



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Inclusionary Housing
- Childcare Requirement
- Jobs Housing Linkage Program
- Downtown Park Fee
- Public Art
- Public Open Space
- First Source Hiring (Admin. Code)
- Transit Impact Development Fee
- Other – Per Development Agreement

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Planning Commission Resolution No. 19466 Development Agreement

HEARING DATE: SEPTEMBER 17, 2015

Date: September 3, 2015
Case No.: 2011.0409ENV/CUA/DVA/OFA/MAP/PCA/SHD
Project Address: **925 Mission Street and various parcels (aka "5M")**
Project Site Zoning: C-3-S (Downtown Support) District, RSD
 40-X/85-B; 90-X and 160-F Height and Bulk Districts
 SOMA Youth and Family Special Use District
Block/Lots: Lots 005, 006, 008, 009, 012, 042-047, 076, 077, 089-091, 093, 094, and 097-100 of Assessor's Block 3725
Project Sponsor: Audrey Tendell
 5M Project, LLC
 875 Howard Street, Suite 330
 San Francisco, CA 94103
Staff Contact: Kevin Guy – (415) 558-6163
Kevin.Guy@sfgov.org

RESOLUTION OF THE PLANNING COMMISSION RECOMMENDING THAT THE BOARD OF SUPERVISORS APPROVE THE DEVELOPMENT AGREEMENT ALONG WITH MODIFICATIONS BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND 5M PROJECT, LLC FOR CERTAIN REAL PROPERTY LOCATED AT 925 MISSION STREET AND VARIOUS LOTS WEST OF FIFTH STREET BETWEEN MISSION AND HOWARD STREETS (LOTS 005, 006, 008, 009, 012, 042-047, 076, 077, 089-91, 093, 094 AND 097-100, OF ASSESSOR'S BLOCK 3725), ALTOGETHER CONSISTING OF APPROXIMATELY FOUR ACRES, ADOPTING ENVIRONMENTAL FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, FINDINGS OF CONSISTENCY WITH THE CITY'S GENERAL PLAN AND WITH THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1(b).

RECITALS

1. **WHEREAS**, 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. **WHEREAS**, Chapter 56 of the San Francisco Administrative Code (“Chapter 56”) 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 (“City”).
3. **WHEREAS**, On August 19, 2014, May 15, 2015, and August 7, 2015, 5M Project, LLC (“Project Sponsor”) filed entitlement applications with the San Francisco Planning Department for the development of a mixed-use commercial, residential and retail/educational/cultural development project known as the 5M Project (“Project”), including amendments to the General Plan, Planning Code and Zoning Maps. On August 19, 2015, the Project Sponsor filed an application for a Development Agreement under Chapter 56.
4. **WHEREAS**, The Project is located on approximately four acres of land under single ownership, bounded by Mission, Fifth and Howard Streets. The site is generally bounded by Mission Street to the north, Fifth Street to the east, Howard Street to the south, and Mary Street to the west, along with several additional parcels further to the west along Mary Street. It is currently occupied by eight buildings with approximately 318,000 square feet of office and cultural uses, and several surface parking lots. Buildings on the site include the San Francisco Chronicle Building, Dempster Printing Building and Camelline Building, as well as five low-rise office/warehouse/commercial workshop buildings and several surface parking lots. The site consists of Assessor's Block 3725, Lots 005, 006, 008, 009, 012, 042-047, 076, 077, 089-091, 093, 094, and 097-100.
5. **WHEREAS**, The site is located at the nexus of the Downtown, SOMA, and Mid-Market areas, with a context characterized by intense urban development and a diverse mix of uses. The Westfield San Francisco Centre is located at the southeast corner of Market and Fifth Streets, which defines the entry into the major retail shopping district around Union Square. The Fifth and Mission Parking Garage and the University of the Pacific School of Dentistry are located immediately to the east across Fifth Street, with the Metreon shopping center, Yerba Buena Gardens, and Moscone Center situated further to the east. The 340-foot Intercontinental Hotel is immediately to the east of the site, while the Pickwick Hotel and the Hotel Zetta are located along the 5th Street corridor. The Old Mint is situated immediately to the north of the site across Mission Street. Existing buildings to the west and the south of the site tend to be lower in scale, and contain a wide variety of uses, including residential hotels, older and newly-constructed residential buildings, offices, retail establishments, and automotive repair. The transit spine of Market Street is situated one block to the north, while the alignment of the future Central Subway is located one bloc to the east along Fourth Street.
6. **WHEREAS**, The Planning Department began conversations with the Project Sponsor in 2008 identifying the subject property as an opportunity site that should both reference the lower-scaled environment to the west by emphasizing the existing historic buildings on the site and adding much needed open space to this part of SOMA, with the potential for density and a mix of uses that relate to the high-rise environment to the east. The proposed Project pre-dates the Central SOMA Plan, but supports many of the goals of the Plan, such as supporting transit oriented growth, providing extensive open space, and shaping the area's urban form with recognition of both the City and neighborhood context.

7. **WHEREAS**, The Project proposes to demolish surface parking lots and several existing buildings (926 Howard Street, 912 Howard Street, 409-411 Natoma Street and 190 Fifth Street), retain the Dempster, Camelline, Chronicle, and Examiner (portion) buildings, and construct three new towers on the site, with occupied building heights ranging from approximately 200 feet to 450 feet. The Project includes approximately 821,300 square feet of residential uses (approximately 690 units), 807,600 square feet of office uses (including active office uses at or below the ground floor), and 68,700 square feet of other active ground floor uses (a mix of retail establishments, recreational and arts facilities, restaurants, workshops, and educational uses).
8. **WHEREAS**, The Project would also include vehicular parking, bicycle parking, and loading facilities, an extensive program of private- and publicly-accessible open space, and streetscape and public-realm improvements. The northerly portion of Mary Street between Minna and Mission Streets would be converted into a pedestrian alley lined with active uses and enhanced with seating, landscaping, an pedestrian-scaled lighting. Public open space will be provided at the center of the 5M Project, providing active and passive space incorporating artwork, landscape treatments, and furnishings. Another significant open space would be situated on the rooftop of the Chronicle building, including a deck, lawn space, seating, and opportunities for urban agriculture and outdoor gardens.
9. **WHEREAS**, On November 20, 2014, the Planning Commission held an informational hearing regarding the Project, which included a broad overview of the design and regulatory approach being proposed for the site. On July 23, 2015, the Planning Commission held a second informational hearing for the Project, which focused on the Design for Development document proposed as part of the overall project entitlements. On August 6, 2015, the Planning Commission held a third informational hearing for the Project, focusing on public benefits, wind and shadow effect, circulation design and transportation, and street improvements, and on September 3, 2015, the Planning Commission held a fourth informational hearing for the Project.
10. **WHEREAS**, The City Office of Economic and Workforce Development, in consultation with the Planning Department, negotiated a proposed development agreement for the site, as copy of which is on file with the Planning Commission Secretary (the "Development Agreement").
11. **WHEREAS**, On July 21, 2015, Mayor Lee introduced draft Ordinances with respect to the Project, including an Ordinance approving a Development Agreement.
12. **WHEREAS**, On August 6, 2015, the Planning Commission held a duly noticed public hearing to consider initiation of General Plan Amendments associated with the Project, and adopted Resolution No. 19429 initiating such General Plan Amendments.
13. **WHEREAS**, On October 15, 2014, the Department published a draft Environmental Impact Report (draft EIR) for public review. The draft EIR public comment period was originally proposed to end on December 1, 2014, and was subsequently extended by the Environmental Review Officer to January 7, 2015. On November 20, 2014, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to solicit comments regarding the draft EIR. On August 13,

2015, the Department published a Comments and Responses document, responding to comments made regarding the draft EIR prepared for the Project. The draft EIR and the Comments and Responses document constitute the Final EIR. On September 17, 2015, the Commission reviewed and considered the Final EIR at a duly noticed public hearing and found that the contents of said report and the procedures through which the Final EIR was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) ("CEQA"), 14 California Code of Regulations Sections 15000 et seq. ("the CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Commission found the Final EIR was adequate, accurate and objective, reflected 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 Final EIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31. The Planning Department, Jonas P. Ionin, is the custodian of records, located in the File for Case No. 2011.0409ENV, at 1650 Mission Street, Fourth Floor, San Francisco, California.

14. **WHEREAS**, On September 17, by Motion No. 19459, the Commission adopted findings, including a statement of overriding considerations and a mitigation monitoring and reporting program pursuant to CEQA, the State CEQA Guidelines and Chapter 31 of the Administrative Code. In accordance with the actions contemplated herein, the Commission has reviewed the Final EIR for the Project and adopts and incorporates by reference as though fully set forth herein the findings, including a statement of overriding considerations, pursuant to CEQA, adopted by the Commission by Motion No. 19459.
15. **WHEREAS**, The Project would on balance affirmatively promote, be consistent with, and would not adversely affect the General Plan, as proposed to be amended, for the reasons set forth in Motion No.19460, Case No. 2011.0409ENV/CUA/DVA/OFA/MAP/PCA/SHD, which are incorporated herein as though fully set forth.
16. **WHEREAS**, The Project complies with the eight priority policies of Planning Code Section 101.1, for the reasons set forth set forth in Motion No.19460, Case No. 2011.0409ENV/CUA/DVA/OFA/MAP/PCA/SHD, which are incorporated herein as though fully set forth.
17. **WHEREAS**, Also on September 17, 2015, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting and took various actions with respect to the Project, including, without limitation, recommendation to the Board of Supervisors regarding approval of General Plan, Zoning Map and Planning Code amendments necessary for the Project, and adopted findings in connection therewith.
18. **WHEREAS**, The Commission finds that the Project provides substantial public benefits including but not limited to the following:
 - The Project would provide a distinct mixed-use development with office, retail, residential, cultural, educational, and open space uses focused on providing a shared district for uses such as co-working, media, arts, and small-scale urban manufacturing.

- Consistent with the vision, objectives and goals of the Downtown Area Plan, the Project would involve the development of a mixed use development containing residential, commercial, and flexible retail/office/cultural/educational space.
- The Project would leverage the Project site's central location and close proximity to major regional and local public transit by building a dense mixed-use project that allows people to work and live close to transit.
- The Project would develop buildings in a manner that reflects the project site's location at the intersection of the Downtown core and SoMa through urban design features such as incorporating heights and massing at varying scales; orienting tall buildings toward the Downtown core; maintaining a strong streetwall along exterior streets; and utilizing mid-rise buildings and open space to provide appropriate transitions to larger buildings.
- The Project would create a dense commercial center that includes continuum range of floorplate sizes for a variety of users; substantial new on-site open space; and sufficient density to support and activate the new ground floor uses and open space in the Project.
- The Project would help meet the job-creation goals established in the City's Economic Strategy by generating new employment opportunities across all sectors.
- The Project would construct high-quality housing with sufficient density to contribute to 24-hour activity on the Project site, while offering a mix of unit types, sizes, and levels of affordability to accommodate a range of potential residents and assist the City in meeting its affordable housing needs.
- The Project would facilitate a vibrant, interactive ground plane for Project and neighborhood residents, commercial users, and the public, with public spaces that can accommodate a variety of events and programs, and adjacent ground floor building spaces that include elements such as transparent building frontages and large, direct access points to maximize circulation between and cross-activation of interior and exterior spaces.
- The Project would establish a pedestrian-oriented development governed by a Design for Development that establishes a comprehensive, detailed and site-specific set of standards and guidelines for well-designed streets, alleys, and public spaces.
- The Project would retain the Camelline Building (430 Natoma Street) and retain and rehabilitate and/or renovate the Chronicle Building (901-933 Mission Street), Dempster Printing Building (447-449 Minna Street), all of which are historical resources, as cultural makers on the site.
- The Project would promote sustainability at the site, building, and user level by incorporating Leadership in Energy and Environmental Design ("LEED") or equivalent sustainability strategies.
- The Project will be constructed at no cost to the City, and will provide substantial direct and indirect economic benefits to the City.

19. **WHEREAS**, The Project is anticipated to generate an annual average of approximately 1,200 construction jobs and, upon completion, approximately 3,150 net new permanent jobs and an approximately \$12,100,000 annual increase in general fund revenues to the City. In addition to the significant housing, jobs, urban revitalization, and economic benefits to the City from the Project, development of the Project under the Development Agreement will provide additional benefits to the public that could not be obtained through application of existing City ordinances, regulations, and policies. Such public additional public benefits to the City from the Project include: the creation of affordable housing units anticipated to equal to thirty three percent (33%) of the total market rate housing units for the Project; development and maintenance of community and open space improvements; payment of citywide transit impact development fees for transportation improvements; payment of transportation sustainability fee; retention of the Chronicle, Camelline and Dempster building, donation of Dempster building and use of the art fee for the Dempster building rehabilitation and for arts and cultural programming; workforce development program; youth development program; funds for Old Mint rehabilitation; and contribution to stabilize community arts and cultural organizations, all as further described in the Development Agreement.
20. **WHEREAS**, The Development Agreement will eliminate uncertainty in the City's land use planning for the Project and secure orderly development of the Project.
21. **WHEREAS**, The Development Agreement for the Project reflects the unique character and potential of the site – under a single ownership, at the intersection of several neighborhoods and close to high-quality transit, and further allows the City to secure appropriate and extraordinary public benefits associated with the development of the Project, and tied to the development of each building, and timed to emphasize the completion of the affordable housing program as early as possible. The affordable housing program represents a partnership between the Developer and the City in reaching a 33% affordable level, by making use of the Jobs-Housing Linkage Fee generated by the Project's office space.
22. **WHEREAS**, The Director accepted the Development Agreement application for filing published notice in an official newspaper, and made the application publicly available under the Administrative Code Section 56.4(c), and the Planning Department file on this matter was available for public review as required by Administrative Code Section 56.10(b), and continues to be available for review at the Planning Department at 1650 Mission Street, 4th floor, San Francisco.
23. **WHEREAS**, The Director has scheduled and the Commission has held a public hearing on September 17, 2015, as required by the Administrative Code. The Planning Department gave such notice as required by Planning Code and gave advance notice to local public agencies as required by the Administrative Code.
24. **WHEREAS**, The Commission has had available to it for its review and consideration studies, case reports, letters, plans, and other materials pertaining to the Project contained in the Department's case files, and has reviewed and heard testimony and received materials from interested parties during the public hearings on the Project.

NOW, THEREFORE BE IT RESOLVED THAT, the Planning Commission recommends the Board of Supervisors approve the proposed Development Agreement Ordinance and Development Agreement in substantially the form attached hereto as Exhibit A, along with the modifications identified in this Resolution Number 19466; and be it

FURTHER RESOLVED, that the Planning Commission recommends that the Development Agreement be modified to require payment of \$300,000 to the City in order to fund staff time, consultant work, and other necessary studies and/or measures in furtherance of adopting a Filipino Cultural Heritage District in the vicinity of the 5M Project; and be it

FURTHER RESOLVED, that the Planning Commission recommends that the Planning Department conduct and submit to the Planning Commission a periodic analysis of displacement within a ¼ mile radius of the 5M SUD. The analysis should be prepared and submitted to the Planning Commission five times: as soon as feasible upon issuance of the first building permit for new construction on the site, as soon as feasible upon issuance of the Certificate of Final Completion and Occupancy for that building, and subsequently at one, two and five years following the issuance of that Certificate of Final Completion and Occupancy. This analysis is to be prepared using the City's various digital resources and should be similar to maps submitted to the Commission by Planning Department Staff during the Commission's consideration of the project, and should include the numbers and locations of dwelling units that are protected by various types of displacement stabilization measures; and be it

FURTHER RESOLVED, that the Planning Commission recommends that the Board of Supervisors establish a stabilization fund to prevent and address any residential and/or commercial displacement; and be it

FURTHER RESOLVED, that the Planning Commission recommends that the Board of Supervisors increase funding for "small site" acquisition; and be it

FURTHER RESOLVED, that the Planning Commission urges the Project Sponsor to continue to recognize the need for, and consider the establishment of, a child care facility within the Project site; and be it

FURTHER RESOLVED, that the Commission agrees that if the Board of Supervisors proposes any amendment to the Development Agreement that benefits the City and does not alter the City's General Plan, the Planning Code, or the applicable zoning maps affecting the Project Site, then such amendments shall not be deemed a "material modification" to the Development Agreement under Administrative Code Section 56.14, and any such amendment to the Development Agreement may be approved by the Board of Supervisors without referring the proposed amendment back to the Commission; and be it

FURTHER RESOLVED, that upon the approval of the Board of Supervisors, the Commission authorizes the Planning Director to enter into the Development Agreement and, working with other City staff, to take all actions to implement and enforce the Development Agreement in accordance with its terms.

I hereby certify that the foregoing Resolution was ADOPTED by the Planning Commission at its regular meeting on September 17, 2015.

Jonas P. Ionin
Commission Secretary

AYES: Antonini, Fong, Hillis, Johnson, Richards

NOES: Moore, Wu

ABSENT: None

ADOPTED: September 17, 2015