



SAN FRANCISCO PLANNING DEPARTMENT

June 6, 2016

Ms. Angela Calvillo, Clerk of the Board of Supervisors
Mayor Lee
Supervisor Kim
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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San Francisco,
CA 94103-2479

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Planning
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415.558.6377

**Re: Transmittal of Planning Department Case Number 2006.1523PCA
Planning Commission Resolution No. 19654
Planning Commission Recommendation: Approval**

Dear Ms. Calvillo, Mayor Lee and Supervisor Kim:

On June 2, 2016 the Planning Commission conducted a public hearing to consider amendments to the Planning Code and Administrative Code that are included in the street vacation ordinance for the Oceanwide Center Project at 50 First Street. This is in reference to a proposed Ordinance to the Administrative Code – Establishing Downtown Neighborhoods Preservation Fund; Street Vacation and Sale of Property at Jessie Street and Elim Alley for \$36 Million – Oceanwide Center, introduced by Mayor Lee and Supervisor Kim (Board File 160382). At the hearing the Planning Commission recommended approval of the fee waiver of Planning Code Sections 413 et seq and 415 et seq and establishment of an alternative method of satisfying affordable housing requirements.

Please find attached the Resolution No. 19654 relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

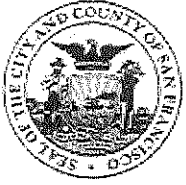
Sincerely,

Marcelle Boudreaux
Current Planning, Planning Department

cc:
April Ang, Aide to Supervisor Kim
Nicole Elliot, Mayor's Office
John Malamut, Deputy City Attorney
Andrea Ausberry, Office of the Clerk of the Board
Alisa Romero, Deputy Clerk of the Board

Attachments :

- Planning Commission Resolution: Fee Waiver and Section 302 Findings, etc (2006.1523PCA)
- Planning Department Executive Summary



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19654

HEARING DATE: JUNE 2, 2016

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Case No.: 2006.1523PCA
Project: 50- 1st Street/Oceanwide Center
Affordable Housing Requirements
Initiated by: Mayor Lee/ Supervisor Kim
Staff Contact: Marcelle Boudreaux – (415) 575-9140
marcelle.boudreaux@sfgov.org
Reviewed by: AnMarie Rodgers, Manager, Legislative Affairs
anmarie.rodgers@sfgov.org

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT AN ORDINANCE WITH AN ADMINISTRATIVE CODE AMENDMENT ESTABLISHING THE DOWNTOWN NEIGHBORHOODS PRESERVATION FUND; AN UNCODIFIED PLANNING CODE AMENDMENT WAIVING APPROXIMATELY \$27 MILLION OF AFFORDABLE HOUSING FEES UNDER PLANNING CODE SECTIONS 413 ET SEQ. AND 415 ET SEQ. AND REQUIRING OCEANWIDE CENTER, LLC, AS PART OF THE AGREEMENT FOR THE SALE OF REAL ESTATE, TO PAY THE EQUIVALENT FEE AMOUNT TO THE AFOREMENTIONED FUND; AND OTHER ACTIONS; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF PUBLIC CONVENIENCE, NECESSITY, AND WELFARE UNDER PLANNING CODE SECTION 302.

PREAMBLE

WHEREAS, on April 19, 2016, Mayor Lee introduced a proposed Ordinance under Board File Number 160382 that would amend the Administrative Code to vacate a portion of Jessie Street and a portion of Elim Alley northwest of Mission and First Streets in connection with the Oceanwide Center Project at 50 First Street; approve and authorize the sale and quitclaim of City's interest in the approximately 5,000 square foot vacation area; adopt findings that the street vacation and all other actions contemplated in this ordinance are consistent with the General Plan, and the eight priority policies of Planning Code Section 101.1; and other actions; and

WHEREAS, on May 3, 2016, Mayor Lee and Supervisor Kim introduced substitute legislation that would amend the Administrative Code to establish the Downtown Neighborhoods Preservation Fund; waive approximately \$27 million of affordable housing fees under Planning Code Sections 413 et seq. and 415 et seq. and requiring Oceanwide Center, LLC, as part of the agreement for the sale of real estate, to pay the equivalent fee amount to the aforementioned Fund; vacate a portion of Jessie Street and a portion of Elim Alley northwest of Mission and First Streets in connection with the Oceanwide Center Project at 50 First Street; approve and authorize the sale and quitclaim of City's interest in the approximately 5,000 square foot vacation area for \$22,619,000 million plus an additional payment to the aforementioned Fund of approximately \$13 million; adopt findings that the street vacation and all other actions contemplated in

this ordinance are consistent with the General Plan, and the eight priority policies of Planning Code Section 101.1; make findings of public necessity, convenience, and general welfare under Planning Code Section 302; and other actions; and

WHEREAS, on April 1, 2016, the project was determined to be consistent with the Transit District Area Plan and Transit Tower EIR and exempt from environmental review per CEQA Guidelines Section 15183 (Planning Case No. 2006.1523E). CEQA clearance under the Transit District Area Plan and Transit Tower EIR was certified by the San Francisco Planning Commission on May 24, 2012, by Motion No. 18628; and

WHEREAS, on May 5, 2016, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting and the Commission approved the 50- 1st Street/ Oceanwide Center Project in several actions: a) adoption of shadow findings (2006.1523SHD – Motion No. 19634); b) approval of a Determination of Compliance with Exceptions, including findings and conditions of approval that the Project comply with Sections 413 and 415 of the Planning Code, or comply in an equivalent method (2006.1523DNX – Motion No. 19635); c) approval of office square footage allocation (2006.1523OFA– Motion No. 19636); d) approval of conditional use for hotel (2006.1523CUA – Motion No. 19637); e) adoption of findings of consistency with the general plan for street vacation (2006.1523GPR - Motion No. 19638); and f) affirmed the accuracy and adequacy of the Community Plan Exemption; and

WHEREAS, on June 2, 2016, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance and the proposed modification; and

WHEREAS, the proposed Ordinance has been found exempt from the California Environmental Quality Act per Section 15060(c)(2); and

WHEREAS, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented by Department staff, and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Planning Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

MOVED, that the Commission hereby recommends that the Board of Supervisors recommend *approval* of the proposed Ordinance.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The Commission supports the Ordinance, because as outlined, the Project's equivalent method of compliance with affordable housing requirements far exceeds the minimum requirements outlined in the Planning Code or in the proposed Charter Amendment. The total of all required fee payments to be deposited into the new Fund shall be no less than \$40 million.
2. The approximately \$13 million additional affordable housing payment, in combination with the approximate \$20 million requirement under Section 415 et seq., is equivalent to a 33% affordable housing percentage which far exceeds current requirement for the Project under Section 415 et seq. which is a 20% affordable housing percentage.
3. The Planning Commission reviewed the Project sponsor's Department of Public Works application for street vacation through a General Plan Referral on May 5, 2016. During this review the Commission carefully weighed the street vacation action and found the vacation consistent with the General Plan and Eight Priority Policies of Planning Code Section 101.1 (Motion No. 19638). The sale amount (\$22,619,000) and additional approximate \$13 million payment, as outlined in the proposed Ordinance, adequately compensate the City for the loss of public streets.
4. This Ordinance amends the Administrative Code to create a new Downtown Neighborhoods Preservation Fund, into which all the fees paid by the Project pursuant to this Resolution will be deposited. The Project's required housing fees and additional payments are proposed for redirection to a new Fund to be managed by the Mayor's Office of Housing for the purpose of supporting affordable housing. Although funds are proposed for redirection from the Citywide Affordable Housing Fund, this action supports affordable housing policy in the City.
5. **General Plan Findings.** The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 4

FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

Policy 4.1

Develop new housing, and encourage the remodeling of existing housing, for families with children.

The proposed Ordinance will increase the Fees that the Project sponsor would have to pay to support affordable housing construction and support acquisition and rehabilitation of existing housing to support affordable housing.

OBJECTIVE 7

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

Policy 7.1

Expand the financial resources available for permanently affordable housing, especially permanent sources.

The proposed Ordinance will increase the amount of money that the Project sponsor would have to pay to support affordable housing in the City.

6. Priority Policy Findings Section 101.1. The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

- a. 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 Ordinance will not have a negative effect on existing neighborhood serving retail uses as it only addresses the Project's affordable housing program.

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

The proposed Ordinance will help maintain a diversity of housing types and income types in the City's various neighborhoods; helping to preserving the cultural and economic diversity of the City's neighborhoods.

- c. The City's supply of affordable housing be preserved and enhanced.

The proposed Ordinance will have a positive effect on the City's supply of affordable housing by increasing the affordable housing requirement fee for the Project.

- d. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking.

The proposed Ordinance will not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking as it only addresses the Project's satisfaction of affordable housing requirements.

- e. 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 resident employment and ownership in these sectors be enhanced.

The proposed Ordinance will not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

- f. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposed Ordinance will not have an adverse effect on City's preparedness against injury and loss of life in an earthquake because the Ordinance modifies the Project's affordable housing requirements.

- g. That landmarks and historic buildings be preserved.

The proposed Ordinance will not have an adverse effect on the City's Landmarks and historic buildings because the Ordinance only addresses the Project's affordable housing requirements.

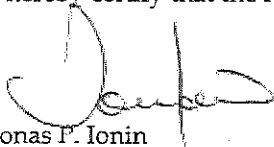
- h. That our parks and open space and their access to sunlight and vistas be protected from development.

The proposed Ordinance will not have an adverse effect on the City's parks and open space and their access to sunlight and vistas because it only addresses the Project's affordable housing requirements.

7. Planning Code Section 302 Findings. The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board ADOPT the proposed Ordinance as described in this Resolution.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on June 2, 2016.



Jonas P. Ionin
Commission Secretary

AYES: Fong, Antonini, Hillis, Johnson, Moore, Richards

NAYS: None

ABSENT: None

RECUSED: Wu

ADOPTED: June 2, 2016

