

1 [Agreement - Eastern Neighborhoods Rental Incentive Option - 720 and 740 Illinois Street and
2 2121 Third Street]

3 **Resolution approving an agreement and authorizing the Director of Planning to execute**
4 **the agreement on behalf of the City and County of San Francisco in order to implement**
5 **the Eastern Neighborhoods Rental Incentive option under San Francisco Planning**
6 **Code Section 419.5(b) for the residential development proposed at 720 and 740 Illinois**
7 **Street and 2121 Third Street (Lot Nos. 002 & 006 in Assessor's Block No. 4045).**

8
9 WHEREAS, San Francisco Planning Code Section 419.5(b) provides procedures and
10 requirements for the City to enter into an agreement with a private developer to reduce a
11 project's inclusionary housing requirement by 3% and to provide a \$1.00 per gross square
12 foot fee waiver from the applicable Eastern Neighborhoods Public Benefit Fee in exchange for
13 the developer providing the project's dwelling units as rental units for 30 years; and

14 WHEREAS, City and Developer negotiated an agreement consistent with San
15 Francisco Planning Code Section 419.5(b) (the "Agreement"); and

16 WHEREAS, A copy of the Agreement is on file with the Clerk of the Board of
17 Supervisors in File No. 111167, which is hereby declared to be a part of this resolution as if
18 set forth fully herein; and

19 WHEREAS, The Planning Department has reviewed the Agreement and recommends
20 its approval consistent with Planning Commission Motion No. 18444 approved on September
21 15, 2011; and

22 WHEREAS, David Sternberg, the developer of 720 and 740 Illinois Street and 2121
23 Third Street has agreed to the terms and conditions of the Agreement in File No. 111167 and
24 to provide all dwelling units at the 720 and 740 Illinois Street and 2121 Third Street residential
25 development as rental units for 30 years; and

1 WHEREAS, The Board of Supervisors has reviewed the Agreement and finds that it is
2 consistent with and furthers the purpose of the San Francisco Planning Code; and,

3 WHEREAS, The Board of Supervisors finds that the City would not be willing to enter
4 into the Agreement, waive 3% of the on-site inclusionary housing requirement and \$1 per
5 gross square foot of the Eastern Neighborhoods Public Benefit Fee without the understanding
6 and agreement that the Ellis Act does not apply to the Units as a result of the exemption set
7 forth in Government Code Sec. 7060.1(a); and

8 WHEREAS, Pursuant to CEQA, the CEQA Guidelines, and Chapter 31 of the San
9 Francisco Administrative Code, the significant environmental impacts associated with the
10 Eastern Neighborhoods Area Plan (on a program level) and with the Project in particular were
11 described and analyzed, and alternatives and mitigation measures that could avoid or reduce
12 those impacts were discussed in the Final Environmental Impact Report certified by the
13 Planning Commission on August 7, 2008 in Motion No. 17659 (the "FEIR"). The Planning
14 Commission adopted a statement of overriding considerations for approval of the Eastern
15 Neighborhoods Area Plan on August 7, 2008 in Motion No. 17661, and the Planning
16 Commission adopted additional CEQA findings specific to the Project on September 15, 2011
17 in Motion No. 18444. The information in the FEIR was considered by all entities with review
18 and approval authority over the Project prior to the approval of the Project, including by this
19 Board of Supervisors in approving this Agreement. The relevant CEQA documents, including
20 the findings in Motions No. 17659 and 17661 can be found in Board of Supervisors File No.
21 081152 and are on file with the Clerk of the Board and are incorporated herein by reference;
22 and

23 WHEREAS, The Planning Director has the authority to enforce and implement the
24 Planning Code, which includes but is not limited to Section 419, et seq. (Housing
25 Requirements for Residential Development Projects in the UMU Zoning Districts of the

1 Eastern Neighborhoods and the Land Dedication Alternative in the Mission NCT District);
2 now, therefore, be it

3 RESOLVED, That the Board of Supervisors hereby approves the Agreement for 720
4 and 740 Illinois Street and 2121 Third Street on file with the Clerk of the Board of Supervisors
5 in File No. 111167 and authorizes the Planning Director to execute the Agreement on behalf
6 of the City and County of San Francisco.