

# **LONG-RANGE PROPERTY MANAGEMENT PLAN WESTBROOK PLAZA GARAGE AND HEALTH CLINIC PARCELS**

## **EXECUTIVE SUMMARY**

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) submits its Long-Range Property Management Plan (“PMP”) for the transfer to the Housing Successor Agency of the City and County of San Francisco two parcels located at 227-255 Seventh Avenue in the former South of Market Redevelopment Project Area that comprise a portion of Westbrook Plaza, a mixed-use project containing affordable housing and a neighborhood-serving health clinic. Westbrook Plaza contains three parcels: (1) Block 3731, Lot 240, which is currently owned by the Successor Agency and includes land and an underground garage serving the project; (2) Block 3731, Lot 241, an airspace parcel currently owned by the Successor Agency that is leased to and contains the South of Market Health Center (“SMHC”); and (3) Block 3731, Lot 242, an airspace parcel that is owned by the Housing Successor Agency, leased to Mercy Housing California (“Mercy Housing”) and contains 48 units of affordable housing for low-income families.

The Successor Agency proposes to transfer Block 3731, Lot 240 and 241 (the “Site”) to the City’s Housing Successor Agency pursuant to Section 34176 (f) of the Redevelopment Dissolution Law.

## **BACKGROUND**

In 2008, the former San Francisco Redevelopment Agency (the “SFRA”) acquired Block 3731, Lot 235, which was subsequently subdivided into Lots 240, 241, 242, from Mercy Housing and SMHC for financing purposes. The SFRA then leased an airspace parcel (Lot 241) back to SMHC, for the purpose of constructing a health clinic to provide medical assistance to low-income, homeless and medically underserved residents in the South of Market Redevelopment Project Area (the “Project Area”). A second airspace parcel (Lot 242) was leased back to Mercy Housing for the construction of 48 units of permanent, affordable housing for low-income families. The SFRA retained the land (Lot 240) under the airspace parcels. The mixed-use project, Westbrook Plaza, was completed in 2010. Westbrook Plaza is a four-story building constructed atop a subsurface parking garage. The health clinic occupies the first two levels of the building, while the affordable housing development occupies the balance.

## **LONG-RANGE PROPERTY MANAGEMENT PLAN (“PMP”)**

The following presents the information requested pursuant to Section 34191.5 of the California Health and Safety Code for the Site. The Site is also shown on Attachment A (Map of South of

Market Health Center) and Attachment B (DOF Tracking Sheet for Other Properties), as Nos. 30 and 31.

### **Date of Acquisition**

SMHC and Mercy Housing purchased the Site in 2003. In 2008, the SFRA acquired what is currently Block 3731, Lot 240 from SMHC and Mercy and leased a portion (Block 3731, Lot 241) back to SMHC to construct the health clinic. At the same time, a separate lease was executed with Mercy Housing for Lot 242.

### **Value of Property at Time of Acquisition**

The total cost to the SFRA of acquiring the property, including the land and the airspace parcels for both the health clinic and the affordable housing, was \$5,578,801. The value of the portion that was leased back to SMHC, determined at the use and with the conditions, covenants, and development costs required by the lease, was \$1,600,000.

### **Estimate of the Current Value**

The use of Block 3731, Lot 241 is limited by the ground lease to “the construction and operation of an approximately 20,000-square-foot health clinic.” (Article 8.02(a)) The use of Block 3741, Lot 240, is restricted by the Declaration Established Reciprocal Easements and Covenants Running with the Land (“REA”) to parking for the health clinic and the affordable housing. SMHC pays rent to the Successor Agency of \$1 per year. Because the use is restricted, the Site has no current value.

### **Purpose for which the Property was Acquired**

The SFRA acquired the property in order to assist in the creation of the new health clinic to promote continuing medical care to residents of the Project Area, and to provide affordable housing.

### **Address/Location**

The Site is located at 227-255 Seventh Avenue in the South of Market neighborhood and includes two parcels: Block 3731, Lots 240 and 241. Lot 240 is entirely below ground. Lot 241 is directly above Lot 240 and is adjacent to and below Block 3731, Lot 242, which is occupied by the affordable housing development.

### **Lot Size**

Block 3731, Lot 240 contains approximately 22,618 square feet of underground garage space. Block 3731, Lot 241 contains approximately 18,580 square feet of health clinic space.

## **Current Zoning**

Under the San Francisco Planning Code, the Site is zoned RED (South of Market Residential Enclave) with a height limit of 65 feet.

## **Estimate of the Current Value (Including Appraisal Information)**

The use of Block 3731, Lot 241 is limited by the ground lease to “the construction and operation of an approximately 20,000-square-foot health clinic.” (Article 8.02(a)) The use of Block 3741, Lot 240, is restricted by the REA to parking for the health clinic and the affordable housing. SMHC pays rent to the Successor Agency of \$1 per year. Because the use is restricted, the Site has no current value.

## **Estimate of Revenues Generated (Including Contractual Requirements for Use of Funds)**

Under the ground lease, SMHC pays rent of \$1 per year to the Successor Agency.

## **History of Environmental Contamination, Studies, Remediation Efforts**

The Site has no significant history of environmental contamination.

## **Potential for Transit-Oriented Development; Advancement of Planning Objectives**

The Site is within the dense, transit-rich South of Market neighborhood in Downtown San Francisco. The health clinic is within easy walking distance of several thousand residential units and is accessible by Bay Area Rapid Transit (BART) trains (2 blocks to Civic Center BART Station) and San Francisco Municipal Transportation Agency (MTA) buses and trains.

## **History of Previous Development and Leasing Proposals**

The development of the Site was completed in 2010.

## **Disposition of the Property**

The Successor Agency is proposing to transfer the Site to the Housing Successor Agency pursuant to Redevelopment Dissolution Law. Section 34176 (f) of the Redevelopment Dissolution Law states: “If a development includes both low- and moderate-income housing that meets the definition of a housing asset under subdivision (e) and other types of property use, including, but not limited to, commercial use, governmental use, open space, and parks, the oversight board shall consider the overall value to the community as well as the benefit to taxing entities of keeping the entire development project intact or dividing the title and control over the property between the housing successor and the successor agency or other public or private agencies.”

The City’s Housing Successor Agency already owns Block 3731, Lot 242, the airspace parcel that includes the affordable housing development. Transferring Block 3731, Lots 240 and 241,

to the Housing Successor Agency would keep the entire development project intact. The overall value of Westbrook Plaza is enhanced by keeping it intact as was originally intended. The affordable housing complements the vision of the health clinic to serve the needs of low-income households, and the residents of the affordable housing benefit from having the clinic within their building. In addition, because the two uses share various operating expenses, having the entire development owned by a single entity will result in greater management efficiency.

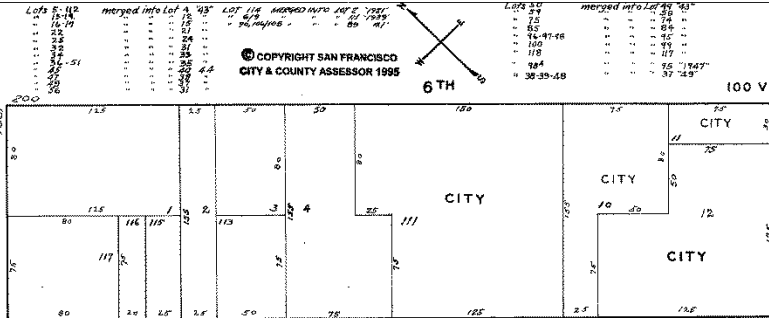
**Properties Dedicated to Governmental Use Purposes and Properties Retained for Purposes of Fulfilling an Enforceable Obligation**

See above section.

Attachment A: Map of Westbrook Plaza  
Attachment B: DOF Tracking Sheet – Other Properties

# Attachment A Map of Westbrook Plaza

lots 54-56 into lots 128/149 for 1998 roll  
lot 42 into lots 128/149 for 1998 roll  
lot 119 into lots 128/149 for 2002 roll  
lot 128 into lots 128/149 for 2002 roll  
lot 130 into lots 128/149 for 2002 roll  
lot 131 into lots 128/149 for 2002 roll  
lot 132 into lots 128/149 for 2002 roll  
lot 133 into lots 128/149 for 2002 roll  
lot 134 into lots 128/149 for 2002 roll  
lot 135 into lots 128/149 for 2002 roll  
lot 136 into lots 128/149 for 2002 roll  
lot 137 into lots 128/149 for 2002 roll  
lot 138 into lots 128/149 for 2002 roll  
lot 139 into lots 128/149 for 2002 roll  
lot 140 into lots 128/149 for 2002 roll  
lot 141 into lots 128/149 for 2002 roll  
lot 142 into lots 128/149 for 2002 roll  
lot 143 into lots 128/149 for 2002 roll  
lot 144 into lots 128/149 for 2002 roll  
lot 145 into lots 128/149 for 2002 roll  
lot 146 into lots 128/149 for 2002 roll  
lot 147 into lots 128/149 for 2002 roll  
lot 148 into lots 128/149 for 2002 roll  
lot 149 into lots 128/149 for 2002 roll

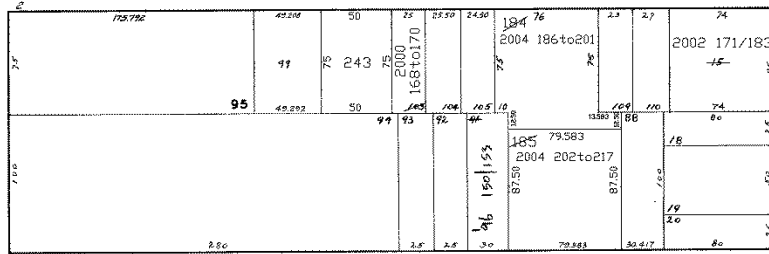


3731  
100 VARA BLK. 395

REVISED '57  
REVISED '58  
" '61  
REVISED '64  
" '68  
" '88  
It 146  
Revised '97  
Revised '98  
Revised 2000  
Revised 2002  
Revised 2007  
Revised 2009  
Revised 2012

**LIGHTHOUSE LOTS  
A CONDOMINIUM**

LOT	UNIT	% COMM. AREA
128	1	4.5454...
129	2	4.5454...
130	3	4.5454...
131	4	4.5454...
132	5	4.5454...
133	6	4.5454...
134	7	4.5454...
135	8	4.5454...
136	9	4.5454...
137	10	4.5454...
138	11	4.5454...
139	12	4.5454...
140	13	4.5454...
141	14	4.5454...
142	15	4.5454...
143	16	4.5454...
144	17	4.5454...
145	18	4.5454...
146	19	4.5454...
147	20	4.5454...
148	21	4.5454...
149	22	4.5454...

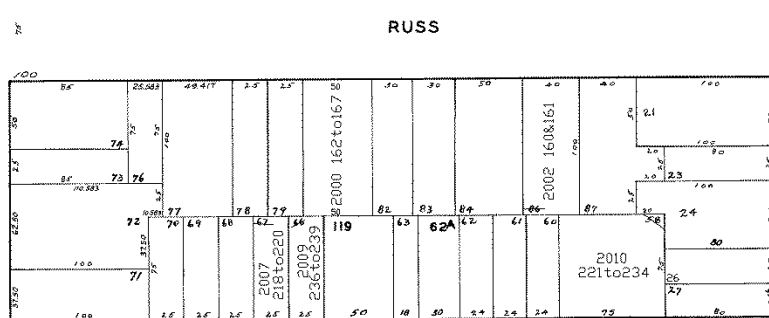


**50 HARRIET ST  
A CONDOMINIUM**

LOT	UNIT	% COMM. AREA
186	1	4.39
187	2	4.34
188	3	5.08
189	4	5.12
190	5	5.08
191	6	5.12
192	7	5.40
193	8	5.42
194	9	6.69
195	10	6.53
196	11	6.57
197	12	7.54
198	13	8.57
199	14	8.65
200	15	7.95
201	16	6.65

**1026 FOLSOM ST.  
A CONDOMINIUM**

LOT	UNIT	% COMM. AREA
171	1026	2.42
172	1	5.29
173	2	6.63
174	3	6.63
175	4	6.62
176	5	10.14
177	6	8.60
178	7	6.39
179	8	6.63
180	9	6.63
181	10	6.37
182	11	12.43
183	12	13.22



**175 RUSS ST.  
A CONDOMINIUM**

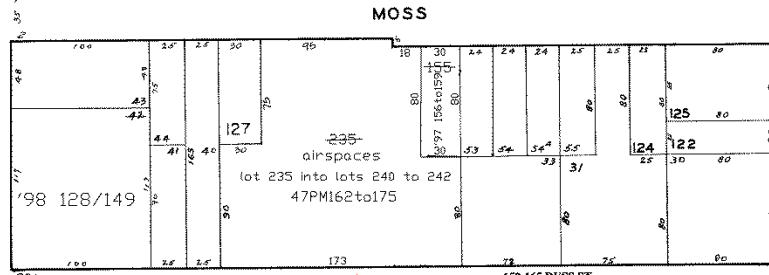
LOT	UNIT	% COMM. AREA
202	1	3.98
203	2	4.50
204	3	5.00
205	4	4.89
206	5	4.84
207	6	4.89
208	7	3.30
209	8	3.97
210	9	7.26
211	10	7.95
212	11	6.30
213	12	8.41
214	13	8.30
215	14	8.41
216	15	8.43
217	16	5.95

**170-172 RUSS ST.  
A CONDOMINIUM**

LOT	UNIT	% COMM. AREA
160	172	52.00
161	170	48.00

**142 RUSS ST.  
A CONDOMINIUM**

LOT	UNIT	% COMM. AREA
162	1	11.76
163	2	11.42
164	3	18.38
165	4	20.24
166	5	19.10
167	6	19.10



**33-35 MOSS ST.  
A CONDOMINIUM**

LOT	UNIT	% COMM. AREA
218	1	32.83
219	2	33.54
220	3	33.63

**54-56 HARRIET ST.  
A CONDOMINIUM**

LOT	UNIT	% COMM. AREA
168	2	39.18
169	2	25.06
170	3	25.76

**56-60 MOSS ST.  
A CONDOMINIUM**

LOT	UNIT	% COMM. AREA
156	1	23.50
157	2	29.50
158	3	23.50
159	4	23.50

**159-165 RUSS ST.  
A CONDOMINIUM**

LOT	UNIT	% COMM. AREA
150	159	31.42
151	161	31.42
152	163	18.58
153	165	18.58





**Attachment B**  
**DOF Tracking Sheet – Other Properties**

**(See Tab L)**