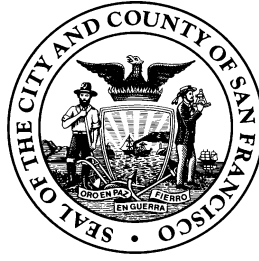


BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

Date: October 16, 2020

To: Nadia Sesay, Executive Director, Office of Community Investment and Infrastructure

From: *AAC* Angela Calvillo, Clerk of the Board of Supervisors

Subject: Redevelopment Plan Amendment - Mission Bay South Block 1 Hotel (File No. 200815)

On September 29, 2020, the Board of Supervisors adopted Ordinance No. 209-20, sponsored by Supervisor Matt Haney (File No. 200815, Redevelopment Plan Amendment - Mission Bay South Block 1 Hotel); enacted on October 9, 2020.

The Board of Supervisors directs the Clerk of the Board to forward the following document to your attention:

- One copy of Ordinance No. 209-20 (File No. 200815)

If you have any questions or concerns, please contact the Office of the Clerk of the Board at (415) 554-5184 or by e-mail: board.of.supervisors@sfgov.org.

c: Member of the Board of Supervisors, Supervisor Matt Haney
Sophia Kittler, Mayor's Liaison to the Board of Supervisors
Eddie McCaffrey, Mayor's Manager of State and Federal Legislative Affairs
Andres Power, Mayor's Policy Director
Rebecca Peacock, Mayor's Office
Lucinda Nguyen, Office of Community Investment and Infrastructure
Jaimie Cruz, Office of Community Investment and Infrastructure

1 [Redevelopment Plan Amendment - Mission Bay South Block 1 Hotel]

2
3 **Ordinance approving an amendment to the Redevelopment Plan for the Mission Bay**
4 **South Redevelopment Project, which modifies the maximum number of hotel rooms**
5 **permitted on Block 1 (also known as the site of the SOMA Hotel) at the intersection of**
6 **Third Street and Channel Street; directing the Clerk of the Board of Supervisors to**
7 **transmit a copy of this Ordinance upon its enactment to the Successor Agency;**
8 **making findings under the California Environmental Quality Act; and making findings**
9 **of consistency with the General Plan, and the eight priority policies of Planning Code,**
10 **Section 101.1(b).**

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

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

19 Section 1. Findings. The Board of Supervisors of the City and County of San
20 Francisco (the "Board of Supervisors" or "Board") hereby finds, determines, and declares,
21 based on the record before it, including but not limited to, information contained in the Report
22 to the Board of Supervisors on the Amendment to the Redevelopment Plan for the Mission
23 Bay South Redevelopment Project ("Report to the Board") regarding Block 1, that:

24 (a) On September 17, 1998, by Resolution No. 190-98, the former Redevelopment
25 Agency of the City and County of San Francisco ("Agency" or "Redevelopment Agency")
approved the Redevelopment Plan for the Mission Bay South Redevelopment Project (the

1 “Redevelopment Plan”) to govern redevelopment in the Mission Bay South Redevelopment
2 Project Area (the “Plan Area”). On the same date, the Agency adopted related documents,
3 including Resolution No. 193-98 authorizing execution of an Owner Participation Agreement
4 (“South OPA”) and related documents between Catellus Development Corporation, a
5 Delaware corporation, and the Agency applicable to the Plan Area. FOCIL-MB, LLC, a
6 Delaware limited liability company (“FOCIL”), entered into an Assignment, Assumption and
7 Release Agreement, dated November 22, 2004, under which FOCIL assumed the rights and
8 obligations of the prior owner under the South OPA.

9 (b) The Board of Supervisors approved and adopted the Redevelopment Plan by
10 Ordinance No. 335-98 on November 2, 1998, and amendments to the Redevelopment Plan
11 by Ordinance No. 143-13 on July 9, 2013 and Ordinance No. 032-18 on March 6, 2018.
12 Copies of these ordinances are in Clerk of the Board of Supervisors File Nos. 981441,
13 130458, and 171280, respectively, and are incorporated herein by reference.

14 (c) On February 1, 2012, the State of California dissolved all redevelopment agencies
15 in the state and established successor agencies to assume certain rights and obligations of
16 the former agencies. Cal. Health & Safety Code §§ 34170 et seq. (“Redevelopment
17 Dissolution Law”). On October 2, 2012, the Board of Supervisors delegated, by Ordinance
18 No. 215-12, its state authority under the Redevelopment Dissolution Law to the Successor
19 Agency Commission, commonly referred to as the Commission on Community Investment
20 and Infrastructure. The Successor Agency Commission is required to implement and
21 complete, among other things, the surviving enforceable obligations of the former
22 Redevelopment Agency and is authorized to approve amendments to redevelopment plans as
23 allowed under Redevelopment Dissolution Law and subject to adoptions of such plan
24 amendments by the Board of Supervisors. On January 24, 2014, the California Department of
25 Finance finally and conclusively determined that the South OPA executed by the

1 Redevelopment Agency on September 17, 1998, by Resolution No. 190-98 with the developer
2 of the Plan Area was an enforceable obligation of the successor to the Redevelopment
3 Agency (the "Successor Agency").

4 (d) As set forth more fully in Section 1, subparagraph (g) of this ordinance, the
5 Successor Agency Commission recommends approval of an amendment to the
6 Redevelopment Plan (the "Plan Amendment"), which would modify the maximum number of
7 hotel rooms permitted on Block 1, from 250 to up to 300. Block 1 (also referred to as the site
8 of the SOMA Hotel) is bounded by Mission Bay Park P3 to the north, Third Street on the east,
9 Fourth Street on the west, and Channel Street on the south. Block 1 is on Assessor Parcel
10 Block No. 8715, Lot 8.

11 (e) In accordance with Sections 33457.1 and 33352 of the California Redevelopment
12 Law (Health and Safety Code Sections 33000 et seq., the "Redevelopment Law"), the
13 Successor Agency has prepared the Report to the Board that includes information to the
14 extent warranted by the Plan Amendment and made the Report to the Board available to the
15 public on or before the date of the public hearing, noticed in accordance with Redevelopment
16 Law Section 33452, on this ordinance approving the Plan Amendment; said hearing is
17 referenced in Section 1, subparagraph (g) of this ordinance.

18 (f) On July 20, 2020, FOCIL, the master developer of the Plan Area, consented to the
19 Successor Agency's approval of the Plan Amendment, as provided for under the South OPA.

20 (g) Successor Agency Commission Action. On July 21, 2020, after holding a duly
21 noticed public hearing in accordance with Redevelopment Law Section 33452, the Successor
22 Agency Commission, in Resolution No. 17-2020, approved the Report to the Board and made
23 certain findings. By Resolution No. 18-2020, it recommended to the Board of Supervisors the
24 adoption of the Plan Amendment. It determined, consistent with its authority under the
25 Redevelopment Law, as amended by the Redevelopment Dissolution Law, that the Plan

1 Amendment is necessary and desirable, approved the Plan Amendment, and recommended
2 forwarding it to the Board of Supervisors for approval. The Successor Agency Commission
3 has transmitted to the Board of Supervisors a certified copy of Resolution No. 17-2020 and
4 attached its Report to the Board. Copies of these documents and Resolution No. 18-2020 are
5 in Board File No. 200815, and are incorporated herein by reference.

6 (h) Environmental Findings.

7 (1) On September 17, 1998, the Redevelopment Agency Commission adopted
8 Resolution No. 182-98 which certified the Final Subsequent Environmental Impact Report
9 (“FSEIR”) for Mission Bay North and South pursuant to CEQA and State CEQA Guidelines
10 Sections 15168 (Program EIR) and 15180 (Redevelopment Plan EIR). On the same date, the
11 Redevelopment Agency Commission also adopted Resolution No. 183-98, which adopted
12 environmental findings (and a statement of overriding considerations), in connection with the
13 approval of the Plan and other Mission Bay project approvals (the “Mission Bay Project”). The
14 San Francisco Planning Commission (“Planning Commission”) certified the FSEIR by
15 Resolution No. 14696 on the same date. On October 19, 1998, the Board of Supervisors
16 adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission
17 and the Former Agency, and Resolution No. 854-98 adopting environmental findings and a
18 statement of overriding considerations for the Mission Bay Project. The Planning Commission
19 in its Motion No. 20771, adopted on July 30, 2020, found that the record before it did not
20 identify any substantial new information or new significant impacts or a substantial increase in
21 the severity of previously identified significant effects that alter the conclusions reached in the
22 FSEIR. The Successor Agency Commission Resolutions and related materials on CEQA
23 findings, the Board of Supervisors CEQA findings, and the Planning Commission findings are
24 incorporated herein by reference.

1 (2) The FSEIR is a program EIR under CEQA Guidelines Section 15168 and a
2 redevelopment plan EIR under CEQA Guidelines Section 15180.

3 (3) The Board of Supervisors, acting in its capacity as a responsible agency
4 under CEQA, has reviewed and considered the FSEIR, and hereby adopts the CEQA findings
5 set forth in Resolutions No. 182-98 and No. 183-98 and Planning Commission Motion No.
6 20771 and hereby incorporates such findings by reference as though fully set forth in this
7 Resolution. The Planning Commission additionally found and determined that the approval of
8 the Plan Amendment is within the scope of the Mission Bay Project analyzed in the FSEIR
9 (and requires no further environmental review beyond the FSEIR pursuant to CEQA and the
10 CEQA Guidelines Sections 15180, 15162, and 15168 for the following reasons:

11 (A) The implementation of the Plan Amendment does not require major
12 revisions to the FSEIR due to the involvement of new significant environmental effects or a
13 substantial increase in the severity of previously identified significant impacts; and,

14 (B) no substantial changes have occurred with respect to the
15 circumstances under which the "Mission Bay Project" analyzed in the FSEIR will be
16 undertaken that would require major revisions to the FSEIR due to the involvement of new
17 significant environmental effects, or a substantial increase in the severity of effects identified
18 in the FSEIR; and,

19 (C) no new information of substantial importance to the project analyzed
20 in the FSEIR has become available, which would indicate that (i) the project as modified by
21 the Plan Amendment will have significant effects not discussed in the FSEIR; (ii) significant
22 environmental effects will be substantially more severe; (iii) mitigation measures or
23 alternatives found not feasible, which would reduce one or more significant effects, have
24 become feasible; or (iv) mitigation measures or alternatives, which are considerably different
25 from those in the FSEIR, will substantially reduce one or more significant effects on the

1 ///

2 environment that would change the conclusions set forth in the FSEIR. The Board adopts
3 these additional Planning Commission environmental findings as its own.

4 (i) On July 30, 2020, the Planning Commission, in Motion No. 20771, also adopted
5 findings that the actions contemplated in this ordinance are consistent, on balance, with the
6 City’s General Plan and eight priority policies of Planning Code Section 101.1. The Board
7 adopts these findings as its own. A copy of said Planning Commission Resolution is on file
8 with the Clerk of the Board of Supervisors in File No. 200815, and is incorporated herein by
9 reference.

10 (j) The Board of Supervisors held a remote public hearing on September 22, 2020, on
11 the adoption of the Plan Amendment. The hearing has been closed. Notice of such hearing
12 was duly and regularly published in a newspaper of general circulation in the City and County
13 of San Francisco, once per week for three successive weeks prior to the date of such hearing
14 in accordance with Redevelopment Law, Section 33452. At such hearing, the Board
15 considered the report of the Successor Agency Commission, the Planning Commission
16 Motion No. 20771, the FSEIR and other CEQA records, and all evidence and testimony
17 regarding the Plan Amendment. The Board hereby adopts findings to the extent required by
18 the Redevelopment Law as set forth in Section 5 of this ordinance.

19

20 Section 2. Purpose and Intent. The purpose and intent of the Board of Supervisors
21 with respect to the Plan Amendment is to permit additional hotel rooms on Block 1 in the Plan
22 Area, which will contribute to and complement the overall goals and objectives of the Mission
23 Bay South Redevelopment Plan, facilitate the completion of redevelopment of the Plan Area,
24 and expeditiously wind down the activities of the dissolved redevelopment agency as required
25 under Redevelopment Dissolution Law.

1 Section 3. Mission Bay South Redevelopment Plan Incorporation by Reference. The
2 Redevelopment Plan as amended by this ordinance is incorporated in and made a part of this
3 ordinance by this reference with the same force and effect as though set forth fully in this
4 ordinance.

5
6 Section 4. The Redevelopment Plan is hereby amended, to read as follows:
7 Redevelopment Plan Amendment.

8 (a) Section 103(H) of the Redevelopment Plan is hereby amended to read as follows:

9 Strengthening the economic base of the Plan Area and the community by
10 strengthening retail and other commercial functions in the Plan Area through the addition of
11 up to approximately 400,000 Leasable square feet of retail space, a hotel of up to ~~500~~300
12 rooms and associated uses in the Hotel land use district, ~~depending on the amount of residential~~
13 ~~uses constructed in the Hotel land use district,~~ a hotel of up to 230 rooms and associated uses on
14 Block 29-30 in the Commercial Industrial/Retail land use district, and about 5,953,600
15 Leasable square feet of mixed office, research and development and light manufacturing uses

16 (b) Section 304.4 of the Redevelopment Plan is hereby amended to read as follows:

17 The number of Dwelling Units in the Plan Area shall be approximately 3,440 under this
18 Plan. Of those 3,440 Dwelling Units, 350 are allocated to the Hotel land use district and
19 cannot be constructed on any site other than Block 1, and up to 21 are allocated to Blocks 29-
20 30 in the Commercial Industrial/Retail land use district and cannot be constructed on any site
21 other than Blocks 29-30, with the remaining Dwelling Units allocated to the Mission Bay South
22 Residential land use district. The total number of Dwelling Units that may be constructed
23 within the Hotel land use district must not exceed 350 Dwelling Units and must not preclude
24 the development of a hotel within the Hotel land use district as provided for in Section 302.2.

25 ~~Further, inclusion of Dwelling Units within the Hotel land use district will reduce the total number of~~

1 ~~hotel rooms and Leasable square footage of retail allowed in the Hotel land use district as provided for~~
2 ~~in Section 304.5.~~

3 (c) Section 304.5 of the Redevelopment Plan is hereby amended to read as follows:

4 The type of buildings may be as permitted in the Building Code as in effect from time to
5 time. Approximately 400,000 Leasable square feet of retail space, an up to ~~500~~300-room hotel
6 in the Hotel land use district and an up to 230-room hotel on Blocks 29-30 in the Commercial
7 Industrial/Retail land use district, including associated uses such as retail, banquet and
8 conferencing facilities, approximately 5,953,600 Leasable square feet of mixed office,
9 research and development and light manufacturing uses, with about 2,650,000 square feet of
10 UCSF instructional, research and support uses are allowed in the Plan Area.

11 * * * *

12 ~~If Dwelling Units are constructed within the Hotel land use district, t~~The maximum size of
13 the hotel within the Hotel land use district ~~will be reduced to 250~~shall be up to 300 rooms and the
14 maximum amount of retail square footage within the Hotel land use district ~~will be reduced to~~
15 shall be 25,000 Leasable square feet.

16
17 Section 5. Further Findings and Determinations under Redevelopment Law. The
18 Board of Supervisors hereby further finds, determines, and declares, based on the record
19 before it, including but not limited to information contained in the Report to the Board that:

20 (a) Certain portions of the Plan Area remain blighted areas and remain undeveloped.
21 The Plan Amendment will improve or alleviate the physical and economic conditions in the
22 Plan Area because the land use restrictions on Block 1 currently limit the number of hotel
23 rooms on the site to 250 and thus preclude interior reconfiguration for the addition of any
24 further hotel rooms. Due to lower anticipated demand for multi-room suites, an interior
25 reconfiguration to split the aforementioned suites into individual rooms is necessary to

1 respond to market conditions. The proposed Amendment will improve the physical and
2 economic conditions on Block 1 by allowing a hotel that meets the needs of visitors, further
3 strengthening the achievement of an economically vibrant area.

4 (b) The carrying out of the Plan Amendment will effectuate the purposes and policies
5 of the Redevelopment Dissolution Law, which requires the expeditious wind down of
6 redevelopment activities.

7 (c) The Plan Amendment will allow redevelopment of the area in conformity with
8 Redevelopment Law, as amended by the Redevelopment Dissolution Law, and in the
9 interests of the public peace, health, safety, and welfare.

10 (d) Allowing an increase in the number of hotel rooms on Block 1 will provide flexibility
11 in the development of the Plan Area to respond readily and appropriately to market conditions,
12 providing opportunities for participation by owners in the redevelopment of their properties,
13 strengthening the economic base of the Plan Area and the community, and achieving these
14 objectives in the most expeditious manner feasible.

15 (e) The adoption and carrying out of the Plan Amendment is economically sound and
16 feasible. The proposed Amendment will permit an increase in the maximum number of hotel
17 rooms on Block 1. The proposed Amendment does not propose any new capital expenditures
18 by the Agency, involve any new indebtedness or financial obligation of the Agency, or change
19 the Agency's overall method of financing the redevelopment of the Plan Area. Instead, the
20 proposed Amendment relies on private enterprise to finance the project on Block 1. The
21 Agency will continue, however, to use tax increment financing and funds from all other
22 available sources to carry out its enforceable obligations to pay for the costs of public
23 infrastructure in the Plan Area.

24 (f) For the reasons set forth in Planning Commission Motion No. 20771 cited in Section
25 (1), subparagraph (i) of this ordinance, the Plan Amendment is in conformity with the General

1 Plan of the City and County of San Francisco, including the priority policies in City Planning
2 Code Section 101.1.

3 (g) The carrying out of the Plan Amendment will promote the public peace, health,
4 safety, and welfare of the community and would effectuate the purposes and policy of
5 Redevelopment Law, as amended by the Redevelopment Dissolution Law.

6 (h) The Plan Amendment does not authorize the condemnation of real property.
7 Under Redevelopment Law, the authority to condemn real property provided for in the
8 Redevelopment Plan expired on November 2, 2010.

9 (i) No persons will be displaced, temporarily or permanently, from housing facilities as
10 a result of the Redevelopment Plan or Plan Amendment. Accordingly, no residential
11 relocation plan is required.

12 (j) There are no non-contiguous areas in the Plan Area.

13 (k) The Plan Amendment does not change the boundaries of the Plan Area and,
14 therefore, does not include any additional area for the purpose of obtaining any allocation of
15 tax increment revenues from the Plan Area pursuant to Redevelopment Law Section 33670.

16 (l) The Plan Amendment does not change the time limitation on the Redevelopment
17 Plan.

18

19 Section 6. Official Plan. As required by Redevelopment Law Sections 33457.1 and
20 33367, the Board of Supervisors hereby approves and adopts the Redevelopment Plan, as
21 amended by the Plan Amendment, as the official redevelopment plan for the Plan Area.

22

23 Section 7. Continued Effect of Previous Board of Supervisors Ordinances as
24 Amended. Ordinance Nos. 335-98, 143-13, and 032-18 are continued in full force and effect
25 as amended by this ordinance.

1 Section 8. Transmittal of Redevelopment Plan as Amended. The Clerk of the Board of
2 Supervisors shall without delay (a) transmit a copy of this ordinance to the Successor Agency,
3 whereupon the Successor Agency shall be vested with the responsibility for carrying out the
4 Redevelopment Plan as amended, and (b) record or ensure that the Successor Agency
5 records a notice of the approval and adoption of the Plan Amendment pursuant to this
6 ordinance, containing a statement that proceedings for the redevelopment of the Plan Area
7 pursuant to the Plan Amendment have been instituted under the Redevelopment Law.

8
9 Section 9. Effective Date. In accordance with Redevelopment Law Sections
10 33378(b)(2) and 33450, this ordinance shall become effective 90 days after enactment.
11 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance
12 unsigned or does not sign the ordinance within ten days of receiving it, or the Board of
13 Supervisors overrides the Mayor’s veto of the ordinance.

14
15 Section 10. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
16 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
17 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the
18 Redevelopment Plan for the Mission Bay South Redevelopment Project that are explicitly
19 shown in this ordinance as additions, deletions, Board amendment additions, and Board
20 amendment deletions in accordance with the “Note” that appears under the official title of the
21 ordinance.

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

By: /s/ John D. Malamut
JOHN D. MALAMUT
Deputy City Attorney
n:\legana\as2020\1900584\01464160.docx



City and County of San Francisco

Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 200815

Date Passed: September 29, 2020

Ordinance approving an amendment to the Redevelopment Plan for the Mission Bay South Redevelopment Project, which modifies the maximum number of hotel rooms permitted on Block 1 (also known as the site of the SOMA Hotel) at the intersection of Third Street and Channel Street; directing the Clerk of the Board of Supervisors to transmit a copy of this Ordinance upon its enactment to the Successor Agency; making findings under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b).

September 22, 2020 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

September 29, 2020 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

File No. 200815

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 9/29/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

10/1/20

Date Approved