RESOLUTION NO. 197-2000
Adopted October 10, 2000

AUTHORIZING EXECUTION OF A THIRD AMENDMENT TO THE COMBINED LAND DISPOSITION AND OWNER PARTICIPATION AGREEMENT WITH RELIANCE ORIENTAL WAREHOUSE LLC, A DELAWARE LIMITED LIABILITY COMPANY, REGARDING THE DEVELOPMENT OF SITES I-1 AND I-3 (ORIENTAL WAREHOUSE); LOCATED AT THE SOUTHWEST CORNER OF DELANCEY AND BRANNAN STREETS; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA

BASIS OF RESOLUTION

1. By Resolution No. 198-92 dated September 29, 1992, the Redevelopment Agency of the City and County of San Francisco ("Agency") approved a Combined Land Disposition and Owner Participation Agreement ("LDA/OPA") with Oriental Warehouse Associates, a California limited partnership, and Reliance Oriental Warehouse, Inc., a Delaware corporation ("Former Owner"), regarding the development of Sites I-1 and I-3 ("Oriental Warehouse") in the Rincon Point-South Beach Redevelopment Project Area.

2. By Resolution No. 25-95 adopted on January 31, 1995, the Agency entered into a First Amendment dated April 28, 1995 to said LDA/OPA to amend the Scope of Development, the Schedule of Performance, the Affordable Housing Contribution and the Absolute Conveyance Date.

3. By Resolution No. 182-97 dated October 21, 1997, the Agency approved a Second Amendment to said LDA/OPA to modify the Affordable Housing Contribution, the Schedule of Performance and the Scope of Development.

4. Pursuant to the terms of the LDA/OPA, Former Owner transferred title to Site I-1 and all rights and obligations under the LDA/OPA to Reliance Oriental Warehouse LLC, a Delaware limited liability company ("Developer"), an affiliate of Former Owner over which it has full management control.

5. The Developer has completed the development of Phase 1, the rehabilitation of the Oriental Warehouse on Parcel I-3 as 66 Live/Work Units and Phase 2, Tower A, is currently under construction.

6. Based on market demand, the Developer has reconfigured the unit mix of the development by increasing the size of some of the units and decreasing the total number of units thus decreasing the number of parking spaces that are permitted in the development under the Redevelopment Plan.

7. The Developer wishes to retain the number of parking spaces contemplated prior to the reconfiguration of the development. The Developer has requested and concurrently with this action Agency staff has recommended, that the Agency approve a variance to permit more than one parking space for some of the residential units in the development.
8. In consideration of the Agency’s agreement to grant the parking variance request, the Developer has agreed to grant an irrevocable license for seven (7) parking spaces in the development to the Agency for the benefit of owners of certain adjacent condominium units at 301 Bryant Street whose affordable units were built without onsite parking (“301 Bryant Owners”). In exchange for the assignment of the license for the parking spaces, the 301 Bryant Owners would agree to increase the amount of the Agency’s loan and execute amended loan documents and (silent) second deeds of trust to adjust for the additional value arising from the added parking space.

9. Staff recommends the Third Amendment to the LDA/OPA reflect the terms and conditions of the variance and set forth the terms and process by which the Developer shall grant irrevocable licenses of seven (7) parking spaces in the development to the Agency for the benefit of the 301 Bryant Owners.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO that the Executive Director is hereby authorized to execute a Third Amendment to the Combined Land Disposition and Owner Participation Agreement with the and Reliance Oriental Warehouse, Inc., a Delaware corporation, substantially in the form lodged with Agency General Counsel and is authorized to execute such documents as may be necessary to assign the parking licenses to the owners of certain affordable condominium units at 301 Bryant Street and to modify the Agency loan documents, second deeds of trust and related documents.

APPROVED AS TO FORM:

Bertha A. Ontiveros
Agency General Counsel