

1 [Development Agreement - Parcel F Owner, LLC - 542-550 Howard Street Transbay  
2 Redevelopment Project Area]

3 **Ordinance approving a Development Agreement between the City and County of San**  
4 **Francisco and Parcel F Owner, LLC, for certain real property, known as 542-550**  
5 **Howard Street (Assessor's Parcel Block No. 3721, Lot Nos. 016, 135, 136, and 138, also**  
6 **known as Transbay Parcel F), located in the Transbay Redevelopment Project Area,**  
7 **consisting of four parcels located on the north side of Howard Street, between 1st and**  
8 **2nd Streets; waiving certain provisions of Administrative Code, Chapter 56; adopting**  
9 **findings under the California Environmental Quality Act; and making findings of**  
10 **conformity with the General Plan, and the eight priority policies of Planning Code,**  
11 **Section 101.1(b), and findings of public necessity, convenience, and general welfare**  
12 **under Planning Code, Section 302.**

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

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

21 Section 1. Project Findings.

22 The Board of Supervisors makes the following findings:

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

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

1 Francisco (the "City").

2 (c) Parcel F Owner, LLC, a Delaware limited liability company (the "Developer"), is  
3 the owner of that certain real property located at 542-550 Howard Street (Assessor's Parcel  
4 Block No. 3721, Lots 016, 135, 136, and 138, also known as Transbay Parcel F), which is an  
5 irregularly shaped property formed by four parcels measuring a total of approximately 32,229  
6 square feet, located on the north side of Howard Street, between 1st and 2nd Streets in the  
7 Transbay Redevelopment Project Area (the "Project Site").

8 (d) On January 9, 2020, the Planning Commission approved Resolutions 20613 and  
9 20614, and Motions 20615, 20616, 20617, 20618; and on June 5, 2020, the Zoning  
10 Administrator issued a variance decision (collectively, the "Approvals"). The Approvals  
11 approved a project on the Project Site that would construct a new 61-story mixed use building  
12 reaching a height of approximately 750 feet (approximately 800 feet including rooftop  
13 screen/mechanical equipment), and including 165 dwelling units, 189 hotel rooms, 275,674  
14 gross square feet of office use floor area, approximately 9,000 square feet of retail space,  
15 approximately 20,000 square feet of open space, 178 Class 1 and 34 Class 2 bicycle parking  
16 spaces, and four below-grade levels to accommodate up to 183 vehicle parking spaces for the  
17 residential, hotel, and office uses (the "Project"). The Project also includes a bridge to the  
18 future elevated City Park situated on top of the Transbay Transit Center. The Approvals are  
19 on file with the Planning Department, located at 49 South Van Ness, Suite 1400, San  
20 Francisco, CA 94103.

21 (e) On December 17, 2020, the Developer filed a request with the Office of  
22 Community Investment and Infrastructure ("OCII") for a Plan Variation pursuant to Section  
23 3.5.5 of the Transbay Project Area Redevelopment Plan (the "Plan") for a variation from the  
24 on-site affordable housing requirements of Section 4.9.3 of the Plan (the "Plan's Inclusionary  
25 Housing Obligation") as well as a request to the City's Planning Department for a waiver of

1 Sections 249.28(b)(6)(B), 249.28(b)(6)(C), 402, 409, and 415 et seq. of the Planning Code  
2 (the "Requested Variations from On-Site Affordable Housing").

3 (f) The Developer has submitted the Requested Variations from On-Site Affordable  
4 Housing in exchange for a payment to OCII to be used to fund development of affordable  
5 housing within the Project Area, all as further described in the proposed development  
6 agreement (the "Development Agreement"), a copy of which is on file with the Clerk of the  
7 Board of Supervisors in File No. 201386 and incorporated herein by reference.

8 (g) Because the City is entering into a Development Agreement with the Developer  
9 addressing, among other issues, the amount of the Developer's affordable housing  
10 contribution, the Project is consistent with Charter Section 16.110(h)(1)(B)(i) (adopted as part  
11 of the Housing Trust Fund, Proposition C, November 6, 2012).

12 (h) The City has determined that as a result of the development of the Project Site  
13 in accordance with the Development Agreement, clear benefits to the public will accrue that  
14 could not be obtained through application of existing City ordinances, regulations, and  
15 policies, as more particularly described in the Development Agreement. Specifically, the  
16 Development Agreement will provide a housing contribution that will significantly exceed the  
17 amount required for similar projects in the City, and that will provide OCII with the ability to  
18 subsidize permanently affordable housing units within the Transbay Redevelopment Project  
19 Area.

20 (i) On January 19, 2021, at a duly noticed public hearing, the Commission on  
21 Community Investment and Infrastructure ("CCII"), as the Commission to the OCII, in  
22 Resolution No. 02-2021, conditionally approved the Developer's requested Plan Variation and  
23 the change to the Plan's Inclusionary Housing Obligation because of the infeasibility of  
24 maintaining affordable units in the Project and the payment to OCII for affordable housing.  
25 Said Resolution is on file with the Clerk of the Board of Supervisors in File No. 201386 and is

1 incorporated herein by reference. Under Section 6(a) of Ordinance No. 215-12, the Board of  
2 Supervisors delegated certain authority under the Redevelopment Dissolution Law, California  
3 Health and Safety Code, Sections 34170 et seq., to the CCII, but required that it not materially  
4 change its affordable housing obligations without obtaining the approval of the Board of  
5 Supervisors. Given that the CCII's conditional approval of the Plan Variation potentially  
6 removes the on-site affordable housing requirements of Section 4.9.3 of the Plan from the  
7 Project, the Board of Supervisors, acting as the legislative body for OCII, must approve the  
8 change to the Plan's Inclusionary Housing Obligation. A copy of Ordinance No. 215-12 is on  
9 file with the Clerk of the Board of Supervisors in File No. 120898.

10 (j) The Board of Supervisors, acting in its capacity as the legislative body for the  
11 CCII, has reviewed the basis for CCII's conditional approval of the Plan Variation and has  
12 determined that the changes to the Plan's Inclusionary Housing Obligation will comply with,  
13 and facilitate the fulfillment of, OCII's affordable housing obligations by significantly increasing  
14 the amount of affordable housing that would otherwise be available at the Project under the  
15 Plan's Inclusionary Housing Obligation. Accordingly, on March 23, 2021, at a duly noticed  
16 public hearing, the Board of Supervisors, acting as the legislative body for the CCII, approved,  
17 by Resolution No. 02-2021, the change to the Plan's Inclusionary Housing Obligation. Said  
18 Resolution is on file with the Clerk of the Board in File No. 201387 and is incorporated herein  
19 by reference.

20 (k) On January 28, 2021, at a duly noticed public hearing, the Planning Commission  
21 approved Resolution No. 20842 recommending to the Board of Supervisors that it approve  
22 certain changes to the Zoning Map, Height Map, and Planning Code (the "Companion  
23 Rezoning Legislation) that would accommodate the project design and allow the Developer to  
24 make an in-lieu payment for affordable housing instead of constructing affordable housing on-  
25 site. In addition, the Planning Commission, as part of Resolution No. 20842, adopted findings

1 that the Companion Rezoning Legislation is, on balance, consistent with the General Plan and  
2 the eight priority policies of Planning Code Section 101.1 and adopted findings under Planning  
3 Code Section 302 that the Companion Rezoning Legislation will serve the public necessity,  
4 convenience, and general welfare. The Companion Rezoning Legislation is on file with the  
5 Clerk of the Board in File No. 201385 and incorporated herein by reference.

6  
7 Section 2. California Environmental Quality Act Findings.

8 The Planning Commission in Resolution No. 20842 also adopted environmental  
9 findings under the California Environmental Quality Act ("CEQA"), that the Project satisfied all  
10 the requirements of CEQA. In the Companion Rezoning Legislation, a copy of which is on file  
11 with the Clerk of the Board of Supervisors in File No. 201385 and incorporated herein by  
12 reference, the Board of Supervisors adopted the Planning Commission environmental findings  
13 as its own. For purposes of this ordinance, the Board of Supervisors adopts those  
14 environmental findings from the Companion Rezoning Legislation as if fully set forth herein.

15  
16 Section 3. Public Necessity, General Plan, and Planning Code Section 101.1(b)  
17 Findings.

18 (a) The Board of Supervisors finds that the Development Agreement, will serve the  
19 public necessity, convenience, and general welfare in accordance with Planning Code Section  
20 302 for the reasons set forth in Planning Commission Resolution No. 20842. In Resolution No.  
21 20842, the Planning Commission also recommended that the Board of Supervisors adopt the  
22 Development Agreement. Said Resolution is on file with the Clerk of the Board of Supervisors  
23 in File No. 201385 and is incorporated herein by reference.

24 (b) The Board of Supervisors finds that the Development Agreement is, on balance,  
25 in conformity with the General Plan and the eight priority policies of Planning Code, Section

1 101.1 for the reasons set forth in Planning Commission Resolution No. 201385. The Board  
2 hereby adopts the findings set forth in Planning Commission Resolution No. 201385 as its  
3 own.

4  
5 Section 4. Approval of Development Agreement.

6 (a) The Board of Supervisors approves all of the terms and conditions of the  
7 Development Agreement, in substantially the form on file with the Clerk of the Board of  
8 Supervisors in File No. 201386.

9 (b) The Board of Supervisors approves and authorizes the execution, delivery, and  
10 performance by the City of the Development Agreement, subject to the Developer's payment  
11 of all City costs with respect to the Development Agreement. Upon receipt of the payment of  
12 City's costs billed to the Developer, the Director of Planning is authorized to execute and  
13 deliver the Development Agreement, and the Director of Planning and other applicable City  
14 officials are authorized to take all actions reasonably necessary or prudent to perform the  
15 City's obligations under the Development Agreement in accordance with the terms of the  
16 Development Agreement and Chapter 56, as applicable. The Director of Planning, at the  
17 Director's discretion and in consultation with the City Attorney, is authorized to enter into any  
18 additions, amendments, or other modifications to the Development Agreement that the  
19 Director of Planning determines are in the best interests of the City and that do not materially  
20 increase the obligations or liabilities of the City or materially decrease the benefits to the City  
21 under the Development Agreement, subject to the approval of any affected City agency as  
22 more particularly described in the Development Agreement.

23 Section 5. Administrative Code Chapter 56 Waivers.

24 In connection with the Development Agreement, the Board of Supervisors finds that the  
25 requirements of Administrative Code, Chapter 56 have been substantially complied with, and

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

3  
4 Section 6. Ratification of City Officials' Acts.

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

9  
10 Section 7. Effective and Operative Dates.

11 This ordinance shall become effective 30 days after enactment. Enactment occurs  
12 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
13 sign the ordinance within ten days of receiving it, or the Board of Supervisor's overrides the  
14 Mayor's veto of the ordinance; provided, that this ordinance shall not become operative if the  
15 Companion Rezoning Legislation is not approved.

16  
17 APPROVED AS TO FORM:  
18 DENNIS J. HERRERA, City Attorney

19 By: /s/ HEIDI J. GEWERTZ  
20 HEIDI J. GEWERTZ  
21 Deputy City Attorney

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**City and County of San Francisco**  
**Tails**  
**Ordinance**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 201386

**Date Passed:** March 23, 2021

Ordinance approving a Development Agreement between the City and County of San Francisco and Parcel F Owner, LLC, for certain real property known as 542-550 Howard Street (Assessor's Parcel Block No. 3721, Lot Nos. 016, 135, 136, and 138, also known as Transbay Parcel F), located in the Transbay Redevelopment Project Area, consisting of four parcels located on the north side of Howard Street between 1st and 2nd Streets; waiving certain provisions of Administrative Code, Chapter 56; adopting findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b), and findings of public necessity, convenience, and general welfare under Planning Code, Section 302.

February 22, 2021 Land Use and Transportation Committee - CONTINUED

March 08, 2021 Land Use and Transportation Committee - REFERRED WITHOUT RECOMMENDATION

March 16, 2021 Board of Supervisors - PASSED ON FIRST READING

Ayes: 10 - Chan, Haney, Mandelman, Mar, Melgar, Preston, Ronen, Safai, Stefani and Walton  
Noes: 1 - Peskin

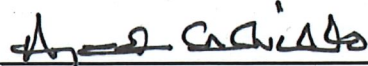
March 23, 2021 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Chan, Haney, Mandelman, Mar, Melgar, Preston, Ronen, Safai, Stefani and Walton  
Noes: 1 - Peskin

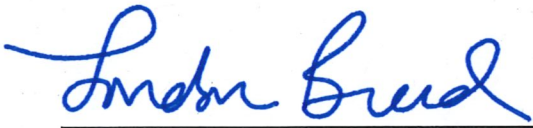


File No. 201386

I hereby certify that the foregoing  
Ordinance was FINALLY PASSED on  
3/23/2021 by the Board of Supervisors of  
the City and County of San Francisco.



Angela Calvillo  
Clerk of the Board



London N. Breed  
Mayor

4/2/21

Date Approved