



# SAN FRANCISCO PLANNING DEPARTMENT

## Executive Summary Initiation of Planning Code, Zoning Map, and General Plan Amendments

HEARING DATE: MAY 8, 2014

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*Date:* May 1, 2014  
*Case No.:* **2006.1308EMTZ**  
*Project Address:* **Visitacion Valley/Schlage Lock**  
*Zoning:* M-1  
*Proposed Zoning:* Visitacion Valley Special Use District  
*Height/Bulk:* 40-X & 55-X  
*Block/Lot No.'s:* **AB 5066B** / 003, 004, 004a, 005, 006, 007, 008, 009; **AB 5087**/003, 003a, 004, 005; **AB 5099**/014; **AB 5100**/ 002, 003,007,010 **AB 5101**/006, 007; **AB 5102** / 009, 010; **AB 5107**/001, 003, 004, 005; **AB 6233**/048, 055; **AB 6248**/002, 045; **AB 6249**/001, 002, 002A, 016, 017, 018, 019, 020, 021, 022, 023, 024, 025, 026, 027, 028, 029, 030, 031, 032, 033, 034, 035, 036; **AB 6308**/001, 001a, 001d, 002, 002b, 003; **6309B**/001, 002, 018.  
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*Recommendation:* **Initiate Amendments to the General Plan.**

### INTRODUCTION

The Planning Department, in collaboration with the Office of Economic and Workforce Development, and several other City agencies, presents the amendments and updates to the *Visitacion Valley / Schlage Lock Development Project*. This represents the culmination of many years of collaboration with Universal Paragon Corporation, the property owner and project sponsor, as well as with Visitacion Valley residents, business owners, workers and stakeholders, towards a plan for reuse of the long-vacant Schlage Lock site into a vibrant, transit-oriented mixed use development that will be model of sustainability. The plan calls for the creation of 1,679 new residential units, a mid-sized grocery store, and other ground floor neighborhood retail on the Schlage site. Of particular note is that in addition to the 15% affordable housing requirement, all of the market-rate units developed on the site are also expected to be affordable to middle income families based on the prevailing market affordability of the neighborhood. It also includes three new neighborhood parks of different sizes, the extension of the Visitacion Valley street grid throughout the Schlage Lock property, and integrates the commercial backbone of the community, Leland Avenue, into the site.

The draft Resolution and action before the Planning Commission is for initiation of amendments to the General Plan. The Initiation Package is intended to provide the Commission with all the documentation necessary to initiate the necessary amendments to implement the Visitacion Valley / Schlage Lock Development Program. Initiation does not involve a decision on the substance of the amendments; it

merely begins the required notice period, after which the Commission may hold a hearing and take action on the proposed amendments and related actions.

The proposed General Plan Amendments pertaining to this initiation hearing are part of a larger package of changes that will be presented to the Planning Commission for approval at a future public hearing. At such hearing, the Planning Commission will consider the General Plan amendments as well as related Planning Code and Zoning Map Amendments, the Development Agreement, the Design for Development, the Open Space and Streetscape Master Plan as well as an Infrastructure Master Plan and a Transportation Demand Management Plan. The Mayor and Supervisor Cohen introduced the related components to the Board of Supervisors on Tuesday, April 29 2014. No initiation action is required for the other actions related to approving the project, ; any actions related to CEQA will follow at the time of approvals.

## **REQUIRED COMMISSION ACTIONS AT THIS HEARING**

The following actions are requested from the Commission at this hearing:

- 1) Approve resolution initiating amendments to the General Plan.** By formally initiating the process of making amendments to the General Plan the Commission directs staff to begin a required 20-day notice period and to calendar an approval hearing after the required 20-day period has run. Notice of the approval hearing will be published in the newspaper and mailed to residents and property owners within 300 feet of all exterior boundaries of the planning area, as required by section 306.3 of the Planning Code. Please note that by initiating these amendments today, the Commission does not make any decision regarding the substance of the proposals. It retains full rights to accept, reject or modify any and all parts of the proposed ordinance and the Visitacion Valley / Schlage Lock proposals at such future hearing.
- 2) Calendar the proposed hearing date for approval and adoption.** Staff proposes that the date for final approval and adoption of amendments and related actions be set for June 5, 2014, as a regular calendar item. The project requires presentations at several City Commissions, Committees and Boards and it is critical the project meets this date.
- 3) Review the requested future commission actions.** In order to develop the Schlage Lock site and plan for other improvements to the Visitacion Valley neighborhood, the Planning Commission will be asked to consider a number of actions at the hearing on June 5<sup>th</sup>. Requested future actions that the Planning Commission must consider are described further at the end of this case report.

## **PROJECT BACKGROUND**

The Schlage Lock Company operated from the 1920's to 1974 and it was one of the City's largest employers. The Ingersoll Rand Corporation acquired the Schlage Lock Company in 1974 and operated the plant until 1999, when it closed down the plant and relocated manufacturing operations. The 20 acre site has been vacant since 1999. After Home Depot proposed to develop a retail store on the vacant Schlage site in 2000– a proposal that met with community opposition - the Board of Supervisors imposed interim zoning controls, sponsored by then Supervisor Sophie Maxwell, on the site to encourage the long-term planning of the site. Residents of Visitacion Valley then partnered with City

agencies and the Universal Paragon Corporation to develop a plan for the reuse and revitalization of this critical site in their community. Several years of analysis and an extensive community planning process concluded in 2009 with the adoption of a Redevelopment Plan, zoning changes and a detailed Design for Development to guide change on the site. Since City adoption of the Plan, the former Visitacion Valley Citizens Advisory Committee (CAC) had continued to meet to discuss and comment on various aspects of the Plan's implementation and to provide comments to the project sponsor as it continued to implement the plans for the Schlage Lock site.

However, the demise of Redevelopment Agency in early 2012, and the loss of public funding that accompanied it, required reopening the plans for the site. City staff, along with the project sponsor, re-initiated efforts to move transformation of Schlage forward beginning with a community meeting on October 13<sup>th</sup> 2012. The Planning Department partnered with the Mayor's Office of Economic and Workforce Development and the community to evaluate the project's feasibility, to look at tools which can help move the project forward, and to make the necessary legislative changes to foster the site's transformation. The proposed amendments to the 2009 documents and the new Development Agreement are the results of that effort.

### Project Location / Present Use

The Visitacion Valley/Schlage Lock site is located in the southeast quadrant of San Francisco, immediately north of the San Francisco / San Mateo County Line and the City of Brisbane in San Mateo County. To the west of the Special Use District, are McLaren Park, the Sunnyvale HOPE-SF site and the Excelsior and Crocker Amazon districts; to the east of the site lie Highway 101, Little Hollywood, Executive Park, Candlestick and Bayview Hunters Point neighborhoods; and the Bayshore Caltrain station lies near the Southeast corner of the site. The 20-acre site is currently zoned M-1 (Industrial) District and 40-X Height and Bulk Districts. Demolition of the Schlage factory buildings has taken place. With the exception of the old office building and plaza at Bayshore Boulevard and Blanken Avenue, the site is currently vacant. Since 2009 the entire site has undergone active groundwater and soil vapor remediation due to its former industrial use.



Bayview Hunters Point neighborhoods; and the Bayshore Caltrain station lies near the Southeast corner of the site. The 20-acre site is currently zoned M-1 (Industrial) District and 40-X Height and Bulk Districts. Demolition of the Schlage factory buildings has taken place. With the exception of the old office building and plaza at Bayshore Boulevard and Blanken Avenue, the site is currently vacant. Since 2009 the entire site has undergone active groundwater and soil vapor remediation due to its former industrial use.

The Special Use District (SUD) includes two zones: Zone 1, composed of the Schlage Lock industrial site, located at the southern border of San Francisco where Bayshore Boulevard converges with Tunnel Avenue; and Zone 2, composed of the segments of the west side of Bayshore Boulevard and the existing Leland Avenue adjacent to the Schlage Lock site.

## PROPOSAL: AMENDMENTS TO THE ADOPTED 2009 PLAN & IMPLEMENTING DOCUMENTS

The proposed Amendments would:

(1) **Amend the Planning Code** (introduced by the Mayor and the Board) to:

- Update Planning Code Section 249.45 - the "Visitacion Valley/Schlage Lock Special Use District, which would:
  - allow for the development of 1,679 housing units and up to 46,700 square feet of new retail;
  - establish key controls that supersede the underlying zoning such as parking, and prohibiting and allowing certain uses;
  - establish that development in the SUD is regulated by the *Visitacion Valley/Schlage Lock Design for Development* document and the *Open Space and Streetscape Master Plan* as adopted and periodically amended by the Planning Commission, except for those controls specifically enumerated in the SUD;
  - establish a process for phase and project design review, approval and the consideration of modifications to the controls of the SUD and the *Design for Development Controls and Guidelines*, including public notification and hearings; and
  - sunset the 2009 Redevelopment Plan

(2) **Amend the Zoning Maps** (introduced by the Mayor and the Board) as follows:

- Amend Z10 to designate the new Mixed Use General (MUG) zoning for Zone 2 (the Schlage Lock site) of the project site; and
- Amend Zoning Map HT10 to reclassify the height limits within the project site according to the proposed project.

(3) **Amend the General Plan** as follows

- Urban Design Element map - Urban Design Guidelines for Height of Buildings (Map 4) and Urban Design Guidelines for Bulk of Buildings (Map 5) to reference the Visitacion Valley/Schlage Lock Special Use District replacing the references to the 2009 Redevelopment Area Plan;
- Commerce and Industry Element maps - Generalized Commercial and Industrial Land Use Plan (Map 1), Generalized Commercial & Industrial Density Plan (Map 2), Residential Service Areas of Neighborhood Commercial Districts and Uses (Map 4), and Generalized Neighborhood Commercial Land Use and Density Plan (Map 5) to replacing the references to the 2009 Redevelopment Area Plan and instead reference the Visitacion Valley/Schlage Lock Special Use District.
- Transportation Element map - Vehicular Street Map (Map 6) to replace references to the Redevelopment Area Plan and instead reference the Special Use District.

The Visitacion Valley/Schlage Lock Project also necessitates approval by the Planning Commission and the Board of Supervisors of a Development Agreement, accompanied by and implemented through four additional documents to guide future development at the Schlage site: *the Visitacion Valley/Schlage Lock Design for Development*, *the Visitacion Valley/Schlage Lock Open Space and Streetscape Master Plan*, *the Visitacion Valley/Schlage Lock Infrastructure Plan*, and a *Transportation Demand Management Plan*.

- **The Design for Development (D4D)** provides a design framework for transforming the Schlage Lock site into a walkable neighborhood and for creating strong connections to the existing Visitacion Valley community. It prescribes controls for land use and urban design controls and guidelines for open spaces, streets, blocks and individual buildings. The design guidelines also apply to Zone 2 of the SUD.
- **The Open Space and Streetscape Master Plan** establishes schematic designs for new parks, open space and streets on the Schlage Lock site. It includes material palettes, as well as planting, lighting, stormwater, public art and furnishing plans.
- **The Infrastructure Plan** establishes an outline for anticipated site-wide improvements to all street and public rights-of-way, underground utilities, and grading.
- **The Transportation Demand Management Plan** provides a combination of land use, infrastructure improvements, and supporting programs to increase the likelihood of shifting transportation modes away from driving alone. It includes measures which mitigate environmental impacts and additional measures pursuant to the Development Agreement..
- **The Development Agreement** establishes the terms and responsibilities for the development of the Schlage Lock Site and provision of community benefits.

The project proposes to construct up to 1,679 new residential units, provide new commercial and retail services, provide new open spaces, new infrastructure an within the development site to be built in a phases. New buildings on the site would range in height from 57 feet to 86 feet.

As envisioned and planned in the original Plan, neighborhood-serving retail would be constructed as part of the proposed Project and concentrated near the extension of Leland Avenue and close to Bayshore, along which the T-Third rail line runs. Each block surrounds or is within ¼ mile of a planned open space. A new grocery store, new streets, infrastructure and other amenities (e.g. sustainable features, pedestrian improvements.) would also be provided on the Project Site. Infrastructure improvements would include the installation of sustainable features, such storm water management. The project sponsor is required to provide two publicly accessible open spaces. A third park, on an adjacent site owned by the Peninsula Corridor Joint Powers Board (Caltrain), is also planned. In addition to these new parks, 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.

As noted, the documents before the Commission are not a new Plan or wholesale revisions. The amendments build on the existing 2009 plans to ensure feasibility while maintaining livability to make sure that the 20-acre site is revitalized comprehensively. The site plan and guiding documents have been revised in the following ways:

ISSUE	CHANGE
<b>Increased heights</b>	From 45'-85' to 55'-86'.
<b>Increased density</b>	From 1,250 units to 1,679 units.
<b>Modified parks location</b>	See map exhibit 4 – to accommodate a phase 1

<b>Reduced commercial square footage</b>	Reduced from 105,000 square feet to 46,700 square feet.
<b>Updated design controls and building standards</b>	Amended to account for new location of parks and taller heights on the site, as well refined design controls, such as required ground floor frontages, setbacks and massing breaks to deliver high-quality urban design and livability while ensuring project feasibility
<b>Adjusted parking</b>	Increased parking allowance on the grocery use to ensure its success; and flexibility to provide car-share on-street or near key uses such as transit nodes and retail.
<b>Proposed new zoning</b>	<p>Proposed to rezone to Mixed Use General zoning from industrial/M-1 to make the zoning consistent with the planned uses for a mixed-use, primarily housing development.</p> <p>Proposed review process for formula retail, including public review, to attract anchor retail tenants; and to support the success of new retail and of the existing Leland neighborhood-commercial corridor.</p>
<b>Proposed review processes and ongoing community participation</b>	<p>Proposed process for phase and project design review, approval, and consideration of modifications to the controls of the SUD and the <i>Design for Development Controls and Guidelines</i> including public notification and hearings.</p> <p>Ongoing community input and participation through:</p> <ul style="list-style-type: none"> <li>• pre- and post-application meetings in Visitacion Valley for phase applications;</li> <li>• pre-application meetings in Visitacion Valley and notification/comment period for building permits;</li> <li>• annual meeting in Visitacion Valley to program impact fees and for project sponsor to deliver progress report.</li> <li>• post-application meeting for design review of two parks, to demonstrate incorporation of community feedback into park designs</li> </ul>
<b>Completed related documents / actions</b>	<ul style="list-style-type: none"> <li>• General Plan, Planning Code and Zoning Map Amendments</li> <li>• Development Agreement</li> <li>• Transportation Demand Management Plan</li> <li>• Final Open Space and Streetscape Master Plan</li> <li>• Final Infrastructure Master Plan</li> <li>• Revised Design for Development document</li> </ul>

### Key Terms of the Development Agreement

The Project is being reviewed for approval through a Development Agreement (DA) by and between the City and County of San Francisco and Visitacion Valley LLC. The Development Agreement is a contract between the City and the Developer that provides greater security and flexibility to both the City and Developer, and results in greater public benefits in exchange for certainty. Development Agreements are typically used for large-scale projects with substantial infrastructure investment and multi-phase build outs. The draft Development Agreement is attached and a detailed summary of the DA will be distributed to the Commission under separate cover. A list of key provisions is below:

- 15 year term
- Vested right to develop for the term of the DA
- Requirement to commence Phase 1 within a specified time period
- Requirement that Phase 1 include a full-service grocery store
- Requirement that Developer provide the following key community benefits
  - 15% Inclusionary Housing with most or all on-site (100% of housing on this site, including the market-rate units, is expected to be affordable to middle income families based on the prevailing market affordability of the neighborhood.)
  - Parks
  - New streets and sidewalks designed to a high standard, including pedestrian connectivity from the Visitacion Valley neighborhood to the Bayshore Caltrain station.
  - Complete restoration of the Historic Office Building on the site with at least 25% of space devoted to community-oriented uses
  - Payment of Visitacion Valley Community Facilities and Infrastructure Fee
  - Payment of a “Transportation Fee Obligation” on all uses (notably residential) not currently subject to the Transportation Development Impact Fee (TIDF).
- In recognition of the loss of almost \$50 million in tax increment subsidy to the project with the demise of Redevelopment, the DA includes the following forms of public subsidy to the project:
  - \$2.9 million in-kind credit on Visitacion Valley Community Facilities and Infrastructure Fee, in recognition that the project is providing open space and restoring the historic Office Building

- o \$5.3 million in-kind credit against the Transportation Fee Obligation in recognition that the project is providing a variety of major improvements to the street and pedestrian network
- o Acquisition by the Department of Recreation and Parks of one or two of the project’s open spaces (still under negotiation).
- o \$1.5 million in Transportation support funding subsidy from MTA
- o \$2 million in Proposition K funds from the Transportation Authority

**ENVIRONMENTAL REVIEW**

The proposed resolution to initiate amendments to the General Plan has been determined not to be a project under the California Environmental Quality Act (CEQA) Section 15378(b)(5) of the CEQA Guidelines.

On December 18, 2008, the Planning Commission and the former San Francisco Redevelopment Commission certified the Final Environmental Impact Report (FEIR) for the Project. At that time the Commission adopted CEQA findings and mitigations. As a result of the changes to the site plan, an Addendum was prepared to analyze the potential impacts. The Addendum concludes that, since certification of the FEIR, no changes have occurred in the proposed project or in the circumstances under which the project would be implemented that would cause new significant impacts or a substantial increase in the severity of impacts identified and analyzed in the FEIR, and that no new information has emerged that would materially change the analyses or conclusions set forth in the EIR. The Modified Project would not necessitate implementation of additional or considerably different mitigation measures than those identified in the FEIR. All necessary CEQA findings and documents will be available in the Department’s case reports for hearings where action on the project will be taken.

**HEARING NOTIFICATION REQUIREMENTS (FOR PROPOSED APPROVALS HEARING)**

On or after June 5<sup>th</sup> 2014, the Planning Commission will take an action to recommend approval to the Board on the proposed amendments. Below are the notification requirements for such action:

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	May 15	May 14	22 days
Posted Notice	N/A	N/A	N/A	N/A
Mailed Notice	10 days	June 24	May 14	22 days

**PUBLIC OUTREACH & ENGAGEMENT**

The 2014 revisions to the *Design for Development* are the result of an extensive public engagement process. A series of focused public workshops was held between October 2012 and March 2014. In addition to four public workshops attended by residents, business owners and members of the public,



the process included periodic open meetings with an Advisory Body – a group of former CAC members serving in an advisory role and helping to facilitate the transition in accordance with the original Redevelopment Area vision. Planning Department staff led the public process in collaboration with staff from the Office of Economic Development, and the project sponsor. Other City departments also participated in the public meetings. A list of the topics of the four major public meetings is provided below.

- Meeting 1: Post-Redevelopment Update, Community Priorities, Phase 1 Goals – October 12, 2012
- Meeting 2: Potential Funding Strategies & Site Plan Changes - January 12, 2013
- Meeting 3: Final Site Plan Revisions & Leland Greenway Programming - May 18, 2013
- Meeting 4: Development Agreement Overview - March 22, 2014

It should be noted that public engagement will continue. Implementation of the specific phases of development and public improvements are subject to additional community review, including pre-application and post-application meetings, official notification, annual meetings by the City to program the impact fees collected, and annual progress reports by the developer as specified by the Special Use District and described in the DA and D4D.

## **BASIS FOR RECOMMENDATION**

The Department believes the Commission should initiate the amendments to the Planning Code, Zoning Maps and General Plan necessary to implement the Visitacion Valley/Schlage Lock Project so that the project may move forward after many years of planning, and so that it may recommend approval or disapproval of the Ordinances to the Board of Supervisors at a future hearing.

<b>RECOMMENDATION:</b> <b>Approval to Initiate the General Plan Amendments</b>
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### **Exhibits:**

- Exhibit 1 - Draft Initiation Resolution
- Exhibit 2 - Draft Ordinance to Amend the General Plan
- Exhibit 3 - Draft Mayor and Board Resolution Urging the Planning Commission to Initiate and Consider Amendments to the General Plan
- Exhibit 4 - Revised Park locations map
- Exhibit 5 - Draft Ordinance to Approve Development Agreement
- Exhibit 6 - Development Agreement
- Exhibit 7 - Draft Ordinance to Amend the Planning Code and the Zoning Map
- Exhibit 8 - Visitacion Valley/Schlage Lock Design for Development
- Exhibit 9 - Visitacion Valley/Schlage Lock Open Space and Streetscape Master Plan
- Exhibit 10 - Visitacion Valley/Schlage Lock Infrastructure Plan (*forthcoming*)
- Exhibit 11 - Visitacion Valley/Schlage Lock Transportation Demand Management Plan (included as Exhibit J to the Development Agreement)