

1 [Conveyance of Real Property - CH Acquisitions 2, LLC - 1979 Mission Street - Mayor's Office
2 of Housing and Community Development - In Lieu Land Dedication]

3 **Resolution approving and authorizing an agreement for the conveyance and**
4 **acceptance by the Director of Property, on behalf of the Mayor's Office of Housing and**
5 **Community Development ("MOHCD") and CH Acquisitions 2, LLC, of a parcel of real**
6 **estate consisting of approximately 57,325 square feet in land area ("Property"), located**
7 **at 1979 Mission Street, pursuant to a land dedication permitted under Planning Code,**
8 **Section 249.33, to satisfy affordable housing obligations under Planning Code,**
9 **Sections 415 et seq.; placing the Property under the jurisdiction of MOHCD for future**
10 **100% affordable housing development consisting of approximately 200-338 dwelling**
11 **units; adopting findings that the conveyance is consistent with the General Plan, and**
12 **the eight priority policies of Planning Code, Section 101.1; and authorizing the Director**
13 **of Property to execute documents, make certain modifications and take certain actions**
14 **in furtherance of this Resolution, as defined herein, including assuming certain leases.**

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16 WHEREAS, CH Acquisitions 2, LLC, ("Developer") has finalized a Purchase and Sale
17 Agreement by and between MAXIMUS-BP 1979 MISSION STREET LLC ("Seller") and
18 Developer ("Purchase Agreement") to purchase Assessor's Parcel Block No. 3553, Lot No.
19 052, located at 1979 Mission Street in the City and County of San Francisco containing
20 approximately 57,325 square feet of land area (the "Property"), a copy of the form of Purchase
21 Agreement is on file with the Clerk of the Board of Supervisors under File No. 211155 and is
22 incorporated herein by reference; and

23 WHEREAS, Developer is also the owner of Assessor's Parcel Block No. 3506, Lot Nos.
24 003A and 004, located at 10 South Van Ness in the City and County of San Francisco
25 containing approximately 51,150 square foot of land with an approved Downtown Project

1 Authorization for the development of approximately 966 dwelling unit multi-family residential
2 development project with 29,443 square feet of retail sales and service space (the “Principal
3 Site”); and

4 WHEREAS, Planning Code, Section 249.33 allows the Developer to fully satisfy the
5 affordable housing obligations of the Principal Site under Planning Code, Section 415 *et seq.*
6 through a land dedication to the City by way of causing the Property to be deeded directly to
7 the City and County of San Francisco from Seller and subsequently assuming, by way of an
8 assignment and assumption agreement (the “Assignment Agreement”), the Purchase
9 Agreement, and such dedication shall allow City to obtain ownership of the Property for
10 development on the Property of a 100% affordable residential development consisting of
11 approximately 200-338 dwelling units; and

12 WHEREAS, The Planning Department determined that the Property could
13 accommodate up to 338 dwelling units (35% of the proposed total dwelling units of the
14 Principal Site) under the Planning Code and state law under a letter dated September 1,
15 2020, which letter is on file with the Clerk of the Board of Supervisors under File No. 211155
16 and is incorporated herein by reference; and

17 WHEREAS, MOHCD determined that the Property is suitable for development of a
18 100% affordable housing project as required under Planning Code, Section 419.5(a)(2), and
19 such project could consist of approximately 200-273 affordable housing dwelling units; and

20 WHEREAS, The terms and conditions of Developer’s assignment of the Purchase
21 Agreement and the conveyance of the Property from Seller to the City have been negotiated,
22 as further outlined in the Assignment Agreement, a copy of the form of Assignment
23 Agreement is on file with the Clerk of the Board of Supervisors under File No. 211155 and is
24 incorporated herein by reference; and

1 WHEREAS, The Developer and Seller desire to execute the Purchase Agreement
2 concurrently with the execution of the Assignment Agreement by the City and the Developer;
3 and

4 WHEREAS, Because the Property is being conveyed to the City through the land
5 dedication process permitted under Planning Code, Section 249.33, the purchase price to be
6 paid by the City to Developer under the Assignment Agreement is \$0, and in exchange, the
7 Developer's affordable housing obligations for the Principal Site under Planning Code, Section
8 415 *et seq.* will be deemed fully satisfied upon the completed conveyance of the Property to
9 the City; and

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

12 WHEREAS, The Property will be delivered vacant except for the Leases at close of
13 sale; and

14 WHEREAS, The Planning Department, through the General Plan Referral letter dated
15 November 10, 2021, found that the acquisition of the Property is not considered a project
16 under the California Environmental Quality Act ("CEQA", Pub. Resources Code, Section
17 21000 *et seq.*) pursuant to CEQA Guidelines, Section 15060 and Chapter 31 of the City's
18 Administrative Code, and is consistent with the General Plan, and the eight priority policies of
19 Planning Code, Section 101.1, which letter is on file with the Clerk of the Board of Supervisors
20 in File No. 211155, and incorporated herein by this reference; now, therefore, be it

21 RESOLVED, That the Board of Supervisors hereby finds that the conveyance of the
22 Property is consistent with the General Plan, and with the eight priority policies of Planning
23 Code, Section 101.1, for the same reasons as set forth in the Planning Department General
24 Plan Referral Letter, and hereby incorporates such findings by reference as though fully set
25 forth in this Resolution; and, be it

1 FURTHER RESOLVED, That in accordance with the recommendation of the Director
2 of MOHCD and Director of Property, the Board of Supervisors hereby approves the
3 conveyance of the Property to the City, and the transaction contemplated thereby in
4 substantially the form of such Purchase Agreement and Assignment Agreement presented to
5 the Board and authorizes the Director of Property to execute the Assignment Agreement
6 concurrently with the execution of the Purchase Agreement by the Developer and Seller, and
7 any such other documents that are necessary or advisable to complete the conveyance
8 contemplated by the Purchase Agreement and Assignment, and to effectuate the purpose and
9 intent of this Resolution; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
11 Property to enter into any amendments or modifications to the Purchase Agreement,
12 Assignment Agreement, and any other documents or instruments necessary in connection
13 therewith (including, without limitation, preparation and attachment, or changes to, any of the
14 exhibits and ancillary agreements) that the Director of Property determines, in consultation
15 with the City Attorney and Director of MOHCD, are in the best interest of the City, do not
16 otherwise materially increase the obligations or liabilities of the City, are necessary or
17 advisable to effectuate the purposes of the Purchase Agreement and Assignment Agreement
18 and are in compliance with all applicable laws, including City's Charter; and, be it

19 FURTHER RESOLVED, That the Director of Property is hereby authorized, in the
20 name and on behalf of the City and County, to accept the deed to the Property from the Seller
21 upon the closing in accordance with the terms and conditions of the Purchase Agreement and
22 the Assignment Agreement, place the Property under the jurisdiction of MOHCD, and to take
23 any and all steps (including, but not limited to, the execution and delivery of any and all
24 certificates, agreements, notices, consents, escrow instructions, closing documents,
25 assumption of Leases and other instruments or documents) as the Director of Property deems

1 necessary or appropriate in order to consummate the conveyance of the Property pursuant to
2 the Purchase Agreement and Assignment Agreement, or to otherwise effectuate the purpose
3 and intent of this Resolution, such determination to be conclusively evidenced by the
4 execution and delivery by the Director of Property of any such documents; and, be it

5 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
6 heretofore taken and hereby ratified, approved and confirmed by this Board of Supervisors;
7 and, be it

8 FURTHER RESOLVED, That the Director of Property shall provide the Clerk of the
9 Board of Supervisors a fully executed copy of the Purchase Agreement and the Assignment
10 Agreement within forty-five (45) days of signature of same.

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1 Recommended:

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/s/_____

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Director
Mayor's Office of Housing and Community Development

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/s/_____

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Director of Property

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