RESOLUCIÓN NO. 26-2005

Adopted February 15, 2005

ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH BOSA DEVELOPMENT CALIFORNIA II, INC., A CALIFORNIA CORPORATION, FOR THE PROPOSED DEVELOPMENT OF PARCEL X2, ASSESSOR'S BLOCK 3837, LOT 2, IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, PURSUANT TO THE MISSION BAY SOUTH REDEVELOPMENT PLAN; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On September 17, 1998, by Resolution No. 190-98, the Redevelopment Agency of the City and County of San Francisco ("Agency") approved a proposed Redevelopment Plan for the Mission Bay South Redevelopment Project Area ("Plan"). On the same date, the Agency adopted related documents, including Resolution No. 193-98 authorizing execution of an Owner Participation Agreement ("South OPA") and related documents between Catellus Development Corporation, a Delaware corporation, ("Catellus") and the Agency. On November 2, 1998, the Board of Supervisors by Ordinance 335-98 adopted the Plan. The Plan and its implementing documents, as defined in the Plan, constitute the "Plan Documents." The Plan, together with permit approvals and other actions implementing the Plan are hereafter referred to as ("the Project").

2. On September 17, 1998, the Agency adopted Resolution No. 182-98 which certified the Final Subsequent Environmental Impact Report ("FSEIR") for the Project, and adopted Resolution No. 183-98, which adopted environmental findings (and a statement of overriding considerations), pursuant to the California Environmental Quality Act ("CEQA") and State CEQA Guidelines in connection with the approval of the Plan, and other Project approvals. The San Francisco Planning Commission certified the FSEIR by Resolution No. 14696 on the same date. On October 19, 1998, the Board of Supervisors adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission and the Agency, and Resolution No. 854-98 adopting environmental findings and a statement of overriding considerations.

3. Bosa Development California II, Inc. ("Bosa"), a subsidiary of Bosa Development California, is proposing to develop a single residential project on Parcels 1 and 2 of Block 10 and Parcel X2 in the Mission Bay South Redevelopment Project Area ("Project Area"). Parcels 1 and 2 are currently owned by FOCIL-MB, LLC ("FOCIL"), and the development of Parcels 1 and 2 is controlled by the South OPA.
4. Parcel X2, approximately 9,250 square feet, is one of the few independently owned parcels in the Project Area and is currently owned by Potter Electric, Inc., a California corporation. Under the Plan, Parcel X2 is eligible for up to 47 units of residential use. Parcel X2 is currently improved with an approximately 13,113-square foot warehouse/office building.

5. Concurrent with its proposed acquisition of Parcels 1 and 2, Bosa plans to acquire Parcel X2 with the intention of building one large residential development that will span Parcels 1 and 2 of Block 10 and Parcel X2. Upon acquisition of all parcels, Bosa will perform a lot line adjustment or similar subdivision process so that one legal parcel will remain. The acquisition of Parcel X2 allows Bosa to increase the development potential of Block 10 by 47 residential units.

6. The development of Parcel X2 is not covered by the South OPA. In order for Bosa to develop Parcel X2, Bosa must enter into a separate owner participation agreement with the Agency in accordance with the Plan and the Mission Bay South Owner Participation Rules.

7. Development of the resultant combined legal parcel comprised of Parcels 1 and 2 of Block 10 and Parcel X2 will be controlled by both the South OPA and an Agency Owner Participation Agreement with Bosa ("X2 OPA").

8. The X2 OPA provides that Bosa will demolish the existing building on Parcel X2 and will build one residential project, which will include a total of 319 residential for-sale units, of which 47 units are attributable to Parcel X2; approximately 9,854 square feet of retail space; 320 off-street parking spaces; two residential loading spaces; one retail loading space; 16 bicycle parking spaces; and associated resident open space and landscaping that will span Parcels 1 and 2 of Block 10 and Parcel X2 (collectively the "Development").

9. Parcel X2 is subject to the Agency's Housing Participation Policy ("AHPP"), last amended by the Agency Commission on July 23, 2002, by Resolution No. 71-2002. Owner participants may satisfy the inclusionary housing requirements of the AHPP through the production of onsite housing, offsite housing, or payment of an in-lieu fee as an alternative to producing onsite or offsite housing. Under the AHPP, the proposed X2 OPA is a Level I OPA, which means that the proposed project meets Plan standards and does not require a variance and/or a Plan amendment. The Owner proposes to pay an in-lieu fee to the Agency to satisfy the requirements of the AHPP. For Level I OPAs, a minimum of 10% of the total number of units must be affordable if provided onsite and 15% if provided offsite. There are 47 residential units attributable to Parcel X2, and in accordance with the AHPP, the in lieu-fee shall be based on 15% of the residential units, which is seven residential units, and the fee shall be based on comparable development costs. Bosa has agreed to pay the Agency an in-lieu fee in the amount of $2,000,000 and will pay the in-lieu fee prior to the City and County of San Francisco's issuance of the Building Permit for the Development as satisfaction of the requirements of the AHPP.

10. The Agency adopted on November 16, 2004, by Resolution No. 133-2004, the San Francisco Redevelopment Agency Interim Purchasing Policy and Procedures, which, among
other things, sets forth procedures for contracting with small business enterprises. Due to the fact that Parcels 1 and 2 of Block 10 are subject to the South OPA Program in Diversity/Economic Development Program and the project will span Parcels 1 and 2 of Block 10 and Parcel X2, Bosa has agreed with the Agency that it is necessary to have one consistent program of economic development applied to the entire Development. Therefore, Bosa has agreed to comply with the South OPA Program in Diversity/Economic Development Program in the X2 OPA.

11. The proposed Development complies with the Plan, the Mission Bay South Design for Development, and Plan Documents.

12. An addendum to the FSEIR dated March 9, 2004 ("Addendum") was prepared in relation to an amendment to the Mission Bay South Design for Development which was approved by the Agency Commission on March 16, 2004 by Resolution No. 34-2004.

13. The FSEIR is a program EIR under CEQA Guidelines Section 15168 and a redevelopment plan EIR under CEQA Guidelines Section 15180. Approval of the X2 OPA is an undertaking pursuant to and in furtherance of the Plan in conformance with Section 15180 ("Implementing Action").

14. In accordance with the Plan Documents, Agency staff has reviewed and considered the X2 OPA as well as the FSEIR, the Addendum, and other information contained in the Agency files, finds them to be acceptable and recommends approval of the X2 OPA.

**FINDINGS**

The Agency finds and determines that the Implementing Action is within the scope of the Project analyzed in the FSEIR and is exempt from additional environmental review requirements pursuant to state CEQA Guidelines Sections 15180, 15162 and 15163 for the following reasons:

A. The Implementing Action is within the scope of the Project analyzed in the FSEIR, and no FSEIR revisions are required due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

B. No substantial changes have occurred with respect to the circumstances under which the Project analyzed in the FSEIR was undertaken which would require major revisions to the FSEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FSEIR.

C. No new information of substantial importance to the Project analyzed in the FSEIR has become available which would indicate any of the following (i) the Implementing Action will have significant effects not discussed in the FSEIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (iv) mitigation measures or alternatives which are considerably
different from those in the FSEIR will substantially reduce one or more significant effects on the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco (1) that it has reviewed and considered the FSEIR together with the Addendum and hereby adopts the Findings set forth herein; and (2) that the Executive Director is authorized to execute an Owner Participation Agreement and related documents with Bosa Development California II, Inc., a California corporation, for the development of Parcel X2, Assessor's Block 3837, Lot 2, in the Mission Bay South Redevelopment Project Area pursuant to the Mission Bay South Redevelopment Plan, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

James B. Morales  
Agency General Counsel