

LEGISLATIVE DIGEST

[Sale of City Property - 30 Van Ness Avenue - No Less Than \$87,000,000; Appropriation to Defeasement Certificates of Participation - Up to \$31,770,000]

Ordinance authorizing the sale, by public competitive bid, of City-owned property located at 30 Van Ness Avenue for not less than \$87,000,000; authorizing the use of a portion of the proceeds from the sale for the defeasance of up to \$25,870,000 outstanding principal amount of Certificates of Participation (30 Van Ness Property) Series 2001A, up to \$5,900,000 outstanding principal amount of Certificates of Participation (City Office Buildings-Multiple Properties Project) Series 2007A, and appropriating funds for such defeasance; excluding the sale from the requirements of the Surplus Property Ordinance; affirming the Planning Department's determination under the California Environmental Quality Act; and adopting findings that the sale is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1..

Background Information

On May 7, 2001 the Board of Supervisors adopted and on May 9, 2001, the Mayor approved Resolution No. 344-01, which authorized the City to issue up to \$35,950,000 in City and County of San Francisco Certificates of Participation (30 Van Ness Property), Series 2001A (the "Series 2001A Certificates") to partially finance City's purchase of the property commonly known as 30 Van Ness Avenue (the "Property"), and on November 21, 2006 the Board of Supervisors adopted Resolution No. 680-06 and on November 29, 2006 the Mayor approved Resolution No. 680-06, which authorized the City to issue up to \$162,000,000 in City and County of San Francisco Certificates of Participation (City Office Buildings—Multiple Properties Project), Series 2007A (the "Series 2007A Certificates") to finance, among other purposes, the improvement of the Property.

Current Legislation

The Board of Supervisors finds that the provisions of Administrative Code Chapter 23A, the Surplus City Property Ordinance, shall not apply to the sale of the Property and authorizes the Director of Property to sell the Property through a competitive bid on the conditions that: (i) the sale price is equal to or greater than \$87,000,000; (ii) the sale be effectuated through a conveyance deed that imposes requirements upon redevelopment that meet or exceed certain minimum affordable housing provisions and obligations set forth in the Market Octavia Area Plan; and (iii) the sale provide for a holdover lease for the City for certain office space in the Property, and also authorizes the Director of Property to enter into the holdover lease. The Board of Supervisors authorizes and directs City's Controller or Director of Property to

cause an aggregate amount up to \$31,770,000, of the sale proceeds, plus the amount required to repay accrued interest if redeemed after September 1, 2015, to be applied to the retirement and defeasance of up to \$25,870,000 outstanding principal amount of the Series 2001A Certificates and up to \$5,900,000 of the sale proceeds to be applied to the outstanding principal amount of the Series 2007A Certificates, together in each case with interest accrued to the defeasance date.

The Controller shall establish a continuing project account into which the proceeds from the sale of the Property as well proceeds from the future sales of 1660 Mission Street and 1680 Mission Street shall be deposited. The first \$122,000,000 deposited into this account shall be used for the purpose of developing other office space to accommodate City functions relocated from these or other City facilities and repaying debt on the properties sold. Additional sales proceeds received beyond this \$122,000,000 shall be used for the purpose of development of affordable housing at these or other sites. Pending close of the sale of the Property, \$31,790,000, plus accrued interest if redeemed after September 1, 2015, is appropriated from the account for the purpose of repayment of outstanding debt on the Property. All other expenditures from the account shall be subject to future appropriation by the Mayor and Board of Supervisors.