



Legislation Details (With Text)

File #: 19-882 Name:
Type: Staff Report Status: Public Hearing
File created: 10/17/2019 In control: City Council
On agenda: 11/13/2019 Final action: 11/13/2019

Title: Report regarding the proposed mixed-use development (Use Permit, Design Review, Transportation Demand Management Plan, Vesting Tentative Map, Development Agreement, Density Bonus, Waivers and Modification Request, Parking Management and Monitoring Plan, Affordable Housing Agreement, Purchase and Sale Agreement, Environmental Consistency Analysis, General Plan Consistency Determination, and First Amendment to the Exclusive Negotiating Rights Agreement (ENRA) on 5.9 acres of vacant land (PUC Site) at 1051 Mission Road. (Michael Lappen, Economic Development Coordinator and Tony Rozzi, Principal Planner)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Att. 1 - PUC Site Plan.pdf, 2. Att. 2 - PC Staff Report from October 17, 2019.pdf, 3. Att. 3 - PC Reso 2845-2019.pdf, 4. Att. 4 - PC Minutes from October 17, 2019.pdf, 5. Att. 5 - Design Review Board Letter to Applicant from July 16, 2019 Meeting.pdf, 6. Att. 6 - HSC Minutes from August 19, 2019 Meeting.pdf, 7. Att. 7 - Design Review Board Letter to Applicant from August 20, 2019 Meeting.pdf, 8. Att. 8 - BPAC Minutes from September 4, 2019 Meeting.pdf, 9. Att. 9 - Combined Comment Letters as of 110819.pdf, 10. Att. 10 - Revenue Estimates.pdf, 11. Att. 11 - Childcare Rates.pdf, 12. Att. 12 - Area Median Incomes.pdf, 13. Att. 13 - Appraisal.pdf, 14. Att. 14 - Staff Presentation for City Council.pdf, 15. SB 343 - Silicon Valley Leadership Group Ltr.pdf, 16. SB 343 - Peninsula for Everyone Ltr.pdf, 17. SB 343 - Katie DeLeuw Ltr.pdf, 18. SB 343 - Roderick Bovee Ltr.pdf, 19. SB 343 - Winston Manor Ltr.pdf, 20. SB 343 - Gerald Jung Ltr.pdf, 21. SB 343 - John Baker Ltr.pdf, 22. SB 343 - Nancy Kwong Ltr.pdf, 23. SB 343 - Diego Marquez Ltr.pdf, 24. SB 343 - Noelle Langmack Ltr.pdf, 25. SB 343 - Linda Phommachanh.pdf, 26. SB 343 - AGI KASA Ltr.pdf, 27. SB 343 - Strikeout AGI KASA Ltr.pdf, 28. SB 343 - Everything South City Ltr.pdf, 29. SB 343 - Bay Area Council Ltr.pdf

Table with 5 columns: Date, Ver., Action By, Action, Result

Report regarding the proposed mixed-use development (Use Permit, Design Review, Transportation Demand Management Plan, Vesting Tentative Map, Development Agreement, Density Bonus, Waivers and Modification Request, Parking Management and Monitoring Plan, Affordable Housing Agreement, Purchase and Sale Agreement, Environmental Consistency Analysis, General Plan Consistency Determination, and First Amendment to the Exclusive Negotiating Rights Agreement (ENRA) on 5.9 acres of vacant land (PUC Site) at 1051 Mission Road. (Michael Lappen, Economic Development Coordinator and Tony Rozzi, Principal Planner)

RECOMMENDATION

Staff recommends that the City Council consider taking the following actions:

- 1. Adopt a resolution making a determination that the project is consistent with an adopted Program Environmental Impact Report for the El Camino Real/Chestnut Avenue Area Plan as updated by the Community Civic Campus Project Subsequent Environmental Impact Report and, based on the Environmental Consistency Analysis, would not necessitate the need for

preparing a subsequent environmental document pursuant to the criteria of CEQA Guidelines Section 15162;

2. **Adopt a resolution making findings and approving a Use Permit, Design Review, Transportation Demand Management Plan, Vesting Tentative Map, Density Bonus, Waivers and Modification Request, and Parking Management and Monitoring Plan to construct 800 residential units, an approximately 8,307 square foot childcare facility, an approximately 12,992 square foot commercial retail space, approximately one-acre of publically accessible open space, and related infrastructure at the 5.9-acre Former San Francisco Public Utilities Commission Opportunity Site, located at 1051 Mission Road;**
3. **Make a General Plan consistency determination in accordance with Government Code section 65402;**
4. **Adopt a resolution approving the Purchase and Sale Agreement and Affordable Housing Agreement including the Assignment and Assumption Agreement;**
5. **Introduce an ordinance approving a Development Agreement between the City of South San Francisco and the SSF PUC Housing Partners, LLC; and**
6. **Adopt a resolution approving the First Amendment to the Exclusive Negotiating Rights Agreement with SSF PUC Housing Partners, LLC.**

## PROJECT OVERVIEW

On June 13, 2019, SSF Housing Partners LLC (hereinafter “Developer” or “applicant”) submitted an application for a mixed-use development on a vacant 5.9-acre site, known generally as the “PUC Site” (see Site Map, Attachment 1). The proposed project is discussed in detail below, and can be summarized as follows:

- 800 residential units, of which 158 units will be affordable to households earning approximately 30%-80% of the San Mateo County’s Area Median Income;
- An 8,307 sq. ft. childcare center that can accommodate 70-110 children;
- A 12,992 sq. ft. “market hall” that will provide incubator space for local retail and maker businesses;
- 879 parking spaces (with capacity to add 25 additional spaces, if needed);
- Approximately 1 acre of publically accessible open space that includes: a 38,850 sq. ft. public courtyard, improvements to Centennial Trail, a pedestrian bridge connecting the Kaiser property to Centennial Trail and pedestrian trail connecting Mission Road to Centennial Trail, a series of linked open spaces (e.g., children’s play area, sculpture lawn, adult fitness stations, etc.) that link into Centennial Trail, a picnic area, and a small plaza connected to the Market Hall;
- Construction of Oak Avenue Extension Concept with pedestrian and bicycle access to El Camino Real;
- A Transportation Demand Management (TDM) Plan that requires 35% use of alternative transportation modes (e.g., transit, carpooling, etc.) during peak periods;
- A parking monitoring and management plan to ensure parking compliance; and
- Enhanced pedestrian and bicycle improvements.

As discussed below, this proposed project represents an opportunity for the City to achieve its long-standing General Plan and El Camino Real/Chestnut Area Plan planning goals for the area, and to comply with the State policies and regulations that require the site to be developed into high-density housing consistent with adopted

zoning.

At this time, the proposal by SSF Housing Partners LLC is being brought to the City Council for review and consideration, subject to final action on the Purchase and Sale Agreement only by the San Mateo County Oversight Board.

## BACKGROUND

### ***City Planning Policies***

Beginning with the 1999 General Plan, the City endorsed transit-oriented development for the area surrounding South San Francisco's Bay Area Rapid Transit (BART) Station, including the PUC Site. In the past 20 years, the City has reaffirmed the vision of transit-oriented housing for the area, with the adoption of: the 2001 Transit Village Plan, several Housing Elements, the Grand Boulevard Initiative, and the 2011 El Camino Real/Chestnut Avenue Area Plan. In particular, adopted zoning for the PUC Site permits high density residential development, with a maximum density of 180 units per acre, and maximum height of 160 feet with provision of Transportation Demand Management measures, maximum provisions for pedestrian and bicycle use, and off-site improvements.

In addition to these policy documents, the City pursued several projects to advance the vision of transit oriented development, including the construction of Centennial Trail and planning for the Oak Avenue extension. Cumulatively, these City initiatives have positioned the PUC Site to become a vibrant mixed-use, transit-oriented center.

### ***State Policies to Promote & Enforce Housing Development***

The PUC Site is subject to State policies and regulations that significantly affect the City's local control over the ultimate development of the site, and that effectively require the site to be developed for high-density housing consistent with adopted planning documents. These State policies include:

1. Long Range Property Management Plan (LRPMP):

The PUC Site was assembled and purchased by the former South San Francisco Redevelopment Agency (RDA). The RDA acquired the former PUC properties in 2007, in order to redevelop them into new mixed-use, transit-oriented development.

In 2011, the State of California dissolved all Redevelopment Agencies in California, and provided a procedure for the disposition of all former-RDA properties. A new State directed agency - the Successor Agency to the Redevelopment Agency - was created to dispose of all former RDA assets, subject to approval by a state directed Oversight Board and subject to review by the California Department of Finance.

In 2015 the California Department of Finance approved the Long Range Property Management Plan (LRPMP), which governs all former-RDA properties in South San Francisco. The LRPMP requires the PUC Site to be redeveloped consistent with underlying zoning as high density housing, and includes specific zoning and development standard assumptions for the site.

2. State Housing Legislation (Housing Accountability Act, etc.):

In 2017, the California Legislature passed a package of 15 bills designed to streamline local government approvals of housing projects. In particular, the 2017 amendments to the Housing Accountability Act, combined with the "No Net Loss" statute, require cities to comply with their existing general plans, zoning, and land use policies when considering residential project applications. In so doing, these two bills significantly limit a city's ability to deny a proposed residential project that is otherwise consistent

with General Plan and Zoning standards.

The 2017 legislation also strengthened the enforcement powers of the Housing Accountability Act, including mandates that judges award attorney's fees to successful petitioners under the Act, and giving judges the power to fine cities found in violation of the Act. Additionally, the legislation broadened legal standing so that individuals or groups interested in housing access (individuals or advocates for affordable housing, for example) could also sue an individual city for denying or downzoning a housing project. These new laws have been relied on by advocates for residential projects in other cities including San Bruno, Los Altos, Lafayette, Dublin, Berkeley, and Cupertino and in at least one instance has resulted in a lawsuit being filed against the city.

Additionally, Senate Bill 35 (SB 35) was signed into law and requires that a city that has not met its Regional Housing Needs Allocation (RHNA) for housing production is subject to significant streamlining for new developments. For example, in South San Francisco a project that proposes 50% of their units as affordable and complies with zoning standards, would be entitled to receive a 90 day review for projects with less than 150 units and no more than 180 days for larger projects. Such projects cannot go through discretionary design review or be subject to public hearings and there are also parking requirement limitations. SB 35 does not apply to the current application but could be used for future development applications for the property if the current proposed development is not approved or does not proceed.

### 3. Surplus Lands Act and other State Housing Legislation in 2019

Amendments to the existing Surplus Lands Act adopted this year also apply the Surplus Lands Acts to property formerly owned by redevelopment agencies if the property is not subject to a purchase and sale agreement by December 31, 2020 and conveyed prior to December 31, 2022. The Surplus Lands Act requires a process of notice to and potential negotiations with housing providers, park and recreation agencies and school districts.

Under the recently revised Surplus Lands Act there are additional restrictions that apply to surplus property that may be used for residential development. For example, residential use is presumed to be an acceptable use of land declared surplus. In addition, a city that is selling surplus land may not: (1) disallow residential use of the site as a condition of the selling the property; (2) reduce the allowable number of residential units or the maximum lot coverage below what may be allowed by zoning or general plan requirements, and (3) require as a condition of selling the property, any design standards or architectural requirements that would have a substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households, other than the minimum standards required by general plan, zoning, and subdivision standards and criteria. There are also limitations on the ability of a city to limit residential density on surplus land unless the residential density proposed would have a specific, adverse impact, supported by written findings, upon public health or safety or upon the operation or facilities of a local agency, and there is no feasible method to satisfactorily mitigate the impact.

### 4. Regional Housing Needs Allocation Implications

The State's issued Regional Housing Needs Allocation for (RHNA) South San Francisco requires zoning in place to provide for 1,864 housing units for the cycle from 2015 to 2023 on various opportunity sites throughout the City. Through the 2018 reporting period, the City has issued building permits for 681 units. For the 2019 reporting period, staff expects up to 363 additional building permits will be issued. In total, the City may likely issue up to 1,044 units through 2019. This project site represents a significant contribution towards the City's satisfaction of its required RHNA units under the

current cycle.

### ***Public Process & Refinement of Proposed Project***

In order to comply with State law and the LRPMP, staff followed a prescribed process to solicit qualified developers who would accomplish the City's development objectives. This year-long process is described in depth in the Planning Commission Staff Report (Attachment 2) and resulted in the City selecting AGI/Kasa Partners as developer in May 2018. The developer has since renamed to L37/Kasa Partners, and they have created a venture specific to the PUC Site known as SSF Housing Partners LLC.

Since November 2018, the developer has gone through a series of public meetings designed to give community members the opportunity to learn about the project and provide input. These public meetings include three public workshops held by the developer, as well as review by the Housing Standing Committee (HSC), Design Review Board (DRB), Bicycle and Pedestrian Commission (BPAC), and the Planning Commission, which on October 17, 2019, voted 7-0 to recommend approval to the City Council. (Planning Commission Resolution 2845-2019 included as Attachment 3). Minutes and comments from the HSC, DRB, BPAC, and PC are included as Attachment 4, 5, 6, 7, 8 to this report.

During this process, the developer worked to refine their project proposal in an attempt to address community input, adhere to the City's zoning and design standards, and comply with all applicable State regulations. The resulting project submittal is described below.

## **DISCUSSION**

### ***Project Description***

The applicant has proposed a project that follows all adopted City standards, or has requested a density bonus or waiver as allowed under State Density Bonus Law. Adopted zoning for the PUC Site permits a maximum density of 180 units per acre, and maximum height of 160 feet with provision of Transportation Demand Management measures, maximum provisions for pedestrian and bicycle use, and off-site improvements. These provisions would potentially allow a project of up to 1,062 units in a 12-story or higher building on the subject site.

The project currently proposes an 800 unit project that is 85 feet tall. This results in a density of 136 units per acre across the 5.9 acre site and thus complies with both development standards under the incentive program density measures listed above.

The Project contains three vertical development structures on three parcels (with a companion subdivision map). Parcel 1 will have Building C2, Parcel 2 will have Building C1 and Parcel 3 will have Building B. All vertical development structures will be constructed with up to five stories of Type IIIA construction and up to three stories of Type IA construction, with stair and elevator penthouses extending 8 to 12 feet in height above the proposed 85-foot tall roofs. A complete plan set is included as Exhibit A in the associated Entitlements Resolution.

Building C1 will be over a single basement structure and three above grade levels of type IA construction for parking and up to five levels of type IIIA residential construction. The basement has three level stacker parking with pits and level one has two level stacker parking. Level one is laminated with a double height entry lobby and residential units and at the south end of the building is an approximately 8,307 square foot childcare center. Level two will have two landscaped podium courtyards, a club room and residential units. Level three will have residential units. There will be five levels of type IIIA construction above level three with residential units with setbacks at various levels to conform to the zoning requirements.

Building C2 will consist of a 100% affordable housing development and will have two levels of type IA construction for parking and two to five levels of type IIIA residential construction. Level one will have stacker parking with pits and will be laminated with the entry lobby and residential units. Level two will have a podium courtyard, a community room/club room and residential units. Levels three to seven will have residential units with setbacks at various levels to conform to the zoning requirements.

Building B will be over a single basement structure and have three above grade levels of type IA construction for parking and five levels of type IIIA residential construction. The basement has three level stacker parking with pits. Level one has two level stacker parking for residential units and surface parking for a market hall. Level one is laminated with the entry lobby and residential units and has a 12,992 square foot double height market hall (with a mezzanine) facing an outdoor market plaza. Level two will have surface parking for the residential units and will be laminated with the residential units. Level three will have a landscaped podium courtyard, a club room and residential units. There will be five levels of type IIIA construction above level three with residential units.

Usable open space for the residential program, exceeding the 150 square foot requirement per dwelling unit in the Municipal Code, will be provided on-site in a variety of ways including private terraces, balconies of the dwelling units and common area open space. Building C1 will have a landscaped podium courtyard on level two; Building C2 will have two landscaped podium courtyards on level two and a roof deck on level six. Building B will have an outdoor market plaza, a landscaped podium courtyard on level three and a roof deck on level seven. Off-site landscaped areas and park programming will be included as part of the Project, which would increase open space available to both Project residents and the greater neighborhood.

### ***Proposed Residential Use and Parking Summary***

The Project will provide 800 residential units (including 13 flex units) where 158 of the non-flex units will be affordable to low-income households (20% of total units), improved parks and landscaping, connections to Centennial Trail and active ground floor uses throughout the site, including a day care and a market hall. The Project would be approximately 1,100,089 square feet, including non-ground floor open spaces.

The Project's residential units, including the affordable units, will include a mix of studio, one-bedroom, two-bedroom, and three-bedroom units. Flex units will also be provided in Building C1. Most of these flex units will open to the park and the Centennial Trail and provide an opportunity for home based retail or other commercial activity. Vehicular drop off for Building C1 and C2 is provided at the Paseo between the two Entry lobby with a round out and a drop off zone. The move in/move out and loading areas are in the Paseo and screened with trees. Drop off for the childcare is provided off Mission Road in an off street driveway/curb cut-out.

The project proposes to construct 879 parking spaces, including 845 spaces for residential units, 7 dedicated spaces for the childcare facility, and 27 spaces for retail users. The ability to add additional stacker parking to the existing stall design could provide approximately 25 additional spaces if needed, for a total of 904 garage spaces. This requirement would be triggered as part of the reporting requirement for the proposed Transportation Demand Management program (TDM) if the diversion goal percentage is not met.

The applicant has provided a Parking Occupancy Analysis (Exhibit C-a to the associated Entitlements Resolution) that identifies average parking demand for similar transit-oriented developments in the Bay Area within a Transit Priority Area such as the El Camino Real/Chestnut Avenue Area Plan. At the request of the City, Kimley Horn Planning and Design Engineering Consultants reviewed this occupancy analysis and summarized as follows:

*The average parking demand ranges from 1.18 to 1.31 parking spaces per unit for non-affordable housing and 0.82 to 1.34 parking spaces for affordable housing.*

*The project is proposing the following parking ratios:*

*Building B (Market Rate) = 1.12 parking spaces per unit*

*Building C1 (Market Rate) = 1.15 parking spaces per unit*

*Building C2 (Affordable Housing) = 0.73 parking spaces per unit*

As shown above, the proposed project is providing less parking than the ranges for the average parking demand for affordable and non-affordable housing. This is primarily due to the lack of available and comparable development sites within San Mateo County that are proximate to high-quality transit such as BART. While the project proposes a parking ratio at the low end of the identified ranges, the companion Transportation Management Plan and enforcement measures included in the Development Agreement, and discussed in more detail in the Transportation Demand Management section, should adequately manage site circulation and parking demand. If they project fails to meet alternative transportation goals and spillover parking occurs, enforcement penalties would be triggered.

### ***Oak Avenue Extension Concept***

The applicant has proposed a phased concept for extending Oak Avenue, which is designed to coordinate with the Civic Community Center campus and other City planning initiatives. Phase I will extend Oak Avenue over Colma Creek so that it connects to Antoinette Way and terminates into a shared street with a wide staircase and accessible switchback path that traverses up the bank to El Camino Real. The improved pedestrian and bicycle circulation of the site will integrate connections between the new housing, commercial zones, the new Civic Center, SSF BART and Orange Memorial Park to the south. Phase 1 will be built as part of the initial housing project.

Phase 2 will construct a complete road linking Arroyo Drive with Oak Avenue through the PUC Site. Phase 2 is not proposed for initial construction; however, the developer will be required to complete preliminary designs for Phase 2 as a part of the building permit submittal.

The developer has committed a not-to-exceed amount of \$10,850,000 for land acquisition and completion of Oak Avenue and is obligated to provide 35% engineering drawings for review during building permit submittal. The City would contribute up to \$5.5 million to build Oak Avenue and repay the developer over 10 years consistent with the Development Agreement (as discussed below).

### ***Enhanced Pedestrian and Bicycle Connections***

Several new pedestrian and bicycle connections in form of paseo and linear plaza will be provided to connect Mission Road and Centennial Trail. Pedestrian and bicycle access is provided to the Project Site. Long term bicycle parking is provided within the residential garage at a 1:1 ratio. Centennial Trail will be improved with better lighting, new seating, interpretive signs and bike share station along the trail. Oak Avenue will also be extended across Colma Creek to Antoinette Way and leading to a shared street that ends with a staircase and accessible pedestrian and bike path up the bank to El Camino Real. Developer is providing funds for pedestrian bridge concepts to potentially link with Kaiser Hospital and north of the site between Mission Road and Centennial Way.

### ***Transportation Demand Management Plan (TDM Plan)***

Fehr & Peers has prepared a TDM Plan that reduces peak hour driving trips and promotes travel by alternative

forms of transportation. SSF Housing Partners LLC would develop a final TDM Plan that reduces peak hour driving trips and promotes travel by alternative forms of transportation in order to meet a minimum alternative mode use of 35% or greater during peak periods. The TDM Plan would be implemented by the developer and managed by the onsite property management staff, including annual monitoring and reporting of progress to the City of South San Francisco (See Exhibit A-k to the associated CEQA Resolution).

Furthermore, staff and the developer have agreed to provide the following measures as part of the TDM Plan to minimize overflow parking into surrounding areas and ensure appropriate enforcement:

- Bundled parking for a minimum of 80% of all market rate residential units ;
- Increase the TDM goal to 35% during peak hours and meet 28% standard goal for all other times;
- Fund a parking enforcement officer (\$100,000) for neighborhood parking enforcement, if needed; and
- Contribute \$25,000 to establish a residential parking permit program.

### ***Land Conveyance Purchase and Sale Agreement***

A Purchase and Sale Agreement (PSA) is required to memorialize the terms of the land sale to L37/ Kasa Partners. The offer price from L37/ Kasa Partners is \$11,000,000 (Eleven Million Dollars).

Understanding that both Council and the Countywide Oversight Board will require an objective, third-party assessment of the value of the PUC Site prior to disposition, staff contracted with Watts Cohn and Partners, Inc. to perform an appraisal. The appraiser provided a land valuation based on a sales comparison approach factoring in extraordinary development costs. The final, appraised value is \$11,000,000. See Attachment 13 for appraisal report.

### ***Development Agreement***

The former PUC property is set for redevelopment as a transit oriented development. The legal form in which the terms and procedures for developing the property are set forth is called a Development Agreement (DA). The full DA is included in the associated entitlements resolution. The DA between the City of South San Francisco and L37/Kasa Partners reflects the business terms of the project development.

Below is a list of the key terms represented in the DA:

- Development fee requirements;
- Prevailing wage requirement;
- Maintenance of all project improvements, with the exception of any pedestrian or vehicle bridges which the City will accept for maintenance;
- Childcare subsidy by Developer if childcare provider is unable to secure grants/subsidies (Attachment 11);
- Market Hall operation and financing;
- Public art commitment; and
- Publically accessible open space.
- Construction of the Oak Avenue Extension Phase I
- Provide 20% affordable residential units

### ***Affordable Housing Agreement***

Twenty percent (158 units) of the Project's overall residential construction will be affordable and these units will be provided in Building C2 since it is the closest building to the SSF BART station and will likely qualify

for additional funding sources.

Bridge Housing, L37/Kasa Partners' affordable housing partner, is targeting incomes for the affordable units at an average of 60% of Area Median Income with units provided for a range of incomes from 30% to 80% Area Median Income. The reason for targeting this low Area Median Income range is two-fold: (1) the average household income in South San Francisco is 37% below the San Mateo County average, with the City's median income 15% below the County median; and (2) there is more State funding available for lower Area Median Income levels (details included in a summary provided by applicant as Attachment 12). The exact income mix will continue to shift as funding for the project is secured. The current inclusionary housing ordinance requires that rental buildings provide 10% of the units at 80% Area Median Income if the planning application is deemed complete prior to November 1, 2019. This proposal exceeds City requirements.

### ***Project Phasing***

Project phasing is set forth in the PSA and includes the following milestones or expectations:

- Oversight Board Action on PSA - January 2020
- Completion of Sale/Land Conveyance per State Law - December 31, 2022
- Phase 1 (Market Rate Housing , Building C1 and Affordable Housing Building C2) Commence Construction one year after close of escrow and complete construction within 5 Years after Sale
- Phase 2 (Market Rate Building B, Market Hall) Permit Issuance - Complete construction within 8 Years after Sale

### ***Exclusive Negotiating Rights Agreement (ENRA)***

The City and Developer entered into an ENRA in July 2018 for an initial term of 365 days. Following receipt of a request to extend the ENRA, the City Manager, acting on behalf of the City, extended the term by 161 days to terminate on December 31, 2019. Further extension is now required in order to ensure a valid ENRA is in effect through the effective date of the proposed Purchase and Sale Agreement. The extension would be for a maximum of 182 days to June 30, 2020, or until the Oversight Board approval of the disposition of the property, whichever is earlier, to allow sufficient time for the Countywide Oversight Board to consider approval of the final land sale price.

### **ENVIRONMENTAL REVIEW**

For this Project, the applicant has prepared an Environmental Consistency Analysis pursuant to CEQA Guidelines § 15158(c)(2) for the City's consideration that finds that no new impacts were identified and the project complies with the assumptions and findings of the adopted El Camino Real/Chestnut Avenue Area Plan EIR, Civic Campus SEIR and associated Mitigation Monitoring and Reporting Program, and supplemental analysis as referenced and evaluated in the Environmental Consistency Analysis.

The City hired Kimley Horn, Planning and Design Engineering Consultants, to evaluate the project proposal and evaluate the future traffic conditions for the area by the year 2030 - Kimley Horn's analysis, included with the accompanying resolution, determined that the designed project and related infrastructure improvements will not result in further traffic related impacts not evaluated under the already adopted EIR and SEIR.

Furthermore, the project proposes the following improvements at two intersections:

- El Camino Real/McLellan Boulevard - lane restriping and signal retiming consistent with the 2011 and 2017 mitigations; and
- Mission Road/Oak Avenue - installation of a traffic signal.

Both improvements, along with the implementation of the required mitigation measures identified under the adopted 2011 EIR and 2017 SEIR as a Condition of Approval, will maintain roadway vehicle traffic at assumed levels under the adopted 2011 EIR and 2017 SEIR analysis once the project is complete and in the modeled 2030 condition. Other mitigations that are assigned to the developer include signal timing updates that will maintain moderate traffic conditions at the following intersections:

- Hickey Boulevard/El Camino Real;
- El Camino Real/Chestnut Avenue; and
- Westborough Boulevard/I-280.

Therefore, this project, as part of the adopted El Camino Real/Chestnut Avenue Area Plan and associated environmental analysis, is consistent with assumed impacts, mitigation measures, and the adopted 2011 Statement of Overriding Considerations that determined the benefits of development under the El Camino Real/Chestnut Avenue Area Plan outweighed known potential traffic impacts to the circulation network. The mitigation measures previously identified and analyzed in the 2011 EIR and 2017 SEIR continue to apply to the proposed project and are incorporated therein.

#### PUBLIC COMMENTS RECEIVED

A combination of public comment letters submitted before, during and after the Planning Commission are included for the City Council's consideration as Attachment 9. Public comments provided during public comment at the Planning Commission hearing on October 17, 2019 are captured in the associated minutes, included as Attachment 4 to this report.

#### PLANNING COMMISSION ACTION

On October 17, 2019, the Planning Commission reviewed the project and recommended approval to the City Council, by a vote of 7-0-0 (see Planning Commission Resolution as Attachment 3). Staff summarized the proposed project, project area history, relevant legislation, community outreach process, and the preliminary architecture analysis and project level environmental review. The developer gave a presentation showing the detailed architecture and open space improvements.

The Planning Commission reviewed the project for consistency with the adopted General Plan, Zoning standards, and El Camino Real/Chestnut Area Plan development standards and determined the project was consistent with the General Plan pursuant to Government Code section 65402 (which requires a city's planning agency to review disposal of real property for consistency with general plan standards). Approximately 35 interested individuals commented in support or opposition to the project. The meeting's draft minutes are included in Attachment 4 to this report.

#### FISCAL IMPACT

As mentioned above, the land would be purchased by the developer for a total land sale price of \$11,000,000. In 2007, the former Redevelopment Agency acquired the subject properties in order to develop them into a transit-oriented, mixed-use node. The Successor Agency to the Redevelopment Agency is tasked with overseeing the sale and disposition of the property on behalf of the various taxing agencies and assessment districts, including the County of San Mateo, the South San Francisco Unified School District, the San Mateo County Community College District, and the City of South San Francisco. Proceeds from the sale of this property would be split among these agencies with the South San Francisco School District receiving the largest percentage (nearly 44%).

Additionally, the applicant is obligated to pay the City's adopted development impact fees for parkland

acquisition and construction, sewer capacity needs, public safety, and bicycle and pedestrian enhancements that are shown in detail in Attachment 10 to this staff report. School fees are charged separately and go directly to the school district.

## CONCLUSION

The applicant has proposed a transit-oriented development project at the PUC Site that fulfills the City's vision and planning goals for the site and allows the City to comply with the State policies and regulations that effectively require the PUC Site to be developed into high-density housing.

Staff recommends that the City Council follow the Planning Commission's recommendation and consider taking the following actions:

1. Adopt a resolution making a determination that the project is consistent with an adopted Program Environmental Impact Report for the El Camino Real/Chestnut Avenue Area Plan as updated by the Community Civic Campus Project Subsequent Environmental Impact Report and, based on the Environmental Consistency Analysis, would not necessitate the need for preparing a subsequent environmental document pursuant to the criteria of CEQA Guidelines Section 15162;
2. Adopt a resolution making findings and approving a Use Permit, Design Review, Transportation Demand Management Plan, Vesting Tentative Map, Density Bonus, Waivers and Modification Request, and Parking Management and Monitoring Plan to construct 800 residential units, an approximately 8,307 square foot childcare facility, an approximately 12,992 square foot commercial retail space, approximately one-acre public park, and related infrastructure at the 5.9-acre Former San Francisco Public Utilities Commission Opportunity Site, located at 1051 Mission Road;
3. Make a General Plan consistency determination in accordance with Government Code section 65402;
4. Adopt a resolution approving the Purchase and Sale Agreement and Affordable Housing Agreement including the Assignment and Assumption Agreement;
5. Introduce an ordinance approving the Development Agreement between the City of South San Francisco and the SSF PUC Housing Partners, LLC; and
6. Adopt a resolution approving the First Amendment to the Exclusive Negotiating Rights Agreement with SSF PUC Housing Partners, LLC.

## *Attachments*

1. PUC Site Map
2. Planning Commission Staff Report from October 17, 2019
3. Planning Commission Resolution 2845-2019 Recommending Project Approval
4. Planning Commission Minutes from October 17, 2019
5. Design Review Board Letter to Applicant from July 16, 2019 Meeting
6. Housing Standing Committee Minutes from August 19, 2019
7. Design Review Board Letter to Applicant from August 20, 2019
8. Bicycle and Pedestrian Advisory Committee Minutes from September 4, 2019
9. Comment Letters Submitted to date

10. Revenue Estimates: Sales Proceeds, Property Taxes, and Impact Fee
11. Childcare Rates
12. Area Median Incomes
13. Appraisal
14. Staff Presentation for City Council

***Associated Documents: CEQA Resolution Exhibits***

1. CEQA Resolution
  - A. Environmental Consistency Analysis and supporting documents (Exhibit A):
    - a. Air Quality Assessment
    - b. Arborist Report and Tree Assessment
    - c. Geotechnical Report and Environmental Soils Report
    - d. Phase I Environmental Site Assessment
    - e. Noise and Vibration Assessment
    - f. Wind Effects Assessment
    - g. Shadow Analysis extracted from Submittal Set Project Plans
    - h. Traffic Assessment
    - i. Water Supply Assessment
    - j. Kimley Horn Transportation Impact Analysis
    - k. Preliminary TDM Plan
    - l. ECR/Ch SEIR Mitigation Monitoring and Reporting Program
2. Entitlements Resolution
  - A. Entitlement Submittal Set Project Plans (Exhibit A)
  - B. Draft Conditions of Approval (Exhibit B)
  - C. Parking Management and Monitoring Plan (Exhibit C)
    - a. Applicant Parking Occupancy Analysis (Exhibit C-a)
  - D. State Density Bonus Law Request and Waiver Letter (Exhibit D)
  - E. Applicant Support Statement for Waivers (Exhibit E)
3. Purchase and Sale Agreement and Affordable Housing Agreement Resolution
  - A. Purchase and Sale Agreement (Exhibit A)
  - B. Affordable Housing Agreement (Exhibit B)
4. Development Agreement Ordinance
  - A. Draft Development Agreement (Exhibit A)
5. Draft First Amendment to the ENRA Resolution
  - A. Executed ENRA (Exhibit A)
  - B. Draft First Amendment (Exhibit B)