

1 [Authorizing a Change in Use of Grant Funds.]

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3 **Ordinance authorizing a change in the use of San Francisco Convention and Facilities**  
4 **Department grant funds to permit the funds to be used for an affordable housing**  
5 **development without a proposed pavilion.**

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7 Be it ordained by the People of the City and County of San Francisco:

8 Section 1. Findings. The San Francisco Board of Supervisors (the "Board") hereby  
9 makes the following findings:

10 (a) The City and County of San Francisco, acting by and through the San  
11 Francisco Convention Facilities Department ("CFD"), entered into a grant agreement dated as  
12 of February 1, 2001 (the "Grant Agreement") with Glide Economic Development Corporation,  
13 a nonprofit corporation ("GEDC"), for Six Million Eight Hundred Fifty Thousand Dollars  
14 (\$6,850,000) (the "Grant Funds"). GEDC agreed to use the Grant Funds for the purchase of  
15 real property on San Francisco Assessor's Block 331 for the development of a mixed-use  
16 development including affordable housing, retail space, nonprofit office space, parking, and a  
17 small convention space called the "Pavilion" (the "Pavilion Project"). The Grant Funds were  
18 derived from CFD's hotel tax revenue allocation.

19 (b) GEDC acquired Parcels 1, 2, 3, and 4 of Assessor's Block 331 (the  
20 "Acquired Parcels") with the Grant Funds and with loans of Community Development Block  
21 Grant ("CDBG") and HOME Investment Partnership ("HOME") funds from the City, acting by  
22 and through the Mayor's Office of Housing ("MOH"). GEDC obligations under the Grant  
23 Agreement are secured by a deed of trust and a regulatory agreement recorded against these  
24 acquired parcels. A copy of the Grant Agreement, deed of trust and regulatory agreement are  
25 on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

1 (c) Despite diligent efforts, GEDC has not been able to purchase the  
2 remaining parcels on Assessor's Block 331, procure a development partner and operator for  
3 the Pavilion, or obtain financing commitments for the non-residential components of the  
4 Pavilion Project. The Directors of CFD and MOH have found that, despite the good faith and  
5 diligent efforts of GEDC, the Pavilion Project is not feasible.

6 (d) GEDC and the Directors of CFD and MOH agree that the Acquired  
7 Parcels are appropriate for the development of rental housing affordable to low and very low  
8 income households, including space for neighborhood serving retail and supportive services.

9 (e) GEDC has proposed that the Acquired Parcels be used for the  
10 development of affordable housing without the remaining Assessor's Block 331 parcels, and  
11 that the proposed Pavilion use be abandoned. In connection therewith, GEDC has proposed  
12 a project consisting of approximately 59 units for formerly homeless households, to be  
13 developed on the Acquired Parcels by GEDC in partnership with an experienced non-profit  
14 housing developer (the "Revised Project"). GEDC has requested MOH's financial and  
15 technical assistance with the Revised Project. The Director of MOH believes that the Revised  
16 Project is feasible, and is willing to provide such assistance.

17 Sec. 2. Amendment of Grant Agreement and Regulatory Agreement. The Board  
18 authorizes CDF to amend the Grant Agreement and the related regulatory agreement to  
19 eliminate the proposed Pavilion Project and replace it with the Revised Project on the  
20 Acquired Parcels.

21 Section 3. Transfer of Administrative Authority. The Board authorizes the transfer of  
22 all administrative authority over the Grant Agreement and the Grant Funds from CDF to MOH  
23 for the purpose of proceeding with the Revised Project as affordable rental housing without a  
24 Pavilion.

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APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
Charles Sullivan  
Deputy City Attorney

RECOMMENDED:  
MAYOR'S OFFICE OF HOUSING

By: \_\_\_\_\_  
Matthew Franklin  
Director

RECOMMENDED:  
CONVENTION FACILITIES BUREAU

By: \_\_\_\_\_  
John Noguchi  
Director