

## **RESOLUTION NO. 39-2002**

Adopted March 12, 2002

### **AUTHORIZING A SECOND AMENDMENT TO THE OWNER PARTICIPATION/DISPOSITION AND DEVELOPMENT AGREEMENT WITH LNR-LENNAR BRANNAN STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REVISE CERTAIN MORTGAGE PROVISIONS AND APPROVING A SIGNIFICANT CHANGE IN DEVELOPER FOR THE BRANNAN SQUARE MIXED USE DEVELOPMENT, SITE G, ASSESSORS BLOCK 3774, LOTS 18 AND 24; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA**

#### **BASIS FOR RESOLUTION**

1. By Resolution No. 152-2000 dated August 22, 2000, the Redevelopment Agency of the City and County of San Francisco's ("Agency") approved an Owner Participation/Disposition Development Agreement ("OP/DDA") with LNR-Lennar Brannan Street, LLC, a California limited liability company ("Developer") and for the conveyance of the Agency's property located at Lot 18 of Block 3774 in the Rincon Point-South Beach Redevelopment Project Area (the "Agency Site") and the development of Lots 18 and 24, which is owned by the Developer, as approximately 240 residential units--including 51 low and moderate income ownership units--1,300 square feet of neighborhood serving commercial space and up to 365 parking spaces (the "Development").
2. By Resolution No. 7-2002 dated January 29, 2002, the Agency approved a First Amendment to the OP/DDA extending certain dates in the Schedule of Performance including the conveyance date, which was extended to March 29, 2002, and the commencement of construction deadline, which was extended to May 3, 2002.
3. The Developer has proposed Corus Bank as its first lender, whose interests will be secured a first deed of trust. Agency staff has reviewed Corus Bank's qualifications and determined that Corus Bank is a bona fide financial institution as required in the OP/DDA.
4. The Developer has also proposed Fleet Real Estate, Inc. (FRE), as a subordinate lender. Because FRE's loan will be secured by a 100% interest in the Developer, the Developer has requested that the Agency Commission approve a Significant Change in Developer as required by Section 6.01 of the OP/DDA.
5. The Developer has requested that the Agency modify certain mortgagee protection provisions in the OP/DDA for the two lenders. The Developer has also requested that the Agency replace the existing Attachment 16 to the OP/DDA with a revised version that more accurately reflects the location, size and type of BMR units to be constructed as part of the Development. The changes are mostly minor and generally beneficial to the Agency in that they have increased the overall square feet of the BMR units. As a related

matter, the Developer has requested that a new Attachment 16A be added to the OP/DDA to reflect the BMR Unit distributions that would occur in the unlikely event that the Agency exercised its right of reverter with respect to the Agency Site due to an uncured default by the Developer.

6. Agency staff has reviewed the Developer's requests, finds them to be reasonable and recommends approving the Second Amendment, which contains these provisions.

### **RESOLUTION**

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Second Amendment to the Owner Participation/Disposition Development Agreement with LNR-Lennar Brannan Street, LLC, a California limited liability company, to revise certain mortgage provisions; for the Brannan Square Mixed Use Development affecting Site G, Assessor Block 3774, Lots 18 and 24, substantially in the form lodged with the Agency General Counsel, and a Significant Change in Developer to permit Fleet Real Estate, Inc. as a subordinate lender with a secured interest in the Developer is approved.

**APPROVED AS TO FORM:**



Bertha A. Ontiveros  
Agency General Counsel