Amended in committee
4/26/06

FILE NO. 060256

ORDINANCE NO. 93-06

(Sale of Property at Broadway and Sansome Streets to Redevelopment Agency for $1,500,000 and appropriating the sales proceeds for roadway maintenance of the Embarcadero.)

Ordinance approving the sale of real property located at Broadway and Sansome Streets (235-295 Broadway) (Assessor's Block 165 Lot 21) to the Redevelopment Agency of the City and County of San Francisco (the "Agency") for $1,500,000.00; authorizing the Director of Property to enter into an Agreement for the Sale of Real Property with the Agency for the sale of such real property for the development of affordable housing; and appropriating $1,500,000.00 of the sales proceeds to the Department of Public Works for roadway maintenance of the Embarcadero.

Note: Additions are single-underline italics Times New Roman; deletions are strikethrough italics Times New Roman. Board amendment additions are double underlined. Board amendment deletions are strikethrough normal.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings. The Board of Supervisors of the City and County of San Francisco (the "Board") hereby finds and declares as follows:

A. In November 2002, this Board enacted the Surplus City Property Ordinance, Ordinance 227-02, which added Chapter 23A to the San Francisco Administrative Code to establish a procedure for the identification of surplus City property and declare it the policy of this Board that such property be used for housing for the homeless.

B. Pursuant to the Surplus City Property Ordinance, in 2003, the City Administrator identified a number of City properties to be assessed for suitability for development for housing for the homeless, and on May 18, 2004, the Board passed Ordinance No. 96-04 transferring certain City properties identified by the City Administrator pursuant to the Surplus City Property Ordinance to the Mayor's Office of Housing ("MOH") for assessment and further
steps consistent with Chapter 23A of the Administrative Code, including, without limitation, publicizing the availability of the surplus properties to private and public agencies that serve the homeless.

C. One of the properties transferred to MOH under Ordinance No. 96-04 is property located at Broadway and Sansome Streets, (Lot 21, Block 165 and referred to herein as the "Property"). The Property was formerly owned by the State of California acting by and through its Department of Transportation ("Caltrans") as part of the Embarcadero Freeway. After the Loma Prieta Earthquake, Caltrans transferred the Property to the City. Prior to Ordinance No. 96-04, the Property was under the jurisdiction of the City's Department of Public Works.

D. The Redevelopment Agency of the City and County of San Francisco (the "Agency") wishes to purchase the Property for the development of affordable housing for $1,500,000.00.

E. The Director of Property has determined that the fair market value of the Property is greater than $1,500,000.00.

F. Section 23.3 of the Administrative Code authorizes the sale of real property for less than fair market value if the Board determines that a lesser sum will further a proper public purpose, and the Board finds and determines that the development of affordable housing is a proper public purpose. Also, the California Legislature has declared in Section 33071 of the California Health and Safety Code that "a fundamental purpose of redevelopment is to expand the supply of low- and moderate-income housing," and several other provisions of the Community Redevelopment Law are intended to provide the Agency with the power and tools to carry out that fundamental purpose.
G. Section 33220 of the California Health and Safety Code authorizes the City to sell property to the Agency for less than fair market value in order to aid and cooperate in the implementation of redevelopment projects.

H. The Agency is a local public entity under the State Surplus Property Statute (Sections 54220 et seq. of the Government Code), which the Chapter 23A of the Administrative Code expressly acknowledges may preclude the disposition of property under the Surplus City Property Ordinance.

I. In a letter dated February 10, 2006, to the Department of Real Estate, a copy of which is on file with the Clerk of the Board in File No. 060256, the Planning Department found: (1) that the transfer of the property is categorically exempt from Environmental Review under Class 12 of the State Environmental Review Guidelines – Surplus Government Property Sales; and (2) that the proposed sale is consistent with the eight Priority Policies of Section 101.1 of the Planning Code. The Board hereby adopts the findings of the Planning Department as set forth in the Planning Department's February 10, 2006 letter.

J. The sale of the Property to the Agency for the development of affordable housing is in the public interest.

K. The Board is approving the sale of the Property to the Agency for the purpose of aiding and cooperating with the Agency in the development of affordable housing.

Section 2. Sale of the Property to Agency. Notwithstanding any other provision under Chapter 23A of the Administrative Code, the Board hereby approves the sale of the Property to the Agency for $1,500,000.00 for the development of affordable housing and authorizes the Director of Property to enter into a purchase and sale agreement with the Agency to sell the Property in its "as-is, with all faults" condition, without any representations or warranties, and in substantially the form of the purchase and sale agreement on file with the Clerk of the Board in File No. 060256.
Section 3. Appropriation of Sales Proceeds. The Board hereby appropriates $1,500,000.00 of the proceeds from the sale of the Property to the Agency to the Department of Public Works for the purpose of providing roadway maintenance to the Embarcadero.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: DONNELL W. CHoy
Deputy City Attorney

FUNDS AVAILABLE:
EDWARD M. HARRINGTON, Controller

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Controller
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May 2, 2006 Board of Supervisors — PASSED, ON FIRST READING
Ayes: 10 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, McGoldrick, Mirkarimi, Peskin, Sandoval
Excused: 1 - Maxwell

May 9, 2006 Board of Supervisors — FINALLY PASSED
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
I hereby certify that the foregoing Ordinance was FINALLY PASSED on May 9, 2006 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

5/19/06

Date Approved

Mayor Gavin Newsom