RESOLUTION NO. 121-2006

Adopted September 19, 2006

APPROVING THE REPLACEMENT HOUSING PLAN RELATED TO THE DEMOLITION OF 21 AFFORDABLE HOUSING UNITS AT 1401-1417 DIVISADERO STREET AND THE CONSTRUCTION OF A 21-UNIT AFFORDABLE RENTAL HOUSING PROJECT LOCATED AT 2139 O'FARRELL STREET, ASSESSOR’S BLOCK 1101, LOT 022; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2

BASIS FOR RESOLUTION

1. On February 24, 1998 by Resolution No. 1998-034, the Redevelopment Agency of the City and County of San Francisco’s (the “Agency”) Commission authorized staff to enter into an Owner Participation Agreement with Kaiser Foundation Hospitals (“Kaiser”) for the development of a 21-unit affordable rental housing project at 2139 O’Farrell Street (the “OPA”), located between Divisadero and Broderick Streets in the Western Addition Redevelopment Project Area A-2 (the “Project Area”).

2. Under Section 33413 of the California Health and Safety Code (the “Code”) and the Agency’s policy, the Agency must provide for the replacement of the housing units with comparable units for low- or moderate-income persons within four years.

3. Agency staff has prepared a Replacement Housing Plan (the “Plan”) that, in addition to the OPA, requires Kaiser to build 21 affordable housing units (the “Replacement Housing Units”) to replace the ones that will be lost to demolition when the hospital tears down a Kaiser-owned building located at 1401-1417 Divisadero Street (the “Pink Building”) to make way for the hospital’s expansion plans. The site on which the Replacement Housing Units will be built is currently improved with a three-story medical office building that Kaiser also owns. This medical office building will also be torn down to make way for the Replacement Housing Units and associated parking.

4. The essential features of the Plan include: units lost by the demolition of the Pink Building will be replaced by the 21 Replacement Housing Units to be located at 2139 O’Farrell Street; the affordability level of the Replacement Housing Units will be at or below the affordability level of the units that were lost; the Replacement Housing Units will target the same household size as the units that were lost; and the timetable for construction of the Replacement Housing Units is within the time period required by the Code and Agency policy.

5. Regarding compliance with the California Environmental Quality Act (“CEQA”), staff has determined that the proposed project is categorically exempt pursuant to
CEQA Guidelines Sections 15301(l)(3) and 15332 because it is an infill development that involves the demolition of a small commercial structure. The existing building at 2139 O’Farrell Street that is proposed to be demolished is a small commercial structure accommodating 29 employees. The development of the Replacement Housing Units will be at a location that is surrounded by urban uses with no habitat value and already served by all necessary utilities and public services.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Replacement Housing Plan in connection with the development of a 21-unit affordable rental housing project located at 2139 O’Farrell Street, Assessor’s Block 1101, Lot 022 in the Western Addition Redevelopment Project Area A-2, as described above and lodged with the Agency General Counsel is hereby approved.

APPROVED AS TO FORM:

[Signature]

James B. Morales 9/12/06
Agency General Counsel