

1 [Ground Lease Amendment - 255 Broadway]

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3 **Resolution approving and authorizing the Mayor’s Office of Housing, as Successor**
4 **Housing Agency to the Redevelopment Agency, to amend an existing term ground**
5 **lease with Broadway Sansome Associates, L.P., a California limited partnership, for the**
6 **development and operation of affordable housing on certain real property located at**
7 **255 Broadway and making findings that the amendments are in conformance with**
8 **California Environmental Quality Act, the City’s General Plan, and the priority policies**
9 **of Planning Code, Section 101.1.**

10

11 WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the
12 “Former Agency”) was the fee owner of 255 Broadway Street (Lot 21, Block 165 and referred
13 to herein as the “Property”) and intended to develop the Property for affordable housing; and,

14 WHEREAS, Through a Memorandum Agreement with the Mayor’s Office of Housing
15 (“MOH”), MOH agreed to fund and manage the development of the Property into affordable
16 family rental housing; and,

17 WHEREAS, In December 2006 MOH issued a Request for Proposals and in June 2007
18 conditionally selected Chinatown Community Development Center (“CCDC”) as the qualified
19 developer; and,

20 WHEREAS, CCDC formed a limited partnership called Broadway Sansome
21 Associates, L.P. (the “Developer”) that will act as the developer for the Property; and,

22 WHEREAS, the proposed project will be the new construction of 75 family rental units
23 (the “Project”); and,

24 WHEREAS, in 2010 the Former Agency entered into a ground lease (the “Lease”) with
25 the Developer in order to demonstrate site control for a state funding application; and,

1 WHEREAS, Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of
2 2011-12, first Extraordinary Session) (“AB 26”), the Former Agency dissolved as a matter of
3 law on February 1, 2012, and pursuant to AB 26, as amended by California State Assembly
4 Bill No. 1484 (“AB 1484”), and Resolution No. 11-12, adopted by this Board and Mayor on
5 January 26, 2012, Ordinance No. 215-12, adopted by this Board and Mayor on October 12,
6 2012, and the approved housing asset list submitted by MOH to, and approved by, the State
7 of California Department of Finance pursuant to AB 1484 (Cal. Health & Safety Code Section
8 34176(a)(2)), MOH is successor in interest to Former Agency’s fee interest in the Property
9 and to all of the Former Agency’s rights and obligations under the Lease; and,

10 WHEREAS, In order to close current Project financing, including a construction loan
11 from Silicon Valley Bank and equity from Raymond James (together, the “Project Financers”),
12 the Project Financers are requesting material changes to the Lease; and,

13 WHEREAS, MOH staff and the Director of Property have reviewed the requested
14 changes and determined they are administrative and can be accepted and incorporated into
15 an amended and restated ground lease, substantially in the form of the Amended and
16 Restated Ground Lease on files with the Clerk of the Board of Supervisors in File _____(the
17 “Amended Lease”); and,

18 WHEREAS, the Planning Department determined that the Project is consistent with the
19 City’s General Plan and the Eight Priority Policies of Planning Code Section 101.1; and,

20 WHEREAS, On July 22, 2010, the Planning Commission, in accordance with Title 14 of
21 the California Code of Regulations, Chapter 3, Article 19, Section 15332 (CEQA State
22 Guidelines), adopted a Mitigated Negative Declaration determination under CEQA; now,
23 therefore, be it

24 RESOLVED, That this Board finds that there have been no substantial project changes
25 or changes in project circumstances since the Mitigated Negative Declaration was certified

1 that would require major revisions thereto due to the involvement of new significant
2 environmental effects or an increase in the severity of previous identified significant impacts,
3 and there is no new information of substantial importance that would change the conclusions
4 set forth therein; and, be it

5 FUTURE RESOLVED, That in accordance with the recommendations of the Director of
6 Property and the Director MOH, the Board of Supervisors hereby approves and authorizes the
7 Director of Property, along with the Director of MOH, to finalize negotiations for the Amended
8 Lease and following the negotiations for the Amended Lease authorizes the Director of
9 Property and the Director of MOH to execute and deliver the Amended Lease; and,
10 be it

11 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
12 Property and the Director of MOH, in consultation with the City Attorney, to enter into any
13 additions, amendments or other modifications to the Amended Lease (including in each
14 instance, without limitation, the attachment of exhibits) that the Director of Property and
15 Director of MOH determine are in the best interests of the City, do not decrease the revenues
16 of the City in connection with the Property, or otherwise materially increase the obligations or
17 liabilities of the City, and are in compliance with all applicable laws, including the City's
18 Charter.

19
20 RECOMMENDED:

21
22 _____
23 MOH Director

24
25 _____
Director of Property