

File No. 201387 Committee Item No. 4  
Board Item No. \_\_\_\_\_

**COMMITTEE/BOARD OF SUPERVISORS**  
AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date February 22, 2021

Board of Supervisors Meeting Date \_\_\_\_\_

**Cmte Board**

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

**OTHER (Use back side if additional space is needed)**

- |                                     |                          |                                  |
|-------------------------------------|--------------------------|----------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referral CEQA 122220</u>      |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referral FYI 122220</u>       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>CEQA Determination 011321</u> |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                            |
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Completed by: Erica Major Date February 18, 2021

Completed by: Erica Major Date \_\_\_\_\_

1 [Consent to Provisions of a Variation Decision - On-Site Affordable Housing Requirement -  
2 542-550 Howard Street (Transbay Parcel F) - Transbay Redevelopment Project Area]

3 **Resolution acting in its capacity as the legislative body to the Successor Agency to the**  
4 **former Redevelopment Agency of the City and County of San Francisco, approving**  
5 **provisions of a variation decision by the Commission on Community Investment and**  
6 **Infrastructure, modifying the on-site affordable housing requirement for 542-550**  
7 **Howard Street (Assessor’s Parcel Block No. 3721, Lot Nos. 016, 135, 136, and 138, also**  
8 **known as Transbay Parcel F) in the Transbay Redevelopment Project Area; and**  
9 **adopting findings under the California Environmental Quality Act.**

10  
11 WHEREAS, State law dissolved redevelopment agencies and designated successor  
12 agencies, as separate entities from cities or counties, to assume the remaining obligations of  
13 the former redevelopment agencies, California Health and Safety Code, Sections 34170 et  
14 seq. (the “Redevelopment Dissolution Law”); and

15 WHEREAS, To implement the Redevelopment Dissolution Law, the Board of  
16 Supervisors initially adopted Resolution No. 11-12 (January 26, 2012) and subsequently  
17 adopted Ordinance No. 215-12 (October 4, 2012), which established a Successor Agency  
18 Commission and delegated to the Successor Agency to the Redevelopment Agency of the  
19 City and County of San Francisco (commonly known as the Office of Community Investment  
20 and Infrastructure) (the “Successor Agency” or “OCII”) the authority, among others, to  
21 implement, modify, enforce and complete the surviving redevelopment projects, including  
22 certain Major Approved Development Projects, Retained Housing Obligations, and all other  
23 enforceable obligations except for actions decreasing property tax revenue for affordable  
24 housing and material changes to affordable housing obligations, which must be approved by  
25 the Board of Supervisors; and

1           WHEREAS, California Public Resources Code, Section 5027.1 requires that 25% of  
2 the residential units developed in the Transbay Redevelopment Project Area (“Project Area”)  
3 shall be available to low income households and that an additional 10% shall be available to  
4 moderate income households (the “Transbay Affordable Housing Obligation”), which  
5 obligation has been incorporated into the Redevelopment Plan for the Transbay  
6 Redevelopment Project, approved by Ordinance No. 124-05 (June 21, 2005) and by  
7 Ordinance No. 99-06 (May 9, 2006), and in the Implementation Agreement, dated as of  
8 January 20, 2005, between the former Redevelopment Agency of the City and County of San  
9 Francisco and the Transbay Joint Powers Authority and has been finally and conclusively  
10 determined by the California Department of Finance to be an enforceable obligation under  
11 Redevelopment Dissolution Law; and

12           WHEREAS, To fulfill the Transbay Affordable Housing Obligation, both the  
13 Redevelopment Plan and the Planning Code require that all housing developments within the  
14 Project Area contain a minimum of 20% on-site affordable housing (the “On-Site  
15 Requirement”); and

16           WHEREAS, Neither the Redevelopment Plan nor the Planning Code authorize off-site  
17 affordable housing construction or an “in-lieu” fee payment as an alternative to the On-Site  
18 Requirement in the Project Area; and

19           WHEREAS, The Redevelopment Plan provides a procedure and standards by which  
20 certain of its requirements and the provisions of the Planning Code may be waived or  
21 modified; and

22           WHEREAS, On June 28, 2018, OCII received a request from the developer of 542-550  
23 Howard Street (Assessor’s Parcel Block No. 3721, Lot Nos. 016, 135, 136, and 138, also  
24 known as Transbay Parcel F) (“Developer”) for a variation from the On-Site Requirement; and

25           WHEREAS, The Developer proposed removing the affordability restrictions from the

1 approximately 33 affordable units on-site and converting them to market rate units (the  
2 “Variation Request”); and

3 WHEREAS, The Variation Request proposes that the Successor Agency grant a  
4 variation on the condition that the Developer contribute to the Successor Agency an amount  
5 that is equal to one hundred fifty percent (150%) of the inclusionary housing fee that Section  
6 415.5 of the Planning Code would otherwise require if the Project were not subject to the On-  
7 Site Requirement (based on the published fee schedule applicable to calendar year 2021)  
8 toward the development of affordable housing in the Project Area, which amount is  
9 significantly higher than the amount of the affordable housing fee that would be permitted  
10 under the City’s Inclusionary Affordable Housing Program if this Project were located outside  
11 of the Project Area; and

12 WHEREAS, The Variation Request proposed that the above-described fee would be  
13 paid to the Successor Agency on the earlier to occur of: (a) issuance of the temporary  
14 certificate of occupancy associated with the residential portions of the Project or (b) on the  
15 date that is two years after the effective date of this Agreement (but only if the “first  
16 construction document,” as defined in Section 401 of the Planning Code and Section  
17 107A.13.1 of the Building Code, has been issued for the Project); the fee collection procedure  
18 set forth in Section 402 of the Planning Code and Section 107A.13 of the Building Code shall  
19 not apply to the Project, nor shall any other provision of the San Francisco Municipal Code  
20 that conflicts with the fee collection and timing described in this Section 2.1.1 in addition,  
21 within thirty (30) days after the effective date of the Disposition and Development Agreement  
22 between OCII and Developer or an entity affiliated with Developer for Transbay Block 4,  
23 Developer shall submit to OCII an enforceable letter of credit on commercially reasonable  
24 terms for the full amount of the Affordable Housing Fee; and

25 WHEREAS, Payment of this fee would ensure that the conversion of the approximately

1 33 inclusionary units to market rate units does not adversely affect the Successor Agency's  
2 compliance with the Transbay Affordable Housing Obligation; and

3 WHEREAS, OCII estimates that the Affordable Housing Fee may subsidize  
4 approximately 192 affordable housing units within the Project Area in contrast to the  
5 approximately 33 units that would be produced under the On-Site Requirement and  
6 accordingly the Affordable Housing Fee will allow OCII to better fulfill the requirements of the  
7 Transbay Affordable Housing Obligation; and

8 WHEREAS, In addition, the 192 affordable housing units would provide deeper  
9 affordability levels (45% of AMI) compared to the levels (100% of AMI) that would be achieved  
10 through the application of the On-Site Requirement for up to 33 units; and

11 WHEREAS, On January 19, 2021, after holding a duly noticed public hearing and  
12 consistent with its authority under Redevelopment Dissolution Law and Ordinance No. 215-  
13 12, the Successor Agency Commission conditionally approved, by Resolution No. 02-2021, a  
14 variation to the Transbay Redevelopment Plan's On-Site Affordable Housing Requirement as  
15 it applies to the mixed use project at 542-550 Howard Street (Transbay Parcel F), subject to  
16 approval by the Board of Supervisors in its capacity as legislative body for the Successor  
17 Agency (the "Variation Approval"); OCII Resolution No. 02-2021 is on file with the Clerk of the  
18 Board of Supervisors in File No. 201387, and incorporated in this Resolution by reference;  
19 and

20 WHEREAS, The Planning Commission and Board of Supervisors will consider  
21 approving a development agreement with the Developer that would be consistent with the  
22 Variation Approval and this Resolution, by providing relief from the on-site affordable housing  
23 requirements in Planning Code, Section 249.28 and Section 415 et seq., and would require  
24 the Developer to pay an affordable housing fee of \$45-47 million to the Successor Agency for  
25 its use in fulfilling the Transbay Affordable Housing Obligation; and

1           WHEREAS, The Variation Approval’s change to the On-Site Requirement complies  
2 with, and facilitates OCII’s fulfillment of, the Transbay Affordable Housing Obligations by  
3 significantly increasing the amount of affordable housing that would otherwise be available at  
4 the Project under the On-Site Requirement; and

5           WHEREAS, On January 28, 2021, in Resolution No. 20841, the Planning Commission  
6 adopted environmental findings related to this project in accordance with the California  
7 Environmental Quality Act, Public Resources Code, Sections 21000 et seq.; and

8           WHEREAS, A copy of these environmental findings are on file with the Clerk of the  
9 Board of Supervisors in File No. 201387 and are incorporated herein by reference; and

10          WHEREAS, The Board of Supervisors adopts these findings as its own; now, therefore,  
11 be it

12          RESOLVED, The Board of Supervisors, acting in its capacity as the legislative body of  
13 the Successor Agency, hereby approves the change to the On-Site Requirement in the  
14 Variation Approval.

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BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

December 22, 2020

**File No. 201387**

Lisa Gibson  
Environmental Review Officer  
Planning Department  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Ms. Gibson:

On December 15, 2020, Supervisor Haney submitted the following legislation:

**File No. 201387**

**Resolution acting in its capacity as the legislative body to the Successor Agency to the former Redevelopment Agency of the City and County of San Francisco, approving provisions of a variation decision by the Commission on Community Investment and Infrastructure, modifying the on-site affordable housing requirement for 542-550 Howard Street (Assessor's Parcel Block No. 3721, Lot Nos. 016, 135, 136, and 138, also known as Transbay Parcel F) in the Transbay Redevelopment Project Area; and adopting findings under the California Environmental Quality Act.**

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk  
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning  
Don Lewis, Environmental Planning

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

01/13/2021

A handwritten signature in cursive script, appearing to read "Joy Navarrete".

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## MEMORANDUM

TO: Nadia Sesay, Executive Director, Office of Community Investment and Infrastructure

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: December 22, 2020

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Haney on December 15, 2020:

**File No. 201387**

**Resolution acting in its capacity as the legislative body to the Successor Agency to the former Redevelopment Agency of the City and County of San Francisco, approving provisions of a variation decision by the Commission on Community Investment and Infrastructure, modifying the on-site affordable housing requirement for 542-550 Howard Street (Assessor's Parcel Block No. 3721, Lot Nos. 016, 135, 136, and 138, also known as Transbay Parcel F) in the Transbay Redevelopment Project Area; and adopting findings under the California Environmental Quality Act.**

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: [erica.major@sfgov.org](mailto:erica.major@sfgov.org).

cc: Lucinda Nguyen, Office of Community Investment and Infrastructure

# Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor  inquiries"
- 5. City Attorney Request.
- 6. Call File No.  from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Haney

Subject:

Consent to Provisions of a Variation Decision - On-Site Affordable Housing Requirement – 542-550 Howard Street (Transbay Parcel F) - Transbay Redevelopment Project Area

The text is listed:

Resolution of the Board of Supervisors, acting in its capacity as the legislative body to the Successor Agency to the former Redevelopment Agency of the City and County of San Francisco, approving provisions of a variation decision by the Commission on Community Investment and Infrastructure, modifying the on-site affordable housing requirement for 542-550 Howard Street (Assessor’s Parcel Block No. 3721, Lots 016, 135, 136, and 138, also known as Transbay Parcel F) in the Transbay Redevelopment Project Area, and adopting findings under the California Environmental Quality Act.

Signature of Sponsoring Supervisor: MATT HANEY