



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary

HEARING DATE: JANUARY 30, 2020

Case No.: 2017-011878 GPA PCA MAP DEV CWP
Project: Potrero Power Station Mixed-Use Project
Existing Zoning: M-2 (Heavy Industrial)
PDR-1-G (Production, Distribution & Repair-1-General)
Height-Bulk: 40-X, 65-X
Proposed Zoning: P (Public)
Potrero Power Station Mixed-Use District (PPS-MU)
Proposed Height: 65/240-PPS
Blocks/Lots: 4175/002, 4175/017, 4175/018 (partial), 4232/001, 4232/006, 4232/010, and
non-assessed Port and City and County of San Francisco properties
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SUMMARY

On January 30, 2020, the Planning Commission (“Commission”) will consider a series of approval actions related to the proposed Potrero Power Station Mixed-Use Project (“Project”). The Commission has previously reviewed the Project as part of: 1) informational hearings on August 23, 2018, November 8, 2018, April 25, 2019, and September 5, 2019; and 2) the Draft Environmental Impact Report (“DEIR”) on November 8, 2018. The Project has also been discussed at the Commission in the context of the Southern Bayfront Strategy in multiple informational hearings. The actions before the Commission on the Project include the following:

1. Certification of the Final Environmental Impact Report (“FEIR”) prepared for the Project pursuant to the California Environmental Quality Act (Pub. Resources Code §§ 21,000 et seq., “CEQA”), the guidelines implementing CEQA (14 Cal. Code Regs. §§ 15,000 et seq., “CEQA Guidelines”), and the Chapter 31 of the City’s Administrative Code;
2. Adoption of CEQA Findings, including a Mitigation and Monitoring Plan (“MMRP”);
3. Recommendation to the Board of Supervisors to approve General Plan Amendments to amend the Central Waterfront Area Plan, the Commerce and Industry Element, the Urban Design Element, the Transportation Element, and the Recreation and Open Space Element, and the Land Use Index as further described below;
4. Adopt General Plan and Planning Code Section 101.1 Consistency Findings;
5. Recommendation to the Board of Supervisors to approve Zoning Map Amendments and Planning Code Text Amendments to reclassify the site and establish the Potrero Power Station Special Use District (“SUD”);
6. Approval of the Design for Development (“D4D”); and
7. Approval of the Development Agreement (“DA”).

PROJECT DESCRIPTION

The Potrero Power Station site is located on approximately 29 acres of land on 6 privately-owned parcels and includes approximately 2.75 acres of land owned by the City and County of San Francisco and the Port of San Francisco. Current uses on the site include a small office building occupied by the Project Sponsor, an electrical switchyard owned and operated by PG&E, and street rights of way or shoreline areas owned by the Port and City; the remainder of the site includes multiple vacant structures and unused infrastructure related to the site's previous use as a power station.

In 2011, the Potrero Power Plant ceased its power-generating operations subject to a Settlement Agreement ("Settlement Agreement") between then-owner Mirant Potrero LLC and the City. The Settlement Agreement provided Mirant or a future property owner the opportunity to work with the City and community on a redevelopment proposal for the site. In 2016, the Project Sponsor purchased the property from then-owner NRG Energy, and in 2017 began an extensive planning process with City agencies and the community to develop a master plan for the site.

The Project will be built in up to six phases and includes developing approximately 2.5 million square feet ("sq ft") of residential space (2,601 dwelling units), 1.8 million sq ft of commercial uses, including 100,000 sq ft of retail, 800,000 sq ft of office, 650,000 sq ft of life science/laboratory, 240,000 sq ft of hotel (250 rooms), and 35,000 sq ft of Production, Distribution, and Repair ("PDR") uses. Additionally, it includes 25,000 square feet of entertainment/assembly uses, 50,000 square feet of community facilities, up to 2,686 off-street automobile parking spaces, and 6.9 acres of publicly accessible open space. The proposal includes three signature open space areas: the approximately 1.2-acre "Power Station Park," the approximately 0.6-acre "Stack Plaza," and an approximately 3-acre waterfront park that opens up over 1,000 linear feet of shoreline to the public for the first time in 150 years.

The Project is organized around the centrally located Power Station Park and extends the existing east/west street grid from Humboldt and 23rd Streets and the planned north/south street grid from the Pier 70 Project into the site to create a new street network. Land uses are interspersed by block throughout the site with no single use dominating one area. Three existing structures on the site, the Unit 3 power block and Boiler Stack along the waterfront and the Station A building, are proposed for adaptive reuse, bookending Power Station Park. A 250-room hotel would occupy Unit 3 while the exterior Station A walls would enclose the lower floors of a new commercial building. Humboldt Street will serve as the Project's primary neighborhood retail spine, with required ground floor retail uses clustered around the intersections with Maryland and Delaware Streets. Wrapped or subterranean parking would be an accessory use on all blocks and a district parking garage is proposed on one of three blocks on the western side of the site.

Heights of new buildings would range between 65 feet and 240 feet and would generally step down from the middle of the site toward both the east and west. Three towers with maximum building heights of 180 feet, 220 feet, and 240 feet are generally clustered around the intersection of Humboldt Street and Georgia Alley.

Power Station Park would include two U6 soccer/flexible recreation fields, a playground, and flexible plaza spaces. It is intended to be used as an active recreation area and neighborhood park for the Central Waterfront. Stack Plaza would be a large, flexibly-programmed civic gathering space featuring the site's

preserved Boiler Stack, an iconic symbol for the Central Waterfront and reminder of the site's long industrial history. A publicly accessible and reservable rooftop U10 soccer field will be located on the district parking garage.

The Project will also feature a linear shoreline park incorporating a new section of the Bay Trail with other plazas and green areas on either side for public use. These include:

- "The Point" at the southernmost end of the shoreline, which will include natural planted areas, picnic areas with tables and benches, outdoor grills, and discovery play features for children and adults;
- "Turbine Plaza," which will be partially enclosed in the Unit 3 complex and function as circulation to the shoreline, as an event space, and potentially as a space for the display of public art, and;
- "Humboldt Street Plaza," a pedestrian extension of Humboldt Street which will function as circulation to the shoreline and as a public gathering and event space.

Additional smaller spaces lining the east and west sides of the Bay Trail will offer seating, a flexible lawn, natural planting, outdoor dining, public art, and interpretive elements. A public recreational dock is also proposed. The shoreline park will connect seamlessly to the neighboring Pier 70 shoreline park to create a unified Central Waterfront shoreline open space system. All public open spaces in the Project—with the exception of the Point and some areas directly along the shoreline, which are owned by the Port—will be privately owned. All open spaces, including those on Port property, will be maintained by the site master association(s) and managed for public use and benefit in perpetuity according to rules and procedures established in the Development Agreement.

ENVIRONMENTAL REVIEW

On October 3, 2018, the Department published the Potrero Power Station Mixed-Use Project Draft Environmental Impact Report ("DEIR") for public review (Case No. 2017-011878ENV). The DEIR was available for public comment until November 19, 2018.

On November 8, 2018, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to solicit comments regarding the DEIR.

On December 11, 2019, the Department published a Responses to Comments document, responding to comments made regarding the DEIR.

On January 30, 2020, the Commission will consider certification of the Final Environmental Impact Report ("FEIR") for the Project, and will determine if it is adequate, accurate and complete.

In addition, on January 30, 2020, the Commission must adopt the CEQA Findings for the FEIR, prior to the approval of the Project (See Case No. 2017-011878GPA PCA MAP DVA CWP).

PUBLIC COMMENT

The Project Sponsor has engaged in a robust community outreach program throughout the development and refinement of the Project design over the past several years. Community engagement included

roughly 170 community meetings, including public site tours, workshops and presentations, Project Sponsor office hours, presentations to the Eastern Neighborhoods Community Advisory Committee, the Potrero Boosters, the Dogpatch Neighborhood Association, SPUR, the Housing Action Coalition, the Port, the Historic Preservation Commission, and the Planning Commission.

Community voices have played an important role in shaping the design of the Project, particularly related to the height of buildings and the retention of Station A. Initial proposals for the Project site included height limits that would have permitted one 300 foot tower (north end of Block 15) and three 180 foot towers (Block 1, Block 5, and Block 7). However, some community members expressed concerns about the impact that buildings of this height would have on viewsheds from Potrero Hill. In response, the Project Sponsor reduced the number of proposed towers, reconfigured their location, and lowered the greatest permitted heights on the site from 300 feet to 240 feet. The current proposal includes heights of 240 feet on Block 7, 220 feet on Block 5, and 180 feet on Block 1. In order to maintain the overall development program—including the number of proposed housing units—while accommodating this change, height limits on Block 13 and the south end of Block 15 were increased.

Regarding Station A, the building's retention and adaptive reuse have been a goal of the Planning Department and Project Sponsor since the earliest stages of planning for the Project. However, its construction type (unreinforced masonry) and state of disrepair due to a lack of ongoing maintenance by previous property owners mean its retention is challenging for both technical and economic reasons. As such, Station A's status within the Project was uncertain as the Project Sponsor studied whether the structure could be physically incorporated into a modern building and whether Project financing could support it along with other important Project priorities. Throughout the planning and design process for the Project, community members from the Dogpatch and Potrero Hill neighborhoods strongly advocated for the retention of Station A in community meetings, at Planning Commission hearings, and at Historic Preservation Commission hearings. As a result of the ongoing dialogue between the City, the Project Sponsor, and members of the community, the existing Station A structure is proposed for retention and adaptive reuse and will become an iconic element within the Project.

In addition to the public participation noted above, the Planning Department received one comment letter from the public prior to the publication of this case report relating to the Planning Commission's scheduled Project approval actions on January 30, 2020. The letter, dated November 25, 2019, was sent by the SPUR Project Review Advisory Board. It endorses the Project noting the appropriateness of its location on an underutilized brownfield site adjacent to transit, its land use mix, its development density, and its design as a walkable neighborhood with ample open space and active ground floor uses.

PLANNING COMMISSION REQUIRED ACTIONS FOR THE PROJECT

As summarized above, the Commission must take several actions to approve the Project. These actions include:

Certification of the FEIR and adoption of CEQA Findings.

General Plan Consistency Findings

The Commission must adopt findings of General Plan consistency for all approval and implementation actions related to the project. These findings are included in the first approval action being considered by the Commission, which is consideration of the ordinance to amend the General Plan.

General Plan

The Project site is currently referenced in the General Plan as designated for industrial and PDR use with a height limit of 40-feet, and as such, the Project could not be constructed under the current provisions of the General Plan. However, existing policies in the Central Waterfront Area Plan as well as the Settlement Agreement anticipated redevelopment of the Project site to accommodate a wider range of uses upon conclusion of a community planning and design process. The proposed General Plan Amendments reflect the Project that emerged from the community process. The subject General Plan Amendments would: (1) amend Objective 1.1, Policy 1.1.8, Map 2, and Objective 5.1 of the Central Waterfront Area Plan to reflect the mixed-use vision for the subject site; (2) amend Urban Design Element Maps 4 and 5 by establishing maximum height and bulk limits consistent with the proposal; (3) amend Commerce and Industry Element Maps 1 and 2 by reclassifying generalized land uses and densities consistent with the proposal; (4) amend the Recreation and Open Space Element Map 3 by adding new publicly accessible open spaces of significant size (6.9 acres) proposed for the site; (5) amend the Transportation Element Map 11 by adding the Bay Trail Recreational Loop proposed for the site, and; (6) amend the Land Use Index to reflect amendments to the maps described above in the Urban Design, Commerce and Industry, Recreation and Open Space, and Transportation Elements.

Planning Code Map and Text Amendment – Potrero Power Station Special Use District (SUD)

On January 14, 2020, Supervisor Shamann Walton and Mayor London Breed initiated an ordinance that would amend the Planning Code to establish the Potrero Power Station SUD and make other conforming Code amendments.

The SUD will provide specific land use and development controls for the project site, which encompasses the subject property at 1201A Illinois Street, the public rights-of-way within the boundaries of the site and the associated open spaces. The Potrero Power Station SUD sets forth the zoning requirements for the site, including:

- Uses, including allowed uses per parcel and ground floor requirements;
- Building Standards, including Height and Bulk, Off-Street Parking, Bicycle Parking, Dwelling Unit Exposure, Open Space for Dwelling Units, Permitted Obstructions and Signage;
- Incorporation by reference of the Design for Development document, which contains additional standards and guidelines for development of the site

In addition, the SUD outlines the design review process for the Development Phases, Vertical Improvements and Minor/Major Modifications to Building Standards. The Design Review procedures include:

- Phase Approval: An overarching “Phase Application” will be submitted to the Department for approval in accordance with a Development Agreement (“DA”). The Phase approval would assure that the Master Developer is moving forward with infrastructure and community improvements at the same time as the development of the buildings (Vertical Improvements). The Phase approval is required before Planning can begin review on a specific Vertical Improvement.
- Design Review and Approval of Vertical Improvements and Privately-Owned Horizontal Improvements: Design review and applications for Vertical Improvements (new construction of a

building or any later expansion/major alteration or addition to a previously-approved building) and Privately-Owned Horizontal Improvements (e.g. Power Station Park, Stack Plaza, and other Project open spaces) will be submitted to Planning. Planning staff shall review these applications for consistency with the SUD and the D4D. The Planning Director shall have discretion over minor modifications (deviation of less than 10 percent from any dimensional or numerical standard in the SUD and the DSG), while the Planning Commission shall review and approve any major modification. Other than major modifications, the Planning Director would approve all Vertical Improvements and Privately-Owned Horizontal Improvements.

The SUD requires public meetings as an element of the design review process for buildings and Privately-Owned Community Improvements per the following: (1) For all buildings, Project Applicants must conduct a minimum of one pre-application public meeting at or near the Project site per the Planning Department's pre-application meeting procedures; (2) For buildings 200 feet or greater in height and for the rehabilitation and development of Station A on Block 15 and Unit 3 on Block 9, the Planning Director shall refer the Design Review Application to the Planning Commission for an informational hearing; and (3) For any parks or open space within the Power Station park system, Project Applicants must conduct a minimum of two community meetings at or near the Project site per the Planning Department's pre-application meeting procedures. Additional meetings related to the parks and open space design may be required at the discretion of the Planning Director.

Zoning Map Amendments

The same ordinance introduced on January 14, 2020, by Supervisor Shamann Walton and Mayor London Breed would also amend the Zoning Map and Height and Bulk District Map for the project site. As indicated above, the Site would be included within the new Potrero Power Station SUD, which would rezone the land currently zoned M-2 (Heavy Industrial) to PPS-MUD (Potrero Power Station Mixed-Use District) and P (Public) to reflect the intended mixed-use character of the site. The rezoning would also include rezoning portions of land under Port of San Francisco jurisdiction that are planned for open spaces uses from and PDR-1-G (Production, Distribution & Repair-1-General) to P (Public), which is the appropriate zoning designation for public park land. This rezoning also includes re-designating the height and bulk district within the SUD from 40-X and 65-X to 65/240-PPS.

The site is currently within the 40-X and 65-X Height and Bulk designations. It would be rezoned to a 65/240-PPS Height and Bulk District, which would, in turn, refer to the Potrero Power Station SUD for fine-grained height regulations.

Design for Development Document (D4D)

The D4D articulates a vision and goals for the character of the overall project, and provides specificity on aspects of land use, building frontage, historic preservation, open space, streets and streetscapes, parking and loading, buildings, lighting, and signage. The scope of the D4D is expansive and includes regulatory standards, supplementing the controls in the SUD, as well as guidelines for each topic area. The following is a summary of the main chapters of the D4D:

- *Land Use:* Allowable land uses on the site are designated by development block. Primarily residential blocks are distributed among primarily commercial blocks throughout the Project site in order to create a mixed-use environment and ensure that all areas of the site are active

throughout the day and into the evening. Certain ground floor land uses, such as retail, PDR, and other active uses, would also be required in some locations, particularly along the waterfront, Humboldt Street (which is envisioned as the site's main retail street), and 23rd Street (which is envisioned as a PDR-focused street).

- *Open Space Network:* The Project will create approximately 6.9 acres of new public open space including the Power Station Park, Stack Plaza, Waterfront Park, and several smaller plazas and pathways throughout the Project site. All open spaces in the Project—with the exception of the Point and some areas directly along the shoreline, which are owned by the Port—will be privately owned and publicly accessible. The D4D establishes minimum dimensions, amenities and general layout along with intentions for design and use of the space.
- *Streets and Streetscapes:* The Project will establish a new, multi-modal street network, which will connect the project site to Pier 70, the Dogpatch neighborhood, and the City at large. Streets will be designed in compliance with the D4D and Infrastructure Master Plan, both of which are adopted along with the DA.
- *Parking and Loading:* The SUD and D4D allow for the construction of a maximum of 2,622 parking spaces in a district parking structure and/or in below grade or fully wrapped parking structures. The parking is proposed to be provided in shared structures that will also provide public parking for commercial and retail uses on the site as well as the new open space resources.
- *Buildings:* The Project establishes standards and guidelines for massing and architecture, streetwall, building base and ground floor, facades and materiality, projections, roofs, residential building elements and open space, garages and service entry design, historic district compatibility, and sustainability. The D4D emphasizes design considerations for pedestrians by including robust requirements for activation, modulation, and scaling building frontages with respect to the scale and function of the adjacent street or open space.

In general, the Project's land uses and conceptual design are specifically established in the D4D. However, special circumstances require flexibility and/or the possibility of alternative development scenarios related to the following Project elements, which are all illustrated in the D4D:

- *PG&E Sub-Area:* PG&E owns and operates important power distribution switchyards just west of the Project site both north and south of Humboldt Street. PG&E has studied and is pursuing the option of consolidating the north and south switchyards such that they occupy a smaller footprint on its property south of Humboldt Street. As such, with permission from PG&E, the Project Sponsor included the area north of Humboldt— known as the PG&E Sub-Area and encompassing all of Project Block 13 and a portion of Project Block 1—in the Project master plan documents, entitlement, and EIR. However, in the scenario that PG&E does not consolidate its switchyard facilities and its property is not conveyed to the Project Sponsor or does not otherwise become party to the DA, the D4D provides a Project scenario that does not include the PG&E Sub-Area. The No-PG&E scenario differs from the proposed Project in that it contains approximately 500 fewer housing units, a reduction of approximately 20,000 sq ft of PDR space, and would not include Georgia Street or the segment of Humboldt Street between Georgia Lane and Illinois Street. The SUD zoning controls do not become operative for the PG&E Sub-Area until a Notice of Joinder to the Development Agreement is approved by the Board of Supervisors or until the PG&E Sub-Area, or any portion thereof, is conveyed to Developer.

- *District Parking Structure:* The Project permits, but does not require, a district parking structure to be constructed. The preferred location for the parking structure is on Block 5 due to its location adjacent to the existing PG&E southern switchyards, which will remain indefinitely in their current location. However, the D4D permits alternative locations of a district garage on Blocks 1 or 13 should PG&E's proposed switchyard consolidation require the use of land on either Block 5 or Block 13.
- *Station A:* The existing Station A structure on Block 15 is an important character-defining element of the base Project and its retention as part of an adaptive reuse effort is a high priority for the Project. However, as an unreinforced masonry building, it is prone to collapse in an earthquake. Should 70% or more of the existing Station A structure be severely damaged by an earthquake or other natural disaster—and thus unsalvageable—prior to construction of an adaptive reuse project for the structure, Block 15 may be constructed with a new commercial building. The D4D includes detailed design Standards, Guidelines, and Considerations for Block 15 to ensure a high caliber of design whether or not Station A is retained.
- *Unit 3:* Along with Station A, the existing Unit 3 structure on Block 9 is an important link to the Project site's industrial past and its retention for adaptive reuse as a hotel is included, although not required, in the proposed Project. Should the retention of Unit 3 as part of the Project prove infeasible, the D4D describes an alternative development scenario for Block 9 that includes a hotel and/or residential building with a smaller footprint than the scenario that retains Unit 3. This scenario without Unit 3 would result in an expanded Stack Plaza open space that would allow for uninterrupted views to the Bay from the Project's other main open space, Power Station Park.

Development Agreement (DA)

The Development Agreement (DA) is a contract between the City and the developer (California Barrel Company) that vests to the Developer master entitlement to construct the project in exchange for public benefit obligations of the developer above and beyond those provided by typical code-compliant projects. The DA "runs with the land" for a period of 30 years (i.e. transfers to any new parties, in case that California Barrel Company sells all or part of the land, including future HOAs). Among other things, the DA gives the master developer the right to develop the Project in phases in accordance with the DA, requires certain public benefits, describes the application of existing and future City laws, and establishes fees and exactions. Key provisions of the DA include:

- *Open Space:* Creation or improvement of approximately 6.9 acres of public open space, including the Power Station Park, Stack Plaza, Waterfront Park, and several smaller plazas and bicycle and pedestrian pathways throughout the Project site. The Project will also include a publicly accessible soccer field either on the roof of the district parking garage or another location (if no parking garage is built). All open spaces will be maintained in perpetuity by the Project.
- *Affordable Housing:* The Project will create a significant amount of affordable housing units. The affordable housing plan will facilitate development of 30% of all residential units built within the project site as below market rate units, inclusionary units, or in lieu fee units. A maximum of 258 affordable housing units (33% of total affordable units) may be constructed off-site through the payment of in lieu fees and such units must be located in Supervisor District 10. Inclusionary Rental Units will be restricted, on average, to a Housing Cost that is affordable to Households earning not more than 72% of Area Median Income ("AMI"). Inclusionary For-Sale Units will be

restricted, on average, to a Housing Cost that is affordable to Households earning not more than 99% of AMI.

- *Sustainability and Sea Level Rise Protection:* The Project will implement sustainability measures to enhance livability, health and wellness, mobility and connectivity, climate protection, resource efficiency, and ecosystem stewardship and provide funding sources through the formation of a Community Facilities (Special Tax) District that the City will use to implement protections along the Central Waterfront shoreline from future sea level rise.
- *Transportation:* In addition to constructing a new multi-modal street network connecting to the Dogpatch and Pier 70, the Project will provide a new bus stop and layover facilities for the proposed extension of the MUNI 55 bus service through the Pier 70 and Potrero Power Station sites, as well as shuttle service supplementing MUNI service and connecting the site to the BART system. Additionally, the Project will contribute approximately \$65 million in Transportation Sustainability Fees to a variety of purposes within the neighborhood and larger transportation system. The Project includes a robust Transportation Demand Management program with a requirement to reduce single occupancy vehicle trips by 11% from baseline metrics. This requirement was identified as part of the environmental review process.
- *Jobs & Workforce Development Program:* The DA includes a robust Workforce Agreement, which guarantees a significant financial contribution (\$1M) to training programs aimed at both construction and end-user employment opportunities onsite. As many future tenants in buildings within this Project will be life science and/or tech related, the development will provide unique opportunities for local employment in the fields of STEM. The DA also memorializes programmatic partnerships with future STEM employers to support job fairs, ongoing networking, technology-related career readiness, and curriculum development for further training efforts. The project will also comply with First Source Programs for construction and operational activities, as well as a Local Business Enterprise Utilization Plan.
- *Community Facilities:* The Project will include the construction of an on-site community recreation center of at least 25,000 gross square feet in size provided rent free to a community facility operator along with funding for tenant improvements. Additionally, the Project will provide funding or space to the San Francisco Public Library for a library to be located on the Project site or within $\frac{3}{4}$ mile from the Project site.
- *Childcare Facilities:* The Project will construct two childcare facilities on site totaling not less than 6,000 gross square feet in size each. These facilities will be available for lease to a licensed nonprofit operator without charge for rent, utilities, property taxes, building services, or repairs, with minimum terms of four years. After this initial term, they will be available to a licensed nonprofit operator for an additional period of four years, at a cost not to exceed actual operating and tenant improvement costs reasonably allocated to similar facilities in similar buildings.
- *Historic Preservation:* The Project will retain and adaptively reuse Station A and the Unit 3 Boiler Stack, two contributing structures in the Third Street Industrial District. The Boiler Stack will be rehabilitated to the Secretary of the Interior's Standards for Historic Rehabilitation.

In conjunction with the Development Agreement, other City agencies retain a role in reviewing and issuing later approvals for the Project (for example, subdivision of the site and construction of infrastructure and other public facilities), as memorialized in the DA and other implementing documents.

It is also proposed as part of approval of the DA that the City will consent to waive or modify certain procedures and requirements under existing Codes in consideration of alternative provisions in the DA.

ISSUES AND OTHER CONSIDERATIONS

- *Southern Bayfront Strategy.* The Potrero Power Station Mixed-Use Project is a Southern Bayfront Strategy project. The Southern Bayfront Strategy is a framework the City has used to negotiate several large-scale master development sites that are being developed under development agreements. Staff has concluded that the DA negotiated with the Project Sponsor meets the goals of the Southern Bayfront Strategy to deliver community benefits that contribute to a high quality waterfront, community facilities, and affordable housing particularly suited for the Central Waterfront context.
- *SB 330 compliance – M-zone clean-up.* The subject rezoning to create the PPS SUD, which allows housing as a principally permitted use on the majority of blocks within the district, and to increase height limits up to 240 feet constitutes a substantial increase of zoned housing capacity in the southeast quadrant of the City. This upzoning would create capacity for approximately 2,600 units, estimated at approximately 1,900 units above the zoned capacity for housing under the existing M-1 and PDR zoning with a 40-foot height limit (noting that housing is not principally permitted in the M district and only allowed through discretionary action as a Conditional Use). Concurrent with this upzoning of M-zoned parcels to increase housing capacity at the Potrero Power Station site, the City is considering other zoning changes in the industrial portions of the southeastern sector of the city to convert approximately 215 of the remaining M-zoned parcels to PDR zoning in order to protect the City’s remaining industrial areas for industrial uses in some cases and others to P zoning to reflect the underlying existing public ownership and public use. The M zone is an antiquated industrial district that has been mostly been phased out of the City, other than on Port-owned properties, by rezoning industrial properties to PDR districts. All of these parcels currently zoned M are adjacent to and contiguous with industrial PDR districts, and includes various parcels in the Central Waterfront and Bayview area, including the Bayview Industrial Triangle, whose Redevelopment Plan is set to expire in June 2020. As noted, housing is not principally permitted on these M parcels, it is conditionally permitted on approximately 171 of the parcels. (Approximately 45 of these parcels are currently subject to the Bayview Industrial Triangle Redevelopment Plan, which does not permit housing on 44 of the subject parcels.) Approximately three-quarters of these 171 parcels are undevelopable for housing in any event due to a variety of factors, including: their active use as public freeway, roadway, and rail rights-of-way; their active use as critical publicly- and privately owned infrastructure (eg wastewater treatment plant, city dump/transfer station); their siting and dimensions rendering them undevelopable for housing (eg lacking street access and landlocked by surrounding PDR-zoned parcels). The theoretical maximum housing capacity of all those of the 171 parcels not encumbered by infrastructure and other confounding factors, if they were approved under Conditional Use at their maximum allowable density, is less than 1,000 units. The City is also concurrently proceeding with other substantial upzonings in 2020, including the Market Octavia Plan “Hub” area, Balboa Reservoir, and others, collectively representing several thousands of housing units of increased zoned capacity.

REQUIRED COMMISSION ACTION

In order for the Project to proceed, the Commission must:

- 1) Certify the FEIR pursuant to the CEQA;
- 2) Adopt CEQA Findings, including a statement of overriding considerations and a “MMRP”;
- 3) Recommend that the Board of Supervisors approve the ordinance amending the General Plan including amendments to the Central Waterfront Area Plan, the Urban Design Element, the Commerce and Industry Element, the Transportation Element, the Recreation and Open Space Element, and the Land Use Index of the General Plan, and adopt General Plan consistency and Planning Code Section 101.1 Consistency and Implementation finds for the Project as a whole;
- 4) Recommend that the Board of Supervisors approve the ordinance amending the Planning Code to establish the Potrero Power Station Special Use District, and amend the associated Zoning Maps;
- 5) Adopt the proposed the Potrero Power Station Design for Development document; and
- 6) Recommend that the Board of Supervisors approve the Development Agreement (DA) for the Project.

BASIS FOR RECOMMENDATION

- The Project will add a substantial number of housing units, including affordable housing units in an underutilized site along the bay waterfront while improving and maintaining substantial waterfront acreage to augment the public open space system in an area lacking in such amenities and waterfront access.
- The site is currently underutilized, and the addition of new ground-floor retail spaces, new streets and public amenities, and publicly-accessibly open spaces will enliven the streetscape and will provide new access to the waterfront.
- The Design for Development document will provide specific guidance for the character of the overall Project, resulting in high-quality architecture, extensive streetscape and public realm improvements, and abundant publicly-accessible open space.
- The Development Agreement will provide substantial public benefits in areas including affordable housing, funding for transportation improvements, workforce development, and historic preservation, among other benefits.
- The Project is, on balance, consistent with the Goals, Policies, and Objectives of the General Plan.

RECOMMENDATION: Recommend to the Board of Supervisors approval of the General Plan Amendments, Planning Code Text and Map Amendments, the DA (to be scheduled April 14, 2020), and adoption of approval of the D4D.

Attachments:

CEQA Materials

Draft FEIR Certification Motion
DEIR Response to Comments (electronic only)
CEQA Findings and Draft Adoption Motion
Development Feasibility Analysis of Historic Preservation Alternatives
Peer Review of Development Feasibility Analysis of Historic Preservation Alternatives

General Plan Amendments

Draft Resolution
Draft Ordinance
Exhibit: General Plan Maps with notated proposed changes

Planning Code Text and Map Amendments

Draft Resolution
Draft Ordinance

Development Agreement

Draft DA Resolution
Draft Ordinance
Draft Design for Development Motion
Project Sponsor Letter
Draft Development Agreement
Draft Development Agreement Exhibits including:

- Design for Development
- Infrastructure Master Plan
- Transportation Demand Management Plan

Redevelopment Fiscal Impact Analysis

Public Comment Letters

SPUR Project Review Advisory Board