

San Francisco Mayor's Office of Housing and Community Development  
Department of Homelessness and Supportive Housing  
Office of Community Investment and Infrastructure  
Controller's Office of Public Finance

---

---

**MEMORANDUM**

---

---

**DATE:** MARCH 3, 2023  
**TO:** CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE  
**FROM:** MARA BLITZER, DIRECTOR OF SPECIAL PROJECTS  
**RE:** **Update to MOHCD Ground Lease Policy**

---

1. Background – MOHCD's Ground Lease Policy

The Mayor's Office of Housing and Community Development's Ground Lease Policy ("GL Policy") is intended to assist applicants ("Sponsors") for capital financing to prepare financing requests to the City and County of San Francisco (the "City"), represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"). This Ground Lease Policy will also be used by MOHCD staff for purposes of evaluating funding requests and presenting them to the Citywide Affordable Housing Loan Committee ("Loan Committee") for consideration. The intent of the GL Policy is to support consistency of ground lease terms across projects and to ensure long-term affordability and physical and financial sustainability throughout a project's loan term. This GL Policy does not apply to loans made under the Preservation and Seismic Safety (PASS) Program or the Small Sites Program (SSP).

The Loan Committee maintains the right to set final terms and conditions for a commitment of funds based on the actual circumstances of each project. MOHCD may review and approve any requests for a waiver to this GL Policy (see Section VII) in its sole and absolute discretion.

The GL Policy will be updated from time to time and was most recently updated on August 21, 2015. Public comment for this update was solicited from over 800 stakeholders in December 2022-January 2023 (14 comments received from two parties). Revisions to the GL Policy served as follow-up to the November 2022 updates to the Underwriting Guidelines.

Under the leadership of Mayor Breed, and in partnership with city and community leaders, MOHCD seeks to advance opportunities and improve programmatic outcomes for BIPOC and low-income residents. As such, staff are assessing programs, contracts, and procurements to ensure advancement of the City's racial equity goals. Staff will be working closely with partner organizations to monitor the impact of City investments from a racial equity perspective. Staff will provide capacity building, clear information to partnering organizations, and create channels to give and receive feedback to ensure that all parties are aligned in the expectation to create an inclusive and equitable city where all residents have the opportunity to thrive.

2. This Request

This request is to update the MOHCD's Ground Lease Policy (Effective August 21, 2015) (the "GL Policy") to:

1. Re-organize document to clarify and to improve legibility of intent and expedite applications for funding,
2. Correspond with changes to the recently published Underwriting Guidelines,
3. Reflect the City's racial equity goals.

Clean and black-lined versions of the proposed updates can be found in Attachments A and B respectively.

3. Staff Recommendation

These proposed changes are guided by our interest in a consistency of ground lease terms across projects and to ensure long-term affordability and physical and financial sustainability throughout a project's loan term. The proposed changes reflect our commitments to improving the legibility of our intent for our funding review and expediting applications, including alignment with our Underwriting Guidelines. MOHCD Staff recommends Loan Committee approval of the changes to the current Ground Lease Policy as proposed in Attachments A (clean version) and Attachment B (comparison to current policy as of August 2015).

4. Loan Committee Modifications

**LOAN COMMITTEE RECOMMENDATION**

*Approval indicates approval with modifications, when so determined by the Committee.*

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_  
Eric D. Shaw, Director  
Mayor’s Office of Housing and Community Development

Date: \_\_\_\_\_

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_  
Thor Kaslofsky, Executive Director  
Office of Community Investment and Infrastructure

Date: \_\_\_\_\_

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_  
Salvador Menjivar, Housing Director  
Department of Homeless and Supportive Housing

Date: \_\_\_\_\_

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_  
Anna Van Degna, Director  
Controller’s Office of Public Finance

Date: \_\_\_\_\_

Attachments: Attachment A – Updated Ground Lease Policy - clean  
Attachment B – Updated Ground Lease Policy – blacklines compared to August  
2015 Ground Lease Policy

## Request to Update MOHCD's Ground Lease Policy

Ely, Lydia (MYR) <lydia.ely@sfgov.org>

Fri 3/3/2023 11:54 AM

To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

Cc: Shaw, Eric (MYR) <eric.shaw@sfgov.org>

Hi Vanessa-

I approve the subject request on behalf of MOHCD.

Thank you,

Lydia

-----

Lydia Ely

Deputy Director for Housing

SF Mayor's Office of Housing and Community Development

Office phone: (628) 652-5821

Cell phone: (415) 225-2936

## Request to Update MOHCD's Ground Lease Policy

Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>

Fri 3/3/2023 11:36 AM

To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

Cc: Ely, Lydia (MYR) <lydia.ely@sfgov.org>; Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>

Hi Vanessa-

I approve the subject request on behalf of OCII.

Thanks-

Elizabeth



**Elizabeth Colomello**

**Housing Program Manager**

---

📍 One South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103

📞 415.749-2488, Cell 415.407-1908

🏠 [www.sfocii.org](http://www.sfocii.org)

---

## MOHCD'S GROUND LEASE POLICY

Menjivar, Salvador (HOM) <salvador.menjivar1@sfgov.org>

Fri 3/3/2023 12:52 PM

To: Shaw, Eric (MYR) <eric.shaw@sfgov.org>

Cc: Ely, Lydia (MYR) <lydia.ely@sfgov.org>; Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

I support the MOHCD's request to update the Ground Lease Policy in order to re-organize the document to clarify and to improve legibility of intent and expedite applications for funding, and to correspond with changes to the recently published Underwriting Guidelines (Effective November 2022), and reflect the City's racial equity goals.

Best,

salvador



Salvador Menjivar  
Director of Housing  
*Pronouns: He/Him*

San Francisco Department of Homelessness and Supportive Housing  
[salvador.menjivar1@sfgov.org](mailto:salvador.menjivar1@sfgov.org) | 415-308-2843

Learn: [dhsh.sfgov.org](https://dhsh.sfgov.org) | [hsh.sfgov.org](https://hsh.sfgov.org) | Follow: [@SF\\_HSH](https://twitter.com/SF_HSH) | Like: [@SanFranciscoHSH](https://twitter.com/SanFranciscoHSH)

*CONFIDENTIALITY NOTICE: This e-mail is intended for the recipient only. If you receive this e-mail in error, notify the sender and destroy the e-mail immediately. Disclosure of the Personal Health Information (PHI) contained herein may subject the discloser to civil or criminal penalties under state and federal privacy laws.*

## REQUEST TO UPDATE THE MOHCD'S GROUND LEASE POLICY

Katz, Bridget (CON) <[bridget.katz@sfgov.org](mailto:bridget.katz@sfgov.org)>

Fri 3/3/2023 11:36 AM

To: Amaya, Vanessa (MYR) <[Vanessa.Amaya@sfgov.org](mailto:Vanessa.Amaya@sfgov.org)>

Approve

**Bridget Katz**

*Development Finance Specialist*, Office of Public Finance

Controller's Office | City & County of San Francisco

Office Phone: (415) 554-6240

Cell Phone: (858) 442-7059

E-mail: [bridget.katz@sfgov.org](mailto:bridget.katz@sfgov.org)

**Attachment A: Updated Ground Lease Policy - clean**

See attached.



**Attachment B: Updated Ground Lease Policy – blacklines compared to 2015 Policy**

See attached.