

## RESOLUTION NO. 101-2010

*Adopted July 20, 2010*

**CONDITIONALLY AUTHORIZING A GROUND LEASE WITH CHINATOWN COMMUNITY DEVELOPMENT CENTER, A CALIFORNIA NONPROFIT CORPORATION, FOR THE DEVELOPMENT OF 74 VERY LOW-INCOME RENTAL UNITS AND ONE MANAGER'S UNIT, SOUTHEAST CORNER OF BROADWAY AND SANSOME STREETS, APN 0165-021, AND CONDITIONALLY ADOPTING THE FINAL MITIGATED NEGATIVE DECLARATION AND ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; CITYWIDE TAX INCREMENT HOUSING PROGRAM**

### BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, the "Law"), the Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes programs for the reconstruction and rehabilitation of blighted areas in the City and County of San Francisco (the "City"). Section 33334.2 of the Law allows the Agency to use tax increment funds to acquire real property outside of a redevelopment project area if the Agency uses the real property for developing affordable housing and if the Agency and Board of Supervisors find that the development of affordable housing will be of benefit to an existing project area within the City. In addition, Section 33071 of the Law declares, among other things, that a fundamental purpose of redevelopment is to expand the supply of low- and moderate-income housing.
2. As an amendment to the Fiscal Year 2003-2004 budget, the Agency Commission, by Resolution No. 177-2003, and the Board of Supervisors, by Resolution No. 139-04, authorized a Cooperation Agreement between the Agency and the City to permit the Agency to issue tax allocation bonds to refund prior indebtedness as well as to provide additional funds for affordable housing and to require the Agency to expend up to \$1,912,094 of the refunding proceeds to purchase "surplus/underutilized" City-owned property for affordable housing.
3. Pursuant to the Cooperation Agreement, the City offered a site to the Agency located at the southeast corner of Broadway and Sansome Streets (Assessor's Site Block 165, Lot 021) (the "Site"). The Site is approximately 17,337 square feet.
4. On May 2, 2006, the Board of Supervisors approved the sale of the subject property to the Agency for the purpose of development of affordable housing.

5. On May 16, 2006, the Agency entered into a Letter Agreement with the Mayor's Office of Housing ("MOH") to convey all development responsibilities, including the issuance of a Request for Proposals to ensure the Site's exclusive use as affordable housing. The Letter Agreement requires that the developer selected by MOH will enter into a 99-year lease with the Agency, consisting of an initial term and an option to extend following the initial term (the "Ground Lease").
6. On June 12, 2007, MOH staff recommended the selection of Chinatown Community Development Center ("Chinatown CDC") to develop 74 units of affordable rental housing and one manager's unit on the Site, provided that a number of conditions were met to mitigate potential problems.
7. Chinatown CDC has met these conditions and is now prepared to enter into the Ground Lease.
8. Chinatown CDC agrees to pay the Agency the base rent of \$15,000 per annum. The Ground Lease will become effective upon the closing of the construction financing.
9. MOH recommends that the Agency approve the Ground Lease.
10. A Preliminary Mitigated Negative Declaration ("MND") was prepared pursuant to the California Environmental Quality Act ("CEQA") for the proposed Project by the City's Planning Department (the "Planning Department") and published on June 30, 2010. The Preliminary MND evaluated a project that included 61 residences, consisting of 10 studios, 8 one-bedroom units, 24 two-bedroom units, and 19 three-bedroom units. The Planning Department is scheduled to issue the Final MND on July 21, 2010 after the close of the 20-day comment period on July 20, 2010.
11. Since publication of the Preliminary MND, the unit mix and total number of units have changed. The project now includes 75 residences, consisting of 10 studios, 35 one-bedroom units, 25 two-bedroom units, and 5 three-bedroom units. Planning Department staff has determined that the change in the Project does not result in any change in the evaluation of impacts in the Preliminary MND and does not affect any findings or conclusions in the MND. The Planning Department intends to issue a Letter to File on July 21, 2010 to document the change in units.
12. If an appeal of the Preliminary MND is filed with the Planning Department within the 20-day comment period, the Planning Commission will hold a public hearing on the appeal and the Final MND will not be issued on July 21, 2010. Additionally, if an appeal of the Preliminary MND is filed, no Letter to File will be issued.

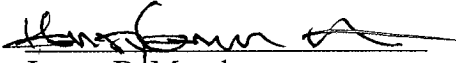
13. The Preliminary MND describes the proposed Project, assesses potential environmental impacts of the proposed Project, and identifies mitigation measures to preclude significant impacts or reduce such impacts to less than significant levels. The proposed mitigation measures in the Preliminary MND have also been incorporated into the Ground Lease for the Project. Agency staff considers the Ground Lease to be necessary to, and therefore, part of the proposed Project.
14. Based on the Agency's independent review of the Preliminary MND and all available information regarding the Project, the Agency finds that the proposed Project is consistent with the project description contained in the Preliminary MND and would not result in any significant impacts not identified in the Preliminary MND or any impact identified in the Preliminary MND that would be substantially more severe.

### **RESOLUTION**

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco as follows:

1. It has reviewed the Preliminary Mitigated Negative Declaration and finds that it reflects the independent judgment and analysis of the Agency and therefore, adopts it as the Final Mitigated Negative Declaration, finding it to be adequate and prepared in accordance with CEQA, conditioned upon receipt by the Agency of the Planning Department's Final Mitigated Negative Declaration and Letter to File; and
2. The Executive Director is authorized to enter into a Ground Lease with Chinatown Community Development Center, a California nonprofit public benefit corporation, for the development 74 units of very low-income family rental housing plus one manager's unit at the southeast corner of Broadway and Sansome Streets, APN 0165-021, as part of the Citywide Tax Increment Housing Program, substantially in the form lodged with the Agency General Counsel. The Agency's authorization of the Ground Lease is conditioned upon receipt by the Agency of the Planning Department's Final Mitigated Negative Declaration and associated Letter to File.

**APPROVED AS TO FORM:**

  
James B. Morales  
Agency General Counsel