

**MAYOR'S OFFICE OF HOUSING AND  
COMMUNITY DEVELOPMENT  
CITY AND COUNTY OF SAN FRANCISCO**



**EDWIN M. LEE**  
MAYOR

**OLSON LEE**  
DIRECTOR

June 13, 2014

Supervisor Breed  
City and County of San Francisco  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 244  
San Francisco, CA 94102

RE: Resolution Authorizing Application to the California Debt Limit Allocation Committee for Multifamily Housing Revenue Bonds for 800 Presidio, The John Burton Foundation Housing Complex

Dear Supervisor Breed,

The Mayor's Office of Housing and Community Development wishes to forward the attached resolution for introduction at the Board of Supervisors on June 17, 2014, to authorize a bond application for the financing of 800 Presidio, The John Burton Foundation Housing Complex. The resolution authorizes the Mayor's Office of Housing and Community Development to submit an application and related documents to the California Debt Limit Allocation Committee (CDLAC) to permit the issuance of qualified mortgage revenue bonds in an amount not to exceed \$15 million for the affordable housing with a Transition Age Youth (TAY) supportive housing component. The resolution also documents the noticing of the public hearing to be held on June 26, 2014. Should we receive authority, we would need to return to the Board for permission to actually issue the bonds. Funds generated from the issuance and sale of the bonds would be used to finance construction of the project.

Project Summary

As you know, Booker T. Washington Community Service Center (BTWCSC) is developing a mixed use affordable housing project and Community Center in partnership with the John Stewart Company, with Equity Community Builders serving as development manager. The proposed project will have 50 units of housing, including 24 units targeted to Transition Age Youth (TAY).

The developers will demolish BTWCSC's existing outdated community center to construct housing on the corner of Presidio and Sutter, containing 50 units of affordable housing in 5

stories. The 24 TAY units will be targeted to emancipating foster youth, with wrap around services provided by First Place for Youth. The housing will be located adjacent to the new Community Center, which will contain a state-of-the-art gymnasium, with educational, social and recreational services for youth, families and seniors in the Western Addition and beyond. Planned programs include a youth radio program, computer center, childcare, afterschool program, and other services.

The housing and Community Center will be built as an integrated building, located in separate air rights parcels, and will be financed separately. The housing is estimated to have a total development cost of \$22.7 million, utilizing City sources totaling around \$9.85 million, HCD Infill Infrastructure grant, HCD MHP for Youth, 4% tax credits and multifamily revenue bonds. The current estimated bond allocation needed is \$15 million. The sponsor will apply for a CDLAC allocation on July 18 for a September 17, 2014 allocation, and plans to close and start construction in December 2014. BTWCSC and the John Stewart Company will be co-General Partners of the new Limited Partnership owner of the housing, and BTWCSC will own the Community Center.

All units will be restricted to low income households earning less than 50% of the Area Median Income, with 24 units targeted to Transition Age Youth. It is anticipated that operations for the TAY units will be subsidized by subsidies from the Transitional Housing Program Plus (THP Plus) as well as the City's Local Operating Subsidy Program (LOSP).

The proposed schedule for the CDLAC application is as follows:

- TEFRA Hearing: 6/26/14
- **Introduce TEFFA / Inducement Resolution:** 6/17/14
- **Government Audit and Oversight Committee:** 6/30/14
- **BOS legislation full board:** 7/8/14 or 7/15/14
- Submit CDLAC application: 7/18/14
- CDLAC Meeting: 9/17/14

The Mayor's Office of Housing and Community Development has previously issued bonds for rental housing. These financings are conduit financings, which do not require the City to pledge repayment of the bonds. Rather, the bondholders' only recourse for payment are the project revenues themselves and the credit enhancement provided by lenders.

In order to meet the July application submittal date, the resolution needs to be introduced at the Board on June 17, and be considered by the full Board by July 15, 2014 at latest. We greatly appreciate any assistance you can provide to help meet this schedule.

The attached resolution has been approved as-to-form by Deputy City Attorney Kenneth Roux. I

am enclosing a brief description of the project for your review. If you have any questions about the resolution or the project, please contact Anne Romero at 701-5525. Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Olson Lee". The signature is written in black ink and is positioned above the typed name.

Olson Lee  
Director

cc: Pat Scott, BTWCSC

### **The John Burton Foundation Housing Complex, 800 Presidio Ave., BTWCSC**

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