



## *Memorandum*

**To: CITY COUNCIL**

**From: Mayor Sam Liccardo**

**Subject: SEE BELOW**

**Date: November 15, 2019**

**Approved:**

**SUBJECT: GARDEN GATE PROJECT AT SOUTH FIRST AND REED**

### **RECOMMENDATION**

Accept the Planning Commission recommendation.

### **BACKGROUND**

The Garden Gate project at South First and Reed Streets presents an opportunity to further the City's goals of preservation, production, and protection – against the backdrop of an ever worsening housing crisis.

#### **Production:**

The proposed Garden Gate development will replace an existing four-plex with a high-rise condominium tower, adding 291 new residential units to Downtown.

#### **Preservation:**

28 of Garden Gate's units will be rent controlled, a 7x increase from the four that exist now.

#### **Protection:**

Garden Gate has complied with all Ellis Act relocation rules for tenant assistance.

The fact that this project is moving forward is a testament to the sensible flexibility inherent in the new Ellis Act rules – especially given the otherwise difficult conditions for high-rise development as documented in both the KMA and Strategic Economics studies on high-rise feasibility. The latter study, conducted by a labor-approved consultant, shows that the conditions for building this product are challenging at best, and prohibitive at worst.

It was recently announced that KT Urban will partner with Scape – a London Based developer specializing in missing middle housing in urban infill markets. KT Urban reports that Scape CEO Andrew Flynn cites recent City Council decisions as critical precursors to allowing this project to proceed.

Let's wish them well, and push hard to ensure the project moves forward without delay.