



SAN FRANCISCO PLANNING DEPARTMENT

Memo to the Planning Commission

HEARING DATE: JANUARY 23, 2014

Date: January 16, 2014
Project Name: **Public Sites Framework**
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Recommendation: **Informational Only**

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BACKGROUND

The Planning Department, in coordination with a number of city agencies, is participating in a citywide program around the development of several of the city's public sites. Currently, if a property-managing agency expresses an interest in selling or developing a site, the process is often developed differently depending on the agency. When the process is coordinated, the City family and the community can better explore all potential options for a site.

Recently, some of the City's enterprise agencies have expressed interest in redevelopment of some of their real estate assets in order to help fund the public services they provide (e.g. transit service) and have asked the Planning Department to assist with an overall program for site development. The San Francisco Municipal Transportation Agency (SFMTA) recently published a *Real Estate and Facilities Vision for the 21st Century* report, identifying ground lease or joint use development at SFMTA-owned sites, which include rail and bus facilities as well as parking lots and garages. The San Francisco Public Utilities Commission (SFPUC) has also recently expressed interest in exploring development of some of their sites, including the Balboa Park Reservoir¹. In a City with an extremely tight real estate and a need to meet multiple public objectives, the goal of this program is to ensure coordinated development of these public assets, and to provide a range of public benefits while still ensuring that City agencies can meet their core needs.

As public resources, the development of these sites can provide a number of benefits – they can help provide funding for City services such as transit and transportation system operating and capital improvements, help address the City's need for housing (especially affordable housing), repair the urban fabric, fill in gaps in its open space network, and contribute toward other

¹ The PUC is mandated by City Charter to receive fair market value for their sites on behalf of their ratepayers, and this process would not hinder that requirement.

current public needs and future growth. But different sites are better suited towards different needs, and every individual site cannot contribute towards all of the City's needs. If each site is viewed only as an individual development opportunity, it is difficult for the public and decision-makers to identify the larger picture of what is being gained citywide, understand the full impacts to the surrounding areas, and for city agencies to provide more effective and coordinated delivery of public services.

PROJECT OVERVIEW

The purpose of this project is to develop an inter-agency working group to holistically address public site development throughout the City. The interagency working group is composed of Planning, San Francisco Municipal Transportation Agency (SFMTA), Office of Economic and Workforce Development (OEWD), Mayor's Office, Recreation and Parks Department (RPD), Mayor's Office of Housing (MOH), the Department of Public Health (DPH), and the Real Estate Division. The group will work together to coordinate potential development of selected public sites and the public benefits they can contribute. The coming together of these various agencies to create a comprehensive and coordinated approach to consider these sites collectively can more effectively support public service and public benefits delivery.

The proposed strategy has the following components:

- 1) The development of a City-supported framework based on existing policy to guide the process and an accompanying implementation document;
- 2) A comprehensive menu of public benefits the public sites can provide collectively;
- 3) The use of tools and innovative strategies to achieve those benefits; and
- 4) The application of the framework and strategies for site planning and development for specific sites.

PLANNING DEPARTMENT ROLE

The Planning Department will have the following role in the program:

- 1) Planning Department Staff:
 - a. Co-lead with partner agencies the development of the scope and schedule.
 - b. Help with the affordable housing feasibility analysis, and lead the site planning and public engagement for each development site.
- 2) Planning Commission:
 - a. Review and provide direction on the program.
 - b. Approve any proposed rezoning, development entitlements and public benefits package for individual sites.

Partner agencies have participated and will continue to contribute to the refinement of the program scope and the draft principles, the refinement of strategies and solutions to deliver public benefits, the public engagement around proposals for specific sites, and the process to issue and move forward Requests for Proposals (RFPs) for the development of specific sites.

PUBLIC OUTREACH & ENGAGEMENT

In addition to the various informational hearings at the respective decision-making bodies (Planning Commission, SFMTA Board, etc.), Planning Department staff will conduct the following public process in partnership with the working group as part of the process of developing each site:

- Reach out and engage a variety of stakeholders that have expertise in the various public benefits areas (transportation, housing, open space, etc.) to define the menu and tools to be considered, and to develop the criteria by which each tool might be evaluated for appropriateness in the context of individual sites.
- Engage interested community members and stakeholders around site-specific planning efforts.

TIMELINE

Next steps in the process are as follows:

January-February	Refine program scope and initiate focused sessions with technical stakeholders (housing, transportation, PDR, open space, etc.).
February	MTA Board informational hearing.
March	Initiate first-tier, site-specific community meetings (sites TBD).
April	Planning Commission update and potential review of proposals.

RECOMMENDATION:	Informational Only
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Attachments:

- Exhibit A: Draft Principles
- Exhibit B: Draft Public Benefits List

Public Sites Development

Exhibit A: Working Draft of Guiding Principles

January 2014

These draft principles were collected through a City agency working group comprised of the Planning Department, Office of Economic and Workforce Development (OEWD), Mayor's Office of Housing (MOH), San Francisco Municipal Transportation Agency (SFMTA), the Real Estate Division, the Recreation and Parks Department (RPD), and the Department of Public Health (DPH) from August to December 2013. These principles are intended to guide individual development of specific publicly-owned sites, and will be presented for informational purposes to the Planning Commission, SFMTA Board, and the Board of Supervisors in early 2014.

INTRODUCTION

San Francisco serves as an attractive place to live in the region. It is anticipated that the city will grow to 940,000 residents by 2040 and will add approximately 142,000 jobs. In the high-cost and dense urban environment of San Francisco, certain underutilized publicly-owned sites throughout the city could help contribute towards the City's needs for housing, jobs, transportation and other services. These sites provide a valuable resource that could often be better utilized, repurposed or redeveloped to maximize opportunities. In order to support land-owning agencies in their efforts for more productive use of their real estate assets, the City is launching an effort to holistically evaluate use of such underutilized sites. This effort parallels the work by the City's Real Estate Division to address the findings of a recent report by the Civil Grand Jury on surplus and underutilized properties, which called for revisions to the Surplus City Property Ordinance.

The City will create a framework which would guide the use of underutilized publicly-owned properties. As public resources, their re-use or redevelopment presents the potential to deliver a higher level of public services than typically provided by private development – an opportunity for the land-owning agencies to showcase strategies that relate to their public mission, or pilot innovative ideas that are not yet tested by the private market. This framework will also help City agencies to coordinate and collectively consider these sites for a variety of public benefits so that each individual site would deliver the most suitable and appropriate benefits, and ensure that benefits not achievable in one site could potentially be delivered at a different location. Of particular note, housing developed on these sites would collectively deliver a minimum thirty percent of its units as permanently affordable. Affordable housing is one of the City's high priorities, and this rate is typical in former Redevelopment Areas and in past projects with significant city-ownership and participation. Beyond housing, these sites will also be looked at to achieve high standards of public benefit delivery for other City priorities such as transportation, open space and other needs.

These principles are intended to guide use and potential development of those sites ensuring they provide civic opportunities and public benefits while helping to advance owning-agency missions. Development of sites should address the principles on balance and advance multiple objectives as well as clearly identify the public benefits provided, including when the main benefit is deficit reduction or increased operating or capital revenue for an owning agency. The principles are based on existing adopted City policy documents, including:

- The General Plan
- Planning Code Sections 101.1(b), 415, and Priority Policies Findings
- The Surplus City Property Ordinance, Administrative Code, Chapter 23A

- San Francisco Charter Section 8A.115 Transit First Policy
- San Francisco Health Care Services Master Plan (HCSMP)
- SFMTA's Real Estate & Facilities Vision for the 21st Century
- The City & County of San Francisco Consolidated Plan

The principles are a road map to guide government officials and staff in establishing consistent, effective and coordinated processes across all public sites to be proposed for development. The accompanying documents to the principles detail how they will be implemented and what public benefits will be considered.

PRINCIPLES

1. OPTIMIZE LAND UTILIZATION.

- 1-1 Optimize productive use of public real estate assets in order to provide developable space that can help address critical City needsⁱ.
- 1-2 Work with partner agencies to relocate and co-locate services to more efficiently serve the public, particularly in cases where such services are not currently suitably located.ⁱⁱ
- 1-3 Develop and maintain a property inventory and regularly updated plan for the short and long-term use of public properties by each owning-agency.ⁱⁱⁱ

2. PROVIDE PUBLIC BENEFITS.

- 2-1 Deliver multiple benefits and identify the appropriate public benefits and amenities that proposed development on public sites will provide, including what additional revenue will fund, and how they will be greater than what private development could deliver^{iv}.
- 2-2 Evaluate sites holistically and balance citywide needs with individual neighborhood needs in considering appropriate public benefits each site can provide.
- 2-3 Balance city policy requirements with the need to create public benefits, allowing public agencies to provide public benefits and other requirements in-kind.

3. FUND PUBLIC SERVICES.

- 3-1 Optimize productive use of public real estate assets, maximizing revenue in order to reduce owning agencies' budget deficits, help enhance the delivery of city services, including both capital infrastructure and operations, and provide additional resources to support future growth in service demand^v.
- 3-2 Prioritize development strategies that enable property to serve and remain as a long-term source of revenue, in order to assist the land-owning agencies in fulfilling their mission over the long term^{vi}. Consider sale of property as a last resort given the scarcity of land and its value in the City.

4. UTILIZE INNOVATIVE APPROACHES TO DELIVER PROJECTS & PUBLIC BENEFITS.

- 4-1 Enhance public benefit opportunities by employing new and creative solutions and financing mechanisms such as public private partnerships, tax increment financing, tax abatement and infrastructure finance districts.

4-2 Demonstrate innovative development and public benefits delivery models which can serve as an example for private site development^{vii}.

5. COMPLEMENT NEIGHBORHOOD CONTEXT & ENGAGE THE COMMUNITY

5-1 Ensure development proposals are compatible with nearby existing and envisioned uses and are consistent with adopted Area Plans^{viii}.

5-2 Program uses in the development proposals that would serve neighborhood needs and specifically address demonstrated gaps in public services^{ix}.

5-3 Promote interim uses to activate underutilized public sites, promote economic development and provide additional amenities to the public if permanent re-use or redevelopment is not envisioned in the near term^x.

5-4 Educate, engage, and involve the public to generate community-supported development proposals for publicly-owned sites.

ⁱ See C&I Policy 1.1 Encourage development which provides substantial net benefits and minimizes undesirable consequences; and Housing Element 1.3 - 1.6 Work proactively to identify and secure opportunity sites for permanently affordable housing; and Air Quality Element 1.3 Support development of affordable housing on surplus public lands; and Rincon Hill 2.3 Develop publicly owned lands with 100 percent affordable housing; and HCSMP Guideline 1.1.4 Continue to support the expansion of permanent supportive housing and other affordable, safe housing options that have robust connections to health care facilities and services and to wellness opportunities.

ⁱⁱ See Community Facilities Objective 3 Assure that neighborhood residents have access to needed services and a focus for neighborhood activities; and HCSMP Recommendation 3.1 Increase access to appropriate care for San Francisco's vulnerable populations

ⁱⁱⁱ See Administrative Code, Chapter 23A: Surplus City Property Ordinance, Section 23A.5.

^{iv} See C&I Policy 1.1 Encourage development which provides substantial net benefits and minimizes undesirable consequences;

^v See SFMTA Real Estate Vision; and C&I Policy 5.5 Assure adequate funding for capital investments as well as operational expenses of the port.^{vi} SFMTA Real Estate Vision; and C&I Policy 5.5 Assure adequate funding for capital investments as well as operational expenses of the port.

^{vii} See Transportation Element 12.1 Develop and implement strategies that promote the use of alternative public transit; and 12.3 Implement private and public sector TDM programs.

^{viii} See C&I Policy 1.1 Encourage development which provides substantial net benefits and minimizes undesirable consequences; and Urban Design Objective 4, IMPROVE THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

^{ix} See Community Facilities Objective 3 Assure that neighborhood residents have access to needed services and a focus for neighborhood activities; and ROSE Objective 4 PROVIDE OPPORTUNITIES FOR RECREATION AND THE ENJOYMENT OF OPEN SPACE IN EVERY SAN FRANCISCO NEIGHBORHOOD; and HCSMP Recommendation 3.6 Ensure collaboration between San Francisco's existing health and social services networks and the community to maximize service effectiveness and cost-effectiveness.

^x See C&I Policy 6.10 Promote neighborhood commercial revitalization, including community-based and other economic development efforts where feasible.

Public Sites Development

Exhibit B: Draft Potential Public Benefits List (that need physical space/landⁱ)

Affordable Housing: all income levels, including those outside traditional affordable housing definitions
Childcare
Public Transit Facilities (e.g. bus yard; bus layover; subway station) to support daily transit service
Transportation Infrastructure (e.g. pedestrian safety, street improvements)
Innovative Transportation Projects (e.g. Bike share station; car share pod) to support mode shift
Public Open Space
Public Recreation Center/Community Center
Public service provision: Health and human service facilities
Affordable Office Space for Non-profit/Social Service
Affordable space for Arts/Culture
Affordable space for Production, Distribution & Repair (PDR) uses
Healthy Food / Urban Agriculture
Green Building features: Renewable Energy Generation
Green Building features: Water Recycling Facility
Green Building features: District energy or CHP facility

ⁱ Note: This is not an exhaustive list of public benefits and it is a list of potential benefits. It also only includes public benefits that need actual physical space/land.