

## **RESOLUTION NO. 38-2002**

**Adopted February 26, 2002**

**AUTHORIZING AN AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION, CONCERNING CERTAIN REAL PROPERTY KNOWN AS THE CENTRAL FREEWAY HOUSING PARCELS THAT PROVIDES FOR 1) ACQUISITION OF THE PARCELS KNOWN AS PARCELS A AND C FOR AN AMOUNT NOT TO EXCEED \$5,775,000, PLUS RELATED CLOSING COSTS OF UP TO \$30,000; AND 2) AN OPTION TO ACQUIRE FIVE ADDITIONAL PARCELS KNOWN AS PARCELS G/DOF1, K, O, Q, AND U, FOR DISPOSITION AND DEVELOPMENT AS AFFORDABLE HOUSING; CITYWIDE TAX INCREMENT HOUSING PROGRAM**

### **BASIS FOR RESOLUTION**

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, (the "Law"), the Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes programs for the reconstruction and rehabilitation of blighted areas in the City and County of San Francisco (the "City").
2. The Agency is authorized pursuant to the Law to increase and maintain the affordability of the housing stock in the City for affordability by very-low, low and moderate-income households.
3. The City has acquired certain real property consisting of the area formerly occupied by the Central Freeway, including those parcels known as Parcels A, C, G/DOF1, K, O, Q, and U, pursuant to Section 72.1 of the California Streets and Highways Code ("Section 72.1"), and the San Francisco Board of Supervisors Resolution No. 000667.
4. Section 72.1 requires that the City use all proceeds from the disposition of the former Central Freeway parcels acquired from the State to finance the City's replacement of the former Central Freeway with a ground-level boulevard along Octavia Street, and, after full funding of Octavia Boulevard, for ancillary transportation improvements and related purposes authorized by Article XIX of the California Constitution.
5. In November 1999, the voters of San Francisco approved Proposition I, which encouraged the development of housing, particularly affordable housing, on the Central Freeway parcels not needed for Octavia Boulevard (the "Excess Parcels").
6. The City, through the Department of City Planning and the Mayor's Office of Economic Development, along with the Agency, has conducted numerous public planning meetings to determine the appropriate reuse of the Excess Parcels.

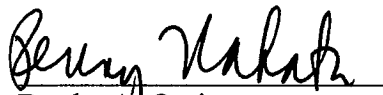
7. The Agency wishes to acquire from the City certain Excess Parcels located in the Western Addition Redevelopment Project Area A-2 ("A-2 Redevelopment Project Area") known as Parcels A and C, for development as affordable housing for low income seniors, pursuant to the terms of an Agreement for the Transfer of Land (sometimes "Transfer Agreement"), authorized by the San Francisco Board of Supervisors Resolution No. 824-01 on October 22, 2001.
8. The Agency also desires to acquire from the City an option to acquire five additional Excess Parcels known as Parcel G/DOF1 and Parcel K, also located in the A-2 Redevelopment Project Area; and Parcels O, Q, and U, located outside of the A-2 Redevelopment Project Area; (jointly referred to as the "Option Parcels") for no more than the fair market value of such Option Parcels as determined by appraisal, for the disposition and development of such Option Parcels as affordable housing pursuant to the terms of an Option Agreement for the Purchase and Sale of Real Property (sometimes "Option Agreement"), also authorized by the San Francisco Board of Supervisors Resolution No. 824-01 on October 22, 2001.
9. Upon the acquisition of any of the Option Parcels, the Option Agreement provides for the Agency's lease back of such Option Parcels to the City pursuant to the terms of a Ground Lease requiring the City's payment to the Agency of monthly rent in the amount of \$1, enabling the City to sublease such Option Parcels on a month-to-month basis for parking purposes consistent with the parking uses currently in existence, and also enabling the Agency to terminate the Ground Lease as to any Option Parcel upon sixty (60) days notice to the City.
10. The City and the Agency have accepted the total sum of \$5,775,000 as the fair market value of Parcels A and C, based upon an appraisal completed by Carneghi-Bautovich & Partners. The final cost for all Central Freeway Housing Parcels acquired by the Agency will be determined at the completion of Octavia Boulevard and the City's disposition of all the Excess Parcels, consistent with the terms of the Transfer Agreement and Option Agreement described herein.
11. The Director of City Planning has determined that the City's transfer of the properties contemplated by the Transfer Agreement and Option Agreement are categorically exempt from the provisions of the California Environmental Quality Act ("CEQA"). Moreover, the Agency also finds that its acquisition of the Excess Parcels will have no effect on the environment since the Agency is required to evaluate and determine the environmental effect, in accordance with CEQA, of the affordable housing developments prior to development of such Excess Parcels.

## RESOLUTION

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into the following agreements and obligations:

- 1) As to Parcels A and C: The Transfer Agreement consisting of the Agreement for Transfer of Real Estate with the City and County of San Francisco, a municipal corporation, substantially in the form lodged with Agency General Counsel, providing for the acquisition of two parcels known as A and C, Assessor's Block 761, Lot 27, and Assessor's Block 768, Lot 13, respectively; a Promissory Note providing for the payment of no more than \$5,775,000 for the acquisition of such Parcels A and C; and the expenditure of up to \$5,775,000 for the acquisition of Central Freeway Parcels A and C, Assessor's Block 761, Lot 27, and Assessor's Block 768, Lot 13, respectively, plus related closing costs not to exceed \$30,000, pursuant to the terms of the Promissory Note and the Transfer Agreement.
- 2) As to the Option Parcels: The Option Agreement consisting of the Option Agreement for the Purchase and Sale of Real Property by and with the City and County of San Francisco, a municipal corporation, substantially in the form lodged with Agency General Counsel, providing an option to acquire five additional parcels known as G/DOF1, K, O, Q, and U, Assessor's Block 792, Lot 28, Assessor's Block 817, Lot 30 (portion), Assessor's Block 831, Lot 24, Assessor's Block 839, Lot 29, and Assessor's Block 853, Lot 21, respectively; and also authorizing the Executive Director to exercise such Option Agreement, conditioned on the Executive Director's provision of prior notice of each exercise of the Option Agreement to acquire any specific Option Parcel.
- 3) As to all Excess Parcels to be Acquired by the Agency: Any and all ancillary documents necessary to carry out the transactions authorized by this Resolution, including, but not limited to the Ground Lease providing for the lease back of the Option Parcels between the San Francisco Redevelopment Agency and the City and County of San Francisco, substantially in the form lodged with Agency General Counsel; as well as such other ancillary documents in a form to be approved by the Agency General Counsel.

**APPROVED AS TO FORM:**

  
for Bertha A. Ontiveros  
Agency General Counsel