

THIS PRINT COVERS CALENDAR ITEM NO. : 10.7

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Sustainable Streets

BRIEF DESCRIPTION:

Consenting to the Development Agreement between the City and BRIDGE Potrero Community Associates, for the development of a mixed-use HOPE SF project on the 38-acre Potrero Terrace and Annex site located in Potrero Hill; adopting California Environmental Quality Act Findings and adopting transportation and circulation measures of the Mitigation Monitoring and Reporting Program.


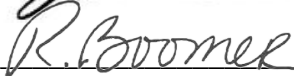
SUMMARY:

- HOPE SF is a City initiative to revitalize aging public housing sites into mixed-income communities, replacing current public housing, and adding affordable and market rate housing.
- The HOPE SF Potrero site includes the existing Potrero Terrace and Potrero Annex.
- The City of San Francisco has negotiated a Development Agreement for the HOPE SF Potrero site that includes a number of transportation improvements to enhance resident mobility.
- The Master Infrastructure Plan contains transportation improvements and streetscape plans designed in conformance with the City's Better Streets Plan and includes new bus stop locations, bus bulb-outs, and new bicycle routes.
- The project has crafted a Transportation Demand Management Plan
- The Planning Department prepared an Environmental Impact Report/Environmental Impact Statement under the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) with recommended mitigation measures.

ENCLOSURES:

1. SFMTAB Resolution
2. HOPE SF Potrero Development Agreement, Exhibits M (Transportation Demand Management Plan) and P (Master Infrastructure Plan)
3. Environmental Impact Report/Environmental Impact Statement (available at: <http://sfmea.sfplanning.org/Potrero%20Hill%20FEIR%20EIS.pdf>)
4. HOPE SF Potrero CEQA Findings and Mitigation and Monitoring and Reporting Program

APPROVALS:

	DATE
DIRECTOR 	<u>11/28/16</u>
SECRETARY 	<u>11/28/16</u>

ASSIGNED SFMTAB CALENDAR DATE: December 6, 2016

PAGE 2.

PURPOSE

Consenting to the Development Agreement between the City and BRIDGE Potrero Community Associates, for the development of a mixed-use HOPE SF project on the 38-acre Potrero Terrace and Annex site located in Potrero Hill; adopting California Environmental Quality Act Findings and adopting transportation and circulation measures of the Mitigation Monitoring and Reporting Program.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This proposed Development Agreement supports the following goals and objectives in the SFMTA's Strategic Plan and Transit First Policy Principles:

Goal 2: Make transit, walking, cycling, taxi, ridesharing and car sharing the preferred means of travel
Objective 2.3 – Increase use of all non-private auto modes.

Transit First Policy Principles

2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.
3. Decisions regarding the use of limited public street and sidewalk space shall encourage the use of public rights of way by pedestrians, bicyclists, and public transit, and shall strive to reduce traffic and improve public health and safety.
5. Pedestrian areas shall be enhanced wherever possible to improve the safety and comfort of pedestrians and to encourage travel by foot.

DESCRIPTION

California Government Code Section 65864 *et seq.* (the Development Agreement Statute) and San Francisco Administrative Code Chapter 56 authorize the City to enter into development agreements regarding the development of real property.

HOPE SF is a City of San Francisco initiative that seeks to revitalize four of San Francisco's most distressed public housing sites and transform them into vibrant, thriving communities. HOPE SF was born out of a need to address the ongoing deterioration of San Francisco's public housing in the light of diminishing federal assistance. HOPE SF aims to move public housing away from the failed model of large, isolated islands of poverty and deteriorating housing and toward a new vision of high-quality mixed-income housing developments. The approach involves replacing all existing public housing and creating additional affordable housing and market rate housing on-site. Numerous city departments, as well as community stakeholders, have been engaged in and contributed to the HOPE SF proposals.

PAGE 3.

HOPE SF Potrero is one of four HOPE SF efforts. The City and County of San Francisco has negotiated a Development Agreement with BRIDGE Potrero Community Associates, LLC. (BRIDGE), a nonprofit affordable housing developer, for the development of a nearly 38-acre HOPE SF Potrero site located in the Potrero Hill neighborhood bounded generally by Potrero Recreation Center to the north, Wisconsin Street to the west, 25th and 26th Streets to the south, and Texas Street to the east. The site includes the Potrero Terrace and Annex, and currently includes 619 public housing units that are in a state of disrepair. The development plan transforms the current low-density superblocks into 17 residential and open space parcels with a new neighborhood retail corridor on 24th Street that includes a community center with social service outlets, recreation, and community meeting space. The proposed project includes higher-density apartment buildings with increased heights that are appropriate within the neighborhood. The parcels will be distributed between buildings that will provide replacement public housing units and with new affordable housing units, and buildings with market rate units.

Under the Development Agreement, the Developer will attain the vested right to develop the proposed project. The proposed project is a mixed-use development that includes up to:

- 1,700 housing units (approximately 1,600 planned)
- 13.5 acres of reconfigured public right-of-way including new roadways, sidewalks, utilities, and transit-related infrastructure
- 3.5 acres of open space
- 50,000 square feet of neighborhood-serving retail, community services, childcare, and recreational facilities
- Approximately 1,077 vehicle parking spaces (mostly in structured or underground facilities)
- 839 bicycle spaces

The term of the Development Agreement is 25 years.

Under the terms of the Development Agreement, consent by the SFMTA Board is required for: (1) transportation-related aspects of the Infrastructure Plan, Exhibit P to the Development Agreement; and (2) the Transportation Demand Management Plan (Exhibit M to the Development Agreement). The SFMTA Board should also be aware that, as described below, consent to the Development Agreement includes a waiver of provisions of Planning Code Article 4 relating to the payment of impact fees. The SFMTA Board is also requested to make findings under CEQA, including adopting the transportation-related CEQA mitigation measures from the EIR/EIS.

Master Infrastructure Plan

Under the terms of the Development Agreement, the Developer will construct the neighborhood improvements listed above, which will transform the current Potrero Terrace and Annex community into a vibrant neighborhood with community amenities, new access to the surrounding neighborhood, an accessible neighborhood center, and well-designed and safe open spaces with community programming.

PAGE 4.

The project plans include an infrastructure program that would transform the street layout, which is currently characterized as curvilinear streets with poor connectivity, to a grid with north/south and east/west connections to improve access within the project site and connectivity to the surrounding neighborhood. Pedestrian safety elements include bulb-outs, raised crosswalks, pedestrian scale lighting, high quality sidewalks. Even with significant regrading, the site presents a potential challenge for Muni 48 and 58 service. In several locations on the site where Muni bus routes would operate, the grades and transitions exceed those that the new Muni fleet have demonstrated success in traversing. The SFMTA, the Mayor's Office of Housing and Community Development, the Office of Economic and Workforce Development, San Francisco Public Works, and BRIDGE Housing, LLC share a commitment to ensuring that Muni can operate and serve the site and are working together towards solutions as the Master Infrastructure Plan evolves from conceptual to refined designs. Testing of Muni vehicles on steeper grades, exploration of further grade adjustments, and consideration of Muni route adjustments will be completed in the coming weeks and will inform refined infrastructure plans.

Transportation Demand Management Plan

The Transportation Demand Management (TDM) Plan for the site was developed to achieve a commitment of an auto trip cap set at 15% lower than the level of driving trips during peak periods established in the project's EIR/EIS. The TDM Plan includes measures that will be applied across the site, such as bicycle parking, carshare parking, multimodal wayfinding signage, on-site childcare, unbundling parking, reduced parking supply, and tailored transportation marketing services. The Plan also includes some measures that, because of their on-going costs, will apply specifically to the market rate parcels such as transit subsidies, carshare memberships, and real time transportation information displays. The site will have a transportation coordinator responsible for the TDM program. The TDM Plan also calls for on-going monitoring and reporting of the site's success in meeting its auto trip cap. If the site exceeds its auto trip cap, the developer will consult with SFMTA and submit revised TDM measures designed to comply with the auto trip cap to the SFMTA staff for review and approval.

Mitigation Measures

The Planning Commission adopted findings under CEQA. The SFMTA Board is asked to adopt those CEQA Findings as relevant to matters under its jurisdiction, and to adopt the mitigation measures related to transportation and circulation. The project EIR requires the project to provide the following transportation and circulation related mitigation measures:

- Fair-share contribution to improve 10 Townsend line capacity
- Establish and implement a Construction Traffic Control Plan
- Design bulb-outs and driveways per the Better Streets Plan and SFMTA standards
- Fair-share Pennsylvania Avenue/Southbound I-280 off-ramp traffic signal
- 25th Street/Indiana Street/Northbound I-280 on-ramp eastbound approach turn lane modification or traffic signal
- Fair-share contribution to Cesar Chavez Street/Vermont Street intersection traffic signal

PAGE 5.

- Fair-share contribution to Cesar Chavez Street/US 101 off-ramp traffic signal
- Fair-Share Contribution for transit capacity improvements

The SFMTA will be responsible for monitoring the transportation and circulation related mitigations.

By consenting to the Development Agreement, the SFMTA Board of Directors would agree to the transportation improvements set forth in the Master Infrastructure Plan (Exhibit P in the Agreement), the Transportation Demand Management Plan set forth as Exhibit M in the Agreement, and concurs that the Transportation Sustainability Fee does not apply to this project.

STAKEHOLDER ENGAGEMENT

The Potrero HOPE SF Initiative was launched in 2010 and since then, has included extensive community outreach with Potrero Terrace and Annex public housing residents to develop a set of core rebuild principles and to allow the community to assist in crafting the master plan. BRIDGE Housing led the HOPE SF Potrero site planning process with extensive resident and community engagement spanning over 18 months and including four design meetings; six focus group sessions; a resident bus tour; two community building workshops; a community action day; and three town hall type meetings at which residents and community members reviewed and commented on the design concept plans. BRIDGE Housing has continuously worked to maintain a comprehensive community engagement process involving residents, community organizations, the neighboring schools and local stakeholders. BRIDGE Housing maintains ongoing on-site programs and services at the Potrero site.

The development plan reflects stakeholder input and has widespread stakeholder support.

ALTERNATIVES CONSIDERED

The project is a mixed-use development project and not specifically a transportation project, although it includes mitigation measures and public benefits that are transportation-related. Alternatives to the project that were considered and rejected are summarized in the Environmental Impact Report/Environmental Impact Statement.

FUNDING IMPACT

The TSF legislation that was passed by the Board of Supervisors and signed by the Mayor in December 2016 exempted HOPE SF development projects from the TSF fee. The Developer will be making in-kind investments in new roadway and streetscape infrastructure across the site, including new accommodations for Muni bus routes (10, 48, and 58) such as bus bulb-outs.

ENVIRONMENTAL REVIEW

The San Francisco Planning Commission (in Motion 19529) certified a Final Environmental Impact Report (FEIR) for the HOPE SF Potrero project (Planning Department File No. 2010.0515E) on December 10, 2015. On November 17, 2016, in Motion No. 19530 the San Francisco Planning

PAGE 6.

Commission adopted CEQA Findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program (MMRP).

The environmental review determination is on file with the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The San Francisco Planning Commission and the San Francisco Recreation and Park Commission have approved various items under their jurisdiction related to HOPE SF Potrero. The San Francisco Public Utilities Commission will consider approval of the HOPE SF Development Agreement on December 13, 2016.

The Development Agreement, the Special Use District, Height Map Amendments, and General Plan Amendments require approval by the Board of Supervisors.

The City Attorney's Office has reviewed this item.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors consent to the Development Agreement between the City and BRIDGE Potrero Community Associates, for the development of a mixed-use HOPE SF project on the 38-acre Potrero Terrace and Annex site located in Potrero Hill; adopt California Environmental Quality Act Findings and adopt transportation and circulation measures of the Mitigation Monitoring and Reporting Program.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, BRIDGE Potrero Community Associates, LLC. (Developer) filed an application with the City's Planning Department for approval of a development agreement relating a mixed-use HOPE SF project (the Project) on the 38-acre Potrero Terrace and Annex site located in Potrero Hill under San Francisco Administrative Code Chapter 56, and the City and Developer negotiated a development agreement with a term of 25 years, a copy of which is on file with the Secretary to the Board of Directors (the Development Agreement); and

WHEREAS, The proposed project is part of the City's HOPE SF Initiative to revitalize the existing Potrero Terrace and Annex public housing site into a thriving mixed-use development with up to 1,700 housing units (consisting of 619 replacement public housing units, new affordable housing units, and market rate units), 13.5 acres of new public roadways and utility infrastructure, 3.5 acres of open space, 50,000 square feet of neighborhood-serving retails, community services, and childcare, approximately 1,055 vehicle parking spaces, and 839 bicycle spaces; and

WHEREAS, The Developer shall fund and implement transportation infrastructure improvements under the terms of the Development Agreement including accommodating new routing of MUNI bus lines 10, 48, and 58 with new bus bulb-outs, and including new bicycle routes through the project that connect to existing bicycle thoroughfares in the neighborhood; and

WHEREAS, The Developer shall implement and manage the terms of the Transportation Demand Management Plan that directs the Project to reduce auto trip travel and promotes measures that encourage alternate modes of travel such as transit, bicycling and walking; and

WHEREAS, The San Francisco Planning Commission—in Motion No. 19529—certified a Final Environmental Impact Report (FEIR)/Final Environmental Impact Statement (FEIS) for the HOPE SF Potrero project on December 10, 2015, and found the document to be in compliance with the requirements of the California Environmental Quality Act (CEQA) and Chapter 31 of the San Francisco Administrative Code; and,

WHEREAS, In approving the project, in Motion No. 19530, the San Francisco Planning Commission also adopted findings under CEQA, including a statement of overriding consideration, and adopted a Mitigation Monitoring and Reporting Program (MMRP); now therefore be it

RESOLVED, That the SFMTA Board of Directors has reviewed the FEIR/FEIS for the HOPE SF Potrero project and does hereby adopt the California Environmental Quality Act Findings set forth in Planning Commission Motion No. 19530, including the statement of overriding consideration, as its own and adopts the transportation and circulation measures of the Mitigation Monitoring and Reporting Program, which are incorporated into this Resolution by this reference; and be it

PAGE 8.

FURTHER RESOLVED, That subject to approval from the Board of Supervisors, the SFMTA Board of Directors does hereby consent to the Development Agreement between the City and BRIDGE Potrero Community Associates, LLC. for the development of a mixed-use HOPE SF project on the 38-acre Potrero Terrace and Annex site located in Potrero Hill substantially in the form and terms as outlined in the Development Agreement with respect to the items under the SFMTA's jurisdiction, and authorizes the SFMTA Director of Transportation to execute the SFMTA's Consent to the Development Agreement on behalf of this Board; and, be it

FURTHER RESOLVED, That subject to any approval of this Board or the SFMTA Director of Transportation or his designee that may be required in accordance with the Agreement in connection with amendments that affect the infrastructure or mitigation measures for which the SFMTA has responsibility, the Board consents that any of the Mayor, the City Administrator and the Director of Public Works (or any successor City officer designated by law) may enter into and approve any additions, amendments or other modifications to the Agreement (including, without limitation, any exhibits) that they determine, in consultation with the City Attorney and any affected City agencies, are in the best interests of the City, provided that any such additions, amendments or modifications do not materially increase the costs or liabilities of the City and are necessary or advisable to effectuate the implementation of Agreement, and this Resolution and legislation by the Board of Supervisors; and, be it

FURTHER RESOLVED, That, subject to appropriation of any necessary funds, the Board authorizes the Director of Transportation to take any and all steps (including, but not limited to, the execution and delivery of any and all agreements, notices, consents and other instruments or documents) necessary, in consultation with the City Attorney, in order to consummate and perform its obligations under the Development Agreement in accordance with this Resolution and legislation by the Board of Supervisors, or otherwise to effectuate the purpose and intent of this Resolution and such legislation; and, be it

FURTHER RESOLVED, That, by consenting to the SFMTA matters in the Development Agreement between the City and the Developer, the SFMTA Board does not intend to in any way limit, waive or delegate the exclusive authority of the SFMTA; and be it

FURTHER RESOLVED, That the approval under this Resolution shall take effect upon the effective date of the Board of Supervisors legislation approving the Development Agreement.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of December 6, 2016.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency