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Planning Commission Motion No. 19573

Date:	Feb 25, 2016
Case No.	**Case No. 2015-012730GPR** **Transbay Redevelopment Plan Amendment**
Block/Lot No.:	3740/Lots 027,029,030,031, and 032
Applicant:	Office of Community Investment and Infrastructure Jose Campos One South Van Ness Avenue, Fifth Floor San Francisco, CA 94103
Staff Contact:	Kimia Haddadan – (415) 575-9068 *kimia.haddadan@sfgov.org*

ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND RECOMMENDING APPROVAL OFTHE AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE TRANSBAY REDEVELOPMENT PROJECT AREA TO INCREASE THE MAXIMUM HEIGHT LIMIT FROM 300 FEET TO 400 FEET ON BLOCK 1 OF ZONE 1 OF THE TRANSBAY REDEVELOPMENT PROJECT AREA, ADOPTING GENERAL PLAN AND PLANNING CODE SECTION 101.1 FINDINGS, AND RECOMMENDING THE TRANSBAY REDEVELOPMENT PLAN AMENDMENT TO THE BOARD OF SUPERVISORS FOR APPROVAL.

WHEREAS, The Board of Supervisors of the City and County of San Francisco ("Board of Supervisors") approved the Redevelopment Plan for the Transbay Redevelopment Project Area by Ordinances No. 124-05 (June 21, 2005) and No. 99-06 (May 9, 2006), as amended by Ordinance No. 84-15, (June 18, 2015) ("Redevelopment Plan"). The Redevelopment Plan establishes the land use controls for the Transbay Redevelopment Project Area, and divides the Project Area into two sub-areas: Zone 1, in which the Development Controls and Design Guidelines for the Transbay Redevelopment Project ("Development Controls") define the development standards, and Zone 2, in which the San Francisco Planning Code applies.

WHEREAS, Section 4.105 of the City Charter and 2A.53 of Administrative Code require General Plan referrals to the Planning Commission (hereinafter "Commission") for certain matters, including determination as to whether a Redevelopment Plan amendment is in-conformity with the General Plan prior to consideration by the Board of Supervisors.

WHEREAS, On September 23, 2015, the Office of Community Investment and Infrastructure, Successor Agency to the Redevelopment Agency (OCII) submitted a General Plan Referral application for the Redevelopment Plan Amendment for the Transbay Redevelopment Plan to increase the maximum height limit for Block 1 from 300 feet to 400 feet.

WHEREAS, Transbay Block 1 is located on Folsom Street between Main and Spear Streets in Zone 1 of the Transbay Redevelopment Area, and is comprised of Assessor Block 3740, Lots 027, 029, 030, 031, and 032. Lot 027 is owned by OCII and the remaining lots are owned by Block 1 Property Holder, L.P., an affiliate of Tishman Speyer ("Developer").

WHEREAS, The Transbay Redevelopment Plan and the Development Controls specify a 300-foot maximum height limit on Block 1. The proposed Plan Amendment would provide for a maximum height limit of 400 feet on Block 1 and would have no other effect on the Zone 1 development concept or land use controls.

WHEREAS, On November 18, 2014, the OCII Commission authorized an Exclusive Negotiation Agreement (the "ENA") with the Developer for (a) the sale to the Developer of the portion of Block 1 owned by OCII (Block 3740, Lot 027), and (b) the development of a combined affordable and market-rate homeownership project consisting of a residential tower, two residential podium buildings, and townhouses surrounding open space on Block 1.

WHEREAS, The ENA contemplates two project alternatives, one with a tower height of 300 feet, as allowed by the Redevelopment Plan, and the second with a tower height of 400 feet, which would require the Plan Amendment. The term sheet for the Block 1 project negotiated to date by OCII staff and the Developer includes the 400-foot project alternative (the "Block 1 Project"). The specifics of the Block 1 Project are shown in Attachment B to Exhibit A: OCII's staff Memorandum to the OCII Commission.

WHEREAS, OCII maintains land use and California Environmental Quality Act ("CEQA") review authority of the Transbay Redevelopment Project Area, including the site of the proposed amendment (Block 1).

WHEREAS, On January 19, 2016 at a public hearing the OCII Commission adopted Resolution No. 2-2016, which approved the proposed amendment to the Transbay Redevelopment Plan to increase the maximum height limit of the lots in Block 1 of Zone 1 from 300' to 400' along with an Addendum to the Final FEIR/FEIS or the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project.

WHEREAS, Pursuant to Section 33346 of the California Health and Safety Code regarding California Redevelopment Law, the Redevelopment Plan must be submitted to the Planning Commission for its report and recommendation concerning the Redevelopment Plan and its conformity with the General Plan and Section 101.1 of the Planning Code.

ENVIRONMENTAL REVIEW

OCII, as the Successor Agency to the Former Redevelopment Agency, has land use and California Environmental Quality Act ("CEQA") review authority of the Project Area. OCII and Planning share CEQA review responsibilities for Redevelopment Plan amendments.

Consequently, on January 14, 2016, OCII, in conjunction with the Planning Department, prepared an addendum to the Final Environmental Impact Statement/Environmental Impact Report ("FEIS/EIR") for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project ("Addendum") for purposes of the subject Redevelopment Plan amendment. (See OCII Commission Resolution No.2-2016, Exhibit B: Addendum to Environmental Impact Report). Overall, the Addendum determined the Plan Amendment would not cause new significant impacts not identified in the FEIS/EIR, nor would the project cause significant impacts previously identified in the FEIS/EIR to become substantially more severe. No new mitigation measures would be necessary to reduce significant impacts.

In regard to the environmental review for the Transbay Redevelopment Plan, the Final Environmental Impact Report for the Transbay Redevelopment Plan was certified by the Planning Commission Motion No. 16733 on April 22, 2004. On June 15, 2004, the Board of Supervisors approved Motion No. M04-67 affirming the Planning Commission's certification of the Final Environmental Impact Report for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project ("FEIR") in compliance with the California Environmental Quality Act ("CEQA") (California Public Resources Code sections 21000 et seq.) A copy of said Motion is on file with the Clerk of the Board of Supervisors in File No. 040629 and is incorporated herein by reference.

The Board of Supervisors in Resolution No. 612-04, adopted environmental findings in relation to the Transbay Terminal, Caltrain Downtown Extension, and Transbay Redevelopment Plan. Copies of said Resolution and supporting materials are in the Clerk of the Board of Supervisors File No. 041079. The Board of Supervisors in Ordinance No. 124-05, as part of its adoption of the Transbay Redevelopment Plan, adopted additional environmental findings. Copies of said Ordinance and supporting materials are in the Clerk of the Board of Supervisors File No. 050184. The FEIR analyzed development on Transbay Redevelopment Project Area Block 1 of a project extending up to 300 feet in height. Said Resolution and Ordinance and supporting materials are incorporated herein by reference.

On January 14, 2016, in response to a proposed height increase from 300 to 400 feet on Block 1, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure, ("Successor Agency" or "OCII") in conjunction with the Planning Department prepared an Addendum to the FEIR in accordance with CEQA Guidelines Section 15164 (the "Addendum").

On January 19, 2016, after a duly noticed public hearing, the Community Investment and Infrastructure Commission ("CCII") in Resolution No 2-2016, approved development actions for Block 1 and adopted the Addendum along with other environmental review findings pursuant to CEQA. A copy of the Addendum and CCII Resolution are on file with the Secretary of the Planning Commission and are incorporated herein by reference.

Based on this Commission's review of the FEIR and the Addendum, the Commission concurs that the analysis conducted and the conclusions reached in the FEIR remain valid and

the proposed Block 1 height amendment will not cause new significant impacts not identified in the FEIR, and no new mitigation measures will be necessary to reduce significant impacts. Further, other than as described in the Addendum, no Block 1 changes have occurred, and no changes have occurred with respect to circumstances surrounding Block 1 that will cause significant environmental impact to which the height amendment will contribute considerably; and no new information has become available that shows the height amendment will cause significant environmental impacts not previously discussed in the FEIR, that significant effects previously examined will be substantially more severe than shown in the FEIR, or that mitigation measures or alternatives previously found infeasible are feasible, or that new mitigation measures or alternatives considerably different from those in the FEIR would substantially reduce significant impacts. Therefore, the Commission finds that no environmental review is required under CEQA other than the Addendum and hereby adopts CCII's environmental findings as its own.

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

As described below, the Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, **on balance, in-conformity** with the General Plan as further described in the analysis of the following Objectives and Policies of the General Plan:

Eight Priority Policies Findings

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

   The Proposed Plan Amendment will not result in change in neighborhood-serving retail businesses. The project will include street level retail to enhance the neighborhood commercial environment and the residential units in the project will provide more customers for neighborhood retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

   The Proposed Plan Amendment will not affect existing housing and will help add to the City's housing stock. The proposed residential tower will transform former Embarcadero Freeway land into 391 dwelling units including 156 Below Market Rate Units affordable to households with income ranging between 80% to 120% of AMI.

3. That the City's supply of affordable housing be preserved and enhanced.

   The Proposed Plan Amendment would increase the supply of affordable housing in San Francisco. The proposed increase in height would result in an additional 44 Below Market Rate Units that would not otherwise be provided under the existing height limit of 300'. The additional 44 BMR units would be affordable to households earning 100% AMI or 120% AMI.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

   The Proposed Plan Amendment would not impede MUNI transit service or overburden the streets or neighborhood parking. The site of Block 1 Project is located very close to significant transit access, specifically within one block of the Transit Center and within three blocks of the Market Street transit corridor and the Ferry Building. The proposed additional height will result in $$500,000 in additional fees in transportation impact fees resulting to $2.4 million in Transportation Sustainability Fees.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.

   The Proposed Plan Amendment would not result in displacing existing industrial and service uses or change the existing economic base in this area. The site of Block 1 currently is mostly vacant except for a small building that is currently being used as a sales center for Lumina, the two residential towers at 201 Folsom.

6. That the City achieves the greatest possible preparedness to protect against injury and loss of life in an earthquake.

   The Proposed Plan Amendment will not affect the City's preparedness. The proposed Block 1 Project residential tower would be built to the current building code and seismic standards and otherwise will not affect the City's preparedness.

7. That landmarks and historic buildings be preserved.

   The site of Block 1 project does not include of a landmark or historic building and the Proposed Plan Amendment will not affect the landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

The Proposed Plan Amendment would allow a taller residential tower to be built on the site of Block 1. This taller alternative would cast additional shadow on parks and open spaces compared to the existing 300' allowable height limit. As a part of the environmental review requirements, a thorough shadow study was conducted to evaluate the significance of the additional shadow on six existing and proposed public open spaces including Rincon Park, the proposed Transbay Park on the site of the current Temporary Transbay Terminal, and the Transit Center's rooftop City Park. No public parks subject to Section 295 of the Planning Code (i.e. under the jurisdiction of the Recreation and Parks Department) would be affected. While the most increase in Additional Annual Shading occurs on Spear Street Terrace, this increase is less than half of one percent and would only last 18 minutes on the days with the most shadows. Spear Street Terrace is the Privately Owner Public Open Space (POPOS) east of Spear Street north of the Gap Building. Rincon Park, along the waterfront, is the second park with the highest Additional Annual Shading, which only would increase by about third of one percent. This additional shading would last about 45 minutes on the days with the maximum shadow. The additional shadow would occur after the peak hour of lunch time in the afternoon and would mostly occur on a small portion of the San Francisco Bay Trail near the center of the park and over existing restaurant structures. Rincon Park, along the waterfront is the second park with the highest Additional Annual Shading, which only would increase by about third of one percent. This additional shading would last about 45 minutes on the days with the maximum shadow. The additional shadow would occur after the peak hour of lunch time in the afternoon and would mostly occur on a small portion of the San Francisco Bay Trail near the center of the park and over existing restaurant structures. This additional shadow was deemed not to be a significant environmental impact. The methodology used to evaluate the additional shadow mirrors the requirements of Section 295 of the Planning Code, otherwise known as the "Sunlight Ordinance" while the affected parks are not under the jurisdiction of Recreation and Parks Department and therefore not subject to this requirement.

General Plan Policy Findings

Staff analyzed the Proposed Amendment with regards to conformity to the General Plan under three major topics: urban form, affordable housing, and shadow analysis.

DOWNTOWN PLAN

OBJECTIVE 13

CREATE AN URBAN FORM FOR DOWNTOWN THAT ENHANCES SAN FRANCISCO'S STATURE AS ONE OF THE WORLD'S MOST VISUALLY ATTRACTIVE CITIES.

POLICY 13.1

Relate the height of buildings to important attributes of the city pattern and to the height and character of existing and proposed development. (See Map 5)

Discussion

The Transbay Redevelopment Project Area Design for Development, completed in 2003, envisions transforming an area formerly containing the Embarcadero Freeway, its remaps and Terminal Separator Structure into a transit-oriented residential district in the heart of downtown. The Development Controls for this area, adopted in 2005, called for Zone 1 to "become a complementary and exciting addition to the downtown skyline, designed as designed as a grouping of slender towers that would visually extend the Downtown high-rise office skyline." (For further discussion See Exhibit A, page 4: Community Identity and Built Form)

The proposed Amendment would result in a 400' residential tower on Block1, an additional 100' from what is currently allowed on the site. The taller tower would be compatible with San Francisco's future skyline. The city's skyline consists of tall towers immediately south of Market Street peaking with the 1,070'-tall future Transit Tower (under construction) at the Transit Center Terminal. South of Folsom Street the skyline consists of residential towers of 350' or 400' in the Rincon Hill area, rising up to a peak of approximately 600' on top of the Hill. These buildings on either side of Folsom Street include the Infinity Development, located immediately across Folsom Street from Block 1, with two towers of 350 feet and 400 feet. The 400-foot Infinity tower is along Spear Street, like the Block 1 tower, one block back from the buildings lining the Embarcadero. Further towards the west, the Lumina development, located immediately west of the Infinity building on Folsom Street between Main and Beale Streets, also includes two towers of 350 feet and 400 feet. These buildings were built after the Transbay Design for Development was completed and introduced a new context for the city's skyline south of Folsom Street. Folsom Street weaves the skyline of Rincon Hill together to the Downtown skyline. With the towers of 350 to 400 feet on the south of Folsom Street in Rincon Hill, staff finds that the proposed 400 feet on Block 1 blends with the city's skyline at the seam of Folsom Street, and provides a balance between north and south sides of Folsom.

The proposed Amendments are in conformance with the Downtown Plan and Map 5 as proposed for amendment in Case No. 2016.000003GPA. Map 5 was amended in 2006 to reference the Transbay Redevelopment Plan. However, Block 1 and portions of Block 2 in Map 5 were inadvertently excluded from the references included in the General Plan Amendments in 2005 and 2006. As a result Map 5 of the Downtown Plan is currently not consistent with the Zone 1 Plan Map in Transbay Redevelopment Plan. On January 14th, 2016, in Resolution No. 19549, the Planning Commission initiated the amendments to Map 5 to reference the Redevelopment Plan for all of the lots in Zone 1. For further discussion, see the case report for 2016.000003GPA on the Planning Commissions agenda for January 14th for initiation, and February 25th for adoption.

Policy 13.2

Foster sculpturing of building form to create less overpowering buildings and more interesting building tops, particularly the tops of towers.

Discussion

The proposed building creates a sculptural form of undulating bays that vertically articulate and break down the scale of the facades. These vertical striations contribute to a sense of slenderness. Furthermore, the façade balances the faceted glass with a light color cladding to reduce the appearance of a dark, monolithic, and over powering building. The top of the building will be crowned with a similarly sculptural, screened mechanical enclosure that would be illuminated at night and references the building form with a diaphanous material. Although the building conforms to the established bulk controls, the greater height proportionally enhances the slenderness. While the design is formally unique, the gesture is graceful without calling undue attention to itself.

TRANSIT CENTER DISTRICT PLAN: A SUB-AREA PLAN OF THE DOWNTOWN PLAN

OBJECTIVE 2.2 CREATE AN ELEGANT DOWNTOWN SKYLINE, BUILDING ON EXISTING POLICY TO CRAFT A DISTINCT DOWNTOWN "HILL" FORM, WITH ITS APEX AT THE TRANSIT CENTER, AND TAPERING IN ALL DIRECTIONS.

OBJECTIVE 2.4 PROVIDE DISTINCT TRANSITIONS TO ADJACENT NEIGHBORHOODS AND TO TOPOGRAPHIC AND MAN-MADE FEATURES OF THE CITYSCAPE TO ENSURE THE SKYLINE ENHANCES, AND DOES NOT DETRACT FROM, IMPORTANT PUBLIC VIEWS THROUGHOUT THE CITY AND REGION.

POLICY 2.4 Transition heights downward from Mission Street to Folsom Street and maintain a lower "saddle" to clearly distinguish the downtown form from the Rincon Hill form and to maintain views between the city's central hills and the Bay Bridge.

POLICY 2.5 Transition heights down to adjacent areas, with particularly attention on the transitions to the southwest and west in the lower scale South of Market areas and to the waterfront to the east.

Discussion

Policies in both the Rincon Hill and the Transit Center District Plan emphasize on maintaining a separation in the skyline between Downtown and the Rincon Hill. This separation aims to create a sense of place and orientation of the neighborhoods when looking at the skyline, both from the Bay Bridge and from the hills and public vantage points to the west (such as Corona Heights, Twin Peaks, Dolores Park, etc.). Policy 2.5 specifically indicates that the separation area in the skyline, between Howard Street to north of Folsom Street, should "achieve a height no taller than 400 feet." The proposed Amendment would align with these policies in keeping the height no taller than 400 feet, the prevailing height of nearby buildings, such as the Infinity and Lumina buildings.

Urban Design Element

OBJECTIVE 3
MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Fundamental Principles for Major New Development

1. **The relationship of a building's size and shape to its visibility in the cityscape, to important natural features and to existing development determines whether it will have a pleasing or a disruptive effect on the image and character of the city.**

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   D. Low buildings along the waterfront contribute to the gradual tapering of height from hilltops to water that is characteristic of San Francisco and allows views of the Ocean and the Bay. Larger buildings with civic importance, as evidenced by a vote of the people, providing places of public assembly and recreation may be appropriate along the waterfront at important locations.

Discussion

The Urban Design Element calls for low buildings along the waterfront and gradual tapering of height from hilltops to water. At 400 feet, the building would maintain a tapering down pattern from the 550 foot One Rincon tower on top of the Rincon Hill, down to the Block 1 site and further down to the Gap Building at 289 feet along the west edge of Embarcadero Blvd. From the north side, with the Transit Tower at over 1000 feet down to 181 Fremont at 700 feet , and further down to the proposed 400 foot tower on Block 1 would also maintain a tapering down pattern.

Recreation and Open Space Element
POLICY 1.9 Preserve sunlight in public open spaces.
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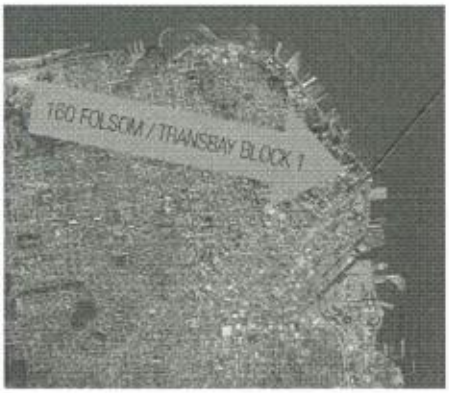
Discussion

A thorough analysis of shadow impacts of the proposed Plan Amendment was conducted. The full analysis is included in Exhibit A of Attachment D to the Memorandum. The additional shadow impacts would not affect any parks and open spaces under the jurisdiction of the Recreation and Parks Department subject to Planning Code Section 295/Prop K, the "Sunlight Ordinance". Despite this, the study evaluated potential shadows on other parks and publicly-accessible spaces NOT owned by the Recreation and Parks Department to assess conformity with this Policy in the General Plan. Table 1 below illustrates that the most increase in Additional Annual Shading occurs on Spear Street Terrace. This increase is only less than half of one percent and would only last 18 minutes on the days with the most shadows. Spear Street Terrace is a Privately Owner Public Open Space ("POPOS") on east of Spear Street, north of the Gap Building. The primary use of this park is during lunch time. Rincon Park, along the waterfront is the second park with the highest Additional Annual Shading, which only would increase by about third of one percent. This additional shading would last about 45 minutes on the days with the maximum shadow. The additional shadow would occur after the peak hour of lunch time in the afternoon and would mostly occur on a small portion of the San Francisco Bay Trail near the center of the park and over existing restaurant structures. The two other spaces with increase just over a tenth of one percent are also POPOS: Howard and Fremont Plaza, and Main Street Plaza. The additional shadow on these spaces would occur during the early and mid-morning respectively. Potential shadow on the two largest future parks not yet constructed – City Park and Transbay Park – would be very limited, both with not more than 0.03% TAAS in the early morning hours. Staff finds this additional shadow is not significant and adverse to the use and enjoyment of these parks and public spaces and therefore in compliance with Policy 1.9 of the Recreation and Open Space Element of the General Plan as the policy specifically calls to "to maintain sunlight in these spaces during the hours of their most intensive use while balancing this with the need for new development to accommodate a growing population in the City."

Table 1 – Shadow Impact of the Proposed additional 100 feet on Parks and Open Spaces.

	Rincon Park	Transbay Park (Future)	Spear Street Terrace	Howard/ Fremont Plaza	Main Street Plaza	Transbay Terminal Park (Future)
Type Of Park	Open To Public	Open To Public	Open To Public	Open To Public	Open To Public	Open To Public
Additional Days Per Year Shadow Would Be Caused By 400 Foot Tower Compared to 300 Foot Tower	28	None	28	43	None	70
Day(s) of Maximum Shadow	Feb 23 & Oct 18	June 21	Feb 23 & Oct 18	May 10 & Aug 2	May 10 & Aug 2	Apr 5 & Sep 6
Additional Duration of Shadow on Day of Maximum Shadow	45 mins	18 mins	18 mins	18 mins	44 mins	18 mins
Additional Annual Shading on Park/Open Space	.34%	.03%	.49%	.12%	.19%	.023%

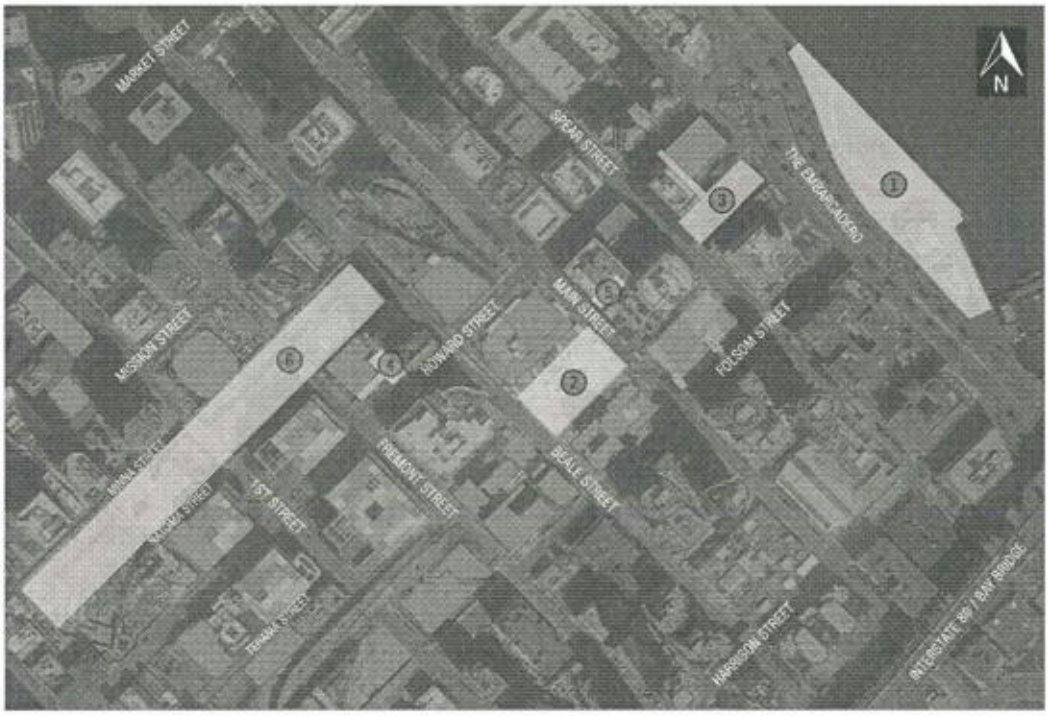


Open Spaces Analyzed for Shadow Impact

Proposed Project @ 160 Folsom / Transbay Block 1

Affected Open Spaces

1. Rincon Park
2. Transbay Park
3. Spear Street Terrace
4. Howard/Fremont Plaza
5. Main Street Plaza
6. Transbay Terminal Park



Area Map / Study Scope

HOUSING ELEMENT

OBJECTIVE 1- IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

POLICY 1.10 Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

OBJECTIVE 12 BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

POLICY 12.1 Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

Discussion

The proposed Plan Amendment would result in an additional nine stories in the proposed residential tower on Block 1. Table 2 illustrates the changes in the number of units and number of affordable units as a result of the proposed change. The additional nine stories would allow a 23% increase in the total number of units provided. From these added units, 60% would be designated as BMR including 30 more units affordable to households earning 120% of AMI and 14 more units affordable to households earning 100% of AMI. At 120% of AMI, a household of four earns up to $122,300 annually, represented for example by two teachers with two children. At 100% of AMI, a household of four earns up to $101,000 annually and can be represented by a construction worker and a postal clerk with their two children. The proposed Plan Amendment would allow for an additional 73 households of moderate income to live in a neighborhood with superior access to public transportation. In total the proposed Amendment would result in about 40% of all the units within the entire Block 1 project.

Staff finds the proposed height amendment suitable for this area of Downtown first because of the convenient access to public transit. The proximity to a variety of transit options within the city and to the Bay Area would allow for sustainable development. The majority of the added units are designated to moderate income households, who would substantially benefit from the added options for homeownership in a transit-friendly neighborhood.

Secondly the location is suitable for additional height due to the dense context of the neighborhood. The residential neighborhoods near Downtown and in Rincon Hill include dense tall residential towers. After the Transbay Redevelopment Plan was adopted in 2006 additional towers were built in the Rincon Hill or are currently under construction in the Transit Center area. This neighborhood context provides flexibility for additional height on Block 1 within the confines of maintaining a cohesive skyline as discussed in the previous section.

Table 2

OVERALL PROJECT	ENA (with 300' Tower)	Proposed (with 400' Tower)	Difference
Tower Height	300 feet	400 feet	100 foot increase
Stories	30	39	Additional 9 stories
Total Units	318 Units	391 Units	73 more units overall
Total BMR Units	112 BMR Units	156 BMR Units	44 more BMR Units
Overall Project Affordability	35%	40%	5% more overall affordability
Level of Affordability			
Podium	80% AMI (25 units) 90% AMI (26 units) 100% AMI (25 units)	80% AMI (25 units) 90% AMI (26 units) 100% AMI (25 units)	No change
Tower	100% AMI (36 units)	100% AMI (50 units) 120% AMI (30 units)	120% AMI tier added for 30 additional units in tower
Location of Tower BMR Units	Floors 1-3	Floors 1-26	BMR units interspersed in tower

OBJECTIVE 7 SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING, INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON TRADITIONAL MECHANISMS OR CAPITAL.

POLICY 7.5 Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.

Discussion

The proposed Amendment would result in a 40% increase in the number of affordable units provided in the proposed Block 1 residential tower by providing 44 more BMR units (for a total of 156 BMR units) that would otherwise not be included in the existing 300' height limit. The affordable units in the proposed Block 1 project would provide homeownership options to households of moderate income as described earlier in this report. The proposed Amendment presents an innovative approach in securing funding for permanently affordable housing without traditional government subsidies[1]. In developing Zone 1, OCII provides subsidies through land sale to developers, where the developers pay for the price of land and OCII provides subsidies on a per unit basis. The original ENA for Block 1 also included such subsidy: the land was priced at $19.2 million and OCII was required to provide $20.9 million in subsidy to the developer for the affordable units in podium, over the course of construction. In the proposed terms, the developer would not pay cash for the land which would bring a saving of $1.7 million to the City.

The proposed Amendment would also increase the overall percentage of below market rate units from 35% of all units to 40% of all units. Section 5027.1 of the California Resources Code sets the minimum affordable housing requirement for the Transbay Redevelopment Plan Area as part of the State's negotiations with San Francisco related to the demolition of the Transbay Terminal and construction of a

[1]*Examples: CDLAC or TCAC.*

new terminal. This state law requires that at least 35% of all dwelling units developed within the boundary (both Zone 1 or Two) shall be available at affordable housing cost to, and occupied by, persons and families whose incomes do not exceed 60% of the area median income, and that an additional 10% of all dwelling units developed within the Project Area shall be available at affordable housing cost to, and occupied by, persons and families whose incomes do not exceed 120% of the area median income. In Zone 2, the Below Market Rate requirement is only 15% and therefore in Zone 1 rates higher than 35% is necessary to meet the State required average 35% of all dwelling units within both Zones. The proposed Amendment would help the City achieve this State requirement.

OBJECTIVE 11 SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

POLICY 11.4 Continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan.

Discussion

Zoning changes in the City occur through a community planning process for a neighborhood or sub-set of a neighborhood. The proposed Amendment was discussed with the OCII's Transbay Citizen's Advisory Committee and other outreach events in the community. In July 2014, the TCAC approved the terms of the ENA for the Block 1 Project, which included the proposed height increase. In 2014 and 2015, the Developer also sponsored four community and town hall meetings in the neighborhood (July 2014, August 2014, November 2015, January 2016). Staff finds the proposed height change to serve the public good through additional affordable housing units and transit-oriented development.

The Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed environmental findings and findings of General Plan conformity on February 25, 2016.

NOW THEREFORE BE IT RESOLVED, That the Commission hereby finds the proposed amendment to the Transbay Redevelopment Plan, as described above, to be on **balance consistent with the General Plan** as proposed for amendment, including, but not limited to the Housing Element, Urban Design, Recreation and Open Space Element, Transit Center District Plan, and is consistent with the eight Priority Policies in City Planning Code Section 101.1 for reasons set forth in this resolution.

I hereby certify that the foregoing Motion was adopted by the Commission at its meeting on February 25, 2016.

Jonas P. Ionin

Planning Commission Secretary

AYES: Antonini, Hillis, Fong, Richards, Wu

NOES: Moore

ABSENT: Johnson

ADOPTED: February 25, 2016