



**REPORT TO THE BOARD OF SUPERVISORS
ON THE AMENDMENT
TO THE REDEVELOPMENT PLAN FOR THE
TRANSBAY REDEVELOPMENT PROJECT AREA**

**(Updated to include San Francisco Planning Commission
findings of consistency with the General Plan)**

Prepared By:

**Office of Community Investment and Infrastructure,
as the Successor Agency to the
San Francisco Redevelopment Agency**

November 1, 2022

As updated December 20, 2022

INTRODUCTION

The Board of Supervisors of the City and County of San Francisco ("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 (June 21, 2005) and by Ordinance No. 99-06 (May 9, 2006), as amended by Ordinance No. 84-15 (June 18, 2015) and Ordinance No. 62-16 (April 28, 2016) ("Redevelopment Plan").

The Redevelopment Plan establishes the land use controls for the Project Area and divides the Project Area into two subareas: (1) Zone One, in which the Redevelopment Plan and the Development Controls and Design Guidelines for the Transbay Redevelopment Project (as currently amended, the "Development Controls") define and regulate land uses, and (2) Zone Two, in which the San Francisco Planning Code applies.

On November 1, 2022, the Successor Agency Commission (the "Commission") held a public hearing to approve and recommend to the Board of Supervisors an amendment to the Redevelopment Plan in conjunction with proposed development of Transbay Block 2, an approximately 42,627 square-foot parcel generally located at 200 Folsom Street, bounded by Folsom, Main and Beale Streets and extending 155 feet northwest from Folsom Street (Assessor's Block 3739 Lot 014 ("Block 2" or the "Site"). Development on Block 2 is proposed to include a mixed-use affordable residential rental building serving low-income families and formerly homeless families on the eastern half of the Site (the "2 East Project") and a mixed-use affordable residential rental building serving low-income seniors and formerly homeless seniors on the western half of the Site (the "2 West Project"). Together the 2 East Project and 2 West Project are referred to as the "Project".

The proposed amendment ("Plan Amendment") would modify the Redevelopment Plan to increase the maximum building floor plate sizes applicable to a residential building on Block 2 that is within the height limit of 165 feet established by the Redevelopment Plan's Zone One Plan Map. The maximum floor plate size would increase from 7,500 square feet to 11,100 square feet for the portion of the building between 85 feet but no more than 144 feet in height and from 7,500 to 9,200 square feet for the portion of the building between 145 feet and 165 feet in height. The precise portions of the Site subject to these height and bulk controls are regulated by the Development Controls. In all other respects, the land use controls of the Redevelopment Plan would remain in effect.

Pursuant to Section 33352 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., "CRL"), the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (commonly known as the Office of Community Investment and Infrastructure or "OCII") prepared this report to the Board of Supervisors to assist its review of the Plan Amendment and, should it determine to approve said amendment, provide a basis for necessary findings under the CRL.

The Plan Amendment would help achieve the Redevelopment Plan goals and objectives, including among others, (a) strengthen the community's supply of housing and affordable housing with the deepest levels of affordability; (b) develop high-density housing to capitalize on the transit-oriented opportunities within the Project Area and provide a large number of housing units close

to downtown San Francisco; (c) create a mixture of housing types and sizes to attract a diverse residential population, including families and people of all income levels.

The increased bulk limitation will allow for a larger 100 percent affordable housing mid-rise building on Block 2. This will increase the total number of affordable residential units to be constructed on the Site, thus supporting OCII's affordable housing mandate for the Project Area. In addition, the increase in buildable area will improve the financial feasibility of the 2 East Project, on which the mid-rise building will be located, while continuing to adhere to the design intent for the Site.

SCOPE OF THIS REPORT

This Plan Amendment is a minor plan amendment.¹ Under CRL Section 33352, a Plan Amendment submitted to the legislative body for approval must be accompanied by a report containing following information:

- The reason for the Plan Amendment;
- The proposed method of financing the redevelopment of the Project Area as applicable to the Plan Amendment;
- The report and recommendation of the San Francisco Planning Commission;
- The report on the environmental review required by Section 21151 of the Public Resources Code as applicable to the Plan Amendment; and
- A neighborhood impact report.

In approving the Redevelopment Plan in 2005 and 2006, the former Redevelopment Agency of the City and County of San Francisco ("Former Agency") and the Board of Supervisors relied on information about the conditions of physical and economic blight within the Project Area, the need for tax increment financing to carry out redevelopment in the Project Area, and other factors justifying the establishment of the Project Area. The Plan Amendment does not alter the blight and financial determinations made at the time the Project Area was originally adopted, but rather provides an effective approach for alleviating blight and promoting the financial feasibility of the Redevelopment Plan.

¹ Generally, minor plan amendments are those that do not propose to (a) include a tax allocation provision into a redevelopment plan which does not uses tax increment financing; (b) add new territory to the project area of a redevelopment plan that uses tax increment financing; or (c) extend the time limits for meeting housing obligations or payments to taxing entities.

Furthermore, the Plan Amendment does not trigger the need for a Project Area Committee under CRL Section 33385 because it does not provide for the acquisition of, or the authorization of public projects on, property occupied by low- and moderate-income persons.

The Plan Amendment does not contemplate changes in the specific goals, objectives or expenditures of OCII for the Project Area.

THE REASON FOR THE PLAN AMENDMENT (CRL Section 33352(a))

The purpose of the Plan Amendment is to facilitate, on Block 2 of the Project Area, the development of a larger residential mid-rise building to increase the number of affordable units, which would be consistent with the following Redevelopment Plan goals and objectives:

- Strengthen the community's supply of housing by assisting, to the extent economically feasible, in the construction and rehabilitation of affordable housing with the deepest levels of affordability, including the development of supportive housing for the homeless. Section 2.1.
- Create a mixture of housing types and sizes to attract a diverse residential population, including families and people of all income levels. Section 2.2.
- Develop high-density housing to capitalize on the transit-oriented opportunities within the Project Area and provide a large number of housing units close to downtown San Francisco. Section 2.2.

The Plan Amendment also allows the feasible development of sufficient residential units to satisfy affordable housing requirements under OCII's enforceable obligation (i.e. the Transbay Redevelopment Project Implementation Agreement), which incorporates State law requiring that at least 25% of all dwelling units developed within the Project Area shall 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 shall 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, Cal. Public Resources Code § 5027.1. ("Transbay Affordable Housing Obligation").

Community Identity and Built Form

The Redevelopment Plan implements the transformation of former freeway land into a new high-rise residential district in the East Cut neighborhood. Through public workshops and meetings, in collaboration with the Transbay Citizens Advisory Committee, land in the Project Area formerly containing portions of the Embarcadero Freeway, its ramps and Terminal Separator Structure, was envisioned as a transit-oriented residential district as documented in the Transbay Redevelopment Project Area Design for Development completed in October 2003 ("Design for Development"). The Design for Development informed the creation of the Redevelopment Plan adopted in 2005 and 2006 and the Development Controls adopted in 2005, and called for Zone One of the Project Area to become a complementary and exciting addition to the downtown and its skyline, designed as a grouping of slender residential towers interspersed among mid-rise and podium buildings.

The Plan Amendment will permit additional residential units to be developed through specific increases to the maximum floor plate area on portions of the mid-rise building within certain height ranges on Block 2. This increased bulk is consistent with and will be complementary to that of

nearby buildings in the Project Area. This change is appropriate to the mixed-use neighborhood context and the dense urban form of the surrounding district. In addition, the change does not compromise the “stepping up” effect of building heights from the proposed Block 3 Transbay Park north of the Site to the higher heights of existing buildings located to the south of Folsom Street, as envisioned in the Development Controls.

Housing Opportunities

The Redevelopment Plan’s Planning Goals and Objectives on housing opportunities include among others, the creation of a mixture of housing types and sizes to attract a diverse residential population, including families and people of all income levels, and to develop high-density housing to capitalize on the transit-oriented opportunities within the Project Area and to provide a large number of housing units close to downtown San Francisco. Zone One is a mixed-use, high-density residential district with no maximum residential density for living units.

The Plan Amendment would result in an increase in the number of affordable dwelling units in a larger mid-rise building on Block 2. The Plan Amendment alone would add approximately 31 residential units to the Project, while the amendment to the Development Controls, which modified the requirements for setbacks, number of floors, and building projections, added approximately 45 residential units, for a total increase of 76 residential units. With the exception of two unrestricted manager’s units, 100% of the Block 2 units will be restricted for affordability to households with incomes ranging from 15% to 70% of the area median income. Thus, the Plan Amendment would further the attainment of the Redevelopment Plan Goals and Objectives of creating high density, mixed-income housing, and make a significant contribution to achieving the Transbay Affordable Housing Obligation.

PROPOSED METHOD OF FINANCING/ECONOMIC FEASIBILITY OF AMENDMENT (CRL Section 33352(e))

The Plan Amendment does not increase the amount of obligated property tax necessary to fulfill existing enforceable obligations. The Plan Amendment does not propose new capital expenditures by OCII, involve any new indebtedness of the OCII, or change OCII’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 OCII’s efforts to comply with the Transbay Affordable Housing Obligations.

In separate actions, OCII has taken, and will take, steps to fund the Block 2 affordable project in compliance with existing enforceable obligations. OCII has provided predevelopment loans in amounts not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) each to the 2 East Project and 2 West Project to fund predevelopment activities. These loans were authorized by Commission Resolution Nos. 10-2021 and 11-2021, respectively. OCII intends to increase the loans to provide for permanent gap financing for the 2 East Project and 2 West Project. Preliminary funding amounts are Sixty-Four Million Five Hundred Thousand Dollars (\$64,500,000) for the 2 East Project and Forty-Six Million Two Hundred Sixty Thousand Dollars (\$46,260,000) for the 2 West Project. These amounts are included in the 2022-23 Annual Recognized Obligation Payment Schedule, as approved by the State of California Department of Finance (“DOF”) and may be adjusted in the future, subject to Commission and DOF review.

PLANNING COMMISSION REPORT AND RECOMMENDATIONS ON CONFORMANCE TO THE GENERAL PLAN (CRL Section 33352(h))

On November 1, 2022, after a duly noticed public hearing, the Commission referred the Plan Amendment to the San Francisco Planning Commission (“Planning Commission”) for its report and recommendation on the Plan Amendment and its conformance with the San Francisco General Plan (Resolutions No. 41-2022).

On December 1, 2022, after a duly noticed public hearing, the Planning Commission found the Plan Amendment to be consistent with the General Plan, including but not limited to the Housing Element, Urban Design, Recreation and Open Space Element, and Transit Center District Plan, and recommended to the Board of Supervisors approval of the Plan Amendment (Planning Commission Motion No. 21213, included in this report as Exhibit A).

ENVIRONMENTAL REVIEW (CRL Section 33352(k))

In April 2004, the Final Environmental Impact Statement/Environmental Impact Report (“FEIS/EIR”) for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project was certified by the Former Redevelopment Agency and the Board of Supervisors. OCIL, as the Successor Agency to the Former Redevelopment Agency, has land use and California Environmental Quality Act (“CEQA”) review authority of the Project Area.

CEQA Guidelines Section 15164 provides for the use of an addendum to document the basis for a lead agency’s decision not to require a Subsequent or Supplemental EIR for a project that is already adequately covered in an existing certified EIR. The lead agency’s decision to use an addendum must be supported by substantial evidence that the conditions that would trigger the preparation of a Subsequent EIR, as provided in CEQA Guidelines Section 15162, are not present. An addendum documents the assessment and determination that the modified project is within the scope of the FEIS/EIR and no additional environmental review is required.

The Plan Amendment increases a certain bulk limitation that results in an increase in the number of residential units than what otherwise be feasible with the smaller building massing allowed under the Redevelopment Plan and the Development Controls. Nonetheless, the proposed number of units on Block 2 falls below the number of units analyzed on the Site under the FEIS/EIR. The modifications to building bulk controls under both the Redevelopment Plan and the Development Controls do require an additional evaluation of which impacts could worsen due to additional building bulk. These topics include wind and shadow. All other features of the Block 2 development, including demolition, land use types, building square footage, retail square footage, and number of dwelling units, would be consistent with the Redevelopment Plan and the FEIS/EIR. The Addendum presents an update to the FEIS/EIR’s transportation study and applies the utilization of the Vehicle Miles Traveled (“VMT”) methodology for transportation effects, as the VMT methodology did not exist at the time of the publication of the FEIS/EIR, and it is now the sole methodology allowed to be used in accordance with state law.

Accordingly, OCIL, in consultation with the Planning Department, prepared the tenth addendum to the FEIS/EIR, dated October 26, 2022, focusing on transportation, wind and shadow (“Addendum”). The shadow study that was conducted as part of the Addendum process focused

its analysis of potential shadow impacts generated by the proposed development on Block 2 onto three parks/open spaces located within the shadow fan of Block 2: Transbay Park Block 3, a planned public park to the north of Block 2, and Main Street Plaza and Urban Park, both privately owned public spaces. The maximum net new shadow size at any park would grow by less than one percent due to the proposed bulk increase. Activities in the affected portions of the parks and open spaces consisted primarily of passive activities, such as eating lunch, resting, and making phone calls. Areas that would be newly shaded would, in most cases, be located at the edges of the affected parks and open spaces. Given the limited increase in shadow size and duration, the proposed bulk increase on Block 2 would not create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas.

The Addendum determined the Plan Amendment and Project would not cause new significant impacts not identified in the FEIS/EIR, nor would the Project cause significant impacts previously identified in the FEIS/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. Therefore, the analyses conducted and the conclusions reached in the Final FEIS/EIR certified on April 22, 2004 remain valid and no supplemental environmental review is required beyond this Addendum.

On November 1, 2022, the Commission determined that the FEIS/EIR, together with further analysis provided in the Addendum, remains adequate, accurate, and objective and in compliance with the CEQA (Commission Resolution No. 39-2022).

NEIGHBORHOOD IMPACT REPORT (CRL Section 33352(m))

At the time of Redevelopment Plan adoption, the Project Area did not contain low- or moderate-income housing. Since then, OCII has started implementing the affordable housing requirements under the Transbay Affordable Housing Obligation. Based on residential projects complete, under construction, approved and in process (including the 2 East Project and 2 West Project as proposed), the number of housing units currently anticipated to be built in the Project Area will comply with the Transbay Affordable Housing Obligation. The means of financing the low- and moderate-income housing units are developer-subsidized below-market-rate inclusionary units, tax increment financing, revenue from the sales of public properties within the Project Area, and development fees.

Currently, six affordable housing developments in Zone One of the Project Area have been completed and are now occupied. The Rene Cazenave development (120 affordable units) is now occupied by formerly homeless households at 25 Essex Street. Other completed and occupied affordable housing development include Block 1 (391 units including 156 affordable units), Block 6 podium building (70 affordable units) and Block 6 tower (409 market rate units), Block 7 (120 affordable units), Block 8 (546 total units including 150 affordable units), and Block 9 (545 total units including 109 affordable units). In process and planned future projects within Zone 1 are Blocks 2, 4 and 12 which collectively will provide for approximately 718 affordable units.

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. The site subject to the Plan Amendment is the location of the former Transbay Temporary Terminal, which was permanently closed in 2020, and is currently being used under a license agreement for temporary uses. Therefore, the Plan Amendment does not adversely affect the physical and social quality of the neighborhood because it will not cause the destruction or removal of housing units from the low- and moderate-income housing market and will not cause the displacement of low- or moderate-income households.

Exhibit A: San Francisco Planning Commission Motion No. 21213, adopted December 1, 2022



PLANNING COMMISSION MOTION NO. 21213

HEARING DATE: DECEMBER 1, 2022

Project Name: Transbay Block 2 – 200 Folsom Street – Amendment to the Transbay Redevelopment Plan
Case Number: 2022-008199GPR
Initiated by: Planning Commission
Staff Contact: Mat Snyder, Senior Planner, Citywide Planning
Mathew.snyder@sfgov.org, (628) 652-7460
Reviewed by: Joshua Switzky, Deputy Director of Citywide Planning
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ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND RECOMMENDING APPROVAL OF AN AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE TRANSBAY REDEVELOPMENT PROJECT AREA TO INCREASE THE MAXIMUM FLOOR PLATE STANDARDS ON BLOCK 2 OF ZONE ONE OF THE TRANSBAY REDEVELOPMENT PROJECT AREA, ADOPTING GENERAL PLAN AND PLANNING CODE SECTION 101.1 FINDINGS, AND RECOMMENDING THE TRANSBAY REDEVELOPMENT PLAN AMENDMENT TO THE BOARD OF SUPERVISORS FOR APPROVAL.

WHEREAS, The Board of Supervisors of the City and County of San Francisco (“Board of Supervisors”) approved the Redevelopment Plan for the Transbay Redevelopment Project Area (“Redevelopment Plan”) by Ordinance No. 124-05 (June 21, 2005) and by Ordinance No. 99- 06 (May 9, 2006), as amended by Ordinance No. 84-15 (June 18, 2015) and Ordinance No. 62-16 (April 28, 2016); and,

WHEREAS, The Redevelopment Plan establishes the land use controls for the Project Area and divides the Project Area into two subareas: Zone One, in which the Redevelopment Plan and Development Controls and Design Guidelines for the Transbay Redevelopment Project (“DCDG”) regulate land uses, and Zone Two, in which the San Francisco Planning Code regulates land uses. Zone One is intended to be developed with predominantly residential uses. The Successor Agency to the San Francisco Redevelopment Agency, commonly referred to as the Office of Community Investment and Infrastructure (“OCII”), solely administers and enforces land use entitlements for property and projects in Zone One and has delegated its authority over projects that do not require OCII action in Zone Two to the San Francisco Planning Department pursuant to that certain Delegation Agreement between the Former Agency and the Planning Department for the Transbay Redevelopment Project Area; and,

WHEREAS, A major focus of the Redevelopment Plan is to redevelop 10 acres of former highway access ramp properties owned by the State of California (the “State-Owned Parcels”) to generate funding for the Transbay Joint Powers Authority (“TJPA”) to construct what is now the Salesforce Transit Center (the “Transit Center”). OCII’s role

is to complete the enforceable obligations that the Department of Finance has finally and conclusively approved under Redevelopment Dissolution Law. These enforceable obligations include the Implementation Agreement between TJPB and the Former Agency, which requires OCII to facilitate the sale and development of certain State-Owned Parcels to third parties, to implement the Redevelopment Plan, and to comply with California Assembly Bill 812, codified in Section 5027.1 of the California Public Resources Code ("AB 812"), which requires that 35% of all new residential units in the Project Area be affordable to low- and moderate-income households; and,

WHEREAS, Section 4.105 of the City Charter and 2A.53 of Administrative Code require General Plan referrals to the Planning Commission ("Commission") for certain matters, including determination as to whether a Redevelopment Plan amendment is in conformity with the General Plan prior to consideration by the Board of Supervisors. Similarly, Section 33453 of the California Health and Safety Code regarding California Redevelopment Law, the Redevelopment Plan may be submitted to the Planning Commission for its report and recommendation concerning the proposed plan amendments; and,

WHEREAS, On August 22, 2022, the Planning Department received a General Plan Referral application to amend the Redevelopment Plan for the Transbay Redevelopment Project Area ("Plan Amendment") to increase the maximum floor plate size on Block 2 from 7,500 square feet to 11,100 for portions of a building between a height of 85 feet and a height of 144 feet; and from 7,500 square feet to 9,200 square feet for portions of the building between a height of 144 feet and 165 feet; and,

WHEREAS, Transbay Block 2 is a development that is bordered by Folsom Street on the south, Main Street on the east, Beale Street on the west and a proposed new segment of Clementina Street on the north in Zone One of the Transbay Redevelopment Project Area, and is comprised of Assessor Block 3739, Lot 14; and,

WHEREAS, In February 2012, the State of California dissolved all redevelopment agencies pursuant to California Health and Safety Code Sections 34170 et seq. ("Redevelopment Dissolution Law"), and under Ordinance No. 215-12 (Oct. 4, 2012), the Board of Supervisors established and delegated its authority under the Redevelopment Dissolution Law to the Successor Agency Commission and the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (commonly referred to as the Commission on Community Investment and Infrastructure, or "CCII," and the Office of Community Investment and Infrastructure or "OCII," respectively); and,

WHEREAS, In June 2020, OCII issued a Request for Proposals seeking a team to develop, own, and operate mixed-use affordable rental family and senior housing units, including units set aside for formerly homeless households, on Block 2 ("Project" or "Proposed Project"). Based on an interdisciplinary evaluation panel, OCII staff recommended the team lead by Mercy Housing California ("Mercy") and Chinatown Community Development Corporation ("CCDC") (together "Project Sponsors"). According to the proposal, Mercy would be owner and property manager of the 2 East Project, located on the eastern half of the Block 2 development site, and which would be comprised of a mixed-use family building with family supportive services provided by Episcopal Community Services. CCDC would be owner, property manager and services provider of the 2 West Project, located on the western half of the Block 2 development site, on which a mixed-use senior building would be constructed; and,

WHEREAS, On April 6, 2021, CCII authorized the Executive Director of OCII to enter in an Exclusive Negotiation Agreement ("ENA"). The ENA obligated the Project Sponsors to work with OCII staff and explore approaches to

increasing the building massing and/or height on a portion of the Site. As such, the Project Sponsors, and their design consultants, in collaboration with OCII staff, evaluated massing models and development scenarios with the aim of maximizing the number of affordable housing units on Block 2 and optimizing the financial viability of both the 2 East and 2 West Projects as to avoid and/or minimize any potential negative impacts of an increased building massing; and,

WHEREAS, The Project Sponsor submitted Schematic Design Review applications to OCII for the construction of the Project, based on the analysis for possible increased massing as described above. Through the ENA negotiation process described above and the review of the Schematic Design applications, OCII staff determined that an amendment to the Transbay Redevelopment Plan would be advisable for the 2 East Project. Specifically, an amendment would be required to increase the maximum floor plates, as described above, for the mid-rise building located on the eastern half of the Block 2 development site; and,

WHEREAS, The subject proposed Redevelopment Plan amendment would enable the Proposed Project, which is to construct two 100% affordable housing buildings on an empty lot (previously used for the temporary Transit Center); comprised of the 2 West Project and the 2 East Project., which would extend to 85-feet and 165-feet in height, respectively (exclusive of mechanical equipment), and would be programmed for senior housing and family housing, respectively. The Project would include 335 total residential rental units (inclusive of two manager units). Except for two unrestricted manager's units, all residential units would be restricted for affordability to households with incomes ranging from 15% to 70% of the Area Median Income ("AMI"). Along with residential units, the Project includes resident amenity spaces, ground floor retail spaces, a childcare facility with dedicated indoor and outdoor space, public and private open spaces, streetscape improvements, and bicycle parking; and,

WHEREAS, OCII maintains land use and California Environmental Quality Act ("CEQA") review authority of Zone One of the Transbay Redevelopment Project Area, including the site of the proposed amendment (Block 2) and,

WHEREAS, On November 1, 2022 at a public hearing the CCII adopted Resolution Nos. 39-2022, 41-2022, 42-2022, 43-2022, and 44-2022, which (1) made CEQA findings confirming the analysis and conclusion of Addendum of the Final Environmental Impact Statement/Environmental Impact Report for the Transbay Terminal/Caltrain Downtown Extension/ Redevelopment Project ("Final Environmental Document") as further described below , (2) approved the Plan Amendment and referred it to the Planning Commission, (3) approved the amendment to the DCDG, and (4) conditionally approved the Schematic Designs for the Project; and,

WHEREAS, On June 15, 2004, the Board of Supervisors affirmed, by Motion No. 04-67, the certification under the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq., and the CEQA Guidelines (14 California Code of Regulations Sections 15000 et seq. ("CEQA Guidelines," and collectively "CEQA")) of the Final Environmental Document, which included the Redevelopment Plan. Subsequently, the Board of Supervisors adopted, by Resolution No. 612-04 (October 7, 2004), findings that various actions related to the Project complied with CEQA and the Former Agency Commission adopted, by Resolution No. 11-2005 (January 25, 2005), findings and a statement of overriding considerations and a mitigation monitoring and reporting program, adopted in accordance with CEQA. Subsequent to the adoption of the Final Environmental Document and the findings, the Former Agency, the Successor Agency or other responsible agencies under CEQA/NEPA have approved and incorporated nine addenda into the analysis of the Final Environmental Document (as incorporated, the "FEIS/EIR") and made requisite findings under CEQA (findings referenced in this recital

collectively referred to as the “CEQA Findings”). OCII staff has made the FEIS/EIR (including the addenda), and related documents available to the Commission and the public, and these files are part of the record before the Commission; and,

WHEREAS, OCII, as lead agency and in consultation with the San Francisco Planning Department, has prepared Addendum No. 10 to the FEIS/EIR (the “Addendum”), dated October 26, 2022 ([link](#)). The Addendum evaluates the potential environmental effects associated with approval of the Redevelopment Plan Amendment and related actions (“Proposed Actions”); and,

WHEREAS, OCII prepared the Addendum in compliance with CEQA and the Addendum reflects the independent judgment and analysis of OCII, and OCII concludes that the Redevelopment Plan Amendment and the Proposed Actions are within the scope of the project and the impacts analyzed in the FEIS/EIR and will not result in any new significant impacts or a substantial increase in the severity of previously identified significant effects that alter the conclusions reached in the FEIS/EIR for the reasons stated in the Addendum; and,

WHEREAS, Based on the analysis in the Addendum, by Motion No. 39-2022, the CCII concluded that the analyses conducted and the conclusions reached in the FEIS/EIR remain valid and the Proposed Actions will not cause new significant impacts not identified in the FEIS/EIR or substantially increase the severity of previously identified significant impacts, and no new mitigation measures will be necessary to reduce significant impacts. Further, as described in the Addendum, no changes have occurred, with respect to either the development or the circumstances surrounding the development contemplated in FEIS/EIR, that will require major revisions of the FEIS/EIR due to the involvement of new significant effects or a substantial increase in the severity of previously identified significant effects, and no new information has become available that shows that the Project will cause new or more severe significant environmental impacts. Therefore, no subsequent or supplemental environmental review is required under CEQA beyond the Addendum to approve the Proposed Actions, the Project and other actions necessary for the Project;

FINDINGS

Staff analyzed the proposed Redevelopment Plan Amendment with regards to conformity to the General Plan as described below.

DOWNTOWN PLAN

OBJECTIVE 9

PROVIDE QUALITY OPEN SPACE IN SUFFICIENT QUANTITY AND VARIETY TO MEET THE NEEDS OF DOWNTOWN WORKERS, RESIDENTS, AND VISITORS.

POLICY 9.1

Require usable indoor and outdoor open space, accessible to the public, as part of new downtown development.

OBJECTIVE 10

ASSURE THAT OPEN SPACES ARE ACCESSIBLE AND USABLE.

POLICY 10.2

Encourage the creation of new open spaces that become a part of an interconnected pedestrian network.

POLICY 10.3

Keep open space facilities available to the public.

The Redevelopment Plan Amendment will enable development of the proposed Project, which is an amenity rich 335-unit development with 100% affordability (exclusive of two manager units). The Project will feature 7,389 square feet of open space for the residents and the public including a central courtyard and mews that will be open to the public. The mews will provide a passageway for the public running between the two new buildings and connecting Folsom Street with Clementina Street and the new public park to the north. The mews will be bordered by active ground floor building amenity space, retail and childcare space, and a small retail/food kiosk. Separately, the Project will also include construction of new streetscape enhancements on Beale and Main Streets, and the new Clementina Street extension, which are envisioned as pedestrian-oriented living streets. The on-site publicly accessible open space will thereby be integrated and connected to the Transbay and Downtown public realm networks.

OBJECTIVE 13

CREATE AN URBAN FORM FOR DOWNTOWN THAT ENHANCES SAN FRANCISCO'S STATURE AS ONE OF THE WORLD'S MOST VISUALLY ATTRACTIVE CITIES.

POLICY 13.1

Relate the height of buildings to important attributes of the city pattern and to the height and character of existing and proposed development.

The Transbay Redevelopment Project Area Design for Development, completed in 2003, envisions transforming an area formerly containing the Embarcadero Freeway, its remaps and Terminal Separator Structure into a transit-oriented residential district in the heart of downtown. The DCDG for this area, adopted in 2005, called for Zone One to "become a complementary and exciting addition to the downtown skyline, designed as a grouping of slender towers that would visually extend the Downtown high-rise office skyline." The Downtown Plan, the Transit Center District Plan, and the Urban Design Element all call for a tapering of tower heights from the location of the Transit Center Tower down toward Folsom Street and the waterfront, with towers heights tapering upward south of Folsom toward Rincon Hill.

The proposed development would include an 85-foot building (2 West) and a 165-foot building (2 East) consistent with the Planning Code, General Plan, Transbay Redevelopment Plan, and Transbay DCDG. The new buildings will be among the shorter in Transbay, consistent with the Transbay urban design vision to generally place shorter buildings along the southern end of Transbay and also to sculpt the building heights to the south of the new park to maintain sunlight on the park during mid-day hours. The proposed Redevelopment Plan Amendment would allow larger floor plates for the eastern building between a height of 85 feet and 165-feet. OCII staff has reported that the increase in floor plate will enable 31 additional units. The floor plate limit is designed to assure, in part, that buildings are not overwhelmingly bulky in appearance. The 2 East building is being designed to express several different distinct masses through the use of color and fenestration patterns, breaking down its apparent mass and enabling the building to be viewed as a collection of distinct massing pieces, not a single overwhelming monolith.

POLICY 13.3

Create visually interesting terminations to building towers.

The 165-foot tall East Building is articulated in several vertical expressions with tiered heights, the tallest located on the building's southernmost side and features a cladding a fenestration pattern that reaches beyond the upper most floor to encapsulate the roof's mechanical equipment and to provide a satisfying terminus to the overall building.

OBJECTIVE 15

CREATE A BUILDING FORM THAT IS VISUALLY INTERESTING AND HARMONIZES WITH SURROUNDING BUILDINGS.

The 2 East Building (which is the subject of the Redevelopment Plan Amendment) and the West Building together provide forms, materials and landscape design that complement each other while each building is architecturally distinct. Both buildings feature a unifying low-rise townhouse element fronting the southern edge of the park, with bay windows that articulate the building massing and provide views for residents across the park. The building heights step up from the row of low-rise townhomes framing the planned Block 3 park to the north, transitioning to taller podium and mid-rise buildings that front Folsom Street and that complement the residential neighborhood towers surrounding the site. The subject Redevelopment Plan Amendment that enables the Project will not negatively impact the project design's ability to participate in creating a visually dynamic neighborhood in Transbay.

OBJECTIVE 16

CREATE AND MAINTAIN ATTRACTIVE, INTERESTING URBAN STREETSCAPES.

As noted above, the proposed Project includes streetscape improvements to all bordering streets accordance with the Transbay Streetscape Master Plan.

POLICY 16.2

Provide setbacks above a building base to maintain the continuity of the predominant streetwalls along the street.

Setbacks will be provided along the newly created portion of Clementina Street to provide residential stoops to the townhouse units and a portion of Main Street. Setbacks will not be provided for the remainder portion of Main Street, and Beale Street consistent with other buildings along those streets.

TRANSIT CENTER DISTRICT PLAN: A SUB-AREA PLAN OF THE DOWNTOWN PLAN

OBJECTIVE 2.1

MAXIMIZE BUILDING ENVELOPE AND DENSITY IN THE PLAN AREA WITHIN THE BOUNDS OF URBAN FORM AND LIVABILITY OBJECTIVES OF THE SAN FRANCISCO GENERAL PLAN.

OBJECTIVE 2.4

PROVIDE DISTINCT TRANSITIONS TO ADJACENT NEIGHBORHOODS AND TO TOPOGRAPHIC AND MAN-MADE FEATURES OF THE CITYSCAPE TO ENSURE THE SKYLINE ENHANCES, AND DOES NOT DETRACT FROM, IMPORTANT PUBLIC VIEWS THROUGHOUT THE CITY AND REGION.

POLICY 2.5

Transition heights down to adjacent areas, with particularly attention on the transitions to the southwest and west in the lower scale South of Market areas and to the waterfront to the east.

As noted above, while the proposed Redevelopment Plan Amendment would increase the bulk of the Project at Block 2, the design for 2 East features articulated massing expressions that are visually separate but related to each other, thereby visually reducing the apparent bulk of the building.

OBJECTIVE 2.9

PROVIDE BUILDING ARTICULATION ABOVE A BUILDING BASE TO MAINTAIN OR CREATE A DISTINCTIVE STREETWALL COMPATIBLE WITH THE STREET'S WIDTH AND CHARACTER.

OBJECTIVE 2.11

PURSUE BUILDING SETBACKS TO AUGMENT A SIDEWALK WIDENING PROGRAM ON STREET FRONTAGES WHERE SIGNIFICANT CONTIGUOUS STRETCHES OF PARCELS ARE LIKELY TO BE REDEVELOPED.

OBJECTIVE 2.12

ENSURE THAT DEVELOPMENT IS PEDESTRIAN-ORIENTED, FOSTERING A VITAL AND ACTIVE STREET LIFE.

Policy 2.15

Establish a pedestrian zone below a building height of 20 to 25 feet through the use of façade treatments, such as building projections, changes in materials, setbacks, or other such architectural articulation.

The Redevelopment Plan Amendment along with other design control amendments facilitate a high-quality interface with the pedestrian realm at the ground plane. While building height along Main Street would be taller than under existing controls, it would be consistent with nearby buildings. Special attention has been paid to building program and design at the ground level. The Project would line the new block of Clementina Street with fronting townhouse units featuring stoops and landscaping, as well as a retail space and childcare center lobby. The development would feature a public mews that would bisect the site, breaking up the scale of the block and enabling an intimate but active path connecting Folsom Street with Clementina and the new park on Block 3. Retail uses and residential lobby entries would be featured along portions of Folsom, Beale and Main Streets. As noted above the Project Sponsor would improve Folsom, Beale and Main Street pursuant to the Transbay Streetscape and Open Space Concept Plan. Most significantly, an extension of Clementina Street would be constructed to the north of the Project. Clementina's design would feature low curbs and special pedestrian-oriented design treatment of the street through raised crosswalk creating a sense of a linear plaza.

URBAN DESIGN ELEMENT

OBJECTIVE 3

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Fundamental Principles for Major New Development

1. The relationship of a building's size and shape to its visibility in the cityscape, to important natural features and to existing development determines whether it will have a pleasing or a disruptive effect on the image and character of the city.

The proposed development will feature two buildings that will be amongst the shorter in Zone 1. However, care has still be taken to assure that the composition of the two building's tiered masses work to visually transition between the neighborhood's taller buildings and the ground plane. The Project's ground plane has been particularly well designed with active uses and a unified landscaping plan.

RECREATION AND OPEN SPACE ELEMENT

POLICY 1.9

Preserve sunlight in public open spaces.

The proposed Redevelopment Plan Amendment would allow a building that would feature larger floor plates between 85 and 165 feet in height than what would otherwise be allowed under existing controls on the site of 2 East. The additional building envelope area that would be allowed under the proposed Plan Amendment would not create any net new shadow on a park under the jurisdiction of Department of Recreation and Parks that are subject to Planning Code Section 295.

HOUSING ELEMENT

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

POLICY 1.1

Plan for the full range of housing needs in the City and County of San Francisco especially affordable housing.

The subject project features a wide range of unit types serving a wide range of housing needs including units for seniors, families, and those who have recently experienced homelessness.

POLICY 1.2

Focus housing growth and infrastructure-necessary to support growth according to community plans. Complete planning underway in key opportunity areas. such as Treasure Island, Candlestick Park and Hunter's Point Shipyard.

The Project will enable the Transbay Redevelopment Project Area to realize its requirement of providing 35% of its units as permanently affordable across the entire Project Area. The Transbay Redevelopment Plan includes the provisions of open space, improved streets and transit, and other public amenities that will serve the new residential units along with the City and Region as a whole.

POLICY 1.3

Work proactively to identify and secure opportunity sites for permanently affordable housing.

POLICY 1.7

Consider public health objectives when designating and promoting housing development sites.

The subject site is thoughtfully designed with easy access to outdoor space on several of the Project's building levels, along with several other residential amenities and services, including childcare. The Project's neighborhood features convenient bike, pedestrian, and transit access to locations across the City and Region, thereby eliminating the need for a private vehicle. The Project's design is being targeted to the Gold Level of Green Point Rating, a building sustainability rating system, which, among other features will include no VOC / low VOC healthy building materials.

POLICY 1.10

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

As noted above, the Project is located in the Transit Center area, which has excellent access to non-vehicular transportation. The Project propose any off-street parking, thereby enabling the residents to easily meet their daily trips by public transportation, walking and bicycling.

OBJECTIVE 4

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

POLICY 4.1

Promote housing for families with children in new development by locating multi-bedroom units near common open space and amenities or with easy access to the street; and by incorporating child-friendly amenities into common space.

The Project features 184 family units of which more than 50% are two-bedroomed or larger, which meets OCII targets for affordable housing. The Project also features a childcare center and two rooftop open spaces amenities for residents that will be adjacent to community rooms and other amenities. The Redevelopment Plan Amendment would enable more square footage for family-size units and amenity space than what otherwise be required. The additional square footage allowed by the amendment creates a tiered massing design, which, in turn, allows for the 16th floor common open space for residents.

POLICY 4.3

Provide a range of housing options for residents with special needs for housing support and services.

The project will provide amenities and services for its residents, including childcare.

POLICY 4.4

Create housing for people with disabilities and aging adults by including universal design principles in new and rehabilitated housing units.

While not subject to the proposed Redevelopment Plan Amendment, the 2 West Project will provide housing for seniors, some of whom recently have experience homelessness. The Project will be designed to current standards for accessibility.

POLICY 4.5

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

POLICY 4.8

Consider environmental justice issues when planning for new housing, especially affordable housing.

The General Plan notes that the “City should promote new, and rehabilitated low-income housing on sites that do not have negative health impacts, near services and supplies so that residents have access to transit and healthy fresh food, jobs, child care and youth programs.” The affordable housing proposed at Block 2 will be of excellent quality and located in a neighborhood with abundant resources including parks and open space, numerous local and regional transit services, shops, and services. The program includes an on-site childcare facility and resident services program will include after-school programming. In addition, the Sponsors will provide resident connections to food security programs and on-site food distribution.

OBJECTIVE 5

ENSURE THAT ALL RESIDENTS HAVE EQUAL ACCESS TO AVAILABLE UNITS.

POLICY 5.1

Ensure all residents of San Francisco have equal access to subsidized housing units.

The Project will utilize MOHCD’s DAHLIA application and lottery process to ensure a fair and equitable lease-up process. OCII requires sponsors to submit marketing plans to outline outreach strategies and advertising. In addition, OCII requires sponsor to submit an Early Outreach Plan that describes information on how the developer will target and assist individuals whose families were displaced in the 1960s and 1970s who have a Certificate of Preference).

POLICY 5.2

Increase access to housing, particularly for households who might not be aware of their housing choices.

POLICY 5.3

Prevent housing discrimination, particularly against immigrants.

OBJECTIVE 6

REDUCE HOMELESSNESS AND THE RISK OF HOMELESSNESS.

POLICY 6.1

Prioritize permanent housing and service-enriched solutions while pursuing both short- and long-term strategies.

The Redevelopment Plan amendments will allow additional permanent affordable units than what would otherwise be allowed without the amendments in a Project that is amenity and service rich. The Project current includes 60 units for seniors and families experiencing homelessness.

OBJECTIVE 7

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

POLICY 7.5

Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.

The Redevelopment Plan Amendment would enable a Project that would include 100% affordable units. Based on building to date in the Plan Area and OCII development projections, the affordable units within the proposed Project will contribute to ensuring that at least 35% of all new residential units within the Plan Area will be restricted for affordability as required by State Law.

OBJECTIVE 8

BUILD PUBLIC AND PRIVATE SECTOR CAPACITY TO SUPPORT, FACILITATE, PROVIDE AND MAINTAIN AFFORDABLE HOUSING.

POLICY 8.1

Support the production and management of permanently affordable housing.

The Redevelopment Plan Amendments would enable a project that provide 184 permanently affordable family units.

OBJECTIVE 12

BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

POLICY 12.1

Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

The proposed Redevelopment Plan Amendment would allow 3,500 square feet of additional residential development space on each of seven of floors of the 2 East building for a total additional 24,500 gross square feet. Similarly, amendments to the DCDG to configure the building to allow for, in part, the consolidation of ground parcels, a more rectangular expression of the tower, slight changes to architectural modulation along the storefronts and townhouses, and other minor changes. OCII staff indicates that the additional building envelope allowed by the subject Redevelopment Plan Amendment along with the DCDG Amendment would enable 76 additional units on the site.

The proposed increase in building bulk (i.e. greater amount of square footage) is suitable for this area of Downtown first because of the convenient access to public transit and the Project's massing still fits within the D4D's urban design vision for Transbay and Downtown. The proximity to a variety of transit options within the city and to the Bay Area would allow for sustainable development.

Also, the location is suitable for the proposed height due to the dense context of the neighborhood. The residential neighborhoods near Downtown and in Rincon Hill include dense collection of buildings at various heights generally ranging from 85 feet to over 1,000 feet.

Eight Priority Policies of Planning Code Section 101.1

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

1. 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 Redevelopment Plan Amendment will not result in change in neighborhood-serving retail businesses. The Project will include street level retail to enhance the neighborhood commercial environment and the residential units in the project will provide more customers for neighborhood retail.

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

The proposed Redevelopment Plan Amendment will not affect existing housing and will help add to the City's housing stock. The proposed residential tower project will transform former Embarcadero Freeway land into 335 affordable dwelling units.

3. That the City's supply of affordable housing be preserved and enhanced.

The proposed Redevelopment Plan Amendment would increase the supply of affordable housing in San Francisco. OCII has indicated that the additional floor plate allowance will enable 31 additional units located on floors eight to seventeen of the mid-rise building on the eastern half of the Project. Moreover, the additional bulk of the Project allowed by the Redevelopment Plan Amendment and the resulting increased residential development area is essential to the feasibility of the Project with 100% affordability. The Project's affordable units will contribute to meeting the requirement of having 35% of new residential units within the Plan Area restricted for affordability.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The Redevelopment Plan Amendment and Project would not impede MUNI transit service or overburden our streets or neighborhood parking; rather it would create additional residential units in this transit rich neighborhood. No off-street parking would be included. The limited parking and easy access to transit and other non-vehicular modes of transportation would help enable residents to get around without having to use private vehicles.

5. 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 residential employment and ownership in these sectors be enhanced.

The proposed Redevelopment Plan Amendment would not result in displacing existing industrial and service uses or change the existing economic base in this area. The site of Block 2 was most recently used as a temporary bus terminal, for which the surface lot is no longer needed.

6. That the City achieves the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposed Redevelopment Plan Amendment will not affect the City's preparedness to protect against injury and loss of life in an earthquake. The proposed Project would be built to the current building code and seismic standards and otherwise will not affect the City's preparedness.

7. That landmarks and historic buildings be preserved.

The site of Project does not include any landmark or historic building and the proposed Redevelopment Plan Amendment will not affect the landmarks and historic buildings.

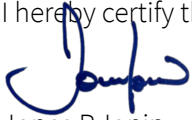
8. That our parks and open space and their access to sunlight and vistas be protected from development.

The proposed Redevelopment Plan Amendment would allow a building with larger floor plates between 85-feet and 165-feet to be built on the site of Block 2. The additional building envelope area that would be allowed under the proposed Redevelopment Plan Amendment would not create any net new shadow on a park under the jurisdiction of Department of Recreation and Parks and that are subject to Planning Code Section 295. Shadow analysis conducted as a part of Addendum No. 10 identified two existing privately owned publicly accessible open spaces (POPOS) and one proposed new public park that are not subject to Planning Code Section 295. In all cases, the additional duration and area of shadow created by the Project compared to a project that would be compliant to current standards was found to be insignificant in terms of duration, area, and the overall impact of quality to these open spaces; the net new shadow from the proposed Project would not substantially and adversely affect the public's use and enjoyment of the respective open spaces.

NOW THEREFORE BE IT MOVED, that the Commission has reviewed and considered the CEQA Findings and statement of overriding considerations that the Successor Agency previously adopted, and reviewed and considered the CEQA Findings contained in the Addendum, which the Successor Agency adopted in Resolution No. 39-2022, and hereby adopts these additional CEQA Findings as its own. The Commission finds that the conclusions reached in the FEIS/EIR remain valid and the Proposed Actions will not cause new significant impacts not identified in the FEIS/EIR or substantially increase the severity of previously identified significant impacts, and no new mitigation measures will be necessary to reduce significant impacts. Further, as described in the Addendum, no changes have occurred, with respect to either the development or the circumstances surrounding the development contemplated in FEIS/EIR, that will require major revisions of the FEIS/EIR due to the involvement of new significant effects or a substantial increase in the severity of previously identified significant effects, and no new information has become available that shows that the Project will cause new or more severe significant environmental impacts. Therefore, no subsequent or supplemental environmental review is required under CEQA beyond the Addendum to approve the Proposed Actions, the Project and other actions necessary for the Project; and,

BE IT FURTHER MOVED, That the Commission hereby finds the proposed amendment to the Transbay Redevelopment Plan, as described above, to be on balance consistent with the General Plan, including, but not limited to the Housing Element, Urban Design, Recreation and Open Space Element, Transit Center District Plan, and is consistent with the eight Priority Policies in City Planning Code Section 101.1 for reasons set forth in this motion, and recommend to the Board of Supervisors approval of the Plan Amendment.

I hereby certify that the foregoing Motion was adopted by the Commission at its meeting on December 1, 2022.



Jonas P. Ionin
Planning Commission Secretary

AYES: Tanner, Moore, Braun, Diamond, Imperial, Koppel

NOES: None

ABESNT: Ruiz

ADOPTED: December 1, 2022