

Dr. Mark Rocha, Chancellor, City College of San Francisco

[By email]

May 1, 2018

Subject: Update on Balboa Reservoir Collaboration

Dear Chancellor Rocha,

On behalf of the City and the Balboa Reservoir development partners, I would like to thank you and your team for your ongoing collaboration on the Balboa Reservoir project, our effort to create housing and open space at the SPFUC-owned “Lower Reservoir” property. In collaboration with the Development Team, we have prepared this letter to document the status of our recent discussions about topics of importance and to outline the broad terms of an ongoing collaboration with City College.

In addition to outlining the status of our discussions, we also offer suggestions of the next steps needed to develop more specific proposals with respect to providing parking and housing for the College. Our goal is to gather detailed information within the next three to six months, which is what will allow us to advance the proposals discussed in this letter.

As you will recall, in October 2017, I wrote you a letter reiterating the City’s commitment to working with City College to achieve your goals for the Balboa Reservoir’s parking, housing, and compatibility with the planned Performing Arts and Education Center (PAEC). That letter also referenced your Board of Trustees’ “Resolution on the Development of the Balboa Reservoir” from July 28, 2016 and confirmed that the priorities articulated in that resolution are reflected in the Balboa Reservoir project’s Development Principles & Parameters.

The City and Development Team remain committed to these goals and priorities. We understand that development of the Balboa Reservoir represents a significant change for City College, but we believe that a partnership between the College, the City, and the Development Team can provide substantial benefits to the City College community, including new housing, parking, accessible parks, and other amenities. As we’ve discussed, the Reservoir development has the potential to help create and be part of an “Academic Village” that will serve as a gathering place for both the College and the wider community.

We have enjoyed working with you and your staff over the past months. We look forward to continuing this dialogue, and also reaching out to the wider City College community in a spirit of ongoing collaboration, as we work through the details and next steps outlined here. The following summarizes our discussions and joint understanding of next steps around the PAEC, housing for the City College community, parking, and transportation.

Performing Arts & Education Center

Approach. We are committed to ensuring that the Balboa Reservoir project does not impede or delay the development of City College's planned Performing Arts & Education Center, which will be located on the College's "Upper Reservoir" property, adjacent to the SFPUC Balboa Reservoir project site (the Lower Reservoir). It is the City's hope that these uses can complement and enhance each other; for example, the Balboa Reservoir's parks will also be an amenity to people visiting the PAEC, and performances at the PAEC will be easily accessible to the Balboa Reservoir's future residents.

As separate projects on separate properties, the PAEC and the Balboa Reservoir project can move forward independently of each other, but careful coordination between the two projects will be critical to the success of each. We have identified the following important considerations:

- **Site Design and Access.** The Development Team's initial proposal, and all subsequent site plans discussed by the Development Team and the City, have been designed to complement City College's existing plans for the PAEC on the Upper Reservoir. This includes not only ensuring proper access for the PAEC, but also coordination of pedestrian pathways around the PAEC to provide easy access from the CCSF campus to the new Lower Reservoir public park. The Development Team's current access design calls for a pedestrian path through the Upper Reservoir, between the Multi Use Building and the PAEC. In addition, the updated Lower Reservoir Base Plan shared with the CAC and community in April and May attempts to more clearly orient the park to the proposed PAEC.

If City College decides to change the design of the PAEC before the Balboa Reservoir project receives its final design approvals, the Development Team has the ability to revisit design of the Balboa Reservoir's eastern edge for compatibility with the CCSF's new proposals. The City will conduct technical analysis of several site plan options on the Lower Reservoir to enable that flexibility.

- **Construction Timing.** In the event that construction of the PAEC occurs while construction is also underway at the Lower Reservoir, careful coordination between the two projects may be required. We anticipate coordination of construction schedules to minimize traffic congestion and avoid blocking access to either project site. In addition, construction staging areas for the Balboa Reservoir development will be located on the Lower Reservoir, in areas that minimize the number of parking spaces that are impacted.

Next Steps. We would like to learn more about any other PAEC-related concerns that City College may have and work with you to come up with clear and implementable solutions. Construction timing is not currently known for either project, but once both projects have been approved and their schedules have solidified, we can identify and memorialize specific commitments around work hours, lay-down space, parking, and any other areas of concern.

“Academic Village” Housing

In collaboration with your team and the Development Team, we have mapped out the following ways that the Balboa Reservoir project can contribute to a new “Academic Village” on the Reservoir property by creating housing for City College’s faculty, staff, and students.

1. Faculty and Staff Housing

Approach. The Development Team and the City believe it is feasible to provide moderate and middle-income affordable housing to City College employees on the Lower Reservoir, subject to the support of other community stakeholders and City policymakers. City College staff and faculty housing would be an important part of the Balboa Reservoir project’s connection to the College, and would be counted toward that project’s overall affordable housing target of 50%. BRIDGE Housing would most likely be responsible for building and operating this building, as BRIDGE is the non-profit affordable housing developer slated to build the majority of the Balboa Reservoir project’s affordable housing.

Per Federal fair housing law, we believe that as workforce housing, City College would need to maintain a controlling interest in the faculty and staff housing if it is to be reserved for CCSF employees. The City, City College, and the Development Team would therefore need to work out an arrangement for City College to own, or otherwise control, a portion of the land and/or the residential building or units.

City/Developer Next Steps. We will work to confirm details such as the precise number of housing units, income levels, household sizes, when and where it will be built, and how it will be operated over time. To do this successfully, we will need information and direction from City College within the next several months. We will use this information to study potential housing options that best meet the needs of faculty and staff and workshop prospective options with you and your team.

Our next steps also include more formally vetting this concept with community stakeholders, elected officials, and the affordable housing community. Because affordable housing is in such high demand throughout San Francisco, it is important to achieve buy-in from other stakeholders.

City College Next Steps.

- A campus housing demand survey/market study to determine projected housing demand from faculty and staff, broken out by household size and income level/AMI tier.
- Evaluation of operational considerations such as resident selection and income verification processes, property management protocols, and other items that will need to be resolved.
- Engagement with community stakeholders and City policymakers to determine their level of support for City College-designated housing on the Lower Reservoir.

2. Student Housing

Approach. Based on City College’s desire to create housing for students, the Development Team has explored ways to help the College provide this housing. Because student housing is not compatible with traditional affordable housing financing, it is problematic to try to include this housing on the Lower Reservoir. However, in discussions with City College leadership, the Development Team has identified two opportunity sites on the College-owned Upper Reservoir: to the west of the Multi-Use Building and to the north of the proposed PAEC. If built in one of these locations, a new student housing building could be paired with a parking garage (as described in the Parking and Transportation section that follows).

Based on preliminary analysis, a student housing project on the Upper Reservoir may be feasible for the Development Team to construct and operate without any CCSF capital or operating subsidies. This housing would be provided in addition to the faculty/staff housing on the Lower Reservoir. If City College desires, the Development Team can continue evaluating and developing a plan for student housing in coordination with City College’s master planning efforts.

City/Developer Next Steps. The Development Team will perform detailed financial and design analysis to confirm that the student housing concept can be built to meet CCSF’s vision and needs. The planning and design process would be undertaken in collaboration with, or at the direction of, City College and your Facilities Master Plan team.

City College Next Steps.

- Updates to the Facilities Master Plan, confirming the location of the PAEC, any other facilities planned for the Upper Reservoir, and student housing location.
- A campus housing demand survey/market study to determine projected housing demand from your students, including information on their incomes and housing budgets.
- Evaluation of operational considerations such as resident selection, qualification requirements (e.g., fulltime student status), programs for lower income/housing insecure students, and potential operational sources or programs for student subsidy programs.

Parking and Transportation

The City is committed to supporting and encouraging sound transportation and parking policies for all residential and institutional uses in San Francisco, particularly in high demand areas such as City College’s Ocean Campus. As part of this effort, the Balboa Reservoir project is expected to address the loss of City College-serving parking by providing an appropriately-sized public parking garage, as well as providing sufficient parking for the new residential uses. To ensure that the Development Team builds the right size garage, City College, the Development Team, and the City must closely collaborate on all elements of transportation planning. This includes gathering data on existing uses, anticipated increases to CCSF enrollment and course offerings, and planned transit and transportation improvements in the area, as well as implementing responsible and sustainable transportation demand management (TDM) policies that respond to the neighborhood context.

1. Parking Garage

Approach. The Balboa Reservoir project's new publicly-accessible parking garage would be funded and built by the Development Team to help meet the needs of City College students and employees. To make the most productive use of the times when the garage is not projected to be full (such as on weekends and overnight), the garage will also be available to residents of the new housing units and the public, whose parking demand will naturally fall at times when CCSF demand is below peak. This garage could be constructed either on the Lower Reservoir or, only if preferred by City College, on the Upper Reservoir or other College property, in conjunction with student housing, per the above.

The appropriate capacity for the garage will be determined as the garage proposal is more fully defined. Ideally, this work would be done in close coordination with City College's Facilities Master Plan so that the Development Team can most accurately forecast future campus traffic and transportation patterns. Additionally, it is in the best interests of all parties to maintain flexibility on the garage sizing until the garage is built, as we all anticipate future changes may impact the need for these parking spaces. Accordingly, the Reservoir development's technical and environmental analyses can study a range of garage sizes.

The Development Team's current timing projections show garage construction starting no earlier than 2023, as part of the project's second phase. Until Phase 2 begins, surface parking will remain available on the undeveloped portion of the Lower Reservoir.

Before Phase 2 starts construction, a number of important factors will be studied to inform the appropriate sizing of the garage. Between now and 2023, anticipated enrollment growth may cause parking demand to increase. At the same time, demand for parking may be reduced by the implementation of a robust TDM plan, a targeted transportation strategy for "peak" demand, and broader trends away from car ownership by younger generations.

Extensive research and analysis is needed to fully understand these factors and determine the optimal garage size. We are committed to sizing the garage in line with what this research and analysis shows, but with an estimated development cost upwards of \$60,000 per parking space, the Balboa Reservoir project cannot financially support building it any larger than necessary. The more money spent on parking, the less money is available for affordable housing, high quality parks, and other community amenities—including housing and other facilities that would benefit the City College community.

City/Developer Next Steps. The Development Team intends to continue conducting parking counts regularly each semester to gauge how parking utilization is changing in response to new measures and enrollment growth. They will use this data, in conjunction with the additional information we are seeking from City College, to model the appropriate garage capacity.

City College Next Steps.

- Parking and transportation research conducted by City College's transportation consultant, which we understand will be initiated soon. To most accurately inform the garage's design and size, this consultant's scope would ideally include: existing utilization rates of the various parking facilities used by CCSF populations (employees and students), existing parking policies and practices by population (permit costs, enforcement, etc.), and pertinent information about populations using parking facilities (origin and destination of trip, frequency of trip, barriers to sustainable transportation).
- Anticipated location(s), size(s), and operational characteristics of any other garages that City College may build in the future as you reconfigure your own surface parking, some of which are identified in the current Facilities Master Plan.

2. Transportation Planning

Approach. For the City, the Development Team, and City College to determine the optimal garage size (and to avoid overbuilding parking that will contribute to traffic congestion), it will be crucial for City College to develop a transportation demand management (TDM) program for the College community and employ a TDM Coordinator to implement and monitor it. Based on the experiences of other local institutions, we know that even relatively small, inexpensive measures can achieve noticeable changes in travel patterns and significant improvements in local auto traffic and congestion. The Balboa Reservoir development will also implement a robust TDM program, which will create opportunities for coordination and collaboration with City College's TDM program.

City/Developer Next Steps. As mentioned above, the Development Team will continue collecting parking and transportation data to inform both environmental review and project planning, including periodic parking counts on both the Upper and Lower Reservoir sites. The City and Development Team will also be developing a TDM program for the Lower Reservoir development over the next year, and we expect that document to include several strategies that could help streamline or enhance the TDM efforts of the College. All of this data and information will be shared with your TDM coordinator and planning team so that we can craft optimally effective programs.

City College Next Steps.

- Develop a comprehensive TDM plan, grounded in parking and traffic data. This plan would ideally identify ambitious but achievable goals, propose measures specific to the various segments of the City College community, detail implementation processes including on-going monitoring and adjustment, suggest how to best utilize a TDM coordinator, and provide a budget and suggested funding sources.
- Coordinate with the Balboa Reservoir development's TDM planning effort, which we expect to occur over the next year or so. By working together, we can specify TDM measures that are parallel or complementary to each other and avoid conflicting measures.
- If desired by the College, City staff resources are available to help get these efforts underway. For example, SFMTA has a TDM expert that can be made available to consult on potential strategies or methods of implementation. Many other large San Francisco

institutions have significantly reduced drive-alone mode choice and thus parking demand by using these strategies, and there are many best practices that can be shared.

Next Steps and Documentation

In the sections above, we have suggested a number of next steps that will help us to refine our proposal as to how the Reservoir project can benefit the College and to realize our shared goals around housing, parking and transportation, and the PAEC. Generally, these steps include obtaining detailed data about City College's housing and parking demand, creating robust TDM plans, and engaging with City College on a number of operational issues and decisions.

Once we have refined our proposal, we envision memorializing these commitments in a memorandum of understanding or other similar letter agreement between City College and the City and/or development team. To enable the maximum amount of cooperation and collaboration with City College, the major terms of this document would need to be agreed upon by the end of 2018 so that the City and developer can take them into account when negotiating the Balboa Reservoir development agreement.

We greatly appreciate the positive and collaborative working relationship between our respective teams and look forward to continuing our work together in the coming months and years.

Sincerely,

A handwritten signature in black ink, appearing to be the name 'Ken Rich', with a stylized, cursive-like flourish at the end.

Ken Rich
Director of Development, Office of Economic and Workforce Development

Cc:
City College Board of Trustees
Supervisor Norman Yee
Supervisor Ahsha Safai