MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee
Executive Director

SUBJECT: Authorizing an Amended and Restated Memorandum of Understanding with the City and County of San Francisco, through its San Francisco Planning Department, to extend the term of the memorandum of understanding from fiscal year 2014-15 to fiscal year 2015-16, to increase the budget by an amount not to exceed $225,000, for a total aggregate amount not to exceed $675,000, and to expand the scope of work to provide design and environmental review process for the Golden State Warriors project.

EXECUTIVE SUMMARY

In August 2013, the Office of Community Investment and Infrastructure as Successor to the San Francisco Redevelopment Agency ("OCII") entered into a Memorandum of Understanding with the San Francisco Planning Department ("Planning") for design review and environmental review services ("Original MOU"). The Original MOU covered Fiscal Year 2013-14 and Fiscal Year 2014-2015 for an amount not to exceed $225,000 per year, for a total amount of $450,000. The Original MOU services enabled the Planning Department to provide design review and environmental services to OCII to assist it in fulfilling its enforceable obligations. The Original MOU services are allowable within Redevelopment Dissolution Law and the proposed amounts were consistent with amounts are included on the bi-annual Recognized Obligations Payment Schedule ("ROPS"). OCII routinely relied on the Planning Department to conduct environmental evaluations for OCII projects under the California Environmental Quality Act ("CEQA") and the CEQA Guidelines, as well as provide design services for individual projects. The Original MOU expires in 11 months on June 30, 2015.

Earlier this year, the Golden State Warriors ("GSW") announced their intention to purchase Blocks 29 to 32 in the Mission Bay South Redevelopment Project Area ("Mission Bay South") for the development of approximately 1 million square feet of arena, office and retail uses ("GSW Pavilion Project"). The GSW have just started site design for the new site, and the project will require preparation and certification of an environmental document as well as additional design review.

OCII and the Planning Department now desire to amend the Original MOU (through the "Amended MOU") to extend the term to additional fiscal year and expand the scope of work for the Planning Department to provide the services necessary for environmental and design review for the GSW Pavilion Project. The Planning Department and GSW will enter into a direct payment arrangement whereby GSW would directly reimburse the Planning Department for environmental and design review for the GSW Pavilion Project outside of the Amended MOU. However, staff is recommending that the scope of services under the Original MOU also be extended for the additional year so that OCII can continue to utilize Planning Department services on OCII’s non-GSW projects. Therefore, the Amended MOU includes a budget
increase of $225,000 to fund those continued non-GSW services during Fiscal Year 2015-2016. The total amount of the Amended MOU will not exceed $675,000.

Staff recommends that the Commission authorize the Executive Director to enter into an Amended and Restated Memorandum of Understanding between the San Francisco Office of Community Investment and Infrastructure and the San Francisco Planning Department.

DISCUSSION

Background

Original Memorandum of Understanding

Prior to its dissolution, the Redevelopment Agency of the City and County of San Francisco ("Redevelopment Agency") implemented numerous redevelopment plans approved by the Board of Supervisors and authorized under the California Community Redevelopment Law. Under this state authority, the redevelopment plans established land use controls in project areas and did not generally rely on the San Francisco Planning Code or other local land use regulation, including Article 31 of the Administrative Code, unless a particular redevelopment plan required it.

As successor to the Redevelopment Agency, OCII retains the obligation to implement the redevelopment plans in the Major Approved Development Projects (the Hunters Point Shipyard – Candlestick Point Project, Transbay Transit Center Project, and the Mission Bay Project) pursuant to master development agreements. The implementation of these projects includes exercising land use authority under the Major Approved Development Projects agreements. In addition, OCII is required to enforce the land use controls under other redevelopment plans and related development controls where the City has not requested the transfer of land use functions to the City, such as the Bayview Hunters Point Redevelopment Plan, the Hunters Point Shipyard Redevelopment Plan, the Rincon Point-South Beach Redevelopment Plan, and the Bayview Industrial Triangle Redevelopment Plan.

The Redevelopment Dissolution Law provides, among other things, that OCII may enter into contracts for the purpose of winding down the redevelopment agency. OCII has a continuing need to review and approve development projects, including design and environmental review, as part of the wind down of redevelopment agencies. To this end, OCII negotiated a memorandum of understanding with the City, through its Planning Department, to perform design review and environmental services for the OCII, for a term of two years, commencing on July 1, 2013, for an annual amount of $225,000, for a total amount of $450,000. The Original MOU is set to expire on June 30, 2015, in 11 months.

Golden State Warriors Pavilion Project

Earlier this year, the Golden State Warriors ("GSW") announced their intention to purchase Blocks 29 to 32 in the Mission Bay South Redevelopment Project Area ("Mission Bay South") for the development of approximately 1 million square feet of arena, office and retail uses ("GSW Pavilion Project") and the GSW Pavilion Project will require design and environmental review, which will result in fulfillment of the requirements pursuant to the California Environmental Quality Act ("CEQA"). The Planning Department anticipates design and
environmental review process will cost approximately $480,326. The eventual amount will be based on a time and material basis and may exceed the estimated amount.

**Proposed Amended and Restated MOU**

The following describes the proposed amendments to the MOU.

**GSW Pavilion Project**

Under the proposed Amended MOU, the Planning Department will provide an Environmental Review Coordinator to oversee the GSW Pavilion Project CEQA process through completion. In addition, the Planning Department, under the oversight of OCII, will direct the work of the environmental consultant and sub-consultants, including development of an appropriate scope of work for the environmental review process as well as for any required background technical studies. In conjunction with environmental document preparation review and approval process, the Planning Department will also provide professional architectural and urban design review services for the GSW Pavilion Project. The Planning Department and GSW will enter into a direct payment arrangement whereby the GSW would directly reimburse the Planning Department for services provided in furtherance of the GSW Pavilion Project, thus these charges will not run through the Amended MOU. The Planning Department estimates design and environmental review process will cost approximately $480,326. The eventual amount will be based on a time and material basis and may exceed the estimated amount.

**Fiscal Year 2015-2016**

Through the terms of the Original MOU, the Planning Department provides design review and environmental services to OCII and there is less than a year left before it expires. The Original MOU covered Fiscal Year 2013-14 and Fiscal Year 2014-2015 for an amount not to exceed $225,000 per year, for a total amount of $450,000. Staff has found the Planning Department’s services to be beneficial to OCII projects and is recommending that the Amended MOU also include extending the baseline, non-GSW services for an additional year for the same annual amount of $225,000.

**Budget**

The budget for the Amended MOU is an amount not to exceed $675,000, as detailed below:

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<th>TASKS</th>
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<td>$225,000</td>
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As mentioned above, the total amount does not include the GSW budget, which will be paid directly to the Planning Department by the GSW.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT**

Authorization of this proposed Amended and Restated Memorandum of Understanding with Planning Department is an OCII administrative activity that will not cause any physical change in the environment and is not a project pursuant to the California Environmental Quality Act definition of a project contained in CEQA Guidelines Section 15378(b)(5). In addition, authorization of this proposed Amended MOU does not have the potential for independently causing a significant effect on the environment and therefore is not subject to the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15061 (b)(3).

**STAFF RECOMMENDATION**

Staff recommends Commission the Amended and Restated Memorandum of Understanding with the San Francisco Planning Department to extend the term of the memorandum of understanding from fiscal year 2014-15 to Fiscal year 2015-16, to increase the budget by an amount not to exceed $225,000, for a total aggregate amount not to exceed $675,000, and to expand the scope of work to provide design and environmental review process for the Golden State Warriors project.

*(Originated by Immanuel Bereket, Associate Planner)*

Attachment:
Attachment 1 - Amended and Restated Memorandum of Understanding