

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

**RESOLUTION NO. 93-2014
Adopted November 18, 2014**

ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND CONDITIONALLY APPROVING A COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A 250-ROOM HOTEL ON BLOCK 1, AT THE INTERSECTION OF CHANNEL AND THIRD STREETS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

WHEREAS, On September 17, 1998, by Resolution No. 190-98, the Commission of the former Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) approved the Redevelopment Plan for the Mission Bay South Redevelopment Project Area (“Plan”). On the same date, the Redevelopment 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 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, On September 17, 1998, the Redevelopment Agency 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 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 Redevelopment Agency, and Resolution No. 854-98 adopting environmental findings and a statement of overriding considerations for the Mission Bay Project; and,

WHEREAS, Subsequent to certification of the FSEIR, the Redevelopment Agency and Successor Agency, as defined below, has issued several addenda to the FSEIR, as described 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”; and,

WHEREAS, 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; the eighth addendum, dated May 15, 2013, addressed the third Mission Bay South OPA amendment on Block 1 to allow residential uses in addition to a hotel. The ninth addendum, dated May 30, 2013, addressed the fourth Mission Bay South OPA amendment to allow an institutional use on Block 7 East; 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’s obligations under the South OPA and the Redevelopment Agency’s Owner Participation Agreement for Mission Bay North (collectively, the “OPAs”), 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”), commonly known as the Office of Community Investment and Infrastructure (“OCII”), to receive the non-affordable housing assets and obligations 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. AB 26 and AB 1484, as amended from time to time, are together referred to as Redevelopment Dissolution Law. 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, Redevelopment Dissolution Law required creation of an oversight board to the successor agency and provided that with approval from its oversight board and the State Department of Finance (“DOF”), a successor agency may continue to implement “enforceable obligations” such as existing contracts, bonds and leases, that were executed prior to the suspension of redevelopment agencies’ activities. On January 24, 2014, DOF finally and conclusively determined that the Mission Bay North and South OPAs and Mission Bay Tax Increment Allocation Pledge Agreements are enforceable obligations pursuant to Health and Safety Code Section 34177.5(i); 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 is a separate legal entity from the City, and (b) established this Successor Agency Commission and delegated to it the authority to (i) act in place of the Redevelopment Agency 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 requires or authorizes on behalf of the Successor Agency and any other action that this Commission deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations; and,

WHEREAS, The Board of Supervisors’ delegation to this Commission includes the authority to grant approvals under specified land use controls for the Mission Bay Project consistent with the approved Plan and enforceable obligations, including design review; 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. Submission of design plans and documents for any specific building (“Project”) must be consistent with the requirements established for each Major Phase, though the DRDAP allows for a Major Phase to be amended by a schematic design submittal if the overall submittal is still consistent with the Plan and Plan Documents. The DRDAP sets forth the review and approval process for Major Phases and Projects; and,

WHEREAS, On March 21, 2013 by Resolution No.19-2013, the Successor Agency Commission approved the Major Phase Application for Block 1 (“Major Phase”) in the Mission Bay South that includes 350 residential units on two residential blocks, a 250-room hotel, and up to 25,000 square feet of retail uses; and,

WHEREAS, On June 17, 2014, by Resolution No. 46-2014, the Commission approved a combined Basic Concept and Schematic Design application for the residential

portion of Block 1 with 350 residential units and approximately 15,000 square feet of retail uses; and,

WHEREAS, Pursuant to the Plan and Plan Documents, including the DRDAP, the SOMA Hotel LLC (the "Developer") submitted a Combined Basic Concept and Schematic Design application for the hotel portion of Block 1 ("Schematic Design"). The proposed project will contained 250 guestrooms, 10,000 square feet of meeting space, rooftop community space, which shall be open to the public during normal business hours without any commercial obligation to the hotel project, and 4,000 square feet of retail space in an L-shaped 160-foot tower at the northwest corner of Channel and Third Streets; and,

WHEREAS, Successor Agency staff has reviewed the Schematic Design for purposes of compliance with CEQA and the State CEQA Guidelines; and,

WHEREAS, The FSEIR is a program EIR under CEQA Guidelines Section 15168 and a redevelopment plan EIR under CEQA Guidelines Section 15180. Approval of the Schematic Design is an undertaking pursuant to and in furtherance of the Plan in conformance with CEQA Section 15180 ("Implementing Action"); and,

WHEREAS, Successor Agency staff, in making the necessary findings for the Implementing Action contemplated herein, considered and reviewed the FSEIR, and has made documents related to the Implementing Action and the FSEIR files available for review by the Successor Agency Commission and the public, and these files are part of the record before the Successor Agency Commission; and,

WHEREAS, The FSEIR findings and statement of overriding considerations adopted in accordance with CEQA by the Redevelopment Commission by Resolution No. 183-98 dated September 17, 1998, reflected the independent judgment and analysis of the Redevelopment Agency, were and remain adequate, accurate and objective and were prepared and adopted following the procedures required by CEQA, and the findings in said resolutions are incorporated herein by reference as applicable to the Implementing Action; and,

WHEREAS, Successor Agency staff has reviewed the Schematic Design submitted by the Developer and finds it acceptable and recommends approval thereof, subject to the resolution of certain conditions; and, now, therefore, be it

RESOLVED, That the Successor Agency Commission finds and determines that the Schematic Design submission is an Implementing Action within the scope of the Project analyzed in the FSEIR and requires no additional environmental review pursuant to State CEQA Guidelines Sections 15180, 15162 and 15163 for the following reasons:

1. The Implementing Action is within the scope of the 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.
2. No substantial changes have occurred with respect to the circumstances under which the Project analyzed in the FSEIR was 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.

3. No new information of substantial importance to the Project analyzed in the FSEIR has become available which would indicate that (a) the Implementing Action will have significant effects not discussed in the FSEIR; (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the FSEIR will substantially reduce one or more significant effects on the environment; and, be it further

RESOLVED, That the Successor Agency Commission has reviewed and considered the FSEIR findings and statement of overriding considerations 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 Successor Agency Commission approves the Combined Basic Concept and Schematic Design for the 250-room hotel on Block 1 subject to the following conditions, which require further review and approval by the Executive Director, or her designee:

1. The building and landscaping materials, colors, finishes, lighting and architectural detailing shall be subject to further review during the Design Development phase. Updated material and color samples shall be provided as part of the review. A material and color mock-up of sufficient size to be built on the construction site during an early phase of construction shall be prepared for review and approval to ensure consistency with this Schematic Design.
2. The Developer shall also incorporate opportunities to enliven and differentiate the building faces, and in particular the set-back corner at Third and Channel Streets, such as through the use of color, materials, and lighting.
3. The design of the ground floor shall be subject to further design and review during the Design Development stage to ensure that it is (1) transparent, so as activate the Third and Channel Street frontages, and (2) integrated with the overall building design.
4. The design of the tartan window wall shall be subject to further design and review during the Design Development stage to ensure that it is used to increase the depth and texture of the building's envelope, thereby achieving greater contrast between the projecting architectural window wall elements of the building.
5. The brow of the building shall be subject to further design and review during the Design Development stage to ensure that (1) the top of the building is finished cohesively with the body of the building, and (2) the trellises and overhangs, parapets and railings, and penthouse structures are integrated.
6. The typical guest room window wall is comprised of FRP/Glass/spandrel panels and a large rectangular window frame system, which will create a strong shadow line and impart an important layer of detail to the building. During the Design Development stages, the Developer shall maintain the

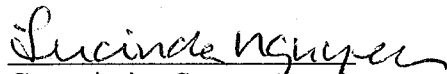
design intent of that panel and window frame system and further strengthen it through careful selection of material detail and color.

7. The design of the Northern façade shall be subject to further design and review during the Design Development stage to address the blind walls that are shown at the wing end on Levels 4 to 8 and activate the facade.
8. The design of the porte-cochere shall be subject to further design review during the Design Development stage to ensure that the width of the curb cuts and openings along Channel Street is minimized and to better define the pedestrian entrance. The Developer shall also continue to explore programming and space for active, guest-service uses along the porte-cochere frontage.
9. The design of the service/loading zone shall be subject to further design and review during the Design Development stage to minimize its expression along Channel Street.
10. The ground level canopies/ marquees shall be subject to further design review during the Design Development stage to (1) ensure that they do not dominate the Channel and Third Street frontages at the expense of the pedestrian realm and (2) to ensure compliance with the Building Code.
11. The design of enclosed trash and recycling areas shall be subject to further review and approval during the Design Development phase to ensure that they allow for internal pick-up by the solid waste collector to avoid trash and recycling bins on-street.
12. All building signage shall be subject to further review and approval. A signage plan shall be prepared—concurrent with Design Development documents, for approval pursuant to the Mission Bay South Signage Master Plan.
13. To avoid noise impacts to adjacent residents, prior to the start of any construction, the Developer and their general contractor shall meet with OCII to discuss noise regulations and hours of construction operation to ensure that they understand the existing regulations and do not work outside the allowed hours of operations. During construction, the Developer shall designate a single point of contact to address all construction related concerns from OCII, the City, residents of Mission Bay, and other stakeholders.
14. To avoid noise impacts to the adjacent neighbors, the Community Space will be operated to ensure that outdoor rooftop activities and noise generating events do not affect the adjacent residential neighbors. This may include limitation of hours of operation in the evening for outdoor events.
15. The Developer will work with OCII during the Design Development stage to identify additional opportunities for enclosed bicycle parking within the Valet Parking area on the second floor.
16. The Developer will return to the Citizens Advisory Committee during the Design Development stage to specifically address the proposed art

program, changes in use of color, exterior night lighting, and vertical glass solarfin options.

17. The general public shall have access to the rooftop community space during normal business hours via a dedicated express elevator accessed at the street level, without being obligated to make a purchase from the rooftop bar or other retail uses located within the project.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of November 18, 2014.


Commission Secretary