Resolution authorizing: 1) the acquisition of real property at 900 Innes Avenue (Lot Nos. 1-5 and 24, Assessor's Block No. 4605, Lot No. 10, Assessor's Block No. 4629A, Lot No. 2, Assessor's Block No. 4630, and Lot Nos. 1-3, 3A, 19 and 20, Assessor's Block No. 4646) from the Tenderloin Housing Clinic, Inc.; and 2) the issuance of Commercial Paper (CP) Notes in an aggregate principal amount not to exceed $2,975,000; 3) the subsequent jurisdictional transfer of the Property to the Recreation and Park Department upon repayment of the CP Notes; and 4) finding the proposed transaction in conformance with the City's General Plan, and the eight priority policies of Planning Code, Section 101.1.

WHEREAS, The Tenderloin Housing Clinic, Inc., a California nonprofit public benefit corporation, owns the real property located at 900 Innes Avenue (Lot Nos. 1-5 and 24, Assessor's Block No. 4605, Lot No. 10, Assessor's Block No. 4629A, Lot No. 2, Assessor's Block No. 4630, and Lot Nos. 1-3, 3A, 19 and 20, Assessor's Block No. 4646), located along the north side of Innes Avenue, at the intersection of Griffith Street (the "Property"), which is comprised of 137,500 square feet of land improved with five structures totaling approximately 7,760 square feet; and

WHEREAS, The Property is located between two existing parks under the jurisdiction of City's Recreation and Parks Commission, India Basin Shoreline Park and India Basin Shoreline Open Space, and has the potential to accommodate both passive recreation (such as seating, sunbathing and picnicking) and active recreation (such as walking, bicycling, sports courts, birdwatching, boating, kayaking and other water-based recreational activities); and
WHEREAS, The Property has been identified by the Recreation and Park Department ("RPD") as a possible future public open space which would further RPD's mission to provide enriching recreational activities, maintain beautiful parks and preserve the environment for the well-being of the San Francisco community; and

WHEREAS, RPD has not yet undertaken planning, design or environmental review of the Property for potential park purposes; and

WHEREAS, a portion of the Property may also be sold or exchanged to optimize the size, configuration and continuity of potential future public open space; and

WHEREAS, on June 19, 2014, the Recreation and Park Commission approved Resolution 1406-010 affirming the value of the Property as potential public open space and urging the Board of Supervisors to take steps necessary to purchase the Property; and

WHEREAS, The Director of Property, in consultation with RPD, negotiated a proposed Purchase and Sale Agreement for the Property, which is on file with the Clerk of the Board of Supervisors under File No. 140780 (the "Purchase Agreement"), with a purchase price of $3,500,000, but with a price reduction (credit) of $525,000 to be retained by the City to perform anticipated environmental remediation; and

WHEREAS, The City obtained an independent, third party appraisal to confirm that the proposed purchase price does not exceed the fair market value of the Property based on the highest and best use of the Property and the anticipated costs of environmental remediation; and

WHEREAS, The Director of Property has determined that the proposed sales price is reasonable and represents fair market value for the Property; and

WHEREAS, Pursuant to Charter, Section 9.113(e), the Board of Supervisors has the authority to borrow money on an interim basis through the issuance from time to time of its commercial paper notes (the "CP Notes"); and
WHEREAS, On March 17, 2009, the Board of Supervisors adopted Resolution 85-09, and on April 6, 2010, the Board of Supervisors adopted Resolution 135-06 (collectively the “Program Resolutions”) to establish a general fund backed commercial paper program with an initial authorization of not to exceed $150,000,000 in aggregate principal amount of tax-exempt or taxable CP Notes (the “Program”) to provide interim financing of the acquisition, construction and rehabilitation of capital improvements within or owned by the City, and the financing of vehicles and equipment; and

WHEREAS, On July 16, 2013, the Board adopted Resolution 247-13 to, among other purposes, increase the authorization of the Program to $250,000,000 from $150,000,000; and

WHEREAS, In order to pay the costs of the Property, the Board now desires to authorize the use of the CP Program to effect the purchase of the Property in an amount not to exceed $2,975,000, and, consistent with applicable law, anticipates repayment of such CP Notes from Open Space Acquisition Fund resources; and

WHEREAS, The Property shall be placed in the jurisdiction of the Real Estate Division upon acquisition to allow RPD to undertake planning, design and environmental review of the Property to determine whether development of public open space on all or a portion of the Property is feasible and desirable; and

WHEREAS, Recreation and Park Commission Resolution 1406-010 supports the possible use of up to $2,975,000 plus interest from the Open Space Acquisition Fund to repay some or all of any CP Notes that may be issued to purchase the Property to the extent that full or partial use of the Property to develop a park is deemed feasible and desirable after review under the California Environmental Quality Act; and

WHEREAS, The Director of Property and General Manager of Recreation and Park Department report that there would be no further advantage derived from Real Estate retaining jurisdiction to the Property upon repayment of the CP Notes and therefore
recommend that the jurisdiction of the Property be transferred from Real Estate to Recreation
and Park upon said repayment without additional consideration; and

WHEREAS, The Planning Department, through General Plan Referral Letter dated
December 10, 2013 ("Planning Letter"), which is on file with the Clerk of the Board of
Supervisors under File No. 140780, has verified that the City's acquisition of the Property is
consistent with the General Plan, and the eight priority policies under the Planning Code,
Section 101.1; and

WHEREAS, In the Planning Letter, the Environmental Planning Section of the
Department erroneously stated that the acquisition of the Property is a nonphysical project
(Class 8; Acquisition of urban open space & Class 16 (b) – acquisition of land to establish a
park where the land contains a historical resource that will be preserved) and therefore
categorically exempt from environmental review under CEQA; and

WHEREAS, By letter dated February 7, 2014, from Rick Cooper of the Planning
Department's Environmental Planning Section to Stacy Bradley of the Recreation and Park
Department, Environmental Planning clarified that the acquisition of the Property is correctly
considered not a project under CEQA; and

WHEREAS, Under the Purchase Agreement, The Tenderloin Housing Clinic shall
deliver the Property to the City at the close of escrow, anticipated to occur in August, 2014,
with no occupants or tenants on the Property; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby finds that the acquisition of the
Property is consistent with the City's General Plan, and the eight priority policies of Planning
Code, Section 101.1, and hereby incorporates such findings by reference as though fully set
forth in this Resolution; and, be it

FURTHER RESOLVED, That in accordance with the recommendations of the Director
of Property and Recreation and Park Commission, the Board of Supervisors hereby approves
the Purchase Agreement, in substantially the form presented to this Board, and authorizes
City staff to take all actions necessary to acquire the Property consistent with the Purchase
Agreement; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
Property to complete the purchase of the Property and, working with and through the Director
of Public Works, remediate the Property, using grant funds or other sources of funds, as they
may be available as contemplated herein; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
Property, in consultation with the City Attorney, to enter into any additions, amendments or
other modifications to the Purchase Agreement that the Director of Property determines are
in the best interests of the City, do not materially increase the obligations or liabilities of the
City or materially decrease the benefits to the City, and are in compliance with all applicable
laws, including the City's Charter; and, be it

FURTHER RESOLVED, That the Director of Property is hereby authorized and urged,
in the name and on behalf of the City and County, to accept the Deed to the Property from the
Tenderloin Housing Clinic in accordance with the Purchase Agreement, place the Property
under the jurisdiction of Real Estate, and to take any and all steps (including, but not limited
to, the execution and delivery of any and all certificates, agreements, notices, consents,
escrow instructions, closing documents and other instruments or documents) as the Director
of Property deems necessary or appropriate in order to consummate the purchase of the
Property pursuant to the Purchase Agreement, or to otherwise effectuate the purpose and
intent of this Resolution, such determination to be conclusively evidenced by the execution
and delivery by the Director of Property of any such documents; and, be it

FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
with respect to the Purchase Agreement, or authorized and directed by this Resolution, are
hereby ratified, approved and confirmed by this Board of Supervisors; and be it

    FURTHER RESOLVED, That the Board hereby authorizes the Controller or the
Director of the Office of Public Finance to issue CP Notes in an aggregate principal amount
not to exceed $2,975,000 to provide financing for the acquisition of the Property and to pay
costs incurred in connection with the sale and delivery of the CP Notes; provided that the
interest rate on any CP Notes shall not exceed the maximum rate permitted by law and the
CP Notes shall mature not later than 270 days from the date of issuance although each
certificate may be remarketed for a subsequent period(s) also not to exceed 270 days; and,
be it

    FURTHER RESOLVED, That the CP Notes will be executed and delivered under the
financing and security documents approved by the Program Resolutions, and, consistent with
applicable law, be repaid from Open Space Acquisition Funds; and, be it

    FURTHER RESOLVED, That upon such time as the CP Notes are fully repaid, the
jurisdiction of the Property shall be transferred from Real Estate to the Recreation and Park
Department; and, be it

    FURTHER RESOLVED, That the Board of Supervisors authorizes and directs the
Clerk of the Board of Supervisors, the Director of Property, the General Manager of the
Recreation and Park Department, and any other officer of the City involved in the jurisdictional
transfer to take all action necessary or appropriate to effectuate the purpose of this
Resolution; and, be it
FURTHER RESOLVED, That a report from the Recreation and Park Department be submitted no later than December 31, 2015 on the proposed use of 900 Innes Avenue as a park or open space, including (i) proposed reconfiguration of the property and sale or exchange of a portion of the property in coordination with the owner of 700 Innes Avenue/800 Hudson Avenue; and (ii) estimated costs and sources of funds to develop and maintain the property at 900 Innes Avenue and undertake environmental remediation; and, be it

FURTHER RESOLVED, That any future agreement to (i) sell a portion of 900 Innes Avenue to a third party, or (ii) exchange a portion of 900 Innes Avenue for a portion of 700 Innes Avenue/800 Hudson Avenue, be subject to Board of Supervisors approval; and be it

FURTHER RESOLVED, That within thirty (30) days of the Purchase Agreement being fully executed by all parties, the Director of Property shall provide the final Purchase Agreement to the Clerk of the Board for inclusion into the official file.

$2,975,000 available
Index Code:

RECOMMENDED:

Director of Property

Controller
Resolution authorizing: 1) the acquisition of real property at 900 Innes Avenue (Lot Nos. 1-5 and 24, Assessor's Block No. 4605, Lot No. 10, Assessor's Block No. 4629A, Lot No. 2, Assessor's Block No. 4630, and Lot Nos. 1-3, 3A, 19 and 20, Assessor's Block No. 4646) from the Tenderloin Housing Clinic, Inc.; 2) the issuance of Commercial Paper (CP) Notes in an aggregate principal amount not to exceed $2,975,000; 3) the subsequent jurisdictional transfer of the Property to the Recreation and Park Department upon repayment of the CP Notes; and 4) finding the proposed transaction in conformance with the City's General Plan, and the eight priority policies of Planning Code, Section 101.1.

July 16, 2014 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

July 16, 2014 Budget and Finance Committee - RECOMMENDED AS AMENDED

July 22, 2014 Board of Supervisors - ADOPTED
Ayes: 10 - Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee
Excused: 1 - Avalos

File No. 140780

I hereby certify that the foregoing Resolution was ADOPTED on 7/22/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

[Signature]

Mayor

Date Approved

07/24/2014