

RESOLUTION NO. 34-2008

Adopted as Amended at the Commission Meeting of May 20, 2008

AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH A & M PROPERTIES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR A 33-UNIT CONDOMINIUM PROJECT AT 1301 DIVISADERO STREET (ASSESSOR'S BLOCK 1101, LOT 7); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2

BASIS FOR RESOLUTION

1. 1301 Divisadero Street is located on approximately one third of an acre on the northwest corner of Divisadero and Ellis Streets (the "Site") in the Western Addition Redevelopment Project Area A-2 (the "Project Area"). The property is currently improved with a gasoline service station that was constructed in 1954. The Owner of the property is A & M Properties, L.P. (the "Owner").
2. The Redevelopment Plan for the Western Addition A-2 Redevelopment Project Area (the "Redevelopment Plan") provides for owners to participate in the redevelopment of private property in the Project Area. The Owner wishes to participate and to enter into an Owner Participation Agreement (the "OPA") to make improvements to the Site.
3. Under the OPA, the Owner proposes to demolish the existing gasoline service station and construct 33 for-sale studio units, on three levels, above 33 basement- and ground-level parking spaces. The project will also include a 24-foot, rear-yard setback, and shared common open space at the garage roof level.
4. The proposed project is subject to the Agency's Housing Participation Policy, which imposes inclusionary housing requirements on owner participant projects over 10 residential dwelling units. Accordingly, three affordable units are required. In negotiations regarding the selection of the affordable units, a compromise was reached wherein the Agency allowed the Owner to select the units if the Owner agreed to provide an additional affordable unit. This increased the number of affordable units to be provided by the Owner to four, and increased the total number of studios from 32 to 33.
5. The permitted uses and development standards pertaining to the Site are described in the Redevelopment Plan, which designates the Site's zoning as RM (Residential Medium Density) and its height and bulk district as 65-A.
6. The schematic design approved by the Agency Commission pursuant to companion Resolution No. 33-2008 does not meet the density requirements of the Redevelopment Plan as a result of negotiations with Agency staff regarding the

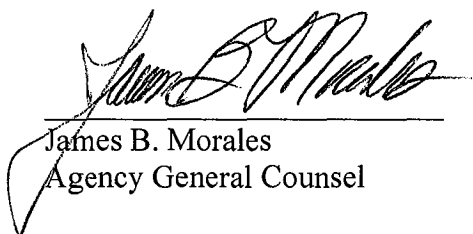
selection of the affordable housing units. Therefore, the Agency Commission has adopted Resolution No. 33-2008, authorizing a variance from the density requirements of the Redevelopment Plan.

7. The approval of the variance provides the project with increased density that exceeds the standards of the Redevelopment Plan and the underlying Zoning District of the Planning Code. In light of this significant benefit to the Owner, the Agency Commission imposed, at its hearing on May 20, 2008, additional conditions on the project. Specifically, it required the Owner to comply with the Agency's Small Business Enterprise (SBE) and construction workforce development programs so that the project increases employment and contracting opportunities for lower income residents and disadvantaged businesses. These additional conditions are consistent with the goals of Community Redevelopment Law and the Redevelopment Plan.
8. The proposed development is categorically exempt from the California Environmental Quality Act ("CEQA"), pursuant to CEQA Guidelines Section 15332 (in-fill development projects). The project proposed by the Owner will not result in a significant physical effect on the environment.

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 an Owner Participation Agreement, subject to the Owner's compliance with the SBE and Construction Workforce programs of the Agency, but otherwise substantially in the form lodged with the Agency General Counsel, and to execute related documents with A & M Properties L.P., a California limited partnership, for a proposed development at 1301 Divisadero Street, on Assessor's Block 1101, Lot 007 in the Western Addition Redevelopment Project Area A-2.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel