

[Sale of City Property - 30 Van Ness Avenue - No Less Than \$87,000,000; Appropriation to Defease 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.

NOTE: **Unchanged Code text and uncodified 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. In accordance with the recommendation of the Director of Property, the Board of Supervisors finds that the public interest or necessity will not be inconvenienced by the sale of the property known as Assessor's Block No. 0835, Lot No. 004, commonly known as 30 Van Ness Avenue, San Francisco (the "Property"), owned by the City under the jurisdiction of the Department of Real Estate and presently occupied in part by City staff.

1 Section 2. The Planning Department, by letter dated July 9, 2015, found that the sale
2 of the Property is categorically exempt from environmental review under the California
3 Environmental Quality Act ("CEQA", Pub. Resources Code Section 21000 et seq.), pursuant
4 to CEQA Guidelines Section 15312 and Chapter 31 of the City's Administrative Code and is
5 consistent with the City's General Plan and the eight priority policies of City Planning Code
6 Section 101.1, which letter is on file with the Clerk of the Board of Supervisors in File No.
7 150728, and incorporated herein by this reference. The Board affirms the Department's
8 determination under the California Environmental Quality Act, and finds that the proposed sale
9 of the Property is consistent with the City's General Plan and with Planning Code Section
10 101.1(b) for the reasons set forth in the Director of Planning's letter.

11 Section 3. The Board of Supervisors authorizes the Director of Property, on behalf of
12 the City and County of San Francisco, to sell the Property through a competitive bid without
13 subsequent approval or confirmation by the Board of Supervisors on the conditions that:
14 (i) the sale price is equal to or greater than \$87,000,000; (ii) the sale be effectuated through a
15 conveyance deed imposing requirements upon redevelopment that meet or exceed those
16 certain minimum affordable housing provisions and obligations set forth in the Market Octavia
17 Area Plan, as set forth in Planning Code Section 416; and (iii) the sale provide for a holdover
18 lease for the City as described below. Following any such sale, the Director of Property shall
19 report the final sales price and conditions of sale in writing to the Clerk of the Board of
20 Supervisors within thirty (30) days of such sale.

21 Section 4. The Board of Supervisors authorizes the Director of Property, on behalf of
22 the City and County of San Francisco, as a term of the sale agreement, to enter into an office
23 lease ("Holdover Lease") of the Property to provide for continued occupancy of the Property
24 by the City on the terms and conditions outlined in an exhibit to the draft Purchase and Sale
25 Agreement ("Agreement"), which is on file with the Clerk of the Board of Supervisors in File

1 No. 150728, and incorporated herein by this reference, and to enter into any additions,
2 amendments or other modifications to the Holdover Lease (including in each instance, without
3 limitation, the attachment of exhibits) that the Director of Property, in consultation with the City
4 Attorney, determine are in the best interests of the City, do not otherwise materially increase
5 the obligations or liabilities of the City beyond those contemplated in the Agreement, and are
6 in compliance with all applicable laws, including the City's Charter.

7 Section 5. The provisions of Administrative Code Chapter 23A, the Surplus City
8 Property Ordinance, shall not apply to the sale of the Property.

9 Section 6. City's Controller or the Director of Property is hereby authorized and
10 directed to cause an aggregate amount up to \$31,770,000 of the sale proceeds to be applied
11 to the retirement and defeasance of up to \$25,870,000 outstanding principal amount of
12 Certificates of Participation (30 Van Ness Property) Series 2001A and up to \$5,900,000
13 outstanding principal amount of Certificates of Participation (City Office Buildings—Multiple
14 Properties Project), Series 2007A, collectively, the "COPs"), together in each case with
15 interest accrued to the defeasance date.

16 Section 7. The Controller shall establish a continuing project account into which the
17 proceeds from the sale of City-owned offices at 30 Van Ness Avenue, 1660 Mission Street,
18 and 1680 Mission Street (if authorized for sale) shall be deposited. The first \$122,000,000
19 deposited into this account shall be used for the purpose of developing other office space to
20 accommodate City functions relocated from these or other City facilities and repaying debt on
21 the properties sold. Additional sales proceeds received beyond this \$122,000,000 shall be
22 used for the purpose of development of affordable housing at these or other sites. Pending
23 close of the sale of 30 Van Ness Avenue, \$31,790,000, plus accrued interest if redeemed
24 after September 1, 2015, is hereby appropriated from the account for the purpose of
25 repayment of outstanding debt on the facility as provided in section 6 of this ordinance. All

1 expenditures from the account other than the above appropriation shall be subject to future
2 appropriation by the Mayor and Board of Supervisors.

3 Section 8. The Director of Property is hereby authorized and directed to take any and
4 all actions that the Director of Property, in consultation with the City Attorney, deems
5 necessary or advisable to effectuate the purposes of this ordinance, which actions shall
6 include, but not be limited to, securing bids for the sale of the Property, accepting the most
7 responsive bid, executing a purchase and sale agreement, a Holdover Lease, and such other
8 instruments and agreements described in the exhibits to the purchase and sale agreement,
9 and closing an escrow for the sale of the Property, and the Controller and the Director of
10 Property are hereby authorized and directed to take any and all actions that the Controller and
11 Director of Property, in consultation with one another and with the City Attorney, deem
12 necessary to cause a portion of the proceeds of the sale to be applied to the retirement and
13 defeasance of the COPs as provided in this ordinance, including executing any documents
14 and instruments necessary for such purposes and to cause the balance of the sale proceeds
15 to be deposited the project account described in this ordinance.

16 Section 9. Effective Date. This ordinance shall become effective 30 days after
17 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
18 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
19 of Supervisors overrides the Mayor's veto of the ordinance.

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1 RECOMMENDED:

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3 _____
4 Director of Property

5 APPROVED AS TO FORM:
6 DENNIS J. HERRERA, City Attorney

7 By: _____
8 Anita L. Wood
9 Deputy City Attorney