

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

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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.**

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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

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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

13 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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1 RECOMMENDED:

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Olson Lee
Director of the Mayor's Office of Housing

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John Updike
Director of Property

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