

LEGISLATIVE DIGEST

[Development Agreement - Parkmerced]

Ordinance approving a Development Agreement between the City and County of San Francisco and Parkmerced Investors LLC for certain real property located in the Lake Merced District of San Francisco and commonly referred to as Parkmerced, generally bounded by Vidal Drive, Font Boulevard, Pinto Avenue and Serrano Drive to the north, 19th Avenue and Junipero Serra Boulevard to the east, Brotherhood Way to the south, and Lake Merced Boulevard to the west, making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan and with the eight priority policies of Planning Code Section 101.1(b), and waiving certain provisions of Administrative Code Chapter 56.

Existing Law

California Government Code section 65864 *et seq.* (the "Development Agreement Statute") and Chapter 56 of the San Francisco Administrative Code ("Chapter 56") authorize the City to enter into a development agreement regarding the development of real property. Chapters 37 and 37A of the San Francisco Administrative Code (the "Rent Ordinance") establishes certain tenant protections and rights with respect to rental units that are covered by the Rent Ordinance. As a general matter, rental units that are created after the effective date of the Rent Ordinance, or June 13, 1979, are not covered by the Rent Ordinance.

Amendments to Current Law

The proposed ordinance, if adopted, would result in the approval of the proposed development agreement (the "Development Agreement") with Parkmerced Investors LLC ("Developer") in accordance with the Development Agreement Statute and Chapter 56. The Development Agreement would provide to Developer the vested right to develop the project site as described in the Development Agreement over a 30 year term. There are no proposed amendments to current law. The parties have agreed to impose the Rent Ordinance on the 1,538 replacement units.

Background Information

Under the Development Agreement, the Developer proposes to increase residential density, provide a neighborhood core with new commercial and retail services, reconfigure the street network, improve and enhance the open space amenities, modify and extend existing neighborhood transit facilities, and improve utilities within the project site. The project includes the retention of approximately half of the existing apartments at the site. The

remaining half would be demolished over time, provided these units will not be demolished until the Developer builds new units and relocates the existing tenants into these new units. Upon completion, approximately 5,679 net new residential units would be added to the project site for a total of 8,900 residential units (1,683 existing-to-be-retained units + 1,538 newly constructed replacement units + 5,679 newly constructed units = 8,900 units). The parties have agreed that the Rent Ordinance, including the rent control provisions, will apply to the 1,538 replacement units.

The project also includes approximately 310,000 square feet of commercial use, 64,000 square feet of recreational/fitness center/community center use, 100,000 square feet of building and property maintenance use, 25,000 square feet of educational use, and net new off-street parking for up to 6,252 vehicles, all as more particularly described in the Development Agreement.

By separate legislation, the Board is considering taking a number of actions in furtherance of the proposed project, including the approval of amendments to the City's General Plan, Planning Code and Zoning Maps.