor at the corner of Howard and Sixth Street. 52 of the units will be affordable to low income households making no more than 50% AMI, while 14 of the units will be for Developmentally Disabled Adults under HUD's section 811 program. The HUD 811 units will be targeted to households making no more than 30% AMI. There will be one unit reserved for on-site property management.

The attached resolution has been approved as-to-form by Deputy City Attorney Evan Gross. I have enclosed a brief description of the project for your review.

If you have any questions about the resolution or the project, please contact Kevin Kitchingham at 701-5523. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Olson Lee". The signature is fluid and cursive, with the first name "Olson" and the last name "Lee" clearly distinguishable.

Olson Lee
Director