MEMORANDUM

TO: Commission of Community Investment and Infrastructure

FROM: Tiffany Bohee
Executive Director

SUBJECT: Adopting environmental review findings pursuant to the California Environmental Quality Act and conditionally approving a Combined Basic Concept and Schematic Design for a new residential and retail project on Block 7 West in Mission Bay South and an amendment to the Blocks 2-7 and 13 and Blocks 11 and 12 Major Phases, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC; Mission Bay South Redevelopment Project Area

EXECUTIVE SUMMARY

In accordance with the Owner Participation Agreement ("OPA") for Mission Bay South, Mission Bay Block 7 Housing Partners, L.P., comprised of The Related Companies of California, LLC and Chinatown Community Development Corporation, (the "Developer") has submitted a combined Basic Concept and Schematic Design ("Schematic Design") application for a residential and retail project on Block 7 West in Mission Bay South (the "Project"). Block 7 West is a 1.86 acre parcel bounded by China Basin Street, 4th Street, and Mission Bay Boulevard North. It abuts a pedestrian walkway, or pedestrian mews to the east. Consistent with the development approval protocols contained in the OPA, the project on Block 7 West was part of the "Major Phase" development program for Blocks 2-7 and 13 approved by the San Francisco Redevelopment Commission ("Former Commission") on November 1, 2005 (Resolution No.178-2005), as amended.

The proposed Project will contain 200 one- and two-bedroom affordable rental units above ground floor retail, 53 residential parking spaces (which may increase to 100 in the future with stackers if funding becomes available), 288 resident and 18 visitor bicycle parking spaces, and private open space. The Project includes two distinct components, a 55-foot, 6-inch high building with ground floor retail along 4th Street featuring a uniquely designed corner to serve as the focal point of the block, and a 46-foot high building with exterior residential units accessible along the pedestrian mews and on China Basin Street and Mission Bay Boulevard North. The Mission Bay Citizens Advisory Committee ("CAC") discussed the Project on September 8, 2011 and May 16, 2013 where they were generally supportive with an emphasis on the importance of open space. The Schematic Design will also amend the Blocks 2-7 and 13 and Block 11 and 12 Major Phases to adjust the allowed development capacity for Block 7 and the other affordable housing sites to reflect the current Block 7 West and 7 East projects, as well as allow for larger balconies on the 4th Street façade of the Project.

As part of its actions on September 17, 1998, establishing the Mission Bay Redevelopment Project Areas, the Former Commission certified the Final Subsequent Environmental Impact Report ("FSEIR") (Resolution No. 182-98) and adopted findings under the California Environmental Quality Act ("CEQA") (Resolution No. 183-98). This FSEIR includes by
reference a number of addenda. OCII staff has reviewed the Schematic Design submitted by the Developer and finds it to be within the scope of the Projects analyzed in the FSEIR and addenda and no additional environmental review is needed. As required by CEQA, the Commission must adopt environmental findings when approving the Schematic Design.

Staff recommends adopting environmental findings pursuant to the California Environmental Quality Act and conditionally approving the Combined Basic Concept and Schematic Design for a residential project on Block 7 West in Mission Bay South.

BACKGROUND

Blocks 11 and 12 Approved Major Phase Application

Pursuant to the OPA, FOCIL is required to submit its overall plans for development in “Major Phases” of one or more land use blocks, with each Major Phase consisting of the private development projects and related public infrastructure and park improvements on these blocks. Schematic designs for individual building projects can be submitted following the Major Phase approval and must be generally consistent with the Major Phase. The OPA allows for the amendment of a Major Phase as part of the schematic design approval process.

The proposed Project for Block 7 West was anticipated by a Major Phase application for Blocks 2-7 and 13, approved by the San Francisco Redevelopment Commission on November 1, 2005 (Resolution No. 178-2005). Blocks 2-7 and 13 are all residential land use blocks bounded roughly by Channel Street, Third Street, Mission Bay North Boulevard, and Merrimac Street. Within the Major Phase area, six parcels are designated as OCII affordable housing sites and five parcels are designated for private, market rate residential development. The Major Phase was amended by the Former Commission as part of the approval of the Major Phase application for Blocks 11 and 12 approval on September 18, 2007 (Resolution No. 101-2007) and the Block 3 West Schematic Design approval on June 7, 2011 (Resolution No. 77-2011), as well as the Oversight Board as part of the Block 13 West Schematic Design approval on June 11, 2012 (Resolution 7-2012) to increase the number of residential units allowed on the market rate blocks.

DISCUSSION

The Developer of Block 7 West is comprised of Related Companies of California (“Related”) and Chinatown Community Development Corporation (“CCDC”). Related is a real estate firm that has developed over 8,000 units of affordable and market-rate multifamily and mixed-use residential units in California, and is currently among the largest market rate and affordable housing developers in the state. Related works across property types and offers business services, including development, management and advisory services. CCDC is a local San Francisco non-profit organization primarily engaged in neighborhood advocacy, community organizing, and planning, developing, and managing affordable housing. The finished Project will be owned and operated by the limited partnership between Related and CCDC, with CCDC as managing general partner and Related as administrative general partner. The project architect is David Baker + Partners.
Pursuant to an Assignment, Assumption and Release Agreement and an amendment to the Block 7 West Development and Disposition Agreement approved by the Commission on December 3, 2013 (Resolution No. 57-2013), the Developer acquired the rights to Block 7 West from the University of California, San Francisco ("UCSF"). Block 7 West is approximately 1.86 acres in size and is bounded by China Basin Street, Mission Bay Boulevard North and 4th Street. It abuts a publicly-accessible pedestrian walkway – also referred to as a mews – to the east, which is shared with the Block 7 East project, which will be developed by Family House, Inc. to provide temporary housing for families of patients receiving treatment at UCSF.

The Block 7 West Project includes 200 rental units, 53 residential parking spaces (which may increase to 100 in the future with stackers if funding becomes available), 288 bicycle parking spaces, approximately 10,000 square feet of ground floor retail, and open space. The residential component of the Project includes 72 one-bedroom and 128 two-bedroom units, all of which will be affordable to households earning up to 60% of the area median income ("AMI") which in 2014 is $1,118/month for a 1-bedroom and $1,249/month for a 2-bedroom, not including utilities. Typical unit plans are included as Exhibit M. The Commission approved predevelopment funding for the Block 7 West development in June 2013, and the assignment of the Disposition and Development Agreement from UCSF to the Developer in December 2013. The Developer intends to return before the Commission to request OCII gap funding in June 2014. Subsequent to receiving all of its financing commitments, the Developer anticipates starting construction in December 2014, with project completion in June 2016. The project will be Green Point Rated for sustainability. Exhibits A and B depict the location of the project and its site plan.

**Block 7 West Schematic Design**

Because the Major Phase application for Blocks 2-7 and 13 was previously approved in 2005, the Developer is able to submit a Schematic Design for Block 7 West to the Commission for consideration. The Project includes a 230,000 square foot mixed-use building with an interior courtyard at both at grade and podium level. The building is bounded on the west by 4th Street, on the north by China Basin Street, on the south by Mission Bay Boulevard North, and on the east by a private walkway, or pedestrian mews. Because of the large size of the lot, the design uses variations in massing to break up the building into distinct components. The building design is shown in Exhibit C through F. A materials palette is included as Exhibit G.

The west portion of the Project that fronts 4th Street rises 55 feet, 6 inches and includes four stories of residential uses above a 16-foot ground floor podium that accommodates the project’s retail and parking. Retail is located along the 4th Street frontage and wraps around the corner at Mission Bay Boulevard North. This corner serves as the focal point of the project – located across from UCSF – and uses variations in materials – including Cor-ten steel siding, galvanized metal siding, and steel and composite lumber awnings – variations in colors, and various sized projections on upper floors to distinguish it from the rest of the project which features smooth-troweled cement plaster in four color variations. The retail includes glass storefronts and includes locations for future signage to create an interesting pedestrian experience.

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1 Source: 2014 Maximum Monthly Rent by Unit Type, Mayor’s Office of Housing
The eastern component of the building that is bounded by the pedestrian mews includes four stories of residential uses and rises 46 feet in height. The ground floor is set back 22 feet from the pedestrian mews and includes walk up residential units with stoops. The north side of the building features stoops leading to ground floor units, a secondary lobby to the residential component of the Project, and the entrance to the covered parking. The south side of the building also has stoops to street-accessible ground floor units, the primary entrance to the residential component of the Project, and a break in the massing where the courtyard is visible from the street. This break is traversed by pedestrian bridges on upper floors of the Project. These details ensure that the building is activated on all sides. Wood accents at the street-accessible residential entryways and between select projections on upper levels provide a warmth and softens expression on an otherwise modern building.

Open Space

The approximately 28,000 square foot central courtyard is visible from Mission Bay Boulevard North and provides private open space for building residents and their guests. The internal courtyard is divided into two open space areas: approximately 9,000 square feet above the parking podium and approximately 19,000 square feet at-grade. Both spaces are programmed with walkways, planters, and small green open spaces. The podium-level courtyard features an open, turf covered area imagined as a place where children can play, among other activities and the project is located a two block walk from a 1.12-acre Children's Park that will be completed prior to the opening of the Project. The park features a fenced playground occupying two thirds of the site, which is divided into four play zones. Outside of the enclosed playground, on the western side of the site is a more general park use area with a large turf area, picnic seating area, a plaza and a landscaped bioswales used to treat stormwater. In addition, the courtyard open spaces connect with the project’s community center with laundry and fitness facilities for the residents. Exhibits H through L depict the proposed landscaping and materials.

Parking and Transit

The Mission Bay South Design for Development allows a maximum of one parking space for each residential unit and requires a minimum of one bicycle parking space for every 20 vehicular parking spaces. Consistent with the Design for Development, the project provides 53 parking spaces for residents (.25/unit), accessed by a single entry on China Basin Street. The project also includes 306 secure bicycle parking spaces, exceeding what is required by 303 spaces. The low parking ratio is made possible by the rich transit access of the site which is described in the following paragraph. Additionally, the project will be conditioned to include space for car sharing in its parking facility.

Finally, the project will be well-served by transit; it is located approximately two blocks from the Muni Third Street Mission Rock Light Rail station and approximately six blocks from the San Francisco Caltrain station. In addition, the Muni 22-bus line will be extended and pass directly by the site along Mission Bay Boulevard North.

Citizens Advisory Committee

The Mission Bay Citizens Advisory Committee ("CAC") discussed the Project at its September 8, 2011 and May 16, 2013 meetings. At both meetings, the CAC was very supportive of the
Project. The CAC members were primarily interested in the open space and emphasized the need to have appropriate activities available for the population anticipated to be living on site. The staff reviewed the open space design of the proposed Project and ensured it included flexible space that can be programmed to accommodate children’s uses as well as other organized activities. Additionally, when the project was initially considered by the CAC, the children’s park located within two blocks of the Project did not have a clear delivery date, while at this time construction on the children’s park is scheduled and it should be open by the time this Project is ready for occupancy.

**Equal Opportunity Program and Compliance with OCII Policies**

The Developer shall comply with the OCII’s Nondiscrimination in Contracts, Minimum Compensation and Health Care Accountability policies and has worked closely with contract compliance staff to comply with the Small Business Enterprise (“SBE”) Program on this development. To date, the Developer has achieved 50.7% SBE participation (43.2% SF-SBE, 34.8% MBE and 1.2% WBE) for professional services consultants. Gonzales Architects, a local Latino-owned SBE has been selected as the associate architect for this project working in collaboration with David Baker Architects. A full list of consultants is included as Exhibit N.

During the construction phase of this project, the Developer is committed to meet OCII’s requirements and goals which includes the 50% SBE construction subcontracting participation goal, payment of prevailing wages and the 50% local construction workforce hiring goal.

**Modifications to the Major Phase**

The OPA allows for the modification of a Major Phase as part of a Schematic Design approval. The Block 7 West and 7 East projects require an amendment to the Major Phase for Blocks 2-7 and 13 and Blocks 11 and 12 to reflect the approved changes to the development capacity of Block 7 which originally required 237 affordable units be built across both Blocks 7 East and West. The maximum density of the other affordable housing sites in Mission Bay South have been increased slightly to accommodate the 37 units that were lost on Block 7 due to the sale of a portion of the site to Family House, Inc. for the Block 7 East project. However, the overall number of housing units allowed to be built in Mission Bay South will remain consistent with the number of units allowed by the Mission Bay South Redevelopment Plan. Therefore, approval of the Schematic Design for this project will constitute an amendment to the Major Phases for Blocks 2-7 and 13 and for Blocks 11-12, both of which include the same table tracking development within the Mission Bay South residential area.

In addition, the Blocks 2-7 and 13 Major Phase will be amended to allow the six balconies located within the retail setback along 4th Street to encroach into the setback for a total of 25% of the length of the setback, versus the 20% allowed by the Major Phase currently. Staff has analyzed the proposal and has determined that this amendment is appropriate since the setback is six feet in depth, one foot deeper than required by the Major Phase, and the balconies will add to the visual interest of the building façade.
CEQA Environmental Review

As part of its actions on September 17, 1998 establishing the Mission Bay Redevelopment Project Areas, the Former Commission certified the FSEIR, adopted CEQA findings, adopted a series of mitigation measures, and established a comprehensive system for mitigation monitoring. The Board of Supervisors, the Planning Commission, and various City departments adopted similar findings and mitigation monitoring plans. This FSEIR includes by reference a number of addenda.

Copies of the full four-volume FSEIR were distributed to the Former Commission prior to the 1998 certification and adoption of the environmental findings. Copies of the FSEIR were provided to the Commission as part of the March 5, 2013 Commission memo for Block 40, and are also available for review at OCII’s offices.

Staff has reviewed the Combined Basic Concept and Schematic Design submitted for the residential building on Block 7 West and has considered and reviewed the FSEIR and addenda. Staff finds the Combined Basic Concept and Schematic Design to be within the scope of the project analyzed in the FSEIR and subsequent addenda and no additional environmental review is required pursuant to State CEQA Guidelines Sections 15180, 15162, and 15163.

STAFF RECOMMENDATION

Staff reviewed multiple iterations of the proposed Basic Concept and Schematic Design for Block 7 West, providing feedback to ensure that the design is consistent with both the overall design goals for Mission Bay and the specific development standards contained in the Mission Bay South Design for Development. Based on the review process described above, staff finds that the proposed Combined Basic Concept and Schematic Design for the residential building on Block 7 West in Mission Bay South is consistent with the Redevelopment Plan, the Design for Development and other Plan documents. The proposed design will be an attractive addition to Mission Bay South.

As is typical, there remain a number of detailed design issues that must be resolved in subsequent design stages. Therefore, staff recommends the following conditions of approval:

1. The building and landscaping materials, colors, finishes, and architectural detailing (including balcony and window details) shall be subject to further review and approval by staff during the Design Development phase to ensure the richness, quality and diversity shown in the Schematic Design is achieved. Material and color samples shall be provided as part of the review. A material and color mock-up of sufficient size to be built on the construction site during an early phase of construction shall be prepared for staff review and approval to ensure consistency with this Schematic Design.

2. The design of the trash and recycling areas shall be subject to further review and approval by staff during the Design Development phase to ensure that they allow for internal pick-up by the solid waste collector to avoid trash and recycling bins on-street.
3. All building signage shall be subject to further staff review and approval. A signage plan shall be prepared prior to or concurrent with Design Development documents for staff approval, pursuant to the Mission Bay South Signage Master Plan.

4. Prior to the start of any construction, the Developer and their general contractor shall meet with staff to discuss noise regulations and hours of construction operation.

5. The Developer shall accommodate space for car sharing in its parking facility.

Staff recommends the approval of the Combined Basic Concept and Schematic Design for the residential project on Block 7 West subject to the conditions above.

(Originated by Catherine Reilly, Project Manager and Ethan Warsh, Assistant Project Manager)

Tiffany Bohee
Executive Director

Exhibit A: Mission Bay Location Map
Exhibit B: Ground Floor/Site Plan
Exhibit C: View – 4th St. Looking North
Exhibit D: View – 4th Street Retail
Exhibit E: View – China Basin St. Looking West
Exhibit F: View – China Basin St. at Pedestrian Mews
Exhibit G: Architectural Materials
Exhibit H: At-Grade Landscape Plan
Exhibit I: Podium Level Landscape Plan
Exhibit J: View – Courtyard Looking North
Exhibit K: Landscape Plant Material
Exhibit L: Landscape Furnishings
Exhibit M: Typical Unit Plans
Exhibit N: List of Consultants