Attachment A
DOF Tracking Sheet for Yerba Buena Gardens
Attachment B
Yerba Buena Gardens Map
Attachment C
The YBG Properties and Photographs
The YBG Properties and Photographs

The YBG Properties are defined below by the original central block designations (CB-1, CB-2 and CB-3) used by the SFRA in the 1960s to describe the Project Area. The YBG Properties have many leases, operating agreements, reciprocal agreements, and other legal documents/enforceable obligations are associated with the properties. See Exhibit 1 to this Attachment C for a list of these documents.

Central Block One (“CB-1”)

The Successor Agency owns significant property on this block and leases most of it to affiliates of Millennium Partners and Marriott Corporation, which operate large hotels and commercial properties on this block. The properties OCII owns on this block includes:

Jessie Square Plaza – Completed in 2008, Jessie Square Plaza is improved with an expansive fountain, outdoor seating, and landscaping and is used frequently for public events.

Yerba Buena Lane – This landscaped public footpath linking Mission and Market Streets was completed in 2005 and is adjacent to Jessie Square Plaza.

The Marriott Hotel Land and Second Floor Classroom Parcels – The Marriott Hotel sits on about 127,000 square feet of land owned by the Successor Agency, along with about 17,000 square feet of space on the second floor of the hotel used for classroom/conference space. The land and the second floor space are leased to the hotel operator.

Commercial Airspace Parcels – The Successor Agency owns a group of airspace parcels scattered around CB-1 and leases (along with Yerba Buena Lane) to a single tenant. These parcels include retail spaces in the Four Seasons Hotel, retails spaces under the Marriott Hotel fronting Yerba Buena Lane, and parcels under Market Street that were going to provide access to local transit stops from Yerba Buena Gardens.

Central Block Two (“CB-2”)

CB-2 is home to the biggest concentration of public open space amenities in the surrounding Yerba Buena neighborhood. The Successor Agency owns all the land and buildings on this entire block, except for the Metreon building at the corner of Fourth and Mission Streets, and the mostly below-ground Moscone Center North Convention Center, which is owned by the City. The Successor Agency either maintains these properties as open space and support facilities, or leases them to cultural operators, restaurants, and other private parties. These properties include:

Public Open Space and Support Facilities – This six-acre public open space and gardens, with a large central grassy knoll, includes several terraced gardens, plazas and fountains, an upper terrace loggia, associated outdoor furnishings and artwork, an outdoor performance area and stage, and an elevated pedestrian bridge connecting CB-2 and CB-3. Open spaces of this magnitude require supporting facilities and these include administration offices, a green room
and dressing rooms for performers, public restrooms, and numerous underground rooms that house mechanical equipment, engineering offices, fountain equipment, and supplies/materials.

Yerba Buena Center for the Arts – The Successor Agency owns the Forum and Theatre buildings at Yerba Buena Center for the Arts and has a long-term operating agreement with a non-profit cultural institution to operate the center. The Forum is a two-story building that includes three galleries, a media screening room, administrative offices, and a multi-use forum space used for performances, dancing, lectures, meetings, and special events. The building has full theatrical lighting and sound, stages, audio visual equipment, backstage dressing rooms, and a box office.

The Theater Building is a 755-seat proscenium theater with dual-level lobbies, a stage, orchestra pit, projection room, and an extensive technical inventory. The improvements also include backstage dressing rooms with restrooms and showers, a green room, a wardrobe room, a rehearsal studio, and amenities such as a wet bar, concession stand, box office, and coat check room.

Café Spaces – The Successor owns and leases two small café spaces (about 2,000 square feet each) on the upper terrace above the MLK Memorial Fountain.

The Land under the Metreon Building and an Underground Section of Mission Street – The Successor Agency owns the land under the Metreon building sits on and leases it to the owners of the Metreon building. The property below the Metreon is leased to Marriott Corporation for access to its hotel loading dock and ballroom space. The Successor Agency’s pedestrian tunnel under Mission Street is also leased to the hotel, creating a continuous link between the hotel’s CB-1 and CB-2 properties.

Central Block Three ("CB-3")

The Successor Agency leases a portion of the rooftop of the Moscone Convention Center (South) from the City. On this leased land, the SFRA constructed various improvements, mostly designed for children. The Successor Agency continues to own and operate these improvements, described below:

The Children’s Garden – The Children’s Garden, is located in the center of CB-3, and includes about 100,000 square feet of outdoor space with grassy areas, gardens, a child-size labyrinth made of hedges, an outdoor amphitheater, play circles, a sand circle, a play stream, and assorted playground equipment.

The Children’s Creativity Museum – The Children’s Creativity Museum is a two-story building that includes a 200-seat theatre, 3,000 square feet of exhibition/gallery space, several classrooms, digital/sound/animation studios, screening room, patio areas, and administration offices. The Successor Agency has an operating agreement with a nonprofit to run the museum, which also includes a separate gift shop, snack bar space, and a 1906 Charles Looff Carousel.

The Bowling Center – The Bowling Center is a two-story building with 12-lanes, a snack bar, and a full service restaurant and terrace area on second story. The building also has mechanical
and equipment rooms and storage rooms.

The Ice Skating Center – The Ice Skating Center is located next to the Bowling Center and includes a regulation-sized ice rink and spectator seating for 300, a snack bar, pro shop, locker area, dressing rooms, and mechanical equipment and storage rooms. The Successor Agency has an operating lease with an entity that manages both centers.

The Child Development Center – The Child Development Center is a three-story, building with a large landscaped courtyard in the center. The facilities also include a free-standing pavilion with multi-purpose activity space for children, meeting space, many small-scale rooms, classrooms with private landscaped courtyards, a kitchen and laundry room, offices and a staff lounge. The Successor Agency has an operating agreement with a nonprofit to run the center.

Additionally, the Successor Agency owns a fee interest in an underground portion of Howard Street that is used as an access tunnel between CB-2 and CB-2 and serves the loading docks for the Yerba Buena Gardens, the Metreon, and the Marriott Hotel on CB-2.
### Exhibit 1 to Attachment C

**List of Legal Documents/Enforceable Obligations**

<table>
<thead>
<tr>
<th>Doc. Date</th>
<th>Document Title</th>
<th>Other Party/Parties</th>
<th>Property/Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/26/1986</td>
<td>Lease for the Yerba Buena Center Hotel</td>
<td>YBG Associates LLC</td>
<td>Marriott Hotel</td>
</tr>
<tr>
<td>3/1/1988</td>
<td>1988 Project Lease</td>
<td>City and County of San Francisco</td>
<td>Moscone Convention Center North</td>
</tr>
<tr>
<td>3/1/1988</td>
<td>1988 Coordination Agreement</td>
<td>City and County of San Francisco</td>
<td>CB-3</td>
</tr>
<tr>
<td>3/1/1988</td>
<td>1988 Reciprocal Easement Agreement</td>
<td>City and County of San Francisco</td>
<td>CB-3</td>
</tr>
<tr>
<td>7/13/1988</td>
<td>Second Amendment to Project Lease</td>
<td>City and County of San Francisco</td>
<td>Tunnel under Howard Street</td>
</tr>
<tr>
<td>8/6/1992</td>
<td>Lease between the Redevelopment Agency of the City and County and Marriott</td>
<td>Marriott Corporation</td>
<td>Marriott Hotel—Second Floor Commercial Airspaces</td>
</tr>
<tr>
<td>7/1/1996</td>
<td>Yerba Buena Gardens Central Block One/Agency Rooftop Surface Lease</td>
<td>City and County of San Francisco</td>
<td>CB-3 Rooftop Surface</td>
</tr>
<tr>
<td>7/1/1996</td>
<td>Yerba Buena Gardens Central Block Three/Agency Coordination Agreement</td>
<td>City and County of San Francisco</td>
<td>CB-3</td>
</tr>
<tr>
<td>7/1/1996</td>
<td>Amendment to 1988 Reciprocal Easement Agreement and Restatement of Certain</td>
<td>City and County of San Francisco</td>
<td>CB-3</td>
</tr>
<tr>
<td>5/9/1997</td>
<td>Central Block 2 Entertainment and Retail Lease</td>
<td>Star-West</td>
<td>Metreon</td>
</tr>
<tr>
<td>7/1/1997</td>
<td>Operating Agreement Youth Arts and Education Center Yerba Buena Gardens</td>
<td>Yerba Buena Gardens Studio for Technology and the Arts</td>
<td>Children’s Creativity Museum</td>
</tr>
<tr>
<td>8/19/1997</td>
<td>Agreement for Working Capital Funding and Operation of a Child Care Center</td>
<td>South of Market Child Care, Inc.</td>
<td>Child Development Center</td>
</tr>
<tr>
<td>3/31/1998</td>
<td>Yerba Buena Gardens Amended and Restated Construction, Operation and Easement</td>
<td>YBG Associates LLC; CB-1 Entertainment Partners LP; The Contemporary Jewish Museum</td>
<td>CB-1, CB-2, CB-3</td>
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<tr>
<td>3/31/1998</td>
<td>Central Block 1 Retail Lease</td>
<td>CB-1 Entertainment Partners LP</td>
<td>First Floor Marriot Caves, Yerba Buena Lane, Market Street Retail Parcel, BART Parcels, Connector Parcels</td>
</tr>
<tr>
<td>5/19/1998</td>
<td>Operating Lease</td>
<td>VSC Sports, Inc.</td>
<td>Ice Rink/Bowling Center</td>
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<tr>
<td>1/10/1999</td>
<td>Sublease Agreement</td>
<td>YBG Associates</td>
<td>Marriott Corridor Parcel</td>
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<tr>
<td>5/25/1999</td>
<td>Disposition and Development Agreement (St. Regis Hotel)</td>
<td>CC California LLC</td>
<td>CB-1, CB-2, CB-3</td>
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<td>7/11/2000</td>
<td>Yerba Buena Gardens Programming Agreement</td>
<td>Yerba Buena Arts and Events</td>
<td>CB-1, CB-2, CB-3</td>
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<td>6/15/2004</td>
<td>Amended and Restated Agreement for Operation of Cultural Facilities</td>
<td>Yerba Buena Center for the Arts</td>
<td>Yerba Buena Center for the Arts</td>
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<tr>
<td>10/18/2005</td>
<td>Commercial Retail Lease</td>
<td>Samovar Tea Lounge Yerba Buena, LLC</td>
<td>West Café</td>
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<td>1/17/2006</td>
<td>Commercial Retail Lease</td>
<td>Gourmet Provisions, LLC</td>
<td>East Café</td>
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<td>7/1/2009</td>
<td>Personal Services Contract</td>
<td>MJM Management Group</td>
<td>CB-2, CB-3</td>
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<tr>
<td>12/20/2011</td>
<td>License Agreement</td>
<td>City and County of San Francisco</td>
<td>CB-3</td>
</tr>
<tr>
<td>7/16/2013</td>
<td>Agreement for Purchase and Sale of Real Estate</td>
<td>706 Mission Street Co LLC</td>
<td>CB-1, CB-2, CB-3</td>
</tr>
</tbody>
</table>

The documents listed above are the primary documents that comprise the Successor Agency’s enforceable obligations related to the YBG Properties. This list does not include amendments and other ancillary legal documents to these primary documents (such as assignments, etc.), deeds, legally-binding side letters, or any other documents that might be discovered during a comprehensive title search.
Yerba Buena Gardens Separate Account

The Successor Agency’s obligation to establish the “Separate Account” is set forth in the following governing documents:

1. CB-2 Entertainment and Retail Lease (“Metheon Lease”) – May 9, 1997
2. CB-1 Retail Lease (for the Yerba Buena Lane commercial parcels) – March 31, 1998
3. Amended and Restated Construction, Operation and Reciprocal Easement Agreement and Agreement Creating Liens (“CB-1 REA”) – March 31, 1998

The Separate Account is a restricted, segregated bank account, into which certain Yerba Buena Gardens lease revenue and developer exactions are deposited, and from which funds are disbursed. The Separate Account is and restrictions on use of its funds are defined in the following excerpts from the governing documents:

The Metreon Lease

THE METREON LEASE

Section 2.14(b):

“Because of the integrated nature of the development of CB-2 and the CB-3 Gardens Parcel; and because of the importance to the Landlord that the uses on such real property be successfully operated as part of the integrated development; and because appropriate operation of the cultural activities by Landlord’s cultural subtenants and sub-subtenants, and the appropriate operation, maintenance and security of the Gardens Parcels is necessary to the integration and feasibility of the development, directly benefits Tenant and is important to Tenant, and, in the opinion of the parties, essential to the ultimate commercial and noncommercial success of the uses and CB-2 and the CB-3 Gardens Parcel, Landlord shall establish a separate bank account (the “Separate Account”) into which:

(i) Tenant, shall pay its share of the GMOS, as provided in Section 2.15;
(ii) Tenant shall pay Rent;
(iii) Landlord shall deposit all rent received from the tenant under the Hotel Lease [Marriott Lease] or other tenants of the CB-2 Hotel Parcel; and
(iv) Other tenants of Landlord may deposit rent and other sums.

The CB-1 Retail Lease
Section 2.7(b):

"Because of the integrated nature of the development of CB-1 and the Gardens Parcel, and because of the importance to the Landlord that the uses on such real property be successfully operated as part of the integrated development, and because appropriate operation of the cultural activities by Landlord’s cultural subtenants and sub-subtenants, and the appropriate operation, maintenance and security of the Gardens Parcel is necessary to the integration and feasibility of the development, directly benefits Tenant and is important to Tenant, and, in the opinion of the parties, essential to the ultimate commercial and noncommercial success of the uses and CB-1, CB-2 and the Gardens Parcel, Landlord shall, in accordance with term and provisions of the CB-2 Lease, establish a separate bank account (the “Separate Account”) into which:

(i) Tenant, shall pay its share of the GMOS, as provided in Section 2.8;
(ii) Tenant shall pay Rent;
(iii) Landlord shall deposit all rent received from the tenant under the Hotel Lease [Marriott Lease] or other tenants of the CB-1; and
(iv) Other tenants of Landlord may deposit rent and other sums.

The CB-1-REA

Section 7.7.(2):

“A separate account (the “Separate Account”) shall be established by SFRA at a bank or trust company designated by SFRA having an office in San Francisco, California, and which has capital and surplus of at least Fifty Million Dollars ($50,000,000), into which SFRA shall deposit all amounts received by it which comprise Net Cash Flow [i.e., rent revenue, any revenue in connection with the use of any portion of the CB-1 Real Property, or any portion of CB-2 or CB-3, and interest earnings].”

Funds are disbursed from the Separate Account for the following restricted uses:

Marriott-Lease

Section 2.14(e): “Until the same [GMOS] has been in full for any calendar year, the Landlord shall pay the CMO (Agency’s annual payments to Agency’s cultural tenants or operators...for operating, maintaining and securing the Agency-owned Cultural Parcels) and the GMOS (annual expenditure of maintenance costs for the Gardens for the maintenance, operation and security of the Gardens Parcels...and costs of Promotional Events in the Gardens) from the Separate Account and shall not use funds in the Separate Account for any other purpose. Until GMOS for any Lease Year has been paid in full, Landlord shall use that portion of the GMOS paid to Landlord by Tenant solely for uses required by this Lease.”
Section 2.14(f): "After payment in full of the applicable CMO and GMOS for any calendar year, at the option of the Landlord, unexpended and legally uncommitted amounts remaining in the Separate Account may be paid to Landlord or carried forward."

Section 2.14(g): "Landlord shall maintain, repair and operate the Gardens Parcels as a first-class open space, consistent with the level of maintenance, repair and operation required of Tenant with respect to the Premises."

**The CB-1 Retail Lease RETAIL LEASE**

Section 2.7(b): "Because of the integrated nature of the development of CB-1 and the Gardens Parcels; and because of the importance to the Landlord that the uses on such real property be successfully operated as part of the integrated development; and because appropriate operation of the cultural activities by Landlord’s cultural subtenants and sub-subtenants, and the appropriate operation, maintenance and security of the Gardens Parcels is necessary to the integration and feasibility of the development, directly benefits Tenant and is important to Tenant, and, in the opinion of the parties, essential to the ultimate commercial and noncommercial success of the uses and CB-1, CB-2 and the Gardens Parcels, Landlord shall, in accordance with term and provisions of the CB-2 Lease, establish a separate bank account (the “Separate Account”) into which:

(i) Tenant shall pay its share of the GMOS, as provided in Section 2.8;
(ii) Tenant shall pay Rent;
(iii) Landlord shall deposit all rent received from the tenant under the Hotel Lease [Marriott Lease] or other tenants of the CB-1; and
(iv) Other tenants of Landlord may deposit rent and other sums.

Section 2.7(a)(i): “GMOS means the [Agency’s] annual expenditure of maintenance costs for the Gardens Parcels to be made pursuant to the Gardens Budget for maintenance, operation and security of the Gardens Parcels necessary to maintain, operate and secure the Gardens Parcels in a first-class condition, and costs of promotional, marketing, cultural and recreational events in the Gardens Parcels limited, however, to the funds annually available for such purposes from the Separate Account.

Any income from promotional, marketing, cultural and recreational events in the Gardens Parcels shall be utilized to offset the costs thereof and any excess after the payment of such costs shall be deposited into the Separate Account.

Section 2.7(e): “…the Landlord shall pay the GMOS from the Separate Account and shall not use funds in the Separate Account for any other purpose. Until GMOS for any Lease Year has
been paid in full, Landlord shall use that portion of the GMOS paid to Landlord by Tenant solely for uses required by this Lease.”

Section 2.7(f): “After payment in full of the applicable GMOS for any calendar year, at the option of the Landlord, unexpended and legally uncommitted amounts remaining in the Separate Account may be paid to Landlord or carried forward.”

Section 2.7(g): “…Landlord shall maintain, repair and operate the Gardens Parcels as a first-class open space, consistent with the level of maintenance, repair and operation …”

The CB-1 REA

Section 7.7(2): “A separate account (the “Separate Account”) shall be established by SFRA at a bank or trust company designated by SFRA having an office in San Francisco, California, and which has capital and surplus of at least Fifty Million Dollars ($50,000,000), into which SFRA shall deposit all amounts received by it which comprise Net Cash Flow [i.e., rent revenue, any revenue in connection with the use of any portion of the CB-1 Real Property, or any portion of CB-2 or CB-3, and interest earnings].”

Section 7.7(2)

Funds from the Separate Account shall be applied by SFRA in the following order and priority, to the extent that SFRA does not pay such obligations from sums obtained from other sources:

(a) First, to the payment of all costs of maintenance, operation and security of gardens and open space uses developed by SFRA on CB-2 and CB-3;
(b) Then, to the payment of SFRA’s cultural tenants or operators, in such amount as SFRA shall be obligated to pay such cultural tenants and/or operators for operating, maintaining, repairing and securing SFRA-owned cultural parcels and/or SFRA’s subleased property located on CB-2;
(c) Then, to the payment by SFRA of its Allocable Share of Allocable Costs as Owner under this Section 7.7(2), first to the extent of any unpaid portion thereof for the Accounting Period preceding the current Accounting Period..., and thereafter to its Allocable Share of Allocable Costs for the current Accounting Period;
(d) Then, to the payment of rent to the City and County of San Francisco, if applicable, under SFRA’s lease of all portions of CB-3;
(e) Then in such manner as SFRA shall determine in its sole and absolute discretion.”
Attachment F
1984 Board of Supervisors Resolution
Office of the Clerk of
BOARD OF SUPERVISORS
City Hall

To: REDEVELOPMENT AGENCY

San Francisco, California

Your attention is hereby directed to the following passed by the
Board of Supervisors of the City and County of San Francisco:

STATE OF CALIFORNIA
City and County of San Francisco

I, John L. Taylor, Clerk of the Board of Supervisors of the City and County of San Francisco do hereby certify that the
annexed Res. No. 917-84, Approved 12-3-84
is a full, true and correct copy of the
original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto
set my hand, and affixed the official
seal of the City and County this

14th day of December 1984

JOHN L. TAYLOR
Clerk of the Board of Supervisors
City and County of San Francisco

By

[Signature]
FINDING THAT CULTURAL FACILITIES AND OTHER IMPROVEMENTS ARE OF BENEFIT TO THE YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA D-1 AND THAT NO OTHER REASONABLE MEANS OF FINANCING THESE FACILITIES AND IMPROVEMENTS IS AVAILABLE TO THE COMMUNITY EXCEPT FINANCING BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO.

WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the "Agency") is implementing the Redevelopment Plan (the "Plan") for the Yerba Buena Center Redevelopment Project (the "Project") pursuant to, and in accordance with, the Community Redevelopment Law of the State of California; and

WHEREAS, The Agency is the owner of various parcels of land in the Project, and has received and accepted, (subject to certain conditions) an offer to purchase, lease and develop certain of said parcels from YBC Associates, a California limited partnership of which Odyssey York Corporation, a Delaware corporation, and the Marriott Corporation, a Delaware corporation, are the general partners, which Limited Partnership is hereinafter called the "Developer", and

WHEREAS, The Developer's offer is contained in a Proposed Disposition and Development Agreement ("DDA") which has been executed by the Developer and approved by the Agency (subject to certain conditions), attached to which are descriptions of the parcels of land the Developer has offered to purchase, lease and develop; and

WHEREAS, All significant environmental effects attendant the proposed development described in the DDA and other aspects of the development in the Project have been fully and
adequately analyzed in the environmental documentation referenced in Resolution No. 915-84, adopted by this Board on November 26, 1984 at which time this Board also adopted findings including environmental mitigation measures which form part of said Resolution No. 915-84. Resolution No. 915-84 is incorporated herein by reference. This Board has considered the environmental effects described in said documentation as they relate to the findings and determinations and approvals in this resolution; and

WHEREAS, Under the DDA the Agency obligates itself to use purchase price proceeds received from the Developer to construct (i) a portion of the landscaped open space on the block between Mission, Howard, Third and Fourth Streets (CB-2) and pedestrian bridge over Mission Street (“CB-2 Gardens”) which CB-2 Gardens are located and described in the DDA, and (ii) also on CB-2; a portion of the cultural facilities located and described in the DDA, which CB-2 Gardens and cultural facilities will be publicly owned; and

WHEREAS, The Agency has also stated its intent to use other funding available to it after meeting outstanding obligations particularly from additional purchase price proceeds received by it from the Developer and others in the entire Project to complete the CB-2 Gardens and the cultural facilities on CB-2 and landscaped open space on the block between Howard, Folsom, Third and Fourth Streets (CB-3) and one or two pedestrian bridges over Howard Street (“CB-3 Gardens”) which CB-3 Gardens and cultural facilities will be publicly owned; and

WHEREAS, Said cultural facilities will consist of buildings, structures and other improvements and said Gardens will
WHEREAS, Said publicly owned Gardens and cultural facilities are of benefit to the development contemplated by the DOA and to the Project and thus to the area in which the Project is being implemented ("Project Area") and to the City and County of San Francisco not only by reason of the benefits and amenities they will provide the public but also because certain CB-2 retail, amusement, recreational and entertainment development obligations of the Developer specified in the DOA are conditioned upon the financing and construction of that portion of the CB-2 Gardens and cultural facilities specified in the DOA, and similar obligations of the Developer on CB-3 are conditioned upon the financing and construction of the CB-3 Gardens; and

WHEREAS, It appears from the foregoing that the Agency has or will be able to obtain the financing for these Gardens and cultural facilities and no other reasonable means of financing them is available to the community; and

WHEREAS, The Agency has found and determined that said publicly owned facilities described above "Gardens and Cultural" will be of benefit to the Project Area and that there are not other reasonable means available for the financing thereof by the community except by the Agency as noted above, which findings were made pursuant to the California Community Redevelopment Law Section 33445; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby finds and determines that the provision of the cultural building, structures, improvements and facilities and other public improvements and facilities (including the CB-2 and CB-3...
(Gardens) by the Agency pursuant to the DDA is of benefit to the Project Area and that no other reasonable means of financing such facilities is available to the community, and the Agency is hereby authorized to pay for all of the costs, of land for and the installation and construction of such cultural buildings, structures, improvements and facilities and other public improvements and facilities (including the CB-2 and CB-3 Gardens), and that such findings and determinations are based upon the DDA, the financial information prepared and submitted by the Agency, and upon other material, all on file with this Board; and be it

FURTHER RESOLVED, that the Agency be, and it is hereby authorized to pay for all of the costs of installation and construction of such cultural buildings, structures, improvements and facilities and other public improvements and facilities (including the CB-2 and CB-3 Gardens) described in DDA which will be publicly owned.

APPROVED AS TO FORM:

GEORGE AGNOST, CITY ATTORNEY

By: ______________________

[Signature]
LONG-RANGE PROPERTY MANAGEMENT PLAN
FILLMORE HERITAGE CENTER
GARAGE AND COMMERCIAL AIR RIGHTS PARCEL

EXECUTIVE SUMMARY

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) submits its Long-Range Property Management Plan (“PMP”) for the disposition of a 112-space public parking garage (the “Garage Parcel”) and 50,000 square feet of commercial space (the “Commercial Air Rights Parcel”) (together, the “Property”) in the Fillmore Heritage Center in the former Western Addition A-2 Redevelopment Project Area, which expired on January 1, 2009.

The Fillmore Heritage Center is an $80.5 million public-private partnership that includes 80 condominiums, the Commercial Air Rights Parcel, and the Garage Parcel. Of that $80.5 million, about 35% ($28.1 million) was financed using public funds from the City and County of San Francisco (the “City”) and the former San Francisco Redevelopment Agency (the “SFRA”). The public investment of dollars built the Garage Parcel and the Commercial Air Rights Parcel, both of which were intended to help revitalize the lower Fillmore Street commercial corridor.

The City financed the construction of the Commercial Air Rights Parcel by borrowing $5.5 million from the U.S. Department of Housing and Urban Development, or HUD (the “HUD Loan”) and then loaning that money to the commercial developer (“FDC”) to build the Commercial Air Rights Parcel (the “FDC Loan”). The SFRA financed the construction of the Garage Parcel ($5.6 million) and also contributed the land ($6.6 million), and allowed FDC to pay the purchase price for the land over time under a ground lease on the Commercial Air Rights Parcel (the “Ground Lease”). FDC subleased the Commercial Air Rights Parcel to two subtenants, a jazz club/restaurant (Yoshi’s San Francisco) and a second restaurant (1300 on Fillmore). The SFRA provided these two subtenants with tenant improvement loans totaling $10.4 million.

The Successor Agency continues to own the Commercial Air Rights Parcel and the Garage Parcel. FDC is currently in default on the FDC Loan and owes the City about $1.4 million. In addition, the main tenant in the Commercial Air Rights Parcel (Yoshi’s San Francisco) is in bankruptcy and will likely not continue operating in this space for much longer. The main tenant in the Commercial Air Rights Parcel (Yoshi’s San Francisco) declared bankruptcy in 2012 and closed its doors in 2014. As part of the bankruptcy proceedings, FDC and its investors took over the jazz club and operated it as The Addition from July 2014 to January 2015. In January 2015, FDC ceased operations of The Addition. Since then, the Commercial Air Rights Parcel has remained vacant. FDC was formally put in default under the Ground Lease, as well as the FDC Loan. In June 2015, the Successor Agency terminated the Ground Lease with FDC and the City exercised its rights as a lender under the Ground Lease to become the master tenant of the commercial space.
**Disposition Plan.** The disposition plan for the Garage Parcel is a sale at market value. Because the land transfer to the City for a governmental purpose—that is, a public parking garage—pursuant to Section 34181(a)(1) of the Garage Parcel, any proceeds from the sale will be considered Community Development Block Grant ("CDBG") program income because California Health and Safety Code. Since the land was purchased closure of The Addition, the monthly operating deficit of the garage has increased to approximately $10,000. OCII has been backfilling this deficit with federal urban renewal grant property tax funds authorized by the Oversight Board and the State Department of Finance ("DOF").

The disposition plan for the Commercial Air Rights Parcel is a transfer to the City to continue enforcing the Ground Lease with FDC. The Ground Lease has a 35-year term, and allows FDC to pay the remaining balance of the purchase price for the land (about $3.0 million) to the Successor Agency over the term of the Ground Lease, after FDC pays off the FDC Loan to the City. Any payments the Successor Agency receives pursuant to the Ground Lease would be available for purposes consistent with for future development pursuant to Section 34191.5(c)(2)(A)(i)-(ii) of the California Health and Safety Code. Development of the Property was included in the Redevelopment Dissolution Law—Agency’s Implementation Plans prior to its dissolution and remains a high priority of the City in light of the closure of Yoshi’s San Francisco and the Successor Agency believes a governmental purpose exists in this case because of Addition, which has negatively impacted the area. As further explained below, a transfer to the City will: (1) ensure that the significant investment of federal funds in original community development purpose for acquiring the Property continues to be met and the obligation to repay the City’s HUD Loan.

In the likely event (2) ensure that the City forecloses on its leasehold interest in the Commercial Air Rights Parcel, the Successor Agency will sell the Commercial Air Rights Parcel at market value with the proceeds distributed first to the City to repay the HUD Loan and second to the Successor Agency’s economic development goals for purposes consistent with Redevelopment Dissolution Law the Property are met.

**BACKGROUND**

The Fillmore Heritage Center can be divided into three components: (1) the residential units, which were entirely privately financed, (2) the Commercial Air Rights Parcel, which was financed with both private and public funds, and (3) the Garage Parcel, which was entirely publicly financed. Each of these components is discussed in more detail below.

- **Residential Units.** The Fillmore Heritage Center includes 80 condominiums, including 12 affordable condominiums. The construction of these units was completely privately financed. See Closeout Agreement by and between the Redevelopment Agency and the City—Related to Western Addition Area Two Redevelopment Project (June 16, 2082) which requires that all "proceeds from the sale or lease of such property after financial settlement . . . shall be treated as program income to the Community Development Block Grant Program" (the "Closeout Agreement").

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financed with about $35 million from a pension fund. No public dollars went into the residential component of the Fillmore Heritage Center. All the units have been sold to individual homeowners, and the proceeds were used to pay back the private construction lender and the SFRA for a portion ($3.5 million) of the $6.6 million land value. The condo owners operate a homeowners' association, which manages the residential space, a separate residential garage, and the common areas within the Fillmore Heritage Center (the “HOA”). All the condo owners pay common area maintenance fees to the HOA.

- **Commercial Air Rights Parcel.** The Fillmore Heritage Center also includes about 50,000 square feet of commercial space on the ground floor of the building (the “Commercial Air Rights Parcel”). The City financed the construction of the commercial space. To do this, the City, acting through the Mayor’s Office of Housing (“MOH”), borrowed $5.5 million from HUD in the form of a securitized Section 108 loan, which is backed by the City’s federal CDBG fund allocation (the “HUD Loan”). The City then gave these federal dollars to FDC, an affiliate of the developer, Fillmore Development Associates (“FDA”), in the form of a construction loan, so that FDC could build the commercial space (the “FDC Loan”). The SFRA also contributed about $10.4 million in loan funds for the tenant improvements.

The Successor Agency owns the Commercial Air Rights Parcel and master leases the entire 50,000 square feet under a ground lease to FDC. The ground lease structure was used as a financing mechanism to allow the developer to pay the $6.6 million purchase price for the land over time instead of in one lump sum upfront. FDC, as master tenant, subleases the commercial space to two tenants: (1) Yoshi’s San Francisco, a jazz club/restaurant, and (2) Food for Soul, which operates another restaurant called “1300 on Fillmore”. These subtenants were supposed to pay rent and common area maintenance fees to FDC, who was supposed to (a) pay the rent to the City as a debt service payment on the FDC Loan, and (b) pass the common area maintenance payments through to the HOA. FDC, however, has not recently made payments happen on a regular basis to the City and the HOA. FDC fell in arrears on the FDC Loan with the City and about $120,000 behind on its common area maintenance payments to the HOA, as well as its property tax payments.

FDC was required to pay the common area maintenance charges under its ground lease with the Successor Agency; however, the Successor Agency is ultimately liable for these charges, as owner of the Commercial Air Rights Parcel, under a separate project document. The Successor Agency has paid the outstanding amount to the HOA with reserve balances authorized under the Successor Agency’s Recognized Obligations Payment Schedule III and 13-14A, both approved by the Oversight Board and the State Department of Finance (“DOF”). Staff has asked for new property tax funds to cover some common area maintenance payments going forward (in the event the space currently occupied by Yoshi’s San Francisco doesn’t generate enough income to pay them) on the Successor Agency’s Recognized Obligations Payment Schedule 13-14B, which still needs approval from the Oversight Board and DOF.
received authorization to pay the common area maintenance charges from the Oversight Board and DOF (Recognized Obligations Payment Schedule ("ROPS") Line 126).

The main tenant in the Commercial Air Rights Parcel, Yoshi’s San Francisco, declared bankruptcy in 2012 and closed its doors in 2014. As part of the bankruptcy proceedings, FDC and its investors took over the space and operated The Addition from July 2014 to January 2015. In January 2015, FDC ceased operations of The Addition and the Commercial Air Rights Parcel remains vacant. FDC was formally put in default under the Ground Lease, as well as the FDC Loan. In June 2015, the Successor Agency terminated the Ground Lease with FDC and the City exercised its rights as a lender under the Ground Lease to become the master tenant of the commercial space.

- **Garage Parcel.** The Fillmore Heritage Center also includes the Garage Parcel, which is a 112-space public parking garage (the "Garage Parcel"). The SFRA financed the construction of this garage using $5.6 million in tax exempt bond proceeds. The SFRA also used about $860,000 in federal grant funds for site preparation/environmental remediation. The Successor Agency still owns the Garage Parcel and operates it through a garage management agreement with a private garage operator. The garage also pays common area maintenance fees to the HOA.

The garage’s performance is dependent on the performance of the commercial tenants in the Fillmore Heritage Center. Before bankruptcy proceedings started, the garage was operating with a small deficit. Since the closure of The Addition, the monthly operating deficit of the garage has increased to approximately $10,000. The Successor Agency has been backfilling this deficit with property tax funds authorized by the Oversight Board and DOF (ROPS Line 119).

In sum, the public investment went into the land, site preparation, and building the Garage Parcel and the Commercial Air Rights Parcel. The SFRA contributed the land, which was valued at about $6.6 million, and accepted a payback plan on the purchase price of the land over time ($3.5 million has been paid to date). The SFRA contributed an additional $5.6 million in grant funds for construction of the Garage Parcel. About $16 million in SFRA/City loan funds went into building the Commercial Air Rights Parcel.

**LONG-RANGE PROPERTY MANAGEMENT PLAN ("PMP")**

The following presents the information requested pursuant to Section 34191.5 of the California Health and Safety Code for the Garage Parcel and the Commercial Air Rights Parcel. These properties are also shown on Attachment A (Photo of Fillmore Heritage Center) and Attachment B (DOF Tracking Sheet for Other Properties) as Nos. 1 and 2.

**Date of Acquisition**
The SFRA purchased the 52,938-square-foot lot on which the Fillmore Heritage Center now sits (which was an assemblage of 12 different lots) between April 1967 and April 1969 with urban renewal grant funds from the federal government (explained in more detail below).

**Value of Property at Time of Acquisition**

The sum the SFRA paid to purchase the 12 different lots was $939,450.

**Current Value of the Property**

The estimated current value for the Garage Parcel is $402.2 million and the estimated current value for the Commercial Air Rights Parcel is $789.0 million. More information about these values, based on a July 6, 2015 appraisal by R. Blum and restrictions on sales proceeds, is described in sections below. Associates.

**Purpose for which the Property was Acquired**

During the 1960s and 1970s, redevelopment agencies across the country were buying up huge tracts of land for the purposes of implementing redevelopment programs, using urban renewal grant funds from the federal government. This program was generally referred to as the “Urban Renewal Program” authorized by the U.S. Congress, which set federal standards for urban renewal under Title I of the Housing Act of 1949. This program, which displaced thousands of people from their homes and businesses, also occurred in San Francisco, most dramatically in the former Western Addition A-2 Redevelopment Project Area.

The SFRA originally acquired the land on which the Fillmore Heritage Center now sits with urban renewal funds provided through a federal Loan and Grant Contract dated December 27, 1956 (Contract No. Calif. 2-2 (LG)), which was approved by the U.S. Department of Housing and Urban Renewal (the “HUD Contract”). Under the HUD Contract, the SFRA was required to use the federal funds to carry out redevelopment activities in accordance with the local redevelopment plan and the federal urban renewal standards.

In 1982, the City and the SFRA executed, with HUD concurrence, a Closeout Agreement for the Western Addition Area Two Redevelopment Project (Calif. R-54) in which the land that was developed for the Property is identified as Parcel 732-A. (See the Closeout Agreement, Exhibit A at page 3.) The Closeout Agreement states: “All remaining undisposed properties acquired by the Agency in the redevelopment area are shown in Exhibit A hereto. All the proceeds from the sale or lease of such property after financial settlement of the Program shall be treated as program income to the Community Development Block Grant Program under the provisions of 24 C.F.R. 570.506.” (See the Closeout Agreement at p. 2.)

In 2015, HUD determined that a portion of any proceeds from a sale of the Garage Parcel (which includes the land) would be restricted as CDBG program income because the land was purchased with federal urban renewal grant funds and is subject to the Closeout Agreement described
Any proceeds from the sale of the Commercial Air Rights Parcel must first go to the City to pay off the City’s $5.5 million HUD Loan.

Address/Location

The Garage Parcel and the Commercial Air Rights Parcel are both located at the Fillmore Heritage Center at 1310 Fillmore Street.

Lot Size

The Garage Parcel (0732-32) is approximately 50,000 square feet, and includes 112 parking stalls and miscellaneous parking equipment. The Commercial Parcel (0732-33) is also 50,000 square feet, and includes (1) a 28,000-square-foot jazz club/restaurant (“Yoshi’s San Francisco”), (2) a 6,300-square-foot restaurant/music lounge (“1300 on Fillmore”), and (3) a gallery, screening room, and common areas.

Current Zoning

Both the Garage Parcel and the Commercial Parcel are zoned under the San Francisco Planning Code as NC 3, a moderate scale neighborhood commercial district. This designation is intended in most cases to offer a wide variety of comparison and specialty goods and services to a population greater than the immediate neighborhood, additionally providing-convenience goods and services to the surrounding neighborhoods. These districts are linear districts located along heavily trafficked thoroughfares which also serve as major transit routes. They include some of the longest linear commercial streets in the City, some of which have continuous retail development for many blocks. Large scale lots and buildings and wide streets distinguish these districts from smaller scaled commercial streets, although NC 3 districts may include small as well as moderately scaled lots. Buildings typically range in height from two to four stories with occasional taller structures. Moderately large commercial uses and buildings are permitted.

NCT - Fillmore Street Neighborhood Commercial Transit District. This district extends along Fillmore Street between Bush and McAllister Streets. Fillmore Street’s dense mixed-use character consists of buildings with residential units above ground-story commercial use. Buildings range in height from one-story commercial buildings to high-rise towers. Fillmore Street and Geary Boulevard are important public transit corridors. The commercial district provides convenience goods and services to the surrounding neighborhoods as well as shopping, cultural, and entertainment uses that attract visitors from near and far. This designation is intended to encourage and promote development that enhances the walkable, mixed-use character of the corridor and surrounding neighborhoods. Rear yard requirements at residential levels preserve open space corridors of interior blocks. Housing development in new buildings is encouraged above the ground story. Existing residential units are protected by limitations on demolition and upper-story conversions.

\[2 \text{ The portion that would be treated as CDBG program income is } 57.14\%, \text{ because } 57.14\% \text{ of the total project costs for the Garage Parcel (as determined by HUD) were funded with federal funds. Email from R. Cedillos, HUD Senior CPD Officer, to K. Wyatt, DOF Local Government Unit Analyst, February 20, 2015.}\]
A wide variety of uses are consistent with Fillmore Street's existing mixed-use character. New commercial development is permitted with special emphasis on the ground and second stories. Most neighborhood- and visitor-serving businesses are strongly encouraged. Eating and drinking, and entertainment, financial service and certain auto uses generally are permitted with certain limitations confined to the first and ground story. The second stories, other stories may be used by some retail businesses, stores, personal services, and medical, business, and professional offices. Parking and hotels are permitted monitored at all stories of new buildings. Limited storage and administrative service activities are permitted with some restrictions. Limits on drive-up facilities and other automobile uses protect the livability within and around the district and promote continuous retail frontage.

Estimate of the Current Value (Including Appraisal Information)

Garage Parcel. A recent appraisal by Carnegie-R. Blum and Associates, dated July 19, 2010 to 2015, valued the Garage Parcel as of August 2012 at $4.022 million. As noted previously, the garage's performance, and by extension its value, is dependent on the performance of the commercial tenants in the Fillmore Heritage Center. In its appraisal, Carnegie-R. Blum and Associates noted that the Garage Parcel "is well positioned within the Lower Fillmore area parking market, and will offer growth opportunities that parallel the area's growth prospects once the regional and national economies resume job creation. Lack of future of this garage is tied to the future use of the subject commercial space. It appears that operation of a daily garage is not profitable in this location at the present time and there would be minimal demand from an investor for that use given the limited current return. If new demand and development land, structural limitations on new parking development and municipal policy is restricting new supply occurs in the area, income in the future might justify operation as a for-profit parking garage."

Commercial Air Rights Parcel. Another recent appraisal by Carnegie-R. Blum dated December 3, 2012 valued a smaller but similar jazz club/restaurant just down the street from and Associates also included the Commercial Air Rights Parcel. In that appraisal, the smaller jazz club/restaurant parcel, which was valued at approximately $325 per square foot as of November 2012. The comparable properties analyzed in the appraisal ranged from about $227 to $331 per square foot of building area. Using the low end of this range to value the revenue-producing square footage in the Commercial Air Rights Parcel, the value would be approximately $7.8 million.

In its December 3, 2012 appraisal of the smaller jazz club, Carnegie-Blum states, "Like restaurants, the economics of the business are difficult and sometimes the operations are not operated in a business-like manner. However, San Francisco has a strong tradition of nightlife, and the ability to open new nightclubs and bars in most areas of the City is difficult. Therefore, areas which allow these uses and buildings which currently house them do have an advantage in terms of leasing or selling the facilities to new operators. The future outlook for entertainment, bar, and nightclub venues in the subject neighborhood is considered stable."
Restricted Funds: Any proceeds from the sale of the Garage Parcel (which includes the land) is restricted and must be used as CDBG program income because the land was purchased with federal urban renewal grant funds and is subject to the Closeout Agreement described above. Any proceeds from the sale of the Commercial Air Rights Parcel must first go to the City to pay off the City's $5.5 million HUD Loan.

Estimate of Revenues Generated (Including Contractual Requirements for Use of Funds)

Garage Parcel. The Garage Parcel currently generates an average between $25,000 and $27,000 of $18,500 a month, after parking taxes. That revenue goes toward reimbursing the garage operator for the expenses incurred in running the garage, per the Garage Management Agreement between the Successor Agency and Pacific Park Management Inc. dated May 1, 2011 (the “Management Agreement”). Per the Management Agreement, the Successor Agency must reimburse the garage operator for any operating deficits every six months. The garage’s performance is very dependent on the performance of the commercial tenants in the Fillmore Heritage Center. Currently, the garage is running a deficit of about $210,000 a month on average, which is a significant improvement from just three years ago, when the average deficit was about $8,000 a month. Thus, the Successor Agency has been backfilling this deficit with property tax funds (“RPTTF”) to cover the expected deficit, along with replenishment of the garage’s operating funds authorized by the Oversight Board and capital reserve, DOF through the Recognized Obligations Payment Schedule 13 14B lines 120 and 126—approval of its ROPS (Line No. 119).

If surplus revenues are generated, the Management Agreement requires the operator to set aside $4,000 a month for an operating/capital reserve. The operator is also entitled per the Management Agreement to a modest incentive fee if surplus revenues are generated.

Commercial Air Rights Parcel. As mentioned, the Commercial Air Rights Parcel is currently ground leased to FDC, who in turn subleases it to two subtenants: Yoshi’s San Francisco and “the City.” With the closure of The Addition, the only income currently generated under the Ground Lease is from 1300 on Fillmore.” The monthly rent from these two subtenants totals about $58,000 a month. FDC uses this rental income to make its debt service payment to the City due from 1300 on the FDC Loan, per its loan agreement with the City. The City then uses that money to make its debt service payment on the HUD Loan, per its loan agreement with the federal government. Fillmore is currently in arrears on these payments.

History of Environmental Contamination, Studies, Remediation Efforts

Baseline Environmental Consulting prepared reports on the land on which the Fillmore Heritage Center sits in May 1996 and July 2000. These reports concluded that the property contains lead- and petroleum-contaminated soils to a depth of approximately four feet. Historical land uses include a storage company, upholstery shop, furniture store, printing shop, sign painter, paved and unpaved parking areas, and construction staging area, all of which may have contributed to the contamination. The report recommended that the contaminated soil be excavated and properly disposed of in a hazardous waste facility. The consultants estimated the cost of
excavation to be between $600,000 and $840,000. As a result, the SFRA applied for and received a grant from the California Environmental Protection Agency of $860,000 to remediate the site when construction began on the Fillmore Heritage Center in 2005.

Potential for Transit-Oriented Development; Advancement of Planning Objectives

As mentioned, both the Garage Parcel and the Commercial Parcel are zoned under the San Francisco Planning Code as NC 2, a moderate scale neighborhood commercial district. These districts are linear districts located along heavily trafficked thoroughfares which also serve as major transit routes. Due to its centralized location within San Francisco, the lower Fillmore Street commercial corridor is served by several municipal bus routes - NCT - Fillmore Street Neighborhood Commercial Transit District. This district extends along Fillmore Street between Bush and McAllister Streets. Fillmore Street's dense mixed-use character consists of buildings with residential units above ground-story commercial use. Fillmore Street and Geary Boulevard are important public transit corridors. See San Francisco General Plan, Transportation Element, Map 9 (Transit Preferential Streets), available at [http://www.sfpauling.org/ftp/General_Plan/images/14.transportation/tra_map9.pdf](http://www.sfpauling.org/ftp/General_Plan/images/14.transportation/tra_map9.pdf).

In the RFQ that sought a developer for the land on which the Fillmore Heritage Center now sits, the SFRA emphasized that its development of the property was "pivotal to the successful revitalization of the lower Fillmore (Street) commercial corridor," which is the center of the Fillmore Jazz Preservation District (the "Jazz District"). The Jazz District was established by the SFRA Commission to focus resources on reestablishing a vibrant commercial district along lower Fillmore Street that reflects the historical and cultural heritage of the area. A key component of this economic development strategy was to (1) develop catalyst sites to draw people from a wide geographic area, so that existing businesses would benefit from the increased customer base and new businesses would be created, and (2) create employment opportunities for residents of the community. The land on which the Fillmore Heritage Center sits was such a catalyst site, given its location, size and development potential. Developing it with destination entertainment/retail uses fulfilled these planning objectives. However, with the closure of The Addition in January 2015, further redevelopment of the site is necessary.

History of Previous Development and Leasing Proposals

The land on which the Fillmore Heritage Center now sits sat vacant for more than 30 years. Various development proposals were floated over the years but nothing ever materialized into a development agreement. Finally, in 1989, the SFRA entered into an Agreement for Disposition of Land for Private Development (the "LDA") with Fillmore Renaissance Associates, L.P. ("Renaissance Associates"). Due to unfavorable market conditions and other factors, Renaissance Associates was not able to proceed with the residential development originally planned for the land. Years later, in 1995, the LDA was amended to permit a multi-screen cinema complex, a jazz and supper club, and a parking garage. For the next six years, Renaissance Associates attempted to sign leases with tenants and put the financing together to build the project, but was ultimately unsuccessful.

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In June 2001, the SFRA began the solicitation process for a new developer. This solicitation resulted in the selection of Fillmore Development Associates, or FDA, which built the Fillmore Heritage Center (An affiliate of FDA, Fillmore Development Commercial, or FDC, built the Commercial Air Rights Parcel). The Fillmore Heritage Center opened in 2007.

**Disposition of the Property**

Based on the foregoing, the Successor Agency proposes the following disposition plan for the Garage Parcel and the Commercial Air Rights Parcel.

**Garage Parcel.** The disposition plan for the Garage Parcel is a sale at market value. Because transfer to the City for a governmental purpose—that is, a public parking garage—pursuant to Section 34181(a)(1) of the California Health and Safety Code, the Garage Parcel meets the definition of a parking facility dedicated solely to public parking because the land was purchased with federal urban renewal grant funds. It does not “generate revenues in excess of reasonable maintenance costs.” Section 34181(a)(2) of the California Health and Safety Code.

**Commercial Air Rights Parcel.** The disposition plan for the Commercial Air Rights Parcel is a transfer to the City for future redevelopment pursuant to Sections 34191.5(c)(2)(A)(i)-(ii) of the California Health and Safety Code. Consistent with these Sections, the development of the Property was included in SFRA’s 1999-2004 and 2004-2009 Implementation Plans for the Western Addition A-2 Redevelopment Project Area. A transfer to the City will: (1) ensure that the original community development purpose for acquiring the Property continues to be met and (2) ensure that SFRA’s economic development goals for the Property—that is, the development of the Property as a catalyst to the successful revitalization of the lower Fillmore Street commercial corridor and the creation of employment opportunities for the community—continue enforcing the Ground Lease with FDC. The Ground Lease has a 35-year term, and allows FDC to pay the remaining balance of the purchase price for the land (about $3.0 million) to be met.

Under Section 34191.5(c)(2)(A)(i)-(ii) of the California Health and Safety Code, the Oversight Board or the Department of Finance may require approval of a compensation agreement, as described in Section 34180(f), prior to the transfer of property that the City retains for future redevelopment activities. The compensation agreement requires the City and other taxing entities to reach agreement on payments proportionate to their share of base property taxes for the value of the property retained. In this case, the Successor Agency over the term of the Ground Lease, after FDC pays off the FDC Loan to the City. Any payments the Successor Agency receives pursuant to the Ground Lease would be available for recommending that the payments under the compensation agreement consist of covenants and conditions on the parcel.

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*See Closeout Agreement by and between the Redevelopment Agency and the City Relating to Western Addition Area Two Redevelopment Project (June 16, 2982) which requires that all “proceeds from the sale or lease of such property after financial settlement . . . shall be treated as program income to the Community Development Block Grant Program” (the “Closeout Agreement”).*
restricting its use and any future disposition to purposes consistent with Redevelopment Dissolution Law. The Successor Agency believes a governmental purpose exists in this case because of the significant investment of federal funds in the Property and the obligation to repay the City’s HUD Loan, the CDBG program and with the original economic development objectives for the Property, namely its redevelopment as a catalyst to the revitalization of the lower Fillmore Street commercial corridor and the creation of employment opportunities for the community. In light of the existing restrictions on the parcel and the long-standing City and community-wide interest in revitalizing the parcel, these conditions and covenants constitute a significant value in lieu of the payment of money.

In the likely event that the City forecloses on its leasehold interest in the Commercial Air Rights Parcel, the Successor Agency will sell the Commercial Air Rights Parcel at market value with the proceeds distributed first to the City to repay the HUD Loan and second to the Successor Agency for purposes consistent with Redevelopment Dissolution Law.

Properties Dedicated to Governmental Use Purposes and Properties Retained for Purposes of Fulfilling an Enforceable Obligation

See above section.

Attachment A: Photo of Fillmore Heritage Center
Attachment B: DOF Tracking Sheet --Other Properties
Attachment A
Photo of Fillmore Heritage Center
Attachment B
DOF Tracking Sheet – Other Properties

(See Tab 4.1)
EXECUTIVE SUMMARY

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "Successor Agency") submits its Long-Range Property Management Plan ("PMP") for the disposition of Block 5423A, Lot 009, commonly known as 345 Williams Avenue (the "Site"). The Site is a 92,209-square-foot lot improved with surface parking and a 29,000-square-foot Foodscro supermarket leased to and operated by The Kroger Company ("Kroger"), potentially until 2031. The former San Francisco Redevelopment Agency ("SFRA") acquired the Site with federal Community Development Block Grant ("CDBG") funds in 1990 specifically for the development of a full-service supermarket in Bayview Hunters Point ("BVHP"), an underserved neighborhood.

The lease is an enforceable obligation that could remain in effect until 2031 if Kroger, in its sole discretion, chooses to exercise each of its remaining lease options. The Successor Agency proposes to transfer the Site to the City and County of San Francisco (the "City") so the City can assume the obligation of managing the property and the lease for future redevelopment pursuant to Section 34191.5(c)(2)(A)(i)-(ii) of the California Health and Safety Code. A transfer to the City would ensure that the original economic development purpose for acquiring the Site — that is, to develop a full-service supermarket in an underserved neighborhood — continues to be met, particularly in the event that Kroger does not exercise its remaining options.

LONG-RANGE PROPERTY MANAGEMENT PLAN ("PMP")

The following presents the information requested pursuant to Section 34191.5 of the California Health and Safety Code for the Site. This property is also shown on Attachment A (Map of 345 Williams Avenue) and Attachment B (DOF Tracking Sheet for Other Properties), as No. 3.

Date of Acquisition

Pursuant to Resolution No. 249-90, adopted September 18, 1990, the SFRA acquired the Site on September 27, 1990 for the stated purpose of developing a full-service supermarket.

Value of Property at Time of Acquisition

The SFRA acquired the Site for $4,000,000 pursuant to Resolution No. 249-90, which authorized the purchase of the Site for a full-service supermarket and allocated the expenditure of funds from the SFRA’s Economic Development budget. The SFRA’s Economic Development budget included $4,000,000 in federal CDBG funds allocated by the San Francisco Board of Supervisors for fiscal year 1990-1991 specifically for acquisition of the Site.
Estimate of the Current Value

The estimated current value of the Site is $3,800,000, as determined by a January 4, 2011 appraisal of the SFRA’s leased fee interest in the Site by Hamilton, Ricci & Associates, Inc.

Purpose for which the Property was Acquired

Safeway operated a supermarket at 345 Williams Avenue until its closure in 1988. At that time, Safeway was the only supermarket serving the 30,000 BVHP residents of Bayview Hunters Point. After closure of Safeway, residents were cut off from easy access to nutritious, competitively priced food. Residents instead had to patronize smaller, independent inner-city stores with poorer selection, and prices as much as 40% higher. Bayview Hunters Point BVHP residents identified a supermarket as the area’s highest priority, and requested that the SFRA assist in its development. With assistance from the Mayor’s Office of Business and Economic Development, the SFRA assessed multiple locations, and determined that the Site, which already contained a vacant supermarket building, would allow a new supermarket to be developed in the most cost effective way.

Address/Location

The Site is located at 345 Williams Street in Bayview Hunters Point the BVHP and the former Bayview Hunters Point Redevelopment Survey Area and includes one parcel: Block 5423A, Lot 009. A map of the Site is attached as Attachment A.

Lot Size

The Site is a 92,209-square-foot lot improved with a 29,000-square-foot supermarket structure and surface parking.

Current Zoning

Pursuant to the San Francisco Planning Code, the Site is located in the Neighborhood Commercial, Shopping Center (NC-S) zoning district and the 65-J Height and Bulk District. NC-S districts are intended to serve as small shopping centers or supermarket sites which provide retail goods and services for primarily car-oriented shoppers.

Estimate of the Current Value (Including Appraisal Information)

The estimated current value of the Site is $3,800,000, as determined by a January 4, 2011 appraisal of the SFRA’s leased fee interest in the Site by Hamilton, Ricci & Associates, Inc.

Estimate of Revenues Generated (Including Contractual Requirements for Use of Funds)
In 1991, pursuant to Resolution No. 95-91, the SFRA entered into a lease with Cala Foods, Inc. (now Kroger) to develop and operate a full-service supermarket on the Site. The lease commenced on October 29, 1991 with an initial term of ten years, with six renewable option periods of five years each. The lease is now in its third option period, which expires in 2016. Lease payments are comprised of (i) base rent and (ii) percentage rent of 1.25 percent of annual gross sales less offsets for the base rent, insurances and taxes. Per the appraisal by Hamilton, Ricci & Associates, the percentage rent collected under the lease is approximately 50% of market rents. In 2012, the base rent was $308,312 and the percentage rent was $7,988, for a total rent of $316,300. The lease payments are CDBG program income, and can only be used for CDBG eligible purposes.

**History of Environmental Contamination, Studies, Remediation Efforts**

The Site has no known history of environmental contamination. However, the Site is located within the Bayview Hunters PointBVHP area, which has historically been the industrial center of the City of San Francisco. Bayview Hunters PointBVHP is home to the Southeast Water Pollution Control Plant that treats 80 percent of the City’s sewage. The PG&E Hunters Point Power Plant was also located within the Bayview Hunters PointBVHP community until its recent closure. The area is also subject to heavy traffic, with the adjacent Interstate 280 and US 101 routing the main flow of traffic from the south of the Bay along the area’s eastern boundary. The site of the former Hunters Point Naval Shipyard, also located in Bayview Hunters PointBVHP, has areas of heavy contamination and has been designated a Superfund site by the United States Environmental Protection Agency. Remediation efforts at the Shipyard are ongoing.

**Potential for Transit-Oriented Development; Advancement of Planning Objectives**

The Site is about six blocks (.35 miles) west of Third Street, a commercial thoroughfare served by light rail. The Site is directly served by one bus route, and an additional eight bus routes are located within .5 miles of the Site.

**History of Previous Development and Leasing Proposals**

Safeway operated a supermarket at 345 Williams Avenue until its closure in 1988. At that time, Safeway was the only supermarket serving the 30,000 BVHP residents of Bayview Hunters PointBVHP. Working with the Mayor’s Office of Business and Economic Development and the Bayview Hunters PointBVHP community, the SFRA purchased the Site on September 27, 1990 for the stated purpose of developing of a full-service supermarket.

In 1991, the SFRA entered into the lease with Cala Foods (now Kroger) that included improvements to the existing building and premises. The lease commenced on October 29, 1991 with an initial ten-year term and six, five-year options. The lease is now in its third option period, which expires in 2016. If Kroger decides, in its sole discretion, to exercise each of its remaining options, the lease would remain in effect until 2031.

**Disposition of the Property**

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Successor Agency to the San Francisco Redevelopment Agency
Long-Range Property Management Plan – 345 WILLIAMS AVENUE
Page 3-of-4
As discussed above, the lease is an enforceable obligation that could remain in effect until 2031 if Kroger exercises each of its remaining options. The Successor Agency could attempt to sell the Site at fair market value, with the lease in place. It is very unlikely, however, that there would be interest in the Site given that it is encumbered, potentially until 2031, with a below-market lease. If a buyer was found, the proceeds from the sale would be considered CDBG program income because the land was purchased with CDBG funds, and would not be distributable to the taxing entities.

Given these restrictions, the Successor Agency has a property management function that preserves the community development purposes for the Site, a function that the City could assume as the administrator of the CDBG program. Accordingly, the Successor Agency proposes transferring the Site to the City so the City can assume the obligation of managing the property for future redevelopment pursuant to Section 34191.5(c)(2)(A)(ii)-(iii) of the California Health and Safety Code. Transferring the Site to the City would also ensure that the original economic development purpose for acquiring the Site – that is, to develop a full-service supermarket in an underserved neighborhood – continues to be met, particularly in the event that Kroger does not exercise its remaining options. Preservation of the supermarket on the Site remains critical and a high priority for the City. Even with Foodsco in operation on the Site, portions of the Bayview Hunters Point (BVHP) neighborhood still have very limited access to fresh, healthy and affordable food. Approximately half of the neighborhood has been designated as a “food desert” by the U.S. Department of Agriculture ("USDA"). Similarly, the City’s Department of Public Health gave the Bayview Hunters Point BVHP neighborhood a Food Market Score of only 33 out of 100, one of the lowest in the City. In addition, the City’s 2014-2015 Action Plan identifies “improved access to healthy food options” as a persistent need in the BVHP neighborhood and (2) sets a five-year goal of stimulating the development of a new grocery store in the BVHP.

1 In September 2013, the San Francisco Board of Supervisors adopted the Healthy Food Retailer Ordinance, the goal of which is to protect “public health by ensuring that healthy, fresh, sustainable, and affordable food is accessible to all residents of the City, particularly those living in neighborhoods with high rates of obesity, poverty and chronic disease, a high concentration of seniors and families with children, and/or a relative lack of public transit.”

2 Food Deserts are defined by the USDA as “as urban neighborhoods and rural towns without ready access to fresh, healthy and affordable food. Instead of supermarkets and grocery stores, these communities may have no food access or are served only by fast food restaurants and convenience stores that offer few healthy, affordable food options.” http://apps.ams.usda.gov/fooddeserts/foodDeserts.aspx.

3 The Food Market Score is a combined measure of the quality, quantity, and proximity of all retail food resources near any one point. A high Food Market Score indicates that a neighborhood is geographically close to a range of different food store types. http://www.sustainablecommunitiesindex.org/city_indicators/view/48

Under Section 34191.5(c)(2)(A)(i)-(iii) of the California Health and Safety Code, the Oversight Board or the Department of Finance may require approval of a compensation agreement, as described in Section 34180(f), prior to the transfer of property that the City retains for future redevelopment activities. The compensation agreement requires the City and other taxing entities to reach agreement on payments proportionate to their share of base property taxes for the value of the property retained. In this case, the Successor Agency is recommending that the payments under the compensation agreement consist of covenants and conditions on the Site restricting its use and any future disposition to purposes consistent with the CDBG program and with the original economic and community development objectives for the Site, namely the development of a full-service supermarket in an underserved neighborhood. In light of the existing restrictions on the Site and the long-standing community interest in access to a supermarket, these conditions and covenants constitute a significant value in lieu of the payment of money.

Properties Dedicated to Governmental Use Purposes and Properties Retained for Purposes of Fulfilling an Enforceable Obligation

See section above.

Attachment A: Map of 345 Williams Avenue
Attachment B: DOF Tracking Sheet for Other Properties
Attachment A
Map of 345 Williams Avenue (Block 5423A, Lot 009)
Attachment B
DOF Tracking Sheet – Other Properties

(See Tab 4-1)
EXECUTIVE SUMMARY

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) submits its Long-Range Property Management Plan (“PMP”) for the disposition of remnant parcels in the expired India Basin Industrial Park Redevelopment Project Area, Yerba Buena Center Approved Redevelopment Project Area D-1, and Western Addition Redevelopment Project Area A-2.

The Successor Agency proposes the following disposition plan for these remnant parcels:

**India Basin Industrial Park**
- **Burke Street Parcels** (Block 5203, Lots 037 and 044) – Transfer to the City for a governmental purpose (i.e. streets).
- **Cargo Way Sidewalk Parcels** (Block 4570, Lots 020, 021 and 028) – Transfer to the City for a governmental purpose (i.e. sidewalks).

**Yerba Buena Center**
- **Senior Housing Parcels** (Block 3733, Lots 096 and 098) – Sell at fair market value to owner(s) of adjacent senior housing projects.
- **Bonifacio and Rizal Sidewalk Parcels** (Block 3751, Lots 167 and 168) – Transfer to the City for a governmental purpose (i.e. sidewalks).

**Western Addition**
- **Ellis Street Driveway Parcel** (Block 0725, Lot 026) – Sell at fair market value.

LONG-RANGE PROPERTY MANAGEMENT PLAN

The following presents the information requested pursuant to Section 34191.5 of the California Health and Safety Code for the Remnant Parcels. These properties are also shown on Attachments A1-A5 (Maps of Remnant Parcels) and Attachment B (DOF Tracking Sheet for Other Properties), as Nos. 4 through 13.

**Date of Acquisition**

See Attachment B, Nos. 4 through 13, for acquisition dates.

**Value of Property at Time of Acquisition**

See Attachment B, Nos. 4 through 13, for values at time of acquisition.
Estimate of the Current Value

- **India Basin Industrial Park**
  - Burke Street Parcels – As remnant street parcels, the fair market value is $0.
  - Cargo Way Sidewalk Parcels – As remnant sidewalk parcels, the fair market value is $0.

- **Yerba Buena Center**
  - Senior Housing Parcels – As undevelopable remnant parcels, the fair market value is $0.
  - Bonifacio and Rizal Sidewalk Parcels – As remnant sidewalk parcels, the fair market value is $0.

- **Western Addition**
  - Ellis Street Driveway Parcel – $10,000, as determined by a September 14, 2011 appraisal by Carnegie-Blum and Partners, Inc. This parcel is encumbered by easements in favor of adjacent property owners for emergency vehicle access. Development of the site is further restricted in that footings and foundations cannot be installed on or beneath the surface. Thus, this site utility is limited to access for the adjacent sites.

Purpose for which the Agency Property was Acquired

- **India Basin Industrial Park**
  - Burke Street Parcels – Consistent with provisions of the Redevelopment Plan for the India Basin Industrial Park, the City vacated a number of streets in India Basin and transferred the land to the RDA in 1974. The RDA realigned the street grid, and ultimately transferred the streets back to the City, with the exception of these remnant parcels.
  - Cargo Way Sidewalk Parcels – In the 1970s, consistent with the purposes of the Redevelopment Plan for the India Basin Industrial Park, the RDA purchased hundreds of parcels in India Basin with federal urban renewal funds, including all of the parcels along Cargo Way between Jennings Street and Mendell. The parcels were reassembled, and typically sold off for private development. The Cargo Way Sidewalk Parcels were held back by the RDA for completion of sidewalks along Cargo Way, and for unknown reasons were not transferred to the City upon completion of the sidewalks.

- **Yerba Buena Center**
  - Senior Housing Parcels – In 1967, the RDA acquired Block 3733, Lots 087 and 045 in Yerba Buena. In 1970, Lots 087 and 045 were sold off as part of the larger Agency Disposition Parcel 3733-A, B, and C but for two small two small slivers of land that were retained by the RDA for unknown reasons. These slivers become Lots 096 and 098, which are still owned by the Successor Agency.
Agency Disposition Parcel 3733-A, B, and C was sold to Yerba Buena Developers for the construction of a turnkey senior housing project, which was completed in 1971. Upon completion, the property and the completed project, Clementina Towers, were transferred to the San Francisco Housing Authority. Block 3733, Lot 098 is a .323 foot by 80 foot strip of land that runs immediately adjacent to the Clementina Towers project.

In 1998, the San Francisco Housing Authority entered into an agreement with Tenant and Owners Development Corporation ("TODCO") to lease to TODCO approximately 11,625-square feet of undeveloped real property connected with Clementina Towers for the purpose of constructing a senior housing project. TODCO constructed the Eugene Coleman Community House, which includes 85 units of rental housing for very low-income seniors. Block 3733, Lot 096 is a .75 foot by 155 foot strip of land that runs immediately adjacent to the Eugene Coleman Community House.

- Bonifacio and Rizal Sidewalk Parcels – In the 1960s, consistent with the purposes of the Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project Area D-1, the RDA purchased large swaths of land in Yerba Buena with federal urban renewal funds. Most of the parcels were reassembled and sold off for economic development purposes or retained for public purposes. These parcels were retained by the RDA for completion of sidewalks along Bonifacio and Rizal Streets, and for unknown reasons were not transferred to the City upon completion of the sidewalks.

- Western Addition
  - Ellis Street Driveway Parcel – The City transferred this parcel to the RDA in 1982 as part of a larger land assemblage for commercial and residential uses.

Address/Location

See Attachment B, Nos. 4 through 13, for specific addresses. Maps of the parcels are attached as Attachments A1-A5.

Lot Size

See Attachment B, Nos. 4 through 13, for the lot sizes of the parcels. Maps of the parcels are attached as Attachments A1-A5.

Current Zoning

India Basin Industrial Park

- Burke Street Parcels – Zoned Core Production Distribution and Repair (PDR-2) under the San Francisco Planning Code. PDR-2 promotes the introduction, intensification, and protection of a wide range of light and contemporary industrial activities.
• **Cargo Way Sidewalk Parcels** – Zoned Core Production Distribution and Repair (PDR-2) under the San Francisco Planning Code. PDR-2 promotes the introduction, intensification, and protection of a wide range of light and contemporary industrial activities.

**Yerba Buena Center**
- **Senior Housing Parcels** – Zoned Residential-Commercial High Density (RC-4). RC-4 provides for a mixture of high-density dwellings with supporting commercial uses.
- **Bonifacio and Rizal Sidewalk Parcels** – Zoned Mixed Use-Residential (MUR). MUR serves as a buffer between the higher-density, predominantly commercial area of Yerba Buena Center to the east and the lower-scale, mixed use service/industrial and housing area west of Sixth Street.

**Western Addition**
- **Ellis Street Driveway Parcel** – Zoned Moderate Scale Neighborhood Commercial (NC-3). NC-3 offers a wide variety of comparison and specialty goods and services to a population greater than the immediate neighborhood, additionally providing convenience goods and services to the surrounding neighborhoods.

**Estimate of the Current Value (Including Appraisal Information)**

- **India Basin Industrial Park**
  - Burke Street Parcels – As remnant street parcels, the fair market value is $0.
  - Cargo Way Sidewalk Parcels – As remnant sidewalk parcels, the fair market value is $0.

- **Yerba Buena Center**
  - Clementina Commons Parcels – As undevelopable remnant parcels, the fair market value is $0.
  - Bonifacio and Rizal Sidewalk Parcels – As remnant sidewalk parcels, the fair market value is $0.

- **Western Addition**
  - Ellis Street Driveway Parcel – $10,000, as determined by a September 14, 2011 appraisal by Carneghi-Blum and Partners, Inc. This parcel is encumbered by easements in favor of adjacent property owners for emergency vehicle access. Development of the site is further restricted in that footings and foundations cannot be installed on or beneath the surface. Thus, this site utility is limited to access for the adjacent sites.

**Estimate of Revenues Generated (Including Contractual Requirements for Use of Funds)**

No revenues are generated from any of the remnant parcels.
History of Environmental Contamination, Studies, Remediation Efforts

- **India Basin Industrial Park**
  - Burke Street Parcels and Cargo Street Sidewalk Parcels – The Successor Agency was not able to locate information related to the history of environmental contamination on these parcels. In general, prior to redevelopment, India Basin Industrial was a one hundred twenty-six acre blighted area which included: 25 acres of automobile wrecking yards, 19 acres of general industrial uses, 7 acres of vacant land, 35 acres of unimproved streets and 16 acres devoted to remnants of "Old Butchertown" meat packing businesses.

- **Yerba Buena Center**
  - Senior Housing Parcels and Bonifacio and Rizal Sidewalk Parcels – The Successor Agency was not able to locate information related to the history of environmental contamination on these parcels. A general survey of environmental conditions was conducted as part of the 1995 Environmental Impact Report for the Yerba Buena Center (“EIR”). The EIR noted the industrial past of the area and that unknown sources of fill dirt have been used over the years to level the area. As a result of these past uses and practices, there could be soil contamination and other hazards, such as underground storage tanks, which are common in an urban setting. However, the EIR did not find any known superfund sites in the area or other significant hazards requiring major remediation.

- **Western Addition**
  - Ellis Street Driveway Parcel – The Successor Agency was not able to locate information related to the history of environmental contamination on this parcel. However, Baseline Environmental Consulting prepared reports on the land immediately adjacent to this parcel in May 1996 and July 2000. These reports concluded that the adjacent property contained lead- and petroleum-contaminated soils to a depth of approximately four feet. Historical land uses include a storage company, upholstery shop, furniture store, printing shop, sign painter, paved and unpaved parking areas, and construction staging area, all of which may have contributed to the contamination. The report recommended that the contaminated soil be excavated and properly disposed of in a hazardous waste facility.

Potential for Transit-Oriented Development; Advancement of Planning Objectives

There is no potential for transit-oriented development on any of the Remnant Parcels. All of the India Basin and Yerba Buena Center parcels are too small to be developed. Development of the Ellis Street Driveway parcel is prohibited due to a restriction imposed by the City for access to the utilities underneath the parcel.
History of Previous Development and Leasing Proposals

There is no history of previous development and leasing proposals, as these remnant parcels are not developable.

Disposition of the Agency Property

**India Basin Industrial Park**
- **Burke Street Parcels** – The Successor Agency proposes to transfer these parcels to the City for a governmental purpose (i.e. public streets).
- **Cargo Way Sidewalk Parcels** – The Successor Agency proposes to transfer these parcels to the City for a governmental purpose (i.e. public sidewalks).

**Yerba Buena Center**
- **Senior Housing Parcels** – The Successor Agency proposes to sell these parcels at fair market value to the owners of Clementina Towers and Eugene Coleman Community House. As undevelopable remnant parcels, the fair market value is $0.
- **Bonifacio and Rizal Sidewalk Parcels** – The Successor Agency proposes to transfer these parcels to the City for a governmental purpose (i.e. public sidewalks).

**Western Addition**
- **Ellis Street Driveway Parcel** (Block 0725, Lot 026) – The Successor Agency proposes to sell this parcel at fair market value. **The Successor Agency intends to use the proceeds to satisfy enforceable obligations, namely to offset disposition and legal costs associated with property the Successor Agency still owns in the former Western Addition A-2 Redevelopment Project Area. The funds from the sale of the Ellis Street Driveway will be applied to ROPS Item 373, “Asset Management & Disposition Costs.” Currently, these costs are largely being funded with Redevelopment Property Tax Trust Fund (“RPTTF”) dollars.**

Properties Dedicated to Governmental Use Purposes and Properties Retained for Purposes of Fulfilling an Enforceable Obligation

See above section.

Attachment A-1: Map of Burke Street Parcels
Attachment A-2: Map of Cargo Way Sidewalk Parcels
Attachment A-3: Map of Senior Housing Parcels
Attachment A-4: Map of Bonifacio and Rizal Sidewalk Parcels
Attachment A-5: Map of Ellis Street Driveway
Attachment B: DOF Tracking Sheet – Other Properties
Attachment A-2

Map of Cargo Way Sidewalk Parcels
Attachment A-3

Map of Senior Housing Parcels
Attachment A-4

Map of Bonifacio and Rizal Sidewalk Parcels

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Attachment A-5
Map of Ellis Street Driveway
Attachment B
DOF Tracking Sheet – Other Properties

(See Tab 4.1)
EXECUTIVE SUMMARY

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) submits its Long-Range Property Management Plan (“PMP”) for the transfer to the Housing Successor Agency of the City and County of San Francisco two parcels located at 227-255 Seventh Avenue Street in the former South of Market Redevelopment Project Area that comprise a portion of Westbrook Plaza, a mixed-use project containing affordable housing and a neighborhood-serving health clinic. Westbrook Plaza contains three parcels: (1) Block 3731, Lot 240, which is currently owned by the Successor Agency and includes land and an underground garage serving the project; (2) Block 3731, Lot 241, an airspace parcel currently owned by the Successor Agency that is leased to and contains the South of Market Health Center (“SMHC”); and (3) Block 3731, Lot 242, an airspace parcel that is owned by the Housing Successor Agency, leased to Mercy Housing California (“Mercy Housing”) and contains 48 units of affordable housing for low-income families.

The Successor Agency proposes to transfer Block 3731, Lot 240 and 241 (the “Site”) to the City’s Housing Successor Agency pursuant to Section 34176 (f) of the Redevelopment Dissolution Law.

BACKGROUND

In 2008, the former San Francisco Redevelopment Agency (the “SFRA”) acquired Block 3731, Lot 235, which was subsequently subdivided into Lots 240, 241, 242, from Mercy Housing and SMHC for financing purposes. The SFRA then leased an airspace parcel (Lot 241) back to SMHC, for the purpose of constructing a health clinic to provide medical assistance to low-income, homeless and medically underserved residents in the South of Market Redevelopment Project Area (the “Project Area”). A second airspace parcel (Lot 242) was leased back to Mercy Housing for the construction of 48 units of permanent, affordable housing for low-income families. The SFRA retained the land and garage (Lot 240) under the airspace parcels. The mixed-use project, Westbrook Plaza, was completed in 2010. Westbrook Plaza is a four-story building constructed atop a subsurface parking garage. The health clinic occupies the first two levels of the building, while the affordable housing development occupies the balance.

LONG-RANGE PROPERTY MANAGEMENT PLAN (“PMP”)

The following presents the information requested pursuant to Section 34191.5 of the California Health and Safety Code for the Site. The Site is also shown on Attachment A (Map of South of
Market Health Center) and Attachment B (DOF Tracking Sheet for Other Properties), as Nos. 3014 and 3415.

Date of Acquisition

SMHC and Mercy Housing purchased the Site in 2003. In 2008, the SFRA acquired what is currently Block 3731, Lot 240 from SMHC and Mercy and leased a portion (Block 3731, Lot 241) back to SMHC to construct the health clinic. At the same time, a separate lease was executed with Mercy Housing for Lot 242.

Value of Property at Time of Acquisition

The total cost to the SFRA of acquiring the property, including the land and the airspace parcels for both the health clinic and the affordable housing, was $5,578,801. The value of the portion that was leased back to SMHC, determined at the use and with the conditions, covenants, and development costs required by the lease, was $1,600,000.

Estimate of the Current Value

The use of Block 3731, Lot 241 is limited by the ground lease to “the construction and operation of an approximately 20,000-square-foot health clinic.” (Article 8.02(a)) The current value of $4,367,542 is based on fair market value as reflected in the Successor Agency’s Due Diligence Review of Non-Housing Assets submitted to the State Department of Finance.

The use of Block 3741, Lot 240, is restricted by the Declaration Established Reciprocal Easements and Covenants Running with the Land (“REA”) to parking for the health clinic and the affordable housing. SMHC pays rent to the Successor Agency of $1 per year. Because the use is restricted, the Site this parcel has no current value.

Purpose for which the Property was Acquired

The SFRA acquired the property in order to assist in the creation of the new health clinic to promote continuing medical care to residents of the Project Area, and to provide affordable housing.

Address/Location

The Site is located at 227-255 Seventh Avenue Street in the South of Market neighborhood and includes two parcels: Block 3731, Lots 240 and 241. Lot 240 is entirely below ground. Lot 241 is directly above Lot 240 and is adjacent to and below Block 3731, Lot 242, which is occupied by the affordable housing development.

Lot Size
According to the City’s Assessor-Recorder’s Office, Block 3731, Lot 240 contains approximately 22,618 square feet of underground garage space and Block 3731, Lot 241 contains approximately 18,580 square feet of health clinic space.

**Current Zoning**

Under the San Francisco Planning Code, the Site is zoned RED (South of Market Residential Enclave) with a height limit of 65 feet.

**Estimate of the Current Value (Including Appraisal Information)**

The use of Block 3731, Lot 241 is limited by the ground lease to “the construction and operation of an approximately 20,000-square-foot health clinic.” (Article 8.02(a))) The current value of Block 3741, Lot 240, $4,367,542 is restricted by the REA to parking for the health clinic and the affordable housing. SMHC pays rent to the Successor Agency’s Due Diligence Review of Non-Housing Assets submitted to the State Department of Finance.

The use of Block 3741, Lot 240, is restricted by the Declaration of Established Reciprocal Easements and Covenants Running with the Land (“REA”) to parking for the health clinic and the affordable housing. SMHC pays rent to the Successor Agency of $1 per year. Because the use is restricted, this parcel has no current value.

**Estimate of Revenues Generated (Including Contractual Requirements for Use of Funds)**

Under the ground lease, SMHC pays rent of $1 per year to the Successor Agency.

**History of Environmental Contamination, Studies, Remediation Efforts**

The Site has no significant history of environmental contamination.

**Potential for Transit-Oriented Development; Advancement of Planning Objectives**

The Site is within the dense, transit-rich South of Market neighborhood in Downtown San Francisco. The health clinic is within easy walking distance of several thousand residential units and is accessible by Bay Area Rapid Transit (BART) trains (2 blocks to Civic Center BART Station) and San Francisco Municipal Transportation Agency (MTA) buses and trains.

**History of Previous Development and Leasing Proposals**

The development of the Site was completed in 2010.

**Disposition of the Property**
The Successor Agency is proposing to transfer the Site to the Housing Successor Agency pursuant to Redevelopment Dissolution Law. Section 34176 (f) of the Redevelopment Dissolution Law states: “If a development includes both low- and moderate-income housing that meets the definition of a housing asset under subdivision (e) and other types of property use, including, but not limited to, commercial use, governmental use, open space, and parks, the oversight board shall consider the overall value to the community as well as the benefit to taxing entities of keeping the entire development project intact or dividing the title and control over the property between the housing successor and the successor agency or other public or private agencies.”

The City’s Housing Successor Agency already owns Block 3731, Lot 242, the airspace parcel that includes the affordable housing development. Transferring Block 3731, Lots 240 and 241, to the Housing Successor Agency would keep the entire development project intact. The overall value of Westbrook Plaza is enhanced by keeping it intact as was originally intended. The affordable housing complements the vision of the health clinic to serve the needs of low-income households, and the residents of the affordable housing benefit from having the clinic within their building. In addition, because the two uses share various operating expenses, having the entire development owned by a single entity will result in greater management efficiency.

Properties Dedicated to Governmental Use Purposes and Properties Retained for Purposes of Fulfilling an Enforceable Obligation

See above section.

Attachment A: Map of Westbrook Plaza
Attachment B: DOF Tracking Sheet – Other Properties
Attachment A
Map of Westbrook Plaza
Attachment B
DOF Tracking Sheet – Other Properties

(See Tab 4.1)
EXECUTIVE SUMMARY

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) submits its Long-Range Property Management Plan (“PMP”) which includes the disposition of seven mini-parks located in the former Hunters Point Redevelopment Project Area (the “Mini-Parks”). The seven Mini-Parks are identified by their former redevelopment disposition parcel names (i.e., D-2, DD-4, Shoreview Park, E-2, E-4, F-2, FF-7, Adam Rogers Park, and HH-2).

The Mini-Parks were developed to serve adjacent affordable housing projects in the early 1970s. The former San Francisco Redevelopment Agency (the “SFRA”) acquired the Mini-Parks as part of a larger land acquisition from the San Francisco Housing Authority (“SFHA”) and the City and County of San Francisco (the “City”) to fulfill the redevelopment program contained in the Hunters Point Redevelopment Plan (the “HP Plan”). The land was acquired at little or no cost and then sold to residential developers to create the new Hunters Point community. New open spaces and parks were also built, and the SFRA was able to transfer other park lands it owned to adjacent property owners. However, it was unable to transfer the seven Mini-Parks for a variety of reasons and continues to own them. Due to their irregular shapes and topographical challenges, the Mini-Parks are not useable for anything other than open space. They were all improved with open space areas, pedestrian walkways and stairs, and parks, and are currently maintained by either the City and County of San Francisco (the “City”) or the adjacent property owners. Only one Mini-Park (DD-4), otherwise known as Shoreview Park, is still maintained by the Successor Agency.

Disposition Plan. Two Mini-Parks (DD-4 Shoreview Park and FF-7 Adam Rogers Park) function as traditional city parks, and one (Adam Rogers Park) is adjacent to a park owned and maintained by the City. These two Mini-Parks will be transferred to the City for a governmental purpose. The remaining five Mini-Parks (D-2, E-2, E-4, F-2, and HH-2) primarily serve as open space and walkways for the adjacent affordable housing projects. These Mini-Parks will be sold at fair market value to the adjacent property owners. The fair market value is estimated to be zero because they have no development potential and have already been improved with open space areas, pedestrian walkways and stairs.

BACKGROUND

In the 1960s and 1970s, the SFRA acquired large blocks of land in the Hunters Point Redevelopment Project Area (“Hunters Point”) from the SFHA and the City, acting through the San Francisco Unified School District, to implement the redevelopment program envisioned in the HP Plan, which primarily consisted of new affordable residential development and open...
spaces. All of the land the SFRA acquired (except the Mini-Parks) was sold or transferred to developers to construct the residential units and associated open spaces.

The U.S. Department of Housing and Urban Development, or HUD, provided low-cost construction financing to some of the affordable housing developers. Due to HUD’s statutory mortgage limits, operating costs at these projects had to be substantially reduced. Operating costs included property management costs for the open spaces surrounding the affordable housing projects. As a result, the SFRA had to retain ownership of five of the Mini-Parks: (D-2, E-2, E-4, F-2, and HH-2), and pay for their upkeep, to keep the operating costs down for the affordable housing projects.

The Mini-Parks are comprised primarily of irregularly shaped lots with moderate to very steep sloping terrain. Some include usable open space/parkland. The majority of the Mini-Parks have limited street frontage and are undevelopable for anything other than open spaces and pedestrian walkways. The following provides a detailed description of each Mini-Park:

- **Mini-Park D-2** – Stairwells and walkways between existing residential units, with a small seating plaza off of McKinnon Avenue (0.36 acres); maintained by adjacent property owner.
- **Mini-Park DD-4** – Shoreview Park, a small neighborhood park with children’s play equipment and grassy area (approximately 0.5 acres); maintained by Successor Agency.
- **Mini-Park E-2** – A staircase running between residential buildings, connecting Commer Court to an overlook and grassy area (0.27 acres); maintained by adjacent property owner.
- **Mini-Park E-4** – A small triangular grassy area with a trash enclosure serving the adjacent, surrounding residential buildings (0.06 acres); maintained by adjacent property owner.
- **Mini-Park F-2** – Stairs and pathways located between existing residential buildings (0.36 acres); maintained by adjacent property owner.
- **Mini-Park FF-7** – A landscaped parcel that has been incorporated into the publically-owned Adam Rogers Park, which directly abuts Mini-Park FF-7 (0.16 acres); maintained by City.
- **Mini-Park HH-2** – Small grassy area between existing residential buildings and Ingalls Street (0.18 acres); maintained by adjacent property owner.

The SFRA was unable to transfer the Mini-Parks despite repeated attempts to do so over the years. The City and adjacent property owners expressed concerns in the past over liability, capital improvement costs, and property management costs.

**LONG-RANGE PROPERTY MANAGEMENT PLAN (“PMP”)**
The following presents the information requested pursuant to Section 34191.5 of the California Health and Safety Code for the Mini-Parks. These properties are also shown on Attachment A (Map of Hunters Point Mini-Parks) and Attachment B (DOF Tracking Sheet for Other Properties), as Nos. 32-16 through 3822.

Date of Acquisition

The Mini-Parks were acquired in 1969 and 1972 as part of large land acquisitions from the SFHA and the City. See Attachment B for acquisition dates for the Mini-Parks.

Value of Property at Time of Acquisition

The SFRA acquired the land from the SFHA for $0. The SFRA acquired the land from the City (which included the land for Shoreview Park) for $125,169, which was an amount negotiated between the SFRA, the City, and HUD, and does not reflect the land’s market value at the time.

Purpose for which the Mini-Parks were Acquired

As mentioned, the land on which the Mini-Parks now sit was acquired as part of two large land acquisitions by the SFRA to implement the redevelopment program contained in the HP Plan. The HP Plan called for a new Hunters Point community with new affordable residential development, new streets, and new parks and open spaces. The land was acquired at little or no cost and then sold to residential developers to create the new Hunters Point community. New open spaces and parks were also built, and the SFRA was able to transfer other park lands it owned to adjacent property owners. The SFRA retained ownership of the Mini-Parks D-2, E-2, E-4, F-2, and HH-2 at the time to reduce operating costs for the adjacent affordable housing projects so that HUD’s statutory mortgage requirements could be met. The remaining two mini-parks, DD-4 (Shoreview Park) and FF-7 (Adam Rogers Park), were constructed by the SFRA specifically to be fully-functioning, stand-alone, neighborhood parks, instead of open spaces integrated into adjacent residential developments like all of the rest of the mini-parks. Over the years, the SFRA attempted to transfer the Mini-Parks to adjacent property owners and/or the City but was unsuccessful.

Address/Location

See Attachment B for the specific locations of the Mini-Parks. A map of the Mini-Parks is attached as Attachment A.

Lot Size

See Attachment B for the lot sizes of the Mini-Parks. A map of the Mini-Parks is attached as Attachment A.

Current Zoning
All of the Mini-Parks are zoned for residential uses, consistent with the abutting residential land uses. Specifically, the following is a description of the maximum residential development allowed under each of the three residential zoning districts that apply to the Mini-Parks:

- RH-1 (House, One Unit) – Applies to Mini-Park FF-7 and allows one residential dwelling unit per lot, up to one unit per 3,000 square feet of lot area (maximum of three units) with conditional use approval.
- RH-2 (House, Two Units) – Applies to Mini-Parks D-2, DD-4, E-2, E-4, and F-2 and allows two residential dwelling units per lot, up to one unit per 1,500 square feet of lot area (maximum of three units) with conditional use approval.
- RM-1 (Mixed Apartments/Houses - Low Density) – Applies to Mini-Park HH-2 and allows three dwelling units per lot or one dwelling unit per 800 square feet of lot area.

**Estimate of the Current Value (Including Appraisal Information)**

Due to their irregular shapes and topographical challenges, the Mini-Parks are not useable for anything other than open space. The fair market value is estimated to be zero because they have no development potential and have already been improved with open space areas, pedestrian walkways and stairs. No appraisal information is available.

**Estimate of Revenues Generated (Including Contractual Requirements for Use of Funds)**

None of the Mini-Parks has ever generated any revenues.

**History of Environmental Contamination, Studies, Remediation Efforts**

According to a Phase I and II Environmental Site Assessment Study (the “ESA”) prepared for Mini-Park DD-4 (“Shoreview Park”) in June 2006, the Mini-Parks are located on land that generally was unoccupied until about World War II (1941-1945) when Hunters Point was developed with military housing. The ESA did find elevated levels of nickel, chromium and cobalt in the soils of Mini-Park DD-4, which they attribute to the fact that the soils are derived from the native serpentine bedrock at the site, which usually contains slightly elevated levels of these metals. The levels were within the range of naturally occurring metals in serpentine rock. The other Mini-Parks may also have been built on similar serpentine rock due to their proximity to Mini-Park DD-4, so they also could be expected to have elevated levels of these metals. No other significant contaminants were identified by the ESA. The ESA recommended additional studies of Mini-Park DD-4 and additional safety precautions when working with exposed serpentine bedrock.

**Potential for Transit-Oriented Development; Advancement of Planning Objectives**

Hunters Point is well-served by several municipal bus lines, and is near the City’s light-rail system that runs along Third Street.

**History of Previous Development and Leasing Proposals**
No previous development or leasing proposals for the Mini-Parks exist.

**Disposition of the Mini-Parks**

Two Mini-Parks currently function as traditional city parks. Mini-Park DD-4, Shoreview Park, is surrounded by residential development and Mini-Park FF-7 is a portion of Adam Rogers Park, which is a park the City already owns and manages. These two Mini-Parks will be transferred to the City for a governmental purpose. The transfer date is expected in 2014/2015/2016/2017.

The remaining five Mini-Parks (D-2, E-2, E-4, F-2, and HH-2) primarily serve as open space and walkways for the adjacent affordable housing projects. These Mini-Parks will be sold at fair market value to the adjacent property owners. However, in the event that the adjacent property owners are unwilling to acquire the Mini-Parks, the Successor Agency would transfer the Mini-Parks to the City for a governmental purpose (i.e., open space and walkways for the adjacent affordable housing projects). The fair market value is estimated to be zero because they have no development potential and have already been improved with open space areas, pedestrian walkways and stairs. The transfer date is expected in 2014/2015/2016/2017.

**Properties Dedicated to Governmental Use Purposes and Properties Retained for Purposes of Fulfilling an Enforceable Obligation**

See above section.

Attachment A: Map of Hunters Point Mini-Parks
Attachment B: DOF Tracking Sheet – Other Properties
Attachment A
Map of Hunters Point Mini-Parks

Mini-Park D-2
Mini-Park DD-4
"Shoreview Park"
Mini-Park E-4
"Adam Rogers Park"
Mini-Park E-2
Mini-Park F-2
Mini-Park FF-7
"Adam Rogers Park"
Mini-Park HH-2
PARCEL MAP OF
THE NEW HUNTERS POINT COMMUNITY
UNIT 2
SAN FRANCISCO, CALIFORNIA

SCALE: 1"=40'

ASSESSOR'S BLOCK

MINI-PARK D-2

SHEET 2 OF 9 SHEETS
PARCEL MAP OF
THE NEW HUNTERS POINT COMMUNITY
UNIT 2
SAN FRANCISCO, CALIFORNIA

SCALE: 1" = 40'

Mini-Park E-4
Mini-Park FF-7 (Adam Rogers Park)
Attachment B
DOF Tracking Sheet – Other Properties

(See Tab L1)
EXECUTIVE SUMMARY

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) submits its Long-Range Property Management Plan (“PMP”) which includes the disposition of an airspace parcel that is located both above and below the Contemporary Jewish Museum (the “Museum”). The former redevelopment agency (“SFRA”) originally acquired the land on which the Jewish Museum sits during the 1960s and 1970s with federal urban renewal funds, and was required to use the federal funds to carry out redevelopment activities in accordance with the Yerba Buena Center Redevelopment Plan (the “YBC Plan”) and the federal standards for urban renewal under Title I of the Housing Act of 1949.

Toward that end, the SFRA entered into a disposition and development agreement with the Jewish Museum in 1995 for the development of a 63,000-square-foot museum on the site, which included a historic brick power station, known as the “Jessie Street Substation” (as amended and restated, the “DDA”). In 2006, the SFRA sold the land and the airspace for the future Jewish Museum to the Jewish Museum, but retained ownership of the Museum Airspace Parcel. The Jewish Museum opened in 2008, and included space in the renovated Jessie Street Substation and new construction (See Attachment A).

Disposition Plan. The Successor Agency proposes to sell the Museum Airspace Parcel to the Jewish Museum, as the only interested buyer, for fair market value. The Museum Airspace Parcel has no market value, as more fully discussed below. The Jewish Museum has expressed an interest in purchasing the Museum Airspace Parcel with use restrictions that allow museum and ancillary uses only.

LONG-RANGE PROPERTY MANAGEMENT PLAN (“PMP”)

The following presents the information requested pursuant to Section 34191.5 of the California Health and Safety Code for the Museum Airspace Parcel. This property is also shown on Attachment A (Photo of Contemporary Jewish Museum) and Attachment B (DOF Tracking Sheet for Other Properties), as No. 3923.

Date of Acquisition

The lots that comprise the land on which the Jewish Museum sits were acquired between 1967 and 1971. The associated subterranean and air rights associated with those lots were acquired at the same time. See Attachment B for additional details.
Value of Property at Time of Acquisition

The value of the land (which included the subterranean and air rights) on which the Jewish Museum sits was $445,549 at the time of acquisition.

Estimate of the Current Value

The estimated current value of the Museum Airspace Parcel is zero. The airspace above the Jewish Museum is not developable. All of the development rights associated with the Jewish Museum site were sold, pursuant to the DDA transferred as transferable development rights ("TDR"), to offset the cost of rehabilitating the historic Jessie Street Substation and constructing the Jewish Museum. The TDRs were distributed to the following transfer sites:

1. 246 Second Street (29,000 sf)
2. Jessie Square Garage (23,575)
3. 301 Mission Street (168,300)
4. Jewish Museum site (15,125)

The airspace below the Jewish Museum is not accessible; the distance between the Jewish Museum’s basement floor and therefore its below grade property line is about 11 feet. Existing within that 11-foot section of land is the Jewish Museum’s foundation structure and solid earth. Therefore, the Successor Agency’s land below the Jewish Museum’s property is not accessible from the museum’s basement and is not developable. Its use is limited to storage for the Jewish Museum.

Purpose for which the Museum Airspace Parcel was Acquired

As mentioned in the Executive Summary, the SFRA originally acquired the land on which the Jewish Museum sits during the 1960s and 1970s with federal urban renewal funds, and was required to use the federal funds to carry out redevelopment activities in accordance with the YBC Plan and the federal standards for urban renewal under Title I of the Housing Act of 1949.

Address/Location

The Museum Airspace Parcel is located above and below the Jewish Museum, which is located at 736 Mission Street. A photo of the Jewish Museum is attached as Attachment A.

Lot Size

The footprint of the Jewish Museum is approximately 20,300 square feet. The Museum Airspace Parcel includes (1) the airspace above the top of the Jewish Museum to infinity, and (2) the airspace from the bottom of the Jewish Museum to the center of the earth.

Current Zoning
The Museum Airspace Parcel falls under the zoning controls established in the City Planning Code within the Downtown Retail (C-3-R) District. The C-3-R District is a regional center for comparison shopper retailing and direct consumer services. The base Floor-Area-Ratio, or FAR, in the C-3-R District is 6.0 to 1. The base FAR can be increased to a maximum FAR of 9.0 to 1 with the purchase of transferable development rights. Building heights are limited to 400 feet.

**Estimate of the Current Value (Including Appraisal Information)**

As mentioned above, the estimated current value of the Museum Airspace Parcel is zero. No appraisal information is available.

**Estimate of Revenues Generated (Including Contractual Requirements for Use of Funds)**

Neither the SFRA nor the Successor Agency has received any revenue from the Museum Airspace Parcel.

**History of Environmental Contamination, Studies, Remediation Efforts**

A general survey of environmental conditions was conducted as part of the 1995 Environmental Impact Report for the Yerba Buena Center Redevelopment Project Area (the “EIR”), including the land on which the Jewish Museum now sits. The EIR noted the area’s industrial past and the use of unknown sources of fill dirt over the years. As a result, the EIR noted that soil contamination and other hazards, such as underground storage tanks, were likely to be found during construction. When the Jewish Museum and surrounding improvements were constructed, various mitigation measures were implemented according to recommendations contained in the EIR, such as excavating and disposing of contaminated groundwater and soil.

**Potential for Transit-Oriented Development; Advancement of Planning Objectives**

The Jewish Museum is well-served by public transit, with both local and regional service provided nearby. Local service is provided by the Muni bus lines, which can be used to access regional transit. Service to and from the East Bay is provided by BART, AC Transit, and ferries; service to and from the North Bay is provided by Golden Gate Transit buses and ferries; service to and from the Peninsula and South Bay is provided by Caltrain, SamTrans, and BART. Under the City Planning Code, C-3-R Districts are compact in area and easily traversed on foot. They are well-served by City and regional transit. To encourage pedestrian activity and minimize conflicts between pedestrians and vehicles, parking facilities tend to be located at the periphery of C-3-R Districts.

The disposition of the Museum Airspace Parcel for ancillary uses associated with the Jewish Museum fulfills the planning objectives contained in the YBC Plan.

**History of Previous Development and Leasing Proposals**

No previous development or leasing proposals for the Museum Airspace Parcel have been made.
Disposition of the Museum Airspace Parcel

The Successor Agency proposes to sell the Museum Airspace Parcel to the Jewish Museum, as the only interested buyer, for fair market value. The Museum Airspace Parcel has no value, because it is not developable. The Jewish Museum has expressed an interest in purchasing the Museum Airspace Parcel with use restrictions that allow museum and ancillary uses only.

Properties Dedicated to Governmental Use Purposes and Properties Retained for Purposes of Fulfilling an Enforceable Obligation

N/A

Attachment A: Photo of Contemporary Jewish Museum
Attachment B: DOF Tracking Sheet – Other Properties
Attachment A
Contemporary Jewish Museum at Night
Attachment B
DOF Tracking Sheet – Other Properties

(See Tab 4.1)
LONG-RANGE PROPERTY MANAGEMENT PLAN
BLOCK 201 EASEMENT FOR UNDERGROUND TELEPHONE LINES

EXECUTIVE SUMMARY

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) submits its Long-Range Property Management Plan (“PMP”) for the disposition of an Easement for Underground Telephone Lines, reserved by the former San Francisco Redevelopment Agency (the “SFRA”) on behalf of Pacific Telephone and Telegraph, recorded October 16, 1964 as Instrument No. N32945, Book A830, Page 550 of Official Records of San Francisco (the “Easement” or the “Property”). The Easement was covered by the Embarcadero-Lower Market Approved Redevelopment Plan (Golden Gateway), which expired by its own terms on January 1, 2011.

AT&T, the successor-in-interest to Pacific Telephone & Telegraph Company, does not maintain facilities within the easement and has no future requirements for its use. Nonetheless, the use of the Easement property is was restricted under the terms of a 2012 Purchase and Sale Agreement between the Port and San Francisco Waterfront Partners approved by the Port Commission (Resolution No. 12-47) and the Board of Supervisors (No. 226-12). Under these approved agreements, the area subject to the Easement must had to be dedicated as a public street for park and open space purposes only. Subsequently, the Board of Supervisors’ approval of the Purchase and Sale Agreement was rescinded in response to a court order and the project is currently undergoing further assessment. It is likely, however, that a similar dedication of the Easement property as a public street for park and open spaces purposes would be required for any redevelopment of the site. The Successor Agency therefore proposes to transfer the Easement to the City for a governmental use purpose. However, if redevelopment of the site does not occur, the Successor Agency could sell the Easement to the current owner of Block 201, Golden Gate Center, for fair market value.

BACKGROUND

The SFRA, and now the Successor Agency, holds the above-referenced easement on behalf of Pacific Telephone & Telegraph Company and its successor-in-interest, AT&T (collectively, “AT&T”). The PropertyEasement consists of a 32’ foot wide by 129.25’ long strip of land located on Assessors Block 201, between the Embarcadero to the east, Washington Street to the south, and Drumm Street to the west. The Easement runs along a portion of former Jackson Street that was vacated in the early 1960s.

The only purpose of the Easement was to preserve rights on behalf of AT&T, should AT&T have a need to install telephone lines and related facilities within the former street area. To preserve that right on behalf of AT&T, the SFRA created the Easement through a reservation in the grant deed of Block 201 from the SFRA to the current owner, Golden Gate Center, a
California limited partnership, dated October 26, 1964. The Successor Agency itself has no other property interest in Block 201 or the surrounding blocks.

LONG-RANGE PROPERTY MANAGEMENT PLAN ("PMP")

The following presents the information requested pursuant to Section 34191.5 of the California Health and Safety Code for the Block 201 Easement. This property is also shown on Attachment A (Map of Block 201 Easement) and Attachment B (DOF Tracking Sheet for Other Properties).

Date of Acquisition

The Agency acquired the property affected by the Easement in connection with site acquisition to implement the Embarcadero-Lower Market Approved Redevelopment Plan (Golden Gateway) on October 17, 1963. The area of former Jackson Street was conveyed to the Agency by the City after the street was vacated by an act of the San Francisco Board of Supervisors.

Value of Property at Time of Acquisition

The value of the Easement is zero ($0). At the time of acquisition, the Easement was located wholly within the former Jackson Street right-of-way. The purpose for its creation was to continue the rights that the beneficiary, AT&T, would have had in the public right-of-way. Because of the Easement's location within the former right-of-way and its limited use, the Property would have had a market value of $0 at the time of acquisition.

Estimate of the Current Value

The Property consists only of the Easement, held on behalf of AT&T. On January 4, 2013, AT&T issued a letter stating that it does not maintain facilities within the easement, has no future requirements for its use, and does not object to the easement being vacated. AT&T is the only party to which the easement potentially has any value and it has clearly indicated that the easement is valueless. The underlying property is owned by Golden Gate Center, and the Agency holds no other property interest in Block 201.

The underlying land was recently entitled in 2012 for a mixed-use development project, including 134 residential units, commercial space, a health club, parks and open space, and an underground parking garage (the "Project"). Although one of the Project entitlements (a rezoning increasing the height on a portion of the Project site) was recently reversed by a voter referendum, the agreements approved by the Board of Supervisors (Resolution No. 226-12) and Port Commission (Resolution No. 12-47) that would restrict the Easement area to a public right-of-way remain intact. As part of these entitlements, the area subject to the Easement had to be dedicated as a public street for park and open space purposes only. The City's approval of the entitlements was subsequently rescinded in response to a court order and the Project is currently undergoing further assessment. However, a similar action would likely be required for any redevelopment of the site.

Purpose for which the Property was Acquired

Successor Agency to the San Francisco Redevelopment Agency
Long-Range Property Management Plan – BLOCK 201 EASEMENT
Page 2-of-5
The Easement was created through the Grant Deed reservation, described above, the purpose of which was to provide AT&T with the right to construct, operate, maintain and repair underground telephone lines. The Easement burdens a portion of Block 201 that was originally acquired by the SFRA and then transferred to Golden Gate Center in partial implementation of the Embarcadero-Lower Market Approved Redevelopment Plan (Golden Gateway) (the “Redevelopment Plan”). The purpose of the Redevelopment Plan was for the clearance and reconstruction of slum and blighted areas in the Redevelopment Plan project area. Other than the Easement held on behalf of AT&T, the SFRA holds no other property on Block 201 and the Golden Gateway Redevelopment Plan has expired.

**Address/Location**

Assessor Block 201 (also known as 8 Washington), and “within the limits of an easement owned by the City and County of San Francisco for its sewer and utilities within a strip of land 32 feet wide, the center line thereof being the center line of the vacated portion of the former Jackson Street, between Drumm Street and The Embarcadero.” A map of the Easement is attached as Attachment A.

**Lot Size**

The size of the Easement is 4,136 square feet (32 foot wide x 129.25 long strip of land).

**Current Zoning**

The Property is subject to the zoning controls established by the San Francisco Planning Code within Residential-Commercial-Combined, High Density (RC-4) Districts. RC-4 districts encourage a combination of high-density dwellings, with compatible commercial uses on the ground floor to protect and enhance neighborhoods with mixed use character. The proposed Project has a height limit of 84 feet. In connection with the Project entitlements, the Board of Supervisors approved a height rezoning of a portion of the Project site in 2012 (Ordinance No. 104-12, approved June 19, 2012). The height rezoning did not affect the portion of the Project covered by the Easement area. In the general election of November 5, 2013, the voters rejected the height rezoning; as a result, the existing 84' height limitation remains in place. The Property has a height limit of 84 feet.

The use of the Easement property is further restricted under the terms of a Purchase and Sale Agreement between the Port and San Francisco Waterfront Partners approved by the Port Commission (Resolution No. 12-47) and the Board of Supervisors (No. 226-12). Under these approved agreements, the area subject to the Easement must be dedicated as a public street for park and open space purposes only.

**Estimate of the Current Value (Including Appraisal Information)**

The estimate of the current value of the Easement is $0. As indicated above, AT&T is the only party to which the easement potentially has any value and it has indicated that the easement is valueless.
Estimate of Revenues Generated (Including Contractual Requirements for Use of Funds)

No revenue is generated by the Property currently or in the past. Under its entitlement for park and open-space purposes, no future revenue is anticipated to be derived from the underlying property.

History of Environmental Contamination, Studies, Remediation Efforts

In connection with the proposed Project, a Phase I and Limited Phase II Environmental Site Assessment ("ESA") was conducted for the project site. Some of the key findings from the ESAs, are briefly summarized below:

- *Permitted hazardous material uses.* Although the environmental database review identified seven permitted hazardous materials uses and environmental cases within approximately 1,100 feet of the project site, these are all either small-quantity generators of hazardous waste, permitted underground storage tank (UST) sites with no documented releases, leaking underground storage tank (LUST) sites that have received regulatory closure, or LUST sites with a low potential to affect soil or groundwater quality at the project site.

- *Site groundwater quality.* A gasoline station was on the site of the Project until 1993, but the concentration of petroleum hydrocarbons in the groundwater have declined over time. Nonetheless, there is the potential for petroleum products and metals to be present in the groundwater.

- *Potential exposure to hazardous materials in soil and groundwater during construction.* Soil borings revealed that cyanide is present in the soil at levels that mean workers and the public could be exposed to hazardous materials in the soil and groundwater during construction, potentially resulting in adverse health effects. Additionally, flammable vapors could be present that could pose a fire or explosion risk during construction if ignited.

- *Soil disposal requirements and groundwater discharge.* Some of the fill materials could require disposal as a California hazardous waste because of high soluble lead concentration.

Potential for Transit-Oriented Development; Advancement of Planning Objectives

The Property is well-served by public transit, with both local and regional service provided nearby. Local service is provided by the Muni bus lines, which can be used to access regional transit. Service to and from the East Bay is provided by BART, AC Transit, and ferries; service to and from the North Bay is provided by Golden Gate Transit buses and ferries; service to and from the Peninsula and South Bay is provided by Caltrain, SamTrans, and BART.
The Project is poised to take full advantage of the property's proximity to transit, by developing a high-density, mixed-use project on the site. The proposed quitclaim of the Property will facilitate the overall development of the property as a transit-oriented project.

**History of Previous Development and Leasing Proposals**

Currently, the Golden Gateway Tennis and Swim Club are located on the site. The site has hosted a variety of uses in the past. Until the 1906 earthquake and fire destroyed all the buildings on the property, the site was used for coal yards and a coppersmith. The site was quickly redeveloped and housed a sheet metal workshop, machine shops, metal products assembly areas, and an automobile repair shop through 1965. As mentioned, a gasoline service station was located on the site until approximately 1993. Several development projects have been proposed for the site. In 2004, Embarcadero Capital Partners proposed an eight-story residential building on the property; however, this proposal was never approved by the Board of Supervisors. Most recently, the Planning Commission, Board of Supervisors and Port Commission approved the Project that would include the property affected by the Easement, as described above. Because the Project approvals related to height were rejected by referendum, the City's approval of the Project will require amended approvals by these City agencies to reflect the decrease in height. However, the existing approvals, or any amendments thereto, will not affect the proposed use or zoning. If redevelopment of the site does not occur, the Successor Agency could alternatively sell the Easement to the current owner of Block 201.

The sales price for the Property is Zero Dollars ($0), which reflects the fair market value of the easement.

**Properties Dedicated to Governmental Use Purposes and Properties Retained for Purposes of Fulfilling an Enforceable Obligation**

See above section.

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**Attachment A:** Map of Block 201 Easement  
**Attachment B:** DOF Tracking Sheet – Other Properties
Attachment B
DOF Tracking Sheet – Other Properties

(See Tab L1)
EXECUTIVE SUMMARY

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) submits its Long-Range Property Management Plan (“PMP”) for the disposition of an approximately 64,360 square foot unimproved parcel on Carroll Avenue at 3rd Street that will be developed into 121 units of very low-income senior rental housing (the “5800 3rd/Carroll Avenue Senior Housing Site”). The former San Francisco Redevelopment Agency (“SFRA”) acquired the site using funding from the Low and Moderate Income Housing Fund (“LMIHF”) for the purpose of developing it into affordable housing serving low- and very-low income households.

The development the 5800 3rd/Carroll Avenue Senior Housing Site fulfills the Successor Agency’s obligations under the Hunters Point Shipyard Phase II/Candlestick Point Development and Disposition Agreement (“HPSY Phase 2 DDA”), which includes the procurement of outside funds, along with a pledge of tax increment, to fulfill the obligation to replace the severely distressed Alice Griffith Public Housing development (“Alice Griffith Replacement Projects”). SFRA, along with the San Francisco Housing Authority and McCormack Baron Salazar (“MBS”), the developer of the Alice Griffith Replacement Projects sought and received outside funding from the U.S. Department of Housing and Urban Development’s (“HUD”) Choice Neighborhood Initiatives Grant (“CNI Grant”). HUD designated the 5800 3rd/Carroll Avenue Senior Housing project as the first phase of the revitalization plan under the CNI Grant, and the project must be completed to meet CNI Grant requirements and fulfill the HPSY Phase 2 DDA.

Successor Agency intends to provide the selected affordable housing developer with a ground lease to provide it with access to the site to build the affordable housing and to impose long term affordability restrictions, and then, upon completion of the project, transfer the property, the ground lease, and any related loan agreements to the City and County of San Francisco (the “City”), as the Housing Successor under California Health and Safety Code Section 34181(c) (All future statutory references are to the California Health and Safety Code unless otherwise noted.) The Housing Successor Agency will then perform long term asset management duties in compliance with Section 34176(b)(3)(c).

Disposition Plan. Retain the property to fulfill the enforceable obligation to fund and complete the project, and provide the affordable housing developer, Bayview Supportive Housing LLC/Carroll Avenue Senior Homes, LP, with a ground lease to provide site access to construct 121 units of senior rental housing available to very low-income households over the age of 62 years, as well as provide long term affordability restrictions to the project. Upon completion of the project, currently estimated in February 2016, the Successor Agency will transfer the fee interest in the land, the ground lease, and the related loan agreement to the City as Housing Successor under Section 34181(c).
BACKGROUND

The 5800 3rd St/Carroll Ave Senior Housing Site is Lot 3 of a parcel located at 5800 3rd Street, located at the intersection of Carroll Avenue. Once the project is completed the final address of Lot 3 will be 1751 Carroll Avenue (see the tentative final map, Attachment A). However, since this project has appeared on all of the Successor Agency’s prior ROPS as “5800 3rd Street, Carroll Avenue Senior Construction Funding” (see e.g. Item Numbers 165 and 166 in ROPS 13-14A), the PMP uses the “5800 3rd/Carroll Avenue Senior Housing Site” designation to be consistent with the ROPS name.

The Department of Finance (“DOF”) selected this project for review during ROPS III (then known as Item Number 123.04 in the previous ROPS numbering system), initially determining that the Successor Agency lacked the authority to amend this existing loan agreement to add more funding. Through the Meet and Confer process, the Successor Agency submitted information describing the nature of the Successor Agency’s enforceable obligation, which is summarized below. The documents referenced below were included in the Meet and Confer Request, but can be provided again to DOF if needed.

Specifically, the HPSY Phase 2 DDA obligates the Successor Agency to rebuild the severely distressed Alice Griffith Public Housing project (“Alice Griffith Replacement Projects”). The HPSY Phase 2 DDA and its Tax Increment Allocation Pledge Agreement (“Pledge Agreement”) commit the Successor Agency to use property tax revenue for the Successor Agency’s housing obligation, pursuant to Sections 3.1 (c) and 3.2 (c) of Pledge Agreement. The Phase 2 DDA also contemplates that the Successor Agency will seek other sources of funding to fulfill its housing obligation, including “federal, state or other local funds,” (Exhibit F to HPSY Phase 2 DDA, Section 5.4 (d) at p. F-35), and further requires that the Successor Agency and Developer “will work together to seek appropriate Project Grants for the Project.” (Exhibit H to HPSY Phase 2 DDA, Section 4.3 at p. H-35). To the extent that the Successor Agency obtains sources of funds other than property tax revenue, it will reduce reliance on the Redevelopment Property Tax Trust Fund and expedite completion of the Projekt.

Soon after the approval of the HPSY Phase 2 DDA, the San Francisco Housing Authority (“SFHA”) and McCormack Baron Salazar (“MBS”), the affordable housing developer of the Alice Griffith project, submitted in October 2010 an application to the U.S. Department of Housing and Urban Development (“HUD”) for Choice Neighborhoods Initiative (“CNI”) Grant funding for the Alice Griffith Replacement Projects. As part of the application, SFRA entered into a Partnership Memorandum of Understanding with the HPSY Phase 2 DDA developer and others (“Partnership MOU”) whereby the SFRA agreed to be a Principal Team Member for the purpose of “taking full responsibility for implementing the Neighborhood component of the Transformation Plan.” (Partnership MOU at p. 3, Oct. 26, 2010).

In March 2011, HUD selected SFRA’s revitalization plan for the Alice Griffith Replacement Projects as a finalist for funding. Subsequently SFRA, in collaboration with other parties to the Partnership MOU, submitted an application for the second round. In the second round, the Agency certified its funding of the 5800 3rd/Carroll Avenue Senior Housing Project as a...
commitment to, and implementation of, the Transformation Plan required under the CNI Grant application. On May 26, 2011, SFRA entered into the Choice Neighborhood Implementation Agreement with MBS, SFHA and other parties identified in the Partnership MOU (“Implementation Agreement”). SFRA agreed to “be responsible for the implementation of the Neighborhood Component of the Transformation Plan in order to improve the Alice Griffith/East Bayview neighborhood.” Implementation Agreement, Section IV. A at p. 6. It also agreed to “work with the Lead Applicant and Principal Team Members to seek development projects and social services that meet the need of Alice Griffith/East Bayview. Specifically, Redevelopment Agency will...[i]mplement projects that will be leveraged by the redevelopment of the target neighborhood, including...[a]dditional Affordable Housing.” Implementation Agreement, Section IV (B) at p. 7-8.

On August 31, 2011, HUD awarded a $30,500,000 grant to fund the Alice Griffith Replacement Projects. In March 2012, HUD executed the FY2010 Choice Neighborhoods Implementation Grant Agreement with MBS and the San Francisco Housing Authority as the Grantees for the implementation of the Transformation Plan identified in the Grant Agreement. On April 12, 2012, HUD confirmed that the 5800 Third Street senior housing project constitutes the first phase of the Alice Griffith revitalization, and as such, serves as a required deliverable of the Choice Neighborhoods Implementation Grant. Under section III.D.5 of the Choice Neighborhoods Grant Agreement, rehabilitation or construction of the first phase of replacement housing must begin within 18 months of the Grant Agreement execution date. HUD requires this adherence to this schedule as a condition of the Choice Neighborhoods grant in order to ensure timely completion of the Transformation Plan activities. (Letter, Dominique Blom, Deputy Assistant Secretary, HUD, to Yusef Freeman, V. President, MBS (April 12, 2012).)

In April 2013 HUD extended the deadline to start construction on the project until December 31, 2013 and MBS is currently in the process of requesting an requested, and received, approval for an additional extension to ensure the financial closing is consistent with the timelines of the California Debt Limit Allocation Committee (“CDLAC”), to which May 2014. This additional extension allowed the project has applied for an allocation of tax exempt mortgage revenue bonds (described below):

In the final ROPS III Meet and Confer Determination letter dated December 14, 2012, DOF removed its objection and approved that the funding for the 5800 3rd/Carroll Avenue Senior Housing project. DOF then approved additional funding, requested through ROPS 13-14A, to provide up to $20 million for the to successfully close its construction of the project (item #166). Subsequently DOF provided assurances to CDLAC, which approved the project at its November 13, 2013 allocation meeting, that there were no pending issues with the funding of the project (See Attachment C, Email, Justyn Howard, Assistant Program Budget Manager, DOF to Sean Spear, Executive Director, CDLAC, dated October 14, 2013).

Once a project receives an allocation from CDLAC, the project has 90 days to secure site control and close all financing. To ensure the project can meet the CDLAC and CNI Grant timeframes, the Successor Agency is seeking Oversight Board approval of the ground lease between the Successor Agency and Bayview Supportive Housing, LLC simultaneously with the PMP. This provides an opportunity for the ground lease on April 23, 2014. Construction started on May 4.
2014, and is expected to be approved within the CDLAC 90 day timeframe should the PMP review still be pending at that time completed in February 2016.

LONG-RANGE PROPERTY MANAGEMENT PLAN ("PMP")

The following presents the information requested pursuant to Section 34191.5 of the California Health and Safety Code for the 5800 3rd/Carroll Avenue Senior Housing Site. This property is also shown on Attachment A (Map of 5800 3rd/Carroll Avenue Senior Housing Site) and Attachment B (DOF Tracking Sheet for Other Affordable Housing Properties).

Date of Acquisition

September 21, 2010

Value of Property at Time of Acquisition

$8,380,733

Estimate of the Current Value

$5,810,000

The Estimated Current Value is based on a May 15, 2013 appraisal of the property performed by John R. Kaeuper, MAI that was completed for ground lease purposes, however there is no actual value under Dissolution Law due to long term affordability restrictions and the future transfer of the property to the City as Housing Successor.

Purpose for which the Property was Acquired

The parcel was acquired for the purpose of developing senior rental housing serving households over the age of 62 that is affordable to households earning up to 50% of Area Median Income, including an on-site senior community center. The project was designated as the first phase of the Alice Griffith Public Housing Revitalization under the Federal CNI Grant.

Address/Location

A map of the 5800 3rd/Carroll Avenue Senior Housing Site is attached as Attachment A. The final address upon completion of the project will be 1751 Carroll Avenue. See Attachment B for further information.

Lot Size

A map of the 5800 3rd/Carroll Avenue Senior Housing Site is attached as Attachment A. See Attachment B for the lot size for 5800 3rd/Carroll Avenue Senior Housing Site.
Current Zoning

The 5800 3rd/Carroll Avenue Senior Housing Site is zoned M-1 (Light Industrial), which allows industrial, retail, office and residential. The height limit is 65 feet.

Estimate of the Current Value (Including Appraisal Information)

See above section.

Estimate of Revenues Generated (Including Contractual Requirements for Use of Funds)

The 5800 3rd/Carroll Avenue Senior Housing Site is currently vacant and is generating no revenue.

History of Environmental Contamination, Studies, Remediation Efforts

A 2005 Treadwell and Rollo Geotechnical Report of the entire site stated that soils at the site consisted of 4-5.5 feet of fill over clayey marsh deposits underlain by medium dense to very dense sand and some clay. Deeper soils consist of weathered shale bedrock.

A Phase I Site Assessment was completed in January 2010. The Assessment revealed no evidence of recognized environmental conditions in connection with the site. However, naturally-occurring asbestos in the soil was noted, but is not a recognized environmental condition as defined by the American Society of Testing and Materials (“ASTM”) methodology.

Naturally-occurring asbestos and cadmium are present in the soil within the site. However a letter dated September 17, 2009, from the Department of Public Health, Occupational and Environmental Health Division states: “cadmium and arsenic levels were acceptable as background concentrations and that the deed restriction (requiring building foundations, clean fill and paved areas to act as a cap to health exposure) was rescinded.” Additionally, the letter states that no further action is required at the site prior to development as a residential use. (Pg. 29, SCA Environmental Site Assessment-January 2010). Dust control mitigation measures must be followed during the construction phase of development.

A Phase II Site Assessment was completed on May 17, 2012. A Soil, Groundwater, and Soil Gas Report was completed on May 29, 2012. No odors or discolorations were noted in any of the borings for: soil, soil adjacent to the railroad, elevator pit sampling; or underground storage tank areas. Soil analysis indicates that all detected metals came in at levels below acceptable levels, with the exception of arsenic and vanadium. The higher arsenic and vanadium levels are most likely representative of background concentrations of metals at the target area and the San Francisco Bay Area. “The distribution of arsenic and vanadium appears to be random and concentrations observed in the soil samples are within similar magnitudes of concentrations suggesting that the reported concentrations are likely due to natural occurring metals.” Soils slated for excavation and removal during construction should be disposed of as non-hazardous waste, at a Class II landfill. No current or anticipated beneficial use of groundwater.
Recommendations include ensuring any future soils sampling and/or geologic evaluations include sampling of soils at various depths for naturally occurring asbestos. A dust control plan and site specific safety and health plan are required in accordance with Article 22B of the City and County of San Francisco Municipal Code prior to construction. Draft Dust Control and Site Mitigation Plans have been submitted to the Department of Public Health for their review and approval.

Potential for Transit-Oriented Development; Advancement of Planning Objectives

The 5800 3rd/Carroll Avenue Senior Housing Site is well-served by public transit, with both local and regional service provided nearby. Local service is provided by the Third Street – T-Line (Muni Metro line), which runs in the median of Third Street, and can be used to access more regional transit. Service to and from the East Bay is provided by BART, AC Transit, and ferries; service to and from the North Bay is provided by Golden Gate Transit buses and ferries; service to and from the Peninsula and South Bay is provided by Caltrain, SamTrans, and BART.

Third Street is the neighborhood’s primary route. The Third Street corridor is developed with various industrial/commercial buildings, retail, service-retail, wholesale, multi-family, and some single family homes. The front portion of 5800 Third Street, has been developed into market rate condominiums and a ground floor retail space.

The development of the site into 121 units of affordable rental housing for low and very low income seniors fulfills the planning objectives contained in the Bayview Hunters Point Redevelopment Plan, the City’s General Plan and Housing Element, the Transformation Plan of HUD’s Choice Neighborhood Initiatives Grant, and the CDBG Neighborhood Strategy Revitalization Area, all of which identify a need for permanently affordable housing.

History of Previous Development and Leasing Proposals

The 5800 3rd/Carroll Avenue Senior Housing Site is located on Lot 3 of the larger 5800 3rd parcel. SF Third Street Equity Partners, LLC, who was the owner of the original larger 5800 3rd parcel and developer of Lot 1, a market rate housing parcel fronting 3rd Street, entered into a Purchase and Sale Agreement in December 2008 with Bayview Hunters Point Multipurpose Senior Services (“BHPMSS”), a local nonprofit. BHPMSS selected MBS, the Alice Griffith Replacement Housing Projects developer, as their co-developer and together created Bayview Supportive Housing LLC to act as the 5800 3rd/Carroll Avenue Senior Housing Site development entity. BHPMSS assigned the Purchase and Sale Agreement to SFRA, and SFRA purchased Lot 3 in September 2010 for the purpose of developing 121 units of affordable senior rental housing. SFRA provided a loan for predevelopment activities to Bayview Supportive Housing, LLC in 2011. In April 2012, HUD designated the 5800 3rd/Carroll Avenue Senior Housing project as the first phase under the Transformation Plan of the CNI Grant. Most recently the Successor Agency provided a loan agreement for construction funds in September 2013 using funds approved on Item #166 on ROPS 13-14A.

Disposition of the Property

Successor Agency to the San Francisco Redevelopment Agency
Long-Range Property Management Plan – 5800 3rd/ CARROLL AVENUE SENIOR
The Successor Agency is proposing to retain the property to fulfill the enforceable obligation to develop the 5800 3rd/Carroll Avenue Senior Housing Site as the first phase of the CNI Grant, thereby fulfilling the Successor Agency’s obligation to the Alice Griffith Replacement Projects under the HPSY Phase 2 DDA. The Successor Agency intends to provide the affordable housing developer, Bayview Supportive Housing LLC, Carroll Avenue Senior Homes, LP, with a ground lease to provide site access to construct 121 units of senior rental housing available to very low-income households over the age of 62 years, as well as apply long term affordability restrictions to the project. Due to the deadlines for commencing the project related to the CDLAC tax-exempt mortgage revenue bond allocation and the CNI Grant, the Successor Agency is seeking Oversight Board approval of the ground lease through a separate resolution to be submitted simultaneously with the PMP. Upon completion of the project, currently estimated in February 2016, the Successor Agency’s obligation related to the development of this site will be complete, and thus the fee interest in the land, the ground lease, and the related loan agreement will be transferred to the Housing Successor under Section 34181(c).

Properties Dedicated to Governmental Use Purposes and Properties Retained for Purposes of Fulfilling an Enforceable Obligation

See above section.

Attachment A: Map of 5800 3rd/Carroll Avenue Senior Housing Site
Attachment B: DOF Tracking Sheet – Other Affordable Housing Properties
Attachment C: Email, Justyn Howard, DOF to Sean Spear, CDLAC, dated 10/14/13
Attachment A
Map of 5800 3rd/Carroll Avenue Senior Housing
Attachment B
DOF Tracking Sheet – Other Properties

(See Tab 4.1)
Hi Sean,

We wanted to give you a heads up that San Francisco’s project related to item #166 on their ROPS 13-14A is fine with the Department of Finance. However, there will be no final and conclusive for this project, as the project is utilizing restricted bond proceeds. Nevertheless, since San Francisco has their Finding of Completion they can spend these proceeds on the purposes for which they were issued/derived. As such, we have no issues on our end. Please let me know if you have any questions.

Regards,
Justyn Howard
Assistant Program Budget Manager
Department of Finance
Local Government Unit
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The Estimated Current Value of the City's housing property is based on a model developed for each property, or the acquisition value, where there is no valid value under Depreciation due to long term affordability restrictions and the future income of the property in the City of Housing Resources.