

1 [Development Agreement - Laurel Heights Partners, LLC - 3333 California Street Project -
2 California Street at Presidio Avenue]

3 **Ordinance approving a Development Agreement between the City and County of San**
4 **Francisco and Laurel Heights Partners, LLC, a Delaware limited liability company, for**
5 **the development of an approximately 10.25-acre site located at California Street at**
6 **Presidio Avenue with various public benefits, including 25% affordable housing, a child**
7 **care center comprised of approximately 14,665 square feet, and approximately 4.47**
8 **acres of open space; making findings under the California Environmental Quality Act,**
9 **findings of conformity with the General Plan, and the eight priority policies of Planning**
10 **Code, Section 101.1(b); approving certain development impact fees for the project, and**
11 **waiving certain Planning Code fees and requirements; and confirming compliance with**
12 **or waiving certain provisions of Administrative Code, Chapter 56, and ratifying certain**
13 **actions taken in connection therewith, as defined herein.**

14 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
15 **Additions to Codes** are in *single-underline italics Times New Roman font*.
16 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
17 **Board amendment additions** are in double-underlined Arial font.
18 **Board amendment deletions** are in ~~strikethrough Arial font~~.
19 **Asterisks (* * * *)** indicate the omission of unchanged Code
20 subsections or parts of tables.

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

20 Section 1. Project Findings.

21 The Board of Supervisors makes the following findings:

22 (a) California Government Code Section 65864 et seq. authorizes any city, county,
23 or city and county to enter into an agreement for the development of real property within the
24 jurisdiction of the city, county, or city and county.

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1 (b) Chapter 56 of the San Francisco Administrative Code ("Chapter 56") sets forth
2 certain procedures for the processing and approval of development agreements in the City
3 and County of San Francisco (the "City").

4 (c) Laurel Heights Partners, LLC, a Delaware limited liability company ("Developer")
5 owns and operates an approximately 10.25-acre site bounded by California Street to the
6 north, Presidio Avenue to the east, Masonic Avenue to the southeast, Euclid Avenue to the
7 south, and Laurel Street and Mayfair Drive to the west, currently composed of an
8 approximately 455,000 gross square foot office building, an approximately 14,000 gross
9 square foot annex building, surface and subsurface parking areas, and approximately 165,200
10 square feet of landscaping or landscaped open space (the "Project Site").

11 (d) On _____, 2019, Developer filed an application with the City's
12 Planning Department for approval of a development agreement relating to the Project Site
13 (the "Development Agreement") under Chapter 56. A copy of the Development Agreement is
14 on file with the Clerk of the Board in File No. _____.

15 (e) The Developer proposes a mixed use development that will include residential,
16 non- residential, open space, child care, and related uses (the "Project"). Specifically, the
17 Project includes (1) approximately 744 residential units, including not less than 185 on site
18 affordable senior residential units, (2) approximately 34,496 square feet of
19 retail/restaurant/commercial use in buildings along California Street, (4) 10 below-grade
20 parking garages with approximately 857 parking spaces, (5) an approximately 14,665 gross
21 square foot space for child care use, and (6) approximately 56,730 square feet of privately
22 owned, publicly accessible open space required under Planning Code Section 135,
23 approximately 70,396 square feet of additional privately owned, publicly accessible open
24 space, and approximately 41,288 square feet of private open space, all as more particularly
25 described in the Development Agreement.

1 (f) While the Development Agreement is between the City, acting primarily through
2 the Planning Department, and Developer, other City agencies retain a role in reviewing and
3 issuing certain later approvals for the Project. Later approvals include approval of final maps
4 and street improvement permits. As a result, affected City agencies have consented to the
5 Development Agreement.

6 (g) The Project is anticipated to generate an annual average of approximately 675
7 construction jobs, and on completion, an approximate \$10 million annual increase in property
8 taxes and approximately \$15 million in development impact fees (including transportation,
9 housing linkages, and school fees). In addition to the significant housing, jobs, urban
10 revitalization, and economic benefits to the City from the Project, the City has determined that
11 development of the Project under the Development Agreement will provide additional benefits
12 to the public that could not be obtained through application of existing City ordinances,
13 regulations, and policies. Additional public benefits to the City from the Project include (1) on-
14 site affordable housing that exceeds the amount otherwise required and will equal twenty five
15 percent (25%) of the total number of proposed housing units for the Project; (2) workforce
16 obligations, including significant training, employment and economic development
17 opportunities as part of the development and operation of the Project; (3) construction and
18 maintenance of the publicly accessible privately owned open space, totaling approximately
19 2.92 acres; (4) street improvements, some of which will be maintained by the Developer at no
20 cost to the City; (5) an approximately 14,665 square foot child care center, including an
21 outdoor activity area, capable of accommodating at least 175 children, with 10% of the
22 maximum number of permitted slots to be provided to children in low-income households; (6)
23 a Transportation Demand Plan under Planning Code Section 169.3(e)(2) that implements
24 75% of applicable target points rather than the 50% standard otherwise required for the
25 Project; and (7) a \$1,055,000 payment towards an auxiliary water supply system that will

1 service the Project (the "AWSS Community Benefit Fee").

2 (h) Concurrently with this ordinance, the Board is taking a number of actions in
3 furtherance of the Project, as generally described in the Development Agreement, including
4 Exhibit E to the Development Agreement.

5 Section 2. CEQA Findings.

6 On _____, by Motion No. _____, the Planning Commission certified as
7 adequate, accurate and complete the Final Environmental Impact Report ("FEIR") for the
8 Project pursuant to the California Environmental Quality Act (California Public Resources
9 Code Section 21000 et seq.) ("CEQA"). A copy of Planning Commission Motion No.
10 _____ is on file with the Clerk of the Board of Supervisors in File No. _____.
11 Also on _____, by Motion No. _____, the Planning Commission adopted findings,
12 including a rejection of alternatives and a statement of overriding considerations (the "CEQA
13 Findings") and a Mitigation Monitoring and Reporting Program ("MMRP"). These Motions are
14 on file with the Clerk of the Board of Supervisors in File No. _____. In accordance with
15 the actions contemplated herein, this Board has reviewed the FEIR and related documents,
16 and adopts as its own and incorporates by reference as though fully set forth herein the
17 CEQA Findings, including the statement of overriding considerations, and the MMRP.

18 Section 3. General Plan and Planning Code Section 101.1 (b) Findings.

19 (a) The Board of Supervisors finds that the Development Agreement will serve the
20 public necessity, convenience, and general welfare for the reasons set forth in Planning
21 Commission Resolution No. _____ and incorporates those reasons herein by reference.

22 (b) The Board of Supervisors finds that the Development Agreement is in conformity
23 with the General Plan and the eight priority policies of Planning Code Section 101.1 for the
24 reasons set forth in Planning Commission Resolution No. _____. The Board hereby adopts
25 the findings set forth in Planning Commission Resolution No. _____ and incorporates those

1 findings herein by reference.

2 Section 4. Development Agreement.

3 (a) The Board of Supervisors approves all of the terms and conditions of the
4 Development Agreement in substantially the form on file with the Clerk of the Board of
5 Supervisors in File No. _____.

6 (b) The Board of Supervisors approves and authorizes the execution, delivery, and
7 performance by the City of the Development Agreement as follows: (1) the Director of
8 Planning and (other City officials listed thereon) are authorized to execute and deliver the
9 Development Agreement and consents thereto, and (2) the Director of Planning and other
10 applicable City officials are authorized to take all actions reasonably necessary or prudent to
11 perform the City's obligations under the Development Agreement in accordance with the
12 terms of the Development Agreement. The Director of Planning, at his or her discretion and in
13 consultation with the City Attorney, is authorized to enter into any additions, amendments, or
14 other modifications to the Development Agreement that the Director of Planning determines
15 are in the best interests of the City and that do not materially increase the obligations or
16 liabilities of the City or materially decrease the benefits to the City as provided in the
17 Development Agreement.

18 (c) The Board of Supervisors authorizes the Controller to accept any payments
19 made by the Developer under the Development Agreement.

20 Section 5. Development Impact Fees and Planning Code Conformity

21 (a) For the Project, the Board of Supervisors approves the development impact fees
22 as set forth in the Development Agreement and waives any inconsistent provision in Planning
23 Code Article 4.

24 (b) For the Project, the Board of Supervisors approves the child care facility and
25 affordable housing requirements as set forth in the Development Agreement and waives the

1 requirements of Planning Code Section 414A, Section 415.5, Section 415.6(e), Section
2 415.6(f), and Section 415.7.

3 Section 6. City Administrative Code Conformity.

4 The Development Agreement shall prevail if there is any conflict between the
5 Development Agreement and Chapter 56, and without limiting the generality of the foregoing
6 clause, for purposes of the Development Agreement only, the provisions of Chapter 56 are
7 waived or its provisions deemed satisfied as follows:

8 (a) Laurel Heights Partners, LLC shall constitute a permitted "Applicant/Developer"
9 for purposes of Chapter 56, Section 56.3(b).

10 (b) The Project comprises approximately 10.25 acres and is the type of large multi-
11 phase and/or mixed-use development contemplated by the City Administrative Code and
12 therefore is satisfies the provisions of Chapter 56, Section 56.3(g).

13 (c) The provisions of the Development Agreement, including its attached Workforce
14 Agreement, apply and satisfy the requirements of City Administrative Code Chapter 14B,
15 Section 14B.20 and Chapter 56, Section 56.7(c).

16 (d) The provisions of the Development Agreement regarding any amendment or
17 termination, including those relating to "Material Change," shall apply in lieu of the provisions
18 of Chapter 56, Section 56.15.

19 (e) The provisions of Chapter 56, Section 56.20 have been satisfied by the
20 Memorandum of Understanding between Developer and the Mayor's Office of Economic and
21 Workforce Development for the reimbursement of City costs, a copy of which is on file with the
22 Clerk of the Board of Supervisors in File No. _____.

23 Section 7. Chapter 56 Waiver; Ratification.

24 (a) In connection with the Development Agreement, the Board of Supervisors finds
25 that the requirements of Chapter 56, as modified hereby, have been substantially complied

1 with and waives any procedural or other requirements of Chapter 56 if and to the extent to
2 which they have not been strictly complied.

3 (b) All actions taken by City officials in preparing and submitting the Development
4 Agreement to the Board of Supervisors for review and consideration are hereby ratified and
5 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken
6 by City officials consistent with this ordinance.

7 Section 8. Effective and Operative Date.

8 This ordinance shall become effective 30 days from the date of passage. This
9 ordinance shall become operative only on (and no rights or duties are affected until) the later
10 of (a) 30 days from the date of its passage, or (b) the date that Ordinance _____, Ordinance
11 _____, and Ordinance _____ have become effective. Copies of said Ordinances are on file
12 with the Clerk of the Board of Supervisors in File No. _____.

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14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA, City Attorney

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18 By: _____
19 Carol Wong
20 Deputy City Attorney
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