

## COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

### RESOLUTION NO. 18-2020

*Adopted July 21, 2020*

**APPROVING AN AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE MISSION BAY SOUTH REDEVELOPMENT PROJECT IN CONNECTION WITH AN INCREASE IN HOTEL ROOMS ON THE MISSION BAY SOUTH BLOCK 1 HOTEL PARCEL; RECOMMENDING ADOPTION OF THE REDEVELOPMENT PLAN AMENDMENT BY THE BOARD OF SUPERVISORS AND SUBMITTING THE RECOMMENDATION, INCLUDING THE REDEVELOPMENT PLAN AMENDMENT, TO THE BOARD OF SUPERVISORS; PROVIDING NOTICE THAT THIS APPROVAL IS WITHIN THE SCOPE OF THE MISSION BAY REDEVELOPMENT PROJECT APPROVED UNDER THE MISSION BAY FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT (“FSEIR”), A PROGRAM EIR, AND IS ADEQUATELY DESCRIBED IN THE FSEIR FOR THE PURPOSES OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA**

WHEREAS, On September 17, 1998, the former Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) approved, by Resolution No. 190-98, the Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”). The Redevelopment Agency also conditionally authorized, by Resolution No. 193-98, the execution of the Mission Bay South Owner Participation Agreement (“South OPA”) and related documents between Catellus Development Corporation, a Delaware corporation (“Catellus”), and the Redevelopment Agency. On November 2, 1998, the San Francisco Board of Supervisors (“Board of Supervisors”), adopted, by Ordinance No. 335-98, the Redevelopment Plan and amended it on July 9, 2013 by Ordinance 143-13 and on March 6, 2018 by Ordinance 032-18; and,

WHEREAS, On February 1, 2012, state law dissolved the former Redevelopment Agency and required the transfer of certain of its assets and obligations to the Successor Agency to the Redevelopment Agency (“Successor Agency”), commonly known as the Office of Community Investment and Infrastructure (“OCII”) (Cal. Health & Safety Code §§ 34170 et seq., “Redevelopment Dissolution Law”). On June 27, 2012, the Redevelopment Dissolution Law was amended to clarify that successor agencies are separate public entities from the city or county that had originally established a redevelopment agency; and,

WHEREAS, On October 2, 2012 the Board of Supervisors, acting as the legislative body of the Successor Agency, adopted Ordinance No. 215-12 (the “Implementing Ordinance”), which was signed by the Mayor on October 4, 2012, and which, among other matters: (a) acknowledged and confirmed that the Successor Agency is a separate legal entity from the City, and (b) established the Successor Agency Commission, commonly known as the Commission on Community Investment and Infrastructure (“Commission” or “CCII”) and delegated to it the authority to (i) act in place of the Redevelopment Commission to, among other matters, implement,

modify, enforce and complete the Redevelopment Agency's enforceable obligations, (ii) approve all contracts and actions related to the assets transferred to or retained by the Successor Agency, including, without limitation, the authority to exercise land use, development, and design approval and the approval of amendments to redevelopment plans as allowed under the Redevelopment Dissolution Law, and (iii) take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that this Commission deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations; and,

WHEREAS, Sections 33450-33458 of the California Health and Safety Code establishes the process for amending a redevelopment plan (hereinafter, Cal. Health & Safety Code §§ 33000 et seq. "Community Redevelopment Law" or "CRL"). This process includes, among other things, a publicly-noticed hearing of the successor agency; environmental review to the extent required, preparation of a report to the legislative body addressing the justification for, and impact of, the plan amendment, adoption of the amendment by the successor agency after the public hearing; referral of the amendment to the planning commission for a determination of General Plan conformity, a publicly-noticed hearing of the legislative body, and the legislative body's consideration of plan amendment approval after the public hearing; and,

WHEREAS, Mission Bay South Block 1 is bounded by Mission Bay park P3 to the north, Third Street on the east, Fourth Street on the west, and Channel Street on the south; and,

WHEREAS, FOCIL-MB, LLC, ("FOCIL-MB"), a subsidiary of Farallon Capital Management, LLC, has assumed all of Catellus' obligations under the South OPA, as well as all responsibilities under the related public improvement agreements and land transfer agreements with the City and County of San Francisco ("City"). FOCIL-MB is bound by all terms of the South OPA and related agreements, including the requirements of the affordable housing program, equal opportunity program, and design review process; and,

WHEREAS, FOCIL-MB transferred its ownership interest in Mission Bay South Block 1 to Block 1 Associates LLC through an Assignment, Assumption and Release agreement dated May 17, 2012. The Redevelopment Plan and South OPA designated a 500-room hotel project to Block 1. In 2013, the Successor Agency and the Board of Supervisors approved amendments to the Redevelopment Plan and South OPA to allow for the construction of 350 dwelling units as a secondary use and a 250 room hotel based on the results of an economic feasibility analysis conducted by Block 1 Associates LLC. Later, Block 1 was subdivided into separate assessor's parcels and Lot 8 Block 8715 ("Block 1 Hotel Parcel") was transferred to SOMA Hotel LLC, its current owner; and,

WHEREAS, The Successor Agency proposes to approve an amendment to the Redevelopment Plan, in conjunction with an eighth amendment to the South OPA, which would allow an increase in the maximum number of hotel rooms on Block 1 from 250 to 300 ("Plan Amendment"). The Plan Amendment does not increase financing limits or the duration of the Redevelopment Plan; and,

- WHEREAS, The Plan Amendment is consistent with Redevelopment Plan objectives to provide flexibility in the development of the Plan Area, to respond readily and appropriately to market conditions, and to strengthen the economic base of the Plan Area; and,
- WHEREAS, Pursuant to Section 33352 of the CRL, the Successor Agency has prepared the Report to the Board of Supervisors on the Plan Amendment (“Report to the Board”) that contains only the information required by Health and Safety Code Section 33352 that is warranted by the scope of the Plan Amendment. The environmental document prepared in conjunction with the consideration of this Plan Amendment has been included as part of the Successor Agency’s Report to the Board, and is more particularly described below; and,
- WHEREAS, On January 9, 2020, the Mission Bay Citizens Advisory Committee considered and recommended approval of the Plan Amendment by the Successor Agency and adoption by the Board of Supervisors; and,
- WHEREAS, Copies of the notice of public hearing were mailed by first-class mail to property owners and all residents and businesses in the Plan Area; and,
- WHEREAS, Copies of the notice of public hearing were mailed, by certified mail, return receipt requested, to the governing body of each taxing agency which receives taxes from property in the Plan Area; and,
- WHEREAS, The Commission held a public hearing on July 21, 2020 on adoption of the Plan Amendment, notice of which was duly and regularly published in a newspaper of general circulation in the City and County of San Francisco once a week for three successive weeks beginning 21 days prior to the date of that hearing, and a copy of that notice and affidavit of publication are on file with the Successor Agency; and,
- WHEREAS, The Commission has provided an opportunity for all persons to be heard and has considered all evidence and testimony presented for or against any and all aspects of the Plan Amendment; and,
- WHEREAS, Development within the Plan Area is subject to an Owner Participation Agreement between the Successor Agency and FOCIL-MB that requires, among other things, that the Successor Agency shall obtain the consent of FOCIL-MB to amend the Redevelopment Plan, which consent has been, or will be, provided prior to approval of the Plan Amendment by the Commission; and,
- WHEREAS, On September 17, 1998, the Redevelopment Agency Commission adopted Resolution No. 182-98 which certified the Final Subsequent Environmental Impact Report (“FSEIR”) for Mission Bay North and South pursuant to CEQA and State CEQA Guidelines Sections 15168 (Program EIR) and 15180 (Redevelopment Plan EIR). On the same date, the Redevelopment Agency Commission also adopted Resolution No. 183-98, which adopted environmental findings (and a statement of overriding considerations), in connection with the approval of the Plan and other Mission Bay project approvals (the “Mission Bay Project”). The San Francisco Planning Commission (“Planning Commission”) certified the FSEIR by Resolution No. 14696 on the same date. On October 19, 1998, the Board of Supervisors adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning

Commission and the Former Agency, and Resolution No. 854-98 adopting environmental findings and a statement of overriding considerations for the Mission Bay Project; and,

WHEREAS, Subsequent to certification of the FSEIR, the Redevelopment Agency and the Successor Agency issued several addenda to the FSEIR (the “Addenda”). The Addenda do not identify any substantial new information or new significant impacts or a substantial increase in the severity of previously identified significant effects that alter the conclusions reached in the FSEIR; and,

WHEREAS, The FSEIR is a program EIR under CEQA Guidelines Section 15168 and a redevelopment plan EIR under CEQA Guidelines Section 15180. Approval of the Plan Amendment is consistent with the project analyzed in the FSEIR; and,

WHEREAS, OCII is making the necessary findings for the Plan Amendment contemplated herein, considered and reviewed the FSEIR, and has made documents related to the Plan Amendment and the FSEIR files available for review by the Commission and the public, and these files are part of the record before the Commission; and,

WHEREAS, The FSEIR findings and statement of overriding considerations adopted in accordance with CEQA by the Redevelopment Agency Commission by Resolution No. 183-98 dated September 17, 1998, reflected the independent judgment and analysis of the Redevelopment Agency, were and remain adequate, accurate and objective and were prepared and adopted following the procedures required by CEQA, and the findings in said resolutions are incorporated herein by reference as applicable to the Plan Amendment; and,

WHEREAS, Copies of the FSEIR, Addenda, and supporting documentation are on file with the Commission Secretary and are incorporated in this Resolution by this reference; and, now, therefore be it,

RESOLVED, The Commission has reviewed and considered the FSEIR and Addenda, and hereby adopts the CEQA findings set forth in Resolutions No. 182-98 and No. 183-98 and hereby incorporates such findings by reference as though fully set forth in this Resolution; and, be it further

RESOLVED, The Commission finds and determines that the approval of the Plan Amendment is within the scope of the Mission Bay Project analyzed in the FSEIR (as modified by the addenda) and requires no further environmental review beyond the FSEIR pursuant to CEQA and the CEQA Guidelines Sections 15180, 15162 and 15168 for the following reasons:

- (1) The implementation of the Plan Amendment does not require major revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and,
- (2) no substantial changes have occurred with respect to the circumstances under which the “Mission Bay Project” analyzed in the FSEIR will be undertaken that

would require major revisions to the FSEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FSEIR; and,

- (3) no new information of substantial importance to the project analyzed in the FSEIR has become available, which would indicate that (i) the project as modified by the Plan Amendment will have significant effects not discussed in the FSEIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible, which would reduce one or more significant effects, have become feasible; or (iv) mitigation measures or alternatives, which are considerably different from those in the FSEIR, will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the FSEIR; and, be it further

RESOLVED, That the Commission approves the Plan Amendment in the form attached in Exhibit A and recommends forwarding the Plan Amendment to the San Francisco Board of Supervisors for its approval.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of July 21, 2020.

  
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Commission Secretary

Exhibit A: Amendment to the Redevelopment Plan for the Mission Bay South Redevelopment Project