

File No. 150591

Committee Item No. 13

Board Item No. 27

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date June 10, 2015

Board of Supervisors Meeting

Date 6/16/15

#### Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

#### OTHER

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Completed by: Linda Wong

Date June 5, 2015

Completed by: Linda Wong

Date 6/11/15

1 [Real Property Conveyance - Affordable Housing - 474 Natoma Street]

2  
3 **Resolution approving and authorizing the conveyance of real property located at 474**  
4 **Natoma Street from the Office of Community Investment and Infrastructure to the**  
5 **Mayor's Office of Housing and Community Development (as Successor Housing**  
6 **Agency to the San Francisco Redevelopment Agency); and making findings that the**  
7 **conveyance is in conformance with the California Environmental Quality Act, the**  
8 **General Plan, and the eight priority policies of Planning Code, Section 101.1.**  
9

10 WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the  
11 "Former Agency") acquired a fee interest in real property located 474 Natoma Street (Lot  
12 3725, Block 101 and referred to herein as the "Property") and intended to develop the  
13 Property for affordable housing; and

14 WHEREAS, On December 6, 2006, the Former Agency issued a Request for  
15 Proposals (RFP) for the construction, ownership, and operation of affordable family housing  
16 for first-time homebuyers on the Property; and

17 WHEREAS, The RFP sought proposals from experienced developers capable of  
18 building up to 60 units for low- and moderate-income families; and

19 WHEREAS, Bridge Housing Corporation ("Bridge") was eventually selected as the  
20 project developer; and

21 WHEREAS, On April 19, 2011, the Commission for the Former Agency approved  
22 Resolution No. 51-2011, authorizing the Former Agency to enter into a Ground Lease with an  
23 affiliate of Bridge, 474 Natoma LLC, a California limited liability company ("Lessee"), for the  
24 development of 60 units of affordable rental housing at the Property (the "Project"); and  
25

1 WHEREAS, On April 19, 2011, the Former Agency and Lessee executed that certain  
2 Ground Lease which included, among other things: (i) a term of 75 years, with an extension  
3 option of 24 years; (ii) annual base rent of \$15,000; and (iii) occupancy requirements  
4 restricted units to low income households earning no more than 60% area median income  
5 (the "Lease"); and

6 WHEREAS, Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of  
7 2011-12, first Extraordinary Session), as amended by California State Assembly Bill No. 1484  
8 (together, the "Dissolution Law"), the Former Agency dissolved as a matter of law on February  
9 1, 2012; and

10 WHEREAS, On October 2, 2012, the San Francisco Board of Supervisors, acting as  
11 legislative body of the newly established Office of Community Investment and Infrastructure  
12 ("OCII") as the successor to the Former Agency, passed Ordinance 215-12, which outlined  
13 the rights and responsibilities of OCII as the Agency's successor agency, including but not  
14 limited to certain retained existing enforceable obligations for the development of affordable  
15 housing; and

16 WHEREAS, Pursuant to Ordinance 215-12 and Dissolution Law, because there were  
17 remaining existing enforceable obligations to finance the Project, OCII became the fee owner  
18 of the Property as successor to the Former Agency; and

19 WHEREAS, The Former Agency financing obligations have been satisfied, construction  
20 of the Project has since been completed, and there are no remaining Former Agency retained  
21 enforceable obligations with respect to the Project; and

22 WHEREAS, On September 8, 2014, the OCII Oversight Board approved Resolution 6-  
23 2014, authorizing OCII's Executive Director to transfer the Property to the City, under the  
24 jurisdiction of the Mayor's Office of Housing and Community Development ("MOHCD"), as a  
25 housing asset pursuant to Dissolution Law; and

1 WHEREAS, OCII now desires to convey the Property to the City, under MOHCD's  
2 jurisdiction, at no cost in accordance with Dissolution Law (the "Conveyance"), pursuant to a  
3 quitclaim deed (the "Deed") and an assignment of ground lease (the "Assignment"), each in  
4 substantially the forms filed with the Clerk of the Board of Supervisors in File No. 150591; and

5 WHEREAS, The Planning Department found that the Conveyance is consistent with  
6 CEQA and Categorically Exempt from Environmental Review as a Categorical Exemption  
7 Class 1 as defined by CEQA for the reasons set forth in the March 3, 2015 letter from the  
8 Department of City Planning, which is on file with the Clerk of the Board of Supervisors in File  
9 No. 150591; and

10 WHEREAS, The Planning Department found that the Conveyance is consistent with  
11 the City's General Plan and with the eight priority policies of Planning Code Section 101.1 for  
12 the reasons set forth in the March 3, 2015 letter from the Department of City Planning, which  
13 is on file with the Clerk of the Board of Supervisors in File No. 150591; now, therefore, be it

14 RESOLVED, That the Board of Supervisors hereby finds that the Conveyance is  
15 consistent with the General Plan, and with the eight priority policies of Planning Code Section  
16 101.1 for the same reasons set forth in the letter of the Department of City Planning, dated  
17 March 3, 2015, and hereby incorporates such findings by reference as though fully set forth in  
18 this Resolution; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the  
20 Conveyance is consistent with CEQA and Categorically Exempt from Environmental Review  
21 as a Categorical Exemption Class 1 as defined by CEQA for the reasons set forth in the  
22 March 3, 2015 letter from the Department of City Planning, which is on file with the Clerk of  
23 the Board of Supervisors in File No. 150591; and, be it

24 FURTHER RESOLVED, That in accordance with the recommendations of the Director  
25 of Property and the Director of MOHCD, the Board of Supervisors hereby approves and

1 authorizes the Director of Property (or his designee), along with the Director of MOHCD, to  
2 accept the Deed and Assignment on behalf of the City, and to execute any such other  
3 documents that are necessary or advisable to complete the transaction contemplated by the  
4 Deed and Assignment and to effectuate the purpose and intent of this Resolution; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
6 Property (or his designee) and the Director of MOHCD, in consultation with the City Attorney,  
7 to enter into any additions, amendments or other modifications to the Deed and Assignment  
8 (including in each instance, without limitation, the attachment of exhibits) that the Director of  
9 Property and Director of MOHCD determine are in the best interests of the City, do not  
10 decrease the revenues of the City in connection with the Property, or otherwise materially  
11 increase the obligations or liabilities of the City, and are in compliance with all applicable laws,  
12 including the City's Charter; and, be it

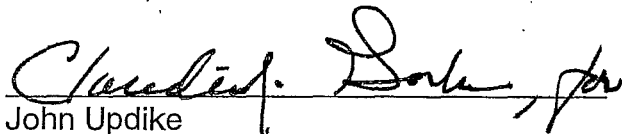
3 FURTHER RESOLVED, Any such actions are solely intended to further the purposes  
14 of this Resolution, and are subject in all respects to the terms of this Resolution, and such  
15 official shall consult with the City Attorney before execution of documents that include  
16 amendments from what was previously submitted to the Board, and thereafter provide to the  
17 Clerk of the Board the final document, as signed by the parties, together with a marked copy  
18 to show any changes, within 30 days of execution, for inclusion in the official file; and, be it

19 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and  
20 heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors.  
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3 RECOMMENDED:

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6 Olson Lee  
7 Director of the Mayor's Office of Housing

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9 John Updike  
10 Director of Property  
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Supervisor Kim

BOARD OF SUPERVISORS

Page 5

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



Edwin M. Lee  
Mayor

Olson Lee  
Director

May 20, 2015

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: Conveyance of Real Property located at 474 Natoma Street from the Office of Community Investment and Infrastructure to the Mayor's Office of Housing and Community Development

Dear Supervisor Kim,

Thank you for agreeing to introduce this resolution authorizing the conveyance of the real property, located at 474 Natoma Street, 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.

MOHCD respectfully requests your support in introducing and sponsoring this resolution (attached) at the Board of Supervisors on Tuesday June 2, 2015. Our hope is to have the resolution calendared for Budget and Finance Committee on Wednesday June 17, 2015, and then returned to the full BoS on Tuesday June 23, 2015.

The project serves families earning between 40% and 60% of AMI, enhances family housing opportunities by containing 40% 2-bedroom units, and has amenities including a common courtyard, landscaped rooftop terrace, and a community garden with views of the city.

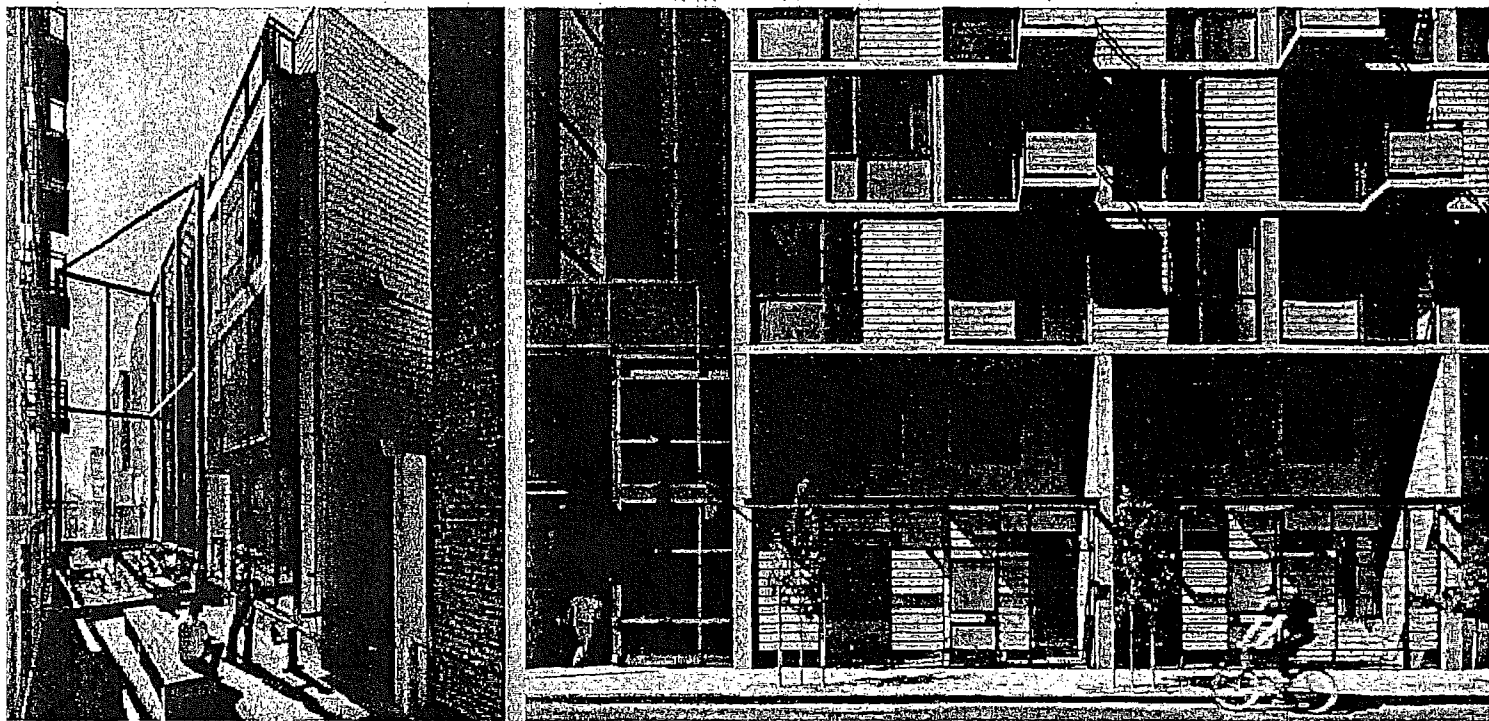
The attached resolution has been reviewed by Deputy City Attorney Evan Gross and approved by myself as well as Assistant Director of Real Estate Claudia Gorham for Director of Real Estate John Updike. If you have any questions, please contact Kevin Kitchingham at 701-5523.

Sincerely,

A handwritten signature in black ink, appearing to read "Olson Lee", written over a horizontal line.

Olson Lee - Director

# 474 Natoma, San Francisco, CA



On a site vacant since the 1989 Loma Prieta earthquake, 474 Natoma is the newest addition to San Francisco's SOMA Redevelopment Area.

Affordable Units / Total Units: 60 / 60  
Original Project Value: \$32,000,000

474 Natoma is a high-density residential development that provides much needed new affordable urban homes with a mix of 60 one-, two- and three-bedroom apartments. Amenities include a community room, laundry facilities, and a top floor landscaped terrace and community garden which provide additional sunny and secure outdoor areas with city views.

The nine-story building design incorporates sustainable building strategies to achieve the equivalent of GreenPoint Rated certification, and it includes a public artwork installation on the exterior along the length of the elevator shaft. The development aims to act as a catalyst for neighborhood revitalization along the 6th Street corridor.

**Architects:** Saida + Sullivan Design Partners and Leddy Maytum Stacy Architects

**General Contractor:** Nibbi Brothers

**Financial Partners:** San Francisco Redevelopment Agency, Bank of America





Free Recording Requested Pursuant to  
Government Code Section 27383

When recorded, mail to:  
Mayor's Office of Housing and Community Development  
of the City and County of San Francisco  
1 South Van Ness Avenue, Fifth Floor  
San Francisco, California 94103  
Attn: Director

---

ASSIGNMENT OF GROUND LEASE

THIS ASSIGNMENT OF GROUND LEASE ("Assignment") is made and entered into as of this 21<sup>st</sup> day of May, 2015, by and between the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, also known as the Office of Community Investment and Infrastructure, a public body, organized and existing under the laws of the State of California ("Assignor" or "Successor Agency") and the City and County of San Francisco (the "City"), a municipal corporation, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD" or "Assignee"), and acknowledged by Natoma Family Housing L.P., a California limited partnership ("Tenant").

WITNESSETH

A, On April 19, 2011, the Commission of the Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic, exercising its functions and powers and organized and existing under the Community Redevelopment Law of the State of California (the "SFRA"), approved by Resolution No. 51-2011, a Ground Lease (the "Lease") with 474 Natoma, LLC, a California limited liability company ("Natoma"), pursuant to which SFRA provided Natoma the right to lease the real property located at 474 Natoma Street and being a portion of Block 3725, Lot 101, as more particularly described in Exhibit A attached hereto (the "Property"), for 75 years (with a 24 year extension option) for the development of 60 units of affordable rental housing (the "Project"). The Lease was executed by Natoma and SFRA on April 19, 2011 and was assigned by Natoma to the Tenant pursuant to an Assignment and Assumption Agreement Regarding Ground Lease effective as of December 1, 2011. A memorandum of ground lease was recorded against the Property on December 21, 2011 as Instrument No. 2011J322085.

B. On February 1, 2012, the SFRA was dissolved pursuant to California Assembly Bill 26 ("AB 26") and the California Supreme Court's decision and order in the case entitled California Redevelopment Association et al. v. Ana Matosantos, and the successor entity to the SFRA became the City. Four months later, in June 2012, the California State Legislature passed a follow-up bill to AB 26, commonly called Assembly Bill 1484 ("AB 1484") (together with AB 26, "Redevelopment Dissolution Law"). Under AB 1484, the successor entity to the SFRA became a public entity that is separate from the City. The Successor Agency is also known as the Office of Community Investment and Infrastructure, or OCII. Under Redevelopment

Dissolution Law, the Successor Agency assumed all of the SFRA's enforceable obligations. The Successor Agency is charged with winding-down these enforceable obligations and disposing of all real property, pursuant to Redevelopment Dissolution Law, and subject to review by an oversight board and the California Department of Finance ("DOF"), which is the lead implementing agency under Redevelopment Dissolution Law. As a result of these legislative acts, the Successor Agency is a party to the Lease.

C. Pursuant to Dissolution Law, the Successor Agency may transfer housing assets to the designated housing successor agency, which for the City is MOHCD. Successor Agency has requested to assign the Lease to MOHCD for purposes consistent with the development of the Project. In its request, MOHCD explained that San Francisco is currently facing a severe affordable housing crisis, with median rents and sales prices among the highest in the state, and that the funding of affordable housing projects in areas like the South of Market District, which is encountering significant economic displacement of businesses and residents, is a high priority. The request also outlined Mayor Ed Lee's goal of creating 30,000 new or rehabilitated units, including 10,000 permanently affordable units.

D. On September 8, 2014, the Oversight Board, consistent with its authority under AB 26, by Resolution No. 6-2014, also approved the transfer of the Project and assignment of the Lease to MOHCD. The OCCII Oversight Board determined that assignment of the Lease to MOHCD would help wind down the Former Agency's activities by transferring responsibility for asset management of the Project to MOHCD.

E. Under Redevelopment Dissolution Law, DOF must receive notice and information about all Oversight Board actions, which do not take effect until DOF has either not requested review within five days of the notice or requested review and approved the action within 40 days of its review request. On September 18, 2014, the Successor Agency provided a copy of Oversight Board Resolution No. 101-0502014-014 to DOF, which detailed the Oversight Board approval of the transfer of the Project and assignment of the Lease to MOHCD. DOF approved the OCCII Oversight Board action in a letter dated December 23, 2014.

F. Assignor and Assignee now wish to enter into the Assignment to transfer all right, title, interest, obligations, duties, and responsibilities of the Assignor under the Lease to Assignee.

## AGREEMENT

1. NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows: The Assignor does hereby irrevocably and unconditionally assign, transfer, set over and convey unto the Assignee all of the Assignor's right, title, privilege and interest in and to the Lease.
2. Assignor has provided to Assignee a complete and accurate copy of the Lease and any amendments thereto.
3. Assignor shall indemnify Assignee against and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating before the Effective Date and arising out of the landlord's obligations under the Lease.
4. As of the Effective Date, Assignee assumes all of the landlord's obligations under the Lease and shall indemnify, defend and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable

attorneys' fees), originating on or after the Effective Date and arising out of the landlord's obligations under the Lease.

5. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.
6. All notices required to be provided to landlord under the Lease shall now be delivered to the following notice address:

Mayor's Office of Housing and Community Development  
1 South Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94103  
Attn: Director

7. Pursuant to Section 14.02 of the Lease, the Tenant hereby acknowledges this Assignment and agrees to be bound to Assignee according to the terms, covenants and conditions of the Lease for the balance of the Lease Term. Tenant agrees to attorn to Assignee as "Landlord," with the attornment being effective and self-operable immediately upon Assignee's succession to Landlord's interest under the Lease, all without the execution by the parties of any further instruments.
8. This Assignment shall become is effective on the date on which both parties have duly executed this Assignment, and in any event no earlier than the date that the San Francisco Board of Supervisors and Mayor approves the resolution accepting the assignment of the Lease.

Assignor and Assignee have executed this Assignment as of the day and year first written above.

**ASSIGNOR:**

**Successor Agency to the Redevelopment Agency of the City and County of San Francisco**, a public body organized and existing under the laws of the State of California

By: 

Tiffany Boone  
Executive Director

**ASSIGNEE:**

**City and County of San Francisco, a municipal corporation**

By: 

Olson Lee  
Director  
Mayor's Office of Housing and  
Community Development

**APPROVED AS TO FORM:**

By: 

James B. Morales  
General Counsel

**APPROVED AS TO FORM:**

Dennis J. Herrera, City Attorney

By: 

Evan Gross  
Deputy City Attorney

Authorized by Oversight Board Resolution No 6-2014, adopted September 8, 2014.

ACKNOWLEDGED & AGREED TO BY:

Natoma Family Housing, L.P., a California limited partnership

By: 474 NATOMA LLC, its general partner

By: BRIDGE Homes, Inc.,

a California nonprofit public benefit corporation, its sole member

By:  \_\_\_\_\_

Its Vice President \_\_\_\_\_

## **EXHIBIT A**

### **Legal Description of the Property**

**THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:.**

Lot No. 101, as shown on the Map entitled, "Parcel Map Merger and Resubdivision of Lot 23, 24, 27, 55, 56, 57, 58, 59, and 65. A Portion of Assessor's Block 3725 Being a Portion of 100 Vara Block No. 381, San Francisco, California", filed October 26, 1995 in the office of the Recorder of the City and County of San Francisco, State of California, in Book 42, of Parcel Maps, Page 110.

**Street Address:**

**474 Natoma Street, San Francisco, CA**

RECORDING REQUESTED BY,  
AND WHEN RECORDED RETURN TO:

Real Estate Division  
City and County of San Francisco  
25 Van Ness Avenue, Suite 400  
San Francisco, CA 94102  
Attn: Director of Property

MAIL TAX STATEMENTS TO:

Mayor's Office of Housing and  
Community Development  
1 South Van Ness 5<sup>th</sup> Floor  
San Francisco, CA. 94103  
Attn: Kevin Kitchingham

The undersigned hereby declares this instrument to be  
exempt from Recording Fees (CA Govt. Code § 27383)  
and Documentary Transfer Tax (CA Rev. & Tax Code  
§ 11922 and S.F. Bus. & Tax Reg. Code § 1105)

(Space above this line reserved for Recorder's use only)

**QUITCLAIM DEED**

(Assessor's Parcel No. 3725, Block 101)

FOR VALUABLE CONSIDERATION, receipt and adequacy of which are hereby acknowledged, the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, also known as the Office of Community Investment and Infrastructure, a public body organized and existing under the laws of the State of California ("OCII"), pursuant to Resolution No. 6-2014, adopted by the Oversight Board of the Office of Community Investment and Infrastructure ("Oversight Board") on September 8, 2014, hereby RELEASES, REMISES AND QUITCLAIMS TO THE CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, any and all right, title and interest OCII may have in and to the real property located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof.

Executed as of this 18<sup>th</sup> day of May 2015.

Successor Agency to the Redevelopment Agency  
of the City and County of San Francisco, a public  
body, organized and existing under the laws of  
the State of California

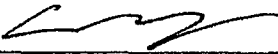
By:

  
**TIFFANY BOHEE**  
Executive Director

APPROVED AS TO FORM:

DENNIS J. HERRERA  
City Attorney

By:

  
\_\_\_\_\_  
Evan A. Gross  
Deputy City Attorney



# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

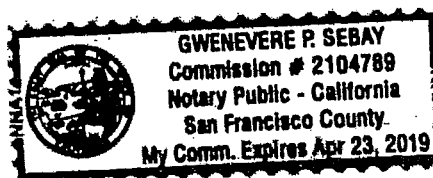
STATE OF CALIFORNIA }  
COUNTY OF SAN FRANCISCO } ss.

On May 18, 2015, before me, Gwenevere P. Sebay, Notary Public, personally appeared Tiffany Bohee, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
Signature of Notary Public



## OPTIONAL

Description of Attached Document: 474 Natoma Street – AP 3725, Block 101

Title of Type of Document: Quitclaim Deed

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

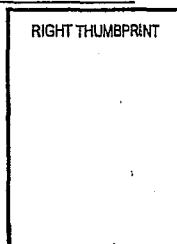
Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer(s)

Signer's Name: Tiffany Bohee

Title: Executive Director

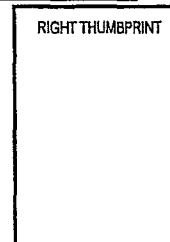
Signer is Representing: \_\_\_\_\_



Signer's Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_



**EXHIBIT A**

**Legal Description of the Property**

**(474 Natoma Street)**

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, and is described as follows:

Lot No. 101, as shown on the Map entitled, "Parcel Map Merger and Resubdivision of Lot 23, 24, 27, 55, 56, 57, 58, 59, and 65. A Portion of Assessor's Block 3725 Being a Portion of 100 Vara Block No. 381, San Francisco, California", filed October 26, 1995 in the office of the Recorder of the City and County of San Francisco, State of California, in Book 42, of Parcel Maps, Page 110.



## SAN FRANCISCO PLANNING DEPARTMENT

### General Plan Referral

**Date:** March 3, 2015  
**Case No.** 2015-001298GPR  
474 Natoma Affordable Housing Project – Transfer ownership  
from Office of Community Investment and Infrastructure to the  
Mayor's Office of Housing and Community Development

**Block/Lot No:** 3725/001

**Project Sponsors:** John Updike, Director  
San Francisco Real Estate Department  
25 Van Ness Avenue, Suite 400  
San Francisco, CA 94102

**Applicant:** Same as Above

**Staff Contact:** Mat Snyder – (415) 575-6891  
[matthew.snyder@sfgov.org](mailto:matthew.snyder@sfgov.org)

**Recommendation:** Finding the project, on balance, is in conformity with the  
General Plan

**Recommended  
By:**

  
John Rahaim, Director of Planning

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

**Reception:**  
415.558.6378

**Fax:**  
415.558.6409

**Planning  
Information:**  
415.558.6377

### PROJECT DESCRIPTION

On February 5, 2015, the Planning Department (herein "the Department") received a request from the City and County of San Francisco Real Estate Division to consider the transfer of the affordable housing project at 474 Natoma Street from the Office of Community Investment and Infrastructure (OCII), formally the San Francisco Redevelopment Agency, to the Mayor's Office of Housing and Community Development (MOHCD).

The subject site consists of a 60-unit 100-percent affordable housing project that was approved by the Planning Commission in November 2008 and finished construction in June 2014. The project is partially within the Soma Earthquake Recovery Redevelopment Project Area, where the former Redevelopment Agency had jurisdiction to develop, own and monitor affordable housing projects. In 2013, the Redevelopment Agency was officially disbanded. Per State Dissolution law, assets under its ownership were required to be transferred from it to other San Francisco City Agencies. The 474 Natoma asset is proposed to be transferred to MOHCD as Successor Housing Agency.

This project does not propose any additional development, land use changes, or changes to the right-of-way that hasn't already been approved. Similarly, no conditions of approval, including but not limited to levels of affordability are proposed to be changed. This action is simply to transfer ownership from one City Agency to another.

## ENVIRONMENTAL REVIEW

On 2/6/2015, the Environmental Planning Division of the Planning Department determined that the proposed transfer of 474 Natoma Street Affordable Housing Project is Categorically Exempt from Environmental Review as a Categorical Exemption Class 1 as defined by CEQA, per CEQA Guidelines Section 15301: Existing Facilities.

## GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

As described below, the Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in-conformity with the following Objectives and Policies of the General Plan:

**Note:** General Plan Objectives and Policies are in **bold font**; General Plan text is in regular font. Staff comments are in *italic font*.

### Housing Element

#### OBJECTIVE 2

**RETAIN EXISTING HOUSING UNITS, AND PROMOTE SAFETY AND MAINTENANCE STANDARDS, WITHOUT JEAPORDIZING AFFORDABILITY.**

#### POLICY 2.4

**Promote improvements and continued maintenance to existing units to ensure long term habitation and safety.**

*The proposed transfer would enable to the MOHCD to assume ownership of the asset, the appropriate City Agency to manage and monitor affordable housing development.*

#### OBJECTIVE 3

**PROTECT THE AFFORDABILITY OF THE EXISTING HOUSING STOCK, ESPECIALLY RENTAL UNITS.**

#### POLICY 3.1

**Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs.**

*The transfer assures the ongoing affordability of the subject project.*

#### OBJECTIVE 8

**BUILD PUBLIC AND PRIVATE SECTOR CAPACITY TO SUPPORT, FACILITATE, PROVIDE AND MAINTAIN AFFORDABLE HOUSING.**

**POLICY 8.1**

**Support the production and management of permanently affordable housing.**

*The transfer will ensure the ongoing management and monitoring of the subject affordable housing project.*

**Eight Priority Policies Findings**

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.  
*The proposed lease will not negatively affect existing neighborhood-serving retail uses or opportunities for employment in or ownership of such businesses. The new development, however, does provide new residents near the 6<sup>th</sup> Street Neighborhood Commercial District and will support the businesses there along with other businesses throughout South of Market.*
2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.  
*The proposed transfer will help assure that appropriate management and monitoring of the affordable housing project.*
3. That the City's supply of affordable housing be preserved and enhanced.  
*The proposed lease will preserve and enhance existing affordable housing units.*
4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.  
*The proposed lease will not result in commuter traffic impeding MUNI's transit service, overburdening the streets or altering current neighborhood parking.*
5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.  
*The proposed lease would not affect the existing economic base in this area.*
6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.  
*The proposed transfer would not affect the City's preparedness to protect against injury and loss of life in an earthquake.*
7. That landmarks and historic buildings be preserved.  
*The proposed transfer will not affect landmarks or historic buildings.*
8. That our parks and open space and their access to sunlight and vistas be protected from development.  
*The proposed transfer will not affect City parks or open spaces, or their access to sunlight and vistas.*

**GENERAL PLAN REFERRAL  
TRANSFER OF 474 NATOMA STREET**

**2015-001298GPR**

<b>RECOMMENDATION:</b>	<b>Finding the Project, on balance, in-conformity with the General Plan</b>
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cc: John Updike, Real Estate Division

*I:\Citywide\General Plan\General Plan Referrals\2014\2014.0563R Midtown Park Apartments Lease to Mercy Housing.doc*

# Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2018 JUN -2 PM 1:29  
Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- ☒ 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- ☐ 2. Request for next printed agenda Without Reference to Committee.
- ☐ 3. Request for hearing on a subject matter at Committee.
- ☐ 4. Request for letter beginning "Supervisor [ ] inquires"
- ☐ 5. City Attorney request.
- ☐ 6. Call File No. [ ] from Committee.
- ☐ 7. Budget Analyst request (attach written motion).
- ☐ 8. Substitute Legislation File No. [ ]
- ☐ 9. Reactivate File No. [ ]
- ☐ 10. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- ☐ Small Business Commission    ☐ Youth Commission    ☐ Ethics Commission
- ☐ Planning Commission    ☐ Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.**

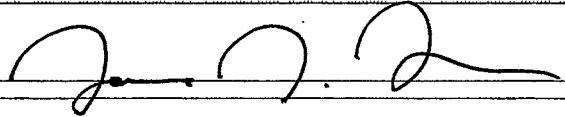
**Sponsor(s):**

Supervisor Kim

**Subject:**

Real Property Conveyance for Affordable Housing at the Property Located at 474 Natoma Street

**The text is listed below or attached:**

Signature of Sponsoring Supervisor: 

**For Clerk's Use Only:**

