

450-2372019-002

Agenda Item **No. 5 (a)**  
Meeting of October 1, 2019

## MEMORANDUM

**TO:** Community Investment and Infrastructure Commissioners

**FROM:** Nadia Sesay, Executive Director

**SUBJECT:** Workshop on a Major Phase Amendment for Candlestick Point Major Phase One, including associated revisions to the Candlestick Point Infrastructure Plan, Design for Development and Candlestick Point/Hunters Point Shipyard Phase 2 Transportation Plan, and a modified Phasing Plan and Schedule of Performance for Candlestick Point; Hunters Point Shipyard Redevelopment Project Area and Bayview Hunters Point Redevelopment Project Area

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## EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure (“OCII”) is currently overseeing development of the Candlestick Point and Hunters Point Shipyard Phase 2 Project (“CP/HPS2 Project”), including implementation of the Disposition and Development Agreement for the CP/HPS2 Project (“DDA”) between OCII and CP Development Co., LLC (“Developer”). Under the DDA, the Developer must submit phased development applications to the Successor Agency Commission (“Commission”) for review and approval, and the Developer may thereafter request amendments to approved development applications.

The Developer has submitted such a request, to amend to the approved Major Phase Application for Major Phase 01 within Candlestick Point. The proposed amendment focuses on the large regional retail development in the Candlestick Center portion<sup>1</sup> of Candlestick Point. Most recently, the Developer and its retail development partner (The Macerich Company) appeared before the Commission on October 17, 2017 to provide a status update on the regional retail center. Since that time, Macerich has exited the partnership and the Developer has re-evaluated the design in response to on-going trends in market demand for regional retail and office space.

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<sup>1</sup> *Candlestick Center* is also referred to as “Sub-Phase CP-02” in the project Phasing Plan attached to the DDA.

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MAYOR

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The Developer now proposes to shift the focus of Candlestick Center from regional retail to mixed-use office development, with additional residential uses, and a reduced retail use program. Additionally, the Developer proposes to shift the location of a community use site within Sub-Phases of this Major Phase.

In this workshop, the Developer will provide the Commission with: (1) a detailed description of its proposed amendment and (2) an opportunity to provide feedback prior to the Commission's action on the requested amendment (currently scheduled for October 15, 2019).

The Developer also proposes conforming amendments to several project documents (the Candlestick Point Design for Development, Candlestick Point Infrastructure Plan, and CP/HPS2 Transportation Plan) that would effectuate the amended Major Phase approval. Lastly, the proposed amendment would also revise the Phasing Plan and Schedule of Performance for Candlestick Point, to accelerate certain development at Candlestick Point while the United States Navy's transfer of Hunters Point Shipyard Phase 2 ("HPS Phase 2") is delayed.

## **BACKGROUND**

The CP/HPS2 DDA divides the CP/HPS2 Project into "Major Phases" and, within each Major Phase, several "Sub-Phases," each of which is shown in a Phasing Plan (Exhibit C to the DDA), and subject to outside construction dates established in a Schedule of Performance (Exhibit D to the DDA). For each Major Phase, the Developer submits a development application to the Commission, to be reviewed and approved under the Design Review and Document Approval Procedure ("DRDAP," Exhibit E to the DDA).

The Commission approved a Major Phase Application for the first Major Phase within Candlestick Point ("Major Phase 1 CP") on January 7, 2014 and approved an Amendment to the Major Phase Application on March 15, 2016.

Major Phase 1 CP is divided into five Sub-Phases, CP-01 through CP-05 (See Attachment A, Candlestick Major & Sub-Phases Map). Sub-Phases are slightly more detailed entitlements, submitted after a Major Phase Approval and approved by the OCII Executive Director based on conformity to the land uses and requirements set forth by the applicable Major Phase. Sub-Phase Applications for CP-01 and CP-02, -03, -04 have already been approved, and the status of development ranges from completed housing for Alice Griffith in CP-01, schematic design approvals in CP-03 and -04, discussions on massing concepts for CP-02, and a future submittal for CP-05.

*Candlestick Center* (Sub-Phase CP-02) is the commercial hub of Candlestick Point. As currently approved under the Major Phase 1 CP, Sub-Phase CP-02 proposes a mixed-use development program with 635,000 square feet of regional retail uses, 570 residential units, 134,500 square feet of office uses, a 150,000 square-foot (220 room) hotel, 75,000 square feet of film arts and performance venue uses and 1,000 square feet of neighborhood retail uses. When Major Phase 1 CP was first approved in 2014, Candlestick Center included the Film Arts Center, the retail center covering the majority of the Sub-Phase with residential uses fronting Ingerson and Harney Streets, a residential tower and hotel along Arellious Walker Drive, 2,743 parking spaces in both a below-grade garage and above-grade 3 story garage.

## DISCUSSION

The Developer is now requesting an Amendment to the Major Phase Application, as described below.

### ***Major Phase 1 CP Amendment***

The proposed changes to Major Phase 1 CP include increasing the amount of office use at Candlestick Center, decreasing the amount of regional retail use, and accelerating the production of housing units within Candlestick Point by increasing the amount of housing within Major Phase 1 CP from 2,521 units to 2,949 units, specifically by moving an additional 428 units into Candlestick Center.

#### *Land Use Changes: 2019 Updated Development Program*

| <b>Land Uses</b>                            | <b>Updated Major Phase 1</b> |
|---------------------------------------------|------------------------------|
| Dwelling Units                              | 2,949 units                  |
| Office                                      | 750,000 square feet          |
| Regional Retail                             | 170,000 square feet          |
| Neighborhood Retail                         | 132,100 square feet          |
| Community Use                               | 50,000 square feet           |
| FAC                                         | 64,000 square feet           |
| Hotel                                       | 130,000 square feet          |
| <b>Total Non-Residential Square Footage</b> | <b>1,296,100 square feet</b> |

See [Attachment B](#) for comparative Major Phase 1 CP Site Plans, and [Attachment C](#) for a comparative land uses table, between the currently approved program and the proposed Amendment.

The proposed land use changes in the Major Phase 1 Amendment consist of the following:

- **Increase Housing Units:** change from 2,521 units to 2,949 units. Approximately 38% of the units planned for Major Phase 1 will be BMR units, including the stand-alone Senior BMR Project<sup>2</sup> within CP-02.

<sup>2</sup> The Senior BMR Project will provide 104 units serving seniors ages 62 and older with household incomes up to sixty percent (60%) of AMI and increase the amount of affordable housing in CP-02.

- **Increase Office Use:** change from 134,500 square feet to 750,000 square feet by: (i) utilizing the maximum office use entitlement allowed under the DDA within Sub-Phase CP-02 (150,000 square feet);<sup>3</sup> (ii) converting 461,500 square feet of regional retail use and 20,000 square feet of hotel use to office use, and transferring 118,500 square feet of R&D/office use from Hunters Point Shipyard to Candlestick Point.<sup>4</sup>
- **Increase Neighborhood Retail Use:** change from approximately 97,300<sup>3</sup> square feet of planned neighborhood retail uses to a maximum of 132,100 square feet within Major Phase 01 CP. The Developer is proposing to program that additional retail use primarily on Block 1A in Sub-Phase CP-03 (see description regarding the relocation of the Community Use Site below), as well as a smaller amount within Sub-Phase CP-02.
- **Revise Parking:** In lieu of one large parking facility, provide a combination of four smaller accessory and wrapped parking facilities throughout Candlestick Center.
- **Create Publicly Accessible Open Spaces:** provide new privately owned, but publicly accessible open spaces within Candlestick Center, including an entrance plaza at the Film Arts Center, a central plaza within Candlestick Center, a public promenade along Ingerson Avenue (or Harney Way), all linked by enhanced sidewalks, pedestrian paseos and streets.
- **Relocate a Community Use Site:** change Block 1a in Sub-Phase CP-03 from being a 100% stand-alone community use site (for use by, for example, the police department, fire department or school district) to a partial community use site with approximately 8,000 square feet of space reserved for a potential fire station, while relocating approximately 33,000 square feet of community uses to Block AG16 in Sub-Phase CP-05.
- **Remove Tower:** removing the tower previously approved in CP-02 at the corner of Arelious Walker Drive and Harney Way, which will reduce the tallest building element in CP-02 from 240 feet to 120 feet.
- **Increase Heights:** increase maximum allowable building heights for buildings along Ingerson Avenue and Harney Way from 65 to 85 feet, and for buildings located along Arelious Walker Drive from 85 feet to 120 feet.

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<sup>3</sup> The maximum 150,000 sf office entitlement at Candlestick Point is established by the Third Amendment to the DDA, approved on April 17, 2018, which concurrently reduced the overall amount of neighborhood retail use permitted within Candlestick Point to 125,000 sf. The increase to 132,100 of neighborhood retail is achieved by converting some regional retail to neighborhood retail uses. The actual amount previously programmed through approved Sub-Phases and Schematic Designs and/or Design Development submittals is approximately 97,300 sf.

<sup>4</sup> Conversion between non-residential uses at Candlestick Point and transfer from HPS Phase to Candlestick Point are permitted under the respective Redevelopment Plans.

- **Change Performance Venue/Film Arts Center square footage allocations:** Reduction from 75,000 performance venue to 69,000 square feet total, broken out into 64,000 square feet (1200 seats) for the Film Arts Center in Candlestick Center and 5,000 square feet (4,400 seats) Performance Venue.
- **Prioritize on-site child care in office uses:** prioritize need for on-site child-care with future vertical developers and/or tenants of office space.
- **Update Schedule of Performance and Phasing Plan:** update to reflect the updated development timeframe for all the CP Major Phases as well as the park completion and off-site improvements associated with each Sub-Phase. The Phasing Plan has also been updated to make conforming changes previously approved in 2018, which reduced the number of Major Phases from four to three and changed the geographic order where Candlestick South sub-phases in Major Phase 2 would be built prior to the Candlestick North sub-phases in Major Phase 3.

### ***Candlestick Point D4D and Related Plans***

OCII and City staff have prepared conforming amendments to the Infrastructure and Transportation Plans that reflect the updated Candlestick Point development program. In addition OCII staff, working with Planning Department staff and the Developer, have prepared an amendment to the Candlestick Design for Development document ("CP D4D") establishing development controls for the new development program at Candlestick Center, along with some new zoning controls that would apply to the entire Candlestick development.

#### *CP D4D: Additional Zoning Controls*

##### *Candlestick Center Only:*

- *Increased Height Limits* as described above.
- *Modern Bulk and Massing.* Design standards encourage larger floor-plate office buildings interspersed with residential buildings, a retail marketplace and screened parking facilities.
- *Activated Ground Plane.* Design Standards encouraging active retail and other uses at the ground floor of buildings, particularly those fronting on open spaces and pedestrian paseos.

##### *Candlestick-wide:*

- *Revised Height Exception.* To be consistent with other areas of the City, staff propose a revised exception to maximum tower heights, that allow an additional 10% of a tower's total height for the placement of rooftop mechanical equipment and screening. Current standards cap this exception at 18 feet, which staff has found to be insufficient for small rooftop footprint of towers within Candlestick Point. The proposed exception would allow 42 feet for the tallest tower in Candlestick Point. The maximum occupiable heights will not change.

- *Allowance for Deviations.* As in the Hunters Point Shipyard D4D approved by Commission in 2018, staff now propose that the CP D4D provide the ability for property owners to request to deviate up to 10% from quantitative development controls in the D4D, but excluding height and bulk. Deviations are at the Executive Director's discretion, provided they meet the overall goals of the CP D4D and the BVHP Redevelopment Plan.

## **PUBLIC REVIEW AND COMMUNITY OUTREACH**

The proposed changes to the land use program for the CP/HPS 2 Project were subject to the following community meetings:

- On February 14, 2019, a presentation to the Joint Housing & Planning Development & Finance Sub-Committee regarding updates to the Candlestick Point development plans including changes to the retail program and updates to the Alice Griffith project.
- On March 2, 2019, a community workshop was held at Bret Harte Elementary School, regarding updates to the Candlestick Point development plans on changes to the retail program and updates to the Alice Griffith project
- On March 4, 2019, the Municipal Transportation Agency (MTA) provided a presentation on access to Candlestick Center and the location of parking garages
- On March 4, 2019, presentation to the Alice Griffith Tenants Association on updates to the Candlestick Point development plans including changes to the retail program and updates to the Alice Griffith project
- On March 11, 2019, presentation to the full CAC on updates to Candlestick Point including changes to the retail program and updates to the Alice Griffith project
- On July 23, 2019, a community workshop held at the Bayview Opera House on updates to the Candlestick Point development plans including changes to the retail program and updates to the Alice Griffith project
- On September 12, 2019, presentation to the CAC Planning, Development and Finance Subcommittee on the proposed amendments to the Candlestick Point development program.

Upcoming public meetings include:

- On October 7, 2019, a special meeting with the full CAC with a presentation on amendments to the Candlestick Point development program.

## CONCLUSION AND NEXT STEPS

The updated land use program at Candlestick Point emphasizes the Developer's commitment to affordable housing by accelerating the delivery of housing during Major Phase 1, while providing a development program that better responds to market conditions, increases the range of economic opportunities in the community, and remains consistent with the expectations for community benefits contemplated in the DDA. To implement the revised land use program, Commission approval of the transfer and conversion of square footage as permitted under the HPS and BVHP Plans is required, and amendments are required to the Major Phase 1 Application, CP D4D, Infrastructure Plan and Transportation Plan. In addition, revisions to the Phasing Plan (Exhibit C to the DDA) and Schedule of Performance (Exhibit D to the DDA) would be proposed for Commission Approval. Upon Commission approval, the Developer and OCII will proceed to seek necessary approval actions for the amendment to the CP D4D from the Planning Commission.

*(Originated by Lila Hussain, Senior Project Manager)*



Nadia Sesay  
Executive Director

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|---------------|--------------------------------------------|
| Attachment A: | Candlestick Major & Sub-Phases Map         |
| Attachment B: | Site Plan Comparison                       |
| Attachment C: | Major Phase 1 Entitlement Comparison Table |

Attachment A:

## Candlestick Major Phase & Sub-Phases Map



## Attachment B: Site Plan Comparison



### LEGEND

- - - CP/HPS2 Project Boundary
- 1CP Major Phase Boundary

- Residential Density I (15-75 Units Per Acre)
- Residential Density II (50-125 Units Per Acre)
- Residential Density III (100-175 Units Per Acre)
- Residential Density IV (175-285 Units Per Acre)

- Community Use
- Parks and Open Space
- Retail
- Hotel
- Film Arts Center
- Commercial (Office, R&D)
- Existing Use to Remain

Attachment C: Candlestick Major Phase 1 Land Use Comparison Table

| Development Program             | Sub-Phase          | CP-01       | CP-02                 | CP-03                     | CP-04                     | CP-05                   | Totals    |
|---------------------------------|--------------------|-------------|-----------------------|---------------------------|---------------------------|-------------------------|-----------|
|                                 | Status/Data Source | Constructed | Sub-Phase Application | Approved Building Designs | Approved Building Designs | Major Phase Application |           |
| Housing Units                   | Current Plan       | 337         | 570                   | 708                       | 555                       | 351                     | 2,521     |
|                                 | Proposed Change    |             | 428                   |                           |                           |                         | 428       |
|                                 | Proposed New Total | 337         | 998                   | 708                       | 555                       |                         | 2,598     |
| Office GSF                      | Current Plan       |             | 134,500               |                           |                           |                         | 134,500   |
|                                 | Proposed Change    |             | 615,500               |                           |                           |                         | 615,500   |
|                                 | Proposed New Total |             | 750,000               |                           |                           |                         | 750,000   |
| Regional Retail GSF             | Current Plan       |             | 635,000               |                           |                           |                         | 635,000   |
|                                 | Proposed Change    |             | (465,000)             |                           |                           |                         | (465,000) |
|                                 | Proposed New Total |             | 170,000               |                           |                           |                         | 170,000   |
| Neighborhood Retail GSF         | Current Plan       |             | 1,000                 | 41,975                    | 54,332                    |                         | 97,307    |
|                                 | Proposed Change    |             | 4,793                 | 30,000                    | -                         |                         | 34,793    |
|                                 | Proposed New Total |             | 5,793                 | 71,975                    | 54,332                    |                         | 132,100   |
| Community Facilities Spaces GSF | Current Plan       |             | 12,000                | 8,000                     | 12,000                    |                         | 32,000    |
|                                 | Proposed Change    |             | (12,000)              |                           |                           |                         | (12,000)  |
|                                 | Proposed New Total |             | -                     | 8,000                     | 12,000                    |                         | 20,000    |
| Performance Venue GSF           | Current Plan       |             | 75,000                |                           |                           |                         | 75,000    |
|                                 | Proposed Change    |             | (11,000)              |                           |                           |                         | (11,000)  |
|                                 | Proposed New Total |             | 64,000                |                           |                           |                         | 64,000    |
| Hotel Rooms                     | Current Plan       |             | 220                   |                           |                           |                         | 220       |
|                                 | Proposed Change    |             |                       |                           |                           |                         |           |
|                                 | Proposed New Total |             | 220                   |                           |                           |                         | 220       |
| Open Space Acres                | Current Plan       |             | 7.5                   | 1.1                       |                           | 0.7                     | 9.3       |
|                                 | Proposed Change    |             |                       |                           |                           |                         |           |
|                                 | Proposed New Total |             | 7.5                   | 1.1                       |                           | 0.7                     | 9.3       |