

RESOLUTION NO. 38-2009

Adopted April 21, 2009

AUTHORIZING A SECOND AMENDMENT TO THE EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MICHAEL SIMMONS PROPERTY DEVELOPMENT, INC., A CALIFORNIA CORPORATION, TO EXTEND THE TERM 14 MONTHS FROM MAY 8, 2009 TO JULY 8, 2010, FOR THE DEVELOPMENT OF 32 LOW- AND MODERATE-INCOME FIRST-TIME HOMEBUYER HOUSING UNITS AT 1345 TURK STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

1. On February 11, 2003, the Agency Commission authorized an agreement with the City and County of San Francisco ("City"), a municipal corporation, for the acquisition and disposition of the real property located at 1345 Turk Street, San Francisco, California in the Western Addition Redevelopment Project Area A-2 ("Site").
2. On April 22, 2003, the City's Board of Supervisors approved the sale of the Site (and adjoining Muni Substation) to the Redevelopment Agency of the City and County of San Francisco ("Agency"); approved the interdepartmental transfer of jurisdiction over 1345 Turk Street from the Municipal Agency to the City's Arts Commission; and authorized the Director of Property to enter into an agreement for the sale of such real property for the development of affordable housing, arts and community uses, and other public beneficial uses.
3. On May 2, 2003, an Agreement for Sale of Real Estate was executed by and between the City as Seller and the Agency as Buyer for the sale and purchase of the Site. Escrow closed on the Site on June 9, 2003.
4. On September 1, 2006, the Agency issued a Request for Proposals ("RFP") for the development of affordable first-time homebuyer units for low- and moderate-income households. The RFP sought high-quality proposals from experienced developers capable of building approximately 32 units of condominium housing on the Site.
5. By the October 31, 2006 submission deadline, three proposals were received.
6. On November 9, 2006, the former Western Addition Citizens Advisory Committee approved the RFP selection process.
7. On January 12, 2007, the evaluation panel determined that the team of Michael Simmons Property Development, Inc. ("Developer") earned the highest cumulative score.

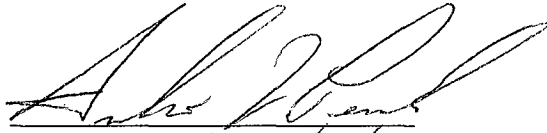
8. At its meeting on April 17, 2007, the Agency Commission authorized the Executive Director to negotiate and execute an exclusive negotiations agreement (“ENA”) with the Developer to pursue predevelopment of the Project.
9. The Developer and Agency executed an ENA on June 8, 2007, pursuant to Resolution No. 30-2007, wherein the Agency Commission authorized the Executive Director to negotiate and execute an ENA with the Developer to pursue predevelopment of 32 affordable condominium units at 1345 Turk Street (the “Project”).
10. The ENA further defined a series of milestones that resulted in the execution of a predevelopment loan agreement, pursuant to Resolution No. 137-2007, precedent to ultimately entering into a disposition and development agreement for consideration by the Agency Commission after a public hearing, as required by law.
11. The Developer entered into the First Amendment to the ENA on June 24, 2008, authorized by the Executive Director which provided for an extension of the Exclusive Negotiations Period from the expiration date of November 8, 2008 to May 8, 2009 and revised the Schedule of Performance to leverage State financing for the Project.
12. The Developer has requested additional time to resolve design challenges impacted by the transfer of the adjacent Muni Substation project out of the Agency’s portfolio as this component had impacted the feasibility of the Project.
13. The Developer has requested to enter into a Second Amendment to the ENA (“Second Amendment”) for a new expiration date of July 8, 2010 and would like to revise the Schedule of Performance.
14. The ENA established a series of milestones during an exclusive negotiations period as a precursor to the Agency Commission’s consideration of a subsequent disposition and development agreement.
15. Agency approval of the Second Amendment is exempt from the California Environmental Quality Act (“CEQA”), pursuant to CEQA Guidelines Section 15262. The Second Amendment facilitates completion of feasibility and planning studies that will not directly have a significant effect on the environment. Subsequent actions of the Agency are required for development to proceed.

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 Exclusive Negotiations Agreement with Michael Simmons Property Development, Inc., a California corporation, to extend the term 14 months from May 8, 2009 to July 8, 2010 for the development of 32 low- and moderate-income first-time

homebuyer housing units at 1345 Turk Street as part of the Citywide Tax Increment Housing Program, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to read "James B. Morales", written over a horizontal line.

Son James B. Morales 4/16/09
Agency General Counsel