

1 [Agreement to Sell the Dolores Hotel Located at 35-37 Woodward Street]

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3 **Resolution approving and authorizing the execution and performance of an Agreement**  
4 **For Sale of Real Estate relating to the property commonly known as the Dolores Hotel**  
5 **and located at 35-37 Woodward Street; adopting findings that the sale is exempt from**  
6 **Environmental Review and is consistent with the City's General Plan and Eight Priority**  
7 **Policies of City Planning Code Section 101.1; and authorizing the Director of Property**  
8 **and the Director of the Mayor's Office of Housing to execute documents, make certain**  
9 **modifications and take certain actions in furtherance of this Resolution.**

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11 WHEREAS, Pursuant to Resolution No. 282-08 adopted by the Board of Supervisors  
12 on June 17, 2008 and approved by the Mayor on June 24, 2008 the City acquired title to the  
13 Dolores Hotel (the "Property") from Mission Housing Development Corporation ("MHDC") in  
14 exchange for City assuming a Deferred Payment Rehabilitation Loan Program loan in the  
15 amount of \$145,000 (the "DPRLP Loan"), (which the State of California Department of  
16 Housing and Community Development ("HCD") allowed MHDC to assign to the City) and City  
17 cancelling MHDC indebtedness under a San Francisco City Housing Rehabilitation Loan  
18 Program loan in the amount of \$587,997; and

19 WHEREAS, On February 11, 2008, the Mayor's Office of Housing ("MOH") and the  
20 City's Department of Public Health ("DPH") jointly issued a Request for Qualifications and  
21 Proposals (the "RFP") seeking an entity willing to acquire, rehabilitate, and operate the  
22 existing fifty nine (59) vacant units on the Property as transitional housing for homeless, single  
23 adults (the "Project"); and

24 WHEREAS, Dolores Street Community Services ("DSCS") was the only entity that  
25 responded to the RFP, and after reviewing its application, MOH and DPH selected DSCS as

1 purchaser of the Property and recommended that the City provide DSCS with approximately  
2 \$557,537 in City funds for predevelopment expenses in connection with the Project; and,

3 WHEREAS, DSCS has since formed an affiliate limited liability company named  
4 Dolores Hotel, LLC (“Buyer”), of which DSCS shall be the sole member; and,

5 WHEREAS, In consideration of the City’s agreement to convey the Property, Buyer  
6 shall (1) either assume all obligations under the DPRLP Loan documents or enter into new  
7 loan documents with HCD for the DPRLP Loan such that the existing DPRLP Loan  
8 documents and any City obligations thereunder are terminated (subject to HCD’s approval  
9 of such assumption by Buyer and Buyer’s acquisition of the Property); and (2) agree to the  
10 affordability restrictions as set forth in the Agreement for Sale of Real Estate (the  
11 “Agreement”); and,

12 WHEREAS, The Director of Planning, by letter dated January 29, 2008, found that  
13 the sale of the Property contemplated by the Agreement, is consistent with the City’s  
14 General Plan and with the Eight Priority Policies of City Planning Code Section 101.1 and is  
15 exempt from Environmental Review, which letter is on file with the Clerk of the Board of  
16 Supervisors under File No. \_\_\_\_\_, and which letter is incorporated herein by  
17 this reference; now, therefore, be it

18 RESOLVED, That the Board of Supervisors hereby adopts and incorporates herein  
19 by reference the findings of the Director of Planning in his letter of January 29, 2008, that  
20 the sale of the Property contemplated by the Agreement is consistent with the General Plan  
21 and with the Eight Priority Policies of City Planning Code Section 101.1 and is exempt from  
22 Environmental Review for the same reasons as set forth in such letter, and hereby  
23 incorporates such findings by reference as though fully set forth in this Resolution; and, be  
24 it

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1           FURTHER RESOLVED, That in accordance with the recommendations of the  
2 Director of Property and the Director of MOH, the Board of Supervisors hereby finds that  
3 City's sale of the Property serves a legitimate public purpose by protecting existing  
4 affordable housing and hereby approves the Agreement and the transactions contemplated  
5 therein, including Buyer either assuming the DPRLP Loan or entering into new loan  
6 documents with HCD such that the existing DPRLP Loan and any City obligation  
7 thereunder is terminated; and, be it

8           FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
9 Property and the Director of the MOH to enter into any additions, amendments or other  
10 modifications to the Agreement (including, without limitation, the attached exhibits) that  
11 they, in consultation with the City Attorney, determine to be in the best interest of the City,  
12 that do not materially increase the obligations or liabilities of the City, and are necessary or  
13 advisable to complete the transactions contemplated in the Agreement and effectuate the  
14 purpose and intent of this Resolution, such determination to be conclusively evidenced by  
15 the execution and delivery of the Agreement and any amendments thereto by the Director  
16 of Property and the Director of MOH; and, be it

17           FURTHER RESOLVED, That the Director of Property is hereby authorized, in the  
18 name and on behalf of the City, to execute a Quitclaim Deed to the Property to Buyer upon  
19 the closing in accordance with the terms and conditions of the Agreement, and to take any  
20 and all steps (including, but not limited to, the execution and delivery of the Agreement, any  
21 and all certificates, agreements, notices, consents, escrow instructions, closing documents  
22 and other instruments or documents) as the Director of Property and the Director of MOH, in  
23 consultation with the City Attorney, deem necessary or appropriate in order to consummate  
24 the sale of the Property pursuant to the Agreement or to otherwise effectuate the purpose and  
25 intent of this Resolution.

1 RECOMMENDED:

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Amy L. Brown  
Director of Property

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Douglas Shoemaker  
Director of the Mayor's Office of Housing

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