

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 14-100

WHEREAS, After the closure of the Schlage Lock Company industrial facility in 1999, the City initiated efforts to develop long-term planning goals for the property, as well as adjacent parcels owned by the Union Pacific Railroad Company and Universal Paragon Corporation.

WHEREAS, The Schlage Lock project site is located in the southeast quadrant of San Francisco, commonly referred to as Visitacion Valley, a neighborhood bounded approximately to the north and west by McLaren Park and the Excelsior and Crocker Amazon districts, to the east by the Caltrain tracks and to the south by the San Francisco/San Mateo County line and the City of Brisbane; and

WHEREAS, In recent years, limited investment in the maintenance of certain industrial, commercial, and residential properties within and around the project site and in Visitacion Valley has resulted in the prolonged use of obsolete and inadequate structures, nearly vacant and abandoned commercial and industrial buildings, obsolete public facilities and some privately-owned, deteriorating dwellings; and

WHEREAS, The City and County of San Francisco Board of Supervisors imposed interim zoning controls on the project site, which changed its industrial ("M-1") zoning to neighborhood commercial ("NC-3"), and also imposed a maximum use size limit of 50,000 square feet; and

WHEREAS, The City initiated community engagement efforts in order to lead the long-term planning process for the project site as well as the Visitacion Valley neighborhood in 2001; and

WHEREAS, The City's community engagement efforts culminated in the Visitacion Valley/ Schlage Lock Community Planning Workshop Strategic Concept Plan and Workshop Summary, which included a strategic concept plan to serve as the basis for future planning efforts; and

WHEREAS, The Schlage Lock Strategic Concept Plan was endorsed by the City and County of San Francisco Board of Supervisors pursuant to Resolution No. 425-05, approved on June 7, 2005, and the Board designated Visitacion Valley as a Redevelopment Survey Area pursuant to Resolution No. 424-05, approved on June 7, 2005; and

WHEREAS, The City conducted preliminary community workshops focused on developing alternative framework plans, selecting a preferred urban design framework plan addressing building, streetscape and open space designs, site sustainability features, and design guidelines for new development between 2006 and 2007; and

WHEREAS, The San Francisco Redevelopment Agency established the Visitacion Valley Citizens Advisory Committee, and worked with the Planning Department to develop the Visitacion Valley Redevelopment Plan and the Visitacion Valley/Schlage Lock Design for Development, both of which incorporate the Concept Plan; and

WHEREAS, The Redevelopment Plan completed a project site that would have been transformed into a mixed-use, transit-oriented community development comprised of approximately one thousand six hundred (1,600) units of new housing, including at least four hundred (400) affordable rental and for-sale units with new public streets, new parks, and a community center that was predicated on a public investment of at least \$48 million, to be raised through the Redevelopment Agency's tax increment financing capability; and

WHEREAS, The Redevelopment Agency certified a Final Environmental Impact Report (FEIR) for the Redevelopment Plan on December 16, 2008, and the San Francisco Planning Commission also certified the FEIR on December 18, 2008, 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, CEQA approval findings were adopted by both the Planning Commission in its Motion No. 17790 and the San Francisco Redevelopment Agency Commission in its Resolution No. 1-2009, which rejected certain mitigation measures as infeasible, rejected alternatives, and included a Statement of Overriding Consideration, and adopted a Mitigation Monitoring and Reporting Program (MMRP); and these findings are hereby adopted by this Board and incorporated by reference as though fully set forth herein; and

WHEREAS, The City and County of San Francisco Board of Supervisors approved the Redevelopment Plan pursuant to Resolution No. 70-09, as well as approved amendments to the General Plan, Planning Code, and Zoning Map, pursuant to Resolution Nos. 72-09, 73-09, and 71-09, respectively, in order to implement the Redevelopment Plan and the Design for Development; and

WHEREAS, In each of the aforementioned resolutions, the City and County of San Francisco Board of Supervisors adopted the CEQA approval findings of the Planning Commission and/or the Redevelopment Agency Commission and the MMRP; and

WHEREAS, The California Department of Toxic Substances approved a remedial action plan to govern the removal of groundwater and soil contamination at the project site caused by the prior industrial use, and the developer, Universal Paragon Corporation, agreed to pay for the cost of remediation; and

WHEREAS, The Redevelopment Agency was dissolved by legislation effective on February 1, 2012, by order of the California Supreme Court in a decision issued on December 29, 2011; and

WHEREAS, The legislation and court decision dissolving Redevelopment Agency occurred prior to the completion of Owner Participation Agreement negotiations and approvals, and the City lost the ability to access the public funds necessary to implement the Redevelopment Plan; and

WHEREAS, The Planning Department, the Office of Economic and Workforce Development and Universal Paragon Corporation reinitiated community outreach efforts in order to devise a strategy that would allow the project to proceed despite the loss of funding through the former powers of the Redevelopment Agency; and

WHEREAS, The Legislature of the State of California adopted Government Code Section 65864 et seq. (the "Development Agreement Statute"), which authorizes the City to enter into a development agreement with any person having a legal or equitable interest in real property related to the development of such property, and pursuant to Government Code Section 65865, the City adopted Chapter 56 of the San Francisco Administrative Code establishing procedures and requirements for entering into a development agreement pursuant to the Development Agreement Statute; and

WHEREAS, The project now proposed by Universal Paragon Corporation calls for 1,679 dwelling units of new housing, where the project site will be transformed into a mixed-use, transit-oriented community with new public streets and new parks designed to advance the same objectives that have been expressed by community members for the last decade; and

WHEREAS, Some of the major additional public benefits accruing to the City from the project are retention of the existing historic Schlage Lock office building; significant opportunities for local employment, both during the project's construction phase and afterward due to the new retail uses; the creation of two new public parks; the use of thoughtful design that accounts for existing architectural styles, local historical and cultural elements while simultaneously enhancing environmental sustainability through the use of the Design for Development established by the Visitacion Valley Design Review and Document Approval Procedure; creation of a mixed-use destination that includes pedestrian walkways and destination points; and improved traffic circulation through the implementation of a transportation demand management plan, on-site maximums for parking spaces, and programs to encourage residential occupants to maximize public transit, pedestrian, and bicycle travel; and

WHEREAS, The Planning Department issued an Addendum to the FEIR, analyzing the proposed changes to the Schlage Lock Development project contemplated in the Development Agreement; and

WHEREAS, The Planning Commission held a public hearing on the Developer Agreement on May 8, 2014, duly noticed and conducted under the Development Agreement Statute and Chapter 56 and reviewed the project, the Addendum and the public testimony regarding these matters; and

WHEREAS, This Board has reviewed the FEIR and the Addendum and hereby finds that since certification of the FEIR, no substantial changes have occurred in the proposed project or in the circumstances under which the project would be implemented that would cause new significant impacts or a substantial increase in the severity of impacts previously identified and analyzed in the FEIR, and that no new information of substantial importance has emerged that would materially change the analyses or conclusions set forth in the FEIR. The modified project would not necessitate implementation of additional or considerably different mitigation measures than those identified in the FEIR. Accordingly, the Addendum was properly prepared; and

WHEREAS, Since certification of the FEIR, the San Francisco Municipal Transportation Agency (“SFMTA”) has determined that certain mitigation measures identified in the FEIR are not feasible as proposed and that no other feasible mitigation measures are available to address certain identified significant impacts. This determination is set forth in a letter from Frank Markowitz, SFMTA, to Andrea Contreras, Planning Department, dated March 28, 2014. This document is available for review in Case File No. 2006.1308E at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, and is hereby incorporated by reference. The mitigation measures the SFMTA found to be infeasible as proposed in the FEIR are: Mitigation Measure 8-1A as it applies to the intersections of Bayshore/Blanken, Bayshore/Arleta/San Bruno, and Tunnel/Blanken; Mitigation Measure 8-3 as it applies to the intersection of Bayshore/Visitation; and Mitigation Measure 8-7 as it applies to Bayshore/Sunnydale in the eastbound direction; and

WHEREAS, As described in the FEIR, Impact 8-1A at Bayshore/Blanken and Bayshore/Arleta/San Bruno, Impact 8-3 at Bayshore/Visitation, and Impact 8-7 at Bayshore/Sunnydale were found to be significant and unavoidable, even with implementation of Mitigation Measures 8-1A, 8-3, and 8-7. For the reasons set forth in the March 28, 2014 letter, SFMTA would not implement Mitigation 8-1A at Bayshore/Blanken and Bayshore/Arleta/San Bruno, nor would it implement Measure 8-3 at the intersection of Bayshore/Visitation. No other feasible mitigation measures exist that would reduce the impacts at these intersections to less than significant levels. SFMTA additionally proposes to modify Mitigation 8-7 to remove the requirement for an additional eastbound lane at the intersection of Bayshore/Sunnydale because it has determined this requirement is not feasible. This Board finds that, because these impacts were identified in the FEIR as significant and unavoidable, even with implementation of the mitigation measures that the SFMTA has now determined are infeasible, elimination and modification of these mitigation measures as described here and in more detail in the March 28, 2014 letter would not result in any new significant impacts or in a substantial increase in severity of the impacts as already identified in the FEIR; and

WHEREAS, SFMTA has additionally recommended that Mitigation Measure 8-1A at the intersection of Tunnel/Blanken be modified to include intersection monitoring. The FEIR identified the impact at this intersection as less than significant with mitigation, and implementation of Mitigation 8-1A with this proposed modification would continue to reduce that intersection impact to less than significant. Thus, this Board finds that, modification of Mitigation Measure 8-1A as recommended by SFMTA staff would not result in any new significant impacts or in a substantial increase in severity of the impacts as already identified in the FEIR; and

WHEREAS, With these proposed modifications to the mitigation measures as well as the modifications previously made by the SFRA Commission and Planning Commission when they rejected certain other mitigation measures as infeasible in their CEQA Findings, this Board finds that the impacts of the project would be substantially the same as identified in the FEIR; and

WHEREAS, The Planning Department has recommended additional improvement measures not required by CEQA and SFMTA will place these improvement measures under consideration but not take action on approval at this time; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors hereby adopts the Mitigation Monitoring and Reporting Program - Visitacion Valley Modified Development Program (MMRP) which includes all proposed modifications; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors consents to the proposed Development Agreement between the City and County of San Francisco and Visitacion Development, LLC.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at its meeting of June 24, 2014.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency