

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 30-2020

APPROVING THE REPORT TO THE BOARD OF SUPERVISORS ON THE AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE MISSION BAY SOUTH REDEVELOPMENT PROJECT IN CONNECTION WITH THE DEVELOPMENT OF A MIXED-USE LIFE SCIENCES FACILITY ON BLOCK 43, PARCEL 7 (1450 OWENS STREET); ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND, AUTHORIZING THE TRANSMITTAL OF THE REPORT TO THE BOARD OF SUPERVISORS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

WHEREAS, On September 17, 1998, the former Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) approved, by Resolution No. 190-98, the Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”). On November 2, 1998, the Board of Supervisors of the City and County of San Francisco (“Board of Supervisors”) adopted, by Ordinance No. 335-98, the Redevelopment Plan; and,

WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure, (“Successor Agency” or “OCII”) proposes an amendment to the Redevelopment Plan (“Plan Amendment”) that would increase by 170,000 leasable square feet the total amount of Commercial Industrial uses that may be developed in the Plan Area, from approximately 5,953,600 leasable square feet to approximately 6,123,600 leasable square feet, provided that this additional leasable square feet is located only to Parcel 7 of Mission Bay Block 43 (“Parcel 7”) and provided further that the maximum average floor area ratio for Commercial Industrial and Commercial Industrial/Retail uses is increased from 2.9:1 to 2.95:1 to solely account for the development of Parcel 7; and,

WHEREAS, The Plan Amendment is consistent with the Redevelopment Plan objectives to provide flexibility in the development of the Plan Area, to respond readily and appropriately to market conditions and to strengthen the economic base of the Plan Area; and,

WHEREAS, In accordance with Section 33457.1 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., “Community Redevelopment Law” or “CRL”), the Successor Agency has prepared the Report to the Board of Supervisors on the Amendment to the Redevelopment Plan for the Mission Bay South Redevelopment Project (“Report to the Board”) that contains only the information required by Health and Safety Code Section 33352 that is warranted by the scope of the Plan Amendment; and,

WHEREAS, Development within the Plan Area is subject to an Owner Participation Agreement between the Successor Agency and FOCIL-MB, LLC that requires, among other things, that the Successor Agency shall obtain the consent of FOCIL-MB, LLC to amend the Redevelopment Plan, which consent has been provided prior to approval of the Plan Amendment by the Successor Agency Commission, commonly known as the Commission on Community Investment and Infrastructure (“Commission”); and,

WHEREAS, On July 9, 2020, the Mission Bay Citizens Advisory Committee considered the Plan Amendment and recommended approval of the Plan Amendment by the Commission and the Board of Supervisors; and

WHEREAS, On November 17, 2020, the Commission adopted Resolution No. 29-2020, by which the Commission determined that the Final Mission Bay Subsequent Environmental Impact (“FSEIR”) (therein defined), together with further analysis in Addendum No. 10, remains adequate, accurate, and objective and in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq., “CEQA”) and the CEQA Guidelines (14 California Code of Regulations Sections 15000 et seq.), for purposes of evaluating the potential environmental effects of the Plan Amendment; and,

WHEREAS, The environmental effects of the Plan Amendment have been analyzed in the environmental documents as described in Commission Resolution No. 29-2020. Copies of the environmental documents are on file with the Commission Secretary; now, therefore be

RESOLVED, That the Commission hereby finds that for purposes of compliance with CEQA, the Plan Amendment is included in the actions identified in Resolution No. 29-2020 adopted concurrently with this Resolution; and, be it further

RESOLVED, That the Commission approves the Report to the Board of Supervisors of the City and County of San Francisco attached to this Resolution as Exhibit A; and, be it further

RESOLVED, That the Executive Director of the Successor Agency is hereby authorized to transmit said Report to the Board of Supervisors of the City and County of San Francisco as required under Section 33457.1 of the Community Redevelopment Law for its consideration in reviewing the Plan Amendment.

I hereby certify that the foregoing resolution was adopted by the Successor Agency Commission at its meeting of November 17, 2020.

Commission Secretary

Exhibit A: Report to the Board of Supervisors on the Amendment to the Redevelopment Plan for the Mission Bay South Redevelopment Project

Exhibit A:

**REPORT TO THE BOARD OF SUPERVISORS
ON AN AMENDMENT TO THE
REDEVELOPMENT PLAN
FOR THE MISSION BAY SOUTH REDEVELOPMENT PROJECT**

Prepared By:

**The Office of Community Investment and Infrastructure,
as the Successor Agency to the Redevelopment Agency of the City and County of San
Francisco**

November 17, 2020

**REPORT TO THE BOARD OF SUPERVISORS
ON AN AMENDMENT TO THE
REDEVELOPMENT PLAN
FOR THE MISSION BAY SOUTH REDEVELOPMENT PROJECT**

INTRODUCTION

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (commonly known as the Office of Community Investment and Infrastructure or “OCII”) provides this report (“Report”) to the Board of Supervisors of the City and County of San Francisco (“Board of Supervisors”) in accordance with California Community Redevelopment Law¹, which requires a report to the Board of Supervisors whenever OCII proposes to amend a redevelopment plan within the City and County of San Francisco (“City”).²

This Report addresses a proposed amendment to the Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”). The Redevelopment Plan establishes, among other things, the land use controls for the approximately 238-acre Mission Bay South Redevelopment Plan Area (“Plan Area”). These controls include a limitation on the amount of mixed office, research and development, and light manufacturing (collectively “Commercial Industrial”) uses that may be developed within the Plan Area. The proposed amendment (“Plan Amendment”) would increase, by 170,000 leasable square feet, the total amount of Commercial Industrial uses that may be developed within the Plan Area, from approximately 5,953,600 leasable square feet to approximately 6,123,600 leasable square feet; provided that this additional leasable square feet is located only on Parcel 7 of Block 43; and provided further that the maximum average floor area ratio for Commercial Industrial and Commercial Industrial/Retail uses is increased from 2.9:1 to a floor area ratio not to exceed 2.95:1 to account for the additional leasable square feet allocated to Parcel 7 of Block 43. The increase would accommodate a proposed mixed-use life sciences development project within the Plan Area.

CONTENTS OF THE REPORT

Under the CRL, the Plan Amendment is considered a *minor amendment*³, and the CRL calls for the scope of this Report to be concise or limited to the information warranted by the proposed amendment. Thus, the Report contains the following information:

- Reason for the Plan Amendment (subsection (a) of Section 33352 of the CRL);
- Description of how the Plan Amendment will improve or alleviate blighting conditions (subsection (b) of Section 33352 of the CRL);

¹ Health and Safety Code Sections 33000 *et seq.* herein, the “CRL”.

² Sections 33352 and 33457.1 of the CRL require a report to the Board of Supervisors containing all information warranted by the scope of the proposed amendment.

³ Minor amendments are those that do not impose, or increase, collection of tax increment, add significant public improvements, extend time limits for incurring debt or of Redevelopment Plan effectiveness, add territory to a redevelopment project area or merge project areas. CRL § 33451.5(a).

- The report and recommendation of the San Francisco Planning Commission (subsection (h) of Section 33352 of the CRL);
- The report on the environmental review required by Section 21151 of the Public Resources Code as applicable to the Plan Amendment (subsection (k) of Section 33352 of the CRL); and
- The low- and moderate-income housing neighborhood impact report (subsection (m) of Section 33352 of the CRL).

REASON FOR THE PLAN AMENDMENT

Background

The Board of Supervisors adopted the Redevelopment Plan on November 2, 1998, by Ordinance No. 335-98. On July 9, 2013, the Board of Supervisors adopted, by Ordinance No. 143-13, a first amendment to the Redevelopment Plan, and on February 3, 2018 adopted a second amendment to the Redevelopment Plan by Ordinance No. 32-18. The Redevelopment Plan establishes a program of redevelopment within the Plan Area, including land use controls, and establishes the powers, duties and obligations of OCII to implement the prescribed redevelopment program with respect to all real property within the Plan Area.

Purpose of the Plan Amendment

The purpose of the Plan Amendment is increase the total amount of Commercial Industrial uses that may be developed within the Plan Area, from approximately 5,953,600 leasable square feet to approximately 6,123,600 leasable square feet and maximum average floor area ratio for Commercial Industrial and Commercial Industrial/Retail uses is increased from 2.9:1 to a floor area ratio not to exceed 2.95:1 to account for the additional leasable square feet allocated to Parcel 7 of Block 43. The additional 170,000 leasable square feet are proposed to be allocated for the development of an approximately 183,000 gross square foot (gsf) mixed-use development on Block 43 Parcel 7 within the Plan Area, consisting of up to approximately 133,000 gsf of life sciences research and development (R&D) space, up to approximately 49,998 gsf of office space, and up to approximately 2,600 gsf of ground-floor retail space (the “Project”).

The Project facilitated by the Plan Amendment will enhance the existing and proposed development in the Plan Area and thus assist the OCII in fulfilling the following objectives and policies as described in Sections 103 and 104 of the Redevelopment Plan:

- A. Eliminating blighting influences and correcting environmental deficiencies in the Redevelopment Plan Area, including, but not limited to, abnormally high vacancies, abandoned buildings, incompatible land uses, depreciated or stagnant property values, and inadequate or deteriorated public improvements, facilities and utilities. (§103, Objective A)

- B. Replanning, redesigning, and developing undeveloped and underdeveloped areas which are improperly utilized. (§103, Objective D)
- C. Providing flexibility in the development of the Plan Area to respond readily and appropriately to market conditions. (§103, Objective E)
- D. Providing opportunities for participation by owners in the redevelopment of their properties. (§103, Objective F)
- E. Strengthening the economic base of the Plan Area and the community by strengthening retail and other commercial functions in the Plan Area ... (§103, Objective H)
- F. Facilitating emerging commercial-industrial sectors including those expected to emerge or expand due to their proximity to the UCSF new site, such as research and development, bio-technical research, telecommunications, business service, multi-media services, and related light industrial, through improvement of transportation access to commercial and industrial areas, improvement of safety within the Plan Area, and the installation of needed site improvements to stimulate new commercial and industrial expansion, employment, and economic growth. (§103, Objective I)
- G. Achieving the objectives described above [in Section 103 of the Redevelopment Plan] in the most expeditious manner feasible. (§103, Objective L)
- H. Create a vibrant urban community in Mission Bay South which incorporates a variety of uses including medical research, office, business services, retail, entertainment, hotel, light industrial, education, utility, housing, recreation and open space, and community facilities. (§104, Objective A.1)
- I. Create a variety of retail and other uses that benefit residents, workers and visitors, including regional retail, employment, entertainment, recreational and related uses. (§104, Policy A.3)
- J. Maintain, enhance and diversify a sound and dynamic economic base for Mission Bay South and the City. (§104, Objective E.7)
- K. Encourage the siting of educational institutions, medical research and development, retail, multi-media/ telecommunications, recreational, entertainment and public and private utility uses at Mission Bay South in a manner compatible with adjacent uses. (§104, Policy E.1)
- L. Expand employment opportunities in Mission Bay South for San Francisco residents. (§104, Objective E.8)

DESCRIPTION OF HOW THE AMENDMENT WILL IMPROVE OR ALLEVIATE BLIGHT

In approving the Redevelopment Plan (including its initial two amendments), the Board of Supervisors relied on information about the conditions of physical and economic blight within the Plan Area, the need for tax increment financing to carry out redevelopment in the Plan Area, and other factors justifying the establishment of the Plan Area.

This information continues to be applicable to this proposed Plan Amendment and the remaining vacant lands within the Plan Area. These portions of the Plan Area are characterized by continuing blighting conditions, including, but not limited to, vacant property, incompatible land uses, stagnant property value, and inadequate public improvements.

The Plan Amendment will help to alleviate adverse conditions that contribute to blight remaining within portions of the Plan Area by facilitating the development of an existing vacant and underutilized property that has limited development potential under the existing Redevelopment Plan because there is currently no allocation of Commercial Industrial square footage available to the property in light of past actions by OCII related to other development sites within the Plan Area.

REFERRAL TO THE PLANNING DEPARTMENT

The Agency and the San Francisco Planning Department (“Planning Department”) have determined that the Amendment would not have a substantial effect on, or require an amendment to, the San Francisco General Plan (“General Plan”), and therefore the report and recommendation of the Planning Commission is not required by Section 33453 of the CRL.

Notwithstanding the foregoing, the Agency has referred the Amendment to the Planning Department for its report regarding conformity of the Amendment with the General Plan in accordance with the requirements of Section 4.105 of the San Francisco Charter. The Planning Department has subsequently referred the matter to the Planning Commission pursuant to San Francisco Administrative Code § 2A.53(e). Accordingly, the Planning Commission will review the Amendment for its conformance with the General Plan and for no other purpose. Notice of the Planning Commission meeting will be given in accordance with the Rules and Regulations of the Planning Commission. The Planning Commission’s resolution regarding conformity of the Amendment to the General Plan will be incorporated in a supplemental report to the Board of Supervisors upon receipt.

ENVIRONMENTAL REVIEW

Together with its adoption of the initial Redevelopment Plan, the former Commission to the Redevelopment Agency of the City and County of San Francisco certified the *Mission Bay Final Subsequent Environmental Impact Report* (“Mission Bay FSEIR”) on September 17, 1998, in accordance with the California Environmental Quality Act (“CEQA”) and State CEQA Guidelines Sections 15168 (Program EIR) and 15180 (Redevelopment Plan EIR). The Mission Bay FSEIR identified mitigation measures that reduced or eliminated most potential environmental impacts that could otherwise be significant, but also found significant and unavoidable impacts related to transportation, air quality, water quality and hazardous waste disposal.

Subsequent to its certification, the former Redevelopment Agency of the City and County of San Francisco and OCII have collectively adopted nine separate addenda to the Mission Bay FSEIR, analyzing issues such as transportation, shadow and historic resources. Under CEQA, an addendum is appropriate when an agency determines that some additional analysis from that in an existing EIR is necessary, but such actions do not create new or exacerbated significant environmental impacts.⁴ In addition, OCII certified a *Final Subsequent Environmental Impact Report for the Chase Center and Mixed-Use Development at Mission Bay Blocks 29-32* (“Chase Center FSEIR”) on November 23, 2015, which updated the analysis of the Mission Bay FSEIR to include the addition of an approximately 18,000-seat events center within the Plan Area. The Chase Center FSEIR identified mitigation measures that reduced or eliminated most potential environmental impacts of the events center that could otherwise be significant, but also found significant and unavoidable impacts related to transportation and circulation, noise, air quality, wind and wastewater utilities. Subsequently, OCII adopted the first addendum to the Chase Center EIR to include up 230 hotel rooms and 21 Residential Units analyzing issues such as transportation, wind and shadow.

Finally, on _____, 2020, OCII approved a tenth addendum to the Mission Bay FSEIR and Chase Center FSEIR, finding and determining that the Plan Amendment is within the scope of actions analyzed by the Mission Bay FSEIR and Chase Center FSEIR, and requires no additional environmental review. Specifically, OCII found and determined that (a) the Plan Amendment does not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (b) no substantial changes have occurred with respect to the circumstances under which the project analyzed in the Mission Bay FSEIR or Chase Center FSEIR will be undertaken that would require major revisions to the Mission Bay FSEIR or Chase Center FSEIR due to new significant environmental effects, or a substantial increase in the severity of effects identified in the Mission Bay FSEIR or Chase Center FSEIR; and (c) no new information of substantial importance to the project analyzed in the Mission Bay FSEIR or Chase Center FSEIR has become available that would indicate that (i) the Plan Amendment will have significant effects not discussed in the Mission Bay FSEIR or Chase Center FSEIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible that would reduce one or more significant effects have become feasible; or (iv) mitigation measures or alternatives that are considerably different from those in the Mission Bay FSEIR or Chase Center FSEIR will substantially reduce one or more significant effects on the environment.

LOW- AND MODERATE-INCOME HOUSING NEIGHBORHOOD IMPACT REPORT

The Plan Amendment would not have deleterious impacts on low- and moderate income housing within the Plan Area, or alter OCII’s commitment to provide affordable housing under the Redevelopment Plan.

As of September 2020, 2,944 housing units have been completed within the 238-acre Plan Area, comprised of 2,332 units of market rate housing and 612 units of affordable housing. An

⁴ CEQA Guidelines Section 15164.

additional 293 affordable units are under construction and 313 affordable units are planned for the Plan Area.

The proposed Plan Amendment concerns the amount of Commercial Industrial space that may be constructed within the Plan Area, thus it does not directly affect residential development. Furthermore, the Plan Amendment's proposed increase in total Commercial Industrial uses would facilitate development at a single site within the Plan Area, which the Redevelopment Plan already identified for Commercial Industrial use. This site is adjacent to the Highway 280/Caltrain right of way, open space and existing life sciences buildings. The closest existing or planned residential development is approximately 300 feet from the proposed Project site, and is shielded by existing development. Thus, the Plan Amendment, and the Project facilitated by the Plan Amendment, will not directly or indirectly cause the destruction or removal of housing units from the low-and moderate-income housing market and no persons will be displaced, temporarily or permanently, from dwelling units.