



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19886

HEARING DATE: MARCH 23, 2017

Project Name: 1500 Mission Street (a.k.a Goodwill Site)
Case Number: 2014-000362ENVGPAPCAMAPDNXSHD
Project Sponsor: Goodwill SF Urban Development, LLC
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Related California
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RESOLUTION RECOMMENDING TO THE BOARD OF SUPERVISORS THE APPROVAL OF AN AMENDMENT TO THE PLANNING CODE IN ORDER TO FACILITATE THE CONSOLIDATION OF CITY OFFICES INTO A SINGLE BUILDING AND ALLOW THE CREATION OF A RESIDENTIAL DEVELOPMENT THAT WOULD PROVIDE AFFORDABLE UNITS IN EXCESS OF THE CITY'S INCLUSIONARY AFFORDABLE HOUSING PROGRAM, INCLUDING 1) AN AMENDMENT OF THE PLANNING CODE TEXT TO ADD SECTION 249.XX TO ESTABLISH THE 1500 STREET SPECIAL USE DISTRICT AND AMEND SECTION 270 TO REGULATE BUILDING BULK WITHIN THE SPECIAL USE DISTRICT; 2) AMENDMENTS TO SPECIAL USE DISTRICT MAP SU07 AND HEIGHT AND BULK MAP HT07 TO REFLECT THE CREATION OF THE SPECIAL USE DISTRICT AND REDESIGNATE THE HEIGHT AND BULK OF ASSESSOR'S BLOCK 3506, LOT 006 AND 007, FROM 85-R-2, 85/250-R-2 AND 120/320-R-2 TO 85-X, 130/240-R-3 AND 130/400-R-3; MAKE AND ADOPT FINDINGS, INCLUDING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1 AND FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

WHEREAS, Section 4.105 of the Charter of the City and County of San Francisco authorizes the Planning Commission to propose ordinances regulating or controlling the height, area, bulk, set-back, location, use or related aspects of any building, structure or land for Board of Supervisors' consideration and periodically recommend to the Board of Supervisors for approval or rejection proposed amendments to the General Plan; and

WHEREAS, the Planning Code and associated zoning maps implement goals, policies, and programs of the General Plan for the future physical development of the City and County of San Francisco that take into consideration social, economic and environmental factors; and

WHEREAS, the Planning Code and associated zoning maps shall be periodically amended in response to changing physical, social, economic, environmental or legislative conditions; and

WHEREAS, on April 29, 2015, Steve Vettel of Farella Braun & Martel on behalf of Goodwill SF Urban Development, LLC ("Project Sponsor") filed applications requesting a) approval of a Downtown Project Authorization pursuant to Section 309 of the San Francisco Planning Code; b) a Planning Code Text Amendment; and c) Zoning Map Amendments. On October 19, 2016, Mr. Vettel also submitted an application for a General Plan Amendment to facilitate the construction of a mixed-use project located at 1500 Mission Street ("Project") with 1) an approximately 264-foot tall that would consolidate office space for multiple City departments, including the Department of Building Inspection, SF Public Works, and the Planning Department; and 2) an approximately 400-foot tall building containing approximately 5550 dwelling units providing on-site inclusionary affordable dwellings units amounting to 20 percent of the total constructed units, in excess of the amounts required by the City's Inclusionary Affordable Housing Program (Planning Code section 415) as described below along with a request to i) change the building height and bulk districts at the project site from 85-X, 85/250-R-2 and 120/320-R-2 to 85-X, 130/240-R-3 and 130/400-R-3; ii) amend Section 270 to add subsection (g) to modify bulk limits owing to the unique needs of the City's one-stop permit center and the locations windy conditions; iii.) allow for parking in excess of that which is currently permitted for the office use owing to the unique needs of the City's vehicular fleet; iv.) allow the City office component and residential component to permit separate parking and loading openings on the 11th street frontage no greater than 24 feet in width each; v.) allow office use above the fourth floor as a contingency should the City not occupy the office building; vi.) permit certain overhead projections intended primarily to reduce ground level wind speeds; and vi.) limit the maximum horizontal area required for Dwelling Unit Exposure requirements to 65 feet.

WHEREAS, on December 15, 2016, this Commission initiated these Planning Code Text and Zoning Map Amendments in its Motion No. 19822.

WHEREAS, on March 23, 2017, the Commission held a public hearing on this application to adopt Planning Code text amendments and Zoning Map amendments. [add standard public hearing language]

WHEREAS, the Project is located on the Mission Street transit corridor, and responds to the transit-rich location by proposing increased housing and employment on the Project site; and

WHEREAS, the project site is located within the Hub Plan Area currently being studied by the Planning Department and is consistent with the proposed heights and bulks associated with the Hub Project; and

WHEREAS, San Francisco faces a continuing shortage of affordable housing low-income residents. The San Francisco Planning Department reported that for the five-year period between 2005 and 2009, 14,397, total new housing units were built in San Francisco. This number includes 3,707 units for low and very low-income households out of a total need of 6,815 low and very low-income housing units for the same period. According to the state Department of Housing and Community Development, there will be a regional need for 214,500 new housing units in the nine Bay Area counties from 2007 to 2014. Of that amount, over 58%, or 125,258 units, are needed for moderate/middle, low and very low-income households. The Association of Bay Area Governments (ABAG) is responsible for allocating the total regional need numbers among its member governments which includes both counties and cities. ABAG estimated that San Francisco's low and very low-income housing production need from 2007 through 2014 is 12,124 units out of a total new housing need of 31,193 units, or 39 percent of all units built. The production of low and moderate/middle income units fell short of the ABAG goals; and

WHEREAS, the 2015 Consolidated Plan for July 1, 2015 to June 30, 2020, issued by the Mayor's Office of Housing, establishes that extreme housing pressures face San Francisco, particularly in regard to low- and moderate/middle-income residents. Many elements constrain housing production in the City. This is especially true of affordable housing. San Francisco is largely built out, with very few large open tracts of land to develop. There is no available adjacent land to be annexed, as the cities located on San Francisco's southern border are also dense urban areas. Thus new construction of housing is limited to areas of the City not previously designated as residential areas, infill sites, or to areas with increased density. New market-rate housing absorbs a significant amount of the remaining supply of land and other resources available for development and thus limits the supply of affordable housing; and

WHEREAS, the findings of former Planning Code Section 313.2 for the Jobs-Housing Linkage Program, now found in Planning Code Sections 413 *et seq.*, relating to the shortage of affordable housing, the low vacancy rate of housing affordable to persons of lower and moderate/middle income, and the decrease in construction of affordable housing in the City are hereby reaffirmed; and

WHEREAS, the Project would address the City's severe need for additional housing for low income households, by providing on-site inclusionary affordable dwellings units in excess of the amounts required by the City's Inclusionary Affordable Housing Program (Planning Code section 415) through compliance with the terms of section 415 and additional affordable units included as part of a real estate conveyance with the City for the City Office building; and

WHEREAS, the Project provides a unique opportunity to satisfy the City and County of San Francisco's unmet office needs to provide a consolidated one-stop permit center; enhanced pedestrian connectivity via a mid-block public space and alley network extending from Mission Street to South Van Ness Avenue, and ground floor community event spaces; and

WHEREAS, the proposed City office building is fiscally prudent and has a positive net present value over the next thirty years. In addition to lower operating expenses compared to current assets or other alternatives (including the purchase of existing office space or other newly constructed office space), the project will also be more efficient and environmentally sustainable. Additional benefits are anticipated through enhanced inter-agency collaboration through colocation, a one-stop permit center, a connection to existing City offices at 1 South Van Ness, and employee and customer efficiencies given proximity to other government offices in the Civic Center area. The Project would address the City's severe need for additional housing for low income households, by providing on-site inclusionary affordable dwellings units in excess of the amounts required by the City's Inclusionary Affordable Housing Program (Planning Code section 415) as described above; and

WHEREAS, the proposed General Plan Amendment and Special Use District would not result in increased development potential from what is permitted under the existing height and bulk districts; and

WHEREAS, the Project proposes neighborhood-serving amenities, such as new ground floor retail; proposes new publicly accessible open space, improved pedestrian connectivity, enhanced public service and incorporation of sustainability features into the Project; and

WHEREAS, the City Attorney's Office drafted a Proposed Ordinance to make the necessary amendments to the Planning Code related to creation of a special use district, modification of bulk controls applicable

to the project site, and revision to the Zoning Map SU07 and H07 to implement the Project. The Office of the City Attorney approved the Proposed Ordinance as to form; and

WHEREAS, on November 9, 2016, the Planning Department published a Draft Environmental Impact Report ("DEIR") for public review (Case No. 2014-000362ENV). The DEIR was available for public comment until January 4, 2017. On December 15, 2016, the Commission conducted a duly noticed public hearing at a 10:00 a.m. meeting to solicit comments regarding the DEIR. On March 9, 2017, the Department published a Comments and Responses document, responding to comments made regarding the DEIR prepared for the Project. Together, the Comments and Responses document and DEIR comprise the Final EIR ("FEIR"). On March 23, 2017, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to certify the FEIR; and

WHEREAS, on March 23, 2017, the Commission adopted the FEIR and the mitigation and improvement measures contained in the Mitigation Monitoring and Reporting Program ("MMRP"), attached as Attachment B of the CEQA Findings Motion No. 19884; and

WHEREAS, on March 23, 2017, the Commission made and adopted findings of fact and decisions regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, California Public Resources Code Section 21000 et seq. ("CEQA"), particularly Section 21081 and 21081.5, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Section 15000 et seq. ("CEQA Guidelines"), Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31") by its Motion No. 19884. The Commission adopted these findings as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting these CEQA findings.

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 on behalf of Planning Department staff and other interested parties; and

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

RESOLVED, that pursuant to Planning Code Section 302, the Commission hereby recommends approval of the amendments to the Planning Code Text and Zoning Maps, and adopts this resolution to that effect;

AND BE IT FURTHER RESOLVED, that the findings set forth in the Downtown Project Authorization, Motion No. 19887 adopted by the Commission on this date are hereby incorporated by reference.

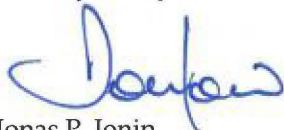
FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments and the record as a whole, including all information pertaining to the Project in the Planning Department's case files, this Commission finds, concludes, and determines as follows:

1. The Commission finds that the 1500 Mission Street Special Use District and the Project at 1500 Mission Street to be a beneficial development to the City that could not be accommodated without the actions requested.
2. The Commission made and adopted environmental findings by its Motion No. [], which are incorporated by reference as though fully set forth herein, regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Commission adopted these findings as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting the CEQA findings.
3. The Project would address the City's severe need for additional housing for very low, low and moderate income households, by providing on-site inclusionary affordable dwellings units in excess of the amounts required by the City's Inclusionary Affordable Housing Program (Planning Code section 415).
4. The proposed General Plan Amendment and Special Use District would deliver office space essential for the City's needs, enhance public service by providing a consolidated one-stop permit center, in close proximity to other government offices in the Civic Center Area and providing greater efficiency and convenience to members of the public, and offer a fiscally prudent and has lower operating expenses compared to current assets or other alternatives (including the purchase of existing office space or other newly constructed office space).
5. The Project proposes neighborhood-serving amenities, such as new ground floor retail, and pedestrian safety improvements to surrounding streets; proposes new publicly accessible open space; and would incorporate sustainability features into the Project.
6. The Planning Code and Zoning Map Amendments are necessary in order to approve the Project;
7. **General Plan Compliance.** The Project is, on balance, consistent with the Objectives and Policies of the General Plan, for the reasons set forth in the findings in the Downtown Project Authorization, Motion No. 19887, which are incorporated by reference as though fully set forth herein.
8. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the Project complies with said policies, for the reasons set forth in the Downtown Project Authorization, Motion No. 19887 which are incorporated by reference as though fully set forth herein.

9. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
10. Based on the foregoing and in accordance with Section 302, the public necessity, convenience and general welfare require the proposed General Plan Amendment.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on March 23, 2017.



Jonas P. Ionin
Commission Secretary

AYES: Richards, Fong, Johnson, Koppel, Moore

NOES: None

ABSENT: Hillis, Melgar

ADOPTED: March 23, 2017