



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary

Amendments to the Planning Code, Zoning Maps, and General Plan, and Approval of a Development Agreement

HEARING DATE: JUNE 5, 2014

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date: May 29, 2014
Case No.: **2006.1308EMTZW**
Project Address: **Visitacion Valley/Schlage Lock**
Zoning: M-1, Visitacion Valley Special Use District
Proposed Zoning: MUG, Visitacion Valley Special Use District
Height/Bulk: 40-X & 55-X
Proposed Height: *Varies 45-X to 85-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.**
Staff Contact: Claudia Flores – (415) 558-6473 Claudia.Flores@sfgov.org
Reviewed by: Joshua Switzky – (415) 558-6815 Joshua.Switzky@sfgov.org
Recommendation: **Approval of: (1) Development Agreement; (2) Planning Code Text & Amendments; (3) General Plan Map Amendments; and (4) related documents with proposed modifications.**

INTRODUCTION

On May 8, 2014 the Planning Commission adopted a Resolution to Initiate amendments to the City's General Plan. The Mayor and Supervisor Cohen introduced related components – a Development Agreement Ordinance, a Planning Code and Zoning Map Ordinance and relevant documents incorporated by reference - to the Board of Supervisors on Tuesday, April 29 2014 and referred them to the Commission. The proposed amendments that are the subject of today's approval actions regarding the Schlage Lock Project were contained in an Initiation Package and presented to the Commission at the Initiation Hearing as well as made available to the public one week in advance of that hearing. The Initiation Package provided the Commission with all the documentation necessary to take action at this approval hearing on the proposed amendments and related actions that are necessary to implement the Visitacion Valley / Schlage Lock Development Program.

Subsequent to the Commission's May 8th initiation action, notice of the approval hearing was published and mailed to all affected property owners and tenants, as required by the Planning Code.

The Planning Commission is considering the General Plan amendments as well as related Planning Code and Zoning Map Amendments, approval of the Development Agreement, the Design for

Development, the Open Space and Streetscape Master Plan, Infrastructure Master Plan and a Transportation Demand Management Plan.

This case report includes the following key sections: 1) A summary of the actions the Commission is considering at this hearing; and 2) a list of all substantive changes, some of which are in response to input from the Commission and the public received since that hearing, to the May 8, 2014 Initiation Packet materials.

Attached to this report are also draft approval resolutions and documents not previously included in the May 8, 2014 Initiation Package.

AMENDMENTS & APPROVALS

The proposed amendments and approval actions 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.

(4) Make environmental findings, Planning Code Section 302 findings and findings of consistency with the General Plan and the Priority Policies of the Planning Code Section 101.1.

(5) The Visitacion Valley/Schlage Lock Project also necessitates **approval of a Development Agreement** by the Planning Commission and the Board of Supervisors, (6) 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 Way It Is Now:

The existing Visitacion Valley/Schlage Lock Special Use District references the Redevelopment Plan and the 2009 Design for Development Document. The loss of Redevelopment necessitates revisions to the adopted documents.

The Way It Would Be:

The proposed Ordinances would modify the General Plan, Planning Code and Zoning Maps to reference the updated and new documents and procedures to implement the Visitacion Valley/Schlage Lock Development Project; and would approve the Development Agreement – the contract which spells out the City’s and Developer’s obligations.

REQUIRED COMMISSION ACTIONS AT THIS HEARING

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

1. Adopt a resolution recommending **approval with modification to the Board of Supervisors of the Schlage Lock Development Project Development Agreement**, in order to approve Schlage Lock’s Development Program.
2. Adopt a resolution recommending **approval with modifications to the Board of Supervisors of the Ordinances amending the Planning Code, including the Zoning Maps, and the General Plan**, and related implementation documents, in order to approve the Schlage Lock Development Program. Recommend modifications to the Ordinances as part of the Commission’s resolution.

ISSUES & CONSIDERATIONS: PROPOSED CHANGES SINCE INITIATION HEARING

The following is an outline of the recommended substantive revisions to the Ordinances and supporting documents that are proposed for discussion by the Commission for recommendation to the Board based on Commission and public comments. All comments were thoroughly reviewed and considered by staff. Staff recommends the Commission recommend all the following substantive changes to the Ordinances and supporting documents as part of the Commission’s resolution recommending approval to the Board. There are additional non-substantive technical and typographic corrections and clean up that are being made to the various related documents that do not necessitate action or discussion by the Commission.

Issue	Document	Change
Zoning and height changes	Ordinance Amending the Planning Code and Zoning Map	<ul style="list-style-type: none"> Remove 2 parcels - The ordinance erroneously included 2 parcels owned by two property owners, other than the project sponsor, (specifically, Assessor’s Blocks and Lots 5087-004 and 5087005) for rezoning to MUG and for height reclassification. Rezoning of those two parcels will trail, if appropriate, after discussions with the property owners. These properties are already located within the existing Special Use District.
Post-application meeting requirement for parks	Ordinance Amending the Planning Code and Zoning Map	<ul style="list-style-type: none"> Correct language: This is to be a required meeting not an optional one.
Post-application meeting requirement for buildings/site permits	Ordinance Amending the Planning Code and Zoning Map	<ul style="list-style-type: none"> Add language: Post-application meetings will also be required for building/site permit applications, not just Phase Applications.
Design guideline for commercial signs	Design for Development	<ul style="list-style-type: none"> Add a design guideline for retail signage to minimize size and number of signs and place them in locations that are compatible with the surrounding aesthetic and architecture.
Accessibility of sidewalks	Open Space and Streetscape Master Plan	<ul style="list-style-type: none"> Add language that design of sidewalks may be adjusted and will comply with City and ADA policy.
Phase Application review	Development Agreement	<ul style="list-style-type: none"> Section 3.4.4. (establishes the Phase Application review process) edit to specify time for staff review of applications and for post-application meetings, which should be required not optional.

Issue	Document	Change
Permit Application review	Development Agreement	<ul style="list-style-type: none"> Section 3.8.3 (establishes other City agency review for individual permit applications) edit to specify time for Recreation and Parks Department review of applications.
City's contributions	Development Agreement	<ul style="list-style-type: none"> Section 4.1 (Costa-Hawkins Rental Housing Act) add detail consisting of a list of the City's contributions to the Project.
Publicly accessibility of parks in perpetuity	Development Agreement	<ul style="list-style-type: none"> Section 6.15 (addresses the public accessibility of the parks) add a section to establish the project sponsor's obligation to record Notices of Special Restriction on the parks to ensure they will remain publicly accessible in perpetuity.
Missing exhibits	Development Agreement	<p>Various exhibits were still incomplete in the initiation packet, these are now complete and include:</p> <ul style="list-style-type: none"> - Exhibit C – List of Community Improvements - Exhibit G – Phase Application Checklist - Exhibit I – Mitigation Measures and MMRP - Exhibit L – Infrastructure Plan - Exhibit Q - Notice of Special Restrictions for Community Use Restrictions for Old Office Building - Exhibit R - Notice of Special Restrictions for Visitacion Park - Exhibit S – Notice of Special Restrictions for Leland Greenway Park
Transportation Demand Management (TDM) Plan	Development Agreement	<ul style="list-style-type: none"> Language was added to Exhibit J (TDM Plan) to require the transit pass contribution amount to be revised in line with the Consumer Price Index.

In addition, while the DA is substantially complete there are items that City staff and the Developer are still negotiating and finalizing. The table below outlines those issues for discussion by the Commission. If the Commission agrees with the rough terms and potential changes, staff recommends the Commission recommend that the Board of Supervisors resolve all final terms as part of the Commission's resolution recommending Board approval.

Issue	Document	Change under consideration
Parcel mapping process; and infrastructure review, acceptance and city roles.	Development Agreement	<ul style="list-style-type: none"> - Final DPW Roles & Responsibilities – Clarifying the parcel mapping process, clarifying the City’s responsibility with regard to temporary improvements that may be made during the early stages of development, laying out conditions for the City’s acceptance of infrastructure, and, spelling out the roles of various agencies in reviewing public improvements that fall under DPW’s permitting jurisdiction, including DPW’s powers with regard to public improvements that fall under DPW’s jurisdiction.
Cost Cap Fire Suppression System	Development Agreement	<ul style="list-style-type: none"> - Cost Cap Fire Suppression System – The final DA brought before the Board of Supervisors may include additional language that limits the developer’s cost obligation for an auxiliary or portable fire suppression system. SFPUC has engaged a technical consultant to study the expected cost of such a system, and SFPUC and the project sponsor expect to negotiate an appropriate cost cap based on the consultant’s findings.
Infrastructure Plan	Development Agreement	<ul style="list-style-type: none"> - Exhibit L – Infrastructure Plan – The project sponsor and SFPUC are still in conversation about the preferred order for future technical reviews that SFPUC will have to perform following the development agreement’s execution. The Infrastructure Plan may need to be revised slightly, depending on the agreement reach that SFPUC and the project sponsor reach.

<p>Park Acquisition Terms (see attached memo with process and terms of acquisition)</p>	<p>Development Agreement</p>	<p>- Exhibit M – Park Acquisition – Negotiation is expected to be completed and terms finalized prior to the Board of Supervisors’ consideration of the DA. The attached memo lays out scope and structure of the acquisition process and terms.</p>
---	------------------------------	--

ENVIRONMENTAL REVIEW

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.

As part of the Addendum drafting process, the Planning Department consulted with San Francisco Municipal Transportation Agency (“SFMTA”) who determined that certain mitigation measures identified in the FEIR are not feasible as proposed and that no other feasible mitigation measures are available to address certain identified significant impacts. This determination is set forth in a letter from Frank Markowitz, SFMTA, to Andrea Contreras, Planning Department, dated March 28, 2014. The mitigation measures the SFMTA found to be infeasible as proposed in the FEIR are: Mitigation Measure 8-1A as it applies to the intersections of Bayshore/Blanken, Bayshore/Arleta/San Bruno, and Tunnel/Blanken; Mitigation Measure 8-3 as it applies to the intersection of Bayshore/Visitacion; and Mitigation Measure 8-7 as it applies to Bayshore/Sunnydale in the eastbound direction.

As described in Chapter 8 of the FEIR, Impact 8-1A at Bayshore/Blanken and Bayshore/Arleta/San Bruno, Impact 8-3 at Bayshore/Visitacion, and Impact 8-7 at Bayshore/Sunnydale were found to be significant and unavoidable, even with implementation of Mitigation Measures 8-1A, 8-3, and 8-7 as proposed in the FEIR. For the reasons set forth in the March 28, 2014 letter, SFMTA would not implement Mitigation 8-1A at Bayshore/Blanken and Bayshore/Arleta/San Bruno, nor would it implement Measure 8-3 at the intersection of Bayshore/Visitacion. No other feasible mitigation measures exist that would reduce the impacts at these intersections to less than significant levels. SFMTA additionally proposes to modify Mitigation 8-7 to remove the requirement for an additional eastbound lane at the intersection of Bayshore/Sunnydale because it has determined this requirement is not feasible. Because these impacts were identified in the FEIR as significant and unavoidable, even with implementation of the mitigation measures that the SFMTA has now determined are infeasible,

elimination and modification of these mitigation measures as described would not result in any new significant impacts or in a substantial increase in severity of the impacts as already identified in the FEIR.

SFMTA has additionally recommended that Mitigation Measure 8-1A at the intersection of Tunnel/Blanken be modified to include intersection monitoring. The FEIR identified the impact at this intersection as less than significant with mitigation, and implementation of Mitigation 8-1A with this proposed modification would continue to reduce that intersection impact to less than significant. Modification of Mitigation Measure 8-1A as recommended by SFMTA staff would not result in any new significant impacts or in a substantial increase in severity of the impacts as already identified in the FEIR.

Additionally, the SFRA Commission and Planning Commission rejected certain other mitigation measures as infeasible when in their CEQA Findings adopted when they approved the project in 2009 and 2008, respectively. Staff recommends adoption of the attached MMRP with all proposed modifications.

PUBLIC COMMENT & UPCOMING HEARINGS

Public comment will be taken at the Planning Commission hearing on June 5th 2014 and at subsequent adoption hearings at the Board of Supervisors and other necessary commissions. A schedule of hearings is on the project's website at <http://visvalley.sfplanning.org>

RECOMMENDATION & BASIS FOR RECOMMENDATION

Staff recommends that the Planning Commission approve the Development Agreement and recommend approval of the General Plan, Planning Code, and Zoning Map Amendments to the Board of Supervisors, with all of the proposed modifications discussed above. The associated Plan documents, including the Design for Development, the Open Space and Streetscape Master Plan, Infrastructure Master Plan and a Transportation Demand Management Plan are incorporated by reference as both exhibits to the Development Agreement and in some cases also referenced by the Planning Code. Staff also recommends approval of these documents with all of the proposed modifications discussed above.

- The Department finds the requested actions to be necessary to implement the Visitacion Valley/Schlage Lock Project.
- The Department finds the Project to be a beneficial development to the City - it would transform the site into a sustainable, transit-oriented development and include transportation improvements and new opens spaces among other community amenities.
- The Department finds that continuing to have a long-vacant site is not beneficial to the community. The project would contribute to the strengthening the existing Leland Avenue Neighborhood Commercial Corridor by adding more residents and bringing additional investment into the community and.

- The proposed project would result in increased rental and for-sale housing of various sizes and income levels.
- The proposed project establishes a detailed design review process for buildings and community improvements.

RECOMMENDATION:	Approval of: (1) Development Agreement; (2) Planning Code Text & Amendments; (3) General Plan Map Amendments; and (4) related documents with proposed modifications.
------------------------	---

Exhibits:

Exhibit 1 – Draft Planning Commission Resolution for Planning Code, General Plan and Zoning Map Amendments

Exhibit 2 – SF Redevelopment Agency Resolution No. 1-2009

Exhibit 3 – 2009 Planning Commission Motion No. 17790

Exhibit 4 – 2009 CEQA Findings & Mitigation Monitoring and Reporting Program (MMRP)

Exhibit 5 – Addendum to Environmental Impact Report

Exhibit 6 – Draft Planning Commission Resolution for Development Agreement Approval

Exhibit 7 – Development Agreement Exhibits not previously included in May 8th Planning Commission Initiation Package:

- Exhibit C – List of Community Improvements
- Exhibit G – Phase Application Checklist
- Exhibit I – Mitigation Measures and Revised MMRP
- Exhibit L – Infrastructure Plan
- Exhibit Q - Notice of Special Restrictions for Community Use Restrictions for Old Office Building
- Exhibit R - Notice of Special Restrictions for Visitacion Park
- Exhibit S – Notice of Special Restrictions for Leland Greenway Park

Exhibit 8 – Park Acquisition Overview Memo