



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary

HEARING DATE: NOVEMBER 17, 2016

Date: November 11, 2016
Case Nos.: 2010.0515 E GPA PCT PCM DEV GEN SHD
2010.0305 E GPA PCT PCM DEV GEN SHD
Project Address: **Potrero HOPE SF**
Sunnydale HOPE SF
Zoning: *Potrero:* RM-2 (Residential – Mixed, Moderate Density)
Sunnydale: RM-1 (Residential – Mixed, Low Density)
Both: 40-X Height and Bulk Districts
Potrero: Showplace Square/Potrero Area Plan
Block/Lot: *Potrero:* Assessor's Block 4167/ 004 and 004A; 4220A/ 001; 4222A/, 001;
4285B/ 001, 4223/ 001; 4287/001A and 007
Sunnydale: Assessor's Block / Lots: Assessor's 6356/ 061, 062, 063, 064, 065,
066, 067 and 068; 6310/ 001; 6311/001; 6312/ 001; 6313/001; 6314/ 001;
6315/001
Project Sponsor: *Potrero:* BRIDGE Housing Corporation
600 California Street, Suite 900
San Francisco, CA 94108
Sunnydale: Mercy Housing and Related California
1360 Mission Street, #300
San Francisco, CA 94103
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SUMMARY

On November 17, 2016, the Planning Commission will consider a series of approval actions related to the Sunnydale HOPE SF and Potrero HOPE SF Master Plan Projects. Over the last year and a half, and more recently in the last couple of months, the Commission has taken various actions and heard informational hearings about the HOPE SF Program in general, and these two projects more specifically. Actions taken thus far have included Certification of the Sunnydale EIR, Certification of the Potrero EIR, Adoption of CEQA Findings and Adoption of General Plan Findings for Potrero, approval of zoning map changes for 1101 Connecticut Street (aka "Block X") for Potrero, and Initiation of General Plan amendments for both. The Commission has also heard information hearings about the HOPE SF Program in general in July 2015 and October 2015, and on each project individually prior to CEQA Certification for each. The following is a summary of actions that the Planning Commission will consider at the hearing, which are required to implement the Projects:

For both Projects:

1. Approval of Amendments to the General Plan
2. Approval of Planning Code Text Amendments (establishing new SUDs)

3. Approval of Planning Code Map Amendments
4. Approval of Design Controls and Guidelines (“DSGs”) documents
5. Approval of Development Agreements (“DAs”)
6. Adoption of Shadow Findings (Planning Code Section 295)

For Sunnydale only:

1. Adoption of CEQA Findings
2. Adoption of Master General Plan Findings and Findings of Consistency with Planning Code Section 101.1

PROJECT BACKGROUND – HOPE SF

With the end of Hope VI Federal funding, which had been used for several previous San Francisco Housing Authority revitalization efforts, City officials recognized the need to find a new strategy to rebuild the City’s largest Housing Authority sites. The Mayor and Board of Supervisors appointed a task force, which published “HOPE SF: Rebuilding Public Housing and Restoring Opportunities for its Residents” in 2007. This document initiated the HOPE SF Program and its guiding “HOPE SF Principles”. Part of this strategy is to take advantage of the relatively underdeveloped character of Housing Authority sites by planning for greater densities. A portion of the additional densities would be low-income affordable housing, and market-rate housing that would help cross finance the reconstruction of Housing Authority units and reduce the concentration of poverty on the site. The HOPE SF Principles also dictate that the reconstruction of these sites specifically take into account the need for supportive non-residential uses, such as childcare and resident-serving retail. As yet another goal, HOPE SF seeks to mend the broken San Francisco street grid and lack of connectivity characterized by the Housing Authority sites by reasserting a development pattern more in keeping with surrounding neighborhoods.

The Sunnydale and Potrero project sponsor teams were selected on 2007. As selected Master Developers, their initial task was to engage with the Housing Authority residents and local communities in developing new site plans for the projects. This effort included hosting multiple meetings and other events over the course of about two years that looked at current conditions, residents’ needs and desires, and establishing strategies to integrate the sites’ into the surrounding City fabric. After the site plans had been prepared, the Projects began their environmental review processes and engagement with Planning staff on developing a set of development regulations that would implement the newly created visions.

PROJECT DESCRIPTION – SUNNYDALE

The Sunnydale site consists of approximately 50 acres in the Visitacion Valley and contains 93 residential buildings, 775 occupied public housing units, and a 29,500 square foot community center. The Sunnydale site is generally bounded by McLaren Park (Gleneagles Golf Course and Herz Playground) to the north, other portions of McLaren Park and Amazon Playground to the west, Parque Drive and Velasco Avenue to the south, and Hahn Street to the east. The Sunnydale site currently features broad curvilinear streets that do not relate to the surrounding street pattern and includes only six large super blocks.

The Sunnydale HOPE SF Master Plan project (“Project”) includes demolishing all existing units, vacating

portions of the right of way and building new streets that would better relate to the existing street grid. The Project would transform the six existing super blocks into about 34 new fine-grained blocks. The site is designed with a central “Hub” that would feature a series of parks, open spaces, a community center, space for retail, and other community-serving uses.

At completion, the Project would include up to 1,770 units, including Housing Authority replacement units (775 units), a mix of additional affordable units (a minimum of approximately 200 low-income units), and market rate units (up to 694 units). New buildings within Sunnydale would provide a consistent street wall with “eyes-on-the-street” active ground floor treatment. A variety of building types would be constructed throughout including individual townhomes, small apartment buildings and larger corridor apartment buildings. Approximately 1,437 parking spaces would be provided for the units. Approximately 60,000 gross square feet of community serving uses, including retail, would also be constructed.

The project would be constructed in at least three main phases over at about 25 years. Phasing timing would be contingent on market forces and the availability of financing.

PROJECT DESCRIPTION – POTRERO

The Potrero HOPE SF site consists of approximately 39 acres (including streets) and is located on the southern and eastern slopes of Potrero Hill. The site, currently known as Potrero Terrace and Potrero Annex features 61 low slung buildings that are constructed perpendicular to the site’s steep slopes. The site’s streets diverge from the typical Potrero Hill street grid and cross the site at a diagonal, creating four very large super blocks. This, along with the lack of typical street and pedestrian connectivity make the existing development feel disconnected from the rest of the neighborhood and City.

As a HOPE SF project, this development aims to remedy these issues. The Project includes demolishing all existing units vacating portions of the right of way that currently cross the site diagonally, and building new streets that would better continue the existing street grid. The Project would transform the four existing super blocks into about 19 new fine-grained blocks, add one major new park along with several smaller parks, plazas and pedestrian ways throughout. The site would feature a new “Main Street” along a newly established segment of 24th Street; this new segment of 24th Street would be aligned with commercial and community uses, and parks and open space.

At completion the Potrero HOPE SF Project would include up to 1,700 units, including Housing Authority replacement units (619 units), a mix of additional affordable units (a minimum of approximately 200 low-income units), and market rate units (maximum of 800 units). New buildings would provide a consistent street wall with “eyes-on-the-street” active ground floor treatment. A variety of building types including individual townhomes, small apartment buildings and larger corridor apartment buildings would be constructed throughout. Approximately 1,150 parking spaces would be provided for the units largely below grade.

The public realm would be enhanced with improved connectivity to the existing street grid by continuing Arkansas and Texas Streets where they currently dead end, and adding two new east-west streets. The Plan calls for pedestrian ways along Connecticut, 23rd, and elsewhere where the grade is too steep for

vehicular traffic.

The project would be constructed in approximately five main phases over about 25 years. Phasing timing would be contingent on market forces and the availability of financing.

PLANNING COMMISSION REQUIRED ACTIONS FOR THE PROJECTS

As summarized above, the Planning Commission will be required to take several actions to approve the Project. Below are more detailed descriptions of the actions.

General Plan Amendments

On September 15, 2016, the Planning Commission adopted Resolutions 19737 and 19738 initiating General Plan amendments for Sunnydale and Potrero, respectively. The amendments would (a) amend Map 03, "Existing and Proposed Open Space" of the Recreation and Open Space Element so that new open space within the two sites are reflected in the map; and (b) amend Map 4, "Urban Design Guidelines for Heights of Buildings" of the Urban Design Element so that the two sites are shaded with the height designation of 50 – 88 feet.

Planning Code Text Amendments

On October 24, 2016, the Board of Supervisors initiated ordinances that would amend the Planning Code by adding new Special Use Districts ("SUDs") for Sunnydale (Planning Code Section 249.75) and Potrero (Planning Code Section 249.76). The new SUDs, which are almost identical in format, provide specific land use and development controls for the two sites. For most design controls, the SUDs refer to separate Design Standards and Guidelines documents, for which the Commission will also be taking action (see below). On top of providing specific design and land use controls, the SUDs also provide design review procedures for these multi-phased projects. The Design Review procedures include three aspects of review:

- (a) *Phase Review*: an overarching "phase" review is proposed to occur prior (or at least concurrently with) design of actual buildings and community facilities. The Phase review would assure that the Master Developers are moving forward with infrastructure and community improvement development at the same time as development of buildings per the established phasing plan and schedule of improvements.
- (b) *Design Review – Buildings*: the design review of buildings would be similar to typical Planning Department review except that in-lieu of including 311 Notification and DR procedures, the Master Developers will be required to hold regular meetings with the community on the projects' ongoing progress. Consistent with other DA design review processes established for Treasure Island, ParkMerced, and Schlage Lock, the design review will include procedures for "Minor" and "Major" modifications, with only applications for Major Modifications being brought before the Planning Commission for approval. (The Director would also have the discretion of bringing Design Review applications to the Commission for review and comment.)
- (c) *Design Review – Community Improvements*: the design review of parks, opens spaces, and community facilities would have a similar design review process as that for buildings. However, for parks that would be owned the Recreation and Parks Department, the design process would be led by RPD staff and Planning's review process would be superseded by RPD's process. It

should be noted that design for streets and rights-of-way would be facilitated by San Francisco Public Works and not by Planning; Planning, however, would continue to play a key role in reviewing designs for the streets.

On top of adding new Planning Code Section 249.75 and 249.76, the text amendments will add new Planning Code Section 263.30 and 263.31, which would address height controls for the two SUDs. The Sections would refer to the DSGs for more specifics of height restrictions on a block-by-block basis.

Proposed Changes to the SUDs since the Board of Supervisors Introduction

Since the Board of Supervisors introduced the Text Change Ordinances, staff has further reviewed the text with the Development Agreements, and is now proposing changes to the text to: (1) clarify what uses are principally permitted; (2) assure consistency between the SUD and the Development Agreement; and (3) provide additional provisions for interim uses that would serve the residents and further the phasing of the project while the projects are being implemented.

The additional language makes it clear that community-serving, such as child care, health clinics and other community facilities uses are principally permitted regardless of their size.

The additional language makes the community meeting, notification, and reporting requirements for each stage of review consistent with the process described in the DA. The overall intention is to require the Project Sponsors to be out in the community providing updates regularly in lieu of typical 311 notifications. Specifically, the DA requires at least one meeting per year regardless of progress on the Projects, and a pre-application community meeting be held prior to each application (Development Phase, Design Review for Buildings, and Design Review for Community Improvements). Such meetings would be conducted per Department standards. It is understood that meetings could be combined with other regularly scheduled meetings as long as they are noticed, held, and memorialized per Department procedures.

The additional language also includes provisions for interim uses, including temporary structures, where such structures would house resident-serving community uses, such as health clinics.

Finally, minor miscellaneous clarifications are provided.

Included in the attachments, are the SUD Ordinances as introduced by the BOS, followed by redlined proposed changes as described above. Staff is recommending that you approved the Ordinances, and recommend to the Board of Supervisors that they incorporate the changes now proposed by staff.

Planning Code Map Amendments

On October 24, 2016, the Board of Supervisors initiated ordinances that would map the new Sunnydale and Potrero HOPE SF SUDs and 40/65-X Height and Bulk Districts across the two sites on the Planning Code's official Special Use District and Height Zoning Maps. In addition, for Sunnydale, the parcels at the southeast corner of Hahn and Sunnydale (across Hahn from the Housing Authority-owned parcels and referred to as "Parcel Q") would be remapped from its current underlying Use District of NC-1 to RM-1 (the same Use designation as the rest of the Sunnydale site).

Design Standards and Guidelines (DSG)

The primary documents that would regulate the physical development of the Projects are the Design Standards and Guidelines documents. These documents are proposed to be the key source for development controls for buildings and the public realm. Unlike the Planning Code, which largely assumes an established block, lot, and street pattern the DSGs also address street layout, open space and blocks, and establish overarching strategies for placement of uses and buildings relative to street and open space typologies. The DSGs would be incorporated into the Planning Code by reference. Any future substantive amendments to the DSGs would need to be approved by the Planning Commission.

Development Agreements

The Development Agreements between the City, the Housing Authority, and the two Master Developers will set forth vesting rights for the Master Developers and establish a set of committed public benefits for each of the two sites. Vested elements consist of: locations and numbers of buildings, land uses and height and bulk limits, permitted uses, provisions for vehicular access and parking, and provision for new open spaces and public improvements. The housing development plan is divided into affordable parcels, which contain public housing replacement units (approximately 619 for Potrero and 775 for Sunnydale), and new additional affordable units (approximately 150 for Potrero and 194 for Sunnydale) that will be constructed, owned and managed by the Developer, and market rate parcels, which are intended to be sold to independent private developers for the development of market rate units (approximately 800 for Potrero and 600 for Sunnydale). Development impact fees will not be assessed on the affordable parcels (per the Planning Code). For Potrero, market rate parcels will pay development impact fees equivalent to the Eastern Neighborhoods fees that would be used for public improvements on-site rather than for the greater Eastern Neighborhoods.

On top of the affordable housing described above, the City will receive a comprehensive package of public benefits, including but not limited to: new roadways (built to Better Streets standards), utilities, community services, parks, and open spaces. The project will be phased over a period of not more than 25 years.

Shadow Impact Finding

Pursuant to Planning Code Section 295, no net new shadow, as described within the Planning Code, is allowed to be created by new development on a Recreation and Park Department property, unless the Planning Commission, in consultation with Recreation and Park's General Manager and the Recreation and Park Commission, makes findings that the new shadows are insignificant. Incorporated into each of the environmental reviews for the two Projects are detailed shadow analyses prepared pursuant per Department standards. The analyses describe net new shadows¹ cast on adjacent parks (Potrero Recreation Center for the Potrero project, and McLaren Park (Gleneagles Golf Course and Herz Playground) for Sunnydale) by development proposed by the HOPE SF Program. For both projects, the

¹ Net new shadow is quantified as "net new shadow hours", which is calculated as the area of new shadow created by new development times the hours that such shadows are cast over the course a day. New shadow impacts are only considered for buildings over 40-feet.

respective EIR/EISs found the new shadows to be insignificant. Planning staff is requesting that the Planning Commission adopt Shadow Impact Findings for both entire sites to enable development to move forward and obviating the need for separate shadow analyses and processes for each building permit.

Consistent with the EIR/EISs, Planning staff finds that the shadow impacts are neither significant nor adverse. For the Potrero Project and the adjacent Potrero Recreation Center, the shadow study has determined that less than one percent of additional shadow would be added to the park. It should be noted that maximum building heights on a number of the blocks have been reduced since the shadow study was completed, which means shadow impacts would be even less than studies.

For Sunnydale and the adjacent park, McLaren Park, the shadow study has determined that less than .1 percent of additional shadow would be added to McLaren Park from buildings taller than 40-feet. Additionally, no new shadow would be cast on the Herz Playground portion of McLaren Park.

ENVIRONMENTAL REVIEW

Environmental review has been completed for both Projects.

On July 9, 2015 by Motion No. 19409, the Planning Commission certified the Sunnydale EIR.

On December 10, 2015 by Motion No. 19529, the Planning Commission certified the Potrero EIR. The Planning Commission also adopted CEQA finding by Motion No. 19529 for the Potrero Project.

HEARING NOTIFICATION AND PUBLIC COMMENT

Below is a summary of the completed notifications of this hearing required under the Planning Code.

HEARING NOTIFICATION

| TYPE | REQUIRED PERIOD | REQUIRED NOTICE DATE | ACTUAL NOTICE DATE | ACTUAL PERIOD |
|--------------------|------------------------|-----------------------------|---------------------------|----------------------|
| Classified News Ad | 20 days | October 26, 2016 | October 26, 2016 | 20 days |
| Posted Notice | [not required] | | | |
| Mailed Notice | 10 days | November 7, 2016 | November 4, 2016 | 14 days |

As of the date of this Report, staff has not received any comments on either of the proposals.

The HOPE SF Program includes ongoing community engagement. For Potrero, the Master Developer holds regular monthly meetings with the site's residents and neighbors as part of its Community Building Group. In addition, the Master Developer frequently engages with local community groups such as the Potrero Boosters.

Similar to Potrero, the Sunnydale Master Developer holds regular meetings with residents and the local community. Specific to these master approvals, the Master Developer also held two meetings on July 30, 2016 and August 2, 2016 to discuss the entitlements.

BASIS FOR RECOMMENDATION

Department staff is recommending that the Planning Commission adopt all of the subject Resolutions and Motions in furtherance of the Project:

1. The Projects and all Commission actions thereto would enable the HOPE SF Program to be implemented at the Potrero and Sunnydale sites. The HOPE SF Program is the City's signature affordable housing program, particularly towards the goal of addressing chronic poverty in the City's most disadvantaged communities.
2. The HOPE SF Program includes robust community-building components that include providing access to social services, including child care, job training, and other community programs.
3. The Projects would completely rebuild the two sites over several years. The newly constructed communities would include new parks, open spaces, streets, and infrastructure.
4. The proposed layout of the two HOPE SF sites are designed with new street networks that will be much more integrated into the surrounding neighborhoods. The new streets would be constructed to Better Streets standards.
5. The proposed site plans include new parks, open spaces, and other recreational and community facilities that will not only serve the site's residents but the larger neighborhood and City as well.
6. The proposed site plans break down the scale of blocks to a scale that is much more typical of San Francisco urban fabric. The new finer-grained block patterns will enable much easier access through the site for pedestrians and bicyclists.
7. The proposed SUDs and DSGs allow for a mix of uses that are essential for a vibrant community.
8. The proposed SUDs and DSGs provide controls and guidelines that will assure that buildings are varied and broken down to the human scale.
9. The proposed SUDs and DSGs provide controls that will assure that buildings face the street and open spaces with active uses provide eyes-on-the-street and an engaging public realm.
10. The Development Agreements provide certainty of the Projects' community benefits and the means to deliver them that is beyond what would otherwise be required by City Codes.
11. Shadow impacts from the new buildings on adjacent parks were studied as part of the EIR/EISs and found to be insignificant. The shadow findings provided as a part of these approvals confirm these conclusions and will enable more efficient delivery of the projects over time.
12. The Master Developers have been working very closely with their respective communities in developing the site plans in accordance with the HOPE SF Programs, and have plans going forward for ongoing community communication and engagement.

RECOMMENDATION: Approve both the Sunnydale HOPE SF Project and the Potrero HOPE SF Project.

Attachments:

For Sunnydale

1. Sunnydale Project Description Summary, Site Map and Phasing Map
2. Draft Motion adopting CEQA Findings
 - Exhibit A – CEQA Findings

3. Draft Motion Adopting General Plan Findings and Findings of Consistency with Planning Code Section 101.1
 - Exhibit A - General Plan and Planning Code Section 101.1 Findings
4. Draft Resolution Approving General Plan Amendments
 - Legislative Digest
 - Draft Ordinance Amending Map 4 of the Urban Design Element and Map 03 or the Recreation and Open Space Element
 - Revised Map 4 of the Urban Design Element
 - Revised Map 03 of the Recreation and Open Space Element
5. Draft Resolution Approving Planning Code Text Amendments
 - Legislative Digest
 - Draft Ordinance Amending the Planning Code by Adding Planning Code Section 249.75 and 263.30, the Sunnydale HOPE SF SUD
6. Draft Resolution Approving Map Amendments
 - Legislative Digest
 - Draft Ordinance Amending Map ZN11, SU11 and HT11
 - Maps Showing Revised Zoning
7. Draft Motion Approving the Sunnydale Design Standards and Guidelines Document
 - Draft Sunnydale Standards and Guidelines Document
8. Draft Motion Adopting Section 295 Findings
 - Shadow Analysis for Sunnydale
9. Draft Resolution Approving the Development Agreement
 - Draft Sunnydale Development Agreement between the City, and San Francisco Housing Authority, and Sunnydale Development Company, LLC including Exhibits

For Potrero

1. Potrero Project Description Summary, Site Map and Phasing Map
2. Draft Resolution Approving General Plan Amendments
 - Legislative Digest
 - Draft Ordinance Amending Map 4 of the Urban Design Element and Map 03 or the Recreation and Open Space Element
 - Revised Map 4 of the Urban Design Element
 - Revised Map 03 of the Recreation and Open Space Element
3. Draft Resolution Approving Planning Code Text Amendments
 - Legislative Digest

- Draft Ordinance Amending the Planning Code by Adding Planning Code Section 249.75 and 263.30, the Potrero HOPE SF SUD
4. Draft Resolution Approving Map Amendments
 - Legislative Digest
 - Draft Ordinance Amending Map SU08 and HT08
 - Maps Showing Revised Zoning
 5. Draft Motion Approving the Potrero Design Standards and Guidelines Document
 - Draft Potrero Standards and Guidelines Document
 6. Draft Motion Adopting Shadow Findings
 - Shadow Analysis for Potrero
 7. Draft Resolution Approving the Development Agreement
 - Draft Potrero Development Agreement between the City, and San Francisco Housing Authority, and Bridge Housing, including Exhibits

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