



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 18273

Development Agreement
HEARING DATE: FEBRUARY 10, 2011

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Date: January 27, 2011
Project Name: **Parkmerced Mixed-Use Development Program**
W Case: Development Agreement
Case Number: 2008.0021EPMTZW
Initiated by: Seth Mallen, Parkmerced Investors, LLC
3711 – 19th Avenue
San Francisco, CA 94132
Staff Contact: Elizabeth Watty, Planner
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Reviewed By: David Alumbaugh, Acting Director Citywide Planning
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90-Day Deadline: N/A – Sponsor Initiated
Recommendation: **Recommend Approval**

RESOLUTION APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND PARKMERCED INVESTORS, LLC., A DELAWARE LIMITED LIABILITY CORPORATION, FOR CERTAIN REAL PROPERTY LOCATED AT 3711 19TH AVENUE IN THE LAKE MERCED DISTRICT IN THE SOUTHWEST CORNER OF SAN FRANCISCO AND GENERALLY BOUNDED BY VIDAL DRIVE, FONT BOULEVARD, PINTO AVENUE, AND SERRANCE DRIVE TO THE NORTH, 19TH AVENUE AND JUNIPERO SERRA BOULEVEARD TO THE EAST, BROTHERHOOD WAY TO THE SOUTH, AND LAKE MERCED BOULEVARD TO THE WEST, AND COMPRISED OF ASSESSOR'S BLOCKS AND LOTS 7303-001, 7303-A-001, 7308-001, 7309-001, 7309-A-001, 7310-001, 7311-001, 7315-001, 7316-001, 7317-001, 7318-001, 7319-001, 7320-003, 7321-001, 7322-001, 7323-001, 7325-001, 7326-001, 7330-001, 7331-004, 7332-004, 7333-001, 7333-003, 7333-A-001, 7333-B-001, 7333-C-001, 7333-D-001, 7333-E-001, 7334-001, 7335-001, 7336-001, 7337-001, 7338-001, 7339-001, 7340-001, 7341-001, 7342-001, 7343-001, 7344-001, 7345-001, 7345-A-001, 7345-B-001, 7345-C-001, 7356-001, 7357-001, 7358-001, 7359-001, 7360-001, 7361-001, 7362-001, 7363-001, 7364-001, 7365-001, 7366-001, 7367-001, 7368-001, 7369-001, and 7370-001, ALTOGETHER CONSISTING OF APPROXIMATELY 152-ACRES AND COMMONLY KNOWN AS PARKMERCED, FOR A TERM OF THIRTY (30) YEARS AND MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, GENERAL PLAN FINDINGS, AND FINDINGS PURSUANT TO PLANNING CODE SECTION 101.1(b).

The Planning Commission (hereinafter "Commission") finds as follows:

1. California Government Code Section 65864 et seq. authorizes any city, county, or city and county to enter into an agreement for the development of real property within the jurisdiction of the city, county, or city and county.
2. Chapter 56 of the San Francisco Administrative Code sets forth the procedure by which any request for a development agreement will be processed and approved in the City and County of San Francisco.
3. Parkmerced Investors, LLC ("Developer") owns the real property located in the City and County of San Francisco, California located at 3711 19th Avenue on Assessor's Blocks and Lots 7303-001, 7303-A-001, 7308-001, 7309-001, 7309-A-001, 7310-001, 7311-001, 7315-001, 7316-001, 7317-001, 7318-001, 7319-001, 7320-003, 7321-001, 7322-001, 7323-001, 7325-001, 7326-001, 7330-001, 7331-004, 7332-004, 7333-001, 7333-003, 7333-A-001, 7333-B-001, 7333-C-001, 7333-D-001, 7333-E-001, 7334-001, 7335-001, 7336-001, 7337-001, 7338-001, 7339-001, 7340-001, 7341-001, 7342-001, 7343-001, 7344-001, 7345-001, 7345-A-001, 7345-B-001, 7345-C-001, 7356-001, 7357-001, 7358-001, 7359-001, 7360-001, 7361-001, 7362-001, 7363-001, 7364-001, 7365-001, 7366-001, 7367-001, 7368-001, 7369-001, and 7370-001, altogether consisting of approximately 152 acres and commonly known as Parkmerced (the "Project Site").
4. The Developer filed an Application with the City's Department of Planning for approval of a development agreement under Administrative Code Chapter 56. The Developer also filed applications with the Department of Planning to (a) amend the City's Planning Code to create the Parkmerced Special Use District, (b) amend the City's General Plan to change applicable height and bulk classifications, (c) amend applicable zoning maps.
5. The Developer proposes to increase residential density, provide a neighborhood core with new commercial and retail services, reconfigure the street network and public realm, improve and enhance the open space amenities, modify and extend existing neighborhood transit facilities, and improve utilities within the Project Site. The Developer proposes to retain approximately half (1,683) of the existing 3,221 rent-controlled apartments as part of the Project. The remaining half would be demolished over time and replaced with the Replacement Units. Approximately 5,679 net new residential units would be added to the Project Site over time. In total, upon completion of the Project, there will be up to 8,900 residential units on the Project Site (1,683 existing-to-be-retained units + 1,538 newly constructed Replacement Units + 5,679 newly constructed units = 8,900 units). The Project Site would also be developed with a mixed-use residential and commercial development with accessory parking and loading. The Parties wish to ensure appropriate development of the Project Site, to provide for the replacement of the 1,538 rent-controlled units and tenant amenities in the residential structures currently existing on the Project Site and proposed to be demolished, and to protect the tenants of the existing residential structures from displacement due to the proposed development of the Project Site. The Parties acknowledge that this Agreement is entered into in consideration of the respective burdens and benefits of the Parties contained in this Agreement.

6. The Office of Economic and Workforce Development (“OEWD”), in consultation with the Planning Director, has substantially negotiated a development agreement for the Project Site, a copy of which is attached as Exhibit A (the "Development Agreement").
7. While the attached Development Agreement is substantially complete, there are items that OEWD staff and the Developer are still negotiating, which items are highlighted in a separate OEWD memorandum to the Commission. The Development Agreement must also be reviewed and approved separately by the Board of the San Francisco Municipal Transportation Agency, the San Francisco Public Utilities Commission and ultimately the San Francisco Board of Supervisors. These two City commissions and the Board of Supervisors may propose or recommend additional changes to the Development Agreement subsequent to this Commission reviewing and approving the attached Development Agreement.
8. The Planning Department analyzed the Project (Case No. 2008.0021EPMTZW), including the Development Agreement and other actions related to the Project, in a draft Environmental Impact Report published on May 12, 2010. On February 10, 2011, by Motion No. 18629, the Commission made findings and certified the Final Environmental Impact Report (“FEIR”) in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq., (“CEQA”), the State CEQA Guidelines (California Code of Regulations Title 14 Sections 15000 et seq.) and Chapter 31 of the San Francisco Administrative Code (Chapter 31).
9. Also on February 10, 2011, the Commission reviewed and considered the information contained in the FEIR and by Motion No. 18270 adopted CEQA Findings for the proposed Parkmerced Mixed-Use Development Program Project under CEQA, the CEQA Guidelines and Chapter 31, including the adoption of a mitigation monitoring and reporting program (MMRP) and a statement of overriding considerations, (“CEQA Findings”). The CEQA Findings, including the MMRP, for the proposed Project are on file with the Clerk of the Commission and are hereby incorporated into this Motion by reference as though fully set forth and are hereby adopted by the Commission in support of this action.
10. The Commission hereby finds, for the reasons set for in Motion No.’s 18270 and 18272, and Resolution No.’s 18271 and 18273, that the Development Agreement and related approval actions are, on balance, consistent with the General Plan including any area plans, and are consistent with the Planning Code Priority Policies of Planning Code Section 101.1(b).
11. The Director accepted the application for filing after it was deemed complete; published notice of acceptance in an official newspaper; and has made the application publicly available under Administrative Code Section 56.4(c).
12. OEWD has prepared an estimated budget of the reasonable costs to be incurred by the City in preparing and adopting the proposed Development Agreement and preparing related documents and that document is available for review by the Commission under Administrative Code Section 56.20. A copy of the estimated budget of the City’s costs

associated with this matter recommended is attached as Exhibit B. The Developer is required to pay to the City all of the City's costs in preparing and negotiating the Development Agreement, including all staff time for all City Department's involved in the preparation of the Development Agreement and associated Planning Code and General Plan amendments.

13. The Director has scheduled and the Commission has held a public hearing as required by Administrative Code Section 56.4(c). The Planning Department gave notice as required by Planning Code Section 306.3 and mailed such notice on January 21, 2011, which is at least 10 days before the hearing to local public agencies as required by Administrative Code Section 56.8(b).
14. The Planning Department file on this matter was available for public review at least 20 days before the first public hearing on the development agreement as required by Administrative Code Section 56.10(b). The file continues to be available for review at the Planning Department at 1650 Mission Street, 4th floor, San Francisco.

IT IS HEREBY RESOLVED, that the Commission approves the Development Agreement, in substantially the form attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, that the Commission approves the estimated budget of the City's costs associated with this matter recommended by the Director in Exhibit B; and, be it

FURTHER RESOLVED, that the Commission finds that the application, public notice, Planning Commission hearing, and Planning Director reporting requirements regarding the Development Agreement negotiations contained in Administrative Code Chapter 56 required of the Planning Commission and the Planning Director have been substantially satisfied in light of the over 250 public meetings held for the project and the five public informational hearings provided by Planning Department staff at the Planning Commission and the information contained in the Director's Report Regarding Parkmerced Development Agreement Negotiations; and, be it

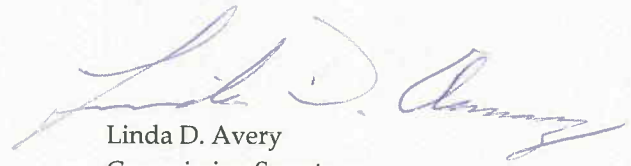
FURTHER RESOLVED, that the Commission authorizes the Planning Director to take such actions and make such changes as deemed necessary and appropriate to implement this Commission's recommendation of approval and to incorporate recommendations or changes from the SFMTA Board, the SFPUC and/or the Board of Supervisors, provided that such changes do not materially increase any obligations of the City or materially decrease any benefits to the City contained in the Development Agreement attached as Exhibit A; and be it

FURTHER RESOLVED, that on or before the date the Development Agreement becomes effective, and pursuant to Administrative Code Section 56.20(b), the Developer shall pay the City an amount equal to all of the City's costs in preparing and negotiating the Development Agreement, including all staff time for the Planning Department and the City Attorneys' Office, as invoiced by the Planning Director.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on February 10, 2011.

RESOLUTION NO. 18273
Hearing Date: February 10, 2011

CASE NO. 2008.0021EPMTZW
Parkmerced Mixed-Use Development Program



Linda D. Avery
Commission Secretary

AYES: Commissioners Antonini, Borden, Fong, and Miguel

NAYS: Commissioners Moore, Olague, and Sugaya

ABSENT:

ADOPTED: February 10, 2011