



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Conditional Use

HEARING DATE: FEBRUARY 5, 2015

Date: January 26, 2015
Case No.: **2014.1321C**
Project Address: **415 DE HARO STREET**
Zoning: UMU (Urban Mixed Use) District
48-X Height and Bulk District
Block/Lot: 3989/008
Project Sponsor: Mark Loper
Reuben, Junius and Rose LLP
1 Bush Street, Suite 600
San Francisco, CA 94104
Staff Contact: Erika Jackson – (415) 558-6363
erika.jackson@sfgov.org
Recommendation: **Approval with Conditions**

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PROJECT DESCRIPTION

The applicant proposes to establish a new formula retail use in the existing approximately 2,500 gross square foot vacant commercial storefront at the ground floor on the corner of 17th Street and De Haro Street. The storefront is one of two storefronts in a four-story mixed-use building with residential uses on the upper floors constructed in 2014. The subject use will be a financial services bank use (d.b.a. Umpqua Bank). The project proposes interior tenant improvements, as well as the addition of an exterior ATM and signage.

Umpqua Bank proposes a unique approach to banking by acting also as a community hub for neighbors. The interior spaces are designed to meet the needs of the neighborhood, and typically include conveniences such as bike parking, recharge stations for phones, free WiFi and coffee, and a space for community meetings, classes and events. The company also provides community-based grants and gives employees 40 hours of paid time off each year to volunteer through Connect Volunteer Network.

SITE DESCRIPTION AND PRESENT USE

The project is located at the ground floor of a newly constructed four-story mixed-use building with 21 dwelling units on a corner lot that occupies the entire block face of the south side of 17th Street from De Haro Street to Carolina Street, Block 3980, Lot 008. The property is located within the UMU (Urban Mixed Use) Zoning District and the 48-X Height and Bulk District. The subject building contains two ground floor commercial storefronts. Philz Coffee has submitted a Formula Retail Conditional Use Application for the other tenant space.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The subject site is located within the Potrero Hill neighborhood. The surrounding development consists of a variety of commercial, industrial, and mixed-use buildings mostly featuring residential uses above ground floor commercial establishments. Many of these mixed-use buildings are newly constructed buildings. The scale of development in the area consists of a mix of mid-rise buildings, ranging from one- to five-story structures, ranging from large short warehouse buildings to taller mixed-use buildings.

The subject site is located within an Urban Mixed Use (UMU) Zoning District, which is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area. It is also intended to serve as a buffer between residential districts and PDR districts in the Eastern Neighborhoods. Within the UMU, allowed uses include production, distribution, and repair uses such as light manufacturing, home and business services, arts activities, warehouse, and wholesaling. Additional permitted uses include retail, educational facilities, and nighttime entertainment. Housing is also permitted, but is subject to higher affordability requirements. Family-sized dwelling units are encouraged. Within the UMU, office uses are restricted to the upper floors of multiple story buildings. Surrounding Zoning Districts include RH (Residential, House) Zoning Districts, PDR (Production, Distribution, and Repair) Zoning Districts, and P (Public) Zoning Districts.

ENVIRONMENTAL REVIEW

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	01/16/15	01/16/15	20 days
Posted Notice	20 days	01/16/15	01/16/15	20 days
Mailed Notice	20 days	01/16/15	01/16/15	20 days

The proposal requires a Section 312-neighborhood notification, which was conducted in conjunction with the conditional use authorization process.

PUBLIC COMMENT

- To date, the Department has received no communication with the public.

ISSUES AND OTHER CONSIDERATIONS

- Within the surrounding UMU Zoning District, there is only one other similar retail use – the Citibank located on Kansas Street between 16th and 17th Streets. No additional similar uses are located within a quarter mile radius of the subject property.

- Based on a survey of the immediately surrounding UMU Zoning District, there are 24 ground floor commercial storefronts in the surrounding UMU Zoning District, approximately 3 of which appear to be formula retail uses, accounting for 13 percent of all ground floor commercial uses.
- Based on a survey of the immediately surrounding UMU Zoning District, there are currently 4 vacant ground floor commercial spaces, including the subject space, out of approximately 24 commercial spaces in the surrounding UMU Zoning District. The existing vacancy rate within the surrounding UMU Zoning District is 17 percent. The vacancy rate would change to 13 percent with the proposed formula retail use. The vacancy rate would change to 8 percent if both proposed formula retail uses are approved.
- Based on a survey of the immediately surrounding UMU Zoning District, neighborhood serving uses account for 58 percent of all ground floor commercial uses with 14 storefronts.

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must grant conditional use authorization to allow the establishment of a new formula retail use within an Urban Mixed Use (UMU) Zoning District, pursuant to Planning Code Sections 303 and 843.46.

BASIS FOR RECOMMENDATION

- The project will improve the exterior appearance of the subject property by creating a more open and attractive storefront activated by the proposed business.
- The project would provide the kinds of traditional banking services necessary to serve the new residents of the neighborhood in an area underserved by banking options.
- The project meets all applicable requirements of the Planning Code.
- The project is desirable for, and compatible with the surrounding neighborhood.

RECOMMENDATION:	Approval with Conditions
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Attachment Checklist

- | | |
|---|--|
| <input checked="" type="checkbox"/> Executive Summary | <input checked="" type="checkbox"/> Project sponsor submittal |
| <input checked="" type="checkbox"/> Draft Motion | Drawings: <u>Existing Conditions</u> |
| <input type="checkbox"/> Environmental Determination | <input checked="" type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Zoning District Map | Drawings: <u>Proposed Project</u> |
| <input type="checkbox"/> Height & Bulk Map | <input checked="" type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Parcel Map | 3-D Renderings (new construction or significant addition) |
| <input checked="" type="checkbox"/> Sanborn Map | <input type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Aerial Photo | <input type="checkbox"/> Wireless Telecommunications Materials |
| <input type="checkbox"/> Context Photos | <input type="checkbox"/> Health Dept. review of RF levels |
| <input type="checkbox"/> Site Photos | <input type="checkbox"/> RF Report |
| <input checked="" type="checkbox"/> Formula Retail Uses Map | <input type="checkbox"/> Community Meeting Notice |
| <input type="checkbox"/> Support Letters | <input type="checkbox"/> Housing Documents |
| | <input type="checkbox"/> Inclusionary Affordable Housing Program: Affidavit for Compliance |
| | <input type="checkbox"/> Residential Pipeline |

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

_____ESJ_____

Planner's Initials

ESJ: G:\DOCUMENTS\Projects\CUI\De Haro 415\2014.1321C\Exec Summary Umpqua.doc



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|--|--|
| <input type="checkbox"/> Affordable Housing (Sec. 415) | <input 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 type="checkbox"/> Other |

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Planning Commission Motion No. XXXXX

HEARING DATE: FEBRUARY 5, 2015

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Recommendation: **Approval with Conditions**

ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 303.1 AND 843.46 OF THE PLANNING CODE TO ESTABLISH A NEW FORMULA RETAIL FINANCIAL SERVICES USE (D.B.A. UMPQUA BANK) WITHIN A UMU (URBAN MIXED USE) ZONING DISTRICT, AND 48-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On August 28, 2014, Mark Loper (hereinafter "Project Sponsor") filed an application with the Planning Department (hereinafter "Department") for Conditional Use Authorization under Planning Code Section(s) 303.1 and 843.46 to allow the establishment of a new formula retail use (d.b.a. Umpqua Bank) within a UMU (Urban Mixed Use) Zoning District and a 48-X Height and Bulk District.

On February 5, 2015, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing of a regularly scheduled meeting on Conditional Use Application No. 2014.1321C.

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption.

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 authorizes the Conditional Use Authorization requested in Application No. 2014.1321C, 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 project is located at the ground floor of a newly constructed four-story mixed-use building with 21 dwelling units on a corner lot that occupies the entire block face of the south side of 17th Street from De Haro Street to Carolina Street, Block 3980, Lot 008. The property is located within the UMU (Urban Mixed Use) Zoning District and the 48-X Height and Bulk District. The subject building contains two ground floor commercial storefronts. Philz Coffee has submitted a Formula Retail Conditional Use Application for the other tenant space.
3. **Surrounding Properties and Neighborhood.** The subject site is located within the Potrero Hill neighborhood. The surrounding development consists of a variety of commercial, industrial, and mixed-use buildings mostly featuring residential uses above ground floor commercial establishments. Many of these mixed-use buildings are newly constructed buildings. The scale of development in the area consists of a mix of mid-rise buildings, ranging from one- to five-story structures, ranging from large short warehouse buildings to taller mixed-use buildings.

The subject site is located within an Urban Mixed Use (UMU) Zoning District, which is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area. It is also intended to serve as a buffer between residential districts and PDR districts in the Eastern Neighborhoods. Within the UMU, allowed uses include production, distribution, and repair uses such as light manufacturing, home and business services, arts activities, warehouse, and wholesaling. Additional permitted uses include retail, educational facilities, and nighttime entertainment. Housing is also permitted, but is subject to higher affordability requirements. Family-sized dwelling units are encouraged. Within the UMU, office uses are restricted to the upper floors of multiple story buildings. Surrounding Zoning Districts include RH (Residential, House) Zoning Districts, PDR (Production, Distribution, and Repair) Zoning Districts, and P (Public) Zoning Districts.

4. **Project Description.** The applicant proposes to establish a new formula retail use in the existing approximately 2,500 gross square foot vacant commercial storefront at the ground floor on the corner of 17th Street and De Haro Street. The storefront is one of two storefronts in a four-story mixed-use building with residential uses on the upper floors constructed in 2014. The subject use will be a financial services bank use (d.b.a. Umpqua Bank). The project proposes interior tenant improvements, as well as the addition of an exterior ATM and signage.

Umpqua Bank proposes a unique approach to banking by acting also as a community hub for neighbors. The interior spaces are designed to meet the needs of the neighborhood, and typically include conveniences such as bike parking, recharge stations for phones, free WiFi and coffee, and a space for community meetings, classes and events. The company also provides community-based grants and gives employees 40 hours of paid time off each year to volunteer through Connect Volunteer Network.

5. **Public Comment.** To date, the Department has received no public comment.
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. **Street Frontage in Mixed Use Districts.** Section 145.1 of the Planning Code requires that space for active uses shall be provided within the first 25 feet of building depth on the ground floor and 15 feet on floors above from any facade facing a street at least 30 feet in width. In addition, the floors of street-fronting interior spaces housing non-residential active uses and lobbies shall be as close as possible to the level of the adjacent sidewalk at the principal entrance to these spaces. Frontages with active uses must 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 use of dark or mirrored glass shall not count towards the required transparent area. Any decorative railings or grillwork, other than wire mesh, which is placed in front of or behind ground floor windows, shall be at least 75 percent open to perpendicular view. Rolling or sliding security gates shall consist of open grillwork rather than solid material, so as to provide visual interest to pedestrians when the gates are closed, and to permit light to pass through mostly unobstructed. Gates, when both open and folded or rolled as well as the gate mechanism, shall be recessed within, or laid flush with, the building facade.

The subject commercial tenant space has approximately 50 linear feet of frontage along De Haro Street and 50 linear feet of frontage along 17th Street. This entire approximately 2,500 square foot space will be occupied by the active use of Umpqua Bank, which is a financial services use that complies with Section 145.1(c)(3). A majority of the frontage is dedicated to transparent glazed windows and a transparent glazed entry door. Other additions to the storefront include the construction of a new ATM on the De Haro Street frontage, and outdoor patio seating on the 17th Street frontage.

- B. **Parking.** Section 151 of the Planning Code requires no off-street parking in the UMU Zoning District.

The proposed project includes no off-street parking spaces.

- C. **Walk-up Facility.** Planning Code Section 843.98 allows walk-up facilities including Automatic Teller Machines that are constructed in accordance with Planning Code Section 803.9(b).

The Project proposes an ATM on the De Haro Street frontage that is setback 3 feet from the front property line.

- D. **Use.** Planning Code Section 843.45 states that All Retail Sales and Services are principally permitted up to 25,000 square feet per lot.

The proposed project is for a financial services use located in an existing 2,500 square foot tenant space.

- E. **Formula Retail.** Planning Code Section 303.1 defines Formula Retail as a type of retail sales activity or retail sales establishment which, along with eleven or more other retail sales establishments located in the United States, maintains two or more of the following features: a standardized array of merchandise, a standardized façade, a standardized décor and color scheme, a uniform apparel, standardized signage, a trademark or service mark. Planning Code Section 303.1 requires Conditional Use authorization for Formula Retail Uses.

The proposed project is for a Formula Retail Financial Services use (d.b.a. Umpqua Bank).

- F. **Signage.** Currently, there is not a proposed sign program on file with the Planning Department. Any proposed signage will be subject to the review and approval of the Planning Department.

The project sponsor has proposed one corner cuff sign, a blade projecting sign on each street frontage, and individual letters mounted on the awning above the entrance on the 17th Street facade.

7. **Planning Code Section 303.1** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

- A. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The proposed project is necessary and desirable for, and compatible with, the neighborhood and the community. This area of Potrero Hill has recently undergone a sizable amount of residential development, and retailers are starting to follow. For example, a Whole Foods Market is located one block from the property. The proposed project will provide the kinds of traditional banking services necessary to serve the new residents of the neighborhood in an area underserved by banking options, as

well as a unique community hub where those residents can gather and hold events in a new community space. Additionally, the proposed project will occupy a currently vacant retail space. It will contribute to activating the pedestrian realm along De Haro Street, increasing foot traffic and making the street safer and livelier.

- B. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:

- i. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The size and shape of the Project Site is compatible with the patterns of development in the area, and the Project does not involve any alterations to the exterior of the subject building. The Project would not physically expand the existing building or tenant space, and therefore would not alter the existing appearance. The character of the Project vicinity will be improved by activating a vacant commercial space within this UMU Zoning District.

- 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;

The proposed project is within easy walking distance of many potential customers and is well served by public transit. The 10-Townsend, 19-Polk, and 22-Fillmore MUNI lines run directly in front of the subject property. There is no parking on the subject site for the commercial use, and no parking is proposed as part of the proposed project. It is anticipated that the proposed project will not generate a noticeable increase in traffic volumes and patterns.

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

The project is not anticipated to produce noxious or offensive emissions related to noise, glare, dust or odor. There will be no kitchen and food will not be cooked on site. The proposed use is subject to the standard conditions of approval as outlined in Exhibit A.

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

The proposed project will improve the exterior appearance of the subject property by creating a more open and attractive storefront activated by the proposed business.

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

The Project complies with all relevant requirements and standards of the Planning Code. The project as a whole is consistent with the objectives and policies of the General Plan as detailed below.

- D. That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

The subject site is located within an Urban Mixed Use (UMU) Zoning District, which is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area. It is also intended to serve as a buffer between residential districts and PDR districts in the Eastern Neighborhoods. Within the UMU, allowed uses include production, distribution, and repair uses such as light manufacturing, home and business services, arts activities, warehouse, and wholesaling. Additional permitted uses include retail, educational facilities, and nighttime entertainment. Housing is also permitted, but is subject to higher affordability requirements. Family-sized dwelling units are encouraged. Within the UMU, office uses are restricted to the upper floors of multiple story buildings. The proposed project is a financial services retail use, which is principally permitted in the Zoning District.

8. **Planning Code Section 303.1 and 843.46** require Conditional Use authorization for the establishment of a Formula Retail Use in the UMU (Urban Mixed Use) Zoning District. The Planning Commission shall consider the following criteria set forth in Section 303.1 in addition to the criteria set forth in Section 303(c):

- a. The existing concentrations of formula retail uses within the existing concentrations of Formula Retail uses within the district and within the vicinity of the proposed project.

Based on a survey of the immediately surrounding UMU Zoning District, as shown in the map provided in Exhibit A, there are 24 ground floor commercial storefronts in the surrounding UMU Zoning District, approximately 3 of which appear to be formula retail uses, accounting for 13 percent of all ground floor commercial uses. The formula retail uses within the surrounding UMU Zoning District are Starbucks, Citibank, and Saks Fifth Avenue. The concentration of formula retail uses in this UMU Zoning District is approximately the same as the City-wide average of 12 percent, but less than traditional Neighborhood Commercial Districts, such as Upper Fillmore NCD with a concentration of 21 percent (as reported in 2014). With the proposed formula retailer, the concentration of formula retail in this UMU Zoning District would increase to 17 percent.

A quarter mile radius drawn around the subject property stretches from 19th Street to the south, 15th Street to the north, San Bruno Avenue to the west, and Missouri Street to the east, as shown in the map provided in Exhibit A. A survey of the quarter mile radius, outside the surrounding UMU Zoning District, found four additional formula retail establishments - Whole Foods, World Gym, Restoration Hardware, and UPS. There are 56 ground floor commercial storefronts within the quarter mile radius of the subject site, approximately 7 of which appear to be formula retail uses, accounting for 13 percent of all ground floor commercial uses.

- b. The availability of other similar retail uses within the district and within the vicinity of the proposed project.

Similar retail uses are other banks or financial services uses. Within the surrounding UMU Zoning District, there is only one other similar retail use – the Citibank located on Kansas Street between 16th and 17th Streets. There are no additional similar uses within a quarter mile radius of the subject property.

- c. The compatibility of the proposed formula retail use within the existing architectural and aesthetic character of the district.

The subject property is located within a newly constructed four-story mixed use building with commercial on the ground floor and residential on the upper floors. The surrounding Potrero Hill neighborhood has a mixed use character that includes existing industrial uses, as well as many new buildings with residential units over ground floor retail. The existing building on the subject property is compatible with the architectural and aesthetic character of the district. The existing building will remain unchanged except for interior tenant improvements, new signage, and a new ATM on the De Haro Street facade.

- d. The existing retail vacancy rates within the district and within the vicinity of the proposed project.

There are currently 4 vacant ground floor commercial spaces, including the subject space, out of approximately 24 commercial spaces in the surrounding UMU Zoning District. The existing vacancy rate within the surrounding UMU Zoning District is 17 percent, which is slightly higher than the acceptable healthy vacancy rate of 10 percent¹. The vacancy rate would change to 13 percent with the proposed formula retail use. The vacancy rate would change to 8 percent if both proposed formula retail uses are approved. There are currently 7 vacant ground floor commercial spaces, including the subject space, out of approximately 56 commercial spaces within a quarter mile radius of the subject site. This existing vacancy rate within a quarter mile radius of the subject site is 13 percent.

- e. The existing mix of Citywide-serving retail uses and neighborhood-serving retail uses within the district and within the vicinity of the proposed project.

Neighborhood serving uses are not clearly defined in the Planning Code, but rather explained as uses that serve those who live and work nearby. As such, this analysis considers neighborhood serving uses to include: limited restaurants, grocery stores and markets, drug stores and pharmacies, variety merchandise, financial services and some trade shops. In the surrounding UMU Zoning District, neighborhood serving uses account for 58 percent of all ground floor commercial uses with 14 storefronts. Within a quarter mile radius of the subject site,

¹ San Francisco Formula Retail Economic Analysis Economic Analysis DRAFT, April 10, 2014 http://www.sf-planning.org/ftp/files/legislative_changes/form_retail/Final-Report-Draft-04-10-2014.pdf

neighborhood serving uses account for 32 percent of all ground floor commercial uses with 18 storefronts.

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

NEIGHBORHOOD COMMERCE

Objectives and Policies

OBJECTIVE 1:

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1:

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development that has substantial undesirable consequences that cannot be mitigated.

Policy 1.2:

Assure that all commercial and industrial uses meet minimum, reasonable performance standards.

Policy 1.3:

Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

The proposed development will provide a desirable service to the neighborhood and will provide employment opportunities to community residents. The proposed commercial activity will add a bank to an area that is underserved by financial services. No undesirable consequences that cannot be mitigated are anticipated by the proposed financial services use.

OBJECTIVE 2:

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1:

Seek to retain existing commercial and industrial activity and to attract new such activity to the City.

The project will replace a vacant storefront with a commercial activity that is consistent with the character and uses of the surrounding UMU Zoning District.

OBJECTIVE 3:

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

Policy 3.1:

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

The Project will provide additional employment opportunities for local residents at varying skill levels.

OBJECTIVE 6:

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

Policy 6.1:

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

No commercial tenant would be displaced and the project would not prevent the district from achieving optimal diversity in the types of goods and services available in the neighborhood.

Policy 6.4:

Encourage the location of neighborhood shopping areas throughout the city so that essential retail goods and personal services are accessible to all residents.

The proposed Formula Retail use will add a financial services use in the immediate area, which is currently underserved by this essential service.

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 Project will not displace any existing retail uses within the neighborhood and will activate a storefront that is currently vacant. There are no proposed expansions to the existing store footprint.

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

The existing residential units in the surrounding neighborhood would not be adversely affected by the project.

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

No housing will be removed for this Project.

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

The Project would not adversely impact public transit or place a burden on the existing supply of parking in the neighborhood. The site is well served by transit. There are three MUNI lines directly in front of the Project Site.

- 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 will not displace any service or industry establishment. The project will not affect industrial or service sector uses or related employment opportunities. Ownership of industrial or service sector businesses will not be affected by this project. The project proposes to replace a vacant storefront with an active use.

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

Only interior tenant improvements are proposed and will be designed and constructed to conform to the structural and seismic safety requirements of the City Building Code. This proposal will not affect the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

The subject building is not a landmark or historic building.

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

The Project will have no negative effect on existing parks and open spaces. The Project does not have an effect on open spaces as there are no exterior expansions.

11. 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.
12. 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 Application No. 2014.1321C** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated August 26, 2014, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 19143. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

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 February 5, 2015.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: February 5, 2015

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to allow the establishment of a new formula retail use (d.b.a. Umpqua Bank) located at 415 De Haro Street, Lot 008 in Assessor's Block 3980 pursuant to Planning Code Section(s) 303.1 and 843.36 within an Urban Mixed Use (UMU) Zoning District and a 48-X Height and Bulk District; in general conformance with plans, dated August 26, 2014, and stamped "EXHIBIT B" included in the docket for Case No. 2014.1321C and subject to conditions of approval reviewed and approved by the Commission on February 5, 2015 under Motion No XXXXX. 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 February 5, 2015 under Motion No XXXXX.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. XXXXX 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 Conditional Use 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 Conditional Use authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

1. **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

2. **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

3. **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

4. **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

5. **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

MONITORING - AFTER ENTITLEMENT

6. **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

7. **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

8. **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>

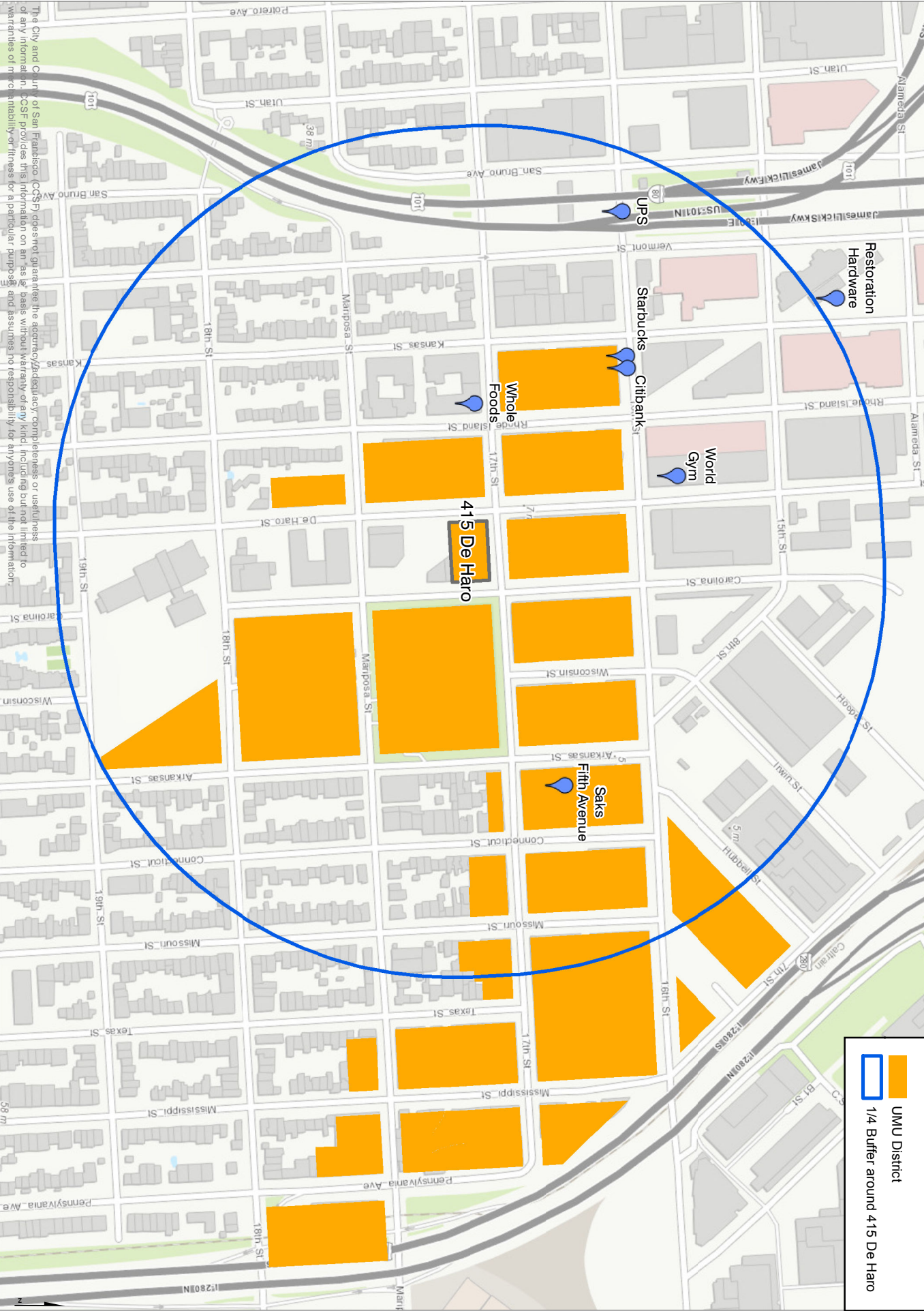
9. **Sidewalk Maintenance.** The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

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

10. **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

Formula Retail Uses within UMU Zoning District and 1/4 Mile Radius from 415 De Haro Street

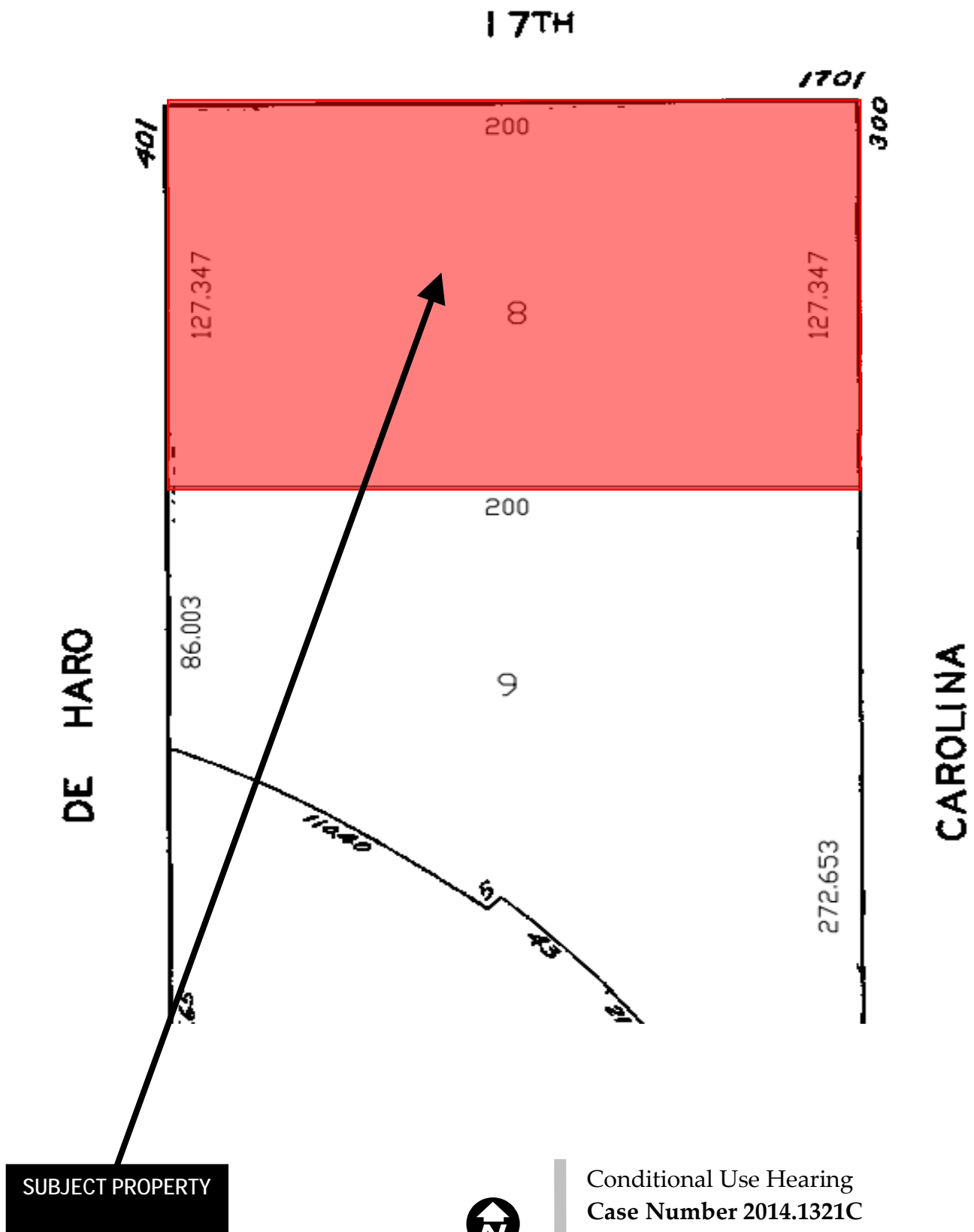


UMU District

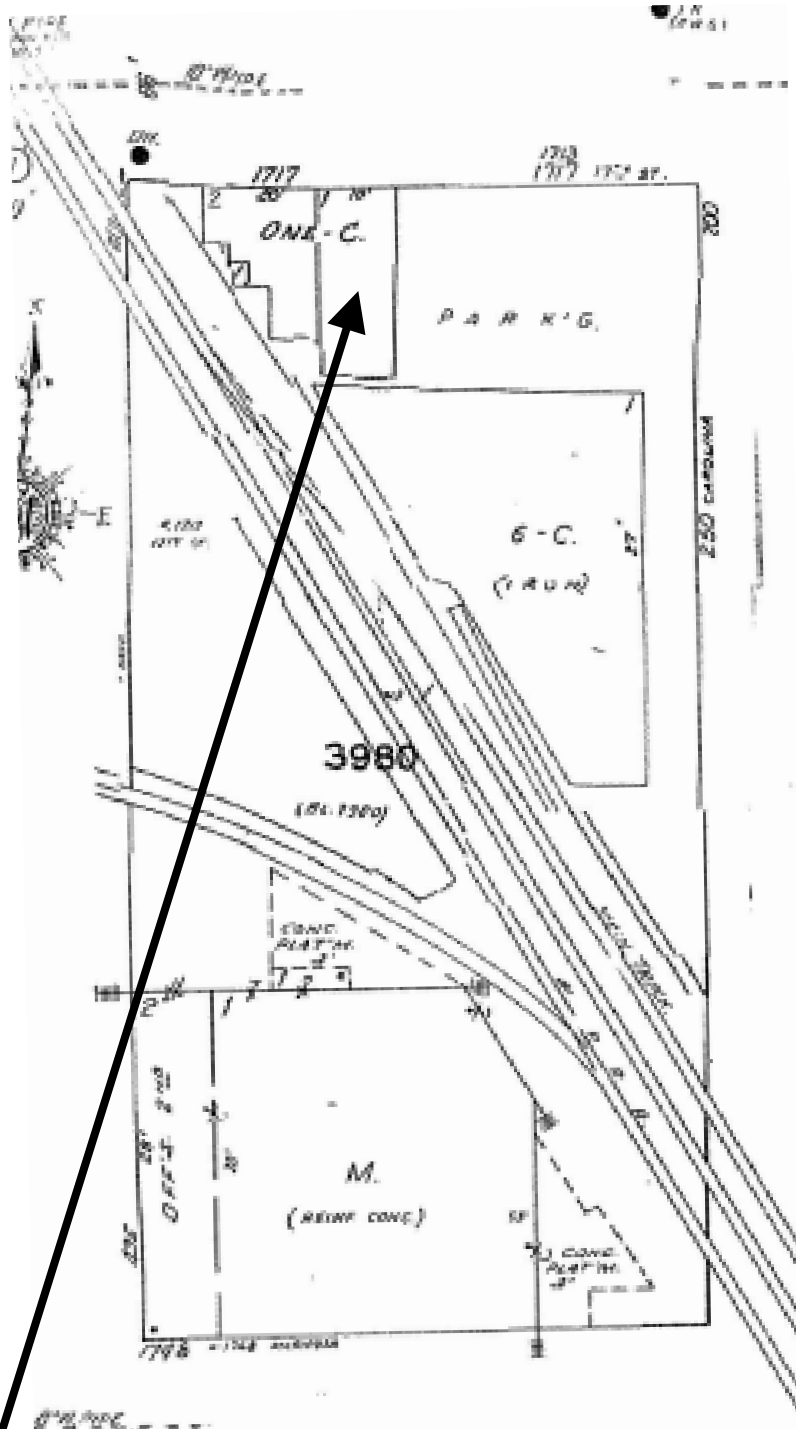
1/4 Buffer around 415 De Haro



Parcel Map



Sanborn Map*



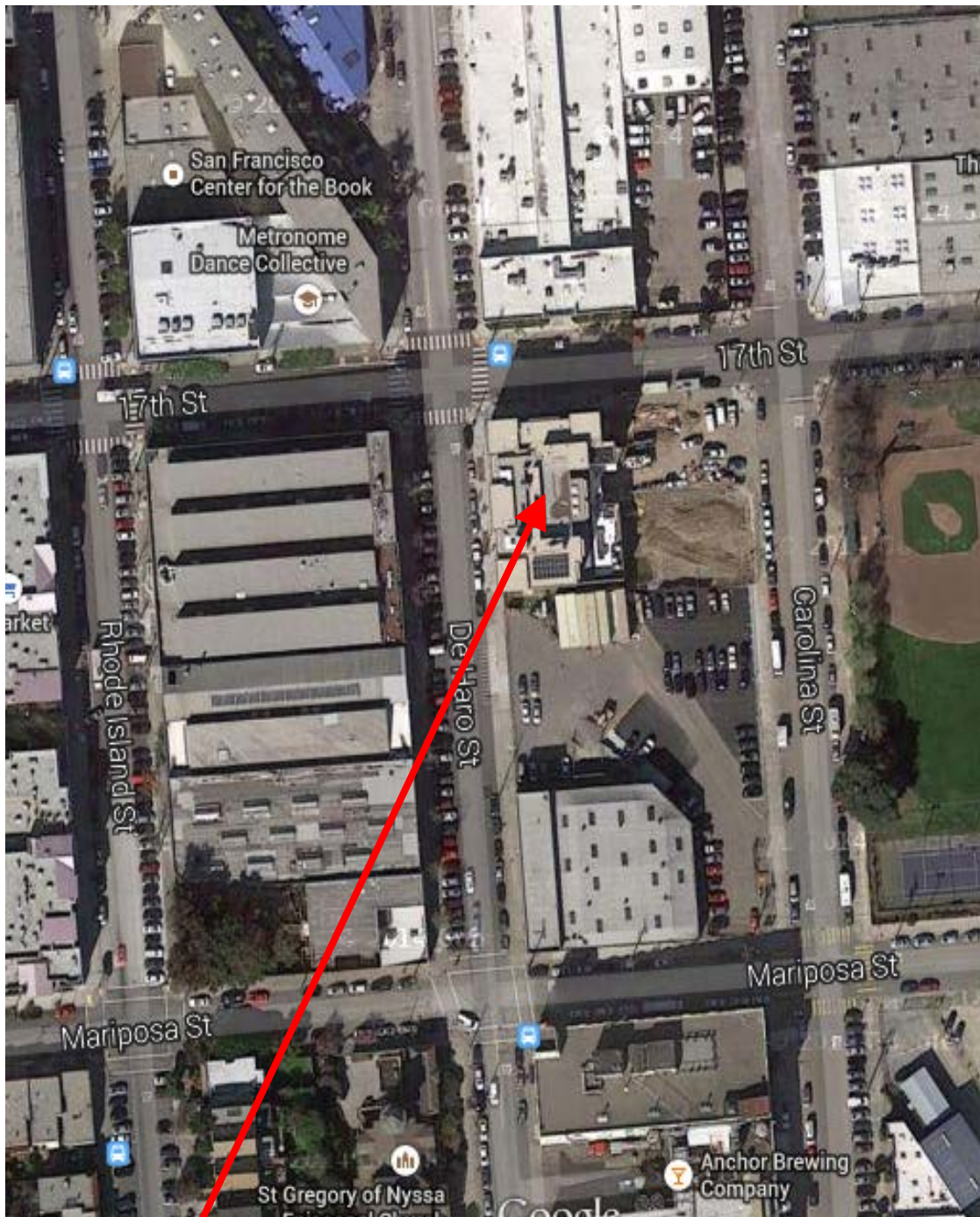
SUBJECT PROPERTY

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



Conditional Use Hearing
Case Number 2014.1321C
415 De Haro Street
3980/008

Aerial Photo

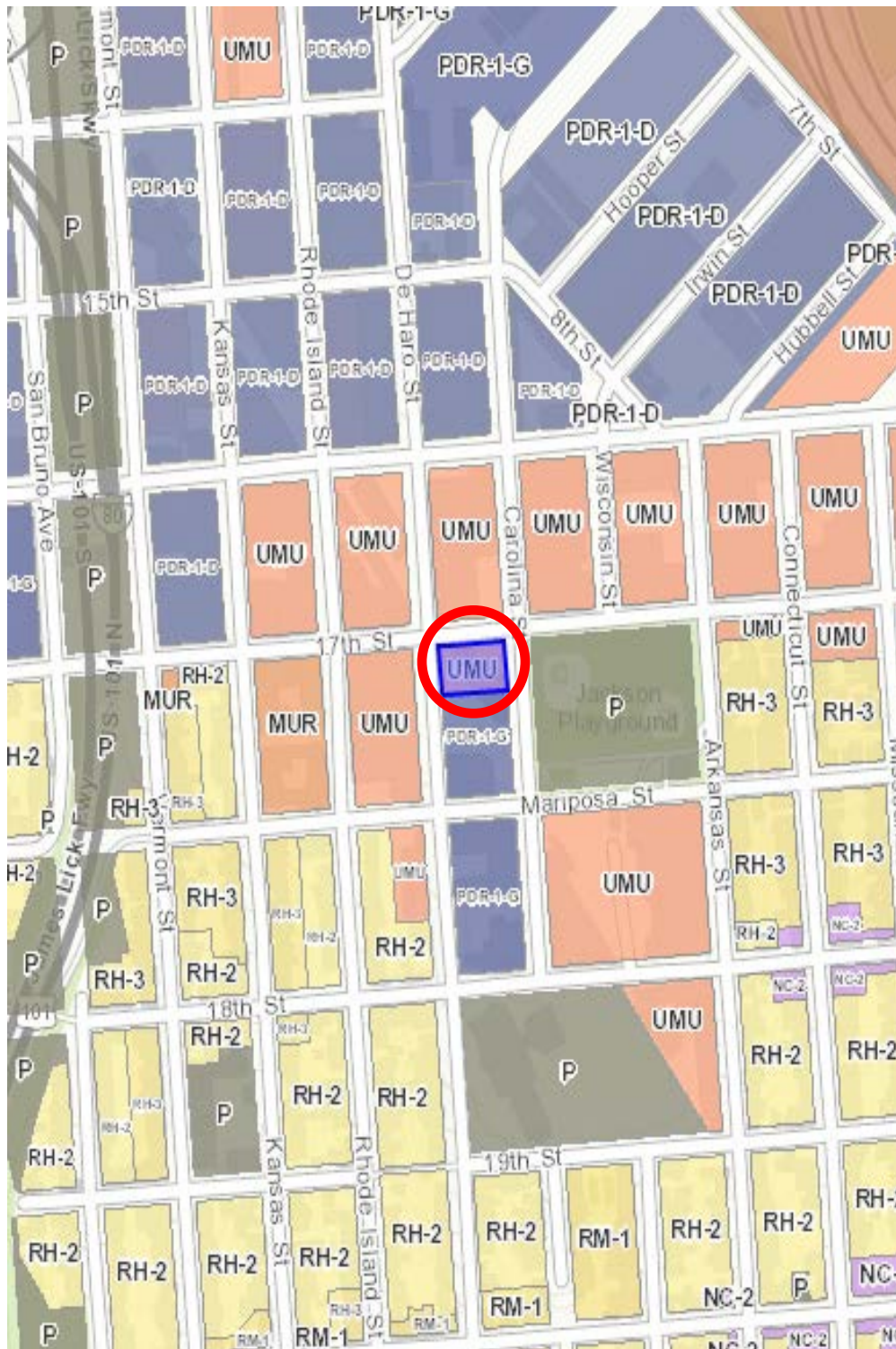


SUBJECT PROPERTY



Conditional Use Hearing
Case Number 2014.1321C
415 De Haro Street
3980/008

Zoning Map



Conditional Use Hearing
Case Number 2014.1321C
415 De Haro Street
3980/008

REUBEN, JUNIUS & ROSE, LLP

January 16, 2015

By Messenger

President Cindy Wu
San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: 415 De Haro Street – Umpqua Bank Conditional Use Authorization
Planning Case No. 2014.1321
Our File No.: 8048.02

Dear President Wu and Commissioners:

This office represents Umpqua Bank (“Project Sponsor” or “Umpqua”), which proposes to be the first occupant of an at-grade and currently vacant retail space in a newly-constructed mixed-use building at 415 De Haro Street (the “Project”), at the base of Potrero Hill and fronting 17th Street. Supported by the neighborhood and adding a much-needed holistic and community-oriented banking option in a vacant retail space, the Project requires conditional use approval to open a new formula retail store. We look forward to presenting the Project to you on February 5, 2015.

A. Benefits of the Project

The benefits of the Project include the following:

1. **Umpqua’s business model is an alternative to traditional banks.** Umpqua offers a unique customer-oriented approach to banking, delivering the products and services of a large bank with an emphasis on neighborhood involvement and customer engagement typically found in community banks. The new store will offer a number of unexpected conveniences, such as free wifi with coffee, recharge stations for phones, and outdoor patio seating. Unlike traditional banks, Umpqua offers its space to the community as a location where neighbors and community groups can gather and hold events.
2. **The Project store would create more customer banking options in Potrero Hill.** One of two banking options in the immediate neighborhood (the other being a formula retail Citibank branch) the Project store offers a far different banking experience, emphasizing the use of its space as a place where banking services are available but not required for members of the community to enter the store and enjoy its amenities. This holistic approach to banking differentiates Umpqua and the Project store from more traditional

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

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

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financial service formula retailers. There are two other banks within one mile of the Project site, both formula retailers and both relatively inaccessible by residents of the immediate Project vicinity. One is located across the 101 freeway from the Project in a shopping mall, and the other is located inside the Zynga building in Showplace Square, north of the Property.

3. **The Project will improve the neighborhood business environment and occupy a vacant retail space.** The new Umpqua store will be one of two ground-floor retail tenants in a newly-constructed building with upper-floor residential use (the other proposed tenant being Philz Coffee), located on 17th and De Haro Streets at the base of Potrero Hill. The space is currently vacant. The store will contribute to activating and enlivening the streetscape along 17th Street in this growing neighborhood, which has experienced substantial residential development in recent years, with retailers starting to follow.
4. **The Project will create jobs.** The Project will create five new jobs, four at the store itself and one new business development position.
5. **The Project has widespread neighborhood support.** The Project Sponsor team has conducted extensive community outreach and has widespread neighborhood support. Outreach included initial one-one-one meetings with neighborhood stakeholders (Keith Goldstein of PDMA and J.R. Eppler of PHB), presentations with the Potrero Dogpatch Merchants Association and the Potrero Hill Boosters, a community meeting, and additional community outreach at the 2014 Potrero Hill Festival and other venues. City-wide, the Project Sponsor has collected over 1,000 supporter cards from San Francisco residents, including nearly 300 cards from residents in and around the Potrero Hill area.

B. Introduction to Umpqua and Project Description

Umpqua offers a unique approach to banking. It is Umpqua's goal to bring both financial expertise and access—as well as its unique approach to investing in the communities it serves—to the Potrero Hill neighborhood.

For more than 20 years, Umpqua has been focused on building a bank that delivers the products and services of a large bank with the customer engagement of a community bank and the innovative customer service of a retailer. Its stores are built as community hubs for customers and neighbors alike. Stores (not branches) are designed to reflect the neighborhoods they are in, and include unexpected conveniences like bike parking, recharge stations for phones, free wifi with coffee, and neighborhood events ranging from movie nights to yoga classes. Core to Umpqua's approach to community banking is the company's commitment to giving back. In addition to community-based grants, Umpqua provides every associate with up to 40 hours of

paid time off each year to volunteer. The program is one of the benefits associates value most; average participation is more than 80% each year, nearly 3 times the national average.

As with all new Umpqua locations, the Potrero Hill store will be built with thoughtful use of physical design elements, enhancing the experience of customers and improving the pedestrian realm. These features include an open floor plan, “exchange” breakout-style conference rooms, and easy access to any of the store’s amenities for all members of the public—encouraging and inviting pedestrians into the store. There will be no changes to the existing size or shape of the building. The Project includes new signage on the building’s exterior façade but in all other respects will not modify the building that recently underwent the Planning Department’s design review process as part of its project approval.

Inspirations for certain elements of the Project’s store design can be gleaned from Umpqua’s San Francisco flagship store located in the Financial District that was honored by the Retail Design Institute as its 2013 Store of the Year. This design integrates technology and physical design to create an open and inviting space. Plans and renderings are attached as **Exhibit A**.

C. The Store Meets a Growing Demand in the Community

Located in a developing part of Potrero Hill, the Project is consistent with the intended use of the building, activates vacant retail space in a newly-constructed building, and provides a much-needed community oriented banking option for this growing neighborhood. The Project will be more than a new bank in an area underserved by banking options; it will provide a new community space.

The Property is located at the base of Potrero Hill on De Haro and 17th Streets at Mariposa Street, adjacent to Showplace Square and near Mission Bay. This area of Potrero Hill has recently undergone a sizeable amount of residential development, and retailers are starting to follow. The Project site is currently a vacant retail space in a newly-constructed mixed-use building with three floors of residential units over two ground-floor retail spaces. The surrounding neighborhood has several similar new mixed-use buildings with residential units above ground-floor retail space, some of which have yet to be filled. The Project store will provide the kinds of traditional banking services necessary for the new residents of the neighborhood, as well as a unique community hub where those residents can gather and hold events.

Additionally, the proposed store is located in an area with relatively few formula retail uses. There appear to be only two existing formula retailers in the Potrero Hill neighborhood between the 101 freeway to the west of the Property and the 280 freeway to its east. There are three existing banks—all formula retail—within one mile of the Project site. One is in the

Potrero Center shopping mall located on the other side of 101 from the Property, and another is located inside the Zynga building in Showplace Square north of the site.

Although there is a Citibank branch one block from the Property on Rhode Island Street, the Project store will provide residents of the neighborhood with more than just one option for their banking needs. Umpqua offers a far different banking experience than Citibank, with banking services available but certainly not required in order for members of the community to enter the store and enjoy its amenities. This holistic approach to banking differentiates Umpqua—and the Project store—from more traditional financial services formula retailers.

D. Community Outreach and Neighborhood Support

The Project Sponsor team has conducted extensive community outreach and has widespread neighborhood support. Umpqua made presentations to both the Potrero Dogpatch Merchants Association (“PDMA”) and the Potrero Hill Boosters. Although the PDMA does not do Project endorsements and the Boosters are in a period of transition and unable to endorse projects, the president of each wrote a letter detailing Umpqua’s outreach to their respective organizations and the community, and also expressing widespread support for the Project in the neighborhood and a lack of any known opposition. These letters are attached as group **Exhibit B**. Project Sponsor has also collected 1,048 support cards from San Francisco residents, including 295 from supporters that live in the 94110, 94107, and 94103 zip codes. Additional outreach included sponsorship of and outreach at the 2014 Potrero Hill Festival, sponsorship of and outreach at both 2014 Sunday Streets events on Mission Street, and attendance at several farmer’s markets near Potrero Hill.

E. Conclusion

A new Umpqua store is necessary and desirable for the Potrero Hill neighborhood. The Project will provide a unique banking and community hub in a quickly-developing section of Potrero Hill, diversifying its residents retail banking options and providing the kind of neighborhood-serving business necessary for a growing community. The Project will activate the streetscape along 17th and De Haro Streets with a store design creating an open and inviting interior space with no changes to the existing building’s ground-floor façade other than modest exterior signage. We respectfully request you approve the Project.

Very truly yours,

REUBEN, JUNIUS & ROSE, LLP


Mark Loper

Enclosures

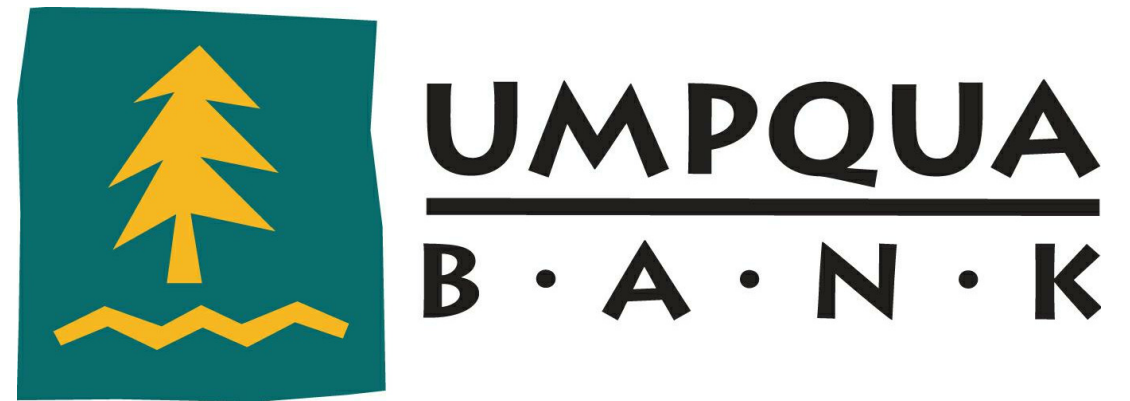
One Bush Street, Suite 600
San Francisco, CA 94104

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

REUBEN, JUNIUS & ROSE, LLP

www.reubenlaw.com

Exhibit A



**415 De Haro Street
San Francisco, California**

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Proposed Interior Rendering	8



south facade of building



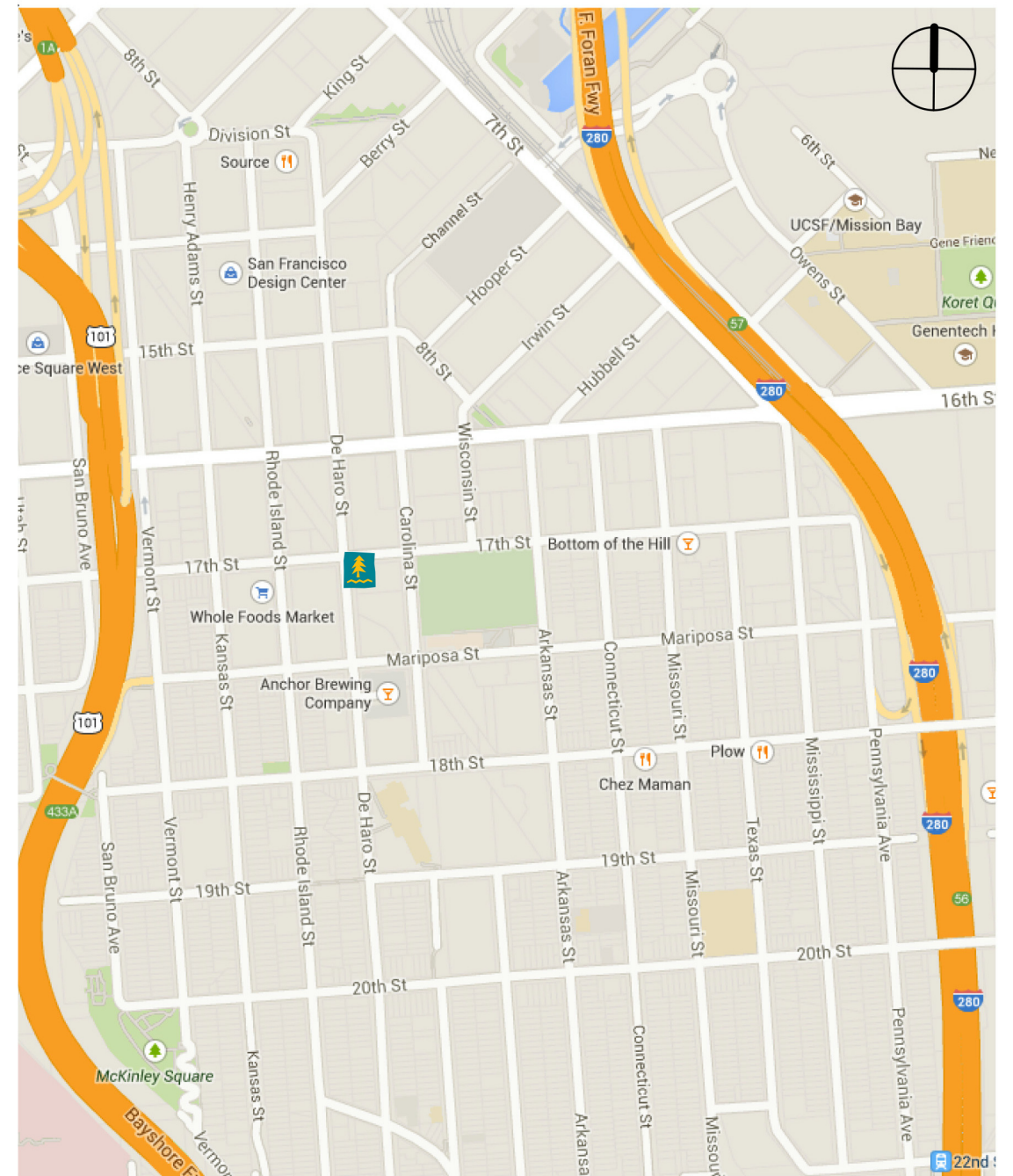
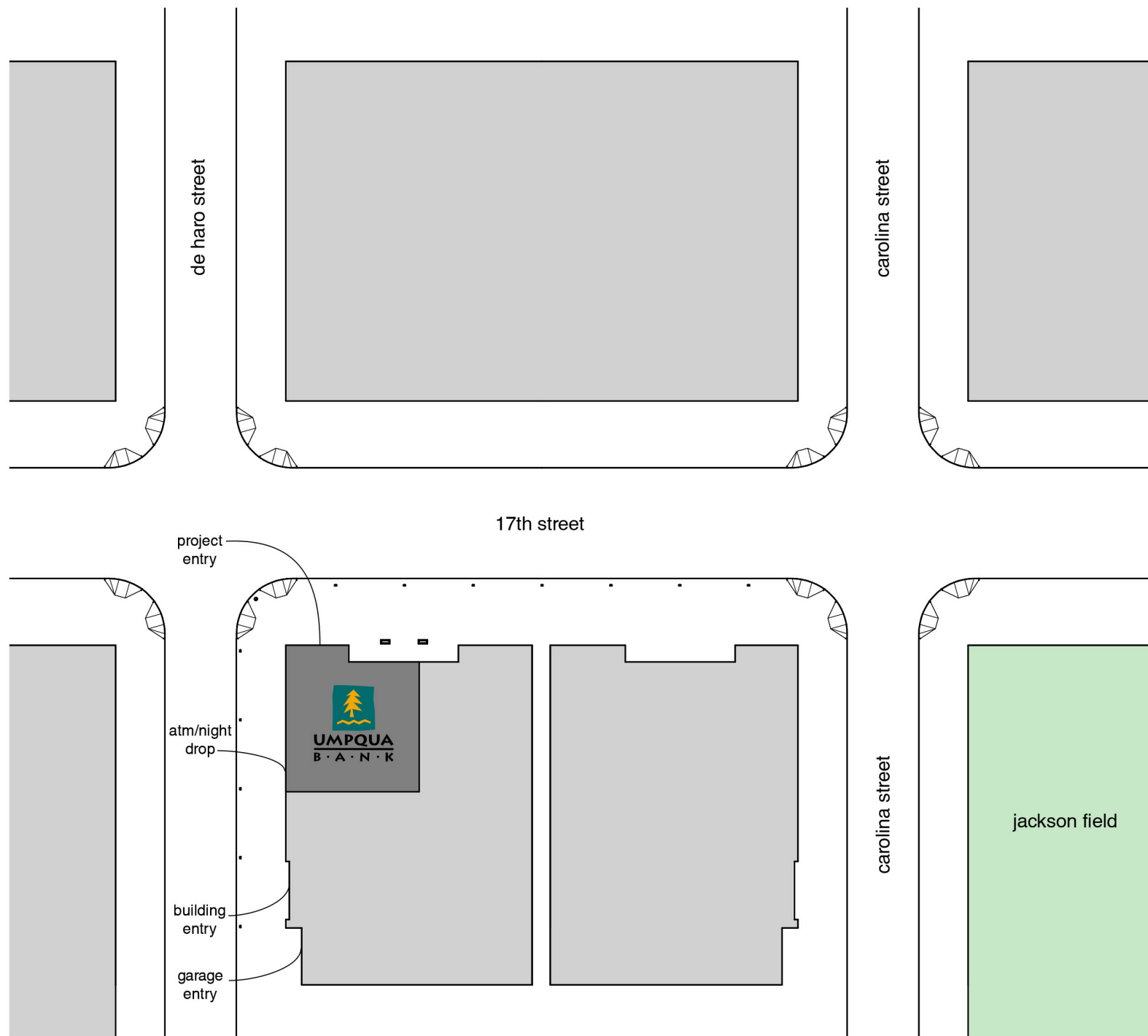
corner of 17th street and de haro street



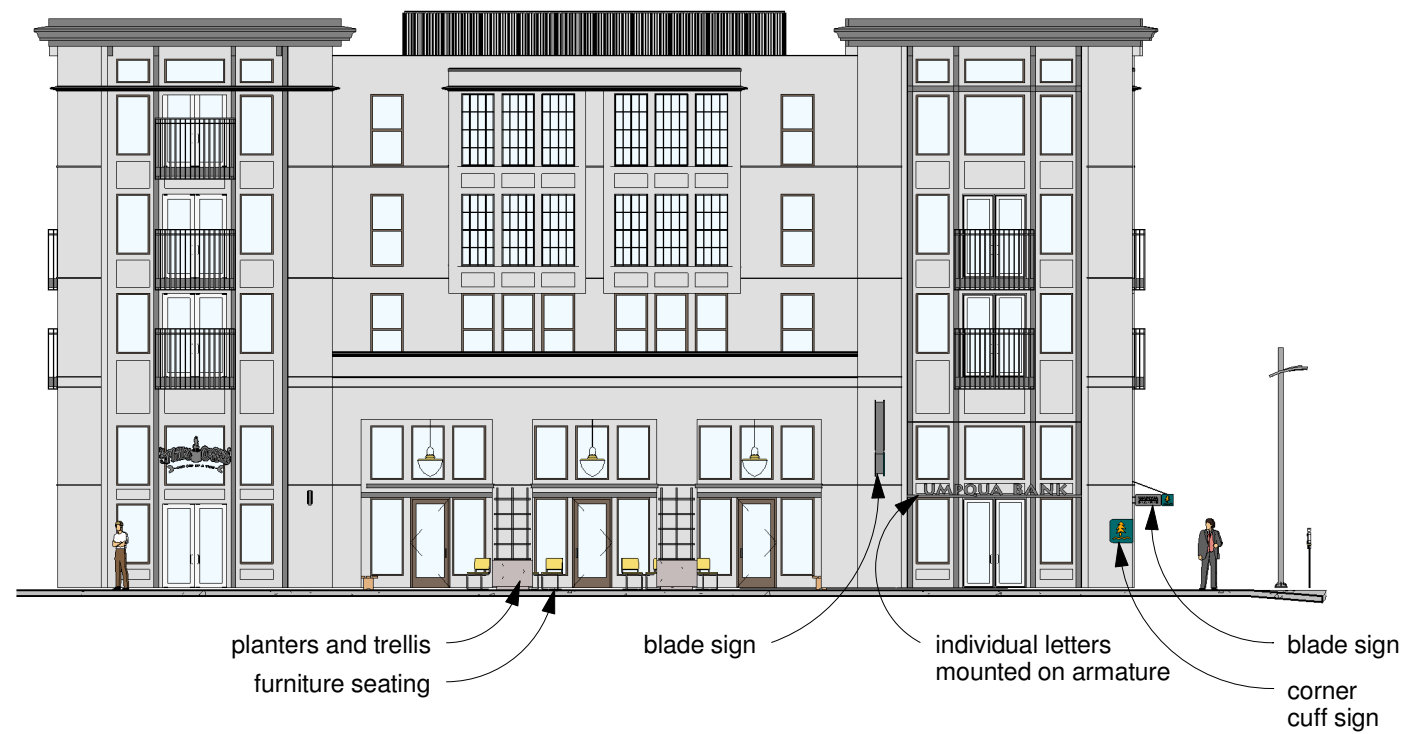
view along 17th street



west facade of building



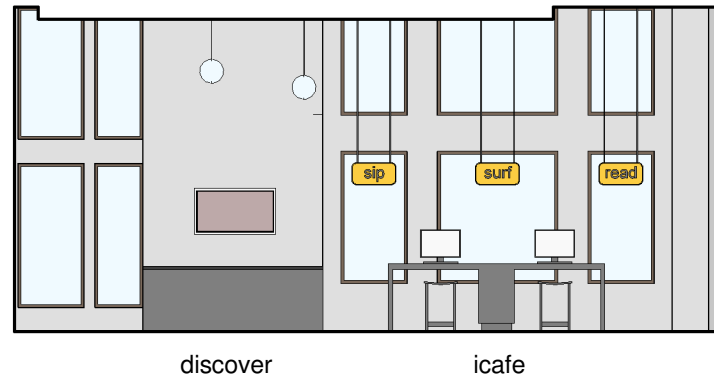




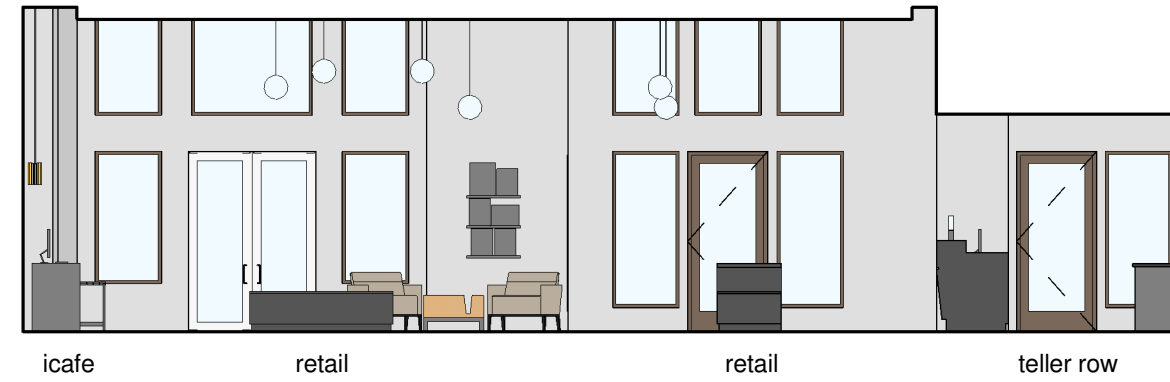
① Exterior Elevation - 17th Street
1/16" = 1'-0"



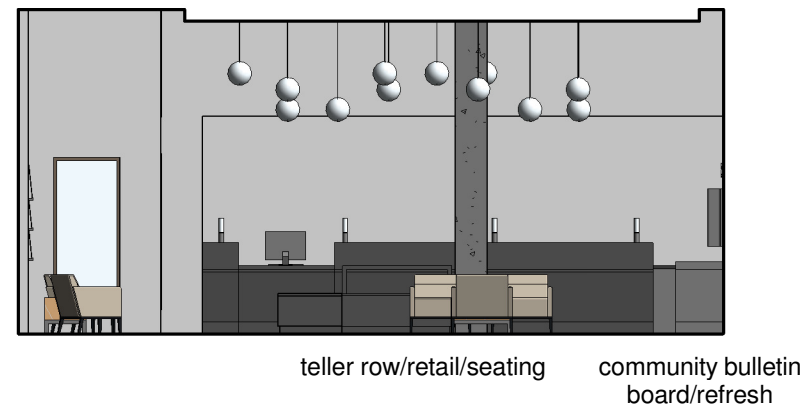
② Exterior Elevation - De Haro Street
1/16" = 1'-0"



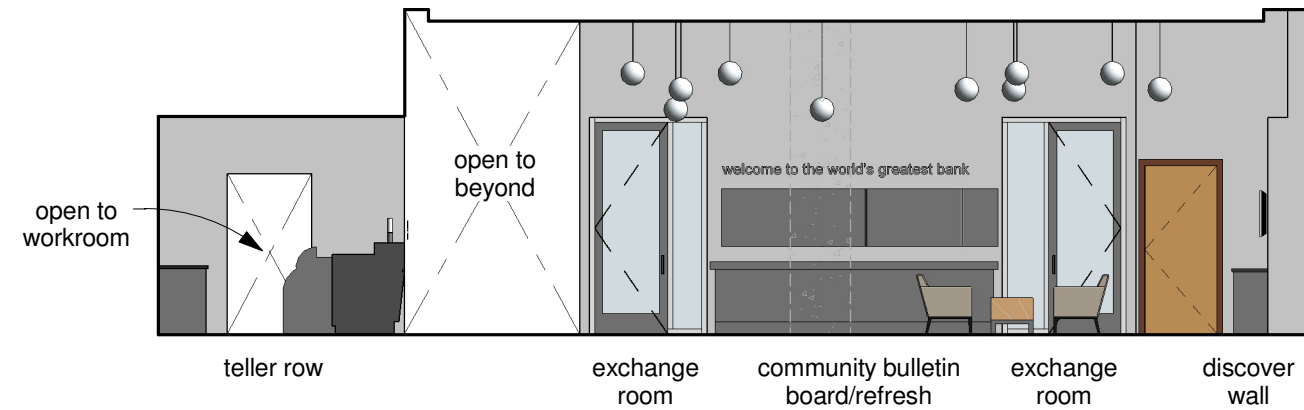
④ Interior Elevation - West
1/8" = 1'-0"



① Interior Elevation - North
1/8" = 1'-0"



② Interior Elevation - East
1/8" = 1'-0"



③ Interior Elevation - South
1/8" = 1'-0"





Exhibit B



January 7, 2015

RE: Umpqua Bank Proposed Location at 415 De Haro

To San Francisco Planning Commission

Umpqua Bank has made substantial outreach to the residents and to the business community on Potrero Hill regarding their proposed location at 415 De Haro Street. They met with me and other community leaders this past summer to advise us of the upcoming project and have since made presentations to our membership. In addition, they enquired about the most beneficial community partnerships and then provided a sponsorship for the Potrero Hill Festival. I am unaware of any opposition to this proposed location of Umpqua Bank and have heard many positive comments.

Sincerely,

Keith Goldstein
President, Potrero Dogpatch Merchants Association
1459 18th Street, Box 105
San Francisco, CA 94107

POTRERO BOOSTERS
NEIGHBORHOOD ASSOCIATION
SERVING THE HILL SINCE 1926

January 12, 2015

San Francisco Planning Department
Attn: Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

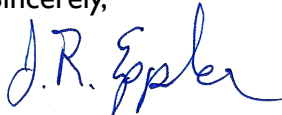
Dear Planning Commissioners:

I write in advance of your February 5, 2015, meeting, where you will consider the conditional use permit application by Umpqua Bank for a Potrero Hill branch.

Umpqua Bank has provided a model for community outreach since they have decided to pursue a Potrero location. On multiple occasions, dating back to the summer of 2014, Umpqua engaged community members on how the bank could play an active role in the community. In August, Umpqua presented to the membership of the Potrero Boosters Neighborhood Association. The membership appreciated Umpqua's unique focus on the communities in which it operates. While no formal endorsement by the membership was given, due to our internal revisions to our endorsement process, it is fair to say that many of our members actively look forward to Umpqua's arrival on the Hill, and I am not aware of any opposition to their conditional use permit application.

Should you have any questions on the Boosters' position on Umpqua's conditional use permit application or our communications with Umpqua, please do not hesitate to contact me at president@potreroboosters.org.

Sincerely,

A handwritten signature in blue ink, reading "J.R. Eppler". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

J.R. Eppler
President