



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 18597

Planning Code Text Amendment Zoning Map Amendment HEARING DATE: APRIL 26, 2012

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Date: April 12, 2012
Case No.: 2005.0555E; 2009.0885MTZCBRSK; 2012.0403W
Project Address: 1100, 1101 Van Ness Avenue; 1255 Post Street, 1020, 1028-1030, 1034-1036, 1040—1052, 1054-1060, 1062 Geary Street
Zoning/Ht. & Blk. RC-4/Van Ness Special Use District/130-V
Proposed Zoning/ Van Ness Special Use District, Van Ness Avenue Medical Use Subdistrict
Height & Bulk: 265-V (Hospital site), 130-V (MOB site)
Assessor's Block/Lot: 0695/005, 006; 0694/005, 006, 007, 008, 009, 009A, 010
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RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT FINDINGS RELATING TO: (1) AMENDMENTS TO THE PLANNING CODE TO (A) AMEND SECTION 243, THE VAN NESS SPECIAL USE DISTRICT, TO CREATE A NEW VAN NESS MEDICAL USE SUBDISTRICT THAT WOULD (i) ALLOW AN FAR UP TO 9:1 FOR THE CATHEDRAL HILL HOSPITAL SITE AND 7.5:1 FOR THE CATHEDRAL HILL MOB SITE; (ii) ALLOW MODIFICATION OF OTHERWISE APPLICABLE STANDARDS FOR BUILDING PROJECTIONS UNDER SECTION 136.1; (iii) ALLOW MODIFICATION OF OTHERWISE APPLICABLE STANDARDS FOR STREET FRONTAGE REQUIREMENTS UNDER SECTION 145.1; (iv) ALLOW MODIFICATION OF OTHERWISE APPLICABLE PARKING STANDARDS UNDER SECTIONS 151 AND 204.5 FOR MEDICAL CENTERS, PROVIDED THE AMOUNT OF PARKING SHALL NOT EXCEED 150% OF THE NUMBER OF SPACES OTHERWISE ALLOWED BY THE PLANNING CODE; (v) ALLOW MODIFICATION OF OTHERWISE APPLICABLE STANDARDS FOR LOADING UNDER SECTION 152; (vi) ALLOW MODIFICATION OF OTHERWISE APPLICABLE STANDARDS FOR OBSTRUCTIONS OVER STREETS AND ALLEYS UNDER SECTION 136; AND (vii) ALLOW MODIFICATION OF OTHERWISE APPLICABLE BULK STANDARDS UNDER SECTIONS 270 AND 271; AND (B) AMEND SECTION 124(D) TO ALLOW AN FAR UP TO 9:1 FOR THE CATHEDRAL HILL HOSPITAL SITE AND 7.5:1 FOR THE CATHEDRAL HILL MOB SITE; AND (2) AMENDMENTS TO THE PLANNING CODE ZONING MAP TO (A) AMEND MAP HT02 TO RECLASSIFY THE CATHEDRAL HILL HOSPITAL SITE FROM 130-V TO 265-V HEIGHT AND BULK DISTRICT; AND (B) AMEND MAP SU02 TO SHOW THE BOUNDARIES OF THE VAN NESS MEDICAL USE SUBDISTRICT; AND (3) MAKE AND ADOPT FINDINGS, INCLUDING FINDINGS

**UNDER PLANNING CODE SECTION 302, ENVIRONMENTAL FINDINGS AND FINDINGS OF
CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF
PLANNING CODE SECTION 101.1.**

PREAMBLE

On June 10, 2005, Ralph F. Marchese of the Marchese Company, Inc., on behalf of the California Pacific Medical Center (hereinafter referred to variously as "CPMC" and "Project Sponsor"), submitted an Environmental Evaluation Application ("EEA") with the Planning Department ("Department"), Case No. 2005.0555E¹. The Department issued a Notice of Preparation of Environmental Review on July 1, 2006, to owners of properties within 300 feet, adjacent tenants, and other potentially interested parties. However, as planning for the CPMC Long Range Development Plan ("LRDP") continued, additional components were added to the LRDP that resulted in a reissuance of a revised NOP for a 30-day public review period on May 27, 2009.

On July 21, 2010, the Draft Environmental Impact Report ("DEIR") for CPMC's LRDP Project, including the Cathedral Hill Campus Project, was prepared and published for public review, and was available for public comment until October 19, 2010.

On September 23, 2010, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to solicit comments regarding the DEIR. On March 29, 2012, the Department published a Comments and Responses ("C&R") document, responding to comments made regarding the DEIR prepared for the LRDP. Together, the C&R document, the DEIR, and any Errata Sheets, (the Appendices to the Draft EIR and C&R document), Department staff testimony and responses to questions and comments at the Commission's April 26, 2012, public hearing regarding certification of the Final EIR, and all of the supporting information that has been reviewed and considered by the Department comprise the Final EIR for the LRDP ("FEIR").

On April 26, 2012, the Commission reviewed and considered the FEIR and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 *et seq.*) ("CEQA"), 14 California Code of Regulations Sections 15000 *et seq.* (the "CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31").

The Commission found the FEIR was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the DEIR, and certified the FEIR for the LRDP Project in compliance with CEQA, the CEQA Guidelines and Chapter 31.

The Planning Department, Linda Avery, is the custodian of records, located in the File for Case No. 2005.0555E, at 1650 Mission Street, Fourth Floor, San Francisco, California.

¹ At the time of this application, the Cathedral Hill Hospital site was within the boundaries, and was governed by the land use controls, of the Western Addition A-2 Plan. Those controls expired on January 1, 2009.

Department staff prepared a Mitigation Monitoring and Reporting program ("MMRP") for the LRDP Project, which material was made available to the public and this Commission for this Commission's review, consideration and action.

On June 10, 2010, the Project Sponsor submitted a request, as modified by subsequent submittals, to the Planning Department ("Department") amend the following sections of the General Plan: (1) the text of the Van Ness Area Plan to support a high density medical center at the intersection of Van Ness Avenue and Geary Boulevard that is consistent with the City's Better Streets Plan and reflect various elements of this use; (2) "Map 1 – Generalized Land Use and Density Plan" of the Van Ness Area Plan to designate the sites proposed for the new Cathedral Hill Hospital and Cathedral Hill MOB as "The Van Ness Medical Use Subdistrict", and to increase the allowable floor area ratio ("FAR") for the Cathedral Hill Hospital site from 7:1 to 9:1, and to increase the allowable FAR for the Cathedral Hill MOB site from 7:1 to 7.5:1; (3) "Map 2 – Height and Bulk Districts" of the Van Ness Area Plan to create a 265-V Height and Bulk District coterminous with the Hospital site, in order to amend the height limit for the Cathedral Hill Hospital site from 130'-0" to 265'-0"; (4) "Map 4 – Height Map" of the Urban Design Element, to reflect a maximum height applicable to the Cathedral Hill Hospital site of 265'-0"; and (5) "Map 5 – Bulk Map" of the Urban Design Element, to reflect the proposed maximum plan dimensions and maximum diagonal plan dimensions of 385' and 466', respectively, for the Cathedral Hill Hospital site and 265' and 290', respectively, for the Cathedral Hill MOB site. (2009.0885M), with respect to a proposal to: (1) demolish the existing Cathedral Hill Hotel and 1255 Post Street office building (Assessor's Block/Lots 0695-005, 006) and construct a new, approximately 15 story, 555-bed, 875,378 g.s.f acute care hospital with 513 underground parking spaces at 1101 Van Ness Avenue; (2) demolish seven existing vacant residential and commercial buildings (Assessor's Blocks/Lots 0694-005, 0694-006, 0694-007, 0694-008, 0694-009, 0694-009A, 0694-010) and construct a new, approximately 261,691 g.s.f MOB with 542 underground parking spaces at 1100 Van Ness Avenue; (3) construct a pedestrian tunnel under Van Ness Avenue to connect the Cathedral Hill Hospital to the Cathedral Hill MOB; and (4) various streetscape, sidewalk, and landscape improvements surrounding the Medical Center (collectively, "Cathedral Hill Project"), within the RC-4 (Residential-Commercial, High Density) District, VNSUD, and 130-V Height and Bulk District.

On June 10, 2010, the Project Sponsor submitted a request, as modified by subsequent submittals, to the Department to amend the following sections of the San Francisco Planning Code: Section 243, the Van Ness Special Use District, to create a new Van Ness Medical Use Subdistrict, that would allow an FAR up to 9:1 for the Cathedral Hill Hospital site and 7.5:1 for the Cathedral Hill MOB site; allow modification of otherwise applicable standards for building projections to allow for coverage of drop-off and entry areas required by medical facilities; allow modification of otherwise applicable standards for obstructions over streets or alleys for vertical dimension and horizontal projections to allow architectural features that achieve appropriate articulation of building facades and that reduce pedestrian level wind currents; allow modification through Conditional Use authorization of otherwise applicable standards for street frontage requirements as necessary for large-plate medical facilities on sloping sites with multiple frontages; allow modification through Conditional Use authorization of otherwise applicable parking standards for medical centers, provided that the amount of parking shall not exceed 150% of the number of spaces otherwise allowed by the Planning Code; allow modification of otherwise applicable loading standards for medical centers; and to allow modification through Conditional Use authorization of otherwise applicable bulk standards to allow for the unique massing requirements of medical facilities. The Project

Sponsor also requested an amendment to Planning Code Section 124(d) to allow an FAR up to 9:1 for the Cathedral Hill Hospital site and 7.5:1 for the Cathedral Hill MOB site (Case No. 2009.0885T).

On June 10, 2010, the Project Sponsor submitted a request, as modified by subsequent submittals, to the Department to amend the following Zoning Maps of the San Francisco Planning Code: (1) Map HT02 to reclassify the Cathedral Hill Hospital site from 130-V to 265-V Height and Bulk District; and (2) Map SU02 to show the boundaries of the Van Ness Medical Use Subdistrict (Case No. 2009.0885Z).

On June 10, 2010, the Project Sponsor filed an application, as modified by subsequent submittals, with the Department for Conditional Use Authorization to allow (1) the Cathedral Hill Hospital and MOB as a medical center use within the RC-4 District and pursuant to the provisions for the Van Ness Medical Use District ("VNSUD"); (2) allow construction of buildings over 50'-0" in an RC-4 District; (3) authorize demolition of five residential dwelling-units at the Cathedral Hill MOB site; (4) modify standards for active ground floor uses and width of curb cuts; (5) provide an exception to allow wind speeds greater than 11 mph at certain sidewalk locations around the perimeter of the Campus; (6) modify the bulk limits applicable to the Cathedral Hill Hospital and MOB sites; (7) modify the 3:1 residential to net new non-residential ratio requirement in the VNSUD, pursuant to Planning Code Sections 145.1, 209.3, 243, 253, 270, 271, 303, and 317.

On June 10, 2010, the Project Sponsor submitted a request for the allocation of Office Space for approximately 194,000 sf of medical office space along with ancillary hospital and medical support service space on the upper floors of the proposed Cathedral Hill MOB (Case No. 2009.0885B).

On April 28, 2011, the Project Sponsor submitted a request for a General Plan Referral, Case No. 2009.0885R, regarding construction of a tunnel that would connect the Cathedral Hill Hospital and Cathedral Hill MOB sites below grade under Van Ness Avenue, installation of a diesel fuel tank under the Geary Boulevard sidewalk at the Cathedral Hill Hospital site; and sidewalk widening throughout the Cathedral Hill Campus (2009.0885R).

On March 30, 2012, the Project Sponsor submitted an Application for a Development Agreement relating to the construction and reconstruction of health care facilities in furtherance of the CPMC's LRDP by and between the City and County of San Francisco and CPMC, pursuant to Administrative Code Section 56.4. This Application was endorsed and accepted as complete by the Planning Director on April 4, 2012.

On April 5, 2012, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting and adopted Resolution No. 18571, initiating the requested General Plan Amendments.

On April 10, 2012, the Mayor, at the Board of Supervisors hearing, introduced the (1) Planning Code Text Amendments in Board File No. 120357; (2) the Zoning Map Amendments in Board File No. 120359, (3) the street encroachment ordinance in Board File No. 120362, (4) the Development Agreement in Board File No. 120366, and (5) sidewalk width legislation in Board File No. 120364.

On April 26, 2012, by Motion No. 18588, the Commission certified as accurate, adequate and complete the FEIR for the LRDP Project, which includes the Cathedral Hill Hospital and MOB Project. A copy of Commission Motion No. 18588, is in the file for Case No. 2005.0555E. Also on April 26, 2012, by Motion No. 18589, the Commission adopted findings, including a statement of overriding considerations, and an

MMRP, pursuant to CEQA. In accordance with the actions contemplated herein, the Commission has reviewed the FEIR and adopts and incorporates by reference as though fully set forth herein the findings, including the statement of overriding considerations, pursuant to CEQA, adopted by the Commission on April 26, 2012, in Motion No. 18589.

On April 26, 2012, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting and adopted: (1) Resolution No. 18591, recommending that the Board of Supervisors approved the requested General Plan Amendments; (2) Motion No. 18592, approving the General Plan and Planning Code Section 101.1 Findings; (3) Motion No. 18598, approving the Conditional Use authorization; (4) Motion No. 18599, approving the Office Allocation; (5) Motion No. 18600, approving the General Plan Referral; and (6) Resolution No. 18602, recommending that the Board of Supervisors approve the Development Agreement.

On April 26, 2012, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Case No. 2009.0885EMTZCBRSK.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

The Commission has reviewed the proposed Planning Code and Zoning Map Amendment Ordinances; and

MOVED, that the Commission hereby recommends that the Board of Supervisors approve the proposed Planning Code and Zoning Map Amendment Ordinances, and adopt the attached Resolution to that effect.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The Commission finds the Cathedral Hill Project to be a beneficial development to the City that could not be accommodated without the actions requested.
2. CPMC has provided quality health care to the San Francisco community for over 150 years. It is the largest medical center in the City, and is presently responsible for about one-third of all hospitalizations, about one-half of all births in the City, about 40 percent of all patients receiving health services in the City and almost 40 percent of emergency visits. Each year CPMC cares for more than 75,000 persons in its emergency departments. The LRDP would ensure CPMC's continued existence and viability in San Francisco.
3. The existing acute care hospitals at the Pacific and California Campuses do not meet State seismic standards. Regardless of the State legal mandate, it is in the public interest that CPMC meet these seismic standards as soon as possible. These Ordinances, along with the Development Agreement and related approvals, achieve the objective of allowing CPMC's facilities to be rebuilt

to meet the desired and legally mandated seismic standards, without any interruption in delivery of acute care services at the existing hospitals due to construction.

4. The Cathedral Hill Hotel and 1255 Post Street office building sites were selected for the location of a new acute care hospital because these aggregated parcels met CPMC's site selection objectives, including: (1) being available for sale; (2) being large enough to accommodate the co-location of acute care services from the California and Pacific Campuses; (3) preventing the interruption of existing services at the California and Pacific Campuses during the construction; (4) being located on geologically stable soil; (5) being at a major transit nexus; and (6) the availability of adjacent properties for the construction of a medical office building.
5. The Planning Code was not created with the new construction of hospitals as a focused land use typology, and thus does not recognize the complexity, site and Building Code constraints, and health care delivery intricacies involved therein.
6. A number of conforming amendments to the San Francisco Zoning Map are required in order to resolve the aforementioned issues and facilitate the implementation of the CPMC LRDP.
7. The CPMC LRDP and its proposed amendments to the Planning Code, Zoning Map, and General Plan support the underlying goals of the General Plan, such as maintaining a sound and diverse economic base, providing expanded employment opportunities, promoting high quality urban design, enhancing San Francisco's position as a national and regional center for health services, and promoting adequate health services in all geographic districts.
8. CPMC's facilities, particularly if they are rebuilt to remain operational after an earthquake, are an essential part of the City's preparation for, and ability to respond to a disaster. If CPMC were not to build the new hospitals, the City would lose approximately one-third of all acute care beds, and three full-service emergency departments, one of which provides specialty pediatric emergency care.
9. Construction of the LRDP will double the number of earthquake safe beds in San Francisco, inject about \$1.9 billion into the local economy during the next five years, and create 1,500 high paying union construction jobs.
10. The Near-Term Projects in the LRDP would allow the City to retain CPMC as a substantial employer, employing approximately 6,200 persons, of which about half are San Francisco residents. The LRDP would also permit the City to retain and enhance its domestic and international reputation as an education, training, and research center for medical services that benefit the residents of San Francisco. This benefits the City and its residents because it will attract patients, doctors and researchers to San Francisco.
11. Under the terms of the Development Agreement, CPMC would increase entry-level local construction employment and internship opportunities. CPMC would make good faith efforts to achieve 30% local hire measured by construction trade hours for the Near-Term Projects under the LRDP overall for each contractor, by each trade. CPMC would achieve 50% local hire for new entry-level administrative and engineering positions and internships, would fill half of all new apprentice positions with graduates from the CityBuild Academy, and would create and administer a structured program to advance apprentices from CityBuild Academy to journey-level status in their trade by the end of the Project. CPMC plans to hire at least 40 San Francisco-resident permanent entry-level hires annually for five years, representing just under half of all

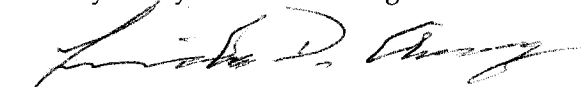
entry level hires, targeting residents of the Western Addition, Tenderloin, Mission/SOMA, Outer Mission/Excelsior, Chinatown and Southeastern neighborhoods. CPMC would also provide \$2 million for community workforce services, which would provide grants to community-based organizations through the City's Office of Economic and Workforce Development for recruitment, training, and job retention services.

12. The Near-Term Projects will assure the availability of modern and high quality, general and specialized inpatient and outpatient, emergency and urgent health care to the residents of San Francisco, including seniors, Medicare, Medi-Cal, insured and un-insured.
13. The Near-Term Projects at the Cathedral Hill Campus will assure the availability of medical offices for physicians located near hospital facilities to serve the residents of San Francisco.
14. The new Cathedral Hill Hospital would be a full-service, acute care hospital with an approximately 12,000 sf emergency department integrated into the CPMC city-wide system of care. It would provide critical services including inpatient medical care, Obstetrics/Gynecology, Medical/Surgical, Intensive Care, as well as specialized programs such as organ transplantation, interventional cardiology and newborn intensive care.
15. Emergency services, including psychiatric emergency care, would be provided at the St. Luke's, Davies and Cathedral Hill Campuses. These emergency departments serve patients regardless of ability to pay.
16. The 18 psychiatric inpatient beds in the mental health center on the Pacific Campus would remain in service.
17. Under the terms of the proposed Development Agreement, CPMC would commit to providing services to the poor and underserved, including traditional charity care, hospital care for additional Medi-Cal managed care beneficiaries enrolled in the San Francisco Health Plan, unpaid costs and other benefits for the poor and underserved. Specifically, CPMC would commit to:
 - a. Two new, seismically-safe hospitals, at the St. Luke's and Cathedral Hill campuses;
 - b. A secure future for St. Luke's hospital;
 - c. Significantly increased provision of healthcare for low-income and underserved San Franciscans, including hospital care for 10,000 additional Medi-Cal beneficiaries, which represents one-third of the City's new Medi-Cal beneficiaries expected under federal healthcare reform;
 - d. \$20 million endowment by CPMC of a new Community Care Innovation Fund, to support the services of community clinics and other social service organizations; and
 - e. Funding to develop capacity of one or more Tenderloin clinics to participate in Medi-Cal managed care.
18. Under the terms of the proposed Development Agreement, CPMC would provide additional funding to the City, including:
 - a. \$62 million for affordable housing, to replace the 20 residential hotel units and five dwelling units displaced, fund new affordable rental units, and to help moderate income CPMC employees purchase a home in San Francisco, resulting in approximately 320

affordable units [145 from initial \$29M payments; 175 from DALP recapture] to the market over 13 years, and assisting at least 145 moderate income CPMC employees buy a home in San Francisco.

- b. \$20 million from CPMC for MTA transit facilities and service.
 - c. \$13 million from CPMC for pedestrian safety and streetscape improvements.
- 19. The LRDP will be constructed at no cost to the City, and will provide substantial direct and indirect economic benefits to the City;
 - 20. The LRDP is necessary and desirable, is compatible with the surrounding neighborhoods, and would not be detrimental to persons or adjacent properties in the vicinity;
 - 21. The Planning Code Text Amendments and Zoning Map Amendments are necessary in order to approve the CPMC LRDP Project;
 - 22. **General Plan Compliance.** The Cathedral Hill Project is, on balance, consistent with the Objectives and Policies of the General Plan, as outlined in **Motion No. 18592.**
 - 23. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the Cathedral Hill Project complies with said policies, as outlined in **Motion No. 18592.**
 - 24. The Cathedral Hill Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) as outlined in **Motion No. 18592** and also in that, as designed, the Cathedral Hill Project would contribute to the healthcare delivery and emergency services in San Francisco, include substantial economic benefits to the City during both the construction and operational phases, provide substantial other public benefits as outlined in the proposed Development Agreement, and be compatible with the character and stability of the neighborhood, thereby constituting a beneficial development.
 - 25. Based on the foregoing, the public necessity, convenience and general welfare require the proposed Planning Code and Zoning Map amendments.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on April 26, 2012.



Linda D. Avery
Commission Secretary

AYES: Fong, Antonini, Borden, and Miguel

NAYS: Moore and Sugaya

ABSENT: Wu

ADOPTED: April 26, 2012