

File No. 160049

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date February 10, 2016

Board of Supervisors Meeting

Date _____

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input 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
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Contract/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 type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

OTHER

(Use back side if additional space is needed)

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Planning Commission Motions</u>
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Linda Wong

Date February 5, 2016

Completed by: Linda Wong

Date _____

1 [Real Property Acquisition - 1101 Connecticut Street - San Francisco Unified School District -
2 \$1,800,000]

3 **Resolution authorizing the acquisition of real property from the San Francisco Unified**
4 **School District located at 1101 Connecticut Street, near the intersection of Connecticut**
5 **Street and 25th Street, in order to further the City's General Plan priority of preserving**
6 **and enhancing the supply of affordable housing, for the purchase price of \$1,800,000.**

7
8 WHEREAS, San Francisco Unified School District ("SFUSD") owns the fee interest in
9 the real property located at 1101 Connecticut Street (Assessor's Block No. 4287, Lot No. 007)
10 (the "Property"); and

11 WHEREAS, The City has identified the Property as suitable for the development of
12 affordable housing and wishes to acquire the Property in order to further the City's General
13 Plan priority of preserving and enhancing the supply of affordable housing; and

14 WHEREAS, SFUSD and the City have entered into an Option Agreement for the
15 Purchase and Sale of Real Property (the "Agreement") dated as of November 25, 2014,
16 pursuant to which SFUSD granted to the City the exclusive and irrevocable option to purchase
17 the Property upon all terms and conditions set forth in the Agreement, for \$1,800,000 (the
18 "Purchase Price"); and

19 WHEREAS, Based on an independent appraisal, the City's Director of Property has
20 determined that the Purchase Price is reasonable and represents fair market value of the
21 Property; and

22 WHEREAS, The City proposes to pay the Purchase Price to SFUSD to purchase the
23 Property on the terms and conditions substantially as shown in the Agreement, a copy of
24 which is on file with the Clerk of the Board of Supervisors under File No. 160069 and
25 incorporated herein by reference; and

1 WHEREAS, The Planning Commission of the Department of Planning took the
2 following actions on December 5, 2015: Certified the Final Environmental Impact Report
3 (Motion No. 19529), Adopted CEQA Finding including a statement of overriding
4 considerations (Motion No. 19530), and Adopted Findings of Consistency with the General
5 Plan and Planning Code Section 101.1 (Motion No. 19531), for the Property; now, therefore,
6 be it

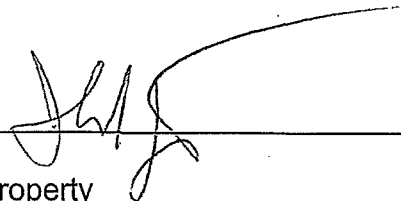
7 RESOLVED, That in accordance with the recommendation of the Director of Property,
8 the execution, delivery and performance of the Exercise Notice and the acquisition of the
9 Property substantially in accordance with the terms of the Agreement are hereby approved
10 and the Director of Property (or his designee) is hereby authorized to execute the Exercise
11 Notice on behalf of the City to acquire the Property, and to place the Property under the
12 jurisdiction of the Mayor's Office of Housing and Community Development ("MOHCD"), and
13 the Director of Property (or his designee) and the Director of MOHCD (or his designee) are
14 hereby authorized to execute any such other documents that are necessary or advisable to
15 complete the transaction contemplated by the Agreement and effectuate the purpose and
16 intent of this Resolution; and, be it

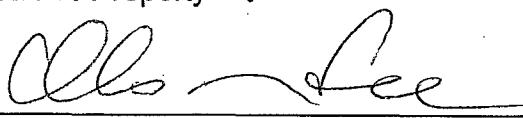
17 FURTHER RESOLVED, That the Mayor, the Clerk of the Board of Supervisors, the
18 Director of Property and the Director of MOHCD are each authorized and directed to enter
19 into any and all documents and take any and all actions which such party, in consultation with
20 the City Attorney, determines are in the best interest of the City, do not materially increase the
21 obligations of the City or materially decrease the benefits to the City, are necessary and
22 advisable to consummate the performance of the purposes and intent of this Resolution and
23 comply with all applicable laws, including the City's Charter; and, be it
24
25

1 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
2 heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors,
3 and, be it

4 FURTHER RESOLVED, That within thirty (30) days of the Agreement being fully
5 executed by all parties, the Director of Property shall provide the final Agreement to the Clerk
6 of the Board for inclusion into the official file.

1
2
3 RECOMMENDED:

4
5 
6 John Updike
7 Director of Property

8 
9 Olson Lee
10 Director, Mayor's Office of Housing and
11 Community Development
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Item 2 File 16-0069	Department: Real Estate Division Mayor's Office of Housing and Community Development (MOHCD)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objective</p>	
<ul style="list-style-type: none"> The proposed resolution authorizes the acquisition of real property by the City's Real Estate Division from the San Francisco Unified School District (SFUSD). The property is a 0.57 acre vacant parcel located at 1101 Connecticut Street, adjacent to 25th Street. The purchase price is \$1,800,000. The property would be placed under the jurisdiction of the Mayor's Office of Housing and Community Development (MOHCD). 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> The City entered into an option agreement with the San Francisco Unified School District (SFUSD) in November 2014 to purchase vacant property at 1101 Connecticut Street, adjacent to 25th Street. Under the option agreement, SFUSD granted the City the irrevocable and exclusive option to purchase the property by March 2016. The City paid SFUSD \$450,000 to compensate SFUSD for keeping the property off the market. Under the option agreement, the City was to pay \$1,800,000 to the SFUSD to purchase the property. The purchase price of \$1,800,000 was in addition to the \$450,000 payment under the option agreement. Therefore, the total cost to the City, if the purchase option is exercised, is \$2,250,000. According to the City's Director of Real Estate, the proposed purchase price of \$1,800,000 represents fair market value based on two appraisals, one of which was obtained by the SFUSD in 2009 and the other was obtained by the private real estate firm, CBRE Global Corporate Services in 2013. The property at 1101 Connecticut Street will be combined with an adjacent property owned by the Housing Authority as part of the Potrero HOPE SF project. The first phase of Potrero HOPE SF is construction of a 70-unit apartment building (69 affordable units and 1 manager's unit) at 1101 Connecticut Street. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> The Board of Supervisors previously appropriated \$1,800,000 in MOHCD's FY 2015-16 budget to purchase the 1101 Connecticut Street property. The sources of funds are federal Housing and Urban Development (HUD) Community Development Block Grant, HOME, and Choice Neighborhood Grant funds. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> Because purchase of the 1101 Connecticut Street property to build affordable housing is consistent with Board of Supervisors policy, the Budget and Legislative Analyst recommends approval of the proposed resolution. 	
<p style="text-align: center;">Recommendation</p>	
<ul style="list-style-type: none"> Approve the proposed resolution. 	

MANDATE STATEMENT

Administrative Code Section 23.1 requires Board of Supervisors approval of all resolutions and ordinances approving real property transactions. Administrative Code Section 23.4 requires Board of Supervisors approval of the granting of real property to the City before the Director of Real Estate can accept the deed to the property.

BACKGROUND

The City entered into an option agreement with the San Francisco Unified School District (SFUSD) in November 2014 to purchase vacant property at 1101 Connecticut Street, adjacent to 25th Street. Under the option agreement, SFUSD granted the City the irrevocable and exclusive option to purchase the property by March 2016. The City paid SFUSD \$450,000 to compensate SFUSD for keeping the property off the market. Under the option agreement, the City was to pay \$1,800,000 to the SFUSD to purchase the property. The purchase price of \$1,800,000 was in addition to the \$450,000 payment under the option agreement. Therefore, the total cost to the City, if the purchase option is exercised, is \$2,250,000.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution authorizes the acquisition of real property by the City's Real Estate Division from the San Francisco Unified School District (SFUSD). The property is a 0.57 acre vacant parcel located at 1101 Connecticut Street, adjacent to 25th Street. The purchase price is \$1,800,000. The property would be placed under the jurisdiction of the Mayor's Office of Housing and Community Development (MOHCD).

Property Appraisals

SFUSD obtained an appraisal from Clifford Associates in 2009 that appraised the property at \$1,625,000. A subsequent appraisal by Cushman & Wakefield Western, Inc., obtained by the private real estate firm CBRE Global Corporate Services in 2013, appraised the property at \$2,100,000. According to Mr. John Updike, Director of Real Estate, the proposed purchase price of \$1,800,000 represents fair market value based on these two appraisals.

Property Use

According to MOHCD, the property at 1101 Connecticut Street will be combined with an adjacent property owned by the Housing Authority as part of the Potrero HOPE SF project. Potrero HOPE SF is a mixed-income housing development that will redevelop the Housing Authority's Potrero Terrace and Potrero Annex public housing projects. Approximately 1,700 housing units will be built, resulting in 606 replacement public housing units for families, approximately 200 new affordable housing units, and up to 900 market rate housing units.

The first phase of Potrero HOPE SF is construction of a 70-unit apartment building (69 affordable units and 1 manager's unit) at 1101 Connecticut Street. The apartment building will consist of one-bedroom, two-bedroom and three-bedroom units. Approximately 52 of the 69 affordable housing units will be occupied by households who are relocating from the Housing

Authority's Potrero Annex. The remaining 17 of the 69 affordable housing units will be available to households with income of 50 percent to 60 percent of the Area Median Income.¹

MOHCD selected BRIDGE Housing, a nonprofit developer, through a competitive Request for Proposals (RFP) process to develop Potrero HOPE SF, including the 70-unit apartment building at 1101 Connecticut Street. MOHCD will enter into a 99-year ground lease with BRIDGE Housing for the property. BRIDGE Housing will be responsible for financing the construction of the 70-unit apartment building.

The estimated project development costs for 1101 Connecticut Street (not including property acquisition costs) are \$42.3 million. MOHCD has approved a \$2.2 million loan to BRIDGE Housing to pay predevelopment costs. According to MOHCD, BRIDGE Housing is seeking the balance of needed financing of \$40.1 million, including financing sources from general partner equity contributions, a conventional mortgage, federal low-income housing tax credits, the Federal Home Loan Banks' Affordable Housing Program, and additional MOHCD loans.

FISCAL IMPACT

The Board of Supervisors previously appropriated \$1,800,000 in MOHCD's FY 2015-16 budget to purchase the 1101 Connecticut Street property. The sources of funds are federal Housing and Urban Development (HUD) Community Development Block Grant, HOME, and Choice Neighborhood Grant funds.

Because purchase of the 1101 Connecticut Street property to build affordable housing is consistent with Board of Supervisors policy, the Budget and Legislative Analyst recommends approval of the proposed resolution.

RECOMMENDATION

Approve the proposed resolution.

¹ In 2015, 60 percent AMI equals \$61,150 and 50 percent AMI equals \$50,950 for a family of four.

OPTION AGREEMENT FOR THE PURCHASE
AND SALE OF REAL ESTATE

by and between the

CITY AND COUNTY OF SAN FRANCISCO

and the

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

For the option to purchase of

1101 Connecticut Street

11/25, 2014

TABLE OF CONTENTS

	<u>Page</u>
RECITALS	3
ARTICLE 1: PROPERTY EXCHANGE AND TERMINATION OF INTERESTS	3
1.1 Grant of Option	3
1.2 Option Consideration	3
1.3 Disposition of Option Consideration	4
1.4 Excerciss of Option	4
1.5 Purchase Price if Option Exercised	4
ARTICLE 2: PRE-CLOSING RIGHTS AND OBLIGATIONS.....	4
2.1 Due Diligence Investigation of SFUSD Property.....	4
2.2 Property Documents.....	6
2.3 Now New Improvements;No New Liens;Maintenance.....	6
ARTICLE 3: TITLE	6
3.1 Permitted Title Exceptions to the Property.....	6
3.2 Responsibility for Title Insurance.....	7
ARTICLE 4: REPRESENTATIONS AND WARRANTIES.....	7
4.1 Representations and Warranties of SFUSD	7
4.2 Indemnities.....	9
4.3 As-Is Conditions; Release.....	9
4.4 Definitions.....	10
ARTICLE 5: CONDITIONS PRECEDENT TO CLOSING	12
5.1 City's Conditions Precedent	12
5.2 Failure of City's Conditions Precedent.....	13
5.3 SFUSD's Conditions Precedent.....	13
5.4 Failure of SFUSD's Conditions Precedent	13
5.5 Notification Obligation.	14
5.6 Cooperation of Parties.....	14
ARTICLE 6: ESCROW AND CLOSING.....	14
6.1 Escrow.....	14
6.2 Closing Date.....	14
6.3 Deposit of Documents and Funds for Closing.	15
6.4 Expenses	15
6.5 Prorations	15
6.6 Possession	16
ARTICLE 7: RISK OF LOSS.....	16
7.1 Loss	16

7.2	Self-Insurance	16
ARTICLE 8: DEFAULT AND REMEDIES.....		16
8.1	Default; Right to Specific Performance	16
8.2	Termination.....	17
ARTICLE 9: GENERAL PROVISIONS		17
9.1	Notices	17
9.2	Amendments	18
9.3	Severability	18
9.4	Non-Waiver.....	18
9.5	Successors and Assigns.....	18
9.6	Consents and Approvals	18
9.7	Governing Law	18
9.8	Applicable Laws	18
9.9	No Brokers or Finders.....	19
9.10	Counterparts.....	19
9.11	Interpretation of Agreement.....	19
9.12	Entire Agreement	20
9.13	Survival.....	20
9.14	Parties and Their Agents.....	20
9.15	Attorneys' Fees	20
9.16	Time of Essence	20
9.17	Non-Liability.....	20
9.18	Tropical Hardwoods and Virgin Redwoods	21
9.19	Sunshine Ordinance	21
9.20	MacBride Principles - Northern Ireland	21
9.21	Relationship of the Parties	21
9.22	Prohibition Against Making Contributions to City.....	21
9.23	Effective Date	21
9.24	Memorandum of Option Agreement.....	21

LIST OF EXHIBITS

EXHIBIT A:	Legal Description of the Property
EXHIBIT B:	SFUSD Deed
EXHIBIT C:	Memorandum of Option

OPTION AGREEMENT FOR THE PURCHASE AND SALE OF REAL ESTATE

This Option Agreement for the Purchase and Sale of Real Estate (this "**Agreement**"), dated for reference purposes only as of 11/25, 2014, is by and between the City and County of San Francisco, a municipal corporation (the "**City**"), and the San Francisco Unified School District ("**SFUSD**"). City and SFUSD may each be referred to herein as a "**Party**" and together referred to herein as the "**Parties**".

RECITALS

A. SFUSD owns that certain real property commonly known as 1101 Connecticut Street in San Francisco, California, as more particularly described in the attached Exhibit A, which together with all of SFUSD's interest in any improvements, fixtures, rights, privileges, and easements incidental or appurtenant thereto, shall be referred to herein as the "**Property**".

B. City wishes to acquire an exclusive option to purchase the Property, on the terms and conditions set forth in this Agreement. In the event that the City exercises the option, City wishes to purchase the Property on the terms and conditions also set forth in this Agreement.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, City and SFUSD hereby agree as follows:

ARTICLE 1: OPTION TERMS

1.1 Grant of Option. On the Effective Date, if any, SFUSD shall grant to the City the irrevocable and exclusive option to purchase the Property (the "Option") on the terms and conditions set forth herein. The term of the Option shall commence on the Effective Date, and shall expire on March 2016 (the "Option Term") or the earlier transfer of the Property to the City following the City's exercise of the Option. If the City exercises the Option, SFUSD shall transfer and the City shall accept the Property on the Closing Date, subject to the terms set forth in this Agreement. If the City fails to exercise the Option during the Option Term, then the City's option to purchase the Property shall terminate as of the end of the Option Term.

1.2 Option Consideration. Within five (5) days of the Effective Date, the City shall pay to SFUSD the sum of Four Hundred Fifty Thousand Dollars (\$450,000) as consideration for the Option (the "Option Consideration"). The Option Consideration represents full compensation to SFUSD for keeping the Property off the market during the Option Term and for agreeing to sell the Property to the City for the Purchase Price (defined below). The City and SFUSD agree that the Option Consideration shall not be returned to the City under any circumstance, except as otherwise set forth in Section 8.1 of this Agreement.

1.3 Disposition of Option Consideration. If the City exercises the Option, the full amount of the Option Consideration will be credited to the City against the Purchase Price. Subject to City's remedies in Section 8.1 following a default by SFUSD, if the City does not exercise the Option for any reason, SFUSD shall be entitled to retain the Option Consideration and shall not be obligated to reimburse or otherwise credit such sums to the City.

1.4 Exercise of Option.

(a) Subject to Section 1.4(b) and 1.4(c) below, the City may exercise this Option by delivering to SFUSD before the expiration of the Option Term written notice of the exercise of the Option ("Exercise Notice") in the manner set forth in Section 9.1 hereof. In delivering the Exercise Notice, the City shall also deliver to SFUSD evidence of the transaction's authorization by the Board of Supervisors and the Mayor. In the event the City delivers the Exercise Notice, SFUSD shall sell the Property to City, and City shall purchase the Property, at the Purchase Price, subject to the terms and conditions set forth herein.

(b) The City's exercise of the Option shall be subject to the prior approval of the Board of Supervisors and the Mayor, each in its sole and absolute discretion, and the appropriation of all necessary funds to pay the Purchase Price. The Parties acknowledge and agree that no prior approval from the Board of Supervisors or Mayor is necessary for the grant of the Option or payment of the Option Consideration, but that, notwithstanding the forgoing, no officer or employee of the City has the authority to commit the City to exercise the Option and purchase the Property unless and until the City's Board of Supervisors and Mayor have each authorized the transaction. Therefore, any obligations or liabilities of the City hereunder that apply on or after delivery of the Exercise Notice are contingent upon the prior approval of the Board of Supervisors and Mayor, and this Agreement shall be null and void if such approvals are not obtained by the end of the Option Term.

(c) In addition, the Parties acknowledge and agree that as a condition precedent to City's right to exercise the Option, all applicable environmental review must be completed, including but not limited to review under the California Environmental Quality Act (CEQA). Notwithstanding anything to the contrary in this Agreement, no Party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the Property, including but not limited to a party hereto, from exercising any discretion available to such department, board or commission with respect thereto, including but not limited to the discretion to (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts, including the "No Project" alternative; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed purchase of the Property.

1.5 Purchase Price if Option is Exercised. Under the Option, the City shall have the right to purchase the Property for a purchase price of One Million Eight Hundred Thousand Dollars (\$1,800,000) (the "Purchase Price"). The Parties agree that this Purchase Price represents the fair market value of the Property as of the Effective Date.

ARTICLE 2: PRE-CLOSING RIGHTS AND OBLIGATIONS

2.1 Due Diligence Investigation of SFUSD Property.

(a) Entry. At all times prior to the Closing Date, SFUSD shall afford City and its Agents access to the Property so City, at its sole election, may independently conduct its due diligence review of all aspects of the Property and verify SFUSD's representations, warranties

and covenants in this Agreement. Subject to the provisions of the Section 2.1(b), such activities may include tests of the environmental condition of the Property, including, without limitation, the drilling of test wells and the taking of soil borings. City shall give SFUSD notice of any planned entry of the Property by facsimile or phone to SFUSD at least three (3) business days before such entry and shall conduct such entry and any inspections in a manner that reasonably minimizes interference with the current uses of the Property.

(b) On-Site Testing. Notwithstanding anything to the contrary in this Section 2.1, City shall not perform any invasive on-site testing of the Property without first obtaining SFUSD's prior written consent. To obtain such consent, City shall notify SFUSD of the identity of the party that will perform the testing, the proposed scope of the testing, and any other information reasonably requested by SFUSD. SFUSD shall have the right to reasonably approve or disapprove the proposed testing within ten (10) business days after receipt of such notice. In addition, SFUSD may condition any such approval on the procurement of insurance (unless covered by City's self-insurance) and the release of any claims against SFUSD by the party performing such testing. If City or its Agents takes any sample from the Property, upon written request, City shall provide to SFUSD a portion of such sample being tested to allow SFUSD, if it so chooses, to perform its own testing. SFUSD or its representative may be present to observe any testing or other inspection performed on the SFUSD Property. If Closing does not occur for any reason, City shall promptly deliver, or cause to be delivered, to SFUSD one copy of any reports relating to any testing or other inspection of the Property performed by City or its Agents. City shall have the right to retain any other copies of such reports, provided that neither City nor its Agents shall disclose such information to other parties unless and except to the extent required by Applicable Law.

(c) Insurance. SFUSD acknowledges that City is self-insured, and shall not require City to maintain insurance in connection with City's inspection of the Property.

(d) Indemnification. City hereby agrees to indemnify, protect, defend and hold harmless SFUSD, including, but not limited to, all of its boards, commissions, departments, agencies and other subdivisions, all of the Agents of SFUSD, and their respective heirs, legal representatives, successors and assigns (collectively, the "**SFUSD Indemnified Parties**"), from and against any Losses arising out of or relating to the conduct of City or its Agents, as applicable, or its or their activities during any entry on, under or about the Property in performing any inspections, testings or inquiries thereof, whether prior to the date of this Agreement or during the term hereof, including, without limitation, any injuries or deaths to any party (including, without limitation, City's Agents) and damage to any property, from any cause whatsoever, except to the extent caused by the negligence or willful misconduct of SFUSD. 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 Property. If City's investigation of the Property causes any material alteration and this Agreement is terminated for any reason other than SFUSD's default hereunder, City shall restore the Property to substantially the condition it was in prior to such investigation, subject to all Applicable Laws. This indemnity shall survive the termination of this Agreement or the Closing, as applicable.

2.2 Property Documents. From the Effective Date (as defined in Section 9.23) until the Closing or earlier termination of this Agreement, neither Party shall enter into any binding lease or contract with respect to the Property, or any amendment or assignment thereto, without first obtaining the other Party's prior written consent, which consent shall not be unreasonably withheld or delayed.

2.3 No New Improvements; No New Liens; Maintenance. From the Effective Date until the Closing or earlier termination of this Agreement, SFUSD agrees that it shall not: (i) construct any improvements on the Property, except to the extent that such improvements are pursuant to City's prior written approval; ii) encumber, lien, transfer, grant, lease or license all or any part of the Property, or enter into any contract affecting the Property that will survive the Closing, if any, except with the written consent of the Director of MOHCD, (iii) cause or authorize any Hazardous Material to be stored or brought onto the Property, or (iv) cause or authorize any use of the Property different from its current uses that would have a material adverse effect on the Property condition as of the Effective Date. In addition, from the Effective Date until the Closing or earlier termination of this Agreement, SFUSD agrees to maintain the Property in good order, condition and repair, reasonable wear and tear excepted, and to make all repairs, maintenance and replacements of any improvements and otherwise operate the Property in the same manner as before the making of this Agreement..

ARTICLE 3: TITLE

3.1 Permitted Title Exceptions to the Property.

(a) SFUSD Property Permitted Title Exceptions. If City delivers the Exercise Notice, at the Closing, SFUSD shall convey its right, title and interest in and to the Property to City by using the form of quitclaim deed attached hereto as Exhibit B (the "SFUSD Deed").

Title to the Property shall be subject to (i) pro rated liens of local real estate taxes and assessments that are not yet payable, (ii) the exceptions shown as 1,2,3,4,5,6 in the preliminary report issued by the Title Company for Title No. NCS-668929-SF, dated August 11, 2014, and (iii) any other exceptions approved in writing by City in its sole discretion. All of the foregoing permitted exceptions to title shall be referred to collectively as the "**SFUSD Property Permitted Title Exceptions**" and shall be reflected in an owner's title insurance policy (the "**SFUSD Property Title Policy**") issued by the Title Company to City as of the Closing Date, with such coinsurance or reinsurance and direct access agreements and endorsements as City may reasonably request, in an amount specified by City to the Title Company, insuring City's fee interest in the Property, subject only to the SFUSD Property Permitted Title Exceptions, all at the sole cost and expense of City.

(b) Title Defect. If at the time scheduled for Closing, any of the Property is (i) occupied by other parties, (ii) subject to the rights of possession other than those of SFUSD or City, as the case may be, or (iii) encumbered by a lien, encumbrance, covenant, assessment, easement, lease, tax or other matter (except for a SFUSD Property Permitted Title Exception, or anything caused by the action or inaction of the acquiring Party) that would materially affect the

proposed development or use of such Property, as determined by the acquiring Party in its sole discretion ("Title Defect"), SFUSD will have up to sixty (60) days after the date scheduled for Closing to cause the removal of the Title Defect. The Closing will be extended to the earlier of five (5) business days after the Title Defect is removed or the expiration of such sixty (60) day period (the "Extended Closing").

(c) Remedies With Respect to Uncured Title Defect. If a Title Defect still exists at the date specified for the Extended Closing, unless the Parties mutually agree to extend such date, the acquiring Party of such affected Property may by written notice to the other Party either (i) terminate this Agreement or (ii) accept conveyance of such affected Property. If the acquiring Party accepts conveyance of such affected Property, the Title Defect will be deemed waived but solely with respect to any action by the acquiring Party against the other Party. If the acquiring Party does not accept conveyance of the affected Property and fails to terminate this Agreement within seven (7) days after the date specified for the Extended Closing, or any extension provided above, either Party may terminate this Agreement upon three (3) days' written notice to the other Party. If this Agreement is terminated under this Section, neither Party shall have any further remedies under this Agreement against the other Party with respect to such termination nor any other rights or remedies, except for those that expressly survive the termination of this Agreement.

3.2 Responsibility for Title Insurance. Each Party understands and agrees, on behalf of itself and its transferees, that the right, title and interest in the Property shall not exceed that vested in SFUSD immediately prior to the Closing Date, and SFUSD is not 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. SFUSD shall not 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 the City 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.

ARTICLE 4: REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of SFUSD. City agrees that it shall accept the Property in its "as-is" condition, as further set forth in Section 4.3, subject only to the following matters, to which SFUSD represents and warrants to and covenants with City as of the Effective Date and as of the Closing Date:

(a) To the best of SFUSD's knowledge, there are no (i) leases, easements, rights of way, permits, licenses, purchase agreements, option agreements or any other agreements that provide any third parties with the right to acquire, use, possess, access, or traverse any portion of the Property other than this Agreement, (ii) disputes or claims with regard to the Property's boundaries, or the location of any fence or other monument on any of such boundaries, and (iii) easements or rights of way that have been acquired by prescription or are otherwise not of record with respect to the Property.

(b) To the best of SFUSD's knowledge, no document or instrument furnished

or to be furnished by SFUSD to 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.

(c) SFUSD does not have knowledge of any condemnation, either instituted or planned to be instituted by any governmental or quasi-governmental agency other than City, that could detrimentally affect the use, operation or value of the Property.

(d) To the best of SFUSD's knowledge, there is no litigation pending or, threatened, against SFUSD on any basis therefor that arises out of the ownership of the Property or that might detrimentally affect its use, operation or value, or SFUSD's ability to perform its obligations under this Agreement.

(e) SFUSD is the legal and equitable owner of the Property, with full right to convey the same, and without limiting the generality of the foregoing, except for this Agreement, SFUSD has not granted any option or right of first refusal or first opportunity to any non-City party to acquire any interest in any of the Property.

(f) This Agreement and all documents executed by SFUSD that are to be delivered to City at the Closing are, or at the Closing will be, all of the relevant documents and information pertaining to the condition and operation of the Property that are under the possession of SFUSD, are duly authorized, executed and delivered by SFUSD, are legal, valid and binding obligations of SFUSD, enforceable against SFUSD in accordance with their respective terms, are, and at the Closing will be, sufficient to convey good and marketable title (if they purport to do so), and do not, and at the Closing will not, violate any provision of any agreement or judicial order to which SFUSD is a party or to which SFUSD or the Property are subject.

(g) To the best of SFUSD's knowledge, neither the Property nor any real estate in the vicinity of the Property is in violation of any Environmental Laws (as defined in Section 4.4); the Property is not now, nor, to the best of SFUSD's knowledge, has ever been, used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material (as defined in Section 4.4); to the best of SFUSD's knowledge, there has been no release (as defined in Section 4.4) and there is no threatened release of any Hazardous Material in, on, under or about the Property; to the best of SFUSD's knowledge, 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 Property; to the best of SFUSD's knowledge, the Property does not consist of any landfill or of any building materials that contain Hazardous Material; to the best of SFUSD's knowledge, the 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 to the best of SFUSD's knowledge, 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 Property, or the migration of Hazardous Material from or to other property.

(h) As of the Closing Date, there will be no outstanding written or oral contracts made by SFUSD for any of improvements located on the Property that have not been fully paid for and SFUSD shall cause to be discharged any mechanics' or material men's liens arising from any labor or materials furnished to the Property prior to the Closing Date. There are no obligations in connection with the Property that will be binding upon City after Closing except for the SFUSD Property Permitted Title Exceptions.

The forgoing representations and warranties, and any other representations or writings made in writing by SFUSD to City and delivered pursuant to this Section, shall survive the Closing or any other termination of this Agreement.

4.2 Indemnities.

(a) SFUSD, on behalf of itself and its successors and assigns, hereby agrees to indemnify, defend and hold harmless City, its Agents and their respective successors and assigns, from and against any and all Losses resulting from any misrepresentation or breach of warranty or breach of covenant made by SFUSD in this Agreement or in any document, certificate, or exhibit given or delivered to City pursuant to or in connection with this Agreement. The foregoing indemnity includes, without limitation, costs incurred in connection with the investigation of site conditions and all activities required to locate, assess, evaluate, remediate, cleanup, remove, contain, treat, stabilize, monitor or otherwise control any Hazardous Material. The indemnification obligations of this Section shall survive the Closing or any termination of this Agreement.

(b) City, on behalf of itself and its successors and assigns, hereby agrees to indemnify, defend and hold harmless SFUSD, its Agents and their respective successors and assigns, from and against any and all Losses resulting from any misrepresentation or breach of warranty or breach of covenant made by City in this Agreement or in any document, certificate, or exhibit given or delivered to SFUSD pursuant to or in connection with this Agreement. The foregoing indemnity includes, without limitation, costs incurred in connection with the investigation of site conditions and all activities required to locate, assess, evaluate, remediate, cleanup, remove, contain, treat, stabilize, monitor or otherwise control any Hazardous Material. The indemnification provisions of this Section shall survive the Closing or any termination of this Agreement.

4.3 As-Is Conditions; Release.

(a) CITY SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, IF CITY DELIVERS THE EXERCISE NOTICE, SFUSD WILL BE CONVEYING AND CITY WILL BE ACQUIRING SFUSD'S INTEREST IN THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS. EXCEPT FOR SFUSD'S REPRESENTATIONS IN SECTION 4.1, CITY IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SFUSD OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY, ITS SUITABILITY FOR CITY'S INTENDED USES OR ANY OF THE PROPERTY CONDITIONS. SFUSD DOES NOT GUARANTEE THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL, ZONING, OTHER CONDITIONS OF THE

PROPERTY OR THE SUITABILITY OF THE SFUSD PROPERTY FOR ANY USE, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF THE SFUSD PROPERTY OR ITS USE WITH ANY APPLICABLE LAWS. IT IS CITY'S SOLE RESPONSIBILITY TO DETERMINE ALL BUILDING, PLANNING, ZONING AND OTHER REGULATIONS AND APPLICABLE LAWS RELATING TO THE PROPERTY AND THE USES TO WHICH IT MAY BE PUT.

(b) As part of its agreement to accept the Property in its "as is and with all faults" condition, the City, on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases and discharges, SFUSD or its Agents, officers, employees, agents, contractors and representatives, and their respective heirs, successors, legal representatives and assigns, from any and all Losses, whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (i) SFUSD's and its Agents and customers past, present and future use of the Property, and (ii) the physical, geological or environmental conditions of the Property, including, without limitation, any Hazardous Material in, on, under, above or about the Property and any federal, state, local or administrative law, rule, regulation, order or requirement applicable thereto, including, without limitation, all Environmental Laws.

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 DOES NOT KNOW OR EXPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR."

By placing its initials below, City specifically acknowledges and confirms the validity of the releases made above and the fact that the City was represented by counsel who explained, at the time of this Agreement was made, the consequences of the above releases.

INITIALS: City: 

Notwithstanding anything to the contrary in the foregoing, City in its capacity as a transferee (the "Transferee Party") is not waiving, releasing, or discharging SFUSD (the "Transferor Party") from any claims for Losses relating to a material adverse condition of the Property being transferred to the Transferee Party of which the Transferor Party had actual knowledge and the Transferee Party had no actual knowledge before the Closing Date, but the Transferor Party failed to disclose to the Transferee Party prior to the Closing Date.

4.4 Definitions.

(a) The term "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 Property, including, without limitation, soil, air and groundwater conditions.

(b) The term "**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" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or under Section 25281 or 25316 of the California Health & Safety Code; any "hazardous waste" as defined in Section 25117 or listed under 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 any existing improvements on the Property, any improvements to be constructed on the Property, or are naturally occurring substances on, in or about the Property); and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. "Hazardous Material" shall not include any material used or stored at the Property in limited quantities and required in connection with the routine operation and maintenance of the Property, if such use and storage complies with all applicable Hazardous Material Laws.

(c) The term "**Hazardous Material Claims**" shall mean any and all enforcement, investigation, Remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed under any Hazardous Materials Laws, together with any and all Losses made or threatened by any third party against City or SFUSD, their Agents, or the Property, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law. "Hazardous Material Claims" include, without limitation, investigation and Remediation costs, fines, natural resource damages, damages for decrease in value of the Property, the loss or restriction of the use or any amenity of the Property, or any portion of either of the foregoing, and Attorneys' Fees and Costs, and consultants' fees and experts' fees and costs.

(d) The term "**Hazardous Material Laws**" shall mean any present or future federal, state or local laws, rules, regulations or policies relating to Hazardous Material (including, without limitation, its handling, transportation or release) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Property and any other property, including, without limitation, soil, air, air quality, water, water quality and groundwater conditions. "Hazardous Materials Laws" includes, without limitation, CERCLA, as amended by SARA, the RCRA, the Clean Water Act, TSCA, the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the California Superfund law, the Hazardous Waste Control Act (California Health and Safety Code Section 25100 et seq.), the Business Plan Law, Porter-Cologne Water Quality Control Act (California Water Code Section 13000 et seq.), Proposition 65, City's Pesticide Ordinance (Chapter 39 of the San Francisco Administrative Code), and Article 20 of the San Francisco Public Works Code ("Analyzing Soils for Hazardous Waste").

(e) The term "**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 in, on, under or about any portion of the Property or into the environment.

(f) The term “**remediate**” or “**remediation**” when used with reference to Hazardous Materials means any activities undertaken to clean up, remove, contain, treat, stabilize, monitor or otherwise control Hazardous Materials located in, on, under or about the Property or which have been, are being, or threaten to be released into the environment. “Remediation” includes, without limitation, those actions included within the definition of “remedy” or “remedial action” in California Health and Safety Code Section 25322 and “remove” or “removal” in California Health and Safety Code Section 25323.

ARTICLE 5: CONDITIONS PRECEDENT TO CLOSING

5.1 City’s Conditions Precedent. In the event that the City delivers the Exercise Notice, the following are conditions precedent to City’s obligations under this Agreement to acquire the SFUSD Property (each, a “**City Condition Precedent**”, and collectively, the “**City’s Conditions Precedent**”):

(a) SFUSD shall have performed all of the obligations under this Agreement it is required to perform on or before the Closing, no event of default (or event which upon the giving of notice or the passage of time or both shall constitute an event of default) shall exist on the part of SFUSD under this Agreement, and each of SFUSD’s representations and warranties under this Agreement shall be true and correct as of the Closing Date.

(b) SFUSD shall have deposited into Escrow (as defined in Section 6.2) any sums required to be paid by SFUSD under this Agreement and all items to be deposited in Escrow pursuant to Section 6.3(b).

(c) The Title Company shall have issued to City (or shall be irrevocably committed to issue on payment by City of all required premiums) the SFUSD Property Title Policy at City’s sole cost and expense.

(d) There shall be no pending or threatened (i) condemnation, environmental or other pending governmental proceedings in respect of Property that would materially and adversely affect City’s intended use thereof or (ii) litigation, administrative agency or other governmental proceeding, either pending or threatened in writing prior to the Closing Date, that would materially and adversely affect any of the Property at or after Closing.

(e) There shall be no material adverse change in the condition of the Property from the Effective Date to the Closing Date.

(f) SFUSD shall have removed any of its equipment and personal property from the Property, as requested by City.

(g) SFUSD’s Board of Trustees and any other necessary parties necessary to authorize SFUSD to enter into this Agreement, in their sole discretion, shall have duly approved of this Agreement in compliance with all Applicable Laws, and all applicable appeal periods for the filing of any administrative or judicial challenge of such approval shall have expired (the “**SFUSD Approval Condition**”).

(h) City's Board of Supervisors shall have passed, and the Mayor shall have approved of, in their sole discretion, a resolution approving of the City's exercise of the Option and purchase of the Property (the "**Transfer Resolution**") in accordance with and subject to City's Charter (the "**City Approval Condition**").

5.2 Failure of City's Conditions Precedent. Each City Condition Precedent is intended solely for the benefit of City. If any City Condition Precedent is not satisfied by the Closing Date or by the date otherwise provided above, City may, at its sole election and by written notice to SFUSD, extend the date for satisfaction of the condition, waive the condition in whole or part, conditionally waive the condition in whole or in part, or terminate this Agreement. Notwithstanding anything to the contrary in the foregoing, if any such conditional waiver is not acceptable to SFUSD in its sole discretion, SFUSD may reject such conditional waiver, in which event the original City Condition Precedent shall remain effective, and if not satisfied, shall entitle City to terminate this Agreement. If City elects to so terminate this Agreement, then upon any such termination, neither Party shall have any further rights nor obligations hereunder except for those that expressly survive termination of this Agreement.

5.3 SFUSD's Conditions Precedent. In the event that the City delivers the Exercise Notice, the following are conditions precedent to SFUSD's obligations under this Agreement to convey the Property to City (each, a "**SFUSD Condition Precedent**", and collectively, the "**SFUSD's Conditions Precedent**"):

(a) City shall have performed all of the obligations under this Agreement it is required to perform on or before the Closing, no event of default (or event which upon the giving of notice or the passage of time or both shall constitute an event of default) shall exist on the part of City under this Agreement and each of City's representations and warranties under this Agreement shall be true and correct as of the Closing Date.

(b) City shall have deposited into Escrow the Purchase Price (less the Option Consideration) and any other sums required to be paid by City under this Agreement and all items City is required to deposit in Escrow pursuant to Section 6.3(a).

(c) The City Approval Condition and the SFUSD Approval Condition shall have been satisfied.

5.4 Failure of SFUSD's Conditions Precedent. Each SFUSD Condition Precedent is intended solely for the benefit of SFUSD. If any SFUSD Condition Precedent is not satisfied by the Closing Date or by the date otherwise provided above, SFUSD may, at its sole election and by written notice to City, extend the date for satisfaction of the condition, waive the condition in whole or in part, conditionally waive the condition in whole or in part, or terminate this Agreement. Notwithstanding anything to the contrary in the foregoing, if any such conditional waiver is not acceptable to City in its sole discretion, City may reject such conditional waiver, in which event the original SFUSD Condition Precedent shall remain effective, and if not satisfied, shall entitle SFUSD to terminate this Agreement. If SFUSD elects to so terminate this Agreement, then upon such termination, neither Party shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement.

5.5 Notification Obligation. From and after the Effective Date through to the Closing Date, SFUSD shall promptly deliver written notice to City if SFUSD becomes aware of or receives notice of any actual or threatened litigation with respect to the Property, any violation of Applicable Law affecting or related to the Property, or any other material adverse change in the condition of the Property. Such notification shall include all material facts known by SFUSD relative to such matter.

5.6 Cooperation of Parties. SFUSD shall cooperate with City and do all acts as may be reasonably requested by City to fulfill any City Condition Precedent, including, without limitation, execution of any documents, applications or permits. SFUSD's representations and warranties to City shall not be affected or released by City's waiver or fulfillment of any City Condition Precedent. SFUSD hereby irrevocably agrees that City and its Agents may make all inquiries with and applications to any party, including, without limitation, any regulatory authority with jurisdiction as City may reasonably require to complete its due diligence investigations.

City shall cooperate with SFUSD and do all acts as may be reasonably requested by SFUSD to fulfill any SFUSD Condition Precedent, including, without limitation, execution of any documents, applications or permits. City's representations and warranties to SFUSD shall not be affected or released by SFUSD's waiver or fulfillment of any SFUSD Condition Precedent. City hereby irrevocably agrees that SFUSD and its Agents may make all inquiries with and applications to any party, including, without limitation, any regulatory authority with jurisdiction as SFUSD may reasonably require to complete its due diligence investigations.

ARTICLE 6: ESCROW AND CLOSING

6.1 Escrow. If the Board of Supervisors passes, and the Mayor approves of, the Transfer Resolution, and the City delivers the Exercise Notice, within five (5) business days following such delivery, the parties shall open an escrow for the purchase of the Property ("**Escrow**") with First American Title Insurance Company, at its office at 101 Mission Street, Suite 1600, in San Francisco, California, 94105 (the "**Title Company**"), and deposit a fully executed copy of this Agreement with Title Company. This Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the purchase. SFUSD 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, however, that if there is any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control.

6.2 Closing Date. "**Closing**" shall mean the consummation of the purchase of the Property pursuant to the terms and conditions of this Agreement. The Closing shall be held at the offices of the Title Company on the 30th day following the delivery of the Exercise Notice (the "**Closing Date**"). The Closing Date may not be extended without the prior written approval of the Parties, except as otherwise expressly provided in this Agreement. If the Closing does not occur on or before the Closing Date, Title Company shall, unless it is notified by both Parties to the contrary within five (5) days after the Closing Date, return each item deposited in Escrow to the Party that deposited such item. Any such return shall not, however, limit the provisions hereof or

otherwise relieve either Party of any liability it may have for its wrongful failure to perform its obligations under this Agreement.

6.3 Deposit of Documents and Funds for Closing.

- (a) At or before the Closing, City shall deposit the following items into Escrow:
 - (i) the Purchase Price (less the Option Consideration) and any other funds City is required to deposit into Escrow in accordance with this Agreement.
- (b) At or before the Closing, SFUSD shall deposit the following items into Escrow:
 - (i) the SFUSD Deed, duly executed and acknowledged by SFUSD and conveying the Property to City subject to the SFUSD Property Permitted Title Exceptions; and
 - (ii) any funds SFUSD is required to deposit into Escrow in accordance with this Agreement.
- (c) City and SFUSD 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 in accordance with the terms hereof.
- (d) As of Closing, the Title Company shall record the SFUSD Deed in the Official Records.
- (e) As of Closing, the Title Company shall issue to City, at City's expense, the SFUSD Property Title Policy.
- (f) As of Closing, the Title Company shall deliver to City the SFUSD Deed.
- (g) As of Closing, the Title Company shall deliver the Purchase Price (less the Option Consideration) to SFUSD.
- (h) Unless the parties otherwise expressly agree at or prior to the time of the purchase, as of Closing, all pre-conveyance conditions of the Parties with respect to the Property shall be deemed satisfied or waived by the Party or Parties benefited by such condition.

6.4 Expenses. The Parties shall each pay fifty percent (50%) of any transfer taxes assessed on the conveyance of the Property to City pursuant to this Agreement, any fees related to recording the SFUSD Deed, , and all Escrow fees for the Closing. Any real property taxes or assessments for the Property shall be prorated as of the Closing Date, and SFUSD shall convey the Property to City free and clear of any real property taxes or assessments, other than those that are not yet due and payable. Any personal property taxes that may be due from the transfer of the Property to City pursuant to this Agreement shall be paid by City.

6.5 Prorations. SFUSD shall pay for all utilities used at the Property prior to the Closing Date. City shall pay for all utilities used at the Property on and after the Closing Date. Any

utility deposits paid by either Party for the Property prior to the Closing Date shall remain the property of such depositing Party, and the other Party shall reasonably cooperate to cause the return of such deposits to the depositing Party to the extent the depositing Party is entitled thereto. If any of the foregoing prorations cannot be accurately calculated on the Closing Date, they shall be calculated as soon as reasonably feasible after the Closing Date. Either Party owing the other Party a sum of money based on such subsequent prorations shall promptly pay such sum to the other Party.

6.6 Possession. SFUSD shall deliver possession of the Property to City on the Closing Date.

ARTICLE 7: RISK OF LOSS

7.1 Loss. If all or any portion of the Property is condemned, or destroyed or damaged by fire or other casualty before the Closing, then either Party may, at its option, either terminate this Agreement or consummate the purchase pursuant to this Section 7.1. If either Party elects to terminate this Agreement under this Section 7.1, then neither Party shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement. Without limiting the foregoing, in the event City terminates this Agreement following an event of damage or destruction that renders the Property unusable for City's intended purpose and such damage or destruction resulted from SFUSD's negligent failure to maintain the Property in the manner required in Section 2.3 above, then SFUSD shall be responsible for returning that portion of the Option Consideration, prorated per diem over the Option Term, applicable for the period following the termination. Except as expressly set forth above, City shall not be entitled to any refund or credit of the Option Consideration resulting from a condemnation or damage or destruction to the Property during the Option Term.

7.2 Self-Insurance. Notwithstanding anything to the contrary contained in this Agreement, each Party acknowledges and agrees that the other Party self-insures and shall not be obligated to purchase any third party comprehensive liability insurance or property insurance.

ARTICLE 8: DEFAULT AND REMEDIES

8.1 Default; Right to Specific Performance.

(a) If either Party fails to perform its obligations under this Agreement (except as excused by the other Party's default), including, without limitation, a failure to convey the Property, at the time and in the manner provided for hereunder, the Party claiming default may, at its sole election, make written demand for performance. If the Party receiving such demand for performance fails to comply with such written demand within thirty (30) days after such notice is delivered, the Party claiming default will have the option to (i) waive such default, (ii) demand specific performance or (iii) terminate this Agreement, in each case by written notice to the defaulting Party. If a Party becomes aware of a default by the other Party under this Agreement that relates to the Property before the Closing Date and the Party elects to proceed with the Closing, then the Party that elects to proceed shall be deemed to have waived the default.

(b) In the event that SFUSD fails to perform its obligations under this Agreement during the Option Term, and fails to cure such default in accordance with the preceding paragraph, the City may terminate this Agreement and demand the immediate refund of the full amount of the Option Consideration.

8.2 Termination. If any Party terminates this Agreement pursuant to this Article 8, such Party shall have the right to seek all legal remedies available to such Party.

ARTICLE 9: GENERAL PROVISIONS

9.1 Notices. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to be delivered upon (i) personal delivery, or the day the addressee refuses to accept such delivery, (ii) one (1) business day after being deposited with a reliable overnight courier service, or (iii) two (2) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

If to SFUSD:

With a copy to:

If to City: Director of Property
City and County of San Francisco
25 Van Ness Ave., Suite 400
San Francisco, CA 94102
Facsimile: (415) 554-9216
Telephone: (415) 554-9875

With a copy to: Office of the City Attorney
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Evan Gross
Facsimile: (415) 554-4468
Telephone: (415) 554-4711

For the convenience of the Parties, copies of notice may also be given by facsimile, but a Party may not give official or binding notice by facsimile and the effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a facsimile copy of the notice.

Every notice given to a Party pursuant to this Agreement must state (or must be accompanied by a cover letter that states) substantially the following: (A) the Section of this Agreement under which the notice is given and the action or response required, if any; (B) if applicable, the period of time within which the recipient of the notice must respond thereto; (C) if approval is being requested, shall be clearly marked "Request for Approval"; and (D) if a notice of a disapproval or an objection which requires reasonableness, shall specify with particularity the reasons therefor.

Any mailing address or facsimile number may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. If delivery of any notice given pursuant to this Agreement is rejected, such notice shall be deemed to have been made on the attempted delivery date.

9.2 Amendments. Except as otherwise provided in this Agreement, this Agreement may be amended or modified only by a written instrument executed by City and SFUSD. The Director of Property of City (or any successor City officer as designated by law) shall have the authority to consent to any non-material amendments or other modifications to this Agreement. The Chief Financial Officer and/or, Chief Facilities Officer of SFUSD shall have the authority to consent to any non-material amendments or other modifications to this Agreement. For purposes hereof, "non-material change" shall mean any change that does not materially reduce the consideration to a Party under this Agreement or otherwise materially increase the liabilities or obligations of a Party under this Agreement. Material amendments to this Agreement shall require the approval of the SFUSD's Board of Trustees and, if City delivers the Exercise Notice, City's Board of Supervisors, by resolution.

9.3 Severability. If any provision of this Agreement, or its application to any party or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Agreement or the application of such provision to any other party or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so modified by and in response to such invalidation would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the fundamental purposes of this Agreement.

9.4 Non-Waiver. Except as expressly set forth herein to the contrary, a Party's delay or failure to exercise any right under this Agreement shall not be deemed a waiver of that or any other right contained in this Agreement.

9.5 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. Neither Party's rights or obligations hereunder shall be assignable without the prior written consent of the other Party; provided, however, even if the other Party approves any such proposed assignment, in no event shall the assigning Party be released of any of its obligations hereunder.

9.6 Consents and Approvals. Any approvals or consents of City required under this Agreement may be given by the Director of Property, unless otherwise provided in the City Charter or applicable City ordinances. Any approvals or consents of SFUSD required under this Agreement may be given by the Chief Financial Officer and/or the Chief Facilities Officer.

9.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

9.8 Applicable Laws. "Applicable Laws" shall mean all present and future applicable laws, ordinances, rules, regulations, resolutions, statutes, permits, authorizations, orders and requirements, whether or not in the contemplation of the parties hereto, that may affect or be

applicable to the Property or any part of the Property (including, without limitation, any subsurface area) or the use of the Property. "Applicable Laws" shall include, without limitation, any environmental, earthquake, life safety and disability laws, and all consents or approvals required to be obtained from, and all rules and regulations of, and all building and zoning laws of, all federal, state, county and municipal governments, the departments, bureaus, agencies or commissions thereof, authorities, board of officers, any national or local board of fire underwriters, or any other body or bodies exercising similar functions, having or acquiring jurisdiction of the subject property. The term "Applicable Law" shall be construed to mean the same as the above in the singular as well as the plural.

9.9 No Brokers or Finders. Each Party warrants to the other Party 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 party brings a claim for a commission or finder's fee based on any contact, dealings, or communication with SFUSD or City, then the Party through whom such party makes a claim shall defend the other Party from such claim, and shall indemnify, protect, defend and hold harmless the indemnified Party from any Losses that the indemnified Party incurs in defending against the claim. The provisions of this Section shall survive the Closing, or, if the conveyance is not consummated for any reason, any termination of this Agreement.

9.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

9.11 Interpretation of Agreement.

(a) Exhibits. Whenever an "Exhibit" is referenced, it means an attachment to this Agreement unless otherwise specifically identified. All such Exhibits are incorporated herein by reference.

(b) Captions. Whenever a section, article or paragraph is referenced, it refers to this Agreement unless otherwise specifically identified. The captions preceding the articles and sections of this Agreement have been inserted for convenience of reference only. Such captions shall not define or limit the scope or intent of any provision of this Agreement.

(c) Words of Inclusion. The use of the term "including," "such as" or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used with reference thereto. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter.

(d) References. Wherever reference is made to any provision, term or matter "in this Agreement," "herein" or "hereof" or words of similar import, the reference shall be deemed to refer to any and all provisions of this Agreement reasonably related thereto in the context of such reference, unless such reference refers solely to a specific numbered or lettered, section or paragraph of this Agreement or any specific subdivision thereof.

(e) Recitals. If there is any conflict or inconsistency between the recitals and any of the remaining provisions of this Agreement, the remaining provisions of this Agreement shall prevail. The Recitals in this Agreement are included for convenience of reference only and are not intended to create or imply covenants under this Agreement.

9.12 Entire Agreement. This Agreement (including the exhibits) contains all the representations and the entire agreement between the Parties with respect to the subject matter herein. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter, are superseded in total by this Agreement (and such other agreements to the extent referenced herein). No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by either Party or any other party and no court or other body shall consider those drafts in interpreting this Agreement.

9.13 Survival. Any and all other representations, warranties and indemnities of the Parties contained herein (including the Exhibits), shall survive the Closing or termination of this Agreement.

9.14 Parties and Their Agents. 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.

9.15 Attorneys' Fees. If either Party hereto fails to perform any of its respective obligations under this Agreement or if any dispute arises between the Parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting Party or the Party not prevailing in such dispute, as the case may be, shall pay any and all reasonable Attorneys' Fees and Costs incurred by the other Party on account of such default or in enforcing or establishing its rights hereunder, including without limitation, court costs. Any such Attorneys' Fees and Costs incurred by either Party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such Attorneys' Fees and Costs obligation is intended to be severable from the other provisions of this Agreement and to survive and not be merged into any such judgment. For purposes of this Agreement, the reasonable fees of attorneys of the Office of City Attorney of the City and County of San Francisco shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which such services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

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

9.17 Non-Liability. Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, director, or Agent of City shall be personally liable to SFUSD or its successors and assigns, if there is any default or breach by City or for any amount which may become due hereunder to SFUSD or its successors and assigns, or for any obligation of City under this Agreement. Notwithstanding anything to the contrary in this Agreement, no elected or appointed board, commission, director, or Agent of SFUSD (or of its successors or assigns) shall

be personally liable to City, or its successors and assigns, if there is any default or breach by SFUSD or for any amount which may become due to City, or its successors and assigns, or for any obligations of SFUSD under the terms of this Agreement.

9.18 Tropical Hardwoods and Virgin Redwoods. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood wood product or virgin redwood or virgin redwood wood product.

9.19 Sunshine Ordinance. SFUSD understands and agrees that under 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 City hereunder public records subject to public disclosure. SFUSD hereby acknowledges that City may disclose any records, information and materials submitted to City in connection with this Agreement.

9.20 MacBride Principles - Northern Ireland. City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 *et seq.* City also urges companies to do business with corporations that abide by the MacBride Principles. SFUSD acknowledges that it has read and understands the above statement of City concerning doing business in Northern Ireland.

9.21 Relationship of the Parties. The relationship between the Parties hereto is solely that of transferor and transferee of real property.

9.22 Prohibition Against Making Contributions to City. SFUSD acknowledges that no party that contracts with City for the rendition of personal services, or the furnishing of any material, supplies or equipment to City, or for selling any land or building to City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer or candidate at any time between commencement of negotiations and either the completion of, or the termination of, negotiations for such contract.

9.23 Effective Date. This Agreement shall become effective upon the first day ("Effective Date") on which the Parties have duly executed and delivered this Agreement. The Parties shall confirm in writing the Effective Date of this Agreement once such date has been established pursuant to this Section; provided, however, the failure of the Parties to confirm such date in writing shall not have any effect on the validity of this Agreement. Where used in this Agreement or in any of its attachments, references to the "Effective Date" will mean the Effective Date as established and confirmed by the Parties pursuant to this Section.

9.24 Memorandum of Option Agreement. Upon execution of this Agreement, the Parties shall execute and acknowledge a memorandum hereof, on the form attached hereto as Exhibit C, which will be recorded in the Official Records of the County of San Francisco, California. If this Agreement is terminated prior to the Closing, City agrees to execute, acknowledge, and deliver a quitclaim deed to SFUSD within ten (10) days after termination and to execute, and deliver any

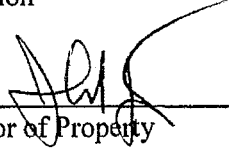
other documents required by any title company to remove the cloud of this Option from the Property.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

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: 
John Updike, Director of Property

Date: November 25, 2014

APPROVED AS TO FORM:

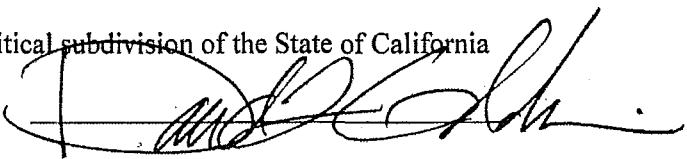
DENNIS J. HERRERA, City Attorney

By: 
Evan A. Gross, Deputy City Attorney

SFUSD:

SAN FRANCISCO UNIFIED SCHOOL DISTRICT,
a political subdivision of the State of California

By: 

Its: 
David L. Goldin, AIA
Chief Facilities Officer
San Francisco USD

CONSENT OF TITLE COMPANY:

Title Company agrees to act as escrow holder in accordance with the terms of this Agreement. Title Company's failure to execute below shall not invalidate the Agreement between City and SFUSD.

TITLE COMPANY: **FIRST AMERICAN TITLE
INSURANCE COMPANY**

By: _____
Its: _____
Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, and is described as follows:

Beginning at the point of intersection of the Southerly line of Twenty-Fifth Street and the Westerly line of Missouri Street; running thence Southerly along said westerly line of Missouri Street 150 feet; thence at a right angle Westerly 200 feet to the Easterly line of Connecticut Street; thence at a right angle Northerly along said Easterly line of Connecticut Street 100 feet; thence at a right angle Easterly 100 feet; thence at a right angle Northerly 50 feet to said Southerly line of Twenty-Fifth Street; thence at a right angle Easterly along said Southerly line 100 feet to the point of beginning.

Being a portion of Potrero Nueva Block 253.

Assessor's Lot 007; Block 4287

EXHIBIT B

SFUSD 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, CA 94102
Documentary Transfer Tax of \$0 based on
full value of the property conveyed

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

QUITCLAIM DEED
(Assessor's Parcel No. 4287-007)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
SAN FRANCISCO UNIFIED SCHOOL DISTRICT (the "Grantor"), hereby releases, remises
and quitclaims 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.

Executed as of _____.

Dated: _____

By: _____
Name: _____
Its: _____

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)

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)

This is to certify that the interest in real property conveyed by this deed dated _____ from the first part to the City and County of San Francisco, is hereby accepted pursuant to Board of Supervisors' Resolution No. 18110 Series of 1939, approved August 7, 1957, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____
John Updike
Director of Property

EXHIBIT C

MEMORANDUM OF OPTION

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Director of Property
Department of Real Estate
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102

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

MEMORANDUM OF OPTION AGREEMENT

THIS MEMORANDUM OF OPTION AGREEMENT dated as of _____, 2014, is by and between City and County of San Francisco, a municipal corporation (the "City"), and the San Francisco Unified School District ("SFUSD").

1. SFUSD is the owner of certain real property located in the City and County of San Francisco, California, commonly known as 1101 Connecticut Street, San Francisco California, more particularly described in Exhibit A attached to and incorporated by this reference in this Memorandum of Option Agreement (the "Property").

2. SFUSD and City have entered into that certain unrecorded Option Agreement for the Purchase and Sale of Real Property dated for reference purposes only as of _____, 2014 and incorporated by this reference into this Memorandum (the "Agreement"), pursuant to which SFUSD granted to City the exclusive and irrevocable option to purchase the Property upon all the terms and conditions set forth in the Agreement. The term of the option granted pursuant to the Agreement shall expire no later than March 2016, as defined therein.

3. The purpose of this Memorandum of Agreement is to give notice of the Agreement and the respective rights and obligations of the parties thereunder, and all of the terms and conditions of the Agreement are incorporated herein by reference as if they were fully set forth herein.

4. This Memorandum of Agreement shall not be deemed to modify, alter or amend in any way the provisions of the Agreement. In the event any conflict exists between the terms of the Agreement and this instrument, the terms of the Agreement shall govern and determine for all purposes the relationship between SFUSD and City and their respective rights and duties.

5. This Memorandum of Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective legal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Agreement as of the date first written above.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
John Updike, Director of Property

Date: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Evan A. Gross, Deputy City Attorney

SFUSD:

SAN FRANCISCO UNIFIED SCHOOL DISTRICT,
a political subdivision of the State of California

By: _____

Its: _____

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)

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 PLANNING DEPARTMENT

Planning Commission Motion NO. M-19529

HEARING DATE: December 10, 2015

Hearing Date: December 10, 2015
Case No.: 2010.0515E
Project Address: 1095 Connecticut Street and various parcels
Zoning: RM-2 (Residential – Mixed, Moderate Density), P - Public
40-X Height and Bulk Districts
Showplace Square/Potrero Area Plan
Block/Lot: Assessor's Block/Lots: 4167/004, 004A, 4220A/001, 4223/001, 4285B/001,
and 4287/001A
Project Sponsor: BRIDGE Housing Corporation
600 California Street, Suite 900
San Francisco, CA 94108
Staff Contact: Rachel A. Schuett – (415) 575-9030
Rachel.Schuett@sfgov.org

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT/ ENVIRONMENTAL IMPACT STATEMENT FOR A PROPOSED PROJECT WHICH INCLUDES DEMOLITION OF THE EXISTING 620 PUBLIC HOUSING UNITS ON SITE AND DEVELOPMENT OF UP TO 1,700 RESIDENTIAL UNITS FOR A RANGE OF INCOME LEVELS, INCLUDING REPLACEMENT PUBLIC HOUSING, NEW VEHICLE AND PEDESTRIAN CONNECTIONS, A NEW STREET AND BLOCK LAYOUT, NEW TRANSIT STOPS, AND NEW WATER, WASTEWATER, AND STORM WATER INFRASTRUCTURE, AS WELL AS RETAIL USES, COMMUNITY FACILITIES, AND OPEN SPACE.

MOVED, that the San Francisco Planning Commission (hereinafter "Commission") hereby CERTIFIES the final Environmental Impact Report/Environmental Impact Statement (hereinafter "FEIR/EIS"), identified as Case No. 2010.0515E, the "Potrero HOPE SF Master Plan Project" at 1095 Connecticut Street and various other parcels, above (hereinafter "Project"), based upon the following findings:

1. The City and County of San Francisco, acting through the Planning Department (hereinafter "Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 *et seq.*, hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 *et seq.*, (hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").
 - A. The Department determined that an Environmental Impact Report (hereinafter "EIR") was required and provided public notice of that determination by publication in a newspaper of general circulation on November 10, 2010.

- B. The Department held a public scoping meeting on November 22, 2010 in order to solicit public comment on the scope of the Potrero HOPE SF Master Plan Project's environmental review.
 - C. The Department, in consultation with the Mayor's Office of Housing, determined that an Environmental Impact Statement (hereinafter "EIS") was also required under the National Environmental Policy Act (hereinafter "NEPA"), thus a combined Environmental Impact Report/Environmental Impact Statement (hereinafter "EIR/EIS") would be prepared, and provided public notice of that determination by publication in the Federal Register, the United States government's official daily newspaper on May 2, 2012.
 - D. The Department and the Mayor's Office of Housing held a public scoping meeting on May 17, 2012 in order to solicit public comment on the scope of the Potrero HOPE SF Master Plan Project's environmental review, consistent with the requirements of NEPA.
 - E. On November 5, 2014, the Department published the Draft Environmental Impact Report/Environmental Impact Statement (hereinafter "DEIR/EIS") and provided public notice in a newspaper of general circulation of the availability of the DEIR/EIS for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR/EIS; this notice was mailed to the Department's list of persons requesting such notice.
 - F. Notices of availability of the DEIR/EIS and of the date and time of the public hearing were posted near the project site by Department staff on November 5, 2014.
 - G. On November 5, 2014 copies of the DEIR/EIS were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR/EIS, to adjacent property owners, and to government agencies, the latter both directly and through the State Clearinghouse.
 - H. Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on November 5, 2014.
- 2. The Commission held a duly advertised public hearing on said DEIR/EIS on December 11, 2014 at which opportunity for public comment was given, and public comment was received on the DEIR/EIS. The period for acceptance of written comments ended on January 7, 2015.
 - 3. The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 62-day public review period for the DEIR/EIS, prepared revisions to the text of the DEIR/EIS in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR/EIS. This material was presented in a Comments and Responses document, published on October 8, 2015, distributed to the Commission and all parties who commented on the DEIR/EIS, and made available to others upon request at the Department.
 - 4. A Final Environmental Impact Report/Environmental Impact Statement (hereinafter "FEIR/EIS") has been prepared by the Department, consisting of the DEIR/EIS, any consultations and comments received during the review process, any additional information that became available, and the Comments and Responses document all as required by law.

5. Project EIR/EIS files have been made available for review by the Commission and the public. These files are available for public review at the Department at 1650 Mission Street, Suite 400, and are part of the record before the Commission.
6. A public hearing was held before the Planning Commission on October 22, 2015. At that hearing the certification of the FEIR/FEIS was continued to December 10, 2015.
7. On December 10, 2015, the Commission reviewed and considered the information contained in the FEIR/EIS and hereby does find that the contents of said report and the procedures through which the FEIR/EIS was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.
8. The Planning Commission hereby does find that the FEIR/EIS concerning File No. 2010.0515E reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Comments and Responses document contains no significant revisions to the DEIR/EIS, and hereby does CERTIFY THE COMPLETION of said FEIR/EIS in compliance with CEQA and the CEQA Guidelines.
9. The Commission, in certifying the completion of said FEIR/EIS, hereby does find that the project described in the EIR/EIS:
 - A. Will have significant cumulative effects on the environment by contributing to substantial delays at four study intersections (i.e., Pennsylvania Avenue/SB-280 Off-Ramp; 25th Street/Indiana Street/NB I-280 On-Ramp; Cesar Chavez Street/Vermont Street; and Cesar Chavez Street/US 101 Off-Ramp);
 - B. Will have significant, project-specific impacts to transit capacity on the Muni 10 Townsend line;
 - C. Will have significant, cumulative impacts to transit capacity on the Muni 10 Townsend and 48th-Quintara-24th Street lines;
 - D. Will have significant, cumulative impacts to transit capacity on the Muni Southeast screenline;
 - E. Will have significant, project-specific impacts to exterior noise levels by causing a substantial permanent increase in ambient noise levels;
 - F. Will have significant, project-specific construction-period air quality impacts; and
 - G. Will have significant cumulative construction-period air quality impacts.
10. The Planning Commission reviewed and considered the information contained in the FEIR/EIS prior to approving the Project.

Motion No. M-15929
Hearing Date: December 10, 2015

CASE NO. 2010.0515E
Potrero HOPE SF

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of December 10, 2015.

Jonas Ionin
Commission Secretary

AYES: Commissioners Moore, Richards, Antonini, Johnson, Fong, Wu

NOES: None

ABSENT: Hillis

ADOPTED: December 10, 2015



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Motion No. 19530

CEQA FINDINGS

HEARING DATE: DECEMBER 10, 2015

Date: December 3, 2015
Case No.: 2010.0515ETZ/GPR
Project: Potrero HOPE SF Master Plan Project
CEQA Findings
Location: 1095 Connecticut Street (the area generally bounded by Connecticut Street, 26th Street, Wisconsin Street, 23rd Street, Texas Street, and 25th Street)
Parcel(s): 4167/004, 004A, 4220A/001, 4223/001, 4285B/001, and 4287/001A
Project Sponsor: Dan Adams
Bridge Housing
600 California Street, Suite 900
San Francisco, CA 94108

Staff Contact: Mat Snyder – (415) 575-6891
mathew.snyder@sfgov.org
Recommendation: Adopt the Findings

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

ADOPTING ENVIRONMENTAL FINDINGS (AND A STATEMENT OF OVERRIDING CONSIDERATIONS) UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND STATE GUIDELINES IN CONNECTION WITH THE ADOPTION OF THE POTRERO HOPE SF MASTER PLAN PROJECT AND RELATED ACTIONS NECESSARY TO IMPLEMENT SUCH PLANS.

Preamble

On March 6, 2014, Bridge Housing (hereinafter "Project Sponsor") filed Application No. 2010.0515TZ (hereinafter "Application") with the Planning Department (hereinafter "Department") for Planning Code Text and Map amendments to rezone the Assessor's Block and Lots 4167/004, 004A, 4220A/001, 4223/001, 4285B/001, and 4287/001A to establish a Special Use District (hereinafter "SUD"), and change height limits specifically for Potrero HOPE SF Master Plan Project (hereinafter "Project").

On November 10, 2010, the Department issued a Notice of Preparation of an Environmental Impact Report ("NOP") for the Project. On November 5, 2014, the Department published the Draft Environmental Impact Report / Draft Environmental Impact Statement ("DEIR/DEIS") for the Project and provided public notice in a newspaper of general circulation of the availability of the DEIR/DEIS for public review and comment. The DEIR/DEIS was available for public comment from November 7, 2014 through January 7, 2015. The Planning Commission held a public hearing on December 11, 2014 on the DEIR/DEIS at a regularly scheduled meeting to solicit public comment regarding the DEIR/DEIS.

The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the public review period for the DEIR/DEIS, prepared revisions to the text

of the DEIR/DEIS in response to comments received or based on additional information that became available during the public review period. This material was presented in a Response to Comments document, published on October 8, 2015, distributed to the Planning Commission and all parties who commented on the DEIR/DEIS, and made available to others upon request at the Department.

A Final Environmental Impact Report / Final Environmental Impact Statement ("FEIR/FEIS" or "Final EIR/EIS") was prepared by the Department, consisting of the Draft EIR/EIS and the Response to Comments document.

Project Environmental Impact Report files have been made available for review by this Commission and the public. These files are available for public review at the Planning Department at 1650 Mission Street, and are part of the record before this Commission.

On December 10, 2015, the Planning Commission reviewed and considered the Final EIR/EIS and found that the contents of the report and the procedures through which the Final EIR/EIS was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code section 21000 et seq.) ("CEQA"), 14 California Code of Regulations sections 15000 et seq. ("CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31").

The Commission found the Final EIR/EIS was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR/EIS, and approved the Final EIR/EIS for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31.

The Planning Department, Jonas P. Ionin, is the custodian of records, located in the File for Case No. 2008.0091E, at 1650 Mission Street, Fourth Floor, San Francisco, California.

Department staff prepared a Mitigation Monitoring and Reporting Program ("MMRP") for the Project and these materials were made available to the public and this Commission for this Commission's review, consideration and action.

Project Description

By this action, the Planning Commission adopts Environmental Findings (and a Statement of Overriding Considerations) under the California Environmental Quality Act and State Guidelines in connection with the adoption of the Potrero Hope SF Master Plan Project and related actions necessary to implement such plans. The Project is generally described below here.

The Potrero HOPE SF Master Plan Project is part of the City's Hope SF Program, which looks to transform several of the City's Housing Authority sites to revitalized mixed-use mixed-income well integrated neighborhoods.

The Potrero HOPE SF Master Plan Project includes demolishing all existing 620 units, and vacating portions of the right of way that currently cross the site diagonally and building new streets that would better continue the existing street grid. The Project would transform the four existing super blocks into about 19 new fine-grained blocks, add one major new park along with several smaller parks, plazas and pedestrian ways throughout. The site would feature a new "Main Street" along a newly established segment of 24th Street; this new segment of 24th Street would be aligned with commercial and community uses, and parks and open space.

At completion the Potrero HOPE SF would include up to 1,700 units, including Housing Authority replacement units, and a mix of additional affordable units (approximately 335 units at varying levels of affordability) and market rate units (approximately 661 units). New buildings would provide a consistent street wall with "eyes-on-the-street" active ground floor treatment. A variety of building types including individual townhomes, small apartment buildings and larger corridor apartment buildings would be constructed throughout. Approximately 1,150 parking spaces would be provided for the units largely below grade. Approximately 15,000 gsf of retail, and 30,000 gsf of community-serving uses is also proposed.

In 2008, Bridge Housing was selected by the Mayor's Office of Housing and Community Development (hereinafter "MOHCD") (then, the Mayor's Office of Housing) and the San Francisco Housing Authority to work with the local Potrero Terrance and Annex and surrounding Potrero Hill community to create a Master Plan for the site that would not only include reconstructed Housing Authority units, but additional affordable units along with market rate units, neighborhood serving retail, community service, new parks and open space, and new streets and infrastructure. Bridge Housing is also the Master Developer for the site.

In addition to applying for zoning amendments, the Project Sponsor intends to enter into a Development Agreement (hereinafter "DA") with the City and the Housing Authority to memorialize rights, responsibilities, and commitments to rebuilding the Potrero HOPE SF site. The Project Sponsor has begun working with MOHCD, the Office of Workforce and Economic Development (hereinafter "OEWD"), and the San Francisco Housing Authority, in negotiating terms of the DA. Associated with work on the DA, the Project Sponsor has been working with several City Agencies in devising a Master Infrastructure Plan. It is anticipated that the DA will not be ready for finalization until spring 2016. Because the rezoning and the DA are expected to work together, these entitlements will not be ready for Planning Commission approval until 2016.

A part of the Project includes an adjacent property at 1101 Connecticut Avenue owned by the San Francisco Unified School District along with a small Housing Authority parcel (commonly referred to as "Block X") that will be the first construction phase. It is the intention of City to purchase the site. Because Block X has no current residential or commercial uses that would require relocation, beginning construction on Block X is critical for the overall phasing. This new construction project will enable residents of the subsequent phases to move into the new units before beginning demolition of the existing units. Therefore, MOHCD and the Project Sponsor would like to move forward with the purchase of the property in advance of approval of the DA and rezoning.

Other than those actions described above, several actions will be required for the project over its multi-year buildout. These actions include but are not limited to approval of subdivisions, right-of-way dedications and vacations.

The Planning Commission wishes to facilitate the physical, environmental, social and economic revitalization of Project site, using the legal tools available through the Planning and Administrative Codes, while creating jobs, housing and open space in a safe, pleasant, attractive and livable mixed use neighborhood that is linked rationally to adjacent neighborhoods. The Commission wishes to enable implementing actions, such as the purchase of Block X, prior to approving the rezoning and DA, and therefore is adopting these findings now.

Motion No. 19530
Hearing Date: December 10, 2015

Case No: 2010.0515ETZ / GPR
Potrero HOPE SF Master Plan Project

MOVED that the Planning Commission has reviewed and considered the Final EIR and the record associated herewith, including but not limited to the comments and submissions made to this Planning Commission and the Planning Department's responses to those comments and submissions, and based thereon, hereby adopts the Project Findings required by CEQA attached hereto as Attachment A including a statement of overriding considerations, and adopts the MMRP, that shall be included as a condition of approval for each and all of the approval actions set forth in the Motions described above.

I hereby certify that the foregoing Resolution was ADOPTED by the San Francisco Planning Commission on December 10, 2015.

Jonas Ionin
Commission Secretary

AYES: Fong, Wu, Antonini, Johnson, Moore, Richards

NOES:

ABSENT: Hillis



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: January 13, 2016

TO: John Updike
Director of Real Estate
Office of Real Estate
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102

FROM: Mat Snyder
Planner
(415) 575-6891
mathew.snyder@sfgov.org

COPY TO: Faith Kirkpatrick, Mayor's Office of Housing and Community Development (electronic version only)
Eugene Flannery, Mayor's Office of Housing and Community Development (electronic version only)
Dan Adams, Bridge Housing (electronic version only)

RE: 1101 Connecticut Street
General Plan Referral No. 2015-015084GPR
Planning Commission Motion No. 19531

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

The Planning Department is in receipt of your General Plan Referral Application (Case No. 2015-015084GPR). The application is for the purchase of a property at 1101 Connecticut Street on behalf of Mayor's Office of Housing and Community Development ("MOHCD") for the purpose of constructing affordable housing as the first phase of the Potrero HOPE SF Master Plan Project ("Project"). This property consists of two parcels: the first parcel (Assessor's Block and Lot: 4287/007) is currently owned by the San Francisco Unified School District Planning and second parcel (Assessor's Block and Lot: 4287/007A) is currently owned by the San Francisco Housing Authority. The former is a vacant lot, the latter contains a basketball court.

The Potrero HOPE SF Master Plan Project consists of demolishing all existing 620 units, and vacating portions of the right of way that currently cross the site diagonally and building new streets that would better continue the existing street grid. The Project would transform the four existing super blocks into about 19 new fine-grained blocks, add one major new park along with several smaller parks, plazas and pedestrian ways throughout. The site would feature a new

Memo

January 13, 2016
1101 Connecticut Street
Case No. 2015-015084GPR

“Main Street” along a newly established segment of 24th Street; this new segment of 24th Street would be aligned with commercial and community uses, and parks and open space.

At completion, the Project would include up to 1,700 units, including Housing Authority replacement units (approximately 606 units), and a mix of additional affordable units (approximately 335 units at varying levels of affordability) and market rate units (approximately 661 units). New buildings would provide a consistent street wall with “eyes-on-the-street” active ground floor treatment. A variety of building types including individual townhomes, small apartment buildings and larger corridor apartment buildings would be constructed throughout. Approximately 1,150 parking spaces would be provided for the units largely below grade. Approximately 15,000 gsf of retail, and 30,000 gsf of community-serving uses is also proposed.

On December 10, 2015, the Planning Commission took the following actions regarding the Project:

- Certified the Final Environmental Impact Report (Motion No. 19529)
- Adopted CEQA Finding including a statement of overriding considerations (Motion No. 19530)
- Adopted Findings of Consistency with the General Plan and Planning Code Section 101.1 (Motion No. 19531)

Because the conveyance of the two parcels at 1101 Connecticut Street would further the Project, the Planning Commission’s actions regarding CEQA consistency with the General Plan and Planning Code Section 101.1 are applied here.

The Project is therefore, on balance, consistent with the General Plan and Planning Code Section 101.1.

Please feel free to contact me with any question.

Attachments

Planning Commission Motion 19531

Attachment A to Planning Commission Motion 19531

I:\Citywide\General Plan\General Plan Referrals\2015\2015-015084GPR - 1101 Connecticut Street - Potrero Hope SF.doc



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Motion No. 19531

GENERAL PLAN REFERRAL

HEARING DATE: DECEMBER 10, 2015

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date: December 3, 2015
Case No.: 2010.0515ETZ / GPR
Project: Potrero HOPE SF Master Plan Project
General Plan Findings and Planning Code Section 101.1 Findings
Location: 1095 Connecticut Street (the area generally bounded by Connecticut Street, 26th Street, Wisconsin Street, 23rd Street, Texas Street, and 25th Street)
Parcel(s): 4167/004, 004A, 4220A/001, 4223/001, 4285B/001, and 4287/001A
Project Sponsor: Dan Adams
Bridge Housing
600 California Street, Suite 900
San Francisco, CA 94108
Staff Contact: Mat Snyder – (415) 575-6891
mathew.snyder@sfgov.org
Recommendation: Adopt the Findings

ADOPTING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN OF THE CITY AND COUNTY OF SAN FRANCISCO AND WITH SECTION 101.1 OF THE CITY PLANNING CODE FOR THE POTRERO HOPE SF MASTER PLAN PROJECT, INCLUDING VARIOUS ACTIONS NECESSARY FOR THE IMPLEMENTATION OF THE PROJECT, INCLUDING THE PURCHASING OF THE PROPERTY AT 1101 CONNECTICUT STREET.

Preamble

San Francisco Charter Section 4.105 and Administrative Code Section 2A.53 of the Administrative Code requires General Plan referrals to the Planning Commission for certain matters so that the Commission may determine if such actions are in conformity with the General Plan and Section 101.1 of the Planning Code. Actions, including but not limited to legislative actions, subdivisions, right-of-way dedications and vacations, and the purchasing of property are required to be in conformity with the General Plan and Planning Code Section 101.1.

On March 6, 2014, Bridge Housing (hereinafter "Project Sponsor") filed Application No. 2010.0515TZ (hereinafter "Application") with the Planning Department (hereinafter "Department") for Planning Code Text and Map amendments to rezone the Assessor's Block and Lots 4167/004, 004A, 4220A/001, 4223/001, 4285B/001, and 4287/001A to establish a Special Use District (hereinafter "SUD"), and change height limits specifically for Potrero HOPE SF Master Plan Project (hereinafter "Project").

On November 10, 2010, the Department issued a Notice of Preparation of an Environmental Impact Report ("NOP") for the Project. On November 5, 2014, the Department published the Draft Environmental Impact Report / Draft Environmental Impact Statement ("DEIR/DEIS") for the Project and provided public notice in a newspaper of general circulation of the availability of the DEIR/DEIS for public review and comment. The DEIR/DEIS was available for public comment from November 7, 2014

through January 7, 2015. The Planning Commission held a public hearing on December 11, 2014 on the DEIR/DEIS at a regularly scheduled meeting to solicit public comment regarding the DEIR/DEIS.

The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the public review period for the DEIR/DEIS, prepared revisions to the text of the DEIR/DEIS in response to comments received or based on additional information that became available during the public review period. This material was presented in a Response to Comments document, published on October 8, 2015, distributed to the Planning Commission and all parties who commented on the DEIR/DEIS, and made available to others upon request at the Department.

A Final Environmental Impact Report / Final Environmental Impact Statement ("FEIR/FEIS" or "Final EIR/EIS") was prepared by the Department, consisting of the Draft EIR/EIS and the Response to Comments document.

Project Environmental Impact Report files have been made available for review by this Commission and the public. These files are available for public review at the Planning Department at 1650 Mission Street, and are part of the record before this Commission.

On December 10, 2015, the Planning Commission reviewed and considered the Final EIR/EIS and found that the contents of the report and the procedures through which the Final EIR/EIS was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code section 21000 et seq.) ("CEQA"), 14 California Code of Regulations sections 15000 et seq. ("CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31").

The Commission found the Final EIR/EIS was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR/EIS, and approved the Final EIR/EIS for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31.

The Planning Department, Jonas P. Ionin, is the custodian of records, located in the File for Case No. 2008.0091E, at 1650 Mission Street, Fourth Floor, San Francisco, California.

Department staff prepared a Mitigation Monitoring and Reporting Program ("MMRP") for the Project and these materials were made available to the public and this Commission for this Commission's review, consideration and action.

Project Description

By this action, the Planning Commission adopts General Plan Consistency findings, including a finding that the Project, as identified in the Final EIR, is consistent with Planning Code Section 101.1. The Project is generally described below here.

The Potrero HOPE SF Master Plan Project is part of the City's Hope SF Program, which looks to transform several of the City's Housing Authority sites to revitalized mixed-use mixed-income well integrated neighborhoods.

The Potrero HOPE SF Master Plan Project includes demolishing all existing 620 units, and vacating portions of the right of way that currently cross the site diagonally and building new streets that would better continue the existing street grid. The Project would transform the four existing super

blocks into about 19 new fine-grained blocks, add one major new park along with several smaller parks, plazas and pedestrian ways throughout. The site would feature a new "Main Street" along a newly established segment of 24th Street; this new segment of 24th Street would be aligned with commercial and community uses, and parks and open space.

At completion the Potrero HOPE SF would include up to 1,700 units, including Housing Authority replacement units, and a mix of additional affordable units (approximately 335 units at varying levels of affordability) and market rate units (approximately 661 units). New buildings would provide a consistent street wall with "eyes-on-the-street" active ground floor treatment. A variety of building types including individual townhomes, small apartment buildings and larger corridor apartment buildings would be constructed throughout. Approximately 1,150 parking spaces would be provided for the units largely below grade. Approximately 15,000 gsf of retail, and 30,000 gsf of community-serving uses is also proposed.

In 2008, Bridge Housing was selected by the Mayor's Office of Housing and Community Development (hereinafter "MOHCD") (then, the Mayor's Office of Housing) and the San Francisco Housing Authority to work with the local Potrero Terrance and Annex and surrounding Potrero Hill community to create a Master Plan for the site that would not only include reconstructed Housing Authority units, but additional affordable units along with market rate units, neighborhood serving retail, community service, new parks and open space, and new streets and infrastructure. Bridge Housing is also the Master Developer for the site.

In addition to applying for zoning amendments, the Project Sponsor intends to enter into a Development Agreement (hereinafter "DA") with the City and the Housing Authority to memorialize rights, responsibilities, and commitments to rebuilding the Potrero HOPE SF site. The Project Sponsor has begun working with MOHCD, the Office of Workforce and Economic Development (hereinafter "OEWD"), and the San Francisco Housing Authority, in negotiating terms of the DA. Associated with work on the DA, the Project Sponsor has been working with several City Agencies in devising a Master Infrastructure Plan. It is anticipated that the DA will not be ready for finalization until spring 2016. Because the rezoning and the DA are expected to work together, these entitlements will not be ready for Planning Commission approval until 2016.

A part of the Project includes an adjacent property at 1101 Connecticut Avenue owned by the San Francisco Unified School District along with a small Housing Authority parcel (commonly referred to as "Block X") that will be the first construction phase. It is the intention of City to purchase the site. Because Block X has no current residential or commercial uses that would require relocation, beginning construction on Block X is critical for the overall phasing. This new construction project will enable residents of the subsequent phases to move into the new units before beginning demolition of the existing units. Therefore, MOHCD and the Project Sponsor would like to move forward with the purchase of the property in advance of approval of the DA and rezoning.

Other than those actions described above, several actions will be required for the project over its multi-year buildout. These actions include but are not limited to approval of subdivisions, right-of-way dedications and vacations.

The Planning Commission wishes to facilitate the physical, environmental, social and economic revitalization of Project site, using the legal tools available through the Planning and Administrative Codes, while creating jobs, housing and open space in a safe, pleasant, attractive and livable mixed use neighborhood that is linked rationally to adjacent neighborhoods. The Commission wishes to enable implementing actions, such as the purchase of Block X, prior to approving the rezoning and DA, and therefore is adopting these findings now.

The Potrero HOPE SF Master Plan Project provides for a type of development, intensity of development and location of development that is consistent with the overall goals and objectives and policies of the General Plan as well as the Eight Priority Policies of Section 101.1, as expressed in the findings contained in Attachment A to this resolution.

Motion No. 19531
Hearing Date: December 10, 2015

Case No: 2010.0515ETZ / GPR
Potrero HOPE SF Master Plan Project

NOW, THEREFORE, BE IT RESOLVED, That the Planning Commission hereby adopts the CEQA Findings set forth in Motion No. 19530 and finds that the Project and approval actions thereto are consistent with the General Plan, and with Section 101.1 of the Planning Code as described in Attachment A to this Resolution.

I hereby certify that the foregoing Resolution was ADOPTED by the San Francisco Planning Commission on December 10, 2015.

Jonas Ionin
Commission Secretary

AYES: Fong, Wu, Antonini, Johnson, Moore, Richards

NOES:

ABSENT: Hillis

Attachment A

To Planning Commission Motion No. 19531

Case No. 2010.0515ETZ / GPR

The Potrero Hope SF Master Plan Project General Plan Findings

and

Planning Code Section 101.1 Findings

The following constitute findings that the Potrero Hope SF Master Plan Project (Project) and approval actions thereto are, on balance, consistent with the General Plan and Planning Code Section 101.1. The Potrero Hope SF Master Plan Project is described within the Final EIR, Certified by the Planning Commission on December 10, 2015, with Planning Commission Motion No. 19530, and within the the CEQA findings under Planning Commission Motion No. 19531.

Approval actions that will be required to implement the Project include, but are not limited to: (1) Adoption of Planning Code Text and Map Amendments that would establish a Hope SF Potrero Special Use District and associated Design Standards and Guidelines Document, and would increase heights in some locations; (2) Approval of a Development Agreement between the City of County of San Francisco, the Master Developer, and the San Francisco Housing Authority; (3) various mapping, street vacation and street dedication actions; and (4) the purchase of the site at Connecticut from the San Francisco Unified School District to the City and County of San Francisco for the development of affordable housing.

SHOWPLACE SQUARE / POTRERO AREA PLAN

The Showplace Square / Potrero Ara Plan was approved in 2009 along with the East Soma, Mission District, and Central Waterfront Area Plans, which together, are referred to as the Eastern Neighborhoods. The Showplace Square / Potrero Area Plan was adopted, in part, to guide development in previously zoned M-1(Light Industrial) and M-2(Heavy Industrial) Districts to assure both preservation of PDR uses, and to encourage high quality mixed-use development where land was being opened up to development. The Showplace Square / Potrero Area Plan also provides objectives and policies to encourage the development of complete neighborhoods – that housing come with complementary uses and needed infrastructure. The Plan also emphasizes maximizing the development of affordable housing to the extent feasible.

Showplace Square / Potrero Area Plan – Housing

- OBJECTIVE 2.1 ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE SHOWPLACE / POTRERO IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES
- POLICY 2.1.2 Provide land and funding for the construction of new housing affordable to very low and low income households.
- OBJECTIVE 2.2 RETAIN AND IMPROVE EXISTING HOUSING AFFORDABLE TO PEOPLE OF ALL INCOMES
- POLICY 2.2.5: Facilitate the redevelopment of the Potrero View Public Housing through the Hope SF program.
- OBJECTIVE 2.3 REQUIRE THAT A SIGNIFICANT NUMBER OF UNITS IN NEW DEVELOPMENTS HAVE TWO OR MORE BEDROOMS EXCEPT SENIOR HOUSING AND SRO DEVELOPMENTS UNLESS ALL BELOW MARKET RATE UNITS ARE TWO OR MORE BEDROOM UNITS
- POLICY 2.3.1 Target the provision of affordable units for families.
- POLICY 2.3.2 Prioritize the development of affordable family housing, both rental and ownership, particularly along transit corridors and adjacent to community amenities.
- POLICY 2.3.4 Encourage the creation of family supportive services, such as childcare facilities, parks and recreation, or other facilities, in affordable housing or mixed use developments.
- OBJECTIVE 2.5 PROMOTE HEALTH THROUGH RESIDENTIAL DEVELOPMENT DESIGN AND LOCATION
- POLICY 2.5.2 Develop affordable family housing in areas where families can safely walk to schools, parks, retail, and other services.
- POLICY 2.5.3 Require new development to meet minimum levels of “green” construction.

**OBJECTIVE 2.6 CONTINUE AND EXPAND THE CITY'S EFFORTS TO INCREASE
PERMANENTLY AFFORDABLE HOUSING PRODUCTION AND
AVAILABILITY**

The Potrero Hope SF Master Plan Development meets these objectives and policies in that they provide a truly mixed income community with replacement units for very low income residents including families, additional new affordable units for low income families and seniors, as well as market rate housing..

Policy 2.2.5 specifically names the redevelopment through Potrero HOPE SF as meeting Objective 2.1 signaling the important policy priority of this master development. The housing planned is primarily family housing with a smaller senior housing component envisioned. . As a Hope SF Project, community services will be provided at each affordable housing development, as well as additional community wide facilities including child care. Residential-serving uses, such as neighborhood retail is also planned. Parks and green streets that better connect the residents with nearby open space resources are also integral to the Project. Finally, the neighborhood will be designed to LEED Neighborhood Development standards.

Showplace Square / Potrero Area Plan – Built Form

OBJECTIVE 3.1

**PROMOTE AN URBAN FORM THAT REFLECTS SHOWPLACE
SQUARE AND POTRERO HILL'S DISTINCTIVE PLACE IN THE CITY'S
LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND
CHARACTER**

**POLICY 3.1.1 Adopt heights that are appropriate for Showplace Square's location in the
city, the prevailing street width and block pattern, and the anticipated
land uses, while respecting the residential character of Potrero Hill.**

**POLICY 3.1.3 Relate the prevailing heights of buildings to street and alley width
throughout the plan area.**

**POLICY 3.1.5 Respect public view corridors. Of particular interest are the east-west
views to the bay or hills, and several north-south views towards
downtown and Potrero Hill.**

**POLICY 3.1.6 New buildings should epitomize the best in contemporary architecture,
but should do so with full awareness of, and respect for, the height, mass,
articulation and materials of the best of the older buildings that
surrounds them.**

- POLICY 3.1.8 New development should respect existing patterns of rear yard open space. Where an existing pattern of rear yard open space does not exist, new development on mixed-use-zoned parcels should have greater flexibility as to where open space can be located.
- OBJECTIVE 3.2 PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM
- POLICY 3.2.3 Minimize the visual impact of parking.
- POLICY 3.2.4 Strengthen the relationship between a building and its fronting sidewalk.
- POLICY 3.2.6 Sidewalks abutting new developments should be constructed in accordance with locally appropriate guidelines based on established best practices in streetscape design.
- OBJECTIVE 3.3 PROMOTE THE ENVIRONMENTAL SUSTAINABILITY, ECOLOGICAL FUNCTIONING AND THE OVERALL QUALITY OF THE NATURAL ENVIRONMENT IN THE PLAN AREA
- POLICY 3.3.1 Require new development to adhere to a new performance-based evaluation tool to improve the amount and quality of green landscaping.
- POLICY 3.3.4 Compliance with strict environmental efficiency standards for new buildings is strongly encouraged.

The Project, on balance, meets the above objectives and policies regarding urban form. The Project includes the re-alignment of the irregular street grid to one that is consistent with and improves connectivity to the rest of the of the Potrero neighborhood. Buildings will be constructed so that they form consistent building "street walls" along rights-of-way in proportion to street widths in accordance principles for good urban design. While at times taller than typical Potrero Hill houses and apartments, buildings will be broken down both vertically and horizontally, and will be aligned with active uses to assure that they are designed to the human scale. New streets will meet the City's Better Streets standards. New parks and open spaces will be established with a variety of active and passive uses. Some of the rights-of-way will also serve as "Green Connections" that will have open space features, and connect the on-site open spaces together as a cohesive network.

Due to the new development, portions of existing views across the site will be changed to feature foreground views of the new buildings in place of far-away views of the Bay and hills. For one view from

the top of Potrero Recreation Center looking south, a Mitigation Measure limiting some building heights across 23rd Street will assure that most of the view will be retained. Even with the change of some views, on balance, the quality of the site will be significantly improved thereby, on balance, meeting the Built Form objectives and policies of the Showplace Square / Potrero Area Plan.

- OBJECTIVE 4.1 IMPROVE PUBLIC TRANSIT TO BETTER SERVE EXISTING AND NEW DEVELOPMENT IN SHOWPLACE SQUARE / POTRERO HILL
- POLICY 4.1.1 Commit resources to an analysis of the street grid, the transportation impacts of new zoning, and mobility needs in Showplace Square Potrero /Eastern Neighborhoods to develop a plan that prioritizes transit while addressing needs of all modes (auto circulation, freeway traffic, bicyclists, pedestrians).
- OBJECTIVE 4.3 ESTABLISH PARKING POLICIES THAT IMPROVE THE QUALITY OF NEIGHBORHOODS AND REDUCE CONGESTION AND PRIVATE VEHICLE TRIPS BY ENCOURAGING TRAVEL BY NON-AUTO MODES
- POLICY 4.3.1 For new residential development, provide flexibility by eliminating minimum off-street parking requirements and establishing reasonable parking caps.
- OBJECTIVE 4.5 CONSIDER THE STREET NETWORK IN SHOWPLACE SQUARE/POTRERO HILL AS A CITY RESOURCE ESSENTIAL TO MULTI-MODAL MOVEMENT AND PUBLIC OPEN SPACE
- OBJECTIVE 4.6 SUPPORT WALKING AS A KEY TRANSPORTATION MODE BY IMPROVING PEDESTRIAN CIRCULATION WITHIN SHOWPLACE SQUARE/POTRERO HILL AND TO OTHER PARTS OF THE CITY
- POLICY 4.6.1 Use established street design standards and guidelines to make the pedestrian environment safer and more comfortable for walk trips.
- OBJECTIVE 4.8 ENCOURAGE ALTERNATIVES TO CAR OWNERSHIP AND THE REDUCTION OF PRIVATE VEHICLE TRIPS
- POLICY 4.8.3 Develop a Transportation Demand Management (TDM) program for the Eastern Neighborhoods that provides information and incentives for employees, visitors and residents to use alternative transportation modes and travel times.

The project meets the above Showplace Square / Potrero Area Plan objectives and policies regarding Transportation.

The street network will be re-established to fit in with the Potrero Street grid, where it does not currently; this will greatly improve connectivity for all modes of transportation. Streets will be designed to emphasize safety, comfort and connectivity for pedestrians. Bus lines will be rerouted per the new street layout and per the Muni Forward program improving the bus' access and performance. The Project Sponsor will develop a Transportation Demand Management program that will further encourage modes of transportation other than by single-occupancy vehicle.

Showplace Square / Potrero Area Plan – Streets and Open Space

- | | |
|---------------|---|
| OBJECTIVE 5.1 | PROVIDE PUBLIC PARKS AND OPEN SPACES THAT MEET THE NEEDS OF RESIDENTS, WORKERS AND VISITORS |
| OBJECTIVE 5.2 | ENSURE THAT NEW DEVELOPMENT INCLUDES HIGH QUALITY PRIVATE OPEN SPACE |
| POLICY 5.2.1 | Require new residential and mixed-use residential development to provide on-site private open space designed to meet the needs of residents. |
| POLICY 5.2.5 | New development should respect existing patterns of rear yard open space. Where an existing pattern of rear yard open space does not exist, new development on mixed-use-zoned parcels should have flexibility as to where open space can be located. |
| OBJECTIVE 5.3 | CREATE A NETWORK OF GREEN STREETS THAT CONNECTS OPEN SPACES AND IMPROVES THE WALKABILITY, AESTHETICS, AND ECOLOGICAL SUSTAINABILITY OF THE NEIGHBORHOOD |
| POLICY 5.3.2 | Maximize sidewalk landscaping, street trees and pedestrian scale street furnishing to the greatest extent feasible. |
| OBJECTIVE 5.4 | THE OPEN SPACE SYSTEM SHOULD BOTH BEAUTIFY THE NEIGHBORHOOD AND STRENGTHEN THE ENVIRONMENT |

The Hope SF Potrero Master Plan Project includes about 3.5 acres of new parks and open space. Further, it includes new streets that will have open space features and create a "Green Connections" network within the site. Individual development sites within the overall Hope SF site will have their

own usable open space requirement, some of which will also be open to the public. Those blocks that will be developed next to existing rear yards will adhere to rear yard standards typical for San Francisco.

Showplace Square / Potrero Area Plan – Community Services and Facilities

- POLICY 7.1.1 Support the siting of new facilities to meet the needs of a growing community and to provide opportunities for residents of all age levels.
- POLICY 7.1.3 Ensure childcare services are located where they will best serve neighborhood workers and residents.
- OBJECTIVE 7.2 ENSURE CONTINUED SUPPORT FOR HUMAN SERVICE PROVIDERS THROUGHOUT THE EASTERN NEIGHBORHOODS
- POLICY 7.2.1 Promote the continued operation of existing human and health services that serve low-income and immigrant communities in the Eastern Neighborhoods, and prevent their displacement.

Integral to the Hope SF initiative, is a series of community building programs for its population. The Project will include a 25,000 – 35,000 sf community center that will include a child care center, among other services for families and the broader community. Active and continued community engagement is paramount to the multi-year work at the current site to promote connections with services to the low income residents living at Potrero Terrace and Annex.

HOUSING ELEMENT

The principle objectives of the Housing Element are to provide new housing; retain the existing supply; enhance physical conditions and safety without jeopardizing use or affordability; support affordable housing production by increasing site availability and capacity; increase the effectiveness and efficiency of the affordable housing production system; protect the affordability of existing housing; expand financial resources for permanently affordable housing; ensure equal access; avoid or mitigate hardships imposed by displacement; reduce homelessness and the risk of homelessness in coordination with relevant agencies and providers; pursue place making and neighborhood building principles in increasing the supply of housing; and strengthen citywide affordable housing programs through coordinated regional and state efforts.

The Project is consistent with and implements the following objectives and policies of the Housing Element:

- | | |
|-------------|--|
| OBJECTIVE 1 | Identify and make available for development adequate sites to meet the City's housing needs, especially permanently affordable housing. |
| POLICY 1.3 | Work proactively to identify and secure opportunity sites for permanently affordable housing. |
| Objective 4 | Foster a housing stock that meets the needs of all residents across lifecycles. |
| POLICY 4.1 | Develop new housing, and encourage the remodeling of existing housing, for families with children. |
| POLICY 4.2 | Provide a range of housing options for residents with special needs for housing support and services. |
| POLICY 4.5 | Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels. |
| Objective 5 | Ensure that all residents have equal access to available units. |
| POLICY 5.5 | Minimize the hardships of displacement by providing essential relocation services. |
| POLICY 5.6 | Offer displaced households the right of first refusal to occupy replacement housing units that are comparable in size, location, cost, and rent control protection. |

Objective 7	Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms or capital.
POLICY 7.5	Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.
Objective 8	Build public and private sector capacity to support, facilitate, provide and maintain affordable housing.
POLICY 8.1	Support the production and management of permanently affordable housing.
POLICY 8.3	Generate greater public awareness about the quality and character of affordable housing projects and generate communitywide support for new affordable housing.
Objective 9	Preserve units subsidized by the federal, state or local sources.
POLICY 9.3	Maintain and improve the condition of the existing supply of public housing, through programs such as HOPE SF.
POLICY 11.1	Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.
POLICY 11.2	Ensure implementation of accepted design standards in project approvals.
POLICY 11.3	Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.
POLICY 11.6	Foster a sense of community through architectural design, using features that promote community interaction.
Objective 12	Balance housing growth with adequate infrastructure that serves the City's growing population.
POLICY 12.1	Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

POLICY 12.2 Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

POLICY 12.3 Ensure new housing is sustainably supported by the City's public infrastructure systems.

The Hope SF initiative, including the Potrero Hope SF Master Development Project, is a central affordable housing and community development program for the City and County of San Francisco. Through the Hope SF initiative, existing affordable housing sites for very low income residents will be rebuilt with better connected mixed-income, complete neighborhoods that increase the permanent affordable housing stock of the City as well as provides a range of housing options for residents with special needs and for a range of income levels. The Potrero HOPE SF Master Development Project will seek to minimize displacement of existing residents and will provide essential relocation services that include maintenance of subsidized housing opportunities and the right to return as provided in the Right to Return Ordinance. The proposed funding of this large scale project is creative and leverages extensive public and private sources of capital. The project will receive zoning and priority approval processes to encourage the production of affordable housing. The high visibility of this project will increase capacity of builders and owners of affordable and mixed income communities as well as raise greater public awareness of the high quality design and character of affordable housing. Policy 9.3 specifically names HOPE SF as leading initiative to maintain and improve the condition of existing supply of public housing in the Plan Area. As a site that is well under the Planning Code's density limit, the Hope SF also looks to take advantage of the additional allowed density to construct market-rate units, which, in turn, will both create a mixed-income neighborhood and will cross-subsidizing the cost of reconstructing the existing dilapidated affordable housing. Also central to the Hope SF initiative is the construction of new infrastructure including new streets and parks that meet -- and in some cases exceed -- current City standards for ecological performance, safety, and comfort.

COMMERCE AND INDUSTRY

The principle objectives for Commerce & Industry are to manage economic growth and change, maintain a sound and diverse economic base and fiscal structure, provide expanded employment opportunities for city residents particularly the unemployed and underemployed in a wide range of fields and levels, improve viability of existing businesses as well as attract new businesses – particularly in new industries, and assure entrepreneurial opportunities for local businesses.

The following objectives and policies are relevant to the Project:

OBJECTIVE 6 **MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD
COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.**

POLICY 6.1 Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

POLICY 6.2 Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society

POLICY 6.4 Encourage the location of neighborhood shopping areas throughout the city so that essential retail goods and personal services are accessible to all residents.

POLICY 6.7 Promote high quality urban design on commercial streets.

The Project meets and furthers the Objectives and Policies of the Commerce and Industry Element by reinforcing the typical San Francisco pattern of including resident serving uses along with residential development. The Project will generally permit small scale retail and community related uses throughout and requiring ground floor non-residential uses on a portion of 24th Street, which will serve as the neighborhood's "Main Street". Design and Land Use regulations for the development will require that neighborhood commercial retail be established in a pedestrian-oriented active environment typical of San Francisco neighborhoods and specifically called for in the Commerce and Industry Element. The possible provision of retail space will provide entrepreneurial opportunities for local residents and workers. Of course, new development will provide construction business opportunities, especially with outreach to small businesses through the City's SBE program, along with opportunities for property management and maintenance.

RECREATION AND OPEN SPACE ELEMENT

The principle objectives of the Recreation and Open Space Element are to preserve large areas of open space sufficient to meet the long-range needs of the Bay Region, develop and maintain a diversified and balanced citywide system of high quality public open space, provide a continuous public open space along the shoreline, and provide opportunities for recreation and the enjoyment of open space in every neighborhood.

- | | |
|-------------|--|
| OBJECTIVE 1 | ENSURE A WELL-MAINTAINED, HIGHLY UTILIZED, AND INTEGRATED OPEN SPACE SYSTEM |
| POLICY 1.1 | Encourage the dynamic and flexible use of existing open spaces and promote a variety of recreation and open space uses, where appropriate. |
| POLICY 1.11 | Encourage private recreational facilities on private land that provide a community benefit, particularly to low and moderate-income residents. |
| OBJECTIVE 2 | INCREASE RECREATION AND OPEN SPACE TO MEET THE LONG-TERM NEEDS OF THE CITY AND BAY REGION |
| POLICY 2.7 | Expand partnerships among open space agencies, transit agencies, private sector and nonprofit institutions to acquire, develop and/or manage existing open spaces. |
| POLICY 2.8 | Consider repurposing underutilized City-owned properties as open space and recreational facilities. |
| OBJECTIVE 3 | IMPROVE ACCESS AND CONNECTIVITY TO OPEN SPACE |
| POLICY 3.1 | Creatively develop existing publicly-owned right-of-ways and streets into open space. |
| POLICY 3.2 | Establish and Implement a network of Green Connections that increases access to parks, open spaces, and the waterfront. |
| POLICY 3.6 | Maintain, restore, expand and fund the urban forest. |

The Project meets and furthers the Objectives and Policies of the Recreation and Open Space by creating a new street and open space network within an area that is currently characterized by wide disconnected streets, steep unoccupied terrain, and lack of recreational opportunities. Altogether, 3.5 acres of new parks and open space are proposed for the site. Further, the new street network will improve connectivity from existing residential neighborhoods, parks and open spaces.

TRANSPORTATION ELEMENT

The Transportation Element is largely concerned with the movement of people and goods. It addresses the need for multi-modal streets and facilities, implementation of the City's transit-first policy, the need to limit parking and auto capacity on the roads, and ways to incentivize travel by transit, bike and by foot. It also addresses the relationship between transportation and land use and how the two should be coordinated to reduce the need for auto trips.

The following objectives and policies are relevant to the Project:

- | | |
|--------------|--|
| OBJECTIVE 1 | MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA. |
| POLICY 1.2 | Ensure the safety and comfort of pedestrians throughout the city. |
| POLICY 1.6 | Ensure choices among modes of travel and accommodate each mode when and where it is most appropriate. |
| POLICY 2.5 | Provide incentives for the use of transit, carpools, vanpools, walking and bicycling and reduce the need for new or expanded automobile and automobile parking facilities. |
| OBJECTIVE 18 | ESTABLISH A STREET HIERARCHY SYSTEM IN WHICH THE FUNCTION AND DESIGN OF EACH STREET ARE CONSISTENT WITH THE CHARACTER AND USE OF ADJACENT LAND. |
| POLICY 18.2 | Design streets for a level of traffic that serves, but will not cause a detrimental impact on adjacent land uses, or eliminate the efficient and safe movement of transit vehicles and bicycles. |
| POLICY 18.4 | Discourage high-speed through traffic on local streets in residential areas through traffic "calming" measures that are designed not to disrupt transit service or bicycle movement, including: <ul style="list-style-type: none">• Sidewalk bulbs and widenings at intersections and street entrances;• Lane off-sets and traffic bumps; |

- Narrowed traffic lanes with trees, landscaping and seating areas;
and
- colored and/or textured sidewalks and crosswalks.

POLICY 20.5 Place and maintain all sidewalk elements, including passenger shelters, benches, trees, newsracks, kiosks, toilets, and utilities at appropriate transit stops according to established guidelines.

OBJECTIVE 23 IMPROVE THE CITY'S PEDESTRIAN CIRCULATION SYSTEM TO PROVIDE FOR EFFICIENT, PLEASANT, AND SAFE MOVEMENT.

POLICY 23.1 Provide sufficient pedestrian movement space with a minimum of pedestrian congestion in accordance with a pedestrian street classification system.

POLICY 23.2 Widen sidewalks where intensive commercial, recreational, or institutional activity is present, sidewalks are congested and where residential densities are high.

POLICY 23.3 Maintain a strong presumption against reducing sidewalk widths, eliminating crosswalks and forcing indirect crossings to accommodate automobile traffic.

POLICY 23.6 Ensure convenient and safe pedestrian crossings by minimizing the distance pedestrians must walk to cross a street.

OBJECTIVE 24 IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

POLICY 24.2 Maintain and expand the planting of street trees and the infrastructure to support them.

POLICY 24.3 Install pedestrian-serving street furniture where appropriate.

POLICY 24.5 Where consistent with transportation needs, transform streets and alleys into neighborhood-serving open spaces or "living streets", especially in neighborhoods deficient in open space.

OBJECTIVE 26 CONSIDER THE SIDEWALK AREA AS AN IMPORTANT ELEMENT IN THE CITYWIDE OPEN SPACE SYSTEM.

- OBJECTIVE 27 ENSURE THAT BICYCLES CAN BE USED SAFELY AND
CONVENIENTLY AS A PRIMARY MEANS OF TRANSPORTATION, AS
WELL AS FOR RECREATIONAL PURPOSES.
- OBJECTIVE 28 PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR
BICYCLES.
- POLICY 28.1 Provide secure bicycle parking in new governmental, commercial, and
residential developments.
- OBJECTIVE 34 RELATE THE AMOUNT OF PARKING IN RESIDENTIAL AREAS AND
NEIGHBORHOOD COMMERCIAL DISTRICTS TO THE CAPACITY OF
THE CITY'S STREET SYSTEM AND LAND USE PATTERNS.
- POLICY 34.3 Permit minimal or reduced off-street parking supply for new buildings in
residential and commercial areas adjacent to transit centers and along
transit preferential streets.
- OBJECTIVE 35 MEET SHORT-TERM PARKING NEEDS IN NEIGHBORHOOD
SHOPPING DISTRICTS CONSISTENT WITH PRESERVATION OF A
DESIRABLE ENVIRONMENT FOR PEDESTRIANS AND RESIDENTS.

The Project meets and furthers the Objectives and Policies of the Transportation Element by requiring the creation of a new fine-grained street grid in place of the diagonally configured and disconnected street and block pattern that exists today. The Project accommodates the creation of a new mixed-use predominately development in a pattern that encourages walking and using transit. The Project also calls for streetscape improvements that will calm auto traffic while assuring pedestrian comfort and enjoyment.

URBAN DESIGN ELEMENT

The Urban Design Element addresses the physical character and order of the City. It establishes objectives and policies dealing with the city pattern, conservation (both of natural areas and historic structures), major new developments, and neighborhood environment. It discusses meeting "human needs", largely by assuring quality living environments, and by protecting and enhancing those characteristics of development that make San Francisco special.

The following objectives and policies are relevant to the Project:

- | | |
|-------------|---|
| OBJECTIVE 1 | EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION. |
| POLICY 1.1 | Recognize and protect major views in the city, with particular attention to those of open space and water. |
| POLICY 1.2 | Recognize, protect and reinforce the existing street pattern, especially as it is related to topography. |
| POLICY 1.3 | Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts. |
| POLICY 1.5 | Emphasize the special nature of each district through distinctive landscaping and other features. |
| POLICY 1.6 | Make centers of activity more prominent through design of street features and by other means. |
| POLICY 1.7 | Recognize the natural boundaries of districts, and promote connections between districts. |
| 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. |
| OBJECTIVE 3 | MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT. |

- POLICY 3.3 Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.
- POLICY 3.4 Promote building forms that will respect and improve the integrity of open spaces and other public areas.
- POLICY 3.5 Relate the height of buildings to important attributes of the city pattern and to the height and character of existing development.
- POLICY 3.7 Recognize the special urban design problems posed in development of large properties.
- POLICY 3.8 Discourage accumulation and development of large properties, unless such development is carefully designed with respect to its impact upon the surrounding area and upon the city.
- OBJECTIVE 4 IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY .
- POLICY 4.3 Provide adequate lighting in public areas.
- POLICY 4.4 Design walkways and parking facilities to minimize danger to pedestrians.
- POLICY 4.5 Provide adequate maintenance for public areas.
- POLICY 4.6 Emphasize the importance of local centers providing commercial and government services.
- POLICY 4.8 Provide convenient access to a variety of recreation opportunities.
- POLICY 4.10 Encourage or require the provision of recreation space in private development.
- POLICY 4.12 Install, promote and maintain landscaping in public and private areas.
- POLICY 4.13 Improve pedestrian areas by providing human scale and interest.

On balance, the Project is consistent with and furthers the Urban Design Element. The project enables the establishment of a new vibrant mixed-use-predominately-residential neighborhood on currently underutilized land. The Project will extend the Potrero street grid and block pattern where it currently

does not exist today, thereby reinforcing Potrero's street pattern. The Project's compact urban development of modulated buildings will step along the site's steep topography; open spaces and green streets will punctuate the new block pattern. Taken together, these characteristics will enable the revitalized Hope SF Potrero neighborhood to be both individually distinctive and better integrated into the larger Potrero neighborhood. Streets will be designed to Better Streets standards and will be safe, comfortable, and inviting. While the proposal includes allowing heights of buildings to be as tall as 65-feet at some locations (taller than what's allowed within other residentially portions of Potrero Hill), design standards will require that they be broken down both vertically and horizontally and be designed to the human scale. The portion of the site that allows the tallest heights will be reserved for the center of the neighborhood's planned commercial and community-serving center, thereby demarking the Project's civic heart. While the view across the site -- some from the Potrero Recreation Center -- will change in nature with additional buildings in the foreground, other views will be improved and protected by aligning new streets with existing streets allowing continual views down them and assuring they are not blocked in the future. On balance, the urban design character of the site will be significantly improved; therefore, the Project is consistent with the Urban Design Element.

ENVIRONMENTAL PROTECTION ELEMENT

The Environmental Protection Element is concerned with protecting the natural environment within San Francisco's urban context. The element provides objectives and policies for the following topics: the Bay, ocean and shoreline, air, fresh water, land, flora and fauna, transportation noise, and energy.

The following objectives and policies are relevant to the Project:

- | | |
|--------------|---|
| OBJECTIVE 1 | ACHIEVE A PROPER BALANCE AMONG THE CONSERVATION, UTILIZATION, AND DEVELOPMENT OF SAN FRANCISCO'S NATURAL RESOURCES. |
| Policy 1.4 | Assure that all new development meets strict environmental quality standards and recognizes human needs. |
| OBJECTIVE 15 | INCREASE THE ENERGY EFFICIENCY OF TRANSPORTATION AND ENCOURAGE LAND USE PATTERNS AND METHODS OF TRANSPORTATION WHICH USE LESS ENERGY. |
| POLICY 15.3 | Encourage an urban design pattern that will minimize travel requirements among working, shopping, recreation, school and childcare areas. |

The Project is consistent with and implements the Environmental Protection Element in that it calls for mixed-use, moderate density, transit-friendly, sustainable development. The Hope SF Potrero EIR identifies potential significant and unavoidable impacts regarding noise and air pollutant emissions; these impacts are largely traffic and construction related and are substantially due to the Project's scale. The Project and all related City approvals are nonetheless consistent with the Environmental Protection Element as the Project satisfies and implements the preponderance of Element's objectives and policies: the Project furthers the Element's emphasis on the need for compact, and sustainable development.

COMMUNITY FACILITIES ELEMENT

The Community Facilities element addresses police facilities, neighborhood center facilities, fire facilities, library facilities, public health facilities, and touches upon educational facilities, institutional facilities (colleges, etc.) wastewater facilities, and solid waste facilities.

The following objectives and policies are relevant to the Project:

- | | |
|-------------|--|
| OBJECTIVE 3 | ASSURE THAT NEIGHBORHOOD RESIDENTS HAVE ACCESS TO NEEDED SERVICES AND A FOCUS FOR NEIGHBORHOOD ACTIVITIES |
| POLICY 3.6 | Base priority for the development of neighborhood centers on relative need. |
| OBJECTIVE 4 | PROVIDE NEIGHBORHOOD CENTERS THAT ARE RESPONSIVE TO THE COMMUNITY SERVED. |
| POLICY 4.1 | Assure effective neighborhood participation in the initial planning, ongoing programming, and activities of multi-purpose neighborhood centers |

The Project is consistent with and implements the Community Facilities Element. The Project allows for community serving uses on the ground floor throughout the development. A community center and senior housing development is planned for Block G that among other community-based uses will include child care. Whether or not community uses will eventually establish themselves in other permitted locations will depend on community needs and demands as well as broader market factors as the Project gets built out.

PUBLIC SAFETY ELEMENT

- OBJECTIVE 2 REDUCE STRUCTURAL AND NON-STRUCTURAL HAZARDS TO LIFE SAFETY, MINIMIZE PROPERTY DAMAGE AND RESULTING SOCIAL, CULTURAL AND ECONOMIC DISLOCATIONS RESULTING FROM FUTURE DISASTERS.
- POLICY 2.1 Assure that new construction meets current structural and life safety standards.
- POLICY 2.3 Consider site soils conditions when reviewing projects in areas subject to liquefaction or slope instability.
- POLICY 2.9 Consider information about geologic hazards whenever City decisions that will influence land use, building density, building configurations or infrastructure are made.
- POLICY 2.12 Enforce state and local codes that regulate the use, storage and transportation of hazardous materials in order to prevent, contain and effectively respond to accidental releases.

The Project is consistent with and implements the Community Safety Element. All improvements, including infrastructure, buildings and open space improvements will be constructed to local seismic standards, taking into account, among other considerations, the geological condition of the soil and where applicable, any remediation activity.

AIR QUALITY ELEMENT

The Air Quality Element is concerned, in part, with reducing the level of pollutants in the air, thus protecting and improving public health, welfare and the quality of life of the citizens of San Francisco and the residents of the metropolitan region. It emphasizes that opportunities for economic growth in the area can be enhanced through implementation of transportation, land use and other policies in harmony with clean air goals.

The following objectives and policies are relevant to the Project:

- | | |
|-------------|--|
| OBJECTIVE 3 | DECREASE THE AIR QUALITY IMPACTS OF DEVELOPMENT BY COORDINATION OF LAND USE AND TRANSPORTATION DECISIONS. |
| POLICY 3.1 | Take advantage of the high density development in San Francisco to improve the transit infrastructure and also encourage high density and compact development where an extensive transportation infrastructure exists. |
| POLICY 3.2 | Encourage mixed land use development near transit lines and provide retail and other types of service oriented uses within walking distance to minimize automobile dependent development. |
| POLICY 3.6 | Link land use decision making policies to the availability of transit and consider the impacts of these policies on the local and regional transportation system. |
| POLICY 3.9 | Encourage and require planting of trees in conjunction with new development to enhance pedestrian environment and select species of trees that optimize achievement of air quality goals |

The Project is consistent with and implements the Air Quality Element in that it calls for mixed-use predominately residential, moderate density, sustainable development that will enable efficient use of land and encourage travel by transit and by foot, thereby reducing auto use. The Project will be built to LEED Neighborhood Development standards. While the Hope SF Potrero EIR identifies potential significant and unavoidable impacts regarding air pollutant emissions, the impacts are largely traffic and construction related, which, in turn, is substantially due to the Project's scale. The Project is nonetheless consistent with the Air Quality Element because it satisfies and implements the preponderance of Element's objectives and policies; most importantly, the Project furthers the Element's emphasis on efficient and compact development.

General Plan Priority Finding

(Planning Code Section 101.1 Findings)

Planning Code Section 101.1(b) establishes eight priority policies and is a basis by which differences between competing policies in the General Plan are resolved. As described below, the Project is consistent with the eight priority policies set forth in Planning Code Section 101.1(b).

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

The Project will preserve and enhance existing neighborhood serving retail uses. The Project would potentially accommodate roughly 15,000 square feet of new retail uses. The retail uses are envisioned to be local serving. The project does not include the removal of any existing neighborhood serving retail and is not expected to unduly compete against long established Potrero or Dogpatch neighborhood commercial districts along 18th Street and 22nd Street.

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

The Project accommodates new development on land that is underutilized and improvements that are dilapidated. While it would remove existing housing, the housing will be replaced by significantly improved housing in a neighborhood pattern much more similar to the rest of Potrero Hill than what exists today. Existing tenants will be actively engaged in the relocation planning process and will be offered on-site relocation opportunities as part of a larger community building strategy employed by HOPE SF to preserve the cultural and economic diversity of the neighborhood. . Outside of the boundaries of the Housing Authority site and of the adjacent site partially owned by the San Francisco School District, no Potrero Hill building would be effected by the Project.

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

The Project is a part of the Hope SF, the Mayor's signature anti-poverty initiative aimed at eradicating intergenerational poverty. . As noted above, existing affordable units will be demolished and replaced with significantly improved units at the same affordable levels as the units removed. Along with replacement units for extremely low income households, about 335 additional affordable units for low income households are also proposed.

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

The Project anticipates and accommodates new transit as planned through the City's Muni Forward Project. Design of streets and bus stops will include bus bulbs and bus shelters; street cross sections and corner design will assure sufficient space for bus travel. Moreover, the Project includes the creation of a pedestrian-oriented street and open space network that will encourage alternative modes of transportation. The Project will provide less than one-to-one parking, further encouraging travel by other modes of travel other than by single-occupancy vehicle.

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 Project would not adversely affect the industrial sector or service sectors. No such uses would be displaced by the sectors. Construction activity generated by the Project, however, will support these sectors.

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

All new construction would be subject to the City's Building Code, Fire Code and other applicable safety standards. Thus, the Project would improve preparedness against injury and loss of life in an earthquake by prompting development that would comply with applicable safety standards.

7. That landmarks and historic buildings be preserved.

The Project would not accommodate the removal, demolition, or of any known landmark or historic building.

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

On balance, the Project would improve the City's open space and park system and would not adversely effect parks access to sunlight and vistas. The project includes providing roughly 3.5 acres of additional parks to the City's overall park system. The site is immediately adjacent to and downslope to the Potrero Recreation Center. Because the proposal does include constructing

buildings immediately across the street from the park, new shadows will be created on the park, and some views from the park will be changed. However, the EIR has shown that the new shadows would not cause a significant adverse effect. Similarly, a mitigation measure has been established to limit the height of some buildings across 23rd Street from the park to assure that the view southward from the park is sufficiently retained. Most of the area on the perimeter of the park that would be effected by shadows and where views would change are characterized by heavily forested trees on steep slopes, where most park use is limited. Given that additional parks and accessible green space is being added by the Project, and the impacts of the proposed development on Potrero Recreation Center are limited, on balance, the Project is consistent with this General Plan Priority Finding.

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

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

- ☒ 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- ☐ 2. Request for next printed agenda Without Reference to Committee.
- ☐ 3. Request for hearing on a subject matter at Committee.
- ☐ 4. Request for letter beginning "Supervisor" inquires"
- ☐ 5. City Attorney request.
- ☐ 6. Call File No. from Committee.
- ☐ 7. Budget Analyst request (attach written motion).
- ☐ 8. Substitute Legislation File No.
- ☐ 9. Reactivate File No.
- ☐ 10. Question(s) submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission

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

Sponsor(s):

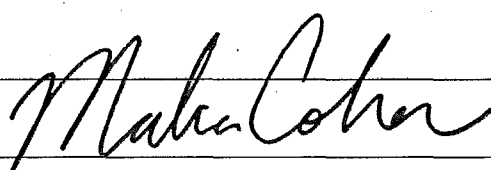
Cohen

Subject:

Real Property Acquisition - 1101 Connecticut Street, San Francisco Unified School District - \$1,800,000

The text is listed below or attached:

Attached

Signature of Sponsoring Supervisor: 

For Clerk's Use Only:

