

Commission on Community Investment and Infrastructure

RESOLUTION NO. 19-2013

Adopted May 21, 2013

RESOLUTION ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND CONDITIONALLY APPROVING THE BLOCK 1 MAJOR PHASE APPLICATION AND AN AMENDMENT TO THE BLOCKS 2-7 AND 13 MAJOR PHASE; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

WHEREAS, The Commission of the former Redevelopment Agency of the City and County of San Francisco (“Redevelopment Commission”) and the San Francisco Planning Commission, together acting as co-lead agencies for conducting environmental review for the Redevelopment Plans for the Mission Bay North Redevelopment Project area and the Mission Bay South Redevelopment Project Area (the “Plans”), the Mission Bay North Owner Participation Agreement (“North OPA”) and the Mission Bay South Owner Participation Agreement (“South OPA”), and other permits, approvals and related and collateral action (the “Mission Bay Project”), prepared and certified a Final Subsequent Environmental Impact Report and have subsequently issued addenda thereto as described below (collectively referred to as the FSEIR”); and,

WHEREAS, On September 17, 1998, the Redevelopment Commission adopted Resolution No. 182-98 which certified the Final Subsequent Environmental Impact Report (“FSEIR”) as a program EIR 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 Redevelopment Commission also adopted Resolution No. 183-98, which adopted environmental findings (including without limitation a statement of overriding considerations and mitigation monitoring and reporting program) (“CEQA Findings”), in connection with the approval of 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 Redevelopment Agency, and Resolution No. 854-98 adopting environmental findings (including without limitation a statement of overriding considerations and a mitigation monitoring and reporting program for the Mission Bay Project; and,

WHEREAS, On September 17, 1998, the Redevelopment Commission adopted Resolution No. 193-98, authorizing execution of an South OPA and related documents between Catellus Development Corporation, a Delaware corporation (“Catellus”), and the Redevelopment 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”; and,

WHEREAS, Subsequent to certification of the FSEIR, the Planning Department and the Redevelopment Agency issued several addenda to the FSEIR. 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. The first addendum, dated March 21, 2000, analyzed temporary parking lots to serve the AT&T 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 (“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 Design for Development with respect to the permitted maximum number of parking spaces for bio-technical and similar research facilities and the Mission Bay 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 the Mission Bay South Redevelopment Project Area (“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; and,

WHEREAS, Catellus, the original master developer of the Mission Bay North and South Redevelopment Project Areas, has sold most of its remaining undeveloped land in Mission Bay to FOCIL-MB, LLC, (“FOCIL-MB”), a subsidiary of Farallon Capital Management, LLC, a large investment management firm. The sale encompassed approximately 71 acres of land in Mission Bay, and the remaining undeveloped residential parcels in Mission Bay South. FOCIL-MB assumed all of Catellus’ obligations under the North OPA and South OPA, as well as all responsibilities under the related public improvement agreements and land transfer agreements with the City and County of San Francisco (“City”). FOCIL-MB is bound by all terms of the OPAs and related agreements, including the requirements of the affordable housing program, equal opportunity program, and design review process; and,

WHEREAS, Under California Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) (“AB 26”) and the California Supreme Court’s decision in California Redevelopment Association v. Matosantos, No. 5194861, all redevelopment agencies in the State of California (the “State”), including the Redevelopment Agency, were dissolved by operation of law as of February 1, 2012, and their non-affordable housing assets and obligations were transferred to certain designated successor agencies; and,

WHEREAS, Under the provisions of AB 26, the City was designated as the successor agency to the Redevelopment Agency (“Successor Agency”) to receive the assets of the Redevelopment Agency; and,

WHEREAS, In June of 2012, the California legislature adopted Assembly Bill 1484 (“AB 1484”) amending certain provisions of AB 26, and the Governor of the State signed the bill and it became effective on June 27, 2012. Among other things, AB 1484 provided that a successor agency is a separate public entity from the public agency that provides for its governance; and,

WHEREAS, Subsequent to the adoption of AB 1484, on October 2, 2012 the Board of Supervisors of the City, acting as the legislative body of the Successor Agency, adopted Ordinance No. 215-12 (the “Implementing Ordinance”), which

Implementing Ordinance was signed by the Mayor on October 4, 2012, and, which, among other matters: (a) acknowledged and confirmed that, as of the effective date of AB 1484, the Successor Agency, commonly known as the Office of Community Investment and Infrastructure (“OCII”), is a separate legal entity from the City, and (b) established this Successor Agency Commission (“Commission”) and delegated to it the authority to (i) act in place of the Redevelopment Commission to, among other matters, implement, modify, enforce and complete the Redevelopment Agency’s enforceable obligations, (ii) approve all contracts and actions related to the assets transferred to or retained by the Successor Agency, including, without limitation, the authority to exercise land use, development, and design approval, consistent with applicable enforceable obligations, and (iii) take any action that the Redevelopment Dissolution Law (AB 26 and AB 1484, as amended in the future) requires or authorizes on behalf of the Successor Agency and any other action that this Successor Agency Commission deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations; and,

WHEREAS, The Board of Supervisors’ delegation to this Commission, commonly known as the Commission on Community Investment and Infrastructure, includes the authority to grant approvals under specified land use controls for the Mission Bay Project consistent with the approved Plan and enforceable obligations; and,

WHEREAS, 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. The DRDAP allows for a Major Phase to be amended by a subsequent design submittal. The DRDAP sets forth the review and approval process for Major Phases; and,

WHEREAS, Block 1 is currently owned by Block 1 Associates, LLC (“Block 1 Owner”), which is bound by the terms of the South OPA. Any future owners of Block 1 will also be bound by all relevant terms of the South OPA and related agreements, including the requirements of the equal opportunity program and design review process; and,

WHEREAS, A first amendment to the Plan and a third amendment to the South OPA has been submitted by the Block 1 Owner and FOCIL-MB to the Successor Agency to allow residential units to be constructed on Block 1 in addition to a smaller hotel and less retail uses (“Plan and OPA Amendments”); and,

WHEREAS, Pursuant to the Plan and Plan Documents, including the DRDAP, the Block 1 Owner submitted a Major Phase application for Block 1 (“Block 1 Major Phase”). The Block 1 Major Phase allows up to 350 residential units, a hotel with 250 rooms, and up to 25,000 square feet of retail uses, which is consistent with the Plan and OPA Amendments; and,

WHEREAS, As allowed by the DRDAP, the Block 1 Major Phase also includes an amendment to the Blocks 2-7 and 13 Major Phase (“Block 2-7 and 13 Amendment”) to amend the Blocks 2-7 and 13 Major Phase to lower the allowed height allocation for Blocks 13 East and West to what was approved as part of the subsequent schematic designs for those two parcels to ensure that the overall height allowed by the Plan and Plan Documents for Height Zone-2, which includes Blocks 1, 12 and 13, will not be exceeded with the proposed development on Block 1; and,

- WHEREAS, The Commission is currently considering approval of the Block 1 Major Phase related to the Mission Bay Project (the “Implementing Action”); and,
- WHEREAS, Since the certification of the FSEIR, adoption of the CEQA Findings, and approval of the Mission Bay Project, the Successor Agency prepared an Addendum #8 to the FSEIR, dated May 15, 2013 (“Addendum #8”) that analyzes the Plan and OPA Amendments to allow up to 350 units of residential development on Block 1 as a secondary use, with a 250-room hotel and up to 25,000 square feet of retail uses, and the Block 1 Major Phase is consistent with the Plan and OPA Amendments; and,
- WHEREAS, The Successor Agency prepared Addendum #8 in compliance with CEQA and the State CEQA Guidelines and it reflects the independent judgment and analysis of the Successor Agency. Addendum #8 concludes that the Mission Bay Project, as modified by the Plan and OPA Amendments is within the scope of the Mission Bay Project analyzed in the FSEIR and will not result in any new significant impacts or a substantial increase in the severity of previously identified significant effects that alter the conclusions reached in the FSEIR for the reasons stated in the Addendum #8; and,
- WHEREAS, The Successor Agency staff, in making the necessary findings for the Implementing Action contemplated by this Resolution, considered and reviewed the FSEIR, and has made documents related to the Implementing Action, the FSEIR files, including Addendum #8, available for review by the Commission and the public, and these files are part of the record before the Commission; and,
- WHEREAS, Copies of the FSEIR, including Addendum #8 and supporting documentation are on file with the Successor Agency Secretary and are incorporated in this Resolution by this reference; and,
- WHEREAS, The Implementing Action is an undertaking pursuant to and in furtherance of the Mission Bay Project in conformance with CEQA Guidelines Section 15180; and,
- WHEREAS, The FSEIR and CEQA Findings adopted by the Agency Commission by Resolution No. 183-98 dated September 17, 1998, reflected the independent judgment and analysis of the Agency Commission, were and remain adequate, accurate and objective and were prepared and adopted following the procedures required by CEQA, and the findings in such resolution are incorporated herein by reference as applicable to the Implementing Action; and,
- WHEREAS, OCII staff has reviewed the Block 1 Major Phase submitted by the Block 1 Owner, and finds it acceptable and recommends approval thereof; now, therefore, be it
- RESOLVED, The Commission has considered the FSEIR, the CEQA Findings that were previously adopted by the Redevelopment Commission, including the statement of overriding considerations and mitigation monitoring and reporting program, and the Addendum #8, and the Commission adopts the CEQA Findings and Addendum #8 as its own; and, be it further
- RESOLVED, The Commission finds and determines that the Implementing Action is within the scope of the Mission Bay Project analyzed in the FSEIR and requires no further environmental review beyond the FSEIR pursuant to the State CEQA Guidelines Section 15180, 15162 and 15163 for the following reasons:

- (1) implementation of the Block 1 Major Phase does not require major revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and,
- (2) no substantial changes have occurred with respect to the circumstances under which the project analyzed in the FSEIR will be undertaken that would require major revisions to the FSEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FSEIR; and,
- (3) no new information of substantial importance to the project analyzed in the FSEIR has become available, which would indicate that (i) the Block 1 Major Phase will have significant effects not discussed in the FSEIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible, which would reduce one or more significant effects, have become feasible; or (iv) mitigation measures or alternatives, which are considerably different from those in the FSEIR, will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the FSEIR; and, be it further

RESOLVED, That the Commission has reviewed and considered the FSEIR findings and statement of overriding considerations, and subsequent addendums, and hereby adopts the CEQA findings set forth in Redevelopment Commission Resolution No. 183-98, which are incorporated herein, and those set forth above; and, be it further

RESOLVED, That the Commission approves the Block 1 Major Phase pursuant to the Mission Bay South Owner Participation Agreement with FOCIL-MB subject to the following conditions:

1. The Block 1 Major Phase approval is contingent on the final approval of the first amendment to the Mission Bay South Redevelopment Plan and the third amendment to the Mission Bay South Owner Participation Agreement by all legally required bodies.
2. Future Block 1 schematic designs will continue to be closely coordinated by OCII staff with the design of Park P3 during design development to ensure an active interface between the park and the Block 1 project.
3. The treatment of the roof-tops for development on Block 1 will be subject to review by the Commission during the schematic design phase to ensure that they are designed to screen equipment and provide an attractive "fifth side" to the buildings. Green roof-top design and/or additional open space are encouraged.
4. The location of the loading docks along Channel and Third Streets are subject to further review by the Commission during the schematic design phase to minimize the number of curb cuts and maximize the number of street trees.
5. The number of bicycle parking spaces provided on-site shall be reviewed by the Commission during the schematic design phase to ensure that all

developers on Block 1 work to maximize the opportunities for on-site bicycle storage.

I hereby certify that the foregoing resolution was adopted by the Successor Agency Commission at its meeting of May 21, 2013.

Natasha Jones
Commission Secretary