

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 43-2022

CONDITIONALLY APPROVING THE SCHEMATIC DESIGN OF A MIXED-USE AFFORDABLE HOUSING PROJECT OF APPROXIMATELY 184 RENTAL UNITS, APPROXIMATELY 1,959 SQUARE FEET OF RETAIL SPACE, AND AN APPROXIMATELY 6,447 SQUARE FOOT CHILDCARE FACILITY AT THE EASTERN HALF OF BLOCK 2 OF ZONE ONE OF THE TRANSBAY REDEVELOPMENT PROJECT AREA; TRANSBAY REDEVELOPMENT PROJECT AREA

WHEREAS, In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq. the “Community Redevelopment Law”), the Redevelopment Agency of the City and County of San Francisco (“Former Agency”) undertook programs for the redevelopment of blighted areas in the City and County of San Francisco (“City”), including the Transbay Redevelopment Project Area (“Project Area”); and,

WHEREAS, The Board of Supervisors of the City and County of San Francisco (“Board of Supervisors”) approved the Redevelopment Plan for the Transbay Redevelopment Project Area by Ordinance No. 124-05 (June 21, 2005) and by Ordinance No. 99-06 (May 9, 2006), as amended by Ordinance No. 84-15 (June 18, 2015) and Ordinance No. 62-16 (April 28, 2016) (“Redevelopment Plan”); and,

WHEREAS, The Redevelopment Plan establishes the land use controls for the Transbay Redevelopment Project Area (“Project Area”) and divides the Project Area into two subareas: Zone One, in which the Redevelopment Plan and the Development Controls and Design Guidelines for the Transbay Redevelopment Project (“Development Controls”) define and regulate land uses, and Zone Two, in which the Planning Code applies. Zone One is intended to be developed with predominantly residential uses. The Office of Community Investment and Infrastructure (“OCII”) solely administers and enforces land use entitlements for property and projects in Zone One and has delegated its authority over projects that do not require Successor Agency action in Zone Two to the San Francisco Planning Department pursuant to that certain Delegation Agreement between the Former Agency and the Planning Department for the Transbay Redevelopment Project Area (May 3, 2005); and,

WHEREAS, The Development Controls set forth development requirements and design guidelines that apply to development within the Project Area and implement the Redevelopment Plan’s authorization for the development of land uses within Zone One and provide additional guidance for the development of Zone One, including Transbay Block 2 (“Block 2”), Assessor’s Block 3739 Lot 014. Block 2 comprises an approximately 42,627 square-foot parcel generally located at 200 Folsom Street, bounded by Folsom, Main and Beale Streets and extending approximately 155 feet northwest from Folsom Street (the “Site”); and,

WHEREAS, By Resolution No. 09-2021 (April 6, 2021), the Commission authorized the Executive Director to enter into an Exclusive Negotiations Agreement (“ENA”) with affiliates of Mercy Housing California (“Mercy”) and Chinatown Community Development Center (“CCDC”) (together, the “Co-Developers”) to undertake predevelopment activities on Block 2 with the expectation that the ENA would lead to long-term ground leases and the construction of improvements; and,

WHEREAS, The Commission, through its approval of the ENA, adopted a Design Review and Document Approval Procedure (“DRDAP”) that sets forth the procedure for design submittals of the plans and specifications for the development of the Project. Under the DRDAP, project approval shall consist of three components or stages, Schematic Design Documents, Design Development Documents and Final Construction Documents. Schematic Design Documents shall relate to schematic design level of detail for the Project and the review of OCII shall include consideration of such items as the architectural design, site planning and landscape design; and,

WHEREAS, The Co-Developers have submitted two Schematic Design Documents for Block 2. The combined program will provide a total of 335 residential units and 11,351 square feet of commercial space, and related streetscape improvements. In accordance with the Development Controls, Block 2 is divided by a 25-foot-wide publicly accessible pedestrian mews running north to south through the center of the Site. The proposed building located to the east of the pedestrian mews includes 184 rental housing units (183 affordable units and one unrestricted manager’s unit) that will serve low-income households and formerly homeless households, resident-serving amenities, approximately 1,959 square feet of retail space, and an approximately 6,447 square foot childcare facility (the “2 East Project”). Mercy will be the lead developer and long-term owner and operator of the 2 East Project (Mercy is the “2 East Project Sponsor”). The proposed building located to the west of the pedestrian mews includes 151 rental housing units (150 affordable units and one unrestricted manager’s unit) that will serve low-income senior households and formerly homeless seniors, resident-serving amenities, and 2,945 square feet of retail space (the “2 West Project”). CCDC will be the lead developer and long-term owner and operator of the 2 West Project. Together, the Blocks 2 East and West Projects comprise the “Block 2 Project”; and,

WHEREAS, To accommodate the proposed program, the Co-Developers have requested amendments to certain provisions of the Development Controls applicable to Block 2 and an amendment to the Redevelopment Plan for the Transbay Redevelopment Project Area (“Redevelopment Plan”) to facilitate an increased massing and thus an increased number of affordable housing units for the Block 2 Project; and,

WHEREAS, The Development Controls allow the Agency to establish a lower ratio of off-street loading spaces than what would otherwise be required, based on a development-specific loading scenario. The Development Controls require a ratio of one off-street loading space for a development the size of the Block 2 Project. The Co-Developers prepared a development-specific loading scenario that proposed the

Block 2 Project's loading demand be met at designated on-street loading spaces surrounding the Site without the provision of an off-street loading space, curb cut or driveway ("Block 2 Project Loading Scenario"). The Block 2 Project Loading Scenario is on page 108 of the 2 East Project Schematic Design Document and has been reviewed by OCII staff, by City staff at the San Francisco Public Works and San Francisco Municipal Transportation Agency departments, and by representatives of the City's waste management contractor, Recology, who have determined that the Block 2 Project Loading Scenario adequately fulfills the requirements to meet the Block 2 Project's future demand for commercial and residential loading, ongoing commercial and residential pick-up and delivery of goods and waste products, and passenger pick-up and drop-offs, without the need for an off-street loading space on the Site; and,

WHEREAS, By Resolution No. 41-2022 adopted concurrently with this Resolution, the Commission approved an amendment to the Redevelopment Plan for the Transbay Redevelopment Project Area ("Redevelopment Plan") to increase a certain maximum floor plate size on Block 2 (the "Plan Amendment"); and,

WHEREAS, By Resolution No. 42-2022 adopted concurrently with this Resolution, the Commission approved an amendment to the Development Controls, consistent with the Plan Amendment, to revise certain provisions of the Development Controls applicable to Block 2, as more particularly identified in Resolution No 42-2022, the "Development Control Amendment"; and,

WHEREAS, OCII, in consultation with the San Francisco Planning Department and other City Agencies, has reviewed and recommends approval of the 2 East Project's Schematic Design Document, which is consistent the Redevelopment Plan, as amended by Resolution No. 41-2022, and accompanying Plan Documents, including the Development Controls, as amended by Resolution No. 42-2022; and,

WHEREAS, A presentation of the Schematic Designs for the 2 East Project (along with the Schematic Designs for the 2 West Project), including the 2 East Project's need for a Plan Amendment and Development Controls Amendment, was reviewed and approved by the Transbay Citizens Advisory Committee ("CAC") at its September 8, 2022, meeting; and,

WHEREAS, Under the DRDAP, the Commission shall review and approve, conditionally approve, or disapprove the application for Schematic Designs. The 2 East Project Sponsor has created an attractive development project and has responded to OCII's and the CAC's comments and revisions to the design for the 2 East Project. However, as is typical with large development projects, a number of detailed items remain to be resolved in subsequent Project approval stages (i.e., Design Development Documents and Final Construction Documents); and,

WHEREAS, A copy of the 2 East Project Schematic Design Document is on file with the Commission Secretary in the OCII office and attached to this resolution as Exhibit A; and,

WHEREAS, On November 1, 2022, the Commission adopted Resolution No. 39-2022 by which the Commission determined that the Final Environmental Impact Statement/Environmental Impact Report for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project (the "FEIS/EIR" as defined in said resolution), together with further analysis provided in Addendum No. 10 to the FEIS/EIR (the "Addendum" as defined in said resolution), remains adequate, accurate, and objective and in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq., "CEQA") and the CEQA Guidelines (14 California Code of Regulations Sections 15000 et seq.) for purposes of evaluating the potential environmental effects of the Proposed Actions (including approval of the 2 East Project's Schematic Design Document); and,

WHEREAS, The environmental effects of the development of the Block 2 Project in accordance with the Schematic Design Document have been analyzed in the environmental documents as described in Commission Resolution No. 39-2022. Copies of the FEIS/EIR and Addendum No. 10 are on file with the Commission Secretary; and,

WHEREAS, OCII staff has reviewed the Schematic Design Document and, in accordance with its Commission Memorandum and supporting information provided to the Commission and incorporated herein by reference, finds the Schematic Design Document to be acceptable and consistent with the goals, objectives and requirements of the Redevelopment Plan and the Development Controls (each as amended concurrently with this resolution), and recommends approval thereof; now therefore be it

RESOLVED, That in Resolution No. 39-2022, the Commission adopted findings that various actions, including approval of the Schematic Design Document for the 2 East Project, were in compliance with CEQA and the CEQA Guidelines, said findings, which are on file with the Commission Secretary, being in furtherance of the actions contemplated in this Resolution and made part of this Resolution by reference herein; and, be it further

RESOLVED, That for the purposes of compliance with CEQA and the CEQA Guidelines, the Commission hereby adopts the findings and determinations set out in Resolution No. 39-2022, adopted concurrently herewith, that the Schematic Designs for the Block 2 Project are within the scope of the project analyzed by the FEIS/EIR and its Addendum No. 10; and, be it further

RESOLVED, The Commission hereby approves the Schematic Design Document for the 2 East Project, attached hereto as Exhibit A, conditioned upon the effectiveness of the Plan Amendment and subject to the following conditions, which require further review and approval by the Executive Director, or his designee:

CONDITIONS OF APPROVAL:

Beginning in Design Development the Developer shall:

1. **Coordination with 2 West Project.** Continue close coordination with CCDC and the Block 2 architects throughout the remaining design phases of the 2 East Project and of the 2 West Project, and through the construction of the entire Block 2 Site, to ensure cohesive designs, and implementation of said designs, that seamlessly unite the western half with the eastern half of the Site in accordance with the Block 2 Schematic Design Documents and their Conditions of Approval. Coordinate with CCDC and the Block 2 architects, consultants, contractors, and future tenants to ensure that the Block 2 ground-level mews, courtyards and streetscape improvements are designed, developed, and maintained in a harmonious manner, emphasizing the public or shared nature of the spaces, human activation, retail activation, and safety.
2. **Building Exterior Materials and Colors.** Continue to develop and refine the building exterior materials palette, wall systems, glazing, screening and other materials, in coordination with OCII staff.
 - a. Materials palette must demonstrate durability, quality, color, variety, and visual interest, especially at the ground floor.
 - b. Outline graffiti prevention strategies and demonstrate the durability and/or replaceability of ground-floor materials. Specify graffiti coating for ground-floor utility doors and unitized concrete panels, as well as all exposed concrete.
 - c. Materiality of stoops and stoop planters shall be subject to further coordination with OCII staff to ensure compatibility with the Clementina Streetscape and the design of the Transbay Block 3 Park.
 - d. Explore additional opportunities to incorporate locally sourced materials to establish a palette that works with climate, light, neighborhood context, history, and culture. Sustainable and recycled materials are highly encouraged.
 - e. Physical material and color samples shall be provided to OCII in advance of mock-up design and construction.
3. **Architectural Mock-Up Scope.** Prior to Construction Document submittal and in advance of purchasing building materials, provide scope and plans for a physical design mock-up, including primary building materials, color palette, wall systems, glazing and detail installation. OCII staff shall approve a) mock-up plans prior to mock-up construction, and of b) mock-up materials, as per Construction Documents, and their application, after OCII's staff mock-up observations and prior to materials purchases and shipping.
4. **Landscape Plans.**
 - a. Provide detailed landscape plans, including plans for the pedestrian mews and common residential courtyards, the childcare courtyard, all building setback zones, patios and stoops, and mechanical and utility screening.
 - b. Provide enlarged landscape plans and sections showing details for all planting, paving, and furnishing on Main, Folsom and Clementina Streets. Drawings shall include all underground utility lines and their clearances, proposed soil conditions encouraging root growth away from utility lines, and irrigation systems, etc.
 - c. The Main Street sidewalk shall be designed to extend the character of the public right-of-way community gathering spaces, as exists on Main Street to the south of Folsom Street with seating designed to encourage small group conversations. Paving at these gathering spaces may be highlighted through color and/or texture of materials.

- d. To enhance the pedestrian experience along the pedestrian mews, ensure that the landscaping on the childcare pavilion rooftop open space is visible at eye-level from the pedestrian mews.
 - e. The setback zone shall be used to create a transition zone between private use and the public realm. The setback zone shall be landscaped with high quality materials from the building edge to the public sidewalk. Landscaping shall mitigate all ground-floor blank wall areas adjacent to public rights-of-way and the pedestrian mews.
 - f. All landscape plans are subject to further review and approval by OCII.
- 5. **Unit Layouts.** In coordination with OCII staff, further study the unit layouts, floor to ceiling heights, and other residential elements that may impact livability of the units. This may include but is not limited to:
 - a. Continued study of the location of structural columns in the living spaces of the units and identifying methods to minimize or mitigate undesirable column protrusions or creation of “dead spaces” or otherwise unusable square footage. In particular, review Floors 3-5/1-D and Floors 8-15/1-H unit type layouts to determine the feasibility and cost of having the column shifting part way up the building and/or adding another column.
 - b. Close coordination of structural, mechanical, electrical, and plumbing elements to limit ceiling soffits and maintain the highest possible floor-to-ceiling heights in as much of unit living areas as possible.
- 6. **Open Space Parcel Fencing.** Continue to develop the designs, scale, materiality and transparency of the fence proposed for the childcare courtyard area of the open space parcel, as visible from the publicly accessible pedestrian mews. The final fence design for this area is subject to further review and approval by OCII.
- 7. **Value-Engineering and Substantive Design Changes.** If substantive exterior architectural design elements are reconsidered post-Schematic Design approval, the Developer shall engage OCII staff early in the value-engineering process and all exterior architectural value-engineering decisions shall be subject to further review and approval by OCII.
- 8. **Glazing and Transparency.** Aside from potential opaque glazing necessary to screen mechanical and utility uses, clear, un-tinted low-reflectivity glass shall be used to reduce glare and allow maximum visual interaction between exterior and interior of the building, particularly at the ground-floor. Maintain the approved proportion of glazed surface façade area on all building elevations, as shown in the Schematic Design submittal.
- 9. **Utility and Mechanical Infrastructure.** All mechanical equipment shall be located within the building footprint, below pedestrian grade or on the roof, per the approved Schematic Design. No additional meters or mechanical equipment shall be located within setback zones or within the pedestrian mews, unless required by a utility provider. In such case, utility provider requirements must be documented and proposed mechanical locations and screening will be subject to further OCII review and approval.
- 10. **Ground-Floor and Retail Facades.** Design of the ground-floor facades shall be subject to further design review to ensure that the frontage (1) activates the pedestrian realm and maintains a pedestrian scale, (2) maximizes glazing transparency, and (3) integrates with the overall building design.

11. **Retail Exhaust.** Ducts, exhaust pipes and other appurtenances associated with commercial uses adjacent to the open space parcel shall be integrated into the building. No ducts or exhaust pipes should encroach within areas designated for open space. All Type I retail kitchen exhaust shall vent through the roof and any noise or odor impacts from Type II retail vents adjacent to the public realm or pedestrian mews shall be fully mitigated.
12. **Residential Soundproofing.** Ensure sufficient soundproofing in residential units that are adjacent to common amenity spaces, such as commercial spaces and common courtyards.
13. **Roofscape.**
 - a. Roof design should utilize non-reflective, low intensity colors.
 - b. Further develop any rooftop mechanical equipment screening. Rooftop mechanical equipment, with the exception of solar PV infrastructure, shall be screened from view from the public realm. Mechanical screens shall form part of the building top composition and consist of materials consistent with the overall building color and material palette.
14. **Townhouse Parcel Roofline.**
 - a. Continue to study the design of the Townhouse building's roofline to ensure the rhythm and modulation of the residential bays are maintained.
 - b. Roofline railing and glass should be as inconspicuous and transparent as possible, and compatible with the building's architecture.
15. **Signage.** Developer shall submit a signage plan prior to or concurrent with the Design Development submittal. All building signage, including building name, common space and wayfinding signage, as well as retail storefront signage locations, shall be subject to further OCII staff review and approval during Design Development, or may be deferred to the Construction Document phase at OCII's discretion. Detailed retail signage will be part of separate tenant improvement permits.
16. **Lighting Plan.** Provide a detailed building lighting plan. Lighting should be subtle and reinforce the overall façade design.
17. **Phasing Plan.** Describe any anticipated phasing of construction or temporary improvements, including temporary or interim parking facilities, construction staging areas, and interim infrastructure, if any, shall be indicated. Address construction phasing and access to the Site considering the possible unavailability of the Clementina parcel due to its buildout.
18. **Retail Vendor Cart at Mews.** The final configuration and features of the proposed retail vendor cart station, including proposed utility connections, along the pedestrian mews shall be subject to further review and approval by OCII.
19. **Streetscape.**
 - a. Continue to coordinate the Clementina streetscape design with San Francisco Public Works for crosswalk locations, signalized crossing infrastructure (signal light locations, electrical conduit, etc.), curb layouts, bulb-out configurations, and street light locations.
 - b. Inform and coordinate with San Francisco Public Works on the final plans specifying tree and paving band spacing, as well as a photometric analysis to confirm street light locations.
 - c. Continue to coordinate the design and materiality of streetscapes for Main and Folsom Streets per requirements of various City Departments.

In advance of the start of construction, Building Permit issuance, materials procurement, and Tenant Improvements (“TI”), the Developer shall:

1. **Construction Communication.** During construction, the Developer shall designate a single point of contact to address all construction-related concerns from OCII, the City, residents of Transbay and other stakeholders.
2. **Architectural Mock-Up Construction.** Prior to procuring façade materials, construct a physical material mock-up to allow for OCII, design team, and contractor review of material durability, texture, color and detail installation.
3. **Ground-Floor Activation.** Prior to TIs, the Developer shall inform tenants of the Project’s commitment to the activation of the public realm by enhancing the pedestrian experience on public streets and along the mews. This includes ensuring that the TIs conform to the Schematic Design, the Development Controls and Design Guidelines for the Transbay Redevelopment Project and the Planning Department’s Standards for Storefront Transparency. No vinyl adhesives or film on ground-floor glass surfaces shall be permitted. Ground-floor childcare and residential uses, including amenity spaces, shall be allowed to use internal window coverings, such as drapery or adjustable blinds, for privacy.

I hereby certify that the foregoing resolution was adopted by the Successor Agency Commission at its meeting of November 1, 2022.

Commission Secretary

EXHIBIT A: Transbay Block 2 East Project Schematic Design Document