

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 6-2014  
Adopted September 8, 2014

**AUTHORIZING THE TRANSFER OF LAND OWNERSHIP AND ASSIGNMENT OF  
THE GROUND LEASE AND PERMANENT LOAN FOR 474 NATOMA STREET  
(ASSESSOR'S PARCEL NUMBER 3725, LOT 101) TO THE MAYOR'S OFFICE OF  
HOUSING AND COMMUNITY DEVELOPMENT AS SUCCESSOR HOUSING AGENCY**

WHEREAS, The Successor Agency (otherwise known as the Office of Community Investment and Infrastructure ("OCII")) became the successor to the Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic, exercising its functions and powers and organized and existing under the Community Redevelopment Law of the State of California (the "Former Redevelopment Agency"), after the Former Redevelopment Agency was dissolved on February 1, 2012, pursuant to the California Assembly Bill known as AB 26 and the California Supreme Court's decision and order in the case entitled *California Redevelopment Association et al. v. Ana Matosantos*. Shortly thereafter, all of the Former Redevelopment Agency's non-housing assets, including all real property, were transferred to the Successor Agency; and,

WHEREAS, As a result of AB 26, the Successor Agency owns 474 Natoma Street (assessor's block 3725, Lot 101) ("Agency Property"). The Former Redevelopment Agency acquired the Agency Property with tax increment funds and the Agency Property continues to be subject to an enforceable obligation; and,

WHEREAS, In accordance with the CRL, the City, acting through its Board of Supervisors (the "Board"), approved a Redevelopment Plan for the South of Market Earthquake Recovery Redevelopment Project Area (the "Project Area") by Ordinance No. 234-90 adopted on June 11, 1990, as amended by Ordinance No. 276-05 on December 6, 2005. The Redevelopment Plan is referred to as the "South of Market Redevelopment Plan." In cooperation with the City, OCII is responsible for implementing the South of Market Redevelopment Plan (the "Redevelopment Plan"); and,

WHEREAS, The Former Redevelopment Agency acquired the land and existing building at 474 Natoma Street (the "Site"), formerly a Goodwill warehouse, after the 1989 Loma Prieta earthquake in which the existing warehouse was critically damaged. In acquiring the Site, the Agency used tax increment proceeds to compensate the previous owner; and,

WHEREAS, The Former Redevelopment Agency issued a Request for Proposals, (“RFP”) for 474 Natoma in December of 2006, and an evaluation panel comprised of seven members unanimously rated the proposal submitted by Bridge Housing Corporation, a California non-profit public benefit corporation (“Bridge”) the highest. The Former Redevelopment Agency Commission simultaneously authorized a predevelopment loan in 2007 in the amount of \$2,600,000; and

WHEREAS, By Resolution No. 50-2011, on April 19, 2011, the Former Redevelopment Agency Commission authorized the Former Redevelopment Agency Executive Director to enter into a Tax Increment Loan Agreement in an amount not to exceed \$15,470,713 (the “Loan Agreement”) and Ground Lease for the development of 60 units of affordable rental housing at the Property; and,

WHEREAS, On June 27, 2012, California’s Governor approved legislation amending Assembly Bill No. 26 (statutes 2011, chapter 5) (“AB 26”) entitled Assembly Bill No. 1484 (statutes 2012, chapter 26) (“AB 1484”) (together, AB 26 and AB 1484 are the “Redevelopment Dissolution Law”). AB 1484 imposes certain requirements on the successor agencies to redevelopment agencies established by AB 26, including a requirement that suspends certain dispositions of former redevelopment agency property until certain state-imposed requirements are met. Excluded from such suspension are certain transfers of property to the “appropriate public jurisdiction” in furtherance of a “governmental purpose” if the oversight board for a successor agency directs the successor agency to transfer the property, as well as “obligations required pursuant to any enforceable obligations.” Cal. Health & Safety Code §§ 34177(c); 34181(a); 34191.4; and,

WHEREAS, Pursuant to Dissolution Law, housing assets may be transferred to the designated Housing Successor Agency. OCII has already transferred over land and/or affordability restrictions relating to over a thousand completed projects, however OCII retained projects and sites that were not yet complete, referred to as OCII’s “Retained Housing Obligations”. The Site was one of the Retained Housing Obligations and remains in OCII’s ownership; and,

WHEREAS, Bridge, through its development affiliate of 474 Natoma LLC, a California limited, liability company, developed the Site with 60 very low-income rental housing units and other ancillary uses on the Site (together, the “Project”) in accordance with the Loan Agreement and the Ground Lease. Project construction was completed in December 2013, and achieved stabilized occupancy in late by March 2014. The project is 100% occupied and expects conversion to permanent financing by the end of August 2014, including closing the Multi-Family Housing (MHP) loan with the State of California Housing and Community Development; and,

WHEREAS, Pursuant to Redevelopment Dissolution Law, OCII now desires to transfer the land, and assign the Loan Agreement and Ground Lease to the Mayor's Office of Housing and Community Development ("MOHCD"), as the designated Successor Housing Agency of the City and County of San Francisco under the Board's Resolution no. 11-12; now therefore be it

RESOLVED, That the Oversight Board authorizes the Executive Director to transfer the land and assign the Ground Lease and Loan Agreement, related to the completed Project, known as 474 Natoma Street (Assessor's Block 3725, Lot 101) to MOHCD, and to enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of September 8, 2014.

  
Oversight Board Secretary