

FILE NO. 080192

RESOLUTION NO. 109-08

1 [Lease Disposition and Development Agreement and Lease for Property Located at 850
2 Broderick Street]

RESOLUTION

3 APPROVING AND AUTHORIZING THE MAYOR'S OFFICE OF HOUSING TO ENTER INTO
4 A LEASE DISPOSITION AND DEVELOPMENT AGREEMENT FOR A LONG TERM
5 GROUND LEASE WITH ARENDT HOUSE, L.P., A CALIFORNIA LIMITED PARTNERSHIP,
6 FOR THE DEVELOPMENT AND OPERATION OF AFFORDABLE HOUSING AND
7 ASSOCIATED USES ON CERTAIN REAL PROPERTY LOCATED AT 850 BRODERICK
8 STREET AND AUTHORIZING THE DIRECTOR OF PROPERTY TO ENTER INTO THE
9 LEASE.

10 WHEREAS, On January 13, 2004, the Board of Supervisors approved Resolution No.
11 7-04, File No. 031887, that authorized the Department of Human Services (HSA) to enter into
12 an agreement for the purchase of real property located at 850 Broderick Street (the
13 "Property") to house low-income people; and,

14 WHEREAS, with the approval of the Superior Court of the State of California in and for
15 the City and County of San Francisco (the "Probate Court"), a portion of the funds of the
16 estate of Zygmunt Arendt were distributed into a special fund called the "Arendt Estate Gift
17 Fund" ("Arendt Fund") created by the City's Controller's Office, and a portion of such were
18 used for the acquisition of the Property; and

19 WHEREAS, In August 2004 HSA issued a Request for Proposals (the "RFP") to select
20 a qualified nonprofit developer for services that would include the new construction of a
21 building at 850 Broderick Street to be a site suitable for a supportive housing project; and,

22 WHEREAS, A review panel established by HSA evaluated responses to the RFP and
23 based on developers' responses and qualifications the review panel recommended that

24
25 SUPERVISOR MIRKARIMI

1 Community Housing Partnership, in collaboration with Tenderloin Neighborhood Development
2 Corporation, be selected as the project sponsor; and

3 WHEREAS, on or about September 29, 2004, HSA issued a letter informing
4 Community Housing Partnership that its proposal regarding the RFP had been selected and
5 effective as of April 28, 2006, HSA and Community Housing Partnership entered into an
6 Exclusive Negotiating Agreement ("ENA") for the purpose of, among other things, negotiating
7 the terms and conditions under which HSA would enter into a long term ground lease for the
8 Property, the term of which ENA expires on April 28, 2008; and,

9 WHEREAS, HSA and the Mayor's Office of Housing (MOH) have entered into a
10 Memorandum of Understanding in which HSA delegates to MOH the obligation of managing
11 the development of the project on behalf of the City; and,

12 WHEREAS, Community Housing Partnership and Tenderloin Neighborhood
13 Development Corporation formed a limited partnership called Arendt House, L.P. that will act
14 as the "Developer" for the project; and,

15 WHEREAS, The proposed project (the "Project") will be built within the existing 40-foot
16 height limit for the Property and will consist of 1 building manager's unit and 46 units of
17 affordable rental housing of which no less than 40% will be for homeless or formerly homeless
18 seniors age 62 and older with income no higher than 60% of the Area Median Income as
19 determined by the U. S. Department of Housing and Urban Development and as calculated by
20 MOH, and the remainder will be for the poor and needy of the City and County of San
21 Francisco with incomes at or below 30% of the Area Median Income; and,

22 WHEREAS, In order to implement the Project, MOH and the Developer negotiated a
23 Lease Disposition and Development Agreement (the "LDDA") and the form of a long-term
24 ground lease (the "Lease") between HSA and the Developer, in substantially the forms of the
25

SUPERVISOR MIRKARIMI

1 LDDA and Lease (as an attachment to the LDDA) filed with the Clerk of the Board of
2 Supervisors in File No. 080192; and,

3 WHEREAS, MOH has submitted a proposed LDDA and Lease for the Property to the
4 Board of Supervisors for consideration; and,

5 WHEREAS, MOH intends to submit the proposed LDDA and Lease to the Probate
6 Court for the Probate Court to ascertain that the LDDA and Lease comply with the Probate
7 Court's orders related to the application of Mr. Arendt's will to the Property, and

8 WHEREAS, Pursuant to the LDDA, prior to HSA entering into the Lease of the
9 Property, the Developer must satisfy certain conditions including: (i) obtain MOH approval of
10 the construction documents for the Project, (ii) obtain all regulatory approvals required to
11 commence construction of the Project, (iii) secure issuance of building permits for the Project,
12 (iv) obtain Board of Supervisors approval of the LDDA, Lease and any other related
13 agreements, (v) obtain financing for the Project acceptable to MOH, (vi) accept the Property
14 "as-is", without representation or warranty by MOH or HSA; and,

15 WHEREAS, The term of the Lease is 70 years; and,

16 WHEREAS, On September 29, 2006, the Planning Department, in accordance with
17 Title 14 of the California Code of Regulations, Chapter 3, Article 19, Section 15332 (CEQA
18 State Guidelines), issued a Certificate of Determination of Exemption/Exclusion From
19 Environmental Review, granting the Project at 850 Broderick Street a "Categorical Exemption"
20 from environmental review; and

21 WHEREAS, This Board of Supervisors has reviewed and considered the information
22 contained in the Categorical Exemption; and,
23
24
25

SUPERVISOR MIRKARIMI

1 WHEREAS, The Planning Department, in Finding 5 of its Variance Decision, dated
2 May 24, 2007, determined that the Project is consistent with the City's General Plan and the
3 Eight Priority Policies of Planning Code Section 101.1; now, therefore, be it

4 RESOLVED, That the Board of Supervisors hereby finds that the Project, as
5 contemplated by the LDDA and the Lease is exempt from environmental review for the same
6 reasons as set forth in the Categorical Exemption and is consistent with the General Plan for
7 the same reasons set forth in the Planning Department Variance Decision; and be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
9 authorizes MOH, through its Director, to execute the LDDA and finalize negotiations for the
10 Lease and following the negotiations for the Lease authorizes the Director of Property to
11 execute the Lease; and be it

12 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
13 MOH, in consultation with the City Attorney, to enter into any additions, amendments or other
14 modifications to the LDDA and to negotiate any additions, amendments or other modifications
15 to the Lease (including in each instance, without limitation, the attachment of exhibits) that the
16 Director of MOH determines are in the best interests of the City, do not decrease the
17 revenues to the City in connection with the Property, or otherwise materially increase the
18 obligations or liabilities of the City, and are in compliance with all applicable laws, including
19 City's Charter, and are necessary or advisable to satisfy the Probate Court with respect to the
20 proper use of the Arendt Fund or to complete the transactions contemplated in the LDDA and
21 the Lease and to effectuate the purpose and intent of this resolution, and the Board of
22 Supervisors authorizes the Director of Property to execute such additions, amendments or
23 other modifications to the Lease.
24
25

SUPERVISOR MIRKARIMI



City and County of San Francisco

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

Tails

Resolution

File Number: 080192

Date Passed:

Resolution approving and authorizing the Mayor's Office of Housing to enter into a lease disposition and development agreement for a long term ground lease with Arendt House, L.P., a California Limited Partnership, for the development and operation of affordable housing and associated uses on certain real property located at 850 Broderick Street and authorizing the Director of Property to enter into the lease.

March 4, 2008 Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick,
Mirkarimi, Peskin, Sandoval

Absent: 1 - Ammiano

File No. 080192

I hereby certify that the foregoing Resolution was ADOPTED on March 4, 2008 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo

Angela Calvillo
Clerk of the Board

[Signature]

Mayor Gavin Newsom

3-14-08

Date Approved