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 authorizing a Third Amendment to the Hunters Point Shipyard Phase 1 Design for Development to adjust densities and make other changes; Hunters Point Shipyard Redevelopment Project Area

EXECUTIVE SUMMARY

The Phase 1 Design for Development (“Phase 1 D for D” or “D for D”) provides land use controls and design guidelines necessary to implement the first phase of redevelopment of the Hunters Point Shipyard (“Shipyard”). The Phase 1 development program 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 Phase 1 development results in a highly desirable urban environment.

Before there were any disposition and development agreements for the Shipyard, the former San Francisco Redevelopment Agency Commission (“SFRA Commission”) approved planning documents to guide the development at the Shipyard. In 1997, the SFRA Commission approved two important planning documents 1) the Shipyard’s Redevelopment Plan (“the Plan”) which among other things set the land uses for the Shipyard, and 2) the D for D for the entire Shipyard.

Since 1997 the D for D has been amended twice to adjust the design guidelines in order to implement the Shipyard’s development. This proposed D for D amendment (“Third Amendment”) seeks to make refinements to the development controls to enable the Phase 1 development to proceed as it is now envisioned.

*Staff recommends approving a Third Amendment to the Hunters Point Shipyard Phase 1 Design for Development; Hunters Point Shipyard Redevelopment Project Area.*

BACKGROUND

**Hunters Point Shipyard and Candlestick Point Overview and Summary**

The Hunters Point Shipyard and Candlestick Point areas (together the “Project”) are comprised of approximately 780 acres along the long-neglected waterfront lands of southeastern San Francisco (see attached Shipyard Project Map, Attachment 1). These lands will be developed and transformed into productive areas for jobs, parks, and housing, including affordable housing through public-private partnerships, as required by the Shipyard Disposition and Development Agreements (“DDAs”) with the Office of Community Investment and Infrastructure or “OCIIP”
as successor to the San Francisco Redevelopment Agency. The Project will be implemented in two phases by affiliated but separate developers managed by Lennar under separate DDAs (the “Phase 1 DDA” and the “Phase 2 DDA”).

The Project will deliver over 12,000 new homes, approximately 32 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, up to 3 million square feet of research and development space, and more than 350 acres of new parks in the southeast portion of San Francisco. In total, the Project will generate over $6 billion of new economic activity to the City, more than 12,000 permanent jobs, hundreds of new construction jobs each year, new community facilities, new transit infrastructure, and provide approximately $90 million in community benefits. The Project’s full build out will occur over 20 to 30 years, but over 1,000 units of housing and 26 acres of parks will be completed over the next five years in the first phase of the Shipyard.

Phase 1 Development Program
In December 2003, the SFRA Commission authorized the Phase 1 DDA with Lennar. The Phase 1 DDA obligates Lennar to construct the infrastructure necessary to support the total vertical development of 1,498 housing units in the Phase 1 development and 26 acres of open space and parks.

Affordable Housing
Under the Phase 1 DDA, a minimum of 27 percent and a maximum of 40 percent of all the 1,498 Phase 1 units will be affordable (the maximum 40 percent will be achieved if OICII exercises its right to purchase additional units for affordable housing). Within this total, at least 10.5 percent of the 1,280 units (approximately 134 units) constructed by vertical developers (“Vertical Developer Units”) will be affordable to households earning no more than 80 percent of Area Median Income (“AMI”), which in 2013 is $80,950 per year for a family of four. In addition, approximately 59 Vertical Developer Units will be built on Block 49 and all of those units will be affordable at 50 percent of AMI, which in 2013 is $50,600 per year for a family of four. Of the 1,498 Phase 1 units, 218 will be OICII subsidized affordable units at 50 percent of AMI.

Community Benefits and Community Builders
The Phase 1 DDA also obligates Lennar to provide training, assistance, and contracting opportunities to community residents and organizations, as well as offer opportunities for development of certain lots to Bayview Hunters Point-based developers and contractors (“Community Builders”). In addition, vertical development project are subject to an Equal Opportunity Program which calls for 50 percent local workforce and contracting goals, with first consideration for Bayview area workers and businesses.

Phase 1 DDA Amendments
The Phase 1 DDA has been amended since its approval in 2003. The SFRA Commission authorized; 1) on April 5, 2005, a First Amendment to the DDA; 2) on October 17, 2006, a Second Amendment to the DDA; 3) on August 5, 2008, a Third Amendment to the DDA; 4) on August 19, 2008, a Fourth Amendment to the DDA; 5) on November 30, 2009 a Fifth Amendment to the DDA; and 6), and on December 19, 2012 the Commission on Community Investment and Infrastructure (the “Commission”) approved a Sixth Amendment to the DDA.
Previous D for D Amendments
The D for D has been amended two times since its adoption in 1997. Each amendment made project-specific conforming changes to include the updated design vision for the Shipyards development. The San Francisco Planning Commission (the "Planning Commission") along with the SFRA Commission adopted the Shipyards D for D in September 1997, and further amended the D for D in June 2010. The SFRA Commission and Planning Commission’s June 2010 approvals also created a separate Shipyards 2 D for D and a Candlestick Point D for D thereby completing the design vision for each portion (Phase 1, Phase 2, and Candlestick Point) of the entire Project.

DISCUSSION
The Phase 1 development is well underway with 70 to 80 percent of the horizontal infrastructure construction complete and four development blocks covering approximately 250 units of housing have received Major Phase Application approval. Now, through this Third Amendment to the Phase 1 D for D OCII is updating and conforming the design guidelines to enable the development designs for Phase 1 to move forward.

Summary of the Phase 1 D for D Updates
The Phase 1 D for D, with the proposed amendments, will incorporate the same overall vision for a high quality, livable, and sustainable urban environment for residents, workers, and visitors as required by the Phase 2 and Candlestick Point D for Ds. The controls and guidelines are written to ensure that streets, parks, and vertical building development provide a rich urban environment with active street frontages and thoughtful urban form. The design principles seek to balance the role of buildings in urban "placemaking," especially at major streets and activity centers, while maximizing access to views, sunlight and open sky in critical areas of the plans, such as parks and local streets.

As nearly all the development in the Project will be new construction, a key goal of the Phase 1 D for D’s standards and guidelines is to provide flexibility and variety in building types and sizes, as well as façade designs to create a rich built form rather than a monolithic development. The Phase 1 D for D also addresses public realm elements to provide the physical framework for the development since the public realm is how most people will experience these new neighborhoods. Additional consideration has been given to ensure a seamless connection between the new construction and the existing community and to ensure that the new parks created by the Phase 1 development are accessible to all neighborhood residents.

Broadly, the updates to the Phase 1 D for D include:
1. Technical updates that have minor or no development impact.
2. Updates to provide consistency/clarity between the Phase 1 and 2 D for Ds.
3. Implementing changes that enable specific development proposals to proceed.
The substantive updates to the Phase 1 D for D include:

1. **Density**  
   **2010 D for D:** Range of 29 to 100 dwelling units per acre ("DU/ac").  
   **Proposed:** Range of 29 to 135 DU/ac.  
   **Analysis:** This is a technical update providing the necessary density increase to allow for units formerly on Parcel B to be built in the first phase of development. Parcel B was initially part of Phase 1, but in 2004 the U.S. Department of the Navy (the "Navy") informed SFRA that the transfer of Parcel B from the Navy to SFRA would be significantly delayed (currently Parcel B is scheduled to be transferred to OCII in 2014). In order to avoid delaying the development of Parcel A, the SFRA Commission approved the Second Amendment to the DDA in 2006 that shifted the 362 units that were on Parcel B onto Parcel A, and removed Parcel B from Phase 1. The corresponding change to the D for D was not made in the Second Amendment to the D for D in 2010 as the focus of that amendment was on the Phase 2 entitlements (approved in 2010); therefore the density change is being captured in this Third Amendment to the D for D.

   No change in the overall number of units or building heights is proposed, so the potential built form of Phase 1 will remain unchanged. (Block 49 from 100 to 135 DU/ac; Blocks 52, 53, 54 from 73 to 80 DU/ac; Blocks 56/57 from 54 to 70 DU/ac).

2. **Minimum Lot Dimensions**  
   **2010 D for D:** 1,600 square feet (s.f.) and 18 feet wide (Hilltop); 1,800 s.f. (Hillside).  
   **Proposed:** 1,485 s.f. along public streets, no minimum along narrow private streets ("mews") (Hilltop); No change (Hillside).  
   **Analysis:** This is an implementing change that enables specific development proposals to proceed considering the difficult topography/grades of these sites within Phase 1 and the change in density described in #1 above. The Phase 1 architects have found means to achieve livability and privacy for townhouses on smaller lots than originally contemplated and to allow for units formerly on Parcel B to be built in the first phase of development. Unlike much of San Francisco, Phase 1 will include generous and frequent public open space (sixteen pocket parks, the Innes Court plaza/playground/park, and the expansive Hilltop Park, 26 acres total). Coupled with the private landscapes being created...
(setbacks, courtyards, and mews), each resident of Phase One will live within a rich, interconnected system of varied open spaces.

3. Development Standards for Height and Bulk

2010 D for D: Established maximum heights across Phase 1; established bulk controls for sites with 55-foot height limits; suggested an unquantified height bonus for low-income housing developments.

Proposed: No change to maximum heights; requires taller portions of tallest buildings to be located on higher ground; establishes a minor bulk bonus for low-income housing developments; and removes the unquantified height bonus for low-income housing developments.

Analysis: This is a technical update change. No change is made to allowable building heights (generally 32 to 45 feet, maximum 55 feet), but where buildings or parts of buildings are between 45 and 55 feet high, the higher portion shall be on the part of the lot with higher ground. This reinforces the Urban Design Element of the San Francisco General plan, encouraging building masses to follow the form of the natural topography, thus emphasizing hill forms.

For the height & bulk limitations, the 2010 D for D included the following sentence (emphasis added):

In no event, however, shall building heights exceed those shown on Figure 4, "Height & Bulk Limitation Map" (unless a low-income housing bonus is granted under this Section).

However, no low-income housing height bonus was quantified, so this parenthetical phrase has been removed because the height bonus was ambiguous and no affordable housing projects would take advantage of it due to inherent height limitations of the particular housing construction type (wood frame) that most affordable developments use. A minor bulk bonus is established for low-income housing on sites with a 55-foot height limit. Where the bulk limits apply, they only apply to the top floor of a lot. The bonus for low-income housing allows that top floor to be somewhat larger than otherwise would be allowed, in order to maximize the number of affordable units on topographically challenged sites.

4. Phase One Development Block Map

2010 D for D: Map includes no reference to retail requirements.

Proposed: Map and text clarifies that retail is allowed anywhere within Phase 1 and is required on Donahue and/or Innes frontages of Block 1.
Analysis: This is a technical update change. Retail had previously been allowed throughout ("Integrate small-scale, ground-floor, neighborhood-serving retail and community-serving facilities into the neighborhood fabric as appropriate.") and required at Block 1. However, these permissions and requirements were with the text, but not represented on any of the maps. This change makes these conditions explicit in a graphic near the front of the document.

5. **Hilltop Layout (Block 1)**
   
   **2010 D for D:** Requires one visual and/or physical link from the adjacent public streets (Innes and Donahue) through to the park and Bay beyond.
   
   **Proposed:** Requires two such links.
   
   **Analysis:** This is a technical update change. Block 1, at the intersection of Innes and Donahue Streets is quite large and will need to be divided into sub-parcels in order to become developable. This change gives guidance for such future division, for the benefit of the public, ensuring that at least one view corridor will be preserved from both Innes and Donahue Streets to the future park and Bay.

6. **Block 1 Design**
   
   **2010 D for D:** Addressed residential design adjacent to open space, streets, and mid-block breaks.
   
   **Proposed:** Adds language regarding activation of lower floors and encouraging building entrances that connect and integrate with the public realm.
   
   **Analysis:** This is a technical update change. The original D for D did not address Block 1, but had detailed requirements for the Hilltop and Hillside sub-areas. This change brings the Block 1 requirements and guidelines further in line with the Hilltop and Hillside.

7. **Building Typology and Massing**
   
   **2010 D for D:** Required modulation of larger buildings without identifying how to achieve it.
   
   **Proposed:** Adds language that modulation may be achieved through a combination of variations in building height, setbacks, materials, colors, and textures.
   
   **Analysis:** This is a change to provide consistency between the Phase 1 and 2 D for Ds. This language merely identifies the basic types of design elements that can be used to achieve appropriate building modulation.
8. **Parking**  
   **2010 D for D:** Set standards for ratios of compact to standard parking spaces and established minimum areas for parking spaces.

   **Proposed:** Eliminates these requirements.

   **Analysis:** This is a change to match citywide parking standards. In the past few decades, good planning practices have shifted from requiring a minimum number of parking spaces for buildings to recognition that private parking is an amenity for the building users but is not a public benefit. Following on the City’s transit-first policy, the Shipyard does not require parking at all. This change would conform with the recently amended planning code, which generally removed minimum parking requirements for residential uses.

9. **Car Sharing**  
   **2010 D for D:** No reference to car sharing.

   **Proposed:** Requires developments to meet the requirements and opportunities of the Car Sharing section of the Planning Code (Sec. 166).

   **Analysis:** This is a change to match citywide standards. Unlike private parking, which encourages private auto use and an increase in vehicle miles traveled (and thus, vehicle emissions), car sharing is a public benefit, as it allows households to have fewer or no private cars and yet have access to a car when needed. In basic terms, the Planning Code requires residential buildings with 50 or more units to provide at least one car share space, and such space must be available to all users of the chosen car share service (not only to residents of the building).

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**Planning Department Review**

Amendments to the Phase 1 D for D must be approved by the Planning Commission. A duly noticed hearing of the Planning Commission was held on June 13, 2013 to consider the D for D Amendment. The Planning Commissioners unanimously approved the Third Amendment, indicating that the changes take the Shipyard design in a very positive direction, that is consistent with the Planning Department’s current plans and policies, including the General Plan and the Hunters Point Shipyard Redevelopment Plan. The Planning Commission’s resolution is attached (Attachment 3).

**Community Outreach**

OCII staff briefed the Mayor’s Hunters Point Shipyard Citizens Advisory Committee (“CAC”) on the details of this Phase 1 D for D update during its meetings in June 2013. At these meetings, OCII staff reviewed the proposed changes and discussed the document with the CAC.
and the public. The CAC recommended that the proposed amendments move forward to the Planning and Commission and the Commission.

**Enforceable Obligation**

On December 14, 2012, the California State Department of Finance issued a Final and Conclusive Determination under California Health and Safety Code § 34177.5 (i), that the Phase 1 DDA and the Phase 2 DDA are enforceable obligations that survived the dissolution of the Redevelopment Agency. The Phase 1 D for D is an implementing document of that Phase 1 DDA, and therefore may be amended by the Commission.

**California Environmental Quality Act**

The SFRA Commission and the Planning Commission adopted California Environmental Quality Act (“CEQA”) findings, a statement of overriding considerations, and certified the Final Environmental Impact Report (“Phase 1 EIR”) for Phase 1 in 2000, and subsequently issued a First and Second Addendum to the Phase 1 EIR in 2003 and 2006, respectively, to address project changes including revisions to the Design for Development.

Additionally, the SFRA Commission and the Planning Commission certified the Final EIR for Phase 2 (“Phase 2 EIR”) in 2010 and adopted findings and a statement of overriding considerations. The Phase 2 EIR updated the transportation analysis and Transportation Plan, including the Transportation System Management Plan, for Phase 1 and Phase 2 of the Shipyard.

Staff has reviewed the proposed Phase 1 D for D revisions and finds them to be minor design and technical changes that are consistent with implementation of previous Project approvals and within the scope of the Project analyzed in the Phase 1 EIR and subsequent addenda as well as the Phase 2 EIR and no additional environmental review is required pursuant to State CEQA Guidelines Sections 15180, 15162, and 15163.

*(Originated by Thor Kaslofsky, Project Manager  
Amabel Akwa-Asare, Assistant Project Manager  
Matthew Priest, Architect)*

Tiffany Bohée  
Executive Director

Attachment 1: Hunters Point Shipyard/Candlestick Point Project Map  
Attachment 2: Amended Phase 1 Design for Development  
Attachment 3: Planning Commission Resolution