



122-0012024-002

Agenda Item **No. 5(d)**
Meeting of May 21, 2024

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Authorizing the Executive Director to execute a Memorandum of Understanding with San Francisco Public Works for its Infrastructure Task Force to provide coordinating services for the completion of infrastructure improvements related to enforceable obligations in the Transbay Redevelopment Project Area in an amount not to exceed \$100,000 for Fiscal Year 2023-2024 and in amounts not to exceed \$100,000 annually in future fiscal years, subject to the annual appropriation of funds; Transbay Redevelopment Project Area

EXECUTIVE SUMMARY

In 2005, the Board of Supervisors of the City and County of San Francisco (the “City”) adopted the Transbay Redevelopment Plan (the “Plan”) to redevelop the Transbay Redevelopment Project Area (“Project Area”) and to generate funding from the development on 10 acres of State-owned property for the construction of the new Salesforce Transit Center (“STC”). The Transbay Redevelopment Project Area Implementation Agreement (“Implementation Agreement”) is an enforceable obligation which requires the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, hereafter referred to as the Office of Community Investment and Infrastructure (“OCII”) to “execute all activities related to the implementation of the Transbay Redevelopment Plan, including but not limited to, activities related to major infrastructure improvements.” Both the Plan and its related documents including the Project Area Design for Development (“Design for Development”), Development Controls and Design Guidelines (“DCDG”), and Streetscape and Open Space Concept Plan (“Streetscape & Open Space Plan”) (collectively, the “Related Plan Documents”) specified the infrastructure planning goals for the Project Area to enhance the livability of the new neighborhood surrounding the STC, such as:

London N. Breed
MAYOR

Thor Kaslofsky
EXECUTIVE DIRECTOR

Bivett Brackett
CHAIR

Dr. Carolyn Ransom-Scott
Vanessa Aquino
Tamsen Drew
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- The design of sidewalks and streets;
- Installation of street lighting and sidewalk furniture;
- Construction of public parks and open spaces; as well as
- Other improvements.

OCII is the master developer for the Project Area and works with developers and various City agencies to deliver the improvements and other elements of the Plan. Moreover, redevelopment of the Project Area is occurring in one of the older parts of the City where the street grid and underground infrastructure date back a century or more. As a result, significant coordination is needed between OCII and the City to realize the full vision of the Plan.

Public Realm Projects

OCII has hired San Francisco Public Works (“Public Works”) to assist with coordination of certain public realm improvement projects. The partnership between OCII and Public Works was needed to ensure City acceptance of these projects upon completion. Public Works provided project management, design and engineering, and City agency coordination services for the following three OCII Transbay projects:

1. Folsom Street Improvement Project
2. Block 3 Park and Street Improvements Project
3. Under Ramp Park Project

Transbay Temporary Terminal Site Projects

In early 2021 OCII accepted the transfer of the former Transbay Temporary Terminal site (“Temporary Terminal”) from the Transbay Joint Power Authority (“TJPA”) so that OCII could prepare the master block between Howard, Beale, Folsom, and Main Streets for development as Transbay Blocks 2, 3, and 4 in accordance with the Plan. Blocks 2 and 4 are being developed as high-density, mixed-use housing projects, and Block 3 will be a new public park. Two new public street extensions of Clementina (between Blocks 2 and 3) and Tehama (between Blocks 3 and 4) alleys will be constructed as well.

The transformation of the Temporary Terminal site into three development blocks and two new public rights of way require certain improvements stipulated by the Plan and its Related Plan Documents such as widened sidewalks programmed with new trees and plantings, street lighting, furniture, and pedestrian improvements. The redevelopment of the Temporary Terminal site also requires parcel mapping for Blocks 2, 3, and 4 for property development and transfers. Additionally, Blocks 2, 3, and 4 require coordination with City agency projects like bike and utility infrastructure projects, and roadway reconfigurations along Main and Beale Streets.

Memorandum of Understanding

The proposed Memorandum of Understanding (“MOU”) between OCII and Public Works will contract Public Works’ Infrastructure Task Force (“ITF”) to provide professional services assisting OCII in coordinating with City agencies on OCII’s Transbay projects. The MOU “Scope of Services” includes:

- Coordinating Transfer and Final Map review and approval with Public Works' Bureau of Street Use and Mapping ("BSM"), as needed.
- Reviewing of vertical and horizontal infrastructure projects' infrastructure designs.
- Coordinating Public Works Director's Orders and Public Works Director's Hearings.
- Processing Notices of Completion for infrastructure improvements.
- Guiding OCII's completed infrastructure projects for acceptance by the Board of Supervisors.
- Recording project maps, easements, or agreements.
- Attending monthly project meetings and field site visits.

The not-to-exceed fee for ITF's Transbay support services under this MOU is \$100,000 for each fiscal year. The MOU's budget will be approved annually with OCII's annual budget. The MOU will be needed for the remaining life of the Plan (which expires in 2035) or approximately 13 years for close out items ("MOU Term"). The cumulative amount to be spent through the MOU is approximately \$1,300,000 over this 13-year period. Finally, the MOU includes a 10% per annum contingency applied only to ITF's annual services estimate of approximately \$66,000. This equates to a contingency of about \$6,600 annually or just over \$92,000 over the term of the MOU.

Staff recommends approval of this MOU with Public Works.

BACKGROUND

The Design for Development was commissioned by the Redevelopment Agency of the City and County of San Francisco ("Former Agency") from a consultant team led by Skidmore, Owings, and Merrill and published in 2003. The document establishes conceptual frameworks for land use, urban form, streets and public spaces in the Project Area. Nearly two years later in June 2005, the Board of Supervisors adopted and approved the Plan and DCDG. The following year, the Former Agency and the San Francisco Planning Department ("Planning Department"), in collaboration with other City agencies and the TJPA, published the Streetscape & Open Space Plan. The Streetscape & Open Space Plan includes design elements related to the ten major streets and six public alleyways within the Project Area, as well as neighborhood parks and areas below bus and freeway ramps.

In accordance with the Plan and its Related Plan Documents, OCII's Project Area responsibilities include:

- Preparing specific former state-owned parcels for development as housing and retail;
- Developing the public open spaces comprised of those State-owned parcels not slated for sale to residential, commercial, or mixed-use developers as public open space; and
- Updating streetscape and alley designs to balance the needs of pedestrians, bicyclists, transit riders and motorists within the new mixed-use residential neighborhood.

With multiple development blocks in the Project Area now complete, the re-opening of the STC in July 2019, and OCII's acquisition of the Temporary Terminal site from the TJPA in early 2021, OCII has focused its work on the development of the Temporary Terminal master block, Under Ramp Park, and their respective streetscape and infrastructure improvements.

Temporary Terminal Redevelopment

The Temporary Terminal site bounded by Howard, Beale, Folsom, and Main Streets will be developed into four OCII-sponsored projects. Block 2 is being redeveloped by Chinatown Community Development Center and Mercy Housing as two affordable housing projects serving seniors and families totaling 335 units. Block 3 is designated by the Plan as a 1-acre public park, and Block 4 is zoned for a mixed-use, mixed-income residential project totaling as many as 681 units.

Additionally, two new public streets, extensions of Clementina and Tehama alleys, will be constructed between the new development blocks. The Clementina Street extension will feature signalized crosswalks at Main and Beale Streets, which requires coordination with the City's Municipal Transportation Agency ("SFMTA") since the crossings impact the vehicular right of way which is SFMTA's jurisdiction. OCII's projects are responsible for widening the sidewalks along Howard, Beale, Folsom and Main to improve pedestrian flow through the district, and SFMTA plans to install two new bike lanes along Beale and Main Streets that will connect to other bicycle facilities at Folsom, Howard, and Market Streets. Integrating these horizontal and vertical projects within the existing downtown street grid requires coordination between OCII, its development partners, and various City agencies including Public Works, SFMTA, and San Francisco Public Utilities Commission ("SFPUC") among others.

Under Ramp Park

OCII's Under Ramp Park project will be a 2.5-acre public open space that spans north-south from Howard Street to Folsom Street, and east-west from First Street to Essex Street in the Project Area. It will be located below the Interstate 80 Fremont Street off-ramp and the Transbay Transit Center bus ramp with approximately 25% of the site open to the sky. The park's design, includes changes to sidewalk dimensions, raised and protected bicycle crossings at Clementina and Tehama alleys to facilitate connections between the bikeways along Folsom and Howard, parking changes and curb painting, and new utility services, all of which require coordination between OCII and the same City agencies as the Temporary Terminal site

History and Role of the Public Works Infrastructure Task Force

Public Works is involved in the housing and infrastructure development approval process from the pre-entitlement project phase through City issuance of Certificates of Occupancy or Final Completion approvals. To help support large-scale development projects across the City, such as OCII's redevelopment project areas, in 2000 Public Works formed within its department the ITF to serve as a central point of contact between large developments and the various City agencies involved with new infrastructure development. Working with private developers as well as public and private development teams, the ITF serves as a central hub to interface with other City agencies that have jurisdiction over public infrastructure. The ITF assists developers and projects with the coordination, implementation, and acceptance of new public infrastructure supporting new projects and their communities. ITF also works with BSM to expedite project permitting and subdivision mapping actions. Through existing interagency cooperation agreements, the ITF has for many years played a key role in both the Mission Bay and Hunters Point Shipyard/Candlestick Point projects, and over the past year and a half has begun to support OCII's Transbay projects.

DISCUSSION

Scope of Services

ITF will provide the Scope of Services to facilitate OCII's development and implementation enforceable obligations of the Plan. A detailed description of Public Works ITF's Scope of Services to OCII is provided in Section 1 of the MOU.

Term

The MOU term will be 13 years which will enable OCII and ITF staff to collaborate on the completion of OCII's Transbay projects through the expiration of the Plan in June 2035 while allowing Public Works additional time to issue MOU close out invoices to OCII.

MOU Budget and Expenditure Authority

The total cost for ITF's services is \$100,000 annually, with a total not-to-exceed amount of \$1,200,000, which is based on:

- One retroactive payment of \$100,000 for ITF services rendered during FY 2023-2024 and
- An annual budget of \$100,000 for each of the 11 remaining years (beginning in FY 2024-2025) of the Transbay Plan.

Since FY 2020-2021, OCII has secured Recognized Obligation Payment Schedule ("ROPS") authority from the State Department of Finance to budget between \$50,000 - \$100,000 annually to cover ITF's Transbay services. Under this MOU, Public Works will be paid for the following ITF services rendered between July 1, 2023 – June 30, 2024:

- Facilitating the Transfer Map approval for Transbay Blocks 2, 3, and 4 and the Final Map approval for Transbay Blocks 2 East and 2 West;
- Block 2 Street Improvement Permit plan review and coordination with City departments;
- Coordination of infrastructure development between the two Block 2 affordable housing developments and the Block 3 park; and
- Design review, logistics planning and City acceptance guidance for the planned widened sidewalks along Main and Beale Streets along Transbay Blocks 2, 3, and 4.

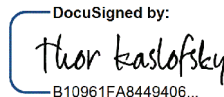
Going forward, MOU costs incurred after July 1, 2023, shall be billed to OCII on a quarterly basis for the duration of the MOU term. The following table provides a detailed breakdown of the \$100,000 annual ITF services in support of the Transbay Plan implementation.

Public Works Staffing	Budget
ITF Manager	
Project Manager	
Eng Review	
Admin	
Bureau of Street Use and Mapping	
Monthly Subtotal	\$7,488.59
Yearly	\$89,863.13
Contingency (10%)	\$8,986.31
Total	\$98,849.44
TOTAL ROUNDED	\$100,000.00

STAFF RECOMMENDATION

Staff recommends approving the MOU for a budget of \$100,000 annually, to be approved through OCII's annual budget, for an aggregate amount not-to-exceed of \$1,200,000 and a term of 13 years.

(Originated by Benjamin Brandin, Transbay Project Manager)

DocuSigned by:

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Thor Kaslofsky
Executive Director

Attachment 1: Transbay Redevelopment Project Area map

TRANSBAY REDEVELOPMENT PROJECT AREA



Under-Ramp Park
Acres: 2.4

Parcel F
Developers: Hines/Urban Pacific/Goldman Sachs
Total Units: 165 (est.)
Office Sq. Ft.: 287,000
Hotel Rooms: 250
Construction Start: TBD
Completion: TBD

Parcel T
101 First St.
Salesforce Tower
Developers: Boston Properties/Hines
Office Sq. Ft.: 1.4 Million
Construction Start: 2014
Completion: 2017



Block 5
250 Howard St.
Park Tower
Developers: Golub/John Buck
Office Sq. Ft.: 767,000
Const. Start: 2015
Completion: 2018



Block 9
500 Folsom St.
Developers: Essex/ BRIDGE
Aff. Rental Units: 109
AMI: 50% & below
MR Rental Units: 428
Total Units: 537
Construction Start: 2016
Completion: 2020



Block 8
450 Folsom St. & 250 Fremont St.
Developers: Related/TNDC
Aff. Rental Units: 150
MR Rental & Condo Units: 396
AMI: 70 Inclusionary Units @ 50% /
80 OCII sponsored Units @ 50%
Total Units: 548
Construction Start: 2016
Completion: 2019



Block 11
25 Essex St.
Rene Cazenave Apartments
Developers: BRIDGE/CHP
Aff. Rental Units: 120
AMI: 50% & below
Total Units: 120
Construction Start: 2011
Completion: 2013

Essex Open Space
Acres: .5



Block 6
280 Beale St. / 299 Fremont St.
Developers: Golub/Mercy
Aff. Rental Units: 70
MR Rental Units: 409
AMI: 50% & below
Total Units: 479
Construction Start: 2013
Completion: 2016



Block 7
255 Fremont St./250 Beale St.
Developer: Mercy
Aff. Rental Units: 120
AMI: 50% & below
Construction Start : 2016
Completion: 2018

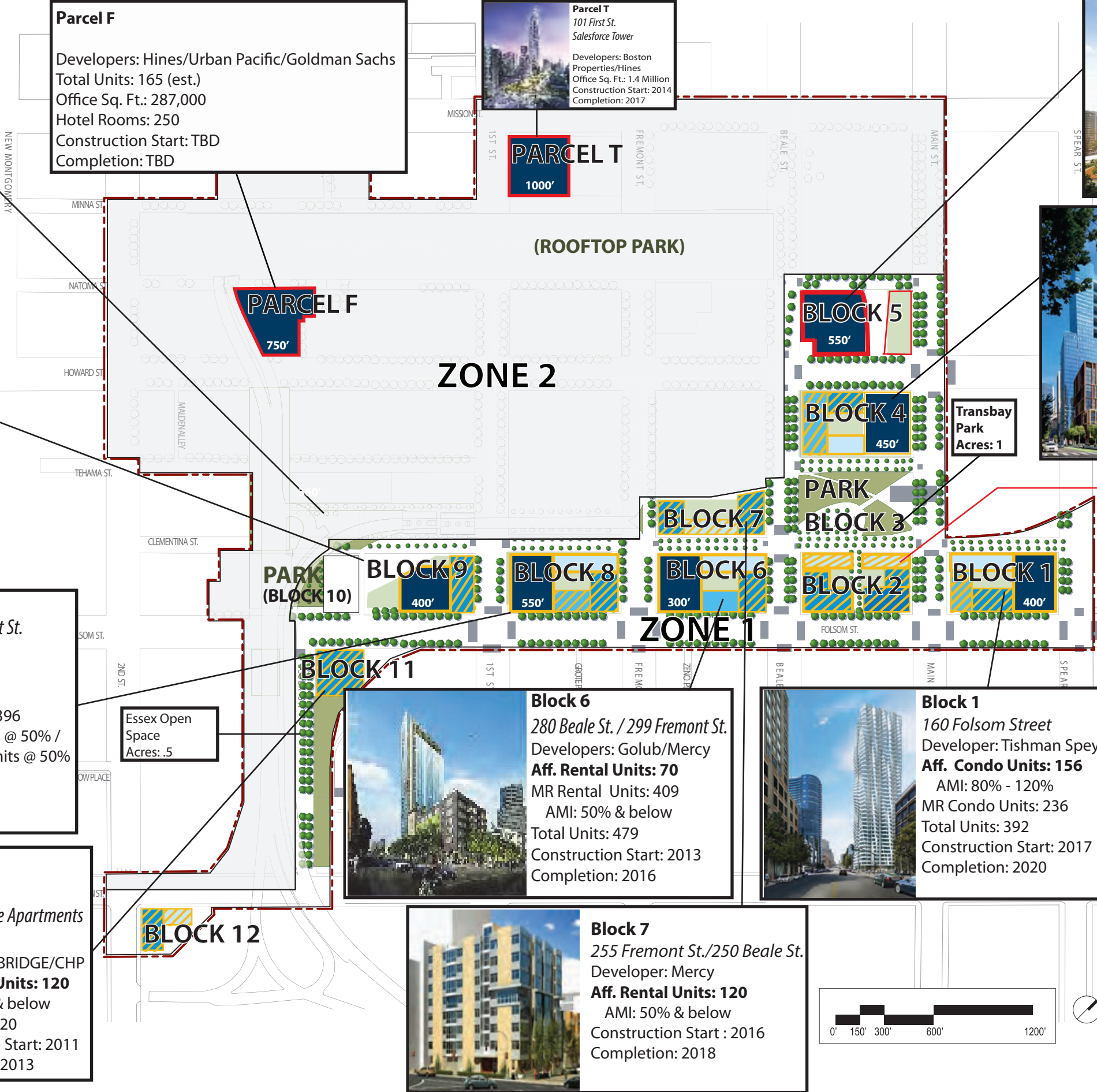


Block 1
160 Folsom Street
Developer: Tishman Speyer
Aff. Condo Units: 156
AMI: 80% - 120%
MR Condo Units: 236
Total Units: 392
Construction Start: 2017
Completion: 2020



Block 4
Developer: Hines/UrbanPacific /Goldman Sachs/Mercy
100% Aff. Rental Units: 201 + 1 Mgr Unit
AMI: 40% - 100%
Tower BMR Rental Units: 105
AMI: 100% - 120%
Tower MR Rental Units: 219
Tower MR Condo Units: 155
Total Units: 681
Construction Start: 2024
Completion: 2028

Block 2
2W Developer: Chinatown Community Development Center
2W (Aff. Senior); 151 Units Incl. 1 Mgr. Unit
2E Developer: Mercy
2E (Aff. Family); 184 Units Incl. 1 Mgr. Unit
Total Units: 335
Construction Start: 2024
Completion: 2026



TRANSBAY REDEVELOPMENT PROJECT AREA

ZONE 1 ZONE 2

LAND USE (SUBJECT TO CHANGE)

- AFFORDABLE HOUSING
- MARKET RATE HOUSING
- COMMERCIAL

OPEN SPACE

- OPEN SPACE (PUBLICLY OWNED)
- OPEN SPACE (PRIVATELY OWNED)

PROPOSED HEIGHT LIMITS (MIN AND MAX)

- Townhomes: 35-50'
- Podium 1: 40-65'
- Podium 2: 50-85'
- Mid-Rise: 65-165'
- Towers (Height Varies)

Aff. = Affordable | MR = Market-Rate
BMR = Below Market-Rate

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