MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee, Executive Director

SUBJECT: Adopting environmental review findings pursuant to the California Environmental Quality Act, and conditionally approving a Schematic Designs for a Commercial Kitchen Replacement Building as part of the Hunters Point Shipyard redevelopment; Hunters Point Shipyard Redevelopment Project Area

EXECUTIVE SUMMARY

Since the mid 1980’s artists have occupied studios in various buildings on the Hunters Point Shipyard (“Shipyard”). Some of these artists occupy studios that are slated for demolition to make room for future Shipyard homes. These artists, which also include a commercial kitchen tenant, need to be relocated in accordance with the Federal Uniform Relocation Assistance and Real Property Acquisitions Act and the California Relocation Act (“Relocation Law”).

Furthermore, as part of the 2010 approval of the Hunters Point Shipyard Phase 2/Candlestick Point development (“Project Area”), the former San Francisco Redevelopment Commission (“SFRA”) approved a Community Benefits Plan, as part of the Phase 2 Disposition and Development Agreement (“DDA”) between the Office of Community Investment and Infrastructure (“OCII”) and CP Development Co. LP., (the “Developer” or Lennar”), that provides for additional benefits for the Shipyard artists community such as inclusion of permanent artist studio space integrated into the new development at the Shipyard. The plan is to fulfill this requirement through the retention of Building 101, an existing artist building, construction of replacement artist studios (the “Artist Studio Replacement Building”), and construction of a replacement commercial kitchen facility (the “Replacement Kitchen”).

Over the last several years, OCII staff and Lennar have worked with the Shipyard artist community to prepare for the move to the new buildings, including numerous meetings to discuss design for the Artist Studio Replacement Building and the Replacement Kitchen. Staff is now seeking schematic design approval for the Replacement Kitchen. The schematic design approval for the Artist Studio Replacement Building is scheduled for later this spring.

Staff recommends adopting environmental review findings pursuant to the California Environmental Quality Act, and conditionally approving a schematic design for the Shipyard Replacement Kitchen, in furtherance of the Hunters Point Shipyard Phase 2 DDA Community Benefits Plan.
BACKGROUND
The Hunters Point Shipyard and Candlestick Point areas are comprised of approximately 770 acres along the long-neglected waterfront lands of southeastern San Francisco. The Shipyard portion of the Project Area is a former naval base. Transfer of property by the Navy to OCII and redevelopment of the property will occur in phases as the Navy completes its environmental remediation. The first parcel transferred in 2004 and the next development parcel is scheduled to transfer in April 2016.

The redevelopment of the Project Area will be implemented in two phases under separate but related Phase 1 and 2 disposition and development agreements (the “Phase 1 DDA” was adopted in 1997 and the “Phase 2 DDA” was adopted in 2010) and will deliver over 12,000 new homes, approximately 30 percent of which will be below market rate and will include the rebuilding of the Alice Griffith public housing development consistent with the City’s HOPE SF program, more than 350 acres of new parks, more than three million square feet of research/development and office space and a vibrant arts and technology district.

Shipyard Artists’ Community
Since the mid-1980s, artists have occupied studios in various buildings on the Shipyard, creating one of the largest artist enclaves on the western seaboard. Through decades of planning efforts related to the Shipyard, the need to maintain the role of the artists in the future of the Shipyard has become a clear mandate from a variety of local, state and federal stakeholders. Several documents including the Shipyard Redevelopment Plan, the Conceptual Framework, and the Shipyard Phase 2 DDA captures the vision of an arts and technology district on the Shipyard (“Arts District”). The Arts District is envisioned to be the creative center of the Shipyard, with galleries, retail, and other arts-related uses in the mixed-use center known in the Hunters Point Shipyard Phase 2 Design for Development (“D for D”) as the Shipyard Village Center.

Relocation Obligation
In order to allow for the implementation of the Shipyard redevelopment program nearly all existing Shipyard buildings will be demolished. While the majority of buildings at the Shipyard are vacant, some are occupied by artists and a commercial kitchen. Existing tenants who are required to vacate their facilities are entitled to certain relocation benefits in accordance with Relocation Law, such as formal noticing and compensation for actual, reasonable and necessary moving and reestablishment expenses.

Furthermore, Lennar has agreed to provide certain community benefits to the existing Shipyard tenants. These benefits are captured in the Phase 2 “Community Benefits Plan” (see Attachment 1) and include retention of Building 101 as artist studios, construction of Replacement Facilities for buildings that are slated for demolition, and provision of land for a future Arts Center (together “Shipyard Arts Complex”).

The Replacement Facilities encompass:
- an Artist Studio Replacement Building that replaces spaces for approximately 130 studios currently located in Building 110, and in Buildings 103, 104, 115, 116, 117, and 125 (the “Parcel B Artist Studios”), and
• a Replacement Kitchen that replaces Eclectic Cookery’s existing commercial kitchen space in Building 110 (see Attachment 2: Site Map of Occupied Shipyard Buildings)

The Community Benefits Plan requires that existing tenants who are required to move in connection with new development on the Project site have the right (but not the obligation) to move to the Replacement Facilities without being displaced from the Project Area.

OCII has hired a relocation consultant, Overland, Pacific and Cutler (“OPC) to ensure that all legal requirements are fulfilled and provide advice on all relocation matters. OPC is tasked to assess the existing conditions of artist studios, support the design process for the Replacement Facilities and fulfilling all legal relocation requirements including a publishing relocation plan.

OPC has completed its analysis of existing circumstances which informed the design of Replacement Facilities and is currently working on the completion of a draft relocation plan which will guide the implementation of the relocation program including the services, assistance and notification to be provided, and the rights of persons who do not choose to move into the Replacement Facilities.

Relocation plans are not required to be approved prior to design or other discretionary land use approvals; however, they must be approved prior to a displaced person being served with the statutorily required 90 Day notice to vacate. A relocation plan has a limited period of validity and relocation activities need to commence within 12 months of plan approval. Therefore, a relocation plan should not be published too far in advance of actual relocation activities. OCII anticipates presenting a final draft of the relocation plan to the Commission for informational review in July 2014 prior to releasing the document for public comment. Following a 30 day public comment period and a scheduled public hearing, the relocation plan will be presented to the Commission for approval in September 2014. Notices to vacate to the first tenants who will be affected by the relocation are slated to be distributed by October 2014 for a planned February 2015 move. This initial phase of relocation only affects Eclectic Cookery’s move into the Replacement Kitchen. Artist tenants will be relocated in a second phase.

Replacement Facilities Schedule

The construction of Replacement Facilities for existing Shipyard tenants is an important first step for the Project. Parcel B, where the majority of currently occupied artist studios are located, is the next parcel to transfer from the Navy and is scheduled to be transfer-ready in early 2016. Once the parcel has been transferred to OCII, Lennar will immediately commence demolition work to make space for the next Major Phase of development consisting of over 3,000 housing units, nearly 600,000 sf of Research and Development facilities, over 70,000 sf of neighborhood serving retail and 255,000 sf of Artist studio space (including the Commercial Kitchen and future Art Center).

Certain preparatory steps are necessary to allow for demolition of Parcel B structure in the below outlined order: (See Attachment 3: Replacement Facilities Construction Schedule)

1. Completion of Replacement Kitchen for Eclectic Cookery
2. Eclectic Cookery to vacate Building 110 and move into their new facility. (Artists who occupy studios in Building 110 are being temporally accommodated in available existing
artist studios. However, these artists retain their right to move to the future Artist Studio Replacement Building.)

3. Building 110 to be demolished to allow for construction of the Artist Studio Replacement Building which will be constructed on the current Building 110 site.

4. Tenants of the Parcel B Artist Studios to move into the Artist Studios Replacement Building once the new building is completed, vacating their Parcel B studios in preparation for demolition of Parcel B structures. (The schematic design for the Artist Studio Replacement Building will be presented to the Commission at a future meeting).

DISCUSSION

This Commission consideration is limited to the schematic designs for the Replacement Kitchen. The Artist Studio Replacement Building will be presented at a future Commission meeting.

Commercial Kitchen Tenants

Eclectic Cooker, a California C Corporation with 4 partners (one of which is a member of the Shipyard Citizens Advisory Committee), provides new and small food businesses with fully equipped, licensed, inspected food preparation and support facilities, two of which are located in the Shipyard with at third located nearby in the Bayview neighborhood. The clients that utilize these kitchen facilities are caterers, food product manufacturers; mobile and farmers market vendors who are required to prepare their products in an approved, inspected, sanitary facility. Eclectic Cookery’s customers rent kitchen time by the hour or by the month. Most clients rent storage and refrigeration space on a monthly basis and several use a portion of their storage spaces as offices.

The majority of services are provided in Eclectic’s Kitchen #1 which opened in 1984 in Building 110 and currently has 52 clients using its facilities. Additionally Eclectic operates Kitchen #2 in Building 101, which serves three clients, and Kitchen #3, which is located on Revere Avenue in the Bayview and serves two clients. About 65% of Kitchen #1 floor area is devoted to dry and cold storage. There are 9 walk-in refrigerators, dozens of 1-3 door refrigeration units and dozens more storage lockers and spaces of various configurations in Kitchen #1.

The Eclectic Cookery client base is almost 60% woman-owned and ethnically diverse (see Attachment 4: Eclectic Cookery Clients), and includes a growing number of clients residing in the Bayview Hunters Point neighborhood, and African-American entrepreneurs and employees. Of about 300 clients of record since 1985, 38 are known to have opened their own facilities, and many others gained valuable entrepreneurial experience for other, future ventures. Eclectic Cookery does not provide formal technical support or training for clients, but works with and refers clients to business support resources.

Commercial Kitchen Schematic Design (See Attachment 5)

Eclectic Cookery’s Kitchen #1 will be accommodated in a newly constructed facility that is suited for their business operations. OPC has worked with Eclectic Cookery and Lennar’s
Replacement Kitchen design team to capture the kitchen’s current space requirements to ensure that the new Replacement Kitchen will adequately address the business’s needs.

**Commercial Kitchen Design Team**

MADI Group, Inc. (MADI) Architects + Planners and Colombo Construction have combined design-build team for the Commercial Kitchen, providing modular design expertise. MADI is a Bay Area based architectural design company with a focus on sustainable modular building systems.

MADI’s services are complemented with expertise from Telamon Engineering Consultants Inc, a certified LBE firm providing civil engineering and land surveying services in the City & County of San Francisco for over 20 years and David Meyer and Ramsey Silberberg Landscape Architects. East Bay Restaurant Supply, Inc. is providing specialized advice on design, supply, and installation of foodservice equipment.

**Design Overview**

The proposed two story modular facility will house 4,096 square foot of both dry and refrigerated storage, and 3,584 square foot of kitchen and food preparation areas. The facility is equipped with an elevator and one enclosed exit stair. A second exterior stair enables code compliant exiting. The proposed building will feature a north-facing main entrance and main loading roll-up door on the southwest building face. The primary entrance will be marked with a horizontal canopy and signage. Varied window penetrations and building face articulation will reflect the distinct functions of spaces within, and break up the building’s mass. Natural light will be gained though high horizontal windows within the kitchen spaces to maximize usability of the cooking and preparations paces. A well-articulated roof screen structure incorporates a combination of voids and solid elements used to screen the essential service equipment and trash receptacles. The exterior walls of the building will be finished with two complementary contrasting materials: Lap siding and smooth reveal panels. These finishes will ensure that the building relates well to its neighbor, Building 101 which has lap siding. The use of the smooth contemporary reveal panels will blend well with the lap siding but also the overall master plan build-out. Windows will be pre-finished aluminum windows, color bronze exterior hollow metal doors will have small windows to increase the amount of natural interior light. Exterior building signage will be 18 inch high deep aluminum letters spelling Eclectic Cookery fasted to metal canopy edges.

Views from the interior office, main kitchen, and bakery will face south and east down the hill over Fischer Street. Interior spaces will be naturally ventilated where possible, and windows along the east and south will be equipped with sun-shades to reduce heat-gain. Interior storage needs limit window usage in certain areas of the building façade. Exterior landscaping along the south will soften the main pedestrian route.

**Parking/Loading Spaces**

Vehicle Parking spaces are located on the lot to the southwest, perpendicular on-street vehicle spaces shall account for two standard stalls, an accessible stall, and three larger truck stalls. The screened service yard will have two vehicular access points. The proposed building will also
provide bike parking next to the vehicular parking area in close proximity to the building entrance.

**Related Site Improvement and Infrastructure Work**

Site improvement work will take approximately four months to complete. The work will consist of installing a new foundation system for the two story modular structure, grading, connection of new utilities, service yard, car and truck parking, loading dock, accessibility paths and ramps and landscaping. The building itself will be constructed offsite and set into place once the foundation is ready.

Infrastructure work to prepare the site for the commercial kitchen will encompass bringing new utilities lines to the proposed location. Work will take approximately 12 weeks to complete. The work will include a new 16” water main running up Galvez and connecting at Donahue St. New utilities will run from the intersection of Coleman and Hudson from the Hilltop and connect to existing surrounding infrastructure. All utility work will be underground and roads impacted by the installation of underground utilities will be replaced with a new finish surface. (See Attachment 6: Infrastructure/Utilities Map)

**Design Review and Approval Process**

The Shipyard Arts Complex is physically located on a portion of Parcel A that is part of the Phase 2 Project Area. Thus the Phase 2 DDA, D for D, and Design Review and Document Approval Procedure ("DRDAP") apply to the design review of the Replacement Commercial Kitchen and staff has evaluated the proposed schematic design for consistency with these requirements. As discussed below staff is recommending an adjustment to the timing of various approvals in the DRDAP to better facility the construction of the Replacement Facilities and future Parcel B development.

**Design for Development**

The Hunters Point Shipyard Phase 2 D for D provides land use controls and design guidelines necessary to implement the Project, which includes the construction of infrastructure, parks, and housing. The D for D acts as the zoning for the site, including controls for height, bulk, setbacks and lot sizes, but also establishes more detailed standards and guidelines to ensure that the ongoing physical planning and design of the development results in a highly desirable urban environment.

At the time when the Phase 2 D for D Guidelines were developed, it was anticipated that the commercial kitchen would be included within the Artist Studio Replacement Building and thus the D for D does not provide standards specific to the Replacement Kitchen. However, this adjustment does not change the overall square footage of allocated arts uses and will not exceed the allowed 1,125 maximum number of buildings in the Shipyard Project as required by the Hunters Point Shipyard Redevelopment Plan, with a currently estimated 35 buildings on Phase 1 and 62 blocks with approximately 1-2 building per block on Phase 2. The building design is consistent with all applicable D for D development standards including, building height and bulk and parking requirements.
Phase 2 DDA and DRDAP

The Phase 2 DDA outlines a sequential process for development of the Shipyard Project Area, starting with a Major Phase Approval, followed by a Sub-Phase approval and subsequent design documents as described in the next paragraph, and concluded with conveyance of the underlying land. However, under the Phase 2 DDA, the order of filing of Major Phase and Sub-Phase Applications may be adjusted to affect the timing and delivery of the associated public benefits including, such as affordable housing sites, off-site street improvements, funds for workforce development and housing assistance, and new parks (“Public Benefits”).

The Phase 2 DRDAP outlines the necessary documents, schedule, and procedures for the review and approval of design submittals. Under the Phase 2 DRDAP, among other things, a series of increasingly detailed design documents are required in the design process. They are: 1) schematic design, 2) design development, and 3) construction documents. The DRDAP requires the first design submittal to be presented to the Commission for review and approval. The Replacement Kitchen schematic design is complete and has been reviewed by OCII staff and the Planning Department’s staff. More detail on the design review and conditions of approval is provided below.

Due to the delay in the transfer of Navy property, Lennar has not yet submitted a Major Phase application for Parcel B area, which according to the Phase Schedule of Performance may be submitted no later than June 30, 2015. However, to ensure the expeditious delivery of market rate and affordable housing in the Parcel B area, as well as the delivery of associated Public Benefits existing Parcel B tenants must be relocated into Replacement Facilities as soon as possible so that construction on Parcel B may start work immediately upon transfer from the Navy. In order to deliver these Public Benefits, the schematic designs are being provided for Commission consideration separately from the Major Phase application. This approval will not constitute a Major Phase or Sub-Phase Application approval and no land will be conveyed to the Developer. Instead, OCII will be receiving advance delivery of new, significantly upgraded artist facilities which will form the heart of the Shipyard arts district.

Schematic Design Conditions of Approval

As is typical, there are a few remaining design issues to be resolved in subsequent design stages, including the Design Development phase. OCII staff recommends approval of the Commercial Kitchen schematic designs subject to the following conditions:

1. Colors used in the Commercial Kitchen schematic design are subject to further review and approval by OCII staff during the design development phase.

2. Samples of materials, colors, finishes, and architectural detailing must be provided for review and approval by staff during the design development and construction phase in order to ensure that the quality and diversity shown in the schematic design is achieved and prepare constructed mock-ups of the exterior during an early phase of construction.

3. Elements that ensure safety of the building and the surroundings, including lighting and potentially security cameras are subject to review and approval by OCII staff in the design development phase.
4. Elements to increase vehicular and pedestrian safety in the area between Building 101 and the Replacement Kitchen, including improvements to the Building 101 stairs facing the Replacement Kitchen and other traffic safety features (e.g. bollards) are subject to review and approval by OCII staff in the design development phase.

5. Provide for location and access for possible future connection to the Automated Waste Collection System in design development documents.

Replacement Kitchen Next Steps and Schedule

Following Commission approval of the Replacement Kitchen schematic designs, Lennar and its design team will continue refining the designs in accordance with the DRDAP and OCII staff will review subsequent design documents. The Replacement Kitchen has an October 2014 construction start date and the relocation is slated to occur in February 2015.

The site work component, including the foundation system, will be reviewed by the City of San Francisco’s Department of Building Inspection, as is common for new construction. However, the building itself will be reviewed by the California State Department of Housing and Community Development who is the permitting agency for modular structures.

At a future Commission meeting later this spring, Agency staff will present the schematic design for the Artist Studio Replacement Building and in July 2014 Commissioners will review a draft relocation plan that will subsequently be released for public comment and a public hearing and Commission approval in fall 2014.

Small Businesses and Local Workforce

The Phase 2 DDA requires developers to follow an equal opportunity program, which substantially consists of, 1) the Bayview Hunters Point Employment and Contracting Policy ("BVHP ECP"), 2) the Small Business Enterprise Policy ("SBE"), 3) the Nondiscrimination in Contracts and Equal Benefits Policy, 4) the Minimum Compensation Policy, 5) the Health Care Accountability Policy, 6) the Prevailing Wage Policy, and 7) the Card Check Neutrality Policy.

Under the BVHP ECP, developers must make good faith efforts to award 50 percent of the contracting opportunities to SBE consultants and contractors with first consideration for businesses with addresses in the BVHP Area (defined as zip codes 94124, 94134, and 94107). The BVHP ECP also requires developers to make good faith efforts to achieve 50 percent local workforce participation, with first consideration to BVHP Area residents, in construction workforce hiring, permanent/temporary workforce hiring, and trainee program.

The Developer has achieved over 25% SBE participation for the Replacement Kitchen, with over 16% of consultant being San Francisco based SBE’s, minority owned SBE’s and women-owned SBEs (See Attachment 7: Professional Services Consultants Summary). Developer will also strive to maximize local workforce participation for any onsite work for the Replacement Kitchen and the associated infrastructure. Attached are projections for construction hiring for the Replacement Kitchen (See Attachment 8: Workforce Jobs Projection)
Community Outreach

The Replacement Facilities schematic design, which includes the Replacement Kitchen schematic design, was presented to the Mayor's Hunters Point Shipyard Citizens Advisory Committee ("CAC") at CAC meetings in November and December. At their December 9, 2013 meeting the CAC recommended that the Replacement Kitchen schematic designs move forward to the Commission for consideration.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The Former Agency Commission and the San Francisco Planning Commission ("Planning Commission") certified the Final Environmental Impact Report for Phase 2 ("Phase 2 EIR") under the California Environmental Quality Act ("CEQA") on June 3, 2010. As part of its action in 2010, the Redevelopment Commission, by Resolution No. 59-2010 adopted findings pursuant to CEQA, including a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations for the Project. Subsequently this Commission issues a First Addendum to the Phase 2 EIR to address project changes and amended the previously adopted CEQA findings by Resolution No. 1-2014.

OCII staff has determined that the Replacement Kitchen schematic designs as submitted are consistent with the Project as analyzed in the Phase 2 EIR and subsequent Addendum, and recommends that the Commission require no additional environmental review pursuant to State CEQA Guidelines Sections 15180, 15162, 15163, and 15164. OCII staff recommends that the Commission adopt the previously approved CEQA findings as set forth in Resolution No. 59-2010, and as amended by Resolution No.1-2014 and conditionally approve the schematic designs for a Replacement Kitchen.

Originated by Amabel Akwa-Asare, Assistant Project Manager

Tiffany Bohee
Executive Director

Attachment 1: Excerpt from Community Benefits Plan
Attachment 2: Site Map of Occupied Shipyard Artist Buildings
Attachment 3: Replacement Facilities Construction Schedule
Attachment 4: Eclectic Cookery Clients
Attachment 5: Commercial Kitchen Schematic Design
Attachment 6: Infrastructure/Utilities Map
Attachment 7: Professional Services Consultants Summary
Attachment 8: Workforce Jobs Projection