

File No. 180891

Committee Item No. 5

Board Item No. 8

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date October 29, 2018

Board of Supervisors Meeting

Date NOVEMBER 27, 2018

Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
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| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PLN Transmittal 101218</u> |
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Completed by: Erica Major Date October 25, 2018

Completed by: Erica Major Date 11/18/18

1 [Development Agreement Amendment - Strada Brady, LLC - Market and Colton Streets]

2
3 **Ordinance amending a Development Agreement between the City and County of San**
4 **Francisco and Strada Brady, LLC, a California limited liability company, for the project**
5 **at Market Street and Colton Street, to allow for the use of affordable housing credits;**
6 **making findings under the California Environmental Quality Act; and making findings**
7 **of consistency with the General Plan, and the eight priority policies of Planning Code,**
8 **Section 101.1.**

9 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
10 **Additions to Codes** are in *single-underline italics Times New Roman font*.
11 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
12 **Board amendment additions** are in double-underlined Arial font.
13 **Board amendment deletions** are in ~~strikethrough Arial font~~.
14 **Asterisks (* * * *)** indicate the omission of unchanged Code
15 subsections or parts of tables.

16 Be it ordained by the People of the City and County of San Francisco:

17 Section 1. Findings. The Board of Supervisors makes the following findings:

18 (a) City and Strada Brady, LLC, a California limited liability company ("Developer"),
19 entered into a development agreement for certain property located at Market, Colton and
20 Brady Streets, recorded in the Official Records of San Francisco on April 25, 2018 Property as
21 Document No. 2018K607299 (the "Development Agreement"), approved by the Board of
22 Supervisors by Ordinance No. 242-17 (File No. 170939).

23 (b) The project under the Development Agreement (the "Project") includes
24 approximately 484 residential units, of which 12% are onsite inclusionary units affordable to
25 households earning up to 100% AMI. The Project also includes a stand-alone building with
approximately 100 affordable supportive housing units, with a depth of affordability that
exceeds current City requirements (the "Supportive Housing").

1 (c) City and South Beach Marina, Inc., a Florida corporation ("SBI"); entered into an
2 agreement dated as of June 20, 2016, to preserve affordable housing at the South Beach
3 Marina Apartments that would otherwise return to market rates (the "South Beach
4 Agreement"). Under the South Beach Agreement, City granted SBI \$59,300,000 of affordable
5 housing credits that could be used against affordable housing requirements for projects in
6 San Francisco.

7 Section 2. Development Agreement Amendment. The Board of Supervisors approves
8 an amendment to the Development Agreement, in substantially the form on file with the Clerk
9 of the Board of Supervisors in File No. 180891, to allow the affordable housing credits under
10 the South Beach Agreement to be used to satisfy the onsite inclusionary affordable housing
11 obligations for the Project. Nothing in the amendment affects the onsite Supportive Housing.

12 Section 3. CEQA Findings. In approving the Project, the Board reviewed the Final
13 Environmental Impact Report ("FEIR") and adopted CEQA findings, including a statement of
14 overriding considerations and a mitigation and monitoring program as set forth in Ordinance
15 No. 242-17 (the "CEQA Findings"). The Board finds that since the FEIR was certified, there
16 have been no substantial project changes and no substantial changes in project
17 circumstances that would require major revisions to the FEIR due to the involvement of new
18 significant environmental effects or an increase in the severity of previously identified
19 significant impacts, and there is no new information of substantial importance that would
20 change the conclusions set forth in the FEIR. The Board hereby adopts and incorporates by
21 reference as though fully set forth herein the CEQA Findings.

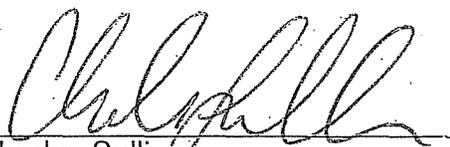
22 Section 5. General Plan Consistency. On October 11, 2018, the Planning
23 Commission, adopted findings that the actions contemplated in this ordinance are consistent,
24 on balance, with the City's General Plan and eight priority policies of Planning Code
25 Section 101.1. The Board adopts these findings as its own. A copy of the Planning

1 Commission resolution is on file with the Clerk of the Board of Supervisors in File No. 180891,
2 and is incorporated herein by reference.

3 Section 6. Effective Date. This ordinance shall become effective 30 days after
4 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
5 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
6 of Supervisors overrides the Mayor's veto of the ordinance.

7
8 APPROVED AS TO FORM:
9 DENNIS J. HERRERA, City Attorney

10
11 By:



12 Charles Sullivan
13 Deputy City Attorney

14 n:\speclas2018\1700534\01311483.docx

LEGISLATIVE DIGEST

[Development Agreement Amendment - Strada Brady, LLC - Market and Colton Streets]

Ordinance amending a Development Agreement between the City and County of San Francisco and Strada Brady, LLC, a California limited liability company, for the project at Market Street and Colton Streets, to allow for the use of affordable housing credits; making findings under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Background Information

Strada Brady, LLC, a California limited liability company (“Developer”), and the City entered into a development agreement for property located at Market, Colton and Brady Streets dated as of April 17, 2018 (the “Development Agreement”), approved by the Board of Supervisors by Ordinance No. 242-17 (File No. 170939). Under the Development Agreement, Developer would build approximately 484 residential units, of which 12% would be onsite inclusionary units, as well as a stand-alone building with approximately 100 affordable supportive housing units.

The City and South Beach Marina, Inc., a Florida corporation (“SBI”), entered into an agreement dated as of June 20, 2016, to preserve affordable housing at the South Beach Marina Apartments that would otherwise return to market rates (the “South Beach Agreement”), approved by the Board of Supervisors by Resolution No. 197-16 (File No. 160481). Under the South Beach Agreement, the City granted SBI \$59,300,000 of affordable housing credits that could be used against affordable housing requirements for projects in San Francisco.

Proposed Amendment

The parties now propose to amend the Development Agreement to allow Developer to apply affordable housing credits under the South Beach Agreement to the onsite inclusionary obligation under the Development Agreement. The parties propose a conforming change to the special use district affecting this property.

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SAN FRANCISCO PLANNING DEPARTMENT

October 12, 2018

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

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
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Re: Transmittal of
Planning Department Case No. 2015-005848PCA-02 & 2015-005848DVA-05
Legislative Recommendations for the Strada Brady, LLC – Market and Colton
Streets Development Agreement Amendment & 1629 Market Street Special Use
District Amendment
Planning Commission Recommendation: *Approval*

Dear Ms. Calvillo and Supervisor Kim,

On October 11, 2018, the Planning Commission conducted duly noticed public hearings at regularly scheduled meetings to consider the amendment to the Development Agreement with Strada Brady LLC and the amendment to 1629 Market Street Special Use District (Planning Code Section 249.81), which included the following actions:

1. Approval the Planning Code Text Amendments to modify the 1629 Market Street Special Use District (Planning Code Section 249.81); and
2. Approval the amendment to the Development Agreement (DA) for the Project between Strada Brady LLC and the City and County of San Francisco.

At the hearing the Planning Commission approved all of the aforementioned actions.

Two of these actions (Development Agreement and Planning Code Text Amendments/Zoning Map Amendments) relate to the Ordinances introduced by Supervisor Jane Kim on September 11, 2018. These Ordinances include: Development Agreement - Strada Brady, LLC -Market and Colton Streets (File No. 180891) and Planning Code- 1629 Market Street Special Use District (File No. 180892).

At the public hearing on October 11, 2018, the Commission reviewed and approved the Ordinances for the amendments to the DA and the Planning Code Text Amendments, as noted in the adopted resolutions.

Previously, on October 19, 2017, the Planning Commission reviewed and considered the Final EIR for the 1629 Market Street Mixed Project (FEIR) and found the FEIR to be adequate, accurate and objective, thus reflecting the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to

the Draft EIR, and approved the FEIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31. On October 19, 2017, by Motion No. 20033, the Commission certified the Final Environmental Impact Report for the 1629 Market Street Mixed-Use Project as accurate, complete and in compliance with the California Environmental Quality Act ("CEQA"). On October 19, 2017, the Commission by Motion No. 20034 approved California Environmental Quality Act (CEQA) Findings, including adoption of a Mitigation Monitoring and Reporting Program (MMRP), under Case No. 2015-005848ENV, for approval of the Project, which findings are incorporated by reference as though fully set forth herein. Since the FEIR was certified, the Planning Commission found that there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increased in the severity of previously identified significant impacts, and there is not new information of substantial importance that would change the conclusions set forth in the FEIR.

Please find attached documents relating to the actions of the Commission. 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:

Charles Sullivan, Deputy City Attorney
Erica Major, Office of the Clerk of the Board
Jon Jacobo, Aide to Supervisor Kim
Anne Taupier, Mayor's Office of Economic and Workforce Development

Attachments :

Planning Commission Resolution No. 20312 – Planning Code Text Amendments to 1629 Market Street Special Use District
Planning Commission Motion No. 20311 – Development Agreement Amendment
Planning Department Executive Summary-2015-005848PCA-02/2015-005848DVA-05



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 20311

HEARING DATE: OCTOBER 11, 2018

1650 Mission St.
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CA 94103-2479

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Planning
Information:
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Case No.: 2015-005848DVA-05
Project Address: 1629 Market Street Mixed-Use Project
Zoning: NCT-3 (Neighborhood Commercial, Moderate Scale) Zoning District;
P (Public) Zoning District
OS, 68-X and 85-X Height and Bulk Districts
Block/Lot: 3505/001, 007, 008, 027, 028, 029, 031, 031A, 032, 032A, 033, 033A, 035
Project Sponsor: Strada Brady, LLC
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org

RESOLUTION APPROVING A MODIFICATION TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND STRADA BRADY, LLC, FOR CERTAIN REAL PROPERTY LOCATED AT MARKET AND COLTON STREETS, COMPRISED OF ASSESSOR'S BLOCK 3505 AND LOTS 001, 007, 008, 027, 028, 029, 031, 031a, 032, 032a, 033, 033a AND 035, ALTOGETHER CONSISTING OF APPROXIMATELY 2.2 ACRES, AND ADOPTING VARIOUS FINDINGS, INCLUDING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, Chapter 56 of the San Francisco Administrative Code sets forth the procedure by which a request for a development agreement and amendments thereto will be processed and approved in the City and County of San Francisco.

WHEREAS, on December 15, 2017, the Board of Supervisors approved the Development Agreement, which would enable the 1629 Market Street Mixed-Use Project. The 1629 Market Street Mixed-Use Project ("Project") is a new mixed-use development with new residential, retail, and institutional uses, as well as a publicly-accessible open space. The Project includes the demolition of the existing UA Local 38 Building, demolition of the majority of the Lesser Brothers Building, and rehabilitation of the Civic Center Hotel, as well as the demolition of the 242-space surface parking lots on the project site. The Project would construct a total of five new building on the project site, including a new UA Local 38 building, and a 10-story addition to the Lesser Brothers Building with ground-floor retail/restaurant space at the corner of Brady and Market Streets ("Building A"). A new 10-story residential building with ground-floor retail/restaurant space ("Building B") would be constructed on Market Street between the new UA Local 38 building and Building A. A nine-story residential building would be constructed at the end of Colton Street and south of Stevenson Street ("Building D"). The five-story Civic Center Hotel would be rehabilitated to contain residential units and ground-floor retail/restaurant ("Building C"), and a new six-story Colton Street Affordable Housing Project would be constructed south of Colton Street as part of the Project. Overall, the Project will include construction of

455,900 square feet of residential use containing up to 484 residential units (including market rate and on-site affordable housing units) and up to 100 affordable units in the Colton Street Affordable Housing Building, for a total of up to 584 dwelling units. The residential unit breakdown for the 484 units would consist of approximately 129 studio units (26.7 percent), 189 one-bedroom units (39.0 percent), and 166 two-bedroom units (34.3 percent). In addition, the Project will include 32,100 square feet of union facility use, 13,000 square feet of ground-floor retail/restaurant use, and 33,500 square feet of publicly-accessible and residential open space. In addition, the Project would include construction of a two-level, below-grade garage with up to 316 parking spaces (some of which may include the use of stackers) accessible from Brady and Stevenson Streets. As part of the project, the Project Sponsor will develop a new privately-owned publicly-accessible open space at the northeast corner of Brady and Colton Streets.

WHEREAS, on September 11, 2018, Supervisor Jane Kim introduced an ordinance to amend the development agreement between Strada Brady LLC and the City and County of San Francisco (See Board of Supervisors File No. 180891) ("Development Agreement") to allow the application of affordable housing credits to meet a portion of the Project's affordable housing requirements.

WHEREAS, on September 17, 2018, the Director of Planning received an application from Strada Brady LLC to amend the Development Agreement, per Chapter 56 of the San Francisco Administrative Code, consistent with the terms of the ordinance introduced by Supervisor Kim

WHEREAS, the Board will be taking an additional action in furtherance of the Project, including the adoption of a modification to the 1629 Market Street Special Use District ("1629 Market Street SUD") to reflect the Development Agreement amendment.

WHEREAS, in furtherance of the Project and the City's role in subsequent approval actions relating to the Project, the City and Strada Brady, LLC negotiated an amendment to the Development Agreement for development of the Project site, a copy of which is attached as Exhibit A (the "Development Agreement").

WHEREAS, the City has determined that as a result of the development of the Project site in accordance with the Development Agreement and amendment thereto, clear benefits to the public will accrue that could not be obtained through application of existing City ordinances, regulations, and policies, as more particularly described in the Development Agreement and the Ordinance contained in Board of Supervisors File No. 180891.

WHEREAS, the amendment to the Development Agreement shall be executed by the Director of Planning and City Attorney, subject to prior approval by the Board of Supervisors.

WHEREAS, on October 19, 2017, the Planning Commission ("Commission") reviewed and considered the Final EIR for the 1629 Market Street Mixed Project ("FEIR") and found the FEIR to be adequate, accurate and objective, thus reflecting the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and, by Motion No. 20033, certified the FEIR as accurate, complete and in compliance with the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

WHEREAS, on October 19, 2017, the Commission by Motion No. 20034 approved California Environmental Quality Act (CEQA) Findings, including adoption of a statement of overriding considerations, under Case No. 2015-005848ENV, for approval of the Project. Since the FEIR was certified,

the Planning Commission finds that there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR. The Planning Commission adopts and incorporates by reference such findings as though fully set forth herein.

WHEREAS, on October 19, 2017, by Motion Nos. 20035 and 20036, the Commission adopted findings in connection with its consideration of, among other things, the adoption of amendments to the General Plan and related zoning text and map amendments, under CEQA, the State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code and made certain findings in connection therewith, which findings are hereby incorporated herein by this reference as if fully set forth herein.

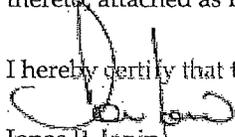
WHEREAS, on October 19, 2017, by Motion No. 20035, the Commission adopted findings regarding the Project's consistency with the General Plan, Planning Code Section 101.1, and all other approval actions associated with the SUD and development therein, which findings are hereby incorporated by this reference as if fully set forth herein.

NOW THEREFORE BE IT RESOLVED, that the Commission approves the amendment to the Development Agreement, in substantially the form attached hereto as Exhibit A.

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 regular monthly meetings held for the last two years, the public informational hearings provided by the Planning Department staff at the Planning Commission, and the information contained in the Director's Report.

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 approval and to incorporate recommendations or changes from other City agencies and/or the Board, 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, including the amendment thereto, attached as Exhibit A.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on October 11, 2018.


Jonas P. Ionin
Commission Secretary

AYES: Fong, Hillis, Johnson, Koppel, Moore, Melgar, Richards

NAYS: None

ABSENT: None

ADOPTED: October 11, 2018



**SAN FRANCISCO
PLANNING DEPARTMENT**

Planning Commission Resolution No. 20312

HEARING DATE: OCTOBER 11, 2018

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

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Planning
Information:
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Case No.: 2015-005848PCA-02
Project Name: 1629 Market Street Special Use District Planning Code Text Amendment
Zoning: NCT-3 (Neighborhood Commercial, Moderate Scale) Zoning District; P (Public) Zoning District OS, 68-X and 85-X Height and Bulk Districts
Block/Lot: 3505/001, 007, 008, 027, 028, 029, 031, 031A, 032, 032A, 033, 033A, 034, 035
Project Sponsor: Strada Brady, LLC
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org

RESOLUTION APPROVING AMENDMENTS TO PLANNING CODE SECTION 249.81 (BOARD OF SUPERVISORS FILE NO. 180892) TO MODIFY THE 1629 MARKET STREET SPECIAL USE DISTRICT, INCLUDING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, FINDINGS PURSUANT TO PLANNING CODE SECTION 302, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on September 11, 2018, Supervisor Jane Kim introduced an ordinance for a Planning Code Text Amendment to modify Planning Code Section 249.81, the 1629 Market Street Special Use District (herein "1629 Market Street SUD"), to allow the application of affordable housing credits to satisfy the affordable housing requirements of the 1629 Market Street Mixed-Use Project ("Project").

WHEREAS, pursuant to Planning Code Section 302(b), on September 11, 2018, the San Francisco Board of Supervisors initiated the aforementioned Planning Code Text Amendments.

WHEREAS, these Planning Code Text Amendments would modify the 1629 Market Street SUD to allow for the application of affordable housing credits as set forth in the modification to the Development Agreement (Board File No. 180891).

WHEREAS, on October 19, 2017, the Planning Commission approved the Project per Planning Commission Motion No. 20038. The Project is a new mixed-use development with new residential, retail, and institutional uses, as well as a publicly-accessible open space. The Project includes the demolition of the existing UA Local 38 Building, demolition of the majority of the Lesser Brothers Building, and rehabilitation of the Civic Center Hotel, as well as the demolition of the 242-space surface parking lots on the project site. The Project would construct a total of five new buildings on the project site, including a new UA Local 38 building, and a 10-story addition to the Lesser Brothers Building with ground-floor retail/restaurant space at the corner of Brady and Market Streets ("Building A"). A new 10-story residential building with ground-floor retail/restaurant space ("Building B") would be constructed on Market Street between the new UA Local 38 building and Building A. A nine-story residential building

would be constructed at the end of Colton Street and south of Stevenson Street ("Building D"). The five-story Civic Center Hotel would be rehabilitated to contain residential units and ground-floor retail/restaurant ("Building C"), and a new six-story Colton Street Affordable Housing Project would be constructed south of Colton Street as part of the Project. Overall, the Project will include construction of 455,900 square feet of residential use containing up to 484 residential units (including market rate and on-site affordable housing units) and up to 100 affordable units in the Colton Street Affordable Housing Building, for a total of up to 584 dwelling units. The residential unit breakdown for the 484 units would consist of approximately 129 studio units (26.7 percent), 189 one-bedroom units (39.0 percent), and 166 two-bedroom units (34.3 percent). In addition, the Project will include 32,100 square feet of union facility use, 13,000 square feet of ground-floor retail/restaurant use, and 33,500 square feet of publicly-accessible and residential open space. In addition, the Project would include construction of a two-level, below-grade garage with up to 316 parking spaces (some of which may include the use of stackers) accessible from Brady and Stevenson Streets. As part of the project, the Project Sponsor will develop a new privately-owned publicly-accessible open space at the northeast corner of Brady and Colton Streets.

WHEREAS, this Resolution approving this Planning Code Text Amendment is a companion to the approval of modification of the Development Agreement.

WHEREAS, on October 19, 2017, the Planning Commission reviewed and considered the Final EIR for the 1629 Market Street Mixed Project ("FEIR") and found the FEIR to be adequate, accurate and objective, thus reflecting the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and, by Motion No. 20033, certified the FEIR as accurate, complete and in compliance with the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

WHEREAS, on October 19, 2017, the Commission by Motion No. 20034 approved California Environmental Quality Act (CEQA) Findings, including adoption of a statement of overriding considerations, under Case No. 2015-005848ENV, for approval of the Project. Since the FEIR was certified, the Planning Commission finds that there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR. The Planning Commission hereby adopts and incorporates such findings by reference as though fully set forth herein.

WHEREAS, on October 11, 2018, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on the proposed Planning Code Text Amendments.

WHEREAS, a draft ordinance, substantially in the form attached hereto as Exhibit A, approved as to form, would modify the 1629 Market Street SUD.

NOW THEREFORE BE IT RESOLVED, that the Planning Commission hereby approves and finds that the Planning Code Text Amendments promote the public welfare, convenience and necessity for the following reasons:

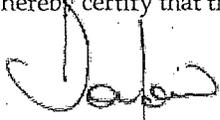
1. The Planning Code Text Amendment would help implement the 1629 Market Street Mixed-Use Project development, thereby evolving currently under-utilized land for needed housing, commercial space, and open space.

2. The Planning Code Text Amendment would help implement the 1629 Market Street Mixed-Use Project, which in turn will provide employment opportunities for local residents during construction and post-occupancy, as well as a new open space for new and existing residents.
3. The Planning Code Text Amendment would help implement the 1629 Market Street Mixed-Use Project by enabling the creation of a new mixed-use development. This new development would integrate with the surrounding City fabric and the existing neighborhood as outlined in the Market & Octavia Area Plan.
4. The Planning Code Text Amendments would enable the construction of a new vibrant, safe, and connected neighborhood, including a new publicly-accessible open space. The General Plan Amendments would help ensure a vibrant neighborhood with active streets and open spaces, high quality and well-designed buildings, and thoughtful relationships between buildings and the public realm.
5. The Planning Code Text Amendments would enable construction of new housing, including new on-site affordable housing and new supportive housing. These new uses would create a new mixed-use development that would strengthen and complement nearby neighborhoods.
6. The Planning Code Text Amendments would facilitate the preservation and rehabilitation of Civic Center Hotel--an important historic resource.

AND BE IT FURTHER RESOLVED, that the Commission finds the Planning Code Text Amendments are in general conformity with the General Plan as set forth in Planning Commission Resolution No. 20035.

AND BE IT FURTHER RESOLVED, that the Commission finds the Planning Code Text Amendments are in general conformity with Planning Code Section 101.1 as set forth in Planning Commission Resolution No. 20036.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on October 11, 2018.



Jonas P. Ionin
Commission Secretary

AYES: Fong, Hillis, Johnson, Koppel, Moore, Melgar, Richards

NAYS: None

ABSENT: None

ADOPTED: October 11, 2018



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text Amendment & Modification of Development Agreement

HEARING DATE: 10/11/2018

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Record No.: 2015-005848PCA-02 & 2015-005848DVA-05
Project Address: 1629 Market Street
Zoning: NCT-3 (Neighborhood Commercial, Moderate Scale) Zoning District;
P (Public)-Zoning District
OS, 68-X and 85-X Height and Bulk Districts
Block/Lot: 3505/001, 007, 008, 027, 028, 029, 031, 031A, 032, 032A, 033, 033A, 035
Project Sponsor: Strada Brady, LLC
101 Mission Street, Suite 420
San Francisco, CA 94105
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org
Recommendation: Approval

PROJECT DESCRIPTION

The proposed project (Project) includes a modification to the Development Agreement between the City and County of San Francisco and "Strada Brady, LLC" in association with the 1629 Market Street Project. The proposed modifications will allow the use of affordable housing credits to satisfy part of the Project's on-site affordable housing obligation. In addition, the Project would amend Planning Code Section 249.81 (the 1629 Market Street Special Use District (SUD)) to reflect the terms of the Development Agreement amendment.

REQUIRED COMMISSION ACTION

In order for the Project to proceed, the Commission must provide a recommendation to the Board of Supervisors on the proposed legislation introduced by Supervisor Jane Kim (Board File Nos. 180891 & 180892), which involve modification to the 1629 Market Street Development Agreement to allow the use of affordable housing credits and modification to the 1629 Market Street Special Use District to reflect the terms of the Development Agreement amendment.

ISSUES AND OTHER CONSIDERATIONS

- **Public Comment & Outreach.** The Department has only received one public correspondence regarding the proposed project. This correspondence requested information on the modification to the Development Agreement, and did not request support or opposition to the Project.

- **Proposed Project.** The Project as approved by the Planning Commission and the Board of Supervisors includes demolition of the existing UA Local 38 building, demolition of the majority of the Lesser Brothers Building, and rehabilitation of the Civic Center Hotel, as well as the demolition of the 242-space surface parking lots on the project site. The Project would construct a total of five new buildings on the project site, including a new UA Local 38 building, and a 10-story addition to the Lesser Brothers Building with ground-floor retail/restaurant space at the corner of Brady and Market Streets ("Building A"). A new 10-story residential building with ground-floor retail/restaurant space ("Building B") would be constructed on Market Street between the new UA Local 38 building and Building A. A nine-story residential building would be constructed at the end of Colton Street and south of Stevenson Street ("Building D"). The five-story Civic Center Hotel would be rehabilitated to contain residential units and ground-floor retail/restaurant space ("Building C"), and a new six-story Colton Street Affordable Housing Building would be constructed south of Colton Street as part of the Project. Overall, the Project will include construction of 455,900 square feet of residential use containing up to 484 residential units (including market rate and on-site affordable housing units) and up to 100 affordable units in the Colton Street Affordable Housing Building, for a total of up to 584 dwelling units. The residential unit breakdown for the 484 units would consist of approximately 131 studio units (27.1 percent), 185 one-bedroom units (38.2 percent), and 168 two-bedroom units (34.7 percent). In addition, the Project will include 32,100 square feet of union facility use, 13,000 square feet of ground-floor retail/restaurant use, and 33,500 square feet of publicly-accessible and residential open space. In addition, the Project would include construction of a two-level, below-grade garage with up to 316 parking spaces (some of which may include the use of stackers) accessible from Brady and Stevenson Streets. As part of the project, the Project Sponsor will develop a new privately-owned publicly-accessible open space at the northeast corner of Brady and Colton Streets.
- **Project History.** On October 19, 2017, the Planning Commission reviewed and approved the Project, including a Conditional Use Authorization and Planned Unit Development (See Planning Commission Motion No. 20038). The Board of Supervisors approved the Project, the associated legislative amendments and the Development Agreement on December 15, 2017.
- **Proposed Amendments.** The proposed amendments to the Development Agreement and 1629 Market Street Special Use District would allow use of affordable housing credits to satisfy a portion of the Project's on-site affordable housing obligations.

BASIS FOR RECOMMENDATION

The Department finds that the Project is, on balance, consistent with the Objectives and Policies of the General Plan and the Market & Octavia Area Plan. The Project will provide new market-rate housing and supportive affordable housing, thus contributing to the City's housing goals—a top priority for the City of San Francisco. The Department also finds the modification to the Project to be necessary, desirable, and compatible with the surrounding neighborhood, and not to be detrimental to persons or adjacent properties in the vicinity.

ATTACHMENTS:

Draft Resolution – Planning Code Text Amendment

Executive Summary
Hearing Date: 10/11/2018

CASE NO. 2015-005848PCA-02 & 2015-005848DVA-05
1629 Market Street

Draft Resolution – Modification to Development Agreement

Exhibit A – Board of Supervisors File No. 180891

Exhibit B – Board of Supervisors File No. 180892

Exhibit C – Development Agreement

Exhibit D – Maps and Context Photos

To: Honorable Members of the San Francisco Planning Commission
From: John Rahaim, Planning Director
Re: Strada Brady, LLC
Date: September 24, 2018

Director's Report Regarding 1629 Market Street Project Development Agreement Amendment Negotiations

1. Introduction

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. This report is being written in accordance with S.F. Administrative Code Section 56.10(a). Strada Brady, LLC. ("Developer") filed an application with the City's Department of Planning for approval of an amendment to the existing development agreement between the City and Developer for property at Market and Colton Streets (the "Development Agreement") with respect to the mixed-use project at 1629 Market Street (the "Project"). This item is scheduled for review and possible approval at the Commission meeting on October 11, 2018.

2. Background

The Project is a mixed-use development consisting of new construction, the partial retention and rehabilitation of two existing buildings, and new public and private open space. The development program includes up to approximately 501,100 square feet of building space, including up to approximately: 455,900 square feet of residential uses (up to 584 units), 13,000 square feet of retail/restaurant uses, 32,100 square feet of labor union facilities and meeting hall space, 33,500 square feet of private-owned, publicly accessible open space and residential common open space, 316 vehicle parking spaces, 231 Class 1 bicycle parking spaces, and 42 Class 2 bicycle parking spaces. The Project contains up to six buildings, including four new buildings and two partially retained and rehabilitated buildings. The existing development agreement was approved by the Commission and the Board of Supervisors, and was recorded against the Project Site on April 25, 2018.

The Project includes substantial community benefits regarding affordable housing, open space and streetscape improvements which meet or exceed those required by existing ordinances and regulations governing the approval of the Project. Developer now requests an amendment to the DA (Exhibit D, Affordable Housing Program) to allow affordable housing credits to be applied to a portion of the Project in lieu of building some of the onsite affordable units.

In June of 2016, the City entered into an agreement with the from the South Beach Marina Apartments Inc. ("SBI") to preserve existing affordable housing units that were set to expire (i.e., the units were legally entitled to be increased to market rates). Under

the City/SBI agreement, SBI agreed to preserve 101 below market rate units in the South Beach Marina Apartments. In exchange, the City granted SBI \$59,300,000 of affordable housing credits, which SBI has the right to apply against affordable housing requirements for projects in San Francisco. Developer now hopes to use some of these credits to satisfy, in part, the affordable housing obligations for the Project.

3. Development Agreement Negotiations

The City's Department of Planning, working with the Office of Economic and Workforce Development, negotiated a simple amendment to the development agreement for the Project (the "DA Amendment"). The parties started and ended negotiations for the DA Amendment in August. The parties engaged the Mayor's Office of Housing and Community Development to ensure that the proposed use of SBI affordable housing credits was correct (in terms of total dollars applied) in light of the SBI Agreement terms and the existing DA terms. A copy of all of the DA amendment can be found in the files of the City Department of Planning at 1660 Mission Street. The only items discussed during the negotiations were whether the City should allow the use of the SBI Affordable Housing Credits at the Project, and how many credits would be required based on the affordable housing requirements of the existing development agreement. Without limiting the foregoing, we note that the negotiations between the parties included the following meetings:

- **Date: August 14, 2018**

Attendees:

Strada Michael Cohen
City Anne Taupier, Charles Sullivan

Summary: Meeting to discuss proposed DA Amendment.

- **Date: August 20, 2018**

Attendees:

Strada Michael Cohen
City Anne Taupier, Charles Sullivan

Summary: Meeting to discuss proposed DA Amendment.

4. Conclusion.

We believe that both parties negotiated in good faith and the proposed DA amendment will help get the Project constructed, including the onsite supportive housing, and will therefore benefit the City.

This summary is prepared for information purposes only, and is not intended to change, supplant, or be used in the interpretation of, any provision of the DA Amendment. For any specific question or interpretation, or for any additional detail, reference should be made to the DA Amendment itself. I and my staff, as well as the City Attorney's Office,

are available to answer any questions that you may have regarding the DA Amendment or the negotiation process.

RECORDING REQUESTED BY
THE CITY AND COUNTY OF SAN FRANCISCO

(Exempt from Recording Fees
Pursuant to Government Code
Section 27383)

AND WHEN RECORDED MAIL TO:

Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Block 3505: Lots 001, 007, 008, 027, 028, 029, 031, 031A, 032, 032A, 033, 033A, and 035

AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT
BETWEEN CITY AND COUNTY OF SAN FRANCISCO AND STRADA BRADY LLC
FOR PROPERTY AT MARKET AND COLTON STREETS

This Amendment No. 1 to Development Agreement (this “**Amendment No. 1**”) is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “**City**”), acting by and through its Planning Department, and STRADA BRADY LLC, a California limited liability company (“**Developer**”), and is dated for reference purposes as of August __, 2018.

Recitals

A. City and Developer entered into a Development Agreement dated as of April 17, 2018 and recorded in the Official Records against certain property described in Exhibit A (the “**Project Site**”) on April 25, 2018 Property as Document No. 2018K607299 (the “**Development Agreement**”). Any capitalized term used in this Amendment No. 1 that is not defined will have the meaning given to such term in the Development Agreement.

B. The Parties now wish to amend the Development Agreement as set forth below.

Now therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Agreement

1. Affordable Housing Credits. The underlined language set forth below is added to Section B.1 of Exhibit D (the Affordable Housing Plan):

Number of BMR Units. Not less than twelve percent (12%) of the units located in each of Buildings A-D (approximately 57 units) shall consist of workforce BMR units affordable

to households earning up to 100% AMI (the "BMR Units"). The rental and re-rental of the BMR Units shall comply with the lottery preferences and other provisions utilized by MOHCD under the Mayor's Office of Housing and Community Development Housing Preferences and Lottery Procedures Manual, and the reporting and monitoring requirements of the City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual, each as published by MOHCD and as each may be updated from time to time, to the extent permitted by law. Developer shall record affordability restrictions that remain in effect for the life of the Project against each of the BMR Units, approved by MOHCD, before occupancy of the applicable units. Notwithstanding the foregoing or anything else to the contrary in the Agreement, Developer may satisfy the requirements of this Section through the application of Credits, as defined in that certain Agreement Preserving Affordable Housing Units at South Beach Marina Apartments by and between the City, acting through the Mayor's Office of Housing and Community Development ("MOHCD"), and South Beach Marina, Inc., a Florida corporation, dated as of June 20, 2016 (the "South Beach Agreement"). If Developer satisfies the requirements of this Section through the application of Credits, then references in the Agreement to "BMR Units" shall be modified to reflect the application of the Credits. The value of the Credits needed to offset the Affordable Housing Fee that would apply under Planning Code Section 415 to satisfy the BMR Unit obligation for each Building shall be determined by MOHCD as set forth in the South Beach Agreement before issuance of the first construction document for the applicable Building.

2. Miscellaneous.

a. Incorporation. This Amendment No. 1 constitutes a part of the Development Agreement and any reference to the Development Agreement shall be deemed to include a reference to the Development Agreement as amended by this Amendment No. 1.

b. Effective Date. This Amendment No. 1 shall be effective on the date that it is signed by both Parties and recorded in the Official Records.

c. Ratification. To the extent of any inconsistency between this Amendment No. 1 and the Development Agreement, the provisions contained in this Amendment No. 1 shall control. As amended by this Amendment No. 1, all terms, covenants, conditions, and provisions of the Development Agreement shall remain in full force and effect.

d. Governing Law; Venue. This Amendment No. 1 shall be governed by and construed in accordance with the laws of the State of California.

e. Integration. This Amendment No. 1 contains the entire agreement between the Parties with respect to the subject matter of this Amendment No. 1. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this Amendment No. 1.

NOW THEREFORE, the parties hereto have executed this Amendment No. 1 as of the date set forth above.

CITY AND COUNTY OF
SAN FRANCISCO, a municipal corporation

STRADA BRADY LLC,
a California limited liability company

By: _____
John Rahaim, Director of Planning

By: _____
Michael Cohen, Manager

APPROVED:

DENNIS J. HERRERA
City Attorney

By: _____
Charles Sullivan, Deputy City Attorney

RECOMMENDED:

Mayor's Office of Housing and Community Development

By: _____
Kate Hartley, Director

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

September 19, 2018

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

On September 11, 2018, Supervisor Kim introduced the following legislation:

File No. 180891

Ordinance amending a Development Agreement between the City and County of San Francisco and Strada Brady, LLC, a California limited liability company, for the project at Market Street and Colton Street, to allow for the use of affordable housing credits; making findings under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

The proposed ordinance is being transmitted pursuant to Planning Code, Section 302(b), for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

- c: John Rahaim, Director of Planning
- Aaron Starr, Acting Manager of Legislative Affairs
- Scott Sanchez, Zoning Administrator
- Lisa Gibson, Environmental Review Officer
- AnMarie Rodgers, Director of Citywide Planning
- Laura Lynch, Environmental Planning
- Joy Navarrete, Environmental Planning

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING
BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO
LAND USE AND TRANSPORTATION COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: Monday, October 29, 2018

Time: 1:30 p.m.

Location: Legislative Chamber, Room 250, located at City Hall
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: File No. 180891. Ordinance amending a Development Agreement between the City and County of San Francisco and Strada Brady, LLC, a California limited liability company, for the project at Market Street and Colton Street, to allow for the use of affordable housing credits; making findings under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, October 26, 2018.


Angela Calvillo, Clerk of the Board

DATED/PUBLISHED/MAILED/POSTED: October 19, 2018

Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2018 SEP 11 11:08 AM
Time stamp of meeting date

AK

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Supervisor Kim

Subject:

[Development Agreement Amendment - Strada Brady, LLC - Market and Colton Streets]

The text is listed below or attached:

Ordinance amending a Development Agreement between the City and County of San Francisco and Strada Brady, LLC, a California limited liability company, for the project at Market Street and Colton Streets, to allow for the use

Signature of Sponsoring Supervisor:

For Clerk's Use Only:

