

1 [Conveyance and Exchange of Real Property - 234 Van Ness, LLC - 240 Van Ness Avenue  
and 234 Van Ness Avenue]

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3 **Resolution approving and authorizing the Director of Property to convey a portion of**  
4 **City-owned real property, located at 240 Van Ness Avenue, in exchange for the real**  
5 **property located at 234 Van Ness Avenue with 234 Van Ness, LLC; such conveyance is**  
6 **preceded by reconfiguring the properties to deliver a single developable parcel to the**  
7 **City for the purposes of building affordable housing; adopting findings that the**  
8 **conveyance and exchange is consistent with the General Plan, and the eight priority**  
9 **policies of Planning Code, Section 101.1; authorizing the Director of Property to**  
10 **execute documents, make certain modifications and take all actions necessary or**  
11 **advisable to effectuate the purpose of this Resolution, as defined herein; and adopting**  
12 **findings under the California Environmental Quality Act.**

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14 WHEREAS, The Mayor’s Office of Housing and Community Development  
15 (“MOHCD”) is responsible for the funding and development of affordable housing in the City of  
16 and County of San Francisco; and

17 WHEREAS, Mercy Housing California, a California non-profit housing developer,  
18 and the Kelsey, a California non-profit corporation, received an award from Reinventing Cities,  
19 a global design competition organized by C40, for the design of the Kelsey Civic Center  
20 project (“Affordable Project”); and

21 WHEREAS, The Affordable Project will include units set aside for individuals with  
22 disabilities and fully accessible units and all-electric features to address climate change; and

23 WHEREAS, The City desires to exchange a portion of real property (Assessor’s  
24 Parcel Block No. 0811, Lot No. 019) located at 240 Van Ness Avenue (“City Property”) in  
25 exchange for the entirety of 234 Van Ness Avenue (“Seller Property”), in order to reconfigure

1 the properties for the delivery of a single developable parcel (“Parcel A”) to the City that will be  
2 the site of the Affordable Project; and

3 WHEREAS, The Director of Property determines the fair market value of the  
4 property being acquired by the City to be of equal or greater value than the City property  
5 being transferred to the Seller; and

6 WHEREAS, The Director of Property will initiate the process for Parcel A to be  
7 assembled through the application of lot line adjustments and recordation of a new parcel  
8 map consisting of Seller Property, 155 Grove Street, currently under the jurisdiction of the  
9 Director of Property, and 165 Grove Street, currently under the jurisdiction of MOHCD, to  
10 deliver a new single parcel to the City with jurisdiction to MOHCD; and

11 WHEREAS, Mercy Housing Corporation has an exclusive negotiation agreement  
12 with the City, acting by and through the Director of Property, dated November 30, 2019, to  
13 construct the Affordable Project on Parcel A, a copy of which is on file with the Clerk of the  
14 Board in File No. 191111; and

15 WHEREAS, 234 Van Ness, LLC (the “Seller”) and City, through the Real Estate  
16 Division, after consultation with the Office of the City Attorney, have negotiated an Agreement  
17 for the Exchange and Conveyance of Real Estate, a copy of which is on file with the Clerk of  
18 the Board in File No. 210118 (the “Exchange Agreement”), to convey the City Property and  
19 acquire the Seller Property; and

20 WHEREAS, The Planning Department, through General Plan Referral letter dated  
21 January 25, 2021, found that the Affordable Project and Exchange Agreement are not defined  
22 as a Project under the California Environmental Quality Act (“CEQA”) Guidelines, Sections  
23 15378 and 15060(c)(2) (the “CEQA Determination”), and is consistent with the General Plan,  
24 and the eight priority policies of Planning Code, Section 101.1 (the “General Plan Findings”),  
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1 which letter is on file with the Clerk of the Board of Supervisors in File No. 210118, and  
2 incorporated herein by reference; and

3 RESOLVED, That MOHCD has legal authority, is willing, and is in a position  
4 financially and otherwise to assume jurisdiction of Parcel A; and, be it

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

8 FURTHER RESOLVED, That in accordance with the recommendation of the  
9 Director of MOHCD and the Director of Property, the Board of Supervisors approves the  
10 Exchange Agreement in substantially the forms presented to the Board, and authorizes the  
11 Director of Property (or the Director's designee, to be applied throughout) to accept the deed  
12 to Seller Property upon the closing in accordance with the terms and conditions of the  
13 Exchange Agreement, reconfigure the Seller Property with 155 Grove Street and 165 Grove  
14 Street to assemble Parcel A, and to take any and all actions (including, but not limited to, the  
15 execution and delivery of any and all certificates, agreements notices, consents, escrow  
16 instructions, closing documents and other instruments or documents) as the Director of  
17 Property, after consultation with the Director of MOHCD and the Office of the City Attorney,  
18 deems necessary, or appropriate in order to convey the City Property in exchange for the  
19 Seller Property pursuant to the Exchange Agreement, or to otherwise effectuate the purpose  
20 and intent of this Resolution, such determination to be conclusively evidenced by the  
21 execution and delivery by the Director of 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 Exchange  
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 Seller Property, do  
3 not materially increase the obligations or liabilities of the City, and are necessary or advisable  
4 to complete the transaction contemplated in the Exchange Agreement and that effectuate the  
5 purpose and intent of this Resolution, such determination to be conclusively evidenced by the  
6 execution and delivery by the Director of Property of any such additions, amendments, or  
7 other modifications; and, be it

8 FURTHER RESOLVED, That under the Exchange Agreement City shall indemnify  
9 and hold harmless the Seller from, and agree to defend the Seller against, any and all claims,  
10 costs and expenses, including without limitation, reasonable attorneys' fees, incurred as a  
11 result of any negligent acts or omissions of City, its agents or invitees in, on or about the City  
12 Property and, or Seller Property; and, be it

13 FURTHER RESOLVED, That all actions heretofore taken by the offices of the City  
14 with respect to the Exchange Agreement and effectuating the purpose of this Resolution are  
15 hereby approved, confirmed and ratified; and, be it

16 FURTHER RESOLVED, That MOHCD is hereby authorized to pay 50% of the  
17 customary costs associated with escrow and closing, plus any costs City incurs if it elects to  
18 procure title insurance, related to the Exchange Agreement; and, be it

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

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2 \$100,000 Available for Escrow and Closing Costs:

Fund ID: 10580	Fund title: SR Citywide Affordable Housing
Department ID: 232065	Department title: MYR Housing & Community Dev
Project ID: 10023908	Project title: Inclusionary Housing Reg
Authority ID: 17190	Authority title: MY Inclusionary Housing Reg
Account ID: 506070	Account title: Programmatic Projects-Budget
Activity ID: 0044	Activity title: Civic Center Kelsey

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8 Existing real property at 240 Van Ness/150 Grove recorded in:

Fund ID: 32638	Fund title: FAC90GenFixed Assets
Department ID: 228875	Department title: ADM Real Estate Division
Authority ID: 10000	Authority title: General City Fixed Asset

11  
12 /s/ \_\_\_\_\_  
13 Ben Rosenfield  
14 Controller

15  
16 RECOMMENDED:

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18  
19 /s/ \_\_\_\_\_  
20 Eric D. Shaw  
21 Director of the Mayor's Office of Housing and Community Development

22  
23  
24 /s/ \_\_\_\_\_  
25 Andrico Q. Penick  
Director of Property