

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 39-2020

**CONDITIONALLY APPROVING AN AMENDMENT TO THE SCHEMATIC DESIGN
FOR RINCON CENTER, LOCATED AT 101 SPEAR STREET, TO CONVERT
APPROXIMATELY 67,442 SQUARE FEET OF GROUND FLOOR RETAIL USE TO
OFFICE USE; RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT
AREA**

WHEREAS, On January 5, 1981, the Board of Supervisors of the City and County of San Francisco ("Board of Supervisors") adopted, by Ordinance No. 14-18, the Rincon Point - South Beach Project Area Redevelopment Plan ("Redevelopment Plan"). Previously, the Redevelopment Agency of the City and County of San Francisco ("Former Agency") had approved, by Resolution No. 326-80, the Design for Development Rincon - South Beach Redevelopment Project ("Design for Development"). The City Planning Commission also approved, by Resolution No. 8783 (Dec. 4, 1980), the Design for Development. The Redevelopment Plan and the Design for Development establish land use controls, development standards, and urban design guidelines for the development of the Project Area; and,

WHEREAS, The Redevelopment Plan will expire on January 5, 2021, after which the Redevelopment Plan and Design for Development will no longer be in effect. After the expiration of the Redevelopment Plan, the San Francisco Planning Code and its Zoning Use Districts and Height and Bulk Districts will apply in the Project Area; 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 (the "Successor Agency" or "OCII"), is implementing the land use authority of the the Former Agency in the Rincon Point - South Beach Redevelopment Project Area (the "Project Area") under the authority of the California Community Redevelopment Law, Cal. Health & Safety Code §§ 33000 et seq., as amended by the Redevelopment Dissolution Law, Cal. Health & Safety Code §§ 34170 et seq., and under San Francisco Ordinance No. 215-12 (Oct. 4, 2012) (establishing the Successor Agency Commission and delegating to it state authority under the Redevelopment Dissolution Law); and,

WHEREAS, The Board of Supervisors, acting as the legislative body of the Successor Agency, adopted, by Ordinance No. 215-12 (Oct. 4, 2012) legislation implementing the Redevelopment Dissolution Law. Ordinance No. 215-12 established the Successor Agency Commission, commonly known as the Commission on Community Investment and Infrastructure ("Commission" or "CCII") and delegated to it the authority, among other matters, to act in place of the Former Agency Commission to implement, modify, enforce and complete the Redevelopment Agency's enforceable obligations and to exercise land use, development, and design approval, consistent with the Redevelopment Dissolution Law; and,

- WHEREAS, On October 18, 1983, the Former Agency Commission approved Resolution 287-83, which applied supplementary program requirements and development limitations on the redevelopment of the Rincon Annex Post Office property, located between Mission, Howard, Spear and Steuart Streets, Assessor's Block 3716, and owned by the United States Postal Service ("USPS"). Based on these requirements and limitations, the USPS made a public offering of the property and entered into a 65-year lease with Rincon Center Associates as the developer for the mixed-use Rincon Center redevelopment; and,
- WHEREAS, At its Commission meeting of August 20, 1985, the Former Agency authorized, by Resolution No. 237-85, the Rincon Center Owner Participation Agreement ("OPA") with Rincon Center Associates, a California limited partnership, and by Resolution No 238-85, approved a Schematic Design, to develop the mixed-use, residential and commercial Rincon Center project on Assessor's Block 3716 in the Project Area; and,
- WHEREAS, Rincon Center was a pioneering and significant historic adaptive reuse project that preserved portions of the former Rincon Annex Post Office, a major San Francisco historic landmark on the site (City Landmark Designation Ordinance No. 10-80), while creating a large number of housing units in an area where there previously was no housing. The new buildings were sensitive to and complemented the existing historic structure and the project included a new pedestrian plaza connecting the two buildings on the site consisting of the adaptive reuse of the Rincon Annex Post Office building (the "Rincon Annex") and the Howard Street building; and,
- WHEREAS, The Rincon Annex is divided into two main sections: the historic Post Office lobby on Mission Street that is now, and historically has been, open to the public, and an interior atrium that was historically used for back-of-house postal operations and redeveloped into a ground-floor retail gallery with upper floors occupied by office uses in accordance with the Schematic Design for Rincon Center. The southern half of the block, or the Howard Street portion of Rincon Center, contains two residential towers situated above a six-story commercial podium. The Howard Street building is not within the scope of this Resolution; and,
- WHEREAS, In 1988, Rincon Center was subdivided into four separate Parcels (Parcels 1-4) pursuant to that certain Parcel Map showing the subdivision of airspace being 100 Vara Block No. 321, filed June 23, 1988, in Parcel Map Book 37, at pages 67-71 inclusive, in the Official Records of the City and County of San Francisco. Parcel 3 (Lot 023) comprises the Rincon Annex. Parcel 1 (Lot 21) is an air space parcel generally comprising the commercial podium of the Howard Street building; Parcel 2 (Lot 022) is an air space parcel comprising an approximately 14,000 square foot postal facility located at the southeast corner of the ground floor of the Howard Street building; Parcel 4 (Lot 024) generally comprises the residential tower of the Howard Street Building; and,

- WHEREAS, At the time of the 1988 subdivision, Rincon Center Associates and USPS established a common interest development within the meaning of subdivision (c) of Section 1351 of the California Civil Code, providing for separately owned parcels and mutual, common and reciprocal interests in, or restrictions upon, portions of such separately owned parcels; and,
- WHEREAS, In 1999, USPS transferred its fee interests in Parcels 1, 3 (Rincon Annex) and 4 to BRE/Rincon Land LLC. The fee interests in Parcels 1 and 3 were subsequently transferred to the current owner, Hudson Rincon Center, LLC, a Delaware limited liability corporation (“Hudson Pacific” or “Owner”). The fee interest in Parcel 4 (residential component of the Howard Street building) was subsequently transferred in 2007 to the current owner, Rincon ET Realty LLC, a Delaware limited liability company (Carmel Properties). USPS has retained ownership of the post office facility at the southeast ground corner of the Howard Street building (Parcel 2). Hudson Pacific is now the fee Owner of the approximately 85,594-square foot parcel, which is the northern portion of Rincon Center comprised of the Rincon Annex at 101 Spear Street; and
- WHEREAS, Hudson Pacific has assumed all of Rincon Center Associates’ obligations under the OPA with respect to its parcels. Hudson Pacific is bound by all terms of the OPA and related agreements, including the requirements of the design review process; and,
- WHEREAS, The Owner proposes the conversion of portions of the ground floor internal atrium within the Rincon Annex from retail to office use. This entails an amendment to the Schematic Design for Rincon Center that would allow for the conversion of up to 67,442 square feet of ground floor area from retail gallery space, including restaurants, to office use within the atrium (“Schematic Design Amendment”); and,
- WHEREAS, Prior to the Owner’s proposal for a Schematic Design Amendment, approximately 14,500 square feet of the ground floor retail space had already been converted to office space use without Former Agency or OCII approval. The Schematic Design Amendment would authorize this previous conversion; and
- WHEREAS, The atrium contains retail and restaurant spaces that have no visibility from the street. The atrium’s retail gallery cannot be opened to the street due to the landmark status of the historic façades of the Rincon Annex fronting Mission, Steuart and Spear Streets. The ownership has faced challenges in tenanting these interior-facing, vacant retail spaces in the atrium during the past five years. The atrium has become dramatically less viable as retail space during the COVID-19 pandemic; and,
- WHEREAS, The proposed Schematic Design Amendment (Exhibit A to this Resolution) complies with all provisions of the Redevelopment Plan, the Design for Development and the OPA. The Redevelopment Plan and the Design for Development together regulate permissible land uses; and,

WHEREAS, The Redevelopment Plan and the Design for Development allow for flexible commercial development in order to adaptively re-use the historic Rincon Annex, and they identify ground floor office as a principally permitted use. The Redevelopment Plan designates the northern portion of the Rincon Center block as “Commercial.” Ground-floor office uses are permitted in this district. Uses permitted in the Commercial area “include, but are not limited to, business and professional offices, retail sales and eating and drinking establishments.” The Redevelopment Plan does not restrict the amount of ground-floor office use at the Rincon Annex and does not require a minimum area of ground-floor retail and/or circulation; and,

WHEREAS, The Schematic Design Amendment is also in accordance with broader Redevelopment Plan’s objectives, among others, of 1) “Stimulate and attract private investment, thereby improving the City’s economic health, tax base, and employment opportunities”; 2) “Provide for job opportunities through economic development improvements, including neighborhood commercial facilities, a small-boat harbor, a hotel complex, and the restoration and adaptive re-use of certain structures”; and,

WHEREAS, The Design for Development does not restrict ground-floor office uses in the Rincon Annex. With regard to the Rincon Annex, its associated urban design guidelines encourage that the design of new development be considerate of its historic environment and relationship to the scale and character of its surroundings. The Schematic Design Amendment proposes to convert the existing retail gallery to office use without modification to the exterior of the Rincon Annex building; it provides for the required number of parking and loading spaces within the Rincon Center shared parking facility; and, therefore, it is compliant with the Design for Development standards and urban design guidelines; and,

WHEREAS, The OPA authorizes the maximum scope of development at Rincon Center, both through original construction and through future modifications. The OPA language broadly authorizes the adaptive re-use of the full three-floor-plus-basement historic Rincon Annex building for commercial purposes permitted under the Redevelopment Plan. It further authorizes development of approximately 72,000 gross square feet of commercial space above the historic roofline. The OPA does not limit the amount of office use authorized at the ground floor of the Rincon Annex building, nor does it require retail area at this floor. The OPA for the Rincon Annex building identifies all uses permitted under the Plan. It does not cap the maximum square footage of commercial uses generally or offices particularly, nor does it limit office use at the ground-floor; and,

WHEREAS, The original Rincon Center Developer committed to historically restore and adaptively re-use the Rincon Annex building, including the preservation in place of the Anton Refregier murals in the historic Post Office lobby. Hudson Pacific shall continue to preserve the historic Post Office lobby as a public lobby and it is excluded from the ground-floor office conversion scope of the Schematic Design Amendment; and,

WHEREAS, Although the Schematic Design Amendment is not subject to any enforceable obligation requiring compliance with OCII's Equal Opportunity Program, the Owner has voluntarily agreed to comply with OCII's Small Business Enterprise ("SBE") Program and shall work with OCII staff to make good-faith efforts to achieve the goals of the SBE Program in the construction of the project. In addition, the Owner intends to hire contractors for this project who will satisfy OCII's prevailing wage standards. It shall also participate in the City's First Source Hiring Program, which is comparable to the OCII requirement for local construction hiring; and,

WHEREAS, The Commission's approval of the Schematic Design Amendment is categorically exempt from environmental review pursuant to Section 15301 of the California Environmental Quality Act ("CEQA") because it consists of minor alterations to the interior of an existing structure, including interior partitions, plumbing and electrical conveyances, that involve no expansion of an existing or a former use; and, be it

RESOLVED, That the Rincon Center Schematic Design Amendment, as attached in Exhibit A, is consistent with, and advances, the objectives of the Redevelopment Plan, and is hereby approved by the Commission provided that the Owner complies with the following conditions:

1. Owner shall make good-faith efforts in achieving the goals of the OCII's Small Business Enterprise Program and in satisfying OCII's prevailing wage standards in the construction of any project related to the Schematic Design Amendment. Owners shall participate in the City's First Source Hiring Program in the construction of any project related to the Schematic Design Amendment.
2. Owner shall provide the South Beach | Rincon | Mission Bay Neighborhood Association with occasional use of a conference room for so long as Owner operates conference facilities in the area that are available to the public or to multiple tenants in common.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of December 1, 2020.

Commission Secretary

Exhibit A: Rincon Center Schematic Design Amendment

A001.0

101 SPEAR STREET
SAN FRANCISCO, CA 94105



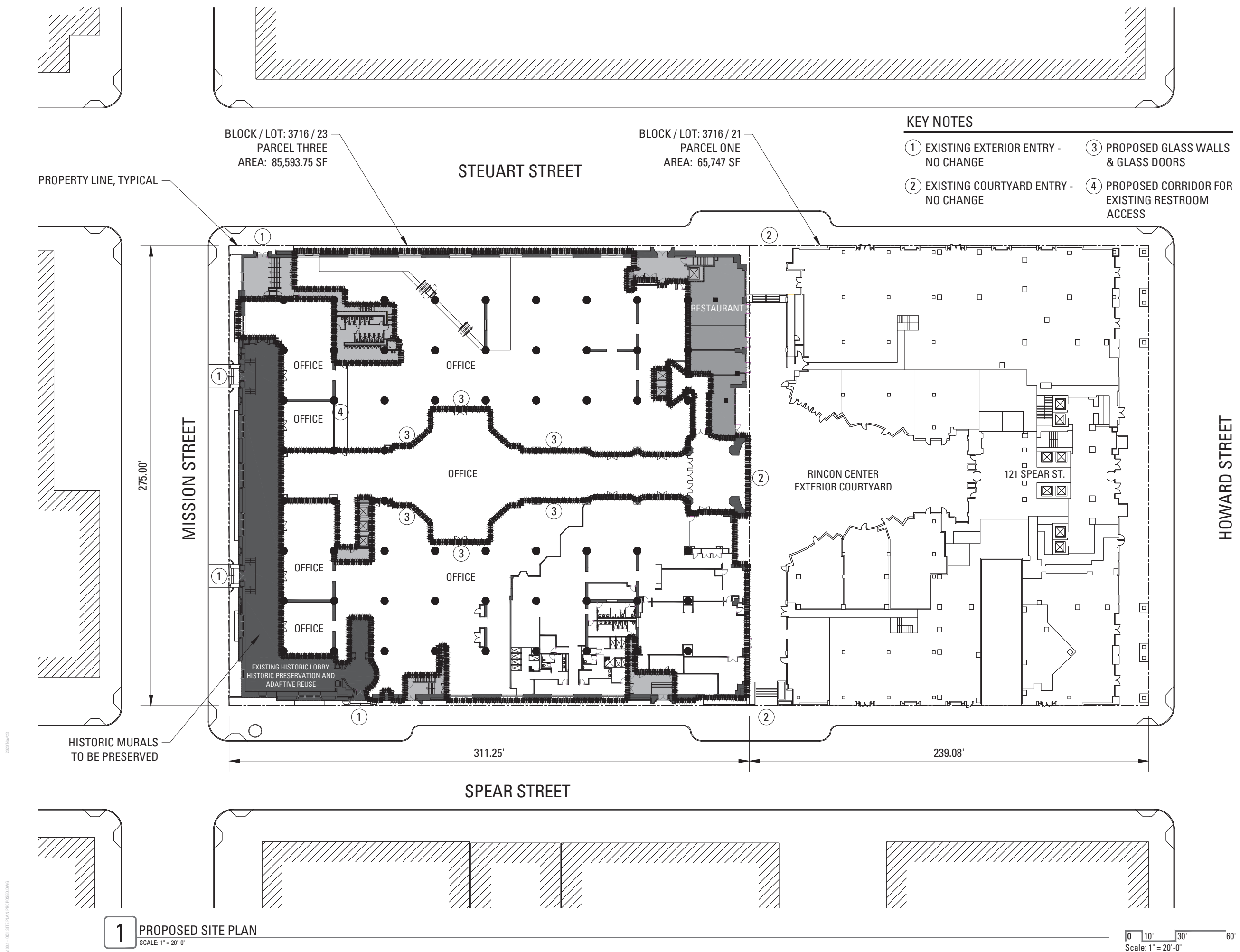
RECORD OF DRAWING ISSUANCE	
SCHEMATIC DESIGN	12.01.2020
AMENDMENT	



Drawn By:	KB
Checked By :	KB
Project Number:	19020.1

OCII SITE PLAN -
PROPOSED

A100.1



LEGEND

DISABLED ACCESS
PATH OF TRAVEL

KEY NOTES

- 1

VEHICULAR RAMP ENTRY/EXIT FOR
SPEAR STREET
- 2

VEHICULAR RAMP ENTRY/EXIT FOR
RESIDENTIAL PARKING LEVEL BELOW
- 3

PASSENGER ELEVATOR TO
LEVELS ABOVE
- 4

(2) SIDE BY SIDE VEHICULAR LOADING ZONES
12' WIDE BY 35' DEEP BY 14' VERTICAL
CLEARANCE MINIMUM EACH. SPACES ARE
ACCESSIBLE TO ALL USES IN THE BUILDING.
- 5

(1) VEHICULAR LOADING ZONE
12' WIDE BY 20' DEEP BY 7' VERTICAL
CLEARANCE MINIMUM. SPACES ARE
ACCESSIBLE TO ALL USES IN THE BUILDING.
- 6

BICYCLE PARKING - CAPACITY = 40 BIKES
- 7

PEDESTRIAN RAMP, MAX SLOPE = 1:12
- 8

REFUSE, RECYCLING, COMPOST AND
COMPACTION MAIN AREA
- 9

UTILITY, MECHANICAL AND STORAGE
ROOMS, TYPICAL

PARKING COUNTS

- 193

TOTAL AUTOMOBILE PARKING SPACES
- 64

STANDARD SPACES IN RINCON ANNEX
- 119

STANDARD SPACES IN 121 SPEAR STREET
- 4

ELECTRIC VEHICLE CHARGING STANDARD SPACES IN 121 SPEAR STREET
- 4

DISABLED ACCESS PARKING SPACES IN 121 SPEAR STREET
- 2

ELECTRIC VEHICLE DISABLED ACCESS PARKING SPACES IN 121 SPEAR STREET
- 40

BICYCLE SPACES CONSISTING OF (4) 10-BIKE DOUBLE-TIER RACKS IN 121 SPEAR STREET
- 3

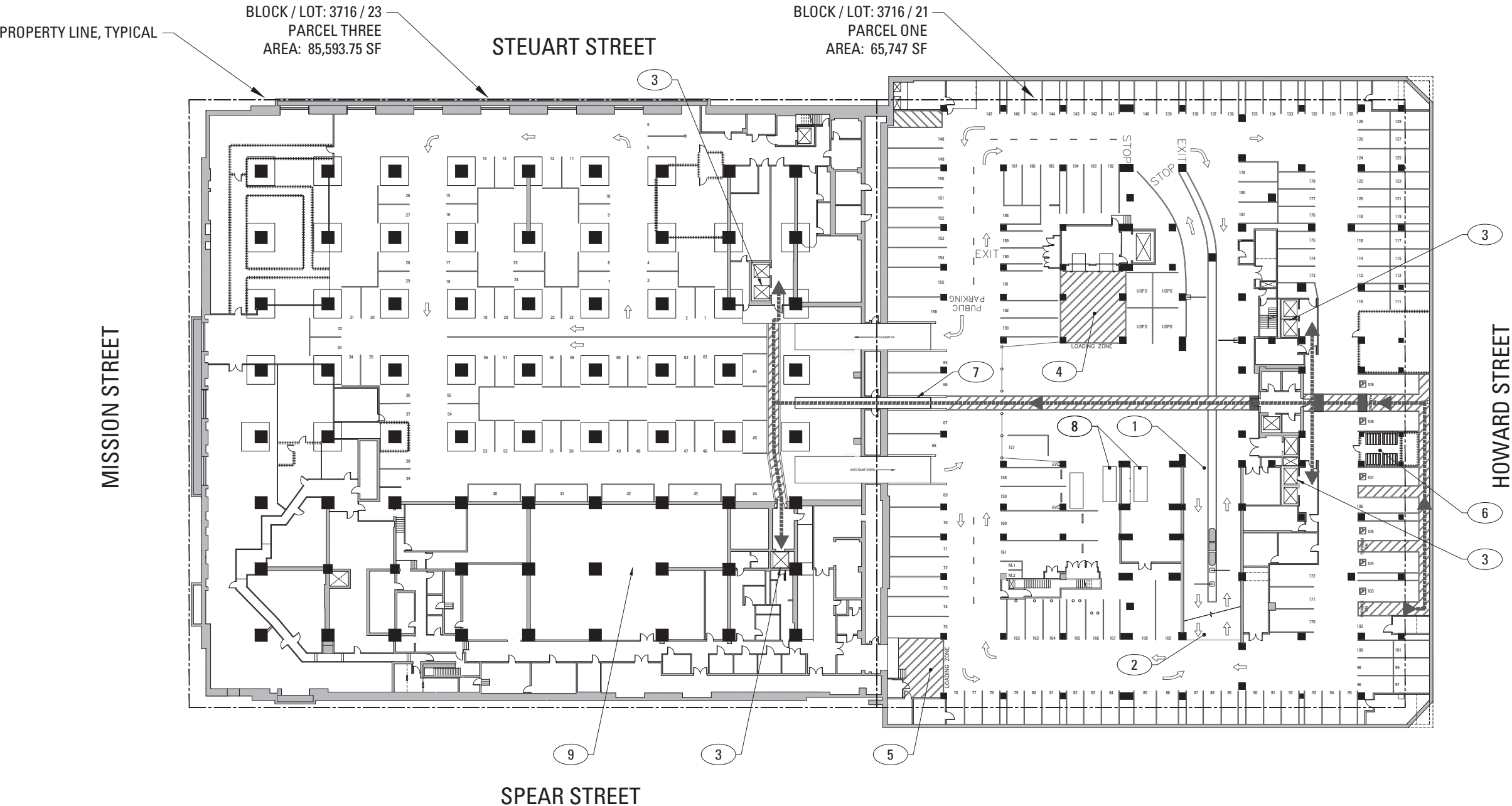
VEHICULAR LOADING ZONES IN 121 SPEAR STREET. SPACES ARE ACCESSIBLE TO ALL USES
IN THE BUILDING.

SCHEMATIC DESIGN
AMENDMENT FOR
RINCON CENTER

101 SPEAR STREET
SAN FRANCISCO, CA 94105



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1 EXISTING PLAN - NON-RESIDENTIAL UPPER LEVEL (P1) PARKING & DISABLED PATH OF TRAVEL PLAN
SCALE: 1" = 20'-0"

0 10' 30' 60'
Scale: 1" = 20'-0"

RECORD OF DRAWING ISSUANCE
SCHEMATIC DESIGN
AMENDMENT

12.01.2020

PROJECT
NORTH
TRUE
NORTH

Drawn By: KB
Checked By: KB
Project Number: 19020.1

OCH EXISTING
NON-RESIDENTIAL
PARKING P1 & POT PLAN

A103.0

DISABLED ACCESS
PATH OF TRAVEL

1 VEHICULAR RAMP FROM UPPER PARKING LEVEL

2 EXISTING ELEVATOR

3 EXISTING BICYCLE PARKING

239	<u>TOTAL AUTOMOBILE PARKING SPACES</u>
182	STANDARD SPACES IN 121 SPEAR STREET
57	TANDEM SPACES IN 121 SPEAR STREET
12	MOTORCYCLE / SCOOTER SPACES IN 121 SPEAR STREET
28	BICYCLE SPACES CONSISTING OF (3) 7-BIKE RACKS, (1) 5-BIKE RACK, (1) 1-BIKE RACKS IN 121 SPEAR STREET



**MARTINOVIC MILFORD
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HOWARD STREET

0 10' 30' 60'

Scale: 1" = 20'-0"

RECORD OF DRAWING ISSUANCE	
SCHEMATIC DESIGN	
AMENDMENT	12.01.2020
	 PROJECT NORTH
	 TRUE NORTH

Drawn By:	KB
Checked By:	KB
Project Number:	19020.1

**OCII EXISTING
RESIDENTIAL LOWER
LEVEL PARKING P2 PLAN**

A103.1