

1 [Reciprocal Easement Agreement - Property Located at 150 Otis Street and 170 Otis Street]

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3 **Resolution approving and authorizing a reciprocal easement agreement for the**  
4 **conveyance of easements over portions of City-owned property located at 150 Otis**  
5 **Street and 170 Otis Street, required as part of the long term ground lease to 150 Otis**  
6 **Associates, L.P., under San Francisco Charter Section 9.118, for the development and**  
7 **operation of affordable housing; adopting findings that the conveyance is in**  
8 **conformance with CEQA, the City's General Plan, and the priority policies of Planning**  
9 **Code Section 101.1; and authorizing City's Director of Property to execute documents,**  
10 **make certain modifications and take certain actions in furtherance of this resolution.**

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13 WHEREAS, The City, under the jurisdiction of the City's Human Services Agency  
14 ("HSA"), is the fee owner of certain real property located at 170 Otis Street, **Assessor's**  
15 **Parcel (B) AB3513, Lot 207** (the "170 Otis Property"); and

16 WHEREAS, On June 29, 2010, the Board of Supervisors adopted Resolution No. 288-  
17 10, a copy of which is on file with the Clerk of the Board in File No. 100753, in which this  
18 Board approved a long-term ground lease (the "Lease") of the adjacent property 150 Otis  
19 Street, **Assessor's Parcel (A) AB3513, Lot 208** (the "150 Otis Property") from the City,  
20 under the jurisdiction of the Mayor's Office of Housing ("MOH"), to 150 Otis Associates, LP., a  
21 California limited partnership (the "Developer") and authorized MOH, through its Director, to  
22 finalize negotiations for the Lease and following the negotiations for the Lease authorizes the  
23 Director of Property to execute and deliver the Lease; and

24 WHEREAS, The purpose of the Lease is to allow Developer to rehabilitate an existing  
25 city landmarked, federal historically significant building into service space and 76 studio units

1 (including 1 manager's unit) of affordable rental housing of which 75 units will be targeted to  
2 homeless veterans who, for 55 years after recordation of the memorandum of lease, shall  
3 have income no higher than 50% of the Area Median Income (as determined by the U. S.  
4 Department of Housing and Urban Development and as calculated by MOH), and income no  
5 higher than 60% of the Area Median Income for the remaining term of the Lease (the  
6 "Project"); and

7 WHEREAS, As a condition to the recordation of the Lease and delivery of possession  
8 of the 150 Otis Property to Developer, the Developer was required to execute and record a  
9 reciprocal easement agreement with HSA with respect to access and use rights and  
10 responsibilities for certain shared building elements between the 150 Otis Property and the  
11 170 Otis Property; and

12 WHEREAS, In order to finalize the Lease and commence with construction of the  
13 Project, Developer, HSA and MOH have agreed to the terms of a reciprocal easement  
14 agreement (the "Agreement"), in substantially the form filed with the Clerk of the Board of  
15 Supervisors under File No. 110185, which is incorporated herein by this reference and is  
16 considered part of the record before this Board; and

17 WHEREAS, The Agreement facilitates the use of the Project and the continued use of  
18 the 170 Otis Property by granting certain access and use rights to HSA over the 150 Otis  
19 Property and to the Developer over the 170 Otis Property during the term of the Lease; and

20 WHEREAS, City's Director of Property has determined that the easement rights  
21 exchanged in the Agreement are of mutual and equivalent value; and

22 WHEREAS, Pursuant to Resolution No. 288-10 and Ordinance No. 110-10, a copy of  
23 which is on file with the Clerk of the Board in File No. 100330, the terms of which are hereby  
24 incorporated into this Resolution, this Board has found that the Project and Lease are  
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1 consistent with the General Plan and with the Eight Priority Policies of City Planning Code  
2 Section 101.1, and in compliance with CEQA; now, therefore, be it

3           RESOLVED, That the Board of Supervisors hereby approves the Agreement  
4 substantially in the form on file with the Clerk of the Board under File No. 110185, and  
5 authorizes MOH, through its Director, and the Director of Property to execute and deliver the  
6 Agreement for recording, and to take all steps (including, but not limited to, the execution and  
7 delivery of any and all certificates, agreements, notices, consents, escrow instructions, closing  
8 documents and other instruments or documents) as the Director of Property deems necessary  
9 or appropriate under the Agreement, or as may be otherwise needed to effectuate the  
10 purpose and intent of this Resolution; such determination to be conclusively evidenced by the  
11 execution and delivery by the Director of Property of any such documents; and, be it

12           FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
13 Property, in consultation with the City Attorney, to enter into any additions, amendments or  
14 other modifications to the Agreement (including in each instance, without limitation, the  
15 attachment of exhibits) that the Director of Property determines are in the best interests of the  
16 City, do not decrease the revenues to the City in connection with the Agreement, or otherwise  
17 materially increase the obligations or liabilities of the City, and are in compliance with all  
18 applicable laws, including City's Charter, and the Board of Supervisors authorizes the Director  
19 of Property to execute such additions, amendments or other modifications to the Agreement;  
20 and, be it

21           FURTHER RESOLVED, That the Board hereby finds that the Agreement is consistent  
22 with the General Plan and with the Eight Priority Policies of City Planning Code Section 101.1,  
23 and is in compliance with CEQA for the same reasons as set forth in Resolution No. 288-10, a  
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1 copy of which is on file with the Clerk of the Board in File No. 100753, and Ordinance No.  
2 110-10, a copy of which is on file with the Clerk of the Board in File No. 100330.

3 Recommended by:

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John Updike  
7 Acting Director of Real Estate

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Trent Rhorer  
11 Executive Director of Human Services Agency

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