



SAN FRANCISCO PLANNING DEPARTMENT

January 29, 2015

Ms. Angela Calvillo, Clerk
Honorable Supervisor Cohen
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

**Re: Transmittal of Planning Department Resolutions for Rental Incentive Agreements pertaining to 2051 3rd Street (Case Number 2010.0726X) and 1201 Tennessee Street (2012.0493X)
Board File No. TBD
Planning Commission Recommendation: Approval**

Dear Ms. Calvillo and Supervisor Cohen

The Planning Department is transmitting two resolutions to enter into Rental Incentive Agreements with the developers at 2051 3rd Street (Case No. 2010.0726X) and 1201 Tennessee Street (Case No. 2012.0493X). Both projects are located in the Urban Mixed Use (UMU) District and are seeking to take advantage of the Rental Incentive Alternative outlined in Planning Code Section 419. The resolutions are documenting that the City is entering into these agreement.

Pursuant to Planning Code Section 419, within the UMU District, if the developer restricts the units as rental for a period 30 years, they can reduce the inclusionary housing percentage by 3% and the amount of Eastern Neighborhoods Impact Fee by \$1.00 per gross square foot. The units shall be rental housing for not less than 30 years from the issuance of the certificate of occupancy pursuant to an agreement between the developer and the City. The agreements for both projects are attached. There has only been one project located at 2121 3rd Street that has utilized the rental incentive alternative.

On June 5, 2014, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting and voted unanimously to approve the project located at 2051 3rd Street (Case No. 2010.0726X; Motion 19165) with the Rental Incentive Alternative.

On May 1, 2014, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting and voted unanimously to approve the project located at 1201 Tennessee Street (Case No. 2012.0493X; Motion 19138) with the Rental Incentive Alternative.

The proposed amendments are not defined as a project under CEQA Guidelines Sections 15378 and 1506(c)(2) because it does not result in a physical change in the environment.

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The Department understands that Supervisor Cohen would like to take over sponsorship of this Resolution. Supervisor, please advise the Clerk of the Board at your earliest convenience if you wish to take over sponsorship.

Please find attached documents relating to the actions of the Commission. The Resolutions to enter into the Rental Incentive Agreements, the Rental Incentive Agreements, the related motions for the projects, and a copy of this transmittal will be delivered to the Office of the Clerk of the Board's later today. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,



Aaron D Starr
Manager of Legislative Affairs

cc:

Evan Gross, Deputy City Attorney
Andrea Bruss, Aide to Supervisor Cohen
Andrea Ausberry, Office of the Clerk of the Board

Attachments :

Proposed Rental Incentive Resolution for 2051 Third Street
Rental Incentive Agreement for 2051 Third Street
Motion 19165 for 2051 3rd Street (Case No. 2010.0726X)

Proposed Rental Incentive Resolution for 1201 Tennessee Street
Rental Incentive Agreement for 1201 Tennessee Street
Motion 19138 for 1201 Tennessee Street (Case No. 2012.0493X)