ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND AUTHORIZING A GROUND LEASE WITH CARROLL AVENUE SENIOR HOMES, LP, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF 120 VERY LOW-INCOME SENIOR RENTAL HOUSING UNITS PLUS ONE MANAGER’S UNIT AT 1751 CARROLL AVENUE (FORMERLY KNOWN AS 5800 THIRD STREET, LOT 3-ASSESSOR’S BLOCK 5431A, LOT 042), CONSISTENT WITH THE LONG RANGE PROPERTY MANAGEMENT PLAN.

WHEREAS, The Successor Agency (otherwise known as the Office of Community Investment and Infrastructure) became the successor to 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 “Former Redevelopment Agency”), after the Former Redevelopment Agency was dissolved on February 1, 2012, pursuant to the California Assembly Bill known as AB 26 and the California Supreme Court’s decision and order in the case entitled California Redevelopment Association et al. v. Ana Matosantos. Shortly thereafter, all of the Former Redevelopment Agency’s non-housing assets, including all real property, were transferred to the Successor Agency; and,

WHEREAS, As a result of AB 26, the Successor Agency owns 1751 Carroll Avenue (formerly known as 5800 Third Street, Lot 3) (assessor’s block 5431A, Lot 042) (“Agency Property”). The Former Redevelopment Agency acquired the Agency Property with tax increment funds and the Agency Property continues to be subject to an enforceable obligation; and,

WHEREAS, The Agency Property is located within the boundaries of the former Bayview Hunters Point Approved Redevelopment Project Area Plan (the “Project Area”), which was duly adopted, by Ordinance No. 113-06, adopted on May 16, 2006, in accordance with Community Redevelopment Law (the “Redevelopment Plan”). The purpose of the Redevelopment Plan was to redevelop and revitalize blighted areas in the Project Area; and,

WHEREAS, On September 21, 2010, by Resolution No. 122-2010, the Agency Commission approved the purchase of the real property located at 1751 Carroll Avenue (formerly known as 5800 Third Street, Lot 3) (Assessor's
Block 5431A, Lot 042) (the “Site”). The Agency completed the purchase in February 2011; and,

WHEREAS, a limited partnership consisting of the following general partners: BHPMSS Bayview Seniors LLC, a California limited liability company (“BHPMSS”) and Carroll Avenue Senior Homes MBS GP, Inc., a Missouri corporation (“MBS”), (both general partners of the Carroll Avenue Senior Homes limited partnership) (the “Tenant”) intends to redevelop the Site with 120 very low-income senior rental housing units (plus one manager’s unit) and an approximately 15,000 square foot ground floor senior center, and parking spaces for the residential space and other ancillary uses on the Site (together, the “Project”); and,

WHEREAS, The Project has been identified by the Tenant, and approved by U.S. Department of Housing and Urban Development (“HUD”), as the first phase of off-site housing for qualified Alice Griffith public housing residents, under the $30.5 million Choice Neighborhoods Implementation Grant (“CNI Grant”) award to Alice Griffith public housing/Eastern Bayview neighborhood. OCII has an enforceable obligation to ensure the development of the Alice Griffith public housing revitalization through the Hunters Point Shipyard Phase II/Candlestick Point Development and Disposition Agreement. As the first phase of the Alice Griffith revitalization, the Project will prioritize leasing of Project units to Alice Griffith residents who want to live in a senior housing environment. Meanwhile all public housing units will be replaced on-site at Alice Griffith. Accordingly, the Project will be an added option for seniors living at Alice Griffith now who are interested in senior housing and may need better access to senior services; and,

WHEREAS, The Tenant is now requesting to enter into a fifty-five (55) year ground lease (with one forty-four (44) year option) in connection with the development and operation of the Project (the “Ground Lease Agreement”); and,

WHEREAS, For purposes of implementation and to ensure consistency with the City’s overall affordable housing goals and priorities, the Mayor’s Office of Housing and Community Development (“MOHCD”) is providing project management, loan underwriting, construction monitoring and design review, including approving and processing loan disbursements in cooperation with OCII. On January 24, 2012, the City, by Board of Supervisors Resolution 11-12 and in accordance with Section 34176 of Dissolution Law, accepted the transfer of affordable housing assets through the Mayor’s Office of Housing (now MOHCD). Upon completion of the Project, OCII intends to transfer the affordable housing loan obligation, asset, and ground lease to MOHCD as required by Dissolution Law. Additionally, at the time of transfer to MOHCD, or subsequent to such transfer, the Tenant will transfer a portion of an adjacent parcel to MOHCD and the Ground Lease will be amended to reflect a revised legal description based on such transfer; and,
WHEREAS, On June 27, 2012, California’s Governor approved legislation amending Assembly Bill No. 26 (statutes 2011, chapter 5) (“AB 26”) entitled Assembly Bill No. 1484 (statutes 2012, chapter 26) (“AB 1484”) (together, AB 26 and AB 1484 are the “Redevelopment Dissolution Law”). AB 1484 imposes certain requirements on the successor agencies to redevelopment agencies established by AB 26, including a requirement that suspends certain dispositions of former redevelopment agency property until certain state-imposed requirements are met. Excluded from such suspension are certain transfers of property to the “appropriate public jurisdiction” in furtherance of a “governmental purpose” if the oversight board for a successor agency directs the successor agency to transfer the property, as well as “obligations required pursuant to any enforceable obligations.” Cal. Health & Safety Code §§ 34177(c); 34181(a); 34191.4; and,

WHEREAS, Redevelopment Dissolution Law requires successor agencies to prepare a long range property management plan to address the disposition and use of any of its properties (Cal Health & Safety Code § 34191.5). The plan must include an inventory of all successor agency properties, with information about date of acquisition, purpose of acquisition, parcel data, current value, revenue generation, history of environmental contamination, potential for transit-oriented development, and previous development proposals for each property. The plan must also categorize each property by one of four permissible uses: (1) retention for governmental use; (2) retention for future development; (3) disposition, other than to fulfill an enforceable obligation; or (4) use of the property to fulfill an enforceable obligation; and,

WHEREAS, Redevelopment Dissolution Law requires the Oversight Board and the Department of Finance to approve the long range property management plan. Cal. Health & Safety Code § 34191.5 (b); and,

WHEREAS, The annual Ground Lease rent amount for the Agency Property is $556,000, which is 10% of its currently appraised value; and,

WHEREAS, On November 19, 2013, the Commission on Community Investment and Infrastructure by Resolution No. 56-2013 approved the Ground Lease and by Resolution No. 53-2013 recommended that the Oversight Board approve the long range property management plan of the Successor Agency (the “LRPMP”) ; and,

WHEREAS, The Ground Lease is consistent with the use and disposition described in that portion of the LRPMP attached to this Resolution as Exhibit A and fully incorporated herein; and,

WHEREAS, On September 1, 2005, the Planning Commission adopted a Final Mitigated Negative Declaration (“FMND”) for the proposed Project. The FMND describes the proposed Project, assesses the potential environmental impacts
of the Project, and identifies mitigation measures to preclude significant impacts or reduce such impacts to less than significant levels. The Planning Commission also approved a Conditional Use Application and the Mitigation Monitoring Program that attaches the mitigation measures contained in the FMND to the Conditional Use Authorization. On October 12, 2012, an Addendum to the FMND, was prepared and certified to reflect the Project, and the incorporation of streetscape and pedestrian improvements along the northern portion of the site and Carroll Avenue. On October 25, 2012, the Planning Commission found the FMND and the Addendum to FMND were adequate, accurate and objective, reflected the independent analysis and judgment of the Planning Department and the Planning Commission, and is in compliance with the California Environmental Quality Act (“CEQA”). The Ground Lease Agreement will provide for the leasing of the Site for the construction and operation of the Project, and staff has reviewed the Ground Lease Agreement and finds it to be within the scope of the Project analyzed in the FMND (per CEQA) and addenda and no additional environmental review is needed; now, therefore, be it

RESOLVED, That the Oversight Board authorizes the Executive Director to execute a Ground Lease Agreement, substantially in the form of the agreement on file with the Secretary of the Board and approved as to form by the City Attorney, for an initial a term of fifty-five (55) years, with a one forty-four (44) year option, for the development of 120 very low-income senior rental housing units (plus one manager’s unit) and a ground floor senior center at 1751 Carroll Avenue (formerly known as 5800 Third Street, Lot 3) (Assessor’s Block 5431A, Lot 042), and to enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

Exhibit A: Long Range Property Management Plan for 5800 3rd/Carroll Avenue Senior Housing Site (1751 Carroll Avenue)

- Attachment A: Map of 5800 3rd/Carroll Avenue Senior Housing Site
- Attachment B: DOF Tracking Sheet
- Attachment C: Email, Justyn Howard, DOF to Sean Spear, CDLAC, dated 10/14/13

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of November 25, 2013.

Natasha Jones
Oversight Board Secretary