

1 [Disposition and Development Agreement – Redevelopment Agency Owned Land for
2 Armstrong Place.]

3
4 **Resolution approving the Redevelopment Agency of the City and County of San**
5 **Francisco’s Disposition and Development Agreement (the “Agreement”) for a portion**
6 **of Assessor’s Block 5421, Lots 3, 5, 6, 7, 8, 9, and 11 commonly known as Armstrong**
7 **Place (or 5600 Third Street), to BRIDGE Tower, L.L.C., for the purpose developing**
8 **affordable for-sale housing for lower income households.**

9 WHEREAS, The Agency and the City desire to increase the City’s supply of affordable
10 housing and encourage affordable housing development through financial and other forms of
11 assistance; and,

12 WHEREAS, The Board of Supervisors of the City adopted the Bayview Hunters Point
13 Redevelopment Project Area (the “Project Area”) in order to undertake a variety of projects
14 and activities to alleviate blighting conditions; and,

15 WHEREAS, It is the mission of BRIDGE Housing Development Corporation, a
16 California nonprofit public benefit corporation (“BRIDGE”), to provide safe, decent and
17 affordable rental and ownership housing in the Bay Area and Southern California. BRIDGE
18 Tower LLC, a California limited liability company (“Developer”) is an affiliate of BRIDGE
19 created to develop the Project; and,

20 WHEREAS, The Agency believes that the redevelopment of the Site, pursuant to the
21 Agreement, and the fulfillment generally of the Agreement and the intentions set forth herein,
22 are in the vital and best interests of the City and the health, safety, morals and welfare of its
23
24
25

1 residents, and in accord with the public purposes and provisions of the applicable State and
2 Federal laws, and,

3 WHEREAS, A majority of the Bayview Hunter's Point Project Area Committee
4 members have expressed their support for the development of this Project; and,

5 WHEREAS, The Developer has applied to the Agency for funding to develop the
6 Project as affordable for-sale housing; and,

7 WHEREAS, The Agency, on the basis of the foregoing, and the undertakings of
8 Developer pursuant to the Agreement, is willing to sell the Site to Developer for the purpose of
9 accomplishing its redevelopment in accordance with the provisions of the Redevelopment
10 Plan, the Declaration of Restrictions and the Agreement; and,

11 WHEREAS, The Developer has secured an allocation of State of California Building
12 Equity and Growth in Neighborhoods ("BEGIN") Grant and, together with the Agency funding
13 and the sale of the Property for a restricted price, of \$1.00, will make it financially feasible for
14 the Developer to develop 124 dwelling units for occupancy by Lower Income Households, as
15 those terms are defined in California Health and Safety Code Sections 50105 and 33334.2,
16 respectively; and,
17

18 WHEREAS, Although the Property could command a higher sales price, selling the
19 Property for a price in excess of the stated amount would render it financially infeasible to
20 develop the Project with sales prices affordable to Lower Income Households; and,
21

22 WHEREAS, Because the Property was purchased with tax increment money, Section
23 33433 of the California Health and safety Code requires the Board of Supervisors' approval of
24 its sale or lease, after a public hearing; and,
25

1 WHEREAS, Notice of the public hearing has been published as required by Health and
2 Safety Code Section 33433; and,

3 WHEREAS, The Agency prepared and submitted a report in accordance with the
4 requirements of Section 33433 of the Health and Safety Code, including a copy of the
5 proposed Disposition and Development Agreement, and a summary of the transaction
6 describing the cost of the Disposition and Development Agreement of the Agency, the value
7 of the property interest to be conveyed and developed, the price and other information was
8 made available for the public inspection; now, therefore, be it

9
10 RESOLVED, That the Board of Supervisors of the City and County of San Francisco does
11 hereby find and determine that the sale of the Property from the Agency to BRIDGE Tower
12 L.L.C., a limited liability company: (1) will provide housing for Lower Income Persons; (2) is
13 consistent with the Agency's implementation plan adopted pursuant to California Health and
14 Safety Code Section 33490; (3) the estimated value of the land to be conveyed, determined
15 as a restricted use, with the conditions, covenants, and development costs required by the
16 sale, is \$1.00. The property is being sold to the developer to develop 124 units of affordable
17 homeownership housing opportunities for low – and moderate-income households.

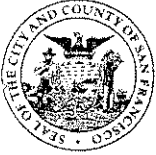
18
19 Subsequent to the development, the units will be sold to qualified homebuyers at 60%, 80%
20 and 100% of Area Median Income ("AMI"), as defined by the U.S. Department of Housing and
21 Urban Development. The homeownership units will be affordable to households at the stated
22 AMIs for an initial period of 45 years.

23
24 The reason the disposition price amount is less than the appraised value of the land,
25 determined at the highest and best use, is to make the units affordable, the Agency must sell

1 the land to the Developer at a below market rate price and provide construction financing.
2 Therefore, the Developer must sell the units to eligible first time homebuyers. The eligible
3 buyers agree to purchase the units at affordable prices and agree to comply with the Agency's
4 Limited Equity Program requirements.

5
6 Finally, for the sale prices to continue to be affordable the resale prices are permanently
7 restricted and do not reflect market appreciation. The sale prices of the ownership units at
8 5600 Third Street have been calculated using several factors, including: the number of
9 persons in the household (per targeted AMI levels); gross annual income of the household;
10 the allowable housing cost (or 33% of the gross household income); subtracting
11 homeownership related costs (i.e., homeownership association dues, property taxes, personal
12 property insurance, and the housing payment); the supportable mortgage given a down
13 payment of 5%; and, if applicable, other loans available to the first time homebuyers; and (4)
14 the consideration to be received by the Agency is not less than the fair reuse value at the use
15 and with the covenants and conditions and developments costs authorized by the Disposition
16 and Development Agreement; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
18 authorizes the Agency to execute the Disposition and Development Agreement with BRIDGE
19 Tower L.L.C., substantially in the form of the Disposition and Development Agreement lodged
20 with the Agency General Counsel, and to take such further actions and execute such
21 documents as are necessary to carry out the Disposition and Development Agreement on
22 behalf of the Agency.
23
24
25



City and County of San Francisco

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

Tails

Resolution

File Number: 070843

Date Passed:

Resolution approving the Redevelopment Agency of the City and County of San Francisco's Disposition and Development Agreement (the "Agreement") for a portion of Assessor's Block 5421, Lots 3, 5, 6, 7, 8, 9, and 11 commonly known as Armstrong Place (or 5600 Third Street), to BRIDGE Tower, L.L.C., for the purpose developing affordable for-sale housing for lower income households.

June 19, 2007 Board of Supervisors — ADOPTED

Ayes: 8 - Alioto-Pier, Ammiano, Dufty, Elsbernd, Jew, Maxwell, Peskin, Sandoval

Noes: 2 - Daly, Mirkarimi

Absent: 1 - McGoldrick

File No. 070843

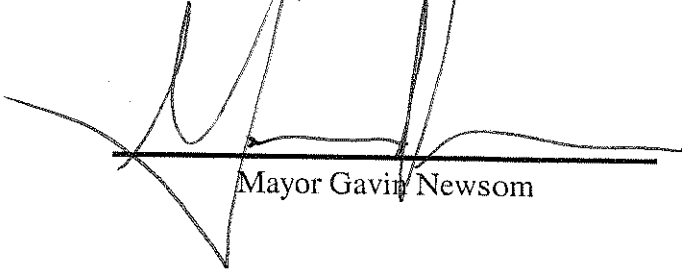
I hereby certify that the foregoing Resolution was ADOPTED on June 19, 2007 by the Board of Supervisors of the City and County of San Francisco.



Kay Gulbengay
Interim Clerk of the Board

JUN 29 2007

Date Approved



Mayor Gavin Newsom