

## RESOLUTION NO. 36-2009

*Adopted April 7, 2009*

### **CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPTUAL AND SCHEMATIC DESIGNS FOR RESIDENTIAL PROJECTS ON BLOCKS 50 AND 51 AT HUNTERS POINT SHIPYARD; GRANTING A DENSITY BONUS FOR BLOCK 51 AND REQUIRING ONE ADDITIONAL AFFORDABLE HOUSING UNIT IN PHASE 1; AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA**

#### **BASIS FOR RESOLUTION**

1. Blocks 50 and 51 are located on Parcel A of the Hunters Point Shipyard ("Shipyard") in the Hunters Point Shipyard Redevelopment Project Area. Blocks 50 and 51 are bound by Donahue Street to the northwest, Friedell Street to the southeast, and Innes Avenue in between the two blocks. Blocks 50 and 51 also abut two pocket parks on their east and west borders, respectively.
2. HPS Development Co., LP ("Developer") seeks approval from the Redevelopment Agency of the City and County of San Francisco ("Agency") of the proposed Basic Conceptual and Schematic Designs ("Schematic Designs") for the development of Blocks 50 and 51. This action requires that the Agency adopt environmental findings pursuant to the California Environmental Quality Act ("CEQA").
3. The Schematic Designs for Block 50 include 25 for-sale townhome units, four (4) of which will be affordable, for an approximate total of 28,308 square feet of livable space, 36 parking spaces, and private and shared open space. The Schematic Designs for Block 51 include 63 for-sale condominium units, nine (9) of which will be affordable, for an approximate total of 53,231 square feet of livable space, 63 parking spaces, and private and shared open space.
4. The permitted uses and development standards pertaining to Blocks 50 and 51 are described in the Redevelopment Plan for the Hunters Point Shipyard Approved Redevelopment Project Area ("Redevelopment Plan") and the Design for Development, as amended by Agency Resolution No. 7-2005 (Jan. 18, 2005) ("D for D"). Although the proposal for Block 50 is consistent with the development standards, the proposed Block 51 project exceeds the permitted density by 12 units. Under the D for D, Block 51 has a permitted density of 51 units, but the Developer seeks to build 63 units, which is an increase of 25 percent over the permitted density.
5. In a letter dated February 20, 2009, the Developer requested a variance from the D for D density limitation for Block 51. Letter, Patrick Banks, Development Manager, Lennar Urban, to Thor Kaslofsky, Project Manager, the Agency (Feb.

20, 2009). Agency staff determined that the D for D did not authorize a variance under these circumstances. The D for D, however, does authorize density bonuses to accomplish greater density with additional affordable housing.

6. Pursuant to both the Redevelopment Plan and the D for D, a developer may request a density bonus if it provides an increased number of affordable housing units beyond the existing requirements. Section 65915 of the Government Code also authorizes density bonuses. The D for D states: “Density bonuses for housing development may be awarded by the Agency to developers in order to encourage the provision of low and/or moderate income housing. Such bonuses are deemed to be a local housing assistance program. Bonuses may be granted in an amount up to 25% above what the density would otherwise be permitted under the terms set forth in this document.” D for D at page 14.
7. The Disposition and Development Agreement for Phase 1 (as amended, the “DDA”) obligates the Developer to construct a certain amount of affordable housing as inclusionary units in its market rate projects (“Total Inclusionary Obligation”). DDA, Section 1.1 [definition of Inclusionary Unit]. The DDA also requires that at least 15% of each Residential Project of the For-Sale Residential Units in Phase 1 be For-Sale Inclusionary Units, unless otherwise agreed by Agency and Developer in writing. In addition, Sections 315.4 and 315.5 of the San Francisco Planning Code (“Planning Code”) provide that when the total number of units is not a whole number, the number of units is rounded up to the nearest whole number for any portion of .5 or above. Applying these standards to the Block 51 project would create nine (9) affordable units in a 63-unit project, whereas a project complying with the permitted density would have eight (8) affordable units in a 51-unit project.
8. To justify a density bonus, the D for D and Redevelopment Plan require the Developer to increase the total number of affordable housing units for Phase 1. An increase in the total number occurs if the one (1) additional affordable housing unit created by application of the density bonus is categorized separately from other Inclusionary Units (“Density Bonus Affordable Unit”).
9. The Density Bonus Affordable Unit must meet all of the standards for Inclusionary Units, but because it is the result of the application of a density bonus, the Agency will not count the Density Bonus Affordable Unit toward the Developer’s Total Inclusionary Obligation. This characterization will have the effect of increasing the number of affordable housing units for which the Developer is responsible and thus satisfy the density bonus provisions of the Redevelopment Plan and D for D.
10. The Vertical Disposition and Development Agreement for Block 51 will indicate that the Density Bonus Affordable Unit meets the standards for Inclusionary Units, but does not count toward the Developer’s Total Inclusionary Obligation.
11. Agency staff has reviewed the Schematic Designs, and find them to be in compliance with the permitted uses and development standards described in the

Redevelopment Plan and the D for D, subject to the Agency's approval of the Developer's density bonus request for Block 51.

12. Based on the analysis contained in (1) the Final Environmental Impact Report for approval of the Redevelopment Plan, the D for D, and related documents implementing the development program at the Shipyard ("Final EIR"), which was certified by the Commission on February 8, 2000 in Resolution No. 11-2000, and the findings adopted by the Commission on February 8, 2000 in Resolution No. 12-2000, (2) Addendum No. 1 to the Final EIR, published on November 19, 2003, and (3) Addendum No. 2 to the Final EIR, published on July 17, 2006, Agency staff has determined that the Schematic Designs are consistent with the Project considered and reviewed in the Final EIR and Addenda Nos. 1 and 2.
13. Agency staff recommends approval of the Schematic Designs proposed by the Developer, subject to successful resolution of the following design comments and concerns:
  - a. Block 50
    1. Further develop the design of the central courtyard, specifically landscaping, drainage and paving in order to create an attractive area which could double as usable open space.
    2. Refine the mid-block break design, possibly including a fence to define the common usable open space from the public right-of-way, a gate and the provision of area(s) for active recreation, benches, landscaping and other amenities.
    3. Consider the creation of livable space on the ground floor where the slope and headroom allows the provision of windows. Such adjustments could result in additional bedrooms or study areas.
  - b. Block 51
    1. Highlight the importance of the Donahue Street and Innes Avenue corner as a gateway to the Hilltop area while maintaining a building massing that respects the topography of the site.
    2. At Donahue Street consider features that announce the entrance to the building such as a canopy.
    3. At Innes Avenue explore design solutions for the residential entrance so as to define a defensible transitional space and to provide features with visual interest.
    4. Refine the design of the Fridell Street courtyard, improvements could include: a) a more defensible design, b) a better balance between hard and softscape areas, c) minimize vehicular and

- pedestrian circulation conflicts, d) variety in choice of paving and planting materials, e) definition of the courtyard enclosure, including gate(s) announcing the entrance to the courtyard, and f) better definition of the south courtyard wall (green wall) including vine selection and definition of the planting area.
5. Coordinate the design of the exterior landscaping with the adjacent Hudson Avenue Pocket Park.
  6. Address possible safety issues in the roof level open space with parapets or railings. Define other enclosures such as fences and wind screens, and introduce amenities to make the roof deck inviting and functional open space.
  7. Further design the garage gate and the enclosure of other garage openings visible from the street by providing visual interest, detail and screening.
  8. Further the design of the building exterior by defining a greater percentage of areas for bay windows, animate windowless stretches of the Friedell Street façade and take advantage of potential views.
14. The Final EIR is a program EIR under CEQA Guidelines Section 15168 and a redevelopment plan EIR under CEQA Guidelines Section 15180. Approval of the Schematic Designs is an undertaking pursuant to and in furtherance of the Redevelopment Plan in conformance with CEQA Section 15180 (“Implementing Action”).
  15. Agency staff, in making the necessary findings for the Implementing Action contemplated herein, considered and reviewed the Final EIR and has made documents related to the Implementing Action and the Final EIR files available for review by the Commission and the public, and these files are part of the record before the Commission.
  16. The Final EIR findings and statement of overriding considerations adopted in accordance with CEQA by the Commission by Resolution No. 12-2000 dated February 8, 2000 were and remain adequate, accurate and objective and are incorporated herein by reference as applicable to the Implementing Action.

## **FINDINGS**

The Agency finds and determines that the Schematic Designs are an Implementing Action within the scope of the development analyzed in the FEIR and requires no additional environmental review pursuant to 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 FEIR and no major revisions are required due to the involvement of new significant environment effects or a substantial increase in the severity of significant effects previously identified in the FEIR.
2. No substantial changes have occurred with respect to the circumstances under which the project analyzed in the FEIR was 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.
3. No new information of substantial importance to the project analyzed in the FEIR has become available which would indicate that (a) the Implementing Action will have significant effects not discussed in the FEIR; (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 FEIR will substantially reduce one or more significant effects on the environment.

## RESOLUTION

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that it authorizes a twenty-five percent (25%) density bonus for Block 51 for the purpose of approving an additional 12 units beyond the permitted density, *provided however*, that one of these additional units will be an Affordable Housing Unit, as defined in the DDA, and *provided further*, that the one additional Affordable Housing Unit will not constitute an Inclusionary Unit for purposes of meeting the Developer's Total Inclusionary Obligation in Phase 1.

**IT IS FURTHER RESOLVED** that the Schematic Designs for Blocks 50 and 51 are conditionally approved subject to Agency staff's approval of the proposal to be submitted by the Developer for resolution of the design conditions stated in the foregoing portions of this Resolution together with such refinements as the Executive Director may approve which do not substantially alter the concepts presented in the Schematic Designs.

**APPROVED AS TO FORM:**

*for*  
  
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James B. Morales  
Agency General Counsel