RESOLUTION NO. 209-2005

Adopted December 20, 2005

ADOPTING A PRELIMINARY NEGATIVE DECLARATION AND AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH BAKER HAMILTON PROPERTIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF A 98-UNIT, SINGLE-ROOM-OCCUPANCY RESIDENTIAL PROJECT 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. Baker Hamilton Properties, LLC, a California limited liability company (the "Owner"), owns approximately 6,880 square feet of land, located at 766 Harrison Street (the "Site") in the Yerba Buena Center Redevelopment Project Area (the "Project Area"). The Site, located between Fourth and Lapu-Lapu Streets, is several parcels east of the Aurora Apartments and Whole Foods Market. The Site is currently improved with a one-story, commercial building of approximately 3,225 square feet.

2. The Owner plans to demolish the existing building and construct a new eight-story, 98-unit, single-room-occupancy ("SRO") residential, rental project. The project will include 4,500 square feet of retail uses, five parking spaces for the residential units, a 581-square-foot side yard, along with 4,370 square feet of common resident open space on a roof deck (collectively, the "Development").

3. The Site is located in the Yerba Buena Center Service/Secondary Office Use District ("SSO/YBC District") and 80-K Height and Bulk District, and within a "non-exempted" land use district (the "District") in the Project Area and thus the uses for the Site are as provided by the Planning Code of the Planning Department of the City and County of San Francisco (the "Code"), as such Code requirements are administered by the Redevelopment Agency of the City and County of San Francisco (the "Agency"). Pursuant to the Yerba Buena Center Redevelopment Plan (the "Plan") and Code, SRO units are a permitted use in the Yerba Buena Center SSO/YBC District.

4. The proposed Development complies with the requirements of the Plan and the Code with the Agency approval of the modification to the rear yard requirement, which approval is being considered concurrently with this Resolution pursuant to Resolution No. 210-2005.
5. The Owner is subject to the Agency's Housing Participation Policy ("AHPP"), which was last amended on July 23, 2002, by Resolution No. 71-2002. Under the AHPP, the proposed Owner Participation Agreement (the "OPA") is considered a Level 1 OPA. For Level 1 OPAs, a minimum of 10% of the total number of units must be affordable. In accordance with the AHPP, ten of the 98 SRO-units will be affordable and distributed throughout the Development on all residential floors.

6. The Plan provides for owners to participate in the redevelopment of private property in the Project Area, and the Owner wishes to participate and to enter into an OPA to build the Development.

7. Although the Owner plans to open the Development as a rental project, the Owner may potentially convert the residential units after occupancy from rental to for-sale condominiums in the future, pursuant to a subdivision map to be recorded on the property. The OPA includes an incentive program for tenants occupying affordable units to ensure that no one is displaced and that each tenant has an opportunity to purchase his or her unit.

8. Pursuant to the requirements of the California Environmental Quality Act ("CEQA"), a Preliminary Negative Declaration has been prepared for the proposed Development. The Preliminary Negative Declaration finds that the Development will not have a significant effect on the environment based on CEQA Guidelines Sections 15064, 15065, and 15070, and the reasons documented in the Initial Study for the Development, which is attached to the Preliminary Negative Declaration. The Preliminary Negative Declaration includes specific mitigation measures related to construction traffic and construction air quality that must be implemented to ensure that no significant environmental impacts occur. The Owner has agreed to implement the mitigation measures as required, and as attached to the OPA.

9. On November 17, 2005, the Agency mailed a Preliminary Negative Declaration notice to interested individuals and property owners. Copies of the Preliminary Negative Declaration and the Initial Study were made available for public review at the Agency’s offices. In addition, notices were posted at the Site, at 50 Rizal, at the San Lorenzo Ruiz Senior Center, in front of Museum Parc condominiums on Third Street, and in front of Whole Foods Market on Fourth Street. The Preliminary Negative Declaration comment period closed on December 8, 2005. No comments were received.

10. Staff recommends adoption of the Preliminary Negative Declaration and the execution of the OPA with the Owner.
RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

1. The Development could not have a significant effect on the environment based on the criteria of CEQA, the CEQA Guidelines, and the reasons documented in the Initial Study attached to the Preliminary Negative Declaration, with the inclusion of the mitigation measures discussed in the Initial Study, and as attached to the Owner Participation Agreement.

2. Based on the foregoing determination, it approves and adopts the Preliminary Negative Declaration for the proposed Development.

3. The Executive Director is authorized to execute an Owner Participation Agreement and related documents with Baker Hamilton Properties, LLC, a California limited liability company, for the development of a 98-unit, single-room-occupancy residential project 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:

[Signature]

James B. Morales
Agency General Counsel