July 22, 2015

Mr. John Arntz **Director of Elections** Department of Elections City and County of San Francisco 1 Carlton B. Goodlett Place City Hall, Room 48 San Francisco, CA 94102

VIA INTERDEPARTMENTAL MAIL AND VIA ELECTRONIC MAIL TO: barbara.carr@sfgov.org

RE: Mission Rock Affordable Housing, Parks, Jobs and Historic Preservation Initiative -November 2015 Ballot

Dear Director Arntz,

Thank you for the opportunity to review the "Mission Rock Affordable Housing, Parks, Jobs and Historic Preservation Initiative" measure ("Measure") that will appear on the November 3, 2015 ballot. As requested, and in anticipation of the Ballot Simplification Committee's preparation of a fair and impartial summary of the Measure, the Planning Department ("Department") is providing an objective analysis of the Measure's impact on current law and current Department and City practices.

Generally, the Measure would affect current law and practices in the following ways:

1. The Measure would direct the City and other applicable agencies to proceed with any and all required environmental review and planning analysis for the development of 28 acres of Port of San Francisco property (the Mission Rock Site) with a mixed-use project that would include certain major features. The site known as Mission Rock consists mostly of Pier 48 and Seawall Lot 337 and is bounded to the north by China Basin Channel, west by Third Street, east by Pier 48 and 50, and south by Mission Rock Street. The features that would be allowed by the Measure include: development of between 1,000 and 1,950 new housing units (of which a minimum of 33% would be affordable to low- and middle-income households); establishment of approximately eight acres of new and expanded parks, open spaces, and recreational opportunities; rehabilitation of Pier 48 accordance with established historic standards1 to include industrial/manufacturing uses, a restaurant, meeting space, and a museum; development of neighborhood-serving retail uses and commercial/office and light industrial space; and 1650 Mission St. Suite 400 San Francisco, CA 94103-2479

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Pier 48 would be rehabilitated to meet Secretary of the Interior's Standards for the Treatment of Historic Properties.

development of 3,100 parking spaces, including an above-ground structure with up to 2,300 spaces. As discussed below, the Measure would not constitute approval of any development, but would enact Planning Code and General Plan Amendments (described under Items 2 and 3) that would allow for such development to occur in the future, pending additional approvals, as described below.

- The Measure would enact Planning Code Amendments to establish a new height and bulk district, the Mission Rock Height and Bulk District, at the Mission Rock Site. Proposition B (Voter Approval for Waterfront Development Height Increases) of 2014 requires San Francisco voters to approve any increase in height limits on land under the jurisdiction of the Port." The building height limit on Pier 48 is currently 40 feet, while most of the rest of Mission Rock is designated as open space ("OS") with building heights limited to no more than one story. In addition, portions of the Mission Rock Site currently have no designated height and bulk district classifications. The Measure would retain the 40-foot height limit on Pier 48, retain Pier 48 apron as open space, and limit buildings to no more than one story height on eight acres of open space on portions of the Mission Rock Site. The Measure would amend the City's Zoning Maps in order to increase height limit on up to 10 acres in Mission Rock (other than Pier 48), such that proposed development along Terry Francois Boulevard would have a 120-foot height limit, with the building immediately fronting the street limited to no more than 40 feet in height and uses above 90 feet in height limited to residential, restaurant, or retail. Three buildings on the Mission Rock Site would have a 240-foot height limit, with uses above 190 feet in height limited to residential, restaurant, or retail. Locations of these height limits are illustrated in a figure provided with the Measure and would include: (1) the southwestern corner of the building proposed at the corner of Mission Rock and Third Streets, set back from Third Street; (2) the southwestern corner of the building proposed at the northwestern corner of the Mission Rock Site, also set back from Third Street; and (3) a portion of the building proposed just north of the proposed Mission Rock Square (to be located roughly in the center of the Mission Rock Site), set back from west, north, and east facades. Buildings on the rest of the 10 acres of the Mission Rock Site would be allowed heights up to 190 feet. Proposed buildings heights would be subject to the current methodologies and exceptions in the Planning Code. No further approvals would be required by the City for the establishment of this new height district to occur.
- 3. The Measure would allow for General Plan Amendments to provide for the Mission Rock Height and Bulk District. Specifically, Map 4, Urban Design Guidelines for Height of Buildings, and Map 5, Urban Design Guidelines for Bulk of Buildings, of the Urban Design Element of the City's General Plan would be amended to accommodate the project. No further approvals would be required by the City for the General Plan Amendments described herein to occur.
- 4. The Board and/or the Port would be able to modify or establish lower height limits within the Mission Rock Height and Bulk District that differ from those described

under Item 2 without going back to the voters, provided that such height limits are consistent with requirements set forth in Section 5 of the Measure. Any modification of heights by the Port Commission and/or the Board may only be made such that heights are reduced. Heights may not be increased above the maximum limits sets forth in the Measure without returning to the voters. Thus, if minor changes to the Mission Rock Height and Bulk District are requested by the City, and provided that they fall within legally allowed parameters contained in the Measure, such changes would not be required to go back to the voter for approval. Hence, if the Measure is passed, individual blocks can be defined more precisely and heights can be adjusted within the parameters discussed under Item 2. It is envisioned that Planning will develop design controls to carry out the established height and bulk or any amendments to such height and bulk that are allowed by the Measure. Moreover, the developer of the project at the Mission Rock Site would need to be in agreement with any such changes or they would not be obligated to proceed with the project.

5. Given the project's scale and land use program, the City would collect fees to fund transit, affordable housing, and child-care through various impact fee programs. In most instances, such fees would be deposited into funds for each respective fee and would be available to fund improvements and projects throughout the City. Section 6 of the Measure establishes as official City policy that fee programs for affordable housing be available to meet the 33% affordable housing targets described within the Measure. The Measure also makes it official City policy that other development fees generated by Mission Rock be directed to use on site where feasible.

Aside from the foregoing issues, the Measure would not affect any other current law or practice. The existing development review process would remain unchanged and would continue to apply to the Project. Specifically, the Measure states that it would "not in any way circumvent the public review and public approval process otherwise required for redevelopment of the Mission Rock Site, including but not limited to environmental review under the California Environmental Quality Act ("CEQA"). No project can be developed on the Mission Rock Site without Port Commission approval of a development plan and adoption of other implementation actions by the Planning Commission and Board of Supervisors, as applicable, such as conforming amendments to the City's Planning Code and the Port's Waterfront Land Use Plan following environmental review under CEQA." Hence, the Measure would not approve any development and all aspects of development other than the height increase would continue to be subject to public approval processes, including environmental review under the California Environmental Quality Act.

Based on the above, the Measure would satisfy the requirement established under June 2014's Proposition B that any increase to Port-controlled property be acted on by the voters.

Please do not hesitate to consult us as your deliberations move forward by contacting Daniel Sider of my staff at dan.sider@sfgov.org or (415) 558-6697.

Director of Illanning