

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Olson Lee, Director, Mayor's Office of Housing and Community Development

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: May 23, 2017

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Mayor Lee on May 16, 2017:

File No. 170602

Resolution approving and authorizing an agreement for the conveyance of a parcel of real estate located at 2070 Bryant Street, consisting of approximately 19,000 square feet of land within Assessor's Parcel Block No. 4022 in San Francisco County, to the Mayor's Office of Housing and Community Development, pursuant to the land dedication process permitted under Planning Code, Section 419; adopting findings under the California Environmental Quality Act; adopting findings that the conveyance is consistent with the General Plan, and eight priority policies of Planning Code, Section 101.1; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of this Resolution, as defined herein.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: alisa.somera@sfgov.org.

c: Eugene Flannery, Mayor's Office of Housing and Community Development
Kate Hartley, Mayor's Office of Housing and Community Development
Amy Chan, Mayor's Office of Housing and Community Development
Scott Sanchez, Planning Department
Lisa Gibson, Planning Department
AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Jeanie Poling, Planning Department

1 [Real Property Conveyance - Land Dedication by Bryant Street Holdings LLC - 2070 Bryant
2 Street - Inclusionary Affordable Housing]

3 **Resolution approving and authorizing an agreement for the conveyance of a parcel of**
4 **real estate located at 2070 Bryant Street, consisting of approximately 19,000 square**
5 **feet of land within Assessor's Parcel Block No. 4022 in San Francisco County, to the**
6 **Mayor's Office of Housing and Community Development, pursuant to the land**
7 **dedication process permitted under Planning Code, Section 419; adopting findings**
8 **under the California Environmental Quality Act; adopting findings that the conveyance**
9 **is consistent with the General Plan, and eight priority policies of Planning Code,**
10 **Section 101.1; and authorizing the Director of Property to execute documents, make**
11 **certain modifications and take certain actions in furtherance of this Resolution, as**
12 **defined herein.**

13
14 WHEREAS, Bryant Street Holdings LLC, a Delaware limited liability company
15 ("Developer") is the owner of 2000-2070 Bryant Street, San Francisco (the "Principal Site"),
16 on which Developer intends to develop a new six-story building consisting of approximately
17 199 dwelling units, approximately 7,007 square feet of ground floor retail, approximately
18 12,000 square feet of Production, Design and Repair uses, and parking for up to 85 cars (the
19 "Project"); and

20 WHEREAS, Developer is subdividing the Principal Site to create a separate legal
21 parcel consisting of approximately 19,000 square feet of land, located at 2070 Bryant Street
22 (sometimes referred to as 681 Florida Street), San Francisco (the "Property"); and

23 WHEREAS, Developer has elected to satisfy the Inclusionary Affordable Housing
24 Program requirements under Planning Code, Sections 415 and 419 for the Principal Site by
25 dedicating the Property to the City pursuant to Planning Code, Section 419; and

1 WHEREAS, The potential environmental effects of the land dedication of the Property
2 were fully analyzed in the Community Plan Exemption, 2000-2070 Bryant Street, Case No.
3 2013.0677EE, which was adopted by the Planning Commission with approval of the Project
4 under Planning Code 329 (Large Project Authorization) Motion No. 19658, dated June 2, 2016
5 (the "CPE"), a copy of which is on file with the Clerk of the Board of Supervisors under File
6 No. 170602 and incorporated herein by reference; and

7 WHEREAS, The land dedication of the Property to the City was included in the Large
8 Project Authorization approvals, California Environmental Quality Act (CEQA) findings, and
9 Conditional Use Authorization for the Principal Site, which were considered and approved by
10 Planning Commission Motions No. 19658 and 19657 dated June 2, 2016, copies of which are
11 on file with the Clerk of the Board of Supervisors under File No. 170602 and incorporated
12 herein by reference ("Planning Approvals"); and

13 WHEREAS, The Board of Supervisors affirmed the CPE and approved the Conditional
14 Use Authorization on appeal on September 13, 2016, in its Motions Nos. M16-0119 and M16-
15 0120, respectively, copies of which are on file with the Clerk of the Board of Supervisors
16 under File No. 170602 and incorporated herein by reference; and

17 WHEREAS, As a condition to the approval of the land dedication of the Property to the
18 City, and as further described in the Planning Approvals, the Mayor's Office of Housing and
19 Community Development (MOHCD) determined that the Property is suitable for development
20 of affordable housing dwelling units as required under Planning Code, Sections 419.5(2) and
21 419.6; and

22 WHEREAS, The terms and conditions of the dedication and conveyance of the
23 Property to the City and County of San Francisco, under the jurisdiction of MOHCD, have
24 been negotiated, as further outlined in the Agreement of Purchase and Sale for Real Estate
25 by and between the Developer and City (the "Agreement"), a copy of which is on file with the

1 Clerk of the Board of Supervisors under File No. 170602 and is incorporated herein by
2 reference, pursuant to which Developer shall convey the fee title of the Property to City; and

3 WHEREAS, On March 25, 2016, the Property was appraised by a third party appraiser
4 as having a fair market value of \$21,200,000, and said appraisal was reviewed and approved
5 by the City's Director of Property; and

6 WHEREAS, The results of preliminary environmental testing on the Property
7 discovered concentrations of toxic substances in the soil exceeding State of California waste
8 criteria; and

9 WHEREAS, The Agreement provides for the Developer to: 1) partially demolish and
10 remove the existing improvements (visible and latent) on the Property, and deposit \$51,685
11 into an escrow account to be made available to City for completion of the demolition; 2)
12 deposit \$955,267 into an escrow account to be made available to City to pay for the costs of
13 transport and dispose of contaminated soil, and to install a vapor barrier membrane (the
14 "Remediation Work"), in accordance with the Remediation and Demolition Funds Agreement,
15 a copy of which is on file with the Clerk of the Board of Supervisors under File No. 170602
16 and is incorporated herein by this reference; and 3) to purchase and maintain, at its sole cost
17 and expense, a pollution insurance policy for the Property that covers the Remediation Work;
18 and

19 WHEREAS, The Planning Approvals determined that the development of the Principal
20 Site and the land dedication and conveyance of the Property to the City are consistent with
21 the General Plan and with the eight priority policies of Planning Code, Section 101.1, now,
22 therefore, be it

23 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
24 hereby adopts the findings contained in the CPE and Planning Approvals regarding CEQA,
25

1 and hereby incorporates such findings by reference as though fully set forth in this Resolution;
2 and be it

3 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
4 Francisco hereby finds that the conveyance of the Property is consistent with the General
5 Plan and with the eight priority policies of Planning Code, Section 101.1 for the same reasons
6 as set forth in the Planning Approvals, and hereby incorporates such findings by reference as
7 though fully set forth in this Resolution; and, be it

8 FURTHER RESOLVED, That in accordance with the recommendation of the Director
9 of MOHCD and Director of Property, the Board of Supervisors hereby approves the
10 conveyance of the Property to the City and County of San Francisco, under the jurisdiction of
11 MOHCD, and the transaction contemplated thereby in substantially the form of the Agreement
12 presented to the Board, and authorizes the Director of Property to execute the Agreement;
13 and, be it

14 FURTHER RESOLVED, That all actions heretofore taken by any employee or official of
15 the City with respect to this conveyance are hereby approved, confirmed and ratified; and, be
16 it

17 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
18 Property to enter into any amendments or modifications to the Agreement (including, without
19 limitation, the attached exhibits) that the Director of Property determines, in consultation with
20 the City Attorney and Director of MOHCD, are in the best interest of the City, do not otherwise
21 materially increase the obligations or liabilities of the City, are necessary or advisable to
22 effectuate the purposes of the Agreement and are in compliance with all applicable laws,
23 including City's Charter; and, be it

24 FURTHER RESOLVED, That the Director of Property is hereby authorized, in the
25 name and on behalf of the City and County of San Francisco, to accept the deed to the

1 Property from the Developer upon the closing in accordance with the terms and conditions of
2 the Agreement, to place the Property under the jurisdiction of MOHCD, and to take any and all
3 steps as the Director of Property deems necessary or appropriate in order to consummate the
4 conveyance of the Property pursuant to the Agreement, or to otherwise effectuate the purpose
5 and intent of this Resolution, such determination to be conclusively evidenced by the
6 execution and delivery by the Director of Property of any such documents; and, be it

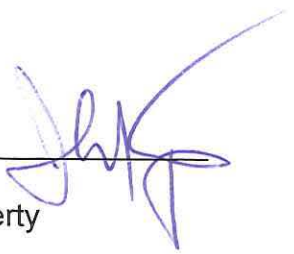
7 FURTHER RESOLVED, That within thirty (30) days of the contract being fully executed
8 by all parties, the Real Estate Division shall provide the final contract to the Clerk of the Board
9 for inclusion into the official file.

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

RECOMMENDED:

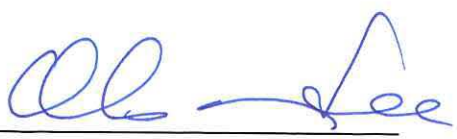
REAL ESTATE DIVISION



John Updike
Director of Property

RECOMMENDED:

MAYOR'S OFFICE OF HOUSE AND COMMUNITY DEVELOPMENT



Olson Lee
Director