

1 [Agreement to Sell the Dolores Hotel Located at 35-37 Woodward Street]

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3 **Resolution approving and authorizing the execution and performance of an Agreement**
4 **For Sale of Real Estate relating to the property commonly known as the Dolores Hotel**
5 **and located at 35-37 Woodward Street; adopting findings that the sale is exempt from**
6 **Environmental Review and is consistent with the City's General Plan and Eight Priority**
7 **Policies of City Planning Code Section 101.1; and authorizing the Director of Property**
8 **and the Director of the Mayor's Office of Housing to execute documents, make certain**
9 **modifications and take certain actions in furtherance of this Resolution.**

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11 WHEREAS, Pursuant to Resolution No. 282-08 adopted by the Board of Supervisors
12 on June 17, 2008 and approved by the Mayor on June 24, 2008 the City acquired title to the
13 Dolores Hotel (the "Property") from Mission Housing Development Corporation ("MHDC") in
14 exchange for City assuming a Deferred Payment Rehabilitation Loan Program loan in the
15 amount of \$145,000 (the "DPRLP Loan"), (which the State of California Department of
16 Housing and Community Development ("HCD") allowed MHDC to assign to the City) and City
17 cancelling MHDC indebtedness under a San Francisco City Housing Rehabilitation Loan
18 Program loan in the amount of \$587,997; and

19 WHEREAS, On February 11, 2008, the Mayor's Office of Housing ("MOH") and the
20 City's Department of Public Health ("DPH") jointly issued a Request for Qualifications and
21 Proposals (the "RFP") seeking an entity willing to acquire, rehabilitate, and operate the
22 existing fifty nine (59) vacant units on the Property as transitional housing for homeless, single
23 adults (the "Project"); and

24 WHEREAS, Dolores Street Community Services ("DSCS") was the only entity that
25 responded to the RFP, and after reviewing its application, MOH and DPH selected DSCS as

Supervisor Daly

1 purchaser of the Property and recommended that the City provide DSCS with approximately
2 \$557,537 in City funds for predevelopment expenses in connection with the Project; and,

3 WHEREAS, DSCS has since formed an affiliate limited liability company named
4 Dolores Hotel, LLC ("Buyer"), of which DSCS shall be the sole member; and,

5 WHEREAS, In consideration of the City's agreement to convey the Property, Buyer
6 shall (1) either assume all obligations under the DPRLP Loan documents or enter into new
7 loan documents with HCD for the DPRLP Loan such that the existing DPRLP Loan
8 documents and any City obligations thereunder are terminated (subject to HCD's approval
9 of such assumption by Buyer and Buyer's acquisition of the Property); and (2) agree to the
10 affordability restrictions as set forth in the Agreement for Sale of Real Estate (the
11 "Agreement"); and,

12 WHEREAS, The Director of Planning, by letter dated January 29, 2008, found that
13 the sale of the Property contemplated by the Agreement, is consistent with the City's
14 General Plan and with the Eight Priority Policies of City Planning Code Section 101.1 and is
15 exempt from Environmental Review, which letter is on file with the Clerk of the Board of
16 Supervisors under File No. 090356, and which letter is incorporated herein by
17 this reference; now, therefore, be it

18 RESOLVED, That the Board of Supervisors hereby adopts and incorporates herein
19 by reference the findings of the Director of Planning in his letter of January 29, 2008, that
20 the sale of the Property contemplated by the Agreement is consistent with the General Plan
21 and with the Eight Priority Policies of City Planning Code Section 101.1 and is exempt from
22 Environmental Review for the same reasons as set forth in such letter, and hereby
23 incorporates such findings by reference as though fully set forth in this Resolution; and, be
24 it

1 FURTHER RESOLVED, That in accordance with the recommendations of the
2 Director of Property and the Director of MOH, the Board of Supervisors hereby finds that
3 City's sale of the Property serves a legitimate public purpose by protecting existing
4 affordable housing and hereby approves the Agreement and the transactions contemplated
5 therein, including Buyer either assuming the DPRLP Loan or entering into new loan
6 documents with HCD such that the existing DPRLP Loan and any City obligation
7 thereunder is terminated; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
9 Property and the Director of the MOH to enter into any additions, amendments or other
10 modifications to the Agreement (including, without limitation, the attached exhibits) that
11 they, in consultation with the City Attorney, determine to be in the best interest of the City,
12 that do not materially increase the obligations or liabilities of the City, and are necessary or
13 advisable to complete the transactions contemplated in the Agreement and effectuate the
14 purpose and intent of this Resolution, such determination to be conclusively evidenced by
15 the execution and delivery of the Agreement and any amendments thereto by the Director
16 of Property and the Director of MOH; and, be it

17 FURTHER RESOLVED, That the Director of Property is hereby authorized, in the
18 name and on behalf of the City, to execute a Quitclaim Deed to the Property to Buyer upon
19 the closing in accordance with the terms and conditions of the Agreement, and to take any
20 and all steps (including, but not limited to, the execution and delivery of the Agreement, any
21 and all certificates, agreements, notices, consents, escrow instructions, closing documents
22 and other instruments or documents) as the Director of Property and the Director of MOH, in
23 consultation with the City Attorney, deem necessary or appropriate in order to consummate
24 the sale of the Property pursuant to the Agreement or to otherwise effectuate the purpose and
25 intent of this Resolution: and, be it

1 FURTHER RESOLVED. That any monies realized by Dolores Hotel LLC from a future
2 sale of the Dolores Hotel should first be applied to reimbursing the City for all rehabilitation
3 and renovation funds previously provided by the City to Dolores Hotel LLC.

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5 RECOMMENDED:

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7 (See File for Signature)
8 Amy L. Brown
9 Director of Property

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11 (See File for Signature)
12 Douglas Shoemaker
13 Director of the Mayor's Office of Housing



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 090356

Date Passed:

Resolution approving and authorizing the execution and performance of an Agreement For Sale of Real Estate relating to the property commonly known as the Dolores Hotel and located at 35-37 Woodward Street; adopting findings that the sale is exempt from Environmental Review and is consistent with the City's General Plan and Eight Priority Policies of City Planning Code Section 101.1; and authorizing the Director of Property and the Director of the Mayor's Office of Housing to execute documents, make certain modifications and take certain actions in furtherance of this Resolution.

May 5, 2009 Board of Supervisors — ADOPTED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi

File No. 090356

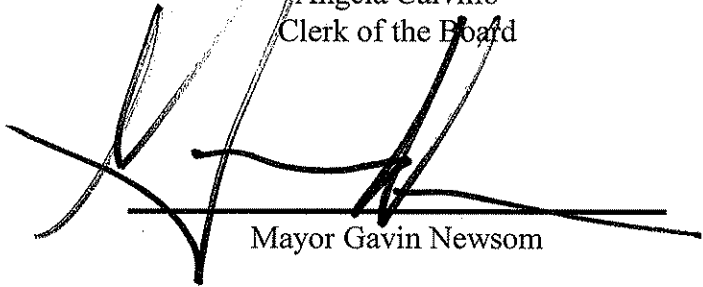
I hereby certify that the foregoing Resolution was ADOPTED on May 5, 2009 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board

5/14/09

Date Approved



Mayor Gavin Newsom