

## 5. OTHER CEQA CONSIDERATIONS

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Chapter 5, Other CEQA Considerations, includes a discussion of growth-inducing impacts, significant unavoidable impacts, significant irreversible impacts, and areas of known controversy.

### A. GROWTH-INDUCING IMPACTS

As required by Section 15126.2(d) of the California Environmental Quality Act (CEQA) Guidelines, an Environmental Impact Report (EIR) must consider the ways in which the Proposed Project could directly or indirectly foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. Growth-inducing impacts can result from the elimination of obstacles to growth; through increased stimulation of economic activity that would, in turn, generate increased employment or demand for housing and public services; or from the implementation of policies or measures that do not effectively minimize premature or unplanned growth.

As described in detail in Chapter 3, Plans and Policies, implementation of the Proposed Project would require amendments to the *San Francisco General Plan* and Planning Code, adding a new Pier 70 Special Use District (SUD), which would establish specific land use controls for the project site and incorporate the design standards and guidelines in the proposed *Pier 70 SUD Design for Development*. The Zoning Maps would be amended to show changes from the current zoning (M-2 [Heavy Industrial] and P [Public]) to the proposed Pier 70 SUD zoning. Height limits on the 28-Acre Site would be increased to 90 feet (from 40 feet), except for a 100-foot-wide portion of the site adjacent to the shoreline that would remain at 40 feet. Height limits on both the Port-owned and most of the Pacific Gas and Electric (PG&E) owned portions of the Illinois Parcels would remain the same (65 feet); however, Planning Code text amendments would modify the existing height limit on the eastern portion of the Hoedown Yard (part of the Illinois Parcels) from 40 to 65 feet. These amendments and the resulting land use program would change the mix and types of land uses that could be developed on the project site, and would allow for increased building heights and density.

As described in detail in Chapter 2, Project Description, the project site is located in an underutilized infill area served by existing municipal infrastructure and public services. The Proposed Project would provide a land use program, under which certain parcels could be developed for primarily commercial-office or residential uses, with much of the ground floor dedicated to retail/art/light-industrial (RALI) uses. For the 28-Acre Site, up to a maximum of approximately 3,442,265 gross square feet (gsf) of construction of new buildings and improvements to existing structures could be constructed. The Illinois Parcels would include up to a maximum of approximately about 801,400 gsf of construction of new buildings. The

proposed land use program would be supported by existing and planned open space and recreational facilities, public services, and new or upgraded public utilities. Thus, improved and expanded infrastructure would be constructed as part of the Proposed Project to serve future development on the project site.

As described in Section 4.C, Population and Housing, the Proposed Project at full build-out would add approximately 3,025 new housing units under the Maximum Residential Scenario and 1,645 new housing units under the Maximum Commercial Scenario. Implementation of the Proposed Project under the Maximum Residential Scenario would result in residential development at a greater average housing density per acre (about 86 residential units per acre) than currently exists on the project site or in the immediate project vicinity (about 54 residential units per acre in this part of the South of Market [SOMA] Planning District).<sup>1</sup> In contrast, implementation of the Proposed Project under the Maximum Commercial Scenario would result in residential development at a lower average housing density per acre (about 47 residential units per acre) than currently exists on the project site or in the immediate project vicinity. Implementation of the Proposed Project would increase the City's overall housing stock, including affordable and family-sized units, and result in direct population growth on the project site as follows: approximately 6,868 new residents under the Maximum Residential Scenario and approximately 3,735 new residents under the Maximum Commercial Scenario. This population increase would be substantial in the context of the immediate project vicinity; however, in the citywide and regional context, the increase would represent about 2.4 percent of projected population growth in the City (280,465 persons) and about 0.1 percent of projected population growth in the San Francisco Bay Area region<sup>2</sup> (2,148,361 persons) between 2010 and 2040. In terms of households, the Proposed Project would represent about 3 percent of projected household growth in the City (101,539 households) and about 0.4 percent of projected household growth in the region (700,067 households) between 2010 and 2040.<sup>3</sup> With the proposed intensity of commercial uses on the project site, there would be a net increase of between 5,599 and 9,768 employees under the Maximum Residential Scenario and Maximum Commercial Scenario, respectively. The employment increases under the Maximum Residential Scenario would represent approximately 2.9 percent of the projected growth in City jobs (190,780) and approximately 0.5 percent of the projected growth in region wide jobs (1,119,930) between 2010 and 2040.<sup>4</sup> Under the Maximum Commercial Scenario, the employment increase at the project

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<sup>1</sup> San Francisco Planning Department, *San Francisco General Plan*, Housing Element, Part I, Data and Needs Analysis, April 2015, Map 06, p. I.70. Available online at [http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/housing-element/2014HousingElement-AllParts\\_ADOPTED\\_web.pdf](http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/housing-element/2014HousingElement-AllParts_ADOPTED_web.pdf). Accessed February 1, 2016.

<sup>2</sup> The San Francisco Bay Area consists of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties.

<sup>3</sup> ABAG, *Projections 2013*, pp. 20-21 and 74-75.

<sup>4</sup> *Ibid.*, pp. 22 and 75.

site would represent approximately 5.1 percent of the projected growth in City jobs and approximately 0.9 percent of the projected growth in region wide jobs between 2010 and 2040.<sup>5</sup>

Thus, population and employment growth would be a direct result of implementation of the Proposed Project under either scenario. Indirect growth (or unplanned growth) includes population and employment growth in surrounding neighborhoods resulting from an expansion of local infrastructure and public services. At the citywide and regional level, the Proposed Project would induce demand for 3,205 housing units under the Maximum Residential Scenario and 5,592 housing units under the Maximum Commercial Scenario due to construction of commercial, retail, restaurant, and RALI uses (refer to discussion in Section 4.C, Population and Housing, on pp. 4.C.31, 4.C.33, and 4.C.37). These amounts would be in excess of the amount of housing that would be provided with the Proposed Project under the Maximum Residential and Maximum Commercial Scenarios – 3,025 and 1,645 housing units, respectively. The proposed housing demand generated under either scenario would also be in excess of the projected supply of housing for the San Francisco Port Priority Development Area (PDA), which stretches 7.5 miles along the San Francisco Bay shoreline and includes the Pier 70 area, and is identified as a more commercial -oriented PDA. As such, the Proposed Project would be expected to generate the need for new housing within the City and region, but not in excess of the amount of new households that have been projected in the Port PDA and adjacent PDAs (28,377) and the City (101,539) between 2010 and 2040.<sup>6</sup>

Implementation of the Proposed Project would not result in substantial population and employment growth in the City that has not already been accounted for in local and regional planning efforts. Development of the Proposed Project would be in accord with local and regional planning efforts to accommodate population and employment growth in proximity to transit and services and where public services, utilities, and other municipal infrastructure have sufficient capacity. Local planning efforts include the Port's *Waterfront Land Use Plan* and Pier 70 master planning efforts; the Planning Department's Eastern Neighborhoods community planning and rezoning process, which included adoption of the East SOMA, Mission, Showplace Square/Potrero Hill, and Central Waterfront area plans; the adoption of the *Western SOMA Community Plan*; the adoption of the *Mission Bay Redevelopment Plan*; and the adoption of the *Rincon Hill Area Plan and Transit Center District Plan* in Downtown. Each of these area or community plans included amendments to the Planning Code such as rezoning, increased height limits, the removal of maximum densities, and the removal of minimum lot size requirements to enhance development flexibility and increase the housing development capacity within these plan areas. These changes, along with the existing San Francisco Housing Element policies that promote the development of new housing and the retention of existing housing stock and the

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<sup>5</sup> Ibid.

<sup>6</sup> Ibid., p. 75.

adoption of new housing policies (especially those related to the creation of a streamlined permitting process for affordable housing projects), have resulted in the accelerated development of new housing units throughout the City, with the most rapid growth occurring within the SOMA Planning District (especially in the multi-unit housing categories).<sup>7</sup>

The SOMA Planning District, which includes the *Central Waterfront Area Plan* and the project site, accommodated approximately 36 percent of all housing growth in the City between 2010 and 2013, and accounted for approximately 54 percent of all new housing stock constructed in the City in 2014. The San Francisco Housing Element data indicates that the *Central Waterfront Area Plan* has the potential to accommodate up to 2,000 new housing units while the City as a whole has the potential to accommodate up to 47,020 net new residential units.<sup>8</sup> Thus, development of the Proposed Project at the proposed residential densities would continue (and potentially accelerate) local planning efforts to accommodate medium- to high-density housing in this area of the City (SOMA and Eastern Neighborhoods [*Central Waterfront Area Plan*]) and would continue the trend of providing new housing in multi-unit mixed use developments.

Regional planning efforts include the Association of Bay Area Government's (ABAG) *Plan Bay Area* and *Projections 2013*. *Plan Bay Area* is the nine-county Bay Area's Sustainable Communities Strategy for reducing greenhouse gas emissions to meet the statewide greenhouse gas reduction targets set forth in Senate Bill 375. ABAG's integrated transportation and land use approach is the primary strategy for meeting the reduction targets. This approach resulted in the creation of PDAs where future growth would be directed toward existing urban areas to increase housing near jobs and reduce urban sprawl. PDAs are defined as urban infill sites of at least 100 acres served by transit and designated for compact land development along with investments in community improvements and infrastructure. There are 12 PDAs within San Francisco. San Francisco's PDAs are projected to accommodate close to 92 percent of the anticipated number of households by 2040 and approximately 88 percent of San Francisco's projected population growth. At the regional level, designated PDAs are projected to accommodate close to 78 percent of the anticipated number of households by 2040 and approximately 69 percent of projected population growth.<sup>9</sup>

<sup>7</sup> The South of Market Planning District encompasses the neighborhoods south of Market Street and east of 11<sup>th</sup> Street and U.S. 101 to the San Francisco Bay shoreline. See Map 6 of the Housing Element, p. I.70.

<sup>8</sup> San Francisco Planning Department, *San Francisco General Plan*, Housing Element, Part I, Data and Needs Analysis, April 2015, Table A-3 and Table I-56, pp. A-8 and I.67. Housing development capacity estimates are based on data for vacant sites, underutilized sites and underdeveloped sites. Available online at [http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/housing-element/2014HousingElement-AllParts\\_ADOPTED\\_web.pdf](http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/housing-element/2014HousingElement-AllParts_ADOPTED_web.pdf). Accessed February 1, 2016.

<sup>9</sup> ABAG, *Projections 2013*, p. 71.

The project site is within the Port of San Francisco PDA, in the eastern portion of the City where the majority of San Francisco's 12 PDAs are located. The project site is bordered by the Mission Bay PDA to the north, San Francisco Bay to the east, the Eastern Neighborhoods PDA to the west, and the Bayview/Hunter's Point Shipyard/Candlestick Point PDA to the south.<sup>10</sup> ABAG's *Projections 2013* estimates that the City will gain about 280,465 persons, 101,539 households, and 190,780 jobs between 2010 and 2040 and that about 88 percent of the anticipated population growth, about 92 percent of the anticipated number of households, and about 85 percent of the anticipated number of jobs will occur in San Francisco's PDAs.<sup>11</sup> At the regional level, ABAG's *Projections 2013* indicates that about 69 percent of anticipated population growth, about 78 percent of anticipated housing growth, and about 85 percent of anticipated job growth would occur within PDAs.<sup>12</sup> When considered at the citywide and regional level the residential population and employment increases attributable to the Proposed Project would not be considered significant because they would not exceed the population, household, and employment growth increases identified by ABAG for the City or for the region. As such, the population and employment growth that would result from implementation of the Proposed Project would be within ABAG's projections for regional and citywide population and employment growth. Thus, while the Proposed Project in itself represents growth, the provision of new housing and employment opportunities would not result in substantial new growth in its immediately adjacent neighborhoods or in the City that has not previously been projected. Therefore, the Proposed Project's housing demand would not contribute to unplanned growth that has not already been accounted for in the City and Bay Area region.

Implementation of the Proposed Project would include the extension of the roadways on the 28-Acre Site and the extension of bicycle and walking paths and open space network through the project site. The roadway network and associated streetscape improvements would enhance the project site's accessibility. It would also be designed to connect the proposed new urban neighborhood to the existing fabric of the surrounding residential neighborhoods – Dogpatch and Potrero Hill (to the west), Mission Bay (to the north), and Bayview/Hunter's Point (to the south) – and the existing neighborhoods to the project site and San Francisco Bay's shoreline. As described in "Proposed Infrastructure and Utilities" in Chapter 2, Project Description, pp. 2.55-2.59, the Proposed Project would also include the installation of new infrastructure for the distribution of potable water, emergency firefighting water, and recycled water as well as for the conveyance of wastewater and stormwater flows. The Proposed Project's new infrastructure

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<sup>10</sup> ABAG defines the Port of San Francisco PDA as a Mixed-Use Corridor Place Type (transit-served areas with a mix of moderate-density housing, services, retail, employment, and civic or cultural uses) and the other PDAs as Urban Neighborhood Place Types (primarily residential moderate-to-high density areas with local-serving retail services and other small business or older industrial uses.)

<sup>11</sup> ABAG, *Projections 2013*, p. 71.

<sup>12</sup> *Ibid.*, p. 17.

would be constructed in trenches under the proposed roadway and open space network and would connect to the existing infrastructure, e.g., the proposed potable water distribution piping would connect to existing water mains located underneath 20<sup>th</sup>, Illinois, and 22<sup>nd</sup> streets. The Proposed Project, including its three wastewater and stormwater management options, would retain as much of the existing combined sewer system as can be used, where such continued use is acceptable to the San Francisco Public Utilities Commission,<sup>13</sup> and replace the existing 20<sup>th</sup> Street Pump Station to accommodate increased sewage and stormwater flows from existing development, the proposed development, and anticipated future development in the immediate area. In addition, the overhead electrical distribution would be replaced with a joint trench distribution system, and the existing natural gas distribution system would be extended to cover the entire project site. The new and extended electrical and gas distribution lines would follow the new roadway network, and any existing piping would be realigned within the new roadway network to serve the project site. The new distribution lines would connect to the existing 12-kV electricity lines and existing gas mains. The proposed new and extended municipal infrastructure would be constructed to serve the proposed development and connect to existing utility systems.

The Proposed Project would not extend water supply infrastructure or other public services beyond what is necessary to serve uses proposed under the Proposed Project's flexible land use program, nor would it result in development of new public services that would accommodate significant growth in the City or the region. Thus, proposed new construction and expansion, replacement, or upgrade of the water, electrical, and gas distribution system and other infrastructure; public roads; public facilities; and other community services and open space would not generate indirect population growth since those systems and services would primarily serve residents, employees, and visitors to the project site and the immediate project vicinity. Therefore, the Proposed Project would extend access to an area of the City that was previously inaccessible as well as provide additional infrastructure capacity, but it would provide access and capacity to serve itself and, in the case of the 20<sup>th</sup> Street Pump Station, the immediate project area comprised of the 20<sup>th</sup> Street sub-basin. The additional access and capacity would not be large enough to induce additional demand.

The proposed replacement of the 20<sup>th</sup> Street Pump Station and associated pipelines would accommodate wastewater flows from the project site as well as existing baseline and projected wastewater flows from anticipated cumulative development within the 20<sup>th</sup> Street sub-basin of the Islais Creek watershed. This basin is bounded by Illinois Street on the west, 20<sup>th</sup> Street on the north, 22<sup>nd</sup> Street and the former Potrero Power Plant on the south, and San Francisco Bay on the east. The 20<sup>th</sup> Street Historic Core site, Crane Cove Park, BAE Systems Ship Repair facility, and

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<sup>13</sup> The San Francisco Public Utilities Commission currently operates a combined collection system for sanitary sewage and stormwater flows emanating from the project site. The Port also owns and maintains certain wastewater collection pipes on the project site.

the project site, including the 28-Acre Site and the Illinois Parcels, comprise the total area of the 20<sup>th</sup> Street sub-basin. The proposed replacement pump station would be designed to accommodate wastewater flows from the 20<sup>th</sup> Street sub-basin, i.e., existing development, development anticipated under the Proposed Project, and planned cumulative development on the 20<sup>th</sup> Street Historic Core site, Crane Cove Park, and the BAE Systems Ship Repair facility. Thus, it would not provide additional wastewater capacity beyond that planned for the 20<sup>th</sup> Street sub-basin. This could be characterized as the elimination of an obstacle to growth and an indirect growth-inducing impact.

Based on the preceding discussion and analysis, the projected population and employment growth attributable to the Proposed Project would not cause substantial population growth or concentration in employment that would result in significant growth-inducing impacts related to unplanned population, employment, or housing demand increases in the City or across the Bay Area region. To the extent that this growth would have been otherwise accommodated at other City or Bay Area locations, the Proposed Project would focus growth on underused or undeveloped infill sites near existing employment centers and existing and planned transit facilities, infrastructure, retail services, and cultural and recreational facilities. The Proposed Project would contribute to meeting the City and ABAG's housing production goals and would conform with local and regional efforts to focus growth and development into PDAs by creating compact communities with a diversity of housing, jobs, activities and services, and increasing housing supply, improving housing affordability, and increasing transportation efficiency and choices. Although improved and expanded infrastructure, public services, and transit improvements would be required to serve development on the project site, the improved and expanded infrastructure and services would not create additional capacity beyond what is required to serve the project-specific demand with the exception of the additional capacity designed into the replacement 20<sup>th</sup> Street Pump Station (to accommodate growth on the adjacent 20<sup>th</sup> Street Historic Core site, Crane Cove Park, and the BAE Systems Ship Repair facility). Therefore, the Proposed Project and related infrastructure improvements would not indirectly induce growth in the City or region. In this respect, implementation of the Proposed Project may be considered growth managing rather than growth inducing by facilitating urban in-fill, restoring a previously developed site that contains sources of contamination, and increasing open space.

While the Proposed Project in itself represents growth, as described above, the provision of new housing and employment opportunities would not encourage substantial new growth in the City that has not been previously projected or in an area of the City that has not been identified through local and regional planning processes as an area that could accommodate future population, housing, and employment growth. Thus, the Proposed Project would not have a substantial growth-inducing impact. No mitigation measures are necessary.

## ***SOCIOECONOMIC EFFECTS***

As stated in CEQA Guidelines Section 15358(b), CEQA requires review of the effects of a project that are related to a physical change to the environment. Social or economic impacts alone are not changes in physical conditions, and CEQA Guidelines Section 15382 provides that social or economic impacts may not be treated as significant effects on the environment. Evidence of social or economic impacts (e.g., property values, rent levels, neighborhood demographics, etc.) that do not contribute to, or are not caused by, physical impacts on the environment is not substantial evidence of a significant effect on the environment. However, CEQA Guidelines Section 15064(d)(e) provides that a social or economic change related to a physical change may be considered in determining whether the physical change is significant. Additionally, an EIR or other CEQA document must consider the reasonably foreseeable indirect environmental consequences or physical changes resulting from a project's economic or social changes. In short, social and economic effects are only relevant under CEQA if they would result in or are caused by an adverse physical impact on the environment.

As discussed in Section 4.C, Population and Housing, the project area is within the Port of San Francisco PDA in *Plan Bay Area*.<sup>14</sup> The Port of San Francisco PDA covers approximately 678 acres of public waterfront lands and stretches 7.5 miles from Fisherman's Wharf to India Basin, adjacent to Hunters Point Shipyard in the Bayview/Hunters Point neighborhood. *Plan Bay Area* notes that the Port of San Francisco PDA is one of 12 PDAs in the City that are served by existing utilities, infrastructure, and transit, and has the potential to accommodate future population and housing growth in the City and Bay Area region. Furthermore, *Plan Bay Area* forecasts that 88 percent of new population growth in the City is expected to take place in San Francisco's PDAs.<sup>15</sup>

The project site is also located within the *Central Waterfront Area Plan*, part of the larger Eastern Neighborhoods Planning Area. The Eastern Neighborhoods community planning process initiated by the Planning Department encourages new housing to be located at the Central Waterfront due to the area's proximity to transit and essential services.<sup>16</sup> The Housing Element identifies the Central Waterfront Area for growth of 2,000 residential units; however, this does not include the Pier 70 project site.<sup>17</sup> The *Central Waterfront Area Plan* encourages the transformation of traditional Port activities (i.e., industrial uses) to accommodate a substantial amount of new housing. The *Central Waterfront Area Plan* sees the Central Waterfront as

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<sup>14</sup> ABAG, *Plan Bay Area Priority Development Area Showcase*, February 2015. Available online at <http://gis.abag.ca.gov/website/PDAShowcase/>. Accessed March 7, 2016.

<sup>15</sup> ABAG, *Projections 2013*, p. 71.

<sup>16</sup> San Francisco Planning Department, *Data and Needs Analysis*, p. A.3.

<sup>17</sup> *Ibid.*, p. A.8.

“critical to supporting a much-needed increase in commercial services, enlivening open spaces, and creating a vibrant and cohesive residential neighborhood.”<sup>18</sup>

Concerns have been raised in general throughout the City with regard to the loss of middle-income jobs and affordable housing. These socioeconomic effects are not considered environmental effects unless they are shown to result in physical impacts on the environment and must be linked to the action undergoing CEQA review. Under both the Maximum Residential Scenario and Maximum Commercial Scenario, the proposed uses would displace approximately 60 to 70 existing on-site employees. As part of the Proposed Project, these employees would be offered the opportunity to lease space on the project site or to relocate to other Port properties to the extent required under California Relocation Assistance Law (California Government Code Section 7260 et seq.), and applicable regulation. The Proposed Project would also generate direct, temporary growth in construction jobs that could relieve some of the loss in construction employment that has occurred since the 2007-2008 mortgage crisis and subsequent recession. As of July 2014, the loss in construction employment since 2007 in the five-county subregion of San Francisco, Alameda, Contra Costa, Marin, and San Mateo counties stands at about 15,000 jobs.<sup>19</sup>

No housing units are located on the project site and the Proposed Project would not displace existing housing or affordable housing; however, new permanent jobs generated by the Proposed Project (approximately 5,599 jobs under the Maximum Residential Scenario and approximately 9,768 jobs under the Maximum Commercial Scenario) would create a demand for housing in San Francisco in excess of the on-site residential development (approximately 3,025 new residential units under the Maximum Residential Scenario and approximately 1,645 new residential units under the Maximum Commercial Scenario). Anticipated household growth in adjacent PDAs (28,377), at the Citywide level (101,539), and at the regional level (700,067) estimated in ABAG’s *Projections 2013* could accommodate this additional demand. Nonetheless, the increased population from new jobs or housing, in addition to regional economic trends favoring professional jobs, could result in displacement of lower-income housing and middle-income jobs independent of the Proposed Project.

By increasing the supply of both market-rate and affordable housing consistent with regional growth projections, the Proposed Project would provide some relief to the City’s housing market pressures. However, what effect development would have on housing affordability is a matter of considerable controversy. While there is general consensus that the high cost of market-rate

<sup>18</sup> City and County of San Francisco, *Central Waterfront Area Plan*, December 2008, p. 21.

<sup>19</sup> California Employment Development Department, *Regional Economic Analysis Profile: San Francisco Bay Area Economic Market*, February 2015. Available online at <http://www.labormarketinfo.edd.ca.gov/Publications/REA-Reports/SanFranciscoBayArea-REAP2015.pdf>. Accessed November 17, 2015.

housing and the limited supply of affordable housing in San Francisco are causing displacement of lower-income residents in the City, opinions differ on the underlying causes.

The City Office of the Controller – Office of Economic Analysis determined that new market-rate housing in San Francisco has the effect of lowering, rather than raising, housing values at the local and citywide level.<sup>20,21</sup> Research also indicates that at the regional scale, producing more market-rate housing will result in decreased housing prices, and reduce displacement pressures (although not as effectively as subsidized housing). However, at the local level, market-rate housing would not necessarily have the same effects as at the regional scale, due to a mismatch between demand and supply.<sup>22</sup> The influx of real estate investment and higher income, higher educated residents can increase gentrification of a neighborhood, with displacement of households being a negative outcome.

CEQA prohibits the finding of significant impacts that are not based on substantial evidence of adverse physical changes to the environment. Therefore, these social and economic effects are beyond the scope of this EIR and should be addressed through the City’s planning and policy development processes. Changes to the environment as a result of the Proposed Project are addressed in the appropriate environmental topics in this EIR.

## **B. SIGNIFICANT UNAVOIDABLE IMPACTS**

In accordance with Section 21067 of CEQA and with Sections 15126(b) and 15126.2(b) of the CEQA Guidelines, the purpose of this section is to identify significant environmental impacts that could not be eliminated or reduced to less-than-significant levels by implementation of mitigation measures included in the Proposed Project or identified in Chapter 4, Environmental Setting and Impacts. The findings of significant impacts are subject to final determination by the San Francisco Planning Commission as part of the certification process for this EIR. If necessary, this chapter will be revised in the Final EIR to reflect the findings of the Planning Commission.

The Proposed Project would result in significant and unavoidable project-level and cumulative impacts described below.

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<sup>20</sup> City and County of San Francisco, City Office of the Controller – Office of Economic Analysis, *Potential Effects of Limiting Market-Rate Housing in the Mission*, September 10, 2015.

<sup>21</sup> The analysis further determined that locally imposing limits on market-rate housing in the City would, in general, place greater upward pressure on City housing prices, and reduce affordable housing resources to a greater extent than if no limit on market-rate housing was imposed.

<sup>22</sup> Berkeley Institute of Governmental Studies (IGS), *Housing Production, Filtering and Displacement: Untangling the Relationships*, May 2016.

## ***TRANSPORTATION***

As identified in Section 4.E, Transportation and Circulation, the following transportation impacts would be significant and unavoidable under both the Maximum Residential Scenario and the Maximum Commercial Scenario even with implementation of mitigation measures identified in this EIR. In some cases, mitigation measures would reduce the significant impact, but not to less-than-significant levels.

- Significant and unavoidable impacts would occur on one individual Muni route (the 48 Quintara/24<sup>th</sup> Street). With implementation of the Proposed Project, the Muni route would exceed the 85 percent capacity utilization standard in the a.m. and p.m. peak hours in both the inbound and outbound directions. With implementation of Mitigation Measure M-TR-5: Monitor and increase capacity on the 48 Quintara/24<sup>th</sup> Street bus routes as needed, the capacity on the bus route could be increased by adding buses during the peak hours; by using higher-capacity vehicles; by adding a new Muni service route in the area; or by increasing transit travel speeds along the routes. Since the sources of funding to operate additional buses, expand bus zones, or increase travel speeds are not identified, the mitigation measure is considered uncertain, and this impact would remain significant and unavoidable.
- The Proposed Project's loading demand during the peak loading hour would not be adequately accommodated by proposed on-site/off-street loading supply or in proposed on-street loading zones, which may create hazardous conditions or significant delays for transit, bicycles, or pedestrians. Implementation of Mitigation Measure M-TR-12A: Coordinate Deliveries, and Mitigation Measure M-TR-12B: Monitor loading activity and convert general purpose on-street parking spaces to commercial loading spaces, as needed, may not fully resolve the loading shortfall, as the project's Transportation Coordinator may not be able to shift on-site delivery times. Additionally, there may not be an adequate supply of on-street general purpose parking spaces to convert to commercial loading spaces such that the loading shortfall can be accommodated on-street. Thus, even with implementation of Mitigation Measures M-TR-12A and M-TR-12B, the Proposed Project's loading impacts would remain significant and unavoidable.
- The Proposed Project would contribute considerably to significant cumulative transit impacts on the 48 Quintara/24<sup>th</sup> Street and 22 Fillmore bus routes. With implementation of Mitigation Measure M-TR-5: Monitor and increase capacity on the 48 Quintara/24<sup>th</sup> Street bus routes as needed, the capacity on the bus route could be increased by adding buses during the peak hours; by using higher-capacity vehicles; by adding a new Muni service route in this area; or by increasing transit travel speeds along the routes. Additionally, implementation of Mitigation Measure M-C-TR-4A: Increase capacity on the 48 Quintara/24<sup>th</sup> Street bus route under the Maximum Residential Scenario, and Mitigation Measure M-C-TR-4B: Increase capacity on the 22 Fillmore bus route under the Maximum Commercial Scenario, would assist in reducing the considerable contribution to a significant cumulative impact. However, since the sources of funding to operate additional buses, expand bus zones, or increase travel speeds are not identified, the mitigation measures are uncertain, and this impact would remain significant and unavoidable.

***NOISE***

As identified in Section 4.F, Noise and Vibration, the following noise impacts would be significant and unavoidable under both the Maximum Residential Scenario and the Maximum Commercial Scenario even with implementation of mitigation measures identified in this EIR. In some cases, mitigation measures would reduce the significant impact, but not to less-than-significant levels.

- The closest existing off-site sensitive receptors located 140 feet to 200 feet from the closest site boundary (northwest corner of Parcel PKN) along with future on-site sensitive receptors would be subject to substantial temporary or periodic increases in ambient noise levels in the project vicinity above levels existing without the project. With implementation of noise controls during all construction phases (specified in Mitigation Measure M-NO-1: Construction Noise Control Plan) as well as implementation of noise controls during pile driving (specified in Mitigation Measure M-NO-2: Noise Control Measures During Pile Driving), the potential for noise disturbance of existing off-site residents (assumed to be occupied during the 11-year construction period) approximately 140 to 200 feet to the northwest would be reduced. However, even with implementation of these noise controls, the feasibility of quieter, alternative pile driving methods in all areas cannot be determined at this time and also the potential would still exist that combined noise levels from simultaneous operation of the noisiest types of construction equipment could still exceed the Ambient+10 decibel A-weighted threshold. Given this uncertainty and the potential 11-year duration of this activity, this impact is conservatively considered to remain significant and unavoidable with mitigation (Mitigation Measures M-NO-1 and M-NO-2).
- The Proposed Project would result in permanent increases in ambient noise levels along some roadway segments in the project site vicinity. Reduction in project-related one-way traffic of up to 20 percent through implementation of transportation demand management (TDM) measures required in Mitigation Measure M-AQ-1f: Transportation Demand Management could reduce noise levels by up to 1 decibel (dB). Therefore, implementation of M-AQ-1f would reduce the above significant noise increases to less than significant with mitigation at all of the above street segments except for three road segments 22<sup>nd</sup> Street from Third Street to Illinois Street, 22<sup>nd</sup> Street east of Illinois Street (on the project site), and Illinois Street from the future 21<sup>st</sup> Street and 22<sup>nd</sup> Street (adjacent to project site). Therefore, this impact would remain significant and unavoidable with mitigation.
- Operation of the Proposed Project, in combination with other cumulative development, would cause a substantial permanent increase in ambient noise levels in the project vicinity. Of the 79 road segments examined, the Proposed Project would contribute considerably to cumulative traffic noise increases along 22<sup>nd</sup> Street (east of Third Street to east of Illinois Street) and Illinois Street (Mariposa Street to 22<sup>nd</sup> Street). These street segments either directly adjoin the project site or are within two blocks of the project site and provide direct access to the site. Reduction in project-related one-way traffic of up to 20 percent through implementation of TDM measures required in Mitigation Measure M-AQ-1f: Transportation Demand Management, could result in reductions of one-way traffic by up to 20 percent, and such reductions could provide noise level reductions of up

to 1.0 dB. Such reductions would reduce the above significant noise increases to less than significant along Illinois Street (between Mariposa Street and the proposed 23<sup>rd</sup> Street) and 22<sup>nd</sup> Street (west of Third Street) but would not be sufficient to reduce cumulative noise increases on any of the other above-listed street segments to less-than-significant levels (i.e., below threshold levels). Cumulative traffic noise increases would still exceed the significance thresholds for traffic noise increases on some of the above-listed street segments by up to 2.0 dBA when compared to future baseline noise levels (2040) and by up to 14.2 dBA when compared to existing baseline noise levels (2020). Therefore, the Proposed Project would result in a considerable contribution to this cumulative impact, which is significant and unavoidable with mitigation.

## ***AIR QUALITY***

As identified in Section 4.G, Air Quality, the following air quality impacts would be significant and unavoidable under both the Maximum Residential Scenario and the Maximum Commercial Scenario even with implementation of mitigation measures identified in this EIR. In some cases, mitigation measures would reduce the significant impact, but not to less-than-significant levels.

- During construction, the Proposed Project would generate fugitive dust and criteria air pollutants, which would violate an air quality standard, contribute substantially to an existing or projected air quality violation, and result in a cumulatively considerable net increase in criteria air pollutants. Implementation of Mitigation Measures M-AQ-1a through M-AQ-1h would substantially reduce emissions of criteria pollutants and fugitive dust; however, construction-related emissions would remain significant during construction of Phases 3, 4, and 5 when operational emissions are also considered. Therefore, Impact AQ-1 would remain significant and unavoidable with mitigation.
- At project build-out, the Proposed Project would result in emissions of criteria air pollutants at levels that would violate an air quality standard, contribute to an existing or projected air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants. Even with implementation of Mitigation Measures M-AQ-1b through M-AQ-1g, criteria pollutant emissions from operation of the Proposed Project would still be significant. Consequently, implementation of Mitigation Measure M-AQ-1h: Emission Offsets of Operational Emissions, would be required to reduce emissions to the extent feasible. If Mitigation Measure M-AQ-1h is implemented via a directly funded or implemented offset project, it could have the potential to reduce the impact to a less-than-significant level but only if the timing of the offsets could be documented prior to the occupancy of Phase 3 and ensured for the life of the project. Therefore, the residual impact of project emissions during operation at build-out is conservatively considered significant and unavoidable with mitigation, acknowledging the assumption that the project sponsors would implement Mitigation Measures M-AQ-1a through M-AQ-1h (Emission Offsets).
- The Proposed Project, in combination with past, present, and reasonably foreseeable future development in the project area, would contribute to cumulative regional air quality impacts. Implementation of Mitigation Measures M-AQ-1a through M-AQ-1h would reduce this impact, but not to a less-than-significant level. Therefore, Impact C-AQ-1 would remain significant and unavoidable with mitigation.

## **C. SIGNIFICANT IRREVERSIBLE ENVIRONMENTAL IMPACTS**

In accordance with Section 21100 (b)(2)(B) of CEQA, and Section 15126.2(c) of the CEQA Guidelines, an EIR must identify any significant irreversible environmental changes that could result from implementation of the Proposed Project. This may include current or future uses of non-renewable resources and secondary or growth-inducing impacts that commit future generations to similar uses. According to the CEQA Guidelines, irretrievable commitments of resources should be evaluated to ensure that such current consumption is justified.

### ***IRREVERSIBLE CHANGES FROM ENVIRONMENTAL ACTIONS***

The project site contains 12 of the 44 contributing historic features and one of the non-contributing features (Slipways 5 through 8) of the National Register of Historic Places-listed Union Iron Works (UIW) Historic District, which illustrate Pier 70's use as an iron and steel manufacturing and shipbuilding area. As described throughout this EIR, the Proposed Project would result in rehabilitation and adaptive reuse of three contributors to the UIW Historic District (Buildings 2, 12, and 21) in compliance with the Secretary of the Interior's Standards for the Treatment of Historic Properties. Also, the majority of the existing portion of Irish Hill, a contributing feature, would be retained. The seven remaining contributing structures on the project site (Buildings 11, 15, 16, 19, 25, 32, and 66) would be demolished as part of the Proposed Project. In addition, the single non-contributing structure on the site, Slipways 5 through 8, currently covered by fill and asphalt, would be partially demolished. As a result of the Proposed Project, future generations would be committed to the demolition of Buildings 11, 15, 16, 19, 25, 32, and 66. Through the rehabilitation and re-use of three contributing buildings and the retention of the remnant Irish Hill (a contributing landscape feature), and implementation of Mitigation Measures 1-CP-1a, I-CP-2, and 1-CR-8, the Proposed Project would not materially impair the significance of the UIW Historic District. The loss of seven contributing buildings is irreversible, but would constitute a less-than-significant impact to historic architectural resources under CEQA because similar buildings would remain and the UIW Historic District would continue to convey its significance.

No significant irreversible environmental damage related to hazardous materials is anticipated to occur with implementation of the Proposed Project. Compliance with Federal, State, and local regulations related to residential and commercial uses identified in Section 4.P, Hazards and Hazardous Materials, would reduce the possibility that hazardous substances from the demolition, construction, and operation of Proposed Project would cause significant and unavoidable environmental damage.

The Proposed Project would involve excavation of soils for grading and construction of the 15- to 27-foot-deep basements planned on 17 of the 20 parcels. No basement levels are planned under

existing Buildings 2, 12, or 21. The Proposed Project would raise the grade of the 28-Acre Site and low-lying portions of the Illinois Parcels by adding up to 5 feet of fill in order to help protect against flooding and projected future sea level rise, as described in Chapter 2, Project Description, on pp. 2.71-2.74. These excavation and grading activities would result in topographic changes to the 28-Acre Site to which future generations would be committed. However, these grading adaptations would not be excessive or greater than what is necessary to achieve flood abatement goals.

No other irreversible permanent changes such as those that might result from construction of a large-scale mining project, hydroelectric dam, or other industrial project would result from development of the Proposed Project.

### ***CONSUMPTION OF NONRENEWABLE RESOURCES***

Consumption of nonrenewable resources includes increased energy consumption, conversion of agricultural lands to urban uses, and loss of access to mineral reserves. No agricultural lands would be converted and no access to mining reserves would be lost with construction of the Proposed Project under either the Maximum Residential Scenario or the Maximum Commercial Scenario.

Implementation of the Proposed Project under either development scenario would commit future generations to an irreversible commitment of energy resources in the form of usage of nonrenewable fossil fuels, due to vehicle and equipment use during demolition, construction, and operation of the Proposed Project. Because individual buildings would be required to meet or exceed the energy conservation requirements in the San Francisco Green Building Ordinance, which itself includes energy conservation requirements that exceed those in the California Building Code, energy would not be used in a wasteful, inefficient, or unnecessary manner.

Resources consumed during demolition, construction, and operation would include lumber, concrete, gravel, asphalt, masonry, metals, and water. Similar to the existing uses on the project site, the Proposed Project would irreversibly use water and solid waste landfill resources. However, the Proposed Project would not involve a large commitment of resources relative to existing conditions and also relative to supply, nor would it consume any of those resources wastefully.

The Proposed Project under either development scenario would introduce new residential, commercial-office, open space, and retail/restaurant uses to the project site. The project site is partially served by existing utilities and construction of new utility infrastructure would be necessary, as further described below.

At present, approximately 98 percent of the 28-Acre Site and approximately 43 percent of the Illinois Parcels are covered by impervious surface. The Proposed Project would result in approximately 88 percent impervious surface coverage on the 28-Acre Site and approximately 87 percent impervious surface coverage on the Illinois Parcels. Therefore, construction of the Proposed Project would decrease the amount of impervious surface area on the project site. Accordingly, the Proposed Project would not increase the amount of surface runoff, or exceed the capacity of the existing drainage system. The amount of impermeable surface area that receives rain under existing conditions would change with project development. However, it is anticipated that there would be no net increase in the amount of stormwater runoff with the Proposed Project because the City's Stormwater Management Ordinance requires reductions in at-source runoff. The Proposed Project under either development scenario would meet these requirements; however, the majority of stormwater would continue to be handled by the City's combined sewer collection system.

To provide water for drinking and firefighting needs, the Proposed Project would include construction of potable water distribution piping in trenches located under the planned roadways. This new water distribution piping would connect to the existing water mains located underneath 20<sup>th</sup>, Illinois, and 22<sup>nd</sup> streets. To meet firefighting water requirements for the Auxiliary Water Supply System (AWSS), the Proposed Project may be required to include two sources of water delivery (connections to two separate water mains), additional AWSS high-pressure distribution piping, an AWSS cistern, and potable water supply system equipment. The Proposed Project would include the diversion and reuse of graywater and rainwater for toilet and urinal flushing and irrigation.

In addition to the Proposed Project, there are four proposed variants on features of the Proposed Project that focus on sustainability. The sustainability variants modify one limited feature or aspect of the Proposed Project, in which the proposed variants—the Reduced Off-Haul Variant, the District Energy System Variant, the Wastewater Treatment and Reuse System Variant, and the Automated Waste Collection System Variant—specifically address methods to reduce the consumption of non-renewable energy and water resources. As such, the Proposed Project, with implementation of any of the four sustainability variants identified above, would further reduce its commitment to those resources and its consumption of any of those resources such that no significant irreversible impacts would occur.

The Proposed Project under both development scenarios would require construction of new and replacement water or wastewater collection, treatment, and distribution facilities to serve the project site, and, in the case of the wastewater system, the immediate area comprised of the 20<sup>th</sup> Street sub-basin. The Proposed Project would be adequately served by water supply resources identified in the SFPUC's *2010 Urban Water Management Plan for the City and County of San Francisco* and *2013 Water Availability Study*, which includes all known or

expected development projects and projected development in San Francisco through 2035. Furthermore, the Proposed Project would not involve new or expanded water supply resources or entitlements. Therefore, service providers would have the capacity to provide for the proposed level of development on the project site.

#### **D. AREAS OF KNOWN CONTROVERSY AND ISSUES TO BE RESOLVED**

The Planning Department published a Notice of Preparation of an EIR (NOP) on May 6, 2015, announcing its intent to prepare and distribute an EIR (the NOP is included in this EIR as Appendix A). The public review period began on May 6, 2015, and ended on June 5, 2015. During the NOP public review period, five comment letters were submitted to the Planning Department by public agencies and other interested parties. On May 28, 2015, a public scoping meeting was held and four speakers contributed comments. A Notice of Preparation Public Comments Summary Report was prepared.<sup>23</sup>

Comments on the NOP raised the following issues:

**Plans and Policies:** Comments raised issues concerning the need for the EIR to evaluate conflicts between the Proposed Project and the goals of the *Central Waterfront Area Plan*. The Proposed Project's compatibility with applicable plans and policies is discussed in Chapter 3, Plans and Policies.

**Land Use and Land Use Planning:** A comment noted that the EIR should evaluate physical land use impacts from the Proposed Project and other past, present, and reasonably foreseeable projects. Project-specific and cumulative land use impacts are discussed in Section 4.B, Land Use and Land Use Planning.

**Cultural Resources:** Comments raised issues concerning impacts of the Proposed Project on the historic and existing industrial land uses of the area. The Proposed Project's impacts on historical resources are evaluated in Section 4.D, Cultural Resources (Historic Architectural Resources), pp. 4.D.33-4.D.115, and land use compatibility is addressed in Section 4.B, Land Use and Land Use Planning, pp. 4.B.24-4.B.28.

**Transportation and Circulation:** Comments raised issues concerning the Proposed Project's connectivity with the rest of San Francisco, particularly by way of 20<sup>th</sup> and 22<sup>nd</sup> streets; traffic and pedestrian safety impacts, specifically at the Illinois Parcels; traffic conflicts between the Proposed Project and the trucking route along Illinois Street, as well as noise, air quality, and

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<sup>23</sup> *Pier 70 Mixed-Use District EIR NOP Public Scoping Summary*, September 16, 2015.

pedestrian safety impacts created by trucks; the Transportation Impact Study prepared for the EIR; a Transportation Demand Management Plan that would reduce vehicle trips; mitigation measures to be included in the EIR; transportation impact fees; and consistency with the Waterfront Transportation Assessment.

The Proposed Project's Transportation Demand Management Plan is described in Section E, Transportation and Circulation, on pp. 4.E.46-4.E.47. The proposed roadway network is also described in Chapter 2 on pp. 2.49-2.51. Section 4.E, Transportation and Circulation, addresses applicable regulatory compliance, and the construction and operation impacts that the Proposed Project's transportation and land use changes would have on traffic, transit, pedestrian, and circulation conditions. Section 4.E summarizes the information in the Transportation Impact Study prepared for the Proposed Project. Mitigation measures are presented as part of the impact evaluation in Section 4.E. Proposed roadway improvements are discussed in Chapter 2, on pp. 2.49-2.51, and analyzed in Section 4.E, Transportation and Circulation. The Proposed Project's noise and air quality impacts are analyzed in Section 4.F, Noise and Vibration, and Section 4.G, Air Quality, respectively.

**Noise:** A comment asserted that the EIR should evaluate the noise impacts from nearby industrial uses (e.g., BAE Systems Ship Repair facility, the Pacific Gas and Electric Company (PG&E) Potrero Substation, and American Industrial Center) on future residents and employees. Section 4.F, Noise, describes the existing noise environment in the project area and evaluates the potential noise impacts on future residents and employees.

**Air Quality:** A comment asserted that the EIR should evaluate the air quality and odor impacts from nearby industrial uses on future residents and employees. Section 4.G, Air Quality, discusses the existing air quality conditions in the project area and evaluates the Proposed Project's potential air quality impacts during construction and operation. The section includes an assessment of potential odor impacts.

**Hazards and Hazardous Materials:** Comments raised concerns about serpentine soils, potential soil/groundwater contamination from underground tanks, and contaminated soil from past industrial uses on the project site, and the risks to future residents and employees. One comment recommended that a full environmental remediation of the project site be considered, in accordance with Proposition D. Existing conditions at the project site and impacts of the Proposed Project in regard to hazards and hazardous materials are described in Section 4.P, Hazards and Hazardous Materials.

**Recreation:** A comment stated that the EIR should consider the Bay Area Water Trail, and that storage, access, and landing areas remain available for non-motorized small watercraft (e.g.,

kayaks and canoes) who wish to use San Francisco Bay. The *Enhanced Water Trail Plan* is discussed in Section 4.J, Recreation.

**Utilities:** Comments raised issues concerning the need for the EIR to include a discussion of City of San Francisco Ordinances regarding irrigation, use of non-potable water during construction, and water efficiency; stormwater management requirements and system configuration; the proposed recycled water system; updates to the Water Supply Assessment; and the design of proposed utility systems, including the water distribution, wastewater, stormwater, and sewer/storm drain systems. The utilities and service system design for the Proposed Project is described in Chapter 2, Project Description, pp. 2.19-2.20. Section 4.K, Utilities and Service Systems, addresses the potential effects of the Proposed Project on existing public utilities and service systems, including water supply, wastewater, and stormwater, as well as applicable regulatory compliance and the design of proposed systems.

**Cumulative Impacts:** A comment noted several projects that should be considered in the cumulative analysis, including the adjacent PG&E Site (potential for redevelopment), water taxis, a second BART tunnel, and any other miscellaneous projects in the adjacent Dogpatch neighborhood. Applicable cumulative projects considered in the EIR are presented in Section 4.A, Introduction to Chapter 4, pp. 4.A.4-4.A.17, and analyzed in applicable sections throughout Chapter 4, Environmental Setting and Impacts.

**Alternatives:** Comments suggested two alternatives to be considered in the EIR: a Reduced Parking Alternative and a Maximum Housing Alternative. EIR Chapter 7, Alternatives, presents and analyzes a reasonable range of feasible alternatives to the Proposed Project. Alternatives are presented and analyzed in this EIR for the purpose of fostering informed decision-making by presenting a range of alternatives that could lessen the significant and less-than-significant impacts identified for the Proposed Project, while feasibly attaining most of the basic project objectives.

**General:** A comment stated that the EIR should incorporate factual, direct statements as opposed to vague terminology. The EIR follows the Planning Department's *Environmental Review Guidelines*. Terms are defined in text or in footnotes in each of the chapters. A list of acronyms and abbreviations used in the EIR is presented on pp. x-xiii.

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