File No	110300	Committee Item No.	2
_		Board Item No	
	COMMITTEE/BOAI	RD OF SUPERVISO	RS

AGENDA PACKET CONTENTS LIST

Committee:	Land Use and Economic Development	Date <u>May 24, 2011</u>
Board of Su	pervisors Meeting	Date
Cmte Boa	rd	
	Motion Resolution Ordinance Legislative Digest Budget Analyst Report Legislative Analyst Report Youth Commission Report Introduction Form (for hearings) Department/Agency Cover Letter and MOU Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Form 126 – Ethics Commission Award Letter Application Public Correspondence	d/or Report
OTHER	(Use back side if additional space is	needed)
**************************************	Planning Commission Motion Nos. 18269, California Environmental Quality Act Findin Mitigation Monitoring and Reporting Progra Development Agreement, dtd 5/20/2011 Infrastructure Report, dtd 1/26/2011 Design Standards and Guidelines, dtd 10/1 Sustainability Plan, dtd 1/26/11 Vision Plan, dtd 10/14/10 Transportation Plan, dtd 10/7/10 Sustainability Plan, dtd 1/26/11 Droft Environmental Impact Repo	ngs am 14/10
Completed Completed		May 20, 2011
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[Development Agreement - Parkmerced]

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Supervisor Elsbernd **BOARD OF SUPERVISORS**

Ordinance approving a Development Agreement between the City and County of San Francisco and Parkmerced Investors, LLC, for certain real property located in the Lake Merced District of San Francisco, commonly referred to as Parkmerced, generally bounded by Vidal Drive, Font Boulevard, Pinto Avenue and Serrano Drive to the north, 19th Avenue and Junipero Serra Boulevard to the east, Brotherhood Way to the south, and Lake Merced Boulevard to the west; making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan and with the eight priority policies of Planning Code Section 101.1(b); and waiving certain provisions of Administrative Code Chapter 56.

NOTE:

Additions are *single-underline italics Times New Roman*; deletions are *strike-through italies Times-New Roman*. Board amendment additions are double-underlined: Board amendment deletions are strikethrough normal.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Project Findings. The Board of Supervisors makes the following findings:

- California Government Code Section 65864 et seg. authorizes any city, county, (a) or city and county to enter into an agreement for the development of real property within the jurisdiction of the city, county, or city and county.
- (b) Chapter 56 of the San Francisco Administrative Code ("Chapter 56") sets forth certain procedures for the processing and approval of development agreements in the City and County of San Francisco (the "City").
- (c) Parkmerced Investors LLC, a Delaware limited liability company ("Developer") is the owner of that certain approximately 152 acre site located in the Lake Merced District in San Francisco and commonly known as "Parkmerced" (the "Project Site"). The Project Site is

generally bounded by Vidal Drive, Font Boulevard, Pinto Avenue and Serrano Drive to the north, 19th Avenue and Junipero Serra Boulevard to the east, Brotherhood Way to the south, and Lake Merced Boulevard to the west.

- (d) Developer filed an application with the City's Planning Department for approval of a development agreement relating to the Project Site under Chapter 56. Developer also filed applications with the Department to (a) amend the City's Planning Code to create the Parkmerced Special Use District, (b) amend the City's General Plan to change applicable height and bulk classifications, and (c) amend applicable zoning maps.
- (e) Developer has proposed a long-term mixed-use development program to comprehensively replan and redesign the Project Site (the "Project"). The Project will, upon completion, increase residential density, provide a neighborhood core with new commercial and retail services, reconfigure the street network and public realm, improve and enhance the open space amenities, modify and extend existing neighborhood transit facilities, and improve utilities within the Project Site, all as further described in the proposed development agreement, a copy of which is on file with the Clerk of the Board in File No. 110300 (the "Development Agreement").
- (f) The Project includes the retention of approximately half of the existing apartments at the Project Site. The remaining half would be demolished over time, provided these units will not be demolished until Developer builds new units and relocates the existing tenants into these new units in accordance with the terms of the Development Agreement.

 Upon completion, approximately 5,679 net new residential units would be added to the Project Site for a total of 8,900 residential units (1,683 existing-to-be-retained units + 1,538 newly constructed replacement units + 5,679 newly constructed units = 8,900 units).
- (f) The Project also includes approximately 310,000 square feet of commercial use, 64,000 square feet of recreational/fitness center/community center use, 100,000 square feet

of building and property maintenance use, 25,000 square feet of educational use, and net new off-street parking for up to 6,252 vehicles, all as more particularly described in the plan documents incorporated into the Development Agreement.

- (g) Concurrently with this Ordinance, the Board is taking a number of actions in furtherance of the Project, including the approval of amendments to the City's General Plan (Board File No. _____110303 ____), Planning Code (Board File No. _____110301 ____), and Zoning Maps (Board File No. _____110302 ____) (collectively, together with this Ordinance, the "Project Ordinances").
- (h) The City has determined that as a result of the development of the Project Site in accordance with the Development Agreement, clear benefits to the public will accrue that could not be obtained through application of existing City ordinances, regulations, and policies, as more particularly described in the Development Agreement. The Development Agreement will eliminate uncertainty in the City's land use planning for the Project Site and secure orderly development of the Project Site consistent with the Parkmerced Special Use District.

Section 2. <u>CEQA Findings</u>.

(a) On February 10, 2011, at a duly noticed public hearing, the Planning Commission certified the Final Environmental Impact Report ("Final EIR") for the Project, by Motion No. ______18269 _____ finding that the Final EIR reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, contains no significant revisions to the Draft EIR, and the content of the report and the procedures through which the Final EIR was prepared, publicized and reviewed comply with the provisions of the California Environmental Quality Act (California Public Resources Code Section 21000 et seq., "CEQA"), the State CEQA Guidelines (California Code of Regulations

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B.	The Board of Supervisors finds that the Development Agreement is in conformity
with the Ge	neral Plan, as amended, and the eight priority policies of Planning Code Section
101.1 for th	e reasons set forth in Planning Commission Resolution No. <u>18273</u> . The
Board here	by adopts the findings set forth in Planning Commission Resolution No.
18273	and incorporates those findings herein by reference.

Section 4. Development Agreement.

- The Board of Supervisors approves all of the terms and conditions of the A. Development Agreement, in substantially the form on file with the Clerk of the Board of Supervisors in File No. 110300 ___, including but not limited to: (i) one-for-one replacement of certain rent-controlled dwelling units currently existing on the Project Site with new units (the "Replacement Units"); (ii) the non-applicability of certain provisions of the Costa-Hawkins Rental Housing Act (California Civil Code Section 1954.50 et seq.; the "Costa-Hawkins Act"), and Developer's waiver of any and all rights under the Costa-Hawkins Act and the Ellis Act (California Government Code Section 7060 et seq.; the "Ellis Act") and any other laws or regulations so that each Replacement Unit will be subject to rent control and other provisions protecting tenants under the City's Rent Ordinance, and each below market rent ("BMR") unit will be subject to the City's BMR requirements as set forth in Planning Code Section 415; and (iii) the relocation by Developer of existing tenants to the Replacement Units, with an initial rent and pass through charges equal to the rent and pass through charges charged to the existing tenant for his or her existing unit at the time of relocation, with the right to remain in the Replacement Unit for an unlimited term subject to the eviction rules, procedures and protections set forth in the San Francisco Rent Ordinance, and with no pass through charges added to rent of the Replacement Unit for the capital costs of the Project.
- B. The Board of Supervisors also approves the subdivision and condominium map provisions as set forth in Section 3.10 of the Development Agreement, including the

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requirements relative to the Recorded Restrictions. The Board of Supervisors understands and agrees that the Replacement Units shall be rental units for the life of the building, and the Replacement Units shall be rent controlled for so long as the San Francisco Rent Ordinance, as amended, supplanted or replaced, remains in effect.

- C. Without limiting the terms of the Development Agreement, the Board of Supervisors expressly finds that the items listed in Section 4.A and 4.B above are a material and important part of the Development Agreement, and the Board would not be willing to approve the Development Agreement without these provisions.
- D. The Board of Supervisors approves and authorizes the execution, delivery and performance by the City of the Development Agreement, subject to the approval of the Development Agreement by the City's Municipal Transportation Agency and Public Utilities Commission, each in their sole discretion (the "Subsequent Approvals") and Developer's payment of all City costs with respect to the Development Agreement. Upon receipt of the Subsequent Approvals and the payment of City's costs billed to Developer, (i) the Director of Planning and other listed City officials are authorized to execute and deliver the Development Agreement, and (ii) the Director of Planning and other applicable City officials are authorized to take all actions reasonably necessary or prudent to perform the City's obligations under the Development Agreement in accordance with the terms of the Development Agreement and Chapter 56, as applicable. The Director of Planning, at his or her discretion and in consultation with the City Attorney, is authorized to enter into any additions, amendments or other modifications to the Development Agreement that the Director of Planning determines are in the best interests of the City and that do not materially increase the obligations or liabilities of the City or decrease the benefits to the City under the Development Agreement, subject to the approval of any affected City agency as more particularly described in the Development Agreement.

Section 5. Chapter 56 Waiver; Ratification.

- A. In connection with the Development Agreement, the Board of Supervisors finds that the requirements of Chapter 56 have been substantially complied with, and hereby waives any procedural requirements of Chapter 56 if and to the extent that they have not been strictly complied with.
- B. All actions taken by City officials in preparing and submitting the Development Agreement to the Board of Supervisors for review and consideration are hereby ratified and confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken by City officials consistent with this Ordinance.

Section 6. <u>Effective Date</u>. This Ordinance shall become effective on the date that all of the Project Ordinances are effective.

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By:

Charles R. Sullyan Deputy City Attorney

LEGISLATIVE DIGEST

[Development Agreement - Parkmerced]

Ordinance approving a Development Agreement between the City and County of San Francisco and Parkmerced Investors LLC for certain real property located in the Lake Merced District of San Francisco and commonly referred to as Parkmerced, generally bounded by Vidal Drive, Font Boulevard, Pinto Avenue and Serrano Drive to the north, 19th Avenue and Junipero Serra Boulevard to the east, Brotherhood Way to the south, and Lake Merced Boulevard to the west, making findings under the California Environmental Quality Act, findings of conformity with the City's General Plan and with the eight priority policies of Planning Code Section 101.1(b), and waiving certain provisions of Administrative Code Chapter 56.

Existing Law

California Government Code section 65864 *et seq.* (the "Development Agreement Statute") and Chapter 56 of the San Francisco Administrative Code ("Chapter 56") authorize the City to enter into a development agreement regarding the development of real property. Chapters 37 and 37A of the San Francisco Administrative Code (the "Rent Ordinance") establishes certain tenant protections and rights with respect to rental units that are covered by the Rent Ordinance. As a general matter, rental units that are created after the effective date of the Rent Ordinance, or June 13, 1979, are not covered by the Rent Ordinance.

Amendments to Current Law

The proposed ordinance, if adopted, would result in the approval of the proposed development agreement (the "Development Agreement") with Parkmerced Investors LLC ("Developer") in accordance with the Development Agreement Statute and Chapter 56. The Development Agreement would provide to Developer the vested right to develop the project site as described in the Development Agreement over a 30 year term. There are no proposed amendments to current law. The parties have agreed to impose the Rent Ordinance on the 1,538 replacement units.

Background Information

Under the Development Agreement, the Developer proposes to increase residential density, provide a neighborhood core with new commercial and retail services, reconfigure the street network, improve and enhance the open space amenities, modify and extend existing neighborhood transit facilities, and improve utilities within the project site. The project includes the retention of approximately half of the existing apartments at the site. The

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remaining half would be demolished over time, provided these units will not be demolished until the Developer builds new units and relocates the existing tenants into these new units. Upon completion, approximately 5,679 net new residential units would be added to the project site for a total of 8,900 residential units (1,683 existing-to-be-retained units + 1,538 newly constructed replacement units + 5,679 newly constructed units = 8,900 units). The parties have agreed that the Rent Ordinance, including the rent control provisions, will apply to the 1,538 replacement units.

The project also includes approximately 310,000 square feet of commercial use, 64,000 square feet of recreational/fitness center/community center use, 100,000 square feet of building and property maintenance use, 25,000 square feet of educational use, and net new off-street parking for up to 6,252 vehicles, all as more particularly described in the Development Agreement.

By separate legislation, the Board is considering taking a number of actions in furtherance of the proposed project, including the approval of amendments to the City's General Plan, Planning Code and Zoning Maps.

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Planning Commission Motion No. 18269

Environmental Impact Report Certification

HEARING DATE: FEBRUARY 10, 2011

Hearing Date:

February 10, 2011

Case No.:

2008.0021E

Project Address:

3711 19th Avenue

Zoning:

RM-4, RM-1 and RH-1(D)

Block/Lot:

40-X and 1Height and Bulk District 7303-001, 7303-A-001, 7308-001, 7309-001, 7309-A-001, 7310-001,

7311-001, 7315-001, 7316-001, 7317-001, 7318-001, 7319-001, 7320-003, 7321-001, 7322-001, 7323-001, 7325-001, 7326-001, 7330-001, 7331-004, 7332-004, 7333-001, 7333-003, 7333-A-001, 7333-B-001, 7333-C-001, 7333-D-001, 7333-E-001, 7334-001, 7335-001, 7336-001, 7337-001, 7338-001, 7349-001, 7340-001, 7341-001, 7342-001, 7345-001, 7357-001, 7358-001, 7359-001, 7360-001, 7361-001, 7362-001, 7363-001, 7364-001, 7365-001, 7366-001, 7367-001, 7368-001, 7369-

001, and 7370-001

Project Sponsor:

Seth Mallen, Parkmerced Investors, LLC

3711 19th Avenue

San Francisco, CA 94132

Staff Contact:

Rick Cooper - (415) 575-9027

rick.cooper@sfgov.org

ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED PARKMERCED PROJECT

MOVED, that the San Francisco Planning Commission ("Commission") hereby CERTIFIES the Final Environmental Impact Report identified as Case No. 2008.0021E, Parkmerced Project, 3711 19th Avenue ("Project"), based upon the following findings:

 The City and County of San Francisco, acting through the Planning Department ("Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., "CEQA"), the State CEQA Guidelines (Cal. Code of Regulations Title 14, Section 15000 et seq., ("CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). 1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

Fax:

415.558.6409

Planning Information: 415.558.6377 Motion No. 18270 Hearing Date: February 10, 2010

- A. The Department determined that an Environmental Impact Report ("EIR") was required and provided public notice of that determination by publication in a newspaper of general circulation on May 20, 2009
- B. On May 12, 2010, the Department published the Draft Environmental Impact Report ("DEIR") and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice.
- C. Notices of availability of the DEIR and of the date and time of the public hearing were posted near the project site by Department staff on May 12, 2010.
- D. On May 12, 2010, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, to adjacent property owners, and to government agencies, the latter both directly and through the State Clearinghouse.
- E. Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on May 12, 2010.
- 2. The Commission held a duly noticed public hearing on the DEIR on June 17, 2010, and received public comment. The period for acceptance of written comments ended on July 12, 2010.
- 3. The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 61-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received and based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a Comments and Responses document, published on October 28, 2010, distributed to the Commission and all parties who commented on the DEIR, and made available to the public at the Department at 1650 Mission Street.
- 4. The Department has prepared a Final Environmental Impact Report (FEIR), consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the Comments and Responses document, all as required by law.
- 5. Project Environmental Impact Report files have been made available for review by the Commission and the public. These files are available for public review at the Department at 1650 Mission Street, and are part of the record before the Commission.
- 6. On February 10, 2011 the Commission reviewed and considered the FEIR and finds that the contents of the FEIR and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31.

- 7. The Planning Commission finds that the FEIR reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Comments and Responses document contains no significant revisions to the DEIR, and hereby CERTIFIES THE COMPLETION of the FEIR in compliance with CEQA and the CEQA Guidelines.
- 8. The Commission, in certifying the completion of the FEIR, finds that the project described in it
- A. Will result in the following significant and unavoidable project-specific environmental impacts:
- 1) Elimination of a visual/scenic resource of the built environment through the demolition of the existing garden apartment buildings and the removal of the existing landscaping;
- 2) Impairment of the significance of the Parkmerced historic district, an historical resource, through the demolition of the existing garden apartment buildings and removal of existing landscape features on the Project Site;
- 3) Construction-related transportation impacts in the project vicinity due to construction vehicle traffic and road construction associated with the realignment of the existing light rail tracks;
- 4) Traffic impacts at 8 intersections, including:
 - Junipero Serra Boulevard/Sloat Boulevard/St. Francisco Boulevard/Portola Drive Significant contribution to LOS F conditions during the weekday PM peak hour and weekend midday peak hour;
 - Junipero Serra Boulevard/John Daly Boulevard/I-280 Northbound On-Ramp/I-280 Southbound Off-Ramp/SR 1 Northbound On-Ramp – Significant contribution to LOS F conditions during the weekday PM peak hour;
 - 19th Avenue/Sloat Boulevard LOS E to LOS F in the AM peak hour;
 - 19th Avenue/Winston Drive LOS D to LOS E in the weekend midday peak hour and significant contribution to LOS F conditions during the PM peak hour;
 - Sunset Boulevard/Lake Merced Boulevard LOS C to LOS E in the PM peak hour;
 - Lake Merced Boulevard/Winston Drive LOS C to LOS E in the AM peak hour and LOS D to LOS F in the PM peak hour;
 - Lake Merced Boulevard/Font Boulevard LOS D to LOS F in the AM peak hour and LOS C to LOS F in the PM peak hour; and
 - Lake Merced Boulevard/Brotherhood Way LOS D to LOS E in the AM peak hour, LOS
 C to LOS F in the PM peak hour, and LOS C to LOS E in the weekend midday peak hour;

CASE NO. 2008.0021E 3711- 19th Avenue

Motion No. 18270 Hearing Date: February 10, 2010

- 5) Traffic impacts on the following freeway segments:
 - Southbound State Route 1 (Junipero Serra Boulevard) weaving segment between the onramp from Brotherhood Way and the off-ramp to John Daly Boulevard – Significant contribution to LOS E conditions during the AM peak hour, and LOS E to LOS F during the PM peak hour; and
 - Northbound State Route 1 (Junipero Serra Boulevard) weaving segment between the Brotherhood Way on-ramp and Brotherhood Way off-ramp, due to uncertainty of proposed mitigation to remove the loop onramp and replace it with a left-turn onramp, which is subject to Caltrans' jurisdiction.
- 6) Potential transit impacts due to the exceedance of the available transit capacity of Muni transit routes serving the Project Study Area, due to uncertainty of proposed mitigation to provide additional transit vehicles, which is subject to SFMTA's jurisdiction;
- 7) Potential transit impacts to the M Ocean View light rail due to route realignment and subsequent increased travel time, due to uncertainty of proposed mitigation to provide additional light rail vehicles or install transit signal priority, which are both subject to the SFMTA's jurisdiction;
- 8) Potential transit impacts due to increased vehicular traffic resulting in increased travel times for operations of the Muni 17-Parkmerced, 18-48th Avenue, 28-19th Avenue, 28L-19th Avenue Limited and 29-Sunset bus lines, as well as SamTrans bus service along the Lake Merced Boulevard corridor, due to uncertainty of proposed mitigation to provide additional transit vehicles or install transit preferential treatments, which are both subject to SFMTA's jurisdiction;
- 9) Transit impacts due to increased travel times and effects to operations of the Muni 17-Parkmerced, 28-19th Avenue and 28L-19th Avenue Limited and 29-Sunset bus lines, as well as SamTrans bus service along the Lake Merced Boulevard corridor;
- 10) Noise impacts due to increased traffic;
- 11) Light rail noise and vibration impacts;
- 12) Noise impacts due to operation of stationary noise sources potentially exceeding noise level standards;
- 13) Construction-related toxic air contaminates impact;
- 14) Operational regional air quality impacts;
- 15) Temporary wind impacts during phased construction;

- 16) Potential wind impacts due to the proposed Special Use District, which could result in exceedances of the wind hazard criterion or increases in the area subject to winds greater than 26 mph;
- 17): Operational biological impacts to special-status species, including interference with bird or bat movement and migration corridors and raptor nest sites due to operation of the 51 wind turbines on the western periphery of the Project Site;
 - B. Will contribute considerably to the following cumulative environmental impacts:
- 1) A cumulative impact to the Parkmerced historic district, an historical resource, through the demolition of the existing garden apartment buildings and removal of existing landscape features.
- 2) Cumulative traffic impacts at 13 intersections, including:
 - Junipero Serra Boulevard/Sloat Boulevard/St. Francis Boulevard/Portola Drive;
 - Junipero Serra Boulevard/John Daly Boulevard/I-280 Northbound On-Ramp/I-280 Southbound Off-Ramp/SR 1 Northbound On-Ramp;
 - 19th Avenue/Sloat Boulevard;
 - 19th Avenue/Winston Drive;
 - 19th Avenue/Holloway Avenue;
 - Brotherhood Way/Chumasero Drive;
 - Sunset Boulevard/Lake Merced Boulevard;
 - Lake Merced Boulevard/Winston Drive;
 - Lake Merced Boulevard/Font Boulevard;
 - Lake Merced Boulevard/Brotherhood Way;
 - Lake Merced Boulevard/John Muir Drive;
 - John Daly Boulevard/Lake Merced Boulevard; and
 - Lake Merced Boulevard/Gonzalez Drive;
- 3) Cumulative impacts to traffic at four freeway segments on State Route 1 (Junipero Serra Boulevard):
 - Southbound between the Brotherhood Way on-ramp and John Daly Boulevard off-ramp;
 - Northbound between the off-ramp to Northbound I-280 and the John Daly Boulevard on-ramp;
 - Northbound between the John Daly Boulevard on-ramp and the Alemany Boulevard offramp; and

Motion No. 18270 Hearing Date: February 10, 2010

- Northbound between the Brotherhood Way loop on- and off-ramps, due to uncertainty
 of proposed mitigation to remove the loop onramp and replace it with a left-turn
 onramp, which is subject to Caltrans' jurisdiction;
- 4) Cumulative impact to transit capacity under 2030 cumulative conditions by contributing transit ridership to screenlines expected to exceed available transit capacity;
- 5) Cumulative noise impacts due to increases in traffic from the Project in combination with other development; and
- 6) Cumulative air quality impacts;

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of February 10, 2011.

AYES:

Commissioners Antonini, Borden, Fong, and Miguel

NAYS:

Commissioners Moore, Olague, and Sugaya

ABSENT:

ADOPTED:

February 10, 2011

Planning Commission Resolution No. 18271

Planning Code Text Amendment, Zoning Map Amendment, and General Plan Amendment HEARING DATE: FEBRUARY 10, 2011

Parkmerced Mixed-Use Development Program

T Case: Add Section 249.64; Amend Sections 102.5, 201, and 270

Z Case: Rezone the Subject Property

M Case: Amend the General Plan Urban Design Element Map 4

Case Number: 2008.0021EPMTZW

Project Name:

Initiated by: Seth Mallen, Parkmerced Investors, LLC 3711 – 19th Avenue

San Francisco, CA 94132

Staff Contact: Elizabeth Watty, Planner
Elizabeth.Watty@sfgov.org, 415-558-6620

Reviewed By: David Alumbaugh, Acting Director Citywide Planning

David.Alumbaugh@sfgov.org, 415-558-6601

90-Day Deadline: N/A – Sponsor Initiated

Recommendation: Recommend Approval

1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

Fax:

415.558.6409

Planning Information: 415.558.6377

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT AN ORDINANCE THAT WOULD (1) AMEND THE SAN FRANCISCO PLANNING CODE TEXT TO CREATE PLANNING CODE SECTION 249.64, THE "PARKMERCED SPECIAL USE DISTRICT" (PMSUD), AMEND PLANNING CODE SECTION 270 TO CREATE A NEW BULK DISTRICT ("PM") FOR THE PROPOSED PARKMERCED SPECIAL USE DISTRICT, AMEND PLANNING CODE SECTION 102.5 AND 201 TO INCLUDE THE PARKMERCED ZONING DISTRICTS; (2) AMEND THE PLANNING CODE ZONING MAP SHEETS ZN13, HT13, AND SU13 TO RECLASSIFY PARKMERCED, BEING ALL OF ASSESSOR'S BLOCKS 7303-001, 7303-A-001, 7308-001, 7309-001, 7309-A-001, 7310-001, 7311-001, 7315-001, 7316-001, 7317-001, 7318-001, 7319-001, 7320-003, 7321-001, 7322-001, 7323-001, 7325-001, 7326-001, 7330-001, 7331-004, 7332-004, 7333-001, 7333-003, 7333-A-001, 7333-B-001, 7333-C-001, 7333-D-001, 7333-E-001, 7334-001, 7335-001, 7336-001, 7337-001, 7338-001, 7339-001, 7340-001, 7341-001, 7342-001, 7343-001, 7344-001, 7345-001, 7345-A-001, 7345-B-001, 7345-C-001, 7356-001, 7357-001, 7358-001, 7359-001, 7360-001, 7361-001, 7362-001, 7363-001, 7364-001, 7365-001, 7366-001, 7367-001, 7368-001, 7369-001, AND 7370-001 FROM RM-1 (RESIDENTIAL MIXED, LOW DENSITY), RM-4 (RESIDENTIAL MIXED, HIGH DENSITY), & RH-1(D) (RESIDENTIAL HOUSE, ONE-FAMILY, DETACHED) DISTRICTS, TO PM [PARKMERCED RESIDENTIAL (PM-R), PARKMERCED MIXED USE - SOCIAL HEART (PM-MU1), PARKMERCED MIXED USE - NEIGHBORHOOD COMMONS (PM-MU2), PARKMERCED SCHOOL (PM-S), PARKMERCED COMMUNITY/FITNESS (PM-CF), AND PARKMERCED OPEN SPACE (PM-OS)], AND TO MAKE CONFORMING MAP AMENDMENTS TO FACILITATE THE LONG-RANGE DEVELOPMENT PLANS OUTLINED IN THE PARKMERCED

DEVELOPMENT PROGRAM; (3) AMEND THE SAN FRANCISCO GENERAL PLAN URBAN DESIGN ELEMENT MAP 4 TO MAKE CONFORMING MAP AMENEDMENTS; (4) ADOPT A RESOLUTION URGING THE CALIFORNIA COASTAL COMMISSION TO AMEND THE LOCAL COASTAL PROGRAM TO INCORPORATE THE AMENDMENTS HEREIN; AND (5) MAKE AND ADOPT FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1.

PREAMBLE

On January 8, 2008, Seth Mallen of Steller Management (hereinafter "Project Sponsor"), submitted an Environmental Evaluation Application with the Planning Department (hereinafter "Department"), Case No. 2008.0021E; and

On May 12, 2010, the Draft Environmental Impact Report (DEIR) for the Project was prepared and published for public review; and

The Draft EIR was available for public comment until July 12, 2010; and

On February 10, 2011, the San Francisco Planning Commission (hereinafter "Commission") reviewed and considered the Final Environmental EIR (FEIR) and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) (CEQA), 14 California Code of Regulations Sections 15000 et seq. (the "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"); and

On February 10, 2011, the Commission: certified the FEIR by Motion No. 18629, adopted approval findings pursuant to CEQA by Motion No. 18270 (Exhibit A); and adopted the Mitigation, Monitoring, and Reporting Program (MMRP) (Exhibit B to Motion No. 18270). The CEQA approval findings and the MMRP (Exhibits A and B, respectively, to Motion No. 18270) are incorporated herein by this reference thereto as if fully set forth in this Motion; and

On August 12, 2010, the Project Sponsor applied to the Planning Department for a Planning Code Text Amendment, a Zoning Reclassification and a General Plan Amendment (hereinafter Map Amendments) to allow for the creation and implementation of the Parkmerced Special Use District under Case No. 2008.0021MTZ; and

The proposed General Plan Amendments would make conforming amendments to the Urban Design Element's Map 4 to reflect the proposed rezoning; and

The proposed Zoning Reclassification would amend Zoning Map Sheets ZN13, HT13, and SU13 to rezone Parkmerced, being all of Assessor's blocks 7303-001, 7303-A-001, 7308-001, 7309-001, 7309-A-001, 7310-001, 7311-001, 7315-001, 7315-001, 7316-001, 7317-001, 7318-001, 7319-001, 7320-003, 7321-001, 7322-001, 7323-001, 7325-001, 7330-001, 7331-004, 7332-004, 7333-001, 7333-003, 7333-A-001, 7333-B-001, 7333-C-001, 7333-O01, 7333-O01, 7338-001, 7339-001, 7340-001, 7341-001, 7342-001, 7331-

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001, 7343-001, 7344-001, 7345-001, 7345-A-001, 7345-B-001, 7345-C-001, 7356-001, 7357-001, 7358-001, 7359-001, 7360-001, 7361-001, 7362-001, 7363-001, 7364-001, 7365-001, 7366-001, 7367-001, 7368-001, 7369-001, and 7370-001 from RM-1 (Residential Mixed, Low Density), RM-4 (Residential Mixed, High Density), & RH-1(D) (Residential House, One-Family, Detached) Districts, to PM [Parkmerced Residential (PM-R), Parkmerced Mixed Use – Social Heart (PM-MU1), Parkmerced Mixed Use – Neighborhood Commons (PM-MU2), Parkmerced School (PM-S), Parkmerced Community/Fitness (PM-CF), and Parkmerced Open Space (PM-OS) (hereinafter "Parkmerced Zoning Districts")]; and

The proposed Planning Code Text Amendments would create Planning Code Section 249.64, the "Parkmerced Special Use District" (hereinafter "PMSUD"), amend Planning Code Section 270 to create a new Bulk District (PM) for the proposed Parkmerced Special Use District, and amend Planning Code Section 102.5 and 201 to include the Parkmerced Zoning Districts; and

On October 27, 2010 the Project Sponsor filed a Development Agreement Application after months of negotiations with the Mayor's Office of Workforce and Economic Development; and

The Commission conducted informational hearings on the Parkmerced Project and considered public comment on November 4, November 18, December 9, December 16, 2010, and on January 13, 2011; and

On January 10, 2011, the Project Sponsor filed a Coastal Zone Permit Application, to authorize the rezoning and development of Assessor's Blocks 7309, 7309-A, 7334, 7333, portions of which are located within the Local Coastal Zone Permit Area; and

On January 13, 2011, the Commission passed Resolution No. 18255, initiating amendments to the Planning Code, Zoning Maps, and General Plan related to the proposed Project; and

On February 10, 2011, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinances; and

Whereas, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented by Department staff, and other interested parties; and

All pertinent documents associated with Case No. 2008.0021EPMTZW may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Fourth Floor, San Francisco, California; and

Whereas, the Commission has reviewed the proposed Ordinances; and

MOVED, that the Commission hereby recommends that the Board of Supervisors approve the proposed Ordinances, following execution of the Development Agreement, and adopt the attached Resolution to that effect, and,

MOVED, that the Commission hereby recommends that the Board of Supervisors request amendment of the Local Coastal Program to the California Coastal Commission to reflect the adoption of these

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Ordinances and the findings herein, and further request that such amendment of the Local Coastal Program will become effective immediately upon approval by the California Coastal Commission, without further action required by the City and County of San Francisco.

MOVED, that the Commission hereby recommends that the Board of Supervisors approve both the Connect Cambon to 19th Avenue project variant (as described in Appendix B of the Parkmerced Design Standards + Guidelines) and the Project, with a condition placed on the Project Variant that the vehicularized Diaz Avenue, between Cambon and Gonzalez Drives, retain the strong pedestrian connection to the Diaz pedestrian plaza, reinforced in part by the elimination of the on-street parking and the widening of the sidewalks on this block.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The Commission finds the Parkmerced Mixed-Use Development Program to be a beneficial development to the City that could not be accommodated without the actions requested.

- 1. Parkmerced was constructed in the 1940s and early 1950s based on a model of separation of land uses, extensive reliance on the automobile for all purposes, and an insular circulation system featuring few connections to the wider city context. These patterns of development have proven to be unsustainable and exacerbate local and regional problems of transportation, air quality, and energy consumption and embody characteristics that do not meet the needs of today and the future to support sustainable growth.
 - 2. Assembly Bill 32 set statewide goals for greenhouse gas reductions and Senate Bill 375 further requires local regions and municipalities to coordinate land use and transportation plans to reduce greenhouse gas emissions. In the Bay Area, according to the Bay Area Air Quality Management District, 40% of greenhouse gas emissions come from transportation, primarily private vehicle travel. The average Bay Area household drives 18,000 miles per year. Low residential density and lack of mixed uses that prevent trips from being effectively served by public transit or made by walking or bicycling are the primary reasons for high Vehicle Miles Travelled (VMT) for Bay Area households. Regional growth will occur, and it is the duty of every Bay Area city to direct growth to infill areas that are supported by necessary services and well-served by public transportation and that do not expand the footprint of existing urbanized areas.
 - 3. The proposed infill Project density of 59 units per acre, incorporation of neighborhood-serving retail into a neighborhood center, and retrofitting of the block pattern to reduce block size, is more typical of San Francisco neighborhoods with low VMT. Based on consistent data from similar neighborhoods locally and throughout the country, the VMT of households in such a neighborhood is expected to be less than 10,000 miles per year.
 - 4. Parkmerced is already well situated with regard to public transit infrastructure, as it sits adjacent to MUNI light rail service on 19th Avenue, is served by several MUNI bus lines, and is close to the Daly City BART station. It is currently substantially underbuilt based on existing zoning. It is one

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of the best situated areas on the west side of the City to absorb growth in a transit-oriented and sustainable fashion, and its ownership under a single entity provides a rare opportunity to consider a long-term master plan for reconfiguration and improvement to meet the needs of the 21st-century and beyond.

- 5. The proposed transportation investments as part of the Project, including MUNI rail re-alignment through the Project Site, would further improve service to the area and provide more operational options to the San Francisco Metropolitan Transit Authority (hereinafter, "SFMTA"). The proposal has been well-coordinated with SFMTA, paves the way and provides a down-payment for more long-term "Tier 5" options, and the Development Agreement paves the way for evaluating and incorporating additional Tier 5 options by the City. Without this Project, the City may not be able to achieve the necessary transportation improvements in the 19th Avenue corridor.
- 6. The existing Parkmerced landscape is resource consumptive in its expansive use of manicured mono-cultural lawns, and the original neighborhood and landscape design directly disrupted and degraded ecological functions, particularly by diverting rainwater flow away from the underground aquifer and Lake Merced. The proposed Parkmerced Mixed-Use Development Program will result in a landscape that is both environmentally and financially sustainable and restores degraded systems. Improvements include creation of a system of bioswales and cisterns to direct stormwater into a restored creek corridor feeding into Lake Merced and/or the underlying groundwater basin. In addition, the proposed Parkmerced Mixed-Use Development Program will result in the generation of 20% of the total estimated annual energy consumed by the Project, through the installation of renewable energy sources (such as photovoltaic cells and wind turbines) and cogeneration facilities.
- 7. The existing neighborhood, while giving the impression of expansive open space, has little usable public open space. Its publicly-accessible green spaces are primarily comprised of snippets and inbetween spaces such as roadway medians, building setbacks and undefined planted areas separating towers. The proposed Project would re-design the open space system to create distinct public open spaces in the form of both a larger connected network of major public open spaces, including a creek corridor, athletic fields, and farm (which the Project Sponsor proposes to develop as organic and which may be managed by a professional farmer), as well as smaller dispersed neighborhood parks activated by adjacent community uses and small-scale retail.
- 8. The Parkmerced Mixed-Use Development Program would result in increased rental and for-sale housing of various sizes and income levels, and would provide a great diversity of housing types to meet the needs of a broad spectrum of household types. The proposal would provide a broader range of building and unit types than exist today. Whereas 7% of current units have three bedrooms, the proposed Project would include 15% 3-bedroom units. While today over 52% of existing units are in the 13-story towers, upon full build-out, fewer than 35% of all units will be in towers of 11-14 stories.
- 9. Under the terms of the proposed Development Agreement, the Project would replace, on a one-for-one basis, the 1,538 existing units subject to the City's Residential Rent Stabilization and Arbitration Ordinance (hereinafter, "Rent Stabilization Ordinance") that would be demolished as part of the proposed Project with 1,538 "replacement units" of comparable size in newly constructed buildings. All existing tenants in these to-be-demolished units would be offered a

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replacement unit of comparable size at their existing rents, all relocation expenses would be paid for by the Project Sponsor, and, under the terms of the proposed Development Agreement, the replacement unit would be subject to the provisions of the Rent Stabilization Ordinance for the life of the building. Replacement units in the new buildings would chosen by existing tenants on a seniority basis. To the extent that any of the 1,538 replacement units are not occupied by an existing tenant who has elected to relocate, the replacement unit will be made available to a new tenant and will also be subject to the provisions of the Rent Stabilization Ordinance for the life of the building. The Project Sponsor will pay relocation expenses to existing tenants who choose not to relocate into a replacement unit.

- 10. The Parkmerced Mixed-Use Development Program would result in an entire neighborhood completely built in conformity with the City's recently-adopted Better Streets Plan, providing an excellent pedestrian environment.
- 11. The Parkmerced Mixed-Use Development Program would result in numerous public improvements to the intersections adjacent to and surrounding Parkmerced, providing circulation benefits not just for Parkmerced but for the wider community.
- 12. The Parkmerced Mixed-Use Development Program would create a social heart for the community, and would create a traditional pedestrian-oriented neighborhood commercial district within close walking distance of all Parkmerced residents. The proposed Parkmerced Mixed-Use Development Program would result in 1,500 permanent jobs.
- 13. The proposed Project includes a comprehensive program for environmental sustainability, seeking to minimize any growth in water or energy use, to accommodate new growth by constructing infrastructure in a manner that will allow connection to future recycled water supplies, and by committing to invest in renewable energy infrastructure and efficiency measures that are above and beyond existing requirements.
- 14. The Parkmerced Mixed-Use Development Program establishes a detailed design review process for buildings and community improvements.
- 15. The Planning Code Text Amendments, Zoning Reclassifications, and General Plan Map Amendment are necessary in order to approve the Parkmerced Mixed-Use Development Program.

Parkmerced Mixed-Use Development Program

1. **General Plan Compliance**. The proposed Ordinance is, on balance, consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT (2004 PER WRIT)

Objectives and Policies

OBJECTIVE 1:

TO PROVIDE NEW HOUSING, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN APPROPRIATE LOCATIONS WHICH MEETS IDENTIFIED HOUSING NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE HOUSING CREATED BY EMPLOYMENT DEMAND.

Policy 1.4

Locate in-fill housing on appropriate sites in established residential neighborhoods.

San Francisco is expected to provide 68,000 new by 2035, in order to meet the Association of Bay Area Governments' (ABAG) projections for San Francisco's projected population growth¹. The Parkmerced Mixed-Use Development Project will help provide approximately 8% of the City's total housing goals, with a total of 5,679 new units at full Project build-out, over the next 20-30 years.

Parkmerced is currently accessible by public transit and located within an established residential neighborhood. One of the shortcomings of the existing residential neighborhood is that it does not have convenient non-vehicular access to neighborhood-serving amenities. As a result of this Project, neighborhood-serving amenities will be built, and there will be improved pedestrian and bicycle access to those amenities.

The Project will create transit infrastructure improvements, in addition to the bicycle and pedestrian improvements. Two new light rail transit stops will be added, and one light rail stop relocated to a more convenient and safer location, within the Parkmerced Site. Since proximity to transit does influence rates of auto ownership and the need for parking, locating 5,679 net new units at Parkmerced supports the City's transit first policy, which discourages car dependency.

OBJECTIVE 2:

RETAIN THE EXISTING SUPPLY OF HOUSING

Policy 2.3

Restrict the conversion of rental housing to other forms of tenure or occupancy.

¹ This number represents a recent update ABAG made to recognize the recession of 2008. Although these updated numbers have not yet been formally adopted and thus are not the "official" ABAG Projections, they are found to be more accurate based on the City and ABAG's analyses, and their use is consistent with ABAGs current regional planning work and development of the Sustainable Communities Strategy.

Existing housing stock is the City's major source of relatively affordable housing. Although it is typically difficult to replace given the cost of new construction, the Parkmerced Mixed-Use Development Program will include replacement housing for all demolished units and will provide such replacement housing to existing tenants at their current rent. Furthermore, the Parkmerced Mixed-Use Development Program will retain the existing quantity of rental units at the Site within the newly constructed buildings, so that at no time will there be less than the existing 3,221 rental units at Parkmerced. This will be memorialized through the execution of the Development Agreement.

OBJECTIVE 3:

ENHANCE THE PHYSICAL CONDITION AND SAFETY OF HOUSING WITHOUT JEOPARDIZING USE OR AFFORDABILITY.

Policy 3.5

Improve the seismic stability of existing housing without reducing the supply of affordable housing.

The Parkmerced Mixed-Use Development Program, at full build-out, will result in increased seismic stability for residents occupying the Site, while not reducing the supply of affordable housing.

The existing garden apartments that will demolished as part of this Project cannot feasibly be rehabilitated; Parkmerced was originally constructed during the material shortages of World War II and the buildings are reaching the end of their useful life.

OBJECTIVE 4:

SUPPORT AFFORDABLE HOUSING PRODUCTION BY INCREASING SITE AVAILABILITY AND CAPACITY

Policy 4.1

Actively identify and pursue opportunity sites for permanently affordable housing.

Policy 4.2

Include affordable units in larger housing projects.

Policy 4.3

Encourage the construction of affordable units for single households in residential hotels and "efficiency" units.

Policy 4.6

Support a greater range of housing types and building techniques to promote more economical housing construction and potentially achieve greater affordable housing production.

One of the Policies in the General Plan states that "large and privately held land parcels should also be identified and actively promoted for affordable housing". The Parkmerced Site is consistent with this Policy in that the Parkmerced Mixed-Use Development Program will meet the requirements of the City's Inclusionary Affordable Housing Program with respect to net new units, with a minimum of 1/3 of such

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requirement satisfied through the construction of Below-Market Rate ("BMR") units on or within 1,000 feet of the Project Site.

In addition to providing new BMR units, the Project will also include a diversity of housing typologies, including studio or "efficiency" units.

OBJECTIVE 6:

PROTECT THE AFFORDABILITY OF EXISTING HOUSING.

Policy 6.2

Ensure that housing developed to be affordable is kept affordable.

Policy 6.3

Safeguard tenants from excessive rent increases.

Under the terms of the Development Agreement, existing tenants who occupy rent-controlled units would be allowed to relocate to a replacement unit located in a newly constructed building with the same rent and same rent-control protections as their to-be-demolished unit, to ensure that those tenants who currently occupy rent control units who choose to relocate to new units are guaranteed protections from excessive rent increases and arbitrary eviction. Furthermore, under the proposed Development Agreement, all existing rent-controlled units – the physical units themselves – would be replaced with new rent-controlled, replacement units, for the life of the building. As a result, at no time will there be less than 3,221 units subject to the terms of the Rent Stabilization Ordinance.

OBIECTIVE 8:

ENSURE EQUAL ACCESS TO HOUSING OPPORTUNITIES.

Policy 8.1

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

Policy 8.4

Encourage greater economic integration within housing projects and throughout San Francisco.

Policy 8.7

Eliminate discrimination against households with children.

Policy 8.8

Promote the adaptability and maximum accessibility of residential dwellings for disabled and elderly occupants.

Policy 8.9

Encourage the provision of new home ownership opportunities through new construction so that increased owner occupancy does not diminish the supply of rental housing.

This Objective of the Housing Element states that population diversity and integration is one of the City's most important assets, and in order to retain that diversity, there needs to be a variety of housing

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opportunities available. The Parkmerced Mixed-Use Development Program includes a variety of integrated housing opportunities within the Project Site, including both rental and for-sale units, from efficiency studio units to family-sized three-bedroom units, as well as BMR units as required by the City's Affordable Inclusionary Housing Program and the retention of an additional 3,221 units subject to the terms of the Rent Stabilization Ordinance. Some of the units will be located closer to transit and farther from car storage, whereas other units will be located closer to car storage and farther from transit. This provides great diversity in the type of units available, which should result in population diversity at Parkmerced.

Currently, much of the existing housing at Parkmerced is reaching the end of its useful life and is not ADA accessible. The Parkmerced Mixed-Use Development Program will result in 1,538 of the existing rental units being replaced by new, well-constructed, ADA accessible rental-units. In addition, there will be 5,679 net new units added to Parkmerced, all of which will be well-constructed and ADA accessible.

OBJECTIVE 9:

AVOID OR MITIGATE HARDSHIPS IMPOSED BY DISPLACEMENT.

Policy 9.1

Minimize the hardships of displacement by providing essential relocation services.

Policy 9.2

Offer displacement households the right of first refusal to occupy replacement housing units that are comparable in size, location, cost, and rent control protection.

The Parkmerced Mixed-Use Development Program, through the Development Agreement, will mitigate hardships imposed by displacement, by providing substantial notice to tenants in advance of their unit's demolition, and guarantees them a new unit of approximately equal size in a newly constructed building, at the same rent-controlled price and with the same protections afforded to rent-controlled units. The Parkmerced Mixed-Use Development Program further mitigates hardships imposed by displacement by relocating any tenant of a to-be-demolished building to a newly constructed replacement unit at the Project Sponsor's sole cost, and by paying relocation benefits to any tenant in of a to-be-demolished building who elects not to relocate to a replacement unit at Parkmerced.

Policy 11.2

Ensure housing is provided with adequate public improvements, services, and amenities.

Policy 11.3

Encourage appropriate neighborhood-serving commercial activities in residential areas, without causing affordable housing displacement.

Policy 11.4

Avoid or minimize disruption cause by expansion of institutions, large-scale uses and autooriented development into residential areas.

Policy 11.10

Include energy efficient features in new residential development and encourage weatherization in existing housing to reduce the overall housing costs and the long-range cost of maintenance.

Parkmerced Mixed-Use Development Program

Parkmerced is currently an auto-oriented development that lacks sufficient pedestrian-oriented, neighborhood-serving commercial activities to satisfy the daily needs of its residents. At the core of the Parkmerced Mixed-Use Development Program are many new neighborhood-serving amenities and usable open spaces, such as a neighborhood-commercial commons, new restaurants, a new preschool/elementary school and daycare facility site, fitness center, new athletic fields, walking and biking paths, a new farm, and community gardens.

As part of the Parkmerced Mixed-Use Development Program, all new dwelling-units will be energy efficient. The Project's energy-efficiency features include maximizing daylight exposure in new construction, installing Tier 1 or better appliances in residential units, and designing residential and non-residential building envelopes to perform a minimum of 15% and 10%, respectively, more efficiently than current Title 24 standard.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 1:

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBHROODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.1

Recognize and protect major views in the city, with particular attention to those of open space and water.

Policy 1.2

Recognize, protect and reinforce the existing street pattern, especially as it is related to topography.

Policy 1.3

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

Policy 1.4

Protect and promote large-scale landscaping and open space that define districts and topography.

Policy 1.6

Make centers of activity more prominent through design of street features and by other means.

Policy 1.7

Recognize the natural boundaries of districts, and promote connections between districts.

Policy 1.9

Increase the clarity of routes for travelers.

The siting of new structures within the Parkmerced Mixed-Use Development Program has been designed in such a way so to cluster new towers within existing towers' sight-lines from the residential neighborhoods to the east, in order to preserve views of Lake Merced and the Pacific Ocean from the adjacent neighborhoods. While maintaining Juan Bautista Circle and the major radial streets that currently characterize Parkmerced, the street grid of Parkmerced would be redesigned to increase clarity for travelers by creating a more legible hierarchy of street types, and by providing a grid that is easier to navigate due its smaller blocks and more orthogonal orientation. With a prevailing neighborhood fabric of 4-to-6 stories, taller structures of 8-10 stories will be located at key intersections and adjacent to notable locations and spaces to define centers of activity, provide landmarks and clarity for movement, and activate public spaces. Further, denser and taller development is generally concentrated on the east half of the site, closer to 19th Avenue to emphasize connection to public transit and this major transportation corridor, while tapering down in intensity toward the west. The open space system will include major district-scale open spaces, connecting Juan Bautista Circle with the stream corridor to the athletic fields, farm, and Belvedere Garden connecting to Lake Merced; together this system will better define the edge of the neighborhood and create clear connections between adjacent districts, linking major local and regional open spaces with large-scale landscape features and providing clarity for residents and visitors.

OBJECTIVE 3:

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

Policy 3.1

Promote harmony in the visual relationships and transitions between new and older buildings.

Policy 3.2

Avoid extreme contrasts in color, shape and other characteristics which will cause new buildings to stand out in excess of their public importance.

Policy 3.3

Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.

Policy 3.4

Promote building forms that will respect and improve the integrity of open spaces and other public areas.

Policy 3.5

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

Policy 3.6

Relate the bulk of buildings to the prevailing scale of development to avoid an overwhelming or dominating appearance in new construction.

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Policy 3.7

Recognize the special urban design problems posed in development of large properties.

The Parkmerced Mixed-Use Development Program includes the retention of the 11 existing tower buildings, and the construction of approximately 5,679 net new units. The new units will be constructed in new buildings that will be compatible with the existing structures, and will vary in height and design. The siting of new structures has been designed in such a way so to cluster new towers within existing towers' sight-lines from the residential neighborhoods to the east, in order to preserve views of Lake Merced and the Pacific Ocean from the adjacent neighborhoods. The street grid of Parkmerced would be redesigned to increase clarity for travelers by creating a more legible hierarchy of street types, and by providing a grid that is easier to navigate due its smaller blocks and more orthogonal orientation. With a prevailing neighborhood fabric of 4-to-6 stories, taller structures of 8-10 stories will be located at key intersections and adjacent to notable locations and spaces to define centers of activity, provide landmarks and clarity for movement, and activate public spaces. Further, denser and taller development is generally concentrated on the east half of the site, closer to 19th Avenue to emphasize connection to public transit and this major transportation corridor, while tapering down in intensity toward the west. The open space system will include major district-scale open spaces, to better define the edge of the neighborhood and create clear connections between adjacent districts and to link major local and regional open spaces with large-scale landscape features.

Each new building constructed as part of the Parkmerced Mixed-Use Development Program will be subject to a design review process conducted by the Planning Department and governed by the terms of the proposed Parkmerced Special Use District. The design review process is intended to ensure that all buildings within Parkmerced are designed to complement the aesthetic of the development, exhibit high quality architectural design and comply with the requirements of the Parkmerced Design Standards + Guidelines and the Parkmerced Sustainability Plan.

The Project Site is large - approximately 152 acres (including streets) – and as such, it has been given close consideration with regard to Project's urban design features, the need for neighborhood-serving amenities, and the need for improved transit. The five guiding Plan documents (including the above referenced Design Standards + Guidelines and the Sustainability Plan) together constitute a "master plan" for the Site, creating a framework and set of rules for the Site's future development. Through these guiding documents, the full build-out of this Site will be a better connected community with a fine-grain urban fabric containing small blocks and a variety of building heights and sizes; the Site's physical access to the surrounding established neighborhoods will be improved through the creation of new bicycle, pedestrian, and transit connections at the Site's periphery.

OBJECTIVE 4:

IMPROVEMENT OF THE NEIGHOBRHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.3

Provide adequate lighting in public areas.

Policy 4.4

Design walkways and parking facilities to minimize danger to pedestrians.

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Policy 4.5

Provide adequate maintenance for public areas.

Policy 4.6:

Emphasize the importance of local centers providing commercial and government services.

Policy 4.8:

Provide convenient access to a variety of recreation opportunities.

Policy 4.9:

Maximize the use of recreation areas for recreational purposes.

Policy 4.10:

Encourage or require the provision of recreation space in private development.

Policy 4.12:

Install, promote and maintain landscaping in public and private areas.

Policy 4.13:

Improve pedestrian areas by providing human scale and interest.

The Parkmerced Mixed-Use Development Program includes numerous guidelines that enhance the public realm, livability, and character of the neighborhood. These features include ground-floor walk-up units in all new buildings, required landscaping strips at the front of all properties, uniform plantings and street trees, pedestrian-oriented lighting, 2,945,000sf of new open spaces such as athletic fields, community gardens, and an farm that will give the neighborhood an identity and provide a center for activity. The Development Agreement outlines operational standards and maintenance procedures to be followed by the Project Sponsor (or homeowners' association, as applicable) for all privately-owned public spaces.

Parking garages, which typically lack visual interest, will be underground and located on the western side of the Site, which will increase pedestrian safety by not having automobile ingress and egress crossing sidewalks throughout the neighborhood. Utility wires will also be located underground to enhance the appearance of the streets and neighborhood.

Throughout the Site there will be approximately 230,000 square feet of new neighborhood-serving retail, including a full-service grocery store. There will neighborhood-serving amenities of small and moderate scale, in order to create both a commercial core and to provide services within close proximity of every dwelling-unit. There will also be 80,000sf of office space, 25,000sf dedicated to a preschool/elementary school or daycare facility, and 64,000sf dedicated to a fitness/community center.

RECREATION AND OPEN SPACE ELEMENT

Objectives and Policies

Parkmerced Mixed-Use Development Program

OBJECTIVE 1:

PROVIDE OPPORTUNITIES FOR RECREATION AND THE ENJOYMENT OF OPEN SPACE IN EVERY SAN FRANCISCO NEIGHBORHOOD.

Policy 4.4:

Acquire and develop new public open space in existing residential neighborhoods, giving priority to areas which are most deficient in open space.

Policy 4.5:

Require private usable outdoor open space in new residential development.

Policy 4.6:

Assure the provision of adequate public open space to serve new residential development.

As part of the Parkmerced Mixed-Use Development Program, there will be a total of 2,964,000sf of open space, including 2.1 acres of open space provided through six Neighborhood Commons, 2.94 acres of open space provided through the creation of new athletic fields, and over one-acre of open space provided through the creation of community gardens. In addition to the publically-accessible usable open space, each residential building will contain usable semi-private or private open space in the following ratios: 36 square feet per unit if private open space (e.g. balconies), and 48 square feet per unit if semi-private open space (e.g. roof decks).

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 1:

MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA.

Policy 1.2

Ensure the safety and comfort of pedestrians throughout the city.

Policy 1.3

Give priority to public transit and other alternatives to the private automobile as the means of meeting San Francisco's transportation needs, particularly those of commuters.

Policy 1.5

Coordinate regional and local transportation systems and provide for interline transit transfers.

Policy 1.6

Ensure choices among modes of travel and accommodate each mode when and where it is most appropriate.

Policy 1.7

Assure expanded mobility for the disadvantaged.

As part of the Parkmerced Mixed-Use Development Program, there will be substantial investment in pedestrian, bicycle, and transit improvements throughout and adjacent to the Site. The Site will be redesigned to be consistent with the City's recently-adopted Better Streets Plan, including the use of smaller blocks and new connections outside of the Site, making it more pedestrian-friendly. There will be an enhanced network of dedicated bikeways, as well as enhanced access to the Site to improve vehicular circulation. The Project will include shuttle service to Daly City BART Station, to encourage the use of public transportation. Lastly, the Project includes re-routing the MUNI M-Oceanview light-rail line through the Site, creating two new transit stops and relocating the existing Parkmerced/SFSU transit within the Site. By re-routing the MUNI M-Oceanview light-rail line and relocating the Parkmerced/SFSU stop, use of transit will be safer and more accessible, by eliminating the need to cross the busy 19th Avenue intersection to board the train. To further encourage the use of public transit, the Project Sponsor will be providing transit pass subsidies, and bike and car share opportunities.

OBJECTIVE 2:

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDEING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

Policy 2.1

Uses rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

Policy 2.2

Reduce pollution, noise and energy consumption.

Policy 2.4

Organize the transportation system to reinforce community identity, improve linkages among interrelated activities and provide focus for community activities.

Policy 2.5

Provide incentives for ht use of transit, carpools, vanpools, walking and bicycling and reduce the need for new or expanded automobile and automobile parking facilities.

The Parkmerced Mixed-Use Development Program will improve public transit connections throughout the City and region by re-routing the MUNI M-Oceanveiw light-rail line through Parkmerced. Such re-routing will make transit stops more accessible, allow SFMTA to run "short-lines" that do not continue all the way through the low-ridership areas to Balboa Park, and provide opportunities for future connections to Daly City BART. It will also incentivize the use of public transit by providing transit subsidies to all tenants, and providing free shuttles to the Daly City BART station. There will also be improved bus service through the Site and free shuttles to local shopping centers, in addition to making bicycle and pedestrian improvements, which together, improve transit connections and accessibility.

OBJECTIVE 4:

Parkmerced Mixed-Use Development Program

Hearing Date: February 10, 2011

MAINTAIN AND ENHANCE SAN FRANCISCO'S POSITION AS THE HUB OF A REGIONAL, CITY-CENTERED TRANSIT SYSTEM.

Policy 4.2

Increase transit ridership capacity in all congested regional corridors.

Policy 4.5

Provide convenient transit service that connects the regional transit network to major employment centers outside the downtown area.

The Parkmerced Mixed-Use Development Program will increase transit ridership capacity by providing funding to SFMTA to purchase an additional light-rail vehicle, which in turn will help SFMTA maintain headways. Through improved service on the MUNI M-Oceanview light-rail line and the provision of a free shuttle service to BART, residents and visitors will have more convenient access to regional transit networks including BART, regional bus lines and the Golden Gate Transit ferry service.

OBJECTIVE 18:

ESTABLISH A STREET HIERARCHY SYSTEM IN WHICH THE FUNCTION AND DESIGN OF EACH STREET ARE CONSISTENT WITH THE CHARACTER AND USE OF ADJACENT LAND.

Policy 18.2

Design streets for a level of traffic that serves, but will not cause a detrimental impact on adjacent land uses, nor eliminate the efficient and safe movement of transit vehicles and bicycles.

As a result of the Parkmerced Mixed-Use Development Program, the entire site will be redesigned to be consistent with the City's Better Streets Plan.

OBJECTIVE 20:

DEVELOP TRANSIT AS THE PRIMARY MODE OF TRAVEL TO AND FROM DOWNTOWN AND ALL MAJOR ACTIVITY CENTERS WITHIN THE REGION.

Policy 21.2

Where a high level of transit ridership or potential ridership exists along a corridor, existing transit service or technology should be upgraded to attract and accommodate riders.

Policy 21.7

Make convenient transfers between transit lines, systems and modes possible by establishing common or closely located terminals for local and regional transit systems by coordinating fares and schedules and by providing bicycle access and secure bicycle parking.

Policy 21.9

Improve pedestrian and bicycle access to transit facilities.

Policy 21.10

Ensure passenger and operator safety in the design and operation of transit vehicles and station facilities.

The Parkmerced Mixed-Use Development Program will result in the re-routing the MUNI M-Oceanview light-rail line from the middle of the busy 19th Avenue to within the Project Site, making pedestrian and bicycle access to the station safer and more accessible by eliminating the need to cross the busy 19th Avenue intersection to board the train. The Site will continue to be served by several MUNI bus lines, which will also stop in the vicinity of the new station, making transfers relatively easy.

- The proposed long-range mixed-use development project is generally consistent with the eight General Plan priority policies set forth in Section 101.1 in that:
 - A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced:

The proposed Project would enhance the neighborhood-serving retail uses by creating a neighborhood-serving retail core with approximately 230,000 square feet of new retail space, thereby providing the community with services such as a grocery store and banking. The existing Parkmerced development currently has only a very small amount of neighborhood-serving retail, which is located adjacent to the Project Site. In combination with the proposed approximately 69,000 square feet of new office space, the new retail uses would provide opportunities for resident employment and business ownership. Furthermore, the proposed addition of 5,679 net new households would strengthen business at existing establishments in the vicinity of the Project Site and bolster demand for additional retail uses.

B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods:

The proposed Project would preserve the existing diversity and character of Parkmerced by maintaining the same number of rent controlled units (3,221 rent controlled units) that currently exist at Parkmerced. The Project would accomplish this by conserving 1,683 existing rent controlled apartments, which would remain subject to the Rent Stabilization Ordinance, and replacing all 1,538 existing rent controlled apartments that would be demolished by the Project with a new unit that would be subject to the same protections as contained in the Rent Stabilization Ordinance for the life of the building. In addition, under the proposed Project, residents of buildings proposed for demolition would be given the opportunity to relocate to such replacement units in a new building and would be assessed the same rent as their previous unit. The Project would also enhance the diversity of Parkmerced by constructing a large number of new BMR affordable units. Currently, Parkmerced has no BMR units. Further, the proposed Project would enhance the character of the Parkmerced neighborhood by establishing a social and commercial core, improving pedestrian accessibility, and creating open space and recreational opportunities.

C) The City's supply of affordable housing will be preserved and enhanced:

The proposed Project will result in the construction of a significant number of BMR housing units in accordance with the Development Agreement to be executed by the Project Sponsor and the City. Such BMR units will significantly increase the City's supply of affordable housing. Moreover, the affordability of the existing rent-controlled units would be maintained for all existing residents, who, under the terms of the proposed Development Agreement, would continue to benefit from the protections of the Rent Stabilization Ordinance, including residents of units proposed for replacement who elect to relocate to a new unit. For such relocated residents, the Project proposes that the new unit be rented at the same rent controlled rate as the resident's existing unit, thereby preserving affordability of the Project for existing residents. Under the terms of the proposed Development Agreement, the replacement unit would be subject to the same rent increase restrictions as contained in the Rent Stabilization Ordinance for the life of the building, regardless of whether an existing tenant elects to relocate to the unit or the unit is occupied by a new tenant.

D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking:

The proposed Project would enhance MUNI transit service by re-routing the MUNI M-Oceanview light-rail line through the Project Site, creating two new stations and relocating the existing Parkmerced/SFSU station. These improvements would alleviate the overcrowding issues at the existing Parkmerced/SFSU station and improve the connection to SFSU by requiring riders to cross Holloway Avenue as opposed to Nineteenth Avenue. The realignment would also reduce the walking distance to transit for residents of Parkmerced, thereby encouraging the use of public transportation. In addition, the proposed roadway re-alignments would ease the burden on City streets in the Parkmerced area by improving traffic flow. Finally, the proposed Project would add approximately 90 on-street and 6,252 off-street parking spaces, ensuring that residents of the proposed Project do not rely on parking in the adjoining neighborhoods.

E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced:

The proposed Project would not displace any industrial or service sector uses because of new commercial office development since the existing buildings slated for demolition do not contain any industrial or service sector uses. The Project Site is currently occupied by residential apartment buildings.

F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposed Project would help the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake because the new buildings would be constructed in accordance with all applicable building codes and regulations with regard to seismic safety.

G) That landmark and historic buildings will be preserved:

The proposed Project would not adversely impact any City landmarks because there are no City-designated landmarks on the Project Site. Although none of the buildings on the Project Site are designated City landmarks, as mitigation for the Proposed Project's impacts to historic resources under the California Environmental Quality Act, the Project Sponsor will prepare documentation of the site based on the National Park Service's Historic American Building Survey/Historic American Engineering Record Historical Report Guidelines and provide a permanent display of interpretative materials concerning the history of the original Parkmerced complex.

H) Parks and open space and their access to sunlight and vistas will be protected from development:

The proposed Project would provide 68 acres of open space in a network of publically accessible neighborhood parks, athletic fields, public plazas, greenways and a farm. The Project would provide significant additional open space in the form of private or semi-private open space areas such as centralized outdoor courtyards, roof decks, and balconies. These private and semi-private open spaces would be required within the development of each residential building within Parkmerced. The parks and open space would be more accessible and usable than the current open spaces. Parks and open space within, and in the vicinity of, the proposed Project would continue to receive a substantial amount of sunlight during the day when use is at its highest rate. Existing coastal views from parks located to the east and north of the Project Site would be maintained with implementation of the proposed Project.

- 3. The proposed long-range mixed-use development project is consistent with the requirements set forth in Planning Code Section 302, in that:
 - a. The Project is necessary and desirable because it would enhance the lives of existing and future residents, and the City as a whole, by converting a single-use residential complex into a high-quality, mixed-use development that includes neighborhood-serving retail and numerous open space and recreational activities. The Project would also construct a significant amount of new housing units at an in-fill location within an existing urban environment and replace existing housing units that were constructed during the material shortages experienced during World War II and that are reaching the end of their useful life with new residential buildings that would be more energy efficient and meet current ADA requirements. The residential density that would result from the proposed in-fill housing is permitted by, and consistent with, the existing zoning of the Parkmerced site. With only 8,900 total housing units proposed, the Project would be smaller than the 10,302 units principally permitted by the existing zoning or the 11,750 housing units permitted through a Planned Unit Development. Additionally, the proposed Project would enhance alternatives to automobile use by making certain improvement to public transportation and by providing services to residents such as a shuttle to the Daly City BART station and carpool/vanpool services. Because a Special Use District is necessary in order to implement the proposed Project, and for the reasons set forth above, the Commission finds the requested amendments to the Planning Code, Zoning Maps, and General Plan to be required by public necessity, convenience and general welfare.

Hearing Date: February 10, 2011

Parkmerced Mixed-Use Development Program

- 4. Findings under the California Environmental Quality Act (CEQA):
 - a. On February 10, 2011, the Planning Commission, by Motion No. 18629, certified a Final Environmental Impact Report ("FEIR") for the Parkmerced Mixed-Use Development Program in compliance with CEQA, the CEQA Guidelines and Chapter 31, finding that the FEIR was completed in compliance with CEQA and was adequate, accurate and objective and reflected the independent judgment o the Planning Commission; a copy of the motion is on file with the Clerk of the Commission
 - b. Also on February 10, 2011, the Commission reviewed and considered the information contained in the FEIR and by Motion No. 18270 adopted CEQA Findings for the proposed Parkmerced Mixed-Use Development Program Project under CEQA, the CEQA Guidelines and Chapter 31, including the adoption of a mitigation monitoring and reporting program (MMRP) and a statement of overriding considerations, ("CEQA Findings"). The CEQA Findings for the proposed Project are on file with the Clerk of the Commission and are incorporated into this Motion b.

I hereby certify that the Planning Commission

Commission Secretary

AYES:

Commissioners Antonini, Borden, Fong, and Miguel

NAYS:

Commissioners Moore, Olague, and Sugaya

ABSENT:

ADOPTED:

February 10, 2011



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- □ Affordable Housing (Sec. 415)
- ☐ Jobs Housing Linkage Program (Sec. 413)
- ☐ Downtown Park Fee (Sec. 412)
- ☑ First Source Hiring (Admin. Code)
- ☐ Child Care Requirement (Sec. 414)
- ☑ Development Agreement

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Planning Commission Motion No. 18272

Local Coastal Zone Permit Application

HEARING DATE: FEBRUARY 10, 2011

Project Name:

Parkmerced Mixed-Use Development Program

P Case: Coastal Zone Permit

Case Number:

2008.0021ÈPMTZW

Initiated by:

Seth Mallen, Parkmerced Investors, LLC

3711 - 19th Avenue

San Francisco, CA 94132

Staff Contact:

Elizabeth Watty, Planner

Elizabeth.Watty@sfgov.org, 415-558-6620

Reviewed By:

David Alumbaugh, Acting Director Citywide Planning

David.Alumbaugh@sfgov.org, 415-558-6601

ADOPTING FINDINGS RELATING TO APPROVAL OF A COASTAL ZONE PERMIT, PURSUANT TO PLANNING CODE SECTION 330, TO ALLOW THE FULL IMPLEMENTATION OF THE PARKMERCED MIXED-USE DEVELOPMENT PROGRAM, AS ADOPTED BY THE PLANNING COMMISSION AND INCORPORATED HEREIN BY REFERENCE AS THOUGH FULLY SET FORTH IN MOTION NO. 18270 AND RESOLUTION NO.S 18271 AND 18273. A PORTION OF THE PARKMERCED SITE, SPECIFICALLY LOTS 7309, 7309-A, 7334, 7337, and 7333, ARE LOCATED WITHIN THE LOCAL COASTAL ZONE; AND MAKING AND ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECITON 101.1.

PREAMBLE

On January 8, 2008, Seth Mallen of Steller Management (hereinafter "Project Sponsor"), submitted an Environmental Evaluation Application with the Planning Department (hereinafter "Department"), Case No. 2008.0021E; and

On May 12, 2010, the Draft Environmental Impact Report (DEIR) for the Project was prepared and published for public review; and

The Draft EIR was available for public comment until July 12, 2010; and

On February 10, 2011, the San Francisco Planning Commission (hereinafter "Commission") reviewed and considered the Final Environmental EIR (FEIR) and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) (CEQA), 14 California Code of Regulations Sections 15000 et seq. (the "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"); and

On February 10, 2011, the Commission: certified the FEIR by Motion No. 18629, adopted approval findings pursuant to CEQA by Motion No. 18270 (Exhibit A); and adopted the Mitigation, Monitoring, and Reporting Program (MMRP) (Exhibit B to Motion No. 18270). The CEQA approval findings and the MMRP (Exhibits A and B, respectively, to Motion No. 18270) are incorporated herein by this reference thereto as if fully set forth in this Motion; and

On August 12, 2010, the Project Sponsor applied to the Planning Department for a Planning Code Text Amendment, a Zoning Reclassification and a General Plan Amendment (hereinafter Map Amendments) to allow for the creation and implementation of the Parkmerced Special Use District under Case No. 2008.0021MTZ; and

The proposed General Plan Amendments would make conforming amendments to the to the Urban Design Element's Map 4 to reflect the proposed rezoning; and

The proposed Zoning Reclassification would amend Zoning Map Sheets ZN13, HT13, and SU13 to rezone Parkmerced, being all of Assessor's blocks 7303-001, 7303-A-001, 7308-001, 7309-001, 7309-A-001, 7310-001, 7311-001, 7315-001, 7316-001, 7317-001, 7318-001, 7319-001, 7320-003, 7321-001, 7322-001, 7323-001, 7325-001, 7326-001, 7330-001, 7331-004, 7332-004, 7333-001, 7333-A-001, 7333-B-001, 7333-C-001, 7333-D-001, 7333-E-001, 7334-001, 7335-001, 7336-001, 7336-001, 7337-001, 7338-001, 7339-001, 7340-001, 7341-001, 7342-001, 7343-001, 7344-001, 7345-001, 7345-A-001, 7345-B-001, 7365-001, 7356-001, 7357-001, 7358-001, 7369-001, 360-001, 7361-001, 7362-001, 7363-001, 7364-001, 7365-001, 7366-001, 7367-001, 7368-001, 7369-001, and 7370-001 from RM-1 (Residential Mixed, Low Density), RM-4 (Residential Mixed, High Density), & RH-1(D) (Residential House, One-Family, Detached) Districts, to PM [Parkmerced Residential (PM-R), Parkmerced Mixed Use – Social Heart (PM-MU1), Parkmerced Mixed Use – Neighborhood Commons (PM-MU2), Parkmerced School (PM-S), Parkmerced Community/Fitness (PM-CF), and Parkmerced Open Space (PM-OS) (hereinafter "Parkmerced Zoning Districts")]; and

The proposed Planning Code Text Amendments would create Planning Code Section 249.64, the "Parkmerced Special Use District" (hereinafter "PMSUD"), amend Planning Code Section 270 to create a new Bulk District (PM) for the proposed Parkmerced Special Use District, and amend Planning Code Section 102.5 and 201 to include the Parkmerced Zoning Districts; and

On October 27, 2010 the Project Sponsor filed a Development Agreement Application after months of negotiations with the Mayor's Office of Workforce and Economic Development; and

The Commission conducted informational hearings on the Parkmerced Project and considered public comment on November 4, November 18, December 9, December 16, 2010, and on January 13, 2011; and

On January 10, 2011, the Project Sponsor filed a Coastal Zone Permit Application, to authorize the rezoning and development of Assessor's Blocks 7309, 7309-A, 7334, 7333 and 7337, portions of which are located within the Local Coastal Zone Permit Area; and

On January 13, 2011, the Commission passed Resolution No. 18255, initiating amendments to the Planning Code, Zoning Maps, and General Plan related to the proposed Project; and

On February 10, 2011, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the Motion; and

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented by Department staff, and other interested parties; and

All pertinent documents associated with Case No. 2008.0021EPMTZW may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Fourth Floor, San Francisco, California; and

Whereas, the Commission has reviewed the Motion; and

MOVED, that the Commission hereby authorizes the Local Coastal Zone Permit requested in Application No. 2008.0021EPMTZW, based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

- 1. The above recitals are accurate and constitute findings of this Commission.
- 2. The Commission finds the Parkmerced Mixed-Use Development Program to be a beneficial development to the City that could not be accommodated without the actions requested.
- 3. The Parkmerced Development Project necessitates approval by the Planning Commission of a Local Coastal Zone Permit, since a portion of the Site (Assessor's Blocks 7309, 7309-A, 7334, 7337, and 7333) is included in the boundaries of the Local Coastal Zone. Specifically, the portion of the Site located within the Local Coastal Zone Area consists of the southern half of development block 02W (portion of APN 7309/7309-A), development block 03W (portion of APN 7334), the western edge of development block 04 (portion of APN 7337) and the western edge of development block 23 (portion of APN

7333). The project proposes to demolish existing two-and three-story residential buildings on development block 02W and 03W and to replace such buildings with three-and four-story residential buildings. The portions of development blocks 04 and 23 within the Local Coastal Zone Permit Area would be designated as open space under the proposed Project.

4. **Site Description and Present Use.** Parkmerced is bounded by Lake Merced Boulevard to the west, Brotherhood Way to the south, Junipero Serra Boulevard, Felix Avenue, Cambon Drive, and 19th Avenue to the east, and Holloway Avenue, Varela Avenue, Serrano Drive, Font Boulevard, Pinto Avenue, and Vidal Drive to the north; it is within the RM-1 (Residential Mixed, Low-Density), RM-4 (Residential Mixed, High-Density), and RH-1(D) (Residential House, One-Family, Detached) Districts and 40-X and 130-D Height and Bulk Districts.

The Site measures 152-acres in total (including streets), and is defined by an axial street grid with a large open space in the center and a series of "pie-shaped" residential blocks. The residential units on each of these blocks surround a central courtyard open to the sky. The development is also articulated by landscaped boulevards and secondary streets that weave around buildings, open spaces, and larger open spaces in the vicinity of the tower buildings. The Site contains 3,221 existing rental apartments in 170 two-story residential buildings (townhouses) and 11 residential tower buildings that are 13 stories tall, as well as associated parking, buildings services, a leasing/operations office and a private pre-school/day care facility. There are also about 75 acres of existing open space throughout the Project Site in a network of lawns, courtyard areas, private open space, and playgrounds.

Parking for the residential apartments in the towers is currently provided in three above-grade centralized parking garages, which accommodate a total of 1,540 parking stalls. Parking for the townhouses is provided in attached carports, which provide a total of 1,507 parking spaces. An additional 151 parking spaces used for maintenance and office parking are provided in a surface parking lot. In addition to the 3,198 total private off-street parking spaces, there are 1,591 existing public on-street parking spaces.

As noted in the submitted Historic Resource Evaluation (HRE), the Parkmerced rental complex was constructed between 1941 and 1951 as the first all-rental community in San Francisco, as a response to the continued demand for housing the United States during and after World War II. ¹ The buildings and site plan at Parkmerced were designed by Leonard Schultze & Associates for the Metropolitan Life Insurance Company (MetLife), while the landscaping of the open space and interior garden courtyards were designed by Thomas Church and other landscape architects from his office.

¹ "Historic Resource Evaluation & Cultural Landscape Assessment: Parkmerced" (April 29, 2009), prepared for Turnstone Consulting by Page & Turnbull, Inc. Available by request at the San Francisco Planning Department (1650 Mission Street, Suite 400, San Francisco, CA 94103) in the Case Docket for Case No. 2008.0021E. The document is referred to as the "Parkmerced HRE."

5. Surrounding Properties and Neighborhood. The 152-acre Site is located in the Lakeshore Neighborhood, in the southwest corner of San Francisco. The surrounding neighborhood includes Stonestown Galleria and San Francisco State University to the north; the Lakeside and Ingleside Terrace neighborhoods to the east; the Brotherhood Way religious and scholastic institutions, San Francisco Golf Club, and a residential neighborhood to the south; and Lake Merced and the Fleming and Harding Park Golf Courses to the west.

6. Project Description

Overview

The proposed Project is a long-term (approximately 20-30 years) mixed-use development program to comprehensively re-plan and re-design the approximately 116-acre Site (152acres including streets). The Project proposes to increase the residential density, provide new commercial and retail services, provide new transit facilities, and improve existing utilities within the development Site. Of the existing 3,221 residential units on the Site, approximately 1,683 units located within the 11 existing towers would remain and approximately 1,538 existing apartments would be demolished and replaced in phases over the approximately 20 to 30-year development period. As provided by the proposed Development Agreement, these replacement units would be subject to the San Francisco Rent Stabilization Ordinance and existing tenants in the to-be-replaced buildings would have rights to relocate into the new units at their existing rents. An additional 5,679 net new units would also be added to the Site for a Project total of 8,900 units. New buildings on the Site would range in height from 35 feet to 145 feet, and would not be taller than the existing towers, which will remain. Neighborhood-serving retail and office space would also be constructed as part of the proposed Project and concentrated on Crespi Drive, near the northeast part of the Site and the light-rail line. The proposed new neighborhood core would be located within walking distance of all the residences within Parkmerced. In addition, small neighborhood-serving retail establishments would be constructed outside of the neighborhood core, in proximity to residential units throughout the Site. A new preschool/elementary school and daycare facility site, fitness center, and new open space uses including athletic fields, walking and biking paths, a new farm, and community gardens would also be provided on the Project Site. Infrastructure improvements would include the installation of a bioswale system to process stormwater on-site and renewable energy sources, such as wind turbines and photovoltaic cells, which are detailed in the Sustainability Plan. improvements would include the realignment of the MUNI light rail-line through the Project Site, traffic improvements to intersections adjacent to the Project Site, provision of a free shuttle service to Daly City BART and other items detailed in the Transportation Plan.

The Plan Documents

There are five guiding documents that combine to create a comprehensive and detailed blueprint for guiding all future land use, building, and community infrastructure improvements and programs at Parkmerced. These documents provide technical

specifications, development are incorporated by reference into both the Development Agreement and the Planning Code.

The Vision Plan lays out a conceptual framework for transforming the existing Parkmerced housing development into a "21st century model of a healthy neighborhood".

The Design Standards and Guidelines prescribe urban design controls for land use, open spaces, streets, blocks and individual buildings. It contains the Regulating Plan which establishes the physical boundaries and measurements for all streets, blocks, parcels, open spaces, buildable areas, and easements. It also outlines a process for project implementation, establishing a design review process for buildings that limits the modifications from the standards, and specifies the Planning Commission and public review processes for the design of large projects and community improvements.

The Sustainability Plan contains specific strategies and metrics which together address the management and conservation of energy, water and other natural resources, and also establishes goals for green building standards.

The Transportation Plan provides a framework and management plan for addressing transit and vehicular travel to and from the neighborhood.

The Infrastructure Report establishes an outline for anticipated site-wide improvements to all street and public rights-of-way, underground utilities, and grading, and includes detailed engineering plans for those improvements.

Land Use, Urban Design, and Building Form

The Parkmerced Mixed-Use Development Program includes the retention of the 11 existing tower buildings, and the construction of approximately 5,679 net new units. The new units will be constructed in new buildings that will be compatible with the existing structures, and will vary in height and design. The siting of new structures has been designed in such a way so to cluster new towers within existing towers' sight-lines from the residential neighborhoods to the east, in order to preserve views of Lake Merced and the Pacific Ocean from the adjacent neighborhoods. Parkmerced would be redesigned to increase clarity for travelers by creating a more legible hierarchy of street types, and by providing a grid that is easier to navigate. With a prevailing neighborhood fabric of 4-to-6 stories, taller structures of 8-10 stories will be located at key intersections and adjacent to notable locations and spaces to define centers of activity, provide landmarks and clarity for movement, and activate public spaces. Denser and taller development would be generally concentrated on the east half of the site, closer to 19th Avenue and the MUNI light-rail to emphasize connection to public transit and this major transportation corridor, while tapering down in intensity toward the west. The design includes the following features:

Street grid adjusted to reduce scale of blocks and improve circulation –
introduction of new streets, alleys, and pedestrian paseos, realignment of some
existing streets. Key elements of the original street grid design are preserved,

including Juan Bautista Circle at the center with streets radiating outward, and Font Blvd as a major ceremonial connector. Gonzalez Drive is realigned as a major Boulevard on the south to improve circulation, organize major open spaces, and make room for creation of major public open space.

- Existing towers will remain. Low-rise 2-3 story buildings will all be replaced by street-facing buildings ranging in height from 35 to 145 feet. New towers will be clustered near the existing towers, in order to maintain existing view-sheds.
- In general, higher density and taller buildings will be located on the eastern half of the Site, closer to 19th Avenue and public transit (streetcar). The predominant neighborhood scale on the eastern half is a 65-foot (6-story) base, and 45 feet (4 stories) on the western half. These bases are punctuated by taller structures at key intersections and locations to provide wayfinding and highlight key public places, as well as provide diversity and texture in the urban fabric. Smaller streets on the west side would be lined by 3-story buildings.
- Except in the neighborhood commercial core, all buildings will have mandated landscaped setbacks and be lined on the ground floor with walk-up townhouse units that have individual front doors directly accessing the sidewalks.
- A new pedestrian-oriented neighborhood commercial area typical of San Francisco neighborhoods (with housing above ground floor retail), which will include a full-service supermarket, will be created at the northeast quadrant of the neighborhood, focused on a re-aligned Crespi Drive. Additional small, neighborhood retail (e.g. café, dry cleaners) would be sited adjacent to the neighborhood commons parks scattered around the Site. All residents would be within a short (5 minute) walk of supporting services.
- The overall neighborhood density proposed is approximately 59 units per acre, as compared to 40 units per acre in the Mission District and 86 units per acre in the Chinatown and North Beach Districts. This density is necessary to provide support for neighborhood shops and services within walking distance, as well as facilitate the use of transit, bicycling, and walking for daily activities.

Open Space

The proposed Project would provide 68 acres of open space in a network of publically accessible neighborhood parks, athletic fields, public plazas, greenways and a farm, and in the form of private or semi-private open space areas such as centralized outdoor courtyards, roof decks, and balconies. These private and semi-private open spaces would be required with the development of each residential building within Parkmerced. The parks and open space would be more accessible and usable than the current public open spaces, which are predominantly characterized by wide street medians and undefined and un-programmed lawn areas surrounding towers. Most open space is currently provided in the form of semi-private interior-block shared courtyards. Parks and open space within, and in the vicinity of, the proposed Project would continue to receive a substantial amount of sunlight during the day when use is at its highest rate. Existing coastal views from parks located to the east and north of the Project Site would be maintained with implementation of the proposed Project. The main public open space would include:

- Neighborhood Commons: Six of these 0.35-acre neighborhood-scale parks (2.1-acres total) would be evenly distributed around the neighborhood to provide social gathering spaces and opportunity for passive and active recreation within a 2-minute walk of almost every resident. These spaces would be activated by small retail or community uses, like cafes, in adjacent buildings.
- Transit Plaza: A new 0.88 -acre public plaza with ancillary small retail at the northeast corner of the Site at Holloway/19th Avenue would feature a relocated City College/Parkmerced station for the MUNI light-rail, providing a better and safer waiting environment for passengers than the existing station in the middle of 19th Avenue.
- Diaz Plaza: This small street in the neighborhood commercial heart would be
 pedestrianized into an active 0.34-acre plaza, with restaurants and shops
 opening out onto the plaza and activating the space.
- Juan Bautista Circle: The historic 2.44-acre circle would be renovated with new
 landscaping and amenities, including a pond (and underground cistern) to
 collect stormwater and serve as a major ecological feature to feed water into the
 stream system that leads through the Site to Lake Merced.
- Stream Corridor: Leading from the Circle toward Lake Merced, the stream corridor is the backbone of the open space system, connecting the major open spaces and providing a greenway through the heart of the neighborhood. Walking paths and passive recreational open spaces are proposed along the corridor, which would also provide important wildlife habitat. Including the Farm and the Belvedere Garden (see below), the Stream Corridor would be 12.06-acres.
- Farm and Orchard: The over 2-acre farm, which may be managed by a professional farmer, is intended to be a productive landscape to supply local farmers' markets and restaurants with organic, locally-grown produce, and would utilize local on-site compost to reduce resource consumption of trucking food waste from the neighborhood. The farm would also provide educational and hands-on opportunities for residents.
- Belvedere Garden: A new garden overlook and terraced steps with water feature
 would provide a new direct pedestrian link from the neighborhood through the
 southwest corner of the Site to the major open spaces at Lake Merced.
- Athletic Fields: The 2.94-acre athletic fields would provide an opportunity for active recreation (e.g. soccer) in the neighborhood, as well as for adjacent off-site neighbors along Brotherhood Way, such as school and church groups (a new pedestrian connection is proposed to connect to Brotherhood Way).
- Community Garden: The existing small community garden located near the towers to the west of Juan Bautista Circle would be significantly expanded to 1.1-

acres, offering many more residents, particularly those in towers and other units without private open space, the opportunity to garden.

In addition to these public open spaces, all new units would be required to provided either 36 square feet of private open space (e.g. balconies, private patios, stoops) or 48 square feet of shared common open space (e.g. courtyards, roof decks). Almost every block would include a shared semi-private courtyard, as delineated in the Regulating Plans.

Most open spaces would be, as currently, owned by the developer or future Master Homeowners' Association. Through the Development Agreement, these spaces would be required to be maintained in good condition in perpetuity, and would guarantee the rights of the public to use the spaces as they would any City park and establish minimum hours of operation.

Transportation

The comprehensive transportation program proposes to improve conditions for all modes of movement, and supports the objective of growing the neighborhood as a transit- and pedestrian-oriented district. The proposed improvements are as follows:

Pedestrian: A revised street grid providing smaller blocks, new streets, and mid-block paths for more direct and shorter connections for those on foot. All interior streets would be redesigned to exceed the minimum specifications of the Better Streets Plan for sidewalk width, amenities, and traffic calming. On the periphery of the neighborhood, several additional and safer crossings of the major streets are proposed on Lake Merced Boulevard, Brotherhood Way, and 19th Avenue. Finally, the land use program, with both increased residential density and a retail program, will provide and support services within walking distance.

Bicycle: New dedicated bicycle lanes and paths would be provided on Gonzalez Drive, Tapia Drive, Font Boulevard, Chumasero Drive, and Juan Bautista Circle to provide safe and direct connections for cyclists to important destinations and to link up with existing and planned bicycle routes outside of the neighborhood and at SFSU. Additionally, a new direct connection toward the Daly City BART station would be made possible by the reconfiguration of the interchange of Junipero Serra and Brotherhood Way.

Transit: The Project proposes to re-route the MUNI light-rail line, which currently runs in the middle of 19th Avenue, through Parkmerced, to relocate one station from the middle of 19th Avenue to within the Site and to create two new stations. This alignment has been coordinated with SFMTA and offers several operational advantages for transit service (such as being able to run short-lines that do not continue all the way through low-ridership areas to Balboa Park), in addition to better serving in a safer, more pleasant, and more convenient environment the majority of the riders in this area, who come from the west side of 19th Avenue at Parkmerced and SFSU. SFMTA would have the option of running trains all the way through to Balboa Park or terminating at Parkmerced. The Project proposes to dedicate necessary right-of-way easements and to build the infrastructure for this realignment. The Project also dedicates easements for a future extension of the light-rail line toward the Daly City BART station. Finally, the Project

proposes to fund the purchase by the SFMTA of one light-rail vehicle in order to maintain headways.

Vehicular: The current limited and circuitous access to the neighborhood would be enhanced by providing new access points with new or reconfigured intersections along Lake Merced (at Gonzalez, Acevedo, and Vidal), on Brotherhood Way (at Chumasero), on Junipero Serra (at Chumasero), and on 19th Avenue (at Crespi Drive). Other improvements are proposed at nearby intersections and sections of road to improve circulation, including but not limited to the addition of turn lanes and signalization changes.

Many of these improvements would require approval of the San Francisco Municipal Transit Authority (SFMTA), the California Public Utilities Commission (CPUC), and Caltrans; the Development Agreement includes provisions for seeking these approvals, and for proposing and implementing alternative projects that achieve equivalent public benefits should the proposals not garner necessary approvals from outside agencies. Per the Development Agreement, the developer must get necessary approvals and permits for the rail project within 7 years after the approval of the Agreement and must begin construction on the rail project by the time 2,500 new dwelling units have been constructed. Note that the first two years of the time period are reserved for the City to consider further modifications to the alignment based on ongoing studies of the 19th Avenue corridor ("Tier 5") (within funding provide in part by the Project Sponsor), and that construction of the rail project must be phased to allow later modification per Tier 5.

The Transportation Plan also includes a comprehensive Transportation Demand Management (TDM) program that obligates the Developer to undertake certain programs and services, including free shuttles to Daly City BART and nearby shopping centers, transit pass subsidies of \$20 per unit per month, a Transportation Coordinator to assist residents and employees of the Site, and implementation of a bicycle-share program.

Off-street parking for the residential units will primarily, but not exclusively be in underground garages, and will be concentrated on the west side of the Site (while units are concentrated toward the eastern half) to discourage casual usage. As parking would be unbundled and market-priced, occupants who wish to have parking space would have the option to pay less to park further away from their residence. Per the proposed SUD, parking could be provided up to one space per dwelling unit and non-residential parking would be capped generally at one space per 750 square feet (with some variation for specific uses). (Note that off-street parking would not strictly be required for any use per the SUD).

The Transportation Plan fully details goals and implementation actions for the Project.

Housing and Tenant Relocation

There are 3,221 dwelling units currently on-site. The housing stock is limited to two types: 2-3-story garden apartments (48% of total – 1,538 units) and 13-story tower

apartments (52% of total – 1683 units). Of the existing units, 35% are one-bedroom units, 58% are two-bedroom units, and 7% are three-bedroom units.

The proposed Project would demolish all of the existing garden apartments and replace them with a much broader mixture and variety of housing and building types, including units of various types in 3- to 6-story low rise buildings, 8- to 10-story mid-rise buildings, and 11- to 14-story towers. The Project would replace the existing units and add a net addition of approximately 5,679 units for a total of 8,900 units on-site. The percentage of one-bedroom units would remain at 35%, but there would be a larger percentage (15%) of three-bedroom units. Overall, the proportion of units in towers would decrease from 52.2% today to 34.4% as proposed. As the base of almost all new buildings will be lined with residential units, approximately 800 of the new units will be in the form of ground-level, walk-up units with direct, individual private access to sidewalks, front stoops, and/or courtyards.

The existing apartments slated for demolition are primarily wood-framed and stucco structures. To the extent practical, the existing structures will be "deconstructed", allowing for maximum re-use or recycling of materials. The feasibility of materials reused or recycled may be limited by the requirements for abatement of hazardous materials and the potential value of the recycled material. The proposed demolition and deconstruction will occur in conjunction with the construction phases over the 20- to 30-year development period.

Under the proposed Development Agreement, the Project would replace, on a one-forone basis, the 1,538 existing units subject to the Rent Stabilization Ordinance that would be demolished as part of the proposed Project. All existing tenants in these units would be offered a newly-constructed unit of comparable size (all with new appliances, including washers, dryers, and dishwashers) at their existing rents, and all relocation expenses would be paid for by the Project Sponsor. Prior to the submittal of a permit for a Replacement Building, the Developer is required to submit a Tenant Relocation Plan to the City, outlining the existing to-be-demolished units, the number of existing tenants and estimated schedule for the relocation. The Development Agreement outlines a detailed notification and new-unit selection process.

Sustainability

A key objective of the Project is to create a neighborhood that substantially improves the resource efficiency of both the existing development and future growth. The moderate-density housing, mixed-use land use, fine-grained urban design, and transit-oriented transportation program, described above, aim to substantially reduce the per capita amount of vehicular travel, which currently makes up the largest share (40%) of Bay Area greenhouse gas emissions. Besides these measures that are the basis for the Project, the Project would reduce environmental impacts of the existing Site and its growth through the following measures, amongst others:

Energy: The project has a goal of "Net Zero" energy usage for new development. To help strive toward this goal, the Project is committed to numerous renewable energy

production and efficiency measures. In accordance with the Development Agreement, the project would install renewable energy sources (e.g. photovoltaic cells or wind turbines) capable of providing 10% of the total estimated annual energy consumed by the Site, and cogeneration facilities capable of providing an additional 10% of the total estimated annual energy consumed. The project has also committed to construct all new buildings to improve on current Title 24 energy standards for residential building envelopes by at least 15% and all other Title 24 energy standards by at least 10%.

Water: The Project proposes to reduce stormwater runoff into the combined sewer system (thereby reducing demand on the sewer and treatment infrastructure, as well as reducing frequency of discharge of untreated runoff into the ocean) by collecting and slowing the runoff of stormwater in an extensive system of in-street bio-swales, the Juan Bautista Circle pond and cistern, and the stream corridor. This system would partially restore historical stream flows from the Site into Lake Merced, replenishing the aquifer and improving water quality and water levels in Lake Merced. The Project is also located in the City's Recycled Water Ordinance area, requiring that all new buildings be dualplumbed for delivery of non-potable water for toilet flushing, building mechanical systems, irrigation and other non-potable water uses. The Project proposes to install recycled water distribution infrastructure (i.e. piping) throughout the project's right-ofways and connecting to new buildings, so that in the future the Project can connect to planned SFPUC recycled water supply systems (e.g. potentially running up Lake Merced Boulevard). This would substantially reduce demand from the Site for potable water from the City's Hetch Hetchy system. The Project will reduce water consumption by up to 60% on a per capita basis.

The Sustainability Plan fully details goals and implementation actions for the Project.

- 7. Elements of Project Located Within the Local Coastal Zone. The elements on the Project, as described above, to be located within the Local Coastal Zone area subject to the City's jurisdiction include:
 - Demolition of existing two- and three-story "garden apartments" and replacement with three- and four-story residential buildings to be constructed in accordance with the sustainability measures applicable to the entire Project;
 - Protections for existing tenants, including the tenant relocation and rent control
 provisions described above, shall apply to all residential construction in the Local
 Coastal Zone;
 - Construction of bioswales associated with each building to treat stormwater run-off on-site;
 - Enhancement of existing open space, including the creation of Belvedere Gardens and a portion of the Stream Corridor; and

 Establishing an additional access point and pedestrian crossing location to the Project Site from Lake Merced Boulevard at Gonzalez Drive, and making traffic improvements to the intersection of Lake Merced Boulevard and Higuera Avenue.

Although the Project contemplates the installation of wind turbines along the western edge of the Project Site to meet the energy generation requirements contained in the Development Agreement, the wind turbines are not included in the current Coastal Zone Permit application. The Project Sponsor will seek a separate Coastal Zone Permit for the wine turbines when required for their construction.

8. **Public Comment**. The Department has received a substantial amount of public testimony regarding the Project, both in support and opposition. Many of these comments were received during the public informational hearings held for this project (October 21, 2010, November 4, 18, 2010, December 9, 16, 2010, and January 13, 2011) and as part of the EIR process.

9. Planning Code Section 330 – Local Coastal Zone Permit Review

The Parkmerced Mixed-Use Development Project necessitates approval by the Planning Commission of a Local Coastal Zone Permit, including findings of consistency with the Western Shoreline Area Plan of the General Plan (San Francisco's Local Coastal Program), pursuant to Planning Code Section 330, since a portion of the Site (Assessor's Blocks 7309, 7309-A, 7334, 7337, and 7333) is included in the boundaries of the Local Coastal Zone. Specifically, the portion of the Site located within the Local Coastal Zone Area consists of the southern half of development block 02W (portion of APN 7309/7309-A), development block 03W (portion of APN 7334), the western edge of development block 04 (portion of APN 7337) and the western edge of development block 23 (portion of APN 7333). The project proposes to demolish existing two-and three-story residential buildings on development block 02W and 03W and to replace such buildings with three-and four-story residential buildings. The portions of development blocks 04 and 23 within the Local Coastal Zone Permit Area would be designated as open space under the proposed Project.

A small portion of the southwest corner of the Project Site at the intersection of Lake Merced Boulevard and Brotherhood Way is located within the Coastal Zone area that is under the jurisdiction of the California Coastal Commission; because the later portion is not under the City and County of San Francisco's jurisdiction with regard to Coastal Zone review, the Project Sponsor will seek approvals separately to the Coastal Commission prior to any improvements to that land.

10. Planning Code Section 302. Pursuant to Planning Code Section 330.5(d), the Local Coastal Zone Permit Application shall be reviewed by the Commission subject to the procedures for reviewing Planning Code Amendments, as outlined in Planning Code Section 302. On balance, the Project is found to be consistent with said criteria in that:

- a. The Commission finds the Parkmerced Mixed-Use Development Program to be a beneficial development to the City that could not be accommodated without the actions requested.
- b. Parkmerced was constructed in the 1940s and early 1950s based on a model of separation of land uses, extensive reliance on the automobile for all purposes, and an insular circulation system featuring few connections to the wider city context. These patterns of development have proven to be unsustainable and exacerbate local and regional problems of transportation, air quality, and energy consumption and embody characteristics that do not meet the needs of today and the future to support sustainable growth.
- c. Assembly Bill 32 set statewide goals for greenhouse gas reductions and Senate Bill 375 further requires local regions and municipalities to coordinate land use and transportation plans to reduce greenhouse gas emissions. In the Bay Area, according to the Bay Area Air Quality Management District, 40% of greenhouse gas emissions come from transportation, primarily private vehicle travel. The average Bay Area household drives 18,000 miles per year. Low residential density and lack of mixed uses that prevent trips from being effectively served by public transit or made by walking or bicycling are the primary reasons for high Vehicle Miles Travelled (VMT) for Bay Area households. Regional growth will occur, and it is the duty of every Bay Area city to direct growth to infill areas that are supported by necessary services and well-served by public transportation and that do not expand the footprint of existing urbanized areas.
- d. The proposed infill Project density of 59 units per acre, incorporation of neighborhood-serving retail into a neighborhood center, and retrofitting of the block pattern to reduce block size, is more typical of San Francisco neighborhoods with low VMT. Based on consistent data from similar neighborhoods locally and throughout the country, the VMT of households in such a neighborhood is expected to be less than 10,000 miles per year.
- e. Parkmerced is already well situated with regard to public transit infrastructure, as it sits adjacent to MUNI light rail service on 19th Avenue, is served by several MUNI bus lines, and is close to the Daly City BART station. It is currently substantially underbuilt based on existing zoning. It is one of the best situated areas on the west side of the City to absorb growth in a transit-oriented and sustainable fashion, and its ownership under a single entity provides a rare opportunity to consider a long-term master plan for reconfiguration and improvement to meet the needs of the 21st-century and beyond.
- f. The proposed transportation investments as part of the Project, including MUNI rail re-alignment through the Project Site, would further improve service to the area and provide more operational options to the San Francisco Metropolitan Transit Authority (hereinafter, "MTA"). The proposal has been well-coordinated with MTA, paves the way and provides a down-payment for more long-term "Tier 5" options, and the Development Agreement paves the way for evaluating

and incorporating additional Tier 5 options by the City. Without this Project, the City may not be able to achieve the necessary transportation improvements in the 19^t Avenue corridor.

- g. The existing Parkmerced landscape is resource consumptive in its expansive use of manicured mono-cultural lawns, and the original neighborhood and landscape design directly disrupted and degraded ecological functions, particularly by diverting rainwater flow away from the underground aquifer and Lake Merced. The proposed Parkmerced Mixed-Use Development Program will result in a landscape that is both environmentally and financially sustainable and restores degraded systems. Improvements include creation of a system of bioswales and cisterns to direct stormwater into a restored creek corridor feeding into Lake Merced and/or the underlying groundwater basin. In addition, the proposed Parkmerced Mixed-Use Development Program will result in the generation of 20% of the total annual energy consumed by the Project, through the installation of renewable energy sources (such as photovoltaic cells and wind turbines) and cogeneration facilities.
- h. The existing neighborhood, while giving the impression of expansive open space, has little usable public open space. Its publicly-accessible green spaces are primarily comprised of snippets and in-between spaces such as roadway medians, building setbacks and undefined planted areas separating towers. The proposed Project would re-design the open space system to create distinct public open spaces in the form of both a larger connected network of major public open spaces, including a creek corridor, athletic fields, and farm, as well as smaller dispersed neighborhood parks activated by adjacent community uses and small-scale retail.
- i. The Parkmerced Mixed-Use Development Program would result in increased rental and for-sale housing of various sizes and income levels, and would provide a great diversity of housing types to meet the needs of a broad spectrum of household types. The proposal would provide a broader range of building and unit types than exist today. Whereas 7% of current units have three bedrooms, the proposed project would include 15% 3-bedroom units. While today over 52% of existing units are in the 13-story towers, upon full build-out, fewer than 35% of all units will be in towers of 11-14 stories.
- j. Under the terms of the proposed Development Agreement, the Project would replace, on a one-for-one basis, the 1,538 existing units subject to the City's Residential Rent Stabilization and Arbitration Ordinance (hereinafter, "Rent Stabilization Ordinance") that would be demolished as part of the proposed Project with 1,538 "replacement units" of comparable size in newly constructed buildings. All existing tenants in these to-be-demolished units would be offered a replacement unit of comparable size at their existing rents, all relocation expenses would be paid for by the Project Sponsor, and, as set forth in the proposed Development Agreement, the replacement unit would be subject to the provisions of the Rent Stabilization Ordinance for the life of the building.

Replacement units in the new buildings would chosen by existing tenants on a seniority basis. Under the proposed Development Agreement, to the extent that any of the 1,538 replacement units are not occupied by an existing tenant who has elected to relocate, the replacement unit will be made available to a new tenant and will also be subject to the provisions of the Rent Stabilization Ordinance for the life of the building. The project sponsor will pay relocation expenses to existing tenants who choose not to relocate into a replacement unit.

- k. The Parkmerced Mixed-Use Development Program would result in an entire neighborhood completely built in conformity with the City's recently-adopted Better Streets Plan, providing an excellent pedestrian environment.
- The Parkmerced Mixed-Use Development Program would result in numerous public improvements to the intersections adjacent to and surrounding Parkmerced, providing circulation benefits not just for Parkmerced but for the wider community.
- m. The Parkmerced Mixed-Use Development Program would create a social heart for the community, and would create a traditional pedestrian-oriented neighborhood commercial district within close walking distance of all Parkmerced residents. The proposed Parkmerced Mixed-Use Development Program would result in 1,500 permanent jobs.
- n. The proposed Project includes a comprehensive program for environmental sustainability, seeking to minimize any growth in water or energy use, to accommodate new growth by constructing infrastructure in a manner that will allow connection to future recycled water supplies, and by committing to invest in renewable energy infrastructure and efficiency measures that are above and beyond existing requirements.
- o. The Parkmerced Mixed-Use Development Program establishes a detailed design review process for buildings and community improvements.
- p. The Local Coastal Permit is necessary in order to approve the Parkmerced Mixed-Use Development Program.
- 11. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

WESTERN SHORELINE AREA PLAN

Lake Merced

Objectives and Policies

OBJECTIVE 5:

PRESERVE THE RECREATIONAL AND NATURAL HABITAT OF LAKE MERCED.

Policy 5.1

Preserve in a safe, attractive and usable condition the recreational facilities, passive activities, playgrounds and vistas of Lake Merced area for the enjoyment of citizens and visitors to the city.

Policy 5.2

Maintain a recreational pathway around the lake designed for multiple use.

Policy 5.3

Allow only those activities in Lake Merced area which will not threaten the quality of the water as a standby reservoir for emergency use.

The Parkmerced Mixed-Use Development Program includes the retention of the 11 existing tower buildings, and the construction of approximately 5,679 net new units. The siting of new structures has been designed in such a way so to cluster new towers within existing towers' sightlines from the residential neighborhoods to the east, in order to preserve views of Lake Merced and the Pacific Ocean.

On the periphery of the neighborhood, a new garden overlook and terraced steps with water feature (Belvedere Garden) would provide a new direct pedestrian link from the neighborhood through the southwest corner of the Site to the major open spaces at Lake Merced, making Lake Merced's pathway more usable and accessible to residents living to the east of the Lake.

The Project proposes to reduce stormwater runoff into the combined sewer system (thereby reducing demand on the sewer and treatment infrastructure, as well as reducing frequency of discharge of untreated runoff into the ocean) by collecting and slowing the runoff of stormwater in an extensive system of in-street bio-swales, the Juan Bautista Circle pond and cistern, and the stream corridor. This system would partially restore historical stream flows from the Site into Lake Merced, replenishing the aquifer and improving water quality and water levels in Lake Merced. Any and all construction activities in the Local Coastal Zone (and elsewhere on the Project Site) will comply with mitigation measures set forth in the FEIR, protecting against construction-site run-off to Lake Merced.

- 12. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the Project complies with said policies in that:
 - A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The proposed Project would enhance the neighborhood-serving retail uses by creating a neighborhood-serving retail core with approximately 230,000 square feet of new retail space, thereby providing the community with services such as a grocery store and banking. The existing Parkmerced development currently has only a very small amount of neighborhood-

serving retail, which is located adjacent to the Project Site. In combination with the proposed approximately 69,000 square feet of new office space, the new retail uses would provide opportunities for resident employment and business ownership. Furthermore, the proposed addition of 5,679 net new households would strengthen business at existing establishments in the vicinity of the Project Site and bolster demand for additional retail uses.

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

The proposed Project would preserve the existing diversity and character of Parkmerced by maintaining the same number of rent controlled units (3,221 rent controlled units) that currently exist at Parkmerced. The Project would accomplish this by conserving 1,683 existing rent controlled apartments, which would remain subject to the Rent Stabilization Ordinance, and replacing all 1,538 existing rent controlled apartments that would be demolished by the Project with a new unit that would be subject to the same protections as contained in the Rent Stabilization Ordinance for the life of the building. In addition, under the proposed Project, residents of buildings proposed for demolition would be given the opportunity to relocate to such replacement units in a new building and would be assessed the same rent as their previous unit. The Project would also enhance the diversity of Parkmerced by constructing a large number of new BMR affordable units. Currently, Parkmerced has no BMR units. Further, the proposed Project would enhance the character of the Parkmerced neighborhood by establishing a social and commercial core, improving pedestrian accessibility, and creating open space and recreational opportunities.

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

The proposed Project will result in the construction of a significant number of BMR housing units in accordance with the Development Agreement to be executed by the Project Sponsor and the City. Such BMR units will significantly increase the City's supply of affordable housing. Moreover, the affordability of the existing rent-controlled units would be maintained for all existing residents, who, under the terms of the proposed Development Agreement, would continue to benefit from the protections of the Rent Stabilization Ordinance, including residents of units proposed for replacement who elect to relocate to a new unit. For such relocated residents, the Project proposes that the new unit be rented at the same rent controlled rate as the resident's existing unit, thereby preserving affordability of the Project for existing residents. Under the proposed Development Agreement, the replacement unit would be subject to the same rent increase restrictions as contained in the Rent Stabilization Ordinance for the life of the building, regardless of whether an existing tenant elects to relocate to the unit or the unit is occupied by a new tenant.

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

The proposed Project would enhance MUNI transit service by re-routing the MUNI M-Oceanview light-rail line through the Project Site, creating two new stations and relocating

the existing Parkmerced/SFSU station. These improvements would alleviate the overcrowding issues at the existing Parkmerced/SFSU station and improve the connection to SFSU by requiring riders to cross Holloway Avenue as opposed to Nineteenth Avenue. The realignment would also reduce the walking distance to transit for residents of Parkmerced, thereby encouraging the use of public transportation. In addition, the proposed roadway realignments would ease the burden on City streets in the Parkmerced area by improving traffic flow. Finally, the proposed Project would add approximately 90 on-street and 6,252 off-street parking spaces, ensuring that residents of the proposed Project do not rely on parking in the adjoining neighborhoods.

E. 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 resident employment and ownership in these sectors be enhanced.

The proposed Project would not displace any industrial or service sector uses because of new commercial office development since the existing buildings slated for demolition do not contain any industrial or service sector uses. The Project Site is currently occupied by residential apartment buildings.

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

The proposed Project would help the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake because the new buildings would be constructed in accordance with all applicable building codes and regulations with regard to seismic safety.

G. That landmarks and historic buildings be preserved.

The proposed Project would not adversely impact any City landmarks because there are no registered landmarks on the Project Site. Although none of the buildings on the Project Site are designated City landmarks, as mitigation for the Proposed Project's impacts to historic resources under the California Environmental Quality Act, the Project Sponsor will prepare documentation of the site based on the National Park Service's Historic American Building Survey/Historic American Engineering Record Historical Report Guidelines and provide a permanent display of interpretative materials concerning the history of the original Parkmerced complex.

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

The proposed Project would provide 68 acres of open space in a network of publically accessible neighborhood parks, athletic fields, public plazas, greenways and a farm. The Project would provide significant additional open space in the form of private or semi-private

open space areas such as outdoor courtyards, roof decks, and balconies. These private and semi-private open spaces would be required within the development of each residential building within Parkmerced. The parks and open space would be more accessible and usable than the current open spaces. Parks and open space within, and in the vicinity of, the proposed Project would continue to receive a substantial amount of sunlight during the day when use is at its highest rate. Existing coastal views from parks located to the east and north of the Project Site would be maintained with implementation of the proposed Project.

- 13. The Commission hereby finds that approval of the Local Coastal Zone Permit Application would promote the health, safety and welfare of the City.
- 14. Findings under the California Environmental Quality Act (CEQA): On February 10, 2011, the Commission reviewed and considered the information contained in the FEIR and by Motion No. 18270 adopted CEQA Findings for the proposed Parkmerced Mixed-Use Development Program Project under CEQA, the CEQA Guidelines and Chapter 31, including the adoption of a mitigation monitoring and reporting program (MMRP) and a statement of overriding considerations, ("CEQA Findings"). The CEQA Findings and MMRP for the proposed Project are on file with the Clerk of the Commission and are hereby incorporated into this Motion by reference and adopted.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby APPROVES the Local Coastal Zone Permit No. 2008.0021EPMTZW in general conformance with the Application as received on January 10, 2011 and stamped "EXHIBIT A", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Local Coastal Zone Permit to the Board of Appeals within fifteen (15) days after the date of this Motion No. 18272. The effective date of this Motion shall be the date of this Motion if not appealed (after the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals in person at 1650 Mission Street, 3rd Floor (Room 304) or call 575-6880.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on February 10,

AYES:

Commissioners Antonini, Borden, Fong, and Miguel

NAYS:

Commissioners Moore, Olague, and Sugaya

ABSENT:

ADOPTED:

February 10, 2011

Planning Commission Resolution No. 18273

Development Agreement HEARING DATE: FEBRUARY 10, 2011

Date:

January 27, 2011

Project Name:

Parkmerced Mixed-Use Development Program

W Case: Development Agreement

Case Number:

2008.0021EPMTZW

Initiated by:

Seth Mallen, Parkmerced Investors, LLC

3711 – 19th Avenue

San Francisco, CA 94132

Staff Contact:

Elizabeth Watty, Planner

Elizabeth.Watty@sfgov.org, 415-558-6620

Reviewed By:

David Alumbaugh, Acting Director Citywide Planning

David.Alumbaugh@sfgov.org, 415-558-6601

90-Day Deadline:

N/A – Sponsor Initiated

Recommendation:

Recommend Approval

RESOLUTION APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND PARKMERCED INVESTORS, LLC., A DELAWARE LIMITED LIABILITY CORPORATION, FOR CERTAIN REAL PROPERTY LOCATED AT 3711 19TH AVENUE IN THE LAKE MERCED DISTRICT IN THE SOUTHWEST CORNER OF SAN FRANCISCO AND GENERALLY BOUNDED BY VIDAL DRIVE, FONT BOULEVARD, PINTO AVENUE, AND SERRANCE DRIVE TO THE NORTH, 19TH AVENUE AND JUNIPERO SERRA BOULEVEARD TO THE EAST, BROTHERHOOD WAY TO THE SOUTH, AND LAKE MERCED BOULEVARD TO THE WEST, AND COMPRISED OF ASSESSOR'S BLOCKS AND LOTS 7303-001, 7303-A-001, 7308-001, 7309-001, 7309-A-001, 7310-001, 7311-001, 7315-001, 7316-001, 7317-001, 7318-001, 7319-001, 7320-003, 7321-001, 7322-001, 7323-001, 7325-001, 7326-001, 7330-001, 7331-004, 7332-004, 7333-001, 7333-003, 7333-A-001, 7333-B-001, 7333-C-001, 7333-D-001, 7333-E-001, 7334-001, 7335-001, 7336-001, 7337-001, 7338-001, 7339-001, 7340-001, 7341-001, 7342-001, 7343-001, 7344-001, 7345-001, 7345-A-001, 7345-B-001, 7345-C-001, 7356-001, 7357-001, 7358-001, 7359-001, 7360-001, 7361-001, 7362-001, 7363-001, 7364-001, 7365-001, 7366-001, 7367-001, 7368-001, 7369-001, and 7370-001, ALTOGETHER CONSISTING OF APPROXIMATELY 152-ACRES AND COMMONLY KNOWN AS PARKMERECED, FOR A TERM OF THIRTY (30) YEARS AND MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, GENERAL PLAN FINDINGS, AND FINDINGS PURSUANT TO PLANNING CODE SECTION 101.1(b).

The Planning Commission (hereinafter "Commission") finds as follows:

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Reception: 415.558.6378

Planning Information: RESOLUTION NO. 18273 Hearing Date: February 10, 2011

- 1. California Government Code Section 65864 et seq. authorizes any city, county, or city and county to enter into an agreement for the development of real property within the jurisdiction of the city, county, or city and county.
- Chapter 56 of the San Francisco Administrative Code sets forth the procedure by which any request for a development agreement will be processed and approved in the City and County of San Francisco.
- 3. Parkmerced Investors, LLC ("Developer") owns the real property located in the City and County of San Francisco, California located at 3711 19th Avenue on Assessor's Blocks and Lots 7303-001, 7303-A-001, 7308-001, 7309-001, 7309-A-001, 7310-001, 7311-001, 7315-001, 7316-001, 7317-001, 7318-001, 7319-001, 7320-003, 7321-001, 7322-001, 7323-001, 7325-001, 7326-001, 7330-001, 7331-004, 7332-004, 7333-001, 7333-003, 7333-A-001, 7333-B-001, 7333-C-001, 7333-D-001, 7333-E-001, 7334-001, 7335-001, 7336-001, 7337-001, 7338-001, 7339-001, 7340-001, 7341-001, 7342-001, 7343-001, 7345-001, 7345-A-001, 7356-001, 7357-001, 7358-001, 7359-001, 7360-001, 7361-001, 7362-001, 7363-001, 7364-001, 7365-001, 7366-001, 7367-001, 7368-001, 7369-001, and 7370-001, altogether consisting of approximately 152 acres and commonly known as Parkmerced (the "Project Site").
- 4. The Developer filed an Application with the City's Department of Planning for approval of a development agreement under Administrative Code Chapter 56. The Developer also filed applications with the Department of Planning to (a) amend the City's Planning Code to create the Parkmerced Special Use District, (b) amend the City's General Plan to change applicable height and bulk classifications, (c) amend applicable zoning maps.
- 5. The Developer proposes to increase residential density, provide a neighborhood core with new commercial and retail services, reconfigure the street network and public realm, improve and enhance the open space amenities, modify and extend existing neighborhood transit facilities, and improve utilities within the Project Site. The Developer proposes to retain approximately half (1,683) of the existing 3,221 rent-controlled apartments as part of the Project. The remaining half would be demolished over time and replaced with the Replacement Units. Approximately 5,679 net new residential units would be added to the Project Site over time. In total, upon completion of the Project, there will be up to 8,900 residential units on the Project Site (1,683 existing-to-be-retained units + 1,538 newly constructed Replacement Units + 5,679 newly constructed units = 8,900 units). The Project Site would also be developed with a mixed-use residential and commercial development with accessory parking and loading. The Parties wish to ensure appropriate development of the Project Site, to provide for the replacement of the 1,538 rent-controlled units and tenant amenities in the residential structures currently existing on the Project Site and proposed to be demolished, and to protect the tenants of the existing residential structures from displacement due to the proposed development of the Project Site. The Parties acknowledge that this Agreement is entered into in consideration of the respective burdens and benefits of the Parties contained in this Agreement.

RESOLUTION NO. 18273 Hearing Date: February 10, 2011

- 6. The Office of Economic and Workforce Development ("OEWD"), in consultation with the Planning Director, has substantially negotiated a development agreement for the Project Site, a copy of which is attached as Exhibit A (the "Development Agreement").
- 7. While the attached Development Agreement is substantially complete, there are items that OEWD staff and the Developer are still negotiating, which items are highlighted in a separate OEWD memorandum to the Commission. The Development Agreement must also be reviewed and approved separately by the Board of the San Francisco Municipal Transportation Agency, the San Francisco Public Utilities Commission and ultimately the San Francisco Board of Supervisors. These two City commissions and the Board of Supervisors may propose or recommend additional changes to the Development Agreement subsequent to this Commission reviewing and approving the attached Development Agreement.
- 8. The Planning Department analyzed the Project (Case No. 2008.0021EPMTZW), including the Development Agreement and other actions related to the Project, in a draft Environmental Impact Report published on May 12, 2010. On February 10, 2011, by Motion No. 18629, the Commission made findings and certified the Final Environmental Impact Report ("FEIR") in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq., ("CEQA"), the State CEQA Guidelines (California Code of Regulations Title 14 Sections 15000 et seq.) and Chapter 31 of the San Francisco Administrative Code (Chapter 31).
- 9. Also on February 10, 2011, the Commission reviewed and considered the information contained in the FEIR and by Motion No. 18270 adopted CEQA Findings for the proposed Parkmerced Mixed-Use Development Program Project under CEQA, the CEQA Guidelines and Chapter 31, including the adoption of a mitigation monitoring and reporting program (MMRP) and a statement of overriding considerations, ("CEQA Findings"). The CEQA Findings, including the MMRP, for the proposed Project are on file with the Clerk of the Commission and are hereby incorporated into this Motion by reference as though fully set forth and are hereby adopted by the Commission in support of this action.
- 10. The Commission hereby finds, for the reasons set for in Motion No.'s 18270 and 18272, and Resolution No.'s 18271 and 18273, that the Development Agreement and related approval actions are, on balance, consistent with the General Plan including any area plans, and are consistent with the Planning Code Priority Policies of Planning Code Section 101.1(b).
- 11. The Director accepted the application for filing after it was deemed complete; published notice of acceptance in an official newspaper; and has made the application publicly available under Administrative Code Section 56.4(c).
- 12. OEWD has prepared an estimated budget of the reasonable costs to be incurred by the City in preparing and adopting the proposed Development Agreement and preparing related documents and that document is available for review by the Commission under Administrative Code Section 56.20. A copy of the estimated budget of the City's costs

RESOLUTION NO. 18273 Hearing Date: February 10, 2011

associated with this matter recommended is attached as Exhibit B. The Developer is required to pay to the City all of the City's costs in preparing and negotiating the Development Agreement, including all staff time for all City Department's involved in the preparation of the Development Agreement and associated Planning Code and General Plan amendments.

- 13. The Director has scheduled and the Commission has held a public hearing as required by Administrative Code Section 56.4(c). The Planning Department gave notice as required by Planning Code Section 306.3 and mailed such notice on January 21, 2011, which is at least 10 days before the hearing to local public agencies as required by Administrative Code Section 56.8(b).
- 14. The Planning Department file on this matter was available for public review at least 20 days before the first public hearing on the development agreement as required by Administrative Code Section 56.10(b). The file continues to be available for review at the Planning Department at 1650 Mission Street, 4th floor, San Francisco.

IT IS HEREBY RESOLVED, that the Commission approves the Development Agreement, in substantially the form attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, that the Commission approves the estimated budget of the City's costs associated with this matter recommended by the Director in Exhibit B; and, be it

FURTHER RESOLVED, that the Commission finds that the application, public notice, Planning Commission hearing, and Planning Director reporting requirements regarding the Development Agreement negotiations contained in Administrative Code Chapter 56 required of the Planning Commission and the Planning Director have been substantially satisfied in light of the over 250 public meetings held for the project and the five public informational hearings provided by Planning Department staff at the Planning Commission and the information contained in the Director's Report Regarding Parkmerced Development Agreement Negotiations; and, be it

FURTHER RESOLVED, that the Commission authorizes the Planning Director to take such actions and make such changes as deemed necessary and appropriate to implement this Commission's recommendation of approval and to incorporate recommendations or changes from the SFMTA Board, the SFPUC and/or the Board of Supervisors, provided that such changes do not materially increase any obligations of the City or materially decrease any benefits to the City contained in the Development Agreement attached as Exhibit A; and be it

FURTHER RESOLVED, that on or before the date the Development Agreement becomes effective, and pursuant to Administrative Code Section 56.20(b), the Developer shall pay the City an amount equal to all of the City's costs in preparing and negotiating the Development Agreement, including all staff time for the Planning Department and the City Attorneys' Office, as invoiced by the Planning Director.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on February 10, 2011.

Commission Secretary

AYES:

Commissioners Antonini, Borden, Fong, and Miguel

NAYS:

Commissioners Moore, Olague, and Sugaya

ABSENT:

ADOPTED:

February 10, 2011



Planning Commission Motion No. 18270

CEQA Findings

HEARING DATE: FEBRUARY 10, 2011

Date:

January 27, 2011

Project Name:

Parkmerced Mixed-Use Development Program

Case Number:

2008.0021<u>E</u>PMTZW

Initiated by:

Seth Mallen, Parkmerced Investors, LLC

3711 – 19th Avenue

San Francisco, CA 94132

Staff Contact:

Elizabeth Watty, Planner

Elizabeth.Watty@sfgov.org, 415-558-6620

Reviewed By:

David Alumbaugh, Acting Director Citywide Planning

David.Alumbaugh@sfgov.org, 415-558-6601

Recommendation:

Adopt CEQA Findings

ADOPTING **PROJECT** APPROVAL **FINDINGS** UNDER THE **CALIFORNIA** ENVIRONMENTAL QUALITY ACT (CEQA) TO ALLOW THE FULL IMPLEMENTATION OF THE PARKMERCED MIXED-USE DEVELOPMENT PROGRAM ("PROJECT"), BEING ALL OF ASSESSOR'S BLOCKS 7303-001, 7303-A-001, 7308-001, 7309-001, 7309-A-001, 7310-001, 7311-001, 7315-001, 7316-001, 7317-001, 7318-001, 7319-001, 7320-003, 7321-001, 7322-001, 7323-001, 7325-001, 7326-001, 7330-001, 7331-004, 7332-004, 7333-001, 7333-003, 7333-A-001, 7333-B-001, 7333-C-001, 7333-D-001, 7333-E-001, 7334-001, 7335-001, 7336-001, 7337-001, 7338-001, 7339-001, 7340-001, 7341-001, 7342-001, 7343-001, 7344-001, 7345-001, 7345-A-001, 7345-B-001, 7345-C-001, 7356-001, 7357-001, 7358-001, 7359-001, 7360-001, 7361-001, 7362-001, 7363-001, 7364-001, 7365-001, 7366-001, 7367-001, 7368-001, 7369-001, and 7370-001, IN THE RM-1 (RESIDENTIAL MIXED, LOW DENSITY), RM-4 (RESIDENTIAL MIXED, HIGH DENSITY), & RH-1(D). (RESIDENTIAL HOUSE, ONE-FAMILY, DETACHED) DISTRICTS.

PREAMBLE

In determining to approve the Parkmerced Project ("Project") described in Section A, Project Description below, the San Francisco Planning Commission (hereinafter "Commission") makes and adopts the following findings of fact and decisions regarding mitigation measures and alternatives, and adopts the statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and under the California Environmental Quality Act ("CEQA"), California Public Resources Code Sections 21000 et seq., particularly Sections 21081 and 21081.5, the Guidelines for Implementation of CEQA ("CEQA Guidelines"), 14 California Code of Regulations Sections 15000 et seq., particularly Sections 15091 through 15093, and Chapter 31 of the San Francisco Administration Code.

1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

Fax:

415.558.6409

Planning Information: 415.558.6377

FINDINGS

The San Francisco Planning Commission hereby incorporates by reference as though fully set forth herein the findings for the Project approval of the Parkmerced Mixed-Use Development Program (hereinafter the "Project") attached hereto as Exhibit A pursuant to the California Environmental Quality Act, California Public Resources Code, Sections 21000 et seq. ("CEQA"), the Guidelines for Implementation of CEQA, Title 15 California Code of Regulations Sections 15000 et. seq. ("Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"), entitled Environmental Quality:

A. Project Description

The Parkmerced Mixed-Use Development Program is a long-term (20-30 year) mixed-use development program to comprehensively replan and redevelop the Parkmerced Project Site—the "Project" identified in the Final EIR. The Project would increase residential density, provide a neighborhood core with new commercial and retail services, modify transit facilities, and improve utilities within the development site. A new site for a Pre-K-5 school and/or day care facility, a fitness center, and new open space uses, including athletic playing fields, walking and biking paths, an approximately 2-acre farm, and community gardens, would also be provided. About 1,683 of the existing apartments located in 11 tower buildings would be retained. Over an approximately 20-year period of phased construction, the remaining 1,538 existing apartments would be demolished in phases and fully replaced, and an additional 5,679 net new units would be added to the Project Site, resulting at full build-out in a total of about 8,900 units on the Project Site.

The Project includes construction of (or provides financing for construction of) a series of transportation improvements, which include rerouting the existing Muni Metro M Ocean View line from its current alignment along 19th Avenue. The new alignment, as currently envisioned and analyzed in the Final EIR, would leave 19th Avenue at Holloway Avenue and proceed through the neighborhood core in Parkmerced. The Muni M line trains would then travel alternately along one of two alignments: trains either would re-enter 19th Avenue south of Felix Avenue and terminate at the existing Balboa Park station, or they would terminate at a new station, with full layover and terminal facilities, constructed on the Project Site at the intersection of Font Boulevard and Chumasero Drive.

The Proposed Project also includes a series of infrastructure improvements, including the installation of a combination of renewable energy sources, such as wind turbines and photovoltaic cells, to meet a portion of the Proposed Project's energy demand. In addition, stormwater runoff from buildings and streets would be captured and filtered through a series of bioswales, ponds, and other natural filtration systems. The filtered stormwater would then either percolate into the groundwater that feeds the Upper Westside groundwater basin and Lake Merced or be released directly into Lake Merced.

Amendments to the San Francisco Planning Code and the San Francisco General Plan are also proposed as part of the Proposed Project. The Planning Code amendments would change the Height and Bulk District Zoning Map and would add a Special Use District (SUD) applicable to

the entire Project Site, which would include an overlay of density and uses within the SUD. A Development Agreement is also proposed as part of the Project, as well as adoption of the Parkmerced Design Standards and Guidelines, which contain specific development guidelines.

The Final EIR also evaluated a Project sub-variant, which would construct a right-turn ingress along 19th Avenue between Crespi Drive and Junipero Serra Boulevard at Cambon Drive. This new access location would provide ingress for southbound vehicles only and would not provide access out onto 19th Avenue.

B. Planning and Environmental Review Process

The Project Sponsor applied for environmental review on January 8, 2008. The Department determined that an Environmental Impact Report was required and provided public notice of the preparation of such on May 20, 2009, and held a public scoping meeting on June 8, 2009. The Department published a Draft Environmental Impact Report (DEIR) on May 12, 2010. The Commission held a public hearing to solicit testimony on the DEIR on June 17, 2010. The Department received written comments on the DEIR for 61-days, beginning on May 12, 2010. The Department published the Comments and Responses on October 28, 2010. The DEIR, together with the Comments and Responses document, constitute the Final Environmental Impact Report (FEIR) for the Parkmerced Mixed-Use Development Program. The Commission certified the FEIR on February 10, 2011, in Motion No. 18629.

Pursuant to the California Environmental Quality Act, Public Resources Code Section 21000 et seq., (CEQA), Title 14 California Code of Regulations Section 15000 et seq. (CEQA Guidelines), and Chapter 31 of the San Francisco Administrative Code, the Planning Commission has reviewed and considered the FEIR, which is available for public review at the Planning Department's offices at 1650 Mission Street.

Pursuant to CEQA Guidelines Section 15162, the Commission finds that the proposed actions before this Commission are within the scope of the project analyzed in the FEIR and (1) that no substantial changes are proposed in the Project and no substantial changes have occurred with respect to the circumstances under which this Project will be undertaken that would require major revisions to the FEIR due to the involvement of any new significant environmental effects or a substantial increase in the severity of previously identified effects and (2) no new information that was not known and could not have been known shows that the project will have any new significant effects not analyzed in the FEIR or a substantial increase in the severity of any effect analyzed or that new mitigation measures should be included that have not. The Commission further finds that an addendum to the FEIR is not required due to any changes in the Project or the Project's circumstances.

The public hearing transcript, a copy of all letters regarding the FEIR received during the public review period, the administrative record, and background documentation for the FEIR are located at the Planning Department, 1650 Mission Street, San Francisco. The Planning Commission Secretary, Linda Avery, is the custodian of records for the Planning Department and the Planning Commission.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby adopts the CEQA Findings attached hereto as Exhibit A and the Mitigation Monitoring and Reporting Program (MMRP) attached hereto as Exhibit B, which are incorporated herein by reference as though fully set forth.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on Thursday, February 10, 2011

Commission Decrease,

AYES:

Commissioners Antonini, Borden, Fong, and Miguel

NAYS:

Commissioners Moore, Olague, and Sugaya

ABSENT:

ADOPTED:

February 10, 2011



ATTACHMENT A

PARKMERCED PROJECT CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS: FINDINGS OF FACT, EVALUATION OF MITIGATION MEASURES AND ALTERNATIVES, AND STATEMENT OF OVERRIDING CONSIDERATIONS SAN FRANCISCO PLANNING COMMISSION

(Revised: February 3, 2011)

In determining to approve the Parkmerced Project ("Project") described in Section I, Project Description below, the San Francisco Planning Commission makes and adopts the following findings of fact and decisions regarding mitigation measures and alternatives, and adopts the statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and under the California Environmental Quality Act ("CEQA"), California Public Resources Code Sections 21000 et seq., particularly Sections 21081 and 21081.5, the Guidelines for Implementation of CEQA ("CEQA Guidelines"), 14 California Code of Regulations Sections 15000 et seq., particularly Sections 15091 through 15093, and Chapter 31 of the San Francisco Administration Code.

This document is organized as follows:

Section I provides a description of the Project proposed for adoption, and, in the alternative, the No Muni Realignment Alternative, the environmental review process for the Project, the approval actions to be taken and the location of records;

Section II identifies the impacts found not to be significant that do not require mitigation;

Section III identifies potentially significant impacts that can be avoided or reduced to less-than significant levels through mitigation and describes the disposition of the mitigation measures;

Section IV identifies significant impacts that cannot be avoided or reduced to less-than-significant levels and describes any applicable mitigation measures as well as the disposition of the mitigation measures;

Section V identifies mitigation measures proposed but rejected as infeasible for economic, legal, social, technological, or other considerations;

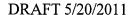
Section VI evaluates the different Project alternatives and the economic, legal, social, technological, and other considerations that support approval of the Project and the rejection of the alternatives, or elements thereof, analyzed; and

Section VII presents a statement of overriding considerations setting forth specific reasons in support of the Commission's actions and its rejection of the alternatives not incorporated into the Project.



File No. 2008.0021E Parkmerced Project February 10, 2011 Page 1 of 41

MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Schedule	Monitoring/Report Responsibility	Status/Date Completed
MITIGATION MEASURES FOR THE PARKMERCED PROJECT			245	
Cultural Resources and Archeological Paleontological Resources Mitigation Measure.	3			
Mitigation Measure M-CR-1: Documentation and Interpretation Documentation The Project Sponsor shall retain a professional who meets the Secretary of the nterior's Professional Qualifications Standards for Architectural History to prepare written and photographic documentation of the Parkmerced complex within the Project site.	Project sponsor to retain qualified professional consultant	Prior to construction submittal of HABS/HAER/HALS guidelines documentation for approval by Planning Department.	Consultant to submit report to Planning Department	
The documentation for the property shall be prepared based on the National Park Service's (NPS) Historic American Building Survey (HABS) / Historic American Engineering Record (HAER) Historical Report Guidelines, and will include a selection of measured drawings based upon NPS Historic American Landscape Survey (HALS) Guidelines. This type of documentation is based on a combination of both HABS/HAER standards (Levels I, II and III) and NPS's policy for photographic documentation as outlined in the National Register of Historic Places and National Historic Landmarks Survey Photo Policy Expansion.		Prior to construction, transmit documentation to the SF Library, and NWIC.		
The measured drawings for this documentation shall follow HALS Level I standards. To determine the number of the measured drawings, the professional shall consult with the San Francisco Planning Department's Preservation Coordinator.				
The written historical data for this documentation shall follow HABS / HAER Level I standards. The written data shall be accompanied by a sketch plan of the property. Efforts should also be made to locate original construction drawings or plans of the property during the period of significance. If located, these drawings should be obtotographed, reproduced, and included in the dataset. If construction drawings or plans cannot be located, as-built drawings shall be produced.				
Either HABS/HAER standard large format or digital photography shall be used. If ligital photography is used, the ink and paper combinations for printing photographs must be in compliance with NR-NHL Photo Policy Expansion and have a permanency ating of approximately 115 years. Digital photographs will be taken as uncompressed, ITF file format. The size of each image will be 1600x1200 pixels at 330 ppi (pixels per nch) or larger, color format, and printed in black and white. The file name for each electronic image shall correspond with the index of photographs and photograph label.				
Photograph views for the dataset shall include (a) contextual views; (b) views of each ide of each building and interior views, where possible; (c) oblique views of buildings; and (d) detail views of character-defining features, including features on the interiors of ome buildings. All views shall be referenced on a photographic key. This				•





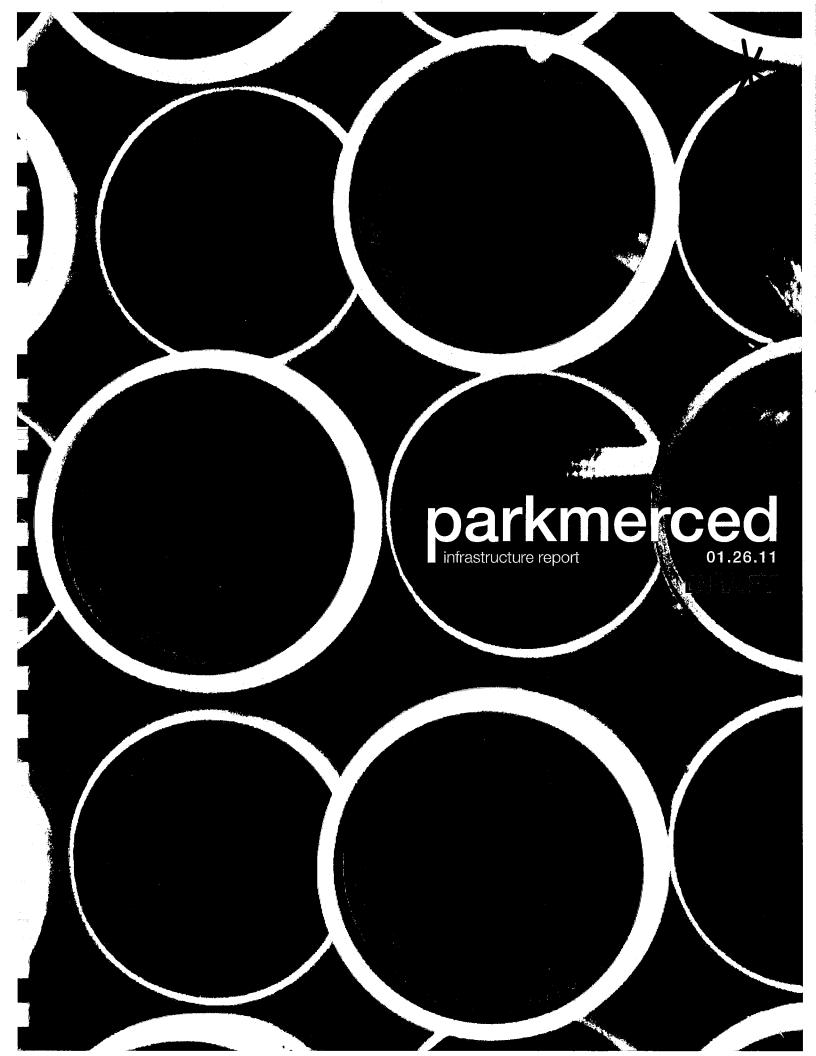
RECORDING REQUESTED BY CLERK OF THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

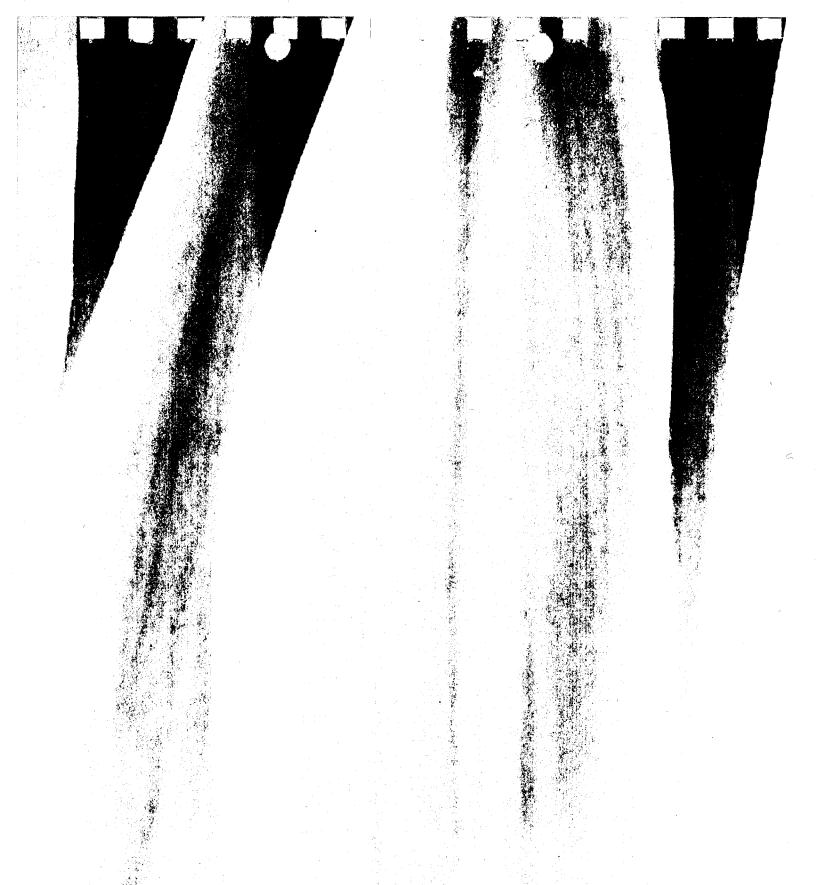
(Exempt from Recording Fees Pursuant to Government Code Section 27383)

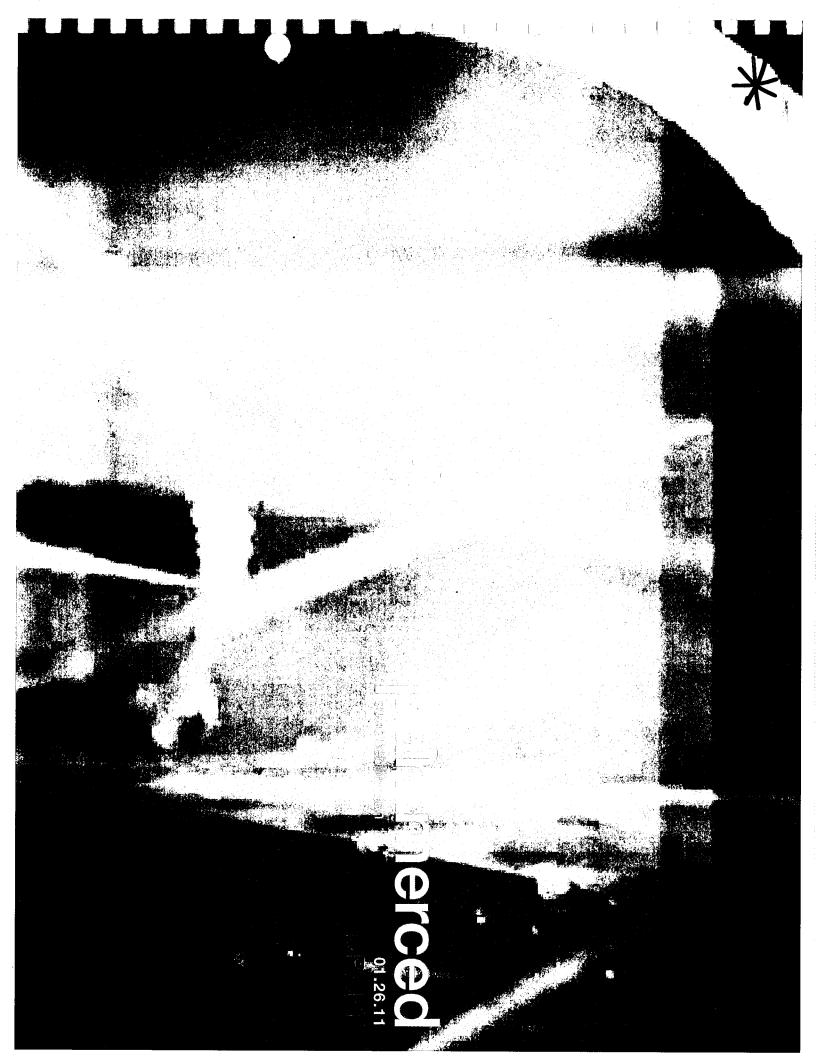
AND WHEN RECORDED MAIL TO:

Angela Calvillo Clerk of the Board of Supervisors City Hall, Room 244 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO
AND PARKMERCED INVESTORS LLC
RELATIVE TO THE DEVELOPMENT KNOWN AS
THE PARKMERCED DEVELOPMENT PROJECT







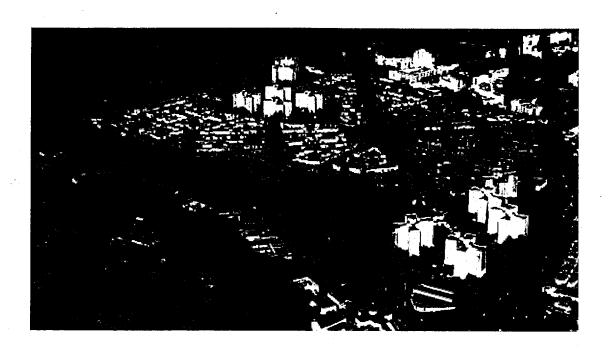


oarkmerced
transportation plan



PARKMERCED PROJECT

Volume 1 - Chapters I-VIII



CITY AND COUNTY OF SAN FRANCISCO PLANNING DEPARTMENT: CASE NO. 2008.0021E

STATE CLEARINGHOUSE NO. 2009052073

DRAFT EIR PUBLICATION DATE: MAY 12, 2010

DRAFT EIR PUBLIC HEARING DATE: JUNE 17, 2010

DRAFT EIR PUBLIC COMMENT PERIOD: MAY 12, 2010 TO JUNE 28, 2010

Written comments should be sent to:

Environmental Review Officer San Francisco Planning Department 1650 Mission Street, Suite 400 San Francisco, CA 94103

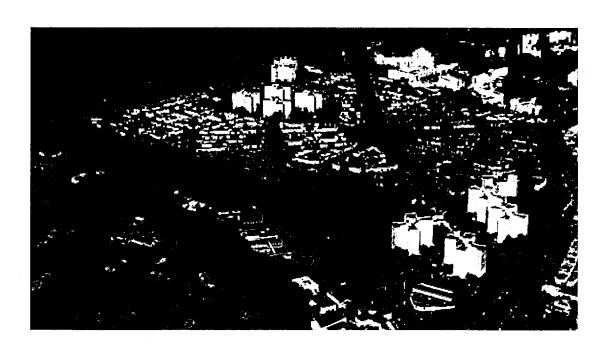


(A)



PARKMERCED PROJECT

Volume 2 - Appendices



CITY AND COUNTY OF SAN FRANCISCO PLANNING DEPARTMENT: CASE NO. 2008.0021E

STATE CLEARINGHOUSE NO. 2009052073

DRAFT EIR PUBLICATION DATE: MAY 12, 2010

DRAFT EIR PUBLIC HEARING DATE: JUNE 17, 2010

DRAFT EIR PUBLIC COMMENT PERIOD: MAY 12, 2010 TO JUNE 28, 2010

Written comments should be sent to:

Environmental Review Officer San Francisco Planning Department 1650 Mission Street, Suite 400 San Francisco, CA 94103

