

RESOLUTION NO. 30-2007

Motion Failed April 17, 2007

2 ayes, 4 nays, 1 absent

**AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT
WITH EM JOHNSON INTEREST, INC., A CALIFORNIA
CORPORATION, AND HSM REALTY FINANCE MANAGEMENT,
INC., A CALIFORNIA CORPORATION, (COLLECTIVELY
“TURK STREET DEVELOPMENT CONSORTIUM, LLC”), FOR THE
DEVELOPMENT OF APPROXIMATELY 32 UNITS OF LOW- AND
MODERATE- INCOME, FIRST-TIME HOMEBUYER HOUSING AT
1345 TURK STREET, BLOCK 756, LOT 001; WESTERN ADDITION
REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX
INCREMENT HOUSING PROGRAM**

BASIS FOR RESOLUTION

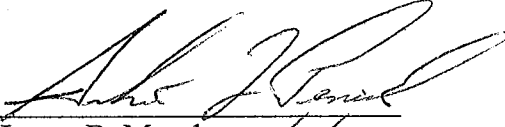
1. On February 11, 2003, the Agency Commission authorized an agreement with the City and County of San Francisco (“City”), a municipal corporation, for the acquisition and disposition of the real property located at 1345 Turk Street, San Francisco, California in the Western Addition Redevelopment Project Area A-2 (“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 homebuyer 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), and
 - 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 initially considered this matter on February 20, 2007, but did not reach a final decision. The matter was presented to the Agency Commission for a decision on April 17, 2007.
12. 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 Em Johnson Interest, Inc. and HSM Realty Finance Management, Inc. (collectively "Turk Street Development Consortium, LLC")(to be formed) 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 Em Johnson Interest, Inc. and HSM Realty Finance Management, Inc., both California corporations, (collectively "Turk Street Development Consortium, LLC")(to be formed), for the development of approximately 32 units of low- and moderate-income, first-time homebuyer housing at 1345 Turk Street, Block 756, Lot 001; Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales 4/12/07
Agency General Counsel