

**COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE**

**RESOLUTION NO. 48-2016**

**Adopted October 18, 2016**

**CONDITIONALLY APPROVING A COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A NEW 119-UNIT (INCLUDING ONE MANAGER'S UNIT) LOW-INCOME RENTAL HOUSING DEVELOPMENT SERVING FORMERLY HOMELESS VETERANS AND LOW-INCOME FAMILIES AT MISSION BAY SOUTH BLOCK 3 EAST (1150 3RD STREET) THAT IS WITHIN THE SCOPE OF AND IS ADEQUATELY DESCRIBED IN THE MISSION BAY REDEVELOPMENT PROJECT APPROVED UNDER THE MISSION BAY FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT ("FSEIR"), A PROGRAM EIR, AND ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA**

WHEREAS, In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 *et seq.* the "CRL"), the Redevelopment Agency of the City and County of San Francisco (the "Former Agency") undertook programs for the reconstruction and construction of blighted areas in the City and County of San Francisco (the "City"); and,

WHEREAS, In accordance with the CRL, the City, acting through its Board of Supervisors, approved a Redevelopment Plan (the "Plan") for the Mission Bay South Redevelopment Project Area (the "Project Area") by Ordinance No. 335-98 adopted on November 2, 1998. The Redevelopment Plan is referred to as the "South Plan." The Plan and its implementing documents, as defined in the Plan, constitute the "Plan Documents." In cooperation with the City, the Former Agency was responsible for implementing the South Plan; and,

WHEREAS, The Mission Bay South Owner Participation Agreement (the "OPA") between the Former Agency and FOCIL-MB, LLC (the "Master Developer") provides that the Master Developer will contribute land to the Former Agency, at no cost, for the development of affordable housing and the Former Agency will oversee the development of up to one thousand two hundred eighteen (1,218) affordable housing units in the Project Area; and,

WHEREAS, Pursuant to the State law, California Health and Safety Code §§ 34170 *et seq.*, ("Redevelopment Dissolution Law"), the Former Agency was dissolved as of February 1, 2012; and,

WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (commonly known as the Office of Community Investment and Infrastructure) (the "Successor Agency" or "OCII") is completing the enforceable obligations of the Former Agency in the Project Area, under the authority of the CRL as amended by the Redevelopment Dissolution Law, and under San Francisco Ordinance No. 215-12 (Oct. 4, 2012) (establishing the Successor Agency

Commission (“Commission”) and delegating to it state authority under the Redevelopment Dissolution Law); and,

WHEREAS, On January 24, 2014, the California Department of Finance (“DOF”) finally and conclusively determined that the OPA, the Mission Bay South Tax Increment Allocation Pledge Agreement, and the Mission Bay South affordable housing program are enforceable obligations that survived the dissolution of the Former Agency and require OCII to complete the development authorized under the South Plan, OPA, and related South Plan documents; and,

WHEREAS, On April 24, 2015, OCII issued a Housing Development Request for Proposals (the “RFP”) for the development and management of up to 101 units of low-income rental housing located at Mission Bay South Block 3 East, 1150 3<sup>rd</sup> Street (the “Site”), with half of the units to be set aside for formerly homeless veteran households and the remaining half set aside for low-income families (the “Block 3E Project”). Following a review of three developer team proposals by an interdisciplinary evaluation panel OCII staff informed the Commission that the team lead by Chinatown Community Development Center, Swords to Plowshares, and Leddy Maytum Stacy Architects (the “Developer”) was most responsive to the RFP criteria and was well-suited to develop the Block 3E Project. On February 16, 2016 with Resolution No. 9-2016, the OCII Commission authorized the Executive Director to enter into a \$2,500,000 predevelopment loan agreement and promissory note (the “Predevelopment Loan Documents”) and an exclusive negotiations agreement (the “ENA”). The ENA will lead to a long-term ground lease; and,

WHEREAS, The Plan and the Plan Documents, including the Design Review and Document Approval Procedure, designated as Attachment G to the South OPA (“DRDAP”), provide that development proposals in Mission Bay South will be reviewed and processed in major phases, as defined in and consistent with the Plan and the Plan Documents. Submission of design plans and documents for any specific building must be consistent with the requirements established for each major phase, though the DRDAP allows for a major phase to be amended by a schematic design submittal if the overall submittal is still consistent with the Plan and Plan Documents. The DRDAP sets forth the review and approval process for major phases and projects therein; and,

WHEREAS, On November 1, 2005 by Resolution No.178-2005, the Former Agency Commission approved the Master Developer’s Major Phase Application for Blocks 2-7 and 13 (“Major Phase”) in the Plan area. The Major Phase was amended twice by the Former Agency Commission, the first was dated on September 18, 2007 (Resolution No. 101-2007) and the second on June 7, 2011 (Resolution No. 77-2011) to adjust the maximum unit count for the private residential parcels, and once by the Oversight Board on June 11, 2012 (Resolution No. 7-2012) and the OCII Commission on January 1, 2014 (Resolution No. 6-2014) to adjust the maximum unit count for the private residential parcels; and,

WHEREAS, Pursuant to the Plan and Plan Documents, including the DRDAP, the Developer submitted a Combined Basic Concept and Schematic Design application for Block

3 East, 1150 3<sup>rd</sup> Street (“Schematic Design”). The residential building consisted of 101 affordable rental units, associated parking and open space; and,

WHEREAS, To achieve improved economies of scale, financial feasibility, and total unit count of the Block 3E Project, the Developer requested and OCII staff approved the addition of up to 18 more affordable units. The Developer determined that the best mix of added units would be 12 studio units serving formerly homeless veterans, and 5 one-bedroom units and an extra two-bedroom unit serving low-income families. With a new total count of 119 units the Block 3E Project breakdown by unit type is: 12 studios, 55 one-bedroom units (50 of these are reserved for formerly homeless veterans and 5 are reserved for low-income families), 31 two-bedroom units and 21 three-bedroom units (the larger two- and three-bedroom units are reserved for low-income families); and,

WHEREAS, The Major Phase contemplates up to 1,907 residential units within Blocks 2-7 and 13, including 1,102 market rate units and 805 affordable units. To date, approximately 1,592 units have been approved and 1,249 units have been constructed at 6 development sites within the Major Phase. Consistent with the form-based zoning of the Plan Documents, the Major Phase provides a summary of unit counts at each development site, rather than prescribing specific densities. The Block 3E Project proposes 119 units, or 21 more units than the summary unit count set out in the Major Phase approval, which will be accommodated by commensurate reduction in affordable residential units approved elsewhere within the Major Phase; and,

WHEREAS, OCII’s remaining discretionary approvals for the Block 3E Project consist of approval of an option to lease the property to the Developer and subsequent commitment of permanent financing; and,

WHEREAS, On September 17, 1998, the Agency Commission adopted Resolution No. 182-98 which certified the Final Subsequent Environmental Impact Report (“FSEIR”) for Mission Bay North and South pursuant to the California Environmental Quality Act (“CEQA”) and State CEQA Guidelines Sections 15168 (Program EIR) and 15180 (Redevelopment Plan EIR). On the same date, the Agency Commission also adopted Resolution No. 183-98, which adopted environmental findings (and a statement of overriding considerations), in connection with the approval of the Plan and other Mission Bay project approvals (the “Mission Bay Project”). The San Francisco Planning Commission (“Planning Commission”) certified the FSEIR by Resolution No. 14696 on the same date. On October 19, 1998, the Board of Supervisors adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission and the Agency, and Resolution No. 854-98 adopting environmental findings and a statement of overriding considerations for the Mission Bay Project; and,

WHEREAS Subsequent to certification of the FSEIR, the Agency issued several addenda to the FSEIR (the “Addenda”). The Addenda do not identify any substantial new information or new significant impacts or a substantial increase in the severity of

previously identified significant effects that alter the conclusions reached in the FSEIR; and,

WHEREAS, The FSEIR is a program EIR under CEQA Guidelines Section 15168 and a redevelopment plan EIR under CEQA Guidelines Section 15180. Approval of the Schematic Design is an undertaking pursuant to and in furtherance of the Plan in conformance with CEQA Section 15180 (“Implementing Action”); and,

WHEREAS, OCII has reviewed the Schematic Design for purposes of compliance with CEQA and the State CEQA Guidelines; and,

WHEREAS, OCII is making the necessary findings for the Implementing Action contemplated herein, considered and reviewed the FSEIR, and has made documents related to the Implementing Actions and the FSEIR files available for review by the Commission and the public, and these files are part of the record before the Commission; and,

WHEREAS, The FSEIR findings and statement of overriding considerations adopted in accordance with CEQA by the Redevelopment Agency Commission by Resolution No. 183-98 dated September 17, 1998, reflected the independent judgment and analysis of the Redevelopment Agency, were and remain adequate, accurate and objective and were prepared and adopted following the procedures required by CEQA, and the findings in said resolutions are incorporated herein by reference as applicable to the Implementing Action; and,

WHEREAS, OCII has reviewed the Schematic Design submitted by the Developer and finds it acceptable and recommends approval thereof, subject to the resolution of certain conditions; and, now, therefore, be it

RESOLVED, That the Commission finds and determines that the Schematic Design submission is an Implementing Action within the scope of the Mission Bay Project analyzed in the FSEIR and requires no further environmental review beyond the FSEIR pursuant to the State CEQA Guidelines Section 15180, 15162 and 15163 for the following reasons:

- (1) the Implementation Action is consistent with the project analyzed in the FSEIR and does not require major revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and,
- (2) no substantial changes have occurred with respect to the circumstances under which the “Mission Bay Project” analyzed in the FSEIR will be undertaken that would require major revisions to the FSEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FSEIR; and,
- (3) no new information of substantial importance relating to the development of affordable housing on Block 3 East has become available, which would indicate that (i) the Block 3 East Project will have significant effects not discussed in

the FSEIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible, which would reduce one or more significant effects, have become feasible; or (iv) mitigation measures or alternatives, which are considerably different from those in the FSEIR, will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the FSEIR; and, be it further

RESOLVED, The Commission has reviewed and considered the FSEIR and Addenda, and hereby adopts the CEQA findings set forth in Resolutions No. 182-98 and No. 183-98 and hereby incorporates such findings by reference as though fully set forth in this Resolution; and be it further

RESOLVED, That the Commission approves the Combined Basic Concept and Schematic Design for the building on Block 3 East, 1150 3<sup>rd</sup> Street subject to the review and approval of the following conditions by the Executive Director, or her designee, for purposes of determining the Developer's compliance;

1. Developer shall submit a Building Signage Master Plan.
2. Developer shall further study the proportions and distance from finish floor of the windows of the residential units; consider a minimum distance of minimum distance of 2'6" from finish floor to facilitate a flexible arrangement of furniture within the units and a wider dimension for the bedrooms of units 1BR-A, 1BR+, second bedrooms of units 2BR-E and 2BR-F and the small bedrooms of units 3BR-A.
3. Prior to the submittal of construction documents, Developer shall submit a materials and color board; the materials and color board shall include all the different materials, colors and elements indicated in elevations.
4. Developer shall further study the design of the stairs and the handicapped accessible ramps between the ground floor and second floor courtyards so as to ensure the viability of the proposed arrangement.
5. Developer and its general contractor shall, prior to the start of any construction, meet with OCII staff to discuss noise regulations and hours of construction operation to ensure that they understand the existing regulations and do not work outside the allowed hours of operations. During construction, the Developer shall designate a single point of contact to address all construction related concerns from OCII, the City, residents of Mission Bay, and other stakeholders.
6. Developer shall comply with all applicable mitigation measures in the adopted Mitigation Monitoring and Reporting Program ("MMRP") as provided by the schedule in the MMRP.
7. Prior to its Design Development plans submittal to OCII for review, Developer shall provide the Block 3E Project's unit plans for review and approval of their livability.

8. Upon opening of the Project, Developer shall make the large community room and kitchen available for public use by Mission Bay residents. The Developer must include exterior signage indicating that the community room is available for public use. The Developer may charge members of the public for use of this space but any such fee will not exceed the fee charged to any resident seeking to secure the space for timed use. Access and use of the community room by the public will be detailed in the eventual gap loan agreement and ground lease.
9. Developer shall further study the types and patterns for paving in the interior courtyards and setback areas along 3rd Street, Lot A Vara, and Mission Rock Street.
10. Developer shall further study the elimination of recesses in the northeastern and southeastern interior units and common rooms (counseling, kid's rooms), to allow for more space in constrained dwelling units, and increase the width of interior corridors to augment the area and usability of interior spaces.
11. Developer shall further study the design of garage door grille, both to allow ventilation and to screen direct view of the interior of the garage from the street.
12. Developer shall further study additional architectural and sculptural play features for the interior courtyard.
13. Developer shall further study how to ensure that the treatment of the facades, both street and courtyard, shall retain the exterior expression of the interior described in the Schematic Design Documents.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of October 18, 2016.

*Lucinda Nguyen for Claudia Guerra*  
Commission Secretary