

RESOLUTION NO. 109-2007

Adopted October 2, 2007

AUTHORIZING A NON-BINDING TERM SHEET WITH 1210 SCOTT STREET, INC., A CALIFORNIA NOT-FOR-PROFIT CORPORATION, FOR THE ACQUISITION OF 1210 SCOTT STREET (ASSESSOR'S BLOCK 729, LOT 46) FOR THE EXPANSION OF A PRIVATE, COEDUCATIONAL HIGH SCHOOL, WHICH IS KNOWN AS THE JEWISH COMMUNITY HIGH SCHOOL OF THE BAY, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL NECESSARY STEPS TO PREPARE AGREEMENTS AND RELATED DOCUMENTS CONSISTENT WITH THE TERM SHEET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2

BASIS FOR RESOLUTION

1. During the early 1970s, the Redevelopment Agency of the City and County of San Francisco ("Agency") purchased and assembled the majority of the lots on Assessor's Block 729 in the Western Addition Redevelopment Project Area A-2. These Agency-owned lots became Agency Disposition Parcels 729-A, 729-A-1, and 729-B ("Agency Parcels"). The California College of Podiatric Medicine ("College") was the other major property owner on Block 729, where it operated its business from several buildings located on Assessor Lot 43. The College was interested in expanding its operations and rehabilitating its existing buildings.
2. In 1973, the Agency sold the College the Agency Parcels under the terms of an Agreement for Disposition of Land for Private Redevelopment ("1973 LDA") and entered into an Owner Participation Agreement ("1973 OPA") with the College for the rehabilitation of its property. Attachment 1 is a map of the Site.
3. In 1975, the College completed the first phase of its two-phased development of the expanded campus, but never completed its second phase of development, which was to be located on two of the Agency's former parcels (729-A-1 and 729-B).
4. In 2001, the College sold a portion of its property to 1210 Scott Street, LLC, a Delaware limited liability company, for the location of its new Jewish Community High School ("JCHS") campus. 1210 Scott Street, LLC is an affiliate of JCHS. Also in 2001, pursuant to the terms of the 1973 LDA, the College conveyed the two undeveloped Agency Parcels back to the Agency.
5. In 2002, JCHS and the Agency entered into an Amended Owner Participation Agreement and Second Amendment to the Agreement for Disposition of Land for Private Development ("2002 Agreement") for the phased rehabilitation and demolition of several older buildings and the new construction of a parking structure, classrooms, gymnasium, and assembly hall. JCHS has completed the first phase of its proposed development under the 2002 Agreement. Planning for the remaining phases is ongoing.

6. Subsequently, 1210 Scott Street, LLC was dissolved and the JCHS parcels owned by it were transferred to 1210 Scott Street, Inc., a California not-for-profit corporation, that currently controls the other parcels on which JCHS is located. The dissolved LLC is currently being recreated under the name of "1210 Scott Street, LLC" to undertake future transactions. 1210 Scott Street, Inc. intends to transfer the Property and assign its rights in the Term Sheet to 1210 Scott Street, LLC after the Agency has authorized this Term Sheet.
7. In 2005, at the direction of the Agency Commission, Agency staff worked with the Western Addition A-2 Citizens Advisory Committee ("WACAC") to solicit community input regarding the disposition of the Site. WACAC held a series of meetings, including special committee meetings and sub-committee meetings, which culminated in a full WACAC meeting on January 25, 2007. Discussions at these meetings focused on the disposition of 1210 Scott Street (the "Site") and considered two development alternatives: (1) issue a Request for Proposals ("RFP") to develop approximately 18 to 20 three-bedroom affordable townhomes on the Site, or (2) permit JCHS to acquire the Site for the construction of classrooms and/or a gymnasium.
8. On January 25, 2007, the WACAC voted to support consideration of a land swap of the Site for 1301 Divisadero Street, expansion of JCHS' facilities at the Site, and development of Agency-sponsored affordable housing at 1301 Divisadero Street.
9. Between March 6, 2007 and August 21, 2007, the Agency Commission considered, at several public meetings, whether to issue an RFP for the development of affordable housing at the Site.
10. On September 7, 2007, an appraisal of the Site established that its value was \$3,500,000 for its highest and best use.
11. On September 18, 2007, the Agency Commission, in closed session, instructed staff negotiators regarding price and terms of a potential sale to JCHS.
12. Agency staff and JCHS representatives have prepared a draft Term Sheet that includes the following proposed terms:
 - A purchase price of \$4 million;
 - Authorization to use the Site for a gymnasium, classrooms, and other facilities of JCHS consistent with the Institutional use district of the Western Addition A-2 Redevelopment Plan;
 - Completion of construction of the permanent facilities within 10 years of execution of the Disposition and Development Agreement ("DDA");

- Requirements for appropriate interim uses that the Agency will approve and that JCHS will maintain until construction of permanent improvements;
 - Agency repurchase of the Site for \$4 million, without adjustment for inflation and other factors, if JCHS fails to construct the permanent facilities within 10 years;
 - JCHS compliance with Agency employment and contracting policies; and
 - Preparation and approval of a DDA within 120 days of approval of the Term Sheet, with the possibility of a 60 day extension.
13. The proposed disposition of the Scott Street property to JCHS would occur without a public offering, which is authorized under Section 33431 of the Health and Safety Code so long as the Agency holds a duly-noticed public hearing prior to final approval of the sale. Prior to final approval of the DDA contemplated by the Term Sheet, the Agency will comply with the public notice and hearing requirements of the Community Redevelopment Law ("CRL").
14. The proposed disposition of the Site would allow JCHS to expand and complete its campus and thus eliminate a blighted site. Accordingly, it would be consistent with the Western Addition A-2 Redevelopment Plan and the CRL.
15. The proposed authorization of the Term Sheet with 1210 Scott Street, Inc. is exempt from California Environmental Quality Act ("CEQA"), pursuant to CEQA Guidelines Section 15061(b)(3) and will not directly cause any change in the physical environment. Any subsequent approval of a DDA and related documents will require another evaluation under CEQA.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into a non-binding Term Sheet with 1210 Scott Street, Inc., a California not-for-profit corporation, for the expansion of the Jewish Community High School, a private, coeducational high school, and to take all steps necessary to prepare agreements and related documents consistent with the Term Sheet.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel

Attachment 1

Map of 1210 Scott Street

- LEGEND:**
- CONC. CONCRETE
 - O.R. OFFICIAL RECORDS
 - MEAS. MEASURED
 - CL. CLEAR
 - OV. OVER
 - BLDG. BUILDING
 - ROOT OF WAY
 - W.C. WETLANDS
 - REC'D. RECORD
 - APPROXIMATE MAP
 - MAJOR
 - MINOR
 - ST. STREET
 - CONCRETE SIDEWALK

Lot 46 1201 Scott Street Parcel

GENERAL NOTES:

ALL DIMENSIONS ARE SHOWN IN FEET AND DECIMALS THEREOF.

ALL LINES ARE OF UNLESS OTHERWISE NOTED.

STREET RIGHTS AND ADJACENT LINES MAY BE SET TO SCALE.

BASE OF SURVEY IS ADJACENT LINES NO. 20 AND 21, ON FILE IN THE OFFICE OF THE CITY ENGINEER.

THIS MAP IS BASED ON LOTS 1044 O.R. 200, 1044 O.R. 210, 1044 O.R. 635 AND 1044 O.R. 636.

6. ADJACENT EIGHTH ADJACENT LINES, ROOT OF WAY LINES, AND PHYSICAL FEATURES RELATIVE TO THESE LINES ARE SHOWN AS APPROXIMATE MAP INFORMATION. THESE LINES ARE NOT TO BE CONSIDERED AS BOUNDARIES, BUT ONLY AS GUIDELINES FOR THE SURVEY. THEY ARE DIVIDED IN PROPORTION.

ITEMS AFFECTING TITLE (CONTINUED):

10. THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENTS REFERRED TO IN ITEM 9 ARE INCORPORATED BY REFERENCE INTO THIS MAP.

11. THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENTS REFERRED TO IN ITEM 10 ARE INCORPORATED BY REFERENCE INTO THIS MAP.

12. THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENTS REFERRED TO IN ITEM 11 ARE INCORPORATED BY REFERENCE INTO THIS MAP.

13. THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENTS REFERRED TO IN ITEM 12 ARE INCORPORATED BY REFERENCE INTO THIS MAP.

PARCEL MAP

MARTIN M. RON ASSOCIATES, INC.

Land Surveyors

859 Harrison Street, Suite 200

San Francisco, California 94107

ALSO BEING A PORTION OF WESTERN ADJUTANT BLOCK NO. 431 AND FORMER FARMER STREET

CA 94107

