

RESOLUTION NO. 122-2010

Adopted September 21, 2010

AUTHORIZING AN ASSIGNMENT AND ASSUMPTION AGREEMENT WITH BAYVIEW HUNTERS POINT MULTIPURPOSE SENIOR SERVICES, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO PURCHASE REAL PROPERTY LOCATED AT 5800 THIRD STREET, LOT 3 AND TO PAY FOR RELATED CLOSING COSTS FOR AN AMOUNT NOT TO EXCEED \$8,800,000 FOR THE DEVELOPMENT OF VERY LOW-INCOME RENTAL SENIOR HOUSING, AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes programs for the reconstruction and rehabilitation of blighted areas in the City and County of San Francisco (the "City").
2. On May 16, 2006, by Ordinance No. 113-06, the City's Board of Supervisors adopted the Bayview Hunters Point Redevelopment Project Area in order to undertake a variety of projects and activities to alleviate blighting conditions. The Bayview Hunters Point Redevelopment Plan became effective on September 19, 2006.
3. It is the mission of Bayview Hunters Point Multipurpose Senior Services, Inc. ("BHPMSS"), a nonprofit public benefit corporation, to secure the rights and dignity of elders and their families, and to respect and empower seniors. It is the mission of McCormack Baron Salazar ("MBS"), a Missouri corporation, to rebuild neighborhoods in central cities across the United States that have deteriorated through neglect and disinvestment. BHPMSS and MBS (together the "Developer") have joined together to develop 5800 Third Street, Lot 3 (the "Site").
4. On December 17, 2008, BHPMSS entered into a Purchase and Sale Agreement with SF Third Street Equity Partners, LLC, to purchase 5800 Third Street, Lot 3, which is located on the northwest corner of the larger parcel, for the purpose of redeveloping it as rental housing for very low income seniors (the "Purchase Agreement").
5. On March 23, 2010, the Agency commissioned an appraisal by Hamilton, Ricci & Associates, Inc. that determined the fair market value of the site including infrastructure costs and construction documents is \$9,300,000. The purchase price was then reduced due to a reallocation of the infrastructure costs. The revised

purchase price is now \$8,380,733 (the "Purchase Price"), or approximately \$69,262 per unit. The infrastructure work that is included in that Purchase Price is valued at \$1,484,230.

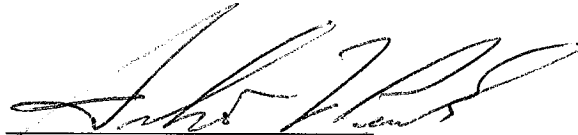
6. BHPMSS wishes to enter into an Assignment and Assumption Agreement with the Agency for the Purchase Agreement (the "Assignment Agreement").
7. The Developer intends to redevelop the Site as approximately 121 units of rental housing for very low-income seniors with a ground floor senior center (the "Project").
8. BHPMSS presented the project to the Bayview Hunters Point Project Area Committees ("PAC"), Economic Development Employment and Housing, Health, Environment, and Land Use Committees prior to requesting the endorsement of the full PAC at its regular meeting in December 2009. At each meeting the PAC supported the development of the Project.
9. The San Francisco Planning Department ("Planning Department") published a Preliminary Mitigated Negative Declaration ("Preliminary MND") for the Project on April 30, 2005 pursuant to the California Environmental Quality Act ("CEQA"). On May 19, 2005 and May 20, 2005, appeals of the Preliminary MND were received by the Planning Department. After conducting a duly noticed public hearing, the Planning Commission determined that the proposed Project would not cause significant impacts and upheld the MND.
10. On September 1, 2005, the Planning Commission adopted a Final MND for the proposed Project. The Final MND describes the proposed Project, assesses the potential environmental impacts of the Project, and identifies mitigation measures to preclude significant impacts or reduce such impacts to less than significant levels. On September 1, 2005, the Planning Commission also approved a Conditional Use Application and the Mitigation Monitoring Program that attaches the mitigation measures contained in the Final MND to the Conditional Use authorization.
11. Based on the Agency's independent review of the Final MND and all available information regarding the Project, the Agency finds that the proposed Assignment and Assumption Agreement with Bayview Hunters Point Multipurpose Senior Services, Inc., is consistent with the project description contained in the Final MND, would not result in any significant impacts not identified in the MND or any impact identified in the MND that would be substantially more severe.
12. The Final MND and related documents 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 as follows:

1. It has reviewed the Final Mitigated Negative Declaration for the Project, and finds that the Final Mitigated Negative Declaration reflects the independent judgment and analysis of the Agency and adopts the Final Mitigated Negative Declaration as adequate and having been prepared in accordance with the California Environmental Quality Act.
2. The Executive Director or his designee is authorized to enter into an Assignment and Assumption Agreement with Bayview Hunters Point Multipurpose Senior Services, Inc., a California nonprofit public benefit corporation, for the purchase of real property located at 5800 Third Street, Lot 3 in an amount not to exceed \$8,800,000, which includes related closing costs, in conjunction with the development of very low income senior rental housing with a ground floor senior center within the Bayview Hunters Point Redevelopment Project Area.
3. The Executive Director or his designee is authorized to enter into any and all ancillary documents or take any additional actions necessary to consummate the transactions authorized by this Resolution, in forms to be approved by the Agency General Counsel.

APPROVED AS TO FORM:



for James B. Morales 5/14/10
Agency General Counsel