



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 18593

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

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Date: April 12, 2012
Case No.: 2005.0555E; 2009.0886MTZCBRSK; 2012.0403W
Project Address: 3555 Cesar Chavez Street; 3615 Cesar Chavez Street; 1580 Valencia Street
Zoning/Ht. & Blk. RH-2/105-E, 65-A
Proposed Zoning/ RH-2, Cesar Chavez-Valencia Streets Medical Use Special Use District/
Height & Bulk: 105-E
Assessor's Block/Lot: 6575/001, 002; 6576/021 and a portion of San Jose Avenue between Cesar Chavez Street and 27th Street
Project Sponsor: Geoffrey Nelson, CPMC
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RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT FINDINGS RELATING TO (1) AMENDMENTS TO THE PLANNING CODE, INCLUDING: (A) TO ADD SECTION 249.68 TO ESTABLISH THE CESAR CHAVEZ/VALENCIA STREETS MEDICAL USE SPECIAL USE DISTRICT AND ALLOW A FLOOR AREA RATIO OF 2.5 TO 1 IN THE CESAR CHAVEZ/VALENCIA STREETS MEDICAL USE SUD; AND (B) TO ADD SECTION 124(K) TO ALLOW A FLOOR AREA RATIO OF 2.5 TO 1 IN THE CESAR CHAVEZ/VALENCIA STREETS MEDICAL USE SUD; (2) AMEND THE PLANNING CODE ZONING MAP SHEETS HT07 AND SU07 TO RECLASSIFY THE REPLACEMENT HOSPITAL SITE FROM A 65-A TO 105-E HEIGHT AND BULK DISTRICT, AND TO SHOW THE BOUNDARIES OF THE CESAR CHAVEZ/VALENCIA STREETS MEDICAL USE SUD; 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 California Pacific Medical Center (hereinafter referred to variously as "CPMC" and "Project Sponsor"), submitted an Environmental Evaluation Application (EEA) with the Planning Department (hereinafter "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.

On January 13, 2009, CPMC revised its EEA to include updates regarding the LRDP Project, including the proposal for a new St. Luke's Replacement Hospital and St. Luke's Medical Office Building.

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

On September 23, 2010, the 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 document, responding to comments made regarding the DEIR prepared for the LRDP. Together, the Comments and Responses document, the DEIR, and any Errata Sheets, (the Appendices to the DEIR 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 June 10, 2010, the Project Sponsor submitted a request, as modified by subsequent submittals, to amend the following sections of the General Plan: (1) "Map 4 – Height Map" of the Urban Design Element, to reflect a maximum height of 105'-0" applicable to the St. Luke's Campus (all of Assessor's Block 6575, Lot 021 in Block 6576, and a portion of San Jose Avenue between Cesar Chavez Street and 27th Street that will be vacated as part of the project, and their successor Blocks and Lots); and (2) "Map 5 – Bulk Map" of the Urban Design Element, to reflect the proposed maximum plan and maximum diagonal plan dimensions of 227' and 270', respectively, for the St. Luke's Replacement Hospital ("Replacement Hospital") site, and 204' and 228', respectively, for the Medical Office Building ("St. Luke's MOB") site (2009.0886M).

On June 10, 2010, the Project Sponsor submitted a request, as modified by subsequent submittals, to amend the following sections of the San Francisco Planning Code: (1) Add Section 249.68 to establish the Cesar Chavez/Valencia Streets Medical Use Special Use District ("SUD") and allow a floor area ratio of 2.5 to 1 in the Cesar Chavez/Valencia Streets Medical Use SUD; and (2) to add Section 124(k) to allow a floor area ratio of 2.5 to 1 in the Cesar Chavez/Valencia Streets Medical Use SUD. (Case No. 2009.0886T).

On June 10, 2010, the Project Sponsor submitted a request, as modified by subsequent submittals, to amend the following Zoning Maps of the San Francisco Planning Code: (1) Map HT07 to reclassify the Hospital site from 65-A to 105-E Height and Bulk District; and (2) Map SU07 to show the boundaries of the Cesar Chavez/Valencia Streets Medical Use SUD (Case No. 2009.0886Z).

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.

On June 10, 2010, the Project Sponsor filed an application, as modified by subsequent submittals, with the Department for Conditional Use authorization under Planning Code Sections 134, 136, 151, 303, 304, 209.3(a), 209.9(b), 253, 270, and 271, to amend the existing Planned Unit Development (hereinafter "PUD") for CPMC's St. Luke's Campus to allow construction of the Replacement Hospital, demolition of the existing St. Luke's Hospital Tower, and the construction of the St. Luke's MOB with (1) exceptions to/exemptions from the rear yard and off-street parking requirements of Planning Code Sections 134 and 151; (2) exceptions from the dimension limitations for projections over streets or alleys; (3) to allow buildings over 40'-0" in an RH-2 District; and (4) to allow deviation of bulk limits, at Assessor's Block 6575/001, 002; 6576/021; and a portion of San Jose Avenue between Cesar Chavez Street and 27th Street (3555 Cesar Chavez Street, 3615 Cesar Chavez Street, 1580 Valencia Street, within an RH-2 (Residential, House, Two-Family) District and a 105-E and 65-A Height and Bulk District ("St. Luke's Replacement Hospital and MOB Project").

On June 10, 2010, the Project Sponsor submitted a request for the allocation of Office Space for approximately 62,960 s.f of medical office space in the proposed St. Luke's MOB (Case No. 2009.0886B).

On June 10, 2010, the Project Sponsor submitted a request for a General Plan Referral, Case No. 2009.0886R, regarding the vacation of the portion of San Jose Avenue between 27th and Cesar Chavez Streets; and sidewalk width changes along various streets adjacent to the campus (2009.0886R).

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 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 Motion 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. 120358; (2) the Zoning Map Amendments in Board File No. 120360, (3) the street vacation ordinance in Board File No. 120361, (4) the Transfer Agreement in Board File No. 120363, (5) the Development Agreement in Board File No. 120366, and (5) sidewalk width legislation in Board File No. 120365.

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 CEQA, the CEQA Guidelines, and 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.

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 April 26, 2012, by Motion No. 18588, the Commission certified as adequate, accurate and complete the FEIR for the LRDP Project, which includes the St. Luke's Replacement 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. 18590, recommending that the Board of Supervisors approve the requested General Plan Amendment; (2) Motion No. 18592, making findings of consistency with the General Plan and Planning Code Section 101.1; (3) Motion No. 18594, approving the proposed Conditional Use authorization; (4) Motion No. 18595, approving the allocation of the proposed office space; (5) Motion No. 18596, approving the General Plan Referral; and (6) Resolution No. 18602, recommending that the Board of Supervisors approve the proposed draft Development Agreement; and

The Planning Department, Linda Avery, is the custodian of records, located in the File for Case No. 2009.0886MTZCBRSK, at 1650 Mission Street, Fourth Floor, San Francisco, California.

On April 26, 2012, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on General Plan Amendment Application No. 2009.0886MTZCBRSK.

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 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 St. Luke's Replacement Hospital and MOB 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, thereby ensuring St. Luke's continued existence and viability.
3. The existing St. Luke's Hospital Tower does 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 Hospital Tower due to construction
4. 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.
5. 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.
6. 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.
7. 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.

8. The Near-Term Projects will assure the availability of modern and high quality, general and specialized inpatient and out-patient, emergency and urgent health care to the residents of San Francisco, including seniors, Medicare, Medi-Cal, insured and un-insured.
9. The Near-Term Projects at the St. Luke's Campus will assure the availability of medical offices for physicians located near hospital facilities to serve the residents of San Francisco.
10. The new Replacement Hospital would be a full-service community hospital integrated into the CPMC city-wide system of care. It would provide critical services including Obstetrics/Gynecology, Medical/Surgical, Intensive Care and Urgent Care, as well as Centers of Excellence in Senior and Community Health.
11. By creating additional capacity via an urgent care center on the St. Luke's Campus, the effective urgent and emergency capacity would increase substantially. The expanded department will be critical in serving the southeastern portion of San Francisco, and in preventing overburdening of the San Francisco General Hospital Emergency Department.
12. 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.
13. 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.
14. 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.
15. The LRDP will be constructed at no cost to the City, and will provide substantial direct and indirect economic benefits to the City;
 16. 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.
 17. A number of conforming amendments to the San Francisco Planning Code, including the Zoning Map, are required in order to resolve the aforementioned issues and facilitate the implementation of the CPMC LRDP.
 18. The CPMC LRDP and its proposed amendments to the Planning Code and Zoning Map 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.
 19. 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;
 20. The Planning Code Text and Zoning Map Amendments are necessary in order to approve the CPMC LRDP Project;
 21. **General Plan Compliance.** The St. Luke's Replacement Hospital and MOB Project is, on balance, consistent with the Objectives and Policies of the General Plan, as outlined in **Motion No. 18592.**
 22. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the St. Luke's Replacement Hospital and MOB Project complies with said policies, as outlined in **Motion No. 18592.**
 23. The St. Luke's Replacement Hospital and MOB 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 St. Luke's Replacement Hospital and MOB 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.
 24. 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.

A handwritten signature in black ink, appearing to read 'Linda D. Avery', is written over a horizontal line.

Linda D. Avery
Commission Secretary

AYES: Fong, Antonini, Borden, Miguel, Moore, and Sugaya

NAYS:

ABSENT: Wu

ADOPTED: April 26, 2012