



SAN FRANCISCO PLANNING DEPARTMENT

DATE: May 7, 2020

TO: Members of the San Francisco Board of Supervisors
Members of the San Francisco Planning Commission

FROM: Rich Hillis, Planning Director

RE: Balboa Reservoir Development Agreement
Director's report of the draft agreement and negotiations

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Chapter 56 of the San Francisco Administrative Code sets forth the procedure by which any request for a Development Agreement (DA) will be processed and approved by the City and County of San Francisco. Administrative Code Section 56.10(a) states that the Planning Director shall prepare a report on DA negotiations between the applicant and the City, and that report must be disclosed to the Planning Commission and the Board of Supervisors no later than 20 days prior to the first hearing on the DA. The report must also be made available for public review.

The report must include, for each negotiation session between the applicant and the City: (1) attendance list; (2) summary of the topics discussed; and (3) a notation as to any terms and conditions of the DA agreed upon between the applicant and the City.

Below is the Planning Director's report on the negotiation sessions for the DA between Reservoir Community Partners LLC (Developer) and the city, written in accordance with San Francisco Administrative Code Section 56.10(a).

If you have any questions or concerns, please contact Planning Department staff, Seung-Yen Hong at seungyen.hong@sfgov.org.



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Director's Report Regarding Balboa Reservoir Development Agreement Negotiations

1. Introduction.

Chapter 56 of the San Francisco Administrative Code sets forth the procedure by which any request for a Development Agreement (DA) will be processed and approved by the City and County of San Francisco. This report is being written in accordance with San Francisco Administrative Code Section 56.10(a).

Reservoir Community Partners LLC is the project sponsor of the proposed project to be developed on an approximately 17.6-acre piece of land located north of the Ocean Avenue Neighborhood Commercial District, west of the City College of San Francisco Ocean Campus, east of the Westwood Park neighborhood, and south of Archbishop Riordan High School. The Project site is currently owned by the City and County of San Francisco (City) under the jurisdiction of the San Francisco Public Utilities Commission (SFPUC). The proposed Project will be built in phases and construct up to approximately 1.8 million gross square feet (gsf) of uses, including approximately 1.3 million gsf of residential space (approximately 1,100 dwelling units plus residential amenities), approximately 10,000 gsf of community space (childcare and a community room for public use), approximately 7,500 gsf of neighborhood-serving retail, up to 550 residential parking spaces and up to 750 public parking spaces. Fifty percent of the housing units will be dedicated to low- to moderate-income residents. Approximately 4 acres will be devoted to publicly accessible open space, including the approximately 2-acre "Reservoir Park." The SFPUC will convey the property to the project sponsor pursuant to a Purchase and Sale Agreement except for an 80-foot-wide strip of land located along the southern edge of the site where an underground water transmission pipeline is located, which the SFPUC will retain. The project sponsor is working with the SFPUC to design and improve this 80-foot-wide strip of land for use as publicly-accessible open space, subject to the SFPUC review and approval.

Reservoir Community Partners LLC filed an application with the City's Department of Planning for approval of a Development Agreement for the Project Site under Administrative Code Chapter 56. Reservoir Community Partners LLC also filed applications with the Planning Department for (1) General Plan Amendments; and (2) Planning Code Text and Map Amendments.

2. Development Agreement Negotiations.

The City's Planning Department and Office of Economic and Workforce Development ("OEWD") have negotiated a Development Agreement for the Project. The parties began negotiations in 2019. Copies of the drafts of the Development Agreement that were exchanged between the parties can be found in the file of the City Department of Planning at 1650 Mission Street. These exchanged drafts reflect the items under negotiation throughout the process. Without limiting the foregoing, we note that the negotiations between the parties included the following meetings:

- 1) February 12, 2019. Meeting to discuss the Affordable Housing Program for the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Leo Ma (Century Urban), Dan Adams (Mayor's Office of Housing and Community Development) ("MOHCD"), Sara Amaral (MOHCD), Mara Blitzer (MOHCD), Kearstin Dischinger (Reservoir Community Partners, LLC) ("Reservoir"), Cyrus Pai (Reservoir), Joe Kirchofer (Reservoir). No agreements reached.
- 2) March 25, 2019. Meeting to discuss the Affordable Housing Program for the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Dan Adams (Mayor's Office of Housing and Community Development) ("MOHCD"), Sara Amaral (MOHCD), Mara Blitzer (MOHCD), Brad Wiblin (Reservoir), Kearstin Dischinger (Reservoir), Cyrus Pai (Reservoir), Joe Kirchofer (Reservoir). No agreements reached.
- 3) April 24, 2019. Meeting to discuss general outline of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Betsy Dietrich (City Attorney's Office) ("CAO"), Joe Kirchofer (Reservoir), Kearstin Dischinger (Reservoir), CJ Higley (Farella Braun & Martel LLC) ("Farella"), and Steve Vettel (Farella). No agreements reached.
- 4) June 26, 2019. Meeting to discuss the Affordable Housing Program for the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Dan Adams (MOHCD), Sara Amaral (MOHCD), Mara Blitzer (MOHCD), Brad Wiblin (Reservoir), Kearstin Dischinger (Reservoir), Cyrus Pai (Reservoir). No agreements reached.
- 5) July 10, 2019. Meeting to discuss the Affordable Housing Program for the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Dan Adams (MOHCD), Sara Amaral (MOHCD), Mara Blitzer (MOHCD), Kearstin Dischinger (Reservoir), Cyrus Pai (Reservoir). No agreements reached.
- 6) July 22, 2019. Meeting to discuss the Affordable Housing Program for the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Ted Conrad (OEWD), Dan Adams (MOHCD), Sara Amaral (MOHCD), Mara Blitzer (MOHCD), Kearstin Dischinger (Reservoir), Cyrus Pai (Reservoir). No agreements reached.
- 7) July 25, 2019. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Leo Ma (Century Urban), Kearstin Dischinger (Reservoir), Joe

Kirchofer (Reservoir), Cyrus Pai (Reservoir), Jonathan Stern (Reservoir), Nora Collins (Reservoir). No agreements reached.

- 8) August 5, 2019. Meeting to discuss the Affordable Housing Program for the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Ted Conrad (OEWD), Dan Adams (MOHCD), Sara Amaral (MOHCD), Mara Blitzer (MOHCD), Kearstin Dischinger (Reservoir), Cyrus Pai (Reservoir). No agreements reached.
- 9) August 15, 2019. Meeting to discuss the Financing Plan exhibit for the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Leo Ma (Century Urban), Anna Van Degna (Controller's Office), Luke Brewer (Controller's Office), Bridget Katz (Controller's Office), Jamie Querubin (Controller's Office), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Cyrus Pai (Reservoir), Nora Collins (Reservoir), Tom Sakai (Springbrook Advisors). No agreements reached.
- 10) August 16, 2019. Meeting to discuss the general terms of the Development Agreement and Phasing Plan Exhibit. Attendees included, Leigh Lutenski (OEWD), Leo Ma (Century Urban), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Cyrus Pai (Reservoir), Nora Collins (Reservoir). No agreements reached.
- 11) August 19, 2019. Meeting to discuss general outline of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Betsy Dietrich (City Attorney's Office) ("CAO"), Joe Kirchofer (Reservoir), Kearstin Dischinger (Reservoir), Nora Collins (Reservoir), CJ Higley (Farella Braun & Martel LLC) ("Farella"), and Steve Vettel (Farella). No agreements reached.
- 12) August 27, 2019. Meeting to discuss the Workforce Agreement for the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Ken Nim (OEWD), Christopher Vergara (OEWD), Viktoryia Dostal (OEWD), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir), Tony Joyce (Avalon Bay), Rob Salkovitz (Avalon Bay). No agreements reached.
- 13) September 11, 2019. Meeting to discuss the Affordable Housing Program for the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Ted Conrad (OEWD), Sara Amaral (MOHCD), Mara Blitzer (MOHCD), Kearstin Dischinger (Reservoir). No agreements reached.
- 14) September 30, 2019. Meeting to discuss the Workforce Agreement for the Development Agreement. Attendees included, Ted Conrad (OEWD), Ian Fernando (Office of Contract Administration), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir), Tony Joyce (Avalon Bay), Rob Salkovitz (Avalon Bay). No agreements reached.
- 15) September 30, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Ken Rich (OEWD), Ted Conrad (OEWD), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir), Brad Wiblin (Reservoir), Nathan Hong (Reservoir). Tentative agreement reached.

- 16) October 23, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Ted Conrad (OEWD), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). No agreements reached.
- 17) November 13, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Ted Conrad (OEWD), Jonathan Stern (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). No agreements reached.
- 18) November 20, 2020. Meeting to discuss the Affordable Housing Program for the Development Agreement. Attendees included, Ted Conrad (OEWD), Dan Adams (MOHCD), Sara Amaral (MOHCD), Mara Blitzler (MOHCD), Jonathan Stern (Reservoir), Brad Wiblin (Reservoir), Cyrus Pai (Reservoir). No agreements reached.
- 19) December 4, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Ted Conrad (OEWD), Jonathan Stern (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). No agreements reached.
- 20) January 23, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Ted Conrad (OEWD), Jonathan Stern (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). No agreements reached.
- 21) January 29, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Jonathan Stern (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). No agreements reached.
- 22) February 3, 2020. Meeting to discuss the Affordable Housing Program for the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Dan Adams (MOHCD), Sara Amaral (MOHCD), Jonathan Stern (Reservoir), Brad Wiblin (Reservoir). No agreements reached.
- 23) February 5, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Jonathan Stern (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). No agreements reached.
- 24) February 13, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Jonathan Stern (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). No agreements reached.
- 25) February 18, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Betsy Dietrich (CAO), Rosanna Russell (SFPUC), Jonathan Stern (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir), CJ Higley (Farella), Danielle Gonzalez (Greenberg Traurig). No agreements reached.

- 26) February 19, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Jonathan Stern (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). No agreements reached.
- 27) February 26, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Jonathan Stern (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). No agreements reached.
- 28) February 26, 2020. Meeting to discuss the Affordable Housing Program for the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Betsy Dietrich (CAO), Dan Adams (MOHCD), Sara Amaral (MOHCD), Jonathan Stern (Reservoir), Brad Wiblin (Reservoir). Tentative agreement reached.
- 29) March 11, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Jonathan Stern (Reservoir), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). No agreements reached.
- 30) March 18, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Jonathan Stern (Reservoir), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). Tentative agreement reached.
- 31) March 25, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). Tentative agreement reached.
- 32) April 1, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). No agreements reached.
- 33) April 7, 2020. Meeting to discuss the Transportation Demand Management Plan attached to the Development Agreement. Attendees included, Carli Paine (SFMTA), Audrey Harris (Planning), Wade Wietgreffe (Planning), Kearstin Dischinger (Reservoir). Tentative agreement reached.
- 34) April 8, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir). Tentative agreement reached.
- 35) April 14, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Betsy Dietrich (CAO), Rosanna Russell (SFPUC), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir), CJ Higley (Farella), Danielle Gonzalez (Greenberg Traurig), Beth Anderson (Lubin Olson). Tentative agreement reached.

- 36) April 15, 2020. Meeting to discuss the general terms of the Development Agreement. Attendees included, Leigh Lutenski (OEWD), Betsy Dietrich (CAO), Kearstin Dischinger (Reservoir), Joe Kirchofer (Reservoir), Nora Collins (Reservoir), CJ Higley (Farella). Tentative agreement reached.

3. Conclusion.

We believe that both parties negotiated in good faith and the end result is a project that, if constructed, will benefit the City.

This summary is prepared for information purposes only, and is not intended to change, supplant, or be used in the interpretation of, any provision of the Development Agreement. For any specific question or interpretation, or for any additional detail, reference should be made to the Development Agreement itself. I and my staff, as well as the Mayor's Office of Economic and Workforce Development and the City Attorney's Office, are available to answer any questions that you may have regarding the Development Agreement or the negotiation process.