

RESOLUTION NO. 30-2008

Adopted April 15, 2008

PUBLIC HEARING AND AUTHORIZING (1) A DISPOSITION AND DEVELOPMENT AGREEMENT, (2) A FIRST AMENDMENT TO THE AMENDED OWNER PARTICIPATION AGREEMENT AND THIRD AMENDMENT TO THE AGREEMENT FOR DISPOSITION OF LAND FOR PRIVATE DEVELOPMENT, AND (3) A FIRST AMENDMENT TO THE EXCHANGE AGREEMENT, ALL WITH 1210 SCOTT STREET, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE ACQUISITION OF THE PROPERTY COMMONLY KNOWN AS 1210 SCOTT STREET (ASSESSOR'S BLOCK 729, LOT 46) FOR THE DEVELOPMENT OF A 14,690-SQUARE-FOOT GYMNASIUM AND APPROXIMATELY 14 CLASSROOMS ASSOCIATED WITH THE JEWISH COMMUNITY HIGH SCHOOL OF THE BAY; 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 Block 729, bounded by Ellis, Eddy, Pierce and Scott Streets, in the Western Addition Redevelopment Project Area A-2 (the "Project Area"). These Agency-owned lots became Agency Disposition Parcels 729-A, 729-A-1, and 729-B (the "Agency Parcels"). The California College of Podiatric Medicine (the "College") was the other major property owner on Block 729, and housed its operations in buildings adjacent to the Agency Parcels. The College eventually became interested in expanding its operations and rehabilitating its existing buildings. As a result, in 1973, the Agency sold the College the Agency Parcels under the terms of an Agreement for Disposition of Land for Private Development (the "1973 LDA") and entered into an Owner Participation Agreement (the "1973 OPA") with the College for the rehabilitation of its property.
2. In 1975, the College completed the first phase of its two-phased development of the expanded campus, primarily on one of the former Agency Parcels (729-A). However, due to a decline in enrollment and other budget-related issues, the College never completed its second phase of development, which was to be located on the two other former Agency Parcels (729-A-1 and 729-B).
3. In 2001, the College sold a portion of its property to 1210 Scott Street, LLC for the location of the Jewish Community High School of the Bay ("JCHS"). Also in 2001, pursuant to the terms of the 1973 LDA, the College conveyed the two remaining undeveloped Agency Parcels back to the Agency.

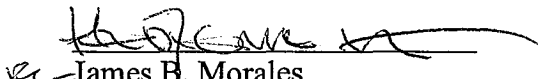
4. In 2002, 1210 Scott Street, LLC and the Agency entered into an Amended Owner Participation Agreement and Second Amendment to the Agreement for Disposition of Land for Private Development (the "2002 Agreement") for the phased rehabilitation and demolition of several older buildings and the new construction of a parking structure, classrooms, gymnasium, and assembly hall. At the same time, the Agency and 1210 Scott Street, LLC entered into an exchange agreement and completed the swap of some Agency-owned land for some land owned by 1210 Scott Street, LLC to regularize the two parcels (the "Exchange Agreement").
5. 1210 Scott Street, LLC completed the first phase of its proposed development under the 2002 Agreement, but the remaining phases, as described under the 2002 Agreement, are no longer contemplated. The 2002 Agreement, as well as other related documents (including the Exchange Agreement), are being amended concurrently with the proposed DDA to incorporate the planned revised development program.
6. 1210 Scott Street, LLC was subsequently dissolved and the JCHS parcels owned by it were transferred to 1210 Scott Street, Inc., a California nonprofit public benefit corporation (the "Developer"). The Developer now wishes to purchase the Agency-owned property (Assessor's Block 729, Lot 46, otherwise known as Agency Disposition Parcels 729-A-1 and 729-B) (the "Property") to complete the phased expansion of the JCHS campus. The Property is approximately 20,250 square feet.
7. On October 2, 2007, the Commission approved a non-binding term sheet between the Agency and the Developer, which summarized certain basic terms related to the Agency's proposed sale of the Property to the Developer for the expansion of the JCHS (the "Term Sheet").
8. The Term Sheet called for the execution of a Disposition and Development Agreement (the "DDA") with the Developer within 120 days of the Commission's approval of the Term Sheet, unless a 60-day extension was granted by the Executive Director at the Developer's request. The Developer requested the extension, and the Executive Director extended the deadline for execution of the DDA to March 30, 2008. On March 18, 2008, by Resolution No. 7-2008, the Commission extended the term of the Term Sheet until April 30, 2008.
9. The Developer proposes to build a 14,690-square-foot gymnasium (the "Gymnasium") and an approximately 23,200-square-foot classroom building housing 14 classrooms (the "Classroom Building"). As approved by the Commission in the Term Sheet, the Developer will have 10 years to build the Gymnasium and the Classroom Building to accommodate the high school's fundraising schedule. In the interim, before construction begins, the Developer will be installing temporary landscaping, which will include two natural turf areas, a meadow setting with pathways, benches and a hedge.

10. Staff has been working with the Developer over the last several months to finalize the proposed DDA, which is based on the terms the Commission already approved in the Term Sheet.
11. As part of this proposed Commission action, staff is also asking the Commission to amend the 2002 Agreement and the Exchange Agreement to incorporate the proposed terms of the DDA and to allow for the development of the Gymnasium and Classroom Building. The 2002 Agreement would be amended to (1) remove the previously proposed phases of development that were never undertaken by JCHS, and (2) allow for part of the development of the Gymnasium and Classroom Building to be built on the existing JCHS property. If approved, the Exchange Agreement would also be amended to allow for part of the development of the Gymnasium and Classroom Building to be built on the existing JCHS property.
12. Pursuant to Section 33430 of the Health and Safety Code, the Agency may sell real property for the purposes of redevelopment. Pursuant to Section 33431, the Agency must hold a duly-noticed public hearing prior to final approval of any sale of real property that is made without a public offering. As part of this action, the Commission is holding a public hearing on April 15, 2008 for the sale of the Property, which was appraised on September 7, 2007, for a value of \$3,500,000. The proposed sale of the Property to the Developer is a sole source sale. The sale – which permits the adjacent JCHS to expand and complete its campus and thus eliminate a blighted site – is consistent with the Western Addition A-2 Redevelopment Plan and the California Community Redevelopment Law.
13. The proposed development project includes the demolition of an existing small, non-historic structure, which is categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15301(l)(4); the temporary installation of landscaping, which is categorically exempt as a minor alteration to land pursuant to CEQA Guidelines Section 15304; the subsequent construction of a gymnasium that will have a useable floor area of less than 10,000 square feet and will be available on a limited basis to the general public, which is categorically exempt as construction of a small structure pursuant to CEQA Guidelines Section 15303(c); and, construction of a classroom building that will increase the original school capacity by no more than 25 percent, which is categorically exempt as a minor addition to a school pursuant to CEQA Guidelines Section 15314. The development components, both individually and collectively, will not result in significant physical effects on the environment.
14. Staff recommends authorizing (1) the DDA, (2) an amendment to the 2002 Agreement, and (3) a First Amendment to the Exchange Agreement, all with the Developer, for the disposition and development of the Property.

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 (1) a Disposition and Development Agreement, (2) a First Amendment to the Amended Owner Participation Agreement and Third Amendment to the Agreement for Disposition of Land for Private Development, and (3) a First Amendment to the Exchange Agreement, all with 1210 Scott Street, Inc., a California nonprofit public benefit corporation, for the acquisition of the property commonly known as 1210 Scott Street (Assessor's Block 729, Lot 46) for the development of a 14,690-square-foot gymnasium and approximately 14 classrooms associated with the Jewish Community High School of the Bay in the Western Addition Redevelopment Project Area A-2, substantially in the form lodged with the Agency General Counsel, and to enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel