

**STAFF REPORT
C84**

A 17

06/21/18

AD 557

W 26279

G11-00.7

R. Boggiano

S 11

A. Kershen

**CONSIDER APPROVING A DEVIATION FROM THE BUILDING HEIGHT LIMITS IN
THE HUNTERS POINT NAVAL SHIPYARD/CANDLESTICK POINT TITLE
SETTLEMENT, PUBLIC TRUST EXCHANGE AND BOUNDARY LINE AGREEMENT,
CONCERNING LANDS WITHIN THE FORMER HUNTERS POINT NAVAL
SHIPYARD, CITY AND COUNTY OF SAN FRANCISCO**

PARTIES:

Office of Community Investment and Infrastructure, successor agency to the
Redevelopment Agency of the City and County of San Francisco

California State Lands Commission

City and County of San Francisco (Office of Economic and Workforce
Development)

Port of San Francisco

California Department of Parks and Recreation

BACKGROUND:

In April 2011, the Commission approved the Hunters Point Shipyard/Candlestick Point Title Settlement, Public Trust Exchange and Boundary Line Agreement (Agreement) involving lands within Candlestick Point and the former Hunters Point Naval Shipyard ([Item 67, April 6, 2011](#)). The Agreement contemplated a series of phased conveyances—two of which have already closed escrow ([Item 04, January 23, 2014](#) and [Item 101, October 14, 2014](#)).

The Agreement was predicated on legislation enacted in 2009 (SB 792, Leno, Chapter 203, Statutes of 2009). SB 792 authorized the Commission to negotiate with the Redevelopment Agency of the City and County of San Francisco, today succeeded by the Office of Community Investment and Infrastructure (OCII), and other parties to implement a land exchange that would place or confirm the Public Trust on lands with a substantial value for the Public Trust, and terminate the Public Trust on lands that are no longer useful for trust purposes, provided

STAFF REPORT NO. **C84** (CONT'D)

that the Commission determines that the exchange furthers the Public Trust and that certain conditions are met.

A unique feature of Hunters Point is an area known as the Hillside Open Space, which rises steeply from the mostly low-lying Hunters Point to a nearly 100-foot vantage point. The Hillside provides exceptional views of San Francisco Bay and the waterfront: the San Francisco skyline, Bay Bridge, and Treasure Island to the north; the Port of Oakland and East Bay hills to the east; San Bruno Mountain, Yosemite Slough, Bayview Hill, and the Candlestick Point State Recreation Area to the south and southwest. The Hillside also provides a unique perspective from which to view artifacts of the Shipyard's naval history, including the landmark re-gunning crane and Dry-dock 4.

SB 792 declared that the Hillside Open Space provides substantial value to the Public Trust as an open space and recreational resource affording exceptional views of San Francisco Bay and the waterfront. Accordingly, SB 792 required the Commission to ensure that significant view corridors to the waterfront are protected so that visitors to the Hillside Open Space can enjoy substantial vistas of the San Francisco Bay, adequate public access is provided, and other conditions related to the Hillside Open Space are met.

The Agreement maintains and protects Hillside views and substantial vistas of the San Francisco Bay by imposing height limitations on new buildings within portions of the Shipyard Trust Termination lands. The Agreement, however, contemplated possible deviations from the height limits. Under Section 12.3 of the Agreement, the Commission may approve proposed deviations upon a finding that (a) the deviation is not material or (b) notwithstanding a material deviation, the proposed development is consistent with section 23 of SB 792. The Agreement states that no development inconsistent with the height limits shall be approved by OCII, nor shall the construction of any development commence, without obtaining approval from the Commission.

The Agreement expected the development of a new San Francisco 49ers stadium to be located at Hunters Point. Recently, OCII submitted a revised land-use plan that eliminates the stadium from the proposal for the Hunters Point Shipyard development and incorporates new proposed uses. The revised proposed building height limits are part of a comprehensive land-use plan for Hunters Point Shipyard, expected to include office, research and development, light industrial, retail, residential, and institutional uses, as well as parks and open space. The street grids and building locations have also been reconfigured. The revised plans include changes that OCII believes are necessary to create more efficient and economically viable development blocks, thus allowing for the delivery of below market-rate and, limiting the ongoing impacts of home prices,

STAFF REPORT NO. **C84** (CONT'D)

and facilitating the implementation of the Mayor of San Francisco's directive to deliver a range of housing types.

There are four revisions that will require approval from the Commission. These are: 1) deviations from building height limits; 2) deviations from the Facilities Plan; 3) parcel boundary adjustments; and 4) changes to the phase-closing procedures.

This Staff Report addresses only the building height limit deviations. Staff continues to review and analyze the other components of OCII's proposal.

STAFF ANALYSIS AND RECOMMENDATION:

The Agreement allows for material changes from the original height limits if the Commission finds that the proposed changes are consistent with the applicable requirements of Section 23 of SB 792. Commission staff, OCII, and the Developer toured the Hunters Point Shipyard site to consider proposed changes to the height limitations. Staff analyzed the proposed building height limits diagram and examined architectural renderings of the Hillside views under both the existing and proposed limits. Although some of the proposed building heights have increased significantly, by 55 to 60 feet, others have only slightly increased or decreased by 10 to 20 feet. Considering the significant and comprehensive changes from existing height restrictions, staff concludes that the proposal is a material deviation. Nonetheless, it appears that the overall revised height limits continue to maintain views to key maritime and regional features, including San Francisco Bay, Yerba Buena Island, both spans of the Bay Bridge, downtown San Francisco, the East Bay Hills, the re-gunning crane, and dry dock 4. Therefore, staff believes that, notwithstanding the material deviation, the proposed building height limits are consistent with the applicable requirements of Section 23 of SB 792.

Based on staff's analysis of all available evidence, staff believes the height deviations are consistent with the requirements of SB 792. Staff recommends the Commission find that view corridors are maintained and protected so that visitors to the Hillside Open Space can enjoy substantial vistas of San Francisco Bay and approve the proposed deviation from the Agreement.

EXHIBITS:

- A. Location and Site Map of the Agreement
- B. Proposed Building Height Limits

STAFF REPORT NO. **C84** (CONT'D)

OTHER PERTINENT INFORMATION:

1. This proposed action is consistent with Strategy 1.2 of the Commission's Strategic Plan to provide that the current and future management of ungranted sovereign lands and resources and granted lands, including through strategic partnerships with trustee ports and harbor districts, are consistent with evolving Public Trust principles and values.
2. The Hillside Open Space was impressed with the Public Trust in the initial closing phase of the Agreement ([Item 04, January 23, 2014](#)).
3. Staff continues to negotiate with OCII regarding the other components of its proposal. Commission approval of the proposed building height limits has no effect upon these considerations and does not commit the Commission to any change to the Agreement other than the deviation in building height limits, including, without limitation, the location of buildings and facilities, parcel boundaries, and trust configuration, regardless of such representation in the building height limits diagram.
4. An Environmental Impact Report (EIR), State Clearinghouse No. 2007082168, was prepared for the project by the San Francisco Planning Department/Office of Community Investment and Infrastructure and certified on June 3, 2010. Staff has reviewed this document prepared pursuant to the provisions of the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21081.6). The San Francisco Planning Department/Office of Community Investment and Infrastructure prepared an Addendum to the EIR and approved the Addendum on April 26, 2018.

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that an Environmental Impact Report, State Clearinghouse No. 2007082168 was prepared by the San Francisco Planning Department/Office of Community Investment and Infrastructure and certified on June 3, 2010, and an Addendum approved on April 26, 2018, for this project and that staff has reviewed and considered the information contained therein and in the Addendum. Find that in its independent judgment, none of the events specified in Public Resources Code section 21166 or State CEQA Guidelines section 15162 resulting in any new or substantially more severe significant impacts has occurred, and therefore, no additional CEQA analysis is required.

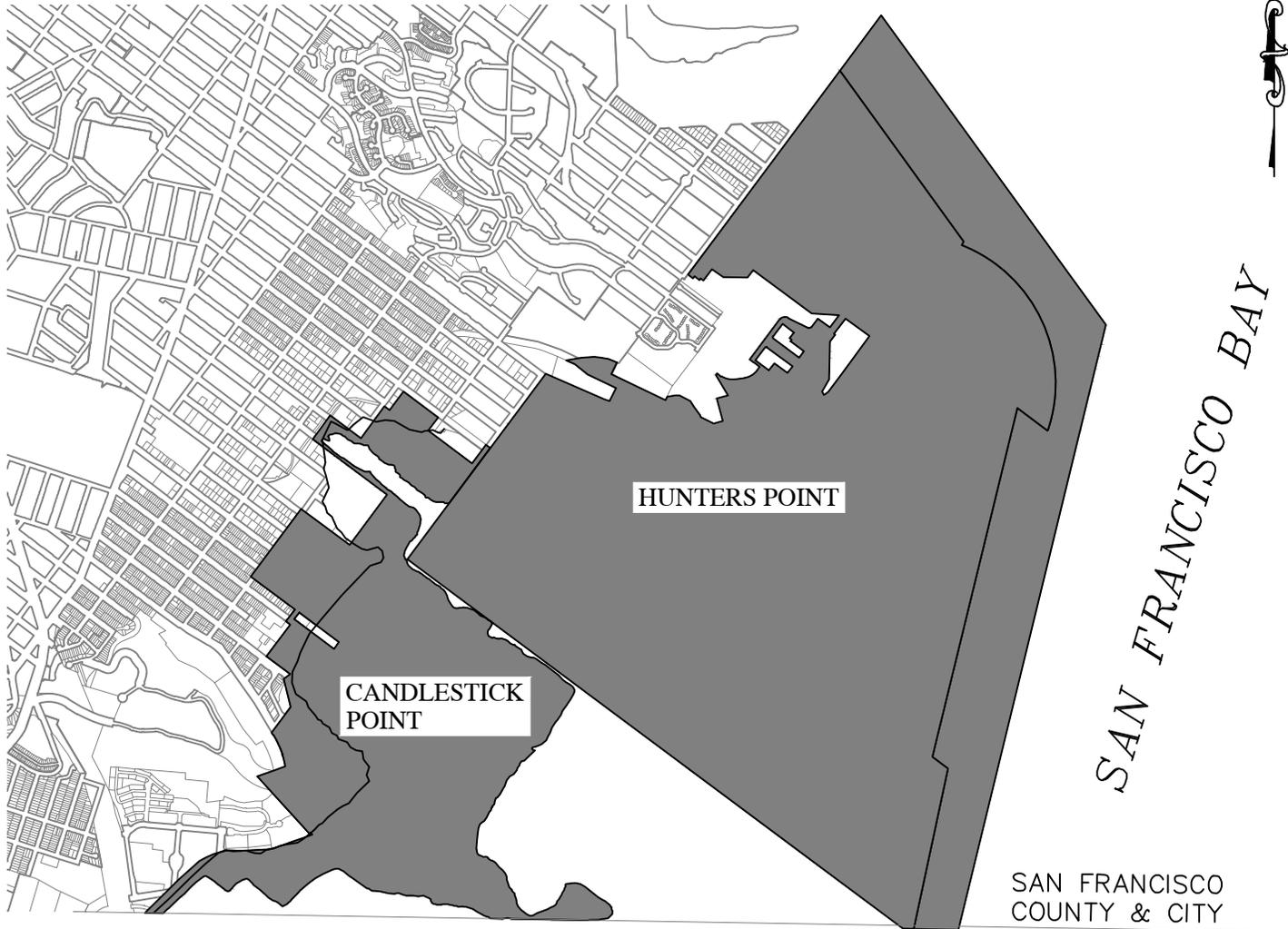
STAFF REPORT NO. **C84** (CONT'D)

AUTHORIZATION:

1. Find that the proposed building height limits are a material deviation from the Agreement but that, notwithstanding the material deviation, the proposal is consistent with the applicable requirements of Section 23 of SB 792 because the proposal maintains and protects view corridors so that visitors to the Hillside Open Space can enjoy substantial vistas of San Francisco Bay.
2. Approve the proposed building height limits as an acceptable deviation under Section 12.3 of the Agreement.

NO SCALE

SITE



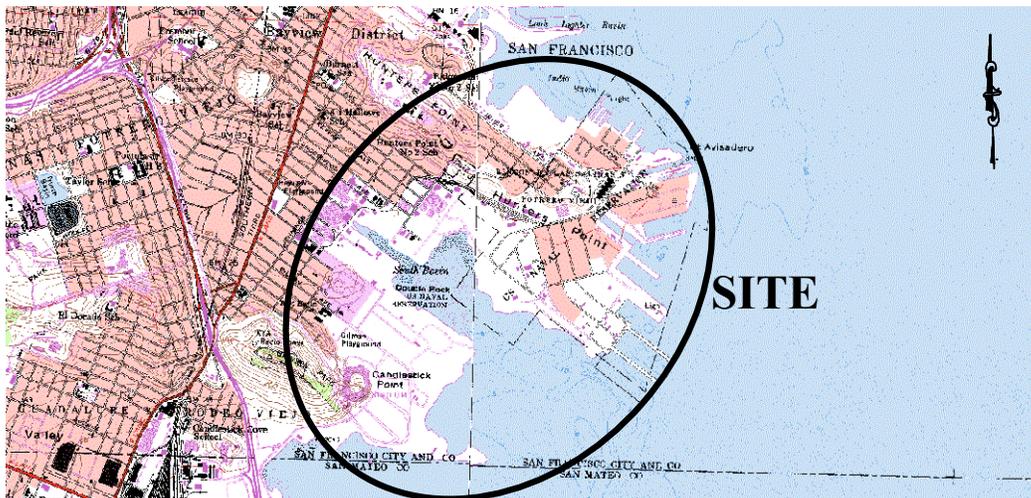
SAN FRANCISCO COUNTY & CITY

SAN MATEO COUNTY

HUNTERS POINT SHIPYARD / CANDLESTICK POINT TITLE SETTLEMENT, PUBLIC TRUST EXCHANGE AND BOUNDARY LINE AGREEMENT

NO SCALE

LOCATION



SITE

MAP SOURCE: USGS QUAD

Exhibit A

W 26279 / AD 557
 HUNTERS POINT SHIPYARD /
 CANDLESTICK POINT
 TITLE SETTLEMENT,
 EXCHANGE & B.L.A.
 CITY & COUNTY OF
 SAN FRANCISCO



This Exhibit is solely for purposes of generally defining the premises, is based on unverified information provided by the parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

EXHIBIT B

Proposed Building Height Limits

