

**RECORD OF DECISION
AND
FINDINGS STATEMENT**

TRANSBAY BLOCK 7 AFFORDABLE HOUSING PROJECT

**CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
July 21, 2017**

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1.1 Summary

This Record of Decision (ROD) and Findings Statement has been prepared by the City and County of San Francisco's Mayor's Office of Housing and Community Development (MOHCD) as the Responsible Entity for the U.S. Department of Housing and Urban Development (HUD). MOHCD has assumed responsibility for environmental review, decision-making, and approval action that would otherwise apply to HUD under the National Environmental Policy Act (NEPA), and other provisions of the law that further the purposes of NEPA, as specified in 24 CFR Part 58.

The Proposed Action is the funding of 24 HUD Section 8 housing vouchers at 255 Fremont/222 Beale Street which is located entirely within Transbay Block 7 in the City of San Francisco. The development of housing at Transbay Block 7 was previously analyzed within the March 2004 Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project (Transbay Program) Final Environmental Impact Statement/Environmental Impact Report (2004 EIS) prepared by the U.S. Department of Transportation Federal Transit Administration (FTA), City and County of San Francisco, Peninsula Corridor Joint Powers Board, and the former San Francisco Redevelopment Agency. MOHCD prepared and published a Part 58 Reevaluation of the 2004 EIS and adopted the portion of the 2004 EIS that covers redevelopment at Transbay Block 7 (referred to as Block #3728 within the 2004 EIS, p. S-11).

MOHCD adopted the 2004 EIS pursuant to the NEPA regulations promulgated by the Council on Environmental Quality (CEQ). CEQ Regulations permit federal agencies to adopt a Final EIS, or portion thereof, issued by another federal agency if the EIS or portion thereof "meets the standards for an adequate statement" and the actions covered by the original environmental impact statement and the proposed action are "substantially the same" (40 CFR §1506.3). HUD's regulations at 24 CFR §58.52 allow for adoption of an EIS prepared by another agency in accordance with CEQ NEPA regulations. MOHCD determined through the Part 58 Reevaluation that the 2004 EIS meets the standards for adequacy and the action covered is substantially the same as MOHCD's Proposed Action.

After careful consideration of the potential environmental impacts, MOHCD has decided that it will approve the Proposed Action.

ADDRESSES: The Part 58 Reevaluation and MOHCD Record of Decision are available at: <http://sfmohcd.org/environmental-reviews> and at MOHCD offices at One South Van Ness Avenue, 5th Floor, San Francisco, CA.

The complete 2004 EIS is available for viewing at the Transbay Joint Powers Authority website at <http://transbaycenter.org/documents/final-eiseir> and the Federal Railroad Administration website at <https://www.fra.dot.gov/Page/P0454>. Copies of the 2004 EIS can also be obtained at the San Francisco Public Library at 100 Larkin Street, San Francisco, CA and the Transbay Joint Powers Authority offices at 201 Mission St # 2100, San Francisco, CA 94105.

FOR FURTHER INFORMATION: To obtain additional information about the project or the environmental review process, contact Eugene Flannery at telephone 415-701-5598; or email: eugene.flannery@sfgov.org

SUPPLEMENTARY INFORMATION: This ROD has been prepared pursuant to NEPA (42 USC §4321 et seq.), the CEQ regulations for implementing the procedural provisions of NEPA (40 CFR Parts 1500-1508) and HUD's Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 CFR Part 58).

1.2 Purpose and Need for the Proposed Action

The Proposed Action is the approval by HUD of funding vouchers for 24 units within the Transbay Block 7 housing development located at 255 Fremont/222 Beale Street. The 24 units are needed to serve as affordable relocation housing for residents during redevelopment of the Sunnysdale-Velasco Hope Master Plan located south of Transbay Block 7.

1.3 Environmental Review Process

MOHCD prepared and published a Part 58 Reevaluation of the 2004 EIS and adopted the portion of the 2004 EIS that covers redevelopment at Transbay Block 7.

MOHCD published a Combined Notice of Adoption & Recirculation of Final Environmental Impact Statement, Notice of Availability of Environmental Reevaluation, and Notice of Intent to Request Release of Fund. This Combined Notice was published in the San Francisco Examiner on May 25, 2017 with a comment period extending until July 11, 2017. MOHCD published a subsequent Combined Notice of Correction and Extension in the San Francisco Examiner June 8, 2017 extending the comment period to July 18, 2017 to align with EPA's publication of the Notice of Availability in the Federal Register. EPA published a Notice of Availability of the 2004 EIS in the Federal Register on June 16, 2017. The Combined Notice and Notice of Correction and Extension were sent to interested parties prior to publication of the Notice of Availability in the Federal Register. No comments were received.

The Part 58 Reevaluation was made available on MOHCD's web site <http://sfmohcd.org/environmental-reviews>. The complete EIS was available for viewing at the Transbay Joint Powers Authority website at <http://transbaycenter.org/documents/final-eiseir> and the FRA website at <https://www.fra.dot.gov/Page/P0454>. Copies of the 2004 EIS were also available at the San Francisco Public Library and the Transbay Joint Powers Authority offices.

1.4 Basis of Decision

MOHCD's decision is based on the importance of providing affordable relocation housing and a careful review of the potential environmental impacts as discussed in the Reevaluation. Providing relocation housing within Transbay Block 7 will help to ensure that qualifying tenants can continue to live within the City and have access to mass transit, public health, education and recreational facilities. This decision incorporates all practicable means to avoid or minimize environmental harm.

1.5 Proposed Action

The Proposed Action is the funding of 24 Section 8 housing vouchers at 255 Fremont/222 Beale Street which is located entirely within Transbay Block 7 in the City of San Francisco. The 24 units are proposed to serve as relocation housing for the Sunnysdale-Velasco Hope Master Plan redevelopment located south of Transbay Block 7. Following construction, the vouchers would provide affordable housing support over a time period of approximately 15 years.

The 2004 EIS evaluated a Redevelopment Area Plan which includes Transbay Block 7. Since completion of the 2004 EIS, Block 7 has been partially constructed consistent with prior federal, state and local approvals, with all earthwork and foundation work completed. It is expected that Block 7 will be in operation by February 2018. Once completed 255 Fremont/222 Beale Street at Transbay Block 7, will be a 120-unit, Office of Community Investment and Infrastructure (OCII)-sponsored affordable housing project providing 120 apartments serving families between 40% and 50% of the area median income. The project would also include a childcare center and 50% of the center's enrollments will be subsidized for low income families. Block 7 is designed to achieve the Green Point equivalent of LEED Gold certification. Mercy Housing California 64, LP will own and operate the units through a 75-year ground lease with OCII.

1.6 Alternatives

The 2004 EIS evaluated two development alternatives, a Full Buildout Alternative and a Reduced Scope Alternative. Under the Full Build Alternative of the 2004 FTA EIS, Blocks 6 and 7 included 1,170,450 square feet of residential space across 975 dwelling units, with up to 50,050 square feet of retail space. Under the Reduced Scope Alternative, Blocks 6 and 7 included 875,160 square feet of residential space across 729 dwelling units, and 57,860 square feet of retail space. As currently designed, redevelopment for Block 6 and 7 would provide 598 units of market rate and affordable housing. This is within the scope of analyzed redevelopment for the blocks under either development alternative evaluated in the 2004 EIS.

Additionally, MOHCD considered a No Action Alternative to the Proposed Action. The No Action Alternative would mean that Section 8 vouchers are not provided for affordable housing at Transbay Block 7. It is still likely that all 120 units would be developed and occupied due to housing needs within the City. Thus, the impacts of the No Action Alternative would be similar to those discussed for the Proposed Action.

1.7 Potential Environmental Impacts and Mitigation

MOHCD's Part 58 Reevaluation assessed the adequacy of the 2004 EIS with respect to MOHCD's Proposed Action at Transbay Block 7 and provided analysis updates when new information was pertinent to the Proposed Action. The following summary reflects the 2004 EIS as updated by MOHCD's Part 58 Reevaluation and focuses on the impact assessment categories that are relevant to HUD's action in funding 24 HUD Section 8 housing vouchers.

Compliance with 24 CFR §50.4, §58.5, and §58.6 Laws and Authorities

Airport Hazards

The Proposed Action was found to be located outside all airport protection or safety zones.

Coastal Barrier Resources

There are no Coastal Barrier Resource System (CBRS) Units, or CBRS buffer zones, as defined under the Coastal Barrier Resources Act of 1982 (PL 97-348), as amended by the Coastal Barrier Improvement Act of 1990 (PL 101-591) located within San Francisco Bay.

Flood Insurance and Floodplain Management

Updated FEMA flood insurance risk maps verify that Block 7, where the Proposed Action would be located is still located outside of a flood hazard zone or defined floodplain.

Clean Air

Transbay Block 7 is already in the construction phase consistent with prior federal, state and local approvals and project vouchers would only be used during the operational phase. As such the re-evaluation focused on operational emissions and regulatory updates since the 2004 EIS. The California Emissions Estimator Model (CalEEMod version 2016.3.1) was used to estimate operational-related emissions resulting from the Proposed Action. The unmitigated emissions of ozone precursors (NO_x and VOC), PM_{2.5}, CO and SO₂ during operations were found to be below the General Conformity *de minimis* thresholds. Operational emissions were also found to be below local Bay Area Air Quality Management District significance thresholds.

Coastal Zone Management

The Proposed Action is not located within an areas subject to coastal zone management.

Contamination and Toxic Substances

The 2004 EIS identified three primary hazardous material related risks: historic fill, underground storage tanks and historic uses, and new alignment and fueling facility for the project. There are no underground storage tanks on or in the vicinity of the site and the new alignment and fueling facility would not be located in the vicinity of Block 7. The 2004 EIS required mitigation measures which adequately addressed construction related risks associated with hazardous building materials and soil.

Endangered Species

Endangered Species Act conformity was considered for Transbay Block 7 within the 2004 EIS. As disclosed in Section 4.9 *Vegetation and Wildlife*, the U.S. Fish and Wildlife Service indicated that no adverse effects on endangered species of wildlife and plants or their habitats was expected from the proposed improvements.

Explosive and Flammable Hazards

The 2004 EIS concludes that there would be no impact from above ground storage containers to proposed sensitive receptors. The Transbay Terminal would be located two blocks away from residents at Block 7, and would not provide fueling services. Potential fuel related containers and facilities considered under the Transbay Program and project alternatives would be regulated under existing federal standards. As such residents under the Proposed Action would be adequately distanced from potential above ground storage tanks.

Farmlands Protection

There are no protected farmlands in the City and County of San Francisco.

Historic Preservation

The 2004 EIS included a Memorandum of Agreement among the Federal Transit Administration, and the California State Historic Preservation Officer for the Transbay Program (2004 EIS, Appendix G). As the foundation of Block 7 is completed and compliance steps are being followed under the MOA, the Proposed Action would trigger no historic or cultural resource impacts.

Noise Abatement and Control

Transbay Block 7 is already in the construction phase consistent with prior federal, state and local approvals and project vouchers would only be used during the operational phase. As such the re-evaluation focused on operational noise levels and potential noise area increases since the 2004 EIS. The resulting exterior noise levels at Block 7 based on the HUD DNL Calculator would fall within HUD's "normally unacceptable" range, between 65 dBA and 75 dBA Ldn. Residences are proposed to be designed to limit intruding noise to an interior CNEL or Ldn of at least 45 dBA. Therefore, the interior noise levels of the proposed residential dwelling units under the Proposed Action would meet the interior noise goal of HUD and the State of California.

Sole Source Aquifers

The 2004 EIS concluded that impacts to groundwater resources would be less than significant. There are no sole source aquifers in San Francisco.

Wetlands Protection

The 2004 EIS identified that there are no surface water bodies, such as wetlands, on the Transbay Block 7 site.

Wild and Scenic Rivers

There are no federally designated Wild and Scenic Rivers located within the City and County of San Francisco.

Environmental Justice

The Proposed Action provides vouchers for affordable dwelling units, thereby increasing the availability of low income housing resources. This is considered a beneficial effect related to environmental justice.

Other Environmental Issue Areas

Land Development

Conformance with Plans / Compatible Land Use and Zoning / Scale and Urban Design

The 2004 EIS found that the Transbay Program Redevelopment Area would not conflict with any of the City land use or zoning policies. The Proposed Action falls within the scope of development at Block 7 assessed within the 2004 EIS.

Soil Suitability/Erosion/Drainage/Storm Water Runoff

The 2004 EIS determined that buildout of the Redevelopment Area including Block 7 would not impact or require additional stormwater facilities. The 2004 EIS concluded that by applying standard design and construction techniques all effects would be reduced to a less-than-significant level. Potential liquefaction issues were addressed through design and construction of foundations and shoring systems; reinforcement/stabilization of soils, rapid repair contingency plans (this primarily relates to rail), design for maximum credible earthquake; and use of seismically resistant building structures.

Energy

The 2004 EIS concluded that the Redevelopment Area would have no adverse long term impact to energy capacity and resources.

Socioeconomic Conditions

Employment and Income Patterns

The 2004 EIS concluded that the Redevelopment Area would provide socioeconomic benefits by intensifying the urban character of the area and resulting in a more cohesive neighborhood with a balance mix of residential and commercial uses.

Demographic Character Changes and Displacement

The Proposed Action would be located on an already acquired site, and would not involve any displacement.

Community Facilities and Services

Educational and Cultural Facilities

The 2004 EIS concluded that the Redevelopment Area would have no adverse long term impacts to schools or religious institutions and that the Transbay Program would provide benefits with improved transit operations and transit-oriented development.

Solid Waste

The 2004 EIS concluded that the Redevelopment Area would have no adverse long term impact to waste management due to measures required to meet Assembly Bill 939, and compliance with required City and County ordinances regarding the minimization of waste through recycling.

Water Supply/Wastewater/ Sanitary Sewers

The 2004 EIS concluded that the Redevelopment Area would have no adverse long term impact to wastewater capacity and resources. The Redevelopment Area would connect to existing systems with capacity and would not demand water in excess of amounts anticipated for the area. The 2004 EIS also determined there would be no need for major expansion of power or water facilities due to the Transbay Program.

Police, Fire, and Emergency Medical Services

The 2004 EIS concluded that the entire Redevelopment Area would likely require an estimated 115 new police department officers, but that this would not require the addition of new police facilities. The analyses further concluded that there would be a need for additional fire suppression personnel as well as emergency medical staff, but that no new facilities would be required for either service. Ultimately, the EIS concluded that through user/developer fees, the Transbay Program would generate no adverse long term impact.

Parks, Open Space, and Recreation

The 2004 EIS concluded that the entire Redevelopment Area would have a beneficial effect, as new parks are proposed under the Transbay Program for the area.

Transportation and Accessibility

The Proposed Action at Block 7 does not involve parking. Users of the site would be anticipated to utilize existing transit infrastructure and improved pedestrian facilities.

Natural Features

Unique Natural Features and Water Resources

The EIS concludes that neither unique habitat nor water features are present onsite. Implementation of the Proposed Action would not adversely affect water resources, nor would it increase demands on groundwater resources.

Vegetation and Wildlife

Block 7 was previously a parking lot and does not support sensitive vegetation and/or wildlife species. Implementation of the Proposed Action would not affect vegetation or wildlife.

Greenhouse Gas

The development at Block 7 is designed to achieve the Green Point equivalent of LEED Gold certification, therefore operational impacts related to energy and greenhouse gas emissions would be minimized. The Redevelopment Area would involve the removal off-street parking with

residents expected to rely on available multi-modal transit alternatives, as a result, emissions related to vehicle usage would be reduced.

Cumulative Impacts

Based on the findings in the Reevaluation, the Proposed Action is not anticipated to result in new significant cumulative impacts.

1.8 Mitigation

Construction and operation of the housing at Transbay Block 7 is subject to compliance with the 2004 EIS environmental mitigation measures. These measures are being enforced by the City and transportation agencies. As the 2004 EIS documents, all practicable means to avoid or minimize the environmental harm from the Project have been adopted. There are no mitigation measures applicable to operation of housing at Transbay Block 7 which would require enforcement by MOHCD.

1.9 Environmentally Preferable Alternatives and Alternatives Comparison

The 2004 EIS considered a Full Build Alternative and Reduced Scope Alternative for the Transbay Program Redevelopment Area. The Full Build Alternative for the Redevelopment area was adopted by the lead agencies of the 2004 EIS.

MOHCD considered the Proposed Action and a No Action Alternative. Under the No Action Alternative, the proposed 24 HUD Section 8 vouchers would not be used for affordable housing at Transbay Block 7. Under the No Action Alternative, it is still likely that all 120 units at Block 7 would be developed and occupied due to housing needs within the City and thus the environmental impacts would be similar to the Proposed Action. However, under the No Action Alternative, it would not be assured that a portion of these units would provide needed relocation housing for residents during redevelopment of the Sunnydale-Velasco Hope Master Plan located south of Transbay Block 7. As environmental impacts of the two alternatives are similar and the Proposed Action best meets the purpose and need, the Proposed Action is the environmentally preferred alternative.

1.10 Conclusion

This ROD draws upon the facts and conclusions of the 2004 EIS and MOHCD's Part 58 Reevaluation of the 2004 EIS. MOHCD has complied with all procedural requirements of the environmental review including

- Review of the 2004 EIS and preparation of a Part 58 Reevaluation of the 2004 EIS
- Filing and distribution of the 2004 EIS and Part 58 Reevaluation

- Publication and distribution of a Notice of Adoption & Recirculation of Final Environmental Impact Statement, Notice of Availability of Environmental Reevaluation, and Notice of Intent to Request Release of Funds
- Preparation of this ROD

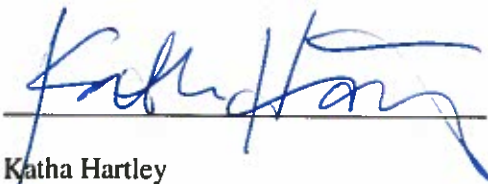
MOHCD approves the Proposed Action as defined in this ROD and Findings Statement. In accordance with 40 CFR §1505.2, MOHCD has considered all practical means to avoid or minimize environmental harm associated with the implementation of the Proposed Action.

MOHCD finds that the Proposed Action would best realize the underlying purpose and need as set forth in Section 1.2. The No Action Alternative would not meet the purpose and need as it would not provide affordable housing to assist with relocation of residents during redevelopment of the Sunnydale-Velasco Hope Master Plan located south of Transbay Block 7.

Having considered the 2004 EIS and MOHCD's Part 58 Reevaluation of the 2004 EIS, and having considered the above written facts and conclusions relied upon to meet the requirements of NEPA, as amended (42 U.S.C. 4371 et seq.), MOHCD certifies that, consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Proposed Action avoids or minimizes adverse environmental impacts to the maximum extent practicable.

Based on the foregoing determinations and findings and the entire environmental review record, MOHCD hereby approves the Proposed Action in accordance with the above-referenced applicable statutory and regulatory requirements to facilitate funding of housing vouchers at Transbay Block 7.

The above ROD and Findings Statement was approved and adopted by MOHCD on the following date:



Katha Hartley
Acting Director
San Francisco Mayor's Office of Housing and Community Development

7-21-17

Date