RESOLUTION NO. 207-2001

Adopted November 27, 2001

AUTHORIZING AN ASSIGNMENT AND ASSUMPTION AGREEMENT WITH SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE PURCHASE OF REAL PROPERTY LOCATED AT 4800 THIRD STREET IN THE AMOUNT OF $625,000 AND RELATED COSTS INCLUDING A $100,000 LEASE TERMINATION PAYMENT, $10,000 IN CLOSING COSTS AND $50,000 IN OTHER RELATED COSTS FOR A TOTAL AMOUNT NOT TO EXCEED $800,000, IN CONJUNCTION WITH THE DEVELOPMENT OF VERY LOW AND LOW INCOME RENTAL HOUSING AND GROUND FLOOR COMMERCIAL SPACE WITHIN THE BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., the “Law”), the Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the “City”).

2. On January 3, 1995, by Ordinance 026-94, the Board of Supervisors of the City adopted the Bayview Hunters Point Redevelopment Survey Area (the “Survey Area”), in response to community concern over the physical and economic decline of the South Bayshore community, for the purpose of conducting a study to determine if the formation of a redevelopment project area is warranted.

3. On February 10, 1997, the Board of Supervisors certified the election of the Bayview Hunters Point Project Area Committee (PAC). The PAC worked with Agency staff to develop the Bayview Hunters Point Community Revitalization Plan (the “Plan”). The PAC adopted the Plan at its regular meeting in November 2000.

4. San Francisco Housing Development Corporation’s, a California nonprofit public benefit corporation (“SFHDC” or “Developer”), mission is to provide safe, decent and affordable housing primarily to households in the Bayview and Western Addition communities in San Francisco.

5. On June 11, 2001, in furtherance of its mission and the Plan, the Developer entered into an agreement with Thomas E. Nix DBA Triway Investment Company (“Seller”) to purchase a blighted property at 4800 Third Street in the Survey Area (the “Site”) for the purpose of redeveloping it as a mixed use affordable housing development (“Purchase and Sale Agreement”).
6. The Developer wishes to assign the Purchase and Sale Agreement to the Agency (the "Assignment Agreement") in exchange for entering into an Exclusive Negotiations Agreement (ENA) for the Site and obtaining predevelopment funds, which actions the Agency will consider concurrently with this Resolution pursuant to Resolutions number 206-2001 and 207-2001 respectively.

7. The Site contains a 1,584 square foot building along with 10 surface parking spaces all of which the Seller has leased to Ace Cash Express, Inc. ("Tenant") for a term of five (5) years with two successive five (5) year options as amended (the "Commercial Lease"). The Commercial Lease is subject to termination by the Agency as of December 31, 2002, once the Agency purchases the Site pursuant to the Assignment Agreement, subject to the Commercial Lease. Any relocation costs associated with the termination of the Commercial Lease will be subject to the agreement SFHDC negotiated and executed with the Tenant which provides for the waiver of relocation benefits by the Tenant in return for a fixed payment of $100,000 ("Lease Termination Agreement").

8. On October 9, 2001, the Developer submitted a request for acquisition and predevelopment funding to the Agency for the purpose of developing very low and low income rental housing and ground floor commercial space (the "Project") at the Site.

9. On October 15, 2001, the Developer described the Project to the PAC Housing Committee and on November 15, 2001, Agency and Developer staff presented the Project to the PAC at its regular meeting. On November 19, 2001, Agency staff presented a revised Project to the PAC Housing Committee which unanimously passed a motion in support of the proposed actions.

10. The Citywide Affordable Housing Loan Committee reviewed Agency staff’s evaluation of the request for funding (the "Loan Evaluation") at its meeting on November 16, 2001, and recommended that the Agency Commission authorize the Agency to enter into the Assignment Agreement, and purchase the Site for the amount of $625,000 and related costs including a $100,000 lease termination payment, closing costs of up to $10,000 and $50,000 in other related costs for a total amount not to exceed $800,000.
RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director or her designee is authorized to:

1. Enter into an Assignment and Assumption Agreement with San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, for the purchase of real property located at 4800 Third Street in the amount of $625,000 and related costs including a $100,000 lease termination payment, $10,000 in closing costs and $50,000 in other related costs for a total amount not to exceed $800,000, in conjunction with the development of very low and low income rental housing and ground floor commercial space within the Bayview Hunters Point Redevelopment Survey Area, as part of the Citywide Tax Increment Housing Program, substantially in the form lodged with Agency General Counsel; and

2. Enter into any and all ancillary documents or take any additional actions necessary to consummate the transactions authorized by this Resolution, in forms to be approved by the Agency General Counsel.

APPROVED AS TO FORM:

[Signature]
BERTHA A. ONTIVEROS
Agency General Counsel