

RESOLUTION NO. 138-2007

Adopted December 18, 2007

AUTHORIZING A GRANT AGREEMENT IN AN AMOUNT NOT TO EXCEED \$550,000 AND A SECOND AMENDMENT TO THE CONTRACT FOR SALE OF LAND TO REDEVELOPER FOR A TURNKEY SENIOR CITIZENS HOUSING PROJECT TO REVISE THE SCHEDULE OF PERFORMANCE WITH THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, A PUBLIC BODY, CORPORATE AND POLITIC, TO COMPLETE PHASE III OF THE LANDSCAPING WORK IN THE COMMON AREAS ADJACENT TO CLEMENTINA TOWERS AT 320 CLEMENTINA STREET; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On April 14, 1970, the Redevelopment Agency of the City and County of San Francisco (the "Agency") entered into a Contract for Sale of Land to Redeveloper for a Turnkey Senior Citizens Housing Project (the "Turnkey Contract") with Yerba Buena Developers, a California corporation, to purchase Agency-owned Parcels 3733-A, -B and -C (later merged into a single lot) (the "Site") to build a 275-unit senior housing development and, when completed, turn it over to the Housing Authority of the City and County of San Francisco (the "Authority"). The development, now called Clementina Commons, was completed in 1971 and turned over to the Authority. The Site is on Assessor's Block 3733, Lot 102) in the Yerba Buena Center Redevelopment Project Area (the "Project Area").
2. On December 11, 2001, at the request of the Authority and Tenant and Owners Development Corporation, a California nonprofit corporation ("TODCO"), the Commission adopted Resolution No. 216-2001 approving, among other things, a first amendment to the Turnkey Contract (the "First Amendment"). The First Amendment enabled the Authority to provide TODCO with the option to (1) subdivide the Site into three new parcels, Parcels A, B and C, (2) build approximately 85 units of senior housing on Parcel A (the "Parcel A Housing Project"), (3) build a retail commercial/institutional component on Parcel B (the "Commercial Space"), and (4) implement a Campus Common Area Improvement Plan ("Clementina Commons") to re-landscape Parcel C, and other common areas adjacent to the Site. Clementina Commons is designed to be a more useful and larger common open space for all the seniors living in the adjacent projects: Clementina Towers, Ceatrice Polite, Woolf House, and the Parcel A Housing Project.

3. Also on December 11, 2001, the Commission adopted Resolution Nos. 217-2001 and 218-2001 approving respectively a related Owner Participation Agreement ("OPA") and a Grant Agreement with TODCO that provided, among other things, \$2 million in Agency funding to complete the Commercial Space and Clementina Commons. TODCO divided the Clementina Commons landscaping work into two phases (Phases I and II) to accommodate the construction of the Parcel A Housing Project. Under the OPA, the Authority and TODCO were required to raise any funds necessary to complete Clementina Commons above the Agency's contribution of \$2 million.
4. In 2005, TODCO completed the Parcel A Housing Project, now called the "Eugene Coleman House," and Phases I and II of Clementina Commons, except for the work requiring additional funds raised by the Authority and TODCO. Approximately two years ago, TODCO and the Authority informed the Agency that they were not able to raise the additional funds required to complete the work. With the limited funds available in the Agency's budget for this project, the Authority has narrowed the scope of the remaining landscaping to just the critical items deemed necessary to comply with City code and provide a safe environment for seniors. These critical items include accessibility and security elements such as new pedestrian walkways, new fencing, a vehicle drop-off area, and replacing the entrance gate and intercom system (collectively, "Phase III"). The Authority has indicated that it will work with the San Francisco Conservation Corps and the City and County of San Francisco ("City") for the other non critical landscaping items.
5. The Authority is now requesting additional Agency funding in an amount not to exceed \$550,000 to help complete these remaining critical items. The Authority has agreed to be solely responsible for the completion of the Phase III and for all costs above the \$550,000 additional grant to complete all other required landscaping work for Clementina Towers.
6. The Agency has agreed to provide a grant in an amount not to exceed \$550,000 directly to the Authority to help fund the estimated cost of completing Phase III. This grant, along with the Agency's initial grant of \$1.014 million to help fund Phases I and II, brings the total Agency contribution to Clementina Commons to approximately \$1.6 million. The additional Agency funds will be disbursed through a proposed Grant Agreement. The term of the grant shall not exceed two years and the grant funds are to be used solely for the necessary and relevant predevelopment and construction costs related to Phase III in accordance with a pre-approved disbursement budget.
7. The proposed second amendment to the Turnkey Contract (the "Second Amendment") will extend the schedule of performance to allow for the completion of the Phase III work. In addition, The Authority and the Agency have agreed that the proposed Second Amendment will include: an acknowledgement that TODCO will not be the Authority's agent in

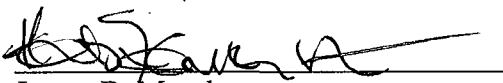
implementing Phase III; that the Authority will implement Phase III; that the Authority will be solely responsible for the completion of Phase III and for all costs above the \$550,000 additional grant to complete all other required landscaping work for Clementina Towers; and, that the additional Agency funds will be disbursed through the proposed Grant Agreement.

8. The Agency now desires to execute the Grant Agreement and the Second Amendment with the Authority subject to the terms and conditions specified in the Grant Agreement and the Second Amendment.
9. Approval of the Grant Agreement and the Second Amendment are both exempt from the California Environmental Quality Act ("CEQA"), pursuant to CEQA Guidelines Section 15304(b). The provision of Agency funding for new landscaping in common areas of the Clementina Towers residential project is a minor alteration to land that will not result in significant physical effects on the environment. The establishing of improved, landscaped open space will contribute to the revitalization of the area.

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 and execute a Grant Agreement in an amount not to exceed \$550,000 and a Second Amendment to the Contract for Sale of Land to Redeveloper for a Turnkey Senior Citizens Housing Project to revise the schedule of performance with Housing Authority of the City and County of San Francisco, a public body, corporate and politic, to complete Phase III of the landscaping work in the common areas adjacent to Clementina Towers at 320 Clementina Street; Yerba Buena Center Redevelopment Project Area, substantially in the form lodged with Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel