

MISSION BAY REDEVELOPMENT SUMMARY

The Mission Bay North and South Redevelopment Areas encompass 303 acres bounded by King Street and AT&T Park on the north, San Francisco Bay and the I-280 freeway on the east and west, and Mariposa Street on the south. The area was originally part of the bay and was filled in starting in the 1870's and finishing after the 1906 earthquake. Railroad companies acquired the land for use as rail yards, but the area fell into disuse starting in the 1950's, as San Francisco's industrial and shipping activities declined. Several plans for reuse of the property have been proposed since 1981. In 1990 Santa Fe Pacific, the surviving railroad company, transferred the property to Catellus Development Corporation, a publicly traded real estate company. In autumn 1998, after three years of planning, the current Redevelopment Plans and related documents were approved by the Redevelopment Commission, Planning Commission and other City departments, and by the San Francisco Board of Supervisors.

Land Use and Development Program

- All Mission Bay development will be new mid-rise and high-rise construction, with the exception of a small brick fire house that will be preserved. The maximum height of buildings is 160 feet. Much of the land was already vacant, and existing industrial structures are being demolished.
- The maximum development program for the 303-acre Mission Bay North and South Project Areas includes:
 - 6,000 residential units, including approx. 1,900 (30%+) affordable units.
 - A new 2.65 million square foot University of California at San Francisco (UCSF) life science research campus being developed on 43 acres of land contributed by Catellus and the City.
 - A new specialty children's/women's/cancer hospital to be developed by UCSF.
 - 4.4 square feet of commercial/industrial uses, including office, technology and life science/biotechnology uses.
 - 500,000 square feet of retail uses.
 - A 500-room hotel.
 - 41 acres of public open space to be managed by the Redevelopment Agency, plus 8 acres of open space on the UCSF research campus.
 - A new 500-student public school, a new public library and new police and fire stations.
- Mission Bay will be well-served by public transportation, with the Third Street Light Rail creating a direct connection to the financial district and BART, and extensions of several bus lines into the area. Caltrain's 4th & Townsend station is directly adjacent

to Mission Bay as well. Mission Bay will also include both recreational and commuter-oriented bicycle routes.

- Mission Bay will create a residential community of over 11,000 people, and will create over 31,000 permanent jobs along with hundreds of ongoing construction jobs. Full development is expected to take 20 to 30 years, with the timing of projects based on market conditions.
- Mission Bay developers participate in a comprehensive Program in Diversity. The program includes goals for minority- and women-owned business participation during development, hiring of local residents and payment of prevailing wages during construction, and working with community-based organizations on first source hiring programs for permanent jobs.

1998 Entitlements

- ***Redevelopment Plans*** for the North Plan Area (65 acres between King Street and Mission Creek) and the South Plan Area (238 acres between Mission Creek and Mariposa Street) establish basic development controls, including residential, commercial and open space land use districts.
- Mission Bay North and South ***Design for Development*** documents establish detailed height, bulk, parking, street frontage and other standards, along with design guidelines to ensure quality development. Related documents establish signage controls and streetscape standards.
- North and South ***Owner Participation Agreements (OPAs)*** between the Agency and Catellus, the initial owner of nearly all of the developable property in Mission Bay, establish Catellus' and its transferees' rights to develop the property within the parameters of the Redevelopment Plans and Designs for Development. The OPAs detail the developer's responsibilities regarding affordable housing, equal opportunity programs, environmental remediation, infrastructure and open space, and establish the agreements for public financing of infrastructure. The OPAs permit Catellus to transfer Mission Bay sites to other developers, who assume rights and obligations under the agreements. In 2004, Catellus sold its remaining interest in the undeveloped property to an affiliate of Farallon Capital Management (FOCIL-MB, LLC), which now serves as primary developer under the OPAs.
- ***Interagency Cooperation Agreements*** commit all involved City agencies to adhere to the Mission Bay infrastructure plan and to cooperate in planning and permitting. These Agreements were approved by the Port Commission, Public Utilities Commission, Public Transportation Commission, Building Inspection Commission, Planning Commission, Redevelopment Commission, Department of Public Health, Department of Public Works, and the Board of Supervisors.

- ***Tax Increment Allocation Agreements*** between the City and the Redevelopment Agency provide that tax increment generated in Mission Bay is budgeted for use within the project areas. Under these agreements, 20% of the tax increment is set aside for Mission Bay affordable housing, with remainder (less statutory pass-throughs to other governmental entities) made available to help reimburse the primary developer for its infrastructure costs. As infrastructure is fully funded, additional tax increment becomes available to support Mission Bay affordable housing development.
- In conjunction with the 1998 entitlements, the Redevelopment and Planning Commission certified a ***Subsequent Environmental Impact Report (SEIR)*** to update a 1990 analysis, and a mitigation monitoring program, as required by the California Environmental Quality Act (CEQA). The SEIR, and addenda prepared since certification, form the basis for ongoing project decisions in Mission Bay. A comprehensive ***Risk Management Plan*** approved by the Regional Water Quality Control Board provides for remediation of hazardous materials, which consist largely of lead from land fill materials.

Current Project Status

- ***Residential Development:*** Residential development is nearly completed in Mission Bay North, with a mix of rental, for sale, and affordable projects. Active developers in Mission Bay include Urban Housing Group, UDR, Inc. and BOSA. To date, sixteen projects totaling 3,126 units, including 674 affordable units, have been completed. These projects include 150,000 sf of neighborhood retail. Residential development has commenced in Mission Bay South, with two completed projects totaling 291 units completed.
- ***Commercial Development:*** Commercial office and biotechnology development in Mission Bay South is approximately 40% complete, with six projects totaling over 1.7 million sf, along with two major parking structures, in place. Salesforce.com and Alexandria Real Estate Equities are the major vertical developers in Mission Bay South, with additional projects owned or developed by the Gladstone Institute, the Shorenstein Company, and Lionstone. Major tenants include Celgene, Bayer, Nektar Therapeutics, Fibrogen, and The Gap (Old Navy Headquarters). Five additional projects totaling 1.3 million sf are in predevelopment.
- ***UCSF:*** Development has moved quickly on development of the UCSF research campus, with five research buildings totaling 1.1 million sf, a campus community center, and a university housing complex, completed to date. The first phase of the specialty hospital is under construction.

Affordable Housing Development

- Mission Bay will be an economically diverse community. Of the 6,000 residential units to be built in Mission Bay North and South, approximately 1,900 (30%+) will be affordable to moderate, low, and very low-income households.
- In Mission Bay North, more than 750 of nearly 3,000 units will be affordable, with about half built by private developers as inclusionary units within mixed-income projects, and half built on development parcels transferred by the primary developer to the Agency. In Mission Bay South, over 1,100 of the 3,090 units will be affordable, all built on parcels transferred to the Agency by the primary developer.
- The Mission Bay North and South Agency affordable housing parcels, totaling nearly 16 acres, are being transferred over time by the primary developer at no cost to the Agency. The primary developer is responsible for providing infrastructure to the parcels and for the costs of environmental remediation. The timing of the transfers is proportionate to the pace of development of adjacent private parcels.
- Under the Agency's Mission Bay Affordable Housing Policy, the affordable housing parcels are developed by non-profit developers selected through a request for qualifications process. The public subsidy for these projects is funded through the housing set-aside portion (20%) of tax increment generated in Mission Bay.
- To date, 674 affordable units have been constructed, including three Agency-sponsored affordable housing projects on four parcels. This affordable housing includes family rental units and for-sale units for first-time homeowners, as well as an innovative senior housing project with in-place services.

Infrastructure Development and Financing

- Mission Bay will require over \$700 million in new infrastructure, including improved streets, traffic lights, street lights, sewer and water systems, and open space areas. The construction of the infrastructure is the responsibility of the primary developer (initially Catellus, now FOCIL), with new infrastructure built over time to serve adjacent new vertical (building) development.
- The new infrastructure is financed through a combination of tax increment funding generated by the Mission Bay projects and special Mello Roos taxes paid by the private property owners in Mission Bay. In 1999 and 2000, the Agency formed Mello Roos Community Facilities District Nos. 4 and 6 to finance infrastructure construction in Mission Bay North and South. To date, the Agency has issued over \$280 million in Mello Roos and tax increment bonds to fund Mission Bay infrastructure.

- Mission Bay South includes an innovative “split” water treatment system. Storm water runoff will be treated onsite and released to the Bay through a series of pump stations and open space passive treatment systems, rather than being directed to the Southeast Water Pollution Control Plant to be treated together with wastewater as is typical throughout the City. This will reduce the impact of the project on the Southeast communities, and will serve as an environmental demonstration project for progressive water management practices.
- Approximately \$300 million in infrastructure projects have been completed or are underway, including the rebuilding of Third Street to accommodate Muni’s light rail system, the construction of new and rebuilt streets and utility systems to serve residential and commercial development, and the completion of 13 acres of new parks. With the exception of open space, completed Mission Bay infrastructure is operated by the City through the Public Utilities Commission and Department of Public Works.

Open Space Development and Management

- The 41 acres of new public open space in Mission Bay will include playing fields, sports courts, a children’s park, informal recreation lawns, seating areas, habitat enhancements, a waterfront promenade, and public gathering spaces. These new parks are developed by the primary developer as part of the infrastructure obligation, with specific timing requirements to ensure that open space development keeps pace with private development.
- To date, new parks along the north and south sides of Mission Creek, as well as the first sections of the east-west “Commons,” have been completed. Design work and construction documents are underway for several new open space parcels, including a major children’s park and a large park along the waterfront.
- The open space parcels in Mission Bay are owned by the City and leased to the Redevelopment Agency, which is responsible for management and operations. All operating costs are paid by private property owners in Mission Bay through a separate Mello Roos district (Community Facilities District No. 5), which was formed by the Agency for Mission Bay park maintenance in 1999. Using the Mello Roos funds, the Agency contracts with MJM Management Group to provide maintenance, security, landscaping and janitorial services in the Mission Bay parks.

Ongoing Mission Bay Planning and Implementation

- All development in Mission Bay is subject to review and approval by the Redevelopment Agency (with the exception of campus development by UCSF,

which, as a state agency, is exempt from Agency oversight). Agency staff works closely with the primary developer and the project developers, in conjunction with the Mission Bay Citizens Advisory Committee, on planning, design review, and implementation.

- Development in Mission Bay is planned in “major phases.” Each major phase includes one or more private development blocks. The major phase process includes planning for affordable housing parcels, adjacent and associated infrastructure, environmental mitigations, open space development, retail space allocation, and building massing and design standards. The major phase documents must be approved by the Redevelopment Commission prior to the consideration of specific vertical project designs.
- In conjunction with the major phase plans, detailed infrastructure designs are prepared and approved through subdivision maps and public improvement agreements submitted to the Board of Supervisors.

Many of the Plan documents, as well as maps, are available on the Redevelopment Agency website at www.sfgov.org/sfra (click on Projects, then Mission Bay).

For affordable housing opportunities, please go to www.sfraaffordablehousing.org.

For additional information on Mission Bay, contact the Redevelopment Agency at 749-2400.