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Case Report

Candlestick Point – Hunters Point Shipyard Phase 2 Development Project

HEARING DATE: JUNE 3, 2010

Date:	May 20, 2010
Case No.:	2007.0946BEMRTUZ
Project Location:	Candlestick Point and Hunters Point Shipyard Phase 2
Current Zoning:	RH-2 (Residential, House Two Family) RM-1 (Residential, Mixed Low Density) P (Public) M-1 (Light Industrial) 40-X Height and Bulk District OS Height and Bulk District
Project Sponsor:	San Francisco Redevelopment Agency / Office of Economic and Workforce Development / CP Development Co.,LP
Staff Contact:	Mat Snyder – (415) 575-6891 mathew.snyder@sfgov.org
Recommendation:	**Approval**

SUMMARY

On June 3, 2010 the Planning Commission in a joint meeting with the Redevelopment Agency ("Agency") Commission will consider a series of approval actions related to the Candlestick Point – Hunters Point Shipyard Phase 2 Development Project (the "Project"). Over the past few years, and more recently over the past three months the Commission has been given informational presentations on a number of components of the Project including: the Design for Development Documents, Redevelopment Plan Amendments, General Plan, Zoning Map and Planning Code Text Amendments, Cooperation Agreement, Disposition and Development Agreement, Project phasing, sustainability and infrastructure components, Transportation Plan, Community Benefits Plan, Below Market Rate Housing Plan and workforce and economic development components of the Project. The following is a summary of actions that the Planning Commission will consider at the hearing, which are required to implement the Project:

1. **Certification of the Final Environmental Impact Report for the Project**
2. **Adoption of CEQA findings**
3. **Approval of Amendments to the General Plan (as described below)**
4. **Approval of Amendments to the Planning Code (as described below)**
5. **Approval of Amendments to the Zoning Map (as described below)**

6. **Adoption of General Plan and Planning Code Section 101.1 Consistency Findings**
7. **Approval of the amendments to the Bayview Hunters Point Redevelopment Plan and Hunters Point Shipyard Redevelopment Plan and recommending approval to the Board of Supervisors; and making findings under Planning Code section 320-325. (as described below)**
8. **Approval of the Cooperation Agreement (as described below)**
9. **Approval of the Design for Development Documents (as described below)**

PROJECT BACKGROUND

The Hunters Point Shipyard Phase 2-Candlestick Point integrated development project covers approximately 702-acres along the southeastern waterfront of San Francisco., The Office of Economic and Workforce Development (OEWD) has been overseeing of the planning for the Project taking it through its multi-facetted and extensive review process. The Project has been reviewed and discussed in over 230 public meetings including meetings with the two community-based advisory organizations that oversee the Project site (the Hunters Point Shipyard Citizens Advisory Committee ("CAC") and the Bayview Hunters Point Redevelopment Project Area Committee ("PAC"), the Agency Commission, the Board of Supervisors, the Planning Commission and other City commissions, along with other local forums.

In May 2007, the Mayor, the Board of Supervisors, the Agency Commission, and PAC and CAC, endorsed a "Conceptual Framework" for the integrated redevelopment of Candlestick Point and Phase 2 of the Shipyard (Phase 1 of the Shipyard was approved and is under construction). The Conceptual Framework envisioned a major mixed-use project, including hundreds of acres of new and restored waterfront parks and open space, thousands of new units of housing including a robust affordable housing program, extensive job-generating retail and research and development uses, permanent space and renovated for the artist colony that exists in the Shipyard and a site for a potential new stadium for the 49ers on the Shipyard.

In April 2007, the Planning Department also entered into a Memorandum of Understanding ("MOU") between the City, the Planning Department, the Recreation and Park Department, the Mayor's Office, and the Redevelopment Agency. The MOU provides for the City and the Agency to cooperate with one another to facilitate the planning of Candlestick Point and Phase 2 of the Shipyard as one integrated development project consistent with Conceptual Framework.

In June 2008, City voters approved Proposition G, an initiative petition measure named the Bayview Jobs, Parks, and Housing Initiative, regarding plans to revitalize the Project site. Proposition G: (i) adopted overarching policies for the revitalization of the Project site; (ii) authorized the conveyance of the City's Recreation and Park interests within Candlestick Point in furtherance of the Project, provided that there is a binding commitment to replace the transferred property with other property of at least the same acreage that will be improved and dedicated as public parks or open space in the Project; (iii) repealed Proposition D and Proposition F relating to prior plans for the development of a new stadium and retail

entertainment project on Candlestick Point; and (iv) urged the City, the Agency and all other governmental agencies with jurisdiction to proceed expeditiously with the Project.

PROJECT DESCRIPTION

Consistent with Conceptual Framework and Proposition G, the proposed land use and development program on the Shipyard and Candlestick Point include the following elements:

- 10,500 residential housing units, of which 31.86% (3,345) will be below market. The housing program includes the complete rebuilding of the Alice Griffith Public Housing Development, also known as Double Rock, to provide one-for-one replacement of existing units targeted to the same income levels as those of the existing residents and phased to ensure that residents have the opportunity to move directly to the new units.
- 2,500,000 sq. ft. of research and development uses including office and light industrial uses targeting emerging industries and technologies such as green technology.
- 150,000 sq. ft. of office and other commercial uses on Candlestick Point.
- 336 acres of new and restored open space and active recreation areas inclusive of the dual use stadium parking lot (project description), which includes neighborhood parks within Candlestick Point and the Shipyard, new waterfront parks around the entire perimeter of the Shipyard connecting to the region's Bay Trail, and a major renovation of the Candlestick Point State Recreation Area with restored habitat areas and public access to the water.
- 635,000 sq. ft. of regional retail on Candlestick Point.
- 125,000 sq. ft. of neighborhood-serving retail on both the Shipyard and Candlestick Point.
- Permanent new and renovated space for the existing Shipyard artists as well as an arts education center.
- A 150,000 sq. ft. (220-room) hotel on Candlestick Point.
- A 10,000-seat performance venue on Candlestick Point.
- A potential new 69,000-seat, world-class football stadium for the 49ers.
- New public and community facilities on both the Shipyard and Candlestick Point, including a new fire station on the Shipyard and space for an expanded police station or school on Candlestick Point.
- A 300-slip marina on the Shipyard.

The Project also include two non-stadium alternatives, one that would expand research and development space on the Shipyard, and another which for provides a mix of residential and research and development uses on the stadium site. Should the 49ers choose not to relocate to the Shipyard, the Hunters Point Shipyard Redevelopment Plan allows for housing and additional research and development land uses to replace the stadium and associated parking lots. The Shipyard Redevelopment requires that in order for housing to be developed on the stadium site, any environmental conditions or plan restrictions placed on the property by the United States Navy, United States Environmental

Protection Agency, California Department of Toxic Substances Control, and San Francisco Bay Area Regional Water Quality Control Board (the "Regulating Agencies") that would prohibit these uses would need to be removed by the Regulating Agencies. This permitted land use reflects the preferred non-stadium plan for the Project, which would shift 1,625 housing units from Candlestick Point to the stadium site, provides for 500,000 million square feet of additional research and development space on along the Crisp corridor, and slightly reduces the total open space on the Shipyard to approximately 222 acres for a total Project open space acreage of 326 acres.

PLANNING COMMMISSION REQUIRED ACTIONS FOR THE PROJECT

As summarized above, the Planning Commission will be required to take several actions to approve the Project. Because this Project is within two different Redevelopment Project Areas, most of the specific entitlements (i.e. entitlement to construct and operate uses and the conditions for such entitlement) will be approved by the Redevelopment Agency Commission. Below is a more description of the required Planning Commission approvals.

Certification of the Final Environmental Impact Report
(See Case Report from Lisa Gibson, MEA Planner, under separate cover.)

CEQA Findings

As required by CEQA, the Department and Agency have prepared proposed Findings, as regarding the alternatives and variants, mitigation measures and significant environmental impacts analyzed in the FEIR, overriding considerations for approving the Project, denoted as Attachment A to the draft Motion, and a proposed mitigation monitoring and reporting program, denoted as Attachment B.

General Plan Amendments
On March 25, 2010 the Planning Commission approved Nos. 18063, to initiate the preparation of amendments to the General Plan. Amendments to the General Plan are primarily updates in nature; the Project does not propose any substantive changes to the existing Bayview Hunters Point ("BVHP") Area Plan. In reviewing the Project against the General Plan, staff conducted an exhaustive review of the General Plan, all of its elements, figures and the BVHP Area Plan. While staff did not find any significant inconsistencies with the objectives, policies, and figures throughout the General Plan, there were minor text amendments needed in the Recreation and Open Space Element, the Transportation Element and the Commerce and Industry Element. To further assure consistency between the General Plan and the Project, Planning staff has prepared a draft Candlestick Point Subarea Plan (a Subarea Plan of the Bayview Hunters Point Area Plan) and a draft Hunters Point Shipyard Area Plan. Together, these Plans provide General Plan policy frameworks for the Project drawing from themes and policy language found throughout the General Plan; these new Plans clearly establish that the proposed mix of uses are contemplated by the General Plan. Finally, these Plans provide updated maps for the subject areas. The proposed General Plan Amendments also amend several maps throughout the General Plan by adding references to the Candlestick Point Subarea Plan and the Hunters Point Area Plan and their respective Redevelopment Plans. (See draft Resolution under Case No. 2007.0946BE**M**RTUZ.)

Planning Code Text Amendments

On March 25, 2010 the Planning Commission approved Nos. 18064 to initiate the preparation of amendments to the Planning Code. The proposed text amendments to the Planning Code establish the Candlestick Point Activity Node Special Use District, the Candlestick Point CP Height and Bulk District, the Hunters Point Shipyard Phase 2 Special Use District, and the HP Height and Bulk District, refers to the respective Redevelopment Plans for land use controls. Much of the area at Candlestick Point had been previously designated within the Candlestick Point Special Use District, which called for a new stadium and a retail / entertainment complex. As a part of Proposition G, this special use district was removed. The M-1 parcels and parts of the Candlestick Point State Recreation Area were also included within the Restricted Light Industrial Special Use District, which was established in 1995 to restrict particularly offensive industrial and heavy commercial uses. The new SUDs and height and bulk districts will refer to the respective redevelopment plans for land use controls. As discussed below, the Design for Development documents will guide physical development. (See draft Resolution under Case No. 2007.0946BEMR**T**UZ.)

Planning Code Map Amendments

On March 25, 2010 the Planning Commission approved No. 18065 to initiate the preparation of amendments to the Zoning Maps of the Planning Code. Consistent with the Planning Code text changes, the proposed map amendments designate parcels within the redevelopment project areas and specific to the Candlestick Point Activity Node and Hunters Point Shipyard Phase 2 Special Use Districts. Provisions under these new designations refer development and land use controls to the respective Redevelopment Plans. (See draft Resolution under Case No. 2007.0946BEMRTU**Z**.)

General Plan and Planning Code Section 101.1 Consistency Findings and Section 320-325 Findings

Many of the required Planning Commission actions require consistency findings pursuant to the General Plan and Planning Code section 101.1 (General Plan Consistency Findings). As noted above, staff performed an exhaustive review of the General Plan to assure that the Project, and all of the required actions thereto, are, on balance, consistent with the General Plan.

Redevelopment Plan Amendments

On May 6, 2010 the Redevelopment Agency officially transmitted to the Planning Department and Planning Commission proposed amendments to the Bayview Hunters Point and Hunters Point Shipyard Redevelopment Plans. A transmittal memorandum from the Agency requested that the Commission (1) make General Plan consistency findings for the amendments, and (2) approve the amendments.

Amendments to the Hunters Point Shipyard and Bayview Hunters Point Redevelopment Plans are necessary to address continued blight in the redevelopment Project Areas, increase the tax increment financing limits, revise the land use controls and clarify new impact fees imposed on the Project. The Planning code will refer to the Redevelopment Plans and Design for Development Documents for all development controls. Amendments to the Redevelopment Plans also clarify the obligations of the Project to contribute to impact fees that apply Citywide under the Planning Code.

The Redevelopment Plans, as proposed to be amended, require that the Project comply with Planning Code sections 295 (Recreation and Park Department property shading), and 320-325 (office allocation). Similar to Mission Bay, the amendment to the Hunters Point Shipyard Redevelopment Plan also provides

that a portion of the research and development square footage entitlement be given priority for Planning Code 320-325 office space allocation with certain conditions. Land use designations and affordable housing obligations are determined by the Redevelopment Plans. The Bayview Hunters Point Redevelopment Plan designates Candlestick Point as Zone 1 and includes three land use districts: Candlestick Point Mixed-Use Residential, Candlestick Point Mixed-Use Commercial and Open Space. The Hunters Point Shipyard Redevelopment Plan includes six land use districts: Hunters Point Hill Residential District, Shipyard North Residential, Shipyard Village Center Cultural District, Shipyard Research & Development District, Shipyard South Multi-Use District and Shoreline Open Space District.

Redevelopment related actions include adopting findings of consistency with the City's General Plan (as described further below) and other findings related to the prioritization of office allocation and approving and forwarding the amended Redevelopment Plans to the Board of Supervisors for their consideration.

Also apart of this action, is the consideration of office allocation findings under Planning Code section 320-325. As discussed above, the Project includes between 2,500,000 to 5,000,000 square feet of research and development space. The Project approvals include making findings under Planning Code Section 320-325 that up to 800,000 square feet of office development contemplated in the Project would receive priority consideration for an office allocation pursuant to Sections 320-325 of the Planning Code over all other projects, with the exception of those in the Mission Bay North and Mission Bay South Redevelopment Project Areas and Transbay. However, the Planning Commission will still need to approve each individual building applying to receive an office space allocation. (see the draft Motions under Case No. 2007.0946**B**EM**R**UTZ).

Planning Cooperation Agreement

In order to ensure adequate input and cooperation between the Planning Department and the Agency, a Planning Cooperation Agreement has been developed for the Project to delineate the roles of the respective departments in implementing the Project. The structure of the agreement is modeled after the agreements in place for Mission Bay and Phase 1 of the Hunters Point Shipyard. This same structure is used to implement plans for Visitacion Valley, Transbay and Bayview Hunters Point. The Planning Department has an existing Delegation Agreement with the Redevelopment Agency for the Bayview Hunters Point Project Area, which specifies that Planning will approve permits and otherwise administer and enforce the Planning Code for any property within the Project Area that does not require Agency action. For properties that require Agency actions or are subject to an agreement between the property owner and the Agency, the Agency retains final approval unless it decides to delegate that responsibility to the Planning Department. Building off of the existing BVHP Project Area Delegation Agreement between the Redevelopment Agency and the Planning Department, the Project proposes a Cooperation Agreement between the Planning Department and the Agency to cover Candlestick Point (Zone 1) of the Bayview Hunters Point Project Area and Phase 2 of the Hunters Point Shipyard. Zone 2 (the rest of BVHP Project Area) would continue to be implemented by the Planning Department with the Planning Code pursuant to the existing Delegation Agreement. The Cooperation Agreement will provide for Planning staff involvement in reviewing and commenting on the proposed Major Phases, open space plans, Streetscape Master Plan, and schematic designs for individual buildings within the Project. The Cooperation Agreement also establishes an interagency working group with staff of the Planning

Department and the Agency assigned to the implementation of the Project.

Design for Development Documents

The primary documents that regulate the physical development of the Project Site are the Design for Development documents. The Commission was provided with copies of the DRAFT Design for Development Documents (D4Ds) for the Hunters Point Shipyard Phase 2 and Candlestick Point in the Commission packet for the March 25th meeting. Updated D4Ds are also attached. Design for Development Documents are used in most Redevelopment Project Areas as the key source for development controls, acting as the Planning Code for Redevelopment Project areas. The Design for Development Documents for Candlestick Point and Hunters Point Shipyard Phase 2 set forth specific standards and guidelines for the same breadth of controls usually addressed in the Planning Code, including but not limited to, site coverage, building height and bulk, setbacks, building modulation and frontage, open space, parking and loading. Unlike the Planning Code, which largely assumes an established block, lot and street pattern, the D4Ds also address street layout, open space and blocks, and establish overarching strategies for placement of certain uses and building types relative to street and open space types.

As part of Project approvals the Planning Commission will need to approve the Design for Development Documents for Hunters Point Shipyard Phase 2 and Candlestick Point along with a technical amendment to the Design for Development Document for the Hunters Point Shipyard Phase 1 project in order to clearly delineate the areas of the Shipyard that will be governed by the Hunters Point Shipyard Phase 2 D4D. Provisions in the Redevelopment Plans require that any future amendments to the D4Ds be approved by the Planning Commission. (See draft Motion under Case No. 2007.0946BEMRTUZ).

ENVIRONMENTAL REVIEW

The Draft Environmental Impact Report was published on November 12, 2009. Public comment on the DEIR was held open for 60 days. On May 13, 2010, the Comments and Responses document of the DEIR was published. Certification of the EIR is scheduled to occur on June 3, 2010 prior to the Commission taking action on the other items described above.

HEARING NOTIFICATION AND PUBLIC COMMENT

Below is a summary of the completed notifications of this hearing required under the Planning Code.

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	05/14/10	5/12/10	22 days
Posted Notice	20 days	5/14/10	5/14/10	20 days
Mailed Notice	10 days	05/24/10	05/19/10	15 days

As noted above, the Office of Economic and Workforce Development has acted as the Project Managers for the Project and have taken it through a extensive public review process, which has included over 230 public hearings, meetings, and workshops on the Project over the last two years. Moreover, the Project is within the jurisdiction of two community based advisory committees, the Hunters Point Shipyard Citizens Advisory Committee and the Bayview Hunters Point Project Area Committee, who have been deeply involved with reviewing and participating in the development of the Project. The Project has had many informational hearing at City Commissions including five before the Planning Commission in the past two months.

BASIS FOR RECOMMENDATION

Department staff is recommending that the Planning Commission adopt all of the subject Resolutions and Motions in furtherance of the Project:

1. The Project and all Commission actions thereto would enable development that would eliminate blight at Candlestick Point and Hunters Point Shipyard by updating the respective Redevelopment Plans to facilitate mixed-use development
2. The Project and all Commission actions thereto enable vibrant high-density, mixed-use, multi-modal and transit oriented development as a means to fully realize its shoreline location and to help revitalize the Bayview.
3. The Project and all Commission actions thereto support development that could provide a wide range of employment opportunities in wide range of fields and employment levels. Development enabled by the amendments could support approximately 10,000 new permanent jobs at full build out and thousands of ongoing construction job opportunities throughout the buildout of the Project.
4. The Project and all Commission actions thereto promote, the possibility of new emerging industries including green technology through the provision of a major new site and space for office and related uses.
5. The Project and all Commission actions thereto would strengthen the economic base of the Project Area and the City as a whole by strengthening retail and other commercial functions in the Project Areas and local community through the addition of several million square feet of research and development, hundreds of thousands of square feet of retail and community-facility uses.
6. Development enabled by the subject Planning Commission actions includes the opportunity for substantial new and restored publicly accessible open space.
7. The Project and all Commission actions thereto would enable development that would include substantial new housing opportunities, including a substantial amount of below market rate housing including the replacement of the Alice Griffith Public Housing development.
8. The Project and all Commission actions thereto include objectives and policies that promote multi-modal transportation including Bus Rapid Transit (BRT) line, express downtown buses, and extended Muni lines. Objectives and policies also emphasize the need to accommodate travel by bicycle and by foot.

RECOMMENDATION: **Approval of All Actions**

Attachments:

1. **CEQA Findings Draft Motion**
   - Attachment A: CEQA Findings
   - Attachment B: Mitigation Monitoring Reporting Program (MMRP)

2. **General Plan Amendment Draft Resolution**
   - Exhibit A: Draft Ordinance and Legislative Digest
   - Attachment 1: Bayview Hunters Point Area Plan Text Amendment
   - Attachment 2: Bayview Hunters Point Area Plan Map Amendments
   - Attachment 3: General Plan Elements Map Amendments
   - Attachment 4: Proposed Draft Candlestick Point Subarea Plan
   - Attachment 5: Proposed Draft Hunters Point Shipyard Area Plan

3. **Planning Code Text Amendments Draft Resolution**
   - Exhibit A: Draft Ordinance and Legislative Digest

4. **Planning Code Map Amendments Draft Resolution**
   - Exhibit A: Draft Ordinance and Legislative Digest
   - Attachment: Maps of SUDs and Height and Bulk Districts

5. **General Plan, Planning Code Sec 101.1 Consistency Findings, Draft Motion**
   - Attachment A: General Plan and Planning Code Section 101.1 Findings

6. **Redevelopment Amendment General Plan Consistency Findings and Planning Code Section 320-325 Findings Draft Resolution**

7. **Planning Cooperation Agreement Draft Approval Motion**
   - Attachment A: Draft Planning Cooperation Agreement between the Department and Agency

8. **Design for Development document Approval Draft Motion**
   - Attachment A: Candlestick Point Design for Development document
   - Attachment B: Hunters Point Shipyard Phase 2 Design for Development document
   - Attachment C: Hunters Point Shipyard Phase 1 Design for Development document , revised

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