

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 44 – 2015

Adopted July, 7, 2015

**APPROVING A DELEGATION AGREEMENT WITH THE SAN FRANCISCO
PLANNING DEPARTMENT FOR ADMINISTRATION OF LAND USE AUTHORITY
UNDER THE RINCON POINT – SOUTH BEACH REDEVELOPMENT PLAN FOR A
PORTION OF THE PROPOSED PROJECT AT 75 HOWARD STREET; RINCON
POINT – SOUTH BEACH PROJECT AREA**

- WHEREAS, Under the California Community Redevelopment Law, Cal. Health & Safety Code §§ 33000 *et seq.*, the Board of Supervisors of the City and County of San Francisco approved, by Ordinance No. 14-91 (Jan. 5, 1981), the Redevelopment Plan for the Rincon Point-South Beach Project Area and, since then, has amended the plan ten times. (The plan, as so amended, is referred to herein as the "Redevelopment Plan"). The Redevelopment Plan expires in 2021; and
- WHEREAS, Under the Redevelopment Plan, the Redevelopment Agency of the City and County of San Francisco, a public body corporate and politic ("Redevelopment Agency"), had the authority to approve development projects that were consistent with the land use controls of the Redevelopment Plan and with the standards for development in the Design for Development Rincon Point – South Beach Redevelopment Project ("Design for Development") (together the Redevelopment Plan and Design for Development are referred to as the "Redevelopment Requirements"); and
- WHEREAS, By 2007, the Redevelopment Agency had substantially achieved the objectives of the Redevelopment Plan by investing millions of dollars of tax increment, completing major public and private improvements, and approving new development in the area. As a result of the completion of the Project Area and certain limitations on the use of tax increment, the Board of Supervisors approved, by Ordinance No. 115-07 (May 18, 2007), an amendment to the Redevelopment Plan to limit the Redevelopment Agency's future use of tax increment revenue from the Project Area to financing its unfulfilled affordable housing obligations and paying preexisting indebtedness; and
- WHEREAS, State law dissolved the Redevelopment Agency on February 1, 2012, (Part 1.85 of the California Health and Safety Code (commencing with Section 34170)) (the "Redevelopment Dissolution Law"), and provided, among other things, that successor agencies assumed the rights and obligations of the former Redevelopment Agency (with the exception of certain affordable housing assets). In particular, state law requires successor agencies to fulfill enforceable obligations of the former redevelopment agencies, but otherwise to dispose of

assets and wind down redevelopment affairs in an expeditious manner. Redevelopment Dissolution Law provides that a city or county may, but is not required to, assume the land use authority previously exercised by a former redevelopment agency. Cal. Health & Safety Code § 34173 (i); and

WHEREAS, The Successor Agency to the Redevelopment Agency, commonly known as the Office of Community Investment and Infrastructure (“OCII”), is a legal entity separate from the City and County of San Francisco (“City”), has assumed the remaining rights and obligations of the former Redevelopment Agency, and has “succeed[ed] to the organizational status of the former redevelopment agency.” Cal. Health & Safety Code § 34173 (g); and

WHEREAS, The Board of Supervisors, in its capacity as governing body of the Successor Agency, approved Ordinance No. 215-12 (Oct. 4, 2012) to implement Redevelopment Dissolution Law and established, under section 6 of the ordinance, the Successor Agency Commission to “act in place of the former commission of the dissolved Redevelopment Agency to implement, modify, enforce and complete the surviving redevelopment projects” and to “take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that the Commission deems appropriate consistent with the Redevelopment Dissolution Law to comply with such obligations;” and

WHEREAS, The Redevelopment Dissolution Law provides, among other things, that successor agencies may enter into contracts for the purpose of “winding down the redevelopment agency.” Cal. Health & Safety Code § 34177.3 (b); and

WHEREAS, Under Sections 33128 and 33205 of the California Health and Safety Code, OCII has the authority to access the services of the Planning Department and to delegate to the Planning Department certain of OCII’s powers and functions with respect to undertaking the redevelopment of project areas, and the Planning Department is authorized to carry out or perform such powers and functions; and

WHEREAS, The Redevelopment Agency and Planning Department previously entered into several delegation agreements whereby the Planning Department assumed land use authority over specific areas in redevelopment projects: the Emporium Site Area of the Yerba Buena Center Project Area (Agency Resolution No. 146-2000 (Aug. 15, 2000); Planning Commission Resolution No. 15950 (Aug. 17, 2000)); Zone 2 of the Transbay Project Area (Agency Resolution No. 16-2005 (Jan. 25, 2005); Planning Commission Resolution No. 16934 (Jan. 27, 2005)); the South of Market Project Area (Agency Resolution No. 71-2005 (May 3, 2005); Planning Commission Resolution No. 17144 (Nov. 17, 2005)); and Zone 2 of the Bayview Hunters Point Project Area (Agency Resolution No. 83-2006 (June 20, 2006); Planning Commission Resolution No. 17272 (June 22, 2006)). These delegation agreements remain in effect; and

WHEREAS, RDF 75 Howard LP (the “Developer”) is the developer of a proposed residential project at 75 Howard Street (the “Project”) and owns Lot 31 of Assessor's Block 3741, commonly known as the 75 Howard Street Garage (the “75 Howard Parcel”) and seeks to include in the Project a small portion of Lot 35 of Assessor’s Block 3741, which is immediately adjacent to the 75 Howard Parcel and is within the Project Area (the “Small Triangle Property”); and

WHEREAS, The 75 Howard Parcel is not within the Project Area and thus is not subject to the Redevelopment Requirements, but rather is subject to the San Francisco Planning Code. Only a small portion of the improvements for the Project is located on the Small Triangle Property that is under the jurisdiction of the Redevelopment Plan and OCII; and

WHEREAS, The Developer proposes to 1) demolish the 75 Howard Street Garage, a 91-foot tall and eight-level parking garage, 2) merge the 75 Howard Parcel and the Small Triangle Property, and 3) construct an approximately 20-story, 220-foot tall, 284,300 gross square foot (“gsf”), residential building that contains 133 market rate units, 5,824 gsf of retail use, 100 off-street parking spaces, and 123 bicycle parking spaces. The residential units would consist of 36 one bedroom units (27%), 71 two bedroom units (53%), 23 three bedroom units (17%), and 3 four bedroom units (2%). The Developer proposes to satisfy the affordable housing requirements of Section 415 of the San Francisco Planning Code by payment of an in-lieu fee in accordance with applicable law; and

WHEREAS, The Developer initially submitted applications to the Planning Department for environmental review in January 2012 and for Project approval in December 2013. Subsequently, the Developer revised the Project and submitted new applications. On April 30, 2015, the Developer submitted to the Planning Department a Section 309 Authorization Application and Variance Application. On May 11, 2015, the Developer submitted a Conditional Use Authorization Application. Almost all of the Project’s improvements are located on the 75 Howard Parcel that is within the exclusive jurisdiction of the City and that is currently scheduled for a Planning Commission hearing on July 23, 2015 (the “Planning Code Improvements”); and

WHEREAS, Only a small number of the Project’s improvements are located on the Small Triangle Property that is under the jurisdiction of the Redevelopment Plan and OCII. The Application Package for the Project that is attached to the Commission Memorandum accompanying this Resolution depicts the improvements proposed for the Small Triangle Property. Those improvements (as shown on the current plans) are: (i) a small portion of the below grade parking garage; (ii) on floors 1 through 7, a small corner of the proposed building and some landscaping and streetscape; and (iii) on floors 8 through 11, the very edge of the building corner (the “Redevelopment Improvements”). There are no improvements proposed on the Small Triangle Property from floor 12 and above; and

WHEREAS, On June 16, 2015, the Developer submitted a written request to OCII for review and approval of the Redevelopment Improvements on the Small Triangle Property; and

WHEREAS, OCII staff is recommending that the OCII Commission approve a delegation agreement whereby OCII delegates to the Planning Department land use authority, including compliance with California Environmental Quality Act (“CEQA”), over the Redevelopment Improvements on the Small Triangle Property. Review and approval of the both the Planning Code Improvements and the Redevelopment Improvements by one public body with final authority over all aspects of the Project will avoid inconsistent and duplicative decisions and ensure that design considerations and conditions of approval are part of an integrated and holistic development Project; and

WHEREAS, Approval of the delegation agreement is not a “project” with the meaning of the Public Resources Code Section 21065 of the California Environmental Quality Act (“CEQA”) and Section 15378 of the CEQA Guidelines because the delegation agreement addresses organizational and administrative activities that will not result in direct or indirect physical changes in the environment. The delegation agreement provides for the delegation of authority under a redevelopment plan to the Planning Department and Planning Commission. This delegation itself does not result in physical changes to the environment. NOW THEREFORE BE IT,

RESOLVED, That the Commission on Community Investment and Infrastructure hereby approves the Delegation Agreement, substantially in the form of Exhibit A to this Resolution, with the San Francisco Planning Department for purposes of reviewing and considering the approval of the Project at 75 Howard Street.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of July 7, 2015.



Commission Secretary

DELEGATION AGREEMENT
BY AND BETWEEN THE

OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE
(SUCCESSOR AGENCY TO THE SAN FRANCISCO REDEVELOPMENT AGENCY)
A N D T H E
DEPARTMENT OF CITY PLANNING
OF THE CITY AND COUNTY OF SAN FRANCISCO

FOR A PORTION OF BLOCK 3741/LOT 35 ("PARCEL 3") IN THE RINCON POINT-SOUTH
BEACH REDEVELOPMENT PROJECT AREA

This Delegation Agreement ("Delegation Agreement") is entered into as of July ____, 2015, by and between the CITY AND COUNTY OF SAN FRANCISCO (the "City"), acting through its PLANNING DEPARTMENT, established pursuant to the Charter of the City and County of San Francisco, (together with the Planning Commission and the Zoning Administrator, collectively referred to as the "Planning Department" unless specified otherwise) and the OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE ("OCII"), acting as THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California (interchangeably, the "Successor Agency or "OCII").

RECITALS

A. Under the California Community Redevelopment Law, Cal. Health & Safety Code §§ 33000 *et seq.*, the Board of Supervisors of the City and County of San Francisco approved, by Ordinance No. 14-91 (Jan. 5, 1981), the Redevelopment Plan for the Rincon Point-South Beach Project Area and, since then, has amended it ten times. (The plan, as so amended, is referred to herein as the "Redevelopment Plan"). The Redevelopment Plan expires in 2021.

B. Under the Redevelopment Plan, the Redevelopment Agency of the City and County of San Francisco, a public body corporate and politic ("Redevelopment Agency"), had the authority to approve development projects that were consistent with the land use controls of the Redevelopment Plan and with the standards for development in the Design for Development Rincon Point – South Beach Redevelopment Project ("Design for Development") (together the Redevelopment Plan and Design for Development are referred to as the "Redevelopment Requirements"). These land use controls for the Rincon Point-South Beach Project Area ("Project Area") provide specific standards for development but incorporate other local land use regulations to the extent that those regulations do not conflict with Redevelopment Requirements. Design for Development, § V at page 11 ("All new development shall meet the requirements of the General Plan, the City Planning Code and all other applicable codes, including changes or amendments thereto as may be made subsequent to the adoption of the Redevelopment Plan, except to the extent that changes and amendments conflict with the express provisions of the Redevelopment Plan and this Design for Development.")

several delegation agreements whereby the Planning Department assumed land use authority over specific areas in redevelopment projects: the Emporium Site Area of the Yerba Buena Center Project Area (Agency Resolution No. 146-2000 (Aug. 15, 2000); Planning Commission Resolution No. 15950 (Aug. 17, 2000)); Zone 2 of the Transbay Project Area (Agency Resolution No. 16-2005 (Jan. 25, 2005); Planning Commission Resolution No. 16934 (Jan. 27, 2005)); the South of Market Project Area (Agency Resolution No. 71-2005 (May 3, 2005); Planning Commission Resolution No. 17144 (Nov. 17, 2005)); and Zone 2 of the Bayview Hunters Point Project Area (Agency Resolution No. 83-2006 (June 20, 2006); Planning Commission Resolution No. 17272 (June 22, 2006)). These delegation agreements remain in effect.

J. The Redevelopment Dissolution Law provides, among other things, that successor agencies may enter into contracts for the purpose of “winding down the redevelopment agency.” Cal. Health & Safety Code § 34177.3 (b). *See also* Cal. Health & Safety Code § 34171 (d) (1) (F) (defining enforceable obligations to include “agreements necessary for the administration or operation of the successor agency”).

K. The Gap, Inc., a Delaware corporation (the "Gap") is the current owner of that certain real property comprising Assessor's Block 3741/Lot 35 in the City and County of San Francisco, California (the "Gap Property"). The Gap Property is within the Project Area and is subject to the land use and development controls of the Redevelopment Plan and Design for Development.

L. RDF 75 Howard LP is the developer of a proposed project at 75 Howard Street (the “Developer”). Developer is the owner of that certain real property, situated in the City (Assessor's Block 3741/Lot.31), commonly known as the 75 Howard Street Garage (the “75 Howard Parcel”) and seeks to include a small portion of the Gap Property in the proposed project at 75 Howard Street.

M. The Developer is in contract with the Gap for the purchase of a small triangle of land immediately adjacent to a portion of the southeastern property line of the 75 Howard Parcel. The small triangle of land comprises a portion of Lot 35 of Assessor's Block 3741 in the City, commonly known as "Parcel 3," which is depicted in the 309 Application Package for the Project submitted to the Planning Department as a hatched triangle in the lower right hand corner of the Proposed Site Plan, attached as Exhibit A to this Delegation Agreement (the “Small Triangle Property”).

N. The Small Triangle Property is physically separated from the remainder of the Gap Property by an easement and driveway serving the surface parking lot of a property commonly known as 201 Spear Street and by an access driveway to the Gap Property's below grade parking structure. Currently, the Small Triangle Property contains a fence and bushes, but no other improvements. Developer intends to merge the Small Triangle Property with the 75 Howard Parcel pursuant to a lot line adjustment. By merging the Small Triangle Property into the 75 Howard Parcel, the 75 Howard lot can be squared off at its Southeast corner.

O. The 75 Howard Parcel is not within the Project Area and thus is not subject to the Redevelopment Requirements, but rather is subject to the San Francisco Planning Code and the jurisdiction of the Planning Department.

responsibilities to administer the Redevelopment Requirements for the Small Triangle Property at no cost or charge to the Agency. The Planning Department may impose such administrative fees and costs, to the extent permitted by the Planning Code, upon the 75 Howard Project as are generally applicable to other development projects in the Department's jurisdiction and OCII shall have no right to any of the fees and costs collected.

2. The Planning Department shall review and consider approval of the use, building and demolition permits for development of the 75 Howard Project on the Small Triangle Property. The Planning Department and Planning Commission shall comply with CEQA and apply the Redevelopment Requirements to Redevelopment Improvements on the Small Triangle Property and approve only those improvements that comply with CEQA and conform to the Redevelopment Requirements. In determining consistency with the Redevelopment Requirements, the Planning Department and Planning Commission shall make all determinations as to the sufficiency of environmental review, appropriateness of use, bulk and height restrictions, open space requirements, floor area ratio limitations, and design review and approval, in accordance with the terms and conditions of this Delegation Agreement and the Redevelopment Requirements.

3. Both parties agree to act expeditiously on any approvals required for development of the Small Triangle Property and in a manner consistent with the Redevelopment Requirements and this Delegation Agreement.

4. This Delegation Agreement may be executed in one or more counterparts, all of which together shall constitute one and the same instrument.

5. This Delegation Agreement may be terminated by either party following consultation with the other party and upon thirty (30) days notice. Such termination shall have no effect on any actions or approvals previously granted pursuant to the terms of this Delegation Agreement.

6. OCII and the Planning Department hereby reserve the right to amend or supplement this Delegation Agreement at any time by mutual consent for any purpose. No alteration or variation to the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, following approval by the Planning Commission and the OCII Commission. No oral understandings or agreements not incorporated herein shall be binding on any of the parties hereto. Any amendment to this Delegation Agreement shall be consistent with the provisions of the Redevelopment Plan.

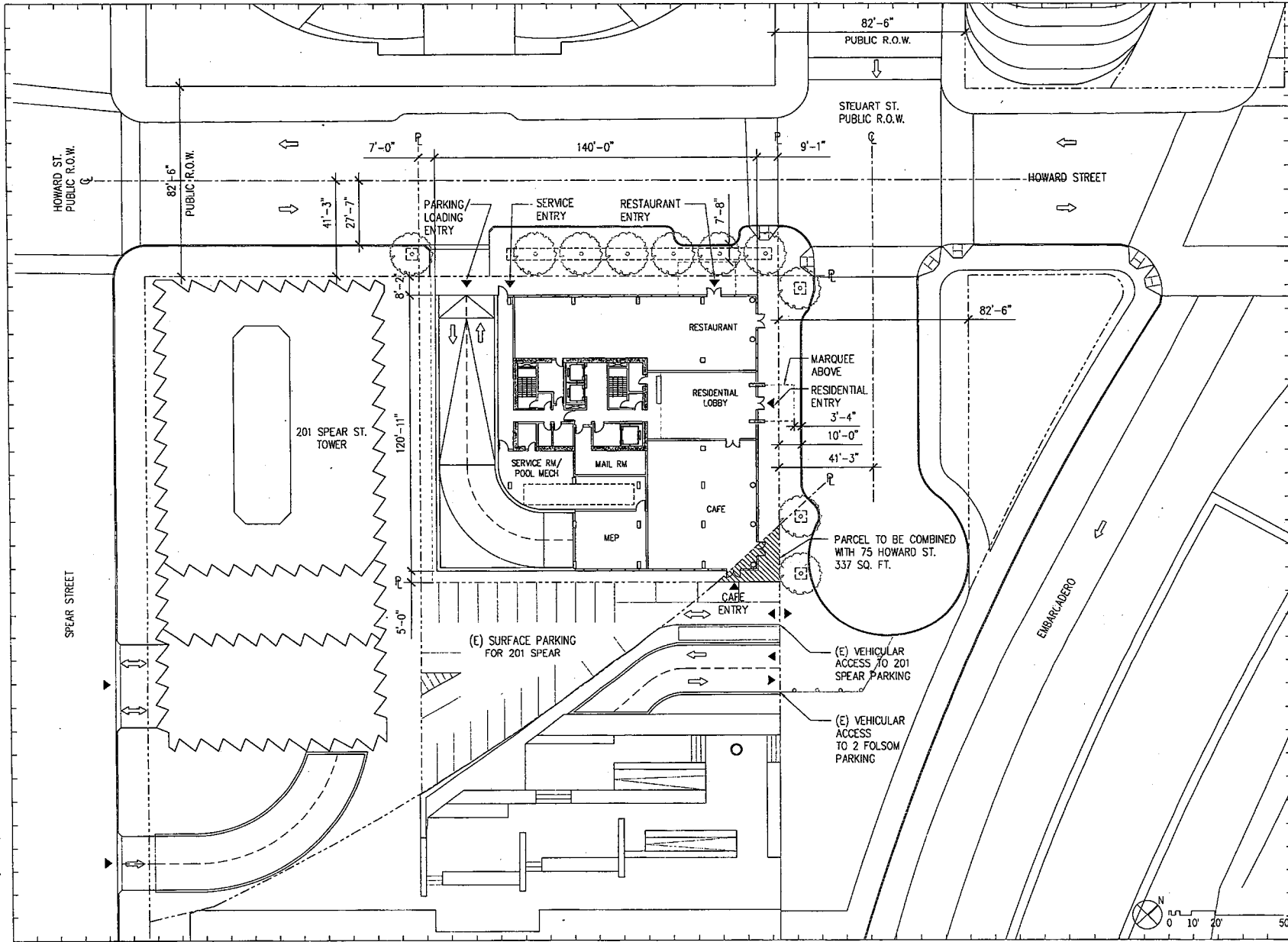
7. The Director of the Planning Department and the Executive Director of the Successor Agency shall consult with each other on matters arising out of this Agreement from time to time, and specifically with respect to questions regarding the scope of authority delegated hereunder.

City and County of San Francisco,

Approved as to form

Dennis J. Herrera, City Attorney

File Name: A1-01.dwg Plotted By: michalski.damont 04/29/2015 (Wed 5:27pm)



75 HOWARD
75 HOWARD STREET
SAN FRANCISCO, CA 94105

PARAMOUNT GROUP, INC.
1633 BROADWAY SUITE 1801
NEW YORK, NY 10019

Architect:
SOM
SERGIO CORTES & ASSOCIATES LLP
ONE FRONT STREET, SAN FRANCISCO, CA 94111

Consultant:

Scale & Signature:

| Issued For: | Date: |
|---|------------|
| 1. PRELIMINARY PROJECT ASSESSMENT | 28 SEP 11 |
| 2. ENVIRONMENTAL EVALUATION APPLICATION | 15 JAN 12 |
| 3. REVISED ENVIRONMENTAL EVALUATION APPLICATION | 20 APR 12 |
| 4. REVISED ENVIRONMENTAL EVALUATION APPLICATION | 02 JULY 12 |
| 5. FINAL CEQA PACKAGE | 13 JULY 12 |
| 6. FINAL CEQA PACKAGE | 18 JULY 12 |
| 7. CEQA PACKAGE REVISED | 20 JULY 12 |
| 8. CEQA PACKAGE REVISED | 31 AUG 12 |
| 9. 309 APPLICATION PACKAGE | 19 MAR 13 |
| 10. 309 APPLICATION PACKAGE REVISED | 10 SEP 13 |
| 11. 309 APPLICATION PACKAGE REVISED | 07 FEB 14 |
| 12. 309 APPLICATION PACKAGE REVISED | 29 APR 15 |

Key Plan

Sheet Name:
PROPOSED SITE PLAN

Project No.: 211040 Sheet No.: **A1.01**

Drawn By: [Signature] Checked By: [Signature] Date: 04/29/15

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RECITALS

A. Under the California Community Redevelopment Law, Cal. Health & Safety Code §§ 33000 *et seq.*, the Board of Supervisors of the City and County of San Francisco approved, by Ordinance No. 14-91 (Jan. 5, 1981), the Redevelopment Plan for the Rincon Point-South Beach Project Area and, since then, has amended it ten times. (The plan, as so amended, is referred to herein as the "Redevelopment Plan"). The Redevelopment Plan expires in 2021.

B. Under the Redevelopment Plan, the Redevelopment Agency of the City and County of San Francisco, a public body corporate and politic ("Redevelopment Agency"), had the authority to approve development projects that were consistent with the land use controls of the Redevelopment Plan and with the standards for development in the Design for Development Rincon Point – South Beach Redevelopment Project ("Design for Development") (together the Redevelopment Plan and Design for Development are referred to as the "Redevelopment Requirements"). These land use controls for the Rincon Point-South Beach Project Area ("Project Area") provide specific standards for development but incorporate other local land use regulations to the extent that those regulations do not conflict with Redevelopment Requirements. Design for Development, § V at page 11 ("All new development shall meet the requirements of the General Plan, the City Planning Code and all other applicable codes, including changes or amendments thereto as may be made subsequent to the adoption of the Redevelopment Plan, except to the extent that changes and amendments conflict with the express provisions of the Redevelopment Plan and this Design for Development.")

C. By 2007, the Redevelopment Agency had substantially achieved the objectives of the Redevelopment Plan, including completion of major public and private improvements by investing millions of dollars of tax increment and other revenues and approving new development in the area. As a result of the completion of the Project Area and certain limitations on the use of tax increment, the Board of Supervisors approved, by Ordinance No. 115-07 (May 18, 2007), an amendment to the Redevelopment Plan to limit the Redevelopment Agency's future use of tax increment revenue from the Project Area to financing its unfulfilled affordable housing obligations and paying preexisting indebtedness.

D. State law dissolved the Redevelopment Agency on February 1, 2012, Cal. Health and Safety Code §§ 34161 et seq. ("Redevelopment Dissolution Law"), and provided, among other things, that successor agencies assumed the rights and obligations of the former Redevelopment Agency (with the exception of certain affordable housing assets). In particular, state law requires successor agencies to fulfill enforceable obligations of the former redevelopment agencies, but otherwise to dispose of assets and wind down redevelopment affairs in an expeditious manner. Redevelopment Dissolution Law provides that a city or county may, but is not required to, assume the land use authority previously exercised by a former redevelopment agency. Cal. Health & Safety Code § 34173 (i).

E. The Successor Agency to the Redevelopment Agency--a separate entity from the City and County of San Francisco ("City")--is also known as the Office of Community Investment and Infrastructure ("OCII"), has assumed the remaining rights and obligations of the former Redevelopment Agency, and has "succeed[ed] to the organizational status of the former redevelopment agency." Cal. Health & Safety Code § 34173 (g).

F. The Board of Supervisors, in its capacity as governing body of the Successor Agency, approved Ordinance No. 215-12 (Oct. 4, 2012) to implement Redevelopment Dissolution Law and established, under section 6 of the ordinance, the Successor Agency Commission to "act in place of the former commission of the dissolved Redevelopment Agency to implement, modify, enforce and complete the surviving redevelopment projects" and to "take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that the Commission deems appropriate consistent with the Redevelopment Dissolution Law to comply with such obligations."

G. Since dissolution, the Successor Agency has had discussions with the Planning Department about the transfer of land use authority under the Redevelopment Plan to the Planning Department because the objectives of the Redevelopment Plan are complete, the Successor Agency does not have any enforceable obligations for new development in the Project Area, and Redevelopment Dissolution Law has placed significant limitations on the Successor Agency's expenditures for activities that are not required to fulfill enforceable obligations.

H. Under Sections 33128 and 33205 of the California Health and Safety Code, OCII has access to the services of the Planning Department and the authority to delegate to the Planning Department certain of OCII's powers and functions with respect to undertaking the redevelopment of project areas, and the Planning Department is authorized to carry out or perform such powers and functions.

I. The Redevelopment Agency and Planning Department previously entered into

several delegation agreements whereby the Planning Department assumed land use authority over specific areas in redevelopment projects: the Emporium Site Area of the Yerba Buena Center Project Area (Agency Resolution No. 146-2000 (Aug. 15, 2000); Planning Commission Resolution No. 15950 (Aug. 17, 2000)); Zone 2 of the Transbay Project Area (Agency Resolution No. 16-2005 (Jan. 25, 2005); Planning Commission Resolution No. 16934 (Jan. 27, 2005)); the South of Market Project Area (Agency Resolution No. 71-2005 (May 3, 2005); Planning Commission Resolution No. 17144 (Nov. 17, 2005)); and Zone 2 of the Bayview Hunters Point Project Area (Agency Resolution No. 83-2006 (June 20, 2006); Planning Commission Resolution No. 17272 (June 22, 2006)). These delegation agreements remain in effect.

J. The Redevelopment Dissolution Law provides, among other things, that successor agencies may enter into contracts for the purpose of “winding down the redevelopment agency.” Cal. Health & Safety Code § 34177.3 (b). *See also* Cal. Health & Safety Code § 34171 (d) (1) (F) (defining enforceable obligations to include “agreements necessary for the administration or operation of the successor agency”).

K. The Gap, Inc., a Delaware corporation (the "Gap") is the current owner of that certain real property comprising Assessor's Block 3741/Lot 35 in the City and County of San Francisco, California (the "Gap Property"). The Gap Property is within the Project Area and is subject to the land use and development controls of the Redevelopment Plan and Design for Development.

L. RDF 75 Howard LP is the developer of a proposed project at 75 Howard Street (the “Developer”). Developer is the owner of that certain real property, situated in the City (Assessor's Block 3741/Lot.31), commonly known as the 75 Howard Street Garage (the “75 Howard Parcel”) and seeks to include a small portion of the Gap Property in the proposed project at 75 Howard Street.

M. The Developer is in contract with the Gap for the purchase of a small triangle of land immediately adjacent to a portion of the southeastern property line of the 75 Howard Parcel. The small triangle of land comprises a portion of Lot 35 of Assessor's Block 3741 in the City, commonly known as "Parcel 3," which is depicted in the 309 Application Package for the Project submitted to the Planning Department as a hatched triangle in the lower right hand corner of the Proposed Site Plan, attached as Exhibit A to this Delegation Agreement (the “Small Triangle Property”).

N. The Small Triangle Property is physically separated from the remainder of the Gap Property by an easement and driveway serving the surface parking lot of a property commonly known as 201 Spear Street and by an access driveway to the Gap Property's below grade parking structure. Currently, the Small Triangle Property contains a fence and bushes, but no other improvements. Developer intends to merge the Small Triangle Property with the 75 Howard Parcel pursuant to a lot line adjustment. By merging the Small Triangle Property into the 75 Howard Parcel, the 75 Howard lot can be squared off at its Southeast corner.

O. The 75 Howard Parcel is not within the Project Area and thus is not subject to the Redevelopment Requirements, but rather is subject to the San Francisco Planning Code and the jurisdiction of the Planning Department.

P. The Developer is seeking land use approvals to redevelop the 75 Howard Parcel and the Small Triangle Property. The Developer proposes to: 1) demolish the 75 Howard Street Garage, a 91-foot tall and eight-level parking garage that was built in 1976; and 2) construct an approximately 20-story, 220-foot tall, and 284,300 gross square foot ("gsf") residential building that contains 133 market rate units and approximately 5,824 gsf of retail use (the "75 Howard Project"). The Developer proposes to satisfy the affordable housing requirements of Section 415 of the San Francisco Planning Code by payment of an in-lieu fee in accordance with applicable law. The 75 Howard Project also would provide, for the residential use, one hundred (100) off-street parking spaces in a 41,000 gsf basement located on two below-grade levels accessed from Howard Street.

Q. On April 30, 2015, the Developer submitted to the Planning Department the Section 309 Authorization Application and Variance Application. On May 11, 2015, the Developer submitted the Conditional Use Authorization Application. These applications are required for the development of the 75 Howard Project and include the Small Triangle Property. Almost all of the improvements proposed by the 75 Howard Project are located on the 75 Howard Parcel that is within the exclusive jurisdiction of the City and that is currently scheduled for a Planning Commission hearing on July 23, 2015 (the "Planning Code Improvements")

R. Only a small number of improvements for the 75 Howard Project are located on the Small Triangle Property that is under the jurisdiction of the Redevelopment Plan and OCII. Those improvements (as shown on the current plans) are: (i) the below grade parking garage; (ii) on floors 1 through 7, a small corner of the proposed building and some landscaping and streetscape; and (iii) on floors 8 through 11, the very edge of the building corner (the "Redevelopment Improvements"). There are no improvements proposed on the Small Triangle Property from floor 12 and above.

S. Review and approval of the both the Planning Code Improvements and the Redevelopment Improvements by one public body with final authority over all aspects of the project will avoid inconsistent and duplicative decisions and ensure that design considerations and conditions of approval are part of an integrated and holistic development project. Given the Redevelopment Requirements reliance on the Planning Code, the Planning Department and Planning Commission are the appropriate authorities in which to consolidate review and approval of the 75 Howard Project.

T. OCII desires to delegate to the Planning Department, and the Planning Department desires to accept, the responsibility for administering the Redevelopment Requirements to the Redevelopment Improvements that are proposed as part of the 75 Howard Project on the Small Triangle Property. This delegation would include a review for compliance with the California Environmental Quality Act ("CEQA").

NOW, THEREFORE, the Planning Department and OCII agree as follows:

1. OCII hereby delegates to the Planning Department, and the Planning Department hereby accepts the delegation of, the responsibility to administer the Redevelopment Requirements, which include CEQA compliance, that are applicable to the Redevelopment Improvements on the Small Triangle Property. The Planning Department agrees to carry out its

responsibilities to administer the Redevelopment Requirements for the Small Triangle Property at no cost or charge to the Agency. The Planning Department may impose such administrative fees and costs, to the extent permitted by the Planning Code, upon the 75 Howard Project as are generally applicable to other development projects in the Department's jurisdiction and OCII shall have no right to any of the fees and costs collected.

2. The Planning Department shall review and consider approval of the use, building and demolition permits for development of the 75 Howard Project on the Small Triangle Property. The Planning Department and Planning Commission shall comply with CEQA and apply the Redevelopment Requirements to Redevelopment Improvements on the Small Triangle Property and approve only those improvements that comply with CEQA and conform to the Redevelopment Requirements. In determining consistency with the Redevelopment Requirements, the Planning Department and Planning Commission shall make all determinations as to the sufficiency of environmental review, appropriateness of use, bulk and height restrictions, open space requirements, floor area ratio limitations, and design review and approval, in accordance with the terms and conditions of this Delegation Agreement and the Redevelopment Requirements.

3. Both parties agree to act expeditiously on any approvals required for development of the Small Triangle Property and in a manner consistent with the Redevelopment Requirements and this Delegation Agreement.

4. This Delegation Agreement may be executed in one or more counterparts, all of which together shall constitute one and the same instrument.

5. This Delegation Agreement may be terminated by either party following consultation with the other party and upon thirty (30) days notice. Such termination shall have no effect on any actions or approvals previously granted pursuant to the terms of this Delegation Agreement.

6. OCII and the Planning Department hereby reserve the right to amend or supplement this Delegation Agreement at any time by mutual consent for any purpose. No alteration or variation to the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, following approval by the Planning Commission and the OCII Commission. No oral understandings or agreements not incorporated herein shall be binding on any of the parties hereto. Any amendment to this Delegation Agreement shall be consistent with the provisions of the Redevelopment Plan.

7. The Director of the Planning Department and the Executive Director of the Successor Agency shall consult with each other on matters arising out of this Agreement from time to time, and specifically with respect to questions regarding the scope of authority delegated hereunder.

City and County of San Francisco,

Approved as to form

Dennis J. Herrera, City Attorney

by
Deputy City Attorney

by John Rahaim
Director of Planning

Approved as to form

OFFICE OF COMMUNITY
INVESTMENT AND
INFRASTRUCTURE, as the Successor
Agency to the Redevelopment Agency of
the City and County of San Francisco

by James B. Morales
OCII General Counsel

by Tiffany Bohee
Executive Director