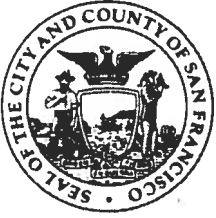


**MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO**



**EDWIN M. LEE
MAYOR**

**OLSON LEE
DIRECTOR**

July 1, 2015

Mayor Edwin M. Lee
City and County of San Francisco
City Hall
Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Resolution authorizing the acquisition of real property located near the intersection of South Van Ness Avenue and 16th Street, San Francisco

With this memo, I am submitting to you for introduction at the Board of Supervisors meeting on Tuesday, July 7, 2015, a resolution authorizing the acquisition of real property located near the intersection of South Van Ness Avenue and 16th Street, commonly known as 490 South Van Ness, a fully entitled, 72 unit property to be developed as 100% affordable housing for low income families in the transit rich heart of the Mission District neighborhood.

This acquisition will further the goals and mission of the Mayor's Office of Housing and Community Development. The proposed development will be seven stories tall with a small ground floor retail component and apartments located on floors 2 -7 with a majority of the units being two bedrooms in size. On the ground floor, approximately 665 square feet of space will be devoted to neighborhood-serving retail, an especially acute need in the Mission. Some minor redesign will be needed to meet the requirements of eventual investors and lenders but we anticipate that the project will be ready to begin construction in early spring of 2016.

This is a unique acquisition opportunity due to the fact that the project is fully entitled and permit-ready. Our office should be able to realize significant schedule efficiencies and be able to publish a request for qualifications from non-profit developers rapidly.

In order to meet the deadline to close on August 28, 2015, this resolution should be introduced at the Board on July 7, 2015, be heard at the Budget and Finance Committee on or before July 22, 2015, and return to the full Board for approval on Tuesday, July 28, 2015. We would appreciate any assistance you can provide to help meet this schedule so that the City is able to close on the deal pursuant to a letter of intent signed by the developer on June 12, 2015.

The attached resolution has been reviewed by Deputy City Attorney Heidi Gewertz and signed by the Director of Real Estate, John Updike.

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

Thank you,

A handwritten signature in blue ink, appearing to read "Olson Lee". The signature is fluid and cursive, with a long horizontal stroke connecting the two names.

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