

## RESOLUTION NO. 69-2006

*Adopted May 16, 2006*

### **AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION, FOR THE ACQUISITION OF REAL PROPERTY LOCATED AT THE SOUTHWEST CORNER OF BROADWAY AT BATTERY, FOR AN AMOUNT NOT TO EXCEED \$1,500,000, FOR DISPOSITION AND DEVELOPMENT AS AFFORDABLE HOUSING; CITYWIDE TAX INCREMENT HOUSING PROGRAM**

#### **BASIS FOR RESOLUTION**

1. As an amendment to the Fiscal Year 2003-2004 budget, the Redevelopment Agency of the City and County of San Francisco's (the "Agency") Commission, by Resolution 177-2003, and the City and County of San Francisco's (the "City") Board of Supervisors, by Resolution 139-04, authorized a Cooperation Agreement between the Agency and the City to permit the Agency to issue tax allocation bonds to refund prior indebtedness as well as to provide additional funds for affordable housing and to require the Agency to expend up to \$1,912,094 of the refunding proceeds to purchase "surplus/underutilized" City-owned property for affordable housing.
2. Pursuant to the Cooperation Agreement, the City has offered a site to the Agency located at the southwest corner of Broadway and Battery Street (Assessor's Site Block 165, Lot 021) (the "Site"). The Site is approximately 17,337 square feet and is vacant except for a portion which is currently leased for parking.
3. The Agency wishes to acquire the Site for the development of affordable housing but has not yet determined the size, nature, design of the affordable housing project.
4. Section 33334.2 of the California Health and Safety Code (the "Health and Safety Code") allows the Agency to use tax increment funds to acquire real property outside of a redevelopment project area if the Agency uses the real property for developing affordable housing and if the Agency and Board of Supervisors find that the development of affordable housing will be of benefit to an existing project area within the City and County of San Francisco. In addition, Section 33071 of the Health and Safety Code declares, among other things, that a fundamental purpose of redevelopment is to expand the supply of low- and moderate-income housing.
5. The City's Department of City Planning (the "Planning Department") determined, on February 10, 2006, that the proposed sale of the Site to the Agency is (i) categorically exempt from environmental review pursuant to the California Environmental Quality Act ("CEQA") Guidelines Section 15322 – Surplus Government Property Sales, and (ii) is in conformity with the General Plan and

consistent with the eight Priority Policies of Section 101.1 of the City's Planning Code.

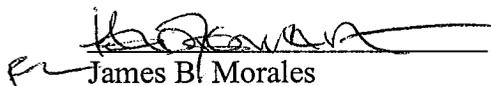
6. The City's Director of Property has determined that the fair market value of the Property is greater than the purchase price of \$1,500,000.00. Section 33220 of the Health and Safety Code allows the City to convey the Property to the Agency with or without consideration for the purpose of aiding and co-operating in the planning, undertaking, construction or operation of redevelopment projects.
7. The Agency plans to lease the land for 99 years to a developer to be selected by the Mayor's Office of Housing, for its exclusive use as affordable housing.
8. The Agency will enter into a Letter Agreement with the Mayor's Office of Housing to convey all development responsibilities, including the issuance of a Request for Proposals ("RFP") to ensure the Site's exclusive use as affordable housing.
9. In addition to the Purchase and Sale Agreement, the Agency will enter into an Assignment and Assumption of Lease Agreement with the City and the current parking operator tenant on the Site.
10. The Board of Supervisors approved the sale of the subject property at its regular meeting of May 2, 2006.

### **RESOLUTION**

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

1. Execute the Purchase and Sale Agreement with the City of San Francisco, for the purchase of the property located on the southern side of Broadway between Sansome and Battery Streets, more particularly known as Assessor's Parcel No. 0165-021, for an amount not to exceed \$1,500,000;
2. Execute the Assignment and Assumption of Lease(s) for said property; and,
3. Enter into a Letter Agreement with Mayor's Office of Housing, conveying all development responsibilities thereto, including issuance of a Request for Proposal to ensure the Site's long-term use as affordable housing, and stipulating the Agency's lease for a period of at least 99 years.

**APPROVED AS TO FORM:**

  
James B. Morales  
Agency General Counsel