

# COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

## RESOLUTION NO. 20-2017

### **CONDITIONALLY APPROVING SCHEMATIC DESIGNS, PURSUANT TO THE CANDLESTICK POINT AND PHASE 2 OF THE HUNTERS POINT SHIPYARD DISPOSITION AND DEVELOPMENT AGREEMENT, FOR A MIXED-USE RESIDENTIAL AND RETAIL BUILDING THAT INCLUDES 127 RESIDENTIAL UNITS, 13 OF WHICH ARE BELOW MARKET RATE, APPROXIMATELY 12,500 SQUARE FEET OF GROUND FLOOR, NEIGHBORHOOD RETAIL, AND 5,000 SQUARE FEET OF COMMUNITY USE AT CANDLESTICK POINT SOUTH BLOCK 8A, AND ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA**

WHEREAS, Under Chapter 5, Statutes of 2011, Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session), and Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12, Regular Session) (collectively, the “Dissolution Law”), the San Francisco Redevelopment Agency (“SFRA”) was dissolved and the non-housing assets and obligations of SFRA were transferred by operation of law to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly referred to as the Office of Community Investment and Infrastructure (“Successor Agency” or “OCII”) ; and,

WHEREAS, As required by the Dissolution Law, the oversight board for OCII was established (the “Oversight Board”) to oversee certain fiscal matters of OCII. The Oversight Board has been meeting since March 2012 to perform its duties under the Dissolution Law; and,

WHEREAS, On October 2, 2012, the Board of Supervisors in its capacity as the legislative body of the Successor Agency adopted Ordinance No. 215-12, acknowledging that OCII is a separate legal entity as a result of AB 1484, creating the Community Investment and Infrastructure Commission (the “Commission”) as the policy body of OCII, and delegating to the Commission the authority to act in place of the SFRA to among other matters, implement, modify, enforce and complete the SFRA’s enforceable obligations, approve all contracts and actions related to the assets transferred to or retained by the Commission, including, without limitation, the authority to exercise land use, development, and design approval, consistent with the applicable enforceable obligations, and take any action that the Dissolution Law requires or authorizes on behalf of the Successor Agency, and,

WHEREAS, The Board of Supervisors’ delegation to the Commission, includes the authority to grant approvals under specified land use controls for the Candlestick Point and Phase 2 of the Hunters Point Shipyard Project (the “Project”); and,

WHEREAS, In connection with the Project, the Board of Supervisors on August 3, 2010, approved amendments to the Bayview Hunters Point Redevelopment Plan by ordinance 211-10 (the “Redevelopment Plan”), the SFRA approved the Candlestick Point Design for Development by Resolution 62-2010, and as amended on March

15, 2016 by OCII Resolution 13-2016 (the “Design for Development”), and the SFRA and CP Development Co., LLC (“Master Developer”) entered into a Disposition and Development Agreement (Candlestick Point and Hunters Point Shipyard Phase 2), dated June 3, 2010 (the “DDA”) by Resolution 69-2010, as amended on December 18, 2012 by OCII Resolution No. 3-2012 (“First Amendment to the DDA”), and on December 1, 2014 by OCII Resolution No. 82-2014 (“Second Amendment to the DDA”); and,

WHEREAS, On December 14, 2012, DOF issued a final and conclusive determination under California Health and Safety Code § 34177.5 (i), that the DDA is an enforceable obligation that survived the dissolution of the SFRA; and,

WHEREAS, The DDA establishes the Master Developer’s rights to develop vertical projects itself, with affiliates, or to convey finished lots to other developers for construction within the parameters of the Redevelopment Plan and Design for Development and incorporates through exhibits and attachments various Project documents including the Design Review and Document Approval Procedure (“DRDAP”), Below Market-Rate (“BMR”) Housing Plan, Transportation Plan, Infrastructure Plan, Community Benefits Plan, Design for Development Documents, Open Space Plan and Sustainability Plan and other documents (together, “Project Documents”); and,

WHEREAS, The Master Developer has elected to develop the parcel through an affiliate, CP BLOCK 8AS, LLC (“Vertical Developer”) and has assigned to Vertical Developer its rights and obligations as a vertical developer under the DDA and Vertical Developer has agreed to accept such rights and to assume such obligations, all as set forth in the Assignment and Assumption Agreement dated January 6, 2017; and,

WHEREAS, The DRDAP stipulates that approval of vertical projects shall follow a Major Phase and Sub-Phase approval and the Major Phase 1-CP Application was approved by the Commission on January 7, 2014, as amended and approved by the Commission on March 15, 2016, and the Sub-phase CP-02-03-04 application of Major Phase CP-01 was approved by OCII’s Executive Director on January 5, 2017; and,

WHEREAS, The DRDAP also outlines the necessary documents, schedule, and procedures for the review and approval of design submittals. Under the DRDAP, a series of increasingly detailed design documents are required in the design process, which are: 1) Schematic Design, 2) Design Development, and 3) Construction Documents. The DRDAP requires the Schematic Design submittal to be presented to the Commission for review and approval; and,

WHEREAS, Vertical Developer has submitted CPS Block 8A Schematic Designs (“Block 8A Designs”) to OCII for review and approval; and,

WHEREAS, In accordance with the DRDAP, OCII staff has determined that the Block 8A Designs submission is consistent with the DRDAP, DDA, and the Bayview Hunters Point Redevelopment Plan (the “Plan”); and,

WHEREAS, The BMR Housing Plan stipulates that 10.16% of the combined total of Market Rate Units and Inclusionary Units in the Project will be developed by vertical

developers, including the Master Developer and affiliates of the Master Developer, and such Inclusionary Units will be affordable to households earning between eighty to one hundred twenty percent (80-120%) of Area Median Income (“AMI”); and,

WHEREAS, The BMR Housing plan further provides that all BMR Units are to have an average of two and one half (2.5) bedrooms; and,

WHEREAS, The Inclusionary Units in CPS Block 8A account for 10.2% of the total units in the development (13 of 127 total units), and are affordable to households earning between 80-120% AMI; and,

WHEREAS, The size of the BMR units included in the Block 8A Designs are on average two and one half (2.5) bedrooms; and,

WHEREAS, Per the DDA’s Community Benefits Plan, the Master Developer is required to provide Community Facilities Space (“CFS”) equal to 7.5% of the aggregate retail space in the overall Project the CFS is intended to provide, preserve, and leverage such critical local resources as social services, education, the arts and other community services by providing space rent free for facilities; and,

WHEREAS, The Block 8A Designs states that 5,000 square feet of Community Use entitlement will be set aside for CFS for the International African Marketplace, which specific location will be identified prior to the approval of Design Development documents; and,

WHEREAS, Vertical Developer presented the Block 8A Designs to the Mayor’s Hunters Point Shipyard Citizens Advisory Committee (“CAC”) Planning and Development Sub-Committee at its meeting on January 12, 2017, to the Housing Sub-Committee on January 19, 2017, and to the Full CAC at its meeting on March 13, 2017. At their March 13, 2017 meeting, the CAC recommended approval of the CPS Block 8A Schematic Designs; and,

WHEREAS, On June 3, 2010, the SFRA Commission by Resolution No. 58-2010 and the San Francisco Planning Commission by Motion No. 18096, certified the Final Environmental Impact Report (“FEIR”) for the Candlestick Point-Hunters Point Shipyard Phase II Project, a Redevelopment Plan environmental impact report and project environmental impact report that analyzed the Project, the DDA, the Project Documents, and the Redevelopment Plans, and made findings determining the FEIR to be 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.); the Board of Supervisors affirmed the Planning Commission’s certification of the FEIR by Motion No. 10-110 on July 14, 2010; and,

WHEREAS, As part of its approval of the Project on June 3, 2010, in addition to certifying the FEIR, the SFRA Commission, by Resolution No. 59-2010 adopted findings pursuant to CEQA, regarding the alternatives, mitigation measures, and significant

environmental effects analyzed in the FEIR, including a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations for the Project, which findings are incorporated into this Resolution by this reference; and,

WHEREAS, Subsequent to the certification of the FEIR, the Planning Department, at the request of OCII, issued Addendum No. 1 to the FEIR (“Addendum No. 1”) (dated December 11, 2013) to the FEIR as part of the 2014 Major Phase 1 CP and Streetscape Plan; and,

WHEREAS, Addendum No. 1 addressed changes to the phasing schedule for the Project and corresponding changes to the schedules for implementation of related transportation system improvements in the Transportation Plan, including the Transit Operating Plan, the Infrastructure Plan and other public benefits; and minor proposed revisions in two adopted mitigations measures, Mitigation Measure TR-16 Widen Harney Way, and Mitigation Measure UT-2 Auxiliary Water Supply System; and,

WHEREAS, OCII as the lead agency, prepared, in consultation with the San Francisco Planning Department, Addendum No. 4 to the FEIR, (“Addendum No. 4”) which OCII staff issued on February 22, 2016. (Addenda Nos. 2 and 3 analyzed proposed changes to the Project that are no longer being pursued.) Addendum No. 4 evaluated amendments to the Design for Development, Streetscape Plan and Major Phase 1 Application for Candlestick Point and the amendment of two adopted mitigation measures, that were, Mitigation Measure TR-16 to divide the Harney Way improvements into two phases and Mitigation Measure TR-23 to modify the cross-section design of Gilman Avenue; and,

WHEREAS, Copies of the FEIR, addenda, the Block 8A Designs, and supporting documentation are on file with the Commission Secretary and are incorporated in this Resolution by this reference; and,

WHEREAS, The approval of the Block 8A Designs is an undertaking pursuant to and in furtherance of the Project in conformance with CEQA Guidelines Section 15180; and,

WHEREAS, The FEIR and the CEQA Findings adopted by the SFRA Commission by Resolution No. 59-2010 on June 3, 2010, reflected the independent judgment and analysis of the SFRA Commission, remain adequate, accurate and objective, and were prepared and adopted following the procedures required by CEQA, and the findings in such resolution are incorporated by this reference as applicable to the approval of the Block 8A Designs; and,

WHEREAS, OCII staff has reviewed the Block 8A Designs, and finds it acceptable and recommends conditional approval of the Block 8A Designs; now, therefore, be it

RESOLVED, The Commission has considered the Block 8A Designs, the FEIR, the CEQA Findings and addenda that were previously adopted by the SFRA Commission and /or the Commission, , and the Commission adopts as its own the CEQA Findings, including the statement of overriding considerations and Mitigation Monitoring and

Reporting Program as updated by the addenda, which are hereby incorporated into this Resolution by this reference; and be it further

RESOLVED, The Commission finds and determines that the Block 8A Designs, as recommended for approval, are consistent with the Project as analyzed in the FEIR (including its addenda) and requires no additional environmental review beyond the FEIR and its addenda pursuant to CEQA Section 21166 and the CEQA Guidelines Sections 15180, 15162, 15163, and 15164; for the following reasons:

(1) Implementation of the Block 8A Designs does not require major revisions to the FEIR 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 FEIR and its addenda will be undertaken that would require major revisions to the FEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FEIR; and,

(3) No new information of substantial importance to the project analysis in the FEIR and addenda has become available, which would indicate that (i) the Block 8A Designs will have significant effects not discussed in the FEIR; (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 FEIR and addenda, will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the FEIR; and, be it further

RESOLVED, That the Commission finds, subject to satisfaction of the conditions below, that the Block 8A Designs submission is complete pursuant to the DRDAP, is consistent with the DDA including the Schedule of Performance and the Plan and, be it further

RESOLVED, That the Commission conditionally approves the Block 8A Designs, subject to the following conditions:

**A. During Design Development (“DD”), the Vertical Developer shall:**

1. Further develop the design of the bicycle workshop spaces to ensure that the use is active. Bicycle shop design and materiality shall comply with the Storefronts development standards of the Design for Development.
2. Provide Schematic Designs for Sub-Phase CP-04 mid-block breaks for review and approval by OCII Staff.
3. Identify the location of the 5,000 square feet of Community Facilities Space within the ground floor square footage on the building plans for review and approval. Vertical Developer has identified 5,000 square feet of Community Use entitlement in CPS Block 8A for the International African Marketplace.

4. Continue to develop and refine the building materials palette, including wall systems, glazing, awnings, screening and other materials, in coordination with OCII Staff. Materials palette must demonstrate durability, quality, color, variety, and visual interest, especially at the ground floor. Explore opportunities to incorporate locally sourced materials to establish a palette that works with climate, light, neighborhood context, history, and culture. Inclusion of sustainable and recycled materials are highly encouraged.
5. Further develop the screening, materiality and architectural treatment of the below, in coordination with OCII Staff.
  - a. Roof design and paving material selection shall consider how to provide an attractive view when roofs are viewed from residential units above in the adjacent towers. All rooftop mechanical equipment shall be screened. Indicate screening materiality. Ensure that photovoltaic panel assemblies are not visible from the right of way.
  - b. All utility facilities including, connections and meters approved by OCII Staff in the setback areas on ground level shall be architecturally screened. Indicate screening materiality.
6. Ensure parapet and railing features above the garage entry door match approved elevations. Ensure planter walls in side setbacks shall not be higher than 3 feet above ground level, per approved elevation in Block 8A Design pages 8.A3.01; 8.A3.02; 8.A3.03 and 8.A3.04.
7. Develop a detailed lighting plan. Lighting for stoops and courtyards should be subtle and reinforce the overall façade design.

**B. During Construction Documents (“CD”) and Tenant Improvements (“TI”), the Vertical Developer shall:**

8. Ensure modifications of retail storefront design, signage, awnings and materiality continue to be compliant with the CP Design for Development. Storefronts shall promote pedestrian interest at the ground level, provide visual connection to the store interior, and meet all glazing and transparency requirements.

**C. In addition to the requirements of the BMR Housing Plan, Vertical Developer shall comply with following as they relate to the BMR Inclusionary units:**

9. Number and Location of BMR Units. The CPS Block 8A development shall include 13 BMR Units with the affordability levels as identified in Block 8A Designs.
10. Marketing of BMR Units. The Vertical Developer shall comply with OCII’s most current marketing protocol and timeline for BMR units, including but not limited to:

- a. Early Outreach Plan. The Vertical Developer shall submit an Early Outreach Plan in the form provided by OCII Staff no less than thirty (30) days after construction commencement. To comply with this requirement, the Vertical Developer shall initiate contact with OCII marketing staff thirty (30) days prior to construction start.
- b. Marketing Plan. Pursuant to the timeline established in the Early Outreach Plan, the Vertical Developer shall work cooperatively with OCII Staff and Mayor's Office of Housing and Community Development staff to finalized and approve Marketing and Tenant Selection Plan for the BMR Units.

RESOLVED, That the Commission authorizes the Executive Director (or her designee) to approve subsequent design documents related to this Block 8A Designs submission (beginning with the Design Development phase) that the Executive Director reasonably determines are in OCII's best interest or are necessary or convenient to implement the development of the Project under the DDA, and the Major Phase as applicable, and further the goals of the Bayview Hunters Point Redevelopment Plan and the DDA.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of May 16, 2017.

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Interim Commission Secretary