



SAN FRANCISCO PLANNING DEPARTMENT

Memo to the Planning Commission

HEARING DATE: JUNE 18, 2015

Previous Planning Commission Hearing: March 26, 2015

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date: June 8, 2015
Case No.: **2013.1179CVc1**
Project Address: **1700 Market Street**
Zoning: NCT-3 (Moderate Scale Neighborhood Commercial Transit District)
85-X Height and Bulk District
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**

BACKGROUND

As initially heard by the Planning Commission, the Project Sponsor proposed the 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 featured 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 consisted of a mix of 26 studio and 22 one-bedroom units all of which face onto a public right-of-way. Usable open space was to be provided via a common roof deck. No off-street parking is provided.

The proposal sought and continues to seek Conditional Use Authorization to provide less than the 40 percent two-bedroom unit mix, modification of rear yard requirements as permitted by Planning Code Section 134(e) and a Variance for permitted obstructions for bay windows exceeding allowances per Planning Code Section 136. The Property is located on a triangular shaped lot at the corner of Market, Haight and Gough Streets with frontage on all three sides within an NCT-3 (Moderate Scale Neighborhood Commercial Transit) Zoning District, and an 85-X Height and Bulk District.

The proposed Project was heard before the Planning Commission and Zoning Administrator on March 26, 2015. After public testimony in opposition to and support of the Project, the Planning Commission continued the subject item to April 23, 2015. The project was subsequently continued to May 21st and finally to June 18, 2015. At the March 26th Hearing, the Commission requested that the Project Sponsor accomplish the following:

- Investigate the minimum number of two bedroom units that could be accommodated by the project
- Investigate providing additional common area within the building
- Consider increase ground commercial space, and further subdividing the retail space into multiple units

After the public hearing on March 26th, members of the Planning Commission also requested design changes to the building's façade, in recognition of the project's prominent location at a highly trafficked intersection, and also to provide further differentiation between the Haight Street frontage, which should be more residential in character, and the Market Street frontage, to be more commercial in nature.

CURRENT PROPOSAL

The following changes have been made in response to the Commission's concerns:

- The project now proposes 42 total units, with seven (7) two bedroom units, 21 one-bedroom units, and 14 studios.
- The Project Sponsor found that accommodating two-bedroom units reduced the amount of space that could be devoted to common space throughout the building, thus no additional common space within the building is proposed.
- The Project Sponsor increased the commercial ground floor from 1,549 square feet to 1,753 square feet, and subdivided the space from one to two units.
- In response to design recommendations from members of the Planning Commission and the Planning Department, the Project Sponsor made the following revisions:
 - The Haight Street frontage has been revised to provide a lowered bay window profile to better relate to the existing scale of adjoining residential buildings.
 - The material palette has been revised to include metal patina and porcelain, to better complement the Market Street Masonry District in the area and also lighten the building's color.
 - The commercial base of the building has been better articulated with improved canopies and additional tile walls.
 - The gore corner facing Gough and Market Streets has been improved with an articulated cornice.
 - The fenestration pattern for the entire building has been improved with a clear pattern that differentiates the base, middle and top.

REQUIRED COMMISSION ACTION

In order for the Project to proceed, the Commission must approve 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 allowing the provision of 17 percent two bedroom units in the proposed new construction of an eight-story-building with 42 dwelling units, containing a mix of 7 two-bedroom, 21

one-bedroom, 14 studio units, and 1,753 square feet of commercial space on a lot currently occupied by a two-story commercial building, and adopting findings under the California Environmental Quality Act.

BASIS FOR RECOMMENDATION

- The Project Sponsor has responded to the Commission's primary concerns expressed at the March 26, 2015 Hearing and subsequent meets
- The Project Sponsor has relayed these changes to the neighbors and received support from neighbors and the Hayes Valley Neighborhood Association (HVNA).
- The scale and mass of the proposed structure is contextual and compatible with the surrounding neighborhood character.
- The Project is consistent with adopted City policies and General Plan.
- The Project meets all other applicable requirements of the Planning Department.

RECOMMENDATION: Approve with Conditions
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Attachments:

Revised Motion

Memo from the Project Sponsor

Letter of Support from the Hayes Valley Neighborhood Association

Revised Plans

**If Commissioners need copies of the previous staff report, please contact staff ASAP.*

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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 (Market & Octavia Impact Fees) |

Planning Commission Draft Motion

HEARING DATE: JUNE 18, 2015

Date: June 8, 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
1014 Howard Street
San Francisco, CA 94103
Staff Contact: Tina Chang – (415) 575-9197
tina.chang@sfgov.org
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 A 17 PERCENT TWO BEDROOM MIX ASSOCIATED WITH THE PROPOSAL TO CONSTRUCT AN 8-STORY 31,673 GROSS SQUARE FOOT BUILDING WITH 42 DWELLING UNITS AND 1,753 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 14 studios, 21 one-bedroom units, and 7 two-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 June 18, 2015, the Planning Commission ("Commission") conducted public hearing at a regularly scheduled meeting on Case No. 2014.1179CV, which was continued from a duly noticed public hearing on March 26, 2015.

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 approximately 17 percent two-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 42 dwelling units, 1,753 square feet of ground floor commercial space and 48 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 Haight Street through to Market Street, a bike room fronting on Haight Street and commercial space that wraps the corner with entry on Market Street. Dwelling units consist of a mix of 14 studio, 21 one-bedroom and 7 two-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 June 8, 2015, the Department has received 6 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
- Jason Henderson – Hayes Valley Neighborhood Association

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 1,753 gsf on a 3,471 square foot lot yields a FAR of 0.51 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 42 new dwelling units, and 2,800 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 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 100 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. 4,200 square feet of common usable open space is required for 42 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 21 units that are greater than 350 square feet and 21 units that are less than 350 square feet in size. Therefore, the 21 larger units require 2100 square feet of usable open space and the 21 smaller units require 700 square feet of usable open space for a total requirement of 2,800 square feet of common usable open space. The proposed roof deck is 2,800 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 42 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, 43 Class 1 and five (5) Class 2 bicycle parking spaces are required. The Project provides 45 bicycle parking spaces in a 299 square feet bike room on the ground floor and two (2) class 2 bicycle parking spaces along the Market Street frontage. One Class 1 bicycle parking space for the commercial use will be located in the interior of the space; exact location is to be determined.

- 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 42 dwelling units, the Project is required to provide at least 17 two-bedroom or larger units or 13 three-bedroom or larger units. The Project provides 7 two-bedroom, 21 one-bedroom and 14 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 the 40% two-bedroom dwelling unit mix while also using the Planning Code's relaxed dwelling unit controls to maximize dwelling units applicable to the Project site.

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

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 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 an undue precedent for other projects proposed on larger, more standard lots.

- 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 42 dwelling units, satisfying the Market & Octavia Area Plan Objectives and Policies, and other Planning Code requirements, with only two design related exceptions requested (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 mostly studios and one-bedroom units, the majority of 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.

- 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 affordable housing rather than through payment of the Affordable Housing Fee.

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 42 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 42 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.⁴ 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 Valley⁵. 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 person⁶. 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 40% two-bedroom units proves difficult, the Project is removing competition for family-sized units at other locations where a greater percentage of larger units is more feasible.

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 less than the 40 percent mix of two-bedroom units on-site.

⁴ 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.

⁵ Data from SF Multiple Listing Service, Residential District 6B, Hayes Valley.

⁶ 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.

- 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 provide five (5) on-site affordable units, or 12% of the total number of proposed units.

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 42 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. Forty-two Class

1 and three (3) Class 2 bicycle parking spaces will be available for residents. Two Class 2 and one Class 1 bicycle parking spaces will be made available for the two proposed commercial spaces on the ground floor.

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 has installed 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 bulb expansion on Haight and Gough has been installed, which 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 43 Class 1 bicycle parking spaces and five (5) Class 2 bicycle parking spaces in secure, convenient locations.

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 has installed 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, bulb expansion on Haight and Gough has been installed, which 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 1,753 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 42 units, of which 14 are studio, 21 are one-bedroom and seven (7) are two-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 1,753 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 42 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 June 2, 2015 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 June 8, 2015.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: June 8, 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 June 8, 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 June 8, 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

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 43 Class 1 bicycle parking spaces and 5 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

Inclusionary Housing

1. **Requirement.** Pursuant to Planning Code 415.6, the Project Sponsor must provide on-site below market rate units at a rate equivalent to twelve percent (12%) of all units constructed on the project site. The Project contains 42 units, therefore five (5) affordable units are required. The Project Sponsor will fulfill this requirement by providing the units on-site. If the number of market-rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing (MOH).

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. **Unit Designation.** The affordable units shall be designated on a reduced set of plans recorded as a Notice of Special Restrictions on the property prior to the issuance of the first construction permit.

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.

3. **Phasing.** If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than twelve percent (12%) of each phase's total number of dwelling units as on-site affordable units.

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.

4. **Duration.** Under Planning Code Section 415.8, all units constructed pursuant to Section 415.6 must remain affordable to qualifying households for the life of the project.

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.

5. **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 affordable units shall be designated on the building plans prior to the issuance of the first construction permit by the Department of Building Inspection (DBI). The affordable units shall (1) reflect the unit size mix in number of bedroom of the market rate units, (2) be constructed, completed, ready for occupancy and marketed no later than the market rate units, and (3) be evenly distributed throughout the building; and (4) be of comparable overall quality, construction and exterior appearance as the market rate units in the principal project. The interior features in affordable units should be generally the same as those of the market rate units in the principal project, but need not be of the same make, model or type of such item as long as they are of good and new quality, and are consistent with then-current standards for new housing. Other specific standards for on-site units are outlined in the Procedures Manual.
- b. If the units in the building are offered for sale, the affordable unit(s) shall be sold to first time home buyer households, as defined in the Procedures Manual, whose gross annual income, adjusted for household size, does not exceed an average of ninety (90) percent of Area Median Income under the income table called "Maximum Income by Household Size derived from Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that contains San Francisco." The initial sales price of such units shall be calculated according to the Procedures Manual. Limitations on (i) reselling; (ii) renting; (iii) recouping capital improvements; (iv) refinancing; and (v) procedures for inheritance apply and are set forth in the Inclusionary Affordable Housing Program and Procedures Manual.

- c. The Project Sponsor is responsible for following the marketing, reporting, and monitoring requirements and procedures as set forth in the Procedures Manual. MOH shall be responsible for overseeing and monitoring the marketing of affordable units. The Project Sponsor must contact MOH at least six months prior to the beginning of marketing for any unit in the building.
- d. 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.
- e. The Project Sponsor has demonstrated that it is eligible for the On-Site Affordable Housing Alternative under Planning Code Section 415.6, instead of payment of the Affordable Housing Fee, and has submitted the Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415 to the Planning Department stating that any affordable units designated as on-site units, if sold, shall be sold as ownership units and will remain as ownership units for the life of the Project.
- f. 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.
- g. If the Project becomes ineligible at any time for the On-Site Affordable Housing Alternative, the Project Sponsor or its successor shall pay the Affordable Housing Fee prior to issuance of the first construction permit or may seek a fee deferral as permitted under Ordinances 0107-10 and 0108-10. If the Project becomes ineligible after issuance of the first construction permit, the Project Sponsor shall notify the Department and MOH and pay interest on the Affordable Housing Fee at a rate equal to the Development Fee Deferral Surcharge Rate in Section 107A.13.3.2 of the San Francisco Building Code and penalties, if applicable.

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

Lighting. All Project lighting shall be directed onto the project site and immediately surrounding sidewalk area only, and designed and managed so as not to be a nuisance to adjacent residents. Nighttime lighting shall be the minimum necessary to ensure safety, but shall in no case be directed so as to constitute a nuisance to any surrounding property.

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

REUBEN, JUNIUS & ROSE, LLP

June 2, 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: June 18, 2015
Our File No.: 5187.05**

Dear President Fong and Commissioners:

We are working with George McNabb and 1700 Market Street LLC (together, “Sponsor”), concerning the proposed residential project 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 Commission considered the Project at its March 26, 2015 public hearing, and at that hearing suggested certain revisions to the Project.

During the last six weeks, the Sponsor has worked very closely with Commissioners and Planning Staff to address the Commission’s suggestions. The Sponsor met first with Mark Luellen (Senior Planner), Jeff Joslin (Director of Current Planning), Tina Chang, David Winslow from the Urban Design Advisory Team, and Commissioners Richards and Moore. A second meeting was with Tina Chang and David Winslow. A third meeting was with Tina Chang, David Winslow and Commissioner Richards. Between these meetings, there were numerous phone calls and e-mails between the Project team and Planning Staff.

In addition, the Sponsor has worked with the Hayes Valley Neighborhood Association, which has written a letter of support of the Project. (See EXHIBIT A.) This is in addition to seven letters of support previously submitted to the Commission.

As a result, the Sponsor has revised the Project as follows (revised Project plans are attached as EXHIBIT B):

A. PROGRAM REVISIONS

The Planning Commission discussed an increase in the number of 2-bedroom units, and the provision of affordable units on-site. Accordingly, the Sponsor has revised the Project as follows:

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.

One Bush Street, Suite 600
San Francisco, CA 94104

tel: 415-567-9000
fax: 415-399-9480

www.reubenlaw.com

	<i>Unit Count</i>	<i>Studio</i>	<i>1 BR</i>	<i>2BR</i>	<i>%BMR</i>	<i>BMR Units/Fee</i>
Original Design	48	26	22	0	20%	\$2,350,695
Current Proposal	42	14	21	7	12%	5 on-site

For the affordable housing, although the Project sponsor has not determined whether the units will be rental or for-sale, the Commission requested that the Sponsor prepare a draft Costa-Hawkins Agreement. The Sponsor has provided a draft Agreement to Staff.

B. FLOOR PLAN REVISIONS

The Planning Commission suggested a larger ground floor commercial use, with two spaces as opposed to one, increased transparency on the ground floor, and a relocation of the residential lobby. Accordingly, the Sponsor has revised the Project as follows:

1. Increased commercial area from 1,549 sf to 1,733 sf, and provided two commercial entries with improved leasing depth and ability to accommodate smaller commercial tenants.
2. Increased commercial frontage/transparency on Market and Haight Streets.
3. Relocated main residential lobby from Market Street to Haight Street.
4. Provided ADA-complying residential entry on Market Street per Building Code.

C. ARCHITECTURAL AND DESIGN REVISIONS

The Planning Commission discussed a variety of architectural and design revisions in accordance with the Market & Octavia Design Guidelines. Accordingly, the Sponsor has revised the Project as follows:

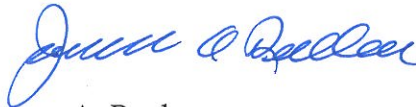
1. Refined elevations on Haight Street with lowered bay window profiles to better relate to existing scale of adjoining residential buildings.
2. Revised material palette to include richer and more vibrant porcelain tile and metal patina frames to complement the proposed Masonry District.

3. Articulated commercial entries with improved canopies and additional tile walls.
4. Strengthened the gore facing Market Street with stronger fenestration patterns and articulated cornice.
5. Improved the commercial base of the building with a 2-story extension of tile to all sides of the building. Increased the amount of window glazing into the commercial space with 16-foot ceilings. Articulated the residential entry on Haight Street with a 2-story expression.

Based on the foregoing, we respectfully request that the Planning Commission approve this worthy Project.

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

One Bush Street, Suite 600
San Francisco, CA 94104

tel: 415-567-9000
fax: 415-399-9480

www.reubenlaw.com

EXHIBIT A



May 26th 2015

Tina Fang
San Francisco Planning Department
1650 Mission Suite 400

RE: 1700 Market Street, Case 2013.1179 CV

Dear Ms. Chang,

The Hayes Valley Neighborhood Association, based on our support of the Market and Octavia Better Neighborhoods plan, is satisfied with the outcome regarding below market rate housing and residential unit mix at the proposed 1700 Market Street development. Since the March 2015 Planning Commission hearing, we have met with George McNabb, project sponsor, and were pleased to hear about the BMR being on site.

We ask that the Planning Commission approve this project as long as the intention of the project sponsor is to include BMR's on site, and is attempting to at least partially meet the Market and Octavia unit mix requirement. We understand that there is a proposal for less than 40% of units meeting the two bedroom requirement. We can live with that as long as BMR units remain on site.

HVNA is also satisfied with other aspects of the proposed project. The 1:1 bicycle parking and outlets for electric bicycles fits squarely with the Market and Octavia Plan. Solar panels on the rooftop are consistent with our values towards sustainable energy. HVNA is comfortable with the architecture and urban design. And we are delighted the project contains no underground parking.

We urge more innovation on the ground floor retail component and that the project sponsor consider two small-scale retail spaces to attract local merchants consistent with the formula retail limitations in the area. Overall this is a great project and good fit to this part of Market Street. We also commend planning staff for helping nudge the project in the right direction.

Sincerely,

A handwritten signature in black ink, appearing to be "JH", followed by a long horizontal line.

Jason Henderson
Transportation and Planning Committee,
Hayes Valley Neighborhood Association
300 Buchanan Street, #503
San Francisco, CA
94102
(415)-255-8136
jhenderson@sbcglobal.net

EXHIBIT B



AERIAL PHOTO

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

A0.2

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CU REVISION - DECEMBER 31, 2014
AUGUST 28, 2014

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A0.3

EXISTING BUILDING

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AUGUST 28, 2014

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ARCHITECTS



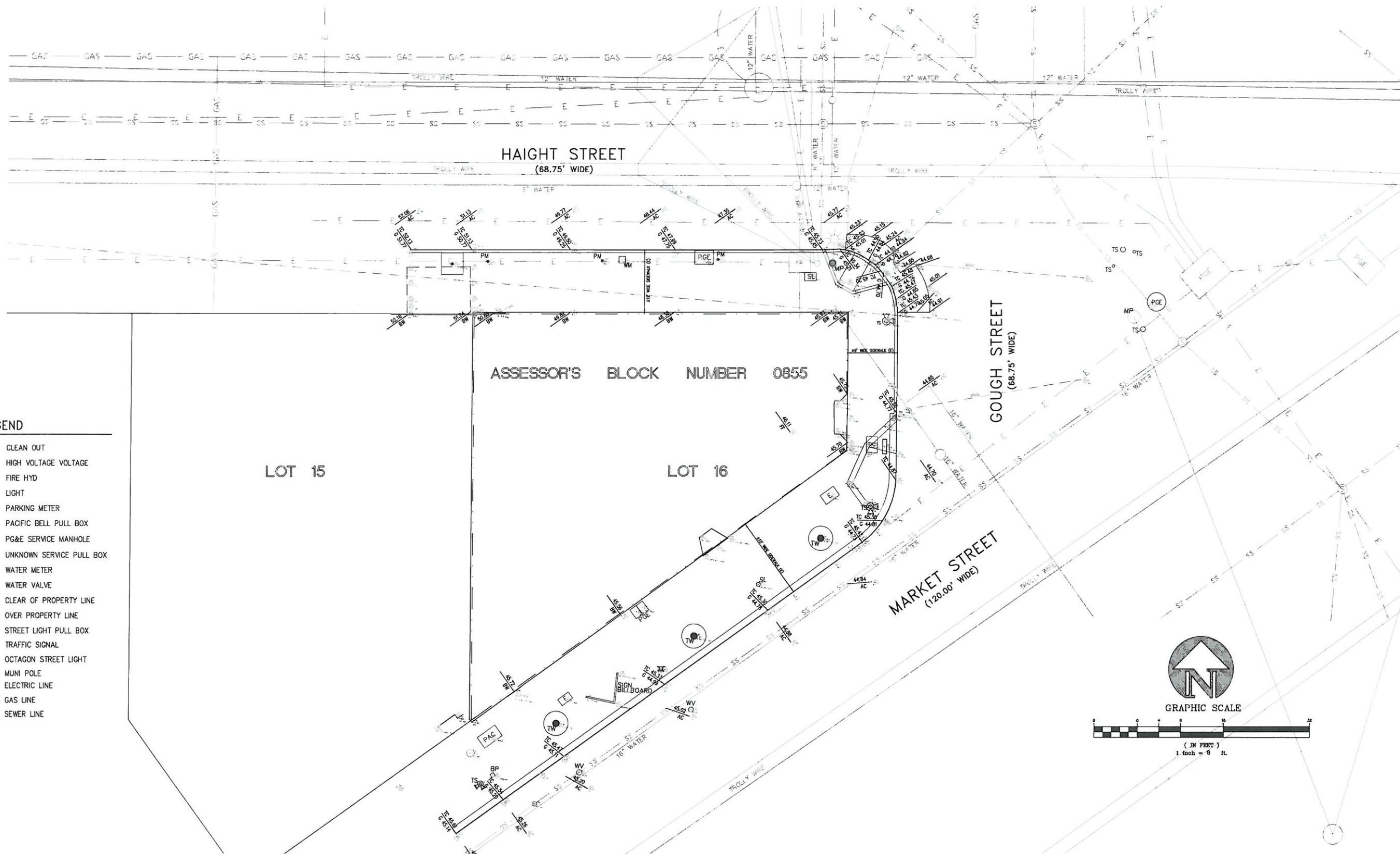
CU REVISION / VARIANCE APPLICATION
1700 MARKET STREET
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SITE PHOTOGRAPHS

A0.4

CU REVISION - JUNE 02, 2015
 CU REVISION - DECEMBER 31, 2014
 AUGUST 28, 2014

FORUMDESIGN
 ARCHITECTS

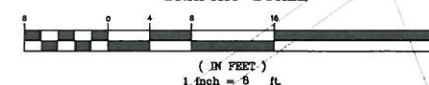


LEGEND

- 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
- OPR OVER PROPERTY LINE
- SLB STREET LIGHT PULL BOX
- TS TRAFFIC SIGNAL
- SL OCTAGON STREET LIGHT
- MP MUNI POLE
- ELECTRIC LINE
- GAS LINE
- SEWER LINE



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

CKD. KL

DATE 12/16/13

JOB NO. 5924

REVISIONS

DRW. KB

REV. PJB

01.20.14

01.15.14

NO. DATE

DESCRIPTION

ELEVATION CHANGES

PRELIMINARY

DESCRIPTION

SAN FRANCISCO

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

CALIFORNIA

SCALE:

HORIZ. 1" = 8'

VERT. 1" = 8'

1 OF 1



TYPICAL FLOOR PLAN - 2ND THROUGH 7TH

SCALE 3/32" = 1'-0"

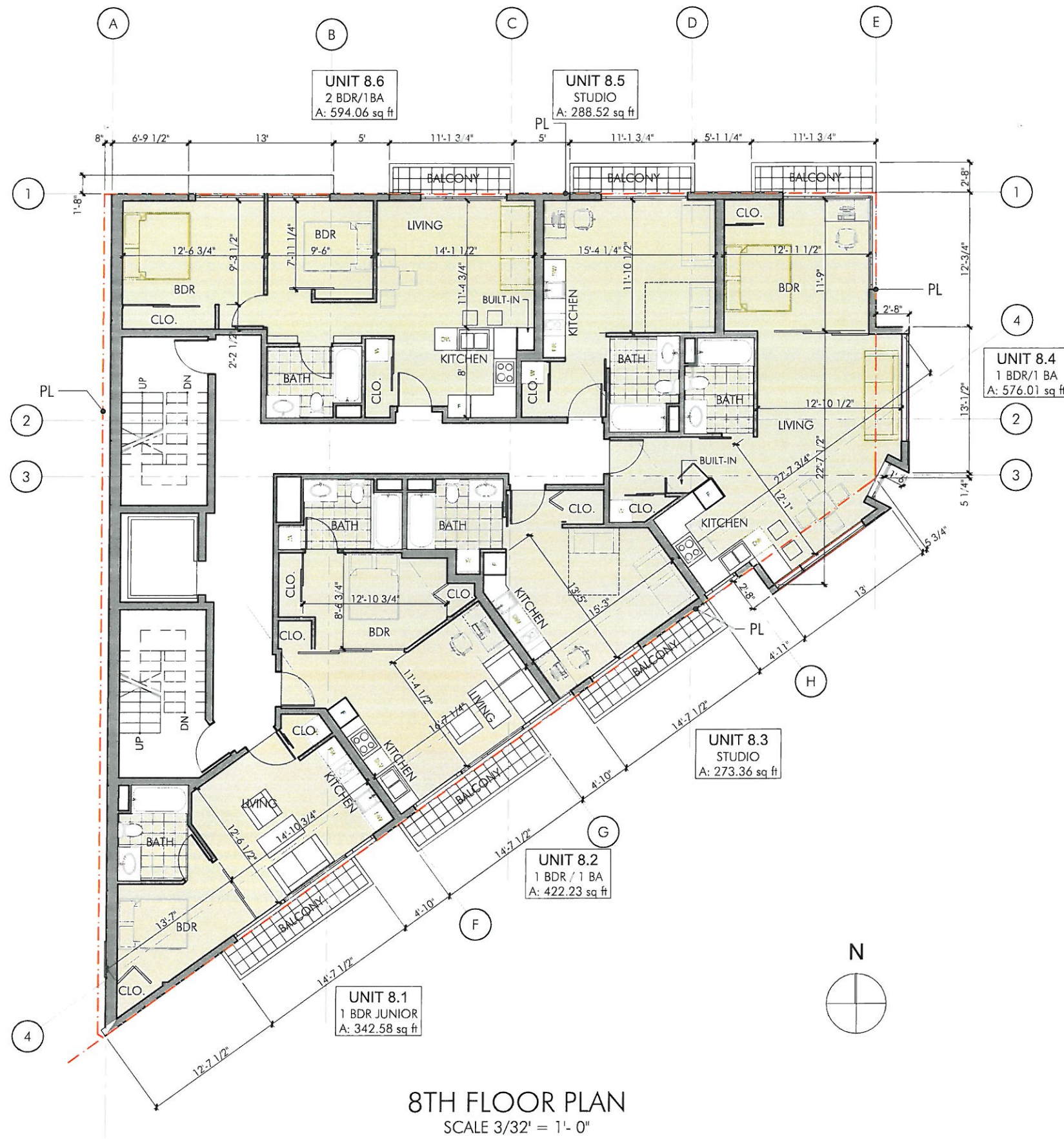


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A1.2

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A1.3

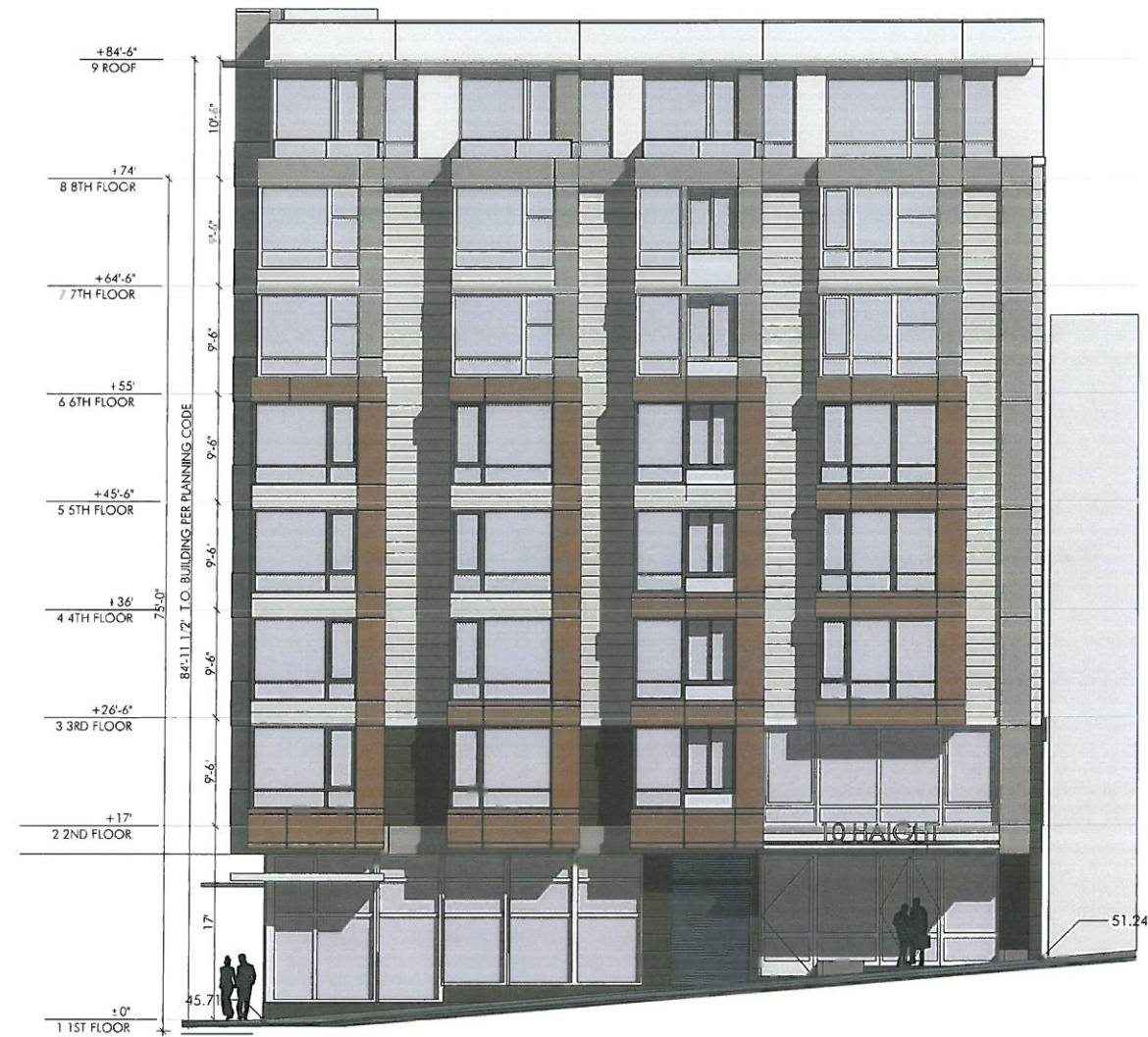
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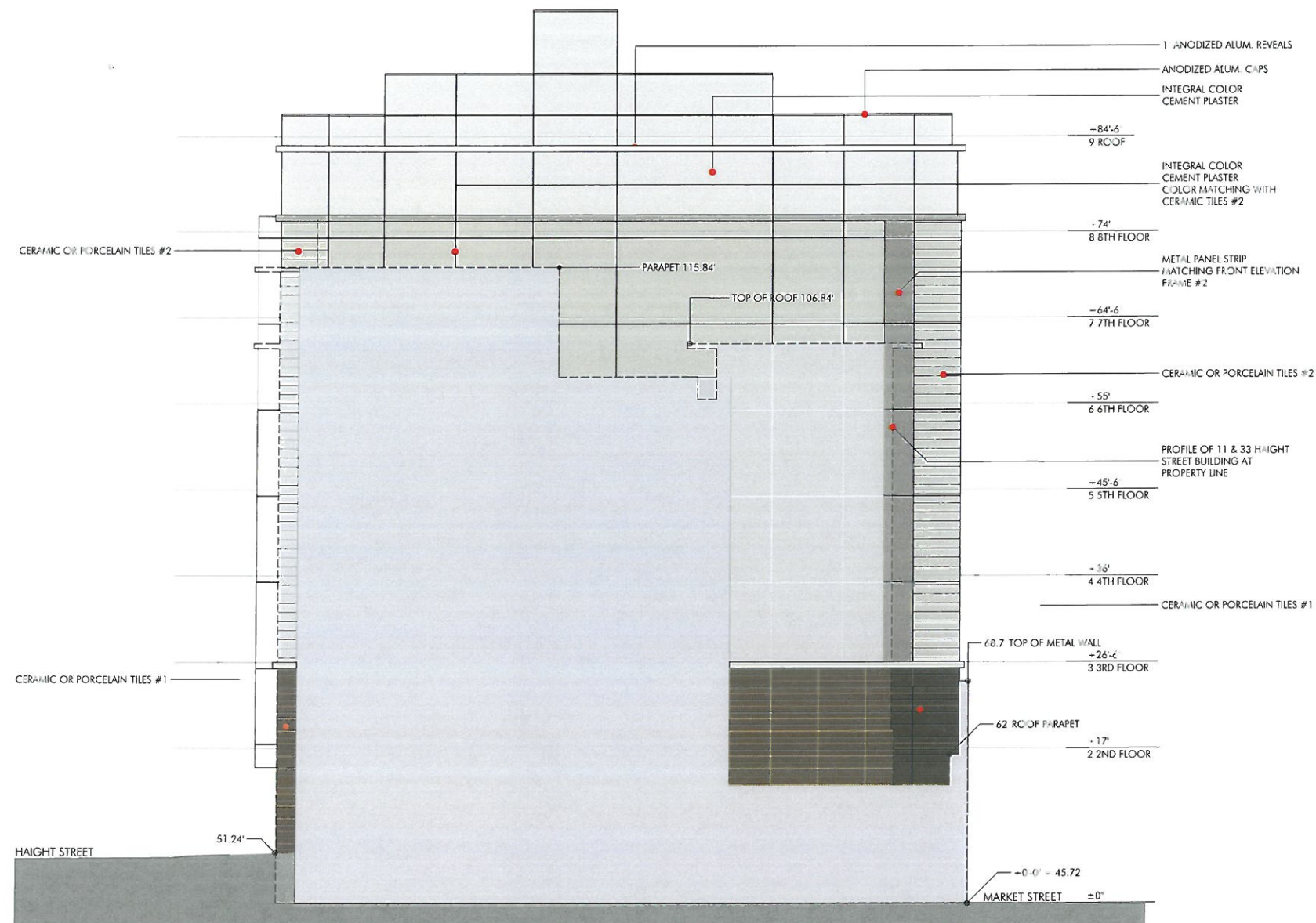
ELEVATION - HAIGHT STREET
 SCALE 1/16" = 1'-0"
 REFER TO A-108 FOR FINISH MATERIALS DESCRIPTION

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

A2.2

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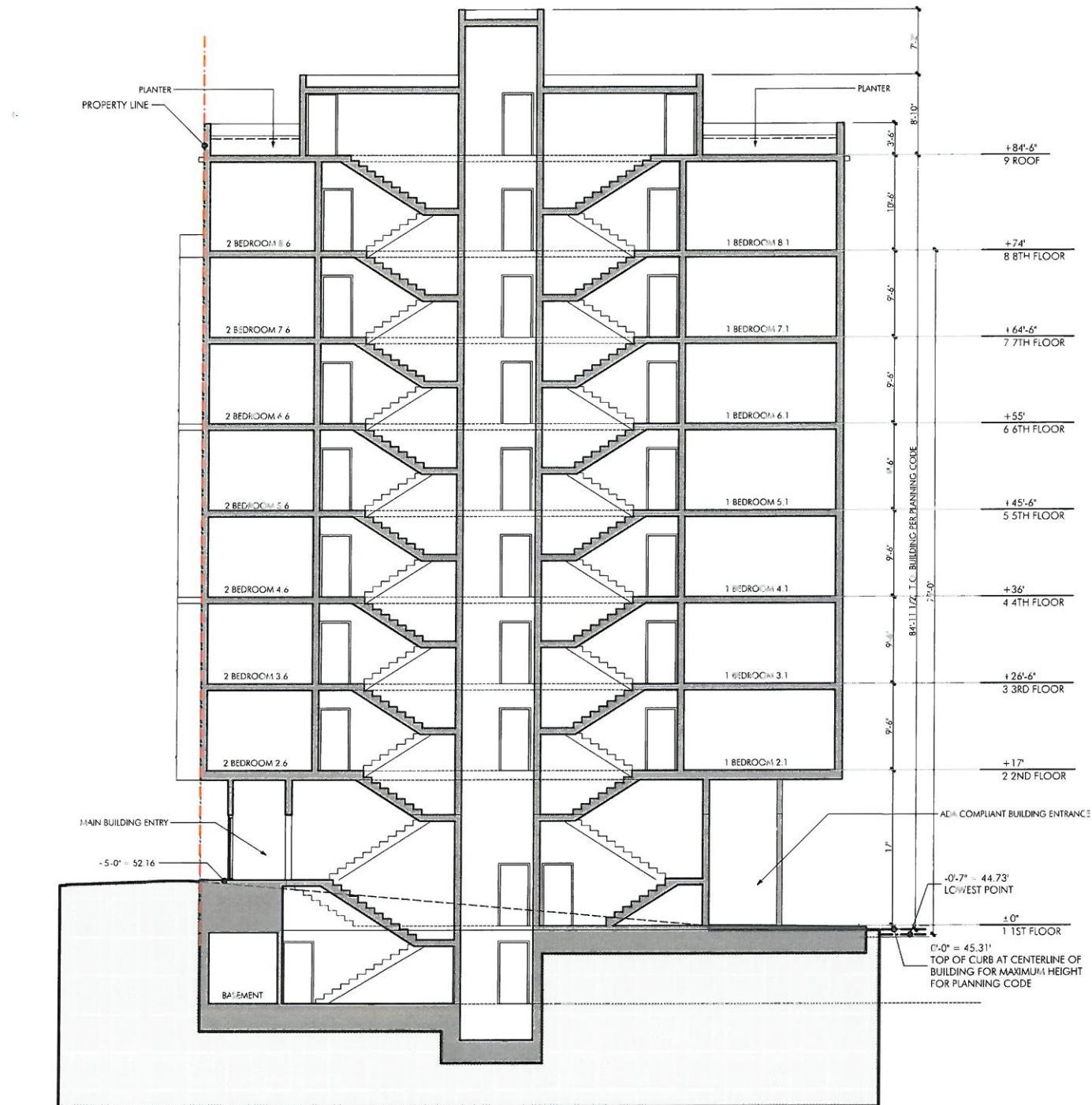
ELEVATION WEST - PROPERTY LINE
SCALE 1/16" = 1'-0"

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1700 MARKET STREET
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A2.3

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

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A3.1

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PERSPECTIVE VIEW - MARKET STREET

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1700 MARKET STREET
 SAN FRANCISCO, CALIFORNIA 94102

A4.1

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PERSPECTIVE VIEW - GOUGH STREET

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A4.2

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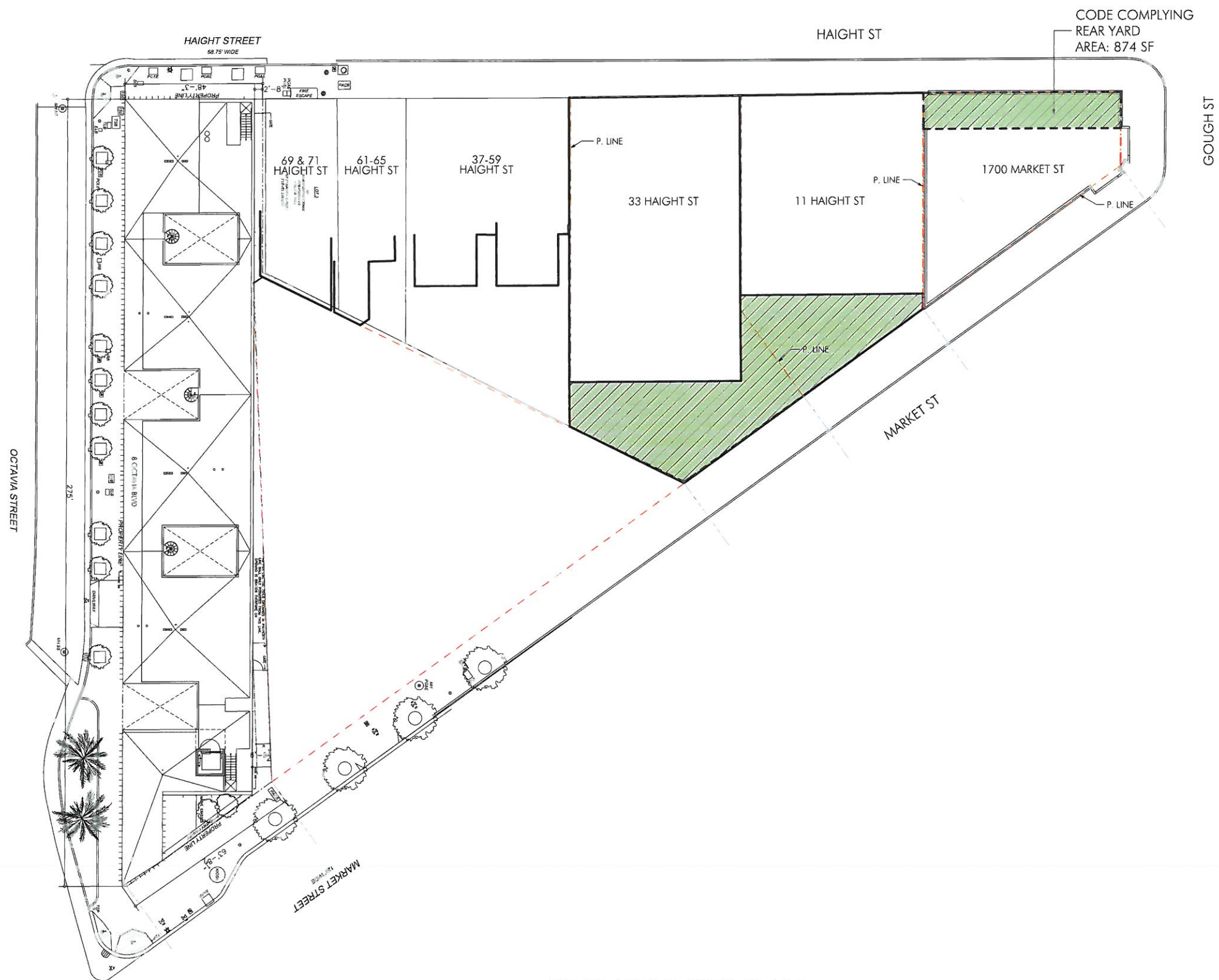
PERSPECTIVE VIEW - GOUGH STREET

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1700 MARKET STREET
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A4.3

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REAR YARD SITE PLAN

SCALE 1" = 40'

CU REVISION / VARIANCE APPLICATION

1700 MARKET STREET

SAN FRANCISCO, CALIFORNIA 94102

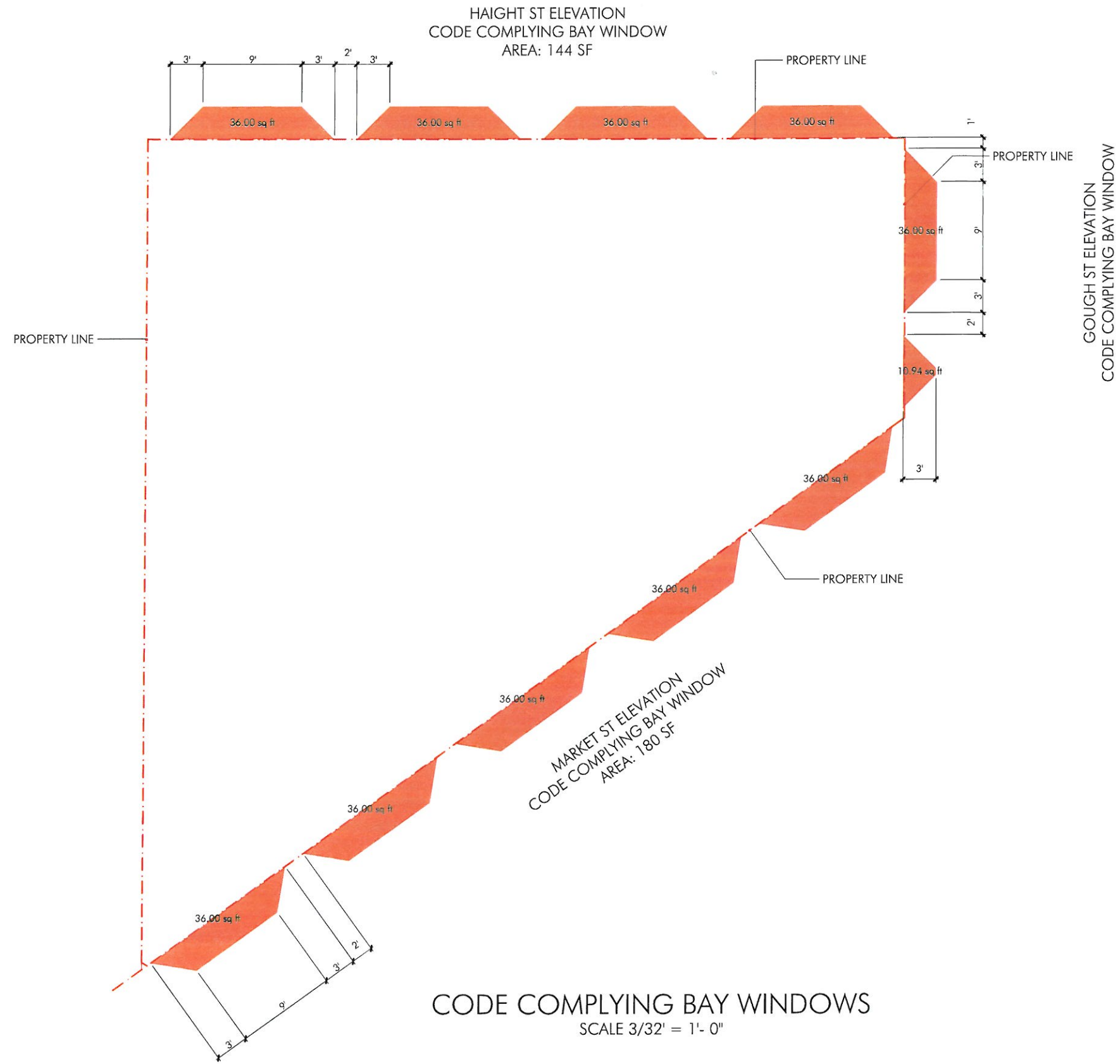
EXHIBIT B.2

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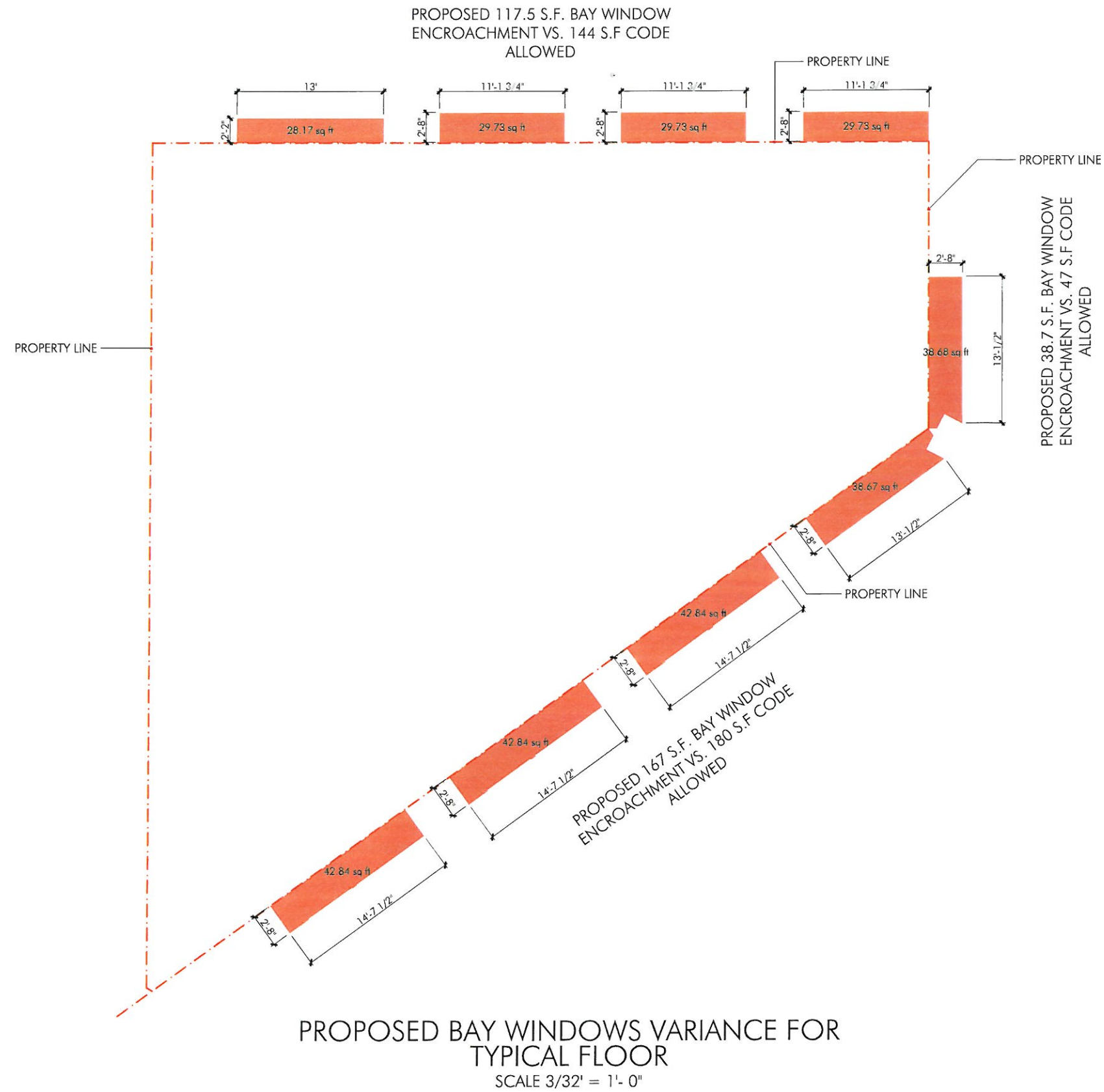


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EXHIBIT C

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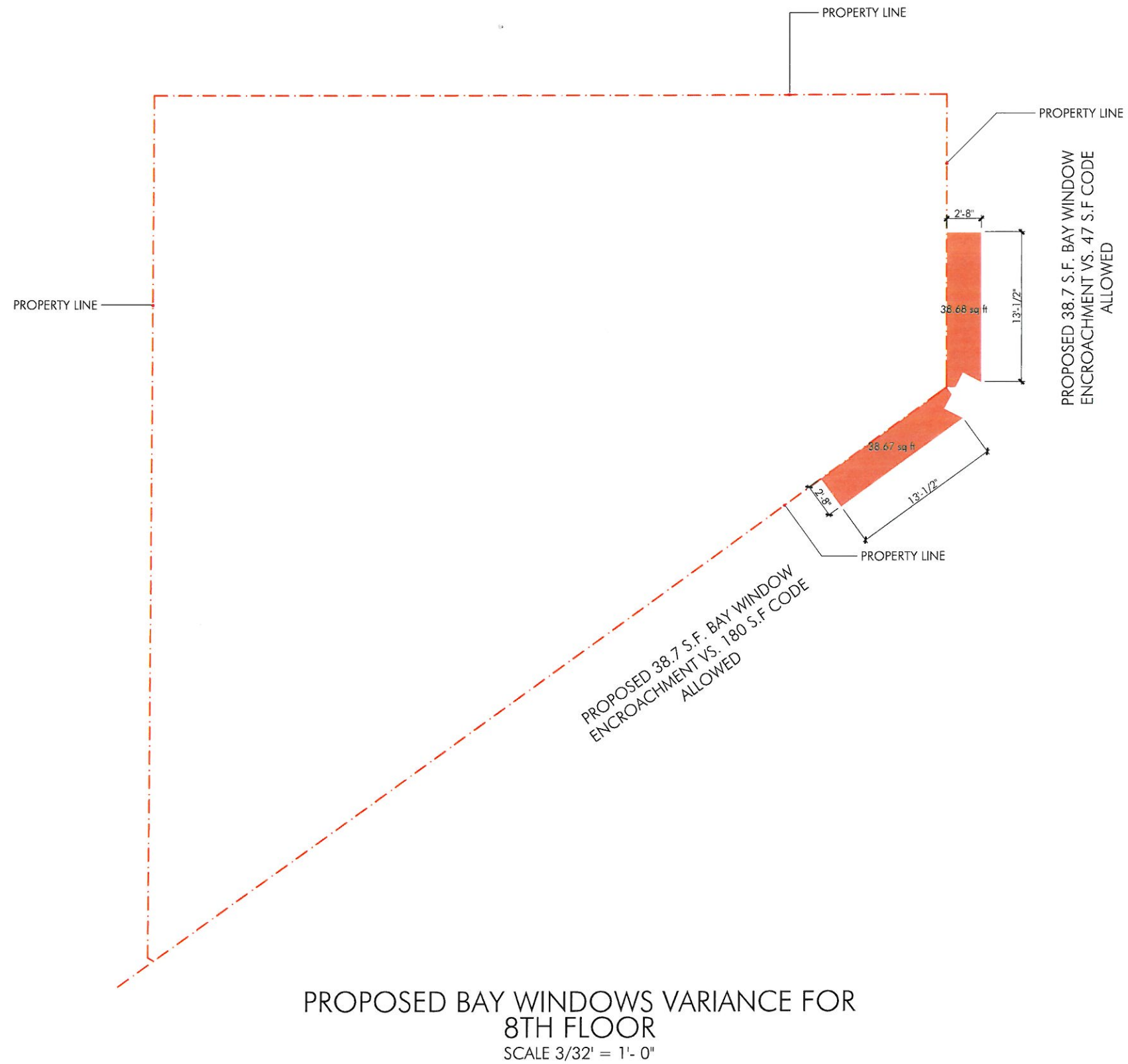


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1700 MARKET STREET
 SAN FRANCISCO, CALIFORNIA 94102

EXHIBIT C.1

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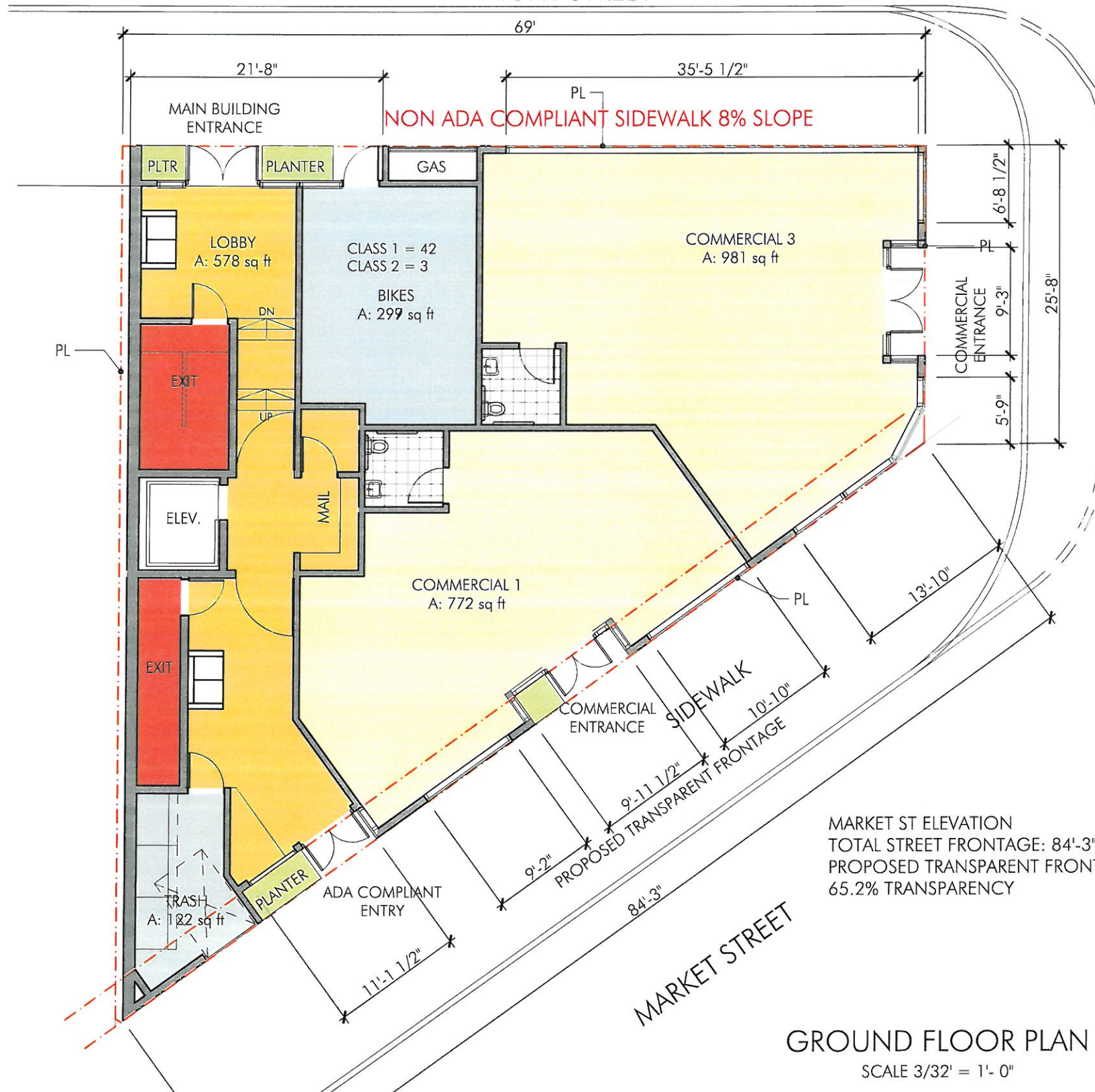
EXHIBIT C.2

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HAIGHT ST ELEVATION
 TOTAL STREET FRONTAGE: 69'-0"
 PROPOSED TRANSPARENT FRONTAGE: 57'-2"
 83% TRANSPARENCY

HAIGHT STREET



PROPOSED TRANSPARENT FRONTAGE

GOUGH STREET

GOUGH ST ELEVATION
 TOTAL STREET FRONTAGE: 25'-8"
 PROPOSED TRANSPARENT FRONTAGE: 21'-8 1/2"
 84% TRANSPARENCY

MARKET ST ELEVATION
 TOTAL STREET FRONTAGE: 84'-3"
 PROPOSED TRANSPARENT FRONTAGE: 54'-10"
 65.2% TRANSPARENCY

MARKET STREET

GROUND FLOOR PLAN

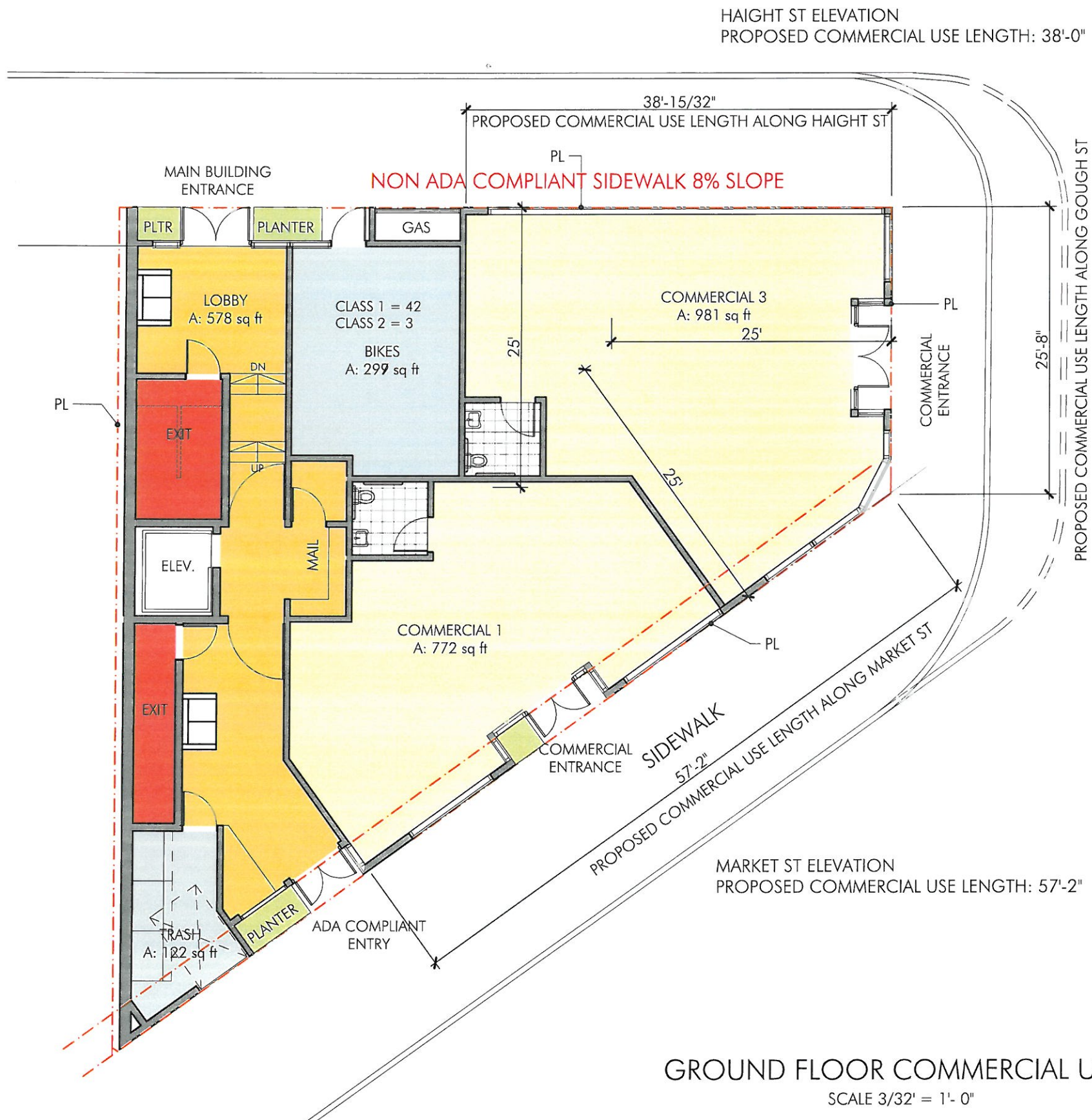
SCALE 3/32" = 1'-0"

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1700 MARKET STREET
 SAN FRANCISCO, CALIFORNIA 94102

EXHIBIT D

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 ARCHITECTS



GOUGH ST ELEVATION
PROPOSED COMMERCIAL USE LENGTH: 25'-8"

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1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

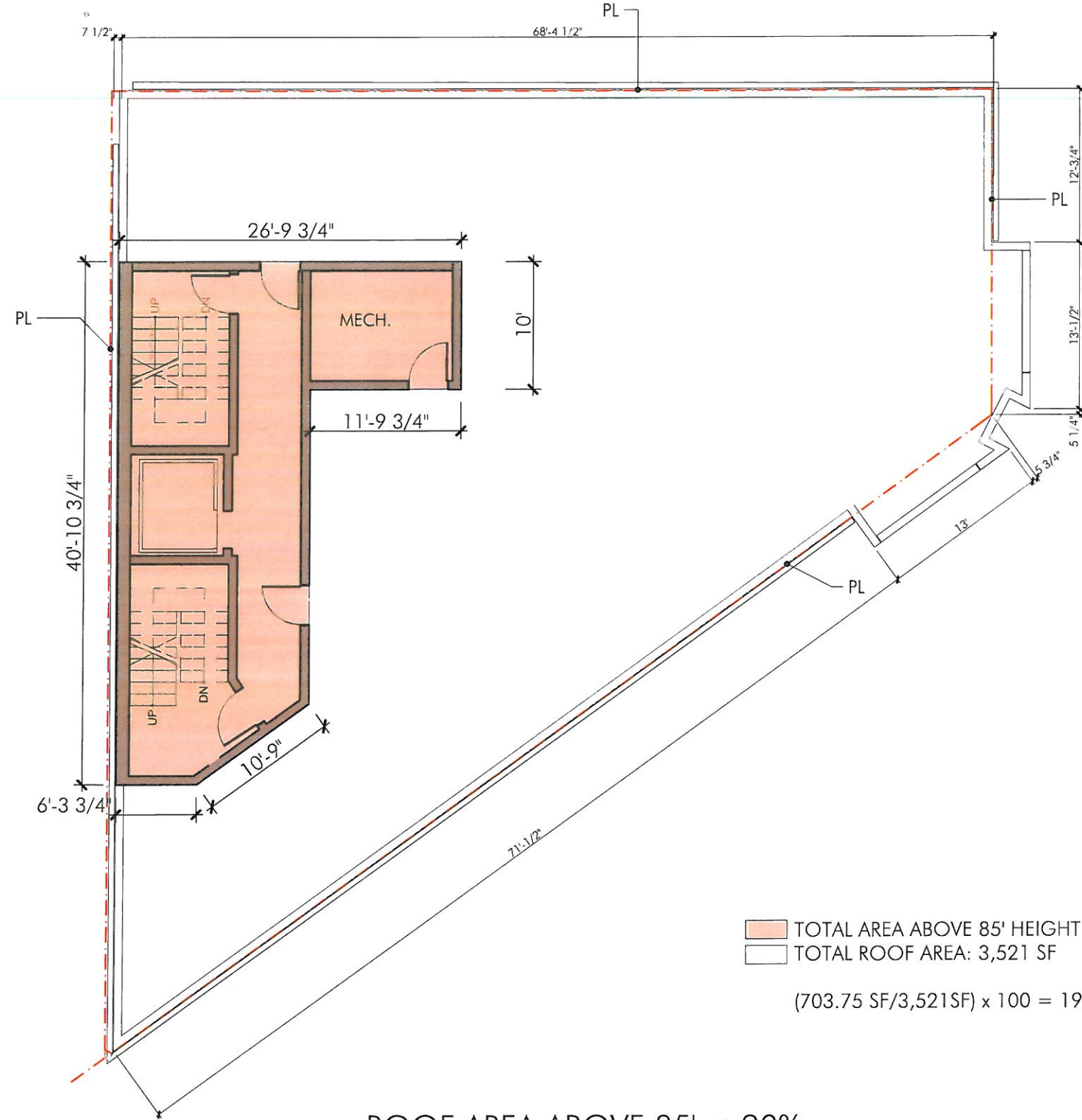
EXHIBIT E

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GROUND FLOOR COMMERCIAL USES

SCALE 3/32" = 1'-0"



ROOF AREA ABOVE 85' < 20%
SCALE 3/32" = 1'-0"

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1700 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94102

EXHIBIT F

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