

1 [Settlement of Lawsuit - AIMCO]

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3 **Ordinance authorizing settlement of a lawsuit filed by the City and County of San**
4 **Francisco against AIMCO and seven of its corporate affiliates, filed on January 30, 2002**
5 **in San Francisco Superior Court, Case No. GCG 02-404-010, entitled City and County of**
6 **San Francisco, et al., v. Apartment Investment and Management Company, aka AIMCO,**
7 **et al., relating to code violations at four apartment buildings in Bayview/Hunters Point,**
8 **and a cross-complaint against the City and certain individual employees filed on**
9 **January 28, 2003; the settlement provides for payment to the City of a total of**
10 **\$3,000,000 plus an additional contingent payment of \$500,000; \$1,000,000 of the**
11 **\$3,000,000 payment from AIMCO will be dedicated to improving public safety in the**
12 **area through helping establish a new Hunters Point/Bayview S.F. Boys and Girls Club**
13 **with an associated Police Department Office; the settlement also provides that AIMCO**
14 **has abated or will abate all notices of violation issued by the Department of Building**
15 **Inspection that were the subject of the lawsuit; and approving satisfaction of DBI fees**
16 **for AIMCO's proposed renovation of the Properties, through AIMCO's payment of**
17 **settlement funds to the City.**

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

20 Section 1. The City Attorney is authorized to settle the action entitled City and County
21 of San Francisco, et al., v. Apartment Investment and Management Company, a.k.a. AIMCO,
22 et al.", and the cross-complaint entitled "AIMCO, et al. v. CCSF, et al., San Francisco Superior
23 Court, Court No. CGC 02-404-010, in consideration of the following principal terms:
24 1) AIMCO's payment of \$2,000,000 to the City, plus a possible additional contingent payment
25 of \$500,000, which payments will reimburse the Department of Building Inspection for costs

1 incurred in prosecuting this case; 2) AIMCO's payment to the City of an additional \$1,000,000
2 to complement the City's public safety initiatives in the Bayview, specifically by helping
3 establish a new S.F. Boys and Girls Club clubhouse in Bayview/Hunters Point, subject to
4 certain conditions, or through another mutually acceptable public safety agreement if those
5 conditions are not satisfied; 3) AIMCO's abatement of all Notices of Violation that were
6 outstanding as of March 1, 2004; 4) AIMCO's agreement with HUD regarding maintaining
7 certain resident services at the Properties and maintaining the properties subject to the
8 lawsuit as low-income until at least 2020; all in accordance with the terms and conditions set
9 forth in the Settlement Agreement and the Amendment to Settlement Agreement (collectively,
10 the "Settlement Agreement"), copies of which are on file with the Board Clerk in File No.
11 _____ and are incorporated herein by reference, which Settlement Agreement is
12 hereby approved.

13 Section 2. The City filed the above-named action in San Francisco Superior Court on
14 January 30, 2002, and AIMCO filed the cross-complaint on January 28, 2003; and the
15 following parties were named in the lawsuit: City And County Of San Francisco, as plaintiff
16 and cross-defendant; The People Of The State Of California, By And Through Dennis J.
17 Herrera, as plaintiff; Apartment Investment And Management Company a.k.a. Aimco, All
18 Hallows Associates, L.P., Bayview Hunters Point Apartments, L.P., La Salle Apartments, L.P.,
19 and Shoreview Apartments, L.P., all as defendants and cross-complainants; National Housing
20 Partnership, National Corporation For Housing Partnerships, and NHP Management
21 Company, all as doe defendants; Frank Chiu, Director of the San Francisco Department of
22 Building Inspection, John Kerley, San Francisco Housing Inspector, and Rosemary Bosque,
23 Chief San Francisco Housing Inspector, all as cross-defendants.

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1 Section 3. All DBI Fees that would be due and payable in connection with AIMCO's
2 proposed Renovation of the Properties (as those initially capitalized terms are defined in the
3 section 4 of the Settlement Agreement) shall be deemed paid upon receipt by the City of the
4 \$2,000,000 payment referred to above.

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6 APPROVED AS TO FORM AND
7 RECOMMENDED:

8 DENNIS J. HERRERA
9 City Attorney

10 _____
11 JOANNE HOEPER
12 Chief Trial Deputy