

## RESOLUTION NO. 40-2010

*Adopted April 20, 2010*

### **CONDITIONALLY APPROVING A COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT IN CONJUNCTION WITH THE DEVELOPMENT OF 150 VERY LOW- AND LOW-INCOME RENTAL HOUSING UNITS AT 1000 FOURTH STREET (BLOCK 13 EAST) BY MERCY HOUSING CALIFORNIA XLIV, A CALIFORNIA LIMITED PARTNERSHIP; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA**

#### **BASIS FOR RESOLUTION**

1. On September 17, 1998, by Resolution No. 190-98, the Commission of the Redevelopment Agency of the City and County of San Francisco (“Agency Commission”) approved the Redevelopment Plan for the Mission Bay South Redevelopment Project Area (“Plan”). On the same date, the Agency Commission adopted related documents, including Resolution No. 193-98 authorizing execution of an Owner Participation Agreement (“South OPA”) and related documents between Catellus Development Corporation, a Delaware corporation (“Catellus”), and the Agency. On November 2, 1998, the San Francisco Board of Supervisors (“Board of Supervisors”), by Ordinance No. 335-98, adopted the Plan. The Plan and its implementing documents, as defined in the Plan, constitute the “Plan Documents.”
2. On September 17, 1998, the Agency Commission adopted Resolution No. 182-98 which certified the Final Subsequent Environmental Impact Report (“FSEIR”) for Mission Bay North and South pursuant to the California Environmental Quality Act (“CEQA”) and State CEQA Guidelines Sections 15168 (Program EIR) and 15180 (Redevelopment Plan EIR). On the same date, the Agency Commission also adopted Resolution No. 183-98, which adopted environmental findings (and a statement of overriding considerations), in connection with the approval of the Plan and other Mission Bay project approvals (the “Mission Bay Project”). The San Francisco Planning Commission (“Planning Commission”) certified the FSEIR by Resolution No. 14696 on the same date. On October 19, 1998, the Board of Supervisors adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission and the Agency, and Resolution No. 854-98 adopting environmental findings and a statement of overriding considerations for the Mission Bay Project.
3. Subsequent to certification of the FSEIR, the Agency has issued several addenda to the FSEIR, as described in Recital 4 below. The addenda do not identify any substantial new information or new significant impacts or a substantial increase in the severity of previously identified significant effects that alter the conclusions reached in the FSEIR. Hereinafter, the Final Subsequent Environmental Impact Report, including any addenda thereto, shall be collectively referred to as the “FSEIR.”

4. The first addendum, dated March 21, 2000, analyzed temporary parking lots to serve the ballpark. The second addendum, dated June 20, 2001, analyzed revisions to 7th Street bike lanes and relocation of a storm drain outfall provided for in the Mission Bay South Infrastructure Plan, a component of the South OPA. The third addendum, dated February 10, 2004, analyzed revisions to the Mission Bay South Design for Development with respect to the maximum allowable number of towers, tower separation and requires step-backs. The fourth addendum, dated March 9, 2004, analyzed the Mission Bay South Design for Development with respect to the permitted maximum number of parking spaces for bio-technical and similar research facilities and the North OPA with respect to changes to reflect a reduction in permitted commercial development and associated parking. The fifth addendum, dated October 4, 2005, analyzed the UCSF proposal to establish a Phase I 400-bed hospital in Mission Bay South on Blocks 36-39 and X-3. The sixth addendum, dated September 10, 2008, addressed revisions of the UCSF Medical Center at Mission Bay. The seventh addendum, dated January 7, 2010, addressed the construction of a Public Safety Building on Block 8 in Mission Bay South.
5. The Plan and the Plan Documents, including the Design Review and Document Approval Procedure, designated as Attachment G to the South OPA (“DRDAP”), provide that development proposals in Mission Bay South will be reviewed and processed in “Major Phases,” as defined in and consistent with the Plan and the Plan Documents. Submission of design plans and documents for any specific building must be consistent with the requirements established for each Major Phase. The DRDAP sets forth the review and approval process for Major Phases and Projects.
6. On November 1, 2005, by Resolution No. 178-2005, the Agency Commission approved the Master Developer’s Major Phase Application for Blocks 2-7 and 13 in the Mission Bay South Redevelopment Project Area (“Mission Bay South”). Pursuant to the terms of the South OPA between the Agency and Catellus and its successors (the “Master Developer”), the next Agency Affordable Housing Parcel is Parcel 13 East at 1000 Fourth Street.
7. On April 17, 2008, the Agency issued a Request for Qualifications (“RFQ”) for the development of the first Agency Affordable Housing Parcel in Mission Bay South, seeking nonprofit teams capable of developing up to 134 units of affordable rental family housing at 1000 Fourth Street (“1000 Fourth Street Project”), also known as Block 13 East (“Site”). The 1000 Fourth Street Project includes that twenty percent of the units be set aside for formerly homeless families. A summary of the RFQ was provided to the Agency Commission in an informational memorandum at its April 15, 2008 meeting.
8. Agency staff received four submittals in response to the RFQ, of which three met the minimum threshold requirements. The selection panel unanimously chose a team lead by Mercy Housing California, a California nonprofit public benefit corporation, to recommend to the Agency Commission to develop the Site.

9. On December 2, 2008, by Resolution Nos. 141-2008 and 142-2008, the Agency entered into an Exclusive Negotiations Agreement (“ENA”) and Predevelopment Loan Agreement (“Loan Agreement”) in the amount of \$2,800,000, both with Mercy Housing California XLIV, a California limited partnership (“Mercy” or the “Developer”), a wholly owned subsidiary of Mercy Housing California for the 1000 Fourth Street Project.
10. During the exclusive negotiations period, the Developer must meet a series of milestones leading to the execution of a Ground Lease Agreement for consideration by the Agency Commission. One of those milestones is the submittal for approval to the Agency of a Combined Basic Concept and Schematic Design.
11. Mercy selected WRT Solomon ETC with Owen Kennerly Architecture and Planning as the building architect for the development. Together with Mercy, they developed the Combined Basis Concept and Schematic Design for the Site.
12. The Combined Basic Concept and Schematic Design for the proposed Site meets the density and height requirements indicated in the Mission Bay Design for Development Guidelines and includes the required off-street parking spaces and bicycle spaces. On February 11, 2010, Mercy and its architect presented the Combined Basic Concept and Schematic Design to the Mission Bay Citizens Advisory Committee (“CAC”); the CAC was supportive of the Developer’s Schematic Design.
13. Agency staff recommends approval of the Combined Basic Concept and Schematic Design, subject to a satisfactory resolution of the following design concerns during the next phase of work:
  - a. The building color(s) and additional finishes and architectural detailing, and landscape design are subject to further review and approval by Agency staff during the Design Development phase. Material and color samples shall be provided as part of the review as well as a material and color mock-up of sufficient size to be built on the construction sites during an early phase of construction.
  - b. The design of the metal sunshade “fins” will be subject to further staff review. A mock-up of the fins, in a form agreed to by Agency staff, shall be prepared for review during the Design Development stage to assist in the review.
  - c. All building signage shall be subject to further staff review and approval. A signage plan shall be prepared prior to or concurrent with Design Development for administrative approval, pursuant to the Mission Bay South Signage Master Plan.
14. Based on the analysis contained in the Mission Bay FSEIR, and the CEQA findings adopted by the Agency Commission in Resolution No. 183-98 on September 17, 1998, the Agency Commission adopted Resolution Nos. 141-2008 and 142-2008 on December 2, 2008, adopting findings in accordance with CEQA that the ENA and

Loan Agreement are Implementing Actions for the construction of the 1000 Fourth Street Project.

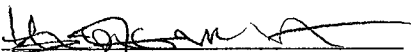
15. Agency staff has considered and reviewed the FSEIR and has determined that conditional approval of the Combined Basic Concept and Schematic Design is another Implementing Action for the construction of the 1000 Fourth Street Project, pursuant to the prior approvals granted by the Agency Commission. Staff finds that the conditional approval of the Combined Basic Concept and Schematic Design will not change the scope of the Mission Bay Project analyzed in the FSEIR and no major revisions are required due to the involvement of new significant environmental effects or a substantial increase in the severity of significant effects previously identified in the FSEIR, that no substantial changes have occurred with respect to the circumstances under which the Mission Bay Project would be undertaken, that no new information of substantial importance to the project analyzed in the FSEIR has become available, and that the environmental findings of Resolution Nos. 183-98, 141-2008, and 142-2008 remain valid and are applicable to the current Implementing Action. Pursuant to State CEQA Guidelines Sections 15180, 15162 (subsequent EIR) and 15163 (supplement to an EIR), no additional environmental review is required.
16. The FSEIR and related documents have been and continue to be available for review by the Agency Commission and the public and are part of the record before the Commission.

## **RESOLUTION**

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that:

- (a) It has reviewed and considered the FSEIR and hereby adopts the CEQA findings set forth in Resolution Nos. 183-98, 141-2008, and 142-2008 incorporated herein and those set forth above; and
- (b) The Combined Basic Concept and Schematic Design for the project proposed by Mercy Housing California XLIV, a California limited partnership, for the development on 1000 Fourth Street (Block 13 East) in the Mission Bay South Redevelopment Project Area is hereby conditionally approved, subject to resolution of the design concerns to Agency staff's satisfaction at the next phase of design, provided that such refinements do not alter the Combined Basic Concept and Schematic Design.

**APPROVED AS TO FORM:**

  
James B. Morales  
Agency General Counsel