

AMENDED IN COMMITTEE  
7/16/14

FILE NO. 140780

RESOLUTION NO. 244-14

1 [Real Property Acquisition - 900 Innes Avenue - Not to Exceed \$2,975,000]

2  
3 **Resolution authorizing: 1) the acquisition of real property at 900 Innes Avenue (Lot**  
4 **Nos. 1-5 and 24, Assessor's Block No. 4605, Lot No. 10, Assessor's Block No. 4629A,**  
5 **Lot No. 2, Assessor's Block No. 4630, and Lot Nos. 1-3, 3A, 19 and 20, Assessor's**  
6 **Block No. 4646) from the Tenderloin Housing Clinic, Inc.; and 2) the issuance of**  
7 **Commercial Paper (CP) Notes in an aggregate principal amount not to exceed**  
8 **\$2,975,000; 3) the subsequent jurisdictional transfer of the Property to the Recreation**  
9 **and Park Department upon repayment of the CP Notes; and 4) finding the proposed**  
10 **transaction in conformance with the City's General Plan, and the eight priority policies**  
11 **of Planning Code, Section 101.1.**

12  
13 WHEREAS, The Tenderloin Housing Clinic, Inc., a California nonprofit public benefit  
14 corporation, owns the real property located at 900 Innes Avenue (Lot Nos. 1-5 and 24,  
15 Assessor's Block No. 4605, Lot No. 10, Assessor's Block No. 4629A, Lot No. 2, Assessor's  
16 Block No. 4630, and Lot Nos. 1-3, 3A, 19 and 20, Assessor's Block No. 4646), located along  
17 the north side of Innes Avenue, at the intersection of Griffith Street (the "Property"), which is  
18 comprised of 137,500 square feet of land improved with five structures totaling approximately  
19 7,760 square feet; and

20 WHEREAS, The Property is located between two existing parks under the jurisdiction  
21 of City's Recreation and Parks Commission, India Basin Shoreline Park and India Basin  
22 Shoreline Open Space, and has the potential to accommodate both passive recreation (such  
23 as seating, sunbathing and picnicking) and active recreation (such as walking, bicycling,  
24 sports courts, birdwatching, boating, kayaking and other water-based recreational activities);  
25 and

1           WHEREAS, The Property has been identified by the Recreation and Park Department  
2 (“RPD”) as a possible future public open space which would further RPD’s mission to provide  
3 enriching recreational activities, maintain beautiful parks and preserve the environment for the  
4 well-being of the San Francisco community; and

5           WHEREAS, RPD has not yet undertaken planning, design or environmental review of  
6 the Property for potential park purposes; and

7           WHEREAS, a portion of the Property may also be sold or exchanged to optimize the  
8 size, configuration and continuity of potential future public open space; and

9           WHEREAS, on June 19, 2014, the Recreation and Park Commission approved  
10 Resolution 1406-010 affirming the value of the Property as potential public open space and  
11 urging the Board of Supervisors to take steps necessary to purchase the Property; and

12           WHEREAS, The Director of Property, in consultation with RPD, negotiated a proposed  
13 Purchase and Sale Agreement for the Property, which is on file with the Clerk of the Board of  
14 Supervisors under File No. 140780 (the “Purchase Agreement”), with a purchase price of  
15 \$3,500,000, but with a price reduction (credit) of \$525,000 to be retained by the City to  
16 perform anticipated environmental remediation; and

17           WHEREAS, The City obtained an independent, third party appraisal to confirm that the  
18 proposed purchase price does not exceed the fair market value of the Property based on the  
19 highest and best use of the Property and the anticipated costs of environmental remediation;  
20 and

21           WHEREAS, The Director of Property has determined that the proposed sales price is  
22 reasonable and represents fair market value for the Property; and

23           WHEREAS, Pursuant to Charter, Section 9.113(e), the Board of Supervisors has the  
24 authority to borrow money on an interim basis through the issuance from time to time of its  
25 commercial paper notes (the “CP Notes”); and

1           WHEREAS, On March 17, 2009, the Board of Supervisors adopted Resolution 85-09,  
2 and on April 6, 2010, the Board of Supervisors adopted Resolution 135-06 (collectively the  
3 “Program Resolutions”) to establish a general fund backed commercial paper program with an  
4 initial authorization of not to exceed \$150,000,000 in aggregate principal amount of tax-  
5 exempt or taxable CP Notes (the “Program”) to provide interim financing of the acquisition,  
6 construction and rehabilitation of capital improvements within or owned by the City, and the  
7 financing of vehicles and equipment; and

8           WHEREAS, On July 16, 2013, the Board adopted Resolution 247-13 to, among other  
9 purposes, increase the authorization of the Program to \$250,000,000 from \$150,000,000; and

10           WHEREAS, In order to pay the costs of the Property, the Board now desires to  
11 authorize the use of the CP Program to effect the purchase of the Property in an amount not  
12 to exceed \$2,975,000, and, consistent with applicable law, anticipates repayment of such CP  
13 Notes from Open Space Acquisition Fund resources; and

14           WHEREAS, The Property shall be placed in the jurisdiction of the Real Estate Division  
15 upon acquisition to allow RPD to undertake planning, design and environmental review of the  
16 Property to determine whether development of public open space on all or a portion of the  
17 Property is feasible and desirable; and

18           WHEREAS, Recreation and Park Commission Resolution 1406-010 supports the  
19 possible use of up to \$2,975,000 plus interest from the Open Space Acquisition Fund to repay  
20 some or all of any CP Notes that may be issued to purchase the Property to the extent that full  
21 or partial use of the Property to develop a park is deemed feasible and desirable after review  
22 under the California Environmental Quality Act; and

23           WHEREAS, The Director of Property and General Manager of Recreation and Park  
24 Department report that there would be no further advantage derived from Real Estate  
25 retaining jurisdiction to the Property upon repayment of the CP Notes and therefore

1 recommend that the jurisdiction of the Property be transferred from Real Estate to Recreation  
2 and Park upon said repayment without additional consideration; and

3 WHEREAS, The Planning Department, through General Plan Referral Letter dated  
4 December 10, 2013 ("Planning Letter"), which is on file with the Clerk of the Board of  
5 Supervisors under File No. 140780, has verified that the City's acquisition of the Property is  
6 consistent with the General Plan, and the eight priority policies under the Planning Code,  
7 Section 101.1; and

8 WHEREAS, In the Planning Letter, the Environmental Planning Section of the  
9 Department erroneously stated that the acquisition of the Property is a nonphysical project  
10 (Class 8; Acquisition of urban open space & Class 16 (b) – acquisition of land to establish a  
11 park where the land contains a historical resource that will be preserved) and therefore  
12 categorically exempt from environmental review under CEQA; and

13 WHEREAS, By letter dated February 7, 2014, from Rick Cooper of the Planning  
14 Department's Environmental Planning Section to Stacy Bradley of the Recreation and Park  
15 Department, Environmental Planning clarified that the acquisition of the Property is correctly  
16 considered not a project under CEQA; and

17 WHEREAS, Under the Purchase Agreement, The Tenderloin Housing Clinic shall  
18 deliver the Property to the City at the close of escrow, anticipated to occur in August, 2014,  
19 with no occupants or tenants on the Property; now, therefore, be it

20 RESOLVED, That the Board of Supervisors hereby finds that the acquisition of the  
21 Property is consistent with the City's General Plan, and the eight priority policies of Planning  
22 Code, Section 101.1, and hereby incorporates such findings by reference as though fully set  
23 forth in this Resolution; and, be it

24 FURTHER RESOLVED, That in accordance with the recommendations of the Director  
25 of Property and Recreation and Park Commission, the Board of Supervisors hereby approves

1 the Purchase Agreement, in substantially the form presented to this Board, and authorizes  
2 City staff to take all actions necessary to acquire the Property consistent with the Purchase  
3 Agreement; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
5 Property to complete the purchase of the Property and, working with and through the Director  
6 of Public Works, remediate the Property, using grant funds or other sources of funds, as they  
7 may be available as contemplated herein; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
9 Property, in consultation with the City Attorney, to enter into any additions, amendments or  
10 other modifications to the Purchase Agreement that the Director of Property determines are  
11 in the best interests of the City, do not materially increase the obligations or liabilities of the  
12 City or materially decrease the benefits to the City, and are in compliance with all applicable  
13 laws, including the City's Charter; and, be it

14 FURTHER RESOLVED, That the Director of Property is hereby authorized and urged,  
15 in the name and on behalf of the City and County, to accept the Deed to the Property from the  
16 Tenderloin Housing Clinic in accordance with the Purchase Agreement, place the Property  
17 under the jurisdiction of Real Estate, and to take any and all steps (including, but not limited  
18 to, the execution and delivery of any and all certificates, agreements, notices, consents,  
19 escrow instructions, closing documents and other instruments or documents) as the Director  
20 of Property deems necessary or appropriate in order to consummate the purchase of the  
21 Property pursuant to the Purchase Agreement, or to otherwise effectuate the purpose and  
22 intent of this Resolution, such determination to be conclusively evidenced by the execution  
23 and delivery by the Director of Property of any such documents; and, be it

24 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City  
25 with respect to the Purchase Agreement, or authorized and directed by this Resolution, are

1 hereby ratified, approved and confirmed by this Board of Supervisors; and be it

2 FURTHER RESOLVED, That the Board hereby authorizes the Controller or the  
3 Director of the Office of Public Finance to issue CP Notes in an aggregate principal amount  
4 not to exceed \$2,975,000 to provide financing for the acquisition of the Property and to pay  
5 costs incurred in connection with the sale and delivery of the CP Notes; provided that the  
6 interest rate on any CP Notes shall not exceed the maximum rate permitted by law and the  
7 CP Notes shall mature not later than 270 days from the date of issuance although each  
8 certificate may be remarketed for a subsequent period(s) also not to exceed 270 days; and,  
9 be it

10 FURTHER RESOLVED, That the CP Notes will be executed and delivered under the  
11 financing and security documents approved by the Program Resolutions, and, consistent with  
12 applicable law, be repaid from Open Space Acquisition Funds; and, be it

13 FURTHER RESOLVED, That upon such time as the CP Notes are fully repaid, the  
14 jurisdiction of the Property shall be transferred from Real Estate to the Recreation and Park  
15 Department; and, be it

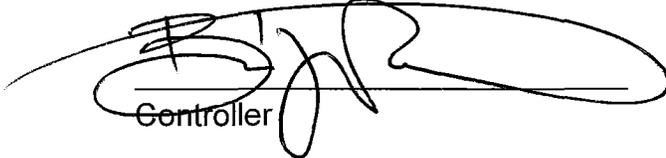
16 FURTHER RESOLVED, That the Board of Supervisors authorizes and directs the  
17 Clerk of the Board of Supervisors, the Director of Property, the General Manager of the  
18 Recreation and Park Department, and any other officer of the City involved in the jurisdictional  
19 transfer to take all action necessary or appropriate to effectuate the purpose of this  
20 Resolution; and, be it

1 FURTHER RESOLVED, That a report from the Recreation and Park Department be  
2 submitted no later than December 31, 2015 on the proposed use of 900 Innes Avenue as a  
3 park or open space, including (i) proposed reconfiguration of the property and sale or  
4 exchange of a portion of the property in coordination with the owner of 700 Innes Avenue/800  
5 Hudson Avenue; and (ii) estimated costs and sources of funds to develop and maintain the  
6 property at 900 Innes Avenue and undertake environmental remediation; and, be it

7 FURTHER RESOLVED, That any future agreement to (i) sell a portion of 900 Innes  
8 Avenue to a third party, or (ii) exchange a portion of 900 Innes Avenue for a portion of 700  
9 Innes Avenue/800 Hudson Avenue, be subject to Board of Supervisors approval; and be it

10 FURTHER RESOLVED, That within thirty (30) days of the Purchase Agreement being  
11 fully executed by all parties, the Director of Property shall provide the final Purchase  
12 Agreement to the Clerk of the Board for inclusion into the official file.

\$2,975,000 available  
Index Code:

  
Controller

16 RECOMMENDED:

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18 \_\_\_\_\_  
19 Director of Property

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

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

**File Number:** 140780

**Date Passed:** July 22, 2014

Resolution authorizing: 1) the acquisition of real property at 900 Innes Avenue (Lot Nos. 1-5 and 24, Assessor's Block No. 4605, Lot No. 10, Assessor's Block No. 4629A, Lot No. 2, Assessor's Block No. 4630, and Lot Nos. 1-3, 3A, 19 and 20, Assessor's Block No. 4646) from the Tenderloin Housing Clinic, Inc.; 2) the issuance of Commercial Paper (CP) Notes in an aggregate principal amount not to exceed \$2,975,000; 3) the subsequent jurisdictional transfer of the Property to the Recreation and Park Department upon repayment of the CP Notes; and 4) finding the proposed transaction in conformance with the City's General Plan, and the eight priority policies of Planning Code, Section 101.1.

July 16, 2014 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

July 16, 2014 Budget and Finance Committee - RECOMMENDED AS AMENDED

July 22, 2014 Board of Supervisors - ADOPTED

Ayes: 10 - Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

Excused: 1 - Avalos

File No. 140780

I hereby certify that the foregoing  
Resolution was ADOPTED on 7/22/2014 by  
the Board of Supervisors of the City and  
County of San Francisco.

Angela Calvillo  
Clerk of the Board

  
Mayor

Date Approved