

## **RESOLUTION NO. 10-2008**

*Adopted March 18, 2008*

**AUTHORIZING A THIRD AMENDMENT TO A TAX INCREMENT GRANT AGREEMENT WITH SAN FRANCISCO MEDICAL CENTER OUTPATIENT IMPROVEMENT PROGRAMS, INC. (COMMONLY KNOWN AS THE SOUTH OF MARKET HEALTH CENTER), A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM FROM DECEMBER 31, 2007 TO MARCH 31, 2009, AND TO INCREASE THE GRANT AGREEMENT AMOUNT BY \$170,476 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$2,179,454 FOR ADDITIONAL PREDEVELOPMENT COSTS ASSOCIATED WITH THE CONSTRUCTION OF A HEALTH CLINIC AT 227-255 SEVENTH STREET AS PART OF THE WESTBROOK PLAZA DEVELOPMENT; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA**

### **BASIS FOR RESOLUTION**

1. On March 18, 2003, by Resolution No. 40-2003, the Redevelopment Agency of the City and County of San Francisco (the "Agency") authorized a Tax Increment Grant Agreement (the "Grant Agreement") with San Francisco Medical Center Outpatient Improvement Programs, Inc. (commonly known as the South of Market Health Center), a California nonprofit public benefit corporation (the "Grantee"), for a predevelopment grant in the amount of \$216,567 and an acquisition grant in the amount of \$1,204,350 for a total aggregate amount not to exceed \$1,420,917 (the "Grant Amount"). The Grant was intended to enable Grantee to pay for its prorated share of the acquisition costs of the site at 227-255 Seventh Street (the "Site") for a new medical clinic containing approximately 20,000 square feet and for professional fees associated with architectural and engineering services, business plan and financing consultant services, legal services and administrative expenses to assist the Grantee in raising the necessary funds to complete the construction and tenant improvements of the new medical clinic (the "New Clinic") at the Site, in the South of Market Redevelopment Project Area, and operate the New Clinic once it has been completed.
2. On November 18, 2003, by Resolution No. 175-2003, the Agency Commission authorized a First Amendment to a Tax Increment Grant Agreement to require the Grantee and Mercy Housing California, a California nonprofit public benefit corporation, its nonprofit housing partner, to jointly manage the Site prior to the start of construction.
3. On November 7, 2006, by Resolution No. 144-2006, the Agency Commission authorized a Second Amendment to a Tax Increment Grant Agreement (the "Second Amendment") to increase the predevelopment grant amount by \$588,061 for additional predevelopment expenses and to extend the contract period from June 30, 2005 to December 31, 2007.

4. The term of the Second Amendment expired on December 31, 2007. Grantee has raised over \$1,385,677 in capital funding and has \$1,000,000 in equity to be used for construction and tenant improvements of the New Clinic.
5. Grantee has requested the Agency to extend the period of the Grant Agreement by fifteen (15) months to March 31, 2009 and to provide additional funds in the amount of \$170,476 to Grantee to complete the architectural and engineering construction documents, pay for planning and financing consultants to raise additional construction and tenant improvement funds, and pay for additional legal and administrative fees.
6. Pursuant to the California Environmental Quality Act ("CEQA") Guidelines Sections 15262 (planning and feasibility studies) and 15061(b)(3) (general rule exemption), authorization of a Third Amendment to a Tax Increment Grant Agreement with the Grantee to pay for planning and feasibility studies, and for costs related to fund raising and administration is exempt from CEQA review.
7. On February 25, 2008, the South of Market Project Area Committee reviewed the funding request and recommended Agency Commission approval of such request.

### **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 Third Amendment to a Tax Increment Grant Agreement with San Francisco Medical Center Outpatient Improvement Programs, Inc. (commonly known as the South of Market Health Center), a California nonprofit public benefit corporation, substantially in the form lodged with the Agency General Counsel, to extend the term of such Tax Increment Grant Agreement from December 31, 2007 to March 31, 2009 and to increase the grant amount by \$170,476 for additional predevelopment expenses for construction of a health clinic facility at 227-255 Seventh Street, in the South of Market Redevelopment Project Area, for a total aggregate grant amount not to exceed \$2,179,454.

**APPROVED AS TO FORM:**



James B. Morales  
Agency General Counsel