



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Request for Conditional Use Authorization

HEARING DATE: MARCH 26, 2015

Date: March 16, 2015
Case No.: **2013.1179CV**
Project Address: **1700 MARKET STREET**
Zoning: NCT-3 (Moderate Scale Neighborhood Commercial Transit District)
80-X Height and Bulk District
Area Plan: Market and Octavia
Block/Lot: 0855/016
Project Sponsor: Warner Schmalz
Forum Design
1014 Howard Street
San Francisco, CA 94103
Staff Contact: Tina Chang – (415) 575-9197
tina.chang@sfgov.org
Recommendation: **Approval with Conditions**

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PROJECT DESCRIPTION

The proposed Project includes the demolition of an existing two-story commercial building and new construction of an 8-story, 31,673 square foot residential building with 48 dwelling units, 1,549 square feet of ground floor commercial space and 50 bicycle parking spaces. The Project Sponsor seeks Conditional Use Authorization pursuant to Planning Code Sections 303 and 207.6 to modify the required 40 percent two-bedroom or greater unit mix by providing only studio and one-bedroom units. The Project is located on a triangular shaped lot at the corner of Market, Haight and Gough Streets with frontage on all three sides. The Project features basement tenant storage, a residential lobby with access on Market Street through to Haight Street, a bike room fronting on Market Street and a commercial space that wraps the eastern corner with entry on Market Street. Dwelling units consist of a mix of approximately 26 studio and 22 one-bedroom units all of which face onto a public right-of-way. Usable open space is provided via a common roof deck. No off-street parking is provided.

SITE DESCRIPTION AND PRESENT USE

The proposed project is located on an irregular triangle shaped lot located on the north side of Market Street at the intersection of Haight Street and Gough Street. The total lot area is 3,471 square feet and is currently occupied by a two-story commercial building. The ground floor retail space is occupied by a framing company doing business as Fast Frame and the second floor is occupied by offices. The building was constructed circa 1890 and is a wood-frame commercial building clad in stucco with a flat roof. The primary façade faces south towards Market Street and is approximately 85' wide. The secondary façade faces north toward Gough Street and is approximately 25'-6" wide. The third façade faces Haight Street,

with approximately 69'-0" of frontage. The facades have been stripped of their original windows and ornamentation; the building is not eligible for the National Register of Historic Places, California Register of Historical Resources or local designation under any criterion.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The project site is prominently located on Market Street at Gough in the Western Addition neighborhood at the confluence of the Hayes Valley, Mission, Downtown / Civic Center and South of Market neighborhoods. The surrounding mixed-use area contains diverse building types including residential, office, educational, civic and commercial structures.

The project site is located within the NCT-3 Moderate-Scale Neighborhood Commercial Transit Zoning District, and the Market and Octavia Area Plan. NCT-3 Districts are transit-oriented moderate- to high-density mixed-use neighborhoods of varying scale concentrated near transit services. The NCT-3 Districts are mixed use districts that support neighborhood-serving commercial uses on lower floors and housing above. NCT-3 Districts are intended in most cases to offer a wide variety of comparison and specialty goods and services to a population greater than the immediate neighborhood, additionally providing convenience goods and services to the surrounding neighborhoods.

A number of similarly sized projects have recently been constructed within the NCT-3 District along Market Street, including 8 Octavia, Linea at 8 Buchanan, the Center at 1800 Market Street, Venn at 1844 Market Street and 38 Dolores Street.

Approximately one block to the west of the subject property, starting at Octavia Boulevard, the neighborhood transitions to an RTO (Residential, Transit-Oriented Neighborhood) District, characterized by a mixture of houses and apartment buildings, covering a range of densities and building forms. RTO Districts are composed of multi-family moderate-density areas.

About a block to the east, starting at Franklin Street, the neighborhood transitions to a C-3-G (Downtown General Commercial) Zoning District where a number of high density mixed-use development projects are in the pipeline, including the nearly completed 100 Van Ness Avenue project, 30 Van Ness Avenue, 1540 Market Street, 1 Franklin Street, 10 South Van Ness Avenue, the Goodwill campus, 1601 Mission Street and the proposed project at 150 Van Ness Avenue.

Immediately adjacent to the subject property on Market Street is a four-story, mixed-use residential-over-ground floor commercial structure. The remainder of the subject block is occupied by a 2-story commercial building and 8 Octavia, an eight-story structure containing 49 dwelling units

ENVIRONMENTAL REVIEW

Pursuant to the Guidelines of the State Secretary of Resources for the implementation of the California Environmental Quality Act (CEQA), on March 12, 2015, the Planning Department of the City and County of San Francisco determined that the proposed application was exempt from further environmental review per Section 15183 of the CEQA Guidelines and California Public Resources Code Section 21083.3 ("the Exemption"). The Project is consistent with the adopted zoning controls in the Market and Octavia Area Plan and was encompassed within the analysis contained in the Final EIR. Since the final EIR was

finalized, there have been no substantial changes to the Market and Octavia Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	March 6, 2015	March 4, 2015	22 days
Posted Notice	20 days	March 6, 2015	March 2, 2015	24 days
Mailed Notice	10 days	March 16, 2015	March 6, 2015	20 days

PUBLIC COMMENT

As of March 16, 2015, the Department has received 7 letters of support for the proposed project from the following:

- San Francisco Housing Action Coalition
- Loring Sagan – Hayes Valley Property Owner
- Sally Stull – Hayes Valley Property Owner
- Paul E Noronha – Property Owner, Adjacent Building at 11 Haight Street
- Colleen Cotter - Property Owner, Adjacent Building at 11 Haight Street
- Andrew Wiegel – Hayes Valley Building and Business Owner
- Keith Toh – Resident and investor at 33 Haight Street, #12

ISSUES AND OTHER CONSIDERATIONS

- **Market and Octavia Area Plan.** Although the Project veers from the Planning Code, in that less than 40% of all units will contain two-bedroom units, the Market & Octavia Plan recognizes challenges faced by irregular shaped parcels encourages flexibility granted for such lots. (Policy 2.2.2.)
- **Affordable Housing.** The Project Sponsor has elected to satisfy the requirements of Planning Code Section 415 by payment of the Affordable Housing Fee, which must be paid prior to first site or building permit issuance.
- **Variance.** The project also seeks modification from the rear yard required per Planning Code Section 134 and a Variance from Planning Code Section 136, as the proposed bays exceed the permitted size.
- **Development Impact Fees.** The Project will be subject to the following development impact fees, which are estimated as follows:

FEE TYPE	PLANNING CODE SECTION/FEE	AMOUNT
Market and Octavia Affordable Housing Fee (30,124 gsf of new residential)	416 (@ \$3.60/sf)	\$108,446

FEE TYPE	PLANNING CODE SECTION/FEE	AMOUNT
Market & Octavia Community Improvement Fund (30,124 gsf new residential (of which 5,252 sf converted from non-residential use)	421(@\$5.60/sf non- res to res; \$9.00 new res)	\$253,262
Affordable Housing Fee (5) – Studio Units	415 (@ \$199,698)	\$998,490
Affordable Housing Fee (5) – 1 Bedroom Units	415 (@ \$270,441)	\$1,352,205
	TOTAL	\$2,350,695

Please note that these fees are subject to change between Planning Commission approval and approval of the associated Building Permit Application, due to potential changes to the Project and the Controller's annual inflation adjustment for impact fees.

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must grant Conditional Use Authorizations for a modification from the required unit mix of at least 40 percent two-bedroom units to permit the provision of studio and one-bedroom units only in the proposed project.

BASIS FOR RECOMMENDATION

The Department believes this project is approvable for the following reasons:

- The Project is consistent with the objectives and policies of the General Plan and Market & Octavia Area Plan.
- The Project is located in a zoning district where residential and commercial on the ground-floor is principally permitted.
- The Project complies with the First Source Hiring Program.
- The Project adds 48 new dwelling units to the City's housing stock.
- The Project shall pay the appropriate Affordable Housing Fees.
- The Project will pay the appropriate development impact fees.

RECOMMENDATION: Approval with Conditions
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Attachments:

Draft Motion – Conditional Use Authorization
Parcel Map
Sanborn Map
Aerial Photograph
Zoning Map
Project Sponsor Submittal
-Architectural Drawings

Executive Summary
Hearing Date: March 26, 2015

CASE NO. 2013.11793CV
1700 Market Street

-Public Correspondence
Community Plan Exemption

Attachment Checklist

- | | |
|---|--|
| <input checked="" type="checkbox"/> Executive Summary | <input checked="" type="checkbox"/> Project Sponsor Submittal |
| <input checked="" type="checkbox"/> Draft Motion | Drawings: <u>Existing Conditions</u> |
| <input checked="" type="checkbox"/> Environmental Determination | <input checked="" type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Zoning District Map | Drawings: <u>Proposed Project</u> |
| <input checked="" type="checkbox"/> Height & Bulk Map | <input checked="" type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Parcel Map | <input type="checkbox"/> Health Dept. Review of RF levels |
| <input checked="" type="checkbox"/> Sanborn Map | <input type="checkbox"/> RF Report |
| <input checked="" type="checkbox"/> Aerial Photo | <input type="checkbox"/> Community Meeting Notice |
| <input checked="" type="checkbox"/> Context Photos | <input checked="" type="checkbox"/> Inclusionary Affordable Housing Program:
Affidavit for Compliance |
| <input checked="" type="checkbox"/> Site Photos | |

Exhibits above marked with an "X" are included in this packet

TC
Planner's Initials

TC: G:\Documents\Conditional Use\2013.1179C - 1700 Market\Reports\Exec Summ - 1700 Market.doc



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|---|---|
| <input checked="" type="checkbox"/> Affordable Housing (Sec. 415) | <input checked="" type="checkbox"/> First Source Hiring (Admin. Code) |
| <input type="checkbox"/> Jobs Housing Linkage Program (Sec. 413) | <input type="checkbox"/> Child Care Requirement (Sec. 414) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 412) | <input checked="" type="checkbox"/> Other (Rincon Hill Impact Fees) |

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Planning Commission Draft Motion

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Date: March 16, 2015
Case No.: **2013.1179CV**
Project Address: **1700 MARKET STREET**
Zoning: NCT-3 (Moderate Scale Neighborhood Commercial Transit District)
Within ¼ Mile of an Existing Fringe Financial Service
85-X Height and Bulk District
Area Plan: Market and Octavia
Block/Lot: 0855/016
Project Sponsor: Warner Schmalz
Forum Design
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Staff Contact: Tina Chang – (415) 575-9197
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Recommendation: **Approval with Conditions**

ADOPTING FINDINGS GRANTING CONDITIONAL USE AUTHORIZATION PURSUANT TO PLANNING CODE SECTIONS 303 AND 207.6 TO MODIFY THE REQUIRED 40 PERCENT TWO-BEDROOM OR GREATER UNIT MIX BY PROVIDING ONLY STUDIO AND ONE BEDROOM UNITS ASSOCIATED WITH THE PROPOSAL TO CONSTRUCT AN 8-STORY 31,673 GROSS SQUARE FOOT BUILDING WITH 48 DWELLING UNITS AND 1,549 SQUARE FEET OF COMMERCIAL SPACE ON A LOT CURRENTLY OCCUPIED BY A 2-STORY COMMERCIAL BUILDING, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT. THE PROJECT SITE IS LOCATED WITHIN THE NCT-3 (MODERATE SCALE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT AND AN 85-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On July 2, 2014, George McNabb on behalf of 1700 Market Street, LLC (hereinafter "Project Sponsor") filed Application No. 2013.1179CV (hereinafter "Application") with the Planning Department (hereinafter "Department") seeking authorization to modify the required unit mix per Planning Code Section 207.6, providing only one-bedroom and studio units rather than forty percent two-bedroom units, associated with the new construction of an 8-story building with 48 dwelling units at 1700 Market Street

(Block 0855, Lots 016), within the NCT-3 (Moderate Scale Neighborhood Commercial Transit) Zoning District and a 85-X Height and Bulk District. The project proposes 26 studio and 22 one-bedroom units, no off-street parking, a modification from the required rear yard and a variance from Planning Code Section 136, for bays exceeding the permitted size.

The San Francisco Planning Department reviewed the Market and Octavia Plan under the Market and Octavia Area Plan Environmental Impact Report (hereinafter "EIR"). The EIR was prepared, circulated for public review and comment, and at a public hearing on April 5, 2007, by Motion No. 17406, certified by the Commission as complying with the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., hereinafter "CEQA"). The certification of the EIR was upheld on appeal to the Board of Supervisors at a public hearing on June 19, 2007. The Final EIR has been made available for review at the Planning Department.

State CEQA Guidelines Section 15183 provides a process for environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that (a) are peculiar to the project or parcel on which the project would be located, (b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent, (c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR, or (d) are previously identified in the EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for that project solely on the basis of that impact.

Pursuant to the Guidelines of the State Secretary of Resources for the implementation of the California Environmental Quality Act (CEQA), on March 12, 2015, the Planning Department of the City and County of San Francisco determined that the proposed application was exempt from further environmental review per Section 15183 of the CEQA Guidelines and California Public Resources Code Section 21083.3 ("the Exemption"). The Project is consistent with the adopted zoning controls in the Market and Octavia Area Plan and was encompassed within the analysis contained in the Final EIR. Since the final EIR was finalized, there have been no substantial changes to the Market and Octavia Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Market and Octavia Plan Final EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California; and

The Project files, including the Exemption dated March 12, 2015, 2015, have been made available for review by the Commission and the public, and those files are part of the record before this Commission; and

The Planning Department, Jonas O. Ionin, is the custodian of records, located in the File for Case No. 2013.1179CV at 1650 Mission Street, 4th Floor, San Francisco, California.

On March 26, 2015, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Case No. 2014.1179CV.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

MOVED, that the Commission hereby approves the Conditional Use authorization to modify the required unit mix pursuant to Planning Code Sections 207.6 and 303, requiring 40 percent of the unit mix to contain at least two bedroom units or greater, and allow the provision of only studio and one-bedroom units under Case No. 2013.1179CV, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The proposed project is located on an irregular triangle shaped lot located on the north side of Market Street at the intersection of Haight Street and Gough Street. The total lot area is 3,471 square feet and currently occupied by a two-story commercial building. The ground floor retail space is occupied by a framing company doing business as Fast Frame; the second floor is occupied by offices. The building was constructed circa 1890 and is a wood-frame commercial building clad in stucco with a flat, parapet roof. The primary façade faces south towards Market Street and is approximately 85' wide. The secondary façade faces north toward Gough Street and is approximately 25'-6" wide. The third façade faces Haight Street, with approximately 69'-0" of frontage. The facades have been stripped of their original windows and ornamentation; the building is not eligible for the National Register of Historic Places, California Register of Historical Resources or local designation under any criterion.
3. **Surrounding Properties and Neighborhood.** The project site is prominently located on Market Street at Gough in the Western Addition neighborhood, at the confluence of the Hayes Valley, Mission, Downtown / Civic Center and South of Market neighborhoods. The surrounding mixed-use area contains diverse building types including residential, office, educational, civic and commercial structures.

The project site is located within the NCT-3 Moderate-Scale Neighborhood Commercial Transit Zoning District, and the Market and Octavia Area Plan. NCT-3 Districts are transit-oriented moderate- to high-density mixed-use neighborhoods of varying scale concentrated near transit services. The NCT-3 Districts are mixed use districts that support neighborhood-serving commercial uses on lower floors and housing above. NCT-3 Districts are intended in most cases to offer a wide variety of comparison and specialty goods and services to a population greater than the immediate neighborhood, additionally providing convenience goods and services to the surrounding neighborhoods. A number of similarly sized projects have recently been constructed within the NCT-3 District along Market Street, including 8 Octavia, Linea at 8 Buchanan, The Center at 1800 Market Street, Venn at 1844 Market Street and 38 Dolores Street.

Approximately one block to the west of the subject property, starting at Octavia Boulevard, the neighborhood transitions to an RTO (Residential, Transit-Oriented Neighborhood) District, characterized by a mixture of houses and apartment buildings, covering a range of densities and building forms. RTO Districts are composed of multi-family moderate-density areas.

About a block to the east, starting at Franklin Street, the neighborhood transitions to a C-3-G (Downtown General Commercial) Zoning District where a number of high density mixed-use development projects are in the pipeline, including the nearly completed 100 Van Ness Avenue project, 30 Van Ness Avenue, 1540 Market Street, 1 Franklin Street, 10 South Van Ness Avenue, the Goodwill campus, 1601 Mission Street and the proposed project at 150 Van Ness Avenue.

Immediately adjacent to the subject property on Market Street is a four-story, mixed-use residential-over-ground floor commercial structure. The remainder of the subject block is occupied by a 2-story commercial building and 8 Octavia, an eight-story structure containing 49 dwelling units.

4. **Project Description.** The proposed Project includes demolition of an existing two-story commercial building and new construction of an 8-story, 31,673 square foot mixed-use building with 48 dwelling units, 1,549 square feet of ground floor commercial space and 50 bicycle parking spaces. The Project is located on a triangular shaped lot at the corner of Market, Haight and Gough Streets with frontage on all three sides. The Project features basement tenant storage, a residential lobby with access on Market Street through to Haight Street, a bike room fronting on Market Street and commercial space that wraps the corner with entry on Market Street. Dwelling units consist of a mix of 26 studio and 22 one-bedroom units all of which face onto a public right-of-way. Usable open space is provided via common roof deck. No off-street parking is provided.
5. **Public Comment.** As of March 16, 2015, the Department has received 5 letters of support for the proposed project from the following:
 - San Francisco Housing Action Coalition
 - Loring Sagan – Hayes Valley Property Owner
 - Sally Stull – Hayes Valley Property Owner
 - Paul E Noronha – Property Owner, Adjacent Building at 11 Haight Street
 - Colleen Cotter - Property Owner, Adjacent Building at 11 Haight Street

6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:

- A. **Floor Area Ratio (Section 124).** The floor area ratio (FAR) limit as defined by Planning Code Section 124 for the NCT-3 District is 3.6 to 1. Section 124(b) provides that in NC Districts floor area ratio limits shall not apply to dwellings or other residential uses.

The base FAR of 3.6 permits a 12,496 gross square foot (gsf) structure. Though the Project proposes a 31,673 gsf building yielding a FAR of 9.1 to 1.0, the proposed residential gsf of 30,124 can be excluded from the FAR calculation pursuant to Planning Code Section 124(b). Therefore, the remaining floor area attributed to non-residential use of 1,549 gsf on a 3,471 square foot lot yields a FAR of 0.45 to 1.0 - well within the base FAR of 3.6 to 1.0.

- B. **Rear Yard (Section 134).** Planning Code Section 134 requires that projects in NC Zoning Districts provide a minimum rear yard depth equal to 25 percent of the total depth of the lot on which the building is situated, but in no case less than 15 feet. In the NCT-3 Zoning District rear yards must be provided at the lowest story containing a dwelling unit and at each succeeding story of the building.

The Project is required to provide a 15 foot rear yard beginning at the second floor, where the first dwelling units are located and at each succeeding story of the building. Given the irregular lot shape and angled frontage on Market Street, the 15 foot rear yard requirement was calculated based upon the average lot depth, pursuant to a methodology established by a Zoning Administrator Interpretation. Given the average lot depth of 50'-7.5", obtained by bisecting the Market Street lot frontage of 85'-1.25", 15 feet is greater than the 25 percent requirement of 12'-6". The proposal provides full lot coverage and requests a modification of the rear yard requirements from the Zoning Administrator, as permitted in Planning Code Section 134(e), which allows the rear yard requirement in NC Districts to be modified so long the following criteria are met:

1. Residential uses are included in the new or expanding development and a comparable amount of usable open space is provided elsewhere on the lot or within the development where it is more accessible to the residents of the development; and

The project includes 48 new dwelling units, and 2,677 square feet of common open space provided at for residents on the roof of the structure. A code compliant rear yard of 15' would yield an open space requirement of 874 square feet, less than the amount of open space proposed for the project.

2. The proposed new or expanding structure will not significantly impede the access of light and air to and view from adjacent properties;

The proposed structure will abut against some property line windows, however, these windows are mostly those within the stairwell, or accessory windows; the main source of light for the adjacent building will be not be significantly impacted.

3. The proposed new or expanding structure will not adversely affect the interior block open space formed by the rear yards of adjacent properties.

The adjacent properties exist on through lots, similar to the subject property. Currently, the structure occupies the entire lot, as the proposed structure would. The pattern of interior block open space would not change.

- C. **Residential Open Space (Section 135).** Planning Code Section 135 requires 80 sf of private open space per dwelling unit or 106.4 sf of common open space per dwelling units. Private open space shall have a minimum horizontal dimension of six feet and a minimum area of 36 square feet if located on a deck, balcony, porch or roof, and shall have a minimum horizontal dimension of 10 feet and a minimum area of 100 sf if located on open ground, a terrace or the surface of an inner or outer court. Common usable open space shall be at least 15 feet in every horizontal dimension and shall be a minimum area of 300 sf. Further, inner courts may be credited as common usable open space if the enclosed space is not less than 20 feet in every horizontal dimension and 400 sf in area, and if the height of the walls and projections above the court on at least three sides is such that no point on any such wall or projection is higher than one foot for each foot that such point is horizontally distant from the opposite side of the clear space in the court.

The Project has elected to meet the open space requirements of Section 135 through a common roof deck. 5,107.2 square feet of common usable open space is required for 48 dwelling units. However, dwelling units that are less than 350 square feet plus a bathroom require one third the usable open space of full sized units. The Project proposes 14 units that are greater than 350 square feet and 34 units that are less than 350 square feet in size. Therefore, the 14 larger units require 1,490 square feet of usable open space and the 34 smaller units require 1,206 square feet of usable open space for a total requirement of 2,677 square feet of common usable open space. The proposed roof deck is 2,677 square feet, satisfying the Planning Code requirement.

- D. **Permitted Obstructions (Section 136).** Projections from a building or structure extending over a street or alley are provided in Planning Code Section 136. Bay windows are one such permitted obstruction provided that they provide a minimum vertical clearance of 7'-6" over a street or alley and meet further requirements regarding maximum dimensions, glazing amount and separation between bays and separate from interior property lines. The maximum length of each bay window or balcony shall be 15' at the line establishing the required area and reduced in proportion to the distance from such line by means of 45 degree angles drawn inward from the ends of such 15' dimension, reaching a maximum of 9' along a line parallel to and at a distance of 3' from the line establishing the required open area.

The project proposes bays exceeding the maximum dimensions above, and will seek a variance from Planning Code Section 136. Although the maximum length of each bay at the line establishing the open area is less than 15', the bays are not reduced in proportion to the distance from such line and exceed the maximum of 9' along the line parallel to from the line establishing the required open area.

- E. **Streetscape and Pedestrian Improvements (Section 138.1).** Planning Code Section 138.1 requires one new street tree for every 20 feet of street frontage for projects proposing new construction. A streetscape and pedestrian elements in conformance with the Better Street Plan is required for all projects whose frontage encompasses the entire block face between the nearest two intersections and that propose new construction.

The Project includes the new construction of an 8-story residential building on a lot with frontage encompassing the Gough Street frontage between Haight Street and Market Street. The total Project frontage is approximately 180' with three existing street trees. Therefore, the Project is required to provide a total of six new street trees as well as a streetscape plan in conformance with the Better Streets Plan. The Projects streetscape plan was reviewed by the Streetscape Design Advisory Team and it was determined that no further improvements would be appropriate given that planned improvements for Market Street are underway and MTA and DPW have already begun construction on Haight Street and Gough Street. The Project Site was evaluated by the Department of Public Works Urban Forestry Division for suitability of tree planting. DPW determined that only one of the required six required street trees could be accommodated in the adjacent public rights-of-way. Therefore, the Project Sponsor will pay the in-lieu fee, currently \$1,799 per tree, for the five required trees that cannot be planted.

- F. **Bird Safety (Section 139).** Planning Code Section 139 outlines the standards for bird-safe buildings, including the requirements for location-related and feature-related hazards.

The subject lot is not located in close proximity to an Urban Bird Refuge. The Project meets the requirements of feature-related standards and does not include any unbroken glazed segments 24-sq ft. and larger in size; therefore, the Project complies with Planning Code Section 139.

- G. **Dwelling Unit Exposure (Section 140).** Planning Code Section 140 requires that at least one room of all dwelling units face directly onto 25 of open area (a public street, alley or side yard) or onto an inner courtyard that is 25 feet in every horizontal dimension for the floor at which the dwelling unit in question is located and the floor immediately above it, with an increase in five feet in every horizontal dimension at each subsequent floor.

All 48 of the proposed dwelling units face onto Market Street or Haight Street, fully satisfying the dwelling unit exposure requirements of Planning Code Section 140.

- H. **Street Frontage in Commercial Districts (Section 145.1).** Planning Code Section 145.1(c)(3) requires that within Neighborhood Commercial Districts, space for "active uses" shall be provided within the first 25 feet of building depth on the ground floor. Spaces accessory to residential uses, such as fitness or community rooms are considered active uses only if they

meet the intent of this section and have access directly to the public sidewalk or street. Building systems including mechanical, electrical and plumbing features may be exempted from this requirement by the Zoning Administrator only in instances where those features are provided in such a fashion as to not negatively impact the quality of the ground floor space.

Planning Code Section 145.1(c)(4) requires that ground floor non-residential uses in NCT Zoning Districts have a minimum floor-to-floor height of 14 feet. Planning Code Section 145.1(c)(5) requires the floors of street-fronting interior spaces housing non-residential active uses and lobbies to be as close as possible to the level of adjacent sidewalks at the principal entrances to these spaces. Planning Code Section 145.1(c)(6) requires frontages with active uses that are not residential or PDR to be fenestrated with transparent windows and doorways for no less than 60 percent of the street frontage at the ground level and allow visibility to the inside of the building.

The Project provides active uses along all frontages with direct access to the sidewalk within the first 25 feet of building depth and is thus compliant with this Code Section. All mechanical, electrical and plumbing features will be located in the basement. The required trash collection room will be located on the Market Street frontage making up the only inactive use of 19' along a combined 180 feet of street frontage. The Project provides a 17' floor-to-floor ground floor height as measured from Market Street where a minimum 14' height is required. All street fronting interior spaces are located adjacent to sidewalks at the principal entrances to the spaces. The Market Street frontage is 65 percent transparent, the Haight Street frontage is 75 percent transparent and the Gough Street frontage is 83 percent transparent, in excess of the required minimum transparency of 60 percent. Therefore, the Project fully complies with Planning Code Sections 145.1.

- I. **Section 151. Off-Street Parking:** Planning Code Section 151 requires one off-street parking space per dwelling units. However, pursuant to Planning Code Section 150 off-street parking spaces may be reduced and replaced by bicycle parking spaces based on Planning Code established standards.

The Project does not provide any off-street parking and takes advantage of the provisions permitting in Planning Code Section 150 to provide bicycle parking instead. Per Planning Code Section 155, 48 Class 1 and two Class 2 bicycle parking spaces are required. The Project provides fifty bicycle parking spaces in a 467 square feet bike room on the ground floor and two class 2 bicycle parking spaces along the Market Street frontage.

- J. **Dwelling Unit Mix (Section 207.6).** Planning Code Section 207.6 requires that no less than 40 percent of the total number of proposed dwelling units contain at least two bedrooms, or no less than 30 percent of the total number of proposed dwelling units contain at least three bedrooms.

For the 48 dwelling units, the Project is required to provide at least 19 two-bedroom or larger units or 14 three-bedroom or larger units. The Project provides 22 one-bedroom and 26 studio units. The

project does not meet the requisite unit-mix; therefore requiring the subject Conditional Use Authorization.

Per Planning Code Section 207.6(d) these requirements may be waived or modified by the Planning Commission, with the following criteria in mind:

1. The project demonstrate a need or mission to serve unique populations, or
One aspect of San Francisco's current housing shortage is a lack of supply and high demand for housing for singles or couples without children – particularly ownership opportunities for studios. Based on recent occupancy trend, the number of studios offered for purchase is less than one-quarter of the market demand. In the Project site's census tract, approximately 22.3% of units are studios.¹ An analysis of sales in San Francisco over the last 15 years shows that only 5% of all newly-constructed units are studios. In 2013, only one single studio unit was offered for sale in Hayes Valley². Available for-sale studios near the Project site lag behind what the market should accommodate.

There appears to be a similar unmet demand for rental studios. Approximately 77.3% of housing units in the Project site's census tract are renter-occupied; only 22.7% of units are owned and occupied by the same person³. However, since the adoption of the Market & Octavia Plan, only 14% of dwelling units approved in the Plan Area have been studios. Within a half-mile radius of the Project site, only 7% of the units offered for rent in 2013 were studio units, despite studios representing 22.3% of the unit count in the vicinity.

Since San Francisco - the Market & Octavia / Hayes Valley area in particular- does not provide enough units for singles and couples without children, these residents team together and can out-bid families for multi-bedroom units. With a wage earner in every bedroom (unlike families with children) singles and couples can offer more for a unit than a family with a child. By providing a larger number of studios and one-bedroom units on a site where providing two-bedroom units proves difficult, the Project in removing competition for family-sized units at other locations where larger units with more than one bedroom are feasible.

2. The project site or existing building(s), if any, feature physical constraints that make it unreasonable to fulfill these requirements.

The small triangular parcel presents many design constraints unique to the Project site. In particular, due to the relatively small and triangular nature of the Project site, the Project's floor plan design cannot feasibly incorporate two-bedroom dwelling units while also using the Planning Code's relaxed dwelling unit controls to maximize dwelling units applicable to the Project site. Two-bedroom units would be contorted and would lack the kind of spatial amenity generally found in two-bedrooms on a larger or regular-shaped lot.

¹ United States Census Bureau American FactFinder, Selected Housing Characteristics: 2008-2012 American Community Survey 5-Year Estimates, Census Tract 168.02. Last accessed 6/18/2014.

² Data from SF Multiple Listing Service, Residential District 6B, Hayes Valley.

³ United States Census Bureau American FactFinder, Selected Housing Characteristics: 2008-2012 American Community Survey 5-Year Estimates, Census Tract 168.02. Last accessed 6/18/2014.

The architectural design of functional two-bedroom dwelling units on the triangular site is infeasible. Due to the constricted nature of necessary internal exiting and strict demands for ADA complaint accessibility within the units, bedroom and livings spaces cannot produce furnishable spaces. The Project Sponsor's architect tested many options for two-bedroom units at a size of 950-1000 square feet which would meet current market demand. None of the explored options would be competitive in terms of amenities and room shape as compared to the proposed efficient urban living. Additionally, two bedroom units incorporated into the building envelope would have a disproportionate effect on the number of studio and one-bedroom units that could be provided, requiring the removal of three to four studio and one-bedroom units for each two-bedroom unit.

The physical constraints applicable to the Project site are unique in the Market & Octavia Plan Area. Of the approximately 4,100 lots in the Plan Area, only six other irregularly-shaped lots, or less than 0.15%, of 4,000 square feet or less could be identified. The Market & Octavia Plan recognizes the challenges faced by the subject site and encourages small and irregular lots such as the Project site be granted flexibility. Due to the limited number of similar parcels, granting Conditional Use Authorization would recognize the hardship caused by exceptional dimensions of the Project site, and would not create a precedent for other projects proposed on larger, more standard lots.

Finally, the Project site is not an appropriate location for family housing. It is located on the triangular corner of a block fronting three very busy streets – Market, Hayes and Gough. Due to the small size of the Project site, there is no room for a feasible code-compliant rear yard. As a result, the Project's bedrooms will have to face onto the streets in an area of San Francisco where noise is constant. The Project site is in a roadway exposure zone and a noise mitigation area due to the heavy traffic along Market, Hayes and Gough Streets, which makes it an unattractive place for family housing. Additionally, no parking is possible at the site. The vast majority of consumers purchasing two-bedroom units require parking. In the last 15 years, 98% of all two-bedroom units were sold with parking.⁴ Vehicle access is particularly important to families who need to transport children. The purpose of the unit mix requirement will not be met by providing two-bedroom units on the Project site, as those units will in all likelihood not be occupied by families.

- K. **Density (Section 731.91).** The NCT-3 Zoning District does not provide a density limit for residential uses by lot area, but complies with applicable requirements and limitations elsewhere in the Planning Code as well as the Market & Octavia Area Plan Objectives and Policies.

The Project proposes 48 dwelling units, satisfying the Market & Octavia Area Plan Objectives and Policies, and other Planning Code requirements, with only two design related exceptions requested

⁴ Estimates based on Multiple Listing Service sales of San Francisco Condominiums, 2001-2014

(Rear Yard Modification, Section 134; Variance from Permitted Obstructions (bays exceed sizes permitted), Section 136). The Market & Octavia Area Plan encourages a mix of unit sizes to accommodate a variety of housing and household types, such as student, extended family, or artist housing, as well as development on small and irregular lots. Additionally, the Market & Octavia Area Plan also encourages flexibility to accommodate development on small and irregular lots, such as the subject property. By providing studios and one-bedroom units, the Project accommodates a smaller household size.

- L. **Uses (Sections 731.40-731.90).** The Project Site is located in a Moderate Scale Neighborhood Commercial Transit District (NCT-3) District wherein residential and neighborhood commercial uses are permitted, such as retail, offices, restaurants, bars and moderately high-density residential.

The Project proposes a primarily residential use building with ground floor retail, both of which are principally permitted in the NCT-3 Zoning District. The Project also proposes three guest suites intended to function as an amenity to tenants.

- M. **Inclusionary Affordable Housing Program.** Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 415.3, these requirements would apply to projects that consist of ten or more units.

The Project Sponsor submitted an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program per Planning Code Section 415 to satisfy the requirements of the Inclusionary Affordable Housing Program through provision of on-site Below Market Rate dwelling units. The Project will comply with the Inclusionary Affordable Housing Program by payment of the Affordable Housing Fee prior to the first site or building permit issuance (Planning Code Section 415.5).

7. **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use authorization. On balance, the project complies with the criteria of Section 303, in that::

- N. The proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or community.

The Project will revitalize an underutilized, 3,471 square foot parcel with three prominent street frontages with a mixed-use, residential development over ground floor commercial, providing 48 units of housing. San Francisco has an acute need for high-density residential development near transit services as encouraged by the Market & Octavia Area Plan. Providing a total of 48 dwelling units in the Market & Octavia area will assist in alleviating the City's housing shortage for numerous individuals and smaller households. The Project has no off-street parking, encouraging future residents and neighborhood shoppers to walk, bike or use the amply available public transit. The active retail use at

the ground floor will enliven the corner along Market, Gough and Haight Streets, creating vibrancy in the area, activating the streetscape and creating visual interest for pedestrians at a prominent site location. The Project is compatible with the neighborhood and community in terms of use and scale; and offers residents access to important amenities and support services.

One aspect of San Francisco's current housing shortage is a lack of supply and high demand for housing for singles or couples without children – particularly ownership opportunities for studios. Based on recent occupancy trend, the number of studios offered for purchase is less than one-quarter of the market demand. In the Project site's census tract, approximately 22.3% of units are studios.⁵ An analysis of sales in San Francisco over the last 15 years shows that only 5% of all newly-constructed units are studios. In 2013, only one single studio unit was offered for sale in Hayes Valley⁶. Available for-sale studios near the Project site lag behind what the market should accommodate.

There appears to be a similar unmet demand for rental studios. Approximately 77.3% of housing units in the Project site's census tract are renter-occupied; only 22.7% of units are owned and occupied by the same person⁷. However, since the adoption of the Market & Octavia Plan, only 14% of dwelling units approved in the Plan Area have been studios. Within a half-mile radius of the Project site, only 7% of the units offered for rent in 2013 were studio units, despite studios representing 22.3% of the unit count in the vicinity.

Since San Francisco - the Market & Octavia / Hayes Valley area in particular- does not provide enough units for singles and couples without children, these residents team together and can out-bide families for multi-bedroom units. With a wage earner in every bedroom (unlike families with children) singles and couples can offer more for a unit than a family with a child. By providing a larger number of studios and one-bedroom units on a site where providing two-bedroom units proves difficult, the Project in removing competition for family-sized units at other locations where larger units with more than one bedroom are feasible.

Finally, the Project site is not an appropriate location for family housing. It is located on the triangular corner of a block fronting three very busy streets – Market, Hayes and Gough. Due to the small size of the Project site, there is no room for a feasible code-compliant rear yard. As a result, the Project's bedrooms will have to face onto the streets in an area of San Francisco where noise is constant. The Project site is in a roadway exposure zone and a noise mitigation area due to the heavy traffic along Market, Hayes and Gough Streets, which makes it an unattractive place for family housing. Additionally, no parking is possible at the site. The vast majority of consumers purchasing two-bedroom units require parking. In the last 15 years, 98% of all two-bedroom units were sold with parking.⁸ Vehicle access is particularly important to families who need to transport children. The purpose of the unit mix requirement will not be met by providing two-bedroom units on the Project site, as those units will in all likelihood not be occupied by families.

⁵ United States Census Bureau American FactFinder, Selected Housing Characteristics: 2008-2012 American Community Survey 5-Year Estimates, Census Tract 168.02. Last accessed 6/18/2014.

⁶ Data from SF Multiple Listing Service, Residential District 6B, Hayes Valley.

⁷ United States Census Bureau American FactFinder, Selected Housing Characteristics: 2008-2012 American Community Survey 5-Year Estimates, Census Tract 168.02. Last accessed 6/18/2014.

⁸ Estimates based on Multiple Listing Service sales of San Francisco Condominiums, 2001-2014

According to SPUR article, "Time to Make Room", published in August 2013, 38% of all households in San Francisco are comprised of single people living alone. This project aims to design for that 38 percent. Evidence supports the conditional use authorization to modify the minimum dwelling unit mix to allow the provision of only studios and one-bedroom units, rather than two-bedroom units for at least 40 percent of all units on site.

- O. The use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements, or potential development in the vicinity, with respect to aspects including, but not limited to the following:
- i. The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures.

The project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity with respect to the nature of the proposed site, including its shape and size and arrangement of structures.

The Project will incorporate a contemporary building façade that will wrap all three street frontages of the site with a design character and shape which will positively anchor this important intersection.

To maximize the number of dwelling units, the Project will provide full lot coverage, consistent with other buildings on the block. The block has no definable or consistent rear yard pattern.

- ii. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading and of proposed alternatives to off-street parking, including provisions of car-share parking spaces, as defined in Section 166 of this Code.

The Project Site is located within an urban context, where convenience goods and services are available within walking distance. Given the proximity of multiple public transit alternatives (BART, Golden Gate Transit, MUNI, and SamTrans). A proposed bulb expansion on Haight and Gough will improve the pedestrian experience at this three-way intersection. The Project will not provide off-street parking, consistent with the goals of the Market & Octavia Plan, and instead will provide code-compliant bicycle parking on the ground floor, incentivizing Project residents and neighborhood shoppers to walk, bike, or use readily-available public transit options.

- iii. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor.

The Project includes residential and commercial uses that are typical of the Market Octavia Plan Area, and will not introduce any permanent operational noises or odors that are detrimental, excessive, or atypical for the Plan Area. Although construction will cause a temporary increase in noise, it will be limited in duration, and the Project Sponsor will fully comply with San Francisco's Noise Ordinance, which prohibits excessive noise levels from construction activity and limits permitted working hours when the Project is being built. The

Project Sponsor will design building materials to avoid mirrored glass and other highly reflective materials to avoid offensive glare.

- iv. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs.

The Project requires 9 trees, however, 3 trees exist. According to an urban forester from the Department of Public Works, only one new tree can be planted on Haight Street. The Project Sponsor will pay an in-lieu fee for the remaining 5 trees. Additionally, the Project will provide a rooftop open space, built with the high quality design amenities and accessibility for all of the Project's residents. The Project will also provide green roof elements, to aid in storm water run-off and retention.

- P. That such use or feature as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The Project generally complies with the applicable sections of the Code. The residential uses contemplated for the Project are permitted within the NCT-3 District. The Project complies with use and density requirements. The Project Site is well-served by transit and commercial services, allowing residents to commute, shop and reach amenities by walking, transit and bicycling. The Project conforms with multiple goals and policies of the General Plan, as follows

- 9. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.1

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

The Project provides for an unmet demand – namely single individuals or couples without children, adding variety to the current dwelling-unit mix, City wide, and particularly throughout the Market & Octavia Plan Area. The Project will pay the Affordable Housing Fee, which will provide opportunities for affordable housing across the City.

Policy 2.2.1

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The Project will provide a high-density mixed-use project with 48 new residential units on a small and irregularly-shaped lot fronting Haight, Gough, and Market Streets, a prime location of non-automobile transit. The Project will not provide off-street parking, encouraging its residents and neighborhood shoppers to walk, bike, or utilize many of the nearby public transit options in the vicinity. Fifty Class 1 bicycle parking spaces will be available for residents. Finally, the Project will pay the Affordable Housing Fee, which will provide opportunities for affordable housing across the City.

OBJECTIVE 4

FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

Policy 4.4

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

OBJECTIVE 5

ENSURE THAT ALL RESIDENTS HAVE EQUAL ACCESS TO AVAILABLE UNITS.

Policy 5.4

Provide a range of unit types for all segments of need, and work to move residents between unit types as their needs change.

This Project satisfies these policies. As demonstrated above, there is a large demand for studios and one-bedroom units, both with respect to rental and ownership opportunities for individuals and couples who might otherwise team together and out-bid families for multi-bedroom units. These policies recognize that housing should be designed for those moving up and down the housing ladder, such as those looking to purchase their first home, and those who might be downsizing from a single-family home into smaller condos or rental units. The Project would meet this demand.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 24:

IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

Policy 24.2:

Maintain and expand the planting of street trees and the infrastructure to support them.

Policy 24.3:

Install pedestrian-serving street furniture where appropriate.

Policy 24.4:

Preserve pedestrian-oriented building frontages.

The Project will install one new street tree along Haight Street, and will pay an in-lieu fee where tree plantings are not possible according to the Department of Public Work's Urban Forester, to help improve the ambience of the pedestrian environment elsewhere in the City. Additionally, a proposed bulb expansion on Haight and Gough will improve the pedestrian experience at the three-way intersection of Market, Gough and Haight Streets.

OBJECTIVE 28:

PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.

Policy 28.1:

Provide secure bicycle parking in new governmental, commercial, and residential developments.

The Project includes 50 Class 1 bicycle parking spaces and two (2) Class 2 bicycle parking spaces in secure, convenient locations, exceeding Planning Code requirements, requiring one (1) Class 1 per dwelling unit, or a total of 48.

OBJECTIVE 34:

RELATE THE AMOUNT OF PARKING IN RESIDENTIAL AREAS AND NEIGHBORHOOD COMMERCIAL DISTRICTS TO THE CAPACITY OF THE CITY'S STREET SYSTEM AND LAND USE PATTERNS.

Policy 34.1:

Regulate off-street parking in new housing so as to guarantee needed spaces without requiring excesses and to encourage low auto ownership in neighborhoods that are well served by transit and are convenient to neighborhood shopping.

Policy 34.3:

Permit minimal or reduced off-street parking supply for new buildings in residential and commercial areas adjacent to transit centers and along transit preferential streets.

Policy 34.5:

Minimize the construction of new curb cuts in areas where on-street parking is in short supply and locate them in a manner such that they retain or minimally diminish the number of existing on-street parking spaces.

The Project proposes no off-street parking, encouraging a pedestrian and bicyclist life-style and does not propose any new curb cuts, maintaining the number of existing on-street parking spaces.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 1:

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.7:

Recognize the natural boundaries of districts, and promote connections between districts.

The Project is located within a Moderate Scale Neighborhood Commercial Transit within the Market & Octavia Area Plan, which is a confluence of a number of mixed-use, commercial and civic neighborhoods. As such, the Project provides street façades that respond to form, scale and material palette of the new construction in the neighborhood. The Project uses a mix of high quality building materials including ceramic or porcelain tiles, metal panels, plaster and glass to provide three dimensional detailing.

OBJECTIVE 4:

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.5:

Design walkways and parking facilities to minimize danger to pedestrians.

Policy 4.13:

Improve pedestrian areas by providing human scale and interest.

The project site has three street frontages without any vehicular access, thus limiting conflicts with pedestrians and bicyclists. The Project will install one new street tree along Haight Street, and will pay an in-lieu fee where tree plantings are not possible, to help increase personal safety, comfort and pride elsewhere in the City. Additionally, a proposed bulb expansion on Haight and Gough will improve the pedestrian experience at the three-way intersection of Market, Gough and Haight Streets.

MARKET & OCTAVIA AREA PLAN

LAND USE AND URBAN FORM

Objective 1.1

CREATE A LAND USE PLAN THAT EMBRACES THE MARKET AND OCTAVIA NEIGHBORHOOD'S POTENTIAL AS A MIXED-USE URBAN NEIGHBORHOOD.

Policy 1.1.2

Concentrate more intense uses and activities in those areas best served by transit and most accessible on foot.

Policy 1.1.3

Encourage housing and retail infill to support the vitality of the Hayes-Gough, Upper Market, and Valencia Neighborhood Commercial Districts.

Policy 1.1.9

Allow small-scale neighborhood-serving retail and other community-serving uses at intersection in residential districts.

This Project provides a higher-density mixed-use residential-over commercial use near a variety of transit services at the Market and Van Ness intersection. The Project also satisfies the policy to provide infill retail and residential development, as the project will replace an underutilized site with a new 8-story mixed use structure in an NCT-3 zoning district. Finally, the by providing a 1,549 square foot corner retail space at a prominent intersection, the Project will allow for small-scale, neighborhood-serving retail opportunities.

HOUSING

Objectives and Policies

OBJECTIVE 2.2

ENCOURAGE THE CONSTRUCTION OF RESIDENTIAL INFILL THROUGHOUT THE PLAN AREA.

Policy 2.2.1

Eliminate housing density maximums close to transit and services.

Policy 2.2.2

Ensure a mix of unit sizes is built in new development and is maintained in existing housing stock.

Policy 2.2.4

Encourage new housing above ground-floor commercial uses in new development and in expansion of existing commercial buildings.

The Project satisfies this policy. The Project takes advantage of the relaxed density restrictions in the Market & Octavia Plan Area by proposing a mixed-use project with 48 units, of which 26 are studio and 22 are one-bedroom. The residential units will be built above ground-floor commercial space. The Project will not provide off-street parking, encouraging its residents and neighborhood shoppers to walk, bike or utilize the many existing transit options. As encouraged in Policy 2.2.2., the new development seeks flexibility to accommodate studio and one-bedroom units, as well as the ability to develop on a small and irregular lot.

10. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

- A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The proposed project will replace an outdated, small two-story retail space with a new 1,549 square foot ground-floor retail space which will add vitality and amenity to this location. There will be similar employment and job opportunities for the new project as compared to the existing building.

- B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

No housing currently exists on the project site. The project will provide 48 new dwelling units, thus resulting in a significant increase in the neighborhood housing stock. The neighborhood character and street activation will be enriched by the new mixed-use project.

- C. That the City's supply of affordable housing be preserved and enhanced.

The City's supply of affordable housing will be increased with this project. The Project Sponsor will pay an in-lieu fee to support affordable housing in the City, compliant with Planning Code Section 415.5.

- D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The project does not include any on-site parking. The use of Muni and all public transit will be sustained by the construction of this project. Commuter traffic will not be increased by this project.

- E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The Project would not displace any industrial or service sectors, nor will City resident employment be negatively impacted.

- F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The project will be designed and constructed to conform to the structural and seismic safety requirements of the Building Code. This proposal will not impact the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

There are no landmarks or historic buildings on the project site.

- H. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project will not affect the City's parks or open space or their access to sunlight and vistas. A shadow study was completed and concluded that the Project will not cast shadows on any property under the jurisdiction of, or designated for acquisition by, the Recreation and Park Commission.

11. **First Source Hiring.** The Project is subject to the requirements of the First Source Hiring Program as they apply to permits for residential development (Section 83.4(m) of the Administrative Code), and the Project Sponsor shall comply with the requirements of this Program as to all construction work and on-going employment required for the Project. Prior to the issuance of any building permit to construct or a First Addendum to the Site Permit, the Project Sponsor shall have a First Source Hiring Construction and Employment Program approved by the First Source Hiring Administrator, and evidenced in writing. In the event that both the Director of Planning and the First Source Hiring Administrator agree, the approval of the Employment Program may be delayed as needed.

The Project Sponsor completed the First Source Hiring Affidavit in January 2014.

12. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
13. The Commission hereby finds that approval of the Conditional Use Authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Authorization No. 2013.1179CV** under Planning Code Sections 303, 207.6 to allow the modification to requirements for dwelling unit mix (Planning Code Section 207.6), within the NCT-3 (Moderate Scale Neighborhood Commercial Transit) Zoning District, and a 85-X Height and Bulk District. The project also seeks modification from the rear yard required per Planning Code Section 134 and a Variance from Planning Code Section 136, as the proposed bays exceed the permitted size. The project is subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated December 31, 2014, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission hereby adopts the MMRP attached hereto as Exhibit C and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the Rincon Hill Plan EIR and contained in the MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 309.1 Downtown Project Authorization to the Board of Appeals within fifteen (15) days after the date of this Motion. The effective date of this Motion shall be the date of adoption of this Motion if not appealed (after the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals at (415) 575-6880, 1660 Mission, Room 3036, San Francisco, CA 94103.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on March 26, 2015.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: March 26, 2015

EXHIBIT A

AUTHORIZATION

This authorization is for a Conditional Use to allow for the modification of a required dwelling unit mix within a proposed 8-story mixed-used structure containing 48 units and 1,549 square feet of retail space on the ground floor. A modification from rear yard requirements and a Variance from Planning Code Section 136 for bays exceeding the permitted size are also being sought. The Project is located at 1700 Market Street, Lot 016 in Assessor's Block 0855, pursuant to Planning Code Section 206.7, 134 and 136 within the NCT-3 (Moderate Scale Neighborhood Commercial Transit) Zoning District, and a 85-X Height and Bulk District; in general conformance with plans, dated December 31, 2014, and stamped "EXHIBIT B" included in the docket for Case No. 2013.1179CV and subject to conditions of approval reviewed and approved by the Commission on March 26, 2015 under Motion No. XXXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on March 26, 2015 under Motion No. XXXXXX.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. XXXXXX shall be reproduced on the Index Sheet of construction plans submitted with the Site or Building permit application for the Project. The Index Sheet of the construction plans shall reference to the Office Development Authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

Validity. The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Expiration and Renewal. Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Diligent Pursuit. Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Extension. All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Conformity with Current Law. No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Mitigation Measures. Mitigation measures described in the MMRP for the Market & Octavia Community Plan Exemption (Case No. 2013.1179E) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Additional Project Authorization. The Project Sponsor must obtain a modification and variance from the Zoning Administration to address the requirements for rear yard (Planning Code Section 134) and permitted obstructions over a street, alley, setback or usable open space (Planning Code Section 136). The conditions set forth below are additional conditions required in connection with the Project. If these conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Prior Conditions of Approval. This Motion No. XXXXX allows the new construction of an 8-story mixed-use residential building over 1,549 square feet of ground-floor retail with 48 dwelling units, 50 Class 1 and two (2) Class 2 bicycle parking spaces to contain 26 studio and 22 one-bedroom units - providing a structure with less than 40 percent of its units comprised of two-bedroom units or larger.

DESIGN – COMPLIANCE AT PLAN STAGE

Final Materials. The Project Sponsor shall continue to work with Planning Department on the building design. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Street Trees. Pursuant to Planning Code Section 138.1 (formerly 143), the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application indicating that street trees, at a ratio of one street tree of an approved species for every 20 feet of street frontage along public or private streets bounding the Project, with any remaining fraction of 10 feet or more of frontage requiring an extra tree, shall be provided. Therefore, the Project is required to provide nine street trees along Market, Gough and Haight Streets, of which tree already exist and only one new tree can be planted. The exact location, size and species of tree shall be as approved by the Department of Public Works (DPW). In any case in which DPW cannot grant approval for installation of a tree in the public right-of-way, on the basis of inadequate sidewalk width, interference with utilities or other reasons regarding the public welfare, and where installation of such tree on the lot itself is also impractical, the requirements of this Section 428 may be modified or waived by the Zoning Administrator to the extent necessary. The Project Sponsor will be required to pay an in-lieu fee for the remaining five trees that cannot be planted.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Garbage, Composting and Recycling Storage. Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the architectural addenda. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Rooftop Mechanical Equipment. Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application for each building. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Transformer Vault. The location of individual project PG&E Transformer Vault installations has significant effects to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:

1. On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
2. On-site, in a driveway, underground;
3. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
4. Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
5. Public right-of-way, underground; and based on Better Streets Plan guidelines;
6. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
7. On-site, in a ground floor façade (the least desirable location).

Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, <http://sfdpw.org>

PARKING AND TRAFFIC

Bicycle Parking. Pursuant to Planning Code Sections 155.1, 155.4, and 155.5, the Project shall provide no fewer than 48 Class 1 bicycle parking spaces and 2 Class 2 bicycle parking spaces.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Managing Traffic During Construction. The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

PROVISIONS

First Source Hiring. The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.

For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org

Market & Octavia Affordable Housing Fee. Pursuant to Planning Code Section 416, the Project Sponsor shall pay the Market & Octavia Affordable Housing Fee prior to the City's issuance of the first construction document, with an option for the project sponsor to defer payment to prior to the issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge in accordance with Section 107A.13.3 of the San Francisco Building Code.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Market & Octavia Community Infrastructure Fee. Pursuant to Planning Code Section 421, the Project Sponsor shall pay the Market & Octavia Community Improvements Fee prior to issuance of the first construction document, with an option for the project sponsor to defer payment to prior to the issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge in accordance with Section 107A.13.3 of the San Francisco Building Code.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

MONITORING AFTER ENTITLEMENT

Enforcement. Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Revocation Due to Violation of Conditions. Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for

the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

Garbage, Recycling, and Composting Receptacles. Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-.5810, <http://sfdpw.org>

Sidewalk Maintenance. The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>

Noise Control. The premises shall be adequately soundproofed or insulated for noise and operated so that incidental noise shall not be audible beyond the premises or in other sections of the building and fixed-source equipment noise shall not exceed the decibel levels specified in the San Francisco Noise Control Ordinance.

For information about compliance with the fixed mechanical objects such as rooftop air conditioning, restaurant ventilation systems, and motors and compressors with acceptable noise levels, contact the Environmental Health Section, Department of Public Health at (415) 252-3800, www.sfdph.org.

For information about compliance with the construction noise, contact the Department of Building Inspection, 415-558-6570, www.sfdbi.org.

For information about compliance with the amplified sound including music and television contact the Police Department at 415-553-0123, www.sf-police.org

Community Liaison. Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

INCLUSIONARY HOUSING

1. **Requirement.** Pursuant to Planning Code 415.5, the Project Sponsor must pay an Affordable Housing Fee at a rate equivalent to the applicable percentage of the number of units in an off-site project needed to satisfy the Inclusionary Affordable Housing Program Requirement for the principal project. The applicable percentage for this project is twenty percent (20%).

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

2. **Other Conditions.** The Project is subject to the requirements of the Inclusionary Affordable Housing Program under Section 415 et seq. of the Planning Code and the terms of the City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual"). The Procedures Manual, as amended from time to time, is incorporated herein by reference, as published and adopted by the Planning Commission, and as required by Planning Code Section 415. Terms used in these conditions of approval and not otherwise defined shall have the meanings set forth in the Procedures Manual. A copy of the Procedures Manual can be obtained at the Mayor's Office of Housing ("MOH") at 1 South Van Ness Avenue or on the Planning Department or Mayor's Office of Housing's websites, including on the internet at:

<http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451>.

As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale or rent.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

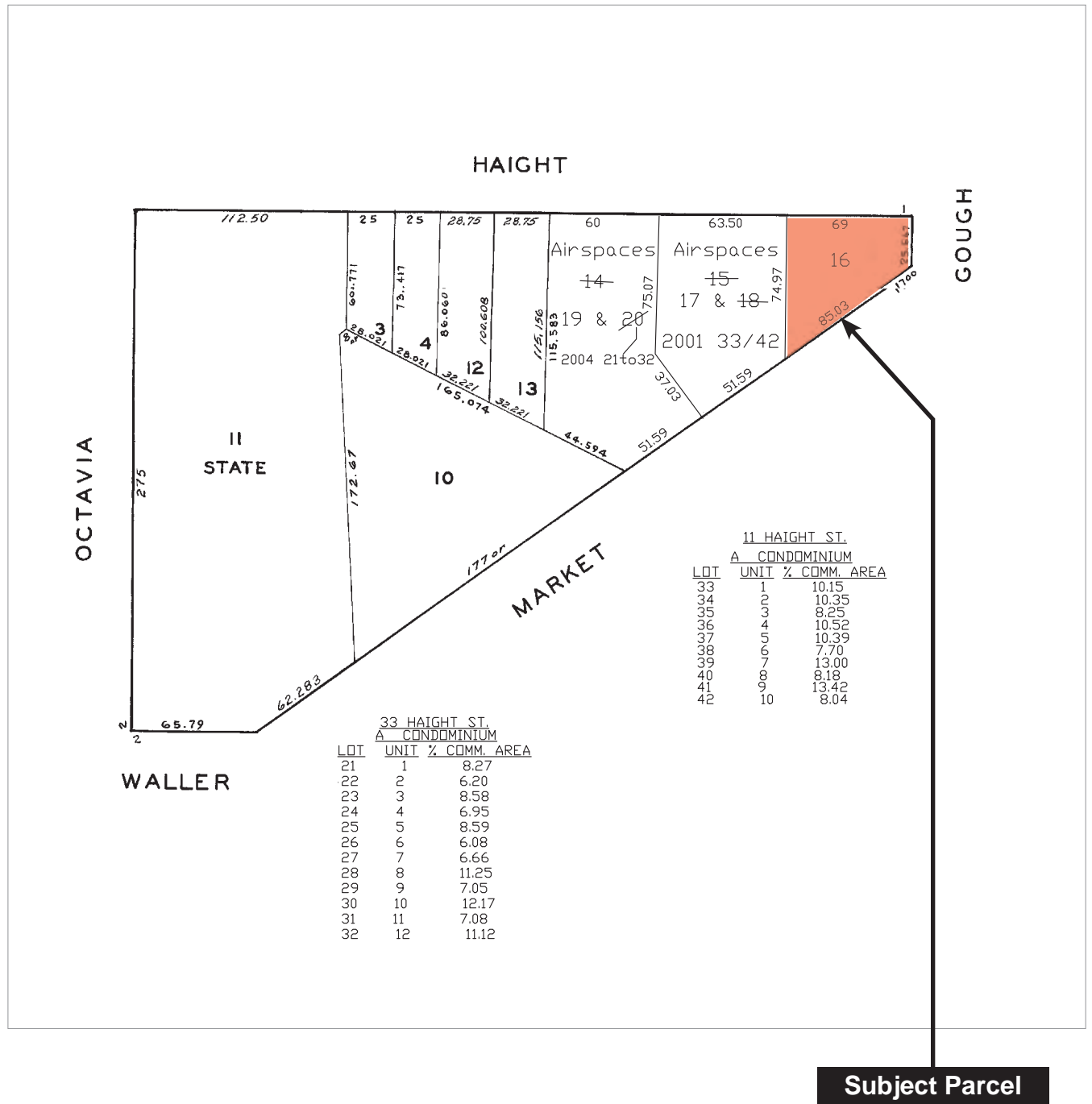
- a. The Project Sponsor must pay the Fee in full sum to the Development Fee Collection Unit at the DBI for use by MOH prior to the issuance of the first construction document, with an option for the Project Sponsor to defer a portion of the payment prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge that would be deposited into the Citywide Inclusionary Affordable Housing Fund in accordance with Section 107A.13.3 of the San Francisco Building Code.
- b. Prior to the issuance of the first construction permit by the DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that records a copy of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOH or its successor.
- c. If project applicant fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Sections 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all other remedies at law.

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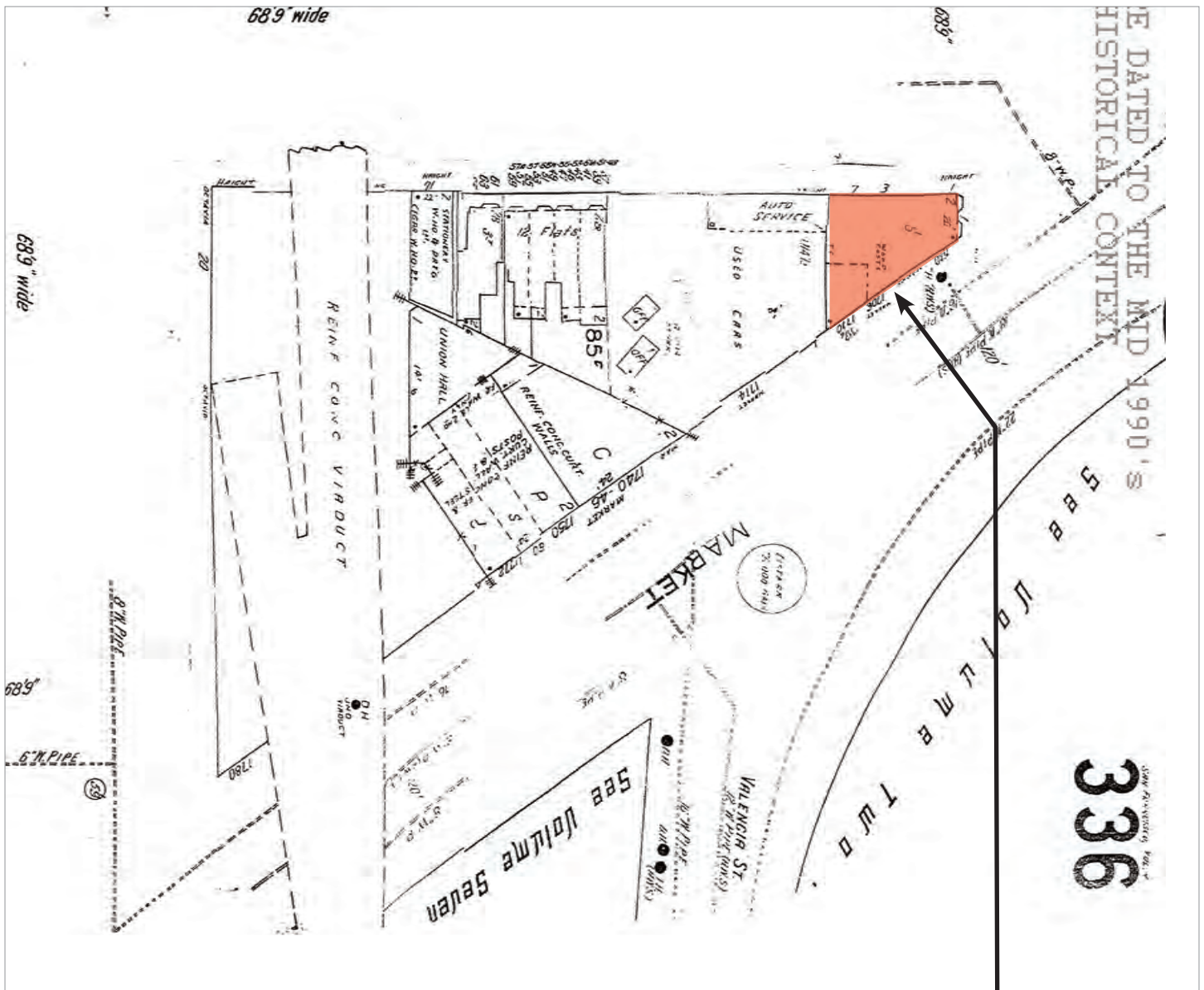
Exhibits

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Parcel Map



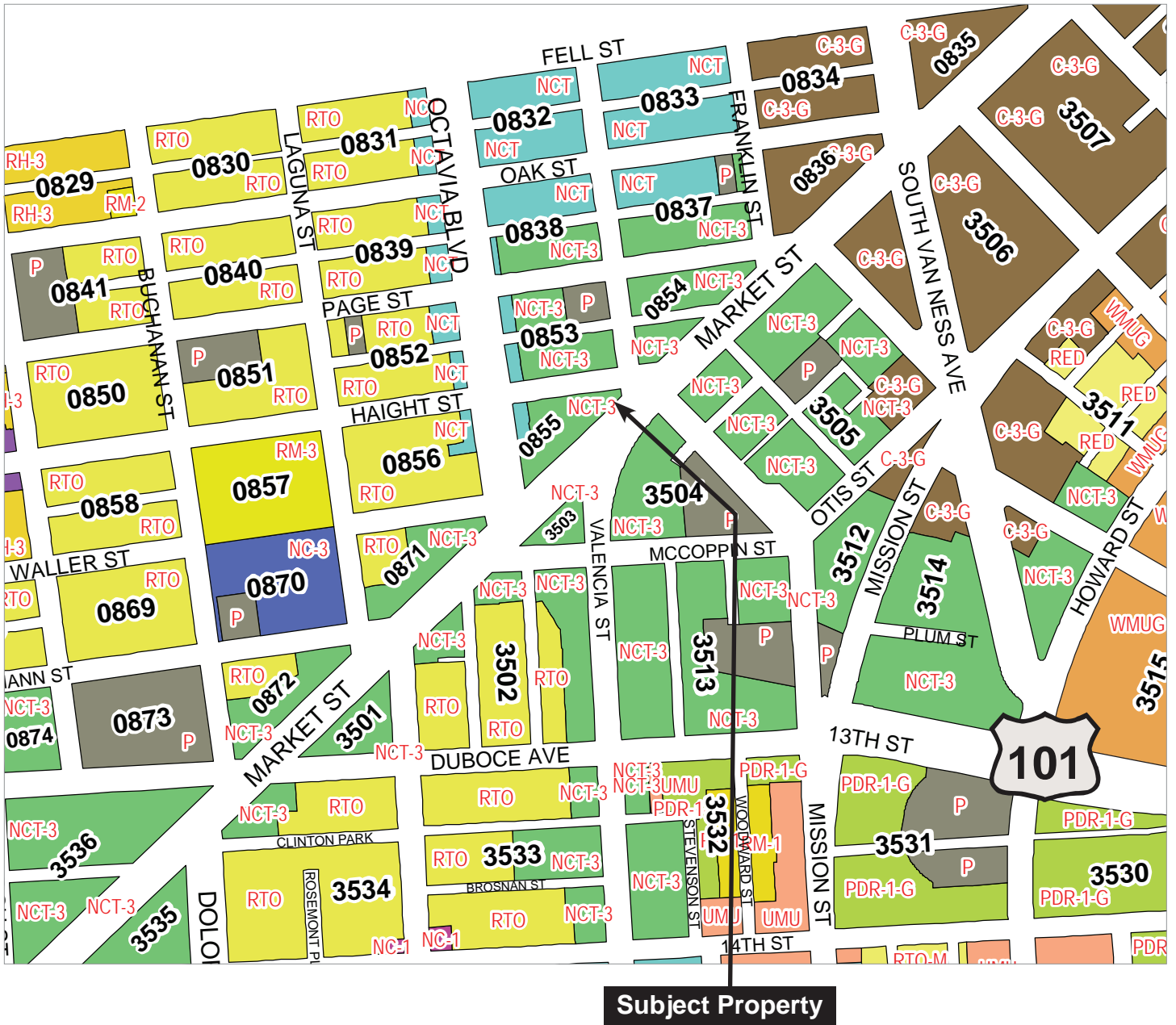
Sanborn Map



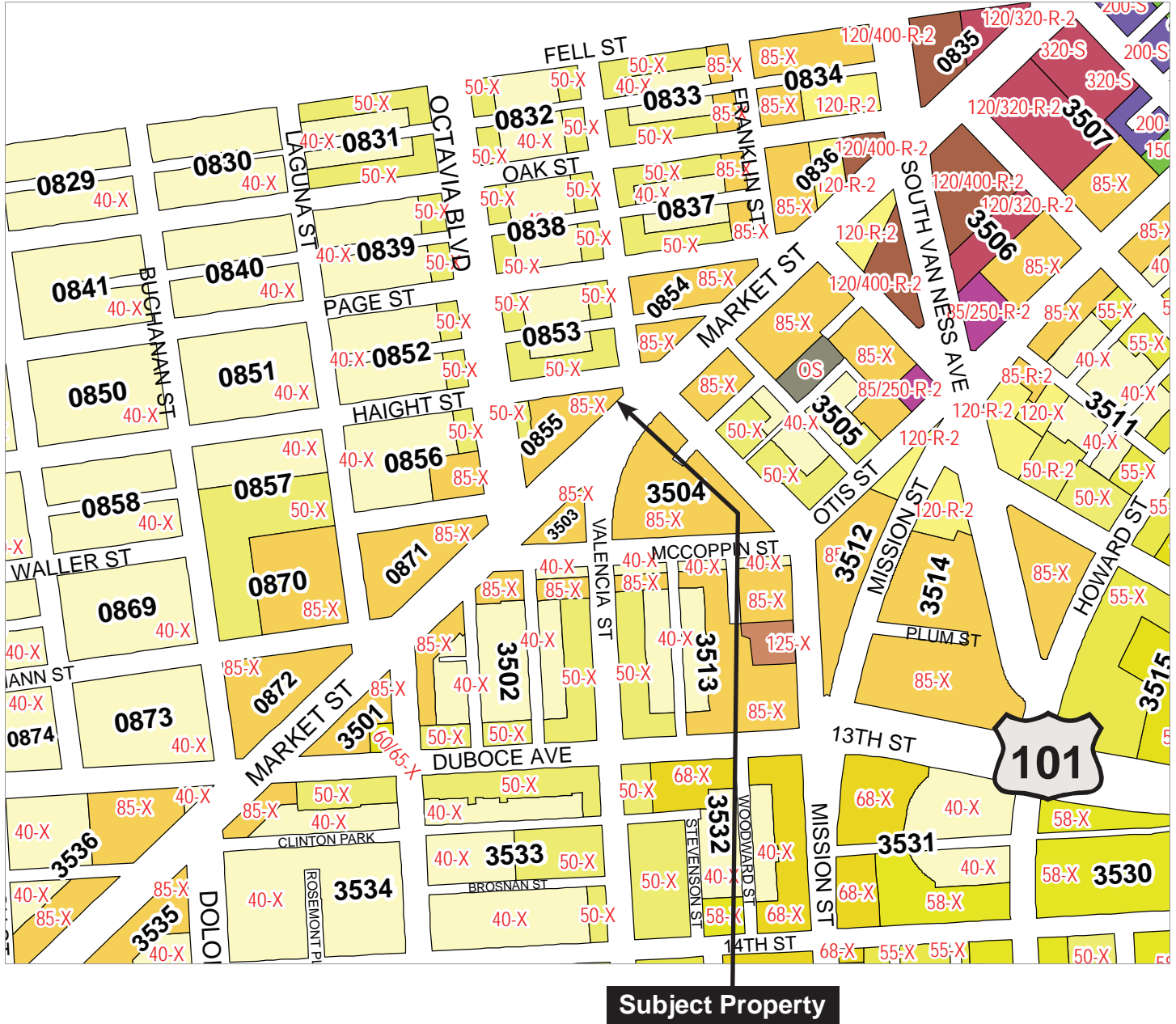
Subject Property

*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.

Zoning Map



Height Map



Aerial



Subject Property

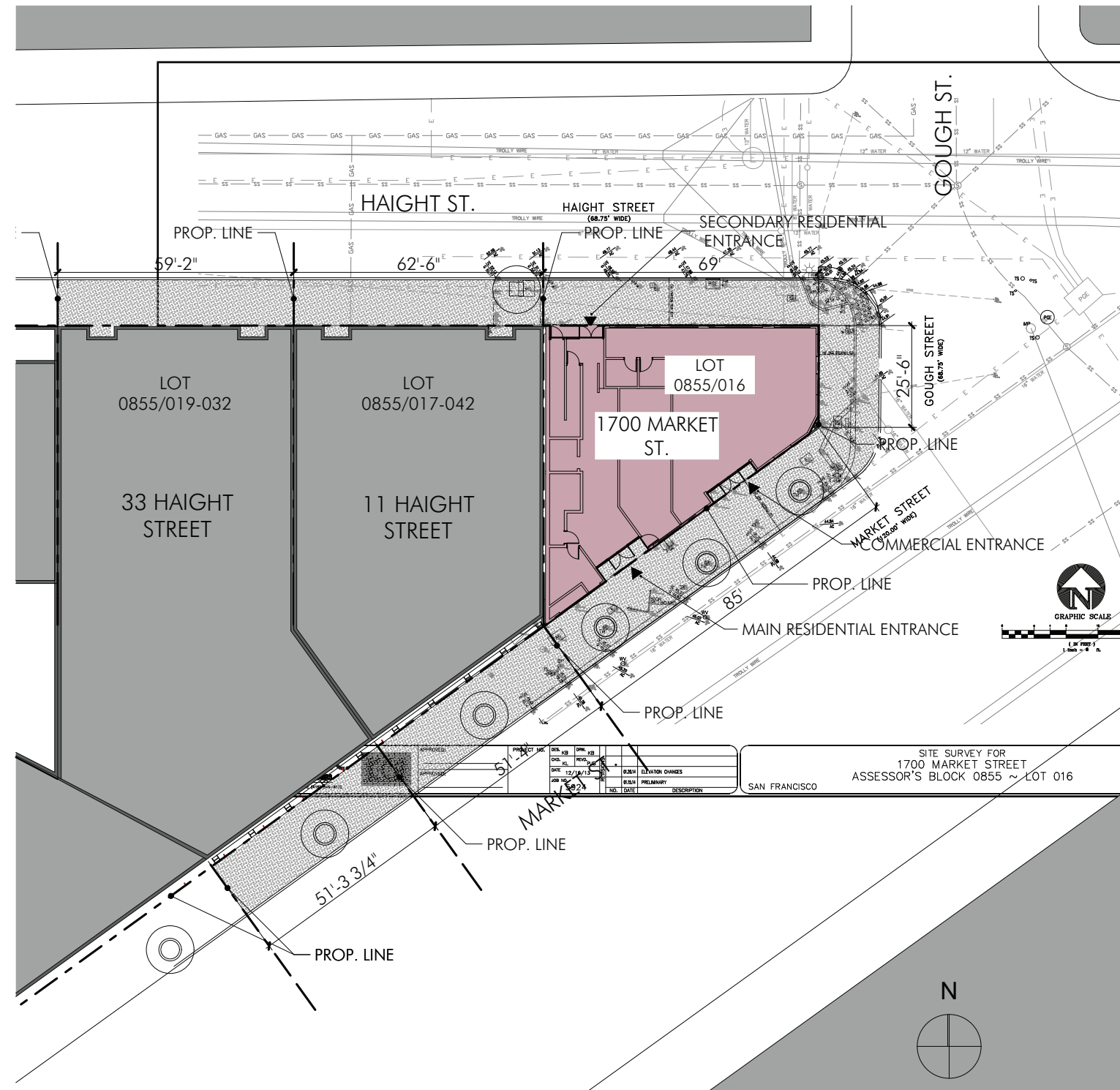
Site Photos



Exhibit B

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C-1

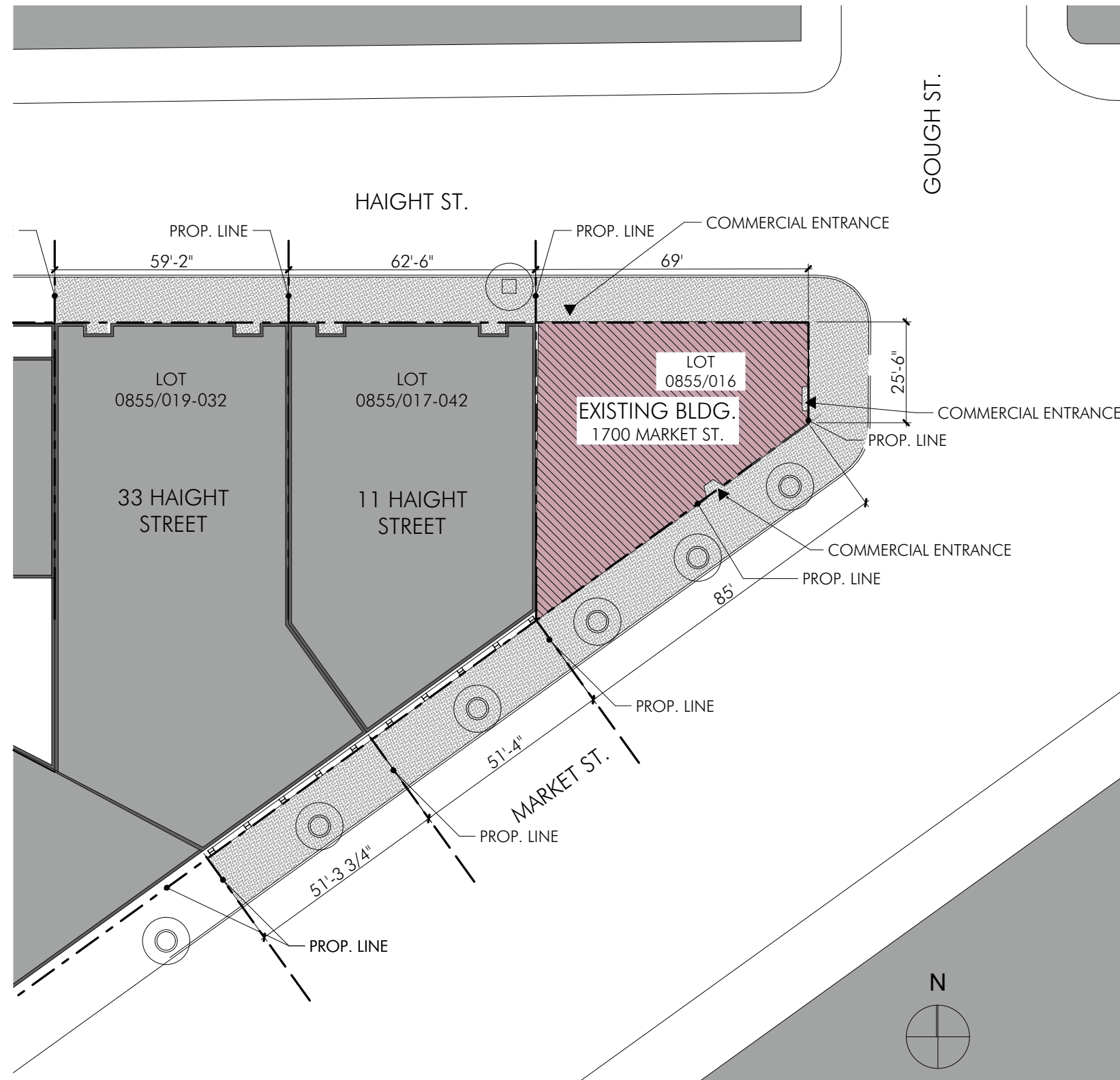
MARCH 11, 2015

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ARCHITECTS

PROPOSED SITE PLAN WITH ADJACENT BUILDING FOOTPRINTS

SCALE 1/32" = 1'-0"

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EXISTING SITE PLAN WITH ADJACENT BUILDING FOOTPRINTS

SCALE 1/32" = 1'-0"

1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

C-2

MARCH 11, 2015

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AERIAL PHOTO

1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

A0.2

NOVEMBER 10, 2014

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1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

SITE PHOTOGRAPHS

A0.3

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AUGUST 28, 2014

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LEGEND

- CO CLEAN OUT
- HV HIGH VOLTAGE VOLTAGE
- FIRE HYD
- LIGHT
- PM PARKING METER
- PAC PACIFIC BELL PULL BOX
- PGE PG&E SERVICE MANHOLE
- UNK UNKNOWN SERVICE PULL BOX
- WM WATER METER
- WV WATER VALVE
- CLR CLEAR OF PROPERTY LINE
- OVR OVER PROPERTY LINE
- SLB STREET LIGHT PULL BOX
- TS TRAFFIC SIGNAL
- SL OCTAGON STREET LIGHT
- MP MUNI POLE
- ELECTRIC LINE
- GAS LINE
- SEWER LINE

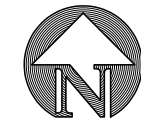
LOT 15

LOT 16

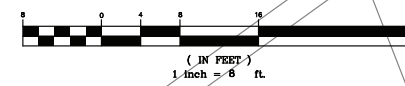
ASSESSOR'S BLOCK NUMBER 0855

GOUGH STREET
(68.75' WIDE)

MARKET STREET
(120.00' WIDE)



GRAPHIC SCALE



KCA ENGINEERS, INC.
CONSULTING ENGINEERS • SURVEYORS • PLANNERS
318 BRANNAN ST. • SAN FRANCISCO, CA 94107 • (415) 546-7111 • FAX: (415) 546-9472



APPROVED: _____
APPROVED: _____

PROJECT NO.	DES. KB	DRW. KB		
	CKD. KL	REV. PJB		
DATE 12/16/13	REVISIONS	01.20.14	ELEVATION CHANGES	
JOB NO. 5924		01.15.14	PRELIMINARY	
	NO.	DATE	DESCRIPTION	

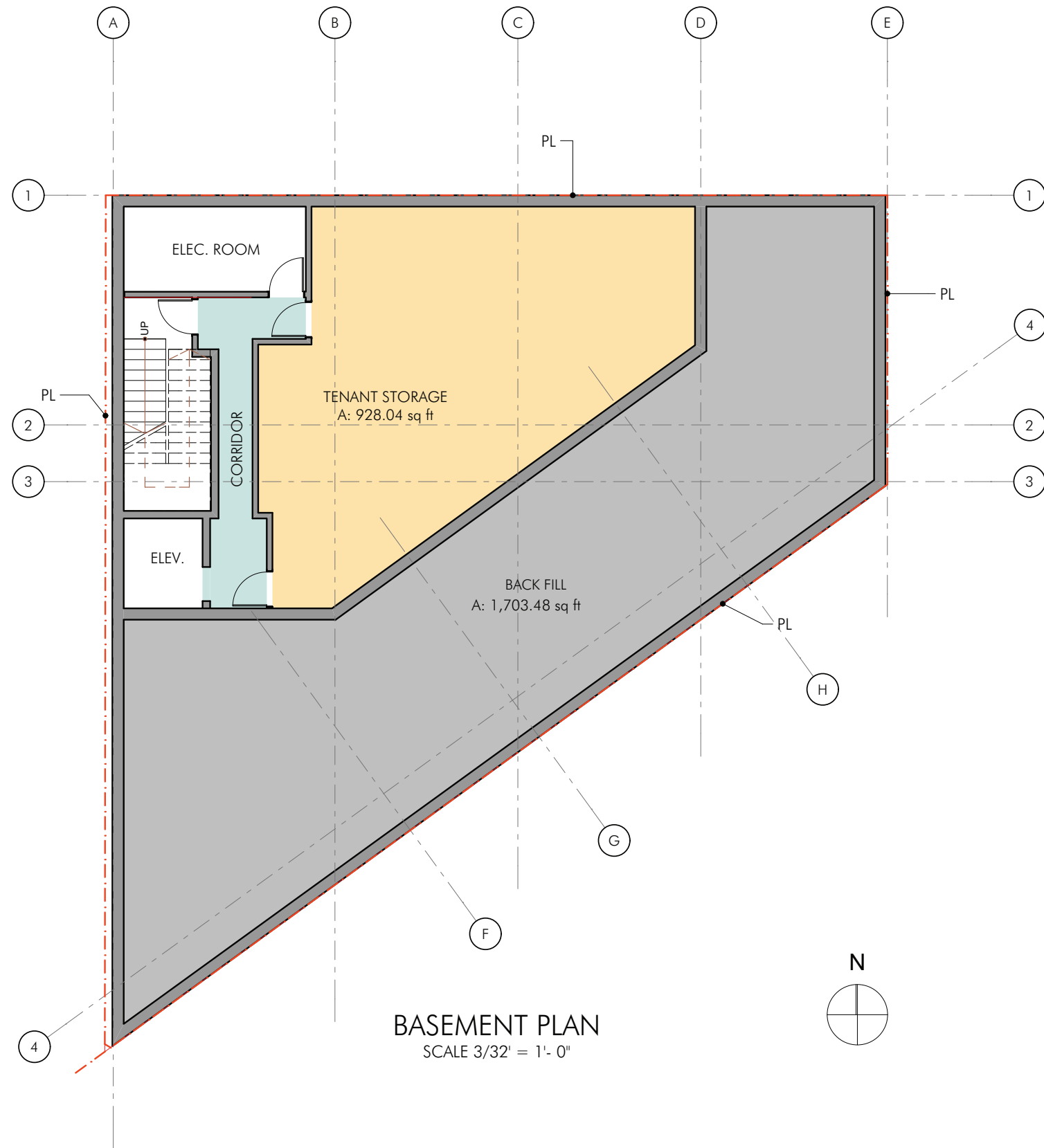
SAN FRANCISCO

SITE SURVEY FOR
1700 MARKET STREET
ASSESSOR'S BLOCK 0855 ~ LOT 016

CALIFORNIA

SCALE:
HORIZ. 1" = 8'
VERT. _____
1 OF 1

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CU REVISION / VARIANCE APPLICATION
1700 MARKET STREET
 SAN FRANCISCO, CALIFORNIA 94102

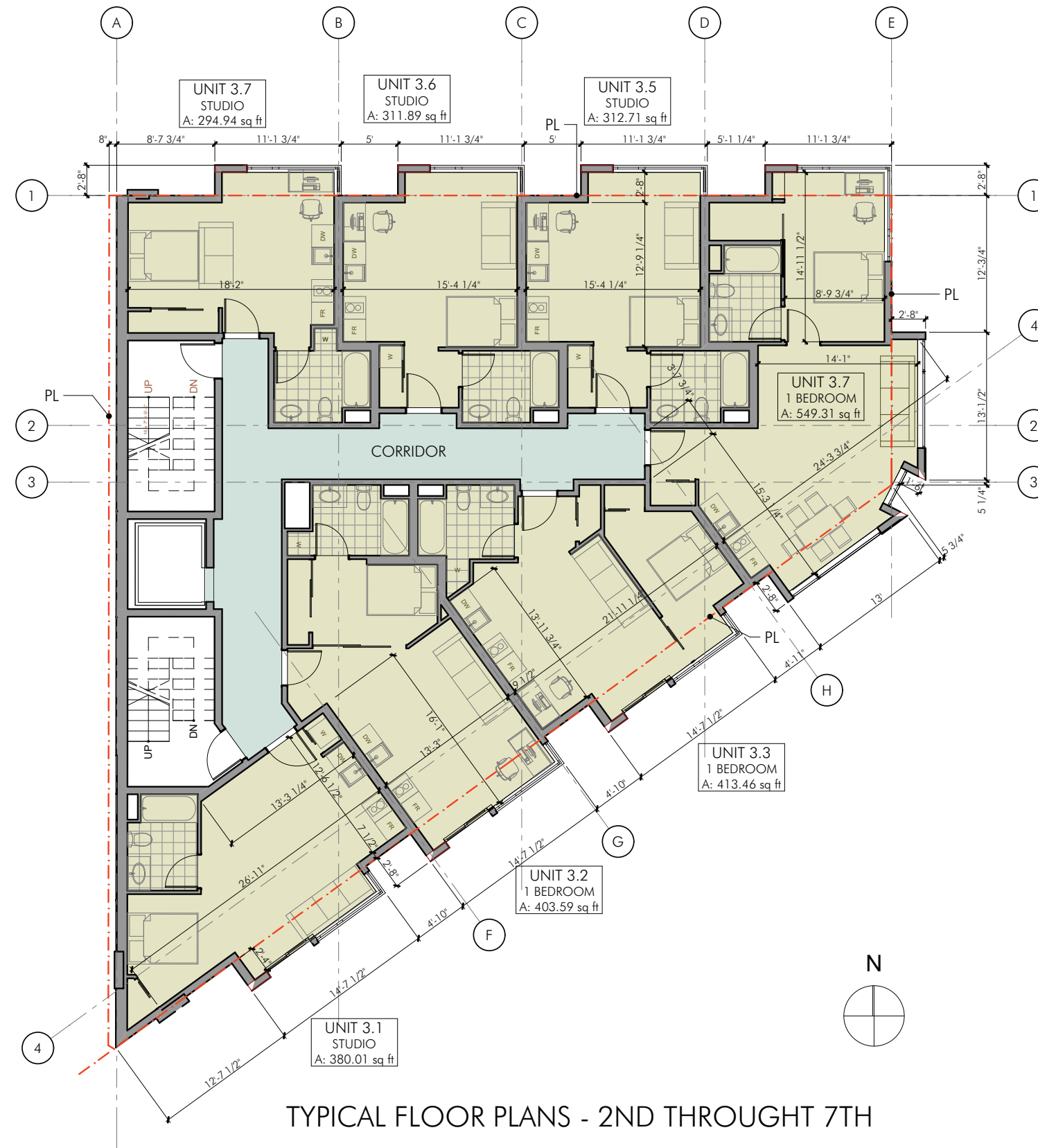
A1.0

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 AUGUST 28, 2014

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TYPICAL FLOOR PLANS - 2ND THROUGH 7TH

SCALE 3/32" = 1'-0"

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1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

A1.2

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8TH FLOOR PLAN
SCALE 3/32" = 1'- 0"

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A1.3

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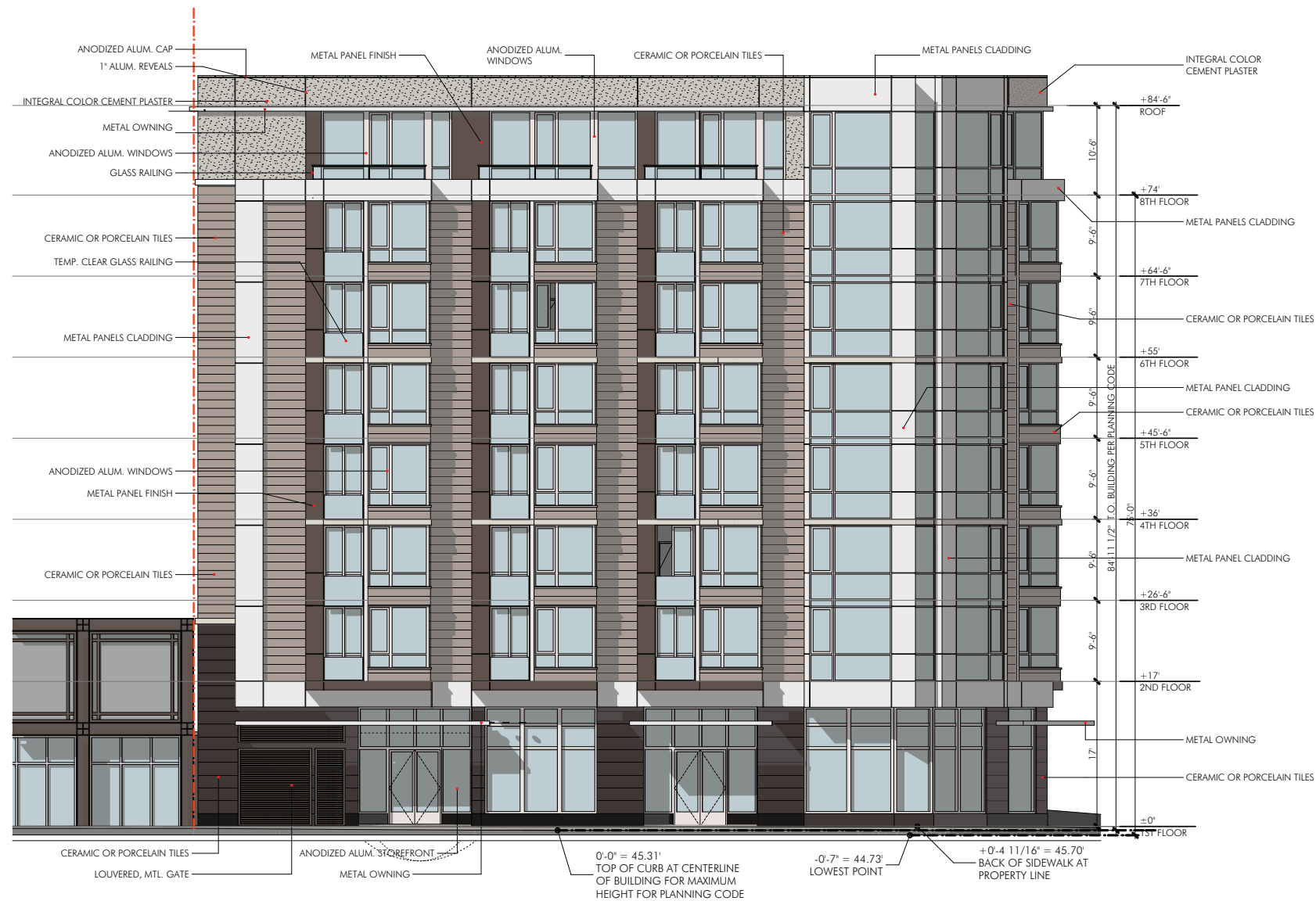
CU REVISION / VARIANCE APPLICATION
1700 MARKET STREET
 SAN FRANCISCO, CALIFORNIA 94102

A1.4

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 AUGUST 28, 2014

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ELEVATION - MARKET STREET

SCALE 3/32" = 1'-0"

CU REVISION / VARIANCE APPLICATION
1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

A2.1

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ELEVATION - HAIGHT STREET

SCALE 3/32" = 1'-0"

REFER TO A-108 FOR FINISH MATERIALS DESCRIPTION

CU REVISION / VARIANCE APPLICATION
1700 MARKET STREET
 SAN FRANCISCO, CALIFORNIA 94102

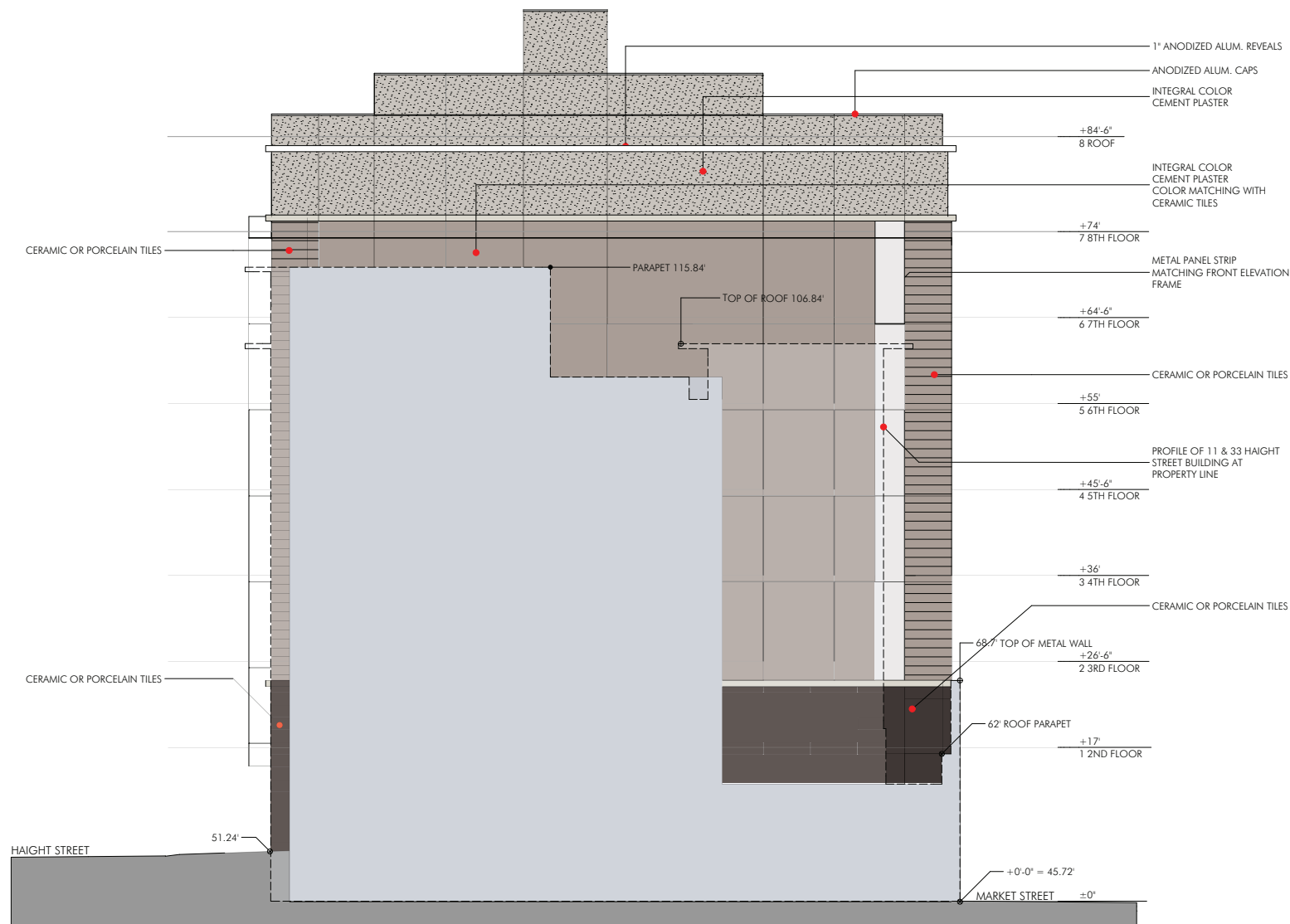
A2.2

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AUGUST 28, 2014

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ELEVATION WEST - PROPERTY LINE

SCALE 3/32' = 1'-0"

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 SAN FRANCISCO, CALIFORNIA 94102

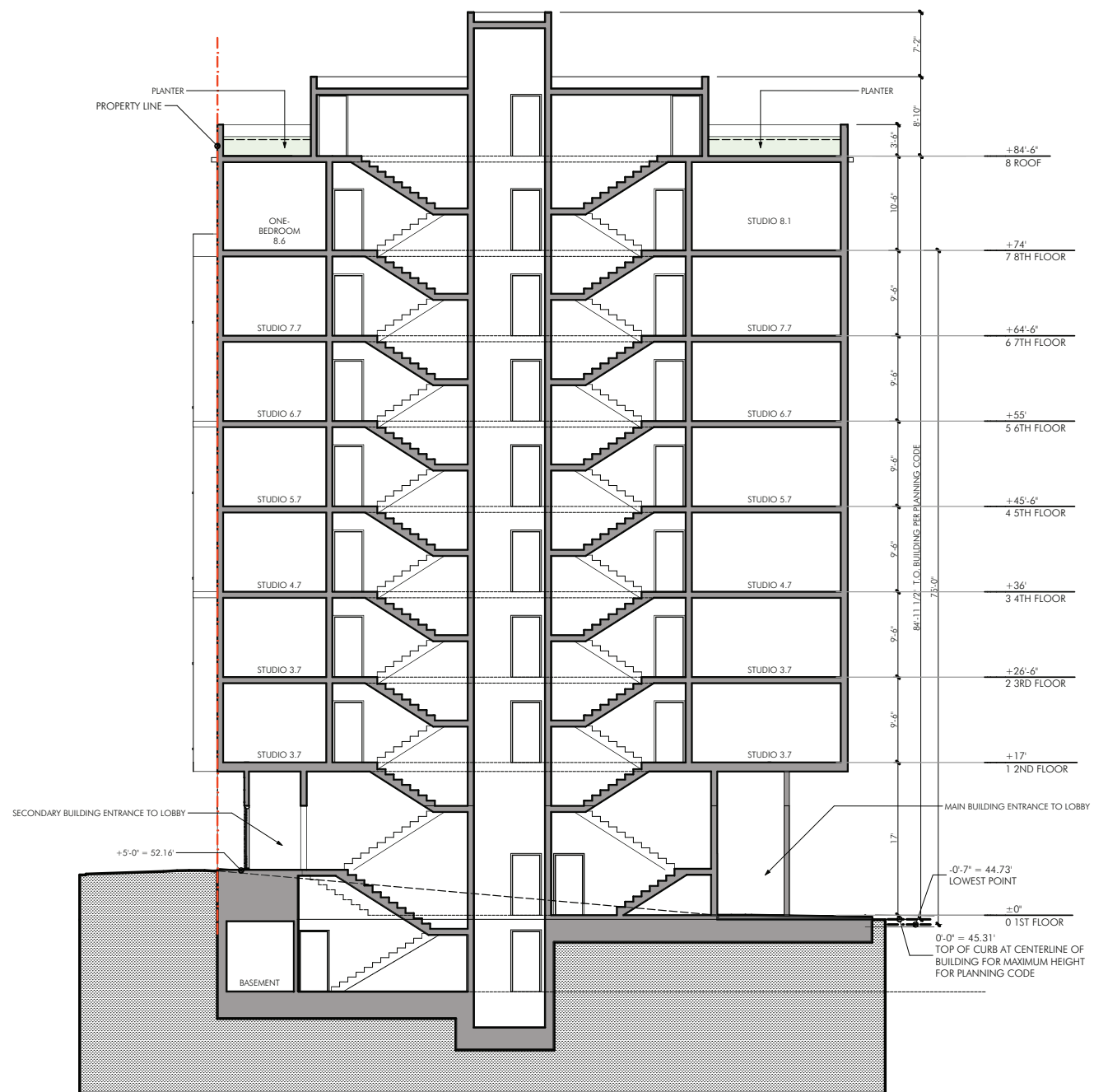
A2.3

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CROSS SECTION
SCALE 1/16" = 1'-0"

CU REVISION / VARIANCE APPLICATION
1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

A3.1

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PERSPECTIVE VIEW - MARKET STREET

1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

A 4.1

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PERSPECTIVE VIEW - GOUGH STREET

1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

A 4.2

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AUGUST 28, 2014

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PERSPECTIVE VIEW - GOUGH STREET

1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

A 4.3

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AUGUST 28, 2014

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REAR YARD SITE PLAN

SCALE 1" = 40'

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1700 MARKET STREET
 SAN FRANCISCO, CALIFORNIA 94102

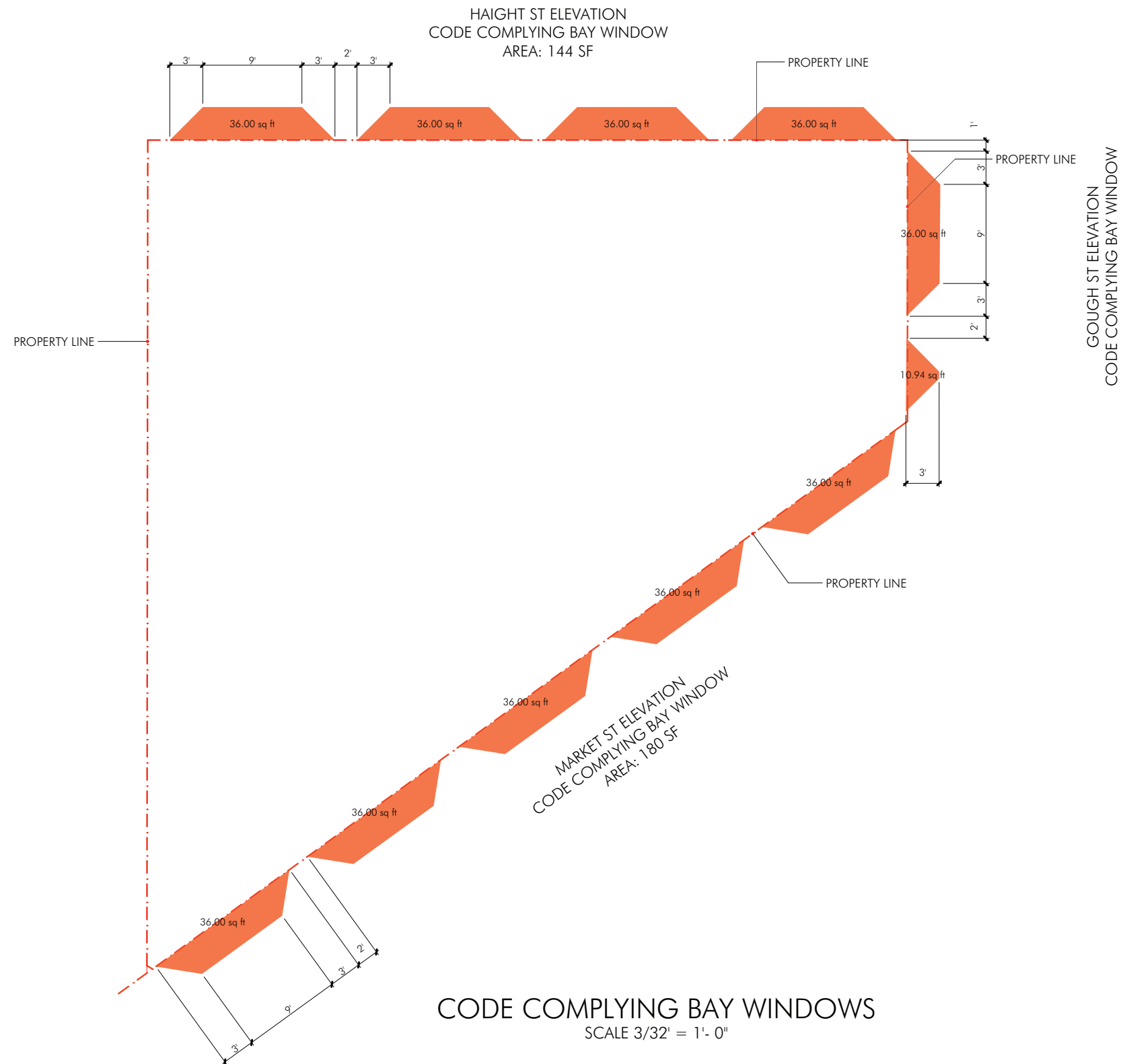
EXHIBIT B.2

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AUGUST 28, 2014

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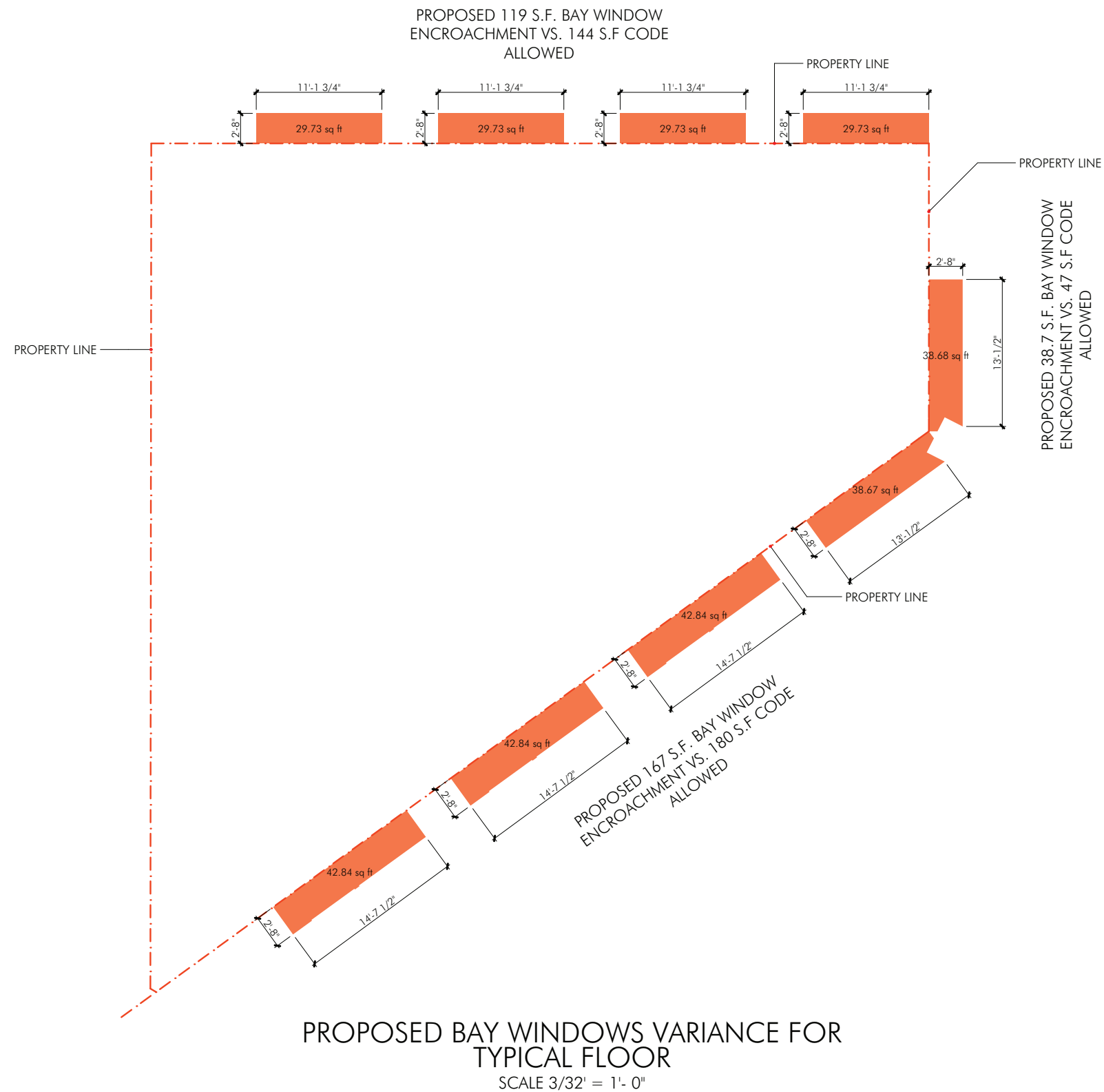
CU REVISION / VARIANCE APPLICATION
1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

EXHIBIT C

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AUGUST 28, 2014

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CU REVISION / VARIANCE APPLICATION

1700 MARKET STREET

SAN FRANCISCO, CALIFORNIA 94102

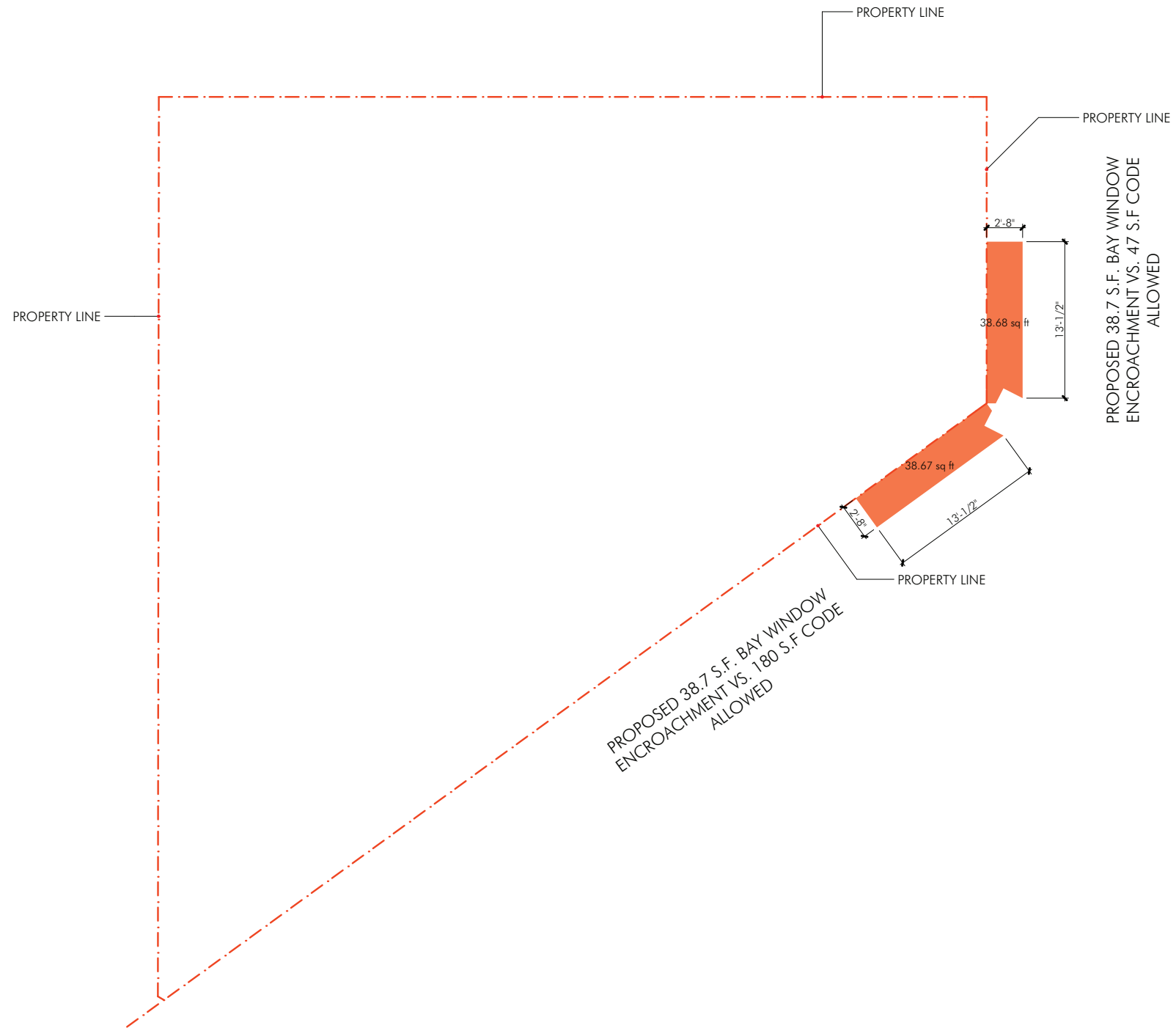
EXHIBIT C.1

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AUGUST 28, 2014

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PROPOSED BAY WINDOWS VARIANCE FOR
8TH FLOOR
SCALE 3/32" = 1'-0"

CU REVISION / VARIANCE APPLICATION
1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

EXHIBIT C.2
CU REVISION - DECEMBER 31, 2014
AUGUST 28, 2014

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HAIGHT STREET

69'

9'-5 5/32" 6'-5 49/64" 13'-3 3/4" 13'-3 59/64" 8'-11 1/8"

SECONDARY BUILDING ENTRANCE

SIDEWALK

PL

EXIT

ELEV.

BIKE RM.
50 SPACES
A: 467 sq ft

COMMERCIAL
A: 1,549 sq ft

LOBBY
A: 539 sq ft

TRASH
A: 126 sq ft

MAIN BUILDING ENTRANCE

COMMERCIAL ENTRANCE

SIDEWALK

PROPOSED TRANSPARENT FRONTAGE

MARKET STREET

84'-3"

13'-10 1/16" 13'-7" 13'-10" 13'-7" 13'-7 13/64" 7'-8 39/64"

25'-8"

MARKET ST ELEVATION
TOTAL STREET FRONTAGE: 84'-3"
PROPOSED TRANSPARENT FROM
65.1% TRANSPARENCY

GROUND FLOOR PLAN
SCALE 3/32" = 1' - 0"

GOUGH STREET

CU REVISION / VARIANCE APPLICATION

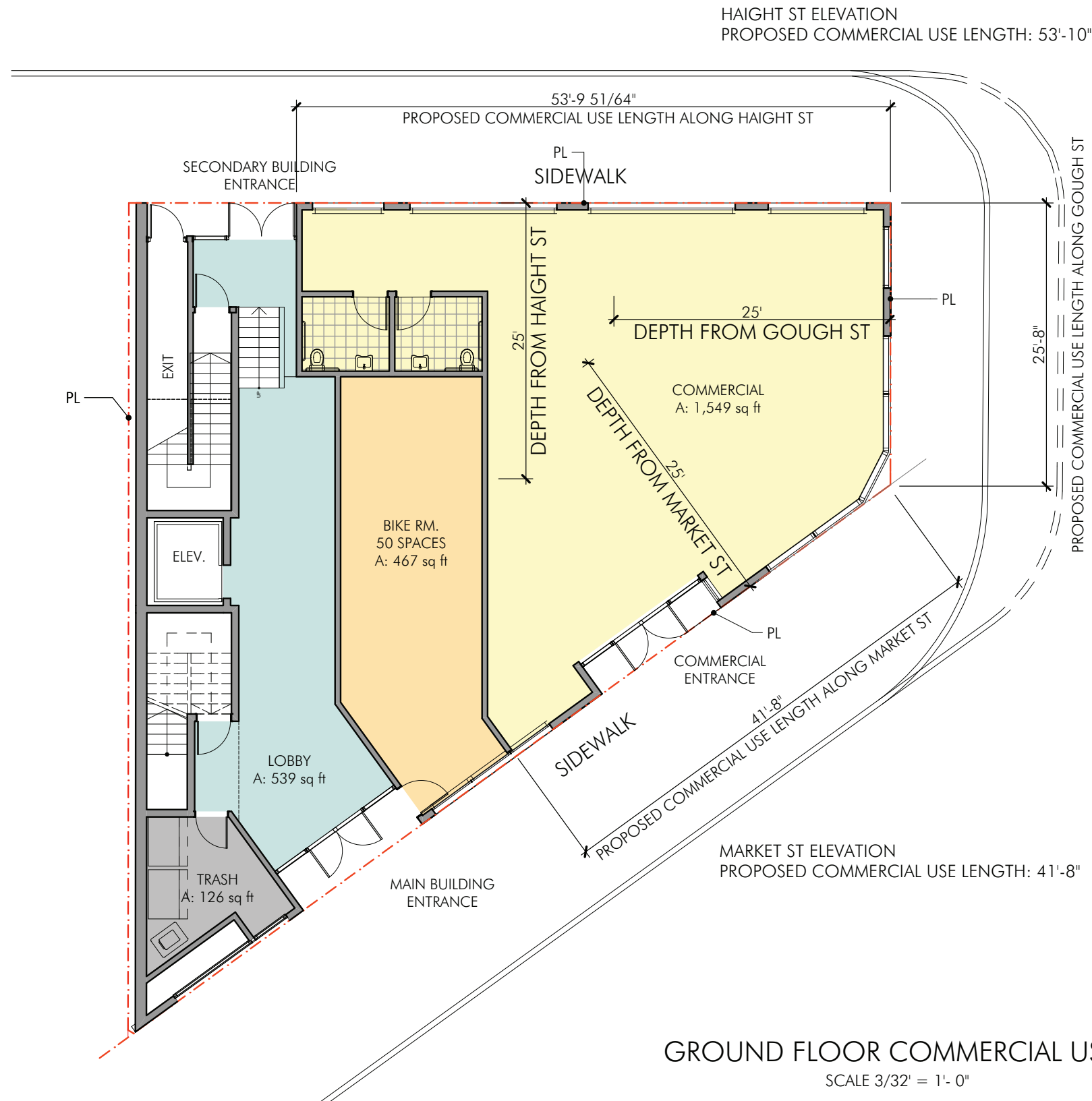
1700 MARKET STREET

SAN FRANCISCO, CALIFORNIA 94102

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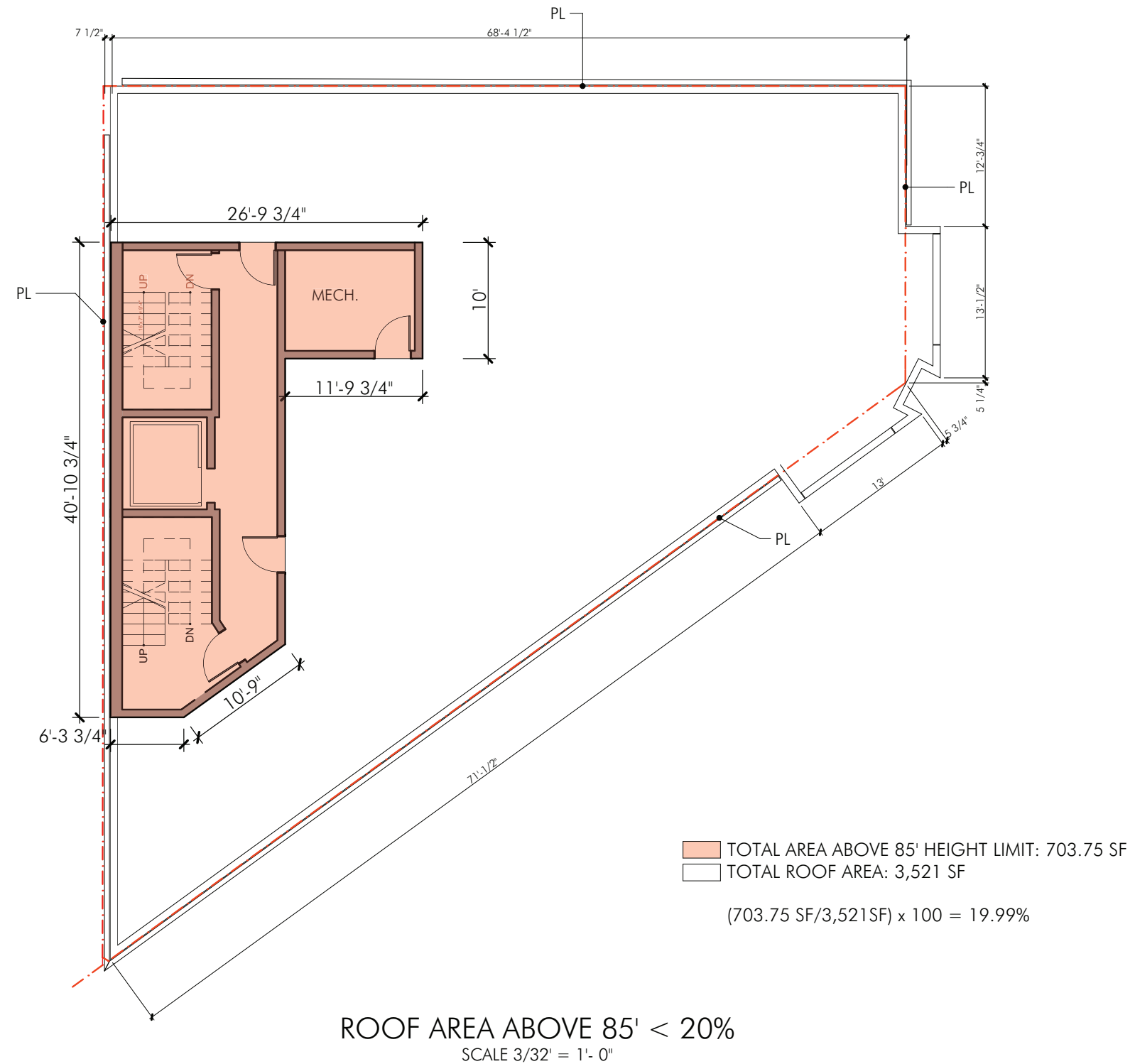
CU REVISION / VARIANCE APPLICATION
1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

EXHIBIT E

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AUGUST 28, 2014

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CU REVISION / VARIANCE APPLICATION
1700 MARKET STREET
 SAN FRANCISCO, CALIFORNIA 94102

EXHIBIT F

CU REVISION - DECEMBER 31, 2014
 AUGUST 28, 2014

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EXHIBIT C

MITIGATION MONITORING AND REPORTING PROGRAM

ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)					
Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule

MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR

Cultural Resources

Project Mitigation Measure M-CP-1 – Archeological Testing (Mitigation Measure C2 in the Market and Octavia PEIR). Based on a reasonable presumption that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of an archeological consultant from the rotational Department Qualified Archaeological Consultants List (QACL) maintained by the Planning Department archaeologist. The project sponsor shall contact the Department archeologist to obtain the names and contact information for the next three archeological consultants on the QACL. The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure at the direction of the Environmental Review Officer (ERO). All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a) and (c).	Project sponsor/ archeological consultant at the direction of the Environmental Review Officer (ERO).	Prior to issuance of grading or building permits	Project sponsor to retain a qualified archeological consultant who shall report to the ERO.	Project sponsor/ archeological consultant at the direction of the ERO.	Archeological consultant shall be retained prior to any soil disturbing activities. Date Archeological consultant retained: _____
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ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)					
Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Consultation with Descendant Communities: On discovery of an archeological site¹ associated with descendant Native Americans, the Overseas Chinese, or other potentially interested descendant group an appropriate representative of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to offer recommendations to the ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group..</p>	<p>Project sponsor / archeological consultant in consultation with the ERO.</p>	<p>In the event archeological sites associated with descendant communities are found.</p>	<p>Project sponsor/ archeological consultant to contact and consult with ERO and representative of descendant group. Project sponsor/ archeological consultant to distribute Final Archaeological Resources Report to representative of the descendant group.</p>	<p>Project sponsor / archeological consultant in consultation with the ERO.</p>	<p>Archeological site associated with descendant communities found? Y N Date: _____ Persons contacted: Date: _____ Persons contacted: Date: _____ Persons contacted: Date: _____ Date of distribution of Final FARR: _____</p>

¹ By the term "archeological site" is intended here to minimally include any archeological deposit, feature, burial, or evidence of burial.

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<p>Archeological Testing Program. The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing plan (ATP). The archeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the proposed project, the testing method to be used, and the locations recommended for testing. The purpose of the archeological testing program will be to determine to the extent possible the presence or absence of archeological resources and to identify and to evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.</p> <p>At the completion of the archeological testing program, the archeological consultant shall submit a written report of the findings to the ERO. If based on the archeological testing program the archeological consultant finds that significant archeological resources may be present, the ERO in consultation with the archeological consultant shall determine if additional measures are warranted. Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. No archeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archeologist. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:</p> <p>A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or</p> <p>B) A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p>	<p>Project sponsor/ archeological consultant at the direction of the ERO.</p>	<p>Prior to any soil-disturbing activities on the project site.</p>	<p>Archeologist shall prepare and submit draft ATP to the ERO. ATP to be submitted and reviewed by the ERO prior to any soils disturbing activities on the project site.</p>	<p>Project sponsor/ archeological consultant at the direction of the ERO.</p>	<p>Date ATP submitted to the ERO: _____</p> <p>Date ATP approved by the ERO: _____</p> <p>Date of initial soil disturbing activities: _____</p>
	<p>Project sponsor/ archeological consultant at the direction of the ERO.</p>	<p>After completion of the Archeological Testing Program.</p>	<p>Archeological consultant shall submit report of the findings of the ATP to the ERO.</p>	<p>Project sponsor/ archeological consultant at the direction of the ERO.</p>	<p>Date archeological findings report submitted to the ERO: _____</p> <p>ERO determination of significant archeological resource present? Y N</p> <p>Would resource be adversely affected? Y N</p> <p>Additional mitigation to be undertaken by project sponsor? Y N</p>

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<p>Archeological Monitoring Program. If the ERO in consultation with the archeological consultant determines that an archeological monitoring program shall be implemented the archeological monitoring program shall minimally include the following provisions:</p> <ul style="list-style-type: none"> The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the archeological consultant shall determine what project activities shall be archeologically monitored. In most cases, any soils- disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the risk these activities pose to potential archaeological resources and to their depositional context; The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource; The archeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with project archeological consultant, determined that project construction activities could have no effects on significant archeological deposits; The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis; If an intact archeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction activities and equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to 	<p>Project sponsor/ archeological consultant/ archeological monitor/ contractor(s), at the direction of the ERO.</p> <p>Archeological consultant at the direction of the ERO.</p>	<p>ERO & archeological consultant shall meet prior to commencement of soil-disturbing activity. If the ERO determines that an Archeological Monitoring Program is necessary, monitor throughout sensitive soil-disturbing activities.</p>	<p>Project sponsor/ archeological consultant/ archeological monitor/ contractor(s) shall implement the AMP, if required by the ERO.</p> <p>Identify and evaluate archeological resources.</p>	<p>Project sponsor/ archeological consultant/ archeological monitor/ contractor(s), at the direction of the ERO.</p>	<p>AMP required? Y N Date: _____</p> <p>Date AMP submitted to the ERO: _____</p> <p>Date AMP approved by the ERO: _____</p> <p>Date AMP implementation complete: _____</p> <p>Date written report regarding findings of the AMP received: _____</p>

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, and present the findings of this assessment to the ERO.</p> <p>Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.</p>					

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<p>Archeological Data Recovery Program. The archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations. Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures. Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies. Interpretive Program. Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program. Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. Final Report. Description of proposed report format and distribution of results. Curation. Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the 	<p>Project Sponsor/archeological consultant at the direction of the ERO</p>	<p>If there is a determination that an ADRP program is required.</p>	<p>Project sponsor/archeological consultant/ archeological monitor/ contractor(s) shall prepare and implement an ADRP if required by the ERO.</p>	<p>Project sponsor/archeological consultant at the direction of the ERO.</p>	<p>ADRP required? Y N Date: _____</p> <p>Date of scoping meeting for ADRP: _____</p> <p>Date Draft ADRP submitted to the ERO: _____</p> <p>Date ADRP approved by the ERO: _____</p> <p>Date ADRP implementation complete: _____</p>

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<p>accession policies of the curation facilities.</p>					
<p>Human Remains and Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, ERO, and MLD shall have up to but not beyond six days of discovery make all reasonable efforts to develop an agreement for the treatment of human remains and associated or unassociated funerary objects with appropriate dignity (CEQA Guidelines, Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. Nothing in existing State regulations or in this mitigation measure compels the project sponsor and the ERO to accept recommendations of an MLD. The archeological consultant shall retain possession of any Native American human remains and associated or unassociated burial objects until completion of any scientific analyses of the human remains or objects as specified in the treatment agreement if such as agreement has been made or, otherwise, as determined by the archeological consultant and the ERO.</p>	<p>Project sponsor / archeological consultant in consultation with the ERO, San Francisco Coroner, NAHC, and MDL.</p>	<p>In the event human remains and/or funerary objects are found.</p>	<p>Project sponsor/ archeological consultant/ERO to contact the San Francisco Coroner/ NAHC/ MDL</p>	<p>Project sponsor / archeological consultant in consultation with the ERO, San Francisco Coroner, NAHC, and MDL.</p>	<p>Human remains and associated or unassociated funerary objects found? Y N Date: _____ Persons contacted: _____ Date: _____ Persons contacted: _____ Date: _____ Persons contacted: _____ Date: _____ Persons contacted: _____ Date: _____</p>

ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)					
Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Final Archeological Resources Report. The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.</p> <p>Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.</p>	<p>Project sponsor/ archeological consultant at the direction of the ERO.</p>	<p>After completion of the archeological data recovery, inventorying, analysis and interpretation.</p>	<p>Archeological consultant to submit a Draft Final Archeological Resources Report (FARR) to the ERO and once approved by the ERO, distribution of the Final FARR</p>	<p>Project sponsor/ archeological consultant at the direction of the ERO</p>	<p>Following completion of soil disturbing activities. Considered complete upon distribution of final FARR. Date Draft FARR submitted to ERO: _____ Date FARR approved by ERO: _____ Date of distribution of Final FARR: _____ Date of submittal of Final FARR to information center: _____</p>

ATTACHMENT 1:

Air Quality

ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)																
Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule											
<p>B. Waivers.</p> <p>1. The Planning Department's Environmental Review Officer or designee (ERO) may waive the alternative source of power requirement of Subsection (A)(2) if an alternative source of power is limited or infeasible at the project site. If the ERO grants the waiver, the Contractor must submit documentation that the equipment used for onsite power generation meets the requirements of Subsection (A)(1).</p> <p>2. The ERO may waive the equipment requirements of Subsection (A)(1) if: a particular piece of off-road equipment with an ARB Level 3 VDECS is technically not feasible; the equipment would not produce desired emissions reduction due to expected operating modes; installation of the equipment would create a safety hazard or impaired visibility for the operator; or, there is a compelling emergency need to use off-road equipment that is not retrofitted with an ARB Level 3 VDECS. If the ERO grants the waiver, the Contractor must use the next cleanest piece of off-road equipment, according to Table below.</p> <p>Table – Off-Road Equipment Compliance Step-down Schedule</p> <table><tr><th>Compliance Alternative</th><th>Engine Emission Standard</th><th>Emissions Control</th></tr><tr><td>1</td><td>Tier 2</td><td>ARB Level 2 VDECS</td></tr><tr><td>2</td><td>Tier 2</td><td>ARB Level 1 VDECS</td></tr><tr><td>3</td><td>Tier 2</td><td>Alternative Fuel*</td></tr></table> <p>How to use the table: If the ERO determines that the equipment requirements cannot be met, then the project sponsor would need to meet Compliance Alternative 1. If the ERO determines that the Contractor cannot supply off-road equipment meeting Compliance Alternative 1, then the Contractor must meet Compliance Alternative 2. If the ERO determines that the Contractor cannot supply off-road equipment meeting Compliance Alternative 2, then the Contractor must meet Compliance Alternative 3.</p> <p>** Alternative fuels are not a VDECS.</p>	Compliance Alternative	Engine Emission Standard	Emissions Control	1	Tier 2	ARB Level 2 VDECS	2	Tier 2	ARB Level 1 VDECS	3	Tier 2	Alternative Fuel*				
Compliance Alternative	Engine Emission Standard	Emissions Control														
1	Tier 2	ARB Level 2 VDECS														
2	Tier 2	ARB Level 1 VDECS														
3	Tier 2	Alternative Fuel*														

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<i>Adopted Mitigation Measures</i>	<i>Responsibility for Implementation</i>	<i>Mitigation Schedule</i>	<i>Mitigation Action</i>	<i>Monitoring/Reporting Responsibility</i>	<i>Monitoring Schedule</i>
<p>C. Construction Emissions Minimization Plan. Before starting on-site construction activities, the Contractor shall submit a Construction Emissions Minimization Plan (Plan) to the ERO for review and approval. The Plan shall state, in reasonable detail, how the Contractor will meet the requirements of Section A.</p> <ol style="list-style-type: none"> 1. The Plan shall include estimates of the construction timeline by phase, with a description of each piece of off-road equipment required for every construction phase. The description may include, but is not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation. For VDECS installed, the description may include: technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, the description shall also specify the type of alternative fuel being used. 2. The ERO shall ensure that all applicable requirements of the Plan have been incorporated into the contract specifications. The Plan shall include a certification statement that the Contractor agrees to comply fully with the Plan. 3. The Contractor shall make the Plan available to the public for review on-site during working hours. The Contractor shall post at the construction site a legible and visible sign summarizing the Plan. The sign shall also state that the public may ask to inspect the Plan for the project at any time during working hours and shall explain how to request to inspect the Plan. The Contractor shall post at least one copy of the sign in a visible location on each side of the construction site facing a public right-of-way. 	Project sponsor/contractor(s).	Prior to issuance of a permit specified in Section 106A.3.2.6 of the Francisco Building Code.	Prepare and submit a Plan.	Project sponsor/contractor(s) and the ERO.	Considered complete on findings by ERO that Plan is complete.

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
D. Monitoring. After start of Construction Activities, the Contractor shall submit quarterly reports to the ERO documenting compliance with the Plan. After completion of construction activities and prior to receiving a final certificate of occupancy, the project sponsor shall submit to the ERO a final report summarizing construction activities, including the start and end dates and duration of each construction phase, and the specific information required in the Plan.	Project sponsor/ contractor(s).	Quarterly.	Submit quarterly reports.	Project sponsor/ contractor(s) and the ERO.	Considered complete on findings by ERO that Plan is being/was implemented.
Geology, Soils, and Seismicity					
Project Mitigation Measure M-GE-1 - Construction-Related Soils (Mitigation Measure G1 of the Market and Octavia PEIR): Program- or project-level temporary construction-related impacts would be mitigated through the implementation of the following measures: BMPs erosion control features shall be developed with the following objectives and basic strategy: <ul style="list-style-type: none"> • Protect disturbed areas through minimization and duration of exposure. • Control surface runoff and maintain low runoff velocities. • Trap sediment on site. • Minimize length and steepness of slopes. 	Project sponsor	During Construction	Develop and apply BMP erosion control features	Project sponsor/Building Department	On-site monitoring by project sponsor and Building Department



SAN FRANCISCO PLANNING DEPARTMENT

Certificate of Determination EXEMPTION FROM ENVIRONMENTAL REVIEW

Case No.: 2013.1179E
Project Address: 1700 Market Street
Zoning: NCT-3 (Moderate Scale Neighborhood Commercial Transit)
Zoning District
85-X Height and Bulk District
Block/Lot: 0855/016
Lot Size: 3,471 square feet
Plan Area: Market and Octavia Area Plan
Project Sponsor: Warner Schmalz, Forum Design, (925) 309-2503
w.schmalz@forumdesign.com
Staff Contact: Melinda Hue, (415) 575-9041,
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PROJECT DESCRIPTION

The project site is located on the northern side of Market Street between Gough and Octavia Streets, within the Western Addition neighborhood, adjacent to the Downtown/Civic Center and South of Market neighborhoods. The 3,471-square-foot triangular site has frontage along Market, Gough, and Haight streets. The project would involve the demolition of the existing two-story, 6,800-square-foot commercial building on the site (constructed in 1890, substantially altered in the 1940s) and the construction of an 8-story, mixed-use residential building with ground floor retail. The proposed building would be approximately 85-feet tall (approximately 100-feet tall with mechanical penthouse) and would include 48 residential units (26 studios and 22 one-bedroom units) and 1,549 square feet of commercial space. The proposed project would include 50 bicycle parking spaces located at the ground floor. No off-street vehicle parking spaces are being proposed as part of the project. The proposed project would involve excavation of up to six feet in depth and soil disturbance of approximately 400 cubic yards.

EXEMPT STATUS

Exempt per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines and California Public Resources Code Section 21083.3

DETERMINATION

I do hereby certify that the above determination has been made pursuant to State and Local requirements.

SARAH B. JONES

Environmental Review Officer

Date

cc: Warner Schmalz, Project Sponsor; Supervisor London Breed, District 5; Tina Chang, Current Planning Division; Virna Byrd, M.D.F.; Exemption/Exclusion File

PROJECT APPROVALS

The proposed 1700 Market Street project would require the approvals listed below.

Actions by the Planning Commission

- **Approval of an application for a Conditional Use Authorization.** Per Planning Code Section 207.6, the proposed project would require a Conditional Use Authorization to provide less than the 40 percent required unit mix of two-bedroom dwelling units. The approval of the Conditional Use Authorization by the Planning Commission is the Approval Action for the project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

Actions by City Departments

- **San Francisco Planning Department (Planning Department).** Variance approval by the Zoning Administrator, pursuant to Planning Code Section 136, to include bay windows that project over the public right-of-way on Market, Gough, and Haight Streets at the second, third, sixth, and seventh floors. Rear Yard Modification approval by the Zoning Administrator, pursuant to Planning Code Section 134, to provide less than the required rear yard depth of approximately 12 feet 8 inches.
- **Department of Building Inspection (DBI).** Demolition, grading, and building permits for the demolition of the existing building and construction of the new building.
- **Department of Public Works (DPW).** Street and sidewalk permits for any modifications to public streets and sidewalks. Approval of a condominium map if requested.
- **San Francisco Public Utilities Commission.** Approval of any changes to sewer laterals. Approval of an erosion and sediment control plan prior to commencing construction, and compliance with post-construction stormwater design guidelines.

COMMUNITY PLAN EXEMPTION OVERVIEW

California Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 provide an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an Environmental Impact Report (EIR) was certified, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent; c) are potentially significant off-site and cumulative impacts that were not discussed in the underlying EIR; or d) are previously identified in the EIR, but which, as a result of substantial new information that was not known at the time that the EIR was certified, are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for the project solely on the basis of that impact.

This determination evaluates the potential project-specific environmental effects of the 1700 Market Street project described above, and incorporates by reference information contained in the Programmatic Environmental Impact Report for the Market and Octavia Area Plan (Market and Octavia PEIR).¹ Project-specific studies were prepared for the proposed project to determine if the project would result in any significant environmental impacts that were not identified in the Market and Octavia PEIR.

On April 5, 2007, the Planning Commission certified the Market and Octavia PEIR for the Market and Octavia Area Plan by Motion 17406.² The certification of the PEIR was upheld on appeal to the Board of Supervisors at a public hearing on June 19, 2007. The PEIR analyzed amendments to the Planning Code, Zoning Maps, and the San Francisco General Plan to implement the Market and Octavia Area Plan. The PEIR analysis was based upon an assumed development and activity that were anticipated to occur under the Market and Octavia Area Plan.

Subsequent to the certification of the PEIR, on May 30, 2008, the Board of Supervisors approved, and the Mayor signed into law, amendments to the Planning Code, Zoning Maps, and General Plan. The legislation created several new zoning controls which allows for flexible types of new housing to meet a broad range of needs, reduces parking requirements to encourage housing and services without adding cars, balances transportation by considering people movement over auto movement, and builds walkable “whole” neighborhoods meeting everyday needs.

As a result of the Market and Octavia rezoning process, the project site has been rezoned from NC-3 (Moderate Scale Neighborhood Commercial) District to NCT-3 (Moderate Scale Neighborhood Commercial Transit) District. The NCT-3 District is intended to promote transit-oriented moderate- to high-density mixed-use neighborhoods of varying scale concentrated near transit services. The 1700 Market Street site was designated as a site with building up to 85 feet in height.

Individual projects that could occur in the future under the Market and Octavia Area Plan will undergo project-level environmental evaluation to determine if they would result in further impacts specific to the development proposal, the site, and the time of development and to assess whether additional environmental review would be required. This determination concludes that the proposed project at 1700 Market Street is consistent with and was encompassed within the analysis in the Market and Octavia PEIR. This determination also finds that the Market and Octavia PEIR adequately anticipated and described the impacts of the proposed 1700 Market Street project, and identified the mitigation measures applicable to the 1700 Market Street project. The proposed project is also consistent with the zoning controls and the provisions of the Planning Code applicable to the project site.^{3,4} Therefore, no further CEQA evaluation for the 1700 Market Street project is required. In sum, the Market and Octavia PEIR and this Certificate of Exemption for the proposed project comprise the full and complete CEQA evaluation necessary for the proposed project.

¹ San Francisco Planning Department, 2007. Market and Octavia Area Plan Final Environmental Impact Report, Case No. 2003.0347E, State Clearinghouse No. 2004012118, certified April 5, 2007. This document is available online at www.sf-planning.org/index.aspx?page=1714 or at the Planning Department, 1650 Mission Street, Suite 400.

² San Francisco Planning Department. San Francisco Planning Commission Motion 17406, April 5, 2007. Available online at: <http://www.sf-planning.org/index.aspx?page=1714>, accessed December 3, 2014.

³ San Francisco Planning Department, 2015. Community Plan Exemption Eligibility Determination, Citywide Planning and Policy Analysis for 1700 Market Street, from Adam Varat. January 8. This document is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2013.1179E.

⁴ San Francisco Planning Department, 2015. Community Plan Exemption Eligibility Determination, Current Planning Analysis for 1700 Market Street from Jeff Joslin. January 15. This document is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2013.1179E.

PROJECT SETTING

The project site is located in the Western Addition neighborhood, adjacent to the Downtown/Civic Center and South of Market neighborhoods. The project area is characterized by office and personal services uses, residential uses, and neighborhood commercial uses, including restaurants, bars, cafés, and a variety of retail establishments. The 3,471-square-foot triangular site has frontage along Market, Gough, and Haight streets and uses on the block include residential, office, and commercial. The project site is located within a NCT-3 Zoning District and an 85-X Height and Bulk District. Parcels surrounding the project site are within NCT-3, P (Public), and RTO (Residential Transit Oriented) Zoning Districts and a mixture of 40-X, 50-X, and 85-X Height and Bulk districts, with existing buildings ranging from two to six stories.

The project site is near the junction of three streets: Market, Gough, and Haight Streets. The closest Bay Area Rapid Transit District (BART) stop is at Civic Center, approximately 0.6 miles east of the site; and the closest San Francisco Municipal Railway (Muni) Metro stop is at Van Ness Avenue and Market Street, approximately two blocks east of the site. The project site is within a quarter mile of several local transit lines, including Muni Metro lines J, K, L, M, N, and T; as well as Muni bus lines F, N Owl, 6, 9/9L, 14/14L (and 14 Owl), 16X, 47, 49, 71/71L, and 90.

POTENTIAL ENVIRONMENTAL EFFECTS

The Market and Octavia PEIR included analyses of environmental issues including: plans and policies; land use and zoning; population, housing, and employment; urban design and visual quality; shadow and wind; cultural (historic and archaeological) resources; transportation; air quality; noise; hazardous materials; geology, soils, and seismicity; public facilities, services, and utilities; hydrology; biology; and growth inducement. The proposed 1700 Market Street project is in conformance with the height, use and density for the site described in the Market and Octavia PEIR and would represent a small part of the growth that was forecast for the Market and Octavia plan area. Thus, the plan analyzed in the Market and Octavia PEIR considered the incremental impacts of the proposed 1700 Market Street project. As a result, the proposed project would not result in any new or substantially more severe impacts than were identified in the Market and Octavia PEIR.

Significant and unavoidable impacts were identified in the Market and Octavia PEIR related to transportation (project- and program-level as well as cumulative traffic impacts at nine intersections; project-level and cumulative transit impacts on the 21 Hayes Muni line), and shadow impacts on two open spaces (War Memorial and United Nations Plaza). The proposed project would not contribute to the significant unavoidable transportation impacts as traffic and transit ridership generated by the project would not considerably contribute to the traffic and transit impacts identified in the Market and Octavia PEIR. Additionally, the proposed project would not contribute to the significant unavoidable shadow impacts as a shadow fan prepared by Planning Staff indicates that the proposed project would not have the potential to shade any public parks or open spaces.⁵

The Market and Octavia PEIR identified feasible mitigation measures to address significant impacts related to shadow, wind, archeology, transportation, air quality, hazardous materials, and geology. Table 1 below lists the mitigation measures identified in the Market and Octavia PEIR and states whether each measure would apply to the proposed project.

⁵ San Francisco Planning Department, 2015. Shadow Fan Study, 1700 Market Street. January 9. This document is available for public review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2013.1179E.

Table 1 – Market and Octavia PEIR Mitigation Measures

Mitigation Measure	Applicability
A. Shadow	
A1: Parks and Open Space not Subject to Section 295	Not Applicable: Shadow fan prepared by Planning Staff indicates that the proposed 85-foot tall building (approximately 100 feet tall with mechanical penthouse) would not have the potential to result in shadow impacts on public parks and open spaces. No mitigation is required.
B. Wind	
B1: Buildings in Excess of 85 feet in Height	Applicable, but completed: A wind assessment for the proposed 85-foot tall building (approximately 100 feet tall with mechanical penthouse) determined that the proposed project would not have the potential to result in significant wind hazard impact. The requirements of this mitigation measure have been complied with as part of the environmental review process. No further mitigation is required.
B2: All New Construction	Applicable, but completed: A wind assessment for the proposed 85-foot tall building (approximately 100 feet tall with mechanical penthouse) determined that the proposed project would not have the potential to result in significant wind hazard impact. The requirements of this mitigation measure have been complied with as part of the environmental review process. No further mitigation is required.
C. Archaeological	
C1: Soil Disturbing Activities in Archaeologically Documented Properties	Not Applicable: project site is not an archaeologically documented property.
C2: General Soil Disturbing Activities	Applicable: project would involve general soil disturbing activities. Project underwent a preliminary archeological review and subject to archeological testing.
C3: Soil Disturbing Activities in Public Street and Open Space Improvements	Not Applicable: project site would not include soil disturbing activities in the street or in open

Table 1 – Market and Octavia PEIR Mitigation Measures

Mitigation Measure	Applicability
	spaces.
C4: Soil Disturbing Activities in the Mission Dolores Archaeological District	Not Applicable: project site is not located within the Mission Dolores Archaeological District.
D. Transportation	
D1: Traffic Mitigation Measure for Hayes and Gough Streets Intersection (LOS C to LOS F PM peak hour)	Not Applicable: mitigation found to be infeasible by Planning Commission
D2: Traffic Mitigation Measure for Hayes and Franklin Streets Intersection (Los D to LOS F PM peak hour)	Not Applicable: mitigation found to be infeasible by Planning Commission
D3: Traffic Mitigation Measure for Laguna/Market/Hermann/Guerrero Streets Intersection (LOS D to LOS E PM peak-hour)	Not Applicable: plan level mitigation by SFMTA and DPW.
D4: Traffic Mitigation Measure for Market/Sanchez/Fifteenth Streets Intersection (LOS E to LOS E with increased delay PM peak-hour)	Not Applicable: plan level mitigation by SFMTA and DPW.
D5: Traffic Mitigation Measure for Market/Church/Fourteenth Streets Intersection (LOS E to LOS E with increased delay PM peak hour)	Not Applicable: plan level mitigation by SFMTA and DPW.
D6: Traffic Mitigation Measure for Mission Street/Otis Street/South Van Ness Intersection (LOS F to LOS F with increased delay PM peak-hour)	Not Applicable: plan level mitigation by SFMTA and DPW.
D7: Traffic Mitigation Measure for Hayes Street/Van Ness Avenue Intersection (LOS F to LOS F with increased delay PM peak hour)	Not Applicable: mitigation found to be infeasible by Planning Commission
D8: Transit Mitigation Measure for degradation to transit service as a result of increase in delays at Hayes Street intersections at Van Ness Avenue (LOS F to LOS F with increased delays); Franklin Street (LOS D to LOS F); and Gough Street (LOS C to LOS F) PM peak hour	Not Applicable: mitigation found to be infeasible by Planning Commission
E. Air Quality	
E1: Construction Mitigation Measure for Particulate Emissions	Not Applicable: Project would comply with the San Francisco Dust Control Ordinance.
E2: Construction Mitigation Measure for Short-Term Exhaust Emissions	Applicable: The project is located in an Air Pollutant Exposure Zone.
F. Hazardous Materials	

Table 1 – Market and Octavia PEIR Mitigation Measures

Mitigation Measure	Applicability
F1: Program or Project Level Mitigation Measures	Not Applicable: Project would comply with the San Francisco Dust Control Ordinance.
G. Geology, Soils, and Seismicity	
G1: Construction Related Soils Mitigation Measure	Applicable: Project involves new construction and soil disturbing activities and subject to Best Management Practices to prevent soil erosion and discharge of soil sediments to the storm drain systems

Please see the attached Mitigation Monitoring and Reporting Program (MMRP) for the complete text of the applicable mitigation measures. With implementation of these mitigation measures, the proposed project would not result in significant impacts beyond those analyzed in the Market and Octavia PEIR.

PUBLIC NOTICE AND COMMENT

A “Notification of Project Receiving Environmental Review” was mailed on July 21, 2014 to adjacent occupants and owners of properties within 300 feet of the project site. The Planning Department received comments in response to the notice. One commenter expressed concern about the parking impacts of the proposed project. The potential parking impacts of the proposed project are discussed in the “Transportation” section of the attached CPE Checklist. There were two requests to be included in the distribution of environmental documents related to the project.

CONCLUSION

As summarized above and further discussed in the CPE Checklist:⁶

1. The proposed project is consistent with the development density established for the project site in the Market and Octavia Area Plan;
2. The proposed project would not result in effects on the environment that are peculiar to the project or the project site that were not identified as significant effects in the Market and Octavia PEIR;
3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Market and Octavia PEIR;
4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Market and Octavia PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and

⁶ The CPE Checklist is available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, in Case File No. 2013.1179E.

5. The project sponsor will undertake feasible mitigation measures specified in the Market and Octavia PEIR to mitigate project-related significant impacts.

Therefore, the proposed project is exempt from further environmental review pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183.

MITIGATION MONITORING AND REPORTING PROGRAM

ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)					
Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule

MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR

Cultural Resources

Project Mitigation Measure M-CP-1 – Archeological Testing (Mitigation Measure C2 in the Market and Octavia PEIR). Based on a reasonable presumption that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of an archaeological consultant from the rotational Department Qualified Archaeological Consultants List (QACL) maintained by the Planning Department archaeologist. The project sponsor shall contact the Department archaeologist to obtain the names and contact information for the next three archeological consultants on the QACL. The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure at the direction of the Environmental Review Officer (ERO). All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a) and (c).

Project sponsor/
archeological
consultant at the
direction of the
Environmental
Review Officer
(ERO).

Prior to
issuance of
grading or
building
permits

Project sponsor to
retain a qualified
archeological
consultant who shall
report to the ERO.

Project sponsor/
archeological
consultant at the
direction of the ERO.

Archeological consultant
shall be retained prior to
any soil disturbing activities.
Date Archeological
consultant retained: _____

ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)					
Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p><i>Archeological Testing Program.</i> The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing plan (ATP). The archeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the proposed project, the testing method to be used, and the locations recommended for testing. The purpose of the archeological testing program will be to determine to the extent possible the presence or absence of archeological resources and to identify and to evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.</p> <p>At the completion of the archeological testing program, the archeological consultant shall submit a written report of the findings to the ERO. If based on the archeological testing program the archeological consultant finds that significant archeological resources may be present, the ERO in consultation with the archeological consultant shall determine if additional measures are warranted. Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. No archeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archeologist. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:</p> <p>A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or</p> <p>B) A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p>	<p>Project sponsor/ archeological consultant at the direction of the ERO.</p> <p>Project sponsor/ archeological consultant at the direction of the ERO.</p>	<p>Prior to any soil-disturbing activities on the project site.</p> <p>After completion of the Archeological Testing Program.</p>	<p>Archeologist shall prepare and submit draft ATP to the ERO. ATP to be submitted and reviewed by the ERO prior to any soils disturbing activities on the project site.</p> <p>Archeological consultant shall submit report of the findings of the ATP to the ERO.</p>	<p>Project sponsor/ archeological consultant at the direction of the ERO.</p> <p>Project sponsor/ archeological consultant at the direction of the ERO.</p>	<p>Date ATP submitted to the ERO: _____</p> <p>Date ATP approved by the ERO: _____</p> <p>Date of initial soil disturbing activities: _____</p> <p>Date archeological findings report submitted to the ERO: _____</p> <p>ERO determination of significant archeological resource present? Y N</p> <p>Would resource be adversely affected? Y N</p> <p>Additional mitigation to be undertaken by project sponsor? Y N</p>

<p style="text-align: center;">ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)</p>					
<i>Adopted Mitigation Measures</i>	<i>Responsibility for Implementation</i>	<i>Mitigation Schedule</i>	<i>Mitigation Action</i>	<i>Monitoring/Reporting Responsibility</i>	<i>Monitoring Schedule</i>
<p><i>Archeological Monitoring Program.</i> If the ERO in consultation with the archeological consultant determines that an archeological monitoring program shall be implemented the archeological monitoring program shall minimally include the following provisions:</p> <p><input type="checkbox"/> The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the archeological consultant shall determine what project activities shall be archeologically monitored. In most cases, any soils- disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the risk these activities pose to potential archaeological resources and to their depositional context;</p> <p><input type="checkbox"/> The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource;</p> <p><input type="checkbox"/> The archeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with project archeological consultant, determined that project construction activities could have no effects on significant archeological deposits;</p> <p><input type="checkbox"/> The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis;</p> <p><input type="checkbox"/> If an intact archeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction activities and equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological</p>	<p>Project sponsor/ archeological consultant/ archeological monitor/ contractor(s), at the direction of the ERO.</p> <p>Archeological consultant at the direction of the ERO.</p>	<p>ERO & archeological consultant shall meet prior to commencement of soil-disturbing activity. If the ERO determines that an Archeological Monitoring Program is necessary, monitor throughout sensitive soil-disturbing activities.</p>	<p>Project sponsor/ archeological consultant/ archeological monitor/ contractor(s) shall implement the AMP, if required by the ERO.</p> <p>Identify and evaluate archeological resources.</p>	<p>Project sponsor/ archeological consultant/ archeological monitor/ contractor(s), at the direction of the ERO.</p>	<p>AMP required? Y N Date: _____</p> <p>Date AMP submitted to the ERO: _____</p> <p>Date AMP approved by the ERO: _____</p> <p>Date AMP implementation complete: _____</p> <p>Date written report regarding findings of the AMP received: _____</p>

ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)					
<i>Adopted Mitigation Measures</i>	<i>Responsibility for Implementation</i>	<i>Mitigation Schedule</i>	<i>Mitigation Action</i>	<i>Monitoring/Reporting Responsibility</i>	<i>Monitoring Schedule</i>
<p>resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, and present the findings of this assessment to the ERO.</p> <p>Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.</p>					

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Archeological Data Recovery Program. The archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> <input type="checkbox"/> <i>Field Methods and Procedures.</i> Descriptions of proposed field strategies, procedures, and operations. <input type="checkbox"/> <i>Cataloguing and Laboratory Analysis.</i> Description of selected cataloguing system and artifact analysis procedures. <input type="checkbox"/> <i>Discard and Deaccession Policy.</i> Description of and rationale for field and post-field discard and deaccession policies. <input type="checkbox"/> <i>Interpretive Program.</i> Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program. <input type="checkbox"/> <i>Security Measures.</i> Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. <input type="checkbox"/> <i>Final Report.</i> Description of proposed report format and distribution of results. <input type="checkbox"/> <i>Curation.</i> Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities. 	<p>Project Sponsor/archeological consultant at the direction of the ERO</p>	<p>If there is a determination that an ADRP program is required.</p>	<p>Project sponsor/archeological consultant/archeological monitor/contractor(s) shall prepare and implement an ADRP if required by the ERO.</p>	<p>Project sponsor/archeological consultant at the direction of the ERO.</p>	<p>ADRP required? Y N Date: _____</p> <p>Date of scoping meeting for ADRP: _____</p> <p>Date Draft ADRP submitted to the ERO: _____</p> <p>Date ADRP approved by the ERO: _____</p> <p>Date ADRP implementation complete: _____</p>

March 12, 2015

<p>ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)</p>					
Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p><i>Human Remains and Associated or Unassociated Funerary Objects.</i> The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, ERO, and MLD shall have up to but not beyond six days of discovery make all reasonable efforts to develop an agreement for the treatment of human remains and associated or unassociated funerary objects with appropriate dignity (CEQA Guidelines. Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. Nothing in existing State regulations or in this mitigation measure compels the project sponsor and the ERO to accept recommendations of an MLD. The archeological consultant shall retain possession of any Native American human remains and associated or unassociated burial objects until completion of any scientific analyses of the human remains or objects as specified in the treatment agreement if such as agreement has been made or, otherwise, as determined by the archeological consultant and the ERO.</p>	<p>Project sponsor / archeological consultant in consultation with the ERO, San Francisco Coroner, NAHC, and MDL.</p>	<p>In the event human remains and/or funerary objects are found.</p>	<p>Project sponsor/ archeological consultant/ERO to contact the San Francisco Coroner/ NAHC/ MDL</p>	<p>Project sponsor / archeological consultant in consultation with the ERO, San Francisco Coroner, NAHC, and MDL.</p>	<p>Human remains and associated or unassociated funerary objects found? Y N Date: _____ Persons contacted: _____ Date: _____ Persons contacted: _____ Date: _____ Persons contacted: _____ Date: _____ Persons contacted: _____ Date: _____</p>

<p>ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)</p>					
<i>Adopted Mitigation Measures</i>	<i>Responsibility for Implementation</i>	<i>Mitigation Schedule</i>	<i>Mitigation Action</i>	<i>Monitoring/Reporting Responsibility</i>	<i>Monitoring Schedule</i>
<p><i>Final Archeological Resources Report.</i> The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.</p> <p>Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.</p>	<p>Project sponsor/ archeological consultant at the direction of the ERO.</p>	<p>After completion of the archeological data recovery, inventorying, analysis and interpretation.</p>	<p>Archeological consultant to submit a Draft Final Archeological Resources Report (FARR) to the ERO and once approved by the ERO, distribution of the Final FARR</p>	<p>Project sponsor/ archeological consultant at the direction of the ERO</p>	<p>Following completion of soil disturbing activities. Considered complete upon distribution of final FARR. Date Draft FARR submitted to ERO: _____ Date FARR approved by ERO: _____ Date of distribution of Final FARR: _____ Date of submittal of Final FARR to information center: _____</p>

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Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
Air Quality Project Improvement Measure M-AQ-1 – Construction Air Quality (Mitigation Measure C2 in the Market and Octavia PEIR) <i>The project sponsor or the project sponsor's Contractor shall comply with the following:</i> A. Engine Requirements <ol style="list-style-type: none"> All off-road equipment greater than 25 hp and operating for more than 20 total hours over the entire duration of construction activities shall have engines that meet or exceed either U.S. Environmental Protection Agency (USEPA) or California Air Resources Board (ARB) Tier 2 off-road emission standards, and have been retrofitted with an ARB Level 3 Verified Diesel Emissions Control Strategy. Equipment with engines meeting Tier 4 Interim or Tier 4 Final off-road emission standards automatically meet this requirement. Where access to alternative sources of power are available, portable diesel engines shall be prohibited. Diesel engines, whether for off-road or on-road equipment, shall not be left idling for more than two minutes, at any location, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment (e.g., traffic conditions, safe operating conditions). The Contractor shall post legible and visible signs in English, Spanish, and Chinese, in designated queuing areas and at the construction site to remind operators of the two minute idling limit. The Contractor shall instruct construction workers and equipment operators on the maintenance and tuning of construction equipment, and require that such workers and operators properly maintain and tune equipment in accordance with manufacturer specifications. 	<p>The project sponsor or the project sponsor's Contractor shall comply with the following:</p>	<p>The project sponsor or the project sponsor's Contractor shall comply with the following:</p>	<p>The project sponsor or the project sponsor's Contractor shall comply with the following:</p>	<p>The project sponsor or the project sponsor's Contractor shall comply with the following:</p>	<p>The project sponsor or the project sponsor's Contractor shall comply with the following:</p>

ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)																
Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule											
<p>B. Waivers.</p> <p>1. The Planning Department's Environmental Review Officer or designee (ERO) may waive the alternative source of power requirement of Subsection (A)(2) if an alternative source of power is limited or infeasible at the project site. If the ERO grants the waiver, the Contractor must submit documentation that the equipment used for onsite power generation meets the requirements of Subsection (A)(1).</p> <p>2. The ERO may waive the equipment requirements of Subsection (A)(1) if: a particular piece of off-road equipment with an ARB Level 3 VDECS is technically not feasible; the equipment would not produce desired emissions reduction due to expected operating modes; installation of the equipment would create a safety hazard or impaired visibility for the operator; or, there is a compelling emergency need to use off-road equipment that is not retrofitted with an ARB Level 3 VDECS. If the ERO grants the waiver, the Contractor must use the next cleanest piece of off-road equipment, according to Table below.</p> <p>Table – Off-Road Equipment Compliance Step-down Schedule</p> <table><tr><th>Compliance Alternative</th><th>Engine Emission Standard</th><th>Emissions Control</th></tr><tr><td>1</td><td>Tier 2</td><td>ARB Level 2 VDECS</td></tr><tr><td>2</td><td>Tier 2</td><td>ARB Level 1 VDECS</td></tr><tr><td>3</td><td>Tier 2</td><td>Alternative Fuel*</td></tr></table> <p>How to use the table: If the ERO determines that the equipment requirements cannot be met, then the project sponsor would need to meet Compliance Alternative 1. If the ERO determines that the Contractor cannot supply off-road equipment meeting Compliance Alternative 1, then the Contractor must meet Compliance Alternative 2. If the ERO determines that the Contractor cannot supply off-road equipment meeting Compliance Alternative 2, then the Contractor must meet Compliance Alternative 3.</p> <p>** Alternative fuels are not a VDECS.</p>	Compliance Alternative	Engine Emission Standard	Emissions Control	1	Tier 2	ARB Level 2 VDECS	2	Tier 2	ARB Level 1 VDECS	3	Tier 2	Alternative Fuel*				
Compliance Alternative	Engine Emission Standard	Emissions Control														
1	Tier 2	ARB Level 2 VDECS														
2	Tier 2	ARB Level 1 VDECS														
3	Tier 2	Alternative Fuel*														

ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)					
Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>C. <i>Construction Emissions Minimization Plan.</i> Before starting on-site construction activities, the Contractor shall submit a Construction Emissions Minimization Plan (Plan) to the ERO for review and approval. The Plan shall state, in reasonable detail, how the Contractor will meet the requirements of Section A.</p> <ol style="list-style-type: none"> The Plan shall include estimates of the construction timeline by phase, with a description of each piece of off-road equipment required for every construction phase. The description may include, but is not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation. For VDECS installed, the description may include: technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, the description shall also specify the type of alternative fuel being used. The ERO shall ensure that all applicable requirements of the Plan have been incorporated into the contract specifications. The Plan shall include a certification statement that the Contractor agrees to comply fully with the Plan. The Contractor shall make the Plan available to the public for review on-site during working hours. The Contractor shall post at the construction site a legible and visible sign summarizing the Plan. The sign shall also state that the public may ask to inspect the Plan for the project at any time during working hours and shall explain how to request to inspect the Plan. The Contractor shall post at least one copy of the sign in a visible location on each side of the construction site facing a public right-of-way. 	Project sponsor/contractor(s).	Prior to issuance of a permit specified in Section 106A.3.2.6 of the Francisco Building Code.	Prepare and submit a Plan.	Project sponsor/contractor(s) and the ERO.	Considered complete on findings by ERO that Plan is complete.

ATTACHMENT 1: MITIGATION MONITORING AND REPORTING PROGRAM (Includes Text for Adopted Mitigation Measures)					
Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
D. <i>Monitoring.</i> After start of Construction Activities, the Contractor shall submit quarterly reports to the ERO documenting compliance with the Plan. After completion of construction activities and prior to receiving a final certificate of occupancy, the project sponsor shall submit to the ERO a final report summarizing construction activities, including the start and end dates and duration of each construction phase, and the specific information required in the Plan.	Project sponsor/ contractor(s).	Quarterly.	Submit quarterly reports.	Project sponsor/ contractor(s) and the ERO.	Considered complete on findings by ERO that Plan is being/was implemented.
Geology, Soils, and Seismicity					
Project Mitigation Measure M-GE-1 – Construction-Related Soils (Mitigation Measure G1 of the Market and Octavia PEIR): Program- or project-level temporary construction-related impacts would be mitigated through the implementation of the following measures: BMPs erosion control features shall be developed with the following objectives and basic strategy: <ul style="list-style-type: none"> • Protect disturbed areas through minimization and duration of exposure. • Control surface runoff and maintain low runoff velocities. • Trap sediment on site. • Minimize length and steepness of slopes. 	Project sponsor	During Construction	Develop and apply BMP erosion control features	Project sponsor/Building Department	On-site monitoring by project sponsor and Building Department

Affidavit for Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415

1-6-2015
Date

I, George Menabb, do hereby declare as follows:
for 1700 Market Street LLC

a. The subject property is located at (address and block/lot):

1700 Market Street, S.F.
Address

0855/016
Block / Lot

b. The proposed project at the above address is subject to the Inclusionary Affordable Housing Program, Planning Code Section 415 et seq.

The Planning Case Number and/or Building Permit Number is:

2013-1179 CV
Planning Case Number

Building Permit Number

This project requires the following approval:

- ☒ Planning Commission approval (e.g. Conditional Use Authorization, Large Project Authorization)
☐ This project is principally permitted.

The Current Planner assigned to my project within the Planning Department is:

Kanishka Burns
Planner Name

Is this project within the Eastern Neighborhoods Plan Area?

- ☐ Yes (if yes, please indicate Tier) _____
☒ No

This project is exempt from the Inclusionary Affordable Housing Program because:

- ☐ This project uses California Debt Limit Allocation Committee (CDLAC) funding.
☐ This project is 100% affordable.

c. This project will comply with the Inclusionary Affordable Housing Program by:

- ☒ Payment of the Affordable Housing Fee prior to the first site or building permit issuance (Planning Code Section 415.5).
☐ On-site or Off-site Affordable Housing Alternative (Planning Code Sections 415.6 and 416.7).

d. If the project will comply with the Inclusionary Affordable Housing Program through an **On-site or Off-site Affordable Housing Alternative**, please fill out the following regarding how the project is eligible for an alternative and the accompanying unit mix tables on page 4.

- ☐ **Ownership.** All affordable housing units will be sold as ownership units and will remain as ownership units for the life of the project.
- ☐ **Rental.** Exemption from Costa Hawkins Rental Housing Act.² The Project Sponsor has demonstrated to the Department that the affordable units are not subject to the Costa Hawkins Rental Housing Act, under the exception provided in Civil Code Sections 1954.50 through one of the following:
- ☐ Direct financial contribution from a public entity.
- ☐ Development or density bonus or other public form of assistance.
- ☐ Development Agreement with the City. The Project Sponsor has entered into or has applied to enter into a Development Agreement with the City and County of San Francisco pursuant to Chapter 56 of the San Francisco Administrative Code and, as part of that Agreement, is receiving a direct financial contribution, development or density bonus, or other form of public assistance.

e. The Project Sponsor acknowledges that failure to sell the affordable units as ownership units or to eliminate the on-site or off-site affordable ownership-only units at any time will require the Project Sponsor to:

- (1) Inform the Planning Department and the Mayor's Office of Housing and, if applicable, fill out a new affidavit;
- (2) Record a new Notice of Special Restrictions; and
- (3) Pay the Affordable Housing Fee plus applicable interest (using the fee schedule in place at the time that the units are converted from ownership to rental units) and any applicable penalties by law.

f. The Project Sponsor must pay the Affordable Housing Fee in full sum to the Development Fee Collection Unit at the Department of Building Inspection for use by the Mayor's Office of Housing prior to the issuance of the first construction document, with an option for the Project Sponsor to defer a portion of the payment to prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge that would be deposited into the Citywide Affordable Housing Fund in accordance with Section 107A.13.3 of the San Francisco Building Code.

g. I am a duly authorized officer or owner of the subject property.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.
Executed on this day in:

Location 1700 Market Street, SF Date 1-06-2015

Signature [Handwritten Signature]

Name (Print) 1700 Market Street LLC cc: Mayor's Office of Housing
Planning Department Case Docket
Historic File, if applicable
Assessor's Office, if applicable

Contact Phone Number 415-407-4714

Unit Mix Tables

NUMBER OF ALL UNITS IN PRINCIPAL PROJECT:					
Total Number of Units	SRO	Studios	One-Bedroom Units	Two-Bedroom Units	Three-Bedroom Units
48		26	22		

If you selected an On-site or Off-Site Alternative, please fill out the applicable section below:

- ☐ On-site Affordable Housing Alternative (Charter Section 16.110 (g) and Planning Code Section 415.6): calculated at 12% of the unit total.

NUMBER OF AFFORDABLE UNITS TO BE LOCATED ON-SITE					
Total Affordable Units	SRO	Studios	One-Bedroom Units	Two-Bedroom Units	Three-Bedroom Units

- ☐ Off-site Affordable Housing Alternative (Planning Code Section 415.7): calculated at 20% of the unit total.

NUMBER OF AFFORDABLE UNITS TO BE LOCATED OFF-SITE					
Total Affordable Units	SRO	Studios	One-Bedroom Units	Two-Bedroom Units	Three-Bedroom Units

Area of Dwellings in Principal Project (in sq. feet)	Off-Site Project Address				
Area of Dwellings in Off-Site Project (in sq. feet)					
Off-Site Block/Lot(s)	Motion No. (if applicable)			Number of Market-Rate Units in the Off-site Project	

- ☐ Combination of payment of a fee, on-site affordable units, or off-site affordable units with the following distribution:
Indicate what percent of each option would be implemented (from 0% to 99%) and the number of on-site and/or off-site below market rate units for rent and/or for sale.

1. Fee _____ % of affordable housing requirement.

2. On-Site _____ % of affordable housing requirement.

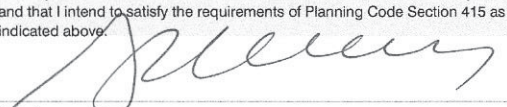
NUMBER OF AFFORDABLE UNITS TO BE LOCATED ON-SITE					
Total Affordable Units	SRO	Studios	One-Bedroom Units	Two-Bedroom Units	Three-Bedroom Units

3. Off-Site _____ % of affordable housing requirement.

NUMBER OF AFFORDABLE UNITS TO BE LOCATED OFF-SITE					
Total Affordable Units	SRO	Studios	One-Bedroom Units	Two-Bedroom Units	Three-Bedroom Units

Area of Dwellings in Principal Project (in sq. feet)	Off-Site Project Address				
Area of Dwellings in Off-Site Project (in sq. feet)					
Off-Site Block/Lot(s)	Motion No. (if applicable)			Number of Market-Rate Units in the Off-site Project	

Affidavit for **Compliance with the Inclusionary Affordable Housing Program**

CONTACT INFORMATION AND DECLARATION OF SPONSOR OF PRINCIPAL PROJECT	CONTACT INFORMATION AND DECLARATION OF SPONSOR OF OFF-SITE PROJECT (IF DIFFERENT)
Company Name <i>1700 MARKET STREET LLC</i>	Company Name
Print Name of Contact Person <i>GEORGE MONABB</i>	Print Name of Contact Person
Address <i>PARAGON REAL ESTATE GROUP</i> <i>1600 VANNESS AVENUE</i>	Address
City, State, Zip <i>SAN FRANCISCO, 94109</i>	City, State, Zip
Phone, Fax <i>415-407-4714</i>	Phone, Fax
Email <i>gmonabb@PARAGON-RE.CO</i>	Email
I hereby declare that the information herein is accurate to the best of my knowledge and that I intend to satisfy the requirements of Planning Code Section 415 as indicated above. 	I hereby declare that the information herein is accurate to the best of my knowledge and that I intend to satisfy the requirements of Planning Code Section 415 as indicated above.
Signature <i>GEORGE MONABB</i>	Signature
Name (Print), Title <i>Managing Member</i>	Name (Print), Title

**Project Sponsor
Submittal**

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REUBEN, JUNIUS & ROSE, LLP

March 13, 2015

President Rodney Fong
San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, California 94103

**Re: 1700 Market Street
Planning Case No. 2013.1179CV
Hearing Date: March 26, 2015
Our File No.: 5187.05**

Dear President Fong and Commissioners:

We are working with George McNabb and 1700 Market Street LLC, sponsor of a proposed 48-unit, 8-story residential building, with ground floor commercial (the “Project”), at 1700 Market Street (the “Property”), at the triangular intersection of Market Street, Gough Street and Haight Street. This carefully-designed, transit-oriented Project is enthusiastically supported by the community, and we urge its approval for the following reasons:

- The Project addresses an acute housing market need by providing smaller-scale, less-expensive studio and one-bedroom dwelling units without off-street parking – 26 studios and 22 one-bedroom units – at a location well-served by transit and proximate to the City’s employment centers, consistent with the City’s transit-first policies.
- The Market & Octavia Area Plan, which generally calls for 40 percent 2-bedroom units, encourages exceptions to this unit mix requirement for “innovative and dense designs on irregular parcels” such as the Property. (Market & Octavia Area Plan, Policy 2.2.2.) In addition, market needs have changed significantly since adoption of the Market & Octavia Plan in 2008, with much greater demand now for housing for singles and couples without children. The Market & Octavia Plan has achieved its goal of 40 percent 2-bedroom units area-wide, and this busy location is not appropriate for family housing. These issues are discussed in greater detail below in Section II.
- The Project’s thoughtful design and architecture, its provision of a roof deck garden as open space, and its activation of the three street frontages and the pedestrian experience with 1,500 sq. ft. of ground floor retail and generous 17-foot-high ceilings,

James A. Reuben | Andrew J. Junius | Kevin H. Rose | Daniel A. Frattin | John Kevlin
Jay F. Drake | Lindsay M. Petrone | Sheryl Reuben¹ | Tuija I. Catalano | Thomas Tunny | David Silverman
Melinda A. Sarjapur | Mark H. Loper | Jody Knight | Stephanie L. Haughey | Jared Eigerman^{2,3} | John McInerney III²

1. Also admitted in New York 2. Of Counsel 3. Also admitted in Massachusetts

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fulfill the Market & Octavia Design Guidelines and provide the strong presence needed at this prominent intersection. Project plans are attached hereto as EXHIBIT A.

- The Project sponsor has engaged in significant community outreach for nearly a year, including communications with Supervisor London Breed's office, the San Francisco Housing Action Coalition ("SFHAC"), the Hayes Valley Neighborhood Association, the Lower Haight Association, the San Francisco Bicycle Coalition. A significant number of modifications of the Project were made to address their concerns, including the provision of one-bedroom units, design changes, and the inclusion of bicycle repair and charging facilities (in addition to the Code-compliant bicycle parking).
- The Project has so far received seven letters of support from the community, including SFHAC, which are attached as EXHIBIT B. SFHAC's letter states that the Project "will make a significant contribution to SFHAC's mission of increasingly the supply of well-designed, well-located housing in San Francisco." SFHAC's evaluation of the Project included a "Project Report Card," which awarded the Project 33.8 out of a possible 35 points.

The Project sponsor has worked cooperatively with Planning Department Staff for nearly two years on this Project, and has revised the Project significantly to accommodate Staff's recommendations. Staff has recommended approval of the Project.

I. PROJECT DESCRIPTION

The proposed Project includes demolition of an existing two-story commercial building and construction of an 8-story, 31,673 square foot residential building with 48 dwelling units, 1,549 square feet of ground floor commercial space and 50 bicycle parking spaces. The Project's unit mix is 26 studios, ranging from 295 sq. ft. to 380 sq. ft. in floor area, and 22 one-bedroom units, ranging from 364 sq. ft. to 549 sq. ft. in floor area. The Project is located on a triangular shaped lot at the gore corner of Market, Haight and Gough Streets with frontage on all three sides. No off-street parking is provided. The Project features basement storage, a residential lobby with access on Market Street through to Haight Street, a bike room fronting on Market Street and commercial space that wraps the corner with entry on Market Street. The Market Street units have Juliet-style balconies, and all of the 8th floor units but one have private decks. Usable open space is provided via common roof deck. The Property's location and unusual configuration are shown on the following page.



The Property

II. A WAIVER OF THE DWELLING UNIT MIX REQUIREMENT IS JUSTIFIED

Planning Code Section 207.6(c)(1) sets forth a dwelling unit mix requirement of at least 40 percent 2-bedroom units in this Zoning District. However, Section 207.6(d)(1) provides that this requirement “may be waived or modified with Conditional Use Authorization. In addition to those conditions set forth in Section 303, the Planning Commission shall consider the following criteria:

- (A) The project demonstrates a need or mission to serve unique populations, or
- (B) The Property or existing building(s), if any, feature physical constraints that make it unreasonable to fulfill these requirements.”

In this case, all of the foregoing conditions and criteria required for the Conditional Use Authorization are met as shown below. Much of this information is included in the market study attached as EXHIBIT C.

A. Required Section 303 Findings

1. That the proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community

The Project will provide a high-density mixed-use project with 48 new residential units on a small and irregularly-shaped lot fronting the gore corner of Haight, Gough, and Market Streets. Considering the limited development potential for the site based on its physical constraints, the Project will provide a development that is necessary and desirable for, and compatible with, the Market & Octavia Plan.

San Francisco has a pressing need for high-density transit-oriented residential development. The Market & Octavia Plan was designed to address this need. The Plan strongly encourages dense residential projects on transit-oriented infill development sites. The Project accomplishes just that, adding 48 residential units and ground-floor retail on a small, triangular-shaped, parcel with three street frontages. The Project has no off-street parking, encouraging future residents and neighborhood shoppers to walk, bike, or use ample available public transit. The Project will replace a small, nondescript, two-story commercial building. The ground floor commercial space will provide new active streetfronts and needed pedestrian activity at this important intersection in the neighborhood.

One aspect of San Francisco’s current housing crisis is a lack of supply and high demand for housing for singles or couples without children. The Project provides studios

and one-bedroom units, with both floor plans being the same size or smaller than a typical studio. Based on recent occupancy trends, the number of standard-sized studios offered for purchase is less than one-quarter of the market demand. In the Property's census tract, approximately 21.7% of units are studios.ⁱ (A map of the Property's census tract is attached as EXHIBIT D.) An analysis of sales in San Francisco over the last 15 years shows that only 5% of all newly-constructed units were studios.ⁱⁱ In Hayes Valley, only fourteen (14) studio units were sold from 2009-2015, representing just 4% of residential sales during that period.ⁱⁱⁱ Available for-sale studios near the Property lag far behind what the market should accommodate.

There is a similar unmet demand for standard-sized rental studios. Approximately 79.6% of housing units in the Property's census tract are renter-occupied; only 20.4% of units are owned and occupied by the same person.^{iv} Nevertheless, since the adoption of the Market & Octavia Plan, only 14% of dwelling units approved in the Plan area have been studios.^v Within a half-mile radius of the Property, only 7% of the units offered for rent in 2013 were studio units,^{vi} despite studios representing 21.7% of the unit count in the vicinity.

Additionally, because San Francisco—and the Market & Octavia/Hayes Valley area in particular—does not provide enough units for singles and couples without children, these residents end up out-bidding families for multi-bedroom units. With a wage earner in every bedroom (unlike families with children) singles and couples can offer more for a unit than a family with children. By providing a large number of studios and one-bedroom units on a site that cannot accommodate two-bedroom units, the Project is removing competition for family-sized units at other locations where larger units with more than one bedroom are feasible. This phenomenon applies to both sales and rentals.

Finally, the Property is not an appropriate location for family housing. It is located on the triangular corner of a block fronting three very busy streets. Due to the small size of the Property, there is no room for a feasible Code-compliant rear yard. As a result, the Project's bedrooms must face onto streets in an area of San Francisco where noise is constant. The Property is in a roadway exposure zone and a noise mitigation area due to the heavy traffic along Market, Hayes, and Gough Streets, which makes it an unattractive place for family housing because children are more sensitive to noise and pollution. Additionally, no parking is possible at the site, nor is there off-street parking available on the Project's side of Market Street and Haight Street. The vast majority of consumers purchasing two-bedroom units require parking—in the last 15 years, 97.5% of all two-bedroom units were sold with parking.^{vii} Vehicle access is particularly important to families who need to transport children.

2. That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:

a. The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures

The small triangular parcel presents numerous design constraints unique to the Property. In particular, the Project cannot feasibly incorporate two-bedroom units while also meeting the Market & Octavia Plan's policies calling for higher density development on irregular lots. Two-bedroom units would be contorted and would lack the kind of spatial amenity generally found in two-bedrooms on a larger or regular-shaped lot.

The architectural design of functional two-bedroom dwelling units on this small triangular site is infeasible. Because of the constricted nature of necessary internal exiting and the strict demands for ADA-compliant accessibility within the units, bedroom and living spaces cannot be organized to produce furnishable spaces. The Project sponsor's architect has evaluated many options for two-bedroom units at a size of 950-1,000 sq. ft., which would meet current market demand. None of these options would be competitive in terms of amenities and room configuration as compared to normal efficient urban living. Additionally, two-bedroom units incorporated into the building envelope would have a disproportionate effect on the number of studio and one-bedroom units that could be provided: each two-bedroom unit would require the removal of between three and four units (which would be a combination of studios and one-bedrooms).

In order to maximize the number of dwelling units, the Project will fill the site to the rear of the lot, which is consistent with the other buildings on block. The block has no definable or consistent rear yard pattern.

The Project will incorporate a contemporary building façade that will wrap all three street frontages of the site with a design character and shape that will effectively anchor this important intersection. The Project sponsor and its architect have spent a substantial amount of time preparing a Project design of the highest quality, and have actively responded to and incorporated design feedback and comments from Planning Department Staff.

- b. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading and of proposed alternatives to off-street parking, including provisions of car-share parking spaces, as defined in Section 166 of this Code**

The Project is proposed at a transit-oriented location at the intersection of Market, Gough, and Hayes streets. A completed bulb expansion on Haight and Gough will improve the pedestrian experience at this three-way intersection. The Project will not provide off-street parking, consistent with the goals of the Market & Octavia Plan, and instead will provide Code-compliant bicycle parking on the ground floor, incentivizing Project residents and neighborhood shoppers to walk, bike, or use readily-available public transit.

- c. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor**

The Project includes residential and commercial uses that are typical of the Market & Octavia Plan area, and will not introduce any permanent operational noises or odors that are detrimental, excessive, or atypical for the plan area. Although construction will cause a temporary increase in noise, it will be limited in duration, and Project sponsor will fully comply with San Francisco's Noise Ordinance, which prohibits excessive noise levels from construction activity and limits permitted working hours when the Project is being constructed. The Project sponsor will design building materials to avoid mirrored glass and other highly reflective materials to avoid offensive glare.

- d. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs**

The Project's ground floor commercial will improve the surrounding streetscape. The Project will comply with the applicable street tree and landscaping requirements. A new bus stop and shelter have been constructed on Haight and Gough Streets as part of the Better Market Street Project.

Additionally, the Project will provide a rooftop open space exceeding the minimum requirements, at the highest level of design amenity and accessibility for all of the Project's residents. All but one of the eighth-floor units will have private balconies.

3. That such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the General Plan

The Project will affirmatively promote, is consistent with, and will not adversely affect the General Plan, as follows:

Market & Octavia Area Plan

OBJECTIVE 2.2: ENCOURAGE THE CONSTRUCTION OF RESIDENTIAL INFILL THROUGHOUT THE PLAN AREA.

Policy 2.2.1: Eliminate housing density maximums close to transit and services.

Policy 2.2.4: Encourage new housing above ground-floor commercial uses in new development and in expansion of existing commercial buildings.

The Project fulfills this policy. The Project takes advantage of the relaxed density restrictions in the Market & Octavia Plan area by proposing a mixed-use project with 48 units of studios and one-bedrooms over active ground-floor commercial space. The Project will provide no off-street parking, encouraging its residents and neighborhood shoppers to walk, bike, or utilize many of the existing and proposed public transit options in the project vicinity. Additionally, the Project sponsor will comply with San Francisco's Inclusionary Housing program.

Housing Element

OBJECTIVE 1: IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 2.2.1: Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The Project fulfills this policy. The Project will provide a high-density mixed-use project with 48 new residential units on a small and irregularly-shaped lot fronting the gore corner of Haight, Gough, and

Market Streets, a prime location for transit use. The Project will provide no off-street parking, encouraging its residents and neighborhood shoppers to walk, bike, or utilize many of the existing and proposed public transit options in the project vicinity. Code-compliant bicycle parking of 50 spaces will be available, as well. Additionally, the Project sponsor will comply with San Francisco's Inclusionary Housing program.

OBJECTIVE 4: FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

Policy 4.4: Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

OBJECTIVE 5: ENSURE THAT ALL RESIDENTS HAVE EQUAL ACCESS TO AVAILABLE UNITS.

Policy 5.4: Provide a range of unit types for all segments of need, and work to move residents between unit types as their needs change.

The Project fulfills these policies. As demonstrated above, there is a large demand for studios and one-bedroom units by individuals and couples who might otherwise team together and out-bid families for multi-bedroom units. These policies recognize that housing should be designed for those moving up and down the housing ladder—such as those looking to purchase their first home, and people who might be downsizing from a single-family home into smaller units. The Project would meet this demand.

B. Required Section 207.6 Findings

1. The project demonstrates a need or mission to serve unique populations

One aspect of San Francisco's current housing crisis is a lack of supply and high demand for housing for singles or couples without children. The Project provides studios and one-bedroom units, with both floor plans being the same size or smaller than a typical studio. Based on recent occupancy trends, the number of standard-sized studios offered for purchase is less than one-quarter of the market demand. In the Property's census tract, approximately 21.7% of units are studios.^{viii} An analysis of sales in San Francisco over the last 15 years shows that only 5% of all newly-constructed units were studios.^{ix} In Hayes Valley, only fourteen (14) studio units were sold from 2009-2015, representing just 4% of

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residential sales during that period.^x Available for-sale studios near the Property lag far behind what the market should accommodate.

There is a similar unmet demand for standard-sized rental studios. Approximately 79.6% of housing units in the Property's census tract are renter-occupied; only 20.4% of units are owned and occupied by the same person.^{xi} Nevertheless, since the adoption of the Market & Octavia Plan, only 14% of dwelling units approved in the Plan area have been studios.^{xii} Within a half-mile radius of the Property, only 7% of the units offered for rent in 2013 were studio units,^{xiii} despite studios representing 21.7% of the unit count in the vicinity.

Additionally, because San Francisco—and the Market & Octavia/Hayes Valley area in particular—does not provide enough units for singles and couples without children, these residents team together and can out-bid families for multi-bedroom units. With a wage earner in every bedroom (unlike families with children) singles and couples can offer more for a unit than a family with a child. By providing a large number of studios and one-bedroom units on a site that cannot accommodate two-bedroom units, the Project is removing competition for family-sized units at other locations where larger units with more than one bedroom are feasible. This phenomenon applies to both sales and rentals.

2. The Property or existing building(s), if any, feature physical constraints that make it unreasonable to fulfill these requirements

The small triangular parcel presents numerous design constraints unique to the Property. In particular, the Project cannot feasibly incorporate two-bedroom units while also meeting the Market & Octavia Plan's policies calling for higher density development on irregular lots. Two-bedroom units would be contorted and would lack the kind of spatial amenity generally found in two-bedrooms on a larger or regular-shaped lot.

The architectural design of functional two-bedroom dwelling units on this small triangular site is infeasible. Because of the constricted nature of necessary internal exiting and the strict demands for ADA-compliant accessibility within the units, bedroom and living spaces cannot be organized to produce furnishable spaces. The Project sponsor's architect has evaluated many options for two-bedroom units at a size of 950-1000 sq. ft., which would meet current market demand. None of these options would be competitive in terms of amenities and room configuration as compared to normal efficient urban living. Additionally, two-bedroom units incorporated into the building envelope would have a disproportionate effect on the number of studio and one-bedroom units that could be provided: each two-bedroom unit would require the removal of between three and four units (which would be a combination of studios and one-bedrooms).

The physical constraints applicable to the Property are unique in the Market & Octavia Plan area. Of the approximately 4,100 lots within the Plan area, only six other

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irregularly-shaped developable lots 4,000 sq. ft. or less could be identified, or less than 0.15% of lots in the Plan area. The Market & Octavia Plan specifically states that small and irregular lots such as the Property deserve flexible requirements due to their size and dimensions. Due to the limited number of similar parcels, granting the Conditional Use Authorization would recognize the hardship caused by exceptional dimensions of the Property, and would not create any precedent that could be utilized on a large-scale for other projects on larger and more standard lots.

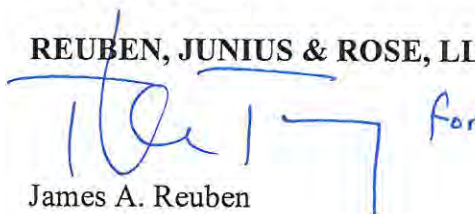
Finally, the Property is not an appropriate location for family housing. It is located on the triangular corner of a block fronting three very busy streets. Due to the small size of the Property, there is no room for a feasible Code-compliant rear yard. As a result, the Project's bedrooms must face onto streets in an area of San Francisco where noise is constant. The Property is in a roadway exposure zone and a noise mitigation area due to the heavy traffic along Market, Hayes, and Gough Streets, which makes it an unattractive place for family housing because children are more sensitive to noise and pollution. Additionally, no parking is possible at the site, nor is there off-street parking available on the Project's side of Market Street and Haight Street. The vast majority of consumers purchasing two-bedroom units require parking—in the last 15 years, 97.5% of all two-bedroom units were sold with parking.^{xiv} Vehicle access is particularly important to families who need to transport children.

III. CONCLUSION

The Project is an attractive, thoughtfully-designed residential infill and transit-oriented development that meets and exceeds the criteria for Conditional Use Authorization and is consistent with the Market & Octavia Area Plan. Accordingly, we respectfully request its approval.

Very truly yours,

REUBEN, JUNIUS & ROSE, LLP



James A. Reuben

Enclosures

cc: Vice-President Cindy Wu
Commissioner Michael J. Antonini
Commissioner Christine D. Johnson
Commissioner Rich Hillis

One Bush Street, Suite 600
San Francisco, CA 94104

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President Fong and Commissioners

March 13, 2015

Page 11

Commissioner Kathrin Moore
Commissioner Dennis Richards
Jonas P. Ionin, Commission Secretary
John Rahaim, Planning Director
Tina Chang, Planning Department
1700 Market LLC

ⁱ United States Census Bureau American FactFinder, Selected Housing Characteristics: 2008-2012 American Community Survey 5-Year Estimates, Census Tract 168.02. Available at:
<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

ⁱⁱ Estimates based on Multiple Listing Service sales of San Francisco condominiums, 2001-2014.

ⁱⁱⁱ Data from SF Multiple Listing Service, Residential District 6B, Hayes Valley.

^{iv} United States Census Bureau American FactFinder, Selected Housing Characteristics: 2008-2012 American Community Survey 5-Year Estimates, Census Tract 168.02. Available at:
<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

^v Data from San Francisco Planning Department's residential pipeline report, as of the end of 2013.

^{vi} Data from Rent Metrics for half-mile radius of 1700 Market Street.

^{vii} Estimates based on Multiple Listing Service sales of San Francisco condominiums, 2001-2014.

^{viii} United States Census Bureau American FactFinder, Selected Housing Characteristics: 2008-2012 American Community Survey 5-Year Estimates, Census Tract 168.02. Available at:
<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

^{ix} Estimates based on Multiple Listing Service sales of San Francisco condominiums, 2001-2014.

^x Data from SF Multiple Listing Service, Residential District 6B, Hayes Valley.

^{xi} United States Census Bureau American FactFinder, Selected Housing Characteristics: 2008-2012 American Community Survey 5-Year Estimates, Census Tract 168.02. Available at:
<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

^{xii} Data from San Francisco Planning Department's residential pipeline report, as of the end of 2013.

^{xiii} Data from Rent Metrics for half-mile radius of 1700 Market Street.

^{xiv} Estimates based on Multiple Listing Service sales of San Francisco condominiums, 2001-2014.



95 Brady Street
San Francisco, CA 94103
415 541 9001
info@sfhac.org
www.sfhac.org

Mr. George McNabb, Principal
Paragon Real Estate
1400 Van Ness Avenue
San Francisco, CA 94109

January 23, 2015

Ref: 1700 Market Street – Mixed-Use Development

Dear Mr. McNabb,

Thank you for bringing your proposed mixed-use project at 1700 Market Street to the San Francisco Housing Action Coalition's (SFHAC's) Project Review Committee on May 14, 2014. Following our member's review and a subsequent conversation with you, we believe this project has many merits and will make a significant contribution to SFHAC's mission of increasing the supply of well-designed, well-located housing in San Francisco. Since your presentation, the project has undergone some modest design changes, mainly increasing the unit count, which our members think improves the project. With these changes considered, we endorse this project without reservation.

Please review this letter, which explains how your project meets our guidelines as well as areas in which improvements are suggested. We have attached a copy of our project review guidelines and report card for your reference.

Project Description

Your proposal includes demolishing the existing structure and building a car-free, mixed-use development consisting of 48 homes above 1,400 square feet of ground-floor retail. At the time of your presentation, the project only proposed 43 homes. The SFHAC supports the added homes.

Land Use

This is an excellent site for a project of this type, particularly because of its location on a major transit and bicycle corridor, and proximity to numerous neighborhood amenities and jobs. The corner of Market, Haight and Gough Streets is a prominent intersection and we believe your proposed project will be a welcome addition to this hub.

Density

The Market Octavia Plan (the Plan) generally recommends a unit-mix ratio of at least 40 percent two-bedrooms. However, the Plan also allows exceptions for projects on irregularly shaped lots that would serve unique populations. In addition, one of the fundamental principles of the Plan is to "provide ample and diverse housing opportunities to add to the vitality of the place." For this reason, the SFHAC strongly supports your plan to build 26 studio and 22 one-bedroom homes that will likely serve the significant population of single or young adults moving to San Francisco.



The San Francisco Housing Action Coalition advocates for the creation of well-designed, well-located housing, at ALL levels of affordability, to meet the needs of San Franciscans, present and future.

Affordability

Because the project proposes small units without parking, it is likely these homes will be more naturally affordable to San Francisco's middle-income residents, who are being increasingly squeezed out of the City. There are currently very few tools at the City's disposal to incentivize the construction of middle-income housing. But building housing that is affordable by design, as yours is, is a valid strategy. The SFHAC is very supportive of new housing products that serve this income group and encourages you to move forward with your plans.

In your presentation, you told us that your project would provide the below-market-rate (BMR) units on-site if the housing was for-sale, but would instead pay the *in-lieu* Inclusionary fee to the Mayor's Office of Housing if it became rentals. The on-site choice would result in five BMR units (12 percent). The *in-lieu* fee would be approximately two million dollars. The stated reasoning behind this choice is that the time and resources needed to manage the BMR rentals was excessive and onerous for a small firm such as yours and would be far greater than for-sale units. We believed it was important to verify this and consulted our members, who confirmed that managing BMR rentals requires significantly more effort than for-sale BMR homes.

All things being equal, the SFHAC prefers on-site BMRs, but understands there are other legal options and accepts your rationale in this case.

Parking and Alternative Transportation

Your proposed project is located in a very transit-rich neighborhood that is well served by a Muni rail line, several Muni bus lines, bike lanes and is within walking distance to the Civic Center BART station. Your development proposal is car-free, but includes three motor-scooter spaces and 45 bicycle parking spaces. The plans include a bicycle electrical charging station that will be powered by solar panels on the roof as well as a bike-fixing station. The SFHAC supports all of these measures and applauds another car-free project coming to San Francisco.

Preservation

There are no structures of significant historic or cultural merit on or near the site that would be affected.

Urban Design

Our committee was very supportive of the project's design and believes it will have a positive presence at this prominent intersection. The odd shape of the lot presents some physical constraints. But collaboration with the Planning Department has resulted in plenty of open space. The proposal includes a community room on the second floor and a rooftop garden. The ground floor includes 1,400 square feet of retail with generous 19-foot-high ceilings.

In addition, the City is making substantial improvements to the street frontages. These include widening the sidewalk in front of the building by six feet, enlarging the pedestrian island in the middle of the intersection and improving the pedestrian crossing. These changes should substantially improve the pedestrian experience at this busy intersection and support this project.

Mr. George McNabb
January 23, 2015
Page 3

One of the recent changes made to the project includes an additional entrance along Haight Street, which will increase activity on a street that would benefit from it.

Environmental Features

Your presentation did not include the environmental features of the proposed project. But in the Project Review Form, you stated it would meet or exceed the most current 2013 Green Point requirements. The SFHAC encourages you to implement features that enhance the sustainability of your project and improve water conservation.

Community Input

At the time of your presentation to us, you had met with Supervisor London Breed's office and the Hayes Valley Neighborhood Association (HVNA). Since then, we understand you have worked with the San Francisco Bicycle Coalition to improve the bicycle parking in the building and had a follow-up presentation to HVNA. In response to HVNA's feedback, you altered the project from one consisting entirely of studios to one that includes 13 one-bedrooms.

The SFHAC commends you for listening to the community and incorporating their suggestions.

Thank you for bringing your project to SFHAC for review. Please keep us abreast of any changes. We are pleased to endorse this project and support it as it moves forward. Let us know how we may be of assistance in this regard.

Sincerely,



Tim Colen, Executive Director

CC: Planning Commission

SFHAC Project Review Guidelines

Land Use: Housing should be an appropriate use of the site given the context of the adjacent properties and the surrounding neighborhood and should enhance neighborhood livability.

Density: The project should take full advantage of the maximum unit density and/or building envelope, allowable under the zoning rules.

Affordability: The need for affordable housing, including middle income (120-150 of Area Median Income) housing, is a critical problem and SFHAC gives special support to projects that propose creative ways to expand or improve unit affordability beyond the legally mandated requirements.

Parking and Alternative Transportation: SFHAC expects the projects it endorses to include creative strategies to reduce the need for parking, such as ample bicycle storage, provision of space for car-share vehicles on-site or nearby, un-bundling parking cost from residential unit cost, and measures to incentivize transit use. Proximity to transit should result in less need for parking.

In districts with an as-of-right maximum and discretionary approval up to an absolute maximum, SFHAC will support parking exceeding the as-of-right maximum only to the extent the Code criteria for doing so are clearly met. In districts where the minimum parking requirement is one parking space per residential unit (1:1), the SFHAC will not, except in extraordinary circumstances, support a project with parking in excess of that amount.

Preservation: If there are structures of significant historic or cultural merit on the site, their retention and/or incorporation into the project consistent with historic preservation standards is encouraged. If such structures are to be demolished, there should be compelling reasons for doing so.

Urban Design: The project should promote principles of good urban design: Where appropriate, contextual design that is compatible with the adjacent streetscape and existing neighborhood character while at the same time utilizing allowable unit density; pleasant and functional private and/or common open space; pedestrian, bicycle and transit friendly site planning; and design treatments that protect and enhance the pedestrian realm, with curb cuts minimized and active ground floor uses provided.

Projects with a substantial number of multiple bedroom units should consider including features that will make the project friendly to families with children.

Mr. George McNabb
January 23, 2015
Page 5

Environmental Features: SFHAC is particularly supportive of projects that employ substantial and/or innovative measures that will enhance their sustainability and reduce their carbon footprint.

Community Input: Projects for which the developer has made a good faith effort to communicate to the community and to address legitimate neighborhood concerns, without sacrificing SFHAC's objectives, will receive more SFHAC support.



San Francisco Housing Action Coalition (SFHAC) Project Report Card

Address: 1700 Market Street

Project Sponsor: 1700 Market Street LLC

Date of SFHAC Review: May 14, 2014

Grading Scale:

1 = Fails to meet project review guideline criteria

2 = Meets some project review guideline criteria

3 = Meets basic project review guideline criteria

4 = Exceeds basic project review guideline criteria

5 = Goes far beyond of what is required

Criteria for SFHAC Endorsement:

1. The project must have been presented to the SFHAC Project Review Committee;
2. The project must score a minimum of 3/5 on any given guideline.

<i>Guideline</i>	<i>Comments</i>	<i>Grade</i>
Land Use	The proposed project is located in a transit-rich neighborhood near numerous neighborhood amenities and jobs.	5
Density	The project maximizes density, with 48 new homes on an irregularly shaped lot.	5
Affordability	The small units in this car free project would be affordable-by-design and within reach of residents earning the area-median income. There is no decision yet on providing the BMRs on-site or paying the fee.	4
Parking and Alternative Transportation	The project would be car-free, with 1:1 bicycle parking in close proximity to numerous transit options and bicycle lanes.	5
Preservation	There are no structures of significant cultural or historic merit on or near the site.	N/A
Urban Design	Our Committee supports the overall design and the plans for open space. The project will be a welcome presence at this location and will activate the intersection and Haight Street.	5
Environmental Features	The presentation to our Committee did not cover the environmental features but the Project Sponsor has expressed they will meet or exceed the current 2013 Green Point requirements.	N/A
Community Input	The Project Sponsor met with the Hayes Valley Neighborhood Association (HVNA) twice and Supervisor Breed's office. They've also worked with the SF Bicycle Coalition to improve bike parking.	5
Additional Comments	Since our first presentation, you have altered the project so it includes 13 one-bedrooms, as opposed to all studios. After a second iteration, it now includes 26 studios and 22 one-bedroom units.	N/A
Final Comments	The SFHAC endorses this project.	4.8/5

Please see attached letter for further explanation.

Subject: 1700 Market Street Project, 3/26 Planning Commission
Date: Wednesday, March 4, 2015 at 11:58:57 AM Pacific Standard Time
From: Paul E. Noronha
To: planning@rodneymong.com
CC: tina.chang@sfgov.org

Dear Commissioners and Ms. Chang:

I am writing to respectfully request your approval of the proposed project at 1700 Market Street.

I am a tenant in the adjacent building located at 11 Haight Street and have lived there for over 10 years.

The existing structure at 1700 Market is unattractive and is an underutilization of the site. The proposed project will be much more attractive and will bring new residents to the neighborhood resulting in a more vibrant community. In addition, the small size of the units will make it possible for residents who wish to live in this neighborhood to have more affordable housing alternatives on a major transit corridor. We are all aware that San Francisco desperately needs more affordable housing -- the proposed project will be a welcome positive step towards a solution.

Finally, the local businesses in the area will benefit from more activity. Our local business owners have worked hard over the past several years to revive Hayes Valley. This is evidenced by all the growth of new construction we see rising up in my neighborhood. Unfortunately, all the new construction is extremely high-end and financially out of reach for most. This is another reason why the proposed project is so important for the community - it makes sense, it's attractive, it's well located, and it serves those who need it most because it is AFFORDABLE. Please do not let this opportunity escape!!

If you have any questions or if you would like further input from me, please do not hesitate to contact me.

Thank you.

Sincerely,

Paul E. Noronha
11 Haight Street
San Francisco, California 94102

From: Colleen Cotter **Sent:** Tuesday, March 3, 2015 5:04 PM **To:** Planning@rodneyfong.com **Cc:** tina.chang@sfgov.org **Subject:** 1700 Market Street Project, 3/26 Planning Commission

Dear Commissioners and Ms. Chang,

I'm writing in support of the proposed development at 1700 Market Street. I am a tenant in the adjacent building at 11 Haight Street and have been a San Francisco resident for many years.

By providing smaller units, the building will be more affordable for many new and different types of residents ranging from small families to young people new to the work force and low income individuals. They can enjoy living in an attractive, modern building with all the benefits the location has to offer including the major transit corridor. The local retail and restaurants will also benefit from the large increase in local residents.

Sincerely,

Colleen Cotter
11 Haight Street, No.3

Subject: Fwd: 1700 Market Street project 3/26 Planning Commission

Date: Tuesday, March 3, 2015 at 5:08:06 PM Pacific Standard Time

From: Sally Stull

To: George McNabb

Here it is.

----- Forwarded message -----

From: Sally Stull <sally.stull@gmail.com>

Date: Tue, Mar 3, 2015 at 5:07 PM

Subject: 1700 Market Street project 3/26 Planning Commission

To: tina.chang@sfgov.org, planning@rodneyfong.com

I am writing to express my support for the proposed project at 1700 Market Street. I understand it will be heard by the Planning Commission on March 26th. I own a couple of rental condominiums nearby to the proposed project and am very invested in the quality of life in the neighborhood. I have reviewed the plans for this project and look forward to having this property developed in this manner. It will add life to the difficult area and will contribute to the growth of Market Street that has been a priority of the City. It is consistent with everything I understand to be true relative to our goals for S.F. and would be a welcome addition to our neighborhood. I am fully supportive of this project.

Sally Stull
properties owned at 55 Page Street

Subject: Fwd: Support for 1700 Market St. development
Date: Monday, February 23, 2015 at 5:28:44 PM Pacific Standard Time
From: Keith Toh (sent by imanager <imanager@srv1.imanagerent.com>)
To: George McNabb



Keith Toh

Hi George,

FYI, thanks,

Keith

----- Forwarded message -----

From: Keith Toh <keithtoh@gmail.com>

Date: Mon, Feb 23, 2015 at 3:26 PM

Subject: Support for 1700 Market St. development

To: planning@rodneyfong.com, mark.luellen@sfgov.org

Dear Commissioners and Mr. Luellen,

I'm writing in support of George McNabb's proposed development at 1700 Market Street. I am a resident of the same city block as the proposed development, a longtime resident of San Francisco, and an investor and board director of several technology companies. I believe Mr. McNabb's proposed development comports with an enlightened vision of San Francisco.

The development provides much-needed affordable housing in an attractive neighborhood in San Francisco. It makes good use of space and leverages the burgeoning transportation corridor on Market Street (in particular, the good range of low-emissions options available on Market Street). By offering smaller and more affordable units, Mr. McNabb's proposal provides San Francisco with important new housing options similar to those found in other vibrant global cities such as New York, Paris, London, Hong Kong, Singapore, and Tokyo where smaller units in conjunction with excellent public transportation help make expensive cities more affordable.

The development will also bring more residents to support community life and commerce in a neighborhood (Hayes Valley) which has a wide range of locally owned businesses and residents. The site also allows the city to amortize its recent positive investments in upgraded bus service along Haight Street between Gough and Octavia.

Please don't hesitate to contact me should you have further questions.

thanks,

Keith Toh
33 Haight Street #12
San Francisco, CA94102

Subject: 1700 Market St. project 3/26 Planning Commission

Date: Tuesday, January 20, 2015 at 10:04:45 AM Pacific Standard Time

From: Loring Sagan

To: planning@rodneymong.com

CC: Kanishka.Burns@sfgov.org

Dear Commissioners and Ms. Burns,

I am writing to express my support for George McNabb's proposed project at 1700 Market Street that will be heard at Planning Commission on March 26th. I own an office building in Hayes Valley and have reviewed Mr. McNabb's plans. I find them appropriate for the site and neighborhood. The project will bring new life to a prime intersection and add to the enlivening of Market St. For this reason, I am fully supportive of this project.

We all appreciate the need for additional housing and this project provides transit oriented development in an ideal location for same.

Thanks for your consideration.

Sincerely,

Loring Sagan
315 Linden St.
Hayes Valley
S.F. Ca. 94102

Andrew J Wiegel
414 Gough Street
San Francisco, CA 94110

San Francisco Planning Commission
Attn: Kanishka Burns

Re: 1700 Market Street Project (Planning hearing March 26, 2015)

Dear Commissioners,

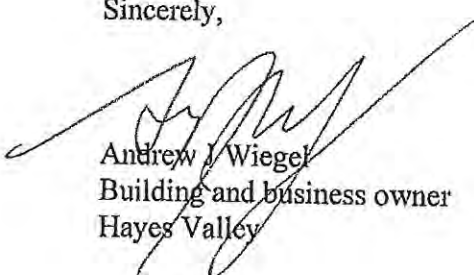
I support the applicants proposal for 1700 Market Street. It has the right combination of density and use characteristics to support the neighborhood and meet the needs of those living here and wishing to live here.

The site needs something better than the existing use, and the improvement of our end of Market Street needs this too.

I was at a public presentation of the project and heard no one voice any objections at all. As a local building owner with over 30 years of business roots in Hayes Valley, it is most encouraging to see new housing, business space and new growth in the Gough and Market area.

Please approve the project.

Sincerely,

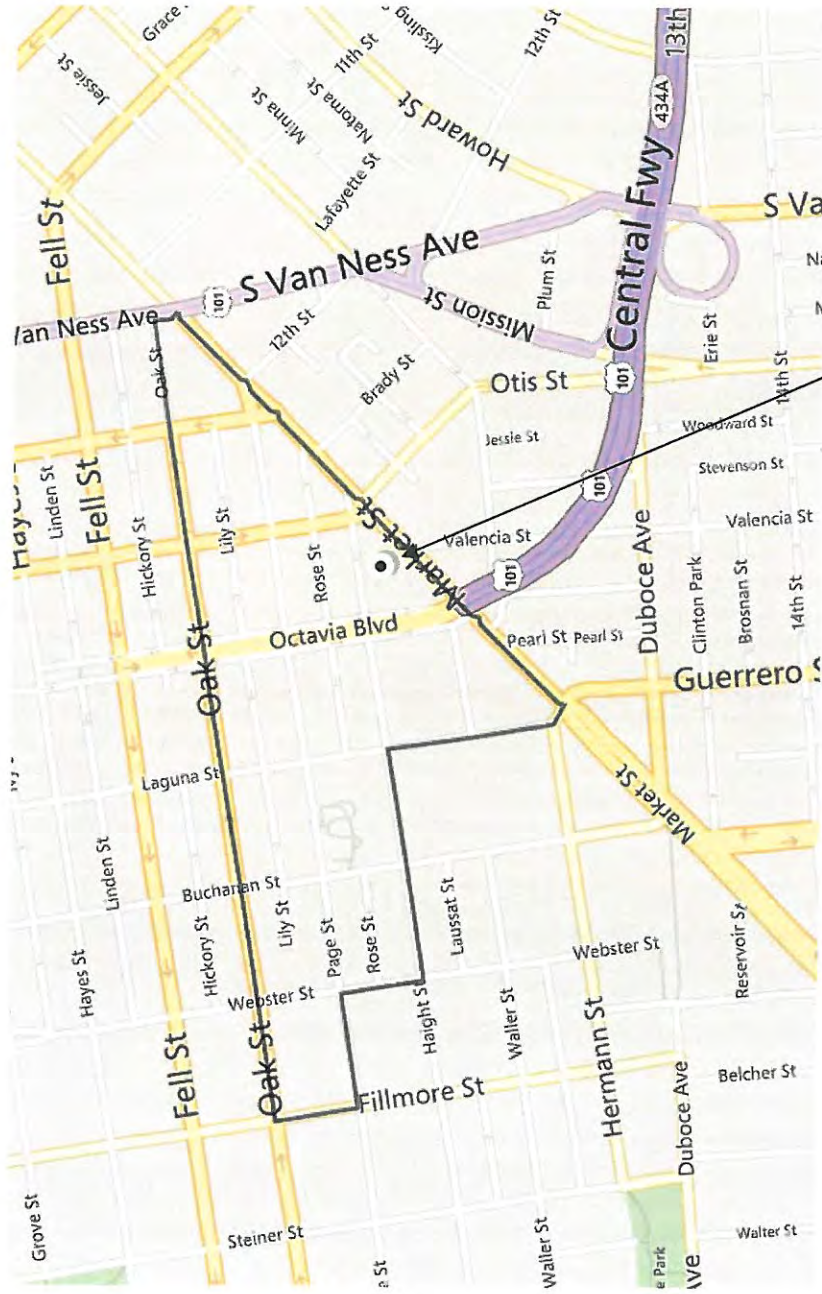


Andrew J Wiegel
Building and business owner
Hayes Valley

EXHIBIT C

EXHIBIT D

Census Tract 168.02



The Property

1700 Market Street

A Strong Case for Flexibility and Waiver

1. The lot is small and irregular, almost unique to the Market Octavia Plan area, and Policy specifically addresses the need for flexibility allowing “innovative and dense designs on irregular parcels.”
2. The demographics of San Francisco and, especially, of the Plan area itself increasingly skew to single and dual resident occupancy of housing units.
3. The non-availability of parking argues strongly for studio and 1-bedroom units, as buyers and renters of smaller units are clearly most willing and most likely to not own motor transport and not require dedicated parking, but to use public or non-motor transport instead.
4. There is desperate demand for additional housing units in the city. The 1700 Market plan maximizes the addition of new, individual housing units.



“Section 207.6 (d) of the SF Planning Code providing for waiver of the 40 percent two bedroom requirement:

(c) Controls.

- (1) For the RTO, Hayes-Gough NCT, Upper Market Street NCT, and NCT-3 districts, no less than 40 percent of the total number of dwelling units on site shall contain at least two bedrooms....

(d) Modifications.

- (1) In NCT and RTO Districts, **these requirements may be waived or modified with Conditional Use Authorization**. In addition to those conditions set forth in Section [303](#), the Planning Commission shall consider the following criteria:

- (A) The project demonstrates a need or mission to serve unique populations, or**
- (B) The project site or existing building(s), if any, feature physical constraints that make it unreasonable to fulfill these requirements.”**

Policy 2.2.2

“...For new construction, the new policies are meant to allow flexibility to accommodate a variety of housing and household types, such as student, extended family, or artist housing, **as well as development on small and irregular lots.** For instance, the Octavia Boulevard parcels are now narrow and irregular, and **economically and architecturally reasonable projects will likely require more units and flexibility than earlier zoning would allow.** Therefore, these controls balance the need for a flexible process that allows innovative and dense designs on irregular parcels.”



1700 Market Street is *small* (3445 sq.ft.) and *irregular*. Among other issues, this makes it very difficult, if not impossible, to design attractive 2-bedroom units.

Of the approximately 4,100 lots within the Market Octavia Plan area, we could identify only 6 other developable, irregular-size lots with a lot size of 4,000 square feet or less.



SPUR

IDEAS AND ACTION FOR A BETTER CITY

a member-supported nonprofit organization

Time to Make Room

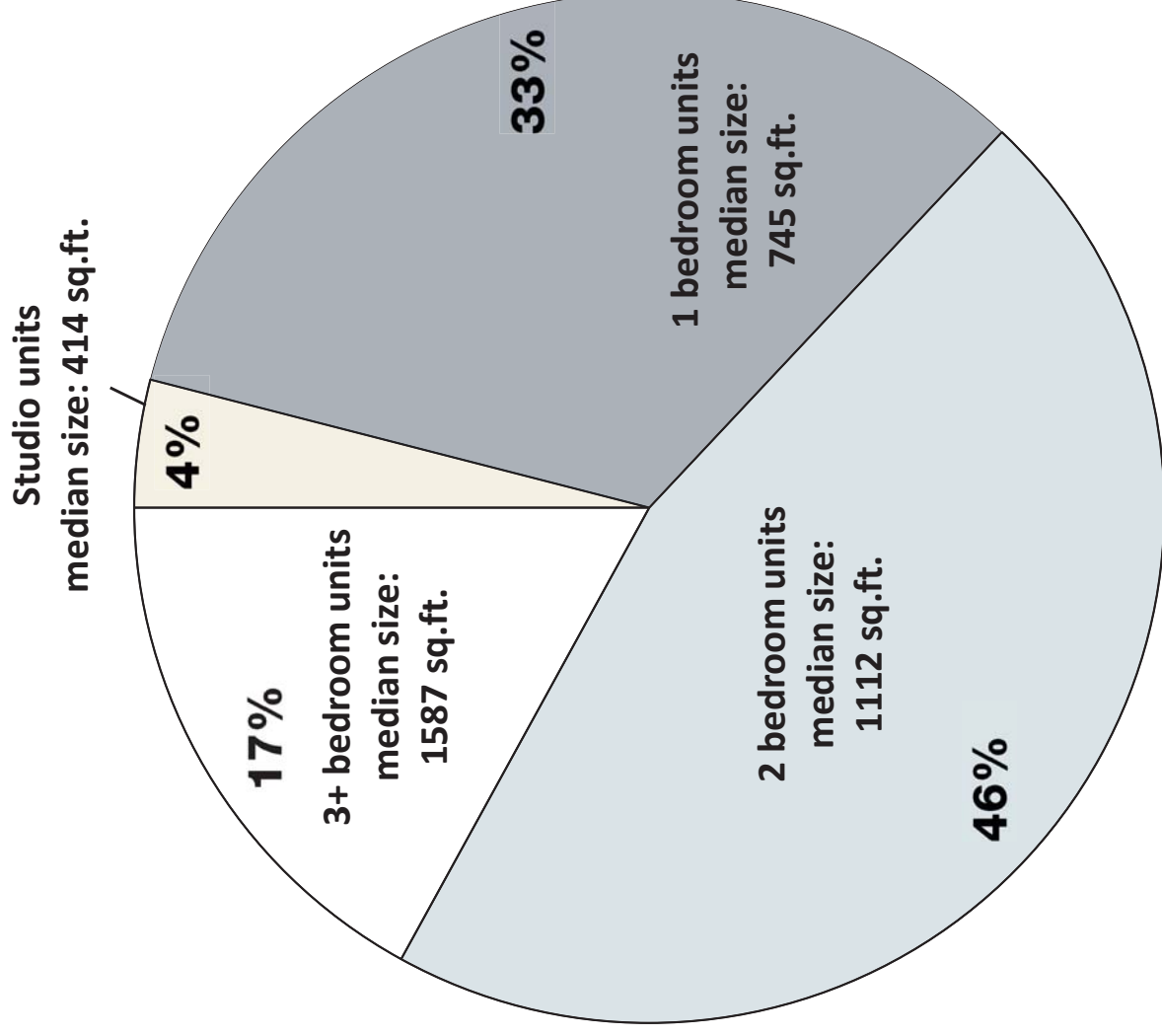
“In New York, a third of all households are single people living alone; in San Francisco, it’s 38 percent. Why aren’t we designing housing for that demographic?” August 2013 article



The tables, bed and seating in the 325-square foot microapartment can transform throughout the day so that space is utilized efficiently and creatively. The unit was on display at the Museum of the City of New York this spring. Photo courtesy John Halpern/Museum of the City of New York

San Francisco New Housing Construction Units Built by Bedroom Count

Estimates based on MLS sales
of SF condos built 2001 – 2014



This analysis is based on condo sales of recently built projects throughout San Francisco. It may not apply perfectly to units built as apartment rentals or affordable housing.

- Studio
- 1 Bedroom
- 2 Bedroom
- 3+ Bedroom

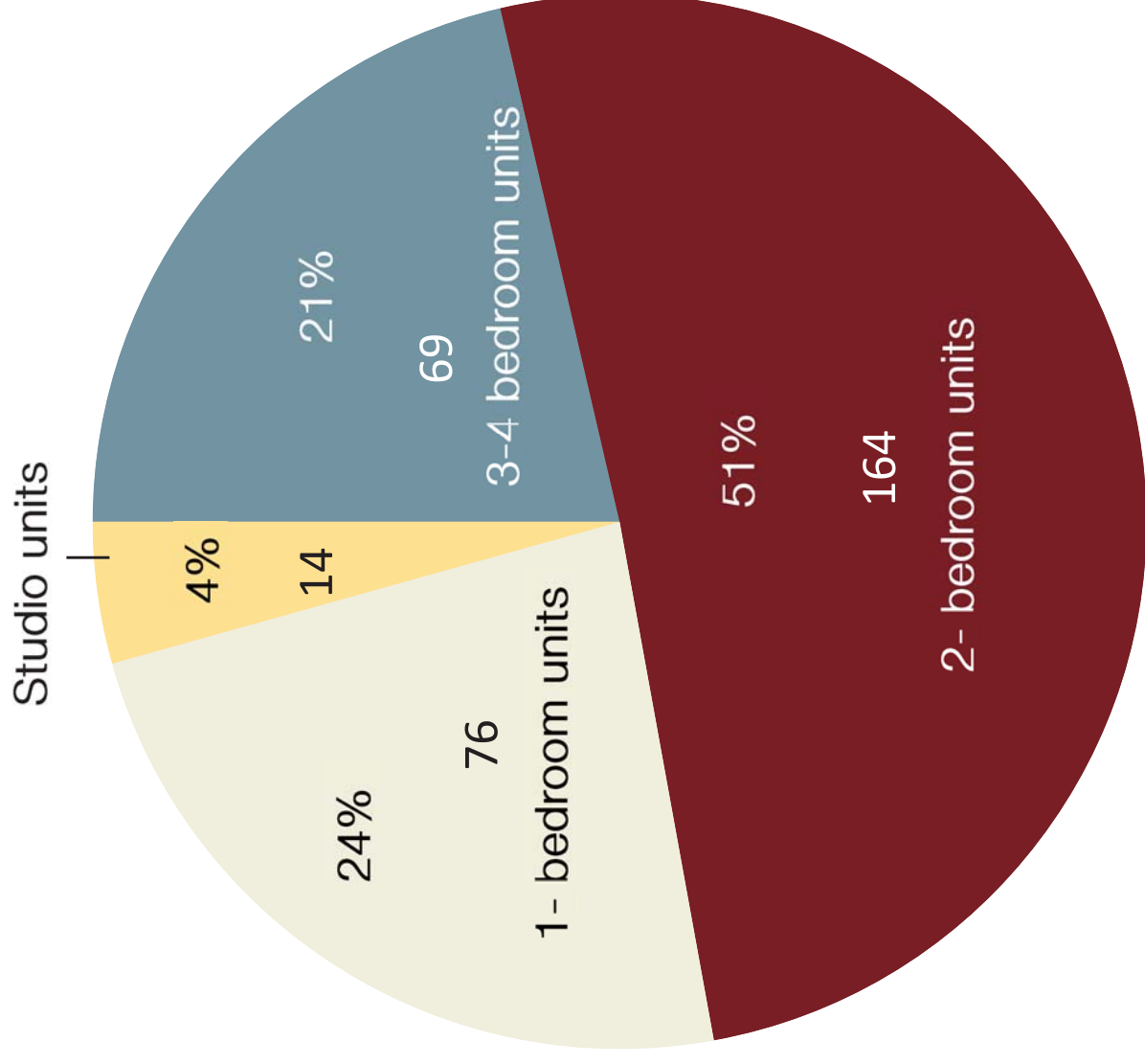
Hayes Valley Unit Sales

Unit Breakdown by Bedroom Count

Sales Reported to San Francisco MLS

January 1, 2009 – February 10, 2015

- **14 studio units**
- **76 1-bedroom units**
- **164 2-bedroom units**
- **69 3-4 bedroom units**



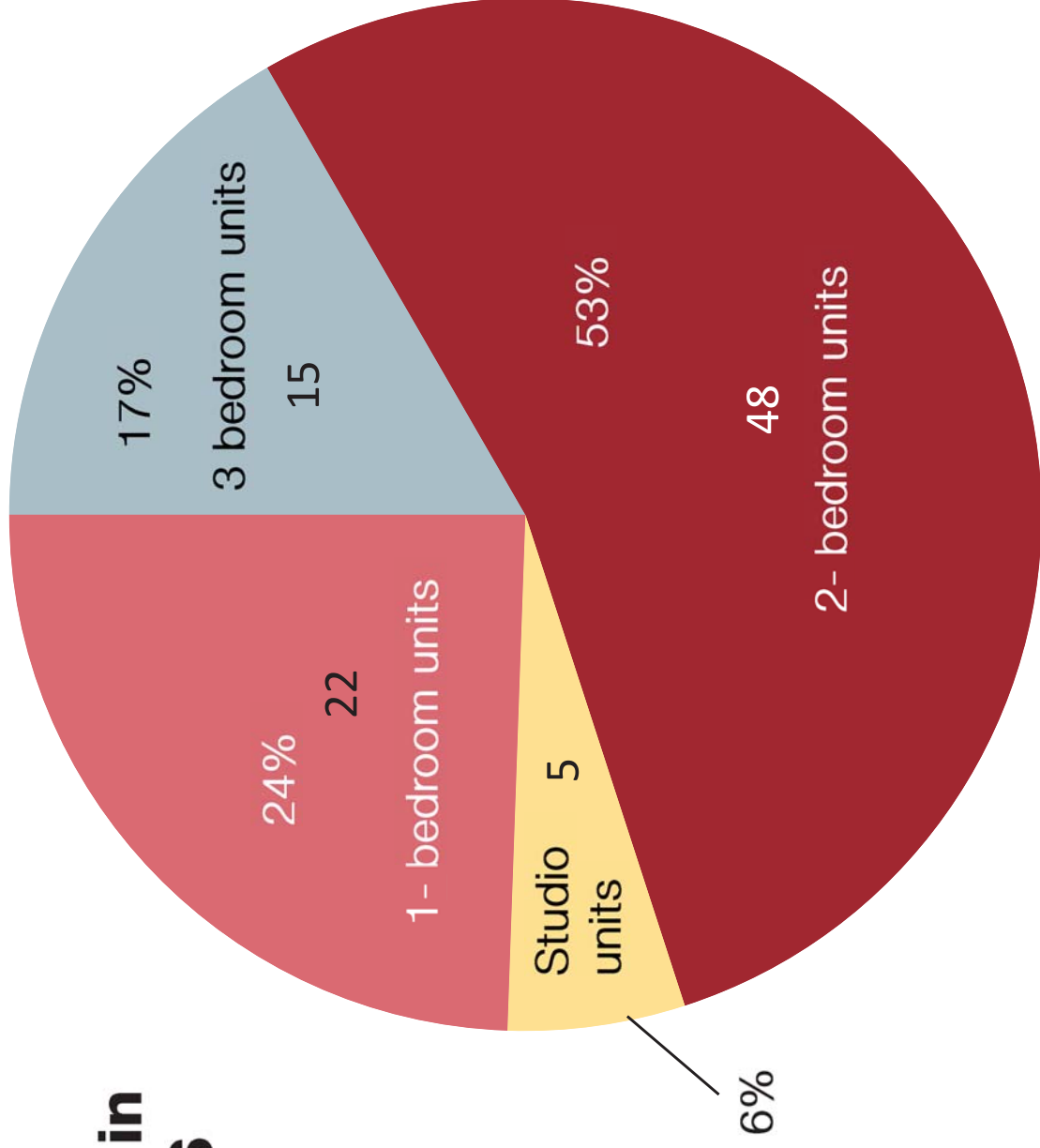
Hayes Valley: New Listings in 2014

Unit Breakdown by Bedroom Count

New Condo Listings in San Francisco MLS

2014 Calendar Year

- 5 studio units
- 22 1-bedroom units
- 48 2-bedroom units
- 15 3-bedroom units

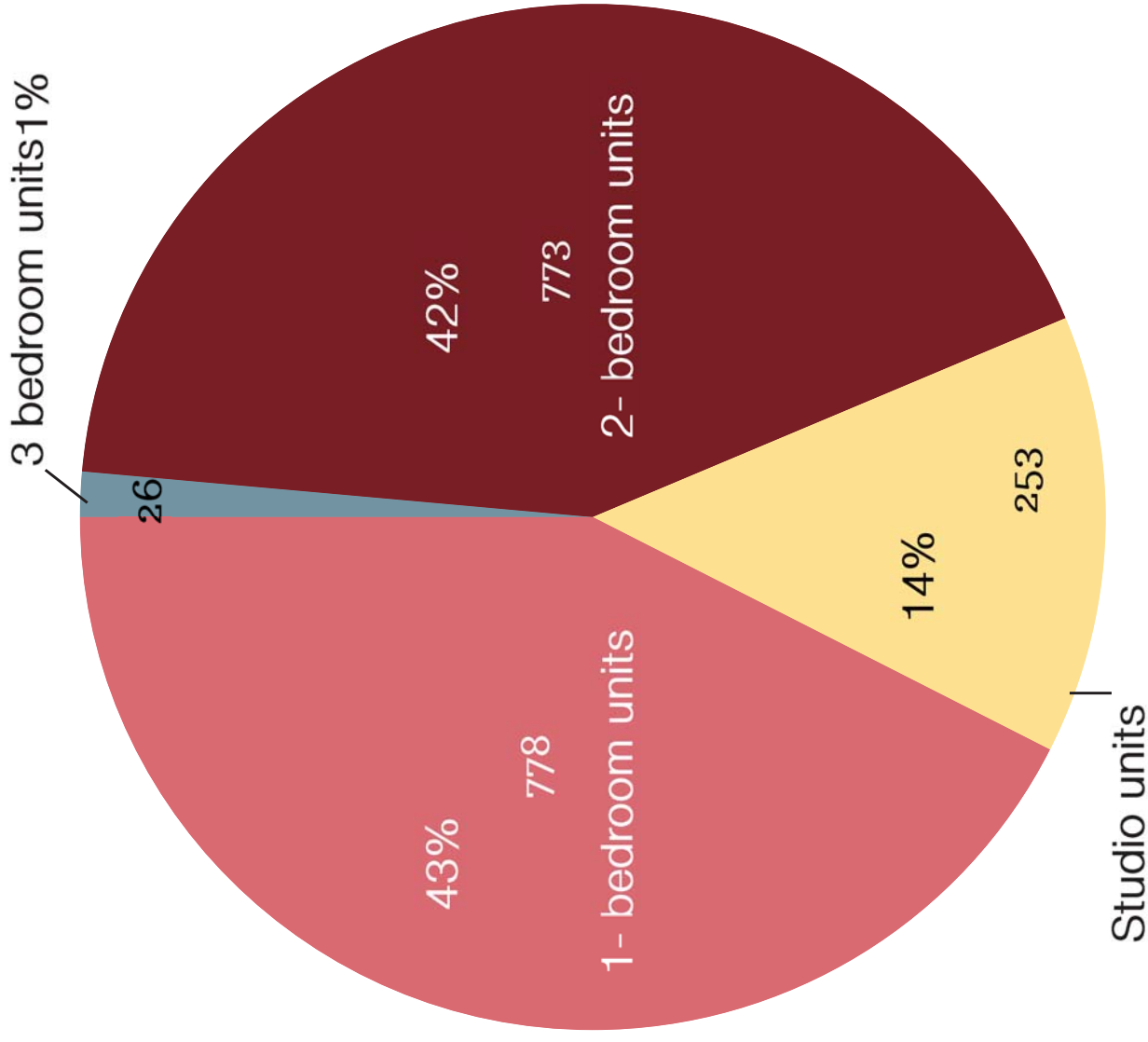


Market-Octavia Approved Units

Residential Unit Breakdown

Planning Department Approved Units

- 778 1-bedroom units
- 773 2-bedroom units
- 26 3-bedroom units
- 253 studio units



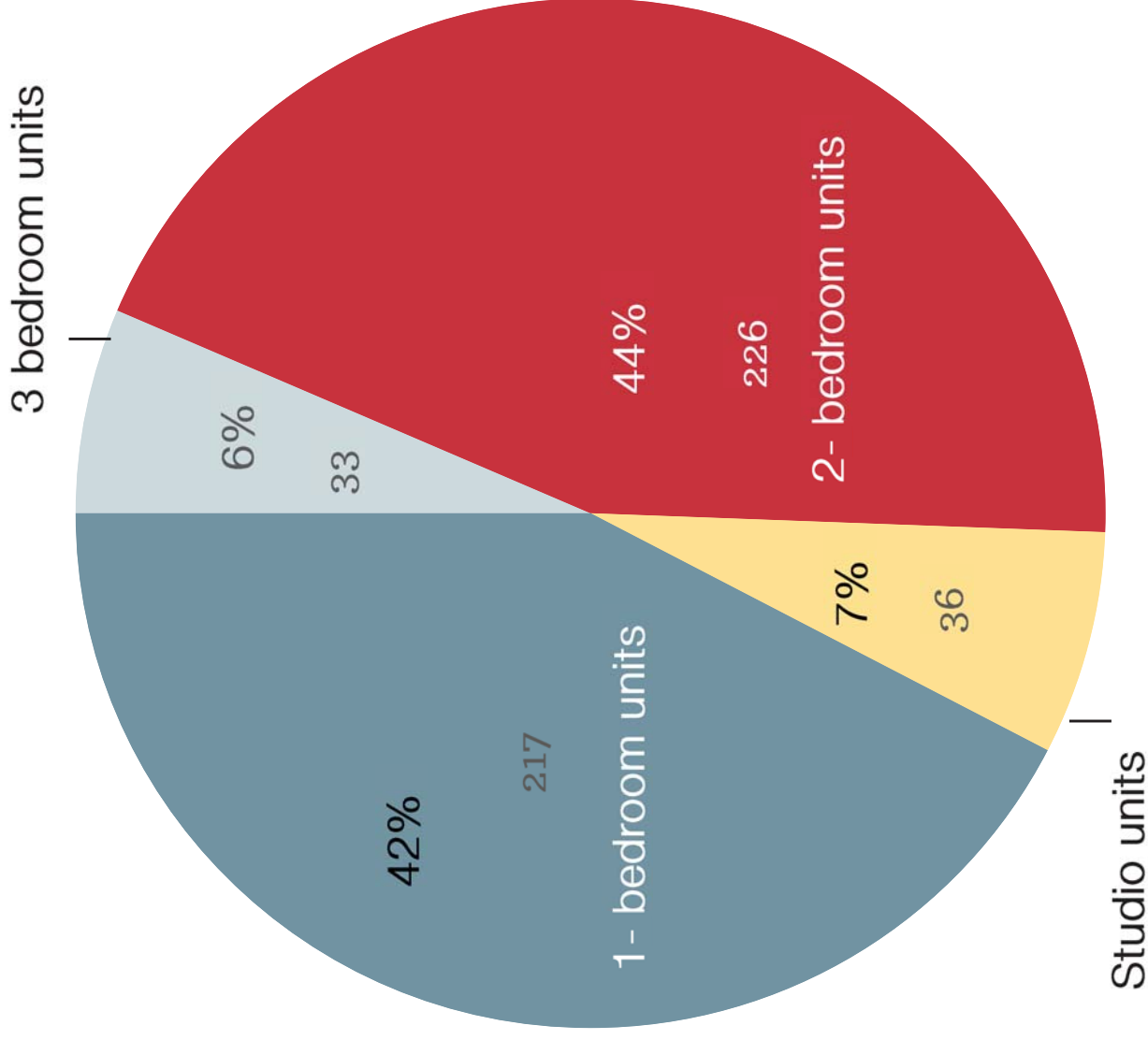
Market-Octavia Rental Units

Residential Unit Breakdown

Available Rental Units

2013 per Rent Metrics

- **217 1-bedroom units**
- **226 2-bedroom units**
- **33 3-bedroom units**
- **36 studio units**



Data from Rent Metrics for half-mile
radius from 1700 Market Street

Micro-Apartments Fill Essential Need

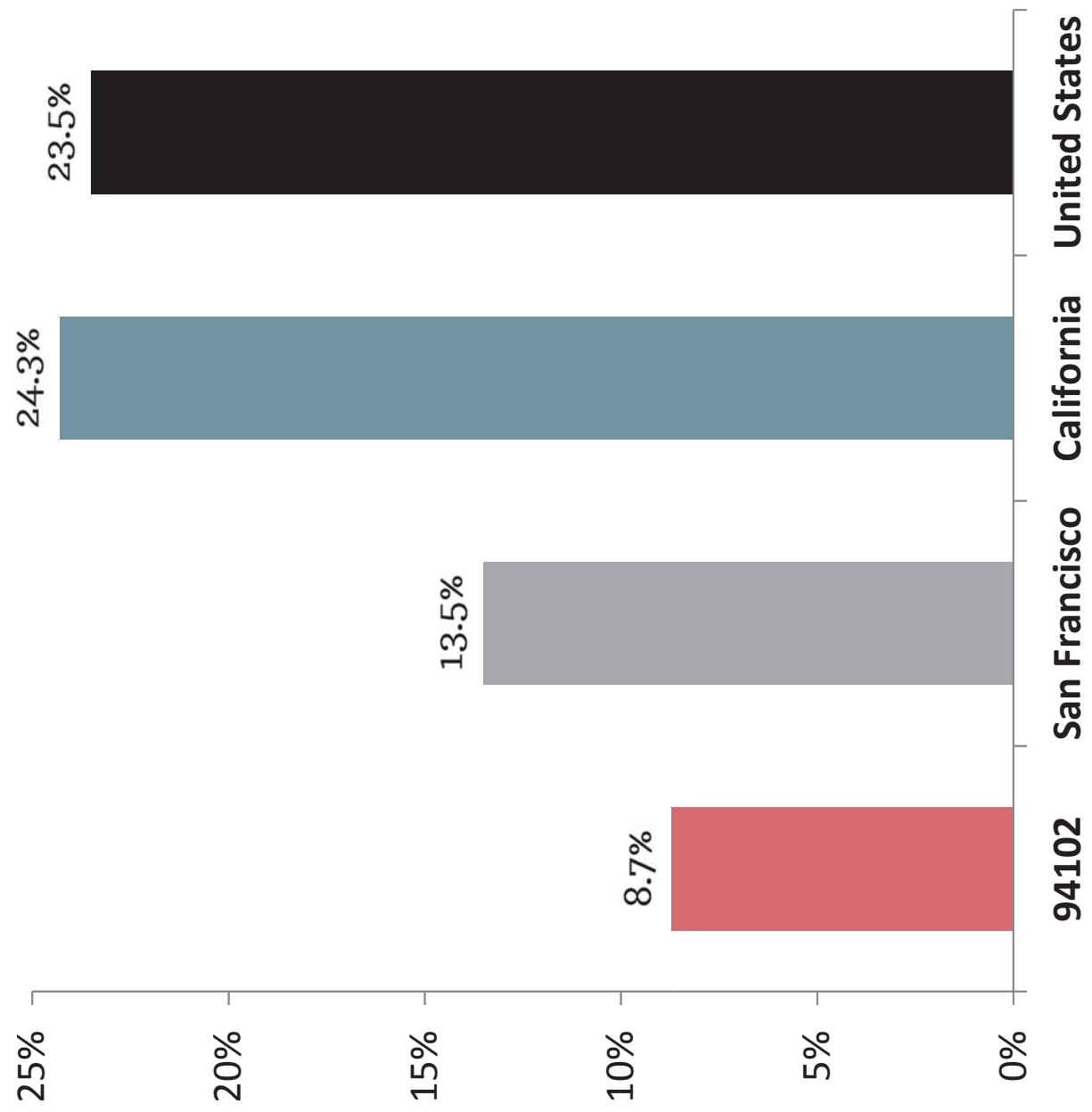
Tuesday, August 27, 2013 - 8:00am PDT by IRVIN DAWID
Architecture, Housing, Social / Demographics, California, New York

“Single people are taking over U.S. cities. The numbers are so staggering that it’s hard to understand why housing policy has been so slow to react.

One reason it is difficult for policy makers, and the market, to digest these astounding numbers is our confused definition of household. **Since the 1950 census, “household” has been synonymous with “family.”** Data splits households into family and nonfamily categories, relegating single people and their housing need to an oddity.”

Percentage of Population: Children under 18

Per U.S. Census Figures



San Francisco has the lowest per capita population of children under 18 of any major city in the U.S. – 13.5%.

In the zip code of 1700 Market St., 94102, that percentage falls to 8.7%.

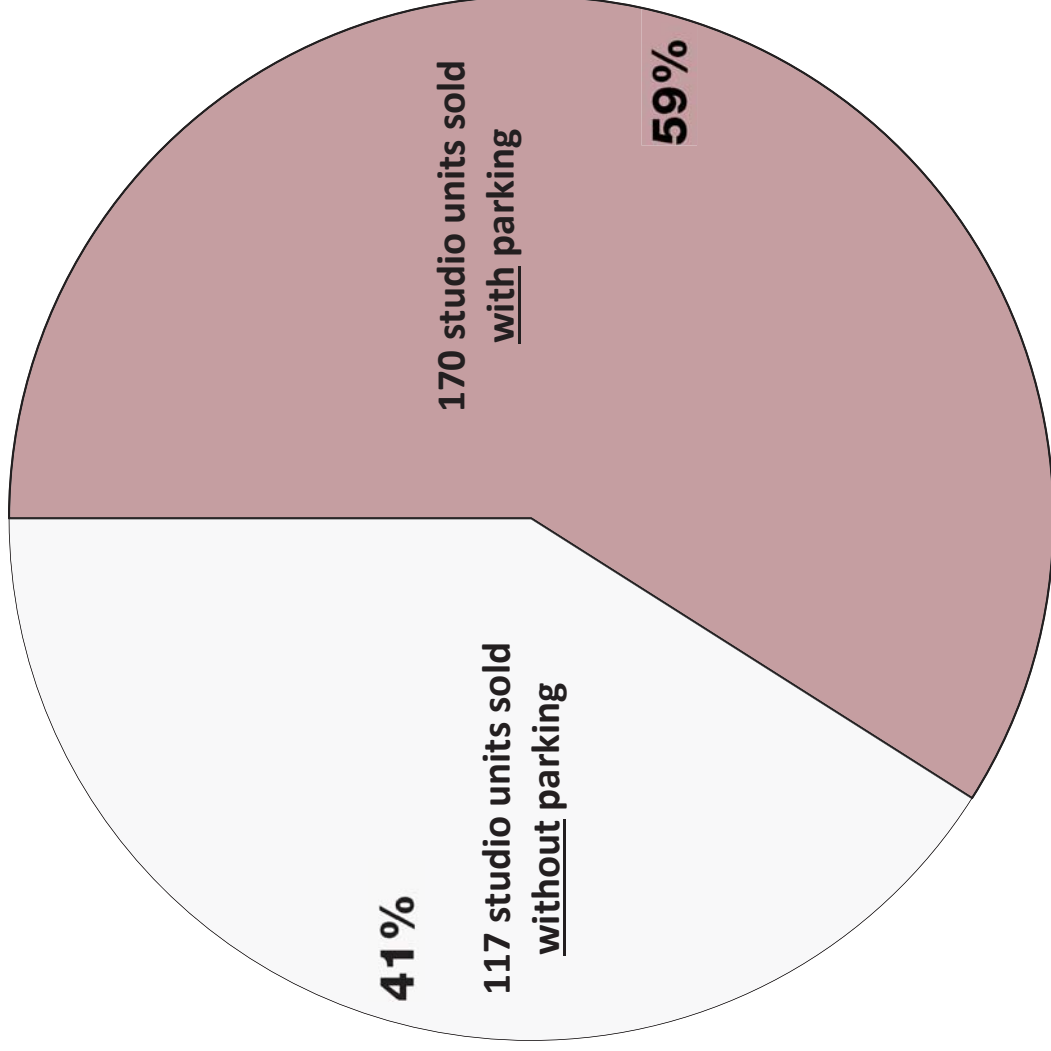
63% of households in the 94102 zip code are 1-person households.

San Francisco New Housing Construction Studio Units Sold with & without Parking

Estimates based on MLS sales
of SF condos built 2001 – 2014

**There is strong market demand
for studio units without parking.**

**The single residents of these
units are within the demographic
most likely to use public transport
or non-motor transport.**



■ Studio Units
with Parking

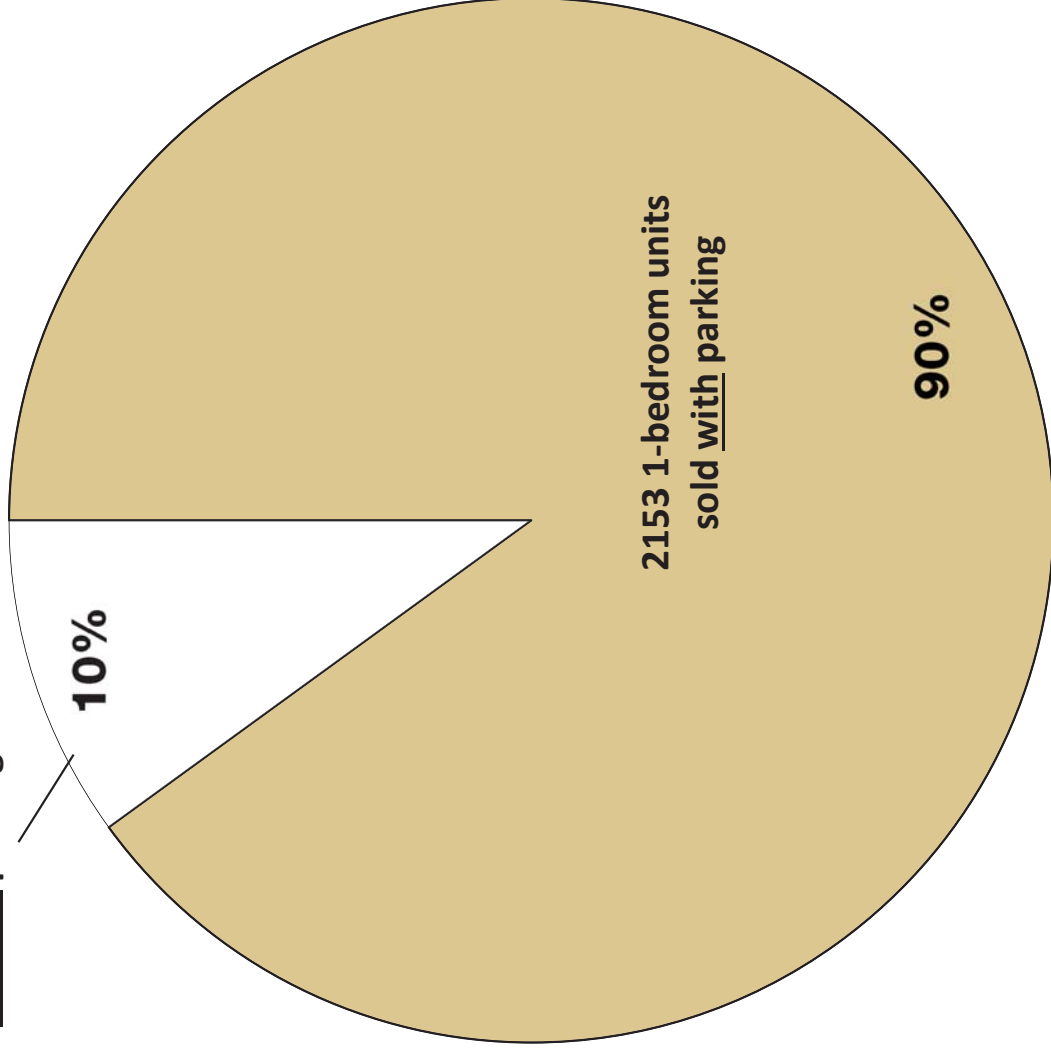
□ Studio Units
without Parking

San Francisco New Housing Construction

1-Bedroom Units Sold with & without Parking

Estimates based on MLS sales
of SF condos built 2001 – 2014

245 1-bedroom units
sold without parking



■ 1-Bedroom Units
with Parking

□ 1-Bedroom Units
without Parking

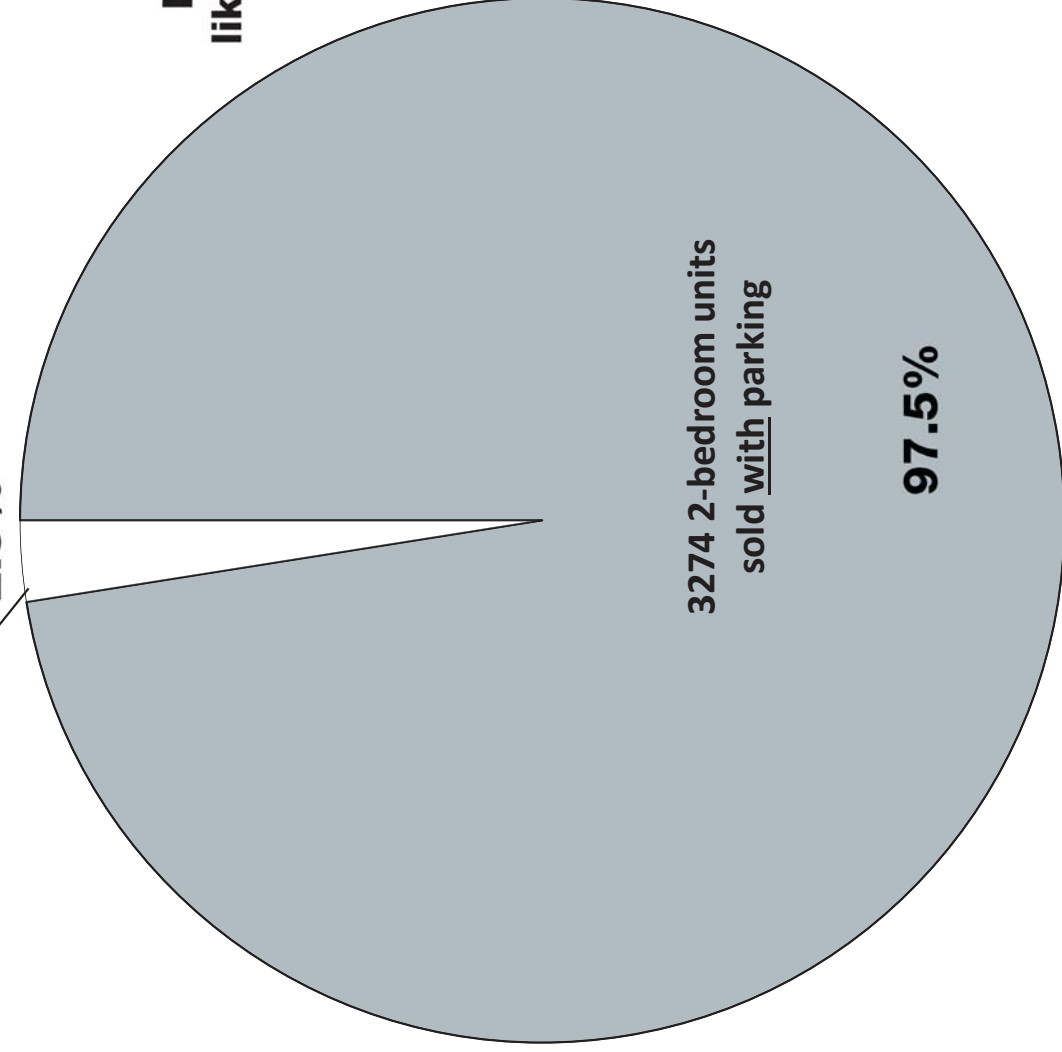
San Francisco New Housing Construction

2-Bedroom Units Sold with & without Parking

Estimates based on MLS sales
of SF condos built 2001 – 2014

83 2-bedroom units
sold without parking

2.5%



The demand for 2-bedroom units without parking is miniscule.

Households of 2+ residents are most likely to own motor vehicles and require dedicated parking spaces.

■ **2-Bedroom Units with Parking**

□ **2-Bedroom Units without Parking**

1700 Market Street / 11 & 33 Haight Street

Proposed Unit Breakdown

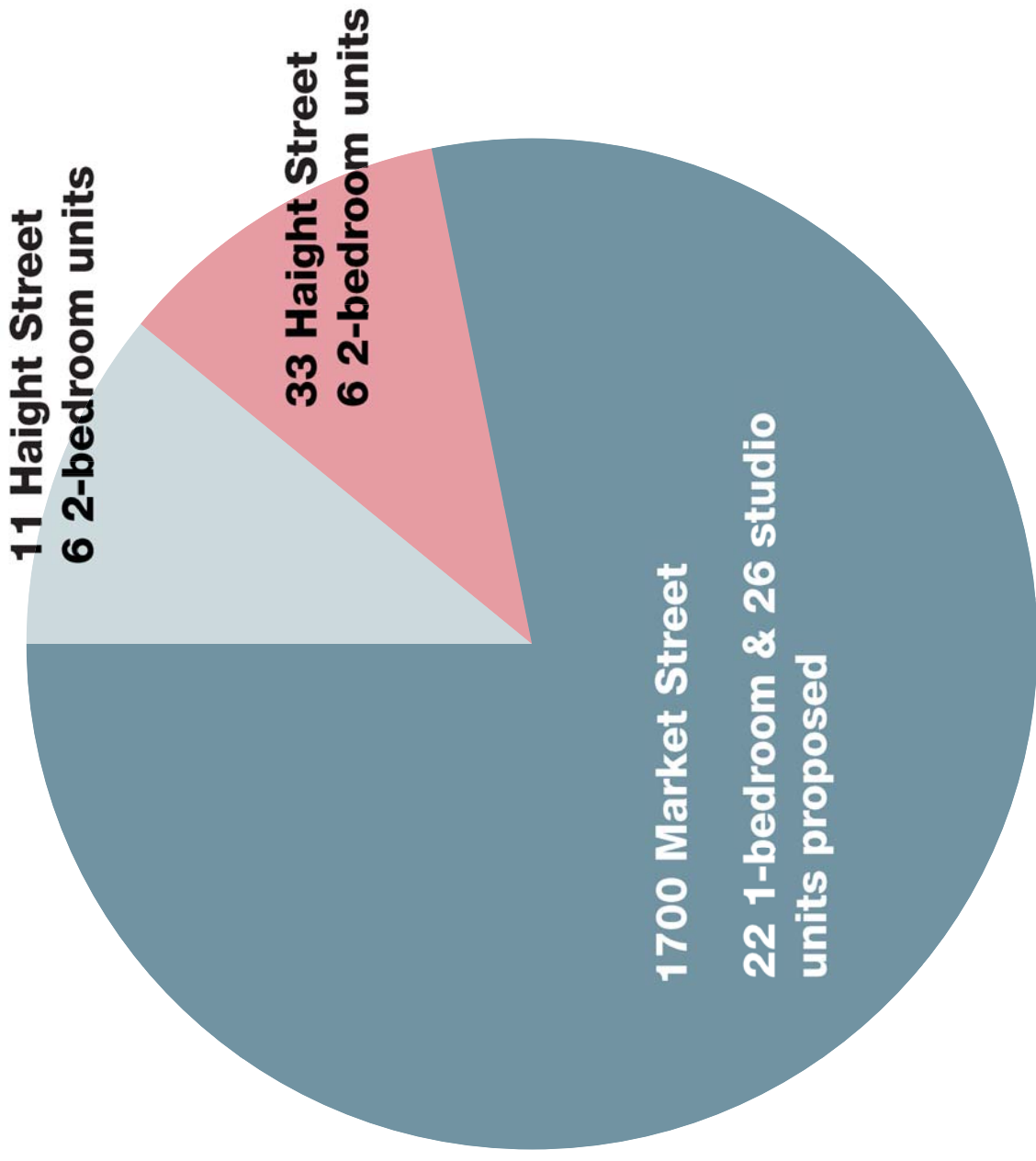
As Single Phased Project

12 2-bedroom units – built

Proposed

22 1-bedroom units

26 studio units - proposed



1700 Market Street

Summary

1. City Policy specifically addresses the need for reasonable flexibility allowing “innovative and dense designs on irregular parcels” for both architectural-design and economic feasibility reasons.
2. Under-served demand and changing demographics point to the critical need for more single and 2-resident housing units in San Francisco.
3. Studio and 1-bedroom units are historically the best match for residents of a development that will not provide onsite parking.

