

AMENDED IN COMMITTEE
7/16/14

FILE NO. 140780

RESOLUTION NO.

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

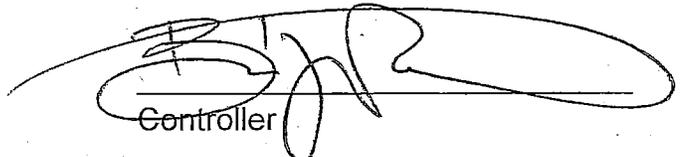
16 FURTHER RESOLVED, That the Board of Supervisors authorizes and directs the
17 Clerk of the Board of Supervisors, the Director of Property, the General Manager of the
18 Recreation and Park Department, and any other officer of the City involved in the jurisdictional
19 transfer to take all action necessary 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:
17 
18 _____
19 Director of Property

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<p>Item 1 File 14-0780</p>	<p>Departments: Recreation and Park Department (RPD) Real Estate Division</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objective</p>	
<p>The proposed resolution authorizes the Director of Real Estate to enter into a purchase and sale agreement for 900 Innes Avenue for a purchase price of \$2,975,000.</p>	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • Under the proposed resolution, the Real Estate Division would enter into a purchase and sale agreement to purchase 900 Innes Avenue in the India Basin neighborhood in southeast San Francisco from the current property owner, Tenderloin Housing Clinic, a non-profit organization. The property consists of 3.156 acres of land and submerged areas, previously used for boat building and repair, and a vacant building designated as a San Francisco Landmark in 2008. • The property was identified by the Recreation and Park Department in 2011 as a potential acquisition for park and open space by the Open Space Acquisition Fund. The Real Estate Division would purchase and hold the property for up to 24 months, during which time the Recreation and Park Department would undertake planning for use of the property as open space, including whether to exchange a portion of the property with the adjacent property at 700 Innes Avenue. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • The Real Estate Division would use commercial paper to purchase 900 Innes Avenue for a purchase price of \$2,975,000. The Recreation and Park Department would reimburse the commercial paper from the Open Space Acquisition Fund. Estimated Open Space Acquisition Fund expenditures, including the purchase price, 2.5 percent annual interest, and title policy premiums is \$3,126,000. • The Open Space Acquisition Fund balance as of June 30, 2014 is \$9,149,000. Estimated expenditures of \$3,126,000 would leave a fund balance of \$6,023,000. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> • The Budget and Legislative Analyst considers approval of the purchase of 900 Innes Avenue to be a policy matter for the Board of Supervisors because the Recreation and Park Department has not yet (1) undertaken planning, design or environmental review of the property for potential park and open space uses; (2) evaluated the costs or identified a source of funds to develop and maintain the proposed park and open space; or (3) secured funding to pay environmental remediation costs. 	

Recommendations

- Amend the resolution to replace the existing resolution language that the acquisition of 900 Innes Avenue “is categorically exempt under CEQA” with the correct language that the acquisition of 900 Innes Avenue “is not a project under CEQA”
- Amend the resolution to:
 - (a) Require that the approval is contingent on the approval by the Recreation and Park Commission of the final MOU between the Real Estate Division, the Recreation and Park Department, and Office of Public Finance; and request a report from the Real Estate Division and Recreation and Park Department on the terms of the MOU prior to final Board of Supervisors approval for the propose resolution.
 - (b) Request a report from the Recreation and Park Department no later than December 31, 2015 on the proposed use of 900 Innes Avenue as a park or open space, including (i) proposed reconfiguration of the property and sale or exchange of a portion of the property in coordination with the owner of 700 Innes Avenue/800 Hudson Avenue; and (ii) estimated costs and sources of funds to develop and maintain the property at 900 Innes Avenue and undertake environmental remediation; and
 - (c) Require that any future agreement to (i) sell a portion of 900 Innes Avenue to a third party, or (ii) exchange a portion of 900 Innes Avenue for a portion of 700 Innes Avenue/800 Hudson Avenue, be subject to Board of Supervisors approval.
- Approval of the proposed resolution, as amended, is a policy decision for the Board of Supervisors.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

In accordance with Administrative Code Section 23.1, all resolutions and ordinances involving sales, leases, acceptances, and other real estate transactions must be conducted through the Director of Real Estate and are subject to approval by the Board of Supervisors.

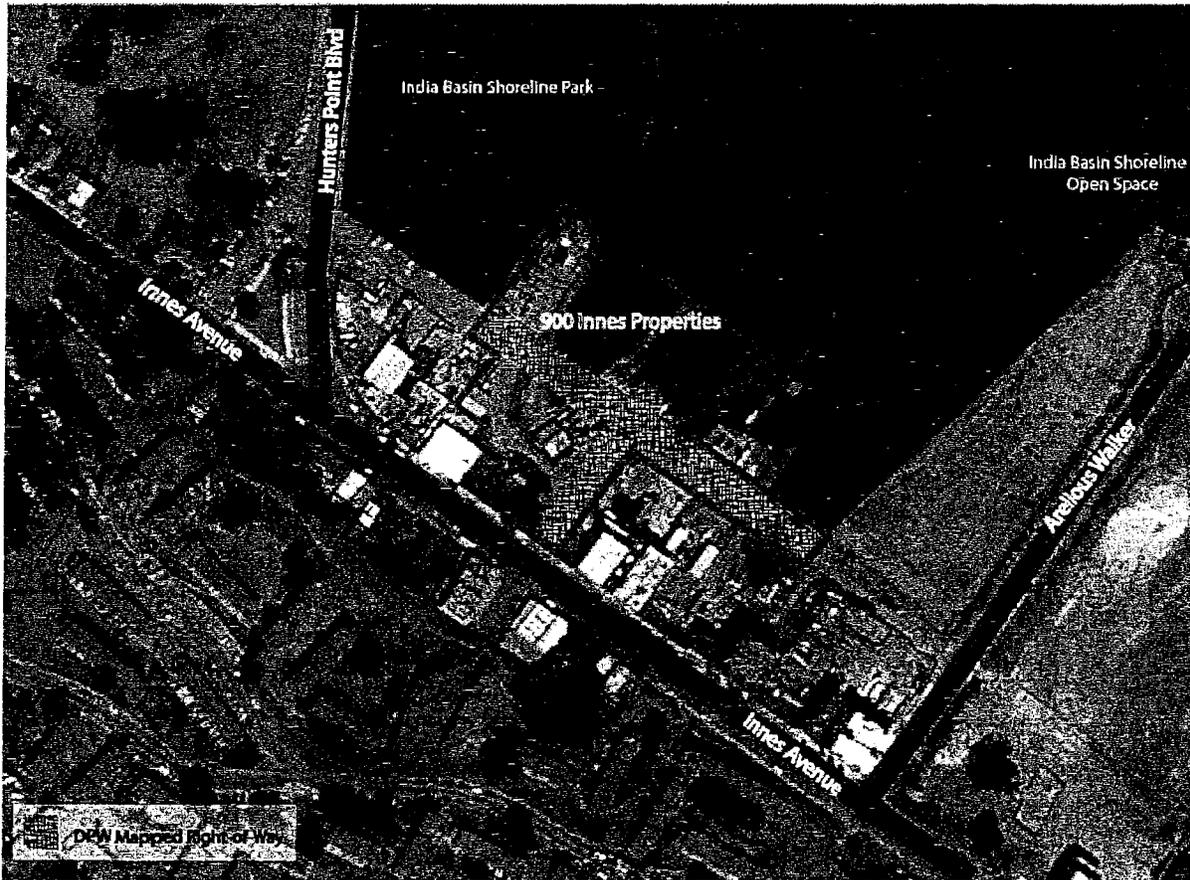
In accordance with Administrative Code Section 23.4, the Director of Real Estate cannot accept deeds or other instruments granting real property to the City without Board of Supervisors approval.

According to City Charter Section 16.107 (b), the City must set aside from the annual property tax levy an amount equivalent to two and one-half cents (\$0.025) for each one hundred dollars (\$100) assessed property valuation which is to be deposited into the Park, Recreation and Open Space Fund. Charter Section 16.107(f)(3) states that an allocation of not less than 5% of the monies to be deposited in the Fund shall be dedicated to the acquisition of real property.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution (1) authorizes the purchase of 900 Innes Avenue by the Department of Administrative Services' Real Estate Division for the net purchase price of \$2,975,000; and (2) finds that the purchase of the property is in conformance with the City's General Plan and the priority policies of Planning Code Section 101.1, and that the transaction is categorically exempt from environmental review under the California Environmental Quality Act (CEQA).

Under the proposed resolution, the Real Estate Division would enter into a purchase and sale agreement to purchase 900 Innes Avenue in the India Basin neighborhood in southeast San Francisco from the current property owner, Tenderloin Housing Clinic, a non-profit organization. The property consists of 3.156 acres of land and submerged areas, previously used for boat building and repair, and a vacant building designated as a San Francisco Landmark in 2008. The property is an industrial site currently used for construction equipment storage. The building was the first residence erected by shipwrights in the neighborhood as part of the India Basin boat building community. Exhibit 1 below shows the location of the 900 Innes site.

Exhibit 1: 900 Innes Avenue

Source: Recreation and Park Department

Proposed Purchase of 900 Innes Avenue

The Recreation and Park Department plans to develop 900 Innes Avenue as an open space area between two existing Recreation and Park Department open space areas – India Basin Shoreline Park and India Basin Shoreline Open Space, shown in Exhibit I above. The property is currently owned by the Tenderloin Housing Clinic, which listed the property for sale in January 2013.

The Real Estate Division would purchase the property on behalf of the City from the Tenderloin Housing Clinic. Under the proposed purchase and sale agreement between the Tenderloin Housing Clinic and the City, the City would buy the property “as-is” from the Tenderloin Housing Clinic. Table 1 shows the property details and purchase price to the City.

Table 1: 900 Innes Avenue Property Details and Purchase Costs to the City

	Square Feet
Land	137,500
Improvements	
Shipwright's Cottage (San Francisco Landmark)	2,360
Steel Framed Canopy Building	1,600
Wood Framed Building	1,700
Wood Framed Shed	<u>2,100</u>
Total Square Feet of Improvements	7,760
Wharf Structure (Linear Feet)	120
	Price
Purchase Price	\$3,500,000
Environmental Remediation Credit	<u>(525,000)</u>
Net Purchase Price	2,975,000
Title Policy Premium and Closing Costs (estimated)	<u>1,500</u>
Total Estimated Purchase Costs to the City	\$2,976,500

Source: Purchase and Sale Agreement

Initial Use of Commercial Paper to Purchase the Property

The Real Estate Division, rather than the Recreation and Park Department, will purchase the property using commercial paper¹, because the Recreation and Park Department has not yet undertaken planning, design or environmental review of the property for potential park uses. The California Coastal Conservancy has awarded a \$500,000 grant to the Recreation and Park Department, which will fund park planning and design, community outreach, and various technical studies.

According to the June 19, 2014 staff report to the Recreation and Park Commission, the Real Estate Division would hold the property for an initial period of up to 24 months. According to Mr. John Updike, Director of Real Estate, the primary reason for the Real Estate Division to buy and hold the property is for the Recreation and Park Department to investigate the potential to sell some portion of the 900 Innes property or exchange a portion of the property for the adjacent property at 700 Innes Avenue/800 Hudson Avenue, which is owned by Build, Inc.², a

¹ Commercial paper is short term, low-interest loans. The Board of Supervisors authorized the issuance of up to \$250 million in commercial paper to provide interim financing for capital projects (File 13-0627). The City has issued commercial paper with an outstanding balance of \$58,498,000, resulting in \$191,502,000 in authorized but unissued commercial paper.

² Build, Inc. is a private San Francisco real estate developer specializing in mixed use residential/commercial developments. According to the June 19, 2014 staff report, Build, Inc. is interested in developing 700 Innes Avenue/800 Hudson Avenue as mixed use residential and commercial, of which a portion would be open space.

private developer in order to optimize the size, configuration, and continuity of public open space.

Future Acquisition of the Property by the Recreation and Park Department

Although the June 19, 2014 staff report states that the details under which the Recreation and Park Department would acquire 900 Innes Avenue from the Real Estate Division would be set forth in a Memorandum of Understanding (MOU) between the Real Estate Division, the Recreation and Park Department and the Office of Public Finance, the final MOU has not been approved by the Recreation and Park Commission as of the writing of this report.

According to the June 19, 2014 staff report, the Recreation and Park Department plans to work with Build, Inc., the owner of the adjacent property at 700 Innes Avenue/800 Hudson Avenue, on a comprehensive planning and public engagement process to plan for a park at 900 Innes Avenue and possible sections of 700 Innes Avenue/800 Hudson Avenue.

Open Space Acquisition Roster

The Recreation and Park Department maintains a roster of potential properties for purchase by the Open Space Acquisition Fund, which currently contains nine properties that were listed on the roster in June 2011, of which 900 Innes Avenue is one property.

The roster categorizes properties as desirable, more desirable, and most desirable based on how the property meets 10 policy goals. Most desirable properties serve high needs areas or fill a gap in services (such as location of nearby playgrounds or other public recreation and park facilities). More desirable properties are able to leverage other sources of funds for purchase, construction, or maintenance. Desirable properties provide various recreation and other attributes.

The Recreation and Park Department categorizes 900 Innes Avenue as “desirable” for meeting the following criteria:

- Provides passive and active recreation opportunities;
- Protects natural resources; and
- Provides access to the waterfront and scenic views.

Property Appraisal

The 137,500 square foot land at 900 Innes Avenue consists of 14 separate Assessor’s parcels. The Real Estate Division selected Carneghi-Blum & Partners through a competitive process to prepare an appraisal of the 14 parcels.

According to the appraisal report, of the 137,500 square feet of land, 68,900 square feet (50.1 percent) are usable land, and 68,600 square feet (49.9 percent) are submerged land and not usable. The usable portion of the property could be used to develop up to 113 units of housing. The appraiser estimated that the fair market value of the property as-is, based on comparable properties and potential use for residential development, is \$3,500,000.

Environmental Remediation

900 Innes Avenue was previously used as a boatyard and has contaminated soil. According to a September 2013 report by Weston Solutions, Inc. for the U.S. Environmental Protection Agency, excavation of the soil will completely remove contaminated soil from the shallow subsurface, eliminating the threat from skin contact (primarily to construction workers) and future occupants. Weston Solutions estimated environmental remediation costs ranging from \$496,000 for removal of soil up to 2 feet in unpaved areas to \$2,810,000 for removal of soil up to 4 feet in paved and unpaved areas.

According to subsequent engineering report in February 2014 by Pacific Engineering and Construction, Inc. for the Tenderloin Housing Clinic, costs to excavate and dispose of contaminated soil at 900 Innes Avenue range from an estimated \$294,998 to \$942,498, depending on whether all soil or only unpaved soil is removed, and whether soil is removed up to 4 feet or up to 2 feet, as shown in Table 2 below.³

Table 2: Engineering Estimates to Remove Contaminated Soil at 900 Innes Avenue

Type of Removal	Estimate
Removal of all soils in paved and unpaved areas up to 4 feet	\$942,498
Removal of all soils in paved and unpaved areas up to 2 feet	\$563,220
Removal of soils in unpaved areas only up to 4 feet	\$461,273
Removal of soils in unpaved areas only up to 2 feet	\$294,998

Source: Pacific Engineering and Construction, Inc.

According to Mr. Updike, soil removal from paved portions of the property is mostly within existing street rights-of-way owned by the City and therefore an existing responsibility and cost to the City.

Conformance with the General Plan and Requirements under CEQA

The proposed resolution finds that the purchase of 900 Innes Avenue is in conformance with the City’s General Plan and the priority policies of Planning Code Section 101.1, and is categorically exempt from environmental review under the California Environmental Quality Act (CEQA).

The Planning Department, in their December 11, 2013 General Plan Referral Letter determined that the purchase of 900 Innes Avenue conforms to the General Plan. While the proposed resolution states that the transaction is categorically exempt from environmental review under CEQA, revised information provided by the Planning Department shows that the acquisition is

³ The Pacific Engineering and Construction, Inc. report evaluated the prior report by Weston Solutions, Inc. on environmental remediation of 900 Innes Avenue, which was formerly used as a boat yard. Both reports evaluated three alternatives. Alternative 1 is the “no-action” alternative, in which the property is used as open space and therefore would “meet none of the protective criteria for this project and is therefore dismissed without additional evaluation”. Alternative 2 is the construction of a physical soil barrier to raise the existing grade by 2 to 3 feet, which “is not protective for the extended term and additional remediation would likely be required at some point in the future”. Alternative 3 is the excavation and removal of soils, noted in Table 2 above, to provide long-term protection.

not a project under CEQA. Therefore, the proposed resolution should be amended to reflect this revised information. Improvements to the property after purchase will require environmental review under CEQA.

FISCAL IMPACT

The purchase price to the City to purchase 900 Innes Avenue are \$2,975,000 for the purchase of the property plus \$1,500 to pay the title insurance premium, totaling \$2,976,500 as shown in Table 1 above. The Open Space Acquisition Fund would reimburse the City for the commercial paper amount used to purchase the property, including interest payments, as discussed above, resulting in estimated total Open Space Acquisition Fund expenditures of \$3,126,000, shown in Table 3 below.

Table 3: Open Space Acquisition Fund Reimbursement of Commercial Paper

Purchase Price	\$2,975,000
Title Policy Premium	1,500
Subtotal	2,976,500
Estimated Interest	149,500
Total	\$3,126,000

According to Ms. Holly Pearson, Recreation and Park Department Planner, the Open Space Acquisition Fund balance as of June 30, 2014 is \$9,149,000. Approval by the Board of Supervisors of the proposed resolution to Purchase 900 Innes Avenue for total estimated costs of \$3,126,000, as shown in Table 3 above, would leave of balance of \$6,023,000 in the Open Space Acquisition Fund. The Attachment, provided by the Recreation and Park Department, shows the projected Open Space Acquisition Fund balance over the remaining term of the Open Space Acquisition Fund through FY 2030-31.

Real Estate Division Costs

According to the draft MOU between the Recreation and Park Department and the Real Estate Division, the Real Estate Division’s estimated costs to maintain the property and perform related real estate activities over 24 months is \$95,000. These costs are in addition to the purchase costs noted in Table 3 above.

Environmental Remediation, Development, and Maintenance Costs

The Recreation and Park Department has not yet identified funds to pay for environmental remediation, development and maintenance costs once the property has been developed.

According to Ms. Pearson, potential sources of funds to pay environmental remediation costs include an allocation from the Open Space Acquisition Fund and a possible Environmental Protection Agency grant of up to \$600,000 for brownfields remediation. However, the Recreation and Park Department has not yet identified sufficient funding sources to pay for environmental remediation costs of up to \$2,810,000.

Ms. Pearson states that the Recreation and Park Department has not developed estimates of the costs to develop or maintain 900 Innes Avenue as an open space area. According to Ms. Pearson, these cost estimates will be developed as part of the planning, design and environmental review for the proposed property.

POLICY CONSIDERATION

The purchase of 900 Innes Avenue, which is listed on the Open Space Acquisition Roster, would create a continuous open space area between two existing Recreation and Park Department open space areas – India Basin Shoreline Park and India Basin Shoreline Open Space. The Recreation and Park Department categorizes the purchase of 900 Innes Avenue as “desirable” because it (1) provides passive and active recreation opportunities; (2) protects natural resources; and (3) provides access to the waterfront and scenic views.

The Budget and Legislative Analyst considers approval of the purchase of 900 Innes Avenue to be a policy matter for the Board of Supervisors because the Recreation and Park Department has not yet:

- Undertaken planning, design or environmental review of the property for potential park and open space uses;
- Evaluated the costs or identified a source of funds to develop and maintain the proposed park and open space; or
- Secured funding to pay environmental remediation costs.

The Recreation and Park Department plans to submit the final MOU between the Department and the Real Estate Division to the July 17, 2014 Recreation and Park Commission for approval. If the Board of Supervisors approves the proposed purchase and sale agreement for the purchase by the Real Estate Division, approval of the agreement should be contingent on the future approval by the Recreation and Park Commission of the pending MOU. The Board of Supervisors should also request the Recreation and Park Department and the Real Estate Division to report to the Board of Supervisors on the terms of the MOU prior to final approval of the proposed resolution.

The Board of Supervisors should also amend the proposed resolution to:

- Request a report from the Recreation and Park Department no later than December 31, 2015 on the proposed use of 900 Innes Avenue as a park or open space, including (a) proposed reconfiguration of the property and sale or exchange of a portion of the property in coordination with the owner of 700 Innes Avenue/800 Hudson Avenue; and (b) estimated costs and sources of funds to develop and maintain the property at 900 Innes Avenue and undertake environmental remediation.
- Require that any future agreement to (a) sell a portion of 900 Innes Avenue to a third party, or (b) exchange a portion of 900 Innes Avenue for a portion of 700 Innes Avenue/800 Hudson Avenue, is subject to Board of Supervisors approval.

RECOMMENDATIONS

- Amend the resolution to replace the existing resolution language that the acquisition of 900 Innes Avenue “is categorically exempt under CEQA” with the correct language that the acquisition of 900 Innes Avenue “is not a project under CEQA”.
- Amend the resolution to:
 - (a) Require that the approval is contingent on the approval by the Recreation and Park Commission of the final MOU between the Real Estate Division, the Recreation and Park Department, and Office of Public Finance; and request a report from the Real Estate Division and Recreation and Park Department on the terms of the MOU prior to final Board of Supervisors approval for the propose resolution.
 - (b) Request a report from the Recreation and Park Department no later than December 31, 2015 on the proposed use of 900 Innes Avenue as a park or open space, including (i) proposed reconfiguration of the property and sale or exchange of a portion of the property in coordination with the owner of 700 Innes Avenue/800 Hudson Avenue; and (ii) estimated costs and sources of funds to develop and maintain the property at 900 Innes Avenue and undertake environmental remediation; and
 - (c) Require that any future agreement to (i) sell a portion of 900 Innes Avenue to a third party, or (ii) exchange a portion of 900 Innes Avenue for a portion of 700 Innes Avenue/800 Hudson Avenue, be subject to Board of Supervisors approval.
- Approval of the proposed resolution, as amended, is a policy decision for the Board of Supervisors.

Open Space Acquisition Fund Analysis

2013/14 to 2030/31

	Estimated Deposits	Projected Balance (start of FY)	Francisco (Projected)	900 Innes (Estimated)	Schlage Lock (Estimated)	Remaining Funds (end of FY)	Balance with no acquisitions *
13-14		9.149				9.149	9.149 *
14-15	2.149	11.298	0.208			11.090	11.298
15-16	2.246	13.336	0.295	3.126		9.915	13.544
16-17	2.342	12.257	0.293		1.967	9.997	15.886
17-18	2.435	12.432	0.519			11.913	18.320
18-19	2.508	14.421	0.544		2.534	11.343	20.828
19-20	2.583	13.926	0.540			13.387	23.411
20-21	2.660	16.047	1.030			15.017	26.071
21-22	2.740	17.757	1.050			16.707	28.812
22-23	2.822	19.530	1.100			18.430	31.634
23-24	2.907	21.337	1.614			19.723	34.541
24-25	2.994	22.717	1.668			21.049	37.535
25-26	3.084	24.134	1.810			22.324	40.619
26-27	3.177	25.500				25.500	43.796
27-28	3.272	28.772				28.772	47.068
28-29	3.370	32.142				32.142	50.438
29-30	3.471	35.614				35.614	53.909
30-31	3.575	39.189				39.189	57.485
Totals	48.336		10.670	3.126	4.500		

* The difference between the FY 2013-14 end-of-year balance discussed above and Attachment I is due to delays in reconciling year-end balances for FY 2013-14.

11
3613

Attachment

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

TENDERLOIN HOUSING CLINIC, INC., a California nonprofit public benefit corporation,
as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,
as Buyer

For the purchase and sale of

900 Innes Avenue
San Francisco, California

July 3, 2014

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LIST OF EXHIBITS

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- EXHIBIT B - Grant Deed
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- EXHIBIT D - Designation Agreement
- SCHEDULE 1 - Environmental Reports

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE
(900 Innes Avenue, San Francisco)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this "Agreement") dated for reference purposes only as of July 3, 2014 is by and between TENDERLOIN HOUSING CLINIC, INC., a California nonprofit public benefit corporation ("Seller"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Buyer" or "City").

IN CONSIDERATION of the respective agreements contained hereinbelow, Seller and City agree as follows:

1. PURCHASE AND SALE

1.1 Property Included in Sale

Seller agrees to sell and convey to City, and City agrees to purchase from Seller, subject to the terms, covenants and conditions hereinafter set forth, the following:

(a) the real property consisting of approximately 137,500 square feet of land (per appraisal), located in the City and County of San Francisco, commonly known as 900 Innes Street, comprised of fourteen (14) parcels within Blocks 4646, 4629A, 4630, and 4605 of San Francisco County, and more particularly described in Exhibit A attached hereto (the "Land");

(b) the improvements, which consist of separate buildings measuring approximately 7,760 square feet in total, consisting of one cottage with the address of 900 Innes Avenue, one 1,600 square foot steel framed canopy building, one 1,700 square foot wood framed building, one 1,460 square foot shed building, one 2,100 square foot wood frame shed building and one wharf structure approximately 120 feet in length, together with some paved areas and other unimproved areas of Land (collectively, the "Improvements");

(c) any and all rights, privileges, and easements incidental or appurtenant to the Land or Improvements, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Land, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Land, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land or Improvements, and any and all of Seller's right, title and interest in and to all roads and alleys adjoining or servicing the Land or Improvements (collectively, the "Appurtenances");

All of the items referred to in Subsections (a), (b), and (c) above are collectively referred to as the "Property."

2. PURCHASE PRICE

2.1 Purchase Price

The total purchase price for the Property is Three Million Five Hundred Thousand and no/100 Dollars (\$3,500,000.00) (the "Purchase Price"), Seller and City agree, however, to a price reduction to the Purchase Price in the form of a credit in the amount of Five Hundred Twenty-Five Thousand and no/100 Dollars (\$525,000.00) (the "Remediation Credit") to be retained by the City to perform anticipated remediation of the Property and City's agreement to purchase the Property in its "AS-IS" condition as set forth in this Agreement.

2.2 Payment

On the Closing Date (as defined in Section 6.2 [Closing Date]), City shall pay the Purchase Price, adjusted pursuant to the provisions of Article 7 [Expenses and Taxes], and reduced by any credits due City hereunder, including, without limitation, the Remediation Credit described in Section 2.1 above.

Seller acknowledges and agrees that if Seller fails at Closing to deliver to City the documents required under Subsections 6.3(b) and (c) [Seller's Delivery of Documents], City may be required to withhold a portion of the Purchase Price pursuant to Section 1445 of the United States Internal Revenue Code of 1986, as amended (the "Federal Tax Code"), or Section 18662 of the California Revenue and Taxation Code (the "State Tax Code"). Any amount properly so withheld by City shall be deemed to have been paid by City as part of the Purchase Price, and Seller's obligation to consummate the transaction contemplated herein shall not be excused or otherwise affected thereby.

2.3 Funds

All payments made by any party hereto shall be in legal tender of the United States of America, paid by Controller's warrant or in cash or by wire transfer of immediately available funds to Title Company (as defined below), as escrow agent.

3. TITLE TO THE PROPERTY

3.1 Conveyance of Title to the Property

At the Closing Seller shall convey to City, or its nominee, insurable fee simple title to the Land, the Improvements and the Appurtenances, by duly executed and acknowledged grant deed in the form attached hereto as Exhibit B (the "Deed"), subject to the Accepted Conditions of Title (as defined in Section 5.1(a) [Title Insurance]).

3.2 Title Insurance

It shall be a condition precedent to City's obligation to close the purchase of the Property that Chicago Title Company (the "Title Company") shall be irrevocably committed to issue to City a CLTA owner's policy of title insurance (the "Title Policy") in the amount of the Purchase Price, insuring fee simple title to the Land, the Appurtenances and the Improvements in City free of the liens of any and all deeds of trust, mortgages, assignments of rents, financing statements, creditors' claims, rights of tenants or other occupants, and all other exceptions, liens and encumbrances except solely for the Accepted Conditions of Title pursuant to Subsection 5.1(a) below. The Title Policy shall provide full coverage against mechanics' and materialmen's liens arising out of the construction, repair or alteration of any of the Property, and shall contain an affirmative endorsement that there are no violations of restrictive covenants, if any, affecting the Property and such special endorsements as City may reasonably request.

4. BUYER'S DUE DILIGENCE INVESTIGATIONS

4.1 Due Diligence

City has been given a full opportunity to investigate the Property, either independently or through agents of City's own choosing, including, without limitation, the opportunity to conduct such appraisals, inspections, tests, audits, verifications, inventories, investigations and other due diligence regarding the economic, physical, environmental, title and legal conditions of the Property as City deems fit, as well as the suitability of the Property for City's intended uses.

4.2 Entry

At all times prior to the Closing Date Seller shall afford City and its Agents reasonable access to the Property for the purposes of satisfying City with respect to the representations, warranties and covenants of Seller contained herein. City hereby agrees to indemnify and hold Seller harmless from any damage or injury to persons or property caused by the negligence or willful misconduct of City or its Agents during any such entries onto the Property prior to the Closing, except to the extent such damage or injury is caused by the acts or omissions of Seller or any of its Agents. In the event this Agreement is terminated for any reason other than Seller's default hereunder, City shall restore the Property to substantially the condition it was found subject to applicable laws. This indemnity shall survive the termination of this Agreement or the Closing, as applicable, provided that Seller must give notice of any claim it may have against City under such indemnity within three (3) months of such termination or the Closing Date, as applicable, if the claim involves damage to Seller's Property or any other claim not brought by a third party against the Seller.

5. CONDITIONS PRECEDENT

5.1 City's Conditions to Closing

The following are conditions precedent to City's obligation to purchase the Property (collectively, "Conditions Precedent"):

(a) City shall have reviewed and approved title to the Property, as follows:

(i) Within five (5) days after the date City and Seller execute this Agreement, Title Company shall deliver to City a current extended coverage preliminary report on the Real Property, issued by Title Company, accompanied by copies of all documents referred to in the report (collectively, the "Preliminary Report"); and

(ii) Within the period referred to in clause (i) above, Seller shall deliver to Buyer copies of any existing or proposed easements, covenants, restrictions, agreements or other documents that affect the Property, and are not disclosed by the Preliminary Report, or, if Seller knows of no such documents, a written certification of Seller to that effect.

City shall advise Seller, no later than twenty-five (25) days prior to the Closing Date, what exceptions to title, if any, City is willing to accept (the "Accepted Conditions of Title"). City's failure to so advise Seller within such period shall be deemed approval of title. Seller shall have ten (10) days after receipt of City's notice of any objections to title to give City: (A) evidence satisfactory to City of the removal of all objectionable exceptions from title or that such exceptions will be removed or cured on or before the Closing; or (B) notice that Seller elects not to cause such exceptions to be removed. If Seller gives notice under clause (B), City shall have ten (10) business days to elect to proceed with the purchase or terminate this Agreement. If City shall fail to give Seller notice of its election within such ten (10) days, City shall be deemed to have elected to terminate this Agreement. If Seller gives notice pursuant to clause (A) and fails to remove any such objectionable exceptions from title prior to the Closing Date, and City is unwilling to take title subject thereto, Seller shall be in default hereunder and City shall have the rights and remedies provided in the last paragraph of this Section 5.1.

(b) City's review and approval of the physical and environmental conditions of the Property. Such review may include an examination for the presence or absence of any Hazardous Material (as defined in Subsection 8.1(I))

(c) City's review and approval of the compliance of the Property with all applicable laws, regulations, permits and approvals.

(d) City's review and approval of (i) the following documents, all to the extent such documents exist and are either in the possession or control of Seller or may be obtained by Seller through the exercise of commercially reasonable efforts: site plans; utility contracts; maintenance contracts; employment contracts, management contracts; brokerage and leasing commission agreements which may continue after Closing; certificates of occupancy; insurance policies, and reports of insurance carriers insuring the Property and each portion thereof respecting the claims history of the Property; environmental reports, studies, surveys, tests and assessments; soils and geotechnical reports; and any other contracts or documents of significance to the Property (collectively, the "Documents"); and (ii) such other information relating to the Property that is specifically requested by City of Seller in writing no later than thirty (30) days prior to the Closing Date (collectively, the "Other Information").

(e) Seller shall not be in default in the performance of any covenant or agreement to be performed by Seller under this Agreement, and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct as of the Closing Date. At the Closing Seller shall deliver to City a certificate certifying that each of Seller's representations and warranties contained in Section 8.1 [Representations and Warranties of Seller] below are true and correct as of the Closing Date.

(f) The physical condition of the Property shall be substantially the same on the Closing Date as on the date of City's execution of this Agreement, reasonable wear and tear and loss by casualty excepted (subject to the provisions of Section 9.1 [Risk of Loss]), and, as of the Closing Date, there shall be no litigation or administrative agency or other governmental proceeding, pending or threatened, which after the Closing would materially adversely affect the value of the Property or the ability of City to operate the Property for its intended use, and no proceedings shall be pending or threatened which could or would cause the change, redesignation or other modification of the zoning classification of, or of any building or environmental code requirements applicable to, any of the Property.

(g) Title Company shall be committed at the Closing to issue to City, or its nominee, (i) the Title Policy as provided in Section 3.2 [Title Insurance].

(h) After completion of all required environmental review, including, without limitation, under the California Environmental Quality Act ("CEQA"), the City's Mayor and the Board of Supervisors, in the respective sole discretion of each, shall have enacted a resolution approving, adopting and authorizing this Agreement and the transactions on or before August 1, 2014.

(i) Seller shall have delivered the items described in Section 6.3 below [Seller's Delivery of Documents] on or before the Closing.

The Conditions Precedent contained in the foregoing Subsections (a) through (i) are solely for the benefit of City. If any Condition Precedent is not satisfied, City shall have the right in its sole discretion either to waive in writing the Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement, provided that the Conditions Precedent described in item h above may not be waived. The waiver of any Condition Precedent shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller. If City shall not have approved or waived in writing all of the Conditions Precedent in items (a) through (i) by a date five (5) days prior to the Closing Date, then this Agreement shall automatically terminate. In addition, the

Closing Date may be extended by mutual agreement of City and Seller, for a reasonable period of time specified by City, to allow such Conditions Precedent to be satisfied, subject to City's further right to terminate this Agreement upon the expiration of the period of any such extension if all such Conditions Precedent have not been satisfied.

In the event the sale of the Property is not consummated because of a default under this Agreement on the part of Seller or if a Condition Precedent cannot be fulfilled because Seller frustrated such fulfillment by some affirmative act or negligent omission, and Seller has failed to cure such default within ten (10) business days after Seller's receipt of City's notice of Seller's default (said cure period of ten (10) business days shall not extend beyond July 30, 2014), City may, at its sole election, elect to do one of the following: (1) waive the default or the applicable Condition(s) Precedent and proceed to Closing, (2) terminate this Agreement by delivery of notice of termination to Seller, whereupon Seller shall pay to City any title, escrow, legal and inspection fees incurred by City and any other expenses incurred by City in connection with the performance of its due diligence review of the Property, not to exceed Twenty-Five Thousand and no/100 Dollars (\$25,000.00), and neither party shall have any further rights or obligations hereunder except to the extent otherwise specified in this Agreement, or (3) continue this Agreement and bring an action for specific performance hereof.

5.2 Cooperation with City

Seller shall cooperate with City and do all acts as may be reasonably requested by City with regard to the fulfillment of any Conditions Precedent including, without limitation, execution of any documents, applications or permits, but Seller's representations and warranties to City shall not be affected or released by City's waiver or fulfillment of any Condition Precedent. Seller hereby irrevocably authorizes City and its Agents to make all inquiries with and applications to any person or entity, including, without limitation, any regulatory authority with jurisdiction as City may reasonably require to complete its due diligence investigations.

6. ESCROW AND CLOSING

6.1 Opening of Escrow

On or before the Effective Date (as defined in Section 11.17 [Effective Date]), the parties shall open escrow by depositing an executed counterpart of this Agreement with Title Company, and this Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and City agree to execute such additional or supplementary instructions as may be appropriate to enable the escrow holder to comply with the terms of this Agreement and close the transaction; provided, however, that in the event of any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control.

6.2 Closing Date

The consummation of the purchase and sale contemplated hereby (the "Closing") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of Title Company located at an office in San Francisco, California mutually acceptable to Seller and City, on _____, 2014 [TBD], or on such earlier date as City and Seller may mutually agree (the "Closing Date"), subject to the provisions of Article 5 [Conditions Precedent]. The Closing Date may not be extended without the prior written approval of both Seller and City. In the event the Closing does not occur on or before the Closing Date, Title Company shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which may have been

deposited hereunder. Any such return shall not, however, limit the provisions hereof or otherwise relieve either party hereto of any liability it may have for its wrongful failure to close.

6.3 Seller's Delivery of Documents

At or before the Closing, Seller shall deliver to City through escrow, the following:

- (a) a duly executed and acknowledged Deed;
- (b) a properly executed affidavit pursuant to Section 1445(b)(2) of the Federal Tax Code in the form attached hereto as Exhibit C, and on which City is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code;
- (c) a properly executed California Franchise Tax Board Form 590 certifying that Seller is a California resident if Seller is an individual or Seller has a permanent place of business in California or is qualified to do business in California if Seller is a corporation or other evidence satisfactory to City that Seller is exempt from the withholding requirements of Section 18662 of the State Tax Code;
- (d) such resolutions, authorizations, or other partnership documents or agreements relating to Seller and its partners as City or the Title Company may reasonably require to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Seller to act for and bind Seller;
- (e) Seller's closing statement in form and content satisfactory to Seller; and
- (f) the duly executed certificate regarding the continued accuracy of Seller's representations and warranties as required by Subsection 5.1(e) hereof.

6.4 City's Delivery of Documents and Funds

At or before the Closing, City shall deliver to Seller through escrow the following:

- (a) an acceptance of the Deed executed by City's Director of Property;
- (b) Buyer's closing statement in form and content satisfactory to City; and
- (c) the Purchase Price, as provided in Article 2 hereof.

6.5 City's Default.

In the event the sale of the Property is not consummated because of a default under this Agreement on the part of City, and City has failed to cure such default within ten (10) business days after City's receipt of Seller's notice of City's default (said cure period of ten (10) business days shall not extend beyond July 30, 2014), Seller may, at its sole election, elect to terminate this Agreement by delivery of notice of termination to City and neither party shall have any further rights or obligations hereunder except to the extent otherwise specified in this Agreement.

6.6 Other Documents

Seller and City shall each deposit such other instruments as are reasonably required by Title Company as escrow holder or otherwise required to close the escrow and consummate the

purchase of the Property in accordance with the terms hereof, including, without limitation, an agreement (the "Designation Agreement") designating Title Company as the "Reporting Person" for the transaction pursuant to Section 6045(e) of the Federal Tax Code and the regulations promulgated thereunder, and executed by Seller, City and Title Company. The Designation Agreement shall be substantially in the form attached hereto as Exhibit D and, in any event, shall comply with the requirements of Section 6045(e) of the Federal Tax Code and the regulations promulgated thereunder.

7. EXPENSES AND TAXES

7.1 Apportionments

The following are to be apportioned through escrow as of the Closing Date:

(a) Utility Charges.

Seller shall contact all utility service providers for the Property as to the Closing Date and transfer of the Property, and will be responsible for the cost of all utilities used prior to the Closing Date. All utility deposits paid by Seller shall remain the property of Seller and City shall reasonably cooperate to cause such deposits to be returned to Seller to the extent Seller is entitled thereto.

(b) Other Apportionments

Amounts payable under any contracts assumed pursuant hereto, annual or periodic permit or inspection fees (calculated on the basis of the period covered), and liability for other normal Property operation and maintenance expenses and other recurring costs shall be apportioned as of the Closing Date.

7.2 Closing Costs

City shall pay the premium for the Title Policy and the cost of the endorsements thereto, and escrow and recording fees. Seller shall pay the cost of any transfer taxes applicable to the sale. Seller shall be responsible for all costs incurred in connection with the prepayment or satisfaction of any loan, bond or other indebtedness secured by the Property including, without limitation, any prepayment fees, penalties or charges. Any other costs and charges of the escrow for the sale not otherwise provided for in this Section or elsewhere in this Agreement shall be allocated in accordance with the closing customs for San Francisco County, as determined by Title Company.

7.3 Real Estate Taxes and Special Assessments

General real estate taxes payable for the tax year prior to year of Closing and all prior years shall be paid by Seller at or before the Closing. General real estate taxes and special assessments, inclusive of interest, payable for the tax year of the Closing shall be prorated through escrow by Seller and City as of the Closing Date.

7.4 Post-Closing Reconciliation

If any of the foregoing prorations cannot be calculated accurately on the Closing Date, then they shall be calculated as soon after the Closing Date as feasible. Either party owing the other party a sum of money based on such subsequent prorations shall promptly pay such sum to the other party.

7.5 Survival

The provisions of this Section shall survive the Closing.

8. REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of Seller

Seller represents and warrants to and covenants with City as follows:

(a) To the best of Seller's knowledge, there are now, and at the time of the Closing will be, no violations of any laws, rules or regulations applicable to the Property, including, without limitation, any earthquake, life safety and handicap laws (including, but not limited to, the Americans with Disabilities Act).

(b) The Documents and Other Information furnished to City are the same and are complete copies of all such materials in the possession or control of Seller. To the best of Seller's knowledge, Seller is not aware of any environmental reports or studies relating to the Property other than the Environmental Reports described in Schedule 1 attached hereto

(c) To the best of Seller's knowledge, no document furnished or to be furnished by the Seller to the City in connection with this Agreement contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

(d) Seller does not have knowledge of any condemnation, either instituted or planned to be instituted by any governmental or quasi-governmental agency other than City, which could detrimentally affect the use, operation or value of the Property.

(e) To Seller's knowledge, the Property is serviced by water, sewer, gas, electric, telephone, and drainage facilities.

(f) To Seller's knowledge, there are no easements or rights of way which have been acquired by prescription or which are otherwise not of record with respect to the Property, and there are no easements, rights of way, permits, licenses or other forms of agreement which afford third parties the right to traverse any portion of the Property to gain access to other real property. There are no disputes with regard to the location of any fence or other monument of the Property's boundary nor any claims or actions involving the location of any fence or boundary.

(g) There is no litigation pending or, after due and diligent inquiry, to the best of Seller's knowledge, threatened, against Seller or any basis therefor that arises out of the ownership of the Property or that might detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property or the ability of Seller to perform its obligations under this Agreement.

(h) Seller is the legal and equitable owner of the Property, with full right to convey the same, and without limiting the generality of the foregoing, Seller has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Property.

(i) Seller is a corporation duly organized and validly existing under the laws of the State of California and is in good standing under the laws of the State of California; this

Agreement and all documents executed by Seller which are to be delivered to City at the Closing are, or at the Closing will be, duly authorized, executed and delivered by Seller, are, or at the Closing will be, legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, are, and at the Closing will be, sufficient to convey good title (if they purport to do so), and do not, and at the Closing will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(j) Seller represents and warrants to City that it has not been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state or local governmental agency. In the event Seller has been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify the City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension, debarment, discipline or prohibition may result in the termination or suspension of this Agreement.

(k) Seller hereby represents and warrants to and covenants with City that the following statements are true and correct and will be true and correct as of the Closing Date: (i) to the best of Seller's knowledge, the Property is not in violation of any Environmental Laws; (ii) the Property is not now used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material; (iii) to Seller's knowledge, and except as outlined in Environmental Reports referenced in Schedule 1, there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the Property; (iv) to Seller's knowledge, and except as outlined in Environmental Reports referenced in Schedule 1, there are not now any underground storage tanks, septic tanks or wells or any aboveground storage tanks used to store Hazardous Material located in, on or under the Property, or if there have been or are any such tanks or wells located on the Property, their location, type, age and content has been specifically identified in Environmental Reports obtained by City and referenced in Schedule 1, they have been properly registered with all appropriate authorities, they are in full compliance with all applicable statutes, ordinances and regulations; (v) to Seller's knowledge, the Property does not consist of any landfill or of any building materials that contain Hazardous Material; and (vi) to Seller's knowledge, the Property is not subject to any claim by any governmental regulatory agency or third party related to the release or threatened release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the Property, or the migration of Hazardous Material from or to other property except as outlined in Environmental Reports referenced in Schedule 1. As used herein, the following terms shall have the meanings below:

(i) "Environmental Laws" shall mean any existing federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage) or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Property, including, without limitation, soil, air and groundwater conditions.

(ii) "Environmental Reports" means the environmental reports and studies listed on Schedule 1 attached hereto.

(iii) "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the

Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Section 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of the Improvements, or are naturally occurring substances on or about the Property; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids; and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. Section 3011 et seq.

(iv) "Release" or "threatened release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any of the improvements, or in, on, under or about the Property. Release shall include, without limitation, "release" as defined in Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601).

(l) At the time of Closing there will be no leases or other occupancy agreements affecting any of the Property. At the time of Closing there will be no outstanding written or oral contracts made by Seller for any of the Improvements that have not been fully paid for and Seller shall cause to be discharged all mechanics' or materialmen's liens arising from any labor or materials furnished to the Property prior to the time of Closing. To Seller's knowledge, there are no obligations in connection with the Property which will be binding upon City after Closing except for matters which are set forth in the Preliminary Report.

(m) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code.

All representations and warranties made by Seller in this Agreement shall survive the execution and delivery of this Agreement and the Closing for a period of twenty-four (24) months.

8.2 Indemnity and Seller's Knowledge

Seller, on behalf of itself and its successors and assigns, hereby agrees to indemnify, defend and hold harmless City, its Agents and their respective successors and assigns, from and against any and all liabilities, claims, demands, damages, liens, costs, penalties, losses and expenses, including, without limitation, reasonable attorneys' and consultants' fees, resulting from any misrepresentation or breach of warranty or breach of covenant made by Seller in Section 8.1 of this Agreement or in the certificate given or delivered to City pursuant to Section 5.1(a)(ii) or Section 5.1(e) of this Agreement. Without limiting the generality of the foregoing, Seller further agrees to indemnify, defend and hold harmless City, its Agents and their respective successors and assigns, from and against any all liabilities, claims, demands, damages, liens, costs, penalties, losses and expenses, including, without limitation, reasonable attorneys' and consultants' fees, resulting from any relocation claim from any person or occupant of the Property. The indemnification provisions of this Section shall survive beyond the Closing, or, if title is not transferred pursuant to this Agreement, beyond any termination of this Agreement

For purposes of this Agreement and any document delivered at Closing, whenever the phrase "to the best of Seller's knowledge" or the "knowledge" of Seller or words of similar import are used, they shall be deemed to mean and are limited to the current actual knowledge only of Randy Shaw, at the times indicated only, and not any implied, imputed or constructive knowledge of such individual or of Seller, and without any independent investigation or inquiry having been made or any implied duty to investigate, make any inquiries or review any studies, reports or other documents.

8.3 AS-IS

Except as expressly set forth in Section 8.1 [Representations and Warranties of Seller] above, and in consideration of the credit to the Purchase Price as described in Section 2.1 above, City specifically acknowledges and agrees that Seller is selling and City is purchasing the Property on an "AS IS WITH ALL FAULTS" basis and that City is not relying on any representations or warranties of any kind whatsoever, express or implied, from Seller as to any matter concerning the Property, including, without limitation: (i) the quality, nature, adequacy and physical condition and aspects of the Property, including, but not limited to, the structural elements, seismic aspects of the Property, foundation, appurtenances, access, landscaping, parking facilities and the electrical, mechanical, plumbing, sewage, and utility systems, facilities and appliances, or the square footage of the Property, (ii) the quality, nature, adequacy, and physical condition of soils, geology and any groundwater, (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Property, (iv) the development potential of the Property, and the Property's use, habitability, merchantability, or fitness, suitability, value or adequacy of the Property for any particular purpose, (v) the zoning or other legal status of the Property or any other public or private restrictions on use of the Property, (vi) the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other person or entity, (vii) the presence of Hazardous Materials on, under or about the Property or the adjoining or neighboring property, (viii) the condition of title to the Property, (ix) any documents or agreements affecting the Property, or (x) the value or economics of the operation or income potential of the Property.

City agrees that, subject to the accuracy of Seller's representations and warranties made in Section 8.1 of this Agreement or in the certificate given or delivered to City pursuant to Section 5.1(e) of this Agreement and subject to Section 5.1(f) of this Agreement, the Remediation Credit described in Section 2.1 is intended by Seller and City to cover any costs incurred by City in connection with the investigation of site conditions and all activities required to locate, assess, evaluate, remediate, cleanup, remove, contain, treat, stabilize, monitor or otherwise control any Hazardous Material.

9. RISK OF LOSS AND POSSESSION

9.1 Risk of Loss

If any of the Property is damaged or destroyed prior to the Closing Date, this Agreement shall remain unaffected.

9.2 Insurance

Through the Closing Date, Seller shall continue to maintain or cause to be maintained, at Seller's sole cost and expense, its existing policy or policies of property insurance. Seller shall furnish City with evidence of such insurance upon request by City.

9.3 Possession

Possession of the Property shall be delivered to City on the Closing Date.

10. MAINTENANCE; CONSENT TO NEW CONTRACTS

10.1 Maintenance of the Property by Seller

Between the date of Seller's execution of this Agreement and the Closing, Seller shall maintain the Property in good order, condition and repair, reasonable wear and tear excepted, and shall make all repairs, maintenance and replacements of the Improvements and otherwise operate the Property in the same manner as before the making of this Agreement, as if Seller were retaining the Property.

10.2 City's Consent to New Contracts Affecting the Property; Termination of Existing Contracts

After the Effective Date, Seller shall not enter into any lease, occupancy agreement or contract, or any amendment thereof, or permit any tenant of the Property to enter into any sublease, assignment or agreement pertaining to the Property, without in each instance obtaining City's prior written consent. City and Seller agree that City may withhold or delay any such consent. Seller shall terminate prior to the Closing, at no cost or expense to City, any and all management, tenancy and/or operating agreements affecting the Property that City does not agree in writing prior to the Closing to assume.

11. GENERAL PROVISIONS

11.1 Notices

Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, upon receipt, (ii) one (1) day after being deposited with a reliable overnight courier service, or (iii) two (2) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

City:

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property
Re: 900 Innes Avenue
Facsimile No.: (415) 552-9216

with copy to:

Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: Real Estate/Finance Team
Re: 900 Innes Avenue

Seller:

Randy Shaw, Executive Director
Tenderloin Housing Clinic, Inc.
126 Hyde Street
San Francisco, CA 94102

With a copy to:

Facsimile No.: ()

or to such other address as either party may from time to time specify in writing to the other upon five (5) days prior written notice in the manner provided above. For convenience of the parties, copies of notices may also be given by telefacsimile, to the telephone number listed above, or such other numbers as may be provided from time to time. However, neither party may give official or binding notice by facsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

11.2 Brokers and Finders

Neither party has had any contact or dealings regarding the sale of the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the purchase and sale contemplated herein, except for DeRose & Appelbaum, Inc. (Santino DeRose), whose commission, if any is due, shall be the sole responsibility of Seller pursuant to a separate written agreement with such broker, and City shall have no liability whatsoever therefor. In the event that any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee, and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

11.3 Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

11.4 Amendments

Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by City and Seller.

11.5 Continuation and Survival of Representations and Warranties

All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the Closing, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the Closing, or, to the extent the context requires, beyond any termination of this Agreement. All statements contained in any

certificate or other instrument delivered at any time by or on behalf of Seller in conjunction with the transaction contemplated hereby shall constitute representations and warranties hereunder.

11.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11.7 Merger of Prior Agreements

The parties intend that this Agreement (including all of the attached exhibits and schedules, which are incorporated into this Agreement by reference) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

11.8 Parties and Their Agents; Approvals

The term "Seller" as used herein shall include the plural as well as the singular. If there is more than one (1) Seller, then the obligations under this Agreement imposed on Seller shall be joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through City's Director of Property unless otherwise provided herein, subject to applicable law.

11.9 Interpretation of Agreement

The article, section and other headings of this Agreement and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

11.10 Attorneys' Fees

In the event that either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). For purposes of this Agreement, reasonable attorneys' fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the

subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. The term "attorneys' fees" shall also include, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees were incurred. The term "costs" shall mean the costs and expenses of counsel to the parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney.

11.11 Sunshine Ordinance

Seller understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder public records subject to public disclosure. Seller hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

11.12 Conflicts of Interest

Through its execution of this Agreement, Seller acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Seller becomes aware of any such fact during the term of this Agreement, Seller shall immediately notify the City.

11.13 Notification of Limitations on Contributions

Through its execution of this Agreement, Seller acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City whenever such transaction would require approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (a) the City elective officer, (b) a candidate for the office held by such individual, or (c) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Seller acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Seller further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Seller's board of directors, and Seller's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than twenty percent (20%) in Seller; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Seller. Additionally, Seller acknowledges that Seller must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Seller further agrees to provide to City the name of the each person, entity or committee described above.

11.14 Non-Liability of Officials, Officers, Members, Employees and Agents

Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to Seller, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Seller, its successors and assigns, or for any obligation of City under this Agreement. Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of Seller shall be personally liable to City, its successors and assigns, in the event of any default or breach by Seller or for any amount which may become due to City, its successors and assigns, or for any obligation of Seller under this Agreement.

11.15 Earned Income Credit (EIC) Forms

San Francisco Administrative Code Section 120 requires that employers provide their employees with IRS Form W-5 (Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

(a) Seller shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty (30) days following the date on which this Agreement becomes effective (unless Seller has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Seller; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

(b) Failure to comply with any requirement contained in Subsection (a) of this Section shall constitute a material breach by Seller of the terms of this Agreement. If, within thirty (30) days after Seller receives written notice of such a breach, Seller fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Seller fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

(c) Any Subcontract entered into by Seller shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this Section.

(d) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 120 of the San Francisco Administrative Code.

11.16 Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

11.17 Effective Date

As used herein, the term "Effective Date" shall mean the date on which the City's Board of Supervisors and Mayor enact a resolution approving and authorizing this Agreement and the transactions contemplated hereby, following execution of this Agreement by both parties.

11.18 Severability

If any provision of this Agreement or the application thereof to any person, entity or circumstance shall be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

11.19 Agreement Not to Market Prior to Effective Date

Seller agrees that unless and until this Agreement terminates pursuant to its terms, Seller shall not negotiate with any other parties pertaining to the sale of the Property and shall not market the Property to third parties.

11.20 Acceptance of Agreement by Seller

This Agreement shall be null and void unless Seller accepts it and returns to City three (3) fully executed counterparts hereof on or before 5:00 p.m. San Francisco Time on June 6, 2014.

11.21 Cooperative Drafting.

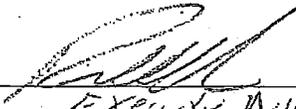
This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, SELLER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL APPROPRIATE LEGISLATION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH LEGISLATION, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH LEGISLATION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

The parties have duly executed this Agreement as of the respective dates written below.

SELLER:

TENDERLOIN HOUSING CLINIC, INC.,
a California nonprofit public benefit
corporation

By: 
Its: Executive Director

By: _____
Its: _____

Date: _____

CITY:

CITY AND COUNTY OF
SAN FRANCISCO, a municipal corporation

By: _____
JOHN UPDIKE
Director of Property

Date: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Anita L. Wood
Deputy City Attorney

Title Company agrees to act as escrow holder in accordance with the terms of this Agreement and to execute the Designation Agreement (attached hereto as Exhibit D) and act as the Reporting Person (as such term is defined in the Designation Agreement). Title Company's failure to execute below shall not invalidate the Agreement between City and Seller.

TITLE COMPANY:

Chicago Title Company

By: _____

Its: _____

Date: _____

EXHIBIT A

REAL PROPERTY DESCRIPTION

All that certain real property located in the County of San Francisco, State of California, described as follows:

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF FAIRFAX AVENUE AND THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY AND ALONG SAID LINE OF FAIRFAX AVENUE 150 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 200 FEET TO THE SOUTHWESTERLY LINE OF EVANS AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF EVANS AVENUE 150 FEET TO THE NORTHWESTERLY LINE OF GRIFFITH STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF GRIFFITH STREET 200 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF SOUTH SAN FRANCISCO BLOCK 102.

ASSESSOR'S LOTS 1, 2, 3, 4, 5 AND 24, BLOCK 4605

PARCEL 2:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF HUDSON AVENUE AND THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY AND ALONG SAID LINE OF HUDSON AVENUE 275 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 200 FEET TO THE SOUTHWESTERLY LINE OF GALVEZ AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY AND ALONG THE LAST MENTIONED STREET LINE 275 FEET TO THE NORTHWESTERLY LINE OF GRIFFITH STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY AND ALONG SAID LINE OF GRIFFITH STREET 200 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF FRACTIONAL BLOCK 145, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION, AND A PORTION OF FRACTIONAL LOTS 21 AND 22, BLOCK 145, SALT MARSH AND TIDE LANDS.

ASSESSOR'S LOT 10, BLOCK 4629A

PARCEL 3:

LOT 2, AS SHOWN ON THE PARCEL MAP FILED IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA ON MARCH 26, 1982 IN PARCEL MAP BOOK 23, PAGE 27.

ASSESSOR'S LOT 2, BLOCK 4630

PARCEL 4:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHWESTERLY LINE OF HUDSON AVENUE AND THE NORTHEASTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY AND ALONG SAID LINE OF HUDSON AVENUE 225 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 100 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 225 FEET TO THE NORTHWESTERLY LINE OF GRIFFITH STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY AND ALONG SAID LINE OF GRIFFITH STREET 100 FEET TO THE POINT OF BEGINNING.

BEING LOTS 1, 2 AND 3, BLOCK 160, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION.

ASSESSOR'S LOT 1, BLOCK 4646

PARCEL 5:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF GRIFFITH STREET DISTANT THEREON 75 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF INNES AVENUE; RUNNING THENCE NORTHEASTERLY AND ALONG SAID LINE OF GRIFFITH STREET 25 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 25 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 75 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF LOT 16, BLOCK 160, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION.

ASSESSOR'S LOT 2, BLOCK 4646

PARCEL 6:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF GRIFFITH STREET WITH THE NORTHEASTERLY LINE OF INNES AVENUE; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF INNES AVENUE 25 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 25 FEET TO THE SAID LINE OF GRIFFITH AVENUE; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LAST NAMED LINE 75 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF BLOCK 160, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION.

ASSESSOR'S LOT 3, BLOCK 4646

PARCEL 7:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF INNES AVENUE, DISTANT THEREON 25 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF INNES AVENUE 50 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 75 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF BLOCK 160, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION.

ASSESSOR'S LOT 3A, BLOCK 4646

PARCEL 8:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF INNES AVENUE, DISTANT THEREON 117 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF INNES AVENUE 33 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 59 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 33 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 59 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF BLOCK 160, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION.

ASSESSOR'S LOT 20, BLOCK 4646

PARCEL 9:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF INNES AVENUE, DISTANT THEREON 75 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF INNES AVENUE 42 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 59 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 33 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 41 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 100 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF BLOCK 160, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION.

APN: Lot 001,002,003,004,005, Block 4605, Lot 024, Block 4605, Lot 010, Block 4629A, Lot 002, Block 4630, Lot 001, 002,003, 003A, 019,020, Block 4646

EXHIBIT B

GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Director of Property
Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102

The undersigned hereby declares this instrument to be
exempt from Recording Fees (CA Govt. Code § 27383)
and Documentary Transfer Tax (CA Rev. & Tax Code
§ 11922 and S.F. Bus. & Tax Reg. Code § 1105)

(Space above this line reserved for Recorder's use only)

GRANT DEED

(Assessor's Parcel Nos. COMPLETE WITH 14 LOTS)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
TENDERLOIN HOUSING CLINIC, INC., a California nonprofit public benefit corporation,
hereby grants to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the
real property located in the City and County of San Francisco, State of California, described on
Exhibit A attached hereto and made a part hereof (the "Property").

TOGETHER WITH any and all rights, privileges and easements incidental or
appurtenant to the Property, including, without limitation, any and all minerals, oil, gas and other
hydrocarbon substances on and under the Property, as well as any and all development rights, air
rights, water, water rights, riparian rights and water stock relating to the Property, and any and all
easements, rights-of-way or other appurtenances used in connection with the beneficial use and
enjoyment of the Land and all of Grantor's right, title and interest in and to any and all roads and
alleys adjoining or servicing the Property.

Executed as of this _____ day of _____, 2014.

TENDERLOIN HOUSING CLINIC, INC.,
a California nonprofit public benefit
corporation

By: _____

Its: _____

By: _____

Its: _____

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Grant Deed to the City and County of San Francisco, a municipal corporation, is hereby accepted pursuant to Board of Supervisors' Resolution No. 18110 Series of 1939, approved August 7, 1957, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____
JOHN UPDIKE
Director of Property

EXHIBIT A TO GRANT DEED
REAL PROPERTY DESCRIPTION

All that certain real property located in the County of San Francisco, State of California,
described as follows:

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF FAIRFAX AVENUE AND THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY AND ALONG SAID LINE OF FAIRFAX AVENUE 150 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 200 FEET TO THE SOUTHWESTERLY LINE OF EVANS AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF EVANS AVENUE 150 FEET TO THE NORTHWESTERLY LINE OF GRIFFITH STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF GRIFFITH STREET 200 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF SOUTH SAN FRANCISCO BLOCK 102.

ASSESSOR'S LOTS 1, 2, 3, 4, 5 AND 24, BLOCK 4605

PARCEL 2:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF HUDSON AVENUE AND THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY AND ALONG SAID LINE OF HUDSON AVENUE 275 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 200 FEET TO THE SOUTHWESTERLY LINE OF GALVEZ AVENUE; THENCE AT A RIGHT ANGLE SOUTHEASTERLY AND ALONG THE LAST MENTIONED STREET LINE 275 FEET TO THE NORTHWESTERLY LINE OF GRIFFITH STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY AND ALONG SAID LINE OF GRIFFITH STREET 200 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF FRACTIONAL BLOCK 145, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION, AND A PORTION OF FRACTIONAL LOTS 21 AND 22, BLOCK 145, SALT MARSH AND TIDE LANDS.

ASSESSOR'S LOT 10, BLOCK 4629A

PARCEL 3:

LOT 2, AS SHOWN ON THE PARCEL MAP FILED IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA ON MARCH 26, 1982 IN PARCEL MAP BOOK 23, PAGE 27.

ASSESSOR'S LOT 2, BLOCK 4630

PARCEL 4:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHWESTERLY LINE OF HUDSON AVENUE AND THE NORTHEASTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY AND ALONG SAID LINE OF HUDSON AVENUE 225 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 100 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 225 FEET TO THE NORTHWESTERLY LINE OF GRIFFITH STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY AND ALONG SAID LINE OF GRIFFITH STREET 100 FEET TO THE POINT OF BEGINNING.

BEING LOTS 1, 2 AND 3, BLOCK 160, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION.

ASSESSOR'S LOT 1, BLOCK 4646

PARCEL 5:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF GRIFFITH STREET DISTANT THEREON 75 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF INNES AVENUE; RUNNING THENCE NORTHEASTERLY AND ALONG SAID LINE OF GRIFFITH STREET 25 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 25 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 75 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF LOT 16, BLOCK 160, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION.

ASSESSOR'S LOT 2, BLOCK 4646

PARCEL 6:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF GRIFFITH STREET WITH THE NORTHEASTERLY LINE OF INNES AVENUE; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF INNES AVENUE 25 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 25 FEET TO THE SAID LINE OF GRIFFITH AVENUE; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LAST NAMED LINE 75 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF BLOCK 160, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION.

ASSESSOR'S LOT 3, BLOCK 4646

PARCEL 7:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF INNES AVENUE, DISTANT THEREON 25 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF INNES AVENUE 50 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 75 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF BLOCK 160, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION.

ASSESSOR'S LOT 3A, BLOCK 4646

PARCEL 8:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF INNES AVENUE, DISTANT THEREON 117 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF INNES AVENUE 33 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 59 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 33 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 59 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF BLOCK 160, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION.

ASSESSOR'S LOT 20, BLOCK 4646

PARCEL 9:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF INNES AVENUE, DISTANT THEREON 75 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF GRIFFITH STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF INNES AVENUE 42 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 59 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 33 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 41 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 100 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF BLOCK 160, SOUTH SAN FRANCISCO HOMESTEAD AND RAILROAD ASSOCIATION.

APN: Lot 001,002,003,004,005, Block 4605, Lot 024, Block 4605, Lot 010, Block 4629A, Lot 002, Block 4630, Lot 001, 002,003, 003A, 019,020, Block 4646

EXHIBIT C

**CERTIFICATE OF TRANSFEROR
OTHER THAN AN INDIVIDUAL
(FIRPTA Affidavit)**

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the transferee of certain real property located in the City and County of San Francisco, California, that withholding of tax is not required upon the disposition of such U.S. real property interest by TENDERLOIN HOUSING CLINIC, INC., a California nonprofit public benefit corporation ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
 2. Transferor's U.S. employer identification number is _____; and
 3. Transferor's office address is _____
-

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: _____, 2014.

On behalf of:

TENDERLOIN HOUSING CLINIC, INC.,
a California nonprofit public benefit
corporation

By: _____
[NAME]

Its: _____

EXHIBIT D

DESIGNATION AGREEMENT

This DESIGNATION AGREEMENT (the "Agreement") dated as of _____, 2014, is by and between TENDERLOIN HOUSING CLINIC INC., a California nonprofit public benefit corporation ("Seller"), the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), and FIDELITY NATIONAL TITLE COMPANY ("Title Company").

A. Pursuant to that certain Purchase Agreement entered into by and between Seller and City, dated _____, 2014 (the "Purchase Agreement"), Seller has agreed to sell to City, and City has agreed to purchase from Seller, certain real property located in City and County of San Francisco, California, more particularly described in Exhibit A attached hereto (the "Property"). The purchase and sale of the Property is sometimes hereinbelow referred to below as the "Transaction").

B. Section 6045(e) of the United States Internal Revenue Code of 1986 and the regulations promulgated thereunder (collectively, the "Reporting Requirements") require an information return to be made to the United States Internal Revenue Service, and a statement to be furnished to Seller, in connection with the Transaction.

C. Pursuant to Subsection 2(b)(i) of the Purchase Agreement, an escrow has been opened with Title Company, Escrow No. _____, through which the Transaction will be or is being accomplished. Title Company is either (i) the person responsible for closing the Transaction (as described in the Reporting Requirements) or (ii) the disbursing title or escrow company that is most significant in terms of gross proceeds disbursed in connection with the Transaction (as described in the Reporting Requirements).

D. Seller, City and Title Company desire to designate Title Company as the "Reporting Person" (as defined in the "Reporting Requirements") with respect to the Transactions.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller, City and Title Company agree as follows:

1. Title Company is hereby designated as the Reporting Person for the Transaction. Title Company shall perform all duties that are required by the Reporting Requirements to be performed by the Reporting Person for the Transaction.
2. Seller and City shall furnish to Title Company, in a timely manner, any information requested by Title Company and necessary for Title Company to perform its duties as Reporting Person for the transaction.
3. Title Company hereby requests Seller to furnish to Title Company Seller's correct taxpayer identification number. Seller acknowledges that any failure by Seller to provide Title Company with Seller's correct taxpayer identification number may subject Seller to civil or criminal penalties imposed by law. Accordingly, Seller hereby certifies to Title Company, under penalties of perjury, that Seller's correct taxpayer identification number is _____.
4. The names and addresses of the parties hereto are as follows:

SELLER:

TENDERLOIN HOUSING CLINIC, INC.
Attn: Randy Shaw
126 Hyde Street
San Francisco, CA 94102
Facsimile No.: () _____

CITY:

Director of Property
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Facsimile No.: () _____

TITLE COMPANY:

Attn: _____
Facsimile No.: () _____

5. Each of the parties hereto shall retain this Agreement for a period of four (4) years following the calendar year during which the date of closing of the Transaction occurs.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date and year first above written.

SELLER:

TENDERLOIN HOUSING CLINIC INC.,
a California nonprofit public benefit
corporation

By: _____

Its: _____

Date: _____

CITY:

CITY AND COUNTY OF
SAN FRANCISCO, a municipal corporation

By: _____

JOHN UPDIKE
Director of Property

Date: _____

Title Company:

CHICAGO TITLE COMPANY

By: _____

Its: _____

Date: _____

SCHEDULE 1

Geotechnical Investigation dated June 5, 2004, from Earth Mechanics Consulting Engineers

Design Water Level and Shoreline Analysis dated July 26, 2005 from Concept Marine Associates

Phase I Environmental Assessment dated January 29, 2007 from Innovative and Creative Environmental Solutions

Phase I Environmental Site Assessment dated September 9, 2001 from Weiss Associates

Phase II Environmental Site Assessment dated September, 2013 from Weston Solutions

Review & Assessment of Engineering Cost Estimates dated February 5, 2014 from Pacific Engineering & Construction, Inc.

**CITY AND COUNTY OF SAN FRANCISCO
RECREATION & PARK COMMISSION
RESOLUTION NO. 1406-010**

**CITY PURCHASE OF REAL PROPERTY FOR POSSIBLE
FUTURE PARK DEVELOPMENT**

WHEREAS, the City is considering purchasing certain real property located at 900 Innes Avenue, in San Francisco, California, comprised of seven parcels (Assessors Blocks/Lots: 4646/001; 4646/002; 4646/003; 4646/003A; 4646/019; 4629A/010; 4630/002), having a total area of 2.4 acres (hereinafter referred to as the "Site"); and

WHEREAS, the Site provides an immense opportunity for a significant expansion of the existing open space on the India Basin waterfront, as well as the opportunity to complete a vital link in the Blue Greenway, a long-term vision to create a series of connected parks and trails along a 13-mile corridor of San Francisco's eastern waterfront; and

WHEREAS, in addition to its waterfront location and its beautiful views of the San Francisco Bay, the Site contains a small, vacant, historically significant single-family residence, the Shipwright's Cottage (San Francisco Landmark No. 250, designated in 2008); and

WHEREAS, the Site has great value as a public open space by virtue of the opportunity it presents to expand existing park land in the India Basin neighborhood, complete a portion of the Blue Greenway, provide public access to a historic landmark, serve nearby areas designated as High Needs by the Recreation and Open Space Element, and provide opportunities for water-based recreational activities; and

WHEREAS, the surrounding community has expressed a significant interest in seeing the Site transformed into a public open space; and

WHEREAS, RPD is interested in the possibility of developing a park at the Site to further RPD's mission to provide enriching recreational activities, maintain beautiful parks and preserve the environment for the well-being of our diverse community but RPD has not yet undertaken any planning, design or environmental review for a potential park; and

WHEREAS, the City's Real Estate Division is in negotiations with the current property owner, the Tenderloin Housing Clinic, to purchase the Site for \$2,975,000, which represents a discount from the full market value of the property to reflect the costs of environmental remediation that may be required at the Site; and

WHEREAS, pending Board of Supervisors approval, the City may authorize issuance of Commercial Paper Certificates of Participation (CPCOP) to initially purchase the Site and place it under the jurisdiction of the Real Estate Division; and

WHEREAS, other potential funding sources for the acquisition include the possible sale of a portion of the Site for purposes of residential or commercial development; and

WHEREAS, to the extent the development of a park is found to be feasible and desirable, a specific park project is designed and proposed, and any required review under the California Environmental Quality Act is completed, the Commission believes use of Open Space Acquisition Funds to transfer jurisdiction to RPD would be appropriate; now, therefore be it

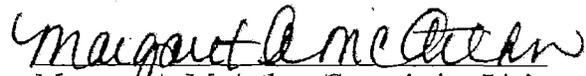
RESOLVED, that the Recreation and Park Commission hereby urges the Board of Supervisors to take steps necessary to purchase the real property located at 900 Innes Avenue; and be it

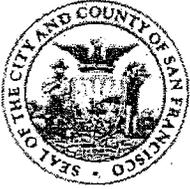
FURTHER RESOLVED, that the Recreation and Park Commission supports the possible use of up to \$2,975,000 plus interest from Open Space Acquisition Funds to repay some or all of any CPCOP that may be issued to purchase the property at 900 Innes Avenue to the extent that full or partial use of the Site to develop a park is deemed feasible after review under the California Environmental Quality Act.

Adopted by the following vote:

Ayes	4
Noes	0
Absent	1
Recused	1

I hereby certify that the foregoing resolution was adopted at the Recreation and Park Commission meeting held on June 19, 2014.


Margaret A. McArthur, Commission Liaison



SAN FRANCISCO PLANNING DEPARTMENT

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

General Plan Referral

Date: December 10, 2013

Case No. Case No. 2013.1608R
RPD Acquisition of Seven Waterfront Parcels of Open Space – India Basin

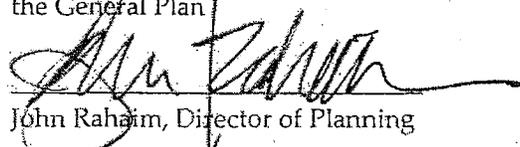
Block/Lot No: 4646/001; 4646/002; 4646/003; 4646/003A; 4646/019; 4629A/010; 4630/002

Project Sponsor: Stacey Bradley
San Francisco Recreation & Park Department
Capital and Planning Division
30 Van Ness Ave., 4th Floor
San Francisco, CA 94102

Applicant: Same as project sponsor

Staff Contact: Scott Edmondson, 415-575-6818,
scott.edmondson@sfgov.org

Recommendation: Finding: the project, on balance, is in conformity with the General Plan

Recommended By: 
John Rahaim, Director of Planning

BACKGROUND

We are in receipt of your request that the Planning Department consider a General Plan referral application concerning the acquisition of seven (7) waterfront parcels in India Basin for eventual use as open space.

PROJECT DESCRIPTION

The proposal is for the San Francisco Recreation and Park Department (RPD) to acquire seven (7) waterfront parcels in the India Basin area (see Attachments 1, 2, and 3) for development in the future as public parkland. The location of the site on the eastern shoreline of San Francisco will ensure access to sunlight and vistas of the bay. The acquisition will also protect the existing adjacent parks, India Basin Shoreline Park and India Basin Open Space, from private development that could obstruct sunlight or views. The proposal consists of the land acquisition without any change in use or of the physical site. The

present use involves the storage of construction equipment. There is one historic building located on the property—the Shipwright’s Cottage, at 900 Innes Avenue, City Landmark No 250 (see photos in Attachment 4). It is the SFRPD’s intention to preserve and eventually restore the historic building on the site. However, the proposed acquisition does not involve physical changes to the building at this time. It will likely take several years for the RPD to complete the planning and design work and to secure funding for the restoration of the historic building and development of the park.

ENVIRONMENTAL REVIEW

On November 6, 2013, The Environmental Planning Section of the San Francisco Planning Department determined that the proposed acquisition of the seven waterfront parcels was categorically exempt from CEQA under the Class 8, acquisition of land for a park, and Class 16(b), acquisition of land to establish a park where the land contains a historical resource that will be preserved.

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

As described below, the Project is consistent with General Plan and the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, **in-conformity** with the following Objectives and Policies of the General Plan:

Note: General Plan Objectives and Policies are in **bold font**; General Plan text is in regular font. Staff comments are in *italic font*.

RECREATION AND OPEN SPACE ELEMENT

OBJECTIVE 2

DEVELOP AND MAINTAIN A DIVERSIFIED AND BALANCED CITYWIDE SYSTEM OF HIGH QUALITY PUBLIC OPEN SPACE.

POLICY 2.1

Provide an adequate total quantity and equitable distribution of public open spaces throughout the City.

The proposal would increase open space in an underserved area of the City. General Plan Map 9 (see Attachment 5) indicates the proposed parcels for acquisition are within a “priority” “high-needs” area.

POLICY 2.7

Acquire additional open space for public use.

The proposal would acquire additional open space and therefore directly accomplish Policy 2.7. In addition, General Plan Map 4 (see Attachment 6) indicates the seven parcels that RPD propose to acquire are part of an area proposed for acquisition or conversion to public open space under the General Plan.

OBJECTIVE 3

PROVIDE CONTINUOUS PUBLIC OPEN SPACE ALONG THE SHORELINE UNLESS PUBLIC ACCESS CLEARLY CONFLICTS WITH MARITIME USES OR OTHER USES REQUIRING A WATERFRONT LOCATION.

POLICY 3.5

Provide new public open spaces along the shoreline.

The proposal would provide new public open spaces along the shoreline, and therefore directly accomplish Policy 3.5.

OBJECTIVE 4

PROVIDE OPPORTUNITIES FOR RECREATION AND THE ENJOYMENT OF OPEN SPACE IN EVERY SAN FRANCISCO NEIGHBORHOOD.

POLICY 4.4

Acquire and develop new public open space in existing residential neighborhoods, giving priority to areas which are most deficient in open space

The proposed project would acquire and increase public open space in the underserved Bay View/India Basin neighborhood, and is located in a priority, high-needs area as indicated on Element Map 9 (Attachment 6). Thus, the proposal would directly accomplish Policy 4.4.

URBAN DESIGN ELEMENT

OBJECTIVE 1

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

POLICY 1.1

Recognize and protect major views in the city, with particular attention to those of open space and water.

The proposed land acquisition would create open space along the waterfront thereby preserving areas distinctive views of the water and natural areas.

OBJECTIVE 2

CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

POLICY 2.1

Preserve in their natural state the few remaining areas that have not been developed by man.

The proposed land acquisition would preserve natural areas, thereby accomplishing Policy 2.1.

RECOMMENDATION: *Finding:* the Project, on balance, is in-conformity with the General Plan.

EIGHT GENERAL PLAN PRIORITY POLICIES FINDINGS

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

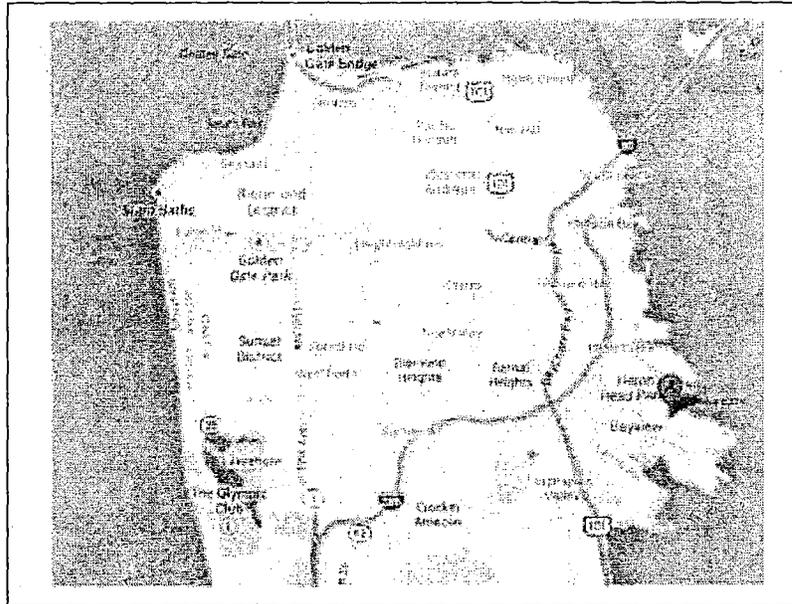
1. **That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.**
There are no retail businesses on the project site. As a result, there would not be direct or immediate changes to existing retail near the project site associated with RPD's purchase of the property. However, the future use of the site as a public open space would contribute to the overall improvement of the India Basin neighborhood, thereby supporting neighborhood-serving retail uses in the vicinity.
2. **That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.**
There are no proposed changes in the proposal that would affect housing. The future public open space would be compatible with the existing neighborhood character and would support local neighborhood activities.
3. **That the City's supply of affordable housing be preserved and enhanced.**
This policy does not apply-- there are no changes in the proposed acquisition that would affect the City's supply of affordable housing.
4. **That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.**
The purchase of the property by SFRPD is not expected to increase local traffic or create an additional burden on neighborhood parking. Because the future proposed use as a public park would not involve residential or employment uses, there is no anticipated increase in commuter traffic from this project, nor will there be an associated impediment to Muni transit service.
5. **That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.**
The proposed property acquisition does not involve commercial office development or associated displacement. While the historical use of the site has been industrial, the site is currently underutilized. The intended future use of the site is a public park would be accessible for the enjoyment of residents and employees in the area.
6. **That the City achieves the greatest possible preparedness to protect against injury and loss of life in an earthquake.**
The policy does not apply to the proposed property acquisition since the acquisition would not affect preparedness for, or in the event of, an earthquake. The presence of future public open space may provide a useful gathering place for the exchange of information and resources following an earthquake or other natural disaster.
7. **That landmarks and historic buildings be preserved.**
There is one historic building located on property proposed for acquisition - the Shipwright's Cottage (900 Innes Avenue), a local City landmark (No. 250; see Attachment 4). It is SFRPD's intention to preserve and

eventually restore the historic building on the site. However, the proposal would not involve physical changes to the building at this time. It will likely take RPD several years to complete the planning, design work, and secure the funding for restoration of the historic building and development of the park.

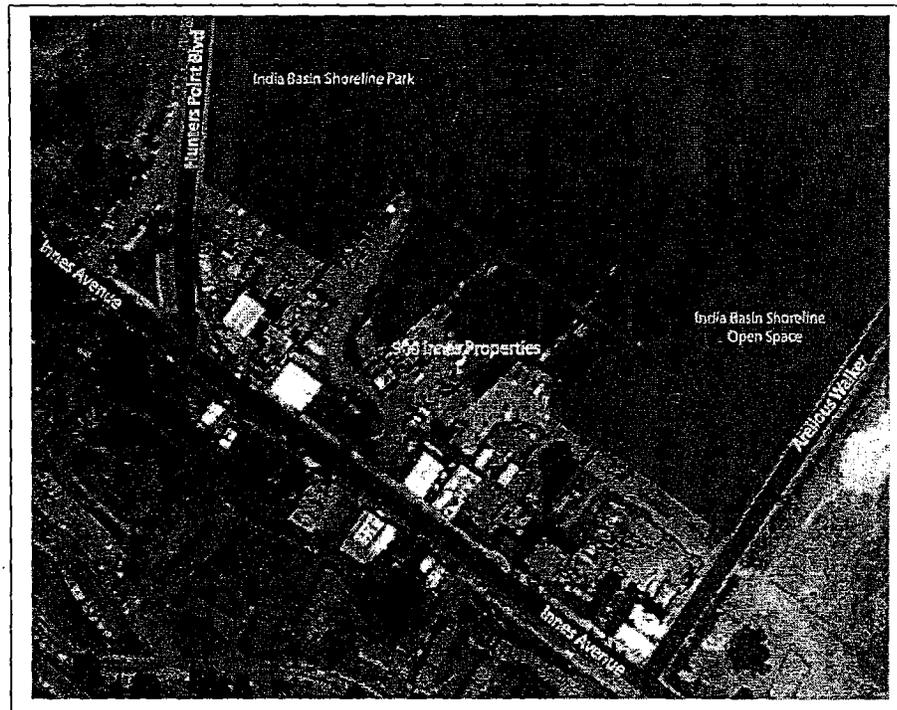
8. That our parks and open space and their access to sunlight and vistas be protected from development.

The RPD will eventually develop the property as a public park. The location of the site on the eastern shoreline of San Francisco will ensure access to sunlight and vistas of the bay. The acquisition of this property for future parkland will also protect the existing adjacent parks (India Basin Shoreline Park and India Basin Open Space), from private development that could obstruct sunlight or views.

ATTACHMENT 1
Figure 1 – Project Location



ATTACHMENT 2
Figure 2 – Project Site



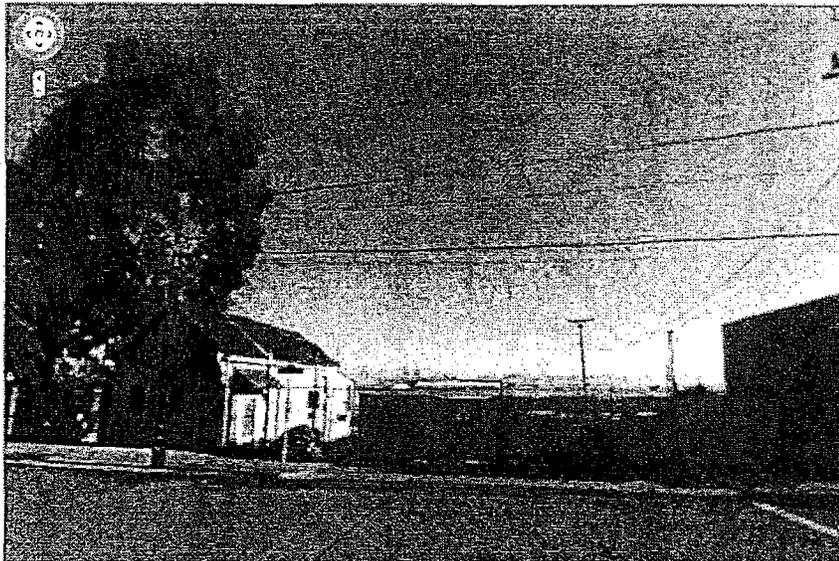
ATTACHMENT 3
Existing Site Photos

900 Innes Avenue: Site Photos



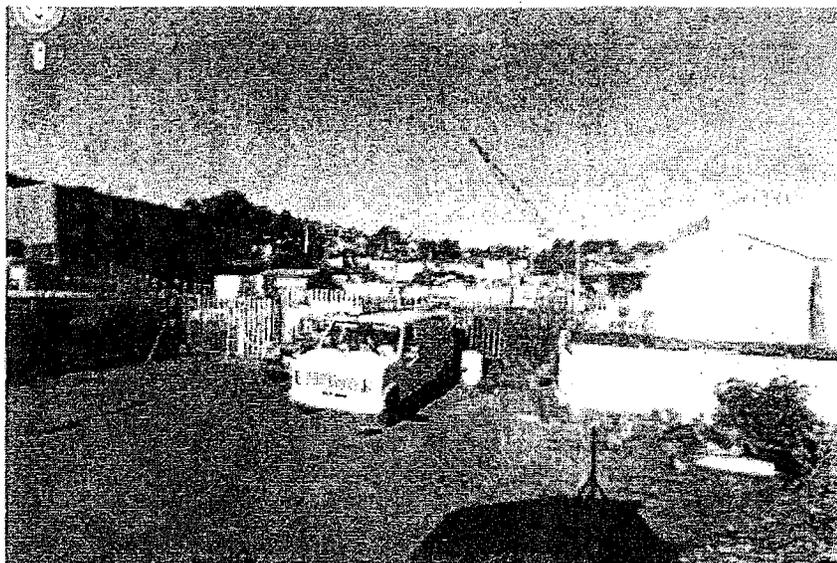
Above: View of the 900 Innes Avenue site facing north from Innes Avenue.

Below: View of the 900 Innes Avenue site facing east from Innes Avenue and Griffith Street.



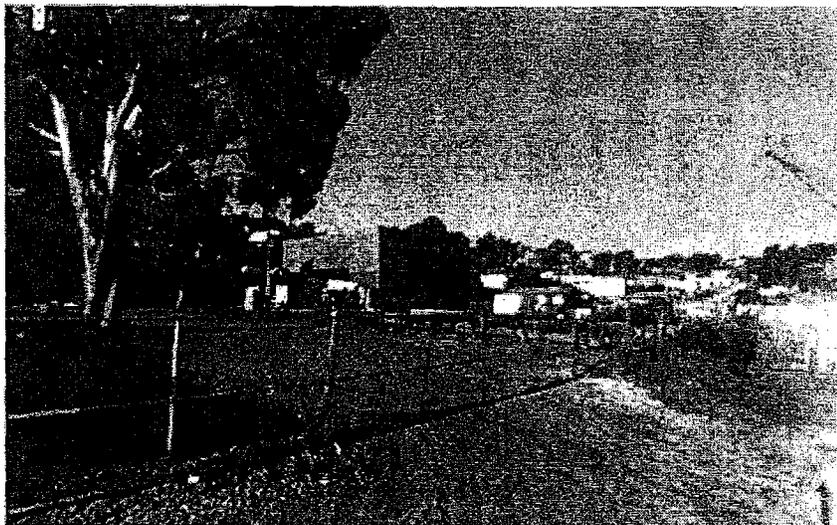
GENERAL PLAN REFERRAL
RPD ACQUISITION OF SEVEN WATERFRONT PARCELS OF
OPEN SPACE--INDIABASIN

CASE NO. 2013.1553R



Above: View of the 900 Innes Avenue site facing north from end of Hudson Avenue.

Below: View of the 900 Innes Avenue site facing west from end of Hudson Avenue.



ATTACHMENT 4

Photos – 900 Innes – City Landmark No. 250



Shipwrights Cottage at 900 Inness hit by vandalism (2004)



900 Innes in the 1970s when it was used as an office for the shipyard.

ATTACHMENT 5

Map 9 – Neighborhood Recreation & Open Space Improvement Priority Plan
General Plan Recreation & Open Space Element

MAP APPROVED BY THE BOARD OF SUPERVISORS

The General Plan is subject to periodic amendments by the Board of Supervisors. This map was approved by the Board of Supervisors at its regular meeting, adopted. The changes to the map are shown in the following table:

- Delete the shaded areas within the Mission Bay area and add a boundary around the Mission Bay area with a line that leads to a reference that states "See Mission Bay North and Mission Bay South Redevelopment Plans"
- Add a boundary area around the Hunters Point Shipyard area with a line that leads to a reference that states "See Hunters Point Redevelopment Plan and Hunters Point Shipyard Area Plan."

→ Add a boundary area around Candlestick Point with a line that leads to a reference that states "See Candlestick Point SubArea Plan and Bayview Hunters Point Redevelopment Plan."

→ Delete Bayview Hill from map.

→ Add notation "Give priority to neighborhoods surrounding McLaren Park for recreation improvements in existing parks" and shade neighborhoods surrounding McLaren park as shown on attached (Map 9).

→ Add a boundary around the Balboa Park Station Plan area with a line that leads to a reference that states "See Balboa Park Station Area Plan."



NEIGHBORHOOD RECREATION & OPEN SPACE IMPROVEMENT PRIORITY PLAN

Map 9

PUBLIC RECREATION & OPEN SPACE
 Make Better Use of Existing Neighborhood Open Space & Facilities

PROTECTED AREA
 Improve Street Space for Recreation and Landscaping where Possible

HIGH NEED AREAS

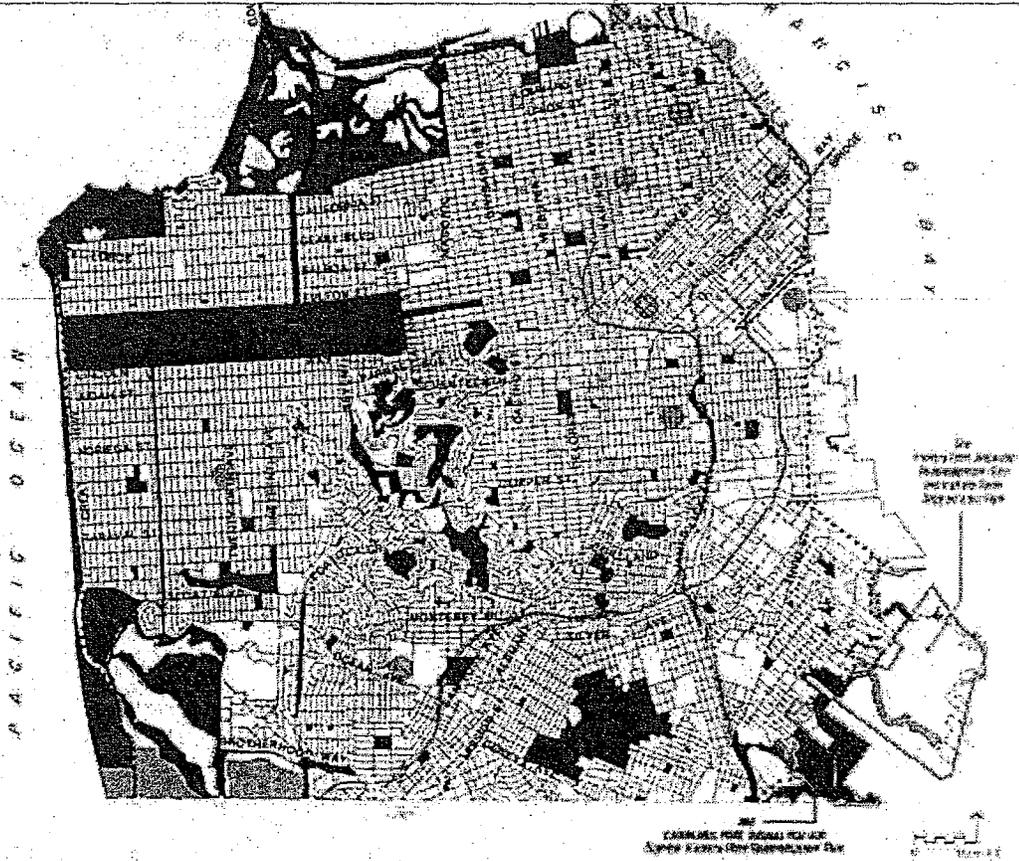
Give Highest Priority for New Parks and Recreation Improvements

Give Priority for New Parks and Recreation Improvements

Note:
 Because of the scale of this map it is not possible to show precise boundaries or exceptionally small open spaces.

ATTACHMENT 6
 Map 4 – Citywide Recreation & Open Space Plan
 General Plan Recreation & Open Space Element

- REVISIONS TO THE GENERAL PLAN RECREATION & OPEN SPACE ELEMENT**
 The purpose of this revision is to update the General Plan Recreation & Open Space Element to reflect the most current information available. The following are the changes to the element:
- Delete the shaded areas within the Mission Bay area and add a boundary around the Mission Bay area with a line that leads to a reference that states "See Mission Bay North and Mission Bay South Redevelopment Plans."
 - Delete Bayview Hill, Sharon Arts Ctr from map. Add following open spaces:
 Aquatic Lot, Esprit Park,
 150 Ave. Int'l St. and Treat St.
 Hawk Hill, Bayview Hill
 Palace-Phelps, Bease Carmichael School
 Edgehill Mt, Sherman Way between Cleveland & Harrison St.
 - Add a boundary area around the Hunters Point Shipyard area with a line that leads to a reference that states "See Hunters Point Redevelopment Plan and Hunters Point Shipyard Area Plan."
 - Add a boundary area around Candlestick Point with a line that leads to a reference that states "See Candlestick Point Sub-Area Plan and Bayview Hunters Point Redevelopment Plan."
 - Amend to include the proposed open space in a North Mission Park site, 45 Hill St. (Block 5580, Lot 010) & Brooks Park Extension (Block 7070, Lots 050 and 051)
 - Amend to include the proposed open space in Filson Hill located at Harrison and Fremont Streets (Block 3760, Lot 000) as "Acquire for or convert to public open space."
 - Amend to include "Proposed Recreation Trails" as noted on attached.
 - Add a boundary area around the Balboa Park Station area with a line that leads to a reference that states "See the Balboa Park Station Area Plan."
 - Add a boundary area around the Visitacion Valley Shingle Look area with a line that leads to a reference that states "See Redevelopment Plan for the Visitacion Valley Shingle Look Project."



CITYWIDE RECREATION & OPEN SPACE PLAN **Map 4**

EXISTING PUBLIC OPEN SPACE

- Retain Outdoor Open Space, Preserve Natural Qualities, And Where Appropriate Convert To Public Recreational Use

PROPOSED PUBLIC OPEN SPACE

- Acquire For Or Convert To Public Open Space
- Provide New Open Space In The General Vicinity
- Proposed Shoreline Trail

India Basin Shoreline Park

Hunters Point Blvd

Innes Avenue

900 Innes Properties

Innes Avenue

 DPW Mapped Right-of-Way



SAN FRANCISCO PLANNING DEPARTMENT

February 7, 2014

Stacy Bradley, AICP
Capital and Planning Division
San Francisco Recreation and Park Department
City & County of San Francisco
30 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

Dear Ms. Bradley:

I have reviewed the proposed acquisition of the property at 900 Innes Avenue. We have determined that, per CEQA Guidelines Section 15060(c)(2), the acquisition of the property is not considered a project as defined by CEQA, which states that "the activity will not result in a direct or reasonably foreseeable indirect physical change on the environment." At such time that improvements for the site are proposed, these improvements would be subject to separate environmental review pursuant to CEQA.

Sincerely,

A handwritten signature in cursive script that reads "Rick Cooper".

Rick Cooper
Senior Environmental Planner

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

The Blue Greenway Master Plan - From Vision to Completion
San Francisco Parks Alliance and SPUR
 June 2014

Project Summary

Heralded as the “Crissy Field of the Southeast,” The Blue Greenway is a visionary project that is creating a 13-mile open space network along San Francisco’s underserved southeastern waterfront, and is the single most significant re-design of San Francisco’s waterfront in the City’s history. Once complete, it will transform this neglected resource into a premier series of public open spaces: 13 miles of waterfront parks and trails running from AT&T Park south to Candlestick Point. The Blue Greenway project will complete San Francisco’s portions of the Bay Trail and Bay Water Trail, and provide an alternative transit route connecting San Francisco’s growing eastern neighborhoods with the employment centers of Mission Bay and downtown.

The Blue Greenway is also the key to unlocking the hidden potential of the city’s lowest income and most underserved neighborhoods – and the neighborhoods slated to grow by more than 30,000 new residents over the next 20 years. The new open space network will connect these neighborhoods to their waterfront and serve as a catalyst for responsive and responsible development, employment opportunities and economic vitality. The southeastern neighborhoods have been plagued by the loss of the city’s maritime industries and the environmental contamination that these industries left behind. The Blue Greenway brings together numerous government, private sector, and nonprofit efforts to clean up toxic contaminants along the waterfront and turn these formerly unusable parcels of land into areas for public enjoyment, active recreation, and economic activity.

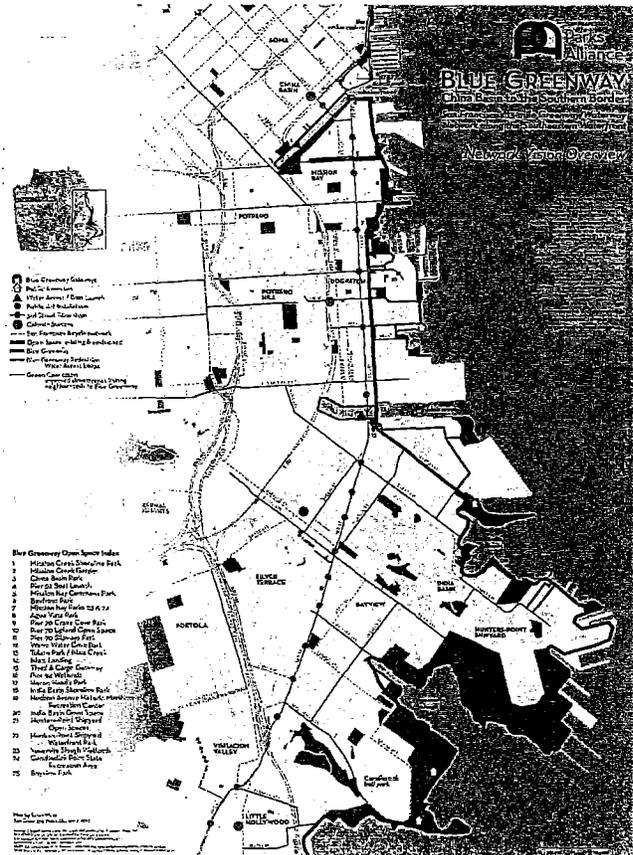
The San Francisco Parks Alliance (SFPA) and SPUR will collaborate in leading the Blue Greenway Master Planning Process.

Project Context

The need to revitalize San Francisco’s southeastern waterfront is three-fold—to improve the quality of life for traditionally underserved communities in the City’s southeastern region; to foster economic opportunity connected to the waterfront; and to address longtime environmental challenges that have negatively impacted local residents and impeded growth in the region. The Blue Greenway Master Planning Process will address each of these areas of need and opportunity.

Community Need: The Blue Greenway will connect some of the City’s most distressed neighborhoods, such as Bayview Hunters Point, to their waterfront. For decades, the eastern neighborhoods—home to more than 55,000 residents— have suffered from the loss of the maritime industries and resulting environmental contamination. They also face consistently high rates of poverty and unemployment.

Bayview Hunters Point and surrounding neighborhoods are slated to grow by more than 30,000 new residents over the next 20 years. The Blue Greenway will connect these low-income neighborhoods and residents with the growing job centers of Mission Bay and Third



Street, not only offering much-needed employment but cultivating a shared sense of community investment and pride. Particular effort will be dedicated to engaging these communities, which have historically been under-represented in planning for the redevelopment of their neighborhoods, in the Blue Greenway design process.

Economic Need: The Blue Greenway will provide a catalyst for responsive and responsible development, employment opportunities, and economic vitality. The Master Planning Process will analyze the economic potential of redeveloping the city's waterfront and identify employment opportunities in a variety of sectors, such as recreation, retail, science education, and water recreation.

The Port of San Francisco has already started the process of reimagining the economic growth of the waterfront through its redesign of Crane Cove Park at Pier 70, a public open space along the Blue Greenway. As part of this design, the Port has included designated areas for cafes, boat rentals, multiuse gravel fields for farmer's markets and food truck vendors, a fitness center, and a number of other small businesses that will create jobs along the waterfront.

Environmental Need: The Blue Greenway will bring together numerous government, private sector, and nonprofit efforts to clean up toxic contaminants from the Bayshore Freeway to the eastern waterfront and turn these formerly unusable parcels of land into areas for public enjoyment, active recreation, and economic activity. The Parks Alliance has already begun this work: with funding from the EPA from 2010-2012, we developed an Area Wide Plan of the city's southeastern waterfront that identified brownfield sites for remediation and transformation into parks, trails, and recreation facilities. The results led to additional funding from the EPA, enabling the City's Department of the Environment to conduct site assessment testing and to identify and remediate contamination along the city's eastern waterfront.

In addition, the Blue Greenway will complete an alternative transit route connecting eastern neighborhoods with Mission Bay and downtown, a component of the project that addresses the community, economic, and environmental priorities.

The Blue Greenway Master Plan Concept

The Blue Greenway Master Plan is the largest effort to revitalize any section of San Francisco's waterfront in recent history. It is also one of the most comprehensive open space planning initiatives for the city's eastern neighborhoods. This Plan will address how to connect potential new parks, open spaces, and underutilized rights of way located east of the Bayshore freeway to the city's revitalized eastern waterfront. The lack of connectivity has contributed to the underutilization of the existing eastern shoreline.

The Blue Greenway vision began in 2003, when SFPA and SPUR convened 16 public agencies and more than 30 organizations to develop a shared vision of a working, urban waterfront that invites public use, enjoyment and access to the region's defining asset - San Francisco Bay. This process resulted in a 30-page "Blue Greenway Vision and Roadmap to Implementation" that was widely supported by the community and by the agencies involved.

Progress to Date

Since 2003, the City has secured over \$38 million in funding for Blue Greenway projects via the 2008 and 2012 Parks Bonds. The Mayor's Office of Community Investment and Infrastructure (successor to the Redevelopment Agency), in partnership with Lennar, is implementing the massive redevelopment at Hunters Point, including that entire waterfront as part of the Blue Greenway. SFPA is currently working with various government agencies, including RPD, to secure the acquisition two of the last remaining parcels of privately owned waterfront in San Francisco: 900 and 700 Innes, at India Basin. These acquisitions would complete the Blue Greenway network in Bayview Hunters Point, one of the city's most economically distressed neighborhoods. The 900 Innes parcel is the location of the brownfield site assessment testing led by SFPA and the EPA described earlier. The 700 Innes parcel has been acquired by Build Inc., which has indicated that it wants to contribute the shoreline portion of the property to a larger India Basin park. Because of this interest, Build Inc. will be an important partner to engage as the Blue Greenway Master Planning Process continues to take shape.

Additionally, there are several key planning initiatives that have been developed along the eastern waterfront to date. The Port of San Francisco has developed their Blue Greenway Planning and Design

Guidelines that present open space program uses and concept designs for Port Blue Greenway sites. This document also sets standards for site furnishings and signage along the Blue Greenway. During the summer of 2014, the Port of San Francisco will implement its Blue Greenway signage program along several key waterfront sites. Other notable plans include the Eastern Neighborhoods Program, Mission Bay, Pier 70 Master Plan, and Hunters Point Shipyard and Candlestick Point Redevelopment, plans to expand India Basin Shoreline Park (led by both Build Inc. and the Recreation and Parks Department). Also at India Basin, PG&E is completing a plan to move a major power transmission facility and redevelop the site for other purposes, including allocating the site's shoreline to the Blue Greenway.

The Blue Greenway Master Plan will coordinate the plans already developed by the Port, Lennar, and others. It will also address phasing, jurisdictional and ownership questions, regulatory processes, and design needs on a segment-by-segment basis. The planning process will place a heavy emphasis on implementation, leading to the project's completion. It will include an analysis of the economic potential of redevelopment of the city's waterfront, and identify employment opportunities in various sectors. Ultimately, the Master Plan will also position the India Basin waterfront for a potential capital campaign that could leverage millions of dollars in public and private investment.

Project Goals and Objectives

Our goals for the Blue Greenway Master Planning Process are to:

- 1) Update the 10-year-old Blue Greenway Vision with extensive input from neighboring communities, the property owners, and other stakeholders.
- 2) Align the existing and developing site-specific plans of the property owners of the four key sections of the Blue Greenway: Port of San Francisco (China Basin to Heron's Head Park); Build Inc, PG&E, and RPD (India Basin); Mayor's Office of Community Investment & Infrastructure and Lennar (Hunters Point); and California State Parks (Yosemite Slough and Candlestick Point).
- 3) Develop preliminary landscape and architectural concepts that embody the updated Vision for incomplete sections of the Blue Greenway.
- 4) Identify potential funding sources to finance toxic remediation, acquisition, final design, and construction of the incomplete sections of the Blue Greenway.
- 5) Identify governance and financing structures to support ongoing maintenance for the segments of the Blue Greenway not yet already covered.
- 6) Develop an implementation plan and timetable for completion of the Blue Greenway.

We have also identified the following set of initial objectives. We will develop a more detailed and comprehensive set of objectives once the Master Planning Process commences.

- 1) Convene at least 6 community meetings to craft, refine, and finalize the updated Blue Greenway Vision.
- 2) Create an Advisory Civic Committee for the implementation of the Master Plan that would include members of the SFPA and SPUR Boards, senior officials from developers such as Lennar and Build Inc., senior officials from all government agencies involved, and senior staff from companies located along the Blue Greenway (such as PG&E).
- 3) Create a steering committee with representatives from government agencies, neighborhood associations, community-based non-profit organizations, property owners, and key neighborhood leaders that will periodically discuss and review the Master Plan.
- 4) Inventory the existing development plans and supporting research for the four segments of the Blue Greenway. Identify gaps and potential conflicts. Adapt the Master Planning Process to close those gaps and resolve any conflicts.
- 5) Include designs that connect the Blue Greenway to adjacent neighborhoods: Mission Bay, Dogpatch, Potrero Hill, India Basin, Bayview Hill, Hunter's Point, the Bayview, Visitacion Valley, and Candlestick.
- 6) Analyze existing transportation plans for the neighborhoods along the Blue Greenway route. Identify gaps in those plans and engage stakeholders in closing those gaps.
- 7) Publish an updated Vision for the Blue Greenway that describes the completed project.
- 8) Identify funding for and develop a strategy to implement the plan when complete. This will also include identifying how each section of the Blue Greenway will be managed and financed on an ongoing basis after completion.

Work Plan

The Blue Greenway Master Planning Process will include:

Convening Agency and Community Stakeholders. At the outset of the planning process, SFPA will engage partner agencies and other stakeholders to gather input for the Blue Greenway Master Plan. We will conduct interviews; convene an Interagency Task Force composed of key agency directors, the district supervisor, major landowners and developers and community leaders; and assemble a Community Advisory Committee composed of local residents, businesses and advocates.

Hiring Design Team. SPUR will seek a design team that is able to bring life to the Blue Greenway vision, a project with broad scope, many partners, and long-term impact. SPUR will solicit consultant proposals; conduct interviews; select team; and develop scope, work plan and contracts.

Conducting Research and Data Collection. SPUR will gather and integrate existing Blue Greenway materials; review current implementation status; and identify data gaps and needs. As part of this work, SPUR will conduct a transportation analysis, which will include assessing the possibility of a bicycle path and improving transportation between the freeway and the waterfront, as well as a Health Study to examine contaminated parcels.

Engaging the Community. Fostering community interest and involvement is critical to the development of the Master Plan, its implementation, and the long-term stewardship and success of the Blue Greenway. SFPA will solicit community input through 3-6 community meetings; and outreach to public housing residents, community stewards, organizations, and elected officials.

Updating the Vision Statement. Because this project concept has been in development for over a decade, SFPA and SPUR committed to ensuring that the guiding vision for the plan is still relevant and meets the needs of the many communities and stakeholders involved. To do so, SFPA and SPUR will seek to reframe and rearticulate the Blue Greenway vision, as well as develop compelling visual and written distillation, including images, renderings, and maps. The new Blue Greenway vision will address the projected growth of the eastern neighborhoods as well as the need to connect parks, open spaces, and underutilized rights of way to the city's eastern waterfront.

Updating Design and Programming Studies. SPUR will develop a palette of materials, amenities, interpretive and way-finding signage; define site parameters for each segment, including ownership, program, environmental conditions, regulatory needs, cost and funding sources; prioritize Blue Greenway segments for implementation based on site parameters; create schematic designs for key early-phase segments; and develop cost estimates, both program-wide and for key early-phase segments.

Develop and Fund Implementation Strategy. Two crucial elements of the Planning Process will be resolving governance issues and creating a realistic funding strategy for the Blue Greenway implementation once the plan is complete. To do so, SPUR and SFPA will develop a regulatory and environmental review strategy; identify funding strategies per segment; coordinate city capital plans, public and philanthropic grant opportunities, and private stewardship potential; and organize philanthropic and corporate outreach to assist with securing implementation funds.

The Blue Greenway Master Planning Process is anticipated to take two years (August 2014-July 2016).

Project Leadership and Key Partners

The project will be led by SFPA and SPUR, two well-established local organizations with complementary expertise to collectively guide the planning process. Both organizations also have extensive experience working productively with public agencies, a critical component of the planning process, given the many city, state, and federal partners involved in planning for the Blue Greenway.

SPUR is a leader in research on neighborhood planning, sustainable urbanism, and climate change adaptation, issues central to the eastern waterfront's future. For the past four years, SPUR has led an extensive interagency and public process to develop the Ocean Beach Master Plan, a comprehensive vision to address sea level rise, protect infrastructure, restore coastal ecosystems, and improve public

access. SPUR is currently leading three separate implementation projects to carry Ocean Beach Master Plan recommendations forward.

SFPA's mission is to inspire and promote civic engagement and philanthropy to protect, sustain, and enrich San Francisco parks, recreation, and green open spaces. We have decades of experience engaging communities throughout San Francisco to lead and support park improvement efforts, as well as successfully raising private and public funds to bring major projects to completion. To date, SFPA has secured over \$38 million for Blue Greenway projects via the 2008 and 2012 Parks Bonds.

Bringing the Blue Greenway Master Planning Process to completion will involve at least 11 public agencies (including City, regional, State, and federal), as well as PG&E and other private corporations (see below), all of which are property holders and/or have regulatory authority. Each partner is currently planning for the future of its own section of the Blue Greenway but also recognizes the importance of an independently run master planning process to ensure ongoing communication and coordination.

Our partners and their involvement to date in the Blue Greenway include:

- Association of Bay Area Government - Provides guidelines and standards for the Bay Trail.
- Build Inc. - owner of 700 Innes, including part of the India Basin shoreline.
- California Coastal Conservancy and the Bay Conservation & Development Commission - Manages the approval and permitting of construction that affects the shoreline.
- California Public Utilities Commission - Parcel owner.
- California State Parks - Provides guidelines and standards for Candlestick Point State Recreation Area (southern terminus of the Blue Greenway).
- Caltrain/Caltrans (Joint Powers Board) - Parcel owners.
- City of San Francisco (Mayor, Supervisors, Agencies) - Major property owner, major investor, and adopter of "Blue Greenway Vision and Roadmap to Implementation."
- Lennar - Developer of the Hunters Point and Candlestick Park (stadium) sites.
- Neighborhood associations - These groups will advocate the interests of Blue Greenway-adjacent neighborhood residents. They include Parks 94124, India Basin Neighborhood Association, Bayview Residents Improving Their Environment (BRITE), and others.
- Office of Community Investment and Infrastructure (Managed approval and permitting process for Hunters Point Shipyard)
- Port of San Francisco - Leading the planning/approval of redevelopment activities on Port property.
- Private corporations (Pacific Gas & Electric, Recology, Lennar, Build Inc.) - Parcel owners.
- SF Department of Public Works - Parcel owner.
- SF Department of the Environment - Implementing additional EPA-funded brownfield remediation work.
- SF Municipal Transport Authority - Responsible for approval of designs for street and bike/pedestrian pathway intersections and for provision of public transport to/from the Blue Greenway.
- SF Planning Department/Commission - Manages the approval of parcel redevelopment plans/proposals.
- SF Recreation & Park Department/Commission - Manages the City's recreational facilities, services, and concessions. Parcel owner.
- University of California/San Francisco - Primary tenant of Mission Bay.
- US Environmental Protection Agency/California EPA - Manages the approval and permitting process to remediate toxic substances.
- US Navy - Parcel owner at the Hunters Point Naval Shipyard.

We are also working with local neighborhood associations as well as The William and Flora Hewlett Foundation, which previously provided funding for the Blue Greenway.

Project Budget

The project budget is:

2.5 FTE from SPUR for 2 years	\$290,000
2.5 FTE from SFPA for 2 years	\$295,000
Materials and Supplies	\$50,000
External Consultants/Designers	\$265,000
Management & Overhead Costs	\$90,000
Total Budget	\$990,000

SFPA has been invited to submit a new request to the William and Flora Hewlett Foundation for \$300,000 to support the Blue Greenway Master Planning Process. Half of this grant would be in the form of a challenge, to be matched by other foundation support. We currently have a proposal pending with the Walter & Elise Haas Fund requesting \$100,000. Decisions on both requests are expected in July. We have identified an array additional potential corporate, foundation and government funders, sufficient to complete the funding required.

Conclusion

SFPA has worked for more than a decade to develop the idea of a Blue Greenway. Significant progress has been made, and the public is excited about the prospect of the finished project, but what is demanded now is the long-term institutional capacity to see the plan through to implementation. Completing the Blue Greenway requires the coordination of the community, key organizations, and dozens of city, state, regional, and federal agencies, as well as the ability to work efficiently with the many community-based partners and constituents invested in this initiative.

SFPA and SPUR are prepared to lead this effort and bring this extraordinary project to completion. Building on the lessons learned through the Ocean Beach Master Plan process, which faced numerous technical and jurisdictional challenges, SPUR and SFPA will convene the necessary supporters—government, corporate, community, and funding—to create a Blue Greenway Master Plan. The result will be a powerful institutional advocacy group and a plan that resolves the major design, technical, ownership, governance and funding issues and propels the Blue Greenway into implementation.

President, District 3
BOARD of SUPERVISORS



BOS-11, Aides, COB, Leg Dep
LU+B/F Clerks
City Hall
Electronically

1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-7450
Fax No. 554-7454
TDD/TTY No. 544-5227

DAVID CHIU
邱信福
市參事會主席

PRESIDENTIAL ACTION

Date: 7/11/14

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. _____
(Primary Sponsor)

Title. _____

Transferring (Board Rule No. 3.3)

File No. 140780 Cohen
(Primary Sponsor)

Title. Real Property Acquisition - 900 Innes Avenue

From: Land Use & Economic Development Committee

To: Budget & Finance Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor _____

Replacing Supervisor _____

For: _____ Meeting
(Date) (Committee)

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2014 JUL 11 AM 11:49

David Chiu
David Chiu, President
Board of Supervisors

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee.
An Ordinance, Resolution, Motion, or Charter Amendment.
- 2. Request for next printed agenda Without Reference to Committee or as Special Order at Board.
- 3. Request for hearing on a subject matter at Committee or as Special Order at Board.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Request for Closed Session (attach written motion).
- 10. Reactivate File No. []
- 11. Board to Sit as A Committee of the Whole.
- 12. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Cohen

Subject:

Acquisition of Property at 900 Innes Avenue for a price of \$2,975, 000, owned by Tenderloin Housing Clinic Inc.

The text is listed below or attached:

[]

Signature of Sponsoring Supervisor: *Mali Ch...*

For Clerk's Use Only:

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
Contractor Information (Please print clearly.)	
Name of contractor: Tenderloin Housing Clinic	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.	
Board: Chris Tiedemann, President, Dean Preston, Pam Coates, Randy Wilson, Otto Duffy, Ken Brophy	
Executive Director: Randy Shaw	
Chief Financial Officer: Wynne Tang	
Contractor address: 126 Hyde, San Francisco, CA 94102	
Date that contract was approved: (By the SF Board of Supervisors)	Amount of contract: \$2,975,000
Describe the nature of the contract that was approved: Purchase of land near 900 Innes Avenue, San Francisco	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

