

1 [Sale of City Property Subject to Declaration of Covenants]

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3 **Ordinance ordering authorizing the sale at ~~public auction~~ of seven twelve City-owned**
4 **properties located along the former Central Freeway right of way and the newly**
5 **constructed Octavia Boulevard by public auction or pursuant to negotiated purchase**
6 **and sale agreements and subject to a declaration of covenants; adopting findings**
7 **pursuant to the California Environmental Quality Act; adopting findings that the sales**
8 **isare consistent with the City’s General Plan and Eight Priority Policies of City Planning**
9 **Code Section 101.1; and authorizing other actions in furtherance of this ordinance.**

10 Note: Additions are *single-underline italics Times New Roman*;
11 deletions are *strikethrough italics Times New Roman*.
12 Board amendment additions are double underlined.
13 Board amendment deletions are ~~strikethrough normal~~.

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

14 Section 1. In accordance with the recommendation of the Director of the Department
15 of Public Works, the Director of the Office of Economic and Workforce Development, and the
16 Director of Property, the Board of Supervisors hereby declares that the public interest or
17 necessity will not be inconvenienced by the sale, atthrough public auctions or pursuant to
18 negotiated purchase and sale agreements, of the following properties transferred by the State
19 of California to the City and County of San Francisco ("City") pursuant to Section 72.1 of the
20 California Streets and Highways Code and owned by the City under the jurisdiction of the
21 Department of Public Works (collectively, the "Central Freeway Excess Parcels"), all of which
22 are located within the City and County of San Francisco and shown on the map marked
23 "Exhibit A", a copy of which is on file with the Clerk of the Board of Supervisors in File No.
24 _____:

25

- 1 (i) Assessor's Block 0785, Lot 029, Parcel F, located on the northeast corner of Fulton
2 Street and Gough Street, ~~which has been appraised as having a fair market value of~~
3 ~~\$9,900,000;~~
- 4 (ii) Assessor's Block 0793, Lot 036, Parcel H, located on the northwest corner of Grove
5 Street and Gough Street, ~~which has been appraised as having a fair market value of~~
6 ~~\$4,200,000;~~
- 7 (iii) Assessor's Block 0808, Lot 039, Parcel J, located on the north side of Hayes
8 Street, between Gough Street and Octavia Boulevard, ~~which has been appraised as~~
9 ~~having a fair market value of \$6,400,000;~~
- 10 (iv) Assessor's Block 0817, Lot 033, Parcel L, located on the east side of Octavia
11 Boulevard, between Fell Street and Linden Street, ~~which has been appraised as~~
12 ~~having a fair market value of \$1,370,000 appraised value;~~
- 13 (v) Assessor's Block 0838, Lot 035, Parcel R, located on the east side of Octavia
14 Boulevard, between Lily Street and Oak Street, ~~which has been appraised as having a~~
15 ~~fair market value of \$770,000;~~
- 16 (vi) Assessor's Block 0838, Lot 034, Parcel S, located on the east side of Octavia
17 Boulevard, between Page Street and Lily Street, ~~which has been appraised as having a~~
18 ~~fair market value of \$820,000; and~~
- 19 (vii) Assessor's Block 0853, Lot 022, Parcel T, located on the east side of Octavia
20 Boulevard, between Page Street and Rose Street, ~~which has been appraised as having~~
21 ~~a fair market value of \$1,650,000.;~~
- 22 (viii) Assessor's Block _____, Lot _____, Parcel _____, located on
23 _____;
- 24 (ix) Assessor's Block _____, Lot _____, Parcel _____, located on
25 _____;

1 (x) Assessor's Block _____, Lot _____, Parcel _____, located on

2 _____;

3 (xi) Assessor's Block _____, Lot _____, Parcel _____, located on

4 _____; and

5 (xii) Assessor's Block _____, Lot _____, Parcel _____, located on

6 _____.

7 Section 2. The Planning Department reported its findings that the sale of the Central
8 Freeway Excess Parcels is consistent with the City's General Plan and with Planning Code
9 Section 101.1(b). Such findings are in a letter, a copy of which is on file with the Clerk of the
10 Board of Supervisors in File No. _____ and is incorporated herein by reference.

11 The Board of Supervisors finds that proposed sale is consistent with the City's General Plan
12 and with Planning Code Section 101.1(b) for the reasons set forth in such Planning
13 Department letter. In addition, pursuant to the California Environmental Quality Act ("CEQA"),
14 State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code, the
15 Planning Department determined that the sale of the Central Freeway Excess Parcels is
16 categorically exempt from CEQA. A copy of the determination is on file with the Clerk of the
17 Board of Supervisors in File No. _____ and is incorporated herein by reference.

18 The Board of Supervisors concurs with and adopts this determination.

19 Section 3. Prior to any sale of any of the Central Freeway Excess Parcels, the City
20 shall record a declaration of economic justice and community development covenants
21 ("Declaration") that obligates a Central Freeway Excess Parcel owner, if such owner is hiring
22 any party to construct a development with more than 60 residential units on its parcel, to use
23 good-faith efforts to hire qualified local residents to perform such construction, to comply with
24 certain construction apprenticeship standards for such construction workers, and to pay such
25 construction workers no less than the rate specified in the Declaration. A copy of the

1 Declaration is on file with the Clerk of the Board in File No. _____ and is incorporated
2 herein by reference.

3 Section 4. The Board of Supervisors hereby authorizes the Director of Property, on
4 behalf of the City and County of San Francisco, to request and receive bids at public auction,
5 or to enter into purchase and sale agreements in a form that is approved by the Director of
6 Property and the City Attorney (a "Purchase Agreement"), for the sale of any of the Central
7 Freeway Excess Parcels subject to the Declaration, and to cause the Declaration to be
8 recorded in the Official Records of San Francisco County before the sale of any of the Central
9 Freeway Excess Parcels. Notwithstanding anything to the contrary set forth in Section 23.3 of
10 the San Francisco Administrative Code, the Director of Property is hereby authorized to sell
11 each any of the Central Freeway Excess Parcels at public auction without subsequent
12 approval or confirmation by the Board of Supervisors on the condition that the sales price is
13 equal to or greater than ~~ninety~~ eighty percent (80%) of the appraised fair market value
14 specified above for such parcel and to sell any of the Central Freeway Parcels pursuant to a
15 Purchase Agreement on the condition that the sales price is equal to or greater than ninety
16 percent (90%) of the appraised fair market value specified for such parcel. The appraised fair
17 market value for each of the Central Freeway Parcels shall be determined by the Director of
18 Property and shall reflect the reduction in value, if any, resulting from the Declaration.

19 Subsequent to the any public auction sale or any sale pursuant to a Purchase Agreement, the
20 Director of Property shall deposit the proceeds thereof in the Octavia Boulevard Special Fund
21 pursuant to Section 10-100.369 of the San Francisco Administrative Code and shall report to
22 the Clerk of the Board of Supervisors the results of ~~the public auction~~ any such sale.

23 Section 45. The provisions of San Francisco Administrative Code Chapter 23A, the
24 Surplus City Property Ordinance, shall not apply to the sale of the Central Freeway Excess
25 Parcels.

1 Section 6. The Director of Property is hereby authorized to execute and record the
2 Declaration, to enter into Purchase Agreements for the sale of any Central Freeway Excess
3 Parcel for no less than ninety percent (90%) of its fair market value, and to sell any Central
4 Freeway Excess Parcel at public auction for no less than eighty percent (80%) of its fair
5 market value, and further authorized and directed to do any and all things to execute and
6 deliver such documents with respect to the Declaration, any Purchase Agreement and such
7 sales that the Director of Property determines, in consultation with the City Attorney, are in the
8 best interest of the City, including any modifications or amendments to the Declaration that do
9 not materially increase the obligations of the City or materially decrease the benefits to the
10 City, are necessary or advisable to consummate the performance of the purposes of this
11 Ordinance, and are in compliance with all applicable laws, including the City's Charter.

12 Section 57. The Mayor, Clerk of the Board, Controller, and Director of Property are
13 hereby authorized and directed to take any and all actions which they or the City Attorney may
14 deem necessary or advisable in order to effectuate the purpose and intent of this ordinance.
15 All actions previously taken by the officers of the City with respect to the proposed sale by
16 ~~auction~~ of the Central Freeway Parcels are hereby approved and ratified.

17

18 RECOMMENDED:

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20 _____
Director of Department of Public Works

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22 _____
Director of the Office of Economic and
23 Workforce Development

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25 _____
Director of Property

Real Estate Division
BOARD OF SUPERVISORS

1 APPROVED AS TO FORM:
2 DENNIS J. HERRERA, City Attorney

3 By: _____
4 Carol Wong
5 Deputy City Attorney

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