

RESOLUTION NO. 6-2010

Adopted January 19, 2010

AUTHORIZING A FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH BERRY STREET LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REVISE THE SCHEDULE OF PERFORMANCE AND TO MODIFY THE BUDGET RELATED TO THE DEVELOPMENT AND SALE OF 131 UNITS OF LOW- AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP HOUSING AT 330 BERRY STREET AND 335 BERRY STREET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, Section 33000 *et seq.*, the “Law”), the Redevelopment Agency of the City and County of San Francisco (the “Agency”) undertakes programs for the reconstruction of slums and blighted areas in the City and County of San Francisco.
2. In accordance with the Law, the City and County of San Francisco (the “City”), acting through its Board of Supervisors, approved a Redevelopment Plan for the Mission Bay North Redevelopment Project Area by Ordinance No. 327-98 adopted on October 26, 1998. The Redevelopment Plan is referred to as the “Mission Bay North Redevelopment Plan.” In cooperation with the City, the Agency is responsible for implementing the Mission Bay North Redevelopment Plan.
3. The Mission Bay North Redevelopment Plan provides for the redevelopment, construction, and revitalization of the area generally bounded by the China Basin Channel and Townsend, Third and Seventh Streets and containing approximately 65 acres of land. The Mission Bay North Redevelopment Plan anticipates and describes a mixed-use development comprised of public open space, retail, commercial, entertainment uses, and parking and loading uses.
4. The Mission Bay North Owner Participation Agreement dated November 16, 1998 (the “OPA”) between the Agency and FOCIL-MB, LLC (previously known as Catellus Development Corporation) (the “Master Developer”) provides that the Master Developer will contribute land to the Agency, at no cost, for the development of affordable housing and the Agency will oversee the development of up to 335 affordable housing units. The OPA includes Attachment K, entitled Environmental Investigation and Response Program for North Plan Area Affordable Housing Parcels, Open Space Parcels and Street Parcels. The site is the real property located at 330 / 335 Berry Street,

San Francisco, also known as Block N4, Parcel 2 and Block N4a, Parcel 2, Assessor's Block 8704, Lot 005 and Block 8707, Lot 004, plus a nonexclusive easement interest in Lot A for emergency access and private utilities and a nonexclusive easement interest in the Mid-Block Walkway for pedestrian access ingress and egress, public utilities, and relocation of public utilities (collectively the "Site") and consists of the parcels shown on the Site Map, Attachment No. 1 and described in the Site Legal Description, Attachment No. 2. The Site is part of the Master Developer's land contribution and has been conveyed by the Master Developer to the Agency prior to the Effective Date. The Agency has designated the Developer as a "Qualified Housing Developer" under the OPA.

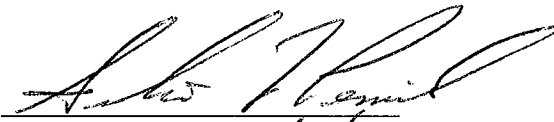
5. The Agency and the Master Developer have also entered into a Memorandum of Agreement for Incremental Environmental Costs and Activities for Agency Affordable Housing Sites dated November 19, 2001 (the "Agreement Regarding Environmental Costs"). The Agreement Regarding Environmental Costs references the May 11, 1999 Risk Management Plan for the Mission Bay Area, San Francisco, California, approved on May 12, 1998 by the State of California Regional Water Quality Control Board, San Francisco Bay Region and any amendments thereto. The Developer is an "Agency Designee" under the Agreement Regarding Environmental Costs.
6. On January 27, 2005, the Agency issued a Housing Development Request for Qualifications for the development and marketing of up to 131 units of low- and moderate-income, for-sale housing at the Site. On June 21, 2005, the Agency Commission authorized the Executive Director to enter into exclusive negotiations with BRIDGE Regional Partners, Inc., a California nonprofit public benefit corporation ("BRIDGE"), for the purchase of the Site. BRIDGE and the Agency entered into an Exclusive Negotiations Agreement dated as of June 21, 2005 (the "ENA"). Pursuant to Section 7.2 of the ENA, BRIDGE has designated Berry Street LLC (the "Developer") (which is a limited liability company with an affiliate of BRIDGE as the single member) as the entity to enter into the disposition and development agreement (the "DDA") with the Agency.
7. Developer purchased the Site and developed 131 units of affordable housing for low- and moderate-income families, including up to six residential floors, common areas, parking, and open space (the "Project"). The unit distribution shall be approximately 25 one-bedroom (19%), 84 two-bedroom (64%), and 22 three-bedroom (17%) condominiums, priced to be affordable on average to households earning 85% of area median income. Affordability levels for all units must be approved by the Agency and will be set pursuant to limits required by selected financing sources. The Project shall be developed and used in accordance with the DDA.

8. The Agency and the Developer entered into an ENA dated July 19, 2005, which was superseded by the DDA authorized by the Agency Commission on September 18, 2007 in Resolution No. 104-2007.
9. In Resolution No. 104-2007, the Agency Commission found the DDA to be an Implementing Action within the scope of the certified Final Subsequent Environmental Impact Report for the Mission Bay Redevelopment North Project and that no additional environmental review was required pursuant to the California Environmental Quality Act ("CEQA").
10. Construction of the Project was completed in July, 2009. Due to changed market conditions, sale and occupancy of 95% of the units is taking longer than expected and requires amending the Schedule of Performance.
11. The Developer requests that the Agency revise the Schedule of Performance and modify the budget.
12. Authorizing the First Amendment to the DDA to revise the Schedule of Performance and to modify the budget is an Agency administrative activity that will not cause any physical change in the environment and is not a project pursuant to CEQA definition of a project contained in CEQA Guidelines Section 15378(b)(5).

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 a First Amendment to the Disposition and Development Agreement with Berry Street LLC, a California limited liability company, to revise the Schedule of Performance and to modify the budget related to the development and sale of 131 units of low- and moderate-income first-time homeownership housing at 330 Berry Street and 335 Berry Street, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


for James B. Morales 1/14/10
Agency General Counsel