

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, Statues 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 130234(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  
6 of Property and the Director MOH, the Board of Supervisors hereby approves and authorizes  
7 the Director of Property, along with the Director of MOH, to finalize negotiations for the  
8 Amended Lease and following the negotiations for the Amended Lease authorizes the  
9 Director of 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:

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22 \_\_\_\_\_  
23 MOH Director

24   
25 \_\_\_\_\_  
Director of Property



City and County of San Francisco

Tails  
Resolution

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

File Number: 130234

Date Passed: April 02, 2013

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

March 27, 2013 Budget and Finance Sub-Committee - RECOMMENDED

April 02, 2013 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 130234

I hereby certify that the foregoing Resolution was ADOPTED on 4/2/2013 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
Clerk of the Board

  
Mayor

Date Approved