

FILE NO. 011649

RESOLUTION NO. 824-01

[Agreement to convey former Central Freeway Parcels to Redevelopment Agency.]

Resolution approving and authorizing an agreement with the Redevelopment Agency of the City and County of San Francisco for the sale and grant of an option to purchase certain real property formerly occupied by the Central Freeway for the purpose of affordable housing; adopting findings pursuant to the California Environmental Quality Act; adopting findings that the conveyance is consistent with the City's general plan and eight priority policies of City Planning Code section 101.1; and authorizing the Director of Property to execute documents and take certain actions in furtherance of this resolution.

WHEREAS, The City has acquired certain real property consisting of the area formerly occupied by the Central Freeway, including those parcels described generally as Lot 13, Block 768 and a portion of Lot 27, Block 761 (the "Property"), from the State of California, Department of Transportation, pursuant to Section 72.1 of the California Streets and Highways Code and Board of Supervisors Resolution No. 000667; and,

WHEREAS, Section 72.1 of the California Streets and Highways Code requires that the City use all proceeds from disposition of the former Central Freeway parcels acquired from the State to finance the City's replacement of the former Central Freeway with a ground-level boulevard along Octavia Street from Market to Fell Street, as described in that certain Cooperative Agreement between the City and the State dated November 29, 2000, (the "Octavia Boulevard Project") and, upon full funding of the Octavia Boulevard Project, for transportation improvements to corridors on and ancillary to Octavia Boulevard and related purposes authorized under Article XIX of the California Constitution; and,

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1 WHEREAS, In November 1998, the voters of the City and County of San Francisco
2 approved Proposition E, authorizing construction of the Octavia Boulevard Project. In
3 November 1999, the voters approved Proposition I, which encouraged the development of
4 housing, particularly affordable housing, on those portions of the former Central Freeway
5 parcels transferred to the City that are not necessary for the Octavia Boulevard Project (the
6 "Central Freeway Housing Parcels"), some of which are proposed to be developed as
7 affordable housing parcels (the "Affordable Housing Parcels") and the remaining of which are
8 proposed to be developed as market rate housing (the "Market Rate Housing Parcels"); and,

9 WHEREAS, The City, through its Department of City Planning and Mayor's Office of
10 Economic Development, along with the Redevelopment Agency of the City and County of
11 San Francisco (the "Redevelopment Agency"), has conducted numerous public planning
12 meetings in order to determine the appropriate reuse of the former Central Freeway parcels;
13 and,

14 WHEREAS, In accordance with the Community Redevelopment Law of California
15 (Health & Safety Code Sections 33000 et seq.), this Board of Supervisors has approved a
16 Redevelopment Plan for the Western Addition A-2 Redevelopment Project Area (the
17 "Redevelopment Plan"), and the Property is located within this Redevelopment Project Area
18 and subject to the provisions of the Redevelopment Plan

19 ; and,

20 WHEREAS, The Redevelopment Agency desires to acquire the Property from the City
21 for the development of proposed affordable housing for low income seniors in accordance with the Redevelopment
22 Plan; and,
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2 WHEREAS, Section 33220 of the Health and Safety Code authorizes, among other
3 things, the City to sell or convey City-owned property within a redevelopment project area to
4 the Redevelopment Agency for the purpose of aiding and cooperating in the undertaking and
5 construction of redevelopment projects; and,

6 WHEREAS, A copy of the proposed Agreement for the Transfer of Real Estate (the
7 "Sale Agreement") between the City, as seller of the Property, and the Redevelopment
8 Agency, as buyer of the Property, is on file with the Clerk of the Board of Supervisors in File
9 No. 011649; and

10 WHEREAS, The Property has been appraised as having a fair market value of
11 \$5,777,500, and the Sale Agreement provides for payment by the Redevelopment Agency of
12 the lesser of (i) \$5,777,500, (ii) or the cost to complete the Octavia Boulevard Project,
13 including the costs of certain ancillary transportation improvements contemplated in
14 Proposition I (the "Ancillary Improvements"), less the amount of revenue generated from the
15 disposition of the Market Rate Housing Parcels and the Affordable Housing Parcels (other
16 than the Property); and,

17 WHEREAS, The Sale Agreement also provides for the Redevelopment Agency to
18 lease back the Property to the City on a month-to-month term for \$1 a month for City's
19 continued use as a leased parking lot (the "Lease-Back"), with City continuing to maintain the
20 lot until such time as the Redevelopment Agency needs the Property for proposed
21 development; and,

22 WHEREAS, The Sale Agreement also grants the Redevelopment Agency an option to
23 purchase the other Affordable Housing Parcels in addition to the Property upon substantially
24 the same terms as set forth in the Sale Agreement after the City and Agency complete any
25 agreed-upon site assembly and complete an appraisal to determine the fair market value of

1 any such Affordable Housing Parcels, among other conditions (the "Option"); and,

2 WHEREAS, The proposed conveyance of land is exempt from the California
3 Subdivision Map Act, California Government Code §§ 66410 et seq., because in this instance
4 public policy does not necessitate a parcel map in accordance with Section 66428(a)(2); and,

5 WHEREAS, Pursuant to the California Environmental Quality Act ("CEQA"), State
6 CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code, the transfer of
7 the Property as set forth in the Sale Agreement is categorically exempt from CEQA as set
8 forth in the Planning Department letter dated October 2, 2001, a copy of which is on file with
9 the Clerk of the Board of Supervisors in File No. 011649; and,

10 WHEREAS, In a letter dated October 2, 2001, a copy of which is on file with the Clerk
11 of the Board of Supervisors in File No. 011649, the Director of City Planning found that
12 the proposed sale of the Property is consistent with the City's General Plan and with the Eight
13 Priority Policies of City Planning Code Section 101.1; now, therefore, be it

14 RESOLVED, That in accordance with the recommendations of the Director of Property
15 and the Mayor's Office of Economic Development, the Board of Supervisors hereby approves
16 the Sale Agreement, including the transfer of the Property, the Option, the Lease-Back and
17 any other transactions contemplated by the Sale Agreement, and authorizes and urges the
18 Director of Property to execute the Sale Agreement, in the name and on behalf of the City, in
19 substantially the form of such agreement presented to this Board; and, be it

20 FURTHER RESOLVED, That the identification of and allocation of revenues for the
21 Ancillary Improvements shall proceed according to Section 3(c) of Proposition I; and, be it

22 FURTHER RESOLVED, That the Director of Property is hereby authorized and urged,
23 in the name and on behalf of the City and County, to execute and deliver a quitclaim deed to
24 the Property to the Redevelopment Agency upon the closing described in the Sale Agreement
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1 in accordance with the terms and conditions of the Sale Agreement, and to take any and all
2 steps (including, but not limited to, the execution and delivery of any and all certificates,
3 agreements, notices, consents, escrow instructions, closing documents and other instruments
4 or documents) as the Director of Property and City Attorney deems necessary or appropriate
5 in order to consummate the sale of the Property pursuant to the Sale Agreement, or to
6 otherwise effectuate the purpose and intent of this resolution, such determination to be
7 conclusively evidenced by the execution and delivery by the Director of Property of any such
8 documents; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors hereby finds that it is in the
10 City's best interest to sell the Property directly to the Redevelopment Agency without following
11 the Competitive Bidding Procedures set forth in Section 23 of the Administrative Code to
12 allow the Redevelopment Agency to have the Property utilized for redevelopment as
13 ~~affordable~~ housing under the existing Redevelopment Plan, ^{which shall be affordable to} and that the public interest or ~~low~~
14 necessity demands, or will not be inconvenienced by, the sale of the Property directly to the ^{income senior}
15 Redevelopment Agency pursuant to the Sale Agreement; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
17 Property to enter into any additions, amendments or other modifications to the Sale
18 Agreement (including, without limitation, attachment of exhibits) that the Director of Property
19 determines are in the best interests of the City, do not decrease the sales price for the
20 Property or otherwise materially increase the obligations or liabilities of the City, and are
21 necessary or advisable to complete the transaction contemplated in the Sale Agreement and
22 effectuate the purpose and intent of this resolution, such determination to be conclusively
23 evidenced by the Director's execution and delivery of the Sale Agreement and any
24 amendments thereto; and, be it

25 FURTHER RESOLVED, That the Board of Supervisors finds, based on the record

1 before it and in its independent judgment, that the actions proposed in this legislation are
2 categorically exempt from CEQA for the reasons set forth in the CEQA findings of the Director
3 of City Planning set forth above and adopts as its own and incorporates by reference herein
4 as though fully set forth said findings; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors adopts as its own and
6 incorporates by reference herein as though fully set forth the findings in the Director of City
7 Planning's letter referred to above, that the proposed purchase of the Property is in
8 conformity with the General Plan and is consistent with the Eight Priority Policies of Planning
9 Code Section 101.1; and be it

10 /// FURTHER RESOLVED, Pursuant to Section 33433 of the California
11 Health and Safety Code of the Redevelopment Agency disposition,
12 conveyance or transfer of the property conveyed by ~~the~~ ^{this} resolution shall
13 be approval by a resolution of the Board of Supervisors.

1 RECOMMENDED:

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5 _____
6 Marc McDonald
7 Director of Property

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11 Richard Hillis
12 Mayor's Office of Economic Development

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City and County of San Francisco

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

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Resolution

File Number: 011649

Date Passed:

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October 15, 2001 Board of Supervisors — CONTINUED

Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick,
Newsom, Peskin, Sandoval, Yee

October 22, 2001 Board of Supervisors — AMENDED

October 22, 2001 Board of Supervisors — ADOPTED AS AMENDED

Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick,
Newsom, Peskin, Sandoval, Yee

File No. 011649

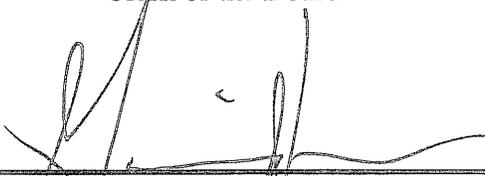
I hereby certify that the foregoing Resolution was ADOPTED AS AMENDED on October 22, 2001 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

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Date Approved



Mayor Willie L. Brown Jr.