

**COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE**

**RESOLUTION NO. 1 – 2016**

*Adopted January 19, 2016*

**APPROVING THE REPORT TO THE BOARD OF SUPERVISORS ON THE AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE TRANSBAY REDEVELOPMENT PROJECT AREA TO INCREASE THE MAXIMUM HEIGHT LIMIT FROM 300 FEET TO 400 FEET ON BLOCK 1 OF ZONE ONE OF THE TRANSBAY REDEVELOPMENT PROJECT AREA AND AUTHORIZING TRANSMITTAL OF THE REPORT TO THE BOARD OF SUPERVISORS; TRANSBAY REDEVELOPMENT PROJECT AREA**

WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure (“Successor Agency” or “OCII”), proposes to adopt an amendment to the Redevelopment Plan for the Transbay Redevelopment Project Area (“Plan Amendment”); and,

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

WHEREAS, The Redevelopment Plan establishes the land use controls for the Transbay Redevelopment Project Area (“Project Area”) and divides the Project Area into two subareas: Zone One, in which the Development Controls and Design Guidelines for the Transbay Project (“Development Controls”) define the land uses, and Zone Two, in which the San Francisco Planning Code applies. Zone One is intended to be developed with predominantly residential uses; and,

WHEREAS, The Redevelopment Plan specifies the land use of Block 1 as Transbay Downtown Residential and provides for a maximum height limit of 300 feet. The Development Controls also specify a Block 1 maximum height limit of 300 feet for a residential tower on a portion of the site; and,

WHEREAS, Block 1 is an approximately 54,098-square-foot site located on Folsom Street between Main and Spear Streets in Zone One of the Project Area. It is comprised of Assessor’s Block 3740, Lots 027, 029, 030, 031, and 032. Lot 027 (approximately 34,133 square feet) is owned by OCII, and the balance of the properties (approximately 19,965 square feet) is held by Block One Property Holder, L.P., an affiliate of Tishman Speyer (“Developer”); and,

WHEREAS, On November 18, 2014, the Successor Agency Commission, commonly known as the Commission on Community Investment and Infrastructure (“Commission”), authorized an Exclusive Negotiations Agreement (the “ENA”) with the Developer for (a) the sale to the Developer of the portion of Block 1 owned by OCII (Block 3470, Lot 027) and (b) the development of a combined affordable and market rate homeownership project consisting of a residential tower, two residential podium buildings, and townhouses

surrounding open space on Block 1. The ENA contemplates two project alternatives: one with a tower height of 300 feet, as allowed under the Redevelopment Plan, and a second with a tower height of 400 feet, that would require the Plan Amendment; and,

WHEREAS, OCII is recommending the Plan Amendment to allow the Commission to consider, at a later date, a 400-foot development proposed for Block 1. The Plan Amendment is consistent with the goals and objectives set forth in the Redevelopment Plan, including among others, the creation of a community identity and built form that ensure that high-rise buildings reflect high quality architectural and urban design standards, and the creation of housing opportunities that provide a mixture of housing types and sizes to attract a diverse residential population, including families and people of all income levels. A 400-foot tower on the Block 1 site would complement the downtown skyline and allow for a more elegant design. In addition, the current 400-foot development proposal for the site would provide approximately 73 additional housing units on Block 1, for a total of 391 units. Under this proposal, 156 (40%) of the units will be affordable to moderate income households. The Plan Amendment would make no other substantial change in the authorized land uses under the Redevelopment Plan; and,

WHEREAS, OCII has prepared the Report to the Board of Supervisors on the Amendment to the Redevelopment Plan for the Transbay Redevelopment Project Area ("Report to the Board of Supervisors", see Exhibit A) pursuant to Community Redevelopment Law ("CRL") Section 33352. The Report to the Board provides relevant background information in support of the need, purpose and impacts of the plan amendment; and,

WHEREAS, The Board of Supervisors affirmed, by Motion No. 04-67 (June 15, 2004), the certification under the California Environmental Quality Act ("CEQA") of the Final Environmental Impact Statement/Environmental Impact Report ("FEIS/EIR") for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project ("Project"), which included the Redevelopment Plan. Subsequently, the Board of Supervisors adopted, by Resolution No. 612-04 (Oct. 7, 2004), findings that various actions related to the Project complied with CEQA. Subsequent to the adoption of the FEIS/EIR and the findings, seven addenda to the FEIS/EIR have been approved and incorporated into the FEIS/EIR by reference; and,

WHEREAS, CEQA Guidelines Section 15164 provides for the use of an addendum to document the basis for a lead agency's decision not to require a Subsequent or Supplemental EIR for a project that is already adequately covered in an existing certified EIR. The lead agency's decision to use an addendum must be supported by substantial evidence that the conditions that would trigger the preparation of a Subsequent or Supplemental EIR, as provided in CEQA Guidelines Section 15162, are not present. With the San Francisco Planning Department, OCII, as the lead agency, has prepared an eighth addendum to the FEIS/EIR dated January 14, 2016 ("Addendum") that evaluated the increase in maximum height allowed by the Plan Amendment. The Addendum documents the assessment and determination that the modified project is within the scope of the Final EIS/EIR and no additional environmental review is required; and,

WHEREAS, Under the Plan Amendment, the only substantive modification to the proposed Block 1 project that was not previously studied in the FEIS/EIR would be the proposed tower height limit change from 300 feet to 400 feet. Therefore, the only CEQA topics requiring additional evaluation are those for which impacts could worsen due to additional building height. These topics include wind, and shadow. All other features of the Block 1 development, including demolition, land use types, building square footage, retail square footage, and number of dwelling units, would be consistent with the

Redevelopment Plan and the FEIS/EIR; and,

WHEREAS, Based on the Addendum's analyses, OCII determined that the Plan Amendment would not cause new significant impacts not identified in the FEIS/EIR and would not cause significant impacts previously identified and analyzed in the FEIS/EIR to become substantially more severe. No new mitigation measures would be necessary to reduce significant impacts. No changes have occurred with respect to circumstances surrounding the proposed project that would cause significant environmental impacts to which the project would contribute considerably, and no new information has become available that shows that the project would cause significant environmental impacts. Therefore, the Plan Amendment will not trigger the need for subsequent environmental review pursuant to California Public Resources Code section 21166 and sections 15162 and 15163 of the CEQA Guidelines, and the analyses conducted and the conclusions reached in the FEIS/EIR certified on April 22, 2004 remain valid and no supplemental environmental review is required beyond this Addendum; and,

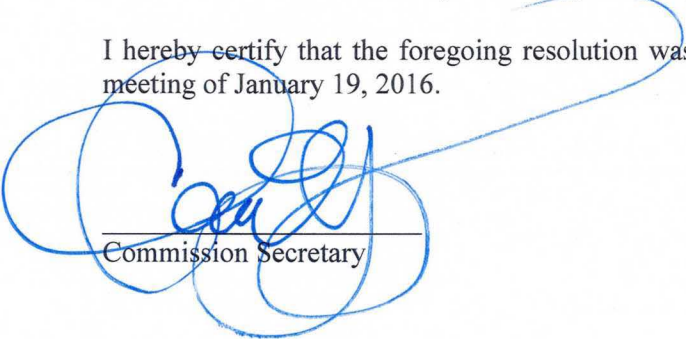
WHEREAS, The Commission finds that the Report to the Board of Supervisors is part of the Project for purposes of compliance with CEQA and no supplemental environmental review is required beyond the Addendum; now, therefore, be it

RESOLVED, That the Commission hereby approves the Report to the Board of Supervisors, which is attached to this Resolution as Exhibit A; and, be it further

RESOLVED, That the Executive Director is hereby authorized to transmit said Report to the Board of Supervisors for its background information in considering the proposed Plan Amendment.

Exhibit A: Report to the Board of Supervisors on the Amendment to the Redevelopment Plan for the Transbay Redevelopment Project Area

I hereby certify that the foregoing resolution was adopted by the Successor Agency Commission at its meeting of January 19, 2016.



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Commission Secretary



**EXHIBIT A**

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

**Prepared By:**

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

**January 14, 2016**

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

**INTRODUCTION**

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure (the “Successor Agency” or “OCII”), has prepared this Report to the Board of Supervisors (“Report”) on the proposed Plan Amendment to the Redevelopment Plan for the Transbay Redevelopment Project Area (“Plan Amendment”) pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., “CRL”).

The Plan Amendment would modify the Redevelopment Plan for the Transbay Redevelopment Project Area (“Redevelopment Plan”) to increase maximum height limit on Block 1 within Zone One of the Transbay Redevelopment Project Area (“Project Area”), from 300 feet to 400 feet; in all other respects, the land use controls of the Redevelopment Plan would remain in effect. Located on Folsom Street between Main and Spear Streets in Zone One of the Project Area, Block 1 is comprised of Assessor’s Block 3740, Lots 027, 029, 030, 031, and 032.

In connection with the Plan Amendment and subsequent to its adoption, the Successor Agency would also amend the Development Controls and Design Guidelines for the Transbay Redevelopment Project, approved January 10, 2005 (“Development Controls”), for consistency with the Redevelopment Plan, as Amended. Map 5, Zone One Height Ranges, page 19 of the Development Controls, also specifies a Block 1 maximum height limit of 300 feet. The Commission on Investment and Infrastructure (“OCII Commission”) would consider the amendment to the Development Controls at the same time it considers the Owner Participation/Disposition and Development Agreement (“OP/DDA”) and schematic design for the Block 1 proposed development project. The consideration is anticipated to occur in spring 2016.

The Plan Amendment would help achieve the Redevelopment Plan goals and objectives, including among others, (a) to ensure that high-rise buildings reflect high quality architectural and urban design standards, and (b) to create a mixture of housing types and sizes to attract a diverse residential population, including families and people of all income levels. A 400-foot tower on the Block 1 site would complement the downtown skyline and allow for a more elegant design. In addition, the increase in height would result in the development of approximately 73 more affordable and market rate housing units on Block 1.

The Report to the Board has been prepared pursuant to CRL Section 33352. Because the Amendment would modify a Redevelopment Plan height limit but would not make any other changes, the CRL requires only a limited amount of background information to be contained in the Report to the Board of Supervisors. Section 33457.1 of the CRL describes the information that the Successor Agency must provide to the Board of Supervisors for its consideration of an amendment to a redevelopment plan:

"To the extent warranted by a proposed amendment to a redevelopment plan, (1) the ordinance adopting an amendment to a redevelopment plan shall contain the findings required by Section 33367 and (2) the reports and information required by Section 33352 shall be prepared and made available to the public prior to the hearing on such amendment."

## **DESCRIPTION OF THE PROPOSED PLAN AMENDMENT**

### **Background**

The Redevelopment Plan establishes the land use controls for the Transbay Redevelopment Project Area ("Project Area"), and divides the Project Area into two subareas: Zone One, in which the Development Controls and Design Guidelines for the Transbay Redevelopment Project ("Development Controls") define land uses and zoning controls, and Zone Two, in which the Planning Code applies. A Delegation Agreement between the Successor Agency and the Planning Department (May 3, 2005) provides that the Planning Department shall administer generally the Planning Code for development in Zone 2 and acknowledges the authority of the Successor Agency under the Redevelopment Plan to administer and enforce the land use requirements for property in Zone One. The Redevelopment Plan and ancillary land use controls, including the Development Controls, already authorize the development of a tower structure of up to 300 feet in height on Block 1 of Zone One. The Plan Amendment will increase allowable tower height on Block 1 from a maximum of 300 feet to a maximum of 400 feet. No other development blocks within Zone One will be affected by the Plan Amendment.

### **SCOPE OF THIS REPORT**

Because the Plan Amendment as described above is limited to an increase of allowable maximum building height on Block 1 in Zone One of the Project Area, and would not make any other changes, the CRL requires a limited amount of the information required to be contained in the Report to the Board of Supervisors pursuant to the CRL. As such, the contents of this Report are limited to the following:

- The reason for the Plan Amendment (subsection (a) of Section 33352 of the CRL);
- The proposed method of financing the redevelopment of the Project Area as applicable to the Plan Amendment (subsection (e) of Section 33352 of the CRL);
- The report and recommendation of the San Francisco Planning Commission (subsection (h) of Section 33352 of the CRL); and
- The report on the environmental review required by Section 21151 of the Public Resources Code as applicable to the Plan Amendment (subsection (k) of Section 3352 of the CRL);
- The neighborhood impact report (subsection (m) of Section 3352 of the CRL).

Other information that Section 33352 requires to support a new redevelopment plan is not necessary for the Plan Amendment because of its limited scope in changing the height limit for a particular block in the Project Area. The Plan Amendment does not alter the Project Area boundaries, change financing limits, or extend the Redevelopment Plan's duration. In approving the Redevelopment Plan in 2005 and 2006, the former Redevelopment Agency of the City and County of San Francisco ("Former Redevelopment Agency") and the Board of Supervisors relied on information about the conditions of physical and economic blight within the Project Area, the need for tax increment financing to carry out redevelopment in the Project Area, and other factors justifying the establishment of the Project Area. The Plan Amendment does not alter the blight and financial determinations made at the time the Project Area was originally adopted, but rather provides an effective approach for alleviating blight and promoting the financial feasibility of the Redevelopment Plan.

Section 33385 of the CRL did not require the formation of a Project Area Committee ("PAC") prior to the adoption of the Redevelopment Plan because a substantial number of low- and moderate-income households did not reside in the Project Area and the Redevelopment Plan provided neither the public acquisition of residential property nor public projects that would displace a substantial number of low- and moderate- income persons. The Plan Amendment does not trigger the need for a PAC because it does not provide for the acquisition of, or the authorization of public projects on, property occupied by

low- and moderate-income persons.

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

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

Block 1 Property Holder, L.P., an affiliate of Tishman Speyer (the “Developer”), has proposed the development of an underutilized parcel at Folsom, Beale and Main Streets into high density residential development. On November 18, 2014, OCII entered into an Exclusive Negotiations Agreement (the “ENA”) with the Developer, for the sale to the Developer of the portion of Block 1 owned by OCII (Block 3470, Lot 027), and the development of a combined affordable and market rate homeownership project consisting of a residential tower, two residential podium buildings, and townhouses surrounding open space on Block 1. The ENA contemplates two project alternatives: one with a tower height of 300 feet, as allowed by the Redevelopment Plan, and a second with a tower height of 400 feet, that would require the Plan Amendment.

The purpose of the Plan Amendment is to facilitate, on Block 1 of the Project Area, development of a residential tower extending to a maximum height of 400 feet, which would be consistent with the following Redevelopment Plan goals and objectives:

- Strengthening the community’s supply of housing by assisting, to the extent economically feasible, in the construction and rehabilitation of affordable housing with the deepest levels of affordability, including the development of supportive housing for the homeless. Section 2.1.
- Ensure that high-rise buildings reflect high quality architectural and urban design standards. Section 2.2.
- Creation of a mixture of housing types and sizes to attract a diverse residential population, including families and people of all income levels Section 2.2.
- Develop high-density housing to capitalize on the transit-oriented opportunities within the Project Area and provide a large number of housing units close to downtown San Francisco. Section 2.2.

#### *Community Identity and Built Form*

The Redevelopment Plan implements the transformation of former freeway land into a new high-rise residential district in the South of Market neighborhood. Through public workshops and meetings, in collaboration with the Transbay Citizens Advisory Committee, land in the Project Area formerly containing portions of the Embarcadero Freeway, its ramps and Terminal Separator Structure, was envisioned as a transit-oriented residential district as documented in the Transbay Redevelopment Project Area Design for Development completed in October 2003 (“Design for Development”). The Design for Development informed the creation of the Redevelopment Plan and the Development Controls, both adopted in 2005, and called for Zone One of the Project Area to become a complementary and exciting addition to the downtown skyline, designed as a grouping of slender residential towers that would visually extend the Downtown high-rise office skyline.

Since completion of the Design for Development and adoption of the Redevelopment Plan and Development Controls, towers have been built immediately to the south of Block 1, just outside of the Project Area, at heights taller than 300 feet. The Infinity development, located immediately to the south of Block 1, across Folsom Street and between Spear and Main Streets, consists of two towers of 350 feet and 400 feet in height. Similarly, the Lumina development, located immediately to the west of the Infinity, on

the south side of Folsom Street between Main and Beale Streets, includes two towers of 350 feet and 400 feet in height. In addition, several towers taller than 400 feet have been planned and built in the adjacent Rincon Hill district, pursuant to the Rincon Hill Plan, adopted in 2005. Also, to the north of Block 1 and within Zone Two of the Project Area, height limits were increased with the adoption of the Transit Center District Plan in 2012. As a result, buildings between approximately 700 and 1000 feet in height are currently under construction, including the Salesforce Tower (formerly the Transbay Terminal Tower), between Mission and Howard Streets.

Within Zone One, two towers have recently been permitted, consistent with the Redevelopment Plan and Development Controls, at heights higher than the 400 feet proposed for Block 1. Block 8, located at Folsom and First Streets will be a 550-foot tall residential tower three blocks to the west of Block 1, and the Park Tower on Block 5, located at Howard and Beale Streets, will be a 550-foot tall office building two blocks to the northwest of Block 1. These building heights to the north, west and south of Block 1 provide a context within the built environment that, with a 400-foot height limit on Block 1, results in a tapering effect of the skyline towards the east, as it approaches the Embarcadero waterfront.

Immediately to the east of Block 1 is the Gap Headquarters building, located on Folsom Street, between the Embarcadero and Spear Street. The building serves as the waterfront edge of the Folsom Street/South of Market high-rise district as it fronts the Embarcadero and Rincon Park. The tower element of the building is approximately 290 feet in height, and its podium element, adjacent to the Embarcadero, is approximately 90 feet in height. At these heights and distances from the waterfront, the building provides a tapering effect; the skyline would literally step down from a 400-foot tower on Block 1 to the Gap Headquarters building to the east, which frames the Embarcadero and Rincon Park.

Given the context of current and future towers in the vicinity of Block 1, an urban design analysis demonstrates the optimal height for the Block 1 tower at around 400 feet. A 400-foot tower on the site complements the shape of the skyline, when viewed from afar, tying together the series of towers on Rincon Hill with the taller towers planned near the Transbay Transit Center and those north of Market Street. This height would continue to provide a stepping down from higher tower heights, such as the 1,070 foot-Salesforce Tower; the 550-foot Park Tower on Block 5; and the 550-foot tower on Block 8.

In addition to the analysis of the placement of a 400-foot tall tower on Block 1 within the surrounding skyline, a taller tower on Block 1 with the same restricted floor plate size, as required by the Development Controls, provides the opportunity for a visually more slender and elegant architectural design of the structure itself. A 400-foot tower on Block 1 compared to a 300-foot tower on the same site presents a potential improvement in the visual impact of the tower as the taller height emphasizes the verticality in its design, when viewed from adjacent areas, such as the Embarcadero.

### *Housing Opportunities*

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

The 300-foot project alternative for Block 1 allowed under the existing Redevelopment Plan would result in approximately 318 total residential units, including 112 affordable units, or approximately 35 percent of the total. The Plan Amendment would permit a taller tower on Block 1, providing for an increase in the number of dwelling units and affordable dwelling units in the tower. The project, as currently proposed,



would increase the total number of residential units by 73 units to a total of 391. The number of affordable units would increase by 44 units to a total of 156. Under this revised project proposal, 40 percent of the housing would be affordable. Thus, the Plan Amendment would further the attainment of the Redevelopment Plan Goals and Objectives of creating high density, mixed-income housing.

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

The Plan Amendment will permit an increase in maximum tower building height with a corresponding increase in developable residential floor area on Block 1. It does not propose any new capital expenditures by the Successor Agency, involve any new indebtedness or financial obligation of the Successor Agency, or change the Successor Agency's overall method of financing the redevelopment of the Project Area. Instead, the proposed Amendment relies on private enterprise to finance the market rate and inclusionary residential development on Block 1. The Successor Agency will use the value of the land to subsidize the affordable units. The change in height restriction applicable to Block 1 is intended to maximize developable square feet and increase dwelling unit count, which would generate more property taxes and consequently more tax increments than the existing, under-developed conditions.

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

It is anticipated that upon its approval of the Plan Amendment, the OCII Commission would refer the Plan Amendment to the Planning Commission for its report and recommendation on the Plan Amendment and its conformance with the General Plan.

The San Francisco Planning Department ("Planning Department") has determined that an amendment to the San Francisco General Plan ("General Plan") would be required.

Notice of the Planning Commission hearing on the amendment to the General Plan will be given in accordance with the Rules and Regulations of the Planning Commission. The Planning Commission's resolution regarding its report and recommendation on the Plan Amendment and its conformity of the Amendment to the General Plan will be incorporated in a supplemental Report to the Board of Supervisors.

Upon the Planning Commission's report and recommendation, the Board of Supervisors would consider adopting an ordinance amending the General Plan.

#### **ENVIRONMENTAL REVIEW (CRL Section 33352(k))**

In April 2004, the Final Environmental Impact Statement/Environmental Impact Report ("FEIS/EIR") for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project was certified by the Former Redevelopment Agency and the Board of Supervisors. OCII, as the Successor Agency to the Former Redevelopment Agency, has land use and California Environmental Quality Act ("CEQA") review authority of the Project Area. The height limit analyzed in the EIS/EIR for the Block 1 site was 300 feet.

CEQA Guidelines Section 15164 provides for the use of an addendum to document the basis for a lead agency's decision not to require a Subsequent or Supplemental EIR for a project that is already adequately covered in an existing certified EIR. The lead agency's decision to use an addendum must be

supported by substantial evidence that the conditions that would trigger the preparation of a Subsequent EIR, as provided in CEQA Guidelines Section 15162, are not present. An addendum documents the assessment and determination that the modified project is within the scope of the Final EIS/EIR and no additional environmental review is required.

Under the Plan Amendment, the only substantive modification to the proposed project that was not previously studied in the FEIS/EIR is the proposed tower height limit change from 300 feet to 400 feet. Therefore, the only CEQA topics requiring additional evaluation are those for which impacts could worsen due to additional building height. These topics include aesthetics, wind, and shadow. All other features of the Block 1 development, including demolition, land use types, building square footage, retail square footage, and number of dwelling units, would be consistent with the Redevelopment Plan and the FEIS/EIR.

Accordingly, OCII, in consultation with the Planning Department, prepared an eighth addendum to the FEIS/EIR dated January 14, 2016 focusing on wind and shadow (“Addendum”). The shadow study that was conducted as part of the Addendum process analyzed potential shadow impacts generated by the proposed development on Block 1 onto six nearby publicly-accessible parks and open spaces as a percentage of theoretical annual available sunlight (“TAAS”) consumed.<sup>1</sup> The shadow analysis included a 300-foot tower and a 400-foot tower scenario for the Block 1 site, in order to measure the difference in shadow that would be caused by the proposed tower height change from 300 feet to 400 feet. The shadow analysis found that the Block 1 development would not cast shadow on any parks or open spaces subject to Section 295 of the San Francisco Planning Code.<sup>2</sup> The Block 1 development would cast additional shadow at other public parks and open spaces, but the additional shading would be less than one half of one percent (0.5%) of the TAAS (ranging from 0.00% to 0.49% of TAAS), using shadow analysis methodology consistent with Planning Code Section 295 requirements. The maximum shadow size at any park would grow by less than one percent due to the proposed height increase, and the additional shadow duration on the maximum days would range from 18 to 45 minutes. Activities in the affected portions of the parks and open spaces consisted primarily of passive activities, such as eating lunch, resting, and making phone calls. Areas that would be newly shaded would, in most cases, be located at the edges of the affected parks and open spaces. Given the limited increase in shadow size and duration, the proposed height increase from 300 to 400 feet would not create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas.

The Addendum determined the project would not cause new significant impacts not identified in the FEIS/EIR, nor would the project cause significant impacts previously identified in the FEIS/EIR to become substantially more severe. No new mitigation measures would be necessary to reduce significant impacts. No changes have occurred with respect to circumstances surrounding the proposed project that would cause significant environmental impacts to which the project would contribute considerably, and no new information has become available that shows that the project would cause significant environmental impacts. Therefore, the analyses conducted and the conclusions reached in the Final FEIS/EIR certified on April 22, 2004 remain valid and no supplemental environmental review is required beyond this Addendum.

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<sup>1</sup> TAAS is a measure of the square-foot-hours of sunlight that would theoretically be available at a given park or open space during a typical year, assuming that it is sunny during all daylight hours.

<sup>2</sup> Section 295 of the Planning Code only applies to public parks and open spaces that are under the jurisdiction of the San Francisco Recreation and Park Commission.

## **NEIGHBORHOOD IMPACT REPORT (CRL Section 33352(m))**

At the time of Redevelopment Plan adoption, the Project Area did not contain low- or moderate-income housing. Since then, the Successor Agency has started implementing the affordable housing requirements under Assembly Bill No. 812 (Chapter 99, Statutes of 2003, codified at California Public Resources Code Section 5027.1) ("AB 812"). These requirements are incorporated into existing enforceable obligations that survived the dissolution of the Redevelopment Agency. Under the obligation, at least 25 percent of all dwelling units developed within the Project Area shall be available at affordable housing cost to, and occupied by, persons and families whose incomes do not exceed 60 percent of the area median income, and an additional 10 percent of all dwelling units developed within the Project Area shall be available at affordable housing cost to, and occupied by, persons and families whose incomes do not exceed 120 percent of the area median income (the "Transbay Affordable Housing Obligation").

Based on residential projects complete, under construction, approved and in process, the number of housing units currently anticipated to be built in the Project Area is approximately 4,200 units, of which 1,470 (or 35 percent) will be affordable. The means of financing the low- and moderate-income housing units are developer-subsidized below-market-rate inclusionary units, tax increment financing, revenue from the sales of public properties within the Project Area, and development fees.

Currently, two affordable housing developments in Zone 1 of the Project Area have been completed and are now occupied. The Rene Cazenave development (120 affordable units) is now occupied by formerly homeless households at 25 Essex Street, and the Block 6/7 podium building at 280 Beale Street (70 affordable units) is now occupied. Currently under construction in Zone 1 of the Project Area is the Block 6 tower (409 market rate units). Projects approved within Zone 1 of the Project Area, but not yet under construction, are Block 7 (120 affordable units), Block 8 (546 total units including 150 affordable units), and Block 9 (545 total units including 109 affordable units). In process and planned future projects within Zone 1 are Block 1 (391 potential units including 156 affordable units), and Blocks 2, 4 and 12 which collectively provide for approximately 880 units. In addition, the City's Planning Department estimates an additional planned or approved projects totaling 1,100 units within Zone 2 of the Project Area.

The Plan Amendment, by facilitating a greater density of development at a site designated for residential use, will increase the supply of housing and affordable housing in the Project Area. The Plan Amendment does not adversely affect the physical and social quality of the neighborhood. The Plan Amendment will not cause the destruction or removal of housing units from the low- and moderate-income housing market and will not cause the displacement of low- or moderate-income.