RESOLUTION NO. 124-2004

Adopted October 19, 2004

AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH EDDY STREET LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE PROPOSED DEVELOPMENT OF 30 SINGLE-FAMILY TOWNHOMES AT 1300 EDDY STREET, LOCATED BETWEEN BUCHANAN AND WEBSTER STREETS (ASSESSOR’S BLOCK 733, LOT 02); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2

BASIS FOR RESOLUTION

1. Bruce Lee, Trustee of the Lee Management Team, and Jeanie M. Gee, Surviving Trustee of the Gee Family Trust (the “Owners”), jointly own an approximately 31,600-square-foot property on Eddy Street (the “Site”), located between Buchanan and Webster Streets in the Western Addition Redevelopment Project Area A-2 (the “Project Area”).

2. Commonly known as 1300 Eddy Street, the Site is currently improved with an approximately 19,600-square-foot grocery store and a surface parking lot. The Owners no longer want to operate the grocery store and would like to sell the property to Eddy Street LLC (the “Developer”).

3. The Developer plans to demolish the existing grocery store and construct 30 single-family, townhome-style, residential units (27 market-rate units and three below-market-rate units). Lot sizes range from about 704 square feet to about 1,428 square feet. All of the units will have two bedrooms and range in size between 1,327 square feet and 1,512 square feet. All units also will have private yards ranging from 176 to 440 square feet and attached one-car garages (except one unit which will include a detached carport). Access to the public right-of-way will be provided by an internal driveway, which will be governed by mutual reciprocal easements giving homeowners rights to use the driveway. A homeowners’ association will maintain the internal driveway. The three affordable units will be sold as single-family homes. The Developer intends to initially rent the remaining 27 market-rate units, and possibly convert them to for-sale units at a later date.

4. The Western Addition A-2 Redevelopment Plan (the “Redevelopment Plan”) allows for Residential, Medium Density (“RM”) development on the Site. The Site’s zoning designation would permit a maximum of 158 Agency Rooms and a maximum height limit of 50 feet. The proposed development reaches 30 feet in height and includes 120 Agency Rooms. In addition, due to the size of the lots and the fact that street access will be provided by an internal driveway, the
Agency also required that development standards pertaining to the Site comply with City of San Francisco (the "City") Planning Code sections regarding planned unit developments. The Developer agrees to participate in the redevelopment of its Site in conformity with the Redevelopment Plan and the relevant City Planning Code sections. The Developer is not seeking any financial or entitlement assistance from the Agency.

5. The Owners and Developer are subject to the Agency’s Housing Participation Policy ("AHPP") as amended on July 23, 2002, by Resolution No. 71-2002. Under the AHPP, the proposed Owner Participation Agreement ("OPA") is considered a Level I OPA, which means that the proposed project meets the Redevelopment Plan standards, and does not require a variance and/or a Redevelopment Plan amendment. For Level I OPAs, a minimum of 10% of the total number of units must be affordable. The and Owners and Developer have agreed to comply with this requirement and will provide three affordable units distributed throughout the proposed development, identified as Units #1 (a 1,512-square-foot corner unit), #5 (a 1,327-square-foot unit), and #10 (a 1,512-square-foot unit) on the schematic drawings dated October 8, 2004 by BCV Architects. These affordable units will be made available to first-time homebuyers who are low- and moderate-income households (i.e., households earning up to 100% of the area median income).

6. Agency staff has determined that the proposed project is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15332, "Infill Development." The proposed project is characterized as an in-fill development meeting the following conditions: (1) the proposed project is consistent with the applicable general plan designation and all applicable general plan policies and zoning designations and regulations; (2) the proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses; (3) the Site has no value as habitat for endangered, rare or threatened species; (4) approval of the proposed project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and (5) the Site can be adequately served by all required utilities and public services. Since the proposed project replaces a 19,572-square-foot grocery store with 30 residential units, which is a less intensive use, it will not result in increases in traffic and noise levels, and will not result in significant air or water quality impacts. Also, the residential dwelling units are consistent with surrounding land uses, which are predominantly multifamily dwelling units.

7. The Owners are in the process of selling the Site to Eddy Street LLC, a California limited liability company, referred to in this resolution as the Developer. When the sale of the Site has occurred, the Developer shall become the "Owner" as defined in the OPA.
8. The Redevelopment Plan provides for owners to participate in the redevelopment of private property in the Project Area. The Developer wishes to participate and to enter into an OPA to build the proposed project which will become effective when the Site is sold by the Owners to the Developer.

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 and related documents with Eddy Street LLC, a California limited liability company, for the development of 1300 Eddy Street, on Assessor’s Block 733, Lot 02 in the Western Addition Redevelopment Project Area A-2, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

[Signature]
James B. Morales
Agency General Counsel