

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

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

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

17 WHEREAS, Section 72.1 of the California Streets and Highways Code requires that the  
18 City use all proceeds from disposition of the former Central Freeway parcels acquired from  
19 the State to finance the City's replacement of the former Central Freeway with a ground-level  
20 boulevard along Octavia Street from Market to Fell Street, as described in that certain  
21 Cooperative Agreement between the City and the State dated November 29, 2000, (the  
22 "Octavia Boulevard Project") and, upon full funding of the Octavia Boulevard Project, for  
23 transportation and related purposes authorized under Article XIX of the California Constitution;  
24 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 San  
11 Francisco (the "Redevelopment Agency"), has conducted numerous public planning meetings  
12 in order to determine the appropriate reuse of the former Central Freeway parcels; and,

13 WHEREAS, In accordance with the Community Redevelopment Law of California (Health &  
14 Safety Code Sections 33000 et seq.), this Board of Supervisors has approved a  
15 Redevelopment Plan for the Western Addition A-2 Redevelopment Project Area by Ordinance  
16 No. \_\_\_\_\_ adopted on \_\_\_\_\_, \_\_\_\_\_ (the "Redevelopment Plan"), and  
17 the Property is located within this Redevelopment Project Area and subject to the provisions  
18 of the Redevelopment Plan; and,

19           WHEREAS, The Redevelopment Agency desires to acquire the Property from the City  
20 for the development of proposed affordable housing in accordance with the Redevelopment  
21 Plan; and,

22           WHEREAS, Section 33220 of the Health and Safety Code authorizes, among other  
23 things, the City to sell or convey City-owned property within a redevelopment project area to  
24 the Redevelopment Agency for the purpose of aiding and cooperating in the undertaking and  
25 construction of redevelopment projects; and,

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1           WHEREAS, A copy of the proposed Agreement for the Transfer of Real Estate (the  
2 "Sale Agreement") between the City, as seller of the Property, and the Redevelopment  
3 Agency, as buyer of the Property, is on file with the Clerk of the Board of Supervisors in File  
4 No. \_\_\_\_\_; and

5           WHEREAS, The Property has been appraised as having a fair market value of  
6 \$5,777,500, and the Sale Agreement provides for payment by the Redevelopment Agency of  
7 the lesser of (i) \$5,777,500, (ii) or the cost to complete the Octavia Boulevard Project less the  
8 amount of revenue generated from the disposition of the Market Rate Housing Parcels and  
9 the Affordable Housing Parcels (other than the Property); and,

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

15           WHEREAS, The Sale Agreement also grants the Redevelopment Agency an option to  
16 purchase the other Affordable Housing Parcels in addition to the Property upon substantially  
17 the same terms as set forth in the Sale Agreement after the City and Agency complete any  
18 agreed-upon site assembly and complete an appraisal to determine the fair market value of  
19 any such Affordable Housing Parcels, among other conditions (the "Option"); and,

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

23           WHEREAS, Pursuant to the California Environmental Quality Act ("CEQA"), State  
24 CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code, the transfer of  
25 the Property as set forth in the Sale Agreement is categorically exempt from CEQA as set

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1 forth in the Planning Department letter dated \_\_\_\_\_, 2001, a copy of which is  
2 on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_; and,

3 WHEREAS, In a letter dated \_\_\_\_\_, 2001, a copy of which is on file with the  
4 Clerk of the Board of Supervisors in File No. \_\_\_\_\_, the Director of City Planning found  
5 that the proposed sale of the Property is consistent with the City's General Plan and with the  
6 Eight Priority Policies of City Planning Code Section 101.1; now, therefore, be it

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

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

24 FURTHER RESOLVED, That the Board of Supervisors hereby finds that it is in the  
25 City's best interest to sell the Property directly to the Redevelopment Agency without following

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1 the Competitive Bidding Procedures set forth in Section 23 of the Administrative Code to allow  
2 the Redevelopment Agency to have the Property utilized for redevelopment as affordable  
3 housing under the existing Redevelopment Plan, and that the public interest or necessity  
4 demands, or will not be inconvenienced by, the sale of the Property directly to the  
5 Redevelopment Agency pursuant to the Sale Agreement; and, be it

6 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
7 Property to enter into any additions, amendments or other modifications to the Sale  
8 Agreement (including, without limitation, attachment of exhibits) that the Director of Property  
9 determines are in the best interests of the City, do not decrease the sales price for the  
10 Property or otherwise materially increase the obligations or liabilities of the City, and are  
11 necessary or advisable to complete the transaction contemplated in the Sale Agreement and  
12 effectuate the purpose and intent of this resolution, such determination to be conclusively  
13 evidenced by the Director's execution and delivery of the Sale Agreement and any  
14 amendments thereto; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors finds, based on the record  
16 before it and in its independent judgment, that the actions proposed in this legislation are  
17 categorically exempt from CEQA for the reasons set forth in the CEQA findings of the Director  
18 of City Planning set forth above and adopts as its own and incorporates by reference herein  
19 as though fully set forth said findings; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors adopts as its own and  
21 incorporates by reference herein as though fully set forth the findings in the Director of City  
22 Planning's letter referred to above, that the proposed purchase of the Property is in conformity  
23 with the General Plan and is consistent with the Eight Priority Policies of Planning Code  
24 Section 101.1.

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1 RECOMMENDED:

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Marc McDonald  
Director of Property

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Richard Hillis  
Mayor's Office of Economic Development

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