

File No. 250814

Committee Item No. 3

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation

Date: February 2, 2026

Board of Supervisors Meeting:

Date: \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Contract / DRAFT Mills Act Agreement         |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Planning Commission Transmittal – October 23, 2025</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Exchange Agreement</u>                                 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Draft Quitclaim Deed</u>                               |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>PW Order No. 211953 – July 29, 2025</u>                |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>SUR Maps 2025-001 and 002</u>                          |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>CEQA Determination – August 25, 2025</u>               |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Hearing Notice – January 16, 2026</u>                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____   |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____   |

Prepared by: John Carroll

Date: January 29, 2026

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

[Planning Code, Zoning Map, Street Vacation - Portions of Moraga and Noriega Avenues and Kensington Way]

**Ordinance ordering the summary street vacation of City property on unimproved street areas of Moraga and Noriega Avenues; finding the street vacation area is not necessary for the City's use; reserving easements related to support for the City-owned retaining wall from the street vacation properties and including other conditions to the street vacation; amending the Planning Code and Zoning Map to rezone the City property identified as Assessor's Parcel Block No. 2042, Lot Nos. 039-041 from P (Public)/OS (Open Space) to RH-2 (Residential Housing Two-family)/40-X, and to rezone parcels on Kensington Way adjacent to Vasquez Avenue shown on Assessor's Parcel Block No. 2923, Lot Nos. 010A and 024-027 from RH-1(D)/40-X to Public/Open Space; affirming the Planning Commission's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of the Planning Code, Section 101.1 and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.**

NOTE: **Unchanged Code text and uncoded text** are in plain Arial font.  
**Additions to Codes** are in single-underline italics Times New Roman font.  
**Deletions to Codes** are in ~~strikethrough italics Times New Roman font~~.  
**Board amendment additions** are in double-underlined Arial font.  
**Board amendment deletions** are in ~~strikethrough Arial font~~.  
**Asterisks (\* \* \* \*)** indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Background and General Findings.

1 (a) The area near Moraga Avenue, Noriega Avenue, and Laguna Honda Boulevard is  
2 a residential neighborhood at the foot of Mount Sutro. The area is mostly zoned RH-2, which  
3 is a Residential Housing, Two Family zoning district.

4 (b) The City and County of San Francisco (the "City") owns vacant property on an  
5 unimproved section of Moraga Avenue that extends eastward along Moraga Avenue from its  
6 intersection with 8<sup>th</sup> Avenue toward Laguna Honda Boulevard.

7 (c) The City also owns vacant property in an unimproved area of Noriega Avenue that  
8 extends eastward along Noriega Avenue from its intersection with 7<sup>th</sup> Avenue to an area south  
9 of and in the vicinity of Laguna Honda Boulevard.

10 (d) The property identified in subsections (b) and (c) is collectively referred to as the  
11 "Street Vacation Area" and is shown on the Public Works SUR Maps 2025-01 and 2025-002,  
12 both dated July 17, 2025. The SUR Maps are on file with the Clerk of the Board of  
13 Supervisors in File No. 250814 and incorporated herein by reference.

14 (e) The only existing legally recognized structures on or adjacent to Street Vacation  
15 Area is a City-owned retaining wall and associated tiebacks. The tie backs and other  
16 appurtenances associated with support of the retaining wall will be subject to reserved  
17 easements for the benefit of the City. These reserved easements are referred to as  
18 "Retaining Wall Support Easements."

19 (f) Kensington Way, LLC (the "Developer"), owns several parcels on Edgehill Mountain  
20 along Kensington Way adjacent to Vasquez Avenue (the "Kensington Way Parcels"). The  
21 hillside on which the Kensington Way Parcels are found has a variety of unstable soil  
22 conditions and has been impacted by landslides in the past.

23 (g) The City intends to exchange the Street Vacation Area (the "City Property") with  
24 Developer's Kensington Way Parcels through an agreement (the "Exchange Agreement") so  
25 that the City can prevent further destabilization of the Kensington Way Parcels and preserve

1 these Parcels as open space while allowing the Developer to construct residential uses on the  
2 City Property. As part of the exchange of the properties, the City Property and Kensington  
3 Way Parcels will be rezoned consistent with the new proposed uses. The Exchange  
4 Agreement is further described in Board of Supervisors Resolution No. 29-24, on file with the  
5 Clerk of the Board of Supervisors in File No. 231261.

6 (h) In Resolution No. 29-24, the Board of Supervisors (or "Board") found that the  
7 exchange of the vacant Kensington Way Parcels for the City Property was a conditional land  
8 acquisition under the California Environmental Quality Act ("CEQA," California Public  
9 Resources Code Sections 21000 et seq.) and determined that the City Property was exempt  
10 surplus land, and therefore, not subject to procedures related to disposal of surplus land  
11 pursuant to the Surplus Land Act, California Government Code, Sections 54220 et seq. The  
12 Board of Supervisors determines that its prior findings related to the Surplus Land Act also  
13 apply to the actions contemplated in this ordinance.

14  
15 Section 2. Environmental, General Plan, and Street Vacation Findings.

16 (a) On October 9, 2025, the Planning Commission, in Resolution 21843, determined  
17 that the street vacation of portions of Moraga and Noriega Avenues, associated quitclaims,  
18 and the rezoning of the City Property and Kensington Way Parcels are, on balance, consistent  
19 with the General Plan and the eight priority policies of Planning Code Section 101.1. The  
20 Planning Commission also determined that the actions contemplated in this ordinance comply  
21 with CEQA. Planning Commission Resolution No. 21843 also found that the rezoning was  
22 consistent with public necessity, convenience, and welfare under Planning Code, Section 302.  
23 A copy of the Planning Commission Resolution is on file with the Clerk of the Board of  
24 Supervisors in File No. 250814 and incorporated herein by reference.

1 (b) California Streets and Highways Code ("CA S&H Code") Sections 8300 et seq. and  
2 San Francisco Public Works Code Section 787(a) set forth the procedures that the City  
3 follows to vacate public streets.

4 (c) The Board finds it appropriate and in the public interest to pursue the street  
5 vacation in order to provide the Developer with property for the construction of new residential  
6 buildings in exchange for allowing property on the hillside on Edgehill Mountain along  
7 Kensington Way to be preserved in its natural state for open space purposes.

8 (d) In Public Works Order No. 211953, dated July 29, 2025 (the "PW Order"), the  
9 Public Works Director determined and the City Engineer certified that: (1) the Street Vacation  
10 Area is unnecessary for the City's present or prospective public street, sidewalk, and service  
11 easement purposes; (2) with the exception of the Retaining Wall Support Easements, the  
12 public interest, convenience, and necessity do not require any easements or other rights be  
13 reserved for any public or private utility facilities that are in place in the Street Vacation Area  
14 and any rights based upon any such public or private utility facilities not specifically excepted  
15 shall be extinguished upon the effectiveness of the street vacation; (3) in accordance with CA  
16 S&H Code Sections 892 and 8314, the Street Vacation Area is not useful as a public street,  
17 sidewalk, or nonmotorized transportation facility, as defined in CA S&H Code Section 887,  
18 because the Street Vacation Area does not connect through to other streets, parts of it  
19 terminate on the top of a steep hillside, and there are alternative routes for such uses in the  
20 immediate vicinity; (4) in order to protect the City's ability to maintain the City-owned retaining  
21 wall adjacent to the Street Vacation Area, the Board shall reserve the Retaining Wall Support  
22 Easements from the City quitclaims as a condition of the street vacation; and (5) prior to the  
23 conveyance of City Property, Developer shall obtain approval from Public Works for a tree  
24 protection plan that addresses the protection and, if necessary, removal and replacement of:  
25 (A) Siberian Elm, (B) California Buckeye, and (C) Oak on the Street Vacation Area. A copy of

1 the PW Order is on file with the Clerk of the Board in File No. 250814 and incorporated herein  
2 by reference.

3 (e) In the PW Order, the Public Works Director and City Engineer (collectively, the  
4 “PW Director”) recommended that the street vacation be based on the following conditions as  
5 requested by City departments:

6 (1) The San Francisco Public Utilities Commission (“SFPUC”) requires the  
7 Developer to abandon the 8-inch sewer main located within the Street Vacation Area near the  
8 intersection of Noriega Avenue and Laguna Honda Boulevard and plug the sewer where it  
9 connects to the sewer located in Laguna Honda Boulevard. The Developer shall perform this  
10 work in accordance with the specifications of the SFPUC and Public Works at no expense to  
11 the City.

12 (2) San Francisco Municipal Transportation Agency requires that the Developer  
13 construct a sidewalk fronting the Moraga Street portion of the Vacation Area along 8th Avenue  
14 as part of any future development of the City Property at that location at no expense to the  
15 City.

16 (f) In the PW Order, the PW Director also found that the street vacation qualifies for a  
17 summary street vacation for the following reasons:

18 (1) Under CA S&H Code Section 8330, the street vacation would not (A) cut off  
19 all access to a person’s property that adjoins the street, or (B) terminate a public service  
20 easement.

21 (2) Under CA S&H Code Section 8331, (A) the unimproved Street Vacation  
22 Area has been impassable for vehicular travel for more than five consecutive years, and (B)  
23 no public money was expended for maintenance on the street during this period.

24 (3) Under CA S&H Code Section 8334(a), the unimproved street areas on the  
25 City Property is excess public right-of-way not required for street or highway purposes.

1 (4) Under CA S&H Code Section 8334.5, there are no in-place public utility  
2 facilities that are in use or would be affected by the street vacation based on Developer's  
3 compliance with conditions associated with the street vacation identified in Section 2(e)(1)  
4 above.

5 (g) The Director of Property, in a letter dated \_\_\_\_\_, 2025, recommended  
6 that the Board of Supervisors approve the draft quitclaim deeds for the City Property,  
7 including a reservation for the Retaining Wall Support Easements, and accept the deeds for  
8 the Kensington Way Parcels in substantially the same form as those on file with the Clerk of  
9 the Board of Supervisors. The Director of Property further recommends that the Board  
10 condition the conveyance of the City Property to the Developer on: (1) City approval of a  
11 subdivision map that creates legal parcels on the City Property, and (2) accepting and  
12 recording deeds for the Kensington Way Parcels prior to or concurrent with conveyance of the  
13 City Property to Developer (collectively, the "City Property Conveyance Conditions"). The  
14 Director of Property letter and draft deeds are on file with the Clerk of the Board in File No.  
15 \_\_\_\_\_ and incorporated herein by reference.

16  
17 Section 3. Summary Vacation of Portions of City Property on Unimproved Street Areas  
18 of Moraga and Noriega Avenues.

19 (a) The Board of Supervisors adopts as its own the findings in the Planning  
20 Commission's Resolution that the street vacation and City's property conveyance and  
21 acquisition, are, on balance, consistent with the General Plan and eight priority policies of  
22 Planning Code Section 101.1. The Board also affirms the Planning Commission's  
23 environmental findings related to the actions in this ordinance. In addition, for purposes of the  
24 rezoning of the Street Vacation Area in Sections 5 and 6 of this ordinance, the Board adopts  
25

1 the Planning Commission's findings concerning the public necessity, convenience, and  
2 welfare of Planning Code Section 302.

3 (b) The Board of Supervisors finds that the Street Vacation Area is unnecessary for  
4 present or prospective public use and that the street vacation will further a proper public  
5 purpose, including, but not limited to, promoting the construction of residential units,  
6 preservation of open space, and protection of public safety. The Board also adopts and  
7 approves the findings and recommendations of the PW Director concerning the summary  
8 street vacation, including the reserved Retaining Wall Support Easements and conditions  
9 identified in Section 2(d)-(f) above, and other related actions as set forth in the PW Order.

10 (c) The Board of Supervisors hereby orders the summary vacation of the Street  
11 Vacation Area pursuant to CA S&H Code Sections 8300 et seq., in particular its Sections  
12 8330, 8331, 8334, and 8334.5, and San Francisco Public Works Code Section 787(a), and  
13 subject to reserving the Retaining Wall Support Easements and other conditions specified in  
14 Section 2(d) and (e) above.

15  
16 Section 4. Reservation of Easements Related to the City-owned Retaining Wall on the  
17 City Property; Delegation to Director of Property.

18 (a) In light of the public benefit served by the street vacation, including facilitating  
19 conveyance of the City Property to the Developer, and future construction of residential  
20 dwelling units, the Board of Supervisors adopts as its own the findings in the Planning  
21 Commission's Resolution that the Exchange Agreement is, on balance, consistent with the  
22 General Plan and eight priority policies of Planning Code Section 101.1.

23 (b) The Board of Supervisors delegates to the Director of Property, in consultation with  
24 the City Attorney's Office, the authority to finalize and execute quitclaim deeds, including a  
25 reservation for the Retaining Wall Support Easements, on behalf of the City for the City



Property conveyance to the Developer in substantially the same form as the draft quitclaim deeds on file with the Clerk of the Board in File No. 250814. The conveyance shall be in accordance with the terms set forth in the Exchange Agreement and this ordinance, including the City Property Conveyance Conditions. In addition, the Board directs the Director of Property to provide the California Department of Housing and Community Development (“HCD”) with prior written notice of the conveyance as required under the Updated Surplus Land Act Guidelines that HCD issued on August 1, 2024.

(c) The Board of Supervisors also directs the Director of Property to finalize and execute grant deeds to acquire the Kensington Way Parcels on behalf of the City in substantially the same form as the draft deeds on file with the Clerk of the Board in File No. 250814.

(d) The Board further directs the Director of Property to submit copies of the final quitclaim deed for the City Property, including the reserved Retaining Wall Support Easements, and the final deeds for the Kensington Way Parcels to the Clerk of the Board for the Clerk’s files on this ordinance within 30 days of the date that all of the subject real property documents are recorded.

Section 5. Planning Code and Zoning Map Amendments for Use.

The Planning Code is hereby amended in accordance with Planning Code Section 106 by revising Zoning Map as follows:

Description of Property	Zoning District to be Superseded	Zoning District Hereby Approved
Assessor’s Parcel Block No. 2042, Lot Nos. 039-041	P	RH-2

Assessor's Parcel Block No. 2923, Lot Nos. 010A and 024- 027	RH-1(D)	P
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Section 6. Planning Code and Zoning Map Amendments for Height and Bulk.

The Planning Code is hereby amended in accordance with Planning Code Section 106 by revising Zoning Map as follows:

Description of Property	Height/Bulk Districts to be Superseded
Assessor's Parcel Block No. 2042, Lot Nos. -041	OS
Description of Property	Height/Bulk Districts Hereby Approved
Assessor's Parcel Block No. 2042, Lot Nos. 039-041	40-X

Description of Property	Height/Bulk Districts to be Superseded
Assessor's Parcel Block No. 2923, Lot Nos. 010A and 024-027	40-X
Description of Property	Height/Bulk Districts Hereby Approved
Assessor's Parcel Block No. 2923, Lot Nos. 010A and 024-027	OS

Section 7. Official Acts in Connection with the Ordinance.

1 (a) The Mayor, Clerk of the Board, Director of Property, County Surveyor, and PW  
2 Director are hereby authorized and directed to take any and all actions which they or the City  
3 Attorney may deem necessary or advisable in order to effectuate the purpose and intent of  
4 this ordinance, including, without limitation, revising official public right-of-way maps if deemed  
5 necessary; finalizing the quitclaim deeds with reserved Retaining Wall Support Easements for  
6 the City Property, executing such deeds on behalf of the City, and recording of such deeds  
7 and ordinance in the Official Records of the City; confirming satisfaction of the City Property  
8 Conveyance Conditions, including finalizing and recording deeds for the Kensington Way  
9 Parcels and the City Parcels; and executing and delivering to City officials any evidence of  
10 these actions as may be require.

11 (b) The City shall record this ordinance promptly upon the effective date of this  
12 vacation.

13 (c) The Clerk of the Board of Supervisors is hereby directed to transmit to the PW  
14 Director a certified copy of this ordinance so that the ordinance may be recorded together with  
15 any other documents necessary to effectuate the ordinance.

16  
17 Section 8. Effective and Operative Dates.

18 (a) Effective Date. This ordinance shall become effective 30 days after enactment.  
19 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance  
20 unsigned or does not sign the ordinance within ten days of receiving it, or the Board of  
21 Supervisors overrides the Mayor's veto of the ordinance.

22 (b) Operative Date. Sections 5 and 6 of this ordinance shall not be operative until the  
23 subject properties have been established as legally recognized lots through a recorded  
24 subdivision map or maps or other County Surveyor authorized procedure under the San  
25 Francisco Subdivision Code, all conditions to the street vacation have been satisfied to the

1 satisfaction of the PW Director, and all City Property Conveyance Conditions have been  
2 completed.

3 APPROVED AS TO FORM:  
4 DAVID CHIU, City Attorney

5 By: /s/ John D. Malamut  
6 JOHN D. MALAMUT  
Deputy City Attorney

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## **LEGISLATIVE DIGEST**

[Planning Code, Zoning Map, Street Vacation - Portions of Moraga and Noriega Avenues and Kensington Way]

**Ordinance ordering the summary street vacation of City property on unimproved street areas of Moraga and Noriega Avenues; finding the street vacation area is not necessary for the City's use; reserving easements related to support for the City-owned retaining wall from the street vacation properties and including other conditions to the street vacation; amending the Planning Code and Zoning Map to rezone the City property identified as Assessor's Parcel Block No. 2042, Lot Nos. 039-041 from P (Public)/OS (Open Space) to RH-2 (Residential Housing Two-family)/40-X, and to rezone parcels on Kensington Way adjacent to Vasquez Avenue shown on Assessor's Parcel Block No. 2923, Lot Nos. 010A and 024-027 from RH-1(D)/40-X to Public/Open Space; affirming the Planning Commission's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of the Planning Code, Section 101.1 and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.**

### **Existing Law**

This street vacation action includes two unimproved dead end portions of Moraga and Noriega Streets from 8th Avenue eastward toward 7th Avenue and Laguna Honda Boulevard (the "Street Vacation Area"). The Street Vacation Area is more particularly shown on Public Works SUR Map 2025-001 and 2025-002. To vacate a street, the City follows the procedures in California Streets and Highways Code Sections 8300 et seq. and Public Works Code Section 787(a). The California Streets and Highways Code provides for a summary street vacation, which allows for expedited processing of street vacations if the City can make certain findings. The summary street vacation that is the subject of this ordinance is one step in a land exchange with a property owner where the owner will convey property along Kensington Way near Edgehill Mountain to the City for open space preservation and the City will convey the Street Vacation Area to the owner for development purposes. This transaction is set forth in an exchange agreement that the Board of Supervisors approved in Resolution No. 29-24. Another step in the land exchange is for the City to rezone all the property involved in the exchange based on its future use. The rezoning of property requires amendments to the Planning Code and Zoning Map along with various Planning Commission findings, including findings of consistency with the City's General Plan and Planning Code Section 101.1.

### **Amendments to Current Law**

By this ordinance, the Board of Supervisors would make findings required under State law and take actions required to summarily vacate the Street Vacation Area, and quitclaim the

City's interest in this Area to the owner of property on Kensington Way as part of the land exchange that the Board approved in Resolution No. 29-24. The street vacation would be subject to certain conditions, including the reservation of easements to support a City-owned retaining wall adjacent to the Street Vacation Area. The legislation would rezone all the property involved in the land exchange so that the Street Vacation Area would be zoned as RH-2 (Residential Housing Two-family)/40-X to allow residential development and the Kensington Way parcels would be zoned for public use/open space to preserve these areas in their undeveloped state. The ordinance would make environmental findings and findings of consistency with the City's General Plan and Planning Code Section 101.1 as well as findings of public necessity under Planning Code Section 302.

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October 23, 2025

Ms. Angela Calvillo, Clerk  
Honorable Supervisor Melgar  
Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Re: **Transmittal of Planning Department Case Number 2025-007357PCA:**  
Portions of Moraga and Noriega Avenues and Kensington Way  
Board File No. 250814

**Planning Commission Action: Adopted a Recommendation for Approval**

Dear Ms. Calvillo and Supervisor Melgar,

On October 9, 2025, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Melgar that would enable a land swap between the City and County of San Francisco and a private individual. At the hearing the Planning Commission adopted a recommendation for approval.

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information, please do not hesitate to contact me.

Sincerely,

Aaron D. Starr  
*Manager of Legislative Affairs*

cc: John Malamut, Deputy City Attorney  
Jen Low, Aide to Supervisor Melgar  
John Carroll, Office of the Clerk of the Board

**ATTACHMENTS :**

Planning Commission Resolution  
Planning Department Executive Summary





# PLANNING COMMISSION RESOLUTION NO. 21843

**HEARING DATE:** October 9, 2025

*Project Name:* Portions of Moraga and Noriega Avenues and Kensington Way  
*Case Number:* 2025-007357PCA/MAP [Board File No. 250814]  
*Initiated by:* Supervisor Melgar / Introduced July 29, 2025  
*Staff Contact:* Audrey Merlone, Legislative Affairs  
Audrey.Merlone@sfgov.org, 628-652-7534  
*Reviewed by:* Aaron D Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 628-652-7533

**RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL OF A PROPOSED ORDINANCE ORDERING THE SUMMARY STREET VACATION OF CITY PROPERTY ON UNIMPROVED STREET AREAS OF MORAGA AND NORIEGA AVENUES; FINDING THE STREET VACATION AREA IS NOT NECESSARY FOR THE CITY'S USE; RESERVING EASEMENTS RELATED TO SUPPORT FOR THE CITY-OWNED RETAINING WALL FROM THE STREET VACATION PROPERTIES AND INCLUDING OTHER CONDITIONS TO THE STREET VACATION; AMENDING THE PLANNING CODE AND ZONING MAP TO REZONE THE CITY PROPERTY IDENTIFIED AS ASSESSOR'S PARCEL BLOCK NO. 2042, LOT NOS. 039-041 FROM P (PUBLIC)/OS (OPEN SPACE) TO RH-2 (RESIDENTIAL HOUSING TWO-FAMILY)/40-X, AND TO REZONE PARCELS ON KENSINGTON WAY ADJACENT TO VASQUEZ AVENUE SHOWN ON ASSESSOR'S PARCEL BLOCK NO. 2923, LOT NOS. 010A AND 024-027 FROM RH-1(D)/40-X TO PUBLIC/OPEN SPACE; AFFIRMING THE PLANNING COMMISSION'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF THE PLANNING CODE, SECTION 101.1 AND ADOPTING FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.**

WHEREAS, on July 29, 2025, Supervisor Melgar introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 250814, which would order the summary street vacation of City property on unimproved street areas of Moraga and Noriega Avenues; finding the street vacation area is not necessary for the City's use; reserving easements related to support for the City-owned retaining wall from the street vacation properties and including other conditions to the street vacation; amending the Planning Code and Zoning Map to rezone the City property identified as Assessor's Parcel Block No. 2042, Lot Nos. 039-041 from P (Public)/OS (Open Space) to RH-2 (Residential Housing Two-family)/40-X, and to rezone parcels on Kensington Way adjacent to Vasquez Avenue shown on Assessor's Parcel Block No. 2923, Lot Nos. 010A and 024-027 from RH-1(D)/40-X to Public/Open Space;

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on October 9, 2025; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15378 and 15060(c)(2); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby adopts a **recommendation for approval** of the proposed ordinance.

## Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The Commission recommends approval of the proposed Ordinance because it advances key City objectives related to housing production and open space preservation in a balanced and context-sensitive manner. The ordinance facilitates a land exchange that enables modest residential development on underutilized City-owned parcels in a well-resourced, transit-accessible neighborhood, while permanently preserving environmentally sensitive hillside lots adjacent to Edgehill Mountain Park. The zoning changes reflect the intended future uses of the properties and are consistent with the San Francisco General Plan, particularly the Housing Element and the Recreation and Open Space Element. The proposal also meets the exception criteria under the Urban Design Element for street vacations, as it does not negatively impact circulation, access, or neighborhood character. Furthermore, the ordinance has no adverse environmental impacts under CEQA and does not alter current implementation procedures.

## General Plan Compliance

The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

### HOUSING ELEMENT

#### OBJECTIVE 3.B

CREATE A SENSE OF BELONGING FOR ALL COMMUNITIES OF COLOR WITHIN WELL-RESOURCED NEIGHBORHOODS THROUGH EXPANDED HOUSING CHOICE.

### Policy 20

Increase mid-rise and small multi-family housing types by adopting zoning changes or density bonus programs in Well-resourced Neighborhoods and adjacent lower-density areas near transit, including along SFMTA Rapid Network and other transit.

*The RH-2 (Residential Housing Two-family) zoning proposed for the rights-of-way that are proposed for vacation would allow small multi-family housing at the site, which is within the Highest Resource areas of the City's Well-Resourced Neighborhoods and adjacent to numerous bus and light rail transit lines. RH-2 zoning would generally allow more dwelling units than RH1-D zoning. The Project would thus result in increased housing capacity, consistent with the Objective and Policy.*

## RECREATION AND OPEN SPACE ELEMENT

### OBJECTIVE 1

ENSURE A WELL-MAINTAINED, HIGHLY UTILIZED, AND INTEGRATED OPEN SPACE SYSTEM.

### Policy 1.3

Preserve existing open space by restricting its conversion to other uses and limiting encroachment from other uses, assuring no loss of quantity or quality of open space.

*The Kensington Way lots proposed for P-Public zoning are undeveloped and located in close proximity to Edgehill Mountain Park, which is identified as open space in Map 1 of this Element, while the rights-of-way proposed for vacation are not used as open space and do not appear in Map 1. The Project would thus support greater integration of open space and would not result in loss of quantity or quality of open space.*

## URBAN DESIGN ELEMENT

### OBJECTIVE 2

CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

### Policy 2.8

Maintain a strong presumption against the giving up of street areas for private ownership or use, or for construction of public buildings.

### Policy 2.9

Review proposals for the giving up of street areas in terms of all the public values that streets afford.

### Policy 2.10

Permit release of street areas, where such release is warranted, only in the least extensive and least permanent manner appropriate to each case.

*Policy 2.8 requires a strong presumption against the giving up of street areas, a presumption that can be overcome only by extremely positive and far-reaching justification. The overarching need for additional housing in Well-Resourced Neighborhoods, as outlined in the Housing Element of the General Plan, provides such a positive and far-reaching justification.*

*The rights-of-way that are proposed for vacation are not improved as City streets. They are not currently used for circulation or recreational purposes, and there are no plans to put them to such use in the future. Policy 2.10 requires release of street areas in the least extensive and least permanent manner appropriate to each case. The Project's aim is to allow housing at the site, which would not be possible without the proposed vacation. Policy 2.9 enumerates criteria for evaluating proposals for vacation of rights-of-way, including 12 outcomes that would preclude a positive recommendation. The Project would not result in any of the 12 outcomes specified. Specifically, the Project would not negatively impact circulation or rightful access by any mode to any location including in emergency situations; would not reduce open space or recreational opportunities, or impact significant views; would not enlarge any existing properties; would not result in the removal of significant natural features, or in detriment to the scale and character of surrounding development, and; would not have any adverse effect on any component of the General Plan.*

### **Planning Code Section 101 Findings**

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

*The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.*

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

*The proposed Ordinance would not have a negative effect on housing or neighborhood character.*

3. That the City's supply of affordable housing be preserved and enhanced;

*The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

*The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.*

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident

employment and ownership in these sectors be enhanced;

*The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

*The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.*

7. That the landmarks and historic buildings be preserved;

*The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.*

8. That our parks and open space and their access to sunlight and vistas be protected from development;

*The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.*

### Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby ADOPTS A RECOMMENDATION FOR APPROVAL the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on October 9, 2025.



Jonas P. Ionin  
Commission Secretary

Jonas P Ionin

Digitally signed by Jonas P Ionin  
Date: 2025.10.21 15:41:48 -07'00'

AYES: Campbell, McGarry, Braun, Imperial, Moore, So  
NOES: None  
ABSENT: Williams  
ADOPTED: October 9, 2025



## EXECUTIVE SUMMARY

# PLANNING CODE TEXT & ZONING MAP AMENDMENT

**HEARING DATE:** October 9, 2025

**90-Day Deadline:** November 5, 2025

*Project Name:* Portions of Moraga and Noriega Avenues and Kensington Way  
*Case Number:* 2025-007357PCA [Board File No. 250814]  
*Initiated by:* Supervisor Melgar / Introduced July 29, 2025  
*Staff Contact:* Audrey Merlone, Legislative Affairs  
Audrey.Merlone@sfgov.org 628-652-7534  
*Reviewed by:* Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 628-652-7533  
*Environmental Review:* Not a Project Under CEQA

**RECOMMENDATION:** Adopt a Recommendation for Approval

### Planning Code Amendment

The proposed Ordinance would remove portions of two unbuilt streets from the Zoning Map to create new parcels, rezone a City property located at Assessor's Parcels 2042/039-041 from P (Public)/OS (Open Space) to RH-2 (Residential Housing, Two-Family)/40-X, and also rezone parcels located on Kensington Way, adjacent to Vasquez Avenue (Assessor's Parcels 2923/010A & 024-027) from RH-1(D)/40-X, to Public/Open Space.

#### The Way It Is Now:

- The City and County of San Francisco own vacant, undeveloped properties along Moraga Avenue and Noriega Avenue, which are zoned P/OS (Public/Open Space).
- A private individual owns five adjacent, undeveloped lots on Kensington Way, near Vasquez

Avenue at the base of Edgehill Mountain. These lots are zoned RH-1(D) and fall within a 40-X height district.

### **The Way It Would Be:**

- The City and the private individual would exchange properties:
  - The City would acquire the Kensington Way lots.
  - The private individual would acquire the Moraga and Noriega Avenue properties.
- Zoning changes would accompany the swap:
  - The Kensington Way lots would be rezoned to P/OS.
  - The Moraga and Noriega Avenue properties would be rezoned to RH-2/40-X.

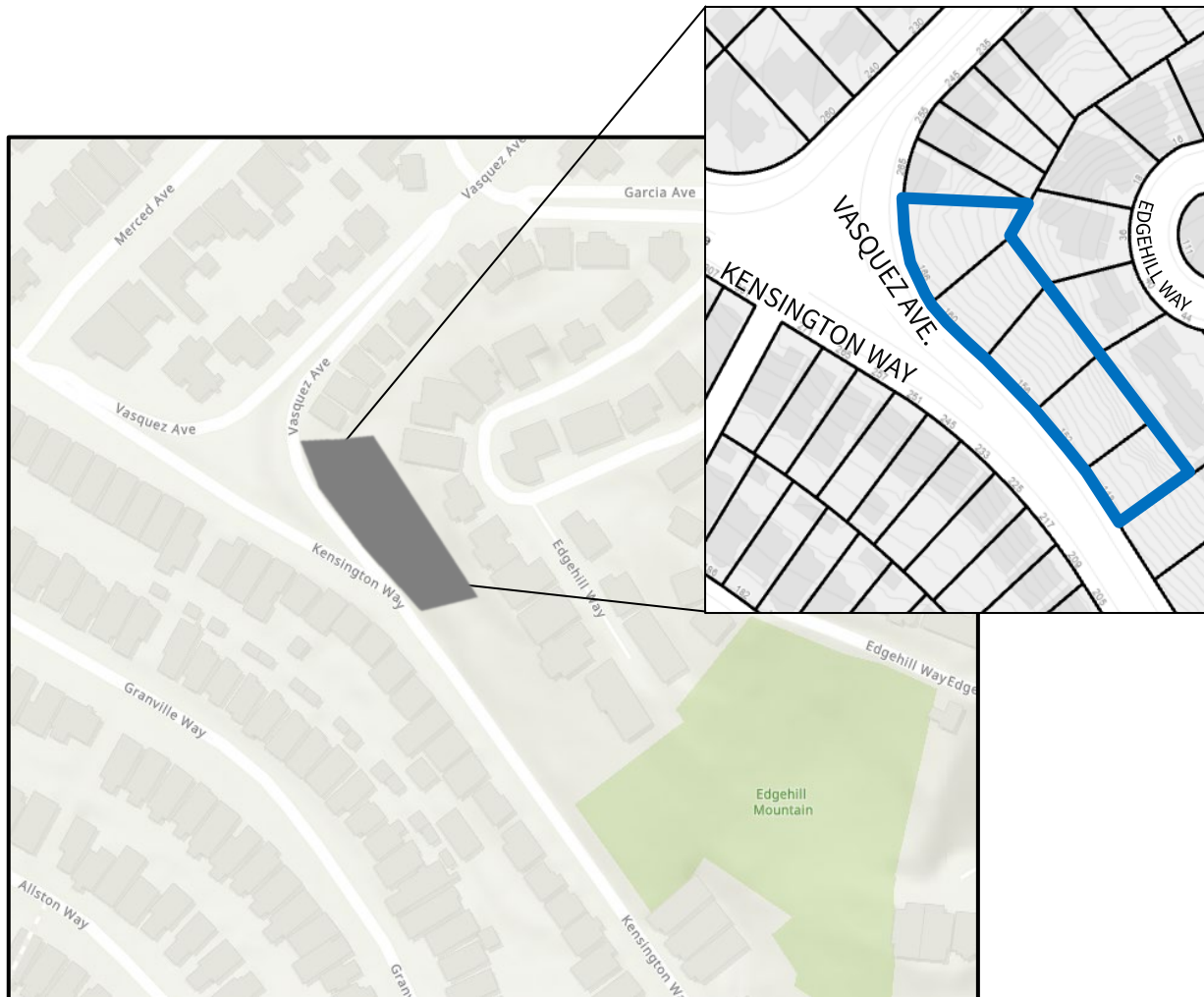
### **Background**

The proposed ordinance stems from a broader effort by the City and County of San Francisco to balance residential development with open space preservation in the Mount Sutro area. The City owns vacant, unimproved portions of Moraga and Noriega Avenues, while a private developer, Kensington Way, LLC, owns several undeveloped hillside parcels along Kensington Way near Edgehill Mountain—an area historically prone to landslides and unstable soil conditions. To address both development and environmental concerns, the City and the developer entered into an Exchange Agreement, approved by the Board of Supervisors in Resolution No. 29-24, which outlines a land swap: the City would acquire the Kensington Way parcels for permanent open space preservation, and the developer would receive the City-owned street vacation areas for residential development. This ordinance implements that agreement by authorizing the summary street vacation of the City-owned properties, rezoning both sets of parcels to reflect their future uses, and reserving necessary easements to maintain existing City infrastructure.



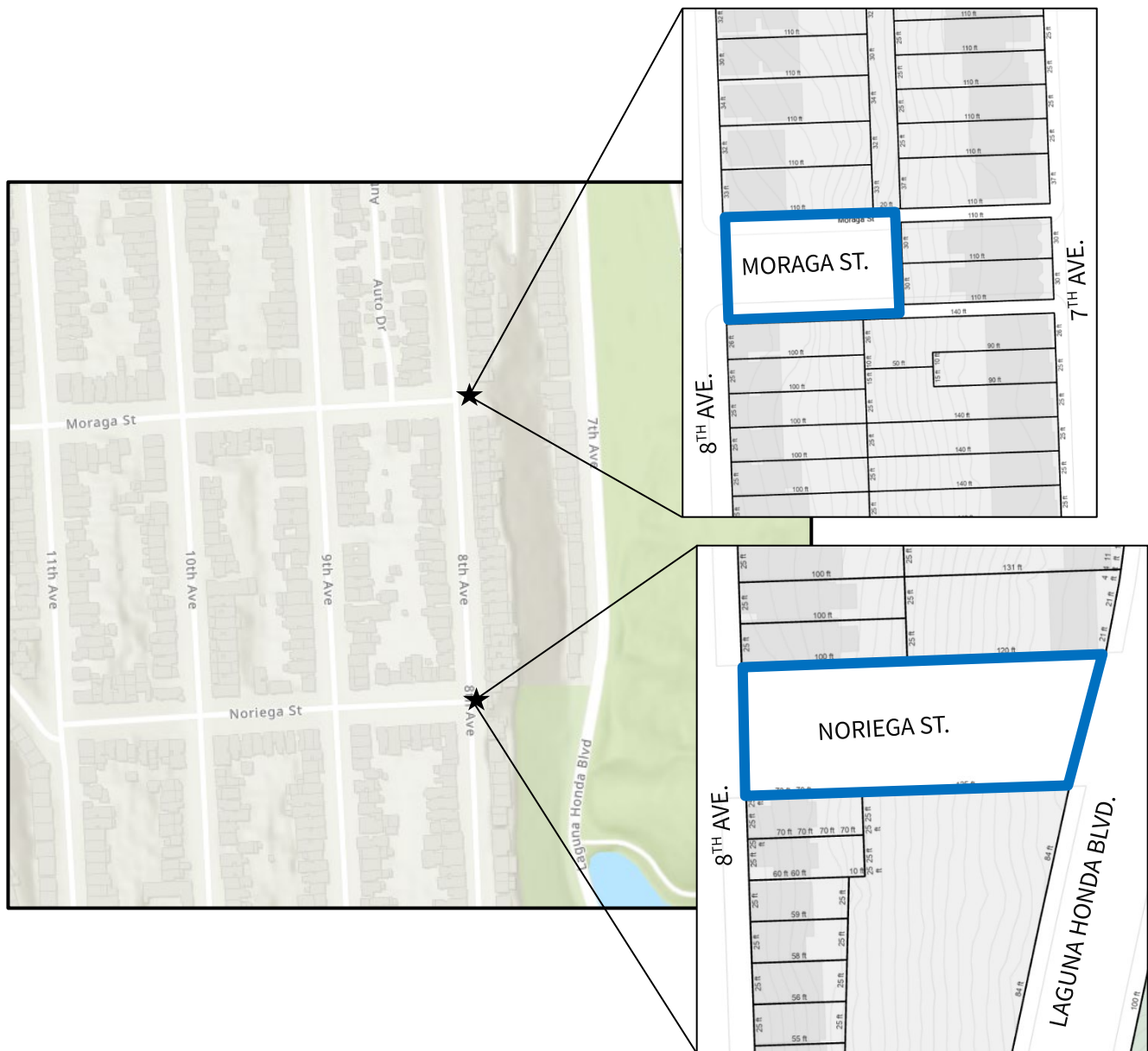
## Issues and Considerations

### Subject Properties



*Five privately owned, undeveloped RH-1(D) zoned parcels along Vasquez Avenue and Kensington Way. These parcels are proposed to be transferred to City ownership and rezoned Public/Open Space.*





*City-owned, unbuilt portions of Moraga Street and Noriega Street. These unbuilt portions of two streets are proposed to become Residential parcels and zoned RH-2. For a detailed proposed parcel map, please see Exhibit B.*

## General Plan Compliance

The proposed land exchange and associated zoning changes are consistent with the San Francisco General Plan. The project supports Objective 3.B of the Housing Element by enabling small multi-family housing in a well-resourced, transit-accessible neighborhood through RH-2 zoning, thereby expanding housing choice. It aligns with the Recreation and Open Space Element by preserving undeveloped Kensington Way parcels as open space adjacent to Edgehill Mountain Park, without reducing the quantity or quality of existing open space. Although the Urban Design Element generally discourages the relinquishment of street areas, the proposal meets the exception criteria due to its contribution to housing goals, lack of current or planned public

use of the rights-of-way, and absence of negative impacts on circulation, access, open space, or neighborhood character.

## **Racial and Social Equity Analysis**

While the ordinance aligns with environmental preservation and modest housing development goals, its limited geographic and policy scope means it does not significantly advance—or hinder—racial or social equity outcomes. A more robust equity impact would require broader planning efforts that prioritize affordable housing, inclusive zoning, and access to open space in underserved neighborhoods, all of which are outside the scope of this limited ordinance.

## **Implementation**

The Department has determined that this ordinance will not impact our current implementation procedures.

## **Recommendation**

The Department recommends that the Commission **adopt a recommendation for approval** of the proposed Ordinance and adopt the attached Draft Resolution to that effect.

## **Basis for Recommendation**

The Department recommends approval of the proposed Ordinance because it advances key City objectives related to housing production and open space preservation in a balanced and context-sensitive manner. The ordinance facilitates a land exchange that enables modest residential development on underutilized City-owned parcels in a well-resourced, transit-accessible neighborhood, while permanently preserving environmentally sensitive hillside lots adjacent to Edgehill Mountain Park. The zoning changes reflect the intended future uses of the properties and are consistent with the San Francisco General Plan, particularly the Housing Element and the Recreation and Open Space Element. The proposal also meets the exception criteria under the Urban Design Element for street vacations, as it does not negatively impact circulation, access, or neighborhood character. Furthermore, the ordinance has no adverse environmental impacts under CEQA and does not alter current implementation procedures.

## **Required Commission Action**

The proposed Ordinance is before the Commission so that it may adopt a recommendation of approval, disapproval, or approval with modifications.

## **Environmental Review**

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c)(2) and 15378 because they do not result in a physical change in the environment.

## Public Comment

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

### ATTACHMENTS:

Exhibit A: Draft Planning Commission Resolution  
Exhibit B: Draft parcel maps  
Exhibit C: Board of Supervisors File No. 250814

*Portions of this report were drafted and/or edited with the assistance of Microsoft Copilot, in accordance with the City and County of San Francisco's policy on the use of generative AI tools.*

AGREEMENT FOR EXCHANGE AND CONVEYANCE OF REAL ESTATE

by and between

CITY AND COUNTY OF SAN FRANCISCO

and

KENSINGTON

For the exchange and conveyance of real property  
designated as Block/2923, Lot No.10A, 24, 25, 26 and 27

\_\_\_\_\_, 2023

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## **LIST OF EXHIBITS**

EXHIBIT A	CITY PROPERTY DESCRIPTION
EXHIBIT B	KENSINGTON PROPERTY DESCRIPTION
EXHIBIT C	CITY DEED
EXHIBIT D	KENSINGTON DEED
EXHIBIT E	SURPLUS LAND ACT AFFORDABILITY COVENANT

## **AGREEMENT FOR EXCHANGE AND CONVEYANCE OF REAL ESTATE**

(Block/2923, Lot No.10A, 24, 25, 26 and 27, San Francisco)

THIS AGREEMENT FOR EXCHANGE AND CONVEYANCE OF REAL ESTATE (this "**Agreement**") dated for reference purposes only as of \_\_\_\_\_, 20\_\_, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**"), and KENSINGTON WAY LLC, a California limited liability company ("**Kensington**"). City and Kensington may each be referred to in this Agreement as a "**Party**", and together referred to as the "**Parties**".

### **RECITALS**

**A.** City owns certain real property located as follows: (1) one lot located on the Moraga Avenue paper street area, extending east from the intersection of Moraga Avenue with 8<sup>th</sup> Avenue; (2) one lot located on the Noriega Avenue paper street area, extending east from the intersection of Noriega Avenue with 8<sup>th</sup> Avenue; (3) three lots located on the Noriega Avenue paper street area and fronting on Laguna Honda Boulevard and 7<sup>th</sup> Avenue, extending west from the intersection of Noriega Avenue with Laguna Honda Boulevard and 7<sup>th</sup> Avenue; and (4) a portion of Block 2440 Lot 020; all of which are located in the City of San Francisco, State of California, and more particularly described in Exhibit A attached and shown generally on the map attached as Exhibit A-1 (collectively, the "**City Property**"). Kensington owns certain real property located at Block No. 2923, Lots; 27, 26, 25, 24, and 10A in the City of San Francisco, State of California, and more particularly described in Exhibit B attached and shown generally on the map attached hereto as Exhibit B-1 (collectively, the "**Kensington Property**").

**B.** City provided a notice of availability of surplus land regarding the City Property as required by California Government Code §§54220 et seq. (the "**Surplus Land Act**"), on or about July 12, 2021. City did not receive any notices of interest or intent to purchase the City Property in response to its notice of availability. As part of City's transfer of the City Property to Kensington, an affordability restriction will be recorded against the City Property in compliance with the Surplus Land Act.

**C.** City desires to acquire the Kensington Property to retain the hillside on Edgehill Mountain along Kensington Way in its natural state for open space purposes, and to transfer the City Property to Kensington in exchange for its acquisition of the Kensington Property.

**D.** The Parties agree that the fair market value of the City Property is Three Million Six Hundred Thousand Dollars (\$3,600,000) and the fair market value of the Kensington Property is Three Million Six Hundred Thousand Dollars (\$3,600,000).

**E.** Due to the unique nature of the Kensington Property and the City Property, and the desired exchange thereof, competitive bidding is not required because it would be impracticable or impossible. Kensington is the only purchaser of the City Property that is willing and able to exchange the Kensington Property for the City Property. The City Property does not consist of separate legal parcels, although City is able to otherwise transfer the City Property to Kensington pursuant to California Government Code Section 66428(a)(2). Concurrently with the exchange of the Property, City requires that a record of survey of the City Property (a "**Record**



**Survey**") be prepared and recorded in the Official Records of San Francisco County prior to Closing (as defined in Section 6.2).

**F.** City has not yet completed environmental review under the California Environmental Quality Act ("CEQA") (California Public Resources Code Sections 21000 et seq.), the CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 et seq.), and Chapter 31 of the San Francisco Administrative Code, and this Agreement is not an approval of any particular project. City has retained complete discretion to grant or deny any and all development approvals, and to condition, process, or order any street vacations, on the City Property following completion of environmental review, and nothing in this Agreement affects or diminishes the right or discretion of the Planning Department, the Planning Commission, the Board of Supervisors, or any City official or department to grant, deny, or condition any development application, regulatory approval, or street vacation relative to the City Property subject to the conditions stated in section 5.

**G.** Kensington desires to acquire the City Property and City is willing to convey the City Property to Kensington, and City desires to acquire the Kensington Property and Kensington is willing to convey the Kensington Property to City, subject to approval by City's Board of Supervisors and Mayor, on the terms and conditions set forth in this Agreement.

#### AGREEMENT

ACCORDINGLY, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Kensington agree that the foregoing Recitals are true and correct, and agree as follows:

### **1. SALE AND PURCHASE**

#### **1.1 Exchange of Property**

Subject to the terms, covenants and conditions set forth herein, at the Closing, City agrees to convey the City Property to Kensington and Kensington agrees to convey the Kensington Property to City. The Kensington Property and the City Property (or any portion of them, as the context requires) shall be collectively referred to as the "Property".

### **2. PURCHASE PRICE**

(a) Exchange Values. The Parties agree that the fair market value for the City Property is Three Million Six Hundred Thousand Dollars (\$3,600,000) and the fair market value of the Kensington Property is Three Million Six Hundred Thousand Dollars (\$3,600,000). Therefore, no additional consideration is required for the exchange of Property.

(b) Escrow. Within fifteen (15) days following the Effective Date, Kensington will open an escrow for the Exchange ("Escrow") with Chicago Title Company in San Francisco (the "Title Company") and deposit a fully executed copy of this Agreement with Title Company. This Agreement will serve as instructions to Title Company as the escrow holder for consummation of the conveyances of the City Property and the Kensington Property pursuant to this Agreement (the "Exchange"). Kensington and City agree to execute such additional or supplementary instructions as may be reasonably appropriate to enable the Title Company to comply with the terms of this Agreement and effect Closing; provided that if there is any conflict

between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement will control.

### **3. TITLE**

#### **3.1 Permitted Title Exceptions to the Property**

(a) City Property Permitted Title Exceptions. At the Closing, City will convey all of its right, title and interest in and to the City Property to Kensington by using the form of quitclaim deed attached as Exhibit C (the "City Deed"). Title to the City Property will be subject to (i) prorated liens of local real estate taxes and assessments that are not yet payable, (ii) all existing exceptions and encumbrances, whether or not disclosed by a current preliminary title report or the public records or any other documents reviewed by Kensington in its due diligence investigation of the City Property, and any other exceptions to title which would be disclosed by an accurate and thorough investigation, survey, or inspection of the City Property, including any encroachments from the City Property onto adjacent property and from adjacent property onto the City Property, (iii) the Surplus Land Act affordability restriction attached hereto as Exhibit E, (iv) any rights of the public, adjoining owners, and City over the City Property, (v) that certain City and County of San Francisco Department of Public Works Order No. 171,146, and (vi) all items of which Kensington has actual or constructive notice or knowledge. All of the foregoing permitted exceptions to title are referred to collectively as the "City Property Permitted Title Exceptions". Without limiting the foregoing, Kensington acknowledges receipt of preliminary reports issued by the Title Company under Order No. 15609833 dated as of September 22, 2022, and Order No. 15609831-156 dated as of September 9, 2022, regarding the City Property and approves all of the exceptions contained therein. If Kensington elects to obtain a policy of owner's title insurance for the City Property, such insurance will be at Kensington's expense.

(b) Kensington Property Permitted Title Exceptions. At the Closing, Kensington will convey its right, title and interest in and to the Kensington Property to City by using the form of deed attached as Exhibit D (the "Kensington Deed"). Title to the Kensington Property will be subject to (i) pro rated liens of local real estate taxes and assessments that are not yet payable, (ii) the exceptions shown as Items 4 through 8, provided that portions of Item 8 have been stricken as described in Section 5.4(d), in the preliminary report issued by the Title Company under Order No. 15609655-156 dated as of June 24, 2022 and (iii) any other exceptions approved in writing by City in its sole discretion. All of the foregoing permitted exceptions to title are referred to collectively as the "Kensington Property Permitted Title Exceptions" and at City's option will be reflected in a CLTA owner's title insurance policy (the "City Title Policy") issued by the Title Company to City, with such endorsements as City may reasonably request, in an amount specified by City to the Title Company, insuring City's fee interest in the Kensington Property, subject only to the Kensington Property Permitted Title Exceptions, all at the expense of City.

#### **3.2 Responsibility for Title Insurance.**

Each Party understands and agrees, on behalf of itself and its successors, that neither Party is under any obligation to furnish any policy of title insurance in connection with this transaction. Each Party recognizes that any physical monument of any of the Property's boundary lines may not correspond to the legal description of such Property. Neither Party shall be responsible for any discrepancies in the area or location of the property lines or any other

matters that an accurate survey or inspection might reveal. It is the sole responsibility of each Party to obtain a survey and a policy of title insurance, if desired, and to investigate any and all title, survey and inspection matters affecting the Property it intends to acquire under this Agreement.

### **3.3 Record Survey Condition; Legal Descriptions; Parcel Legal Status.**

The Parties agree to use the legal description for the City Property attached as Exhibit A (the "City Legal Description") and the legal description for the Kensington Property attached as Exhibit B (the "Kensington Legal Description") to effect the Exchange; provided that the Kensington Legal Description must be amended, if necessary, to conform to the Record Survey.

(a) The City Property consists of lots that are not legal parcels pursuant to California Government Code Sections 66410 et seq. (the "Subdivision Map Act") and City is requiring a Record Survey of the City Property to be recorded in the Official Records of San Francisco County prior to Closing (the "Record Survey Condition"). Kensington acknowledges and agrees that (a) City makes no representations or warranties that City, acting in its regulatory capacity, or any other party will approve the recordation of the Record Survey or compliance of the City Property with the Subdivision Map Act, or as to any costs or liabilities that Kensington may incur in connection with the Record Survey or the Record Survey Condition, (b) City shall have no obligation to assist in, effect, or approve of any applications or documents submitted by Kensington in connection with the Record Survey Condition, (c) any City department reviewing any application or documents submitted by Kensington in connection with the Record Survey Condition shall do so in its sole discretion without any obligation to provide special consideration thereto, and (d) City's Board of Supervisors and Mayor shall have no obligation to approve of any ordinance or resolution (as applicable) submitted in connection with the Record Survey Condition, which shall be subject to their sole discretion.

### **3.4 Environmental Review**

City may not release the City Condition to Closing described in Section 5.4(j) until Kensington's proposed rezoning and development of the City Property is found to be in compliance with the California Environmental Quality Act ("CEQA"), the State CEQA guidelines (California Code of Regulations, tit. 14, §§ 15000 et seq.), and the City's Environmental Quality Regulations (San Francisco Administrative Code, Chapter 31). City intends, prior to the Closing, to identify the actions and activities that would be necessary to develop the City Property and thereby facilitate meaningful environmental review, which must be completed prior to any approval action by the City concerning future use of the City Property. City retains absolute discretion to: (1) make modifications it deems necessary to mitigate significant adverse environmental impacts, (2) select feasible alternatives that avoid significant adverse impacts, including the "no project" alternative, (3) balance the benefits of the proposed project against the unavoidable significant impacts prior to taking final action, or (4) determine not to proceed with the Closing.

#### 4. "AS-IS" PURCHASE; RELEASE OF CITY

##### 4.1 Due Diligence and Time for Satisfaction of Conditions

Each Party has been given or will be given before the end of the Due Diligence Period (as defined below), a full opportunity to investigate the Property, either independently or through agents of its own choosing, including, without limitation, the opportunity to conduct such appraisals, inspections, tests, audits, verifications, inventories, investigations and other due diligence regarding the economic, physical, environmental, title and legal conditions of the Property as it deems fit, as well as the suitability of the Property for its intended uses. Each Party and its Agents may commence due diligence investigations on the Property on or after the date this Agreement is executed by both Parties. The period for completion of all such investigations shall expire sixty (60) days after the Agreement is executed by both Parties (the "Due Diligence Period"), subject to the terms and conditions provided below. Each Party agrees to deliver to the other all of the documents and other items described in Subsection 5.1(h) and 5.4(g) within five (5) days after the date hereof, provided that if a Party fails to do so, then the expiration of the Due Diligence Period shall be extended for the other Party by the number of days after the end of such 5 day delivery period that the delayed Party delivers all such items to other Party.

##### 4.2 Property Disclosures

(a) California law requires sellers to disclose to buyers the presence or potential presence of certain Hazardous Materials. Accordingly, the Parties are hereby advised that occupation of the Property may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. By execution of this Agreement, the Parties acknowledge that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Section 25359.7 and related statutes.

(b) On November 2, 2015, the Federal Emergency Management Agency ("FEMA") issued a preliminary Flood Insurance Rate Map ("FIRM") that identifies Special Flood Hazard Areas along City's shoreline, with designations of "Zone A" (areas subject to coastal flooding) and "Zone V" (areas subject to coastal flooding and hazards that accompany wave action). The affected City property includes its waterfront piers, parts of Mission Bay, Hunters Point Shipyard, Candlestick Point, Treasure and Yerba Buena Islands, and an area adjacent to Islais Creek. FEMA expects to finalize the FIRM in mid-2020, which may have significant impacts for developing new structures and reconstructing or repairing existing structures in the identified areas.

(c) According to the United States Geological Survey, roughly one-quarter of the San Francisco Bay region may be exposed to liquefaction. More information about the potential areas of liquefaction may be found at <http://geomaps.wr.usgs.gov/sfgeo/liquefaction/susceptibility.htm> **The Property is located within a wildland area that may contain substantial forest fire risks and hazards and is subject to the requirements of California Public Resources Code Section 4291.**

(d) Kensington acknowledges that the City Property is located on hillsides, which entail associated landslide risks, costs, and liabilities. City acknowledges that the Kensington Property is located on a hillside, which entails associated landslide risks, costs, and liabilities.

(e) Kensington acknowledges that City has disclosed that certain City Department of Public Works Order No. 171,146, which may affect the City Property and any future use of the City Property. (f) Nothing contained in this Section shall limit any of the provisions of this Article or relieve City or Kensington of their obligation to conduct diligent inquiries hereunder, nor shall any such matters limit any of the provisions of Section 4.4 ["As-Is" Purchase], Section 4.5 [Release of Kensington], or Section 4.6 [Release of City].

### **4.3 Entry and Indemnity**

In connection with any entry by either Party or its Agents onto the other Party's Property, the entering Party shall give the other reasonable advance written notice of such entry and shall conduct such entry and any inspections in connection therewith so as to minimize, to the extent possible, interference with uses being made of the Property and otherwise in a manner and on terms and conditions acceptable to the Party that owns the Property. All entries by a Party or its Agents onto the Property to perform any testing or other investigations which could affect the physical condition of the Property (including, without limitation, soil borings) or the uses thereof will be made only pursuant to the terms and conditions of written permission to enter in form and substance satisfactory to the Party that owns the Property.

Kensington shall maintain, and shall require that its Agents maintain, public liability and property damage insurance in amounts and in form and substance adequate to insure against all liability of Kensington and its Agents, arising out of any entry or inspection of the Property in connection with the transaction contemplated hereby, and Kensington shall provide City with evidence of such insurance coverage upon request from City.

Kensington shall indemnify, defend and hold harmless City, its Agents, and each of them, from and against any liabilities, costs, damages, losses, liens, claims and expenses (including, without limitation, reasonable fees of attorneys, experts and consultants and related costs) (collectively, "**Claims**") arising out of or relating to any entry on, under or about the City Property by Kensington, its Agents, contractors and subcontractors in performing the inspections, testing or inquiries provided for in this Agreement, whether prior to the date of this Agreement or during the term hereof, including any injuries or deaths to any persons (including, without limitation, Kensington's Agents) and damage to any property, except to the extent such Claims are caused by the acts or omissions of City or any of its Agents. The foregoing indemnity shall not include any Claims resulting from the discovery or disclosure of pre-existing environmental conditions or the non-negligent aggravation of pre-existing environmental conditions on, in, under or about the City Property. The foregoing indemnity shall survive for a period of one (1) year beyond the Closing, or, if the sale is not consummated, one(1) year beyond the termination of this Agreement.

City shall indemnify, defend and hold harmless Kensington, its Agents, and each of them, from and against any Claims arising out of or relating to any entry on, under or about the Kensington Property by City, its Agents, contractors and subcontractors in performing the inspections, testing or inquiries provided for in this Agreement, whether prior to the date of this

Agreement or during the term hereof, including any injuries or deaths to any persons (including, without limitation, City's Agents) and damage to any property, except to the extent such Claims are caused by the acts or omissions of Kensington or any of its Agents. The foregoing indemnity shall not include any Claims resulting from the discovery or disclosure of pre-existing environmental conditions or the non-negligent aggravation of pre-existing environmental conditions on, in, under or about the Kensington Property. The foregoing indemnity shall survive for a period of one (1) year beyond the Closing, or, if the sale is not consummated, one (1) year beyond the termination of this Agreement.

#### **4.4 "As-Is" Purchase**

EACH PARTY SPECIFICALLY ACKNOWLEDGES AND AGREES THAT IT IS SELLING AND PURCHASING THE OTHER PARTY'S INTEREST IN THE CITY PROPERTY OR THE KENSINGTON PROPERTY, AS THE CASE MAY BE, ON AN "AS-IS WITH ALL FAULTS" BASIS. EACH IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND, EXCEPT AS PROVIDED IN SECTIONS 9.4, AND 9.5, NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM THE OTHER PARTY OR ITS AGENTS AS TO ANY MATTERS CONCERNING SUCH PROPERTY, ITS SUITABILITY FOR THE ACQUIRING PARTY'S INTENDED USES OR ANY OF THE PROPERTY CONDITIONS. THE PARTIES DO NOT GUARANTEE THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL OR OTHER CONDITIONS OF THE PROPERTY THEY ARE SELLING, NOR DO THEY ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF SUCH PROPERTY OR ITS USE WITH ANY STATUTE, ORDINANCE OR REGULATION. IT IS THE ACQUIRING PARTY'S SOLE RESPONSIBILITY TO DETERMINE ALL BUILDING, PLANNING, ZONING AND OTHER REGULATIONS RELATING TO THE PROPERTY THAT IT IS ACQUIRING AND THE USES TO WHICH IT MAY BE PUT.

KENSINGTON ACKNOWLEDGES AND AGREES THAT CITY RETAINS FULL AND ABSOLUTE DISCRETION (A) TO GRANT OR DENY ANY AND ALL DEVELOPMENT APPROVALS, PERMITS, AND PERMISSIONS CONCERNING ANY DEVELOPMENT OF THE CITY PROPERTY, AND (B) TO CONDITION, PROCESS, OR ORDER ANY STREET VACATIONS CONCERNING THE CITY PROPERTY, FOLLOWING COMPLETION OF ENVIRONMENTAL REVIEW, AND NOTHING IN THIS AGREEMENT AFFECTS OR DIMINISHES THE RIGHT OR DISCRETION OF THE PLANNING DEPARTMENT, THE BOARD OF SUPERVISORS, OR ANY CITY OFFICIAL OR DEPARTMENT TO GRANT, DENY, OR CONDITION ANY DEVELOPMENT APPLICATION, REGULATORY APPROVAL, OR STREET VACATION RELATIVE TO THE CITY PROPERTY.

#### **4.5 Release of City**

As part of its agreement to purchase the City Property in its "As-Is With All Faults" condition, Kensington, on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases and discharges, City, its officers, employees, agents, contractors and representatives, and their respective heirs, successors, legal representatives and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or

unforeseen, that may arise on account of or in any way be connected with (i) Kensington's and its Agents and customer's past, present and future use of the City Property, (ii) the physical, geological or environmental condition of the City Property, including, without limitation, any Hazardous Material in, on, under, above or about the City Property, and (iii) any federal, state, local or administrative law, rule, regulation, order or requirement applicable thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended by Superfund Amendments and Reauthorization Act of 1986 ("SARA") (42 U.S.C. Sections 9601-9657), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (collectively, "RCRA") (42 U.S.C. Sections 6901-6987), the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977 (collectively the "Clean Water Act") (33 U.S.C. Section 1251 et seq.), the Toxic Substances Control Act ("TSCA") (15 U.S.C. Sections 2601-2629), Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the Carpenter-Presley-Tanner Hazardous Substance Account Law (commonly known as the "California Superfund" law) (California Health and Safety Code Sections 25300-25395), Hazardous Waste Control Act (California Health and Safety Code Section 25100 et seq.), Hazardous Materials Release Response Plans and Inventory Law (commonly known as the "Business Plan Law") (California Health and Safety Code Section 25500 et seq.), Porter-Cologne Water Quality Control Act (California Water Code Section 13000 et seq.), Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (California Health and Safety Code Section 25249.5 et seq.).

In connection with the foregoing release, Kensington expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN TO HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

BY PLACING ITS INITIALS BELOW, KENSINGTON SPECIFICALLY ACKNOWLEDGES AND CONFIRMS THE VALIDITY OF THE RELEASES MADE ABOVE AND THE FACT THAT KENSINGTON WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THE ABOVE RELEASES.

INITIALS: KENSINGTON: \_\_\_\_\_

#### **4.6 Release of Kensington**

As part of its agreement to purchase the Kensington Property in its "As-Is With All Faults" condition, City, on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases and discharges, Kensington, its officers, employees, agents, contractors and representatives, and their respective heirs, successors, legal representatives and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without

limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (i) City's and its Agents past, present and future use of the Kensington Property, (ii) the physical, geological or environmental condition of the Kensington Property, including, without limitation, any Hazardous Material in, on, under, above or about the Kensington Property, and (iii) any federal, state, local or administrative law, rule, regulation, order or requirement applicable thereto, including, without limitation, CERCLA, as amended by SARA, RCRA, the Clean Water Act, the TSCA, Hazardous Materials Transportation Act, the California Superfund law, Hazardous Waste Control Act, Business Plan Law, Porter-Cologne Water Quality Control Act, and Proposition 65.

In connection with the foregoing release, City expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN TO HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

BY PLACING ITS INITIALS BELOW, CITY SPECIFICALLY ACKNOWLEDGES AND CONFIRMS THE VALIDITY OF THE RELEASES MADE ABOVE AND THE FACT THAT CITY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THE ABOVE RELEASES.

INITIALS: CITY:\_\_\_\_\_

## **5. CONDITIONS PRECEDENT**

### **5.1 Kensington's Conditions Precedent**

Kensington's obligation to acquire the City Property and convey the Kensington Property is conditioned upon the following conditions precedent ("**Kensington's Conditions**"):

- (a) City has performed its obligations hereunder in all material respects.
- (b) No action or proceeding before any court or other governmental body is filed or otherwise instituted that restrains or prohibits the transactions contemplated by this Agreement, and no pending or threatened condemnation exists.
- (c) Kensington's review and approval of an updated preliminary title report, together with copies of the underlying documents, and at Kensington's option, review and approval of a policy of title insurance and current "as-built" survey in sufficient detail to support the issuance of an ALTA owner's policy of title insurance (the "**Survey**").
- (d) City's complete vacation of any rights of the public and the public right of way over all portions of the City Property that are encumbered by such rights, in accordance with



California Streets and Highways Code Section 8300 et. seq. Kensington shall be responsible for preparing the materials, processing the street vacations with City, and attending any hearings required for any petition to vacate the rights of public access, and shall bear any costs associated with such street vacations.

(e) The City Property has been rezoned from Public Use (P) to Residential Use (RH). Specifically, the Noriega and Moraga Street parcels on 8<sup>th</sup> Avenue have been rezoned as RH-2 and the 3 Laguna Honda parcels have been rezoned as RH-3.

(f) City issues a determination that curb cuts are necessary for the development of the Laguna Honda parcels and acknowledges that the Laguna Honda parcels are eligible for curb cuts of sufficient size to allow ingress and egress to each Laguna Honda parcel.

(g) Kensington's review and approval of the physical condition of the City Property.

(h) Kensington's review and approval of all zoning, land use, building, environmental and other statutes, rules, or regulations applicable to the City Property.

(i) Kensington's review and approval of documents of significance to the City Property files maintained by City's Department of Public Works ("DPW"). City shall make available to Kensington, at DPW or the Real Estate Division's offices, without representation or warranty of any kind whatsoever, all non-privileged items maintained in DPW files relating to the City Property for Kensington's review and inspection, at Kensington's cost, during normal business hours. Notwithstanding the foregoing, Kensington's review shall not include a review of any of City's internal memoranda or reports, any privileged or confidential information, or City's appraisals of the City Property, if any.

(j) The Record Survey Condition is satisfied.

(k) City conveys the City Property to Kensington at Closing.

## **5.2 Approval or Waiver of Kensington's Conditions**

Kensington shall have until the Closing to review and approve or waive Kensington's Conditions. If Kensington elects to proceed with the purchase of the City Property, then Kensington shall notify City in writing that Kensington has approved all such matters. If before the end of the Contingency Period Kensington fails to give City such written notice and fails to object to any of Kensington's Conditions, then Kensington shall be deemed to have waived Kensington's Conditions. However, under no circumstances shall 5.1 (d), (e), or (f) be deemed waived unless Kensington expressly waives those conditions in writing. Notwithstanding the foregoing, if Kensington objects to any of the matters contained in Section 5.1, then City may, but shall have no obligation to remove or remedy any objectionable matter. If City agrees to remove or remedy the objectionable matter, it shall notify Kensington within ten (10) days following Kensington's notice of objection. If and when City elects not to remove or remedy the objectionable matter, which City may do at any time including following an initial election to pursue remedial or corrective actions, this Agreement shall automatically terminate, and neither Party shall have any further rights or obligations hereunder except as provided in Sections 4.3

[Entry and Indemnity], 8.2 [Brokers], or 9.4 [Authority] or as otherwise expressly provided herein.

### **5.3 Failure of Kensington's Conditions Precedent**

Each of Kensington's Conditions are intended solely for the benefit of Kensington. If any Kensington Condition is not satisfied, Kensington shall have the right in its sole discretion either to waive in writing the Kensington Condition and proceed with the Closing or, in the alternative, terminate this Agreement. Upon any such termination, neither Party shall have any further rights or obligations hereunder except as provided in Sections 4.3 [Entry and Indemnity], 8.2 [Brokers], or 9.4 [Authority] or as otherwise expressly provided herein.

### **5.4 City's Conditions Precedent**

City's obligation to acquire the Kensington Property and convey the City Property is conditioned upon the following conditions precedent ("**City's Conditions**"):

(a) Kensington has performed its obligations hereunder in all material respects and all of Kensington's representations and warranties are true and correct.

(b) No action or proceeding before any court or other governmental body is filed or otherwise instituted that restrains or prohibits the transactions contemplated by this Agreement, and no pending or threatened condemnation exists.

(c) City's review and approval of an updated preliminary title report for the Kensington Property, together with copies of the underlying documents, and at City's option, review and approval of a policy of title insurance and current Survey.

(d) Kensington has caused all unlawful discriminatory covenants to be stricken from that certain document recorded at Book 4211, Page 59 in the Official Records of San Francisco County, in accordance with California Government Code Section 12956.2.

(e) City's review and approval of the physical condition of the Kensington Property.

(f) City has removed all of its equipment and personal property from the City Property, if any.

(g) City's review and approval of all zoning, land use, building, environmental and other statutes, rules, or regulations applicable to the Kensington Property.

(h) City's review and approval of (i) the following documents, all to the extent such documents exist and are either in the possession or control of Kensington or may be obtained by Kensington through the exercise of commercially reasonable efforts: recent inspection reports by Kensington's engineers; utility contracts; maintenance contracts; environmental reports, studies, surveys, tests and assessments; soils and geotechnical reports; and any other contracts or documents of significance to the Kensington Property (collectively, the "**Kensington Documents**"); and (ii) such other information relating to the Kensington Property that is specifically requested by City of Kensington in writing (collectively, the "**Other Information**").

(i) A resolution approving and authorizing the transactions contemplated hereby and finding that the public interest or necessity demands, or will not be inconvenienced by the sale of the Property, are adopted by the City's Board of Supervisors and Mayor, in their respective sole and absolute discretion, and duly enacted.

(j) City's enactment of appropriate legislation and satisfaction that the sale and proposed project on the City Property is in compliance with the CEQA, the State CEQA guidelines (California Code of Regulations, tit. 14, §§ 15000 et seq.), and the City's Environmental Quality Regulations (San Francisco Administrative Code, Chapter 31). City intends, prior to the Closing, to identify the actions and activities that would be necessary to develop the City Property and thereby facilitate meaningful environmental review, which must be completed prior to any approval action by the City concerning the future use of the City Property. City retains absolute discretion to: (1) make modifications it deems necessary to mitigate significant adverse environmental impacts, (2) select feasible alternatives that avoid significant adverse impacts, including the "no project" alternative, (3) balance the benefits of the sale of the City Property and the proposed project against the unavoidable significant impacts prior to taking final action, or (4) determine not to proceed with the sale of the City Property.

(k) City's enactment of an ordinance approving the rezoning of the City Property from Public Use (P) to Residential Use (RH). Specifically, the Noriega and Moraga Street parcels on 8<sup>th</sup> Avenue are rezoned as RH-2 and the 3 Laguna Honda parcels are rezoned as RH-3.

(l) City's enactment of an ordinance approving the City's complete vacation of all public rights and the public right of way over all portions of the City Property that are encumbered by such rights. Kensington shall be responsible for preparing the materials, processing the street vacations with City, and attending any hearings required for any petition to vacate the rights of public access, and shall bear any costs associated with such street vacations.

(m) The Surplus Land Act affordability restriction attached hereto as Exhibit E, in form and substance satisfactory to City, is recorded against the City Property.

(n) The Record Survey Condition is satisfied.

(o) Kensington conveys the Kensington Property to City at the Closing.

(p) Title Company has agreed to be the real estate reporting person for the Closing in compliance with the Reporting Requirements (as defined in Section 6.5 below).

## **5.5 Approval or Waiver of City's Conditions**

City shall have until the Closing to review and approve or waive City's Conditions. If City elects to proceed with the purchase of the Kensington Property, then City shall notify Kensington in writing that City has approved all such matters. Notwithstanding the foregoing, if City objects to any of the matters described in Section 5.4, then Kensington may, but shall have no obligation to remove or remedy any objectionable matter. If Kensington agrees to remove or remedy the objectionable matter, it shall notify City within ten (10) days following City's notice of objection. If and when Kensington elects not to remove or remedy the objectionable matter, which Kensington may do at any time including following an initial

election to pursue remedial or corrective actions, this Agreement shall automatically terminate, and neither Party shall have any further rights or obligations hereunder except as provided in Sections 4.3 [Entry and Indemnity], 8.2 [Brokers], or 9.4 [Authority] or as otherwise expressly provided herein.

## **5.6 Failure of City's Conditions Precedent**

Each of City's Conditions are intended solely for the benefit of City. If any City Condition is not satisfied, City shall have the right in its sole discretion either to waive in writing the City Condition and proceed with the Closing or, in the alternative, terminate this Agreement, provided that the City Conditions described in Sections 5.4(i)-(l) above may not be waived. If any of City's Conditions are not satisfied, City may, at its option, terminate this Agreement. Upon any such termination, neither Party shall have any further rights or obligations hereunder except as provided in Sections 4.3 [Entry and Indemnity], 8.2 [Brokers], or 9.4 [Authority] or as otherwise expressly provided herein.

## **6. ESCROW AND CLOSING**

### **6.1 Escrow**

Within fifteen (15) days after the Parties execute this Agreement, Kensington and City shall deposit an executed counterpart of it with the Title Company, and this instrument shall serve as the instructions to the Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. City and Kensington agree to execute such supplementary escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement; provided in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

### **6.2 Closing Date**

The closing of the transactions contemplated hereunder (the “**Closing**”) shall be held, and delivery of all items to be made at the Closing under the terms of this Agreement shall be made, at the offices of the Title Company ninety (90) days after all Parties have executed this agreement, or such earlier date and time as Kensington and City may agree upon in writing (the “**Closing Date**”). If the City fails to pass an Ordinance meeting the requirements of Section 5.1 (d) and (e), and Section 5.4 (k) and (l) by the Closing Date, Kensington may opt to extend the Closing Date by providing written notice to the City. In no event may Kensington extend the Closing Date beyond January 1, 2025 without City’s written approval in its sole discretion. In the event that the Closing has not occurred by the Closing Date, as such date may be extended, this Agreement shall be terminable upon written notice of either Party, and neither Party shall have any further rights or obligations hereunder except as provided in Sections 4.3 [Entry and Indemnity], 8.2 [Brokers], or 9.4 [Authority] or as otherwise expressly provided herein.

### **6.3 Deposit of Documents**

(a) At or before the Closing, City shall deposit into escrow the duly executed and acknowledged City Deed conveying the City Property to Kensington subject to the City Property Permitted Title Exceptions;

(b) At or before the Closing, Kensington shall deposit into escrow (i) the funds necessary to close this transaction, and (ii) the duly executed and acknowledged Kensington Deed conveying the Kensington Property to City subject to the Kensington Property Permitted Title Exceptions.

(c) City and Kensington shall each deposit such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof.

(d) Each Party shall deliver to the other originals (or to the extent originals are not available, copies) of any other items which it is required to furnish copies of or make available at the Property pursuant to Section 2 above, within five (5) business days after the Closing Date.

#### **6.4 Prorations**

Any real property taxes and assessments; water, sewer and utility charges; amounts payable under any service contracts; annual permits and/or inspection fees (calculated on the basis of the period covered); and any other expenses normal to the operation and maintenance of the Property, shall all be prorated as of 12:01 a.m. on the date the City Deed and the Kensington Deed are recorded, on the basis of a three hundred sixty-five (365)-day year. City and Kensington hereby agree that if any of the above described prorations cannot be calculated accurately on the Closing Date, then the same shall be calculated as soon as reasonably practicable after the Closing Date and either Party owing the other Party a sum of money based on such subsequent proration(s) shall promptly pay said sum to the other Party.

#### **6.5 Title Company as Real Estate Reporting Person**

Section 6045(e) of the United States Internal Revenue Code of 1986 and the regulations promulgated thereunder (collectively, the "**Reporting Requirements**") require that certain information be made to the United States Internal Revenue Service, and a statement to be furnished to the Parties, in connection with the Closing. Kensington and City agree that if the Closing occurs, Title Company will be the party responsible for closing the transaction contemplated in this Agreement and is hereby designated as the real estate reporting person (as defined in the Reporting Requirements) for such transaction. Title Company shall perform all duties required of the real estate reporting person for the Closing under the Reporting Requirements, and Kensington and City shall each timely furnish Title Company with any information reasonably requested by Title Company and necessary for the performance of its duties under the Reporting Requirements with respect to the Closing.

### **7. RISK OF LOSS**

#### **7.1 Loss**

Either Party shall give the other Party notice of the occurrence of damage or destruction of, or the commencement of condemnation proceedings affecting, any portion of its Property. In the event that all or any portion of the Property is condemned, or destroyed or damaged by fire or other casualty prior to the Closing, then this Agreement shall terminate, and neither Party shall

have any further rights or obligations hereunder except as provided in Sections 4.3 [Entry and Indemnity], 8.2 [Brokers], or otherwise expressly provided.

## **7.2 Self-Insurance**

Notwithstanding anything to the contrary, Kensington acknowledges that City self-insures and is not obligated to purchase any third-party commercial liability insurance or property insurance.

## **8. EXPENSES**

### **8.1 Expenses**

Kensington shall pay any transfer taxes applicable to the sale of the City Property and the Kensington Property, all personal property taxes, escrow fees, recording charges, and any other costs and charges of the escrow for the sale of the Property.

### **8.2 Brokers**

The Parties represent and warrant to each other that no broker or finder was instrumental in arranging or bringing about this transaction and that there are no claims or rights for brokerage commissions or finder's fees in connection with the transactions contemplated by this Agreement. If any person brings a claim for a commission or finder's fee based on any contact, dealings, or communication with Kensington or City, then the Party through whom such person makes a claim shall defend the other Party from such claim, and shall indemnify the indemnified Party from, and hold the indemnified party against, any and all costs, damages, claims, liabilities, or expenses (including, without limitation, reasonable attorneys' fees and disbursements) that the indemnified Party incurs in defending against the claim. The provisions of this Section shall survive the Closing, or, if the purchase and sale is not consummated for any reason, any termination of this Agreement.

## **9. GENERAL PROVISIONS**

### **9.1 Notices**

Any notices required or permitted to be given under this Agreement shall be in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, or (c) by U.S. Express Mail or commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

CITY:

Real Estate Division  
City and County of San Francisco  
25 Van Ness Avenue, Suite 400  
San Francisco, CA 94102  
Attn: Director of Property  
Re: Kensington Exchange

BUYER:

Kensington Way LLC  
2190 Folsom St., 2nd Floor  
San Francisco, CA 94110  
Attn: Jason Lok

with a copy to:

Real Estate Team Leader  
Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Re: Kensington Exchange

or such other address as either party may from time to time specify in writing to the other party. Any notice shall be deemed given when actually delivered if such delivery is in person, two (2) days after deposit with the U.S. Postal Service if such delivery is by certified or registered mail, and the next business day after deposit with the U.S. Postal Service or with the commercial overnight courier service if such delivery is by overnight mail.

## **9.2 Successors and Assigns**

This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors, heirs, legal representatives, administrators and assigns. Kensington's rights and obligations hereunder shall not be assignable without the prior written consent of City; provided that even if City approves any such proposed assignment, in no event shall Kensington be released of any of its obligations hereunder.

## **9.3 Amendments**

This Agreement may be amended or modified only by a written instrument signed by the Kensington and City.

## **9.4 Authority of Kensington**

Kensington represents and warrants to City that Kensington is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of California. Kensington further represents and warrants to City that this Agreement and all documents executed by Kensington which are to be delivered to City at Closing are or at the time of Closing will be duly authorized, executed and delivered by Kensington and do not and at the time of Closing will not violate any provision of any agreement or judicial order to which Kensington is a party or to which Kensington is subject. Notwithstanding anything to the contrary in this Agreement, the foregoing representations and warranties and any and all other representations and warranties of Kensington contained herein or in other agreements or documents executed by Kensington in connection herewith, shall survive the Closing Date.

## **9.5 Kensington's Representations and Warranties**

Kensington represents and warrants to and covenants with City, to the actual knowledge of Jason Lok, Kensington's Manager, as follows:

(a) There are now, and at the time of the Closing will be, no material physical or mechanical defects of the Kensington Property, and no violations of any laws, rules or regulations applicable to the Kensington Property, including, without limitation, any earthquake, life safety and handicap laws (including, but not limited to, the Americans with Disabilities Act).

(b) The Kensington Documents and Other Information furnished to City are all of the relevant documents and information pertaining to the condition and operation of the Kensington Property to the extent available to Kensington and are and at the time of Closing will be true, correct and complete copies of such documents.

(c) No document or instrument furnished or to be furnished by Kensington to the City in connection with this Agreement contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

(d) Kensington does not have knowledge of any condemnation, either instituted or planned to be instituted by any governmental or quasi-governmental agency, which could detrimentally affect the use, operation or value of the Kensington Property.

(e) There are no easements or rights of way which have been acquired by prescription or which are otherwise not of record with respect to the Kensington Property, and there are no easements, rights of way, permits, licenses or other forms of agreement which afford third parties the right to traverse any portion of the Kensington Property to gain access to other real property. There are no disputes with regard to the location of any fence or other monument of the Kensington Property's boundary nor any claims or actions involving the location of any fence or boundary.

(f) There is no litigation pending or threatened against Kensington or any basis therefor that arises out of the ownership of the Kensington Property or that might detrimentally affect the use or operation of the Kensington Property for its intended purpose or the value of the Kensington Property or the ability of Kensington to perform its obligations under this Agreement.

(g) Kensington is the legal and equitable owner of the Kensington Property, with full right to convey the same, and without limiting the generality of the foregoing, Kensington has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Kensington Property.

(h) Kensington is a limited liability company duly organized and validly existing under the laws of the State of California and is in good standing under the laws of the State of California; this Agreement and all documents executed by Kensington which are to be delivered to City at the Closing are, or at the Closing will be, duly authorized, executed and delivered by Kensington and do not, and at the Closing will not, violate any provision of any agreement or judicial order to which Kensington is a party or to which Kensington or the Kensington Property is subject.

(i) Kensington has not been suspended, disciplined or disbarred by, or prohibited from contracting with, any federal, state or local governmental agency. In the event Kensington is so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify the City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension, debarment, discipline or prohibition may result in the termination or suspension of this Agreement.



(j) Kensington knows of no facts nor has Kensington failed to disclose any fact that would prevent City from using and operating the Kensington Property after Closing in the normal manner in which it is intended.

(k) The following statements are true and correct and will be true and correct as of the Closing Date: (i) neither the Kensington Property nor any real estate in the vicinity of the Kensington Property is in violation of any Environmental Laws; (ii) the Kensington Property is not now, nor has it ever been, used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material; (iii) there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the Kensington Property; (iv) there have not been and there are not now any underground storage tanks, septic tanks or wells or any aboveground storage tanks at any time used to store Hazardous Material located in, on or under the Kensington Property; (v) the Kensington Property does not consist of any landfill or of any building materials that contain Hazardous Material; and (vi) the Kensington Property is not subject to any claim by any governmental regulatory agency or third party related to the release or threatened release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the Kensington Property, or the migration of Hazardous Material from or to other property. As used herein, the following terms shall have the meanings below:

(i) "Environmental Laws" shall mean any present or future federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage) or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Kensington Property, including, without limitation, soil, air and groundwater conditions.

(ii) "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Section 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of the Improvements or are naturally occurring substances on or about the Property; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids; and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. Section 3011 et seq.

(iii) "Release" or "threatened release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any of the improvements, or in, on, under or about the Kensington Property. Release shall include, without limitation, "release" as defined in Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601).

(l) There are now, and at the time of Closing will be, no leases or other occupancy agreements affecting any of the Kensington Property. At the time of Closing there will be no outstanding written or oral contracts made by Kensington for any improvements that have not been fully paid for and Kensington shall cause to be discharged all mechanics' or materialmen's liens arising from any labor or materials furnished to the Kensington Property prior to the time of Closing. There are no obligations in connection with the Kensington Property which will be binding upon City after Closing.

(m) Kensington is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code.

## **9.6 Governing Law**

This Agreement shall be governed by, subject to, and construed in accordance with the laws of the State of California and City's Charter and Administrative Code.

## **9.7 Merger of Prior Agreements**

This Agreement, together with the exhibits hereto, contain any and all representations, warranties and covenants made by Kensington and City and constitutes the entire understanding between the Parties with respect to its subject matter. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement together with the exhibits.

## **9.8 Parties and Their Agents**

The term "**Kensington**" as used herein shall include the plural as well as the singular. If Kensington consists of more than one (1) individual or entity, then the obligations under this Agreement imposed on Kensington shall be joint and several. As used herein, the term "**Agents**" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such Party.

## **9.9 Interpretation of Agreement**

The article, section and other headings of this Agreement and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. The word "include(s)" means "include(s) without limitation" and "include(s) but not limited to," and the word "including" means "including without limitation" and "including but not limited to" as the case may be. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. This instrument (including any exhibit(s), which are hereby made a part of this Amendment) contains the entire agreement between the parties regarding the subject matter hereof and all prior written or oral negotiations, discussions, understandings, and agreements are merged in this Agreement. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

### **9.10 Time of Essence**

Time is of the essence with respect to the performance of the Parties' respective obligations contained herein.

### **9.11 Non-Liability of City Officials, Employees and Agents**

Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to Kensington, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Kensington, its successors and assigns, or for any obligation of City under this Agreement.

### **9.12 Conflicts of Interest**

Through its execution of this Agreement, Kensington acknowledges that it is familiar with the provisions of Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that if it becomes aware of any such fact during the term of this Agreement, Kensington shall immediately notify the City.

### **9.13 Notification of Prohibition on Contributions**

Through its execution of this Agreement, Kensington acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from any department of the City whenever such transaction would require the approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (1) the City elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or twelve (12) months after the date the contract is approved. Kensington acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Kensington further acknowledges that the (i) prohibition on contributions applies to each Kensington; each member of Kensington's board of directors, and Kensington's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than ten percent (10%) in Kensington; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Kensington; and (ii) within thirty (30) days of the submission of a proposal for the contract, the City department with whom Grantee is contracting is obligated to submit to the Ethics Commission the parties to the contract and any subcontractor. Additionally, Kensington certifies that Kensington has informed each of the persons described in the preceding sentence of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

#### **9.14 Sunshine Ordinance**

Kensington understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder public records subject to public disclosure. Kensington hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

#### **9.15 Tropical Hardwood and Virgin Redwood Ban**

The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code.

#### **9.16 No Recording**

Neither this Agreement nor any memorandum or short form thereof may be recorded by Kensington.

#### **9.17 Effective Date**

As used herein, the term "**Effective Date**" shall mean the date on which (i) the City's Board of Supervisors and Mayor have enacted an ordinance approving and authorizing this Agreement and the transactions contemplated hereby, and (ii) this Agreement is executed by both Parties.

#### **9.18 Severability**

If any provision of this Agreement or the application thereof to any person, entity or circumstance shall be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

#### **9.19 Acceptance by Kensington**

This Agreement shall be null and void unless it is accepted by Kensington and two (2) fully executed copies hereof are returned to City on or before 5:00 p.m. San Francisco time on \_\_\_\_\_, 2023.

#### **9.20 Counterparts**

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

A signature delivered on any counterpart by facsimile or other electronic means shall for all purposes be deemed to be an original signature to this Agreement.

### **9.21 Cooperative Drafting**

This Agreement has been drafted through a cooperative effort of both parties, and both Parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No Party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the Party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, KENSINGTON ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL A RESOLUTION OF CITY'S BOARD OF SUPERVISORS IS DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH A RESOLUTION, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED BY CITY'S BOARD OF SUPERVISORS NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

*[SIGNATURES ON FOLLOWING PAGE]*

The parties have duly executed this Agreement as of the respective dates written below.

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a  
municipal corporation

By: \_\_\_\_\_  
Andrico Penick  
Director of Real Estate

KENSINGTON WAY LLC,

a California limited liability company

By: \_\_\_\_\_  
Jason Lok

Its: \_\_\_\_\_

By: \_\_\_\_\_  
[NAME]

Its: \_\_\_\_\_

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: \_\_\_\_\_  
Elizabeth A. Dietrich  
Deputy City Attorney

APPROVED BY BOARD OF SUPERVISORS

Pursuant to Ordinance No. \_\_\_\_\_

Adopted \_\_\_\_\_

**[ALL EXHIBITS WILL NEED UPDATING]**

**EXHIBIT A**

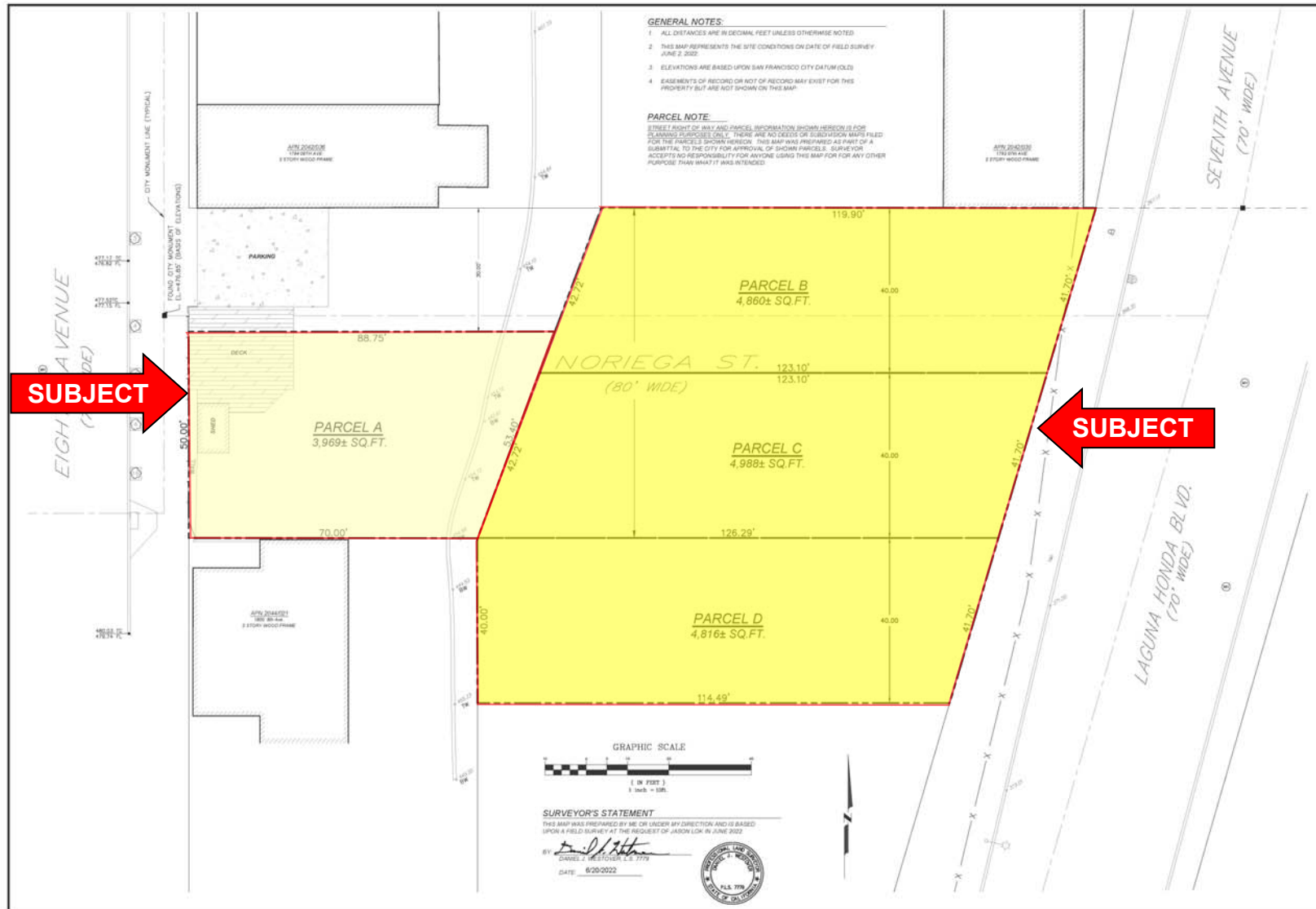
**CITY PROPERTY DESCRIPTION**

All that certain real property located in the City and County of San Francisco, State of California, described as follows:

***[NOTE: DESCRIPTION TO COME FROM TITLE REPORT]***

# Parcel Map – Noriega Street and Laguna Honda Boulevard Parcels

## Exhibit A

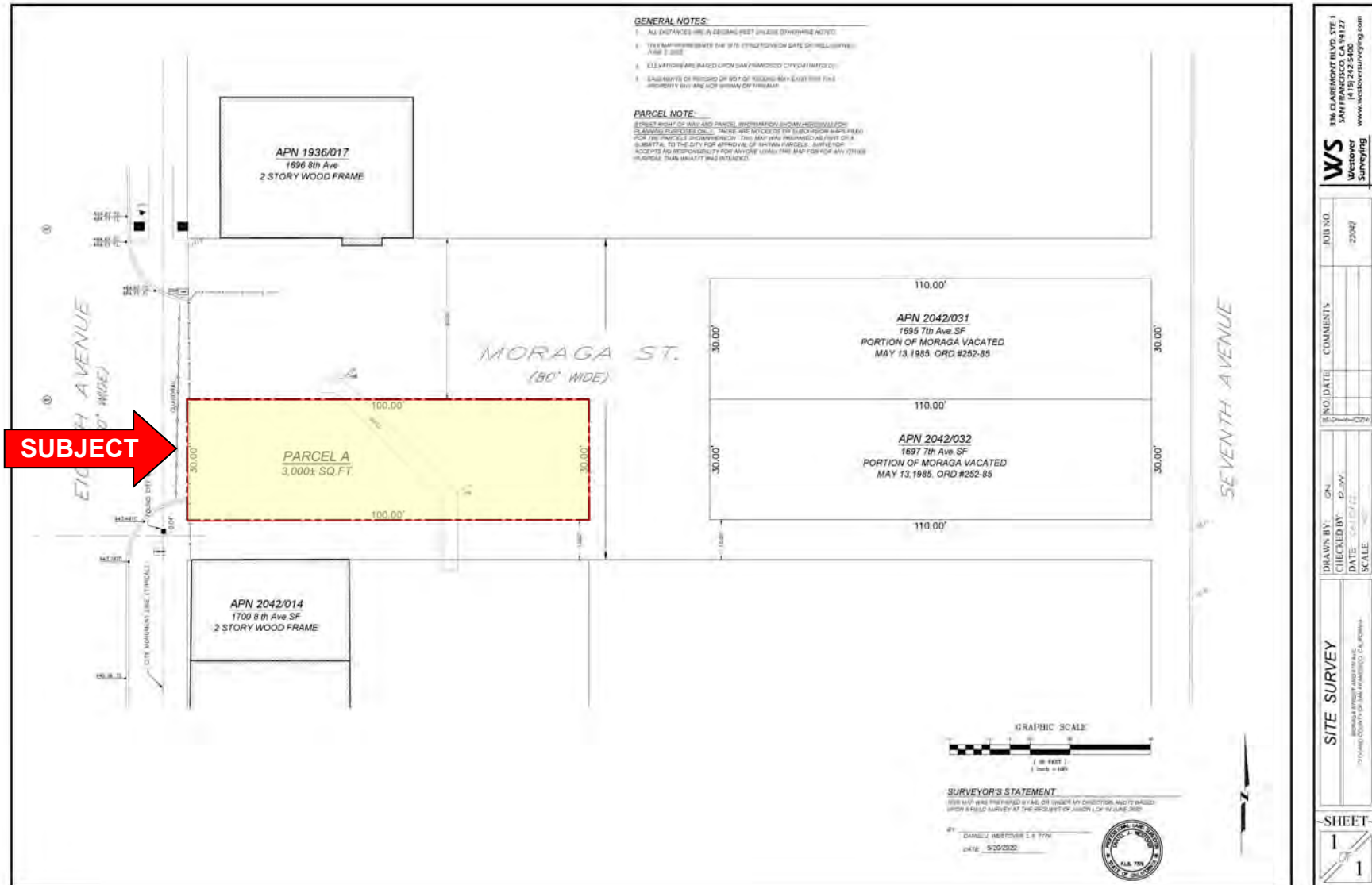


<b>SITE SURVEY</b>		<b>WESTOVER SURVEYING</b>	
NORIEGA ST. BETWEEN LAGUNA HONDA BLVD. AND CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA		336 CLAREMONT BLVD., STE. 1 SAN FRANCISCO, CA 94117 (415) 242-5400 www.westoversurveying.com	
DRAWN BY: GNL	CHECKED BY: EP, JW	JOB NO.	22042
DATE: 06/27/22	SCALE: 1"=50'	COMMENTS:	
SHEET 1 OF 1			



# Parcel Map – Moraga Street Parcel

## Exhibit A



**EXHIBIT B**

**KENSINGTON PROPERTY DESCRIPTION**

All that certain real property located in the City and County of San Francisco, State of California, described as follows:

***[NOTE: DESCRIPTION TO COME FROM TITLE REPORT]***

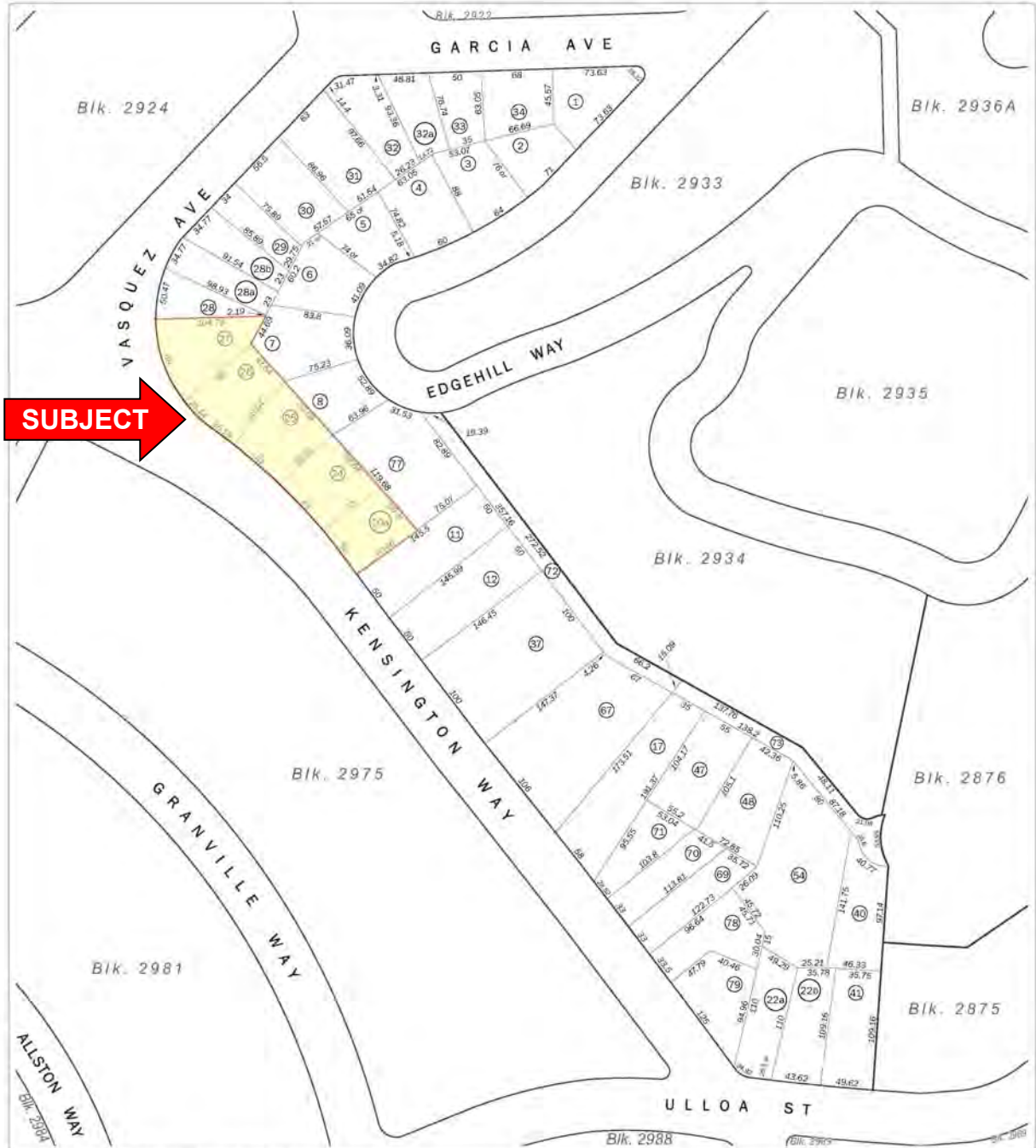
# ASSESSOR'S MAP

Volume 20

CLAREMONT CRT. PARCEL 2

Block 2923

SHEET 1 OF 2



## SAN FRANCISCO CITY & COUNTY ASSESSOR'S BLOCK MAP

DISCLAIMER: THIS MAP WAS PREPARED FOR ASSESSMENT  
PURPOSES ONLY. ASSESSOR'S PARCELS MAY NOT COMPLY  
WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.



REVISED 2019

0 50 100 200 Feet

**EXHIBIT C**

**QUITCLAIM DEED**

RECORDING REQUESTED BY,  
AND WHEN RECORDED RETURN TO:

Real Estate Division  
City and County of San Francisco  
25 Van Ness Avenue, Suite 400  
San Francisco, California 94102  
Attn: Director of Property

MAIL TAX STATEMENTS TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Address: \_\_\_\_\_

(Space above this line reserved for Recorder's use only)

Block \_\_\_\_\_, Lot \_\_\_\_\_

Documentary Transfer Tax of \$\_\_\_\_\_ based upon full market value of the property without deduction for any lien or encumbrance

**QUITCLAIM DEED [WITH RESTRICTIONS  
AND EASEMENT RESERVATIONS]  
[(Assessor's Parcel No. \_\_\_\_\_)]**

FOR VALUABLE CONSIDERATION, receipt and adequacy of which are hereby acknowledged, the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), pursuant to Ordinance No. \_\_\_\_\_, adopted by the Board of Supervisors on \_\_\_\_\_, 20\_\_\_\_ and approved by the Mayor on \_\_\_\_\_, 20\_\_\_\_, hereby RELEASES, REMISES AND QUITCLAIMS to \_\_\_\_\_, any and all right, title and interest City may have in and to the real property located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof.

Executed as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_  
ANDRICO Q. PENICK  
Director of Property

APPROVED AS TO FORM:

DAVID CHIU  
City Attorney

By: \_\_\_\_\_  
Elizabeth Dietrich  
Deputy City Attorney

DESCRIPTION CHECKED/APPROVED:

By: \_\_\_\_\_  
[NAME]  
City Engineer

**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.**

State of California                    )  
  ) ss  
County of San Francisco         )

On \_\_\_\_\_, before me, \_\_\_\_\_, a notary public in and for said State, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**EXHIBIT D**

**GRANT DEED**

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

Director of Property  
Real Estate Division  
City and County of San Francisco  
25 Van Ness Avenue, Suite 400  
San Francisco, California 94102

The undersigned hereby declares this instrument to be  
exempt from Recording Fees (CA Govt. Code § 27383)  
and Documentary Transfer Tax (CA Rev. & Tax Code  
§ 11922 and S.F. Bus. & Tax Reg. Code § 1105)

(Space above this line reserved for Recorder's use only)

**GRANT DEED**

(Assessor's Parcel No. \_\_\_\_\_)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, KENSINGTON WAY LLC, a California limited liability company hereby grants to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the real property located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof (the "Property").

TOGETHER WITH any and all rights, privileges and easements incidental or appurtenant to the Property, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Property, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Property, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Property and all of Grantor's right, title and interest in and to any and all roads and alleys adjoining or servicing the Property.

*[SIGNATURES ON FOLLOWING PAGE]*

Executed as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

KENSINGTON WAY LLC,  
a California limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.**

State of California                    )  
  ) ss  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a notary public in and for said State, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

---

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property located at \_\_\_\_\_ conveyed by the foregoing Grant Deed dated \_\_\_\_\_ to the City and County of San Francisco, a municipal corporation, is hereby accepted pursuant to Board of Supervisors' Resolution No. 18110 Series of 1939, approved August 7, 1957, and Ordinance No. \_\_\_\_\_, approved \_\_\_\_\_, 20\_\_\_\_, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Andrico Q. Penick  
Director of Property

**EXHIBIT E**  
**DECLARATION OF AFFORDABILITY RESTRICTIONS**  
**(per Government Code Section 54233)**

(Attached)

Free Recording Requested Pursuant to  
Government Code Sections 27383 and  
27388.1

Recording requested by,  
and when recorded return to:

Real Estate Division  
City and County of San Francisco  
25 Van Ness Avenue, Suite 400  
San Francisco, California 94102  
Attn: Director of Property

MAIL TAX STATEMENTS TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Address: \_\_\_\_\_

Block \_\_\_\_\_, Lot \_\_\_\_\_

(Space above this line reserved for  
Recorder's use only)

**DECLARATION OF AFFORDABILITY RESTRICTIONS**  
**(per Government Code Section 54233)**

THIS DECLARATION OF AFFORDABILITY RESTRICTIONS ("**Declaration**") is made as of \_\_\_\_\_, 20\_\_, by KENSINGTON WAY LLC, a California limited liability company ("**Declarant**"), in favor of the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**").

**RECITALS**

A. The City is transferring its interest in certain real property described in Exhibit A attached hereto and incorporated herein by reference (the "**Property**") to Declarant.

B. As a condition to City's transfer of the Property to Declarant, this Declaration is recorded against the Property in compliance with California Government Code §§54220 et seq. (the "**Surplus Land Act**"). Declarant's covenants and agreements described in this Declaration are a material part of the consideration for City in transferring the Property, and without

Declarant's agreement to subject the Property to this Declaration, City would be unwilling to transfer the Property to Declarant.

### **AGREEMENT**

Now, therefore, in consideration of the City's transfer of the City Property, Declarant agrees as follows:

1. Affordability Restriction. If ten (10) or more residential units are developed on the Property, not less than 15 percent of the total number of residential units developed on the property shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the California Health and Safety Code, or affordable rent, as defined in Section 50053 of the California Health and Safety Code, to lower income households, as defined in Section 50079.5 of the California Health and Safety Code. Rental units shall remain affordable to and occupied by lower income households for a period of 55 years for rental housing and 45 years for ownership housing. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of 65915 of the California Government Code. These requirements shall be covenants or restrictions running with the land and shall be enforceable against any owner who violates a covenant or restriction and each successor-in-interest who continues the violation by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5 of the California Government Code.

2. Nondiscrimination. Declarant agrees not to discriminate against or permit discrimination against any person or group of persons because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability, gender identity, height, weight, source of income or acquired immune deficiency syndrome (AIDS) or AIDS related condition (ARC) in the operation and use of the Project except to the extent permitted by law or required by any other funding source for the Project. Declarant agrees not to discriminate against or permit discrimination against persons using Section 8 certificates or vouchers or assistance through other rental subsidy programs.

3. Covenants Run with the Land. This Declaration and its affordability restrictions constitute covenants running with the land and bind successors and assigns of Declarant. In the event that Declarant fails to comply with this Declaration to the City's satisfaction, in its sole discretion, within thirty (30) days of Declarant's receipt of notice from the City to so comply, the City at its option may exercise any rights available at equity or in law, including, without limitation, institute an action for specific performance. Declarant shall pay the City's costs in connection with the City's enforcement of the terms of this Declaration, including, without limitation, the City's attorneys' fees and costs.

Declarant has executed this Declaration as of the date first written above.

Executed as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**DECLARANT:**

**KENSINGTON WAY LLC,**  
a California limited liability company

By: \_\_\_\_\_  
Name: Jason Lok  
Title: \_\_\_\_\_

**CITY:**

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_  
ANDRICO Q. PENICK  
Director of Property

**APPROVED AS TO FORM:**

DAVID CHIU  
City Attorney

By: \_\_\_\_\_  
Elizabeth Dietrich  
Deputy City Attorney

**DESCRIPTION CHECKED/APPROVED:**

By: \_\_\_\_\_  
[NAME]

City Engineer

**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.**

State of California                    )  
  ) ss  
County of San Francisco            )

On \_\_\_\_\_, before me, \_\_\_\_\_, a notary public in and for said State, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under Penalty of Perjury under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature \_\_\_\_\_ (Seal)





## **EXHIBIT F**

### **STORMWATER FLOOD RISK DISCLOSURE**

*THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS BLOCK \_\_\_\_\_, LOT \_\_\_\_\_, AT THE FOLLOWING STREET ADDRESS:*

*\_\_\_\_\_. THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE-DESCRIBED PROPERTY IN COMPLIANCE WITH ARTICLE 51 OF THE SAN FRANCISCO POLICE CODE. IT IS NOT A WARRANTY OF ANY KIND BY THE CITY, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE TRANSFEREE MAY WISH TO OBTAIN.*

#### *I*

*The City discloses the following information with the knowledge that even though this is not a warranty, prospective transferees may rely on this information in deciding whether and on what terms to acquire the subject property. City authorizes any agent(s) representing any transferee in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated lease of the property.*

*THE FOLLOWING ARE REPRESENTATIONS MADE BY THE CITY AS REQUIRED BY THE CITY AND COUNTY OF SAN FRANCISCO AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE CITY AND TRANSFEREE.*

*The City and County of San Francisco recognizes that it is in the public interest to ensure that persons who own properties at risk of flooding have information about their flood risk so they can take steps to mitigate the risk, such as flood-proofing their property or purchasing flood insurance. It is also in the public interest to ensure that before persons purchase, rent, or lease real property they have notice regarding the stormwater flood risk to their property. Mandatory disclosure before sale, rental, or lease is an effective tool for ensuring that transferees (including buyers and tenants) of real property in San Francisco have access to this important information.*

*Accordingly, the San Francisco Public Utilities Commission has adopted the 100-Year - Storm Flood Risk Map. **The above-described property is located in a “100-year storm flood risk zone” as shown on the 100-Year Storm Flood Risk Map. Accordingly, the property may be subject to deep and contiguous flooding during a 100-year storm event due to stormwater flow and drainage, and you may experience inconveniences, costs, and governmental requirements related to that flooding.***

*A 100-year storm event means a storm that has a 1% probability of occurring at a particular location in a given year.*

*If the property is in a “100-year storm flood risk zone” as shown on the 100-Year Storm Flood Risk Map, that does not mean the property is subject to flooding only during a 100-year storm event. The property may also flood at other times and from other causes.*

*The 100-Year Storm Flood Risk Map shows only areas subject to flood risk in a 100-year storm event due to precipitation and related stormwater runoff. It does not show all areas of San Francisco that are subject to flood risk due to inundation, storm surge, high tides, stormwater systems blockages, or other causes of flooding, and should not be relied upon to provide a complete assessment of a property's risk of flooding.*

*The 100-Year Storm Flood Risk Map may be found at <https://www.sfwater.org/index.aspx?page=1229> and is on file with the San Francisco Public Utilities Commission at 525 Golden Gate Avenue, San Francisco, CA 94102. For additional information pertaining to this disclosure and the 100-Year Storm Flood Risk Map, please contact the San Francisco Public Utilities Commission at RainReadySF@sfwater.org or (415) 695-7326.*

*The person signing below on behalf of the City certifies that the information in this disclosure is true and correct to the best of such person's knowledge as of the date below.*

*City and County of San Francisco,  
a municipal corporation*

*By: \_\_\_\_\_*

*Print Name: \_\_\_\_\_*

*Print Title: \_\_\_\_\_*

*Date \_\_\_\_\_*

## *II*

*TRANSFeree MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.*

*I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.*

*Transferee \_\_\_\_\_ Date \_\_\_\_\_*

*Transferee \_\_\_\_\_ Date \_\_\_\_\_*

*Agent for Transferee \_\_\_\_\_ By \_\_\_\_\_ Date \_\_\_\_\_  
(Please Print) (Associate Licensee or Broker-Signature)*

*A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.*

## QUITCLAIM DEED

RECORDING REQUESTED BY,  
AND WHEN RECORDED RETURN TO:  
Real Estate Division  
City and County of San Francisco  
25 Van Ness Avenue, Suite 400  
San Francisco, California 94102  
Attn: Director of Property  
MAIL TAX STATEMENTS TO:

\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Address: \_\_\_\_\_

(Space above this line reserved for Recorder's use only)

Block \_\_\_\_\_, Lot \_\_\_\_\_

Documentary Transfer Tax of \$ \_\_\_\_\_ based upon full market value of the property without deduction for any lien or encumbrance

### QUITCLAIM DEED AND RESERVATION OF EASEMENT [(Assessor's Parcel No. \_\_\_\_\_)]

A. The City and County of San Francisco, a municipal corporation (“**City**”) is the owner of certain real property in San Francisco, California, described on the attached Exhibit A and shown on the attached Exhibit A-1 (the “**City Property**”).

B. Concurrently herewith, City and Kensington Way LLC, a California limited liability company (“**Kensington**”) are undertaking an exchange of real property whereby City will quitclaim the City Property to Kensington in exchange for Kensington's conveyance of certain real property to City. As part of the property exchange and quitclaim to Kensington, City will retain an easement on a portion of the City Property described on the attached Exhibit B (the “**Easement Area**”).

D. City maintains a retaining wall on property that City will continue to own and that is adjacent to the City Property, which retaining wall stabilizes the hillside that the City Property is located on, as depicted on Exhibit B (the “**Retaining Wall**”). The infrastructure associated with the Retaining Wall includes certain subsurface tie back improvements (the “**Retaining Wall Support**”) that are located on the City Property. The purpose of the easement reserved by City in this instrument is to access and maintain the Retaining Wall, including the Retaining Wall Support.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, receipt and adequacy of which are hereby acknowledged, and incorporating the foregoing recitals, City, pursuant to Ordinance No. \_\_\_\_\_, adopted by the Board of Supervisors on \_\_\_\_\_, 20\_\_ and approved by the Mayor on \_\_\_\_\_, 20\_\_, hereby RELEASES, REMISES

AND QUITCLAIMS to Kensington any and all right, title and interest City may have in and to the real property located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof, RESERVING THEREFROM a perpetual easement in gross in, across, under, and through the Easement Area described on Exhibit B attached hereto and made a part hereof (the “**Easement**”), for purposes of providing support and related appurtenances in connection with the Retaining Wall. The Easement includes (a) the right to construct, install, maintain, repair, restore, remove, replace, alter, expand, and reconstruct, from time to time, at City’s option, within the Easement Area, the Retaining Wall Support with all associated and connecting appurtenances (collectively, “**City’s Facilities**”); (b) the right to excavate to access City’s Facilities from the surface of the ground, with not less than thirty feet (30') of vertical clearance above the surface to permit the installation and removal of City’s Facilities from the surface; (c) the right of ingress to and egress from, for City and its representatives, agents, employees, officers, suppliers, consultants, engineers, surveyors, contractors, and subcontractors (collectively, “**Agents**”), as reasonably necessary to access City’s Facilities and the Easement Area over the lands of Grantor; (d) the right of ingress to and egress from the Retaining Wall over the lands of Grantor, for City and its Agents, as reasonably necessary to construct, install, maintain, repair, restore, remove, replace, alter, expand, and reconstruct, from time to time, at City’s option, the Retaining Wall; (e) the right to place equipment on the Easement Area when needed in connection with work on the Retaining Wall or Retaining Wall Support; and (f) the right to place temporary retaining wall facilities above ground when needed in connection with any emergency or repair work, provided that any such temporary above-ground facilities or equipment shall be maintained only so long as needed to address the emergency or perform the repair work.

The conditions and covenants contained in this instrument shall be enforceable as equitable servitudes, shall run with the land, burden the City Property, and be binding on and benefit City and Kensington and their respective agents, successors and assigns, unless terminated by recordation of a quitclaim deed by City.

Executed as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**CITY:**

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_

\_\_\_\_\_  
Director of Property

APPROVED AS TO FORM:  
David Chiu, City Attorney

APPROVED LEGAL DESCRIPTION

By: \_\_\_\_\_

Elizabeth A. Dietrich  
Deputy City Attorney

By: \_\_\_\_\_

\_\_\_\_\_  
Acting City and County Surveyor

Executed as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_  
ANDRICO Q. PENICK  
Director of Property

APPROVED AS TO FORM:  
DAVID CHIU  
City Attorney

By: \_\_\_\_\_  
Elizabeth Dietrich  
Deputy City Attorney

DESCRIPTION CHECKED/APPROVED:

By: \_\_\_\_\_  
[NAME]  
City Engineer

**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.**

State of California                     )  
   ) ss  
County of San Francisco         )

On \_\_\_\_\_, before me, \_\_\_\_\_, a notary public in and for said State, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under Penalty of Perjury under the laws of the State of California that the foregoing paragraph is true and correct.  
Witness my hand and official seal.

Signature \_\_\_\_\_ (Seal)





San Francisco Public Works  
General – Director’s Office  
49 South Van Ness Ave., Suite 1600  
San Francisco, CA 94103  
(628) 271-3160 [www.SFPublicWorks.org](http://www.SFPublicWorks.org)

**Public Works Order No: 211953**

**Determination to recommend: 1) the summary street vacation of City property on unimproved street areas on dead end portions of Moraga and Noriega Avenues between 8<sup>th</sup> Avenue and 7<sup>th</sup> Avenue where it transitions to Laguna Honda Boulevard, pursuant to California Streets and Highways Code Sections 8300 *et seq.* and Public Works Code Section 787(a); 2) reserving easements related to the support for City-owned retaining walls from the street vacation properties; 3) quitclaiming the City’s interest in the street vacation area to Kensington Way, LLC and accepting deeds for exchange properties along Kensington Way, subject to certain conditions.**

WHEREAS, The street vacation area on a dead-end portion of Noriega Avenue at 8<sup>th</sup> Avenue and 7<sup>th</sup> Avenue/Laguna Honda Boulevard is as depicted on San Francisco Public Works (“Public Works”) SUR Map 2025-001, dated July 17, 2025; and

WHEREAS, The street vacation area on a dead-end portion of Moraga Avenue and 8<sup>th</sup> Avenue is as depicted on Public Works SUR Map 2025-002, dated July 17, 2025 (collectively SUR Maps 2025-001 and 002 are referred to as the “Street Vacation Area”); and

WHEREAS, The City owns the property underlying the Street Vacation Area; and

WHEREAS, The only existing legally recognized structures on or adjacent to Street Vacation Area is a City-owned retaining wall and associated tiebacks and other appurtenances that will be subject to reserved easements for the benefit of the City. These reserved easements are referred to as the “Retaining Wall Support Easements”; and

WHEREAS, Kensington Way, LLC (the “Developer”), owns several parcels on Edgehill Mountain along Kensington Way (the “Kensington Way Parcels”). The hillside on which the Kensington Way Parcels are found has a variety of unstable soil conditions and has been impacted by landslides in the past; and

WHEREAS, The City intends to exchange the property underlying the Street Vacation Area (the “City Property”) with Developer’s Kensington Way property (the “Kensington Way Parcels”) so that the City can prevent further destabilization of the Kensington Way Parcels and preserve these Parcels as open space while allowing the Developer to construct residential units on the City Property. A land exchange agreement (the “Exchange Agreement”) that details the property exchange and various conditions related to it is further described in Board of Supervisors Resolution No. 29-24, on file with the Clerk of the Board of Supervisors in File No. 231261; and

WHEREAS, The Street Vacation Area: (a) is unnecessary for the City’s present or prospective public street, sidewalk, and service easement purposes, (b) with the exception of the reservation for Retaining Wall Support Easements regarding the City-owned retaining wall adjacent to the Street Vacation Area, the public interest, convenience, and necessity do not require any easements or other rights be reserved

for any public or private utility facilities that are in place in the Street Vacation Area and any rights based upon any such public or private utility facilities not specifically excepted shall be extinguished upon the effectiveness of the street vacation; and (3) in accordance with California Streets and Highways Code Sections 892 and 8314, the Street Vacation Area has never been used and is not useful as a nonmotorized transportation facility because the Street Vacation Area does not connect through to other streets, parts of it terminate on the top of a steep hillside, and there are alternative routes for such uses available in close proximity; and

WHEREAS, In order to protect the City's ability to maintain the City-owned retaining wall adjacent to the Street Vacation Area, including the wall's tie backs and appurtenances, Public Works recommends that the Board of Supervisors reserve the Retaining Wall Support Easements from the City quitclaims as a condition of the street vacation; and

WHEREAS, The Street Vacation Area may be summarily vacated according to California Streets and Highways Code Sections 8330, 8331, 8334, and 8334.5 because: (a) this area is a paper street that constitutes excess right-of-way which is no longer needed for street purposes now and in the future; (b) the street vacation would not (1) cut off all access to a person's property that adjoins the street or (2) terminate a public service easement; (c) the street area has been impassable to vehicular travel and has not been maintained using public funds for more than five consecutive years; and (d) there are no in-place public utility facilities that are in use or would be affected by the street vacation based upon Developer's compliance with the San Francisco Public Utilities Commission condition identified herein below; and

WHEREAS, The vacation is being carried out pursuant to San Francisco Public Works Code Section 787(a); and

WHEREAS, Pursuant to the California Streets and Highway Code Sections 8300 et seq., Public Works (Bureau of Surveying and Mapping) has initiated the process to vacate the Street Vacation Area; and

WHEREAS, Public Works sent notice of the proposed street vacation, a draft SUR Map drawing, and a Public Works referral letter to the San Francisco Public Works: Bureau of Urban Forestry, San Francisco Municipal Transportation Agency, the San Francisco Fire Department, the San Francisco Public Utilities Commission, the San Francisco Planning Department, AT&T Inc., Comcast Cable Corp., Lumen Technologies, Point to Point, Inc., XO Communications, Verizon Communications, Inc., CenturyLink / Level 3 Communications, Shasta Consulting Group, Inc., ExteNet Systems, Inc., and Pacific Gas and Electric; and

WHEREAS, No City agency, utility company, or other noticed recipient objected to the proposed vacation; and

WHEREAS, On April 22<sup>nd</sup>, 2024, the San Francisco Municipal Transportation Agency provided notice that they had reviewed and had no objections to the proposed vacation under the condition that the fronting property owner construct a sidewalk fronting the Moraga Vacation Area along 8<sup>th</sup> Avenue; and

WHEREAS, On May 30<sup>th</sup>, 2024, the San Francisco Fire Department provided notice that they had reviewed and had no objections to the proposed vacation; and

WHEREAS, On July 17<sup>th</sup>, 2024, the San Francisco Public Works: Bureau of Urban Forestry provided approval under the conditions that the following trees are to be protected and if removals is required, permit applications are to be submitted: 1) Siberian Elm, 2) California Buckeye, and 3) Oak; and

WHEREAS, On August 19<sup>th</sup>, 2024, the San Francisco Public Utilities Commission provided approval under the condition that the Developer abandon the 8-inch sewer main located within the Street Vacation Area near the intersection of Noriega Avenue and Laguna Honda Boulevard and plug the sewer where it connects to the sewer in Laguna Honda Boulevard; and

WHEREAS, The ordinance addressing the summary street vacation also rezones the City Property and Kensington Way Parcels according to their future uses. Consequently, the Planning Commission shall consider whether the entire ordinance, including both the street vacation and rezoning are consistent with the General Plan and Planning Code Section 101.1. This Planning Commission determination shall be included as part of the Board of Supervisors file on the ordinance;

**NOW, THEREFORE, BE IT ORDERED THAT:**

The Director hereby approves the following documents either attached hereto or referenced herein:

1. Ordinance to summarily vacate the Street Vacation Area
2. Vacation Area SUR Map No. 2025-001
3. Vacation Area SUR Map No. 2025-002

The Director recommends that the Board of Supervisors approve the ordinance to summarily vacate the Street Vacation Area.

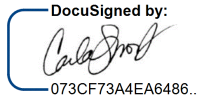
The Director recommends that the Board of Supervisors to reserve easements related to the support for City-owned retaining walls from the street vacation properties.

The Director recommends that the Board of Supervisors to quitclaim the City's interest in the street vacation area, subject to conditions.

X  Signed by:  
French, Eli  
4748D0D14D5D475...

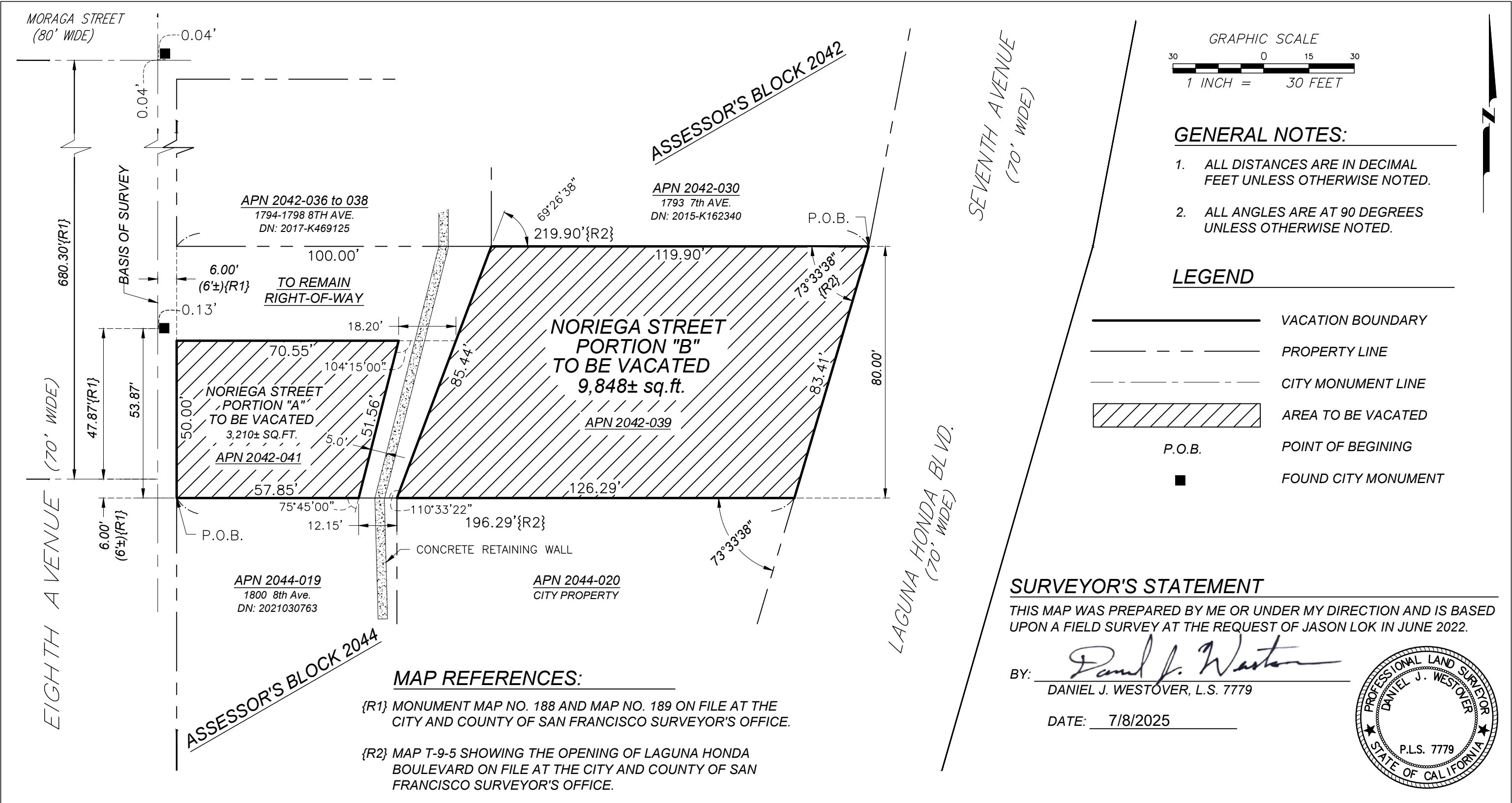
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French, Eli  
City & County Surveyor

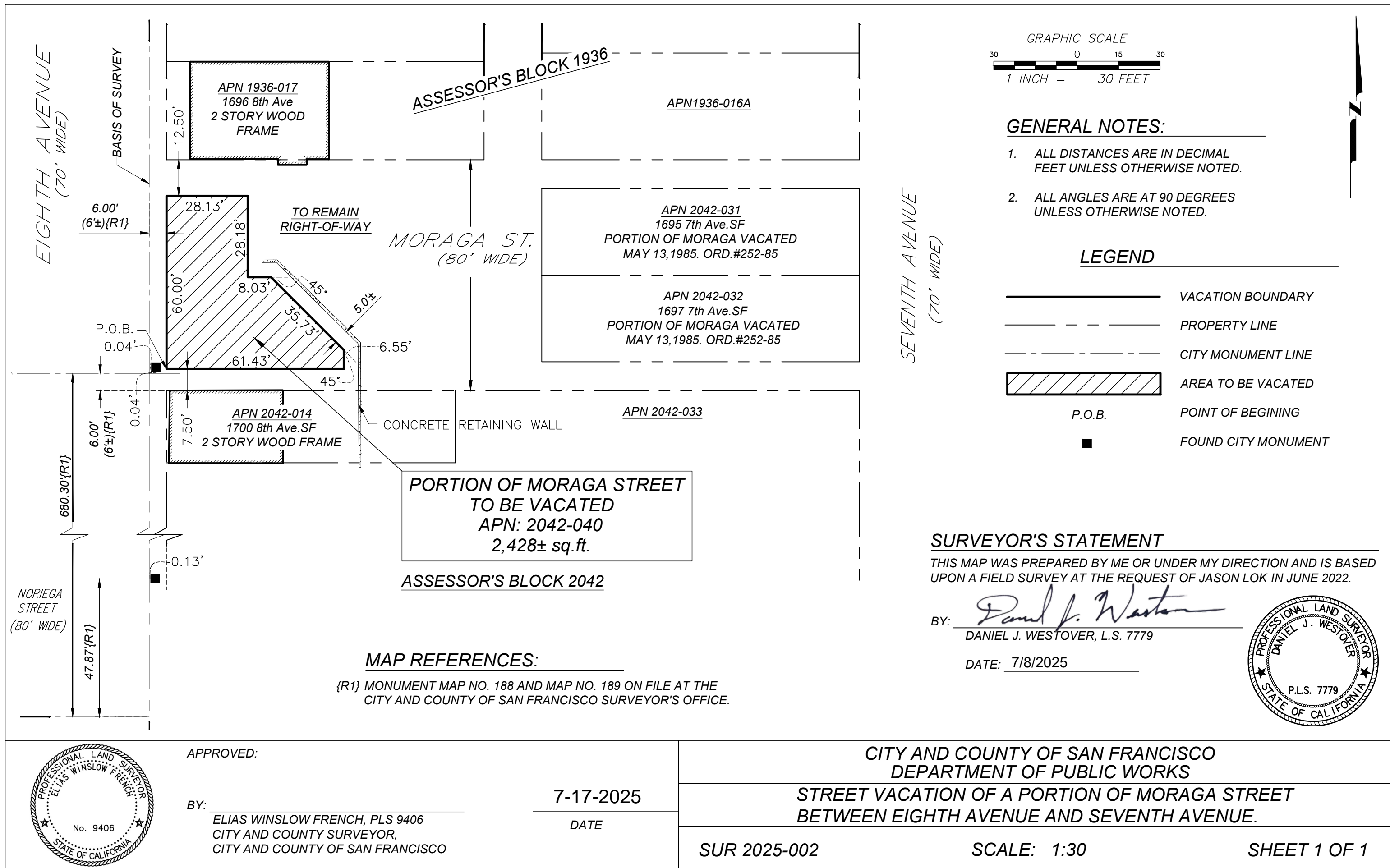
X  DocuSigned by:  
Carla Short  
073CF73A4EA6486...

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Short, Carla  
Director of Public Works



	APPROVED:	CITY AND COUNTY OF SAN FRANCISCO DEPARTMENT OF PUBLIC WORKS		
	BY: ELIAS WINSLOW FRENCH, PLS 9406 CITY AND COUNTY SURVEYOR, CITY AND COUNTY OF SAN FRANCISCO	7-17-2025 DATE	STREET VACATION OF A PORTION OF NORIEGA STREET BETWEEN 8TH AVENUE AND LAGUNA HONDA BLVD.	
			SUR 2025-001	SCALE: 1:30 SHEET 1 OF 1





BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689  
Tel. No. (415) 554-5184  
Fax No. (415) 554-5163  
TDD/TTY No. (415) 554-5227

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MEMORANDUM

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Date: August 7, 2025  
To: Planning Department/Planning Commission  
From: John Carroll, Assistant Clerk, Land Use and Transportation Committee  
Subject: Board of Supervisors Legislation Referral - File No. 250814  
Planning Code, Zoning Map, Street Vacation - Portions of Moraga and Noriega Avenues  
and Kensington Way

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- ☒ California Environmental Quality Act (CEQA) Determination  
(*California Public Resources Code, Sections 21000 et seq.*)
  - ☒ Ordinance / Resolution
  - ☐ Ballot Measure

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment. Any future development would require separate environmental review.  
8/25/2025 *Joy Navarrete*
- ☒ Amendment to the Planning Code, including the following Findings:  
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
  - ☒ General Plan
  - ☒ Planning Code, Section 101.1
  - ☒ Planning Code, Section 302
- ☐ Amendment to the Administrative Code, involving Land Use/Planning  
(*Board Rule 3.23: 30 days for possible Planning Department review*)
- ☐ General Plan Referral for Non-Planning Code Amendments  
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)  
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)
- ☐ Historic Preservation Commission
  - ☐ Landmark (*Planning Code, Section 1004.3*)
  - ☐ Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
  - ☐ Mills Act Contract (*Government Code, Section 50280*)
  - ☐ Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to John Carroll at [john.carroll@sfgov.org](mailto:john.carroll@sfgov.org).

**From:** [Board of Supervisors \(BOS\)](#)  
**To:** [BOS-Supervisors](#); [BOS-Legislative Aides](#)  
**Cc:** [BOS-Operations](#); [Carroll, John \(BOS\)](#); [Calvillo, Angela \(BOS\)](#); [De Asis, Edward \(BOS\)](#); [Entezari, Mehran \(BOS\)](#); [Mchugh, Eileen \(BOS\)](#); [Ng, Wilson \(BOS\)](#); [Somera, Alisa \(BOS\)](#)  
**Subject:** FW: File No. 250814 – Submission of Exhibits A–H (Existing Site Conditions)  
**Date:** Thursday, January 29, 2026 11:03:16 AM

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Hello,

Please see below communication regarding **File No. 250814:**

Ordinance ordering the summary street vacation of City property on unimproved street areas of Moraga and Noriega Avenues; finding the street vacation area is not necessary for the City's use; reserving easements related to support for the City-owned retaining wall from the street vacation properties and including other conditions to the street vacation; amending the Planning Code and Zoning Map to rezone the City property identified as Assessor's Parcel Block No. 2042, Lot Nos. 039-041 from P (Public)/OS (Open Space) to RH-2 (Residential Housing Two-family)/40-X, and to rezone parcels on Kensington Way adjacent to Vasquez Avenue shown on Assessor's Parcel Block No. 2923, Lot Nos. 010A and 024-027 from RH-1(D)/40-X to Public/Open Space; affirming the Planning Commission's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of the Planning Code, Section 101.1 and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Regards,

John Bullock  
Office of the Clerk of the Board  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102  
(415) 554-5184  
[BOS@sfgov.org](mailto:BOS@sfgov.org) | [www.sfbos.org](http://www.sfbos.org)

**Disclosures:** *Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.*

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**From:** Steve Chan <aspen94107@gmail.com>  
**Sent:** Wednesday, January 28, 2026 6:47 AM  
**To:** Board of Supervisors (BOS) <board.of.supervisors@sfgov.org>  
**Cc:** Steve Chan <aspen94107@gmail.com>  
**Subject:** File No. 250814 – Submission of Exhibits A–H (Existing Site Conditions)

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Angela Calvillo, Clerk of the Board,

For **File No. 250814**, please find attached **Exhibits A–H**, consisting of eight photographs (including one hand sketch) documenting existing site conditions in the vicinity of the Noriega / Laguna Honda paper street areas referenced in the proposed land swap, provided for reference only.

**Exhibit descriptions:**

- **Exhibit A:** Hand sketch showing relative locations of streets, parcels, and features (not to scale).
- **Exhibit B:** View of Noriega Street terminating at 8th Avenue.
- **Exhibit C:** Existing sliding gate located along the Noriega Street frontage, beginning approximately 6 feet north of the mapped 30-foot setback line and extending approximately 11 feet along the frontage adjacent to APN 2042-041.
- **Exhibit D:** Additional view of the existing sliding gate from a different angle.
- **Exhibit E:** Existing 6-inch sewer line visible on site, associated with drainage infrastructure near the top of the retaining wall and adjacent properties.
- **Exhibit F:** Existing catch basin and associated 6-inch sewer line.
- **Exhibit G:** Existing catch basin and gutter located at the top of the retaining wall.
- **Exhibit H:** Existing planting strip (approximately 1 foot by 50 feet), beginning approximately 6 feet north of the mapped 30-foot setback line and extending approximately 44 feet along the frontage adjacent to APN 2042-041.

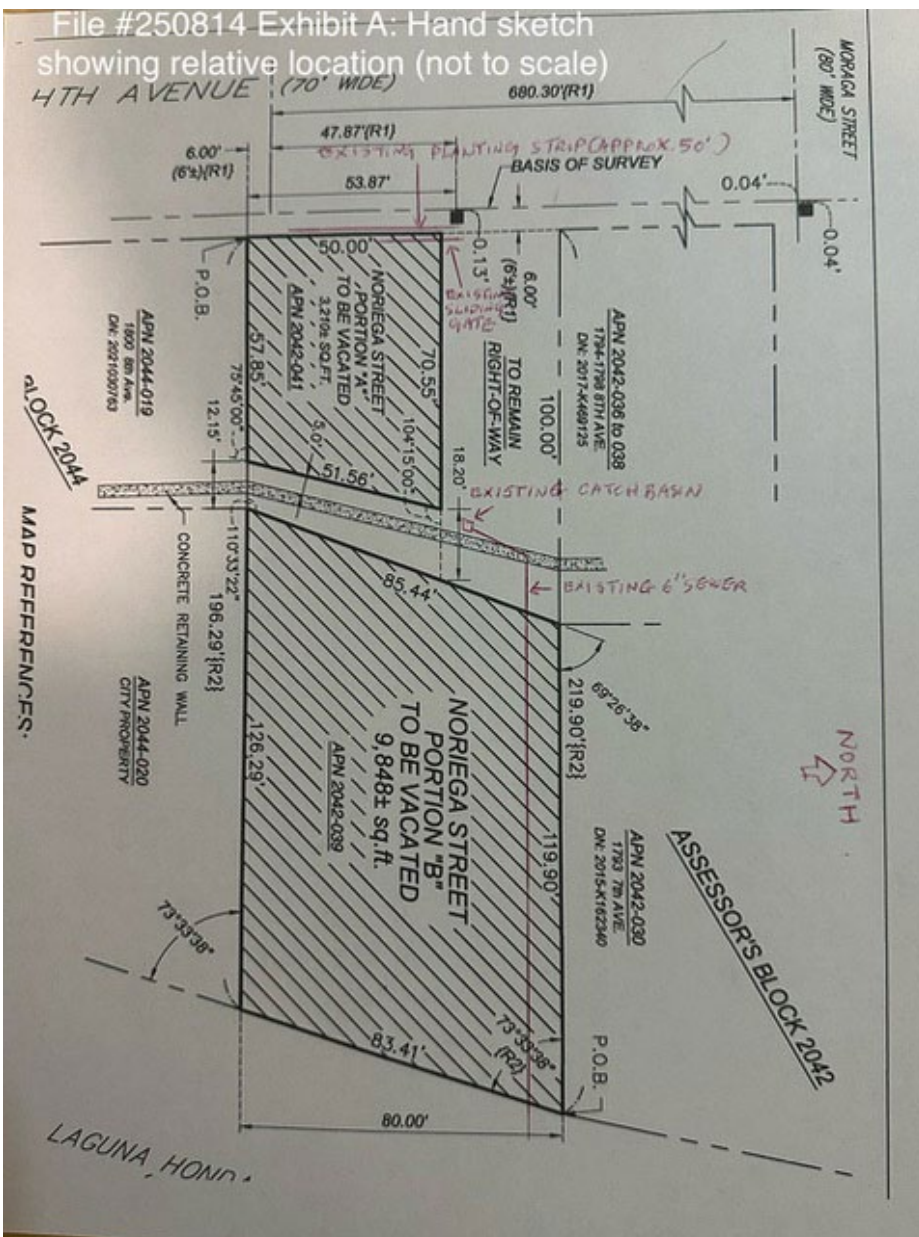
All photographs are labeled **“File #250814 – Exhibit A–H.”**

These materials are submitted solely to document existing physical conditions for the record.

Thank you for including them with the file.

Best regards,  
Steve Chan  
1798 8th Avenue  
San Francisco, CA 94122





File\_250814\_Exhibit\_A.jpg

File #250814 Exhibit B: Noriega Street terminus at 8th Ave



File\_250814\_Exhibit\_B.jpg



File\_250814\_Exhibit\_C.jpg





File\_250814\_Exhibit\_D.jpg

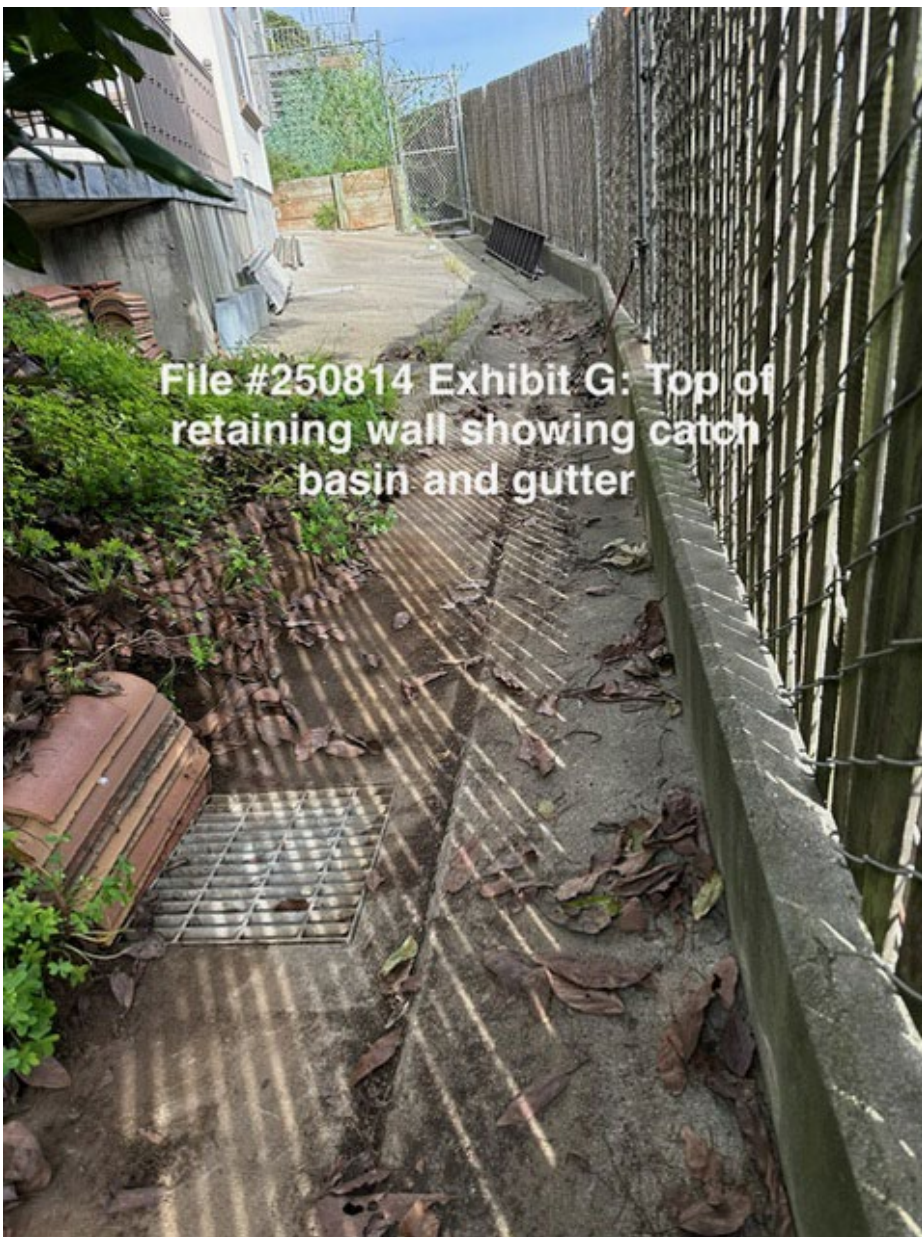


File\_250814\_Exhibit\_E.jpg



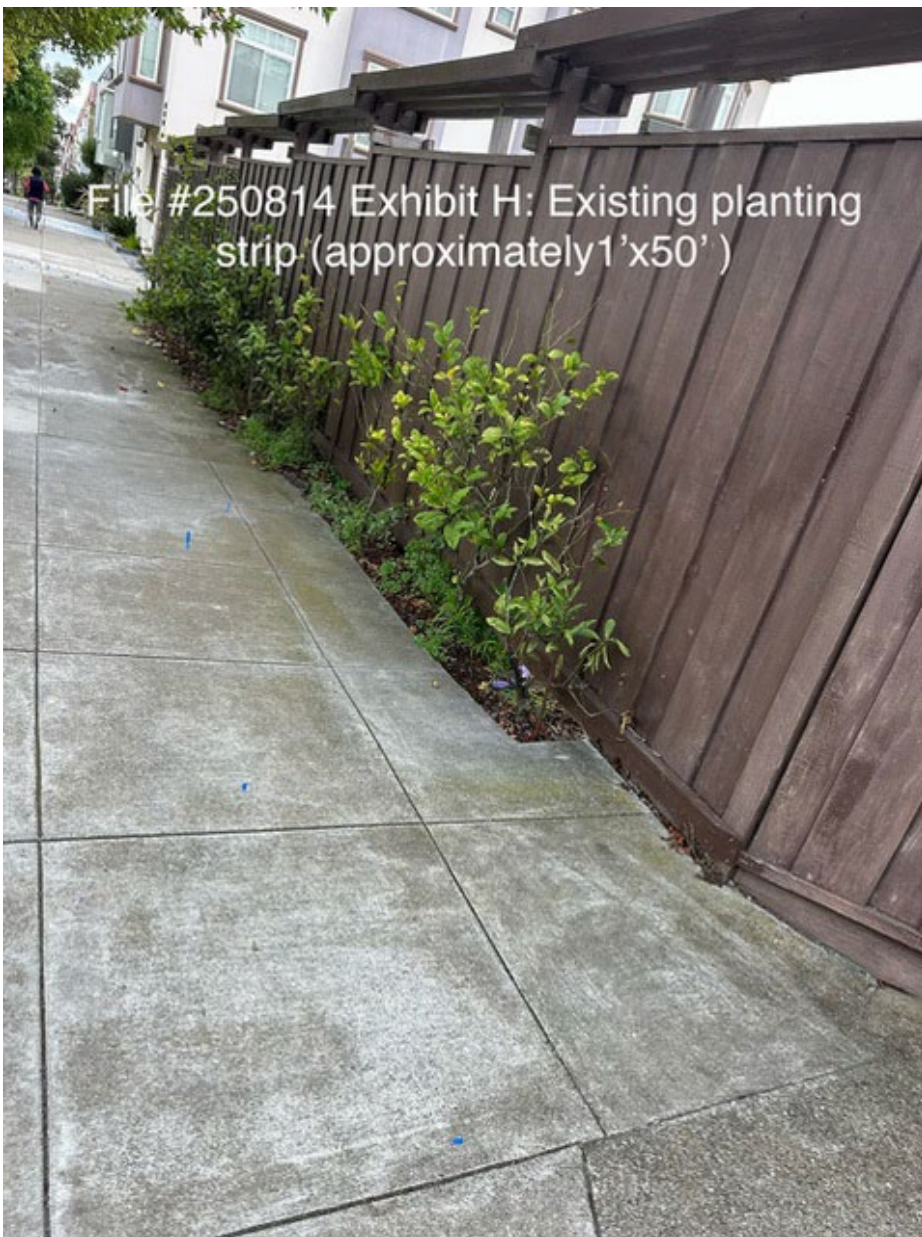


File\_250814\_Exhibit\_F.jpg



File\_250814\_Exhibit\_G.jpg





File\_250814\_Exhibit\_H.jpg



## **Introduction Form**

(by a Member of the Board of Supervisors or the Mayor)

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☐ 2. Request for next printed agenda (For Adoption Without Committee Reference)  
(Routine, non-controversial and/or commendatory matters only)
- ☐ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor  inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No.  from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No.
- ☐ 9. Reactivate File No.
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☐ Small Business Commission      ☐ Youth Commission      ☐ Ethics Commission
- ☐ Planning Commission      ☐ Building Inspection Commission      ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes      ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: