

File No. 200083 Committee Item No. 1  
Board Item No. \_\_\_\_\_

**COMMITTEE/BOARD OF SUPERVISORS**  
AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date February 24, 2020

Board of Supervisors Meeting Date \_\_\_\_\_

**Cmte Board**

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- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
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- DRAFT Compensation Agrmt
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- DRAFT Quitclaim Deed
- DRAFT Assignment and Assumption Agrmt
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- RED Ltr 012720
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Completed by: Erica Major Date February 19, 2020  
Completed by: Erica Major Date \_\_\_\_\_

1 [Transfer of Redevelopment Agency Real Property Assets - Office of Community Investment  
2 and Infrastructure - Public Works, Mayor's Office of Housing and Community Development,  
3 and Recreation and Park Department]

4 **Resolution authorizing and approving the acceptance of certain real property assets**  
5 **from the Office of Community Investment and Infrastructure to the City and County of**  
6 **San Francisco; placing parcels under the jurisdiction of Public Works (Assessor's**  
7 **Parcel Block (Block) No. 5203, Lot Nos. 037 and 044; Block No. 4570, Lot Nos. 020, 021,**  
8 **and 028; and Block No. 3751, Lot Nos. 167 and 168); placing parcels under the Mayor's**  
9 **Office of Housing and Community Development (Block No. 5423A, Lot 009; and Block**  
10 **No. 3731, Lot Nos. 240 and 241); placing property commonly known as the Adam**  
11 **Rogers Park Addition under the jurisdiction of the Recreation and Park Department;**  
12 **finding the proposed transaction is in conformance with the General Plan, and the**  
13 **eight priority policies of Planning Code, Section 101.1; and adopting findings under the**  
14 **California Environmental Quality Act.**

15  
16 WHEREAS, The Successor Agency to the Redevelopment Agency of the City and  
17 County of San Francisco (commonly known as the Office of Community Investment and  
18 Infrastructure) (the "Successor Agency" or "OCII") is completing the enforceable obligations of  
19 the Redevelopment Agency of the City and County of San Francisco (the "Former Agency") in  
20 the Mission Bay North and Mission Bay South Projects, the Hunters Point  
21 Shipyard/Candlestick Point Project and the Transbay Transit Center Project (collectively, the  
22 "Major Approved Development Projects") under California Community Redevelopment Law,  
23 Cal. Health & Safety Code, Sections 33000 et seq., as amended by the Redevelopment  
24 Dissolution Law, Cal. Health & Safety Code, Section 34170 et seq. and under Ordinance  
25 No. 215-12 (Oct. 4, 2012); and

1           WHEREAS, Upon dissolution of the Former Agency, the Successor Agency prepared,  
2 in consultation with the City's Real Estate Division and other City Departments, a Long Range  
3 Property Management Plan ("PMP") providing for the disposition of certain Former Agency's  
4 real property and interests in real property ("Former Agency Real Property") as required under  
5 Cal. Health & Safety Code, Section 34191.5; and

6           WHEREAS, The Redevelopment Dissolution Law authorizes the donation, to a city and  
7 county, of real property that a former redevelopment agency constructed and used for a  
8 governmental purpose, such as roads, school buildings, parks, police and fire stations,  
9 libraries, parking facilities and local agency administrative buildings; and

10          WHEREAS, The Redevelopment Dissolution Law authorizes the transfer, to a city and  
11 county, of real property of a former redevelopment agency that would be used for future  
12 development purposes, provided that the city and county enters into a compensation  
13 agreement with other taxing entities whereby the taxing entities receive a proportionate share  
14 of any available funds received from final disposition of the property as described in Cal.  
15 Health & Safety Code, Section 34188 (a "Compensation Agreement"), a form of which is on  
16 file with the Clerk of the Board of Supervisors in File No. 200083; and

17          WHEREAS, The PMP is on file with the Clerk of the Board of Supervisors in File  
18 No. 200083 and identifies, among other things, the Former Agency Real Property that will be  
19 transferred to the City and County of San Francisco ("City") for governmental use and for  
20 future development, as authorized under Cal. Health & Safety Code, Section 34191.5 (c) (2);  
21 and

22          WHEREAS, The Former Agency Real Property that is subject to this Resolution is  
23 identified in the "List of Former Agency Real Property," which is on file with Clerk of the Board  
24 of Supervisors in File No. 200083 ("Future City Assets") and any additional future assets not  
25 listed will be brought back to the Board for consideration and approval; and

1           WHEREAS, On December 7, 2015, the California Department of Finance (“DOF”)  
2 approved the PMP, as adopted by Oversight Board Resolution No. 14-205 (Nov. 23, 2015),  
3 and the Former Agency Real Property, including the Future City Assets, was transferred,  
4 under Cal. Health & Safety Code, Section 34191.4 (a), to the Community Redevelopment  
5 Property Trust Fund, pending transfer to the City; and

6           WHEREAS, This Board desires to accept the conveyance of the Future City Assets  
7 (the “Conveyance”) pursuant to a quitclaim deed (the “Deed”) and an assignment of the  
8 Leases and the Assets, if necessary (the “Assignment”), each in substantially the forms filed  
9 with the Clerk of the Board of Supervisors in File No. 200083; and

10           WHEREAS, The Planning Department of the City (the “Planning Department”) found  
11 that the Conveyance is consistent with California Environmental Quality Act (“CEQA”) and is  
12 not defined as a project under CEQA Guidelines, Sections 15378 and 15060(c)(2), as defined  
13 by CEQA for the reasons set forth in the letters from the Planning Department dated  
14 September 13, 2019, September 19, 2019, and January 10, 2020 (collectively, the “Planning  
15 Letters”), which are on file with the Clerk of the Board of Supervisors in File No. 200083; and

16           WHEREAS, The Planning Department found that the Conveyance is consistent with  
17 the City’s General Plan and with the eight priority policies of Planning Code Section 101.1 for  
18 the reason for the reasons set forth in the Planning Letter; now, therefore, be it

19           RESOLVED, That the Board hereby finds that the Conveyance is consistent with the  
20 General Plan, and the eight priority policies of Planning Code, Section 101.1 for the same  
21 reasons set forth in the Planning Letter, and hereby incorporates such finding by reference as  
22 though fully set forth in this Resolution; and, be it

23           FURTHER RESOLVED, That the Board hereby finds that the Conveyance is consistent  
24 with CEQA and not defined as a project under CEQA for the reasons set forth in the Planning  
25 Letter; and, be it

1           FURTHER RESOLVED, That in accordance with the recommendations of the City's  
2 Director of Property, the Director of San Francisco Public Works ("SFPW"), the General  
3 Manager of San Francisco Recreation and Parks Department, and the Acting Director of the  
4 Mayor's Office of Housing and Community Development ("MOHCD"), the Board hereby  
5 approves and authorizes the Director of Property (or his or her designee), to accept said  
6 Deed(s) and Assignment(s) of Future City Assets on behalf of the City, and place under the  
7 jurisdictions of the City departments in accordance with the List of Former Agency Real  
8 Property and to execute any such other documents that are necessary or advisable to  
9 complete the transaction contemplated by the such Deed(s) and/or Assignment(s) and to  
10 effectuate the purpose and intent of this Resolution; and, be it

11           FURTHER RESOLVED, That the Board authorizes the Director of Property (or his or  
12 her designee), in consultation with the City Attorney, to enter into any additions, amendments  
13 or other modifications to the Deed(s) and Assignment(s) (including in each instance, without  
14 limitation, the attachment of exhibits and the Compensation Agreement) that the Director of  
15 Property and Director of SFPW, the Director of MOHCD, and the General Manager of the San  
16 Francisco Recreation and Parks Department, respectively and as applicable, determine are in  
17 the best interests of the City, do not decrease the revenues of the City in connection with the  
18 Future City Assets, or otherwise materially increase the obligations or liabilities of the City,  
19 and are in compliance with all applicable laws, including the Redevelopment Dissolution Law  
20 and the City's Charter; and, be it

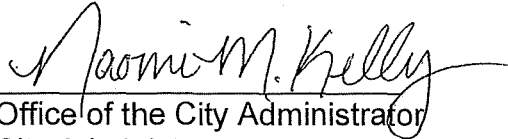
21           FURTHER RESOLVED, That the Board authorizes the Controller (or his or her  
22 designee) to enter into the form of Compensation Agreement, subject to modifications and  
23 amendments the Controller determines, in consultation with the City Attorney, are in the best  
24 interest of the City, do not materially increase the obligations or liabilities of the City, are  
25

1 necessary or advisable to effectuate the purposes of this Resolution, and are in compliance  
2 with all applicable laws, including City's Charter; and, be it

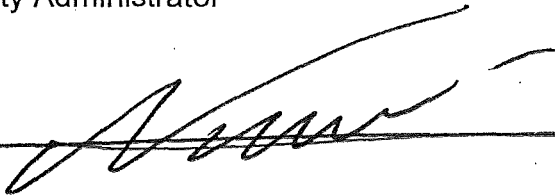
3 FURTHER RESOLVED, Any such actions are solely intended to further the purposes  
4 of this Resolution, and are subject in all respects to the terms of this Resolution, and such  
5 official shall consult with the City Attorney before execution of documents that include  
6 amendments from what was previously submitted to the Board, and thereafter provide to the  
7 Clerk of the Board the final document, as signed by all parties, together with a marked copy to  
8 show any changes, within 30 days of execution, for inclusion in the official file; and, be it

9 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and  
10 heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors.

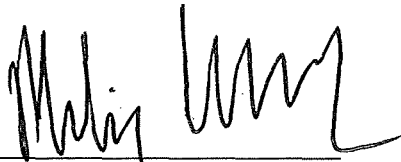
1  
2  
3 RECOMMENDED:

4  
5 

6 Office of the City Administrator  
7 City Administrator

8  
9 

10 San Francisco Public Works  
11 Director

12  
13 

14 San Francisco Recreation and Parks Department  
15 General Manager

16  
17 

18 Mayor's Office of Housing and Community Development  
19 Director

20  
21  
22 

23 Real Estate Division  
24 Director of Property 1/27/24

## TAXING ENTITY COMPENSATION AGREEMENT [FORM]

### IN CONNECTION WITH THE TRANSFER OF THE 345 WILLIAMS AVENUE PROPERTY FROM THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO ("SUCCESSOR AGENCY") TO THE CITY AND COUNTY OF SAN FRANCISCO ("CITY") FOR FUTURE REDEVELOPMENT ACTIVITY

This agreement, dated for reference purposes as of the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Agreement") is entered into by and among the City, the San Francisco Unified School District, San Francisco Community College District, Bay Area Air Quality Management District, and Bay Area Rapid Transit District to comply with state law related to the transfer of certain assets from the Successor Agency to the City. (For purposes of this Agreement, the above-referenced public entities other than the City are referred to as the "Taxing Entities" and the City and Taxing Entities together are referred to as the "Parties".)

#### RECITALS

A. On February 1, 2012, California law dissolved all redevelopment agencies, including the Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic, (the "Former Agency"), pursuant to California Health and Safety Code Sections 34170 et seq. (the "Redevelopment Dissolution Law"). By operation of law, the assets of the Former Agency were transferred to the Successor Agency, commonly known as the Office of Community Investment and Infrastructure ("OCII").

B. As a result of redevelopment dissolution, the Successor Agency assumed all of the remaining authority, rights, powers, duties, and obligations of the Former Agency and became the owner of all of the Former Agency's real property, including Assessor's Block 5423A, Lot 009, located at 345 Williams in the former Bayview Hunters Point Redevelopment Project Area and further described in Exhibit A, incorporated herein by reference (the "Property").

C. The Property is a 92,209-square-foot lot improved with a 29,000-square foot full-service supermarket. In 1990, the Former Agency purchased the Property with \$4,000,000 in federal Community Development Block Grant Program ("CDBG") funds, as defined by Title 24 in the Code of Federal Regulations, specifically for the development of a supermarket in order to provide Bayview residents access to a full-service grocery store.

D. In 1991, the Former Agency entered into a lease (the "Lease") with Cala Foods, Inc. ("Cala Foods" or the "Lessee") for improvements to the existing building and premises and operation of a full-service supermarket on the Property. Under the Lease, Cala Foods has the exclusive right to use the Property only for the operation of a supermarket through the lease term of October 2031, inclusive of all Lessee options.



E. The United States Department of Housing and Urban Development (“HUD”) requires that all proceeds from the sale or lease of CDBG funded properties shall be treated as “CDBG Program Income,” under the Community Development Block Grant Program as defined by Title 24 in the Code of Federal Regulations Section 570.500 (“CDBG Program Income”).

F. In 2014, HUD conducted a project-specific monitoring review that included the Property. The purpose of the review was to “ensure that binding and enforceable obligations and conditions placed on these projects as result of HUD funding—have been and/or are currently being adhered to in compliance with applicable Community Development Block Grant (CDBG) Program requirements.” Letter, Maria Cremer, Director, Community Planning and Development Division, to Olson Lee, Director, Mayor’s Office of Housing and Community Development, at 1 (Sep. 26, 2014). HUD concluded that OCII had collected, tracked and expended the Property’s lease revenues in compliance with CDBG program requirements and stated further that the PMP must ensure that the future use of the Property “compl[ies] with CDBG program income requirements.” *Id.* at 3.

G. Redevelopment Dissolution Law requires successor agencies to former redevelopment agencies to dispose of the former agencies’ property assets under a Long-Range Property Management Plan (“PMP”). The PMP must address the use or disposition of each property and is subject to approval by the California Department of Finance (“DOF”) and oversight board. Redevelopment Dissolution Law provides only four types of transfer or uses: retention by an appropriate public entity of property for governmental use (as that term is defined in 34181 (a) (1)), retention by a city or county of property for future development, sale of the property, or use of the property, to fulfill an enforceable obligation. California Health and Safety Code Section 34191.5(c)(2).

H. On November 23, 2015, the Oversight Board to the Successor Agency of the City and County of San Francisco (“Oversight Board”) approved, by Resolution No. 14-2015 (attached as Exhibit B), the Successor Agency’s PMP. The PMP identified the Property as a Successor Agency asset to be transferred to the City for retention for future development. Transfer to the City would ensure that the CDBG program income requirements would continue to apply to any lease or sale revenues generated by the Property and that the City could continue to pursue the objective of providing a full-service supermarket to the Bayview Hunters Point community.

I. Under Section 34191.5(c)(2)(A)(iii) of the California Health and Safety Code, the retention of a successor agency asset for future development requires a compensation agreement between a city (or county) and other taxing entities, consistent with Section 34180(f). Given that any proceeds received by the City for the lease or sale of the Property are restricted CDBG program income, the PMP identified the Property’s value as the “covenants and conditions on the Site restricting its use and any future disposition to purposes consistent with the CDBG program and with the original economic

and community development objectives for the Site, namely the development of a full-service supermarket in an underserved neighborhood.” Tab 5 B (Other Properties: Land Leased to Kroger’s Grocery Store – 345 Williams) to OCII Long-Range Property Management Plan, attached as Exhibit C.

J. On December 7, 2015, the California Department of Finance (“DOF”) approved the Oversight Board’s resolution approving the PMP, which provides for the transfer of the Property from the Successor Agency to the City for retention for future development, pursuant to California Health and Safety Code Section 34191.5(c)(2). Letter, Justyn Howard to Sally Oerth (Dec. 7, 2015), attached as Exhibit D. In its approval letter, DOF noted that the PMP “recommends no payments of money under the compensation agreements as certain properties possess covenants and conditions that represent significant value. Finance neither approves nor denies the Agency’s recommended compensation agreements, as compensation agreements are negotiations between the City and County and the other affected taxing entities, not the Agency. As such, Finance has no authority to approve compensation agreements, but rather approves the LRPMP’s stated intent that a compensation agreement will be executed.” Id. at 1.

K. The Parties desire to enter into this Agreement to comply with the terms of the PMP for the execution of an appropriate compensation agreement in accordance with California Health and Safety Code Section 34191.5.

NOW THEREFORE, the Parties agree as follows:

1. Purpose. This Agreement is executed with reference to the facts set forth in the foregoing Recitals, which are incorporated into this Agreement by this reference.
2. Restrictions on Use of Property Lease or Sales Proceeds. The City shall covenant and agree for itself, and its successors and assigns to or of the Property, that the City is subject to the restrictions on the use of any proceeds received from the sale or lease of the Property, which proceeds shall be treated as CDBG Program Income as defined by Title 24 in the Code of Federal Regulations Sections 570.500. The restrictions and covenants shall be set forth in the quitclaim deed transferring the Property from the Successor Agency to the City.
3. Compensation. Under this Agreement, the City will not pay any monetary compensation to the Taxing Entities. The compensation consists of covenants and conditions on the Property restricting its use and any future disposition to purposes consistent with the original economic and community development objectives for the Property, namely the development of a full-service supermarket in the Bayview. These conditions and covenants constitute a significant value in lieu of the payment of money.

4. No Third Party Beneficiaries. The Parties intend that the rights, obligations and covenants in this Agreement shall be exclusively enforceable by the Parties. There are no third party beneficiaries to this Agreement.

5. Notices. All notices, statements, or other communications made pursuant to this Agreement to another Party or Parties shall be in writing, and shall be sufficiently given and served upon the Party if sent by (1) United States certified mail, return receipt requested, postage pre-paid, or (2) nationally recognized overnight courier, with charges prepaid or charged to sender's account, and addressed to the applicable Party in the manner specified in the attached Exhibit E.

6. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all of any part of the subject matter hereof.

7. Waivers and Amendments. All waivers of the provisions of this Agreement shall be in writing and executed by the appropriate authorities of the Parties, and any amendment, modification, or termination hereto shall be in writing and effective only upon written agreement of all of the Parties.

8. Amendment. This Agreement may be modified only in writing and only if signed by the Taxing Entities and the City at the time of the modification.

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

10. Counterparts. This Agreement may be executed in one or more counterparts, each of which so executed shall be deemed an original, regardless of its date and/or delivery, and said counterparts, taken together, shall constitute one and the same Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

**PARTIES TO THE AGREEMENT**

THE CITY AND COUNTY OF SAN FRANCISCO

By: \_\_\_\_\_

Approved as to Form:

Dennis J. Herrera, City Attorney

By: \_\_\_\_\_

###, Deputy City Attorney

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

\_\_\_\_\_

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT

\_\_\_\_\_

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

\_\_\_\_\_

BAY AREA RAPID TRANSIT DISTRICT

\_\_\_\_\_

**Exhibit A**  
**Property Legal Description**

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

**Parcel One:**

Beginning at the point of intersection of the Southeasterly line of Phelps Street with the Southerly line of Williams Avenue (85 feet wide); thence from said point of beginning along said Southerly line of Williams Avenue South 79 degrees 40' 51" East 656.85 feet to the present Northwesterly line of Newhall Street; thence along said Northwesterly line of Newhall Street South 35 degrees 35' 09" West 252.68 feet to the Northeasterly line of lands conveyed to Southern Pacific Co., a Corporation, by Deed from Pacific Can Co., a Corporation, dated March 3, 1928 and recorded March 20, 1928, in Book 1621 of the Official Records of the City and County of San Francisco, at Page 353; thence along last said Northeasterly line North 75 degrees 51' 57" West 590.62 feet to the Westerly line of the land conveyed by Special Superior Court Case No. 39647, Entitled: "M. H. Cameron vs. all persons"; thence North 15 degrees 29' 38" East 12.84 feet; thence North 54 degrees 25' 21" West 39.87 feet to said Southeasterly line of Phelps Street; thence along said line of Phelps Street North 35 degrees 34' 39" East 176.26 feet to the point of beginning.

Excepting Therefrom:

That portion thereof described in the Deed executed by Williams Street Properties, a California General Partnership to the City and County of San Francisco, recorded May 24, 1989, in Book E877, Page 682 of the Official Records of the City and County of San Francisco, described as follows:

Beginning at the point of intersection of the Southerly line of Williams Avenue and the Northwesterly line of Newhall Street; thence Southwesterly along said Northwesterly line of Newhall Street 252.68 feet to the Northeasterly line of the land conveyed to Southern Pacific Co., a Corporation, by Deed from Pacific Can Co., a Corporation dated March 3, 1928, and recorded March 20, 1928, at Page 353 in Book 1621 of the Official Records of the City and County of San Francisco; thence Westerly along last said Northeasterly line 135.80 feet; thence deflecting as 85 degrees 49 minutes 11 seconds to the right from the preceding course 219.51 feet to the Southerly line of Williams Avenue; thence Easterly along said Southerly line of Williams Avenue 244.76 feet to the point of beginning.

Being a portion of Lot 1 in Assessor's Block No. 5423A

**Parcel Two:**

A nonexclusive easement to maintain in place a pedestrian walkway and water pipelines as set forth in Grant of Easement executed by City and County of San Francisco, a municipal corporation to Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic, recorded August 14, 1992, Instrument No. F171580, Reel F692, Image 387 of the Official Records of the City and County of San Francisco, over the following described property:

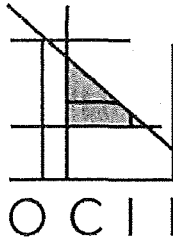
Beginning at the Northwesterly corner of that certain parcel of land conveyed by Williams Street Properties to the City and County of San Francisco by deed recorded May 24, 1989, in Reel E877, Image 682 of the Official Records of the City and County of San Francisco; thence Southerly along the Westerly line of said parcel, 31.40 feet; thence at a right angle Easterly 5 feet; thence at a right angle Northerly 31.40 feet to the Southerly line of Williams Avenue; thence Westerly along said Southerly line of Williams Avenue, 5 feet to the point of beginning.

**Parcel Three:**

A nonexclusive easement to maintain in place the building foundation and pedestrian walkway as set forth in Grant of Easement executed by City and County of San Francisco, a municipal corporation to Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic, recorded August 14, 1992, Instrument No. F171580, Reel F692, Image 387 of the Official Records of the City and County of San Francisco, over the following described property:

Commencing at the Northwesterly corner of that certain parcel of land conveyed by Williams Street Properties to the City and County of San Francisco by deed recorded May 24, 1989, in Reel E877, Image 682, Official Records of the City and County of San Francisco; thence Southerly along the Westerly line of said parcel 31.40 feet to the true point of beginning; thence Southerly along the Westerly line of said parcel 122.90 feet; thence at a right angle Easterly 3 feet; thence at a right angle Northerly 122.90 feet; thence at a right angle Westerly 3 feet, more or less, to the true point of beginning.

**APN: Lot 009, Block 5423A**



*office of*  
COMMUNITY INVESTMENT  
*and* INFRASTRUCTURE

# Long-Range Property Management Plan

Prepared by:

Office of Community Investment and Infrastructure,  
as Successor Agency to the Redevelopment Agency of the City and County of San  
Francisco

Approved by:

Oversight Board of the Successor Agency to the Redevelopment Agency of the City  
and County of San Francisco  
November 23, 2015

California Department of Finance  
December 7, 2015

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  - H: Affordable Housing – 5800 Third Street
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APPROVED LONG-RANGE PROPERTY MANAGEMENT PLAN  
MAJOR APPROVED DEVELOPMENT PROJECT  
TRANSBAY

**EXECUTIVE SUMMARY**

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) submits its Long-Range Property Management Plan (“PMP”) for the disposition of real property (the “Transbay Property” or the “Development Parcels”) in the Transbay Redevelopment Project Area (the “Project Area” or “Transbay”). Transbay will be the most transit-rich neighborhood on the West Coast and one of the most transit-oriented neighborhoods in the United States, with more than 3,100 new housing units and nearly 2.6 million square feet of new commercial space developed on publicly owned land surrounding the new, state-of-the-art, Transbay Transit Center (“TTC”) being developed by the Transbay Joint Powers Authority (“TJPA”). The disposition of the Transbay Property is required under enforceable obligations, as defined in Section 34171 (d) (1) of the California Health and Safety Code<sup>1</sup> and in a Final and Conclusive Determination by the Department of Finance (“DOF”) under Section 34177.5 (i).<sup>2</sup> DOF has already determined that “any sale, transfer, or conveyance of property related to this project, and as outlined in the project documents, is authorized.”<sup>3</sup>

The Development Parcels are comprised of Market-Rate Parcels (to be developed with private, market-rate residential/commercial uses), Affordable Housing Parcels (to be developed with affordable housing) and Park Parcels (to be developed as public parks). The Successor Agency currently owns five of these Development Parcels and will acquire several more over the next few years, pursuant to the Transbay Enforceable Obligations which are defined and discussed in greater detail below.

Under the Transbay Enforceable Obligations, the Successor Agency has purchased and/or is authorized to purchase these Development Parcels, and own them until they are either: (i) sold for private development, (ii) developed as affordable housing, or (iii) developed as public parks. Therefore, the Successor Agency proposes the following disposition plan pursuant to Redevelopment Dissolution Law for the Transbay Property:

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<sup>1</sup> All future statutory references are to the California Health and Safety Code unless otherwise noted.

<sup>2</sup> Letter, S. Szalay, DOF, Local Government Consultant, to Tiffany Bohee, Successor Agency, Executive Director (April 15, 2012), *available at* [http://www.dof.ca.gov/redevelopment/final\\_and\\_conclusive/Final\\_and\\_Conclusive\\_Letters/documents/San\\_Francisco\\_F&C\\_EO\\_Items\\_102\\_105\\_&\\_237.pdf](http://www.dof.ca.gov/redevelopment/final_and_conclusive/Final_and_Conclusive_Letters/documents/San_Francisco_F&C_EO_Items_102_105_&_237.pdf)

<sup>3</sup> Email, Justyn Howard, DOF, Assist. Program Budget Manager, to Tiffany Bohee, Successor Agency, Executive Director (Sep. 10, 2013, 09:17 a.m.) (See Attachment C.)

- ***Market-Rate Parcels***

- Future Ownership (a portion of Block 4) – Acquire and sell at market value to third-party developers pursuant to the Transbay Implementation Agreement. The estimated acquisition date is 2016 and the estimated sales date is 2018.
- Future Ownership (a portion of Block 8) – See the Affordable Housing Parcels section below for the Block 8 market-rate project description.
- Sales proceeds – The sales proceeds for market-rate housing projects are restricted under the Transbay Pledge Agreement and must be used to help pay the cost of designing and constructing the new TTC (pursuant to the Transbay Pledge Agreement, the Transbay Implementation Agreement, and the Transbay Option Agreement). (Recognized Obligation Payment Schedule (“ROPS”) Line No. 102.)

- ***Affordable Housing Parcels***

- Current Ownership (Block 11A) – The Successor Agency plans to transfer this completed, fully occupied affordable housing project to the City and County of San Francisco (the “City”) as Housing Successor Agency pursuant to Redevelopment Dissolution Law in early 2016, upon completion of the permanent financing conversion.
- Current Ownership (a portion of Block 1) – The Successor Agency proposes to sell its portion of Block 1 (acquired in 2003 with tax increment moneys for the purpose of developing affordable housing) for fair market value to the owner of the other four parcels on the block, who will assemble all the parcels and master develop the block to include (1) a residential tower (with both market rate units and inclusionary/developer funded affordable units), and (2) a 100% affordable project in a separate podium building. Fair market value may consist of restrictions and covenants on the block requiring the development of up to 40% of the total number of units in the project as affordable housing. However, in the event that there are actual sales proceeds from the transfer of the Block 1, the Successor Agency will use the funds to subsidize the on-site development of the 100% affordable project as indicated on the Successor Agency’s ROPS Line No. 392. The estimated sales date is 2016.
- Current Ownership (Block 6) – In May 2014, pursuant to the Block 6 Disposition and Development Agreement (“Block 6 DDA”), the Block 6 developer conveyed this airspace parcel to the Successor Agency for development of 70 affordable units above a portion of a podium and garage to be shared with the market-rate development on Block 6 and a second affordable housing project on Block 7. See Attachment D, Transbay Blocks 6 and 7 Development Program Map, which shows the location of the affordable housing and market-rate developments on Blocks 6 and 7. The Successor Agency plans to transfer this completed, fully occupied affordable housing project on Block 6 to the City as Housing Successor Agency pursuant to Redevelopment Dissolution Law, upon completion of the permanent financing conversion in 2016.

- Current Ownership (Block 7) – In October 2013, the Successor Agency acquired Block 7 (from the TJPA pursuant to the Transbay Enforceable Obligations) for development of a 100% affordable housing project sharing a garage with the development on Block 6 (see Attachment D). The Successor Agency will continue to own the Block 7 land until the project is completed by its affordable housing developer, and then transfer it to the City as Housing Successor Agency pursuant to Redevelopment Dissolution Law. The estimated transfer date is 2018.
  - Future Ownership (Block 2, a portion of Block 4, and Block 12) – Acquire and retain to fulfill Transbay Enforceable Obligations (i.e., to ensure these parcels are developed into affordable housing to meet the state-mandated 35% affordable housing requirement in Transbay). Once the affordable housing is complete, the Successor Agency will transfer it to the City as Housing Successor Agency pursuant to Redevelopment Dissolution Law. The estimated acquisition and transfer dates are between 2016 and 2020.
  - Future Ownership (a portion of Block 8) – Pursuant to the Block 8 Disposition and Development Agreement (“Block 8 DDA”), the City will convey this property to the Successor Agency, and in the same escrow transaction, the Successor Agency will immediately convey the property to the Block 8 developer. Escrow is expected to close in late 2015 or early 2016. The Block 8 developer is responsible for building mixed-income residential project consisting of approximately 400 market-rate units, 70 affordable inclusionary units, and 80 Successor Agency-subsidized affordable units (the “Affordable Housing Project”). The Block 8 developer will convey an airspace parcel for the Affordable Housing Project back to the Successor Agency (in 2016), the Successor Agency will then lease the airspace parcel to an affiliate of the Block 8 developer (pursuant to the Block 8 DDA), and the affiliate will then construct the Affordable Housing Project in collaboration with the Block 8 developer. After completion of the Affordable Housing Project, the Successor Agency will transfer the project to the City as Housing Successor Agency pursuant to Redevelopment Dissolution Law. The estimated transfer date is 2018.
- ***Park Parcels***
    - Current Ownership (Block 11B) – Retain to fulfill an enforceable obligation (i.e., ensure Block 11B is developed into a park). Once the park is complete, the Successor Agency will transfer it to the City for a governmental purpose (i.e., a public park). The estimated transfer date is 2019.
    - Future Ownership (Block 3) – Acquire and retain to fulfill an enforceable obligation (i.e., ensure Block 3 is developed into a park). Once the park is complete, the Successor Agency will transfer it to the City for a governmental purpose (i.e., a public park). The estimated acquisition date is 2018 and the estimated transfer date is 2019.

## BACKGROUND

In 2005, the City adopted the Transbay Redevelopment Project Area, which consists of 40 acres in the City's financial district, including the new TTC and 10 acres of publicly owned property, most of which was formerly owned by the State of California (the "State"). Most of the formerly State-owned parcels are part of the former Embarcadero Freeway, which was demolished after the 1989 Loma Prieta Earthquake. The Redevelopment Plan for the Project Area (the "Redevelopment Plan") designates most of the formerly State-owned parcels as part of Zone 1, where the Successor Agency has final land use authority over projects.

The Redevelopment Plan has three primary goals, all of which are covered by the Transbay Enforceable Obligations discussed later in this document:

1. Funding (from sales proceeds, tax increment, and other sources) the construction of the new, multi-modal TTC on the site of the former terminal and construct a rail extension from the current Caltrain station at Fourth and King Streets to the new TTC (the "Downtown Extension"). The TJPA is responsible for planning, constructing and eventually operating the new TTC.
2. Developing a new, transit-oriented neighborhood on approximately 10 acres of publicly owned property, most of which was formerly owned by the State, including more than 3,100 new residential units and 2.6 million square feet of new commercial space as well as new parks, plazas, streetscapes, and related improvements.
3. Providing that 35 percent (or approximately 1,200 units) of the new residential units constructed in the Project Area are affordable to low- and moderate-income households by requiring market rate development to include affordable units and providing tax increment financing for Successor Agency-subsidized units.

The Redevelopment Plan authorizes the transformation of the Project Area into a new, mixed-use neighborhood surrounding a state-of-the-art, multi-modal transit station. The TJPA is responsible for constructing, owning and operating the new TTC, which is currently under construction and scheduled to be completed in 2017. The TTC will be a modern transit hub accommodating regional bus, light rail, and future high-speed rail service throughout the Bay Area and California.

In 2003, in anticipation of this plan, the TJPA, the City, and the State Department of Transportation ("Caltrans") executed the 2003 Cooperative Agreement, which required Caltrans to transfer 24 parcels to the City and the TJPA for the construction of the TTC and future neighborhood development (the "Transbay Cooperative Agreement"). The Transbay Cooperative Agreement further required that all land sale proceeds from the sale of the State-owned parcels and all net tax increment generated by their development must be used for the construction of the new TTC, including its access ramps.

Under the enforceable obligations described below, the Successor Agency is responsible for facilitating development on publicly owned parcels within the Project Area and also for planning

and constructing a wide range of infrastructure improvements in the Project Area, including new public parks, new pedestrian-oriented alleys, and widened sidewalks. The infrastructure improvements are detailed in the 2006 Transbay Redevelopment Project Area Streetscape and Open Space Plan (the “Streetscape and Open Space Plan”).

### **Summary of Enforceable Obligations**

Under the Transbay Enforceable Obligations, the Successor Agency has purchased or is authorized to purchase the Development Parcels and own them until they are either: (i) sold for private development, (ii) developed as affordable housing, or (iii) developed as public parks. These Transbay Enforceable Obligations are:

#### **Enforceable Obligations to Acquire Property**

- The Transbay Redevelopment Project Implementation Agreement dated January 20, 2005, between the Successor Agency and the TJPA (the “Transbay Implementation Agreement”).

#### **Enforceable Obligations to Retain Property for Development**

- The Transbay Implementation Agreement; and
- California State Assembly Bill 812, passed July 22, 2003 and codified in California Public Resources Code Section 5027.1, which imposes a 35% affordable housing requirement in the Transbay Redevelopment Project Area (“Assembly Bill 812”); and
- The Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement dated January 31, 2008, between the Successor Agency, the TJPA and the City (the “Transbay Pledge Agreement”).

Each of these Enforceable Obligations is discussed in greater detail below.

***The Transbay Implementation Agreement.*** The Transbay Implementation Agreement is an enforceable obligation under Redevelopment Dissolution Law. Parcels that the Successor Agency does not own now, but may own in the future, are defined as “Agency Transfer Parcels” in the Transbay Implementation Agreement and in the 2008 Option Agreement for the Purchase and Sale of Real Property between the Successor Agency, the City, and the TJPA (the “Transbay Option Agreement”). The Agency Transfer Parcels include all of the Development Parcels, except for Block 1, two lots on Block 2 (Block 3739, Lots 004 and 007), and two lots on Block 3 (Block 3739, Lots 002 and 006).

The Transbay Implementation Agreement requires that the Successor Agency “prepare and sell the Agency Transfer Parcels to third parties.” (See Implementation Agreement, Section 2.1 (a) at page 4.) This requirement is also contained in the Option Agreement, which grants the Successor Agency “the exclusive and irrevocable option to purchase the Agency Transfer Parcels.” (See Option Agreement, Section 2.1 at page 4.) The Option Agreement provides the means by which the Successor Agency can fulfill its obligations under the Implementation Agreement to prepare and sell the Agency Transfer Parcels. In addition, the Implementation

Agreement obligates the Successor Agency to fund and develop major infrastructure improvements and affordable housing.

Also, with respect to parks, the Implementation Agreement requires the Successor Agency to execute all activities related to the implementation of the Transbay Redevelopment Plan, including “activities related to major infrastructure improvements, including new public parks, new pedestrian-oriented alleys ...” (See Implementation Agreement, Section 2.1(d)). These park-related infrastructure activities are further defined in the Transbay Streetscape and Open Space Concept Plan. Construction of new public parks is necessary to maximize the value of the State-owned parcels and thus generate funding for the construction of the TTC, as required under the Pledge Agreement (discussed below).

The Transbay Implementation Agreement and the Transbay Option Agreement are in furtherance of the Transbay Pledge Agreement and the Transbay Cooperative Agreement.

On April 15, 2013, DOF determined “finally and conclusively” that the Transbay Implementation Agreement is an enforceable obligation that will not require additional DOF review in the future, although expenditures under the Transbay Implementation Agreement are subject to continuing DOF review. The California State Legislature reaffirmed this determination through the adoption of Senate Bill No. 107, chaptered on September 22, 2015 (Section 27(a)(5)).

**Assembly Bill 812.** Assembly Bill 812 is an obligation imposed by state law and is thus an enforceable obligation under Redevelopment Dissolution Law. (See Section 34171(d) (1) (C).) It imposes a 35% affordable housing requirement in the Project Area. To meet this requirement, the Successor Agency must ensure that the maximum number of affordable units be developed on the Development Parcels (identified as “Agency Transfer Parcels” in the Transbay Implementation Agreement) and on Block 1. Prior to dissolution, the former redevelopment agency acquired, with Low- and Moderate-Income Housing Funds, a portion of Block 1, which includes the Successor Agency’s parcel and three adjacent privately-owned parcels. The Transbay Redevelopment Project Area Development Controls and Design Guidelines (the “DCDG”) require that the Successor Agency’s portion of Block 1, also known as the “Spear Street Parcel,” be aggregated with the adjacent private parcels before Block 1 can be developed.

Development of Block 1 with a significant amount of affordable housing is needed to fulfill the affordable housing requirements of Assembly Bill 812, which the Successor Agency estimates as requiring approximately 1,200 below-market-rate units.

On April 15, 2013, DOF determined “finally and conclusively” that Assembly Bill 812 is an enforceable obligation that will not require additional DOF review in the future, although expenditures under Assembly Bill 812 are subject to continuing DOF review.

**The Transbay Pledge Agreement.** This agreement, another enforceable obligation under Redevelopment Dissolution Law, pledges all of the sales proceeds and all of the net tax increment from the formerly State-owned parcels to fund the TTC. The Transbay Pledge Agreement arose from the Transbay Cooperative Agreement.

On April 15, 2013, DOF determined “finally and conclusively” that the Transbay Pledge Agreement is an enforceable obligation that will not require additional DOF review in the future, although expenditures under the agreement are subject to continuing DOF review.

The Transbay Pledge Agreement, the Transbay Implementation Agreement, and the Transbay Option Agreement all require that the Successor Agency deposit the gross sales proceeds from the sale of the Agency Transfer Parcels into a separate account, which shall be used by the TJPA to help pay the cost of designing and constructing the new TTC.

## **LONG-RANGE PROPERTY MANAGEMENT PLAN**

The Successor Agency currently owns five Development Parcels in Transbay: four Affordable Housing Parcels (a portion of Block 1, Block 6, Block 7, and Block 11A), and one Park Parcel (Block 11B). The Successor Agency will own several more Development Parcels in Transbay in the future: two Market-Rate Parcels (a portion of Block 4 and a portion of Block 8), four Affordable Housing Parcels (Block 2, a portion of Block 4, a portion of Block 8, and Block 12), and one Park Parcel (Block Three). These properties are also listed on Attachment A (DOF Tracking Sheet for Transbay) and identified on Attachment B (Map of Transbay Development Parcels).

### **Date of Acquisition**

See Attachment A for acquisition dates for the Market-Rate Parcels, the Affordable Housing Parcels, and the Park Parcels.

### **Value of Transbay Property at Time of Acquisition**

See Attachment A for acquisition values for the Market-Rate Parcels, the Affordable Housing Parcels, and the Park Parcels.

### **Estimate of the Current Value**

See Attachment A for estimated current values for the Market-Rate Parcels. With the possible exception of Block 1, the Affordable Housing Parcels have no monetary value under Redevelopment Dissolution Law due to long-term affordability restrictions and covenants requiring the development of permanently affordable housing on these sites and their future transfer to the City as Housing Successor Agency. The Park Parcels, except for Block 11B, are zoned as public open space, and therefore have no value. Block 11B is too small to be financially feasible as a private development and instead will be developed as a public park, increasing the open space already planned and zoned immediately to the south.

The sources for the values of the Market-Rate Parcels, excluding Block 8, is The Concord Group, a real estate consulting firm, which performed a pro-forma and comparables analysis for all of the formerly State-owned parcels that will be developed with market-rate housing and/or commercial space.

The value of Block 1 (not a formerly State-owned parcel) is based on a 2014 appraisal from Carneghi-Blum & Partners, Inc. However, when the property is sold, fair market value may consist of restrictions and covenants on the block requiring the development of up to 40% of the total number of units in the project as affordable housing.

The value of Block 8 Market-Rate Parcel is based on the purchase price set forth in the Block 8 DDA.

### **Purpose for which the Transbay Property was Acquired**

The Transbay Property – including the Market-Rate Parcels, the Affordable Housing Parcels, and the Park Parcels – was acquired, or will be acquired, for the purpose of developing a new, transit-oriented neighborhood surrounding the new TTC, to generate revenue to help construct the new TTC and fulfill the affordable housing enforceable obligation. Through an extensive community process, the former redevelopment agency created the zoning for the new neighborhood, which will be the densest neighborhood in San Francisco at more than 350 residential units per acre. Along with this density, however, the zoning designates certain parcels as open space for the new neighborhood, as described in the Redevelopment Plan and the Streetscape and Open Space Plan.

In addition, Block 1 was acquired from the City in 2003 using affordable housing funds for the purpose of developing affordable housing. The market-rate sale of this property will help fund the affordable housing on Block 1, which is required to meet the Successor Agency's affordable housing obligations in the Project Area.

### **Address/Location**

See Attachment A for the specific addresses for the Market-Rate Parcels, the Affordable Housing Parcels, and the Park Parcels.

These properties are mostly located along Folsom Street, and between Main and Beale Streets north of Folsom Street and south of Mission Street. These areas were formerly occupied by a portion of the Embarcadero Freeway, which was demolished after the 1989 Loma Prieta Earthquake, thus clearing the way for the State, the City and the TJPA to negotiate an agreement to transfer the parcels for the purpose of developing a new neighborhood and generating revenue to help construct the new TTC.

Other parcels, including portions of Blocks 2 and 4, were formerly occupied by the bus ramps to the former terminal before it was demolished. The new TTC will have fewer, more narrow ramps connecting it to Interstate 80, thus freeing up these parcels for development.

### **Lot Size**

See Attachment A for the lot sizes for the Market-Rate Parcels, the Affordable Housing Parcels, and the Park Parcels.



## **Current Zoning**

All of the Development Parcels are located within Zone 1 of the Project Area, as shown on the map in Attachment B. The Market-Rate Parcels and the Affordable Housing Parcels are zoned as “Transbay Downtown Residential” in the Redevelopment Plan and the DCDG. Transbay Downtown Residential is a mixed-use, high-density residential district that also provides convenience goods and services to the immediately surrounding neighborhoods, as well as comparison shopping goods for a wider market. There is no maximum residential density for living units. Permitted uses per the Redevelopment Plan include residential (3,100 dwelling units), retail businesses and personal services, arts activities and spaces, office and hotel uses, and other ancillary and supporting uses. Tower heights range from 250 to 550 feet.

Block 3, a Park Parcel, is zoned as “Public Open Space” in the Redevelopment Plan and the DCDG. It will be developed as a large neighborhood park and will be surrounded by private development in the future. It will function as a traditional city park.

Block 11B, the other Park Parcel, is zoned “Transbay Downtown Residential.” Block 11B, which the Successor Agency owns now, is too small to be financially feasible as a private development. Instead, Block 11B will be developed as a public park, increasing the open space already planned and zoned immediately to the south.

## **Estimate of the Current Value (Including Appraisal Information)**

See Attachment A for estimated current values for the Market-Rate Parcels. With the possible exception of Block 1, the Affordable Housing Parcels have no monetary value under Redevelopment Dissolution Law due to long-term affordability restrictions and covenants requiring the development of permanently affordable housing on these sites and future transfer to the City as Housing Successor Agency. The Park Parcels, except for Block 11B, are zoned as public open space, and therefore have no value. Block 11B is too small to be financially feasible as a private development and instead will be developed as a public park, increasing the open space already planned and zoned immediately to the south.

The source for the values of the Market-Rate Parcels, excluding Block 8, is The Concord Group, a real estate consulting firm, which performed a pro-forma and comparables analysis for all of the formerly State-owned parcels that will be developed with market-rate housing and/or commercial space.

The value of Block 1 (not a formerly State-owned parcel) is based on a 2014 appraisal from Carneghi-Blum & Partners, Inc. However, when the property is sold, fair market value may consist of restrictions and covenants on the block requiring the development of up to 40% of the total number of units in the project as affordable housing.

The value of Block 8 Market-Rate Parcel is based on the purchase price set forth in the Block 8 DDA.

## **Estimate of Revenues Generated (Including Contractual Requirements for Use of Funds)**

None of the Development Parcels has generated or will generate any revenues, except for the portion of Block 1 that the Successor Agency currently owns. When the former redevelopment agency acquired a portion of Block 1 in October 2003, it was assigned a long-standing lease with a parking operator for \$28,000 per month to operate a surface parking lot. The lease revenue received by the former redevelopment agency was deposited into an account for low- and moderate-income housing, since Block 1 was purchased with these same funds. The lease is month-to-month and requires a 90-day notice of termination. Upon dissolution, these revenues have been retained by the Successor Agency and are being used to fund Transbay affordable housing obligations under the Transbay Implementation Agreement. The Successor Agency expects to sell Block 1 at its market value to an adjacent property owner, pursuant to the Redevelopment Plan and the DCDG. This sale is expected to occur in 2016, at which time, the lease with the parking operator will be terminated.

## **History of Environmental Contamination, Studies, Remediation Efforts**

A general survey of environmental conditions was conducted as part of the 2004 Environmental Impact Statement/Environmental Impact Report for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project (the "EIS/EIR"). The EIS/EIR states: "The proposed project would involve construction within an urbanized area, where hazardous materials/hazardous wastes would be a concern due to past land uses and undocumented releases to the subsurface environment." However, there is no known environmental contamination or hazardous waste on the Development Parcels, and therefore there have not been any remediation efforts to date.

## **Potential for Transit-Oriented Development; Advancement of Planning Objectives**

The Project Area will be the most transit-rich neighborhood on the West Coast and one of the most transit-oriented neighborhoods in the United States, with more than 3,100 new housing units and nearly 3.0 million square feet of new commercial space developed on publicly owned land surrounding the new, state-of-the-art, TTC. The new TTC will be built on the site of the former transit terminal and will serve 11 transportation systems: AC Transit, BART, Caltrain, Golden Gate Transit, Greyhound, Muni, SamTrans, WestCAT Lynx, Amtrak, Paratransit and future high-speed rail from San Francisco to Los Angeles/Anaheim. The first phase of the project will create the new TTC with one above-grade bus level, a concourse, and two below-grade rail levels for Caltrain and future high-speed rail. The first phase will also create new bus ramps that will connect the TTC to a new off-site bus storage facility and the San Francisco-Oakland Bay Bridge. The first phase is currently under construction and more than \$700 million has been spent by the TJPA to date. The second phase of the TTC consists of the improvements necessary to extend the existing Caltrain rail line that terminates at Fourth and King Streets to the new rail station at the TTC. The current cost estimate for the second phase is \$2.5 billion.

The new neighborhood surrounding the TTC will be the densest neighborhood in San Francisco, with more than 350 residential units per acre and towers ranging from 300 to more than 1,000 feet in height. The Transbay Enforceable Obligations require this development not only to generate land sales and tax increment funding for the TTC, but also to provide funding for

affordable housing and the construction of a wide range of public improvements to improve the area for pedestrians and bicyclists. The Streetscape and Open Space Plan includes new public parks, new pedestrian-oriented alleys, and widened sidewalks, as well as new and widened bike lanes along all the major streets. The Transbay Enforceable Obligations require improvements to pedestrian and bicycle safety in the Project Area by widening sidewalks and bike lanes, narrowing streets to slow down traffic, and adding new pedestrian-oriented alleyways lined with residential townhouses. Furthermore, the development of all of the Affordable Housing Parcels fulfills the planning objectives contained in the Transbay Redevelopment Plan, the City's General Plan and the Housing Element, all of which identify a need for permanently affordable housing.

### **History of Previous Development and Leasing Proposals**

The following briefly summarizes the history of previous development and leasing proposals for the Transbay Property:

- Since October 2003, when the former redevelopment agency acquired Block 1 (a portion), it was assigned a long-standing lease with a parking operator for \$28,000 per month to operate a surface parking lot. The lease revenue received by the former redevelopment agency was deposited into an account for low- and moderate-income housing, since Block 1 was purchased with these same funds. The lease is month-to-month and requires a 90-day notice of termination. Upon dissolution, these revenues have been retained by the Successor Agency and are being used to fund Transbay affordable housing obligations under the Transbay Implementation Agreement. The Successor Agency expects to sell Block 1 at its market value to an adjacent property owner, pursuant to the Redevelopment Plan and the DCDG. This sale is expected to occur in 2016, at which time, the lease with the parking operator will be terminated.
- In October 2008, the former redevelopment agency released a request for proposals ("RFP") for Block 8. Two proposals were received in early 2009. However, due to the poor state of the economy, the former redevelopment agency, in consultation with the TJPA, decided to suspend the RFP and wait for the economy to improve.
- In July 2011, the former redevelopment agency released an RFP for Blocks 6 and 7. A development team was selected to develop a market-rate and affordable housing development on those parcels.
- In November 2013, the Successor Agency re-released the suspended RFP for Block 8. A development team was selected in 2014 to develop a market-rate and affordable housing development on that parcel.

### **Disposition of the Transbay Property**

Based on the foregoing, the Successor Agency proposes the following disposition plan pursuant to Redevelopment Dissolution Law for the Transbay Property:

- ***Market-Rate Parcels***

- Future Ownership (a portion of Block 4) – Acquire and sell at market value to third-party developers pursuant to the Transbay Implementation Agreement. The estimated acquisition date is 2016 and the estimated sales date is 2018.
- Future Ownership (a portion of Block 8) – Acquire and transfer for fair market value. Pursuant to the Block 8 DDA, the City will convey this property to the Successor Agency, and in the same escrow transaction, the Successor Agency will immediately convey the property to the Block 8 developer. Escrow is expected to close in late 2015 or early 2016. The Block 8 developer is responsible for building a mixed-income residential project consisting of approximately 404 market-rate units, 70 affordable inclusionary units, and 80 Successor Agency-subsidized affordable units. See the Affordable Housing Parcels section below for the disposition plan for the Block 8 Affordable Housing Project.
- Sales proceeds – Sales proceeds for market-rate housing projects are restricted under the Transbay Pledge Agreement and must be used to help pay the cost of designing and constructing the new TTC (pursuant to the Transbay Pledge Agreement, the Transbay Implementation Agreement, and the Transbay Option Agreement). (ROPS Line No. 102)

- ***Affordable Housing Parcels***

- Current Ownership (Block 11A) – Retain to fulfill Transbay Enforceable Obligations (i.e., to ensure these parcels are developed into affordable housing to meet the state-mandated 35% affordable housing requirement in Transbay). Once the affordable housing is complete, the Successor Agency will transfer it to the City as Housing Successor Agency pursuant to Redevelopment Dissolution Law. The estimated transfer date is 2016.
- Current Ownership (a portion of Block 1) – In furtherance of the affordable housing requirements of AB812, the Successor Agency proposes to sell its portion of Block 1 (acquired in 2003 with tax increment moneys for the purpose of developing affordable housing) for fair market value to the owner of the other four parcels on the block. This owner will assemble all the parcels and master develop the block to include (1) a residential tower (with both market rate units and inclusionary/developer funded affordable units), and (2) a 100% affordable project in a separate podium building. Fair market value may consist of restrictions and covenants on the block requiring the development of up to forty percent of the total number of units in the project as affordable housing. However, in the event that there are actual sales proceeds from the transfer of the Block 1, the Successor Agency will use the funds to subsidize the on-site development of the 100% affordable project as indicated on the Successor ROPS Line No. 392. The estimated sales date is 2016.

- Current Ownership (Block 6) – Transfer to the City as Housing Successor Agency pursuant to Redevelopment Dissolution Law. In May 2014, pursuant to the Block 6 DDA, the Block 6 developer conveyed this airspace parcel to the Successor Agency for development of 70 affordable units above a portion of a podium and garage to be shared with the market-rate development on Block 6 and a second affordable housing project on Block 7. See Attachment D, Transbay Blocks 6 and 7 Development Program Map, which shows the location of the affordable housing and market-rate developments on Blocks 6 and 7. The Successor Agency plans to transfer this completed, fully occupied affordable housing project on Block 6 to the City as Housing Successor Agency pursuant to Redevelopment Dissolution Law, upon completion of the permanent financing conversion in 2016.
- Current Ownership (Block 7) – Transfer to the City as Housing Successor Agency pursuant to Redevelopment Dissolution Law. In October 2013, the Successor Agency acquired Block 7 (from the TIPA pursuant to the Transbay Enforceable Obligations) for development of a 100% affordable project sharing a garage with the development on Block 6 (see Attachment D). The Successor Agency will continue to own the Block 7 land until the project is completed by its affordable housing developer, and then transfer it to the City as Housing Successor Agency pursuant to Redevelopment Dissolution Law. The estimated transfer is 2018.
- Future Ownership (Block 2, a portion of Block 4, and Block 12) – Acquire and retain to fulfill Transbay Enforceable Obligations (i.e., to receive tax increment financing and develop affordable housing to meet the state-mandated 35% affordable housing requirement in Transbay). The Successor Agency intends to provide the affordable housing developer for each parcel with a ground lease to provide site access to construct the affordable housing, as well as apply long term affordability restrictions to the project. Once the affordable housing is complete, the Successor Agency will transfer it to the City as Housing Successor Agency pursuant to Redevelopment Dissolution Law. The estimated acquisition and transfer dates are between 2016 and 2020.
- Future Ownership (a portion of Block 8) – Acquire and transfer to the City as Housing Successor Agency pursuant to Redevelopment Dissolution Law. Pursuant to the Block 8 DDA, the Block 8 developer will convey an airspace parcel for the Affordable Housing Project back to the Successor Agency (in 2016), the Successor Agency will then lease the airspace parcel to an affiliate of the Block 8 developer (pursuant to the Block 8 DDA), and the affiliate will then construct the Affordable Housing Project in collaboration with the Block 8 developer. After completion of the Affordable Housing Project, the Successor Agency will transfer the project to the City as Housing Successor Agency pursuant to Redevelopment Dissolution Law. The estimated transfer date is 2018.

- **Park Parcels**

- Current Ownership (Block 11B) – Retain to fulfill an enforceable obligation (i.e., ensure Block 11B is developed into a park). Pursuant to the Transbay Implementation Agreement, the Successor Agency will use tax increment to build the park improvements on Block 11B. Once the park is complete, the Successor Agency will transfer it to the City for a governmental purpose (i.e., a public park) and the City can use funds generated from a to-be-formed community benefits district to maintain the park. The estimated transfer date for this park is 2019.
- Future Ownership (Block 3) – Acquire and retain to fulfill an enforceable obligation (i.e., ensure Block 3 is developed into a park). Pursuant to the Transbay Implementation Agreement, the Successor Agency will use tax increment to build the park improvements on Block 3. Once the park is complete, the Successor Agency will transfer it to the City for a governmental purpose (i.e., a public park). The estimated acquisition date is 2018 and the estimated transfer date for this park is 2019.

**Properties Dedicated to Governmental Use Purposes and Properties Retained for Purposes of Fulfilling an Enforceable Obligation**

See section above.

Attachment A:       DOF Tracking Sheet for Transbay  
Attachment B:       Map of Transbay Development Parcels  
Attachment C:       September 10, 2013 email from Justyn Howard, DOF  
Attachment D:       Transbay Block 6 and 7 Development Program Map

**List of Former Agency Real Property**

Property	Block/Lot	Address	General Use	State DOF-Authorized Disposition	City Jurisdiction	Redevelopment Project Area
Burke Avenue (portion of Burke Avenue)	5203-037	No legal address	Public Street	Governmental Use	DPW	India Basin
Burke Avenue (portion of Burke Avenue)	5203-044	No legal address	Public Street	Governmental Use	DPW	India Basin
Cargo Way Sidewalk (portion of sidewalk)	4570-020	No legal address	Public Sidewalk	Governmental Use	DPW	India Basin
Cargo Way Sidewalk (portion of sidewalk)	4570-021	No legal address	Public Sidewalk	Governmental Use	DPW	India Basin
Cargo Way Sidewalk (portion of sidewalk)	4570-028	100 Jennings Street	Public Sidewalk	Governmental Use	DPW	India Basin
Bonifacio Street Sidewalk	3751-167	No legal address	Public Sidewalk	Governmental Use	DPW	Yerba Buena Center
Rizal Street Sidewalk	3751-168	No legal address	Public Sidewalk	Governmental Use	DPW	Yerba Buena Center
Adam Rogers Park (portion of park)***	4700-055	No legal address	Public Park	Governmental Use	Rec & Park	Hunter's Point
Foods Co Grocery Store	5423A-009	345 Williams Street	Supermarket	Future Development	MOHCD	Bayview-Hunter's Point
Westbrook Health Clinic	3731-241	227-255 7th Street	Health Clinic	Mixed-use Housing Asset	MOHCD	South of Market
Westbrook Garage	3731-240	227-255 7th Street	Garage	Mixed-use Housing Asset	MOHCD	South of Market

\*\*\*Note: Final Block/Lot Numbers to be confirmed by City Surveyor prior to acceptance

**FORM OF QUITCLAIM DEED**

*Note: Form will be modified to reflect specific real property information pertaining to the conveyance of each of the Former Agency Properties*



**WHEN RECORDED RETURN TO:**

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

**The undersigned hereby declares this instrument to be exempt from Documentary Transfer Tax (CA Rev. & Tax Code §11922 and S.F. Bus. & Tax Reg Code § 1105) and recording fees per Government Code §27383 and §27388.1.**

APN: Block 3731, Lots 240 and 241

Space Above for Recorder's Use

**QUITCLAIM DEED**  
**(Health Clinic Parcel and Garage Parcel)**

WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California (the "**Successor Agency**"), owns the property more particularly described in Exhibit A, Property Legal Description, attached hereto and made a part hereof by this reference (the "**Property**"); and,

WHEREAS, The Property contains two parcels, (1) a health clinic parcel (the "**Health Clinic Parcel**" on Block 3731, Lot 241), and (2) a subsurface parking garage parcel (the "**Garage Parcel**," and underlying land, Block 3731, Lot 240); and

WHEREAS, On February 1, 2012, California law dissolved all redevelopment agencies, including the former Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic (the "**Former Agency**"), pursuant to California Health and Safety Code Sections 34170 et seq. ("**Redevelopment Dissolution Law**"). By operation of law, the assets of the Former Agency, including the Property, were transferred to the Successor Agency, which also assumed all of the Former Agency's obligations.

WHEREAS, Redevelopment Dissolution Law requires successor agencies to former redevelopment agencies to dispose of the former agencies' property assets under a Long-Range Property Management Plan (the "**PMP**"), pursuant to California Health and Safety Code Section 34191.5(b). On November 23, 2015, the Oversight Board of the Successor Agency (the "**Oversight Board**") approved, by Resolution No. 14-2015, the Successor Agency's PMP. On December 7, 2015, the California Department of Finance approved the Oversight Board's

resolution approving the PMP, which provides, among other things, for the transfer of the Property, and all rights, titles and interests related thereto to the City and County of San Francisco, a municipal corporation, acting by and through its Mayor's Office of Housing and Community Development, as the City's Housing Successor Agency, as a mixed-use housing asset (Cal. Health & Safety Code § 34176 (f)); and,

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, exercising its functions and powers and organized and existing under the laws of the State of California ("Grantor"), pursuant to California Health and Safety Code Section 34176 (f), does hereby

REMISE, RELEASE AND QUITCLAIM to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through the Mayor's Office of Housing and Community Development ("Grantee"), and its successor and assigns, any and all right, title and interest, the Grantor may have in the Property described in Exhibit A, together with any and all rights, privileges, easements incidental or appurtenant thereto, and the improvements constructed on the Property.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.

IN WITNESS WHEREOF, the Grantor has executed this instrument as of the \_\_\_\_\_  
day of \_\_\_\_\_ 20\_\_.

**GRANTOR:**

**THE SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO**, a public body,  
organized and existing under the laws of the State of  
California

By: \_\_\_\_\_  
Nadia Sesay  
Executive Director

Authorized by Successor Agency Oversight Board  
Resolution No. 14-2015, adopted November 23, 2015

APPROVED AS TO FORM:

By: \_\_\_\_\_  
James B. Morales  
General Counsel

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Bruce R. Storrs, PLS  
City and County Surveyor

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public  
(here insert name and title of the officer), 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**  
(Government Code Section 27281)

This is to certify that the interest in real property conveyed by the Quitclaim Deed dated \_\_\_\_\_, 20\_\_ from the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, exercising its functions and powers and organized and existing under the laws of the State of California, is hereby accepted by the undersigned officer, on behalf of the City and County of San Francisco, as Grantee, pursuant to the authority conferred by Resolution/Ordinance No. \_\_\_\_\_, adopted by the San Francisco Board of Supervisors on \_\_\_\_\_, 20\_\_, and the Grantee consents to recordation of this Quitclaim Deed.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Andrico Q. Penick  
Director of Property

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public  
(here insert name and title of the officer), 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)

**Exhibit A**  
**Property Legal Description**

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

**PARCEL 1**

**Parcel One:**

Parcel A, as shown on that certain Map entitled, "Parcel Map 5194, Westbrook Plaza, 3 Lot Air Space" filed for record in the Office of the City and County of San Francisco, State of California on December 9, 2008, in Book 47, of Parcel Maps, Pages 162 through 175, inclusive.

**Parcel Two:**

Non-exclusive easements appurtenant to Parcel One above as more particularly described in that certain Westbrook Plaza Mixed-Use Development Declaration Establishing Reciprocal Easements and Covenants Running with the Land, executed by and between Mercy Properties California, a California nonprofit public benefit corporation and San Francisco Medical Center Outpatient Improvement Programs, Incorporated, a California nonprofit public benefit corporation, recorded in Official Records, under Recorder's Serial Number 2008-I696326, upon the terms and conditions contained therein.

**APN: Lot 240, Block 3731**

**PARCEL 2**

**Parcel One:**

Parcel "B", as shown on that certain Map Entitled "Parcel Map 5194, Westbrook Plaza, 3 Lot Air Space" filed for record in the Office of the City and County of San Francisco, State of California on December 9, 2008, in Book 47, of Parcel Maps, Pages 162 through 175, inclusive.

**Parcel Two:**

Non-exclusive easements appurtenant to Parcel One above as more particularly described in that certain Westbrook Plaza Mixed-Use Development Declaration Establishing Reciprocal Easements and Covenants Running with the Land, executed by and between Mercy Properties California, a California nonprofit public benefit corporation and San Francisco Medical Center Outpatient Improvement Programs, Incorporated, a California nonprofit public benefit corporation, recorded in Official Records, under Recorder's Serial Number 2008-I696326, upon the terms and conditions contained therein.

**APN: Lot 241, Block 3731**

**FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT**

*Note: Form will be modified to reflect specific assignment and assumption agreements  
pertaining to the applicable Former Agency Properties*



RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

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

The undersigned hereby declares this instrument to  
be exempt from Recording Fees (CA Govt. Code  
§27383 and §27388.1) and Documentary Transfer  
Tax (CA Rev. & Tax Code §11922 and S.F. Bus. &  
Tax Reg. Code §1105)

APN: Block 3731, Lots 240 and 241

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

**ASSIGNMENT AND ASSUMPTION OF PROJECT AGREEMENTS**  
**(Health Clinic Parcel and Garage Parcel)**

This Assignment and Assumption of Project Agreements ("**Agreement**") is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2019 (the "**Effective Date**"), by and between the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California ("**Successor Agency**"), as "Assignor", and the City and County of San Francisco, a municipal corporation (the "**City**"), as "Assignee". Together, the Assignor and the Assignee are the parties to this Agreement (the "**Parties**").

**RECITALS**

A. In 2008, the Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic, (the "**Former Agency**") acquired the property at 227-255 7th Street located in the South of Market Redevelopment Project Area. 227-255 7th Street was developed into Westbrook Plaza, a mixed-use project containing an affordable family housing airspace parcel (the "**Affordable Housing Parcel**" on Block 3731, Lot 242), a health clinic airspace parcel (the "**Health Clinic Parcel**" on Block 3731, Lot 241), and a subsurface parking garage airspace parcel (the "**Garage Parcel**," including underlying land, Block 3731, Lot 240). As part of the development of Westbrook Plaza (the "**Project**"), the Former Agency entered into certain agreements, as more particularly described below.

B. On October 7, 2008, the Former Agency and San Francisco Medical Center Outpatient Improvement Programs, Inc., a California nonprofit public benefit corporation, d/b/a South of Market Health Center ("**SMHC**") or "Tenant", entered into an unrecorded ground lease for the Health Clinic Parcel (the "**Ground Lease**"). A Memorandum of Lease was recorded in the Official Records of the City on December 23, 2008 as file I701077-00, Reel J793, Image 0181.

C. On October 7, 2008, the Former Agency provided a \$3,600,000 forgivable loan to San Francisco Medical Center Outpatient Improvement Program, Inc. for construction of the Health Clinic Parcel improvements (the "**Loan Agreement**"). The Loan Agreement requires that the Health Clinic Parcel be restricted for use as a health clinic for a minimum of forty years. The Loan Agreement identifies ancillary loan documents, including a promissory note, a deed of trust, declaration of site restrictions, and an intercreditor and subordination agreement (collectively, the "**Loan Documents**"). Together, the Loan Documents, the Ground Lease, a declaration establishing easements ("**REA**") for the Project, and certain related recorded and unrecorded documents related to the development and operation of the Project are known as the "**Project Agreements**", which are described in Exhibit A.

D. On February 1, 2012, California law dissolved all redevelopment agencies, including the Former Agency, pursuant to California Health and Safety Code Sections 34170 et seq. ("**Redevelopment Dissolution Law**"). By operation of law, the assets and obligations of the Former Agency were transferred to the Successor Agency. These assets and obligations included the Health Clinic Parcel, the Garage Parcel, and the Project Agreements.

E. The Board of Supervisors of the City and County of San Francisco (the "**Board of Supervisors**") elected, under California Health and Safety Code Section 34176 (a) (1) and Resolution No. 11-12 (Jan. 26, 2012), to retain certain housing functions of the Former Agency and designated the Mayor's Office of Housing and Community Development ("**MOHCD**") to perform those housing functions and to accept the housing assets of the Former Agency.

F. Redevelopment Dissolution Law requires successor agencies to former redevelopment agencies to transfer, to housing successors, "housing assets," which include any real property, interest in, or restriction on the use of real property that was acquired for low- and moderate-income housing purposes (California Health and Safety Code 34176 (e)). On February 1, 2012, the Affordable Housing Parcel was transferred pursuant to Redevelopment Dissolution Law and Board of Supervisors Resolution No. 11-12 to the City, as housing successor, acting by and through MOHCD. The Affordable Housing Parcel is leased to Mercy Housing California ("**Mercy Housing**") and contains 48 units of affordable housing for low-income families.

G. The Successor Agency owns the Health Clinic Parcel and the Garage Parcel (the "**Property**"). The Property is described in the quitclaim deed, which transferred the Property to the City, and was recorded in the Official Records of the City and County of San Francisco on the \_\_\_\_ day of \_\_\_\_\_, 2019 as Document No. \_\_\_\_\_ (the "**Quitclaim Deed**").

H. Redevelopment Dissolution Law requires successor agencies to former redevelopment agencies to dispose of the former agencies' property assets under a Long-Range Property Management Plan (the "**PMP**"), pursuant to Cal. Health and Safety Code, Section 34191.5 (b). On November 23, 2015, the Oversight Board to the Successor Agency (the "**Oversight Board**") approved, by Resolution No. 14-2015, the Successor Agency's PMP. On December 7, 2015, the California Department of Finance approved the Oversight Board's resolution regarding the PMP, which provides, among other things, for the transfer of the Property and all rights, titles and interests related thereto to the City as a mixed-use housing asset (Cal. Health & Safety Code Section 34176 (f)).

I. As required under Redevelopment Dissolution Law, Cal. Health & Safety Code Section 34176 (f) and the PMP, this Agreement transfers all of the Successor Agency's rights, titles, covenants, agreements, obligations, conditions, provisions, and interests in and to the Project Agreements to the City, and the City has agreed to accept and assume the same.

NOW, THEREFORE, for good and valuable consideration received, Assignor and Assignee agree as follows:

### **1. Assignment**

a. Assignor represents to Assignee, to its knowledge: (1) Assignor has delivered a true and correct copy of the Project Agreements, any and all ancillary documents, and any amendments thereto to Assignee; (2) Assignor is not aware of any defaults under the Project Agreements; and (3) Assignor is not aware of any litigation pending or threatened against the Assignor that might detrimentally affect the use of the Property as intended.

b. Assignor irrevocably grants, conveys, assigns and transfers to Assignee all of Assignor's rights, titles, covenants, agreements, obligations, conditions, provisions, and interests in and to Project Agreements, any and all ancillary documents, and any amendments thereto, arising from and after the Effective Date.

### **2. Assumption**

a. Assignee assumes all of Assignor's rights, titles, covenants, agreements, obligations, conditions, provisions, and interests in and to the Project Agreements, and any and all ancillary documents and amendments thereto, and shall indemnify, defend and hold Assignor harmless from any and all costs, liabilities, losses, damages, or expenses (including, without limitation reasonable attorneys' fees), originating on or after the Effective Date and arising out of the Assignor's obligations under the Project Agreements.

### **3. Miscellaneous**

a. This Agreement shall bind on and inure to the benefit of the Parties hereto, and their respective heirs, executors, administrators, successors in interest and assigns.

b. This Agreement may be executed in one or more counterparts, each of which so executed shall be deemed an original, regardless of its date and/or delivery, and said counterparts, taken together, shall constitute one document.

c. The Parties hereby agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the purposes of this Agreement.

d. Following the Effective Date, the Parties shall jointly notify the Tenant that Assignee has acquired the Property and has assumed the Assignor's interest in the Project Agreements. Notice to the Tenant shall be delivered to the following address:

South of Market Health Center  
229 7<sup>th</sup> Street  
San Francisco, CA 94103  
Attn: Asa Satariano.

As of the Effective Date, all notices required to be provided to Assignor under the Ground Lease and Property Agreements shall now be delivered to the following notice address:

Mayor's Office of Housing and Community Development  
One South Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94103  
Attn: Director

e. This Agreement shall be enforced and interpreted according to the laws of the State of California as applied to contracts that are executed and performed entirely in the State of California, without regard to, or giving effect to, any choice of laws doctrine.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Assignor and Assignee have executed this Agreement as of the day and year first written above.

**ASSIGNOR:**

**Successor Agency to the  
Redevelopment Agency of the City  
and County of San Francisco,** a  
public body organized and existing  
under the laws of the State of  
California

By: \_\_\_\_\_  
Nadia Sesay  
Executive Director

Authorized by Successor Agency  
Oversight Board Resolution No.14-2015,  
adopted November 23, 2015.

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
James B. Morales  
General Counsel

**ASSIGNEE:**

**City and County of San Francisco,**  
a municipal corporation, acting by  
and through the Mayor's Office of  
Housing and Community  
Development

By: \_\_\_\_\_  
Dan Adams  
Acting Director

**APPROVED AS TO FORM:  
Dennis J. Herrera, City Attorney**

By: \_\_\_\_\_  
Deputy City Attorney

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )

County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_,  
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 \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )

County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_,

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 \_\_\_\_\_

**EXHIBIT A**  
**Project Agreements**

	<b>Document</b>	<b>Recorded in the Official Records of the City and County of San Francisco</b>	<b>Date of Document</b>	<b>Assessor's Parcel Number</b>
1.	Ground Lease between San Francisco Medical Center Outpatient Improvement Programs, Inc. and the Redevelopment Agency of the City and County of San Francisco	Unrecorded	October 7, 2008	3731-241
2.	Loan Agreement between San Francisco Medical Center Outpatient Improvement Programs, Inc. and the Redevelopment Agency of the City and County of San Francisco	Unrecorded	October 7, 2008	
3.	Promissory Note for \$3,600,000 loan	Unrecorded	December 22, 2008	
4.	Declaration of Restrictions by South of Market Health Center Westbrook, LLC in favor of the Redevelopment Agency of the City and County of San Francisco	December 23, 2008 in Reel J793, Image 0785 as Document #I701081	December 22, 2008	
5.	Deed of Trust between South of Market Health Center Westbrook, LLC, Old Republic Title Company, and the Redevelopment Agency of the City and County of San Francisco	December 19, 2008 in Reel J791, Image 0422 as Document #I700550	December 19, 2008	
6.	Intercreditor and Subordination Agreement between Capital Impact Partners and the Successor Agency to the Redevelopment Agency of the City and County of San Francisco	December 22, 2015 as Document #K179921	December 18, 2015	
7.	Westbrook Plaza Mixed-Use Development Declaration Establishing Reciprocal Easements and Covenants Running with the Land between Mercy Properties California, San Francisco Medical Center Outpatient Improvement Programs, Inc., the Redevelopment Agency of the City and County of San Francisco, and the Mayor's Office of Housing and Community Development	December 18, 2008 in Reel J790, Image 0115 as Document #I696326	December 17, 2008	3731-240 and 241





# SAN FRANCISCO PLANNING DEPARTMENT

## General Plan Referral

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

Reception:  
415.558.6378

Fax:  
415.558.6409

Planning  
Information:  
415.558.6377

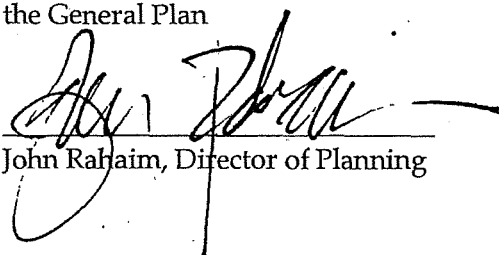
*Date:* September 13, 2019  
*Case No.* Case No. 2019-016166GPR  
Transfer of OCII property to City – 227-255 7<sup>th</sup> Street

*Block/Lot No.:* 3731/240, 3731/241  
*Project Sponsor:* Office of Community Investment and Infrastructure  
1 South Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94103

*Applicant:* Josh Keene  
City & County of San Francisco Real Estate Division  
25 Van Ness Avenue, Suite 400  
San Francisco, CA 94103  
(415) 554-9859  
Joshua.keene@sfgov.org

*Staff Contact:* Jeremy Shaw – (415) 575-9135  
[jeremy.shaw@sfgov.org](mailto:jeremy.shaw@sfgov.org)

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

*Recommended By:*   
John Rahaim, Director of Planning

### PROJECT DESCRIPTION

The Project is a transfer of an OCII asset – a public health clinic within a residential building to – the City as required under Redevelopment Dissolution Law. The usage and the occupancy of the building will not change.

### ENVIRONMENTAL REVIEW

This transfer is not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

**GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION**

The Project is the proposed acquisition of real property by the City and County of San Francisco (as transferee) and the Office of Community Investment and Infrastructure (OCII as current owner or transferor). Westbrook Plaza, located at 227-255 7<sup>th</sup> Street in San Francisco, is a portion of an existing housing development and is being transferred to the City from OCII, pursuant to Redevelopment Dissolution Law. It is a technical requirement by the state. There is no change of use. The overall property consists of residential uses, a community health clinic, a parking garage and courtyard. This conveyance applies to the clinic portion only, as the rest of the property has already been transferred to the City. The Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 as described in the body of this letter and is, on balance, **in-conformity** with the following Objectives and Policies of the General Plan:

**COMMUNITY FACILITIES ELEMENT**

**OBJECTIVE 7**

**DISTRIBUTION THROUGHOUT THE CITY OF DISTRICT PUBLIC HEALTH CENTERS TO MAKE THE EDUCATIONAL AND PREVENTIVE SERVICES OF THE DEPARTMENT OF PUBLIC HEALTH CONVENIENT TO THE PEOPLE, THEREBY HELPING TO ACHIEVE THE GOALS OF THE PUBLIC HEALTH PROGRAM IN SAN FRANCISCO.**

*The Project would transfer ownership and maintain a neighborhood public health clinic within a residential development.*

**HOUSING ELEMENT**

**OBJECTIVE 4**

**FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.**

**POLICY 4.2**

**Provide a range of housing options for residents with special needs for housing support and services.**

*The Project would maintain a neighborhood public health clinic and services within a residential development.*

**OBJECTIVE 12**

**BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.**

**POLICY 12.2**

Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

*The Project would maintain proximal health services within an affordable housing development.*

**PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1**

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

**Eight Priority Policies Findings**

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

The proposed 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.

*The proposed acquisition will not affect retail and will not impact future opportunities for residential employment in and ownership of neighborhood-serving retail.*

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

*The project will conserve existing housing and neighborhood character.*

3. That the City's supply of affordable housing be preserved and enhanced.

*The Project will not adversely affect on the City's supply of affordable housing.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

*The Project would not result in commuter traffic impeding MUNI's transit service, overburdening the streets or altering current neighborhood parking.*

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 residential employment and ownership in these sectors be enhanced.

*The Project would not affect the existing economic base in this area.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

*The Project will ensure the greatest possible preparedness against injury and loss of life in an earthquake.*

7. That landmarks and historic buildings be preserved.

*The project will not result in any physical change and will not affect landmarks or historic buildings.*

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

*The project will not affect parks, open space, sunlight or vistas.*

<b>RECOMMENDATION:</b>	<b>Finding the Project, on balance, in-conformity with the General Plan</b>
------------------------	-----------------------------------------------------------------------------

cc: Marie Munson, OCII

I:\Citywide\General Plan\General Plan Referrals\2019\2019-016166GPR - 227-255 7th Street\227-255 7th Street - 2019-016166GPR.docx



# SAN FRANCISCO PLANNING DEPARTMENT

## General Plan Referral

1650 Mission St.  
Suite 400  
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Reception:  
415.558.6378

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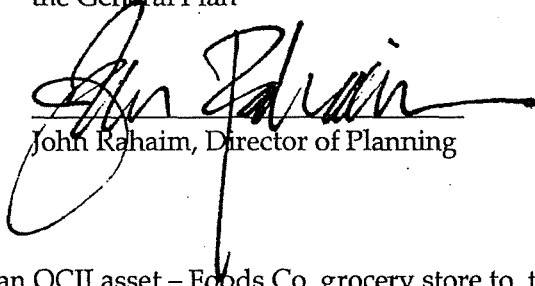
*Date:* September 19, 2019  
*Case No.* Case No. 2019-016169GPR  
Transfer of OCII property to City – 345 Williams Avenue

*Block/Lot No.:* 5423A/009  
*Project Sponsor:* Office of Community Investment and Infrastructure  
1 South Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94103

*Applicant:* Josh Keene  
City & County of San Francisco Real Estate Division  
25 Van Ness Avenue, Suite 400  
San Francisco, CA 94103  
(415) 554-9859  
Joshua.keene@sfgov.org

*Staff Contact:* Vladimir Vallejo – (415) 575-6811  
[vladimir.vallejo@sfgov.org](mailto:vladimir.vallejo@sfgov.org)

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

*Recommended*  
*By:*   
John Rahaim, Director of Planning

### PROJECT DESCRIPTION

The Project is a transfer of an OCII asset – Foods Co. grocery store to the City as required under Redevelopment Dissolution Law. The usage and the occupancy of the building will not change.

### ENVIRONMENTAL REVIEW

This transfer is not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

**GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION**

The Project is the proposed acquisition of real property by the City and County of San Francisco (as transferee) and the Office of Community Investment and Infrastructure (OCII as current owner or transferor). Foods Co. grocery store (and its underlying land) located at 345 Williams Avenue in San Francisco is being transferred to the City from OCII this fall, pursuant to Redevelopment Dissolution law. There is no change in use and this transfer is a technical requirement by the state. The Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 as described in the body of this letter and is, on balance, **in-conformity** with the following Objectives and Policies of the General Plan:

**COMMERCE AND INDUSTRY ELEMENT**

**OBJECTIVE 6  
MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS  
EASILY ACCESSIBLE TO CITY RESIDENTS**

**Policy 6.1**

Ensure and encourage the retention and provision of neighborhood-serving goods and service in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

**Policy 6.4**

Encourage the location of neighborhood shopping areas throughout the city so that essential retail goods and personal services are accessible to all residents.

*The Project would maintain the existing grocery store use in the Bayview community, a community generally underserved by grocery stores.*

**HOUSING ELEMENT**

**OBJECTIVE 12**

**BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.**

**POLICY 12.2**

**Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.**

*The Project would maintain an existing grocery store, a much-needed neighborhood service, in immediately adjacent to a residential neighborhood.*

**PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1**

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

**Eight Priority Policies Findings**

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

The proposed 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.

*The proposed acquisition will not affect retail and will not impact future opportunities for residential employment in and ownership of neighborhood-serving retail. The Project will maintain the existing grocery store use.*

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

*The project will not adversely affect existing housing and neighborhood character.*

3. That the City's supply of affordable housing be preserved and enhanced.

*The Project will not adversely affect on the City's supply of affordable housing.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

*The Project would not result in commuter traffic impeding MUNI's transit service, overburdening the streets or altering current neighborhood parking.*

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 residential employment and ownership in these sectors be enhanced.

*The Project would not affect the existing economic base in this area and will maintain the existing grocery store use.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

*The Project will negatively affect the City's ability to achieve the greatest possible preparedness against injury and loss of life in an earthquake.*

7. That landmarks and historic buildings be preserved.

*The project will not result in any physical change and will not affect landmarks or historic buildings.*

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

*The project will not affect parks, open space, sunlight or vistas.*

<b>RECOMMENDATION:</b>	<b>Finding the Project, on balance, in-conformity with the General Plan</b>
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cc: Marie Munson, OCII

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# SAN FRANCISCO PLANNING DEPARTMENT

## General Plan Referral

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

Reception:  
415.558.6378

Fax:  
415.558.6409

Planning  
Information:  
415.558.6377

*Date:* January 10, 2020  
*Case No.* Case No. 2019-023396GPR  
Portion of Cargo Way & Burke Avenue  
Transfer of Office Community Investment  
and Infrastructure (OCII) Real Estate Parcels to  
San Francisco Real Estate Division

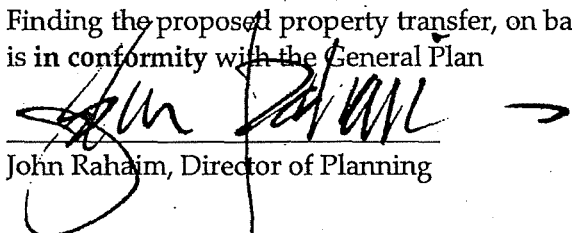
*Block/Lot No.:* Block 5203, Lots 037, 044, Public Street  
Block 4570, Lots 020, 021, 028, Public Sidewalk  
Block 3751, Lots 167, 168, Public Sidewalk  
Block 4700, Lot 055, Public Park

*Project Sponsor:* Josh Keene  
Real Estate Division  
City and County of San Francisco  
25 Van Ness Avenue, Suite 400  
San Francisco, CA 94102

*Applicant:* Same as Above

*Staff Contact:* Tam Tran – (415) 575-8716, tam.tran@sfgov.org

*Recommendation:* Finding the proposed property transfer, on balance,  
is in conformity with the General Plan

*Recommended*  
*By:*   
John Rahajm, Director of Planning

### PROJECT DESCRIPTION

The Project is the proposed transfer of real estate parcels from the Office of Community Investment and Infrastructure (OCII) to the Public Works Department of the City/County of San Francisco. Under State Redevelopment Dissolution Law, OCII's property serving public uses must be transferred to the City. Parcels under consideration are located in the India Basin area of the City. This submittal is for a General Plan Referral to recommend whether the property transfer is in conformity with the General Plan, pursuant to Section 4.105 of the Charter and Section 2A.52 and 2A.53 of the Administrative Code. There will be no change in land uses as part of this property transfer.

## ENVIRONMENTAL REVIEW

On December 20, 2019, the Environmental Planning Division of the Planning Department determined that the property transfer is not defined as a project under the California Environmental Quality Act Guidelines, Sections 15060 (c)(2) and 15378, as it does not result in a physical change in the environment.

## GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The Project is the proposed transfer of real estate parcels from OCII to Public Works. The Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 as described in the body of this letter and is, on balance, **in-conformity** with the following Objectives and Policies of the General Plan:

## TRANSPORTATION ELEMENT

### POLICY 1.2

**Ensure the safety and comfort of pedestrians throughout the city.**

Safety is a concern in the development and accommodation of any part of the transportation system, but safety for pedestrians (which includes disabled persons in wheelchairs and other ambulatory devices) should be given priority where conflicts exist with other modes of transportation. Even when the bulk of a trip is by transit, automobile or bicycle, at one point or another nearly every person traveling in San Francisco is a pedestrian.

*The proposed property transfer from OCII to Public Works is consistent with maintaining the current sidewalk width and condition along the subject area. The structure and function of the sidewalk will not be affected by the proposed property transfer; Public Works, the transferee, is the appropriate agency to assure the land will continue to be used as a sidewalk.*

### POLICY 23.1

**Provide sufficient pedestrian movement space with a minimum of pedestrian congestion in accordance with a pedestrian street classification system.**

Sidewalks should be sufficiently wide to comfortably carry existing and expected levels of pedestrians, and to provide for necessary pedestrian amenities and buffering from adjacent roadways. The need for these elements varies by the street context – sidewalk width should be based on the overall context and role of the street.

*The proposed property transfer from OCII to Public Works is consistent with maintaining the current sidewalk width and condition along the subject area. The structure and function of the sidewalk will not*

*be affected by the proposed property transfer. Public Works, the transferee, is the appropriate agency to assure the land will continue to be used as a sidewalk*

**PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1**

**Eight Priority Policies Findings**

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project, the transfer of property from OCII to Public Works for continued use as a sidewalk, is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

*The Project would have no adverse effect on existing neighborhood-serving retail uses or opportunities for employment in or ownership of such businesses.*

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

*The Project would have no adverse effect on the City's housing stock or on neighborhood character. The existing housing and neighborhood character will be not be negatively affected.*

3. That the City's supply of affordable housing be preserved and enhanced.

*The Project would have no adverse effect on the City's housing stock or on neighborhood character. The existing housing and neighborhood character will be not be negatively affected.*

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking.

*The Project would not result in commuter traffic impeding transit service, overburdening the streets, or altering current neighborhood parking.*

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 residential employment and ownership in these sectors be enhanced.

*The Project would not affect the existing economic base in this area, as industrial and service sectors would not be affected.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

*The Project would not adversely affect achieving the greatest possible preparedness against injury and loss of life in an earthquake.*

7. That landmarks and historic buildings be preserved.

*The Project will have no effect on landmarks or historic buildings. No lots proposed for transfer contain historic landmarks or buildings.*

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

*The Project would have no adverse effect on parks and open space or their access to sunlight and vista.*

**RECOMMENDATION:**

**Finding the Project, on balance, in conformity with the General Plan**



London Breed, Mayor  
Naomi M. Kelly, City Administrator



Andrico Q. Penick  
Director of Real Estate

January 27, 2020

Through Naomi Kelly,  
City Administrator

Honorable Board of Supervisors  
City & County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 224  
San Francisco, CA 94102

**Re: Transfer of Former Redevelopment Agency Real Property Assets from OCII to City**

Dear Board Members,

Enclosed for your consideration is a resolution authorizing the City’s acceptance of certain real property from the Office of Community Investment and Infrastructure (“OCII”). Pursuant to California redevelopment dissolution law, OCII is required to transfer these assets and associated agreements to the City in order to comply with redevelopment dissolution law and ensure the continued public purpose, operation and future development of these assets.

In the proposed legislation, the City seeks approval and authorization to accept the properties on the attached list of Former Agency Real Property and assume the leases and project agreements related to these properties. Dissolution law authorizes the transfer, to a city and county, of real property of a former redevelopment agency that would be used for future development purposes, provided that the city and county enters into a compensation agreement with affected taxing entities whereby the taxing entities receive a proportionate share of any available funds received from final disposition of the property.

If you have any questions, please do not hesitate to contact me, or alternatively, you may contact Josh Keene of my staff by phone at (415) 554-9859 or by email at [joshua.keene@sfgov.org](mailto:joshua.keene@sfgov.org).

Respectfully,

Andrico Q. Penick  
Director of Property

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RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO