

AMENDMENT OF THE WHOLE

FILE NO. 031831

RESOLUTION NO.

1 [Agreement to exchange real property related to the former Central Freeway parcels in the  
2 Hayes Valley neighborhood.]

3 **Resolution approving and authorizing agreements for the exchange by the City of**  
4 **certain real property known generally as a portion of Block 761, Lot 23 with the State of**  
5 **California for those certain parcels described generally as portions of Block 792,**  
6 **Lot 28, Block 808, Lot 36, and Block 785, Lot 29; adopting findings pursuant to the**  
7 **California Environmental Quality Act; adopting findings that the conveyance is**  
8 **consistent with the City’s general plan and eight priority policies of City Planning Code**  
9 **Section 101.1; and authorizing the Director of Property to execute documents and take**  
10 **certain actions in furtherance of this resolution.**

11  
12 WHEREAS, The City has acquired certain real property consisting of the area formerly  
13 occupied by the Central Freeway, including that parcel described generally as a portion of  
14 Block 761, Lot 23 (“City Parcel B”), which constitutes approximately 12,642 square feet, from  
15 the State of California, Department of Transportation (the “State”), pursuant to Section 72.1 of  
16 the California Streets and Highways Code and Board of Supervisors Resolution No. 000667;  
17 and,

18 WHEREAS, City Parcel B has an irregular shape, and the State owns parcels adjacent  
19 to City Parcel B, which can be developed along with City Parcel B by the State, thereby  
20 adding value to and enhancing the ultimate development of City Parcel B by the State; and

21 WHEREAS, The City also acquired certain real property consisting of the area formerly  
22 occupied by the Central Freeway, including those parcels described generally as a portion of  
23 Block 785, Lot 29 (“City Parcel F”), which constitutes approximately 18,439 square feet, a  
24 portion of Block 792, Lot 28 (“City Parcel G”), which constitutes approximately 12,370 square  
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1 feet, and a portion of Block 808, Lot 36 (“City Parcel I”), which constitutes approximately  
2 16,240 square feet, from the State, pursuant to Section 72.1 of the California Streets and  
3 Highways Code and Board of Supervisors Resolution No. 000667; and,

4 WHEREAS, The State is the present owner of certain real property located adjacent to  
5 City Parcels F, G and I, generally described as a portion of Block 792, Lot 28 (“State Parcel  
6 DOF-1”), a portion of Block 808, Lot 36 (“State Parcel DOF-2”), and a portion of Block 785,  
7 Lot 29 (“State Parcels DOF-3 & 4”), collectively the “State Property,” which together constitute  
8 approximately 21,880 square feet; and,

9 WHEREAS, City Parcels F, G and I are irregularly shaped, and the combination of the  
10 State Property with City Parcels F, G and I will create more regularly shaped parcels, thereby  
11 adding value to and enhancing the ultimate development of City Parcels F, G and I by the  
12 City; and

13 WHEREAS, The additional value gained from enhancing development opportunities for  
14 City Parcels F, G and I will support the replacement of the former Central Freeway with a  
15 ground-level boulevard along Octavia Street from Market Street to Fell Street, as described in  
16 that certain Cooperative Agreement between the City and the State, dated November 29,  
17 2000 (the “Octavia Boulevard Project”), and will support the development of housing, including  
18 affordable housing, consistent with Proposition I, which was approved by the voters in  
19 November 1999; and,

20 WHEREAS, The State desires to obtain City Parcel B in order to support and provide  
21 for its present and future facilities; and,

22 WHEREAS, The City and the State desire to support the Octavia Boulevard Project  
23 and facilitate the development of new State facilities in San Francisco by exchanging City  
24 Parcel B with the State Property as described in the copy of the proposed Parcel Exchange  
25 Agreement between the State and the City, dated November 2003 (the “Exchange

1 Agreement”), on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_, which  
2 is hereby declared to be a part of this resolution as if set forth fully herein; and,

3 WHEREAS, Based on current valuations the City and the State have concluded that  
4 the State Property fair market value exceeds the fair market value of City Parcel B by  
5 approximately \$1,004,500, and pursuant to State Legislation, Chapter 610, Statutes of 2001,  
6 said value differential shall be deemed by both the City and the State as a subvention by the  
7 State augmenting the supply of affordable housing and facilitating the development of new  
8 State facilities in San Francisco; and,

9 WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the  
10 “Agency”) has determined that the property exchange will result in the addition of  
11 approximately 17 affordable housing units to the total number of housing units produced in the  
12 former Central Freeway corridor; and,

13 WHEREAS, The City will ensure the realization of the additional affordable housing  
14 units by (1) transferring State Parcel DOF-1 to the Agency pursuant to that certain Option  
15 Agreement for the Purchase and Sale of Real Estate between the City and the Agency, dated  
16 March 19, 2002, for development, along with the adjacent City Parcel G, as 100% affordable  
17 housing, and (2) the recordation of the Declarations of Covenants, Conditions and  
18 Restrictions requiring the inclusion of 15% affordable housing units in developments on State  
19 Parcel DOF-3 and State Parcel DOF-4 and the adjacent City Parcel F, and on State  
20 Parcel DOF-2 and the adjacent City Parcel I; and,

21 WHEREAS, The 100% affordable housing requirement on State Parcel DOF-1 and the  
22 15% affordable housing requirement on State Parcels DOF-2, DOF-3 and DOF-4 utilized in  
23 the Octavia Boulevard Project are in excess of the 10% affordable housing requirement that is  
24 typically imposed by the Planning Code on projects that do not require a conditional use  
25 permit; and

1           WHEREAS, The State, pursuant to Chapter 610, Statutes of 2001 and upon approval  
2 of the State Public Works Board, has full power and authority to exchange with the City the  
3 State Property for the City Parcel B; and,

4           WHEREAS, The proposed exchange of the State Property and the City Parcel B (the  
5 “Transfers”) is exempt from the California Subdivision Map Act, California Government Code  
6 Sections 66410 et seq., because in this instance public policy does not necessitate a parcel  
7 map in accordance with Section 66428(a)(2); and

8           WHEREAS, In a letter dated August 6, 2003, a copy of which is on file with the Clerk of  
9 the Board of Supervisors in File No. \_\_\_\_\_, the Director of Planning found that the  
10 Transfers are consistent with the City’s General Plan and with the Eight Priority Policies of  
11 City Planning Code Section 101.1, and pursuant to the California Environmental Quality Act  
12 (“CEQA”), State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code,  
13 the Director of Planning also found that the Transfers are categorically exempt from CEQA;  
14 now, therefore be it

15           RESOLVED, That in accordance with the recommendations of the Director of Property  
16 and the City’s Director of Public Works, the Board of Supervisors hereby approves the  
17 Transfers and authorizes and urges the Director of Property to execute the necessary  
18 agreements, in the name and on behalf of the City, consistent with the Exchange Agreement  
19 presented to this Board to effectuate the Transfers; and, be it

20           FURTHER RESOLVED, That the Director of Property is hereby authorized and urged,  
21 in the name and on behalf of the City, to execute and deliver a quitclaim deed to the State for  
22 the City Parcel B upon the closing described in the Exchange Agreement in accordance with  
23 the terms and conditions of that agreement, and to take any and all steps (including, but not  
24 limited to, the execution and delivery of any and all certificates, agreements, notices,  
25 consents, escrow instructions, closing documents and other instruments or documents) as the

1 Director of Property and City Attorney deems necessary or appropriate in order to  
2 consummate the Transfers, or to otherwise effectuate the purpose and intent of this  
3 resolution, such determination to be conclusively evidenced by the execution and delivery by  
4 the Director of Property of any such documents; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors hereby finds that it is in the  
6 City's best interest to exchange the City Parcel B directly to the State in order to facilitate  
7 development of the State Property to increase affordable housing that the public interest or  
8 necessity demands, or will not be inconvenienced by, the exchange of City Parcel B, and that  
9 because of the irregular shapes of the individual parcels which comprise the City Parcel B and  
10 the State Property, competitive bidding would be impractical or impossible in these instances;  
11 and, be it

12 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
13 Property to enter into any additions, amendments or other modifications to the Transfers  
14 (including, without limitation, attachment of exhibits) that the Director of Property and the City  
15 Attorney determines are in the best interests of the City, do not materially increase the  
16 obligations or liabilities of the City, and are necessary or advisable to complete the Transfers  
17 and effectuate the purpose and intent of this resolution, such determination to be conclusively  
18 evidenced by the Director's execution and delivery of the Exchange Agreement and any  
19 amendments thereto; and, be it

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

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1           FURTHER RESOLVED, That the Board of Supervisors adopts as its own and  
2 incorporates by reference herein as though fully set forth the findings in the Director of  
3 Planning’s letter referred to above, that the proposed Transfers are in conformity with the  
4 General Plan and are consistent with the Eight Priority Policies of Planning Code  
5 Section 101.1.

6 RECOMMENDED:

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Acting Director of Property

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Director of Public Works

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