

1 [Redevelopment Plan Amendment - Transbay Redevelopment Project Area - Zone One,
2 Block 2]

3 **Ordinance approving an amendment to the Redevelopment Plan for the Transbay**
4 **Redevelopment Project Area to increase bulk limits on Block 2 of Zone One of the**
5 **Transbay Redevelopment Project Area (Assessor’s Parcel Block No. 3739, Lot No. 014,**
6 **located on the north side of Folsom Street between Beale and Main Streets), by**
7 **increasing certain maximum floor plate sizes; making findings under the California**
8 **Community Redevelopment Law; making findings under the California Environmental**
9 **Quality Act; and making findings of consistency with the General Plan, and the eight**
10 **priority policies of Planning Code, Section 101.1.**

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. 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 hereby makes the following findings, determinations, and declarations, based on
23 the record before it, including but not limited to information contained in the Report to the
24 Board of Supervisors on the Amendment to the Redevelopment Plan for the Transbay
25 Redevelopment Project Area (“Report to the Board”), dated November 1, 2022, and on file
with the Clerk of the Board in File No. 221216:

1 (a) The Board of Supervisors established the Transbay Redevelopment Project Area
2 (“Project Area”) and approved a Redevelopment Plan for the Project Area by Ordinance No.
3 124-05 and by Ordinance No. 99-06, as amended by Ordinance No. 84-15 and Ordinance No.
4 62-16 (“Redevelopment Plan”) to undertake a variety of projects and activities to alleviate
5 blighting conditions. The Redevelopment Plan establishes the land use controls for the Project
6 Area and divides the Project Area into two subareas, known as Zone 1 and Zone 2.

7 (b) In 2003, the State of California adopted California Public Resources Code Section
8 5027.1, which requires that any redevelopment plan adopted to finance, in whole or in part,
9 the demolition of the former transbay terminal building and the construction of a new terminal,
10 including its associated vehicle ramps (the “Transbay Transit Center,” or “TTC”), shall ensure
11 that at least 25% of all dwelling units developed within the Project Area shall be available at
12 affordable housing cost to, and occupied by, persons and families whose incomes do not
13 exceed 60% of the area median income, and that at least an additional 10% of all dwelling
14 units developed within the Project Area shall be available at affordable housing cost to, and
15 occupied by, persons and families whose incomes do not exceed 120% of the area median
16 income, for a total 35% affordable housing obligation (“Transbay Affordable Housing
17 Obligation”).

18 (c) Also in 2003, the State of California, acting through its Department of
19 Transportation (“State”) entered into an agreement with the Transbay Joint Powers Authority
20 (“TJPA”) and the City (“Cooperative Agreement”) whereby the State agreed to transfer
21 approximately 10 acres of State-owned property (“State-Owned Parcels”) in and around the
22 former transbay terminal to the City and the TJPA, which would then sell the State-Owned
23 Parcels and use the revenues from the sales to finance the TTC.

1 (d) In 2006, the TJPA and the former San Francisco Redevelopment Agency (“Former
2 Agency”) executed an agreement (“Implementation Agreement”), which required the Former
3 Agency to take the lead role in facilitating the development of the State-Owned Parcels.

4 (e) The Implementation Agreement required the Former Agency to: (1) prepare and
5 sell the State-Owned Parcels to third parties; (2) deposit the sale proceeds into a trust
6 account to help the TJPA pay the cost of constructing the TTC; (3) implement the
7 Redevelopment Plan to enhance the financial feasibility of the TTC; and (4) fund the state-
8 mandated Transbay Affordable Housing Obligation.

9 (f) In 2008, the City, the Former Agency, and the TJPA granted the Former Agency an
10 option to acquire the State-Owned Parcels, arrange for development of the parcels, and
11 distribute the net tax increment to the TJPA to use for the TTC (“2008 Option Agreement”).

12 (g) On February 1, 2012, the State of California dissolved all redevelopment agencies,
13 including the Former Agency, and required the transfer of certain of the Former Agency's
14 assets and obligations to the Successor Agency to the Redevelopment Agency of the City and
15 County of San Francisco (“Successor Agency,” commonly known as the Office of Community
16 Investment and Infrastructure, or “OCII”). Cal. Health & Safety Code §§ 34170 et seq.
17 (“Redevelopment Dissolution Law”). On June 27, 2012, the Redevelopment Dissolution Law
18 was amended to clarify that successor agencies are separate public entities from the city or
19 county that had originally established a redevelopment agency and they succeed to the
20 organizational status of the former redevelopment agency to complete any work related to an
21 approved enforceable obligation. Cal. Health & Safety Code § 34173(g).

22 (h) The Board of Supervisors, acting as the legislative body of the Successor Agency,
23 adopted Ordinance No. 215-12, which, among other matters: (a) acknowledged and
24 confirmed that the Successor Agency is a separate legal entity from the City; and (b)
25 established the Successor Agency Commission (“OCII Commission”) and delegated to it the

1 authority to (i) implement, modify, enforce, and complete the Former Agency’s enforceable
2 obligations, (ii) approve all contracts and actions related to the assets transferred to or
3 retained by the Successor Agency, including, without limitation, the authority to exercise land
4 use, development, and design approval, consistent with the applicable enforceable
5 obligations, and (iii) take any action that the Redevelopment Dissolution Law requires or
6 authorizes on behalf of the Successor Agency and any other action that the OCII Commission
7 deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such
8 obligations.

9 (i) Pursuant to the Redevelopment Dissolution Law, all of the Former Agency's assets
10 (other than certain housing assets) and obligations were transferred to the Successor Agency.

11 (j) Under Redevelopment Dissolution Law, the Successor Agency’s role is to complete
12 those enforceable obligations of the Former Agency that the California Department of Finance
13 has finally and conclusively approved under Redevelopment Dissolution Law. On April 15,
14 2013, the Department of Finance determined "finally and conclusively," under Cal. Health &
15 Safety Code, Section 34177.5(i), that the Implementation Agreement, Transbay Affordable
16 Housing Obligation, and the Transbay Redevelopment Project Tax Increment Allocation and
17 Sales Proceeds Pledge Agreement (“Pledge Agreement”) are enforceable obligations; and

18 (k) Transbay Redevelopment Plan Block 2 (Assessor’s Block 3739, Lot 014) is a
19 former State-Owned Parcel subject to the 2008 Option Agreement, constituting approximately
20 42,627 square feet and located within the Project Area at 200 Folsom Street, bounded by
21 Folsom, Main, and Beale Streets and extending approximately 155 feet northwest from
22 Folsom Street (the “Site”).

23 (l) On January 7, 2021, the Successor Agency exercised its rights to acquire Block 2
24 from the TJPA.

1 (m) Through a competitive request for proposals process, the Successor Agency
2 selected Mercy Housing California and Chinatown Community Development Center (the
3 “Sponsors”) to co-develop the Site. Pursuant to an Exclusive Negotiations Agreement
4 between the Successor Agency and affiliates of the Sponsors (approved as OCII Commission
5 Resolution No. 09-2021), the Sponsors have engaged in predevelopment activities for the Site
6 and have proposed the development of two mixed-use residential buildings as well as related
7 public and private open space and streetscape improvements. The building on the eastern
8 side of the Site includes 184 rental housing units that will serve low-income households and
9 formerly homeless households, resident-serving amenities, approximately 1,959 square feet
10 of retail space, and an approximately 6,447 square foot childcare facility. The building on the
11 western portion of the Site includes 151 rental housing units that will serve low-income senior
12 households and formerly homeless seniors, resident-serving amenities, and approximately
13 2,945 square feet of retail space. The two buildings combined comprise the “Block 2 Project”.

14 (n) The Redevelopment Plan specifies the land use of Block 2 as “Transbay
15 Downtown Residential” and specifies that the maximum residential floor plates for buildings
16 between 85 feet and 250 feet in height shall not exceed 7,500 square feet.

17 (o) The OCII Commission recommends approval of a proposed amendment to the
18 Redevelopment Plan (the “Plan Amendment”), which would increase the maximum floor plate
19 size on Block 2 to 11,100 square feet for that portion of buildings over 85 feet but no more
20 than 144 feet in height, and increase the maximum floor plate size to 9,200 square feet for
21 that portion of buildings over 144 feet but no more than 165 feet in height.

22 (p) The Plan Amendment would make no other substantial change to the authorized
23 land uses or physical controls under the Redevelopment Plan. The OCII Commission
24 recommends the Plan Amendment to achieve the goals and objectives set for the
25 Redevelopment Plan, including, among others, the creation of housing opportunities that

1 provide a mixture of housing types and sizes to attract a diverse residential population,
2 including families and people of all income levels.

3 (q) The OCII Commission also recommends the proposed Plan Amendment because
4 it implements the Transbay Affordable Housing Obligation. The Plan Amendment will facilitate
5 development of approximately 31 additional housing units on Block 2 than would be possible
6 under the existing bulk limitations, for a total of 335 units. With the exception of two
7 unrestricted manager's units, all of the Block 2 residential units will be permanently restricted
8 for affordability to extremely low- and low-income households (ranging between 15% and 70%
9 of area median income).

10 (r) The Transbay Citizens Advisory Committee ("CAC") has reviewed and been
11 apprised of the proposal for development of Block 2. On September 8, 2022, the CAC voted
12 and recommended approval of the Plan Amendment by the OCII Commission and the Board
13 of Supervisors.

14 (s) Sections 33450-33458 of the California Health & Safety Code establish a process
15 to amend a redevelopment plan. As applicable, this process includes a publicly noticed
16 hearing of the OCII Commission; environmental review, if required; adoption of the Plan
17 Amendment by the OCII Commission after the public hearing; preparation of a Report to the
18 Board of Supervisors; referral of the Plan Amendment to the Planning Commission for its
19 report and recommendation; a publicly noticed hearing of the Board of Supervisors, and
20 Board of Supervisors consideration after its hearing. Pursuant to Health & Safety Code
21 Section 33457.1, a proposed amendment to a redevelopment plan requires the preparation
22 and public availability of reports and information that would otherwise be required for a
23 redevelopment plan adoption "to the extent warranted" by the proposed amendment.

24 (t) The Successor Agency prepared the Report to the Board, and made the Report to
25 the Board available to the public before the date of the notice of the OCII Commission public

1 hearing, held in accordance with Health & Safety Code Section 33454, on this ordinance
2 approving the Plan Amendment.

3 (u) On November 1, 2022, after holding a duly noticed public hearing in accordance
4 with Health & Safety Code Section 33452, the OCII Commission, by Resolution Nos. 40-2022
5 and 41-2022, approved the Report to the Board and authorized its transmittal to the Board of
6 Supervisors for its background information in considering the proposed Plan Amendment;
7 referred the Plan Amendment to the Planning Commission for its report and recommendation
8 on the Plan Amendment and its conformance to the General Plan; made findings under the
9 California Environmental Quality Act (“CEQA”); approved the Plan Amendment; and
10 recommended the Plan Amendment to the Board of Supervisors for its approval. Copies of
11 the Plan Amendment and OCII Commission Resolution Nos. 40-2022, and 41-2022 are on file
12 with the Clerk of the Board of Supervisors in File No. 221216, and are incorporated herein by
13 reference.

14 (v) On January 10, 2022, the Board of Supervisors held a public hearing on the
15 adoption of the proposed Plan Amendment in the Board Legislative Chamber, 1 Dr. Carlton B.
16 Goodlett Place, Room 250, San Francisco, CA. The hearing has been closed. Notice of such
17 hearing was duly and regularly published in a newspaper of general circulation in the City and
18 County of San Francisco, once per week for three successive weeks prior to the date of such
19 hearing in accordance with Health and Safety Code Section 33452. The Board considered the
20 Report on the Plan Amendment and recommendations of the OCII Commission, the Planning
21 Commission report and recommendations, applicable environmental review documents; and
22 all evidence and testimony for and against the proposed Plan Amendment. The Board hereby
23 adopts findings to the extent required by the Health and Safety Code.

1 Section 2. Environmental and Planning Code Findings.

2 (a) On April 22, 2004, after a duly noticed joint public hearing with the Peninsula
3 Corridor Joint Powers Board (the "JPB"), in Motion No. 16773, the Planning Commission
4 certified as adequate and complete the final Environmental Impact Statement/Environmental
5 Impact Report ("Final EIS/EIR") for the Transbay Terminal/Caltrain Downtown
6 Extension/Redevelopment Project (Planning Department Case No. 2000.048E) in accordance
7 with CEQA, the CEQA Guidelines (Cal. Code of Regulations Title 14, sections 15000 et seq.),
8 and Chapter 31 of the San Francisco Administrative Code. Said Motion is on file with the
9 Clerk of the Board of Supervisors in File No. 041079 and is incorporated herein by reference.

10 (b) On April 20, 2004, in Resolution No. 45-2004, the Former Agency, at a duly noticed
11 public hearing, also certified the Final EIS/EIR and made findings similar to those of the
12 Commission and JPB in regard to CEQA and the CEQA Guidelines.

13 (c) In 2004, the Board of Supervisors, in Motion No. 04-67, affirmed the certification of
14 the FEIS/EIR. In Resolution No. 612-04, effective October 7, 2004, the Board of Supervisors
15 adopted findings that various actions related to the Transbay Terminal/Caltrain Downtown
16 Extension/Redevelopment Project complied with CEQA. Also, in 2005 and 2006, the Board of
17 Supervisors adopted, in Ordinance Nos. 124-05 and 99-06, additional CEQA findings. Said
18 Motion, Resolution, and the CEQA Findings are on file with the Clerk of the Board of
19 Supervisors in File Nos. 041079 and 221216 and are incorporated herein by reference.
20 Subsequent to the adoption of the Final EIS/EIR, the Former Agency, the Successor Agency
21 or other responsible agencies under CEQA/NEPA have approved and incorporated nine
22 addenda into the analysis of the Final EIS/EIR (as incorporated, the "FEIS/EIR") and made
23 requisite findings under CEQA (findings referenced in recital (a) and (b) collectively referred to
24 as the "CEQA Findings"), which documents are on file with the Clerk of the Board of
25 Supervisors in File No. 221216 and is incorporated herein by reference.

1 (d) The Successor Agency, as lead agency under CEQA and in consultation with the
2 Planning Department, prepared Addendum No. 10 to the EIS/EIR, dated October 26, 2022
3 (“Addendum”). The Addendum evaluates the environmental effects of the Block 2 Project.

4 (e) On November 1, 2022, after a duly noticed public hearing, the OCII Commission
5 determined, by Resolution No. 39-2022, that: the Block 2 Project would not cause new
6 significant impacts that were not identified in the EIS/EIR; the Block 2 Project would not cause
7 significant impacts that were previously identified in the EIS/EIR to become substantially more
8 severe; no new mitigation measures would be necessary to reduce significant impacts; no
9 changes have occurred with respect to circumstances surrounding the Block 2 Project that
10 would cause significant environmental impacts to which the Project would contribute
11 considerably; and no new information has become available that shows that the Block 2
12 Project would cause significant environmental impacts. For these reasons, no supplemental
13 environmental review is required. This determination is on file with the Clerk of the Board of
14 Supervisors in File No. 221216 and is incorporated herein by reference.

15 (f) The Board of Supervisors, acting in its capacity as a responsible agency under
16 CEQA, has reviewed and considered the EIS/EIR and the Addendum, and hereby adopts the
17 CEQA findings set forth in OCII Commission Resolution No. 39-2022 and Planning
18 Commission Motion No. 21213 and hereby incorporates such findings by reference as though
19 fully set forth in this ordinance.

20 (g) On December 1, 2022, the Planning Commission, in Motion No. 21213, adopted
21 findings that the actions contemplated in this ordinance are consistent, on balance, with the
22 City’s General Plan and eight priority policies of Planning Code Section 101.1. The Board
23 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
24 Board of Supervisors in File No. 221216, and is incorporated herein by reference.

1 Section 3. Purpose and Intent. The purpose and intent of the Board of Supervisors
 2 with respect to the Plan Amendment is to increase the maximum floor plate sizes for buildings
 3 on Block 2, as described above, for the purpose of allowing the Successor Agency to consider
 4 approval of the Block 2 Project, and to increase the amount of affordable housing on Block 2,
 5 which will contribute to and complement the overall goals and objectives of the
 6 Redevelopment Plan, facilitate the Successor Agency’s actions to complete the Affordable
 7 Housing Obligation, and expeditiously wind down the activities of the dissolved redevelopment
 8 agency as required under Redevelopment Dissolution Law.

9
 10 Section 4. Plan Incorporation by Reference. The Redevelopment Plan as amended by
 11 this ordinance is incorporated in and made a part of this ordinance by this reference with the
 12 same force and effect as though set forth fully in this ordinance.

13
 14 Section 5. Redevelopment Plan Amendment. Subsection 3.5.2 of the
 15 Redevelopment Plan is hereby amended to read as follows:

16
 17 **3.5.2 Height and Size of Buildings**

18 The Zone One Plan Map and the table and text below illustrate the heights and floor
 plate sizes permitted for residential buildings in Zone One.

19 **Maximum Floor Plates for Residential Buildings**

<i>Building Height (feet)</i>	<i>Maximum Floor Plate Size (square feet)</i>
85 – 250	7,500*
251 – 300	10,000
301 – 350	10,500
351 - 400	11,000
401 – 450	11,500
451 – 500	12,000
501 – 550	13,000

* On Transbay Block 2, a Maximum Floor Plate Size of 11,100 square feet is permitted for the portion of the building between 85 feet and 144 feet in height and a Maximum Floor Plate Size of 9,200 square feet is permitted for the portion of the building between 144 feet and 165 feet in height.

For residential towers above 500 feet in total height, the average floor plate size of the portion of the tower above 350 feet must not exceed 12,000 square feet. Below 85 feet, no bulk controls will apply.

* * * *

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 increase, on Block 2 in Zone One of the Project Area, the number of residential units in a larger, mid-rise building, 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. 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. By facilitating increased density on Block 2, the Plan Amendment provides for greater efficiencies in the Successor Agency's efforts to comply with the Transbay Affordable Housing Obligation. The Successor Agency has taken and will take steps to fund the Block 2 Project in compliance with existing enforceable obligations.

1 (c) Although significant improvements have occurred in the Project Area since
2 adoption of the Redevelopment Plan, Block 2 remains an undeveloped and blighted area
3 previously used as the temporary Transbay Bus Terminal, and is currently vacant. The Plan
4 Amendment will alleviate the adverse physical and economic conditions on Block 2 by
5 maximizing developable square feet and increasing dwelling unit count.

6 (d) For the reasons set forth in Sections 1 and 2 of this ordinance, the Plan
7 Amendment is consistent with the General Plan and is consistent with the priority policies in
8 Planning Code Section 101.1, based on the findings set forth in Planning Commission Motion
9 No. 21213, which findings this Board has incorporated as its own.

10 (e) The Plan Amendment will not adversely affect the physical or social quality of the
11 neighborhood, nor will it cause the destruction or removal of housing units from the low- and
12 moderate-income housing market or displacement of low- or moderate-income housing.
13 Rather, the Plan Amendment, by facilitating a greater density of development at a site
14 designated for residential use, will increase the supply of affordable housing in the Project
15 Area.

16 (f) The carrying out of the Plan Amendment will promote the public peace, health,
17 safety, and welfare of the community and would effectuate the purposes and policy of the
18 Community Redevelopment Law, as amended by the Redevelopment Dissolution Law.

19
20 Section 7. Official Plan. As required by Health and Safety Code Sections 33457.1 and
21 33367, the Board of Supervisors hereby approves and adopts the Redevelopment Plan, as
22 amended by the Plan Amendment, as the official redevelopment plan for the Project Area.

23
24 Section 8. Continued Effect of Previous Ordinances as Amended. Ordinance Nos.
25 124-05, 99-06, 84-15, and 62-16 remain in full force and effect as amended by this Ordinance.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Section 9. Transmittal of Plan as Amended. The Clerk of the Board of Supervisors shall without delay: (a) transmit a copy of this ordinance to the Successor Agency, whereupon the Successor Agency shall be vested with the responsibility for carrying out the Redevelopment Plan as amended; and (b) record or ensure that the Successor Agency records a notice of the approval and adoption of the Plan Amendment pursuant to this ordinance, containing a statement that the proceedings for the redevelopment of the Project Area pursuant to the Plan Amendment have been instituted as required under Community Redevelopment Law.

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 of enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor’s veto of the ordinance.

Section 11. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Redevelopment Plan that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the “Note” that appears under the official title of the ordinance.

1 APPROVED AS TO FORM:
2 DAVID CHIU, City Attorney

3 By: /s/ Peter R. Miljanich
4 PETER R. MILJANICH
5 Deputy City Attorney

6 n:\land\as2022\2300106\01641570.docx

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25