

RESOLUTION NO. 24-2008

Adopted April 15, 2008

AUTHORIZING A FIRST AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH 766 HARRISON, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO ALLOW FOR OFFICE SPACE ON THE GROUND FLOOR OF THE RESIDENTIAL DEVELOPMENT AT 766 HARRISON STREET, LOCATED BETWEEN FOURTH AND LAPU-LAPU STREETS (ASSESSOR'S BLOCK 3751, LOT 153); YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

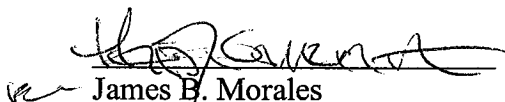
1. On December 20, 2005, the Agency Commission approved an Owner Participation Agreement (the "OPA") with Baker Hamilton Properties, LLC, a California limited liability company ("Baker Hamilton"), together with a schematic design for a proposed new eight-story, 98-unit, single-room-occupancy ("SRO") residential project with 4,500 square feet of retail, a 581-square-foot side yard, 4,370 square feet of common resident open space on a roof deck, and required parking (collectively, the "Development").
2. The Development is located at 766 Harrison Street (the "Site") in the Yerba Buena Center Redevelopment Project Area.
3. On August 28, 2006, Baker Hamilton conveyed the Site to 60 Rausch, LLC, a California limited liability company; 73 Sumner, LLC, a California limited liability company; and 766 Harrison, LLC, a California limited liability company (collectively, the "Tenants in Common"). Thereafter, on February 12, 2008, the Tenants in Common conveyed the Site to 766 Harrison, LLC, a California limited liability company (the "Owner").
4. Under the OPA, the Owner was required to construct 4,500 square feet of retail space on the ground floor of the Development for a single restaurant business. However, after marketing this space for many months, the Owner has determined that it is too large for prospective tenants. Therefore, under the proposed First Amendment, the Owner would be allowed to subdivide the 4,500-square-foot retail space into five separate commercial spaces. The subdivided space will consist of one retail space of approximately 1,400 square feet facing Harrison Street, and four office spaces ranging in size from 230 to 760 square feet with a separate entry on Rizal Street. The Owner intends to lease both the retail and office space for now, but may eventually sell the 4,500-square-foot space as a condominium(s).

5. The Development, as proposed, complies with the requirements of the Yerba Buena Center Redevelopment Plan and the City and County of San Francisco's Planning Code and it is in compliance with the Agency's Housing Participation Policy. Ten of the 98 SRO residential units will be affordable housing units.
6. On December 20, 2005, the Agency Commission adopted Resolution No. 209-2005, adopting the Negative Declaration prepared for the Development pursuant to the requirements of the California Environmental Quality Act ("CEQA"). The Negative Declaration found that the Development will not have significant effect on the environment based on CEQA Guidelines Sections 15064, 15065, and 15070. The Negative Declaration included specific mitigation measures related to construction traffic and construction air quality that were adopted as part of the Development. Implementation of the mitigation measures ensures that no significant environmental impacts would occur. Agency staff has reviewed the proposed changes to the ground floor of the development, whereby the ground floor commercial space would be divided into smaller commercial (retail and office) spaces and finds the proposed changes to be within the scope of the project analyzed in the Negative Declaration.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a First Amendment to the Owner Participation Agreement and related documents with 766 Harrison, LLC, a California limited liability company, to allow office space on the ground floor of the residential development at 766 Harrison Street, located between Fourth and Lapu-Lapu Streets (Assessor's Block 3751, Lot 153) in the Yerba Buena Center Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel