

**RESOLUTION NO. 102-2010**

*Adopted July 20, 2010*

**AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT AND GROUND LEASE WITH HOUSING SERVICES AFFILIATE OF THE BERNAL HEIGHTS NEIGHBORHOOD CENTER, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF 70 LOW INCOME RENTAL UNITS AND 1 MANAGER'S UNIT, PORTION OF BLOCK 3180, LOT 1, WEST OF THE NORTHWEST CORNER OF OCEAN AND PHELAN AVENUES AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; CITYWIDE TAX INCREMENT HOUSING PROGRAM**

**BASIS FOR RESOLUTION**

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is authorized pursuant to California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*), and desires to distribute monies from its tax increment Low and Moderate Income Housing Fund to certain nonprofit sponsors for the specific and special purpose of increasing and maintaining the housing stock in the City and County of San Francisco for very low-, low-, and moderate-income individuals and families.
2. On October 20, 2009, by Resolution No. 115-2009, the Agency Commission authorized the Agency to enter into the Agreement for the Purchase and Sale of Real Property (the "Purchase Agreement") with the City and County of San Francisco (the "City") for that certain real property known as a portion of Assessor's Block 3180, Lot 1, located at the intersection of Phelan Avenue and Ocean Avenue in the City and County of San Francisco (the "Site") for an amount not to exceed \$4,350,000. The City and County of San Francisco Municipal Transportation Agency currently uses the Site as a bus loop for its bus lines.
3. On April 6, 2010, by Resolution No. 28-2010, the Agency Commission authorized an amendment to the Purchase Agreement with the City and Agency to reflect a reduced land value and purchase price and provide for a purchase price based on a cost per square foot until such time that the final parcel is established and subdivided by the City.
4. The Mayor's Office of Housing ("MOH") issued a Request for Qualifications for an affordable housing developer to develop affordable housing and ancillary uses on the Site, ground lease the land from the Agency, and own the leasehold improvements. An interdisciplinary selection panel consisting of MOH and Agency staff recommended to MOH's Director the selection of the collaboration

between Housing Services Affiliate of the Bernal Heights Neighborhood Center and Mercy Housing California (the "Developer").

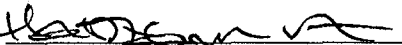
5. On October 20, 2009, by Resolution No. 116-2009, the Agency Commission also authorized the Agency to enter into a predevelopment loan agreement (the "Predevelopment Loan Agreement") with the Developer for \$1,500,000 to pay for predevelopment activities related to developing affordable housing on the Site.
6. The Developer is now requesting the approval of a development and disposition agreement and associated ground lease to provide them with requisite site control so that they may apply to the State of California's Multifamily Housing Program by July 23, 2010.
7. Based on the analysis contained in the Final Environmental Impact Report (the "FEIR") for the Balboa Park Station Area Plan (the "Area Plan"), and the findings pursuant to the California Environmental Quality Act ("CEQA") adopted by the San Francisco Planning Commission (the "Planning Commission") on December 4, 2008, in Motions No. 17774 and 17775, and the findings adopted by the San Francisco Board of Supervisors (the "Board") on April 7, 2009 in Ordinance No. 060-09 approving the General Plan Amendments in connection with the Area Plan, the Agency Commission adopted findings in accordance with CEQA that the Purchase Agreement with the City for the Site was an Implementing Action of the Project analyzed in the FEIR, pursuant to the approvals granted by the Planning Commission and the Board, in Agency Resolution No. 115-2009, dated October 20, 2009. Agency staff has determined the Disposition and Development Agreement, for the development of 70 low income rental units and one manager's unit, is another Implementing Action for construction of the project.
8. The environmental findings adopted in accordance with CEQA by the Agency Commission in Resolution No. 115-2009 were and remain adequate, accurate and objective and are incorporated herein by reference as applicable to the Implementing Action herein.
9. Staff, in making the necessary findings for the Implementing Action contemplated herein, considered and reviewed the FEIR. Documents related to the Implementing Action and the FEIR have been and continue to be available for review by the Agency Commission and the public and are part of the record before the Agency Commission.

## **RESOLUTION**

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that (1) it has reviewed and considered the Final Environmental Impact Report and hereby adopts the CEQA findings set forth in Agency Resolution No. 115-2009, dated October 20, 2009, and (2) the Executive Director is authorized to enter

into a Development and Disposition Agreement and Ground Lease with Housing Services Affiliate of the Bernal Heights Neighborhood Center, a California nonprofit public benefit corporation, and Mercy Housing California, a California nonprofit public benefit corporation, for the development of 70 low income rental units and 1 manager's unit on a portion of Assessor's Block 3180, Lot 1, located at Ocean and Phelan Avenues, 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