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VIA HAND DELIVERY AND E-MAIL

March 14, 2018

Commission Rich Hillis
President, Planning Commission
1650 Mission Street, 4th Floor
San Francisco, CA 94103

SUBJECT: Downtown Project Authorization - 135 Hyde Street
Planning Department Case No. 2015-015203DNX

Dear Commission Hillis,

Our office represents 455 Potrero SF LLC ("Applicant"), who is the owner of the property located at 135 Hyde Street, San Francisco between Turk Street and Golden Gate Avenue (Assessor's Block 3521, Lot 002, ["Site"]). The proposed project is the demolition of the existing one story parking garage and the construction of an eight-story mixed-use building with 69 residential units, ground floor retail, basement parking for 19 cars (including one car share space and one handicapped van accessible space), 69 Class 1 bicycle spaces, 3 motorcycle/scooter spaces, and building services ("Project"). The six proposed Class 2 bicycle spaces located on the Hyde Street sidewalk are subject to SFMTA approval. See case report for the Project's site plan, floor plans, elevations and sections.

PROJECT SITE

The Site is located in a C-3-G zoning district, an 80-X height and bulk district with a maximum Floor Area Ratio ("FAR") of 6 to 1. The Site, measuring 55' x 137.5' or 7,562.5 square feet ("sq. ft."), is improved with an approximately 16' high masonry structure with approximately 4,932 gross square feet ("gsf") that is currently used as a public parking garage. The buildings on the Project block bounded by Golden Gate Avenue, Hyde, Turk, and Larkin Streets vary from one story (project site) to eight stories. Except for the vacant property at the corner of Hyde and Golden Gate and four one- to two-story commercial buildings (including the Site), all of the other buildings on the Project block are either mixed use (residential/commercial) or residential buildings that vary

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from residential hotels with 20 to 109 SRO units to apartment buildings with 2 to 111 units. There are neighborhood serving retail, restaurants and other commercial establishments in the immediate vicinity of the Project site. See block map attached hereto as **Exhibit 1** and **Exhibit 2** for Aerial Photographs and Photographs of Block Face and Site Vicinity.

The Site has easy access to public transit with Muni line Nos. 19, 26 and 5 within one or two blocks depending whether it is inbound or outbound. Within three blocks are Muni lines Nos. 47 and 49 on Van Ness Avenue, the Civic Center BART and Muni Metro Station (Muni lines J, K, L, M, N, T) and Muni line Nos. 6, 7, 71, 71L, 9, 21, and 26 on Market Street. There is a City Bike Share at the southeast intersection of Golden Gate Avenue and Hyde Street, which is within one block of the Site. The Site is within easy walking distance to the State Building, Federal Building, Hastings College of Law, the Asian Art Museum, the San Francisco Main Library and the Civil Center. Nearby public open space includes the Turk and Hyde Mini Park, and the Fulton Street open space linking the United Nation Plaza and the Civic Center Plaza.

PROPOSED PROJECT

The project sponsor proposes to demolish the existing one-story public parking garage and construct an 80' high, eight-story, 53,553 sq. ft. mixed-use (residential with ground floor commercial/retail) building with 44,766 sq. ft. or 5.92 FAR. The Project includes 69 dwelling units consisting of one studio, 35 nested one-bedroom units, 25 one-bedroom units, and 8 two-bedroom units. The ground floor will contain 5 residential units (1 studio, 3 one-bedroom units and 1 two-bedroom unit), the residential lobby, a 940 sq. ft. commercial/retail space, and the ramp to the basement parking level. The second floor will have 10 units (1 two-bedroom unit, 5 nested one-bedroom units and 4 one-bedroom units). The third through eighth floors will each have 9 units (5 nested one-bedroom units, 3 one-bedroom units and 1 two-bedroom unit). The basement level will have 19 off-street parking spaces (including 1 car share and 1 ADA handicapped van space), 69 Class 1 bicycle spaces, mechanical and building services. There will be 6, Class 2 bicycle spaces located on the sidewalk in front of the Site that are subject to SFMTA approval. See Case Report, Sheets A-1.2 and A-2.1 of Project Plans.

Common usable open space will be provided by a roof top 560 sq. ft. solarium and a 2,763 sq. ft. roof deck. The 3,323 sq. ft. common usable open space meets the 3,312 sq. ft. required under the Code. In addition, the 1,125 sq. ft. ground level courtyard is designed to enhance and expand the exposure of the adjacent courtyard of the 421 Turk Street building. See Case Report, Sheets A-2.1 and A-2.9 of Project Plans.

THE PROJECT COMPLIES WITH ALL APPLICABLE PLANNING CODE REQUIREMENTS EXCEPT FOR THE REAR YARD REQUIREMENTS AND THE PEDESTRIAN COMFORT LEVEL WIND SPEED REQUIREMENTS.

The Project is in the Tenderloin, which has been able to fight off gentrification and remains an affordable, ethnically and economically diverse neighborhood because 25% of the housing is owned by non-profit housing organizations or is subsidized.¹ Currently, San Francisco rental rates for one-bedroom units ranging from 600 sq. ft. to 800 sq. ft. have an average monthly rent of \$3,400 and two-bedroom rental units between 850 sq. ft. to 1,000+ sq. ft. have an average monthly rent of approximately \$4,492.² With over 50% of the dwelling units in the Tenderloin having only one or two rooms, as renters achieve economic mobility, they find that they cannot afford a market rate apartment unless it is shared with another family or roommate(s).

The square footage of the proposed units include a 425 sq. ft. studio, one-bedroom units that range from 410 sq. ft. to 500 sq. ft., one-bedroom nested units that range from 420 to 505 sq. ft., and two-bedroom units ranging from 520 sq. ft. to 800 sq. ft.. See Case Report Project Plans, Sheet A-2.0 to 2.9. While the size of the units are small, they are affordable to the working class single parent. Similarly, a couple can rent a one-bedroom unit or a nested one-bedroom unit. For those who move out of a SRO, these units offer privacy as they no longer have to share a kitchen or bathroom with others in the building. These small apartment units are akin to first time home buyers purchasing small residential units, such as the micro units that have become available for purchase in San Francisco.

For projects in C-3 district, the Commission will review the project's design including the overall building massing and scale, architectural treatments, facade design, building materials, and the design of lower floors including building setback areas, entries, parking and loading access.

Overall building massing and scale: The building facade is divided into three distinct segments, the base, middle, and the top. The ground and second floors form the base of building which is separated from the middle by a string-course that matches the string course of the adjacent building. The top floor of the building is slightly set back to form the top of the building that is capped by a cornice. All units have a window(s) facing the Street or the 25' x 41' interior courtyard.

¹ "Gentrifying L.A. without displacing the poor: Lessons from S.F.'s Tenderloin", Op-ed Article by Randy Shaw dated April 17, 2015.

² <https://www.rentjungle.com/average-rent-in-san-francisco-rent-trends/>

Architectural treatment and Building Material: The height and massing of the Project are similar to the two adjacent buildings to the north. The facade has been designed to be reminiscent of the adjacent and other nearby older buildings by incorporating traditional character defining features of the Uptown Tenderloin Historic District. The use of two rows of vertical bay windows provides varying planes and shadow lines adding pedestrian interest to the facade. The exterior materials of the facade are stucco on the top floor and the base, and brick cladding for the middle segment of the facade. The combination of stucco, brick and glazing adds visual richness to the facade.

Design of lower floor: The ground floor retail space between the garage and residential entrances will enhance pedestrian interest.

Open space: Common passive open space is provided in the form of a 1,075 sq. ft. courtyard at the ground floor where it is protected from wind. Common usable open space is provided in the form of a 560 sq. ft. roof top solarium and a 2,763 sq. ft. roof deck. In addition to on-site open space, the Site is within two blocks of the Civic Center Plaza, the United Nations Plaza, and the Fulton Street Plaza that links the two. The Hyde and Turk Mini Park is 1/4 block north of the Site. The Project's shadow study concluded that, due to the intervening buildings, the Project will not cast new shadows on any of these mentioned open spaces.

Streetscape and other public improvements: This Site is on a 'Downtown Residential Street'.³ The existing sidewalk will be removed and reconstructed to meet the Department of Public Work's guidelines. One of the two existing curb cuts will be eliminated and the proposed curb cut to access the garage will meet all Planning Code requirements. Three (3) Water Gum trees, which are on the DPW's accepted tree list, will be planted per City guidelines. Cobblestones and DG (decomposed granite) will be used to provide tree basin materials, which allows for storm water filtering without the trip hazard of tree grates. Three (3) Class II double-sided metal bike racks will provide parking for six bicycles on the sidewalk in front of the Site. Location of the placement is subject to approval by SFMTA. With the street trees, bicycle racks, PG&E transformer and driveway, there will be no area for street furniture or seating. The above design features contribute to an improved urban street environment.

Circulation, including streets, alleys and mid-block pedestrian pathways: The garage entry is off Hyde Street at the north end of the building. Hyde Street is one-way south bound between California and Market Streets. With only 19 off-street parking spaces, including one car share space and one handicap space, and with multiple transit lines within easy walking distance, the Project will not affect the traffic circulation or parking. Delivery will be provided by Fed Ex, UPS, USPS and other delivery services already serving the area. During any move-in and out, the

³ See the San Francisco Street Types Map of the Better Streets Plan.

Applicant will ensure that tenants and their movers comply with applicable DPW rules, regulations and obtain permits to park in the parking lane in front of the Site

IMPACT FEES

The following impact fees are applicable to the project:

Transportation Sustainability Fee

The Project with less than 99 residential units will pay \$7.74 per gsf of Residential use (see Section 411A.4(c)). The impact fee is \$18.04 per gsf of Non-Residential use for projects that have between 800 gsf and 99.999 gsf.

Child Care Fee

Section 414A of the Planning Code imposes a "Child Care Impact Fee". For a Residential Project with more than 10 units, the fee is \$1.83/sq. ft. For the square footage that was converted from non-residential use to residential use the fee is \$0.26/sq. ft.

Affordable Housing Program

Pursuant to Section 415, the Project is a grandfathered Project and will provide 14.5% or 10 affordable units of the on-site rental units to be affordable to individuals with income not exceeding 55% of AMI.

Public Art

The Project will pay an in-lieu fee equal to 1% of the cost of construction for Public Art. See Section 429(d)(2)(B).

REQUEST FOR PLANNING CODE SECTION EXCEPTIONS.

Pursuant to Section 309 of the Planning Code, the Applicant requests exceptions to the rear yard requirements and the pedestrian comfort wind speed in excess of 11 mph.

(1) ***Exception to the Rear Yard Requirements.***

Section 134(a)(1) provides that in a C district, a rear yard at the first residential level be equal to 25% of the lot depth (34.38'). The Project requires a location and size exception from the rear yard requirements. The Project's 1,125 sq. ft. (25' x 41') court yard with a 5'-2" x 17'-3" wing (89 sq. ft.) on both sides has been designed to mirror the T-shaped courtyard of the adjacent 421 Turk Street building which is 17'-3" x 41' (707.25 sq. ft.).

Section 134(d) provides that "[i]n C-3 Districts, an exception to the rear yard requirements of this Section may be allowed, in accordance with the provisions of Section 309, provided that the building location and configuration assure adequate light and air to windows within the residential units and to the usable open space provided." A code complying rear yard would result in an eight-story high, 23.62' wide wall at the common property line abutting the courtyard of the 421 Turk Street building that would negatively impact the light and air to the windows facing the courtyard. All the units at the rear of the Project have large windows facing a courtyard. The combined Project and the 421 Turk Street courtyards would be 42' by 41' which would benefit both buildings. Therefore, the light and air to windows at the rear of the Project will have more than adequate light and air exposure requirement and an exception to the rear yard requirements is warranted.

(2) ***Exception to Pedestrian Comfort Level Wind Speed.***

The Applicant retained the services of RWDI to conduct a wind tunnel study based on the original design which included an eight-story wing along the rear property line. The RWDI Report showed that under existing conditions the pedestrian comfort level wind of less than 11 mph is exceeded in 18 of the 43 locations studied. Under the Existing Plus Project Scenario, wind speed above the comfort level would increase in two additional locations (Nos. 18 and 41). Under Cumulative Condition, the wind speed would eliminate two of the existing locations (Nos. 36 and 42) and increase in four additional locations (Nos. 10, 11, 17 and 18). The wind speed increase from one to three mph is not excessive under Existing plus Project or Existing plus Cumulative scenario. See case report for additional details.

Section 148 provides that an exception would be granted if required design changes to the shape and other wind baffling measures cannot be adopted to meet the comfort level requirement without unduly restricting the development potential of the building site. RWDI has advised the Applicant and Project architect that the height of the Project would be limited to four stories or alternatively setting the upper four floors back substantial, which would unreasonably restrict the development of the allowable building envelope to add to the City's housing stock, for both market rate and affordable units.

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Subsequent to completion of the wind tunnel study, the design was modified to lower the eight-story wing to two-stories along the rear property line. Since the design revision occurs in the rear of the building, RWDI advised the Applicants that it would not impact the wind tunnel test data.

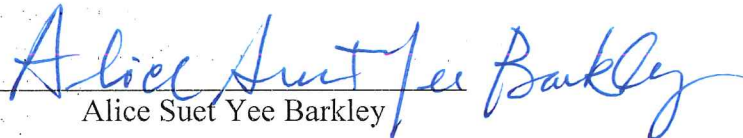
CONCLUSION

Based on the foregoing, it is respectfully submitted that the requested unit exposure variance should be granted.

Very truly yours,

Duane Morris, LLP

By:


Alice Suet Yee Barkley

Attachments: Exhibits 1 through 2

cc: Commissioner Denis Richards
Commissioner Rodney Fong
Commission Millicent Johnson
Commission Joel Koppel
Commissioner Myrna Melgar
Commissioner Kathrin Moore
John Rahaim
Corey Teague
Andrew Perry
Seamus Naughton
Wesley Burke
Jonathan Pearlman
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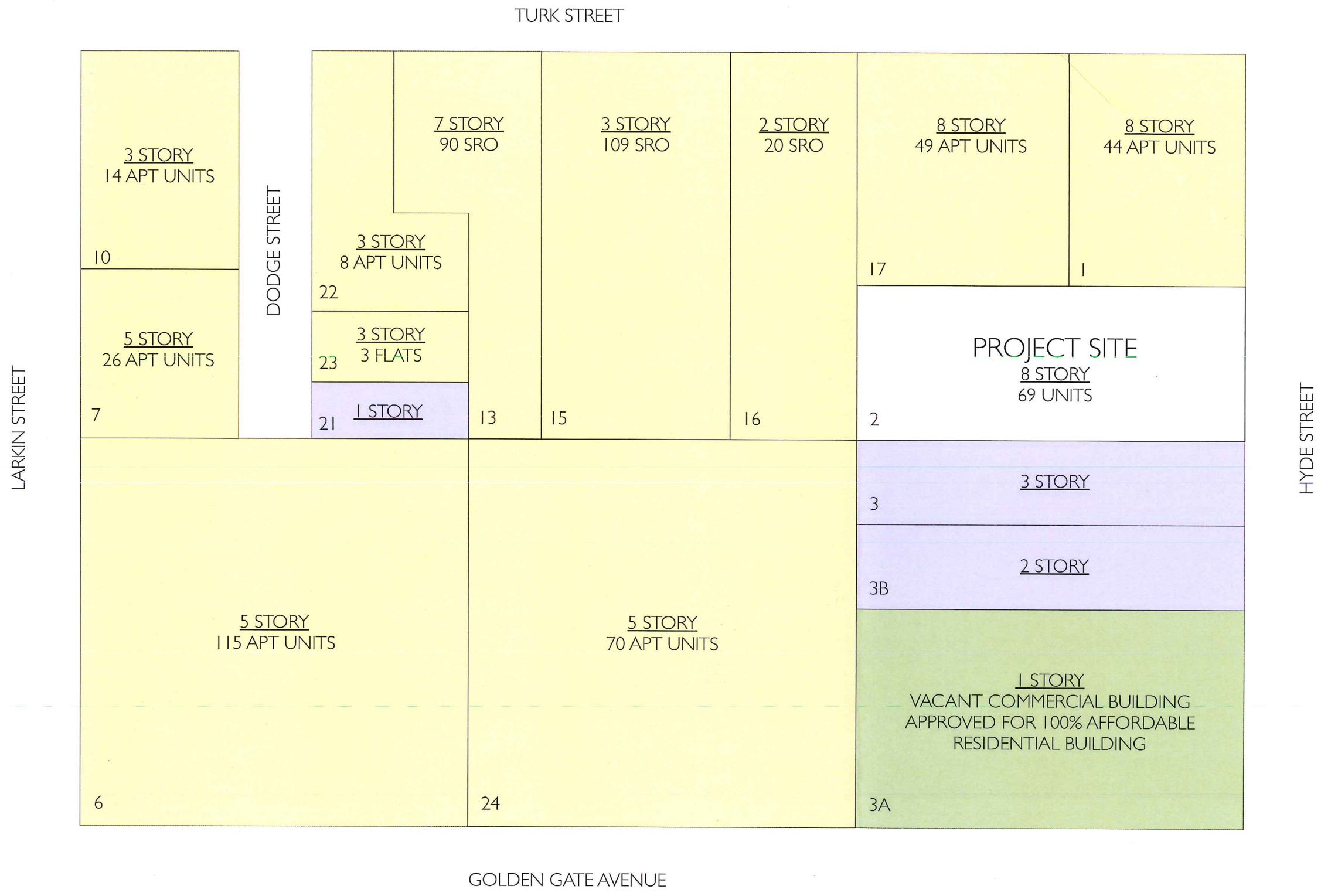
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TABLE OF EXHIBITS

Exhibit 1 Block Map

Exhibit 2 Aerial photographs and photographs of block face and site vicinity.

EXHIBIT 1



BLOCK 346
50 VARA BLK. 315

BUILDING TYPE	
	135 HYDE: PROJECT SITE
	RESIDENTIAL BUILDING WITH GROUND FLOOR COMMERCIAL EXCEPT LOTS 17 AND 24
	COMMERCIAL BUILDING
	101 HYDE: APPROVED RESIDENTIAL OVER COMMERCIAL BUILDING: 8-STORY WITH 85 RESIDENTIAL UNITS



EXHIBIT 2



PROJECT SITE



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