

RESOLUTION NO. 15-2007

February 20, 2007

Motion Failed: 3 ayes, 4 nays

**AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT
WITH MICHAEL SIMMONS PROPERTY DEVELOPMENT, INC.,
A CALIFORNIA CORPORATION, FOR THE DEVELOPMENT OF
APPROXIMATELY 32 UNITS OF LOW-INCOME FIRST-TIME
OWNERSHIP HOUSING, 1345 TURK STREET;
WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2;
CITYWIDE TAX INCREMENT HOUSING PROGRAM**

BASIS FOR RESOLUTION

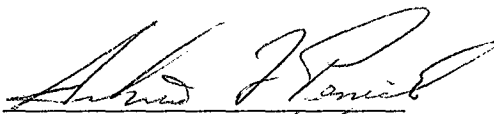
1. On February 11, 2003, the Agency Commission authorized an agreement with the City and County of San Francisco ("City"), a municipal corporation, for the acquisition and disposition of the real property located at 1345 Turk Street, San Francisco, California in the Western Addition Area Redevelopment Project Area A-2 (the "Site").
2. On April 22, 2003, the City's Board of Supervisors approved the sale of the Site (and adjoining MUNI Substation) to the Redevelopment Agency of the City and County of San Francisco ("Agency"); approved the interdepartmental transfer of jurisdiction over 1345 Turk from the Municipal Agency to the City's Arts Commission; and authorized the Director of Property to enter into an Agreement for the sale of such real property for the development of affordable housing, arts and community uses, and other public beneficial uses.
3. On May 2, 2003, an Agreement for Sale of Real Estate was executed by and between the City as Seller, and the Agency as Buyer for the sale and purchase of the Site. Escrow closed on the Site on June 9, 2003.
4. On September 1, 2006, the Agency issued a Request for Proposals ("RFP") for the development of affordable first-time homeownership units for low and moderate-income households. The RFP sought high-quality proposals from experienced developers capable of building approximately 32 units of condominium housing on the Site.
5. By the October 31, 2006 submission deadline, three proposals were received.
6. On November 9, 2006, the Western Addition Citizens Advisory Committee ("WACAC") approved the RFP selection process.
7. An interdisciplinary evaluation panel comprised of five Agency staff and two members of the WACAC, plus one non-voting WACAC alternate ("Evaluation Panel") reviewed the submittals to determine the degree to which the proposals met the criteria set forth in the RFP. On January 12, 2007, the Evaluation Panel interviewed each of the following developer teams:

- A. Michael Simmons Property Development, Inc.
 - B. Em Johnson Interest and HSM Realty Finance Management, Inc.
(collectively "Turk Street Development Consortium, LLC")(to be formed)
 - C. Leola King & Associates Development, LLC
8. Following the selection process approved by the WACAC, the Evaluation Panel ranked Michael Simmons Property Development, Inc. first with 674 points out of a possible 700 points.
9. On January 25, 2007, the WACAC voted not to support the Evaluation Panel's recommendation to select Michael Simmons Property Development, Inc. as the developer for the Site. On February 8, 2007, the WACAC voted to endorse the developer team of Em Johnson Interest and HSM Realty Finance Management, Inc. as the developer for the Site.
10. The selected developer will enter into an Exclusive Negotiations Agreement ("ENA") for a term of 18 months to allow time for the developer to complete certain milestones contained in the ENA and to negotiate a Disposition and Development Agreement.
11. The Agency Commission having reviewed the RFP, the proposals, the Evaluation Panel's recommendation and having heard public comment on the matter, hereby finds that Michael Simmons Property Development, Inc. is the best suited for this project.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute an Exclusive Negotiations Agreement with Michael Simmons Property Development, Inc., a California corporation, for the development of approximately 32 units of low-income first-time ownership housing at 1345 Turk Street, San Francisco, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


for James B. Morales 2/15/07
Agency General Counsel