

1 [Development Agreement - Schlage Lock Project - Visitacion Development, LLC]

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3 **Ordinance approving a Development Agreement between the City and County of San**
 4 **Francisco and Visitacion Development, LLC, for certain real property located in**
 5 **Visitacion Valley, bounded approximately to the north and west by McLaren Park and**
 6 **the Excelsior and Crocker Amazon Districts, to the east by the Caltrain tracks, and to**
 7 **the south by the San Francisco/San Mateo County line and the City of Brisbane;**
 8 **making findings under the California Environmental Quality Act, findings of conformity**
 9 **with the General Plan, and the eight priority policies of Planning Code,**
 10 **Section 101.1(b); and waiving certain provisions of Administrative Code, Chapter 56.**

11 NOTE: Additions are *single-underline italics Times New Roman*;
 12 deletions are *strike-through italics Times New Roman*.
 13 Board amendment additions are double-underlined;
 Board amendment deletions are ~~strike-through normal~~.

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

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

17 A. California Government Code Section 65864 et seq. authorizes any city, county,
 18 or city and county to enter into an agreement for the development of real property within the
 19 jurisdiction of the city, county, or city and county.

20 B. Chapter 56 of the San Francisco Administrative Code (“Chapter 56”) sets forth
 21 certain procedures for the processing and approval of development agreements in the City
 22 and County of San Francisco (the “City”).

23 C. Visitacion Development, LLC, a California limited liability company, a subsidiary
 24 of Universal Paragon Corporation, a Delaware limited liability company (the “Developer”) is
 25 the owner of that certain real property formerly occupied by the Schlage Lock Company

1 located in Visitacion Valley (the “Project Site”). The Project Site is generally bounded to the
2 north and west by McLaren Park and the Excelsior and Crocker Amazon districts, to the east
3 by the Caltrain tracks and to the south by the San Francisco/San Mateo County line and the
4 City of Brisbane.

5 D. Developer filed applications with the City’s Planning Department to (a) amend
6 the City’s Planning Code to create the Schlage Lock Special Use District, (b) amend the City’s
7 General Plan to change applicable height and bulk classifications, and (c) amend applicable
8 zoning maps.

9 E. The Developer has proposed a long-term, mixed-use development program that
10 includes up to 1,679 dwelling units of new housing, up to 46,700 square feet of new retail, and
11 the rehabilitation of a historic office building located on-site (the “Project”). Through the
12 development of the Project, the Project Site will be transformed into a mixed-use, transit-
13 oriented development with new public streets and new parks, all as further described in the
14 proposed development agreement, a copy of which is on file with the Clerk of the Board in File
15 No. 140444 (the “Development Agreement”).

16 F. Concurrently with this Ordinance, the Board is taking a number of actions in
17 furtherance of the Project, including the approval of amendments to the City’s General Plan
18 (Board File No. 140675), Planning Code (Board File No. 140445), and Zoning Maps (Board
19 File No. 140445) (collectively, together with this Ordinance, the “Project Ordinances”).

20 G. The City has determined that as a result of the development of the Project Site
21 in accordance with the Development Agreement, clear benefits to the public will accrue that
22 could not be obtained through application of existing City ordinances, regulations, and
23 policies, as more particularly described in the Development Agreement. The Development
24 Agreement will eliminate uncertainty in the City’s land use planning for the Project Site and
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1 secure orderly development of the Project Site consistent with the Visitacion Valley/Schlage
2 Lock Special Use District.

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4 Section 2. ENVIRONMENTAL FINDINGS.

5 A. The San Francisco Planning Commission and the former San Francisco
6 Redevelopment Agency certified a final environmental impact report (“FEIR”) for the Visitacion
7 Valley Redevelopment Program, Planning Department File No. 2006.1308E, on December
8 18, 2008. The project analyzed in the EIR was for redevelopment of an approximately 46-acre
9 project area in San Francisco’s Visitacion Valley neighborhood, extending on both sides of
10 Bayshore Boulevard roughly between Sunnydale Avenue and Blanken Avenue and along the
11 Leland Avenue commercial corridor. The project was intended to facilitate re-use of the vacant
12 Schlage Lock property (The “Project Site”; also referred to as “Zone 1”), revitalize other
13 properties along both (east and west) sides of Bayshore Boulevard, and help revitalize the
14 Leland Avenue commercial corridor (also referred to as “Zone 2”).

15 B. When California eliminated all redevelopment agencies in the State in February,
16 2012, the City of San Francisco initiated new efforts to move forward with the development of
17 the Schlage Lock site (Zone 1) in light of reduced public funding and jurisdictional change.
18 Thus, the proposed project was revised with respect to Zone 1, and these modifications were
19 analyzed in an Addendum to the FEIR prepared by the Planning Department and referred to
20 as the “Modified Project”. The Modified Project differs from the project analyzed in the FEIR in
21 that, among other changes, the number of residential units in Zone 1 will increase from 1,250
22 to 1,679 and the amount of commercial retail space in Zone 1 will decrease from 105,000 to
23 46,700 square feet. The amount of cultural uses will not change and remains at 15,000
24 square feet. The projected growth for Zone 2 will remain the same, as set forth in the
25 Addendum.

1 C. The Board has reviewed the FEIR and the Addendum and hereby finds that
2 since certification of the FEIR and the Addendum, no changes have occurred in the proposed
3 Project or in the circumstances under which the Project would be implemented that would
4 cause new significant impacts or a substantial increase in the severity of impacts identified
5 and analyzed in the FEIR and the Addendum, and that no new information has emerged that
6 would materially change the analyses or conclusions set forth in the FEIR and the Addendum.
7 The Modified Project would not necessitate implementation of additional or considerably
8 different mitigation measures than those identified in the FEIR and the Addendum.

9 Additionally, the Board hereby adopts and incorporates by reference as though fully set
10 forth herein the environmental findings of the Planning Commission, a copy of which is on file
11 with the Board of Supervisors in File No. 140444, including but not limited to the Planning
12 Commission's rejection of certain transportation mitigation measures as infeasible and its
13 finding that no other feasible mitigation measure are available to address certain identified
14 significant impacts. The Board further adopts and incorporates by reference the Mitigation
15 Monitoring and Reporting Program, a copy of which is on file with the Board of Supervisors in
16 File No. 140444, and the Mitigation Monitoring and Reporting Program, a copy of which is on
17 file with the Board of Supervisors in File No. 140444.

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19 Section 3. General Plan and Planning Code Section 101.1(b) Findings.

20 A. The Board of Supervisors finds that the Development Agreement will serve the
21 public necessity, convenience and general welfare for the reasons set forth in Planning
22 Commission Resolution No. 19164 and incorporates those reasons herein by reference.

23 B. The Board of Supervisors finds that the Development Agreement is in conformity
24 with the General Plan, as amended, and the eight priority policies of Planning Code Section
25 101.1 for the reasons set forth in Planning Commission Resolution No. 19164. The Board

1 hereby adopts the findings set forth in Planning Commission Resolution No. 19164 and
2 incorporates those findings herein by reference.

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4 Section 4. Development Agreement.

5 A. The Board of Supervisors approves all of the terms and conditions of the
6 Development Agreement, in substantially the form on file with the Clerk of the Board of
7 Supervisors in File No. 140444, including but not limited to, the non-applicability of certain
8 provisions of the Costa-Hawkins Rental Housing Act (California Civil Code sections 1954.50
9 et seq.; the “Costa-Hawkins Act”), and Developer’s waiver of any and all rights under the
10 Costa-Hawkins Act and any other laws or regulations so that each below market rent (“BMR”) unit
11 will be subject to the City’s BMR requirements as set forth in Planning Code section 415
12 and the Affordable Housing Plan as attached to the Development Agreement.

13 B. The Board of Supervisors also approves the subdivision and condominium map
14 provisions as set forth in Section 3.9 of the Development Agreement.

15 C. Without limiting the terms of the Development Agreement, the Board of
16 Supervisors expressly finds that the items listed in Sections 4.A and 4.B above are a material
17 and important part of the Development Agreement, and the Board would not be willing to
18 approve the Development Agreement without these provisions.

19 D. The Board of Supervisors approves and authorizes the execution, delivery and
20 performance by the City of the Development Agreement, subject to the approval of the
21 Development Agreement by the City’s Municipal Transportation Agency and Public Utilities
22 Commission, and any other City agencies as required, each in their sole discretion (the
23 “Subsequent Approvals”) and Developer’s payment of all City costs with respect to the
24 Development Agreement. Upon receipt of the Subsequent Approvals and the payment of
25 City’s costs billed to Developer, (i) the Director of Planning and other listed City officials are

1 authorized to execute and deliver the Development Agreement, and (ii) the Director of
2 Planning and other applicable City officials are authorized to take all actions reasonably
3 necessary or prudent to perform the City's obligations under the Development Agreement in
4 accordance with the terms of the Development Agreement and Chapter 56, as applicable.
5 The Director of Planning, at his or her discretion and in consultation with the City Attorney, is
6 authorized to enter into any additions, amendments or other modifications to the Development
7 Agreement that the Director of Planning determines are in the best interests of the City and
8 that do not materially increase the obligations or liabilities of the City or decrease the benefits
9 to the City under the Development Agreement, subject to the approval of any affected City
10 agency as more particularly described in the Development Agreement.

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12 Section 5. Chapter 56 Waiver; Ratification.

13 A. In connection with the Development Agreement, the Board of Supervisors finds
14 that the requirements of Chapter 56 have been substantially complied with, and hereby
15 waives any procedural or other requirements of Chapter 56 if and to the extent that they have
16 not been complied with.

17 B. All actions taken by City officials in preparing and submitting the Development
18 Agreement to the Board of Supervisors for review and consideration are hereby ratified and
19 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken
20 by City officials consistent with this Ordinance.

1 Section 6. Effective Date. This Ordinance shall become effective on the date that all of
2 the Project Ordinances are effective.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: _____
7 Heidi J. Gewertz
8 Deputy City Attorney

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