

RESOLUTION NO. 18-2009

Adopted February 17, 2009

**APPROVING A TERM SHEET TO CONVEY THE MUNICIPAL
RAILWAY SUBSTATION LOCATED AT 1190 FILLMORE
STREET TO THE CITY AND COUNTY OF SAN FRANCISCO
("CITY") AND TO CONVEY A CERTIFICATE FOR 171,308
UNITS OF TRANSFERABLE DEVELOPMENT RIGHTS TO THE
CITY FOR THE PURPOSE OF IMPROVING THE SUBSTATION;
FORMER WESTERN ADDITION REDEVELOPMENT
PROJECT AREA A-2**

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is implementing various redevelopment plans and programs in the City and County of San Francisco (the "City") in accordance with the California Community Redevelopment Law, California Health and Safety Code Section 33000 *et. seq.*
2. On May 2, 2003, the Agency entered into an Agreement for Sale of Real Estate with the City to purchase property located at 1345 Turk and 1190 Fillmore Streets for \$900,000 to develop affordable housing and to provide area and community uses and other public beneficial uses. The Property is located within the boundary of the former Western Addition Redevelopment Project Area A-2 ("Western Addition").
3. Pursuant to the Agreement for Sale of Real Estate described above, the Agency is the fee owner of a 33,043-square-foot parcel of land located at 1190 Fillmore Street and 1345 Turk Street (the "Property"). It is a portion of Lot 1 of Assessor's Block 0756 in Western Addition.
4. The Property consists of two separate, adjoining parcels:
 - a) The first parcel, 1190 Fillmore Street, consists of 6,335 square feet of land improved by a vacant unreinforced masonry building, which was formerly used as a power station for the City's electric railway system. This building is a City-designated historical landmark known as the "Market Street Railway Substation" or "Substation." The Substation, which was built in 1898, was designated as City Landmark No. 105 on April 23, 1979 (the "Muni Substation Parcel").
 - b) The second parcel, 1345 Turk Street, consists of 26,708 square of land. This parcel is currently vacant and will be retained by the Agency for the future development of affordable housing.

5. On October 16, 2007, the Agency Commission adopted Resolution No. 118-2007 approving a "Revised Policy on the Transfer of Development Rights from a property containing a building designated as a landmark, significant building, or contributory building within an underlying C-3 zoning designation located in certain redevelopment project areas," (the "Revised TDR Policy"), which provides that the Agency may concur in the Zoning Administrator's Statement of Eligibility for the issuance of TDRs for a historic building which has already been preserved subject to the finding that such approval would promote the preservation, enhancement or maintenance of other landmark, significant or contributory buildings, as defined in Articles 10 and 11 of the San Francisco Planning Code, owned by the Agency or in or near any project area under the jurisdiction of the Agency (the "Revised TDR Policy Standard").
6. On October 16, 2007, the Agency Commission adopted Resolution No. 119-2007 authorizing the Executive Director to approve a Statement of Eligibility for the Rincon Annex Post Office at 101 Spear Street, pursuant to the Revised TDR Policy, and to enter into an agreement with the owner of such site under which the Agency received a certificate of TDR for 171,308 units of TDR (Certificate Nos. 3716/023:150001 through 3716/023:321308) for the uses under the Revised TDR Policy Standard (the "Rincon Annex TDR Certificate").
7. On December 9, 2008, the Agency Commission adopted Resolution No. 145-2008 authorizing an amendment to the Agency's budget for fiscal year 2008-2009 to reprogram \$3,301,225 of funds currently budgeted for the Western Addition related to the Muni Substation Parcel for loan programs and other economic development uses, and recommending approval of such amendment to the San Francisco Board of Supervisors.
8. On December 16, 2008, District 5 Supervisor Ross Mirkarimi introduced Resolution No. 08-1603 amending the Agency's Western Addition Redevelopment Project Area A-2 budget, which resolution is contingent upon the Agency adopting a resolution approving a term sheet to transfer the Muni Substation Parcel to the City and to replenish the re-programmed funds through the transfer of the Rincon Annex TDR Certificate to the City for the purpose of improving the Muni Substation Parcel.
9. To comply with the requirements of Board of Supervisors Resolution No. 08-1603 described above, the Agency wishes to approve a term sheet (the "Term Sheet") for the transfer to the City fee title to the Muni Substation Parcel at 1190 Fillmore Street, which is a portion of Lot 1 within Assessor's Block 0756. The Agency wishes to also transfer to the City a nonexclusive light and air, ingress and egress easement that is adjacent to the Muni Substation Parcel and located on the Turk Street side of the parcel.
10. The Term Sheet also provides for the transfer of the Rincon Annex TDR Certificate to the City, for the purpose of rehabilitating and improving the Muni Substation Parcel. Any remaining funds related to the Rincon Annex TDR

Certificate may be used by the City for the rehabilitation or preservation of other properties, consistent with the Agency's Revised TDR Policy.

11. The Agency's transfer of the Property contemplated by the Term Sheet and the use of TDRs for the purpose of improving the Substation are categorically exempt from the provisions of the California Environmental Quality Act ("CEQA"), pursuant to CEQA Guidelines Section 15061(b)(3). The Agency's actions would not independently cause any significant physical change of the environment. The eventual improvement of the Substation will be subject to environmental review by the City.


RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to approve the attached Term Sheet for the transfer of approximately 6,335 square feet of real property at 1190 Fillmore Street, which is a portion of Lot 1 within Assessor's Block 0756, together with the improvements situated thereon known as the Municipal Railway Substation Building (the "Muni Substation Parcel") to the City at no cost and to transfer a Certificate of Transferable Development Rights for 171,308 units of such rights (Certificate Nos. 3716/023:150001 through 3716/023:321308) (the "Rincon Annex TDR Certificate") to the City for the purpose of improving the Muni Substation Parcel.

IT IS FURTHER RESOLVED that because the Muni Substation Parcel is located in the former Western Addition Redevelopment Project Area A-2 and because the Agency owns the parcel at the time of this Resolution, the use of the Rincon Annex TDR Certificate for the rehabilitation of the Muni Substation Parcel, as described in the Term Sheet, is consistent with the Revised TDR Policy Standard described herein.

IT IS FURTHER RESOLVED that the Executive Director is authorized to execute such purchase and sale agreement and other agreements and documents required to fulfill the terms of the Term Sheet, in form substantially in conformance with the Term Sheet, together with such changes as may be necessary which do not materially increase the burdens or costs to the Agency.

APPROVED AS TO FORM:


for, James B. Morales 2/12/09
Agency General Counsel