

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

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## MEMORANDUM

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Date: February 26, 2020  
To: Carmen Chu, Assessor-Recorder, Office of the Assessor-Recorder  
From: *ACC* Angela Calvillo, Clerk of the Board  
Subject: Acquisition of Real Property - 1939 Market Street - Sheet Metal Workers' International Association, Local Union No. 104 (File No. 200042)

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On February 11, 2020, the Board of Supervisors adopted Resolution No. 68-20, sponsored by Mayor London N. Breed and Supervisor Rafael Mandelman, and approved by Mayor London N. Breed on February 21, 2020.

A certified copy of the Resolution is being forwarded to you, pursuant Administrative Code, Section 34.1.

If you have any questions or concerns, please contact Linda Wong, Assistant Clerk, at (415) 554-7719 or by email at: [Linda.Wong@sfgov.org](mailto:Linda.Wong@sfgov.org).

c: Holly Lung, Office of the Assessor-Recorder  
Douglas Legg, Office of the Assessor-Recorder

**RECORDING REQUESTED BY:**

Board of Supervisors of the City and County  
of San Francisco

**WHEN RECORDED MAIL TO:**

Office of the Clerk of the Board of  
Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102  
Attn: Angela Calvillo, Clerk of the Board

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*(Space above this line reserved for Recorder's Use)*

**TITLE(S)**

**File No. 200042 – Resolution No. 68-20**

**Acquisition of Real Property - 1939 Market Street - Sheet Metal Workers' International  
Association, Local Union No. 104 - \$12,000,000**

*(Exempt from Recording Fees Pursuant to Administrative Code, Section 23.19(b))*



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Certified Copy

Resolution

200042 [ Acquisition of Real Property - 1939 Market Street - Sheet Metal Workers' International Association, Local Union No. 104 - \$12,000,000 ]

Sponsors: Mayor; Mandelman

Resolution approving and authorizing the Director of Property, on behalf of the Mayor's Office of Housing and Community Development, to acquire real property, located at 1939 Market Street from Sheet Metal Workers' International Association, Local Union No. 104, for purchase at \$12,000,000 inclusive of a deposit in the amount of \$500,000; placing the property under the jurisdiction of the Mayor's Office of Housing and Community Development for use in constructing affordable housing for San Franciscans; adopting findings that the conveyance is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the purchase agreement and this Resolution, as defined herein, including assuming certain leases, entering into a leaseback with seller, and assuming certain service contracts; and affirming the Planning Department's determination under the California Environmental Quality Act. (Mayor's Office of Housing and Community Development)

2/11/2020 Board of Supervisors - ADOPTED

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

2/21/2020 Mayor - APPROVED

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

CLERK'S CERTIFICATE

I do hereby certify that the foregoing Resolution is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

February 26, 2020

Date

Handwritten signature of Angela Calvillo

Angela Calvillo

Clerk of the Board

1 [Acquisition of Real Property - 1939 Market Street - Sheet Metal Workers' International  
2 Association, Local Union No. 104 - \$12,000,000]

3 **Resolution approving and authorizing the Director of Property, on behalf of the**  
4 **Mayor's Office of Housing and Community Development, to acquire real property,**  
5 **located at 1939 Market Street from Sheet Metal Workers' International Association,**  
6 **Local Union No. 104, for purchase at \$12,000,000 inclusive of a deposit in the amount**  
7 **of \$500,000; placing the property under the jurisdiction of the Mayor's Office of**  
8 **Housing and Community Development for use in constructing affordable housing for**  
9 **San Franciscans; adopting findings that the conveyance is consistent with the**  
10 **General Plan, and the eight priority policies of Planning Code, Section 101.1;**  
11 **authorizing the Director of Property to execute documents, make certain**  
12 **modifications and take certain actions in furtherance of the purchase agreement and**  
13 **this Resolution, as defined herein, including assuming certain leases, entering into a**  
14 **leaseback with seller, and assuming certain service contracts; and affirming the**  
15 **Planning Department's determination under the California Environmental Quality**  
16 **Act.**

17  
18 WHEREAS, The Mayor's Office of Housing and Community Development  
19 ("MOHCD") is responsible for the funding and development of affordable housing in the City of  
20 and County of San Francisco; and

21 WHEREAS, City desires to acquire certain real property (Assessor's Parcel Block  
22 No. 3501, Lot Nos. 006 and 007) located at 1939 Market Street (the "Property") for purposes  
23 of building affordable housing on the Property; and

24 WHEREAS, Sheet Metal Workers' International Association, Local Union No. 104  
25 (the "Seller") and City, through its MOHCD and Real Estate Division, after consultation with

1 the Office of the City Attorney, have negotiated an Agreement of Purchase and Sale for Real  
2 Estate, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 200042  
3 (the "Purchase Agreement"), for sale of the Property to the City for \$12,000,000, inclusive of a  
4 deposit in the amount of \$500,000 (the "Deposit"); and

5 WHEREAS, MOHCD has evaluated the Property and confirmed that it can utilize the  
6 Property for development of permanently affordable housing; and

7 WHEREAS, The Director of Property determines the Property to be at or below fair  
8 market value; and

9 WHEREAS, The Planning Department, through General Plan Referral letter dated  
10 January 13, 2020, found that the acquisition of the Property is not defined as a project under  
11 California Environmental Quality Act ("CEQA") Guidelines, Sections 15378 and 15060(c)(2),  
12 and is consistent with the General Plan, and the eight priority policies of Planning Code,  
13 Section 101.1, which letter is on file with the Clerk of the Board of Supervisors in File No.  
14 200042, and incorporated herein by this reference; and

15 WHEREAS, There exists certain leases (the "Leases") between the Seller and other  
16 tenants that the City will assume; and

17 WHEREAS, City and Seller have negotiated an Office Lease ("Leaseback") as  
18 attached to the Purchase Agreement, and City and Seller (as future tenant) will enter into the  
19 Leaseback for a period of 24 months upon City's acquisition of the Property; and

20 WHEREAS, There are certain service contracts (the "Service Contracts") that City  
21 may expressly agree to assume related to the operation and security of the Property; and

22 WHEREAS, The Property will be delivered vacant except for the Leases, the  
23 Leaseback, and Service Contracts at close of sale; now, therefore, be it  
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1           RESOLVED, That MOHCD has legal authority, is willing, and is in a position  
2 financially and otherwise to assume immediate care and maintenance of the Property, and, be  
3 it

4           FUTHER RESOLVED, This Board affirms the CEQA determination and adopts  
5 General Plan Findings, finding that this proposed acquisition is consistent with the General  
6 Plan; and, be it

7           FURTHER RESOLVED, That in accordance with the recommendation of the  
8 Director of MOHCD and the Director of Property, the Board of Supervisors approves the  
9 Purchase Agreement (including the attached Leaseback) in substantially the forms presented  
10 to the Board, and authorizes the Director of Property (or the Director's designee, to be applied  
11 throughout) to accept the deed to the Property from the Seller upon the closing in accordance  
12 with the terms and conditions of the Purchase Agreement, place the Property under the  
13 jurisdiction of MOHCD, and to take any and all actions (including, but not limited to, the  
14 execution and delivery of any and all certificates, assumption of Leases and Services  
15 Contracts, agreements notices, consents, escrow instructions, closing documents and other  
16 instruments or documents, including entering into the Leaseback) as the Director of Property,  
17 after consultation with the Director of MOHCD and the Office of the City Attorney, deems  
18 necessary, or appropriate in order to acquire the Property pursuant to the Purchase  
19 Agreement, or to otherwise effectuate the purpose and intent of this Resolution, such  
20 determination to be conclusively evidenced by the execution and delivery by the Director of  
21 Property of any such documents; and, be it

22           FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
23 Property and Director of MOHCD (or the Director's designee), in consultation with the City  
24 Attorney, to enter into any additions, amendments, or other modifications to the Purchase  
25 Agreement and any other documents or instruments necessary in connection therewith, that

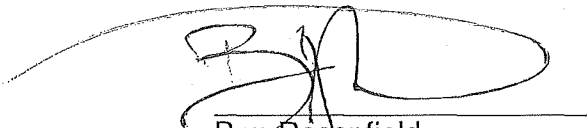
1 the Director of Property and Director of MOHCD determines are in the best interests of the  
2 City, do not materially decrease the benefits to the City with respect to the Property, do not  
3 materially increase the obligations or liabilities of the City, and are necessary or advisable to  
4 complete the transaction contemplated in the Purchase Agreement (and Leaseback) and that  
5 effectuate the purpose and intent of this Resolution, such determination to be conclusively  
6 evidenced by the execution and delivery by the Director of Property of any such additions,  
7 amendments, or other modifications; and, be it

8           FURTHER RESOLVED, That within thirty (30) days of the contract being fully  
9 executed by all parties, the MOHCD shall provide the final contract to the Clerk of the Board  
10 for inclusion into the official file.

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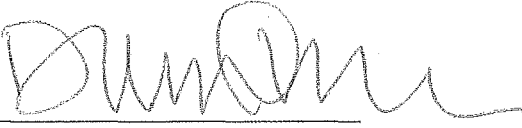
\$12,000,000 Available

Fund ID: 10581	Fund title: SR OCOH Nov18 PropC GF Advance
Department ID: 232065	Department title: MYR Housing & Community Dev
Project ID: 10035001	Project title: FY20 ERAF - Housing
Authority ID: 20943	Authority title: ERAF MOH AffordableHouseAcqDev
Account ID: 506070	Account title: Programmatic Projects-Budget
Activity ID: 0001	Activity title: FY20 Housing Acquisition & Dev

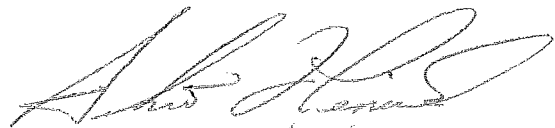


Ben Rosenfield  
Controller

RECOMMENDED:



Dan Adams  
Acting Director of the Mayor's Office of Housing and Community Development



Andrico Penick *11/13/2020*  
Director of Property





**City and County of San Francisco**  
**Tails**  
**Resolution**

City Hall  
 1 Dr. Carlton B. Goodlett Place  
 San Francisco, CA 94102-4689

**File Number:** 200042

**Date Passed:** February 11, 2020

Resolution approving and authorizing the Director of Property, on behalf of the Mayor's Office of Housing and Community Development, to acquire real property, located at 1939 Market Street from Sheet Metal Workers' International Association, Local Union No. 104, for purchase at \$12,000,000 inclusive of a deposit in the amount of \$500,000; placing the property under the jurisdiction of the Mayor's Office of Housing and Community Development for use in constructing affordable housing for San Franciscans; adopting findings that the conveyance is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the purchase agreement and this Resolution, as defined herein, including assuming certain leases, entering into a leaseback with seller, and assuming certain service contracts; and affirming the Planning Department's determination under the California Environmental Quality Act.

February 05, 2020 Budget and Finance Committee - RECOMMENDED

February 11, 2020 Board of Supervisors - ADOPTED

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

File No. 200042

I hereby certify that the foregoing Resolution was ADOPTED on 2/11/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
 Clerk of the Board

London N. Breed  
 Mayor

2/21/20

Date Approved