

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.**

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

16

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

18

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

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

23

24 B. Chapter 56 of the San Francisco Administrative Code ("Chapter 56") sets forth
25 certain procedures for the processing and approval of development agreements in the City
and County of San Francisco (the "City").

1 C. Visitacion Development, LLC, a California limited liability company, a subsidiary
2 of Universal Paragon Corporation, a Delaware limited liability company (the “Developer”) is
3 the owner of that certain real property formerly occupied by the Schlage Lock Company
4 located in Visitacion Valley (the “Project Site”). The Project Site is generally bounded to the
5 north and west by McLaren Park and the Excelsior and Crocker Amazon districts, to the east
6 by the Caltrain tracks and to the south by the San Francisco/San Mateo County line and the
7 City of Brisbane.

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

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

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

23 G. The City has determined that as a result of the development of the Project Site
24 in accordance with the Development Agreement, clear benefits to the public will accrue that
25 could not be obtained through application of existing City ordinances, regulations, and

1 policies, as more particularly described in the Development Agreement. The Development
2 Agreement will eliminate uncertainty in the City’s land use planning for the Project Site and
3 secure orderly development of the Project Site consistent with the Visitacion Valley/Schlage
4 Lock Special Use District.

5
6 Section 2. ENVIRONMENTAL FINDINGS.

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

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

1 square feet. The projected growth for Zone 2 will remain the same, as set forth in the
2 Addendum.

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

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

20
21 Section 3. General Plan and Planning Code Section 101.1(b) Findings.

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

1 B. The Board of Supervisors finds that the Development Agreement is in conformity
2 with the General Plan, as amended, and the eight priority policies of Planning Code Section
3 101.1 for the reasons set forth in Planning Commission Resolution No. 19164. The Board
4 hereby adopts the findings set forth in Planning Commission Resolution No. 19164 and
5 incorporates those findings herein by reference.

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7 Section 4. Development Agreement.

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

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

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

22 D. The Board of Supervisors approves and authorizes the execution, delivery and
23 performance by the City of the Development Agreement, subject to the approval of the
24 Development Agreement by the City’s Municipal Transportation Agency and Public Utilities
25 Commission, and any other City agencies as required, each in their sole discretion (the

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

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15 Section 5. Chapter 56 Waiver; Ratification.

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

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

1 Section 6. Effective and Operative Dates. This ordinance shall become effective 30
2 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor
3 returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it,
4 or the Board of Supervisors overrides the Mayor’s veto of the ordinance. This ordinance shall
5 become operative on its effective date or on the date that the last of the Project Ordinances
6 becomes effective, whichever is later. ~~This Ordinance shall become effective on the date that~~
7 ~~all of the Project Ordinances are effective.~~

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

11 By: _____
12 Heidi J. Gewertz
13 Deputy City Attorney

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