

1 [Acquisition of Real Property - 1515 South Van Ness Avenue - LMC San Francisco I
Holdings LLC - \$19,000,000]

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3 **Resolution approving and authorizing the Director of Property, on behalf of the**
4 **Mayor’s Office of Housing and Community Development, to acquire real property**
5 **located at 1515 South Van Ness Avenue from LMC San Francisco I Holdings LLC, for**
6 **purchase at \$19,000,000 inclusive of a deposit in the amount of \$500,000; placing the**
7 **property under the jurisdiction of the Mayor’s Office of Housing and Community**
8 **Development for use in constructing affordable housing for San Franciscans;**
9 **adopting findings that the conveyance is consistent with the General Plan, and the**
10 **eight priority policies of Planning Code, Section 101.1; authorizing the Director of**
11 **Property to execute documents, make certain modifications and take certain actions**
12 **in furtherance of the purchase agreement and this Resolution, as defined herein;**
13 **assuming a lease and certain service contracts; and affirming the Planning**
14 **Department’s determination under the California Environmental Quality Act.**

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16 WHEREAS, The Mayor’s Office of Housing and Community Development
17 (“MOHCD”) is responsible for the funding and development of affordable housing in the
18 City of and County of San Francisco; and located at 1515 South Van Ness Avenue (the
19 “Property”), for purposes of building affordable housing on the Property; LMC San
20 Francisco I Holdings LLC (the “Seller”) and City, through its MOHCD and Real Estate
21 Division, after consultation with the Office of the City Attorney, have negotiated a purchase
22 and sale agreement, a copy of which is on file with the Clerk of the Board in File No.
23 190733 (the “Purchase Agreement”), for sale of the Property to the City for \$19,000,000
24 inclusive of a deposit in the amount of \$500,000 (the “Deposit”); and
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1 WHEREAS, MOHCD has evaluated the Property and confirmed that it can utilize
2 the Property for development of permanently affordable housing; and

3 WHEREAS, The Director of Property determines the Property to be at or below
4 fair market value; and

5 WHEREAS, MOHCD is concurrently submitting a Resolution to the Board of
6 Supervisors for authorization to accept a grant from the Metropolitan Transportation
7 Commission Affordable Housing Jumpstart Grant Program (the “Grant”) and expend it for
8 purchase of the Property (the “Grant Resolution”); and

9 WHEREAS, If the Grant Resolution becomes effective, MOHCD intends to use up
10 to \$5,000,000 of the Grant, plus \$14,000,000 in other City funds, to pay for the purchase of
11 the Property; and

12 WHEREAS, The Planning Department, through General Plan Referral letter dated
13 June 18, 2019, found that the acquisition of the Property is not considered a project under
14 the California Environmental Quality Act (“CEQA”, Pub. Resources Code, Section 21000 et
15 seq.) pursuant to CEQA Guidelines, Section 15060, and Chapter 31 of the City’s
16 Administrative Code, and is consistent with the General Plan, and the eight priority policies
17 of Planning Code, Section 101.1, which letter is on file with the Clerk of the Board of
18 Supervisors in File No. 190733, and incorporated herein by this reference; and

19 WHEREAS, There exists that certain lease (the “Lease”) between the Seller and
20 Gannett Outdoor Company, Inc. of Northern California (the “Lessee”) dated June 15, 1993,
21 that the City may elect to assume; and

22 WHEREAS, There are certain service contracts (the “Service Contracts”) that City
23 may expressly agree to assume related to the operation and security of the Property; and

24 WHEREAS, The Property will be delivered vacant except for the Lease and
25 Service Contracts at close of sale; now, therefore, be it

1 RESOLVED, That in accordance with the recommendation of the Director of
2 MOHCD and the Director of Property, the Board of Supervisors approves the Purchase
3 Agreement in substantially the form presented to the Board, and authorizes the Director of
4 MOHCD and the Director of Property to take all actions necessary or appropriate to acquire
5 the Property, along with the Lease and Service Contracts, as set forth in the Purchase
6 Agreement, including payment of the Deposit ; and, be it

7 FURTHER RESOLVED, That MOHCD has legal authority, is willing, and is in a
8 position financially and otherwise to assume immediate care and maintenance of the
9 property, and that the Director of MOHCD, and the Director of the Real Estate Division, are
10 hereby authorized and urged to accept the deed to the Property from the Seller upon the
11 closing in accordance with the terms and conditions of the Purchase Agreement, and to
12 take any and all steps (including, but not limited to, the execution and delivery of any and
13 all certificates, agreements, notices, consents, escrow instructions, closing documents and
14 other instruments or documents) as the Director of Property deems necessary or
15 appropriate in order to acquire the Property pursuant to the Purchase Agreement, or to
16 otherwise effectuate the purpose and intent of this Resolution, such determination to be
17 conclusively evidenced by the execution and delivery by the Director of Property of any
18 such documents; and, be it

19 FURTHER RESOLVED, That in accordance with the recommendation of the
20 Director of MOHCD and the Director of Property, if the Grant Resolution becomes effective,
21 the Director of MOHCD and Director of Property is hereby authorized to take all actions, on
22 behalf of the City, to execute the Purchase Agreement; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
24 Property (or his designee) and Director of MOHCD (or her designee), in consultation with
25 the City Attorney, to enter into any additions, amendments, or other modifications to the

1 Purchase Agreement and any other documents or instruments necessary in connection
2 therewith, that the Director of Property and Director of MOHCD determines are in the best
3 interests of the City, do not materially decrease the benefits to the City with respect to the
4 Property, do not materially increase the obligations or liabilities of the City, and are
5 necessary or advisable to complete the transaction contemplated in the Purchase
6 Agreement and that effectuate the purpose and intent of this Resolution, such
7 determination to be conclusively evidenced by the execution and delivery by the Director of
8 Property (or his designee) and Director of MOHCD (or her designee) of any such additions,
9 amendments, or other modifications; and, be it

10 FURTHER RESOLVED, That within 30 days of the contract being fully executed
11 by all parties, the MOHCD shall provide the final contract to the Clerk of the Board for
12 inclusion into the official file.

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\$14,000,000 Available
Fund ID: 10581
Department ID: 232065
Project ID: 10034433
Authority ID: 20808
Account ID: 566990
Activity ID: 0005

Ben Rosenfield
Controller

1 RECOMMENDED:

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Kate Hartley
Director of the Mayor's Office of Housing and Community Development

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Andrico Penick
Director of Property

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