San Francisco Planning

49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103
628.652.7600
www.sfplanning.org

EXECUTIVE SUMMARY
EIR CERTIFICATION / CEQA FINDINGS / CONDITIONAL USE AUTHORIZATION / GENERAL PLAN, PLANNING CODE TEXT, & ZONING MAP AMENDMENTS / SHADOW FINDINGS

HEARING DATE: JANUARY 11, 2024

90-Day MAP/PCA Deadline:	March 7, 2024
Case Number:	2019-021884CUA/ENV/GPA/MAP/PCA/SHD [Board File No. 231256]
Initiated by:	Planning Commission / Introduced October 19, 2023 by Resolution No. 21412 (GPA) Supervisors Ronen and Walton/ Introduced December 5, 2023 (MAP and PCA)
Project Address:	2500 MARIPOSA STREET (SFMTA Potrero Modernization Project)
Zoning:	P (Public) Zoning District 65-X Height and Bulk District
Cultural District:	N/A
Block/Lot:	3971 / 001
Project Sponsor:	Chris Jauregui
Company:	Plenary Americas, Potrero Neighborhood Collective LLC
Address:	555 W. Fifth St., Suite 3150
City, State:	Los Angeles, CA 90013
Property Owner/ Sponsor:	City and County of San Francisco, SFMTA 1 South Van Ness Ave., 7 Floor San Francisco, CA 94103
Staff Contacts:	Mathew Snyder, Senior Citywide Planner Mathew.Snyder@sfgov.org, 628-652-7460 Gabriela Pantoja, Senior Planner Gabriela.Pantoja@sfgov.org, 628-652-7380 Jennifer McKellar, Senior Environmental Planner Jennifer.Mckellar@sfgov.org,625-652-7563
Reviewed by:	Joshua Switzky, Acting Director of Citywide Planning Joshua.Swtizky@sfgov.org, 628-652-7464 Ella Samonsky, Principal Planner Ella.Samonsky@sfgov.org, 628-652-7417
Environmental Review:	Environmental Impact Report
Recommendation:	Approval with Conditions

Project Description

The proposal ("The Project") will demolish SFMTA's existing two-story bus yard facility and parking lot located at 2500 Mariposa Street and construct an approximately 1,240,000 square foot mixed-use building, ranging from 75-150 feet in height, that will contain Public Transportation Facility and Public Utility Yard Uses for SFMTA's new state-of-the-art facility (approximately 710,437 square feet), 465 dwelling units (72 Studios, 159 One-Bedroom, 157 Two-Bedroom, and 77 Three-Bedroom for a total of approximately 520,671 square feet), and approximately 2,886 square feet of ground floor commercial space. Designed to accommodate SFMTA's current and future bus maintenance, operation, and administrative needs, the first four levels of the building (up to 75 feet in height) will be a modern, energy-efficient, and seismically safe facility that includes bus maintenance, storage, and repair spaces as well as employee training and support areas. The remaining portions of the building, including areas up to 150 feet in height, will be dedicated to the construction of the residential joint development between SFMTA and Potrero Neighborhood Collective (PNC). In addition to the proposed building, the Project will also include the construction of street improvements including new bulbouts, ADA ramps, street trees, Class 2 bicycle parking spaces, and the addition of on-street passenger and commercial loading spaces along Hampshire and Bryant Streets. A public restroom will be constructed within the building at the corner of Hampshire and 17th Street.

An alternative proposal is being proposed known as the "Paratransit Variant". In addition to the proposed four levels dedicated to SFMTA's facility, this proposal would extend the SFMTA facility onto the fifth level for a total of approximately 734,246 square feet. The additional approximately 23,809 square feet of area will be dedicated to SFMTA's Paratransit division and include additional building massing for administrative and operation spaces, and paratransit vehicle storage, operation, and circulation areas. The Paratransit Variant proposal includes the construction of 104 dwelling units and 2,452 square feet of commercial space along with the street improvements and public restroom. The dwelling units will be concentrated in a 13-story building along the Bryant Street frontage.

Project Phasing

The Project is proposed to be constructed in three distinct phases. The first phase will include the construction of the first four levels for SFMTA's facility and is expected to last three years, from late 2024 to late 2027. The second phase will include the construction of the housing component along Bryant St. up to the fourth level, podium level. Construction for the second phase is expected to span two years and start one to two years after the start of construction on the first phase. Lastly, the third phase will construct the remaining housing component atop the podium level (both the remaining housing along Bryant St. and workforce housing along Hampshire St.) and is expected to span two years and start no sooner than two years after the start of the first phase. Phases 2 and 3 may also be constructed concurrently after the completion of SFMTA's facility.

The Paratransit Variant would only move forward, after the completion of SFMTA's facility and first phase, if readily available funding sources are exhausted to construct additional housing beyond the 104 units included in the Paratransit Variant.

Project Background

More than 100 years old, Potrero Yard is one of the oldest and most outdated SFMTA facilities. Originally designed for the operation and storage of streetcars and later tailored for trolley buses, the facility does not efficiently store and maintain today's bus fleet. As a result, SFMTA has identified it as the first facility to participate in SFMTA's Building Progress Program, a $2+ billion multi-year effort to repair, renovate, and modernize aging facilities to

improve the overall transportation service delivery system in San Francisco. The Potrero Yard Modernization Project will result in a multi-level facility, as reviewed and approved by the Civic Design Review Committee of the Arts Commission on October 16, 2023, that will improve bus maintenance and storage capabilities, contribute to a greener, more sustainable, and more reliable transportation system for San Francisco, consolidated Muni Operator and Maintenance Training, Muni Street Operations, and Farebox Shop locations, and provide improved working conditions for SFMTA employees. The new facility will increase the maintenance and storage capacity of Potrero Yard by over 50 percent and provide infrastructure needed for a future all-electric fleet.

While SFMTA's facility is the central component of the Potrero Yard Modernization Project, the Project will also serve to advance the City's housing goals and implementation of the Housing Element by including housing at an underutilized public site. The construction of up to 465 dwelling units will help fulfill the goal of the City's Public Sites housing program and maximize the development potential of a public site. This will be the first joint development featuring a major transportation facility with integrated housing in the City.

Planning Code Text / Zoning Map Amendments

The proposed ordinance will facilitate the development of the Potrero Yard Modernization Project by amending the Planning Code to create the Potrero Yard Special Use District (SUD) at 2500 Mariposa Street, Assessor's Parcel Block 3971, Lot 001 and "PY" Bulk Limit in Planning Code Section 270 and amend Zoning Maps SU08 to illustrate the Potrero Yard SUD and HT08 to change the Height and Bulk Zoning District from 65-X to 150-PY. To facilitate the development, the Potrero Yard SUD outlines permitted land uses including residential uses via the issuance of Conditional Use Authorization for a Planned Unit Development, non-residential uses, development controls, and building standards.

The Way It Is Now:	The Way It Would Be:
2500 Mariposa Street, Assessor's Parcel Block No. 3971, Lot No. 001 is located within the P (Public) Zoning District and 65-X Height and Bulk District.	2500 Mariposa Street, Assessor's Parcel Block No. 3971, Lot No. 001 is located within the P (Public) Zoning District and 150-PY Height and Bulk District, and Potrero Yard Special Use District (SUD). Special Use District Map SU08 will illustrate the Potrero Yard SUD and Height and Bulk Map HT08 will illustrate 150-PY for the subject property, Block 3971, Lot 001.
	The Potrero Yard SUD will: • Conditionally permit residential uses via the issuance of a Planned Unit Development and implement residential development controls with regards to usable open space and dwelling unit mix. • Principally or conditionally permit non-residential uses pursuant to Table 838 of Planning Code Section 838 (Urban Mixed Use Zoning District) for Sales and Service Category, Entertainment, Arts, and Recreation Category, Industrial Use Category, Institutional Use Category, and Non-Retail Professional Service Use, and implement non-

	residential development controls with regards to street frontage, transparency, gates, railing, and grill work, location and operation conditions, and off-street parking requirements. • Permit a freestanding and window sign in addition to the standards in Article 6 of the Planning Code. • Provide building standards including setbacks, lot coverage, point of height measurement, and mass separation limitations.

Required Commission Action

The following is a summary of actions that the Commission will consider at the hearing, which are required to implement the Project:

1. Certify the Final Environmental Impact Report ("FEIR") pursuant to the California Environmental Quality Act ("CEQA").

2. Adopt findings under CEQA, including findings rejecting alternatives as infeasible and adopting a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program ("MMRP").

3. Recommend that the Board of Supervisors approve with modifications the proposed Ordinance, as introduced by District 9 Supervisor Hillary Ronen and District 10 Supervisor Shamann Walton, to amend the Planning Code to create the Potrero Yard Special Use District (SUD) at 2500 Mariposa Street, Assessor's Parcel Block 3971, Lot 001 and "PY" Bulk Limit in Planning Code Section 270 and amend Zoning Maps SU08 to illustrate the Potrero Yard SUD and HT08 to change the Height and Bulk Zoning District from 65-X to 150-PY. Note that the Text Amendment Ordinance now before the Planning Commission includes modifications relative to what was introduced at the Board of Supervisors. These modifications include (1) additional allowance for a large window sign on Mariposa Street; and (2) allowances for portions of the building above 75-feet to be built to the property line within the upper story setbacks as reflected in the current proposed design.

4. Recommend that the Board of Supervisors approve the proposed Ordinance, as initiated by the Commission on October 19, 2023 under Resolution No. 21412, to amend the Urban Design Element Map 4, "Urban Design Guidelines for the Height of Buildings", and Urban Design Element Map 5, "Urban Design Guidelines for the Bulk of Buildings".

5. Adopt Shadow Findings pursuant to Planning Code Section 295 with the recommendation of the Recreation and Park Commission, that net new shadow on Franklin Square Park by the proposed Project at 2500 Mariposa Street (SFMTA's Potrero Yard Modernization Project) would not be adverse to the use of Franklin Square Park.

6. Grant a Conditional Use Authorization pursuant to Planning Code Sections 303 and 304 for a Planned Unit

Development that would authorize either the construction of the Project or the Paratransit Variant.

Issues and Considerations

Public Outreach and Comments. The Project's descriptions and objectives are the result of more than five years of continued community outreach and stakeholder engagement to envision a joint development that that serves SFMTA, the City's workforce, the community, and reflects the values of the immediate neighborhood and City. The Project's procurement documents reflect stakeholder input with regards to public benefits, principles, design guidelines, and housing component affordability. A key to this outreach effort is the creation and convening of the Potrero Yard Working Group, an advisory body made up of local residents, SFMTA employees, and other stakeholders. Since November 2022, SFMTA has teamed up with their joint development partner, Potrero Neighborhood Collective (PNC), to continue refining the Project's design in reflection of their outreach efforts with the community and other stakeholders. More than 140 public meetings, tours, working sessions etc. have been held since the inception of the Project in 2017. To date, the Department has received eleven letters in support and no letters in opposition of the Project.

Project Agreement and Other Agreements. The Joint Development Partner, PNC, is actively negotiating with SFMTA and other City agencies for the delivery, operation, and maintenance of the Project. The conclusion of these negotiations will result in multiple transactional documents including but not limited to a Project Agreement for SFMTA's new facility. Typical to capital projects, the Project Agreement cannot be completed until the Project conducts a fulsome, competitive procurement for the design and construction of SFMTA's new facility. The conclusion of the design-build contractor procurement will result in fixed pricing and schedule terms that will be incorporated into the Project Agreement. Once this process has concluded and the Project Agreement is finalized, it and all other agreements (i.e. housing agreement) will be presented to SFMTA's Board of Directors and Board of Supervisors (BOS) for approval (anticipated in mid-2024). The affordability for the proposed dwelling units will be memorialized in these agreements.

Shadows. The Project is located across the street from Franklin Square Park, a public park under the jurisdiction of the Recreation and Park Department and will cast a net new shadow on the Park, and therefore is subject to Planning Code Section 295. The Project will cast approximately 12,766,699 square foot hours (sfh) of shadow and increase the Park's shadow load by 1.77 percent, resulting in an increase in the total annual shading from 1.36% to 3.13% of Total Annual Available Sunlight (TAAS). Whereas the Paratransit Variant will cast approximately 13,480,971 square foot hours (sfh) of shadow and increase the Park's shadow load by 1.87 percent, resulting in an increase in the total annual shading from 1.36% to 3.23% of Total Annual Available Sunlight (TAAS). The new shadows resulting from the Project and Paratransit Variant throughout the day from October to February and in the mornings in September and March. During these periods, the new shadow would occur over the southern edge of the park affecting the children's play area and adult fitness area.

On December 21, 2023, the Recreation and Park Commission recommended that the Planning Commission adopting findings that net new shadow on Franklin Square Park by the proposed Project and Paratransit Variant at 2500 Mariposa Street (SFMTA Potrero Yard Modernization Project) would not be adverse to the use of Franklin Square Park.

A conscious effort was made to minimize net new shadows on Franklin Square during the Potrero Yard Modernization Project's request for proposal (RFP) process. Design guidelines were composed during the RFP process that outlined setbacks and building massing limitations that result in a building envelope that facilitates the creation of sufficient space for SFMTA and the maximization of housing while minimizing shadow impacts on Franklin Square.

Racial and Social Equity Analysis

Understanding the potential benefits, burdens and the opportunities to advance racial and social equity that proposed General Plan, Planning Code and Zoning Map amendments provide is part of the Department's Racial and Social Equity Action Plan. This is also consistent with the Mayor's Citywide Strategic Initiatives for equity and accountability, the Planning and Historic Preservation Commissions' 2020 Equity Resolutions, and with the Office of Racial Equity mandates, which requires all Departments to conduct this analysis. Below are some specific issues to consider:

The Project will enable the construction of housing, in particular affordable housing, on a site within an Equity Community and Environmental Justice geography that currently does not permit residential uses. The proposed affordable housing will be offered at a variety of below market rate income levels.

The Project will modernize SFMTA's Potrero Yard facility, improving transit efficiency and availability throughout San Francisco, and enable the delivery of public transportation throughout the City, an essential service for providing equitable and accessible essential access to all people.

The Project will maintain and expand PDR use and associated job opportunities within the City and improve the working and training conditions for SFMTA employees.

SFMTA and their Joint Development Partner, PNC, have extensively engaged the community on an ongoing basis for more than five years including the creation of a focused group, the Potrero Yard Working Group, that is inclusive of all interested community members and stakeholders. The needs and concerns expressed by the Working Group have been reflected in the Project's programming and design.

Environmental Review

On June 30, 2021, the Department published the 2500 Mariposa St.- Potrero Yard Modernization Project Draft Environmental Impact Report ("DEIR") for public review (Case No. 2019-021884ENV). The DEIR was available for public comment until August 31,2021. On August 26, 2021, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to solicit comments regarding the DEIR. On December 13, 2023, the Department published a Comments and Responses to Comments ("RTC") document, responding to comments made regarding the DEIR prepared for the Project. On January 11, 2024, the Commission will consider certification of the Final Environmental Impact Report ("FEIR") for the Project, and will determine if it is adequate, accurate and complete. In addition, on January 11, 2024, the Commission must adopt the CEQA Findings for the FEIR, prior to the approval of the Project (See Case No. 2019-021884CUA/ENV/GPA/MAP/PCA/SHD).

The full environmental review file can be found here.

https://sfplanning.org/environmental-review-documents?title=Potrero+Yard+Modernization+Project

The Response to Comments document can be found here:
file:///C:/Users/msnyder/Downloads/2019-021884ENV_SFMTA%20Potrero_RTC_Vol%203%20WEB.pdf

Recommendation

The Department recommends that the Commission approve the proposed Ordinance with requested modifications and adopt the attached Draft Resolutions to that effect.

The Department recommends that the Commission adopt findings under CEQA, including findings rejecting alternatives as infeasible and adopting a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program ("MMRP"), approve the request for Conditional Use Authorization for the Project, and adopts findings that net new shadows on Franklin Square Park by the proposed Project and Paratransit Variant would not be adverse to the use of Franklin Square Park.

Basis for Recommendation

- The Project will advance SFMTA's Building Progress Program, which has the goal of repairing, renovating, and modernizing SFMTA's aging facilities and facilitate improvement of the overall transportation service delivery system in the City.
- The Project will contribute to a greener, more sustainable, and reliable transportation system in the City.
- The Project will make public land available for housing, particularly affordable housing, and thereby furthering the City's Public Land for Housing goals by constructing up to 465 new housing units at the site.
- The Project will increase the City's resiliency to climate change and natural disasters and improve transit services by reducing vehicle breakdowns, increasing reliability with better on-time performance, and reducing passenger overcrowding. Relatedly, the Project will provide a safer, more secure environment for SFMTA's employees and physical assets.
- The Project will enable the construction of a state-of-the-art mixed-use building comprised of a modern SFMTA facility, housing, commercial, and public uses. The new building will act as anchor for the Northeast Mission neighborhood and showcase its modern public transportation use while providing land for housing.
- The Project will maintain and increase job opportunities for the City and provide much improved and safer working environments for SFMTA's employees.
- The Project is, on balance, consistent with the General Plan and Planning Code Section 101.1 as detailed in the Draft Resolution for the proposed General Plan Amendments.

Attachments

Draft Motion – Adopting CEQA Findings and MMRP
Attachment A – CEQA Findings
Attachment B – MMRP
Draft Resolution – General Plan Amendment and Draft Ordinance
Draft Resolution – Planning Code Text and Zoning Map Amendments and Draft Ordinance
Draft Motion – Shadow Findings
Draft Motion – Conditional Use Authorization Exhibit A – Conditions of Approval
Exhibit B – Plans
Exhibit C– MMRP
Exhibit D – Maps and Context Photos
Exhibit E– Land Use Table
Exhibit F – Project Sponsor Brief
Exhibit G – Inclusionary Affordable Housing Affidavit
Exhibit H – Anti-Discriminatory Housing Affidavit
Exhibit I – First Source Hiring Affidavit