1	[Redevelopment Plan Amendment - Transbay Redevelopment Project Area - Zone Or Block 4]
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3	Ordinance approving an amendment to the Transbay Redevelopment Plan to increase
4	height and bulk limits on Block 4 of Zone One of the Transbay Redevelopment Project
5	Area (Assessor's Parcel Block No. 3739, Lot No. 010, located on the south side of
6	Howard Street between Beale and Main Streets), by increasing the maximum height
7	limit for tower buildings from 450 feet to 513 feet, and increasing certain maximum
8	floor plate sizes; making findings under the California Environmental Quality Act;
9	making findings under the California Community Redevelopment Law; and making
10	findings of consistency with the General Plan, and the eight priority policies of
11	Planning Code, Section 101.1.
12	NOTE: Unchanged Code text and uncodified text are in plain Arial font.
13 14	Additions to Codes are in single-underline italics Times New Roman font. Deletions to Codes are in strikethrough italics Times New Roman font. Board amendment additions are in double-underlined Arial font. Board amendment deletions are in strikethrough Arial font.
15	Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.
16	
17	Be it ordained by the People of the City and County of San Francisco:
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19	Section 1. General Findings.
20	In accordance with California Community Redevelopment Law (California Health and
21	Safety Code Sections 33000 et seq.), the Board of Supervisors of the City and County of San
22	Francisco ("City") hereby makes the following findings, determinations, and declarations,
23	based on the record before it, including but not limited to information contained in the Report
24	to the Board of Supervisors on the Amendment to the Redevelopment Plan for the Transbay
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- Redevelopment Project Area ("Report to the Board"), dated June 21, 2022, and on file with the Clerk of the Board in File No. 220854:
 - (a) The Board of Supervisors established the Transbay Redevelopment Project Area ("Project Area") and approved a Redevelopment Plan for the Project Area by Ordinance No. 124-05 and by Ordinance No. 99-06, as amended by Ordinance No. 84-15 and Ordinance No. 62-16 ("Redevelopment Plan") to undertake a variety of projects and activities to alleviate blighting conditions. The Redevelopment Plan establishes the land use controls for the Project Area and divides the Project Area into two subareas, known as Zone 1 and Zone 2.
 - (b) In 2003, the State of California adopted California Public Resources Code Section 5027.1, which requires that any redevelopment plan adopted to finance, in whole or in part, the demolition of the former transbay terminal building and the construction of a new terminal, including its associated vehicle ramps (the "Transbay Transit Center," or "TTC"), shall ensure that at least 25% of all dwelling units developed within the Project Area be available at affordable housing cost to, and occupied by, persons and families whose incomes do not exceed 60% of the area median income, and that at least an additional 10% of all dwelling units developed within the Project Area be available at affordable housing cost to, and occupied by, persons and families whose incomes do not exceed 120% of the area median income, for a total 35% affordable housing obligation ("Transbay Affordable Housing Obligation").
 - (c) Also in 2003, the State of California, acting through its Department of Transportation ("State") entered into an agreement with the Transbay Joint Powers Authority ("TJPA") and the City ("Cooperative Agreement") whereby the State agreed to transfer approximately 10 acres of State-owned property ("State-Owned Parcels") in and around the former transbay terminal to the City and the TJPA, which would then sell the State-Owned Parcels and use the revenues from the sales to finance the TTC.

- (d) In 2006, the TJPA and the former San Francisco Redevelopment Agency ("Former Agency") executed an agreement ("Implementation Agreement"), which required the Former Agency to take the lead role in facilitating the development of the State-Owned Parcels.
 - (e) The Implementation Agreement required the Former Agency to: (1) prepare and sell the State-Owned Parcels to third parties; (2) deposit the sale proceeds into a trust account to help the TJPA pay the cost of constructing the TTC; (3) implement the Redevelopment Plan to enhance the financial feasibility of the TTC; and (4) fund the statement of the Transbay Affordable Housing Obligation.
 - (f) In 2008, the City, the Former Agency, and the TJPA granted the Former Agency an option to acquire the State-Owned Parcels, arrange for development of the parcels, and distribute the net tax increment to the TJPA to use for the TTC ("2008 Option Agreement").
 - (g) On February 1, 2012, the State of California dissolved all redevelopment agencies, including the Former Agency, and required the transfer of certain of the Former Agency's assets and obligations to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco ("Successor Agency," commonly known as the Office of Community Investment and Infrastructure, or OCII). California Health and 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 they succeed to the organizational status of the former redevelopment agency to complete any work related to an approved enforceable obligation. California Health and Safety Code § 34173(g).
 - (h) The Board of Supervisors, acting as the legislative body of the Successor Agency, adopted Ordinance No. 215-12, which, among other matters: (1) acknowledged and confirmed that the Successor Agency is a separate legal entity from the City; and (2) established the Successor Agency Commission ("OCII Commission") and delegated to it the

- authority to (i) implement, modify, enforce, and complete the Former 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, consistent with the applicable enforceable obligations, and (iii) take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that the OCII Commission deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations.
 - (i) Pursuant to the Redevelopment Dissolution Law, all of the Former Agency's assets (other than certain housing assets) and obligations were transferred to the Successor Agency.
 - (j) Under the Redevelopment Dissolution Law, the Successor Agency's role is to complete those enforceable obligations of the Former Agency that the California Department of Finance has finally and conclusively approved under said Redevelopment Dissolution Law. On April 15, 2013, the Department of Finance determined "finally and conclusively," under California Health and Safety Code, Section 34177.5(i), that the Implementation Agreement, Transbay Affordable Housing Obligation, and the Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement ("Pledge Agreement") are enforceable obligations.
 - (k) Transbay Redevelopment Plan Block 4 (Assessor's Block No. 3739, Lot No. 010) is a former State-Owned Parcel subject to the 2008 Option Agreement, constituting approximately 45,375 square feet and located within the Project Area at 200 Main Street, bounded by Howard, Main, and Beale Streets and extending approximately 165 feet southeast from Howard Street (the "Site").
 - (I) In April 2016, the OCII Commission approved an Agreement for Option to Purchase the Site with F4 Transbay Partners LLC, a Delaware limited liability company ("Developer")

- 1 (as amended by the First, Second, Third, and Fourth Amendments thereto, the "Block 4
 2 Option Agreement"). At the time, the Developer sought to acquire Transbay Parcel F in the
 3 Project Area from the TJPA and required as a condition of that purchase that the Successor
 4 Agency enter into the Block 4 Option Agreement so that the Developer could fulfill the
- 5 affordable housing obligations of Parcel F through the development of the Site.
 - (m) Under the Redevelopment Plan and Planning Code, as applicable, all residential projects in the Project Area must provide on-site inclusionary units. The Developer sought relief from this obligation for its development of Parcel F, and instead proposed to fulfill the Parcel F affordable housing obligation by constructing additional affordable units as part of its development of the Site. Subsequently, as part of a development agreement for Parcel F approved by the Board of Supervisors in Ordinance No. 42-21, Developer and the City negotiated an alternative to this obligation, permitting Developer to pay an approximately \$46.7 million fee to the Successor Agency to fund affordable housing in lieu of constructing the required Parcel F affordable housing at the Site ("Parcel F Affordable Housing Fee"). On January 19, 2021, by Resolution No. 02-2021, the OCII Commission exercised its authority under the Redevelopment Plan to conditionally allow the Developer to pay a fee instead of developing the required Parcel F affordable units on-site.
 - (n) On January 7, 2021, the Successor Agency exercised its rights to acquire Block 4 from the TJPA.
 - (o) Under the Block 4 Option Agreement, Successor Agency staff negotiated the terms of a disposition and development agreement ("DDA") with the Developer and Transbay Block 4 Housing Partnership, L.P., a California limited partnership ("Affordable Developer"), and on June 21, 2022, by Resolution No. 22-2022, the OCII Commission approved the DDA.
 - (p) The DDA authorizes the disposition of the Site to the Developer and Affordable Developer for the purposes of developing a mixed-use, residential development project

1	("Project") generally consisting of: (1) a residential tower 513 feet in height (not including
2	screening elements) including a townhouse adjunct of up to 71 feet in height, collectively
3	containing 155 for-sale residential condominium units, 219 market-rate rental residential units,
4	no fewer than 105 rental units affordable to households earning from 100% to 120% of area
5	median income, neighborhood retail uses, amenities spaces, private open spaces, and related
6	supporting spaces; (2) creation of an air space parcel to be conveyed to the Successor
7	Agency and leased to the Affordable Developer according to an air rights ground lease
8	(substantially in the form included in the DDA) ("Air Rights Lease") for development of an
9	affordable residential building 163 feet in height (not including screening elements), containing
10	201 rental units affordable to households earning from 40% to 100% of area median income
11	(and one manager's unit), with supporting facilities, amenities, private open spaces and
12	neighborhood retail; (3) an approximately 66,496 square-foot underground shared parking
13	garage with 224 vehicle spaces able to accommodate up to 275 private vehicles (including
14	two car share vehicles) with valet parking and/or parked via stackers, and a minimum of 556
15	Class 1 bicycle spaces; and (4) approximately 5,850 square feet of public open space and
16	streetscape improvements within and surrounding the Site and including the extension of
17	Tehama Street to be dedicated to the City as a public right of way.

- (q) The Redevelopment Plan specifies the land use of Block 4 as "Transbay Downtown Residential" and provides for a maximum height limit of 450 feet. In addition, the Redevelopment Plan specifies that: (1) the maximum residential floor plates for buildings between 85 feet and 250 feet in height shall not exceed 7,500 square feet; and (2) the maximum residential floor plates for buildings between 501 feet and 550 feet in height shall not exceed 13,000 square feet.
- (r) As described below, the OCII Commission recommended approval of a proposed amendment to the Redevelopment Plan (the "Plan Amendment"), which would increase the

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- maximum height limit from 450 feet to 513 feet on Block 4, and would increase the maximum floor plate for buildings between 85 feet and 250 feet in height to 13,500 square feet, and, for buildings between 501 feet and 550 feet, would increase the maximum floor plate to 15,200 square feet for that portion of the building between 85 feet and 122 feet in height.
 - (s) The Plan Amendment would make no other substantial change to the authorized land uses or physical controls under the Redevelopment Plan. As described below, the OCII Commission recommended the Plan Amendment to achieve the goals and objectives set for the Redevelopment Plan, including, among others, the creation of a community identity and built form that ensure that high-rise buildings reflect high quality architectural and urban design standards, and the creation of housing opportunities that provide a mixture of housing types and sizes to attract a diverse residential population, including families and people of all income levels.
 - (t) As described below, the OCII Commission also recommended the proposed Plan Amendment because it implements the Transbay Affordable Housing Obligation. The Plan Amendment will facilitate development on Block 4 of approximately 191 additional housing units on Block 4 than would be possible under the existing height and bulk limitations, for a total of 681 units. Under this proposal, 306 (45%) of the units would be affordable to low- and moderate-income households (ranging between 40% and 120% of area median income).
 - (u) Over the past several years, the Transbay Citizens Advisory Committee ("CAC") has reviewed and considered the proposal for development of Block 4 and the Plan Amendment. On May 12, 2022, the CAC voted and recommended approval of the Plan Amendment by the OCII Commission and the Board of Supervisors.
 - (v) Sections 33450-33458 of the California Health and Safety Code establish a process to amend a redevelopment plan. This process includes a publicly noticed hearing of the OCII Commission; environmental review, if required; adoption of the Plan Amendment by

- the OCII Commission after the public hearing; preparation of a Report to the Board of Supervisors; referral of the Plan Amendment to the Planning Commission for its report and recommendation; a publicly noticed hearing of the Board of Supervisors, and Board of Supervisors consideration after its hearing. Pursuant to Section 33457.1 of the California Health and Safety Code, a proposed amendment to a redevelopment plan requires the preparation and public availability of reports and information that would otherwise be required for a redevelopment plan adoption "to the extent warranted" by the proposed amendment.
 - (w) The Successor Agency has prepared the Report to the Board, which the OCII Commission approved by Resolution No. 19-2022, and has made the Report to the Board available to the public on or before the date of the notice of the public hearing, held in accordance with California Health and Safety Code Section 33454, on this ordinance approving the Plan Amendment.
 - (x) On June 21, 2022, after holding a duly noticed public hearing in accordance with California Health and Safety Code Section 33452, the OCII Commission, by Resolution Nos. 19-2022 and 20-2022, approved the Report to the Board and authorized its transmittal to the Board of Supervisors for its background information in considering the proposed Plan Amendment; referred the Plan Amendment to the Planning Commission for its report and recommendation on the Plan Amendment and its conformance to the General Plan; made findings under the California Environmental Quality Act ("CEQA"); approved the Plan Amendment; and recommended the Plan Amendment to the Board of Supervisors for its approval. Copies of the Plan Amendment and OCII Commission Resolution Nos. 19-2022 and 20-2022 are on file with the Clerk of the Board of Supervisors in File No. 220854, and are incorporated herein by reference.
 - (y) On September 20, 2022, the Board of Supervisors held a public hearing on the adoption of the proposed Plan Amendment in the Board Legislative Chamber, 1 Dr. Carlton B.

- Goodlett Place, Room 250, San Francisco, California. The hearing has been closed. Notice of such hearing was duly and regularly published in a newspaper of general circulation in the City, once per week for three successive weeks prior to the date of such hearing in accordance with California Health and Safety Code Section 33452. The Board considered the Report on the Plan Amendment and recommendations of the OCII Commission, the Planning Commission report and recommendations, applicable environmental review documents, and all evidence and testimony for and against the proposed Plan Amendment. The Board hereby adopts findings required by the California Health and Safety Code.
 - (z) Two companion ordinances relate to this ordinance: (1) a conforming amendment to the Zoning Map of the Planning Code that would reflect the increase in the height limit for Block 4 from 450 feet to 513 feet to accommodate the proposed Project (the "Zoning Map Amendment"); and (2) a conforming amendment to the Transit Center District Plan, a Sub-Area Plan of the Downtown Plan, to modify the Transit Center District height map to accommodate the proposed Project (the "General Plan Amendment"). The companion ordinances are on file with the Clerk of the Board of Supervisors in File Nos. 220836 and 220914, respectively.

Section 2. Environmental and Planning Code Findings.

(a) On April 22, 2004, after a duly noticed joint public hearing with the Peninsula Corridor Joint Powers Board (the "JPB"), in Motion No. 16773, the Planning Commission certified as adequate and complete the final Environmental Impact Statement/Environmental Impact Report ("Final EIS/EIR") for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project (Planning Department Case No. 2000.048E) in accordance with CEQA, the CEQA Guidelines (California Code of Regulations Title 14, sections 15000 et seq.), and Chapter 31 of the San Francisco Administrative Code. Said Motion is on file with

- the Clerk of the Board of Supervisors in File No. 041079 and is incorporated herein by reference.
 - (b) On April 20, 2004, in Resolution No. 45-2004, the Former Agency, at a duly noticed public hearing, also certified the Final EIS/EIR and made findings similar to those of the Commission and JPB in regard to CEQA and the CEQA Guidelines.
 - (c) In Resolution No. 612-04, effective October 7, 2004, the Board of Supervisors adopted findings that various actions related to the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project complied with CEQA. Said Resolution and the CEQA Findings are on file with the Clerk of the Board of Supervisors in File No. 041079 and are incorporated herein by reference. Subsequent to the adoption of the Final EIS/EIR, the Former Agency, the Successor Agency, or other responsible agencies under CEQA/NEPA have approved and incorporated eight addenda into the analysis of the Final EIS/EIR and made requisite findings under CEQA (the findings referenced in recital (a) and (b), collectively referred to as the "CEQA Findings"), which documents are on file with the Clerk of the Board of Supervisors in File No. 220854 and are incorporated herein by reference
 - (d) The Successor Agency, as lead agency under CEQA and in consultation with the Planning Department, prepared Addendum No. 9 to the EIS/EIR, dated June 13, 2022 ("Addendum"). The Addendum evaluates the environmental effects of the Project.
 - (e) On June 21, 2022, after a duly noticed public hearing, the OCII Commission, by Resolution No. 18-2022, determined that: the Project would not cause new significant impacts that were not identified in the EIS/EIR; the Project would not cause significant impacts that were previously identified in the EIS/EIR to become substantially more severe; no new mitigation measures would be necessary to reduce significant impacts; no changes have occurred with respect to circumstances surrounding the Project that would cause significant environmental impacts to which the Project would contribute considerably; and no new

- information has become available that shows that the Project would cause significant
 environmental impacts. For these reasons, no supplemental environmental review is required.
 This determination is on file with the Clerk of the Board of Supervisors in File No. 220854 and is incorporated herein by reference.
 - (f) The Board of Supervisors, acting in its capacity as a responsible agency under CEQA, has reviewed and considered the EIS/EIR and the Addendum, and hereby adopts the CEQA findings set forth in Successor Agency Commission Resolution Nos. 18-2022, 19-2022, and 20-2022 and Planning Commission Motion No. 220854 and hereby incorporates such findings by reference as though fully set forth in this ordinance.
 - (g) On July 28, 2022, the Planning Commission, in Resolution No. 21154, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 220854, and is incorporated herein by reference.

Section 3. Purpose and Intent. The purpose and intent of the Board of Supervisors with respect to the Plan Amendment is to increase the maximum height limit from 450 feet to 513 feet on Block 4 of Zone One of the Project Area, and to increase the maximum floor plates for buildings on Block 4, as described above, for the purpose of allowing the Successor Agency to consider approval of a residential development proposal that would include 45% of the total number of units as affordable units.

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

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- Section 5. Redevelopment Plan Amendment.

- (a) The Zone One Plan Map provided in Exhibit 4 of the Redevelopment Plan is hereby amended by deleting the "450 ft" maximum height designation provided on Block 4,
- and replacing that text with the maximum height designation "513 ft."
- (b) Section 3.5.2 of the Redevelopment Plan is hereby amended as set forth in Appendix A, "Redevelopment Plan Amendment," to increase the maximum floor plates for buildings on Block 4, as described in Section 1, subsection (r) of this ordinance.
- Section 6. Further Findings and Determinations Under Community Redevelopment Law.

To the extent required by the Community Redevelopment Law, the Board of Supervisors hereby further finds, determines, and declares, based on the record before it, including but not limited to information contained in the Report on the Plan Amendment, that:

- (a) The purpose of the Plan Amendment is to facilitate, on Block 4 in Zone One of the Project Area, development of a residential tower extending to a maximum height of 513 feet, which would be consistent with the Redevelopment Plan goals and objectives, provide a significant amount of affordable housing, and comply with the Redevelopment Dissolution Law's requirements for expeditious completion of enforceable obligations.
- (b) The adoption and carrying out of the Plan Amendment are economically sound and feasible as described in the Report to the Board. The Plan Amendment does not propose any new capital expenditures by the Successor Agency, involve any new indebtedness or financial obligation of the Successor Agency, or change the Successor Agency's overall method of financing the redevelopment of the Project Area. Instead, the Plan Amendment relies on

- private enterprise to finance the market rate housing and a large portion of the affordable housing on Block 4.
 - (c) Although significant improvements have occurred in the Project Area since adoption of the Redevelopment Plan, Block 4 remains an undeveloped and blighted area previously used as the temporary Transbay Bus Terminal, and is currently vacant. The Plan Amendment will alleviate the adverse physical and economic conditions on Block 4 by maximizing developable square feet and increasing dwelling unit count.
 - (d) For the reasons set forth in Sections 1 and 2 of this ordinance, the Plan Amendment is consistent with the General Plan, as amended, and is consistent with the priority policies in Planning Code Section 101.1, based on the findings set forth in Planning Commission Resolution No. 21152 and Motion No. 21154, which findings this Board has incorporated as its own.
 - (e) As discussed in Section 2 of this ordinance, the Successor Agency, in conjunction with the Planning Department, has prepared an Addendum to the EIR/EIS supporting its decision, on the basis of substantial evidence, that the Plan Amendment does not require preparation of a subsequent or supplemental EIR. The Board of Supervisors concurs with this determination as set forth in Section 2.
 - (f) As described in the Report to the Board, adoption of the Plan Amendment will not adversely affect the physical or social quality of the neighborhood, nor will it cause the destruction or removal of housing units from the low- and moderate-income housing market or displacement of low- or moderate-income housing. Rather, the Plan Amendment, by facilitating a greater density of development at a site designated for residential use, will increase the supply of housing and affordable housing in the Project Area.

1	Section 6. Official Plan. As required by California Health and Safety Code Sections
2	33457.1 and 33367, the Board of Supervisors hereby approves and adopts the
3	Redevelopment Plan, as amended by the Plan Amendment, as the official redevelopment
4	plan for the Project Area.
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6	Section 7. Continued Effect of Previous Ordinances as Amended. Ordinance Nos.
7	124-05, 99-06, 84-15, and 62-16 remain in full force and effect as amended by this ordinance.
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9	Section 8. Transmittal of Plan as Amended. The Clerk of the Board of Supervisors
10	shall without delay: (a) transmit a copy of this ordinance to the Successor Agency, whereupon
11	the Successor Agency shall be vested with the responsibility for carrying out the
12	Redevelopment Plan as amended; and (b) record or ensure that the Successor Agency
13	records a notice of the approval and adoption of the Plan Amendment pursuant to this
14	ordinance, containing a statement that the proceedings for the redevelopment of the Project
15	Area pursuant to the Plan Amendment have been instituted as required under Community
16	Redevelopment Law.
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18	Section 9. Ratification of Prior Acts. All actions taken by City officials and the OCII
19	Commission in preparing and submitting the Plan Amendment to the Board of Supervisors for
20	review and consideration are hereby ratified and confirmed, and the Board of Supervisors
21	hereby authorizes all subsequent action to be taken by City officials and the OCII Commission
22	consistent with this ordinance.
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Section 10. Effective Date. In accordance with Sections 33378(b)(2) and 33450 of the

Community Redevelopment Law, this ordinance shall become effective 90 days from the date

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1	of enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
2	ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
3	of Supervisors overrides the Mayor's veto of the ordinance.
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6	APPROVED AS TO FORM:
7	DAVID CHIU, City Attorney
8	By: <u>/s/ Peter R. Miljanich</u> PETER R. MILJANICH
9	Deputy City Attorney
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