

**COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE**

**RESOLUTION NO. 75-2015**

*Adopted December 1, 2015*

**AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM  
OF UNDERSTANDING WITH THE CITY AND COUNTY OF SAN FRANCISCO  
MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT FOR  
TRACKING REPORTING AND ADMINISTERING COMMUNITY BLOCK GRANT  
PROGRAM INCOME**

- WHEREAS, The Former Redevelopment Agency of the City and County of San Francisco acquired properties with urban renewal funds provided through various federal contracts approved by the United States Department of Housing and Urban Renewal (HUD); and,
- WHEREAS, Upon the dissolution of the Former San Francisco Redevelopment Agency (SFRDA) on February 1, 2012, state law required the transfer of all Former Redevelopment Agency non-housing assets, including assets purchased with urban renewal funds, to the San Francisco Office of Community Investment and Infrastructure, as Successor to the Redevelopment Agency (OCII); and,
- WHEREAS, HUD requires that all future proceeds from the sale or lease of urban renewal properties shall be treated as "Program Income," under the Community Development Block Grant Program as defined by Title 24 in the Code of Federal Regulations Section 570.500 ("CDBG Program Income"); and,
- WHEREAS, The Mayor's Office of Housing and Community Development (MOHCD) administers the CDBG program for the City and County of San Francisco (CCSF) and is therefore responsible for the timely and accurate tracking, reporting, and administration of CDBG Program Income; and,
- WHEREAS, HUD, in its September 26, 2014 letter to MOHCD recommended that MOHCD and OCII enter into a Memorandum of Understanding (MOU) to define the agencies' roles and responsibilities relative to the administration and disposition of any and all Program Income generated from non-housing-assisted projects originally administered by the SFRDA, including program income generated from the Yerba Buena Gardens; and,
- WHEREAS, HUD, in its September 26, 2014 letter to MOHCD confirmed that SFRDA and OCII were properly collecting, tracking and expending income generated by Yerba Buena properties with and in compliance with Program Income and accountability requirements; and,

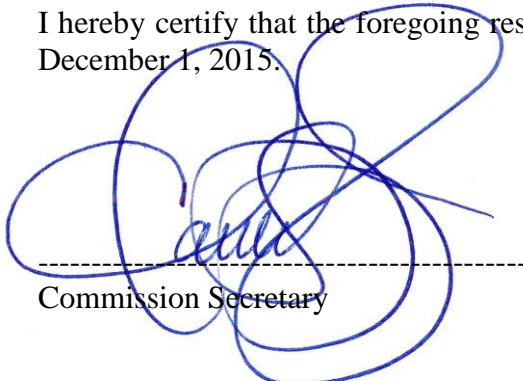
WHEREAS, MOHCD and OCII have negotiated the terms of a MOU for tracking, reporting and administering Program Income; and,

WHEREAS, The MOU between MOHCD and OCII is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, and is, therefore, not subject to environmental review under the California Environmental Quality Act (“CEQA”) because it is not a project as defined under Section 15378 (b)(5) of the CEQA Guidelines; and,

WHEREAS, HUD has reviewed and found the terms of this MOU acceptable; now therefore, be it

RESOLVED, That the Executive Director is hereby authorized to enter into a Memorandum of Understanding between the City and County of San Francisco, through the Mayor’s Office of Housing and Community Development, and OCII to provide tracking, reporting and administering of Program Income until the parties enter into an agreement which, by its terms, terminates the MOU or the date when OCII no longer retains or expects to retain any further Program Income.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of December 1, 2015.



A large, stylized handwritten signature in blue ink is written over a horizontal dashed line. The signature is highly cursive and loops around itself.

Commission Secretary

Attachment A: Memorandum of Understanding between the San Francisco Office of Community Investment and Infrastructure and the City and County of San Francisco Mayor’s Office of Housing and Community Development for tracking, reporting and administering Community Block Grant Program Income.

**Memorandum of Understanding  
For the Administration and Management of  
Community Development Block Grant Program Income**

This Memorandum of Understanding (this "MOU"), dated as of \_\_\_\_\_, 2015, is entered into by and between the City and County of San Francisco, acting by and through the Mayor's Office of Housing and Community Development ("**MOHCD**"), and the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California, commonly known as the Office of Community Investment and Infrastructure ("**OCII**" or the "**Successor Agency**," and together with MOHCD, the "**Parties**").

**RECITALS**

A. The Successor Agency became the successor to the Redevelopment Agency of the City and County of San Francisco (the "**Former Redevelopment Agency**") when state law dissolved the Former Redevelopment Agency on February 1, 2012. Cal. Health & Safety Code Sections 34170 *et seq.* ("the Redevelopment Dissolution Law"). As a result, all of the Former Redevelopment Agency's non-housing assets, including all real property, were transferred to the Successor Agency, which also assumed all of the authority, rights, powers, duties, and obligations of the Former Redevelopment Agency that remained after its dissolution. Cal. Health & Safety Code 34173 (a).

B. The Successor Agency owns certain non-housing properties that were purchased with federal urban renewal grant or CDBG funds, as shown on Exhibit A to this MOU (the "**CDBG Properties**") under contracts approved by the U.S. Department of Housing and Urban Renewal (the "**HUD Contracts**"). Under the HUD Contracts (as further defined in Recitals D and E), the Former Redevelopment Agency was required to use the federal funds to carry out redevelopment activities in accordance with various redevelopment plans and the federal standards for urban renewal under Title I of the Housing Act of 1949.

C. Upon the demise of the federal urban renewal grant program, HUD required that the Former Redevelopment Agency treat all future proceeds from the sale or lease of the CDBG Properties as program income under the federal Community Development Block Grant ("**CDBG**") program. MOHCD administers the CDBG program for the City and County of San Francisco (the "**City**") and is ultimately responsible for the timely and accurate tracking, reporting and administration of "**CDBG Program Income**," as defined by Title 24 in the Code of Federal Regulations ("**CFR**"), Section 570.500.

D. In 1982, the Former Redevelopment Agency and the City executed, with HUD concurrence, the Western Addition Area Two Redevelopment Project Closeout Agreement ("**WA-A2 Closeout Agreement**") whereby the Former Redevelopment Agency agreed to retain certain property for disposition, subject to applicable federal law and subject further to restrictions on the use of any proceeds received from the sale or lease of the property (See Sections 1 and 4 of the WA-A2 Closeout Agreement). (This property is identified in the WA-A2 Closeout Agreement, which is attached as Exhibit B hereto, and is hereinafter referred to as the "**WA-A2 Project Property**.".) Under the WA-A2 Closeout Agreement, HUD required the

Former Redevelopment Agency to use the proceeds from the sale or lease of these properties to “complete project activities in the Western Addition Area Two Redevelopment area” (See Section 4 of the WA-A2 Closeout Agreement). Should there be an excess of program incomes, HUD has approved use of income earned from WA-A2 on other CDBG-eligible activities outside Western Addition Area Two.

E. In 1983, the Former Redevelopment Agency and the City executed, with HUD concurrence, the Yerba Buena Center Redevelopment Project Closeout Agreement (“**YBC Closeout Agreement**”) whereby the Former Redevelopment Agency agreed to retain certain property for disposition, subject to applicable federal law and subject further to restrictions on the use of any proceeds received from the sale or lease of the property (See Section 1(b) and (c) of the YBC Closeout Agreement). (This property is identified in the YBC Closeout Agreement, which is attached as Exhibit C hereto, and is hereinafter referred to as the “**YBC Project Property**.”) Under the YBC Closeout Agreement, HUD required the Former Redevelopment Agency to use the YBC Project Property and proceeds from its sale or lease for “necessary and/or appropriate economic development activities,” which included the “operation, maintenance, and security” of all the publicly owned spaces on Central Block 1, 2 and 3, commonly known as Yerba Buena Gardens (See Section 1 (c) and Exhibit C of the YBC Closeout Agreement). Yerba Buena Gardens is part of the YBC Project Property defined in the YBC Closeout Agreement. The Successor Agency continues to use Program Income generated in Yerba Buena Gardens for the operation, maintenance and security of Yerba Buena Gardens, in compliance with the YBC Closeout Agreement. Should there be an excess of program incomes, HUD has approved use of income earned from YBC on other CDBG-eligible activities outside YBC.

F. The Former Redevelopment Agency, and now the Successor Agency, have held the CDBG Properties for the governmental purposes described in the CDBG program (See Title 24 in the CFR, Section 570.201(h) (completion of urban renewal projects funded under Title I of the Housing Act of 1949) and Title 24 in the CFR, Section 570.800 (pre-1996 federal urban renewal regulations continue to apply to completion of urban renewal projects)) (the “**CDBG Program Requirements**”).

G. The Redevelopment Dissolution Law limits successor agencies’ dispositions of former redevelopment agency property until certain state-imposed requirements are met. One of those requirements is that successor agencies prepare and submit to the State Department of Finance (“**DOF**”) a Long Range Property Management Plan (“**PMP**”) which presents a disposition plan for each of the Successor Agency’s properties (See Section 34191.5 of the California Health and Safety Code). DOF must approve a successor agency’s PMP before any properties can be sold or transferred.

H. The Successor Agency submitted its PMP to DOF in November 2013. As of the date of this MOU, DOF had not yet approved the Successor Agency’s PMP. In its PMP, the Successor Agency proposed (1) transferring some of the CDBG Properties to the City so that the City could manage the properties in compliance with the CDBG Program Requirements or (2) selling some of the CDBG Properties and transferring the sales proceeds to the City for CDBG-eligible uses under the CDBG Program Requirements.

I. In August 2014, the U.S. Department of Housing and Urban Development (HUD) conducted a monitoring review of certain HUD-funded projects of the Former Redevelopment Agency to ensure compliance with the binding and enforceable obligations and conditions

related to the CDBG Program Requirements. Included in this review were certain of the properties included as part of the YBC Project Property and the Bayview Hunters Point Food Co-op Project. A similar review by HUD in May of 2015 also included the Fillmore Heritage Center Project, which was constructed on property included as part of the WA-A2 Project Property.

J. Following its monitoring review in 2014, HUD determined, among other things, that the Former Redevelopment Agency and OCII “were properly collecting, tracking and expending YBC program income generated from leasing enforceable obligations and compliance with CDBG program income accountability requirements” and that MOHCD “required program income information to be provided by OCII and formerly by [the Former Redevelopment Agency] in order to include it in the City’s Annual Action Plan and annual reporting documents submitted to HUD.” Letter, Maria Cremer, Director, Community Planning and Development Division, HUD, to Olson Lee, Director, MOHCD at page 2 (Sep. 26, 2014) (the “**HUD Review**”).

K. The HUD Review also referred to OCII’s compliance with the requirements under the Redevelopment Dissolution Law that successor agencies prepare a property management plan for the disposition of real property assets (“**PMP**”). The HUD Review stated that the PMP “will include any properties which are bound by enforceable obligations and should therefore be exempt from the State’s disposition actions. These will include the YBC and BHPC properties which are required to comply with CDBG program income requirements.” HUD Review at page 3.

L. The HUD Review also recommended that OCII and MOHCD execute a Memorandum of Agreement covering their respective roles and responsibilities “pertaining to the administration and disposition of any and all CDBG program income generated from non-housing CDBG-assisted projects originally administered by the [Former Redevelopment Agency] (and now under OCII’s oversight), including program income generated from the YBC HUD Urban Renewal projects.” HUD Review at page 4.

M. Accordingly, the Successor Agency and MOHCD are entering into this MOU to ensure that the CDBG Program Income is appropriately tracked, reported and administered, and that the CDBG Properties are sold and/or transferred in compliance with the CDBG Program Requirements.

## **AGREEMENT**

ACCORDINGLY, in consideration of the foregoing and the agreements set forth below, the Successor Agency and MOHCD hereby agree as follows:

1. **Scope of MOU.** This MOU defines the working relationship between the Parties for the tracking, reporting, and administration of CDBG Program Income generated by the CDBG Properties managed by OCII (See Exhibit A).
2. **Collection and Tracking of Program Income.** OCII shall maintain accurate financial systems and records to ensure that all Program Income received is properly recorded and segregated as Program Income and shall identify which property or properties generated said Program Income.

3. **Reporting of Program Income.** Not less than annually, OCII shall provide to MOHCD a full accounting of all Program Income earned during the time since the previous report. Such a report shall be provided at a minimum within 60 days of the end of each fiscal year. MOHCD shall combine this information with information about Program Income generated from other sources and report to HUD via appropriate receipting in the Integrated Disbursement & Information System (“**IDIS**”) and via inclusion in MOHCD’s annual Consolidated Annual Performance and Evaluation Report (“**CAPER**”).

4. **Expenditure of Program Income.** No expenditure of Program Income will be made by OCII without the prior approval of MOHCD; provided, however, that the Successor Agency is authorized, without prior approval of MOHCD, to continue using Program Income generated from the YBC Project Property for the operation, maintenance and security of Yerba Buena Gardens, in compliance with the YBC Closeout Agreement. All approvals of expenditures of Program Income from property other than the YBC Project Property will be at MOHCD’s sole discretion consistent with CDBG Program Requirements. OCII will provide all requests for use of Program Income from property other than the YBC Project Property in writing no later than February 1 of each year in order to allow MOHCD to include any approved requests in MOHCD’s annual Action Plan. OCII must provide sufficient information to MOHCD to allow evaluation of how the expenditure may meet HUD National Objectives, Eligible Activities, and Performance Goals. MOHCD will ensure that all expenditures of Program Income comply with the applicable CDBG Program Requirements with regard to allowable activities and the Five Year Consolidated Plan approved by HUD.

5. **Treatment of Yerba Buena Program Income.** For leasehold Program Income generated by YBC, OCII shall retain the income and expend it on activities described in the YBC Closeout Agreement. OCII shall track the sources and uses of leasehold Program Income generated by YBC and report this information to MOHCD within 60 days of the end of each Fiscal Year. MOHCD will report this data to HUD in CAPER. For Program Income generated by disposition of YBC properties, OCII must transfer the income from the sale of any of the YBC properties to MOHCD for use as Program Income under the CDBG Program. MOHCD will report Program Income earned from the sale of properties to HUD in IDIS.

6. **Treatment of Western Addition Two Income.** For leasehold Program Income generated by WA-A2, OCII shall retain the income and expend it on activities described in the WA-A2 Closeout Agreement. OCII shall track the sources and uses of leasehold Program Income generated by WA-A2 and report this information to MOHCD within 60 days of the end of each Fiscal Year. MOHCD will report this data to HUD in CAPER. For Program Income generated by disposition of WA-A2 properties, OCII must transfer the income from the sale of any of the WA-A2 to MOHCD for use as Program Income under the CDBG Program. MOHCD will report Program Income earned from the sale of properties to HUD in IDIS.

7. **Transfers of CDBG Properties.** Per Title 24 of the CFR, Section 570.500, real property purchased or improved with CDBG/urban renewal funds continues to retain the requirement of tracking generated Program Income until the disposition of the property by sale at the current fair market value. Lease revenue is considered Program Income. Therefore, the Successor Agency shall incorporate these restrictions into its transfer documents upon transferring any of the CDBG Properties, including the YBC Project Property, to the City, and the City, or its designee, shall continue to be bound by the CDBG Program Requirements as the new property owner. If

the City elects to sell any of the CDBG Properties transferred to it by OCII, the City shall be bound by Section 7 below.

8. **Sales of CDBG Properties.** Per Title 24 of the CFR, Section 570.500, real property purchased or improved with CDBG/urban renewal funds continues to retain the requirement of tracking generated Program Income until the disposition of the property by sale at the current fair market value. Sales proceeds are considered Program Income. Therefore, the Successor Agency must transfer any sales proceeds from the sale of any of the CDBG Properties to MOHCD for use as Program Income under the CDBG Program.

9. **Cooperation.** The Parties agree to cooperate with and assist each other in undertaking all efforts to accomplish the goals of this MOU. All actions or proceedings undertaken by OCII and the City in accordance with this MOU shall be subject to approval as required under applicable laws and regulations, and any future discretionary approvals will be subject to the exercise of discretion by policy makers.

10. **Term.** The term of this MOU shall begin on the date it is signed by all of the parties below and shall end on the earlier of (i) the date when the parties enter into an agreement which, by its terms, terminates this MOU, or (ii) the date when OCII has completed its transfer of CDBG Properties and no longer retains or expects to receive any further Program Income.

11. **Discretion of Parties.** OCII and MOHCD, including their respective boards, commissions, departments, and officials, each shall exercise its sole discretion over all matters relating to this MOU over which it has jurisdiction consistent with legal requirements, customary practices, and public health, safety, convenience and welfare, and each shall retain, at all times, its respective authority to take any action under its jurisdiction that is necessary to protect the health, safety, convenience and welfare of the public.

12. **Miscellaneous.**

(a) This MOU may be amended or modified only by a writing signed by the Executive Director of OCII, or his or her designee, and the Director of MOHCD, or his or her designee.

(b) No waiver by any party of any of the provisions of this MOU shall be effective unless in writing and signed by an authorized representative, and only to the extent expressly provided in such written waiver.

(c) This MOU contains the entire understanding between the parties as of the date of this MOU, and all prior written or oral negotiations, discussions, understandings and agreements are merged herein.

(d) All transactions described herein are subject to and must be conducted in accordance with the applicable requirements of the City's Charter and codes and applicable state and/or federal laws.

13. **Recitals.** The Recitals above are expressly incorporated herein and made a part of this MOU by this reference.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed as of the date first written above.

MOHCD:

Approved as to form:  
Dennis J. Herrera  
City Attorney

\_\_\_\_\_  
Deputy City Attorney

MAYOR'S OFFICE OF HOUSING AND  
COMMUNITY DEVELOPMENT

By:   
Olson Lee, Director

Date: \_\_\_\_\_

OCII:

Approved as to form:  
James Morales  
General Counsel

\_\_\_\_\_

OFFICE OF COMMUNITY INVESTMENT  
AND INFRASTRUCTURE

By: \_\_\_\_\_  
Tiffany Bohee, Executive Director

Date: \_\_\_\_\_

- Exhibit A: CDBG Properties
- Exhibit B: Western Addition Area Two Redevelopment Project Closeout Agreement
- Exhibit C: Yerba Buena Center Redevelopment Project Closeout Agreement



**Exhibit A**  
**CDBG Properties**  
**(As of July 1, 2011)**

The following non-housing properties were purchased by the former Redevelopment Agency of the City and County of San Francisco (the “SFRA”) with federal urban renewal grant funds:

**Bayview-Hunters Point Property**

- Foodsco Grocery Store – 345 Williams Avenue

**Western Addition Properties**

- Parcel 732-A - Fillmore Heritage Center Garage – 1310 Fillmore Street
- Parcel 725-C – Ellis Street driveway

**Yerba Buena Center Properties**

- Central Block 1 (“CB-1”) – all of the land (APN 3706) generally bounded by Mission, Market, Third and Fourth Streets, including the U.S. General Services Administration property (the “GSA Site”) identified in Section 8 (a) of the YBC Closeout Agreement (See Exhibit B). The GSA Site was purchased with non-federal urban renewal grant funds, but revenues from the GSA Site are to be treated as program income under the Community Development Block Grant (“CDBG”) program, pursuant to Section 8 (a) of the YBC Closeout Agreement.
- Central Block 2 (“CB-2”) – all of the land (APN 3723) generally bounded by Mission, Howard, Third and Fourth Streets.
- Central Block 3 (“CB-3”) – all of the land (APN 3734) generally bounded by Howard, Folsom, Third and Fourth Streets.
- APN 3751 – Lots 167,168
- APN 3733 – Lots 096, 098
- Parcel 3722-A – This parcel was included in Attachment A, “Project Property Inventory,” of the YBC Closeout Agreement. Although, the SFRA sold this parcel, it still generates CDBG program income (long-term development fees) from the land, which is used for “operation, maintenance, and security” of Yerba Buena Gardens in compliance with the YBC Closeout Agreement.

**Recent and Upcoming Dispositions**

- Moscone South Convention Center (CB-3) – Moscone South was transferred to the City and County of San Francisco (the “City”) in November 2011 when the construction bonds were paid in full and the lease terminated.
- Moscone North Convention Center (CB-2 and CB-3) – Moscone North will be transferred to the City in late 2014 after Oversight Board and State Department of Finance (“DOF”) approval (assuming the construction bonds and deferred rental payments have been paid in full).
- The Jessie Square Garage and Mexican Museum Site (CB-1) – these properties will transfer in 2015 pursuant to a Purchase and Sale Agreement with the adjacent property owner and the DOF-approved Long-Range Property Management Plan for 706 Mission Street. Proceeds from the sale are considered CDBG program income and are subject to the YBC Closeout Agreement.

CLOSEOUT AGREEMENT BY AND BETWEEN THE  
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO  
AND THE CITY AND COUNTY OF SAN FRANCISCO  
RELATING TO THE WESTERN ADDITION AREA TWO  
REDEVELOPMENT PROJECT (CALIF. R-54)

This Agreement, made and entered into this 16 day of June, 1982 by and between the Redevelopment Agency of the City and County of San Francisco (hereinafter called "Agency") and The City and County of San Francisco (hereinafter called "City"):

WITNESSETH:

WHEREAS, The Agency and the United States of America, acting by and through the Secretary of Housing and Urban Development ("Government") entered into Contract No. Calif. R-54 (LG) dated the 30th day of June, 1966 ("Contract") for the purpose of providing Federal financial assistance under Title I of the Housing Act of 1949, as amended, to carry out redevelopment activities in the Western Addition Area Two Redevelopment Project in accordance with a duly adopted Redevelopment Plan; and

WHEREAS, the redevelopment activities to be undertaken pursuant to the Contract have not been substantially completed as defined in 24 C.F.R. 58.20 (e), but an environmental review of the early financial settlement of the Program has been completed in accordance with the provisions of 24 C.F.R. 58.20 (a) and the citizen participation requirements under 24 C.F.R. 570.803 (e) (2) have been complied with; and

WHEREAS, the City has a Community Development Block Grant entitlement for fiscal Year 1982 of \$22,547,000 for which a Grant Agreement has been executed; and

WHEREAS, Community Development Block Grant regulations (24 C.F.R. Part 570) permit financial settlement of urban renewal projects prior to completion, and such regulations require a closeout agreement executed by the Agency and the City pertaining to certain remaining obligations under the Contract; and

WHEREAS, the Agency desires to use grant earned under the Contract, and unearned grant as defined in Title 24 C.F.R. Section 570.800 (c) to repay the outstanding project temporary loan obligation for Calif. R-54 in the amount of \$10,985,000 plus interest; and

WHEREAS, there are no surplus grant funds as defined in Title 24 C.F.R. Section 570.800 (d) and

WHEREAS, a request for financial settlement of the Western Addition Area Two Redevelopment Project Calif, R-54 will be submitted to the Department of HUD by the Agency and City and

WHEREAS, in Resolution No. 417-82, adopted on JUNE 14, 1982, the Board of Supervisors of the City and County of San Francisco has authorized the Mayor to make application for financial settlement of the said Western Addition Area Two Redevelopment Program to the Department of Housing and Urban Development ("HUD");

NOW THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agree as follows:

- (1) 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.
- (2) Upon displacement from any property acquired or under an unconditional agreement to be acquired as part of the Program, the displacees shall be provided all benefits to which they may be entitled under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Prior to such displacement, the maintenance of such occupied residential properties shall be substantially consistent with the property management standards which were applicable to such property prior to the financial settlement.
- (3) Any and all unearned grants made available as a result of the financial settlement will first be applied to repayment of the outstanding Project temporary loan.
- (4) The Agency and the City agree that all proceeds from the sale or lease of project area property subsequent to said financial settlement will be used to complete project activities in the Western Addition Area Two Redevelopment area to the extent that such activities constitute eligible costs under both redevelopment project and Community Development Block Grant requirements. Any land disposition proceeds not needed for completion of remaining project activities in such area will be applied to the repayment of temporary loans on the Yerba Buena Center Project Calif. R-59.
- (5) Any costs or obligations incurred in connection with the Western Addition Area Two Redevelopment Project with respect to claims which are disputed, contingent, unliquidated, or unidentified, and for the payment of which insufficient project funds have been reserved under financial settlement shall be borne by the City. Such additional expenses may be paid from Community Development Block Grant funds made available under 24 C.F.R. 570.
- (6) Obligations incurred under the Closeout Agreement for the Western Addition Area Two Redevelopment Project are made specifically subject to program management requirements of Subpart O, 24 C.F.R. 570.900 et seq., of the Rules and Regulations Governing the Use of Community Development Block Grant Funds.

(7) This Agreement may be executed in three (3) counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Agency and the City have both caused this Agreement to be duly executed on their individual behalf and the seals of each to be hereunto affixed and attested the day and year first above written.

Attest:

John L. Taylor  
Clerk

CITY AND COUNTY OF SAN FRANCISCO

Dianne Feinstein  
Mayor

Attest:

[Signature]  
Secretary

REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO

[Signature]  
Executive Director

Concurred in:  
United States of America  
Secretary of Housing and Urban Development

Paul R. Taylor  
San Francisco Area Office

# ATTACHMENT

EXHIBIT A

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REMAINING UNDISPOSED PROPERTIESWESTERN ADDITION AREA TWO - CALIF. R-54I. Parcels of Land (Vacant)

<u>Parcel #</u>	<u>Area (Square Feet)</u>
603-D1	19,497
689-B	4,125
726-B	108,362
774-B	6,270
779-B	25,553
779-C	15,708
1100-T	10,200
1100-D1	9,000
1128-B	6,300
677-B	27,500
677-C1	8,250
678-C2, 678-C3, 678-C1 Easement	53,269
603-E	14,474
686-G	6,250
686-H1	17,091
686-H2	4,298
707-A	27,094
707-B	22,344

EXHIBIT A

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REMAINING UNDISPOSED PROPERTIES  
WESTERN ADDITION AREA TWO - CALIF. R-54I. Parcels of Land (Vacant)

<u>Parcel #</u>	<u>Area (Square Feet)</u>
708-A, 725-A,B,C and E	163,900
725-D	27,486
726-A	64,375
731-B	30,625
733-A	11,364
738-B	21,980
743-A	5,870
743-D	22,280
750-A	113,438
754-B	5,500
767-A and 767-B	56,295
768-A	23,950
774-C	22,687
1100-A	8,505
1100-E	2,580
1101-A	2,172
1102-A	1,500
1126-B	9,605
1126-C	5,156

EXHIBIT A

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REMAINING UNDISPOSED PROPERTIES  
WESTERN ADDITION AREA TWO - CALIF. R-54I. Parcels of Land (Vacant)

<u>Parcel #</u>	<u>Area (Square Feet)</u>
674-C1	2,530
676-A	7,231
676-K	14,608
677-C2	3,781
677-D	6,677
714-A2	12,353
724-A1	3,169
728-J, A; E	75,068
731-A	30,079
749-C	16,471
755-A	3,280
780-E	2,535
780-H	12,375
792-D	10,227
732-A	85,937
732-B	<u>27,500</u>
TOTAL	<u>1,299,675</u>

EXHIBIT A

Page 4 of 5

REMAINING UNDISPOSED PROPERTIESWESTERN ADDITION AREA TWO - Calif. R-54II. AGENCY-OWNED PROPERTIES

<u>Parcel No.</u>	<u>Address</u>	<u>DU's</u>
724-C	1519-29 O'Farrell	6
-A (2)	1360-70 Webster	2
-A (2)	35-45 Hollis	2
728-H	1939-41 O'Farrell	2
-H	1943-45 "	2
-H	1947-49 "	2
-H	1951-53 "	2
-H	1955-57 "	2
-H	1959-61 "	2
-H	1963-65 "	2
754-C	1400 Golden Gate	1
-C	1402 " "	1
-C	1404 " "	1
-C	1405 " "	1
-C	1408 " "	1
-C	1410 " "	1
-C	1412 " "	1
1100-R	1960 Ellis	3
-H	1970 Ellis	3
1127-E (2)	1213-15 Scott	2
674-D (1)	1694-98 Sutter	5 + c
683-F	1724-28 Steiner	3
687-C	1695-97 Sutter	1 + c
728-K	1335 Pierce	1
-N	1905-07 O'Farrell	2
1126-G	1225-29 Divisadero	2 + c
1127-E (1)	1800 Eddy	4
1129-Q	1107-11 Divisadero	3
-P	1266 Turk	1
1127-E (3)	1211 Scott	1
-E (4)	1207-09 Scott	1
-K	1909-11 Ellis	2
674-C (2)	1734-38 Laguna	3
687-C (1)	1622 Laguna	1
-F	1689 Sutter	1
683-C (1)	1401-05 Gough	3
-C (3)	1402-04 Post	3
-C (4)	1405-03 Post	2



EXHIBIT A

Page 5 of 5

II. AGENCY-OWNED PROPERTIES (continued)

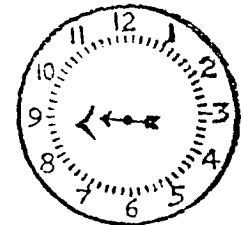
609-A	1362 Post	1
728-L	1339-41 Pierce	2
-F	1329 Pierce	6
749-F	1151 Webster	4
779-K	906 Steiner	2
1129-I	1101 Divisadero	9 + c
677-C	1956-60 Sutter	8 + c
674-C	1899 Bush	c
-F	1881 Bush	c
688-C (2)	1400 Post	1 + c
748-B	1353-67 Eddy	8
765-B	1101-23 Fillmore	31 + c
1127-F	1985 Ellis	12
-L	1917 Ellis	1
1129-0	1915-19 Eddy	3
683-D (2)	2075-89 Sutter	c
714-A (1)	1109-17 Geary	30 + c
785-A (1)	685-91 McAllister	18 + c
1101-B	1325-29 Divisadero	16 + c



U.S. Department of Housing and Urban Development  
San Francisco Area Office, Region IX  
One Embarcadero Center, Suite 1600  
San Francisco, California 94111

Office of the Area Manager

AUG 11 '83 AM



RECEIVED  
FOR INCOMING  
SAN FRANCISCO  
REDEVELOPMENT AGENCY

1-176483-128

AUG 10 1983

Mr. Wilbur W. Hamilton  
Executive Director  
San Francisco Redevelopment Agency  
P. O. Box 646  
San Francisco, CA 94101

Dear Mr. Hamilton:

SUBJECT: Project Closeout and Requisition for Final  
Capital Grant Payment  
Project No. Calif. R-59  
Contract No. Calif. R-59 (LG)  
Yerba Buena Center Project

We are pleased to inform you that the Area Office has approved the Redevelopment Agency's and the City's request to financially settle the Yerba Buena Center Project. Your requisition has been approved in the amount of \$458,389. Your Agency will not receive a check pursuant to the approved final payment as this amount, together with the Agency's funds of \$10,797,381, will be utilized for payment of your outstanding project notes and interest on August 11, 1983. A copy of the approved Certificate of Completion and of Gross and Net Project Cost is enclosed.

Enclosed also is a copy of the Closeout Agreement between the Redevelopment Agency and the City which has been concurred in by this Department.

As is the case with the other urban renewal projects which have been closed out under the provisions of Section 570.803 of the Community Development Block Grant Program Regulations, all future proceeds from the sale or lease of project land must be treated as program income under the CDBG program, and accounted for accordingly.

We are pleased to approve this payment and congratulate you on your achievement in bringing this project to a successful conclusion. Also, we wish to thank the Redevelopment Agency staff for the cooperation and courtesy shown to members of this Office during the administration of this program.

Sincerely,

*Henry Distroom*  
Henry Distroom  
Area Manager, 9.3S

Enclosures

cc: Honorable Dianne Feinstein  
Mayor, City and County of San Francisco

Mr. James Johnson  
Executive Director  
Mayor's Office of Housing and  
Community Development

# ATTACHMENT

LPA

HUD-6204  
(6-71)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
URBAN RENEWAL PROGRAM

## CERTIFICATE OF COMPLETION AND OF GROSS AND NET PROJECT COST

PROJECT LOCALITY  
San Francisco, California

PROJECT NAME  
Yerba Buena Center

PROJECT NUMBER  
Calif. R-59

CONTRACT NUMBER  
Calif. R-59 (LG)

ESTIMATED FINAL SETTLEMENT DATE  
August 12, 1983

INSTRUCTIONS: Submit original and four copies to HUD.

ACTUAL FINAL SETTLEMENT DATE (To be filled in by HUD)

### SECTION A FINAL STATEMENT OF GROSS AND NET PROJECT COST

#### ITEM 1 OF GROSS PROJECT COST

LINE NO	EXPENDITURE CLASSIFICATION	TO BE FILLED IN BY LPA			TO BE FILLED IN BY HUD
		3/31/83 PAID COSTS (a)	UNPAID COSTS (b)	TOTAL COSTS (Col a + b) (c)	APPROVED TOTAL COSTS (d)
A-1	SURVEY AND PLANNING EXPENDITURES (incl. interest on advances) (1401, 1403, 1404)	\$ 1,035,355	\$	\$ 1,035,355	\$ 1,035,355
A-2	PROJECT EXECUTION EXPENDITURES				
	Administration (1410, 1475)	11,570,216		11,570,216	11,570,216
A-3	Legal services (1415.02, 1415.03, 1415.04, 1415.05)	659,303		659,303	659,303
A-4	Survey and planning (1410)	571,242		571,242	571,242
A-5	Acquisition expenses (1440.02 through 1440.06)	473,067		473,067	473,067
A-6a	Temporary operation of acquired property - Profit (-) or Loss (+) (1441)	1,964,595		1,964,595	1,964,595
A-6b	Amount included in line 6a as real estate tax credits (1448.038)	[ 3,000,424 ]	[ ]	[ 3,000,424 ]	[ 3,000,424 ]
A-7	Relocation and community organization costs, excluding relocation payments (1433)	349,389		349,389	349,389
A-8	Site clearance - Proceeds (-) or Cost (+) (1450)	1,646,940		1,646,940	1,646,940
A-9	Project or site improvements (1455)	314,303		314,303	314,303
A-10	Disposal, lease, retention costs (1445)	510,047		510,047	510,047
A-11	Rehabilitation costs, excluding rehabilitation grants (1460)	84,441		84,441	84,441
A-12	Interest (1420.01, 1420.02)	13,124,015		13,124,015	13,124,015
	a. To date of this certificate				
	b. From date of this certificate to estimated settlement date		155,770	155,770	155,770
A-13	Other income (-) (1449)	(4,973,713)	(33,848)	(5,007,561)	(5,007,561)
A-14	Real estate purchases (1440.01)	39,835,271		39,835,271	39,835,271
A-15	Project inspection (1419)	318,737		318,737	318,737
A-16	TOTAL PROJECT EXPENDITURES (ITEM 1 OF GROSS PROJECT COST) (sum of lines 1 through 15, excluding line 6b)	\$ 67,483,208	\$ 121,922	\$ 67,605,130	\$ 67,605,130

**SECTION A. FINAL STATEMENT OF GROSS AND NET PROJECT COST (Continued)**

**ITEM 2 OF GROSS PROJECT COST**

LINE NO	EXPENDITURE CLASSIFICATION	TO BE FILLED IN BY LPA	TO BE FILLED IN BY HUD
		AMOUNT (a)	APPROVED AMOUNT (b)
A-17	Donated land (1480.01, 1485.01)	\$ -	\$ -
A-18	Demolition and removal work (1480.02, 1485.02)	2,128,163	2,128,163
A-19	Project or site improvements (1480.03, 1485.03)	1,033,613	1,217,564
A-20	Supporting facilities (1480.04, 1485.04) & 1480.05	14,922,926	23,006,300
A-21	TOTAL NONCASH LOCAL GRANTS-IN-AID (item 2 of Gross Project Cost) (sum of lines 17 through 20)	\$ 18,084,702	\$ 26,352,027
A-22	GROSS PROJECT COST (line 16 plus 21)	\$ 85,689,832	\$ 93,957,157

**NET PROJECT COST**

A-23	Proceeds of sale of project land (2401)	\$ 15,016,465	\$ 15,016,465
A-24	Capital value imputed to project land leased (2402)	-	
A-25	Capital value imputed to project land retained (2403)	-	
A-26	TOTAL PROCEEDS (sum of lines 23 through 25)	\$ 15,016,465	\$ 15,016,465
A-27	NET PROJECT COST (line 22 minus 26)	\$ 70,673,367	\$ 78,940,692

**SCHEDULE A-1. UNPAID, DISPUTED, CONTINGENT, OR UNLIQUIDATED COSTS**

List (1) any unpaid project costs included on page 1 in column (b) which will not be paid for at settlement, and (2) disputed, contingent, or unliquidated costs not included in column (b). Describe circumstances and amounts involved.

**SCHEDULE A-2. SUPPORTING FACILITIES AND IMPROVEMENTS WHICH HAVE NOT BEEN COMPLETED**

List supporting facilities and improvements which have not been completed but which have been included as a noncash local grant-in-aid in lines A-19 and A-20 and for which a Form HUD-6202, Certificate of Cost of Noncash Local Grant-in-Aid, has been approved by HUD on the basis of estimated cost, pursuant to Section 110(d) of Title I.

FACILITY OR IMPROVEMENT (a)	TOTAL ESTIMATED COST (b)	AMOUNT DETERMINED BY HUD AS INCLUDEABLE AS A GRANT-IN-AID (c)	APPROVED COMPLETION DATE (d)
	\$	\$	
TOTAL	\$	\$	



## SECTION B. COMPUTATION OF BALANCE OF PROJECT CAPITAL GRANT

LINE NO.	DESCRIPTION	TO BE FILLED IN BY LPA	TO BE FILLED IN BY HUD
		AMOUNT (a)	APPROVED AMOUNT (b)
B-1	Project Capital Grant amount specifically stated in Contract	\$ 38,846,484	\$ 38,846,484
B-2	Aggregate of Net Project Cost, this project (from line A27), plus the Net Project Cost of all other pooled completed projects, if any (from schedule B-1, column (a) total)	243,800,339	252,067,664
B-3	Aggregate non-cash local grants-in-aid for projects included in line 2 (line 121 plus schedule B-1, column (b) total)	54,233,834	62,501,159
B-4	Aggregate cash local grants-in-aid provided for projects included in line 2, less any amount that is to be considered a local loan to the project pursuant to the Contract (amount for this project plus schedule B-1, column (c) total)	10,545,707	10,545,707
B-5	Aggregate local grants-in-aid (line 3 plus 4)	64,779,541	73,046,866
B-6	Aggregate excess of Net Project Cost over local grants-in-aid (line 2 minus 5)	179,020,798	179,020,798
B-7	Less: Aggregate of Project Capital Grants of other pooled completed projects (from schedule B-1, column (d) total)	127,465,291	127,465,291
B-8	Equals: (line 6 minus 7)	51,555,507	51,555,507
B-9	Two-thirds (or three-fourths, if applicable) of line 2	162,533,559	168,045,109
B-10	Less: line 7 amount	127,465,291	127,465,291
B-11	Equals: (line 9 minus 10)	35,068,268	40,579,818
B-12	Entire Project Capital Grant, this project (enter the least of the three amounts on lines 1, 8, and 11). See Form 693*	38,846,484	38,846,484
B-13	Less: Project Capital Grant progress payments paid, this project	38,388,095	38,388,095
B-14	Equals: Balance of Project Capital Grant payable, this project, per this certificate (line 12 minus 13)	458,389	458,389
B-15	Relocation Payments paid by LPA and 100% reimbursable by HUD (1501)	8,034,755	8,034,755
B-16	Less: Relocation grants paid by HUD to LPA for this project	8,034,755	8,034,755
B-17	Equals: Balance of Relocation Grant payable, this project, per this certificate (line 15 minus 16)	-	-
B-18	Rehabilitation Grant Payment paid by LPA and 100% reimbursable by HUD (1502)	\$ -	\$ -
B-19	Less: Rehabilitation grants paid by HUD to LPA for this project	-	-
B-20	Equals: Balance of rehabilitation grant payable, this project, per this certificate (line 18 minus line 19)	-	-
B-21	Balance of Federal Capital Grant payable, this project, per this certificate (sum of lines 14, 17, and 20)	458,389	458,389
<b>DEFICIENCY GRANT-IN-AID</b>			
B-22	Net Project Cost, this project (from line 127)	\$ 70,673,367	\$ 78,940,692
B-23	Cash local grants-in-aid provided, this project	3,000,424	3,000,424
B-24	Non-cash local grants-in-aid, this project (from line A-21)	18,084,702	26,352,027
B-25	Project Capital Grant, this project (from line 12)	38,846,484	38,846,484
B-26	Total grants-in-aid and Project Capital Grant, this project (sum of lines 23, 24, and 25)	59,931,610	68,198,935
B-27	Deficiency cash local grants-in-aid of any (line 22 minus 26)	\$ 10,741,757	\$ -

**SECTION B. COMPUTATION OF BALANCE OF PROJECT CAPITAL GRANT (Continued)**

**SCHEDULE B-1. OTHER POOLED COMPLETED PROJECTS**

(Include projects for which the capital grant has been finally determined by HUD.)  
 (If final capital grant has not been established due to contingencies etc., enter approved estimates)

PROJECT NUMBER	NET PROJECT COST (a)	LOCAL GRANTS-IN-AID		PROJECT CAPITAL GRANT (d)
		NONCASH (b)	CASH (c)	
Ala Basin Industrial Park R-111	35,447,313	4,691,235	895,175	29,246,474
Golden Gateway R-7	\$ 24,320,159	\$ 18,719,353	\$ 1,576,258	\$ 4,280,548
Western Addition A-2 R-54	107,954,475	7,264,525	4,912,223	93,938,269
Diamond Heights UR 2-1	5,405,025	5,474,019	161,627	-
<b>TOTAL</b>	<b>\$ 173,126,972</b>	<b>\$ 36,149,132</b>	<b>\$ 7,545,283</b>	<b>\$ 127,465,291</b>

**SECTION C. OUTSTANDING PROJECT DEBT AND RESOURCES FOR ITS RETIREMENT**

DEBT	TO BE FILLED IN BY LPA			TO BE FILLED IN BY HUD
	PRINCIPAL (a)	INTEREST THROUGH Aug 12, 1983 (b)	TOTAL (Col a + b) (c)	APPROVED TOTAL INDEBTEDNESS (d)
Project Temporary Loan Notes held by Federal Government	\$ 11,100,000	\$ 155,770 <sup>a)</sup>	\$ 11,255,770	\$ 11,255,770
Preliminary Loan Notes				
Other project loans: (describe)				
Spaid project costs: (describe)				
In Lieu Taxes (Due to City of San Francisco)			45,044	45,044
a) Period 4/12/83 to 8/12/83				
<b>TOTAL INDEBTEDNESS</b>			<b>\$ 11,300,814</b>	<b>\$ 11,300,814</b>
RESOURCES			TOTAL (a)	APPROVED TOTAL RESOURCES (b)
Cash in banks and on hand			\$ 89,808	\$ 89,808
Accounts Receivable, City and County of San Francisco, California			10,860	10,860
Deficiency cash local grant-in-aid (from line B27)			-	
Federal Capital Grant payment to be received (from line B21)			458,389	458,389
Other resources total: (identify on attached sheet)			10,741,757	*10,741,757
<b>TOTAL RESOURCES</b>			<b>\$ 11,300,814</b>	<b>\$ 11,300,814</b>
*1983 EDBG allocation (interest), land sales and private tax-exempt borrowing as needed to balance.				
			\$	\$

SECTION D. CERTIFICATE OF LOCAL PUBLIC AGENCY

IT IS HEREBY CERTIFIED that all of the LPA's undertakings necessary to carry out the project, including the activities includable in item 1 of Gross Project Cost of the project (identified on page 1 hereof), have been properly completed except for: (1) completion or provision of any items shown in schedule A-2, column (a), concerning which HUD has been furnished satisfactory assurances, pursuant to the provisions of Section 110(d) of Title I of the Housing Act of 1949, as amended, that the needed facilities or improvements will be constructed or completed on or before the dates listed in schedule A-2, column (d), and concerning which HUD has determined that the portion of the total estimated cost which is shown in schedule A-2, column (c), is the amount to be includable as grants-in-aid and is deemed to be the actual cost thereof for the purpose of computing the amount of local grants-in-aid under this contract, and (2) final settlement of project financing and interest costs thereon, if any; that such final settlement will be fully completed in accordance with the contract between the United States of America and the LPA, which contract is identified on page 1 hereof, not later than the estimated final settlement date identified on page 1 hereof; that all costs and obligations (other than interest costs and costs and obligations in connection with items which are estimated, unpaid, disputed, contingent, or unliquidated) incurred by the LPA in connection with said project have been fully paid; that proper provision has been made by the LPA for the payment of interest costs and all such costs and obligations in connection with items which are estimated, unpaid, disputed, contingent, or unliquidated; that there are no undischarged mechanics', laborers', contractors', or materialmen's liens in connection with the project on file in any public office where the same should be filed in order to be valid against the project; that the United States of America is not under any obligation to make any further payment on account of the Project Temporary Loan, if any, provided for in said contract [except that

there is presently outstanding Project Temporary Loan Note No. 2nd Series 1983, dated April 12, 1983

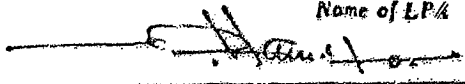
under Requisition Agreement No. 2-1983, in connection with an outstanding series of Preliminary Loan Notes

maturing on April 15, 1983 ]\*; and that each and every statement and amount set forth in this instrument is true and correct as of the date hereof.

IT IS HEREBY FURTHER CERTIFIED that the balance in the project accounts at the date of this certificate, as shown in Section C, are and will remain available for the payment of all unpaid project costs, including any of said costs which are disputed, contingent, or unliquidated at the date of this certificate.

Redevelopment Agency of the  
City and County of San Francisco

Name of LPA



Signature of Authorized Officer

Wilbur W. Hamilton, Executive Director

Title

June 1, 1983

Date

\*Strike out if inapplicable.



SECTION E. APPROVAL OF HUD

I have reviewed the foregoing Certificate of Completion and of Gross and Net Project Cost and have determined that the project has been fully completed; that all costs and obligations [other than interest costs and costs and obligations in connection with items which are estimated, unpaid, disputed, contingent, or unliquidated]° incurred by the LPA in connection with the project have been fully paid; that proper provision has been made, by the LPA for the payment of interest costs and all such costs and obligations in connection with items which are estimated, unpaid, disputed, contingent, or unliquidated; that the United States of America is not under any obligation to make any further payments on account of the Project Temporary Loan, if any, provided for in said contract, except as noted in the LPA's certificate (Section D hereof); that the Gross Project Cost and the Net Project Cost, and the amounts claimed by the LPA to be eligible for inclusion in each, respectively, as set forth in said certificate, are, to the best of my knowledge, true and correct except as noted hereinbefore; and that the items claimed by the LPA to be eligible as local grants-in-aid, including the amount of each claimed by it to be so eligible, as set forth in said certificate, are, to the best of my knowledge, true and correct except as noted hereinbefore.

Therefore, on the condition that the resources for retirement of outstanding project debt be made available on the dates indicated in the columns filled in by HUD, I hereby approve said certificate with the above-stated exceptions, if any, as the basis for settlement of the project.

AUG 10 1983

*Date*

Original signed by:  
Henry Dishroom  
Henry Dishroom  
Area Manager San Francisco Area Office  
*Authorized Officer*

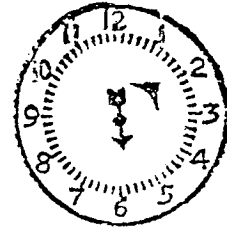
*(Differences between amounts submitted by the LPA and amounts approved by HUD are explained on the ~~contract~~ attachment)*

\* Strike out if inapplicable.



San Francisco Area Office, Region IX  
One Embarcadero Center, Suite 1600  
San Francisco, California 94111  
Office of the Area Manager

AUG 15 '83 AM



RECEIVED  
SAN FRANCISCO  
REDEVELOPMENT AGENCY  
1-1779.83-128

Honorable Dianne Feinstein  
Mayor, City and County of San Francisco  
City Hall, Room 200  
San Francisco, CA 94102

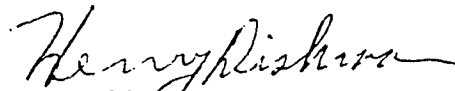
Dear Mayor Feinstein:

SUBJECT: Project No. Calif. R-59  
Yerba Buena Center  
Financial Settlement

This is to inform you that the Yerba Buena Center Urban Renewal Project has been financially settled. A copy of our letter to the Redevelopment Agency formally notifying it of the financial settlement, along with a copy of the executed Closeout Agreement, are enclosed for your information.

Please note that as is the case with the other urban renewal projects which have been closed out under the provisions of Section 570.803 of the Community Development Block Grant Program Regulations, all future proceeds from the sale or lease of Project land must be treated as program income under the CDBG program, and accounted for accordingly.

Sincerely,

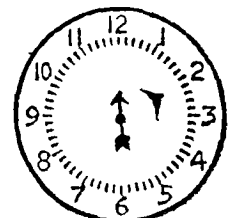
  
Henry Dishroom  
Area Manager, 9.3S

Enclosures

cc: Mr. Wilbur W. Hamilton, Executive Director ✓  
San Francisco Redevelopment Agency

Mr. James Johnson, Executive Director  
Mayor's Office of Housing and Community Development

AUG 15 '83 PM



RECEIVED  
CONTROLLER  
SAN FRANCISCO  
REDEVELOPMENT AGENCY

YERBA BUENA CENTER REDEVELOPMENT PROJECT  
CLOSEOUT AGREEMENT

THIS AGREEMENT, entered into by and between the Redevelopment Agency of the City and County of San Francisco (the local public agency carrying out the project, hereafter called the "Agency") and the City and County of San Francisco (the unit of general local government in which the project is located, hereafter called the "City"),

W I T N E S S E T H

WHEREAS, the Agency and the United States of America, acting by and through the Secretary of Housing and Urban Development "HUD" entered into Contract No. Calif. R-59 (City) dated December 2, 1966 ("HUD Contract") for the purpose of providing Federal financial assistance under Title I of the Housing Act of 1949, as amended, to carry out redevelopment activities in the Yerba Buena Center Project ("Project") in accordance with a duly adopted Redevelopment Plan ("Plan"), which HUD Contract, Project and Plan have been amended from time to time; and

WHEREAS, an environmental review of the early financial settlement of the Project has been completed in accordance with the provisions of 24 CFR 58.15(a) and the citizen participation requirements under 24 CFR 570.803(e)(2) have been complied with; and

WHEREAS, Community Development Block Grant regulations (24 CFR Part 570) permit financial settlement of urban renewal projects prior to completion, and such regulations require a closeout agreement executed by the Agency and the City pertaining to certain remaining obligations under the HUD Contract; and

~~WHEREAS, the Agency desires to use any grant earned under the HUD Contract, and any unearned grant as defined in Title 24 CFR Section 570.800(c) to repay the outstanding project temporary loan obligation for Calif. R-59 in the amount of \$11,100,000 plus interest; and~~

WHEREAS, there are no surplus grant funds as defined in Title 24 CFR Section 570.800(d); and

WHEREAS, the City has a Community Development Block Grant entitlement of \$22,104,722 for Fiscal year 1983 for which a Grant agreement has been executed; and

WHEREAS, a request for financial settlement of the Yerba Buena Center Redevelopment Project Calif. R-59 has been submitted to the Department of HUD by the Agency and City; and

WHEREAS, in Resolution No. 659-83, adopted on July 25, 1983, the Board of Supervisors of the City and County of San Francisco has approved this Close Out Agreement and has authorized the Mayor to make application for financial settlement of the said Yerba Buena Center Redevelopment Project to HUD;

NOW THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agree as follows:

Section 1. Project Property

(a) The Project Property is composed of the parcels (some with structures thereon) described in the Project Property Inventory, attached hereto as Exhibit "A", and made a part hereof.

(b) The Project Property shall be retained for disposition by the Agency. The requirement for disposition at fair use value under Section 110(c)(4) of Title I of the Housing Act of 1949, as amended, is not applicable to the disposition of any such Project Property.

(c) Subject to applicable federal and other law and regulation, the proceeds received from the sale and/or lease of Project Property may be used to complete the Redevelopment Project and for necessary and/or appropriate economic development activities in the Project and may also be used to repay any loan (or loans) obtained by the Agency for the purpose of repayment of its Temporary Loan obligation to HUD and any loan (or loans) obtained by the Agency for the purpose of land acquisition necessary for the completion of the Project.

(d) A description of the proposed Project Completion and Economic Development Activities is shown on Exhibit B attached hereto, and made a part hereof.

Section 2. Displacement

On displacement from any above listed occupied property, the displacees shall be provided all benefits to which they may be entitled under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

No displacement of any person from occupied residential properties listed above is involved.

Section 3. Low- and Moderate-Income Housing

The low- and moderate-income housing required to be provided due to the demolition or removal of residential

structures with Project funds, pursuant to Section 105(h) of Title I of the Housing Act of 1949, as amended, have been satisfied and provided.

#### Section 4. Unearned Grants

Any and all unearned grants made available as a result of the financial settlement will be applied to repayment of the outstanding Project temporary loan.

#### Section 5. Repayment of Project Temporary Loan

The project temporary loan of \$11,100,000 due August 9, 1983 will be repaid from a portion of the proceeds of the public sale of Agency bonds, in an amount not to exceed \$29,000,000 (authorized by Board of Supervisors Resolution No. 429-83), less any unearned grant as described in Section 4. Bonds are expected to be sold not later than July 28, 1983.

#### Section 6. Claims

Any costs or obligations incurred in connection with the Yerba Buena Center Redevelopment Project with respect to claims which are disputed, contingent, unliquidated, or unidentified, and for the payment of which insufficient project funds have been reserved under financial settlement shall be borne by the City. Such additional expenses may be paid from Community Development Block Grant funds made available under 24 CFR 570.

#### Section 7. Program Management

The obligations under this Closeout Agreement are subject to the applicable Program Management requirements of 24 CFR Part 570, Subpart O.

#### Section 8. Special Provisions of Contract

(a) The GSA property located at 49 Fourth Street, San Francisco, California is not covered by the HUD contract but is part of the Agency and City approved Yerba Buena Center Redevelopment Project and is subject to the Agency and City approved Yerba Buena Center Redevelopment Plan as amended. Accordingly, as between the Agency and the City, the Project and the Project Property shall for purposes of Section 1, and the attached Exhibits A and B to this Agreement, include the acquisition of the GSA property by the Agency, and its disposition.

(b) Pursuant to the provisions of 24 CFR Part 58, City agrees to assume all duties of HUD under the National Historic Preservation Act of 1966, as amended, (16 U.S.C. 470 et.seq.), Executive Order 11593, and the regulations

issued pursuant thereto. Such duties are those specified in that Memorandum of Agreement of May 7, 1983, between the Advisory Council on Historic Preservation, the California State Historic Preservation Office and HUD, and in any supplemental Memorandum of Agreement or supplementary or amendatory stipulations respecting the Jessie Hotel and the Williams Building that the City, the Agency, the California State Historic Preservation Office and the Advisory Council on Historic Preservation agree to.

ATTEST:

CITY AND COUNTY OF SAN FRANCISCO

ACTING

M. B. Magnus  
Clerk

John S. Kirk  
Mayor

ATTEST:

REDEVELOPMENT AGENCY OF THE CITY  
AND COUNTY OF SAN FRANCISCO

Peter R. Oswald  
Secretary

[Signature]  
Executive Director

Concurred in:  
United States of America  
Secretary of Housing and Urban Development

Henry Rishman  
San Francisco Area Office