

1 [Ground Lease of Redevelopment Agency Land to San Francisco Medical Center Outpatient
2 Improvement Programs, Inc.]

3 **Resolution authorizing a Ground Lease with the San Francisco Redevelopment Agency**
4 **of the City and County of San Francisco to lease a portion of the site located at 227-255**
5 **Seventh Street, Assessor's Block 3731, Lots 126 and 154 for the development and**
6 **operation of a health clinic, with San Francisco Medical Center Outpatient Improvement**
7 **Programs, Inc., a California nonprofit public benefit corporation, d/b/a South of Market**
8 **Health Center; South of Market Redevelopment Project Area**
9

10 WHEREAS, In furtherance of the objectives of the California Community
11 Redevelopment Law, Health and Safety Code Section 33000 et seq., (the "Law"), the
12 Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes
13 programs for the reconstruction and rehabilitation of slums and blighted areas in the City and
14 County of San Francisco (the "City"); and,

15
16 WHEREAS, Pursuant to the Law, the Board of Supervisors of the City established the
17 South of Market Earthquake Recovery Redevelopment Project Area (the "Project Area") and
18 adopted the South of Market Earthquake Recovery Redevelopment Plan (as amended, the
19 "Redevelopment Plan"); and,

20
21 WHEREAS, The Agency believes that the redevelopment of the Site, pursuant to the
22 Ground Lease (the "Agreement"), and the fulfillment generally of the Agreement and the
23 intentions set forth herein, are in the vital and best interests of the City and the health, safety,
24 morals and welfare of its residents, and in accord with the public purposes and provisions of
25 the applicable State and Federal laws; and,

1 WHEREAS, It is the mission of San Francisco Medical Center Outpatient Improvement
2 Programs, a California nonprofit public benefit corporation, d/b/a South of Market Health
3 Center (the "Developer"), to provide medical and dental care to low-income, uninsured,
4 homeless and medically underserved residents in all parts of the City; and,

5 WHEREAS, The Developer has applied to the Agency for funding to construct a 20,000
6 square-foot health clinic (the "Project"); and,

7 WHEREAS, A majority of the South of Market Project Area Committee members have
8 expressed their support for the development of this Project; and,

9 WHEREAS, The Developer shall leverage the City's financial assistance through
10 financing from New Market Tax Credits for additional Project funding; and,

11 WHEREAS, The Agency and the Developer have entered into the Agreement, in which
12 the Agency will lease the Property for One Dollar (\$1.00) per year, in exchange for the
13 Developer's agreement, to construct and operate the Project as a health clinic.

14 A tentative final map has been filed with the City that will result in the creation of three
15 separate parcels: Parcel A, Parcel B, and Parcel C. Parcel A will be a land parcel, Parcel B
16 will include a new health clinic to be operated by the Developer and Parcel C will refer to the
17 48 units (plus one manager's unit) of affordable family rental units, owned and operated by
18 Mercy Housing California, a California nonprofit public benefit corporation. A separate
19 Ground Lease will be entered into between the Agency and the Developer for the land
20 associated with Parcel B; and,

21 WHEREAS, Because the property was purchased with tax increment money, Section
22 33433 of the California Health and Safety Code requires the Board of Supervisors' approval of
23 its sale or lease after public hearing; and,

1 WHEREAS, Notice of public hearing has been published as required by Health and
2 Safety Code Section 33433; and,

3 WHEREAS, The Agency prepared and submitted a report in accordance with the
4 requirements of Section 33433 of the Health and Safety Code, including a copy of the
5 proposed Ground Lease, and a summary of the transaction describing the cost of the Ground
6 Lease to the Agency, the value of the property interest to be conveyed, the lease price and
7 other information was made available for the public inspection; now, therefore, be it
8

9 RESOLVED, That the Board of Supervisors of the City and County of San Francisco does
10 hereby find and determine that the lease of the Property from the Agency to San Francisco

11 Medical Center Outpatient Improvement Programs, Inc., a California nonprofit, public benefit
12 corporation: (1) will provide medical care to low-income, homeless, and uninsured residents;
13 (2) the less than fair market value rent of approximately One Dollar (\$1.00) per year for a
14 period of sixty (60) years is necessary due to the Developer's limited financial resources; (3)
15 the consideration to be received by the Agency is not less than the fair reuse value at the use
16 and with the covenants and conditions and development costs authorized by the Ground
17 Lease; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
19 authorizes the Agency to execute the Ground Lease with San Francisco Medical Center
20 Outpatient Improvement Programs, Inc. substantially in the form of the Ground Lease lodged
21 with the Agency General Counsel, and on behalf of the Agency.
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City and County of San Francisco

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

Tails Resolution

File Number: 081294

Date Passed:

Resolution authorizing a Ground Lease with the San Francisco Redevelopment Agency of the City and County of San Francisco to lease a portion of the site located at 227-255 Seventh Street, Assessor's Block 3731, Lots 126 and 154 for the development and operation of a health clinic, with San Francisco Medical Center Outpatient Improvement Programs, Inc., a California nonprofit public benefit corporation, d/b/a South of Market Health Center; South of Market Redevelopment Project Area.

October 21, 2008 Board of Supervisors — ADOPTED

Ayes: 9 - Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick,
Mirkarimi, Peskin

Absent: 2 - Alioto-Pier, Sandoval

File No. 081294

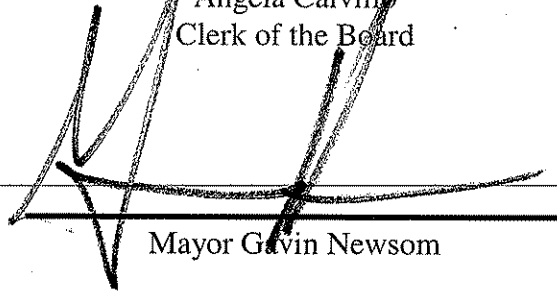
I hereby certify that the foregoing Resolution was ADOPTED on October 21, 2008 by the Board of Supervisors of the City and County of San Francisco.

10/30/2008

Date Approved



Angela Calvillo
Clerk of the Board



Mayor Gavin Newsom