



110-0082023-013

Agenda Item **No. 5(d)**
Meeting of November 7, 2023

TO: Community Investment and Infrastructure Commissioners

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Authorizing a Personal Services Contract with ICF Jones & Stokes, Inc., a Delaware corporation, for environmental review services related to the development of affordable housing on Blocks 4 East and 12 West in the Mission Bay South Redevelopment Project Area, in an amount not to exceed \$440,817; Mission Bay South Redevelopment Project Area

EXECUTIVE SUMMARY

The Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”) authorizes a maximum of approximately 3,571 housing units to be constructed within the Mission Bay South Redevelopment Project Area (“Project Area”). The Mission Bay South Owner Participation Agreement (“South OPA”) implements the Redevelopment Plan and designates 34 percent of the total units, or 1,218 units, as affordable housing units to be developed and funded by the San Francisco Redevelopment Agency (“Former Agency”), now known as the Office of Community Investment and Infrastructure or “OCII.” The South OPA’s Housing Program requires the Owner, FOCIL-MB, LLC, to contribute parcels to OCII and requires OCII to develop and fund affordable housing units within the limits of the Redevelopment Plan and the South OPA. To date, the Former Agency and OCII have completed or entitled 1,053 affordable units. The remaining Agency Affordable Housing Parcels to be developed in the Project Area under the South OPA are Blocks 4 East and 12 West (see map in Attachment A).

Over many years, OCII and the Former Agency have maximized, within the current Redevelopment Plan and South OPA limits, the number of housing units developed on each site to advance the City’s goals for affordable housing. The cumulative effect of having maximized the density on affordable housing sites is that the remaining number of affordable housing units allotted to OCII for construction on Blocks 12 West and 4 East is limited to 165 units. This number is insufficient to cover the entirety of the remaining approximately 2.65

London N. Breed
MAYOR

Thor Kaslofsky
EXECUTIVE DIRECTOR

Bivett Brackett
CHAIR

Dr. Carolyn Ransom-Scott
Vanessa Aquino
Tamsen Drew
COMMISSIONERS

📍 One S. Van Ness Ave.
5th Floor
San Francisco, CA
94103

📞 415 749 2400

🏠 www.sfocii.org

acres of undeveloped land on these blocks at an appropriate density. OCII staff is therefore studying potential amendments to the Redevelopment Plan, the Design for Development for the Mission Bay South Project Area (“Design for Development”) and the South OPA (together, the “Plan Documents”). These amendments may increase maximum heights and modify bulk controls for developments on Blocks 4 East and 12 West to increase the total number of affordable housing units allowable in the Project Area, as deemed appropriate.

Amendments to the Plan Documents would involve environmental review, pursuant to the California Environmental Quality Act (“CEQA”), that would include the preparation of environmental studies and documents that require the expertise of an environmental review consultant. In coordination with the San Francisco Planning Department (“Planning”), OCII consulted Planning’s pre-approved panel of qualified environmental consultants, conducted a request for bids using this consultant panel, and received a satisfactory proposal from ICF Jones & Stokes, Inc. (“ICF”) to provide environmental review services. Staff worked closely with ICF to prepare a scope of services that would provide the analyses required by CEQA to assess the environmental effects of possible development scenarios on Blocks 4 East and 12 West. The proposed Personal Service Contract (“Contract”) with ICF is for an amount not to exceed \$440,817.

Staff recommends Commission approval of the Contract with ICF to prepare the environmental review of proposed amendments to the Mission Bay South Plan Documents to increase the number of affordable housing units developable on Blocks 4 East and 12 West in the Project Area.

BACKGROUND

On September 17, 1998, the Former Agency’s Commission approved the Redevelopment Plans for both Mission Bay North and Mission Bay South Project Areas, and their respective Plan Documents. Subsequently, on November 2, 1998, the Board of Supervisors of the City and County of San Francisco approved the Redevelopment Plans by Ordinance No. 335-98. The Mission Bay North Owner Participation Agreement (“North OPA”) and the South OPA were executed between the Former Agency and the original landowner and master developer, Catellus Development Corporation (“Catellus”). Catellus later transferred the North OPA and South OPA, along with their development rights and obligations, to FOCIL-MB, LLC (“FOCIL”). The South OPA has been amended nine times to modify development plans on several Mission Bay South parcels.

The North OPA and the South OPA are development agreements that authorize the construction of a maximum of 6,535 residential units in Mission Bay, of which 1,916 units (29%) are earmarked for affordable housing. In Mission Bay North, the affordable units are comprised of inclusionary units as well as units subsidized by the Former Agency in 100% stand-alone affordable housing projects on designated Agency Affordable Housing Parcels. In Mission Bay South, all affordable housing units are to be built on Agency Affordable Housing Parcels as 100% stand-alone affordable housing projects financed by the Former Agency or OCII.

Residential development in Mission Bay North is complete. Pursuant to the North OPA, a total of 2,266 market-rate and 698 affordable homes have been constructed. This equals a total of 2,964 units, of which 24% are affordable.

The South OPA calls for the development of 3,571 housing units in the Project Area, of which 1,218 units (34%) are required to be affordable. To date, 2,332 market-rate and 905 affordable residential units have been delivered, while 148 affordable units are under construction on Block 9A. In addition, 21 market-rate units are approved for a future development at the north side of the Chase Center site.

Over the twenty-four years that the Mission Bay South Redevelopment Plan has been in effect, OCII and its predecessor, the Former Agency, have prioritized the delivery of affordable housing as quickly and efficiently as possible by maximizing development opportunities on Agency Affordable Housing Parcels.

Below is a table detailing the status of affordable housing development in Mission Bay South:

Mission Bay South	Built	Under Construction	Remaining under South OPA
Affordable Units	905	148	165
Acreage	8.09	0.69	2.65

The remaining 165 affordable units to be built under the South OPA can be constructed on the two undeveloped Agency Affordable Housing Parcels, which cover 2.65 acres divided between Block 12 West at 1.6 acres and Block 4 East at 1.05 acres. The resulting development is very limited, low-scale and low-density, such as two townhomes surrounded by open space or surface parking - a building typology inappropriate for new construction in Mission Bay, and a missed opportunity for the delivery of affordable housing.

With the City's growing need for housing as outlined in San Francisco's 2023-2031 Regional Housing Needs Allocation, which calls for the creation of more than 82,000 units, including 46,000 units for low- and moderate-income households, OCII staff has performed test-fit studies which show that, under certain development parameters, approximately 815 additional affordable housing units could be added to the Mission Bay South affordable housing program.

The Mission Bay South Affordable Housing Program

Blocks 4 East and 12 West are designated Agency Affordable Housing Parcels in the South OPA. Attachment C of the South OPA, the Housing Program, provides details on the obligation of FOCIL, to contribute land to OCII for the development of affordable housing within the Project Area, and the total number of units designated as affordable.

Exhibit F to the Housing Program provides a map that indicates the Approved Sites for affordable housing. Moreover, FOCIL has executed a Declaration of Restrictions and Reservation of Easement ("DOR") that designates "Approved Sites" for transfer to OCII, for the development of affordable housing, including both Blocks 4 East and 12 West. This DOR is dated July 12, 2011, and was recorded on July 28, 2011, as Document No. 2011-J221597-00. as not yet provided a Memorandum of Option for Block 12 West.

The South OPA dictates that infrastructure and vertical parcels be developed in phases, defined as Major Phases. Block 4 East is a part of Mission Bay Blocks 2-7 & 13 Major Phase Application, which was approved by the Former Agency Commission on November 1, 2005. Block 12 West is a part of the Mission Bay Blocks 11 & 12 Major Phase Application, which was approved by the Former Agency Commission on September 18, 2007. In accordance with the process in the South OPA, Blocks 4 East and 12 West are currently owned by FOCIL and will be transferred by grant deed to OCII once a Development Notice is provided to FOCIL by OCII, informing FOCIL of a projected construction start date for the site. The South OPA and the Redevelopment Plan expire on November 2, 2028.

DISCUSSION

OCII is proposing to engage a consultant to provide environmental review services ("CEQA Services") to study the effects of increasing housing density and modifying bulk and height limits on Blocks 12 West and 4 East. To perform CEQA Services, a consultant team will need to evaluate development scenarios for these blocks that specify the maximum bulk and height of structures, building and tower locations, as well as a proposed land use program, which includes the maximum number of dwelling units, other land uses, open space, automobile and bicycle parking, and loading and vehicular circulation (together, the "Project Description").

Blocks 12 West and 4 East Programming for Development

The Project Description proposed to be studied for Blocks 4 East and 12 West includes three high-rise buildings and a mid-rise building providing a total of 980 units. Each block would include two buildings on two separate parcels with the option of shared podiums via the mapping of air rights. Maximum heights would range from 240 feet, or 24 stories, to 90 feet, or nine stories. Residential amenities would be consistent with affordable housing financing requirements, including open space, playground areas for children, laundry facilities, community rooms, and offices for on-site property management and resident services staff. Open space is proposed to be met through courtyards, roof terraces and solariums. (See Attachment B for images of the tower scenarios for these buildings within the context of the surrounding neighborhoods.)

The possible development scenarios for the blocks include the following:

Block 4 East

Block 4 East is an approximately 1.05-acre site which would be split into two parcels, on which each parcel would contain a residential tower with ground-floor retail and parking. A 190-foot tower would include 240 units and a 240-foot tower would include 298 units. The units would be a mix of one-, two- and three- bedroom units as well as a handful of four-bedroom and five-bedroom units.

Block 12 West

Block 12 West is a 1.6-acre site and would be split into two parcels, on which one parcel would accommodate a 90-foot midrise building with a childcare center, and the other would accommodate a 160-foot tower with a 90-foot wing. The 90-foot midrise building would include 182 units and the 160-foot tower and wing would include 260 units. The units would be a mix of one-, two- and three-bedroom units as well as a handful of four-bedroom and five-bedroom units.

The Project Description represents the highest density and the largest building envelopes for analysis of environmental effects, but the unit counts and building design may be constrained by construction costs, affordable housing financing, or other factors.

Personal Services Contract for CEQA Services

OCII staff issued a limited bid solicitation for environmental review and CEQA document preparation in early Fall 2022. OCII used Planning's environmental services consultant pool (Pool 1 Environmental (CEQA Services)) to select two high-ranked firms with experience on Mission Bay projects to request bid solicitations. Planning maintains this consultant pool from regularly released solicitations for as-needed services, including environmental review. Regarding the two selected firms for OCII's limited bid solicitation, one firm declined to provide a bid, leaving ICF as the sole respondent. Based on ICF's pre-qualification status with Planning, its work on the Mission Bay School Environmental Impact Report and its experience working with public agencies and on housing projects, OCII staff has deemed ICF a qualified contractor for this personal services contract.

ICF Qualifications

ICF is a consultancy firm with CEQA compliance and environmental planning expertise. Established in 1970, the company has over five decades of experience working on CEQA-related studies in San Francisco.

ICF has recently prepared or is currently preparing CEQA Services for several public or public-private partnership projects in the City and County of San Francisco, including:

1. San Francisco Planning Department's Housing Element 2022 Update
2. OCII's Transbay Block 4 Project
3. San Francisco Unified School District's Mission Bay School Project
4. Mayor's Office of Housing and BRIDGE Housing's Portero HOPE SF Master Plan
5. San Francisco Port Authority's Seawall Lot 337 and Pier 48 (Mission Rock) Projects

The ICF staff assigned under the OCII contract also have experience working with public agencies and an expertise in housing.

ICF has included subcontractors for the environmental review's technical studies as part of its proposal: a partnership between Adavant Consulting and LCW Consulting for the transportation analysis, Divis for geotechnical analysis, Prevision for shadow analysis, and CPP for wind analysis. Adavant/LCW Consulting, Prevision, Divis are San Francisco-based Small Business Enterprises ("SBEs").

Contract Scope and Schedule

Under the proposed personal services contract, ICF would prepare a Preliminary Checklist, technical reports and a CEQA document. The exact type of CEQA document would be determined after the first three tasks below are completed and the data and results are analyzed.

The scope of services of this proposed contract is divided into the below tasks. Each task is shown with a duration; however, some tasks may commence concurrently.

1. Project Initiation and Data Collection (4+ months)
2. Project Description (1 month)
3. Technical Reports on cultural resources, including historical and tribal cultural resources; preliminary geotechnical exploration; transportation and circulation; noise (construction and operations); air quality; shadow; and wind. (5 months)
4. Create Preliminary Checklist (2 months)
5. Draft, take comments, edit and finalize CEQA document based on results of above analyses (4 months)

ICF's proposed scope and timeline would result in a draft CEQA document as early as late 2024.

CONTRACT COSTS AND CONTRACT COMPLIANCE

Contracting teams must reflect a commitment and ability to successfully adhere to OCII policies regarding SBEs, nondiscrimination in contracts and benefits, minimum compensation and prevailing wage labor standards, and health care accountability. To date, ICF has achieved 31.2% SBE participation and will continue to work in good faith with OCII's contract compliance staff to increase SBE participation in the performance of the contract.

The below chart shows the ICF team's proposed SBE participation.

NAME OF FIRM	SBE	SCOPE OF SERVICES	% OF TOTAL CONTRACT AMOUNT	DOLLAR VALUE OF PROSPECTIVE PARTICIPATION
ICF		Project Management, Data Collection, Checklist, Drafting CEQA Document	47%	\$207,625
Adavant Consulting / LCW Consulting	SBE	Transportation Study	16%	\$68,740
CPP		Wind Study	15%	\$68,000
Prevision Design	SBE	Shadow Study	7%	\$28,840
Divis Consulting	SBE	Geotechnical Study	6%	\$27,537
		Contingency (10%)		\$40,074
TOTAL				\$440,816

CITIZENS ADVISORY COMMITTEE

The ICF contract was presented to the Mission Bay Citizens Advisory Committee ("MB CAC") at its June 8, 2023 meeting. The MB CAC voted to recommend the item to the Commission for approval. While members of the community did not have questions on the proposed contract or contractor, they did have questions about the proposed heights being studied.

The approval of commencing the CEQA study is the first step of several future actions for projects on these blocks that will come before the Commission and the MB CAC over the next several months and years.

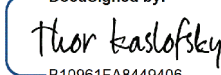
CALIFORNIA ENVIRONMENTAL QUALITY ACT

The Commission's authorization of the Contract with ICF is statutorily exempt from environmental review pursuant to CEQA Guidelines Section 15262, because it consists of the authorization of a planning study for possible future actions which the Commission has not yet approved.

NEXT STEPS

Upon Commission approval of the contract, OCII staff will authorize ICF to begin its scope of work, starting with data collection and the finalization of a Project Description, which includes the largest building envelope to be studied from an environmental perspective. For the overall development of Blocks 12W and 4E, OCII staff plans to conduct community outreach in conjunction with ICF's first task of completing a Project Description. Staff will return to the Commission with a briefing of the development plans for the site and to present feedback from the community.

(Originated by José Campos, Manager of Planning and Design Review)

DocuSigned by:

B10961FA8449406...
Thor Kaslofsky
Executive Director

Attachment A: Map of Mission Bay South Blocks 4 East and 12 West

Attachment B: Tower Scenarios for Mission Bay South Blocks 4 East and 12 West

ATTACHMENT A

MAP OF MISSION BAY SOUTH BLOCKS 4 EAST AND 12 WEST



ATTACHMENT B

TOWER SCENARIO FOR BLOCKS 4 EAST AND 12 WEST



MBS Block 4E



MBS Block 12W