



Mark Farrell, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

May 10, 2018

Through City Administrator Naomi Kelly

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102

Subject: Upper Yard Jurisdictional Transfer

Dear Board Members:

Attached for your consideration is a Resolution approving and authorizing the jurisdictional transfer of City owned property located at the intersection of Geneva Avenue and San Jose Avenue, Assessor's Parcel Number 6973, Lot 039, commonly known as the "Upper Yard," from the San Francisco Municipal Transportation Agency ("SFMTA") to the Mayor's Office of Housing and Community Development ("MOHCD") for affordable housing.

Background

On November 6, 2012, the SFMTA Board of Directors unanimously passed Resolution No. 137-12, supporting the sale of the Upper Yard in principle and directing the SFMTA Director of Transportation to work with partner agencies to advance such sale.

The SFMTA and MOHCD entered into a Memorandum of Understanding ("MOU") on April 18, 2014, wherein SFMTA agreed to transfer jurisdiction of the Upper Yard to MOHCD on the terms and conditions in the MOU including without limitation for the sum of an appraisal to have been conducted and a deposit of \$2,500,000.00. MOHCD paid the deposit.

MOHCD has completed its due diligence investigation of the Upper Yard and desires to acquire jurisdiction for an affordable housing development. The size and design of the development to be determined upon MOHCD's negotiations with the San Francisco Bay Area Rapid Transit District ("BART") for a portion of BART's property adjacent to the Upper Yard.

MOHCD extended the term of the MOU with a First Amendment to the MOU dated April 16, 2016. The amount of the transfer fee was determined and agreed upon in the First Amendment to the MOU to be \$6,150,000.00, the opined value of a third party independent appraiser that was reviewed and approved by the Director of Property.

The agencies now wish to transfer jurisdiction.

Resolution

Specifically, the Resolution approves:

- (A) That the public interest or public necessity will not be inconvenienced by the jurisdictional transfer of the Upper Yard;
- (B) The actions contemplated in the Resolution are consistent with the City's General Plan and with Planning Code Section 101.1(b); and,
- (C) Directs the Director of Property to transfer jurisdiction of the Upper Yard from SFMTA to MOHCD in accordance with the terms and conditions of the Original MOU as modified by the First Amendment (for \$6,150,000.00).

The MOHCD, the SFMTA and the Department of Real Estate recommend approval of the proposed Resolution. If you have any questions regarding the project or the license, please contact Rafe Rabalais of SFMTA at rafe.rabalias@sfmta.com or 415.646.2764 or Claudia J. Gorham of Real Estate at 415.554.9871 or Claudia.gorham@sfgov.org.

Respectfully,



John Updike
Director of Property