



# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Revocation of Office Allocation

HEARING DATE: JUNE 9, 2011

*Date:* June 3, 2011  
*Current Case No.:* 2011.0503B  
*Previous Case Nos.:* 84.199BEKRX, 98.843BKX  
*Project Address:* 524 HOWARD STREET  
*Zoning:* C-3-0(SD) (Downtown Office, Special Development) District  
450-S Height and Bulk District  
*Block/Lot:* 3721/013  
*Staff Contact:* Kevin Guy – (415) 558-6163  
[kevin.guy@sfgov.org](mailto:kevin.guy@sfgov.org)  
*Recommendation:* Revoke Office Allocation

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### PROJECT BACKGROUND

The subject property is a 12,266 square foot surface parking lot located on the north side of Howard Street between 1st and 2nd Streets. In 1989, the Planning Commission approved a project at this site involving an allocation of 199,965 square feet of office space from the Office Development Annual Limit Program. In 1999, the Planning Commission approved the re-authorization of the project with minor revisions, including the reauthorization of 202,000 square feet of office space from the Office Development Annual Limit Program. The project sponsor has not performed the necessary steps made to carry the project diligently forward toward completion.

This project is before the Planning Commission so that it may consider the revocation of allocation of office square footage pursuant to [1] Planning Code Section 321(d)(2) which requires construction to commence within 18 months of approval, [2] the project's Conditions of Approval contained in Planning Commission Motion 16235 which echo the 18-month construction commencement period, and [3] Planning Commission policy set forth in Planning Commission Resolution 17846A which directed revocation proceedings for this project to take place.

### PROCEDURAL BACKGROUND

On March 26, 2009, the Planning Commission adopted Resolution #17846A, establishing a policy regarding the extension of project authorizations under the Office Development Annual Limit program (Planning Code Sections 320-325). With respect to unbuilt office developments, Section 321(d)(2) specifically states that, "Construction of an office development shall commence within eighteen (18) months of the date the project is first approved. Failure to begin work within that period, or thereafter to carry the development diligently to completion, shall be grounds to revoke approval of the office development" [emphasis added]. Under this requirement, which is typically a condition of approval for Office Development Annual Limit projects, projects that do not commence construction are not automatically revoked. Rather the Commission has the right to revoke such projects, but is not compelled

to do so. If the Commission chooses to revoke an Office Development Annual Limit authorization, it must do so at a publicly noticed hearing.

On May 30, 2002, the Planning Commission adopted Resolution No. 16418, a policy stating that the Commission would monitor office development annual limit projects, but would not seek to revoke approvals of projects which have exceeded the construction commencement date. The policy also encourages unbuilt projects to apply for extensions or re-authorizations of entitlements, and sets specific standards for actions that constitute "commencement of construction". In adopting this Resolution, the Planning Commission cited dramatic changes in conditions affecting land use development due to the downturn in the economy which led to a high office vacancy rate and difficulty in obtaining commercial financing for new construction.

In adopting Motion 17846A, the Commission reaffirmed the policies of the previous Resolution No. 16418, but instructed the Planning Department to schedule informational hearings for a number of previously-approved projects that have exceeded the 18-month performance timeline, including an office development located at 524 Howard Street (Case Nos. 84.199BEKRX and 98.843BKX).

## **PROJECT HISTORY**

On June 15, 1989, the Planning Commission approved entitlements for a 311-foot tall, 23-story building located at 524 Howard Street containing 199,965 gross square feet of office space, 4,500 square feet of retail space, 14,000 square feet of off-street parking, and 4,218 square feet of publicly-accessible open space (Case No. 84.199BEKRX). These approvals included an allocation under the Office Development Annual Limit program. The project sponsor did not subsequently pursue building permits for the project, and in 1998 filed a new application to re-authorize the project (Case No. 98.843BKX). The resubmitted project was slightly reconfigured from the original approval to include 202,000 gross square feet of office space, 3,200 square feet of retail space, 4,044 square feet of publicly-accessible open space, and 14,200 square feet of off-street parking.

On March 11, 1999, the Planning Commission approved the re-authorization of the project, including an allocation under the Office Development Annual Limit program. This re-authorization effectively superseded the previous approvals from 1989. In 2000, a site permit was issued for the project, however, the project sponsor did not pursue the necessary building permits or addenda. This site permit was revoked in 2007, but was subsequently reinstated. Since 2007, the sponsor has not diligently pursued the necessary building permit approvals or otherwise sought to complete the project.

On March 24, 2011, staff presented an informational item regarding the status of the development entitlements on the property. At that hearing, the Commission requested that staff schedule a future hearing to consider revocation of the office allocation associated with the proposed development on the property.

In 2005, the Commission approved a Conditional Use authorization to operate a temporary surface parking lot on the subject property. On March 24, 2011, the Commission approved a request for Conditional Use authorization to extend the operation of this existing parking lot for an additional two years (Case No. 2009.0646C). This approval was independent of the previous entitlements for office development, and has no bearing on the status of these entitlements.

## **REQUIRED COMMISSION ACTION**

The Commission may elect to revoke the office allocation for the previously-approved office building on the property (Case Nos. 84.199B and 98.843B).

## **BASIS FOR RECOMMENDATION**

- The project sponsor has not made diligent, good-faith efforts to date to proceed with the development of the project.
- The subject property is an important, centrally-located site for the development of office or residential uses, however, it appears unlikely that the presently-entitled project will come to fruition.

### **Attachments:**

1. Draft Motion to Revoke Previous Office Allocations (Case Nos. 84.199B and 98.843B)
2. Resolution No. 17846A, policy regarding the extension of entitlement authorizations for the Office Development Annual Limit program (approved March 26, 2009)
3. Motion No. 11683, authorizing allocation under the Office Development Annual Limit Program for project at 524 Howard Street (Case No. 84.199B, approved June 15, 1989)
4. Motion No. 14801, re-authorizing allocation under the Office Development Annual Limit Program for project at 524 Howard Street (Case No. 98.843B, approved March 11, 1999)





# SAN FRANCISCO PLANNING DEPARTMENT

*Subject to: (Select only if applicable)*

- |  |  |
|--|--|
| <input type="checkbox"/> Inclusionary Housing (Sec. 315)         | <input type="checkbox"/> First Source Hiring (Admin. Code) |
| <input type="checkbox"/> Jobs Housing Linkage Program (Sec. 313) | <input type="checkbox"/> Child Care Requirement (Sec. 314) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 139)            | <input type="checkbox"/> Other                             |

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## Planning Commission Draft Motion

HEARING DATE: JUNE 9, 2011

*Date:* June 3, 2011  
*Current Case No.:* 2011.0503B  
*Previous Case Nos.:* 84.199BEKRX, 98.843BKX  
*Project Address:* 524 HOWARD STREET  
*Zoning:* C-3-0(SD) (Downtown Office, Special Development) District  
450-S Height and Bulk District  
*Block/Lot:* 3721/013  
*Staff Contact:* Kevin Guy – (415) 558-6163  
[kevin.guy@sfgov.org](mailto:kevin.guy@sfgov.org)  
*Recommendation:* Revoke Office Allocation

**ADOPTING FINDINGS TO REVOKE THE ALLOCATION UNDER THE OFFICE DEVELOPMENT ANNUAL LIMIT PROGRAM FOR A PREVIOUSLY-APPROVED PROJECT TO DEMOLISH AN EXISTING SURFACE PARKING LOT AND CONSTRUCT A 23-STORY BUILDING CONTAINING 202,000 GROSS SQUARE FEET OF OFFICE SPACE, 3,200 SQUARE FEET OF RETAIL SPACE, 4,044 SQUARE FEET OF PUBLICLY-ACCESSIBLE OPEN SPACE, AND 14,200 SQUARE FEET OF OFF-STREET PARKING, LOCATED AT 524 HOWARD STREET, ASSESSOR'S BLOCK 3721, LOT 013, WITHIN THE C-3-O(SD) ZONING DISTRICT, AND THE 450-S HEIGHT AND BULK DISTRICT.**

### PREAMBLE

On May 7, 1984, 524 Howard Street Associates ("Project Sponsor") filed an Environmental Evaluation application with the Planning Department ("Department") for a project proposing office and retail uses located at 524 Howard Street ("Project Site").

On or about February 3, 1986, the Project Sponsor filed an application for office allocation under the Office Development Annual Limit program, pursuant to Planning Code Sections ("Sections") 320-325. At that time, the Project Sponsor also filed an application for a Determination of Compliance with Section 309. The project proposed approximately 199,965 square feet of office space, 4,500 square feet of retail space, 14,000 square feet of off-street parking, and 4,218 square feet of publicly-accessible open space (collectively, "Project"; Case No. 84.199BEKRX).

On April 17, the Planning Commission ("Commission") conducted a duly noticed public hearing and found that the Final Environmental Impact Report (FEIR) prepared for the project to be adequate, accurate and objective, and certified the completion of the FEIR in compliance with the California Environmental Quality Act ("CEQA"), the State CEQA guidelines, and Chapter 31 of the San Francisco Administrative Code. Subsequent to the certification of the 1986 EIR, the Department requested the preparation of a Draft Supplemental Environmental Impact Report (SEIR) for the Project .

On May 11, 1989, the Commission conducted a duly noticed public hearing and found the Final SEIR for the project to be adequate, accurate and objective, and certified the completion of the FSEIR in compliance with the CEQA, the State CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

On June 15, 1989, the Commission conducted a duly noticed public hearing and approved the requested entitlements for the Project, including the Determination of Compliance under Section 309 and an allocation under the Office Development Annual Limit program.

The Project Sponsor did not subsequently pursue building permits for the Project, and in 1998 filed a new application to re-authorize the project (Case No. 98.843BKX). The resubmitted project was slightly reconfigured from the original approval to include 202,000 gross square feet of office space, 3,200 square feet of retail space, 4,044 square feet of publicly-accessible open space, and 14,200 square feet of off-street parking. On March 11, 1999, the Planning Commission conducted a duly noticed public hearing approved the re-authorization of the project, including an allocation under the Office Development Annual Limit program. This re-authorization effectively superseded the previous approvals from 1989.

In 2000, a site permit was issued for the project, however, the project sponsor did not pursue the necessary building permits or addenda. This site permit was revoked in 2007, but was subsequently reinstated. Since 2007, the sponsor has not diligently pursued the necessary building permit approvals or otherwise sought to complete the project.

On March 24, 2011, staff presented an informational item regarding the status of the development entitlements on the property. At that hearing, the Commission requested that staff schedule a future hearing to consider revocation of the office allocation associated with the proposed development on the property.

In 2005, the Commission approved a Conditional Use authorization to operate a temporary surface parking lot on the subject property. On March 24, 2011, the Commission approved a request for Conditional Use authorization to extend the operation of this existing parking lot for an additional two years (Case No. 2009.0646C). This approval was independent of the previous entitlements for office development, and has no bearing on the status of these entitlements.

On June 9, 2011, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on regarding Case No. 2011.0503B.

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.

Revocation of the entitlements for the Project is exempt from environmental review, as set forth in Public Resources Code section 21080(b)(5), and CEQA Guidelines Section 150601 (b)(4) and 15270.

**MOVED**, that the Commission hereby revokes the previously-approved allocation under the Office Development Annual Limit program for the Project (Case No. 84.199B, Motion No. 11683, and Case No. 98.843B, Motion Nos. 14801), 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 Site is located on the north side of Howard Street, between First and Second Streets, Block 3721, Lot 013. The property is located within the C-3-0(SD) (Downtown Office, Special Development) District and the 450-S Height and Bulk District. The property is developed with a surface parking lot which was originally entitled in 2005. The surface parking facility includes an attendant's shed, a payment kiosk, and ancillary landscaping.
3. **Surrounding Properties and Neighborhood.** The Project Site is located within the Downtown Core, an area which consists of a wide variety of office, retail, hotel, and residential uses. The Foundry Square project is located to the east of the property, and is comprised of three buildings at the intersection of Howard and First Streets that are ten stories in height. The Transbay Terminal is located one block north of the project site. A number of bar, restaurant, and other entertainment uses are located on the subject block and in the vicinity. High density residential uses are located further to the south along First Street, within the Rincon Hill area. Older buildings in the area are typically four stories in height, while recent residential and office buildings are generally mid- to high-rise.
4. **Project Description.** The Project would construct a new 24-story building containing approximately 202,000 gross square feet of office space, 3,200 square feet of retail space,

4,044 square feet of publicly-accessible open space, and 14,200 square feet of off-street parking

5. **Public Comment.** To date, staff has received no correspondence regarding the revocation of the office allocation.
6. Generally, the purpose of conditions, like the ones in this case, providing for the expiration of a entitlement approvals within a certain amount of time is to prevent the reservation of land for future purposes when the permit holder has no good faith intent to presently commence upon the proposed use. Here, the Commission wishes to limit the potential for the subject property to be held with existing entitlements if the development associated with the these entitlements is unlikely to occur. Based on the review of the records of the City and County of San Francisco, the Commission finds that the Project Sponsor has not made diligent, good-faith efforts to date to proceed with the development of the Projects. Specifically, the Project Sponsor did not receive a site permit until 2000, and has not diligently pursued the necessary building permit approvals. The Commission finds that such actions are necessary to demonstrate an intent to move the Project forward.
7. The Commission finds that the subject property is an important, centrally-located site high intensity development of office or residential uses. Due to the lack of due diligence on the part of the Project Sponsor (as discussed in Item #6 above), it appears unlikely that the presently-entitled Project will come to fruition.
8. The Commission finds that to preserve the existing office allocation for the Project is not consistent with and would not promote the general and specific purposes of the Code provided under Section 101.1(b).
9. On balance, the Commission hereby finds that preserving the existing office allocation for the Project in this case would not 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 **REVOKES** the allocation under the Office Development Annual Limit program for the Project (Case No. 84.199B, Motion Nos. 11683, and Case No. 98.843B, Motion Nos. 14801).

**APPEAL AND EFFECTIVE DATE OF MOTION:** Any aggrieved person may appeal this revocation of the allocation under the Office Development Annual Limit program to the Board of Appeals within fifteen (15) days after the date of this Motion No. XXXXX. The effective date of this Motion shall be the date of this Motion if not appealed (After the 15-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 94012.

I hereby certify that the Planning Commission **ADOPTED** the foregoing Motion on June 9, 2011.

Linda Avery  
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: June 9, 2011





# SAN FRANCISCO PLANNING DEPARTMENT

## Planning Commission Resolution No. 17846A

HEARING DATE: MARCH 26, 2009

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*Date:* March 19, 2009  
*To:* Members, Planning Commission  
*From:* Lawrence B. Badiner, Zoning Administrator  
*Staff Contact:* Scott Sanchez – (415) 558-6326  
[scott.sanchez@sfgov.org](mailto:scott.sanchez@sfgov.org)  
*Re:* Policy on Extension of Entitlements for Office Development Annual Limit Projects

### PLANNING COMMISSION POLICY ON EXTENSION OF ENTITLEMENT AUTHORIZATIONS FOR OFFICE DEVELOPMENT ANNUAL LIMIT PROJECTS PURSUANT TO PLANNING CODE SECTION 321.

WHEREAS, On September 10, 1985, the Board of Supervisors passed the Downtown Plan Zoning Ordinance, which was signed into law by the Mayor on September 17, 1985 and became effective on October 17, 1985; and

The Downtown Plan Zoning Ordinance established Sections 320 and 321 of the Planning Code, providing a limit on office development of 2.85 million square feet over a 3 year period beginning October 17, 1985; and

In December 1986, Initiative Ordinance Proposition M amended Sections 320 and 321 of the Planning Code to impose further restrictions on the amount of office development that the City could approve; and

Section 321(e) of the Planning Code states that the Planning Commission shall have authority to adopt such rules and regulations as it may determine are appropriate to carry out the purposes and provisions of that section and Sections 320, 322 and 323; and

Planning Code Section 321(d)(2), Unbuilt Projects; Progress Requirement, states: "Construction of an office development shall commence within eighteen (18) months of the date the project is first approved. Failure to begin work within that period, or thereafter to carry the development diligently to completion, shall be grounds to revoke approval of the office development" [Emphasis Added]; and

Under this requirement, which is typically a condition of approval for Office Development Annual Limit projects, projects that do not commence construction are not automatically revoked. Rather the Commission has the right to revoke such projects, but is not compelled to do so. If the Commission chooses to revoke an Office Development Annual Limit authorization, it must revoke at a publicly noticed hearing on the project; and

On May 30, 2002, the Planning Commission adopted Resolution No. 16418, by which it was resolved that the Planning Commission would: 1) closely monitor office development annual limit projects, but would not seek to revoke approvals of projects which have exceeded the construction commencement date, 2) to

the extent that formal extensions were necessary, encourage projects that have specific construction commencement dates to consider applying for extensions or re-authorizations, and 3) define "commencement of construction"; and

Pursuant to Resolution No. 16418, "commencement of construction" was defined as when the following actions have occurred:

- 1) A valid Site or Building Permit has been issued;
- 2) TDRs have been purchased and a Notice of Use has been recorded;
- 3) A valid grading, shoring and excavation addenda has been issued;
- 4) An attractive, solid fence has been erected to City standards;
- 5) Grading, shoring and excavation work has commenced and are being pursued diligently. Such construction activity must be in conformity with any required conditions of approval regarding on-site archeological investigation, excavation and artifact removal.

In adopting Resolution 16418, the Planning Commission cited dramatic changes in conditions affecting land use development due to the downturn in the economy which led to a high office vacancy rate and difficulty in obtaining commercial financing for new construction and noted that under similar conditions in the early 1990s, the Planning Commission adopted such a policy, and when the economy recovered in the late 1990s, a number of projects were already approved and could move forward without undue delay; and

On July 26, 2007, the Planning Commission held a public hearing and received public testimony on the status of the Office Development Annual Limit. At this hearing, the Planning Commission requested additional information on four projects: 1) 350 Bush Street (2000.541B); 2) 500 Pine Street (2000.539B); 3) 801 Market Street (2000.277B); and 4) 3433 3<sup>rd</sup> Street; and

On October 11, 2007, the Planning Commission received an update on four Office Development Annual Limit Projects. The project sponsors for 350 Bush Street (2000.541B), 500 Pine Street (2000.539B) and 801 Market Street (2000.277B) indicated they intended to diligently pursue their entitlements, while the Planning Department reported that the project at 3433 3<sup>rd</sup> Street had been abandoned and the office allocation revoked. Since this public hearing, revisions to the building permit application for 350 Bush Street have been submitted and are currently under review by the Department of Building Inspection and the building permit application for 500 Pine Street has been approved; however, the Planning Department has not received a building permit application or any additional communication from the project sponsor for 801 Market Street; and

The Planning Commission recognizes that the current global economic crisis has exceeded the depth and breadth of recent economic downturns, resulting in a profound impact on the liquidity and stability of credit markets and the availability of financing for a range of land-use development projects; and

The Planning Commission believes that a policy of monitoring projects authorized under Planning Code Section 321 (Office Development Annual Limit), but not yet under construction, and ensuring that those projects under construction proceed as expeditiously as possible under the circumstances, serves the City well; however, the Planning Commission believes that authorized projects that are not diligently pursued should be revoked; and

On February 19, 2009, the Planning Commission held a public hearing and received public testimony on the state of the local economy and discussion of this policy; and

On March 26, 2009, the Planning Commission held a public hearing and received public testimony on consideration of this policy. At this hearing, the Planning Department identified two Office Development Annual Limit projects that have exceeded the 18-month performance timeline by more than 5 years and do not appear to be actively seeking completion of their entitlements:

- 1) 801 Market Street (2000.277B) – approved April 19, 2001
- 2) 48 Tehama Street (2000.1215B) – approved September 13, 2001

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission hereby reaffirms the policies of Resolution 16418 in that it will closely monitor Office Development Annual Limit projects, but will not seek at this time to revoke the approvals of active projects which have exceeded the construction commencement date; and

BE IT FURTHER RESOLVED, that the Planning Commission hereby instructs the Planning Department to schedule the following Office Development Annual Limit projects that have exceeded the 18-month performance timeline by more than 5 years and do not appear to be actively seeking completion of their entitlements for revocation pursuant to the requirements of Section 321 of the Planning Code:

- 1) 801 Market Street (2000.277B)
- 2) 48 Tehama Street (2000.1215B)

BE IT FURTHER RESOLVED, that the Planning Commission hereby instructs the Planning Department to schedule the following Office Development Annual Limit projects that have exceeded the 18-month performance timeline for informational presentations to the Planning Commission:

- 1) 524 Howard Street (1998.843B)
- 2) 350 Bush Street (2000.541B)
- 3) 500 Pine Street (2000.539B)
- 4) 120 Howard Street (2006.0616B)

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on March 26, 2009.

Linda D. Avery  
Commission Secretary

AYES: Commissioners Borden, Miguel, Moore, Olague and Sugaya  
NOES: Commissioners Antonini and Lee  
ABSENT: None  
ADOPTED: March 26, 2009



File No. 84.199B  
524 Howard Street  
Assessor's Block 3721  
Lot: 13

SAN FRANCISCO  
CITY PLANNING COMMISSION  
MOTION NO. 11683

ADOPTING FINDINGS RELATING TO THE APPROVAL BY THE CITY PLANNING COMMISSION FOR AN OFFICE DEVELOPMENT PURSUANT TO SECTIONS 321 AND 322 OF THE PLANNING CODE FOR AN OFFICE AND RETAIL STRUCTURE LOCATED AT 524 HOWARD STREET.

RECITALS

1. On or about May 7, 1984, the 524 Howard Street Associates ("Project Sponsor") filed an Environmental Evaluation application for an office and retail project at 524 Howard Street with the Department of City Planning ("Department").
2. On or about February 3, 1986, the Project Sponsor filed with the Department an application for project authorization in the "First Review Period" pursuant to the then effective provisions of the Planning Code ("Code") Section 320 through 325 for an office and retail project at 524 Howard Street. On or about April 11, 1986, the Project Sponsor withdrew its project from consideration in the First Review Period.
3. On April 17, 1986 by Motion No. 10669, the City Planning Commission ("Commission") found that the Final Environmental Impact Report ("FEIR") to be adequate, accurate and objective, and certified the completion of the FEIR in compliance with the California Environmental Quality Act ("CEQA"), the State CEQA guidelines and Chapter 31 of the San Francisco Administrative Code.
4. Subsequent to the certification of the 1986 EIR, the Department requested the preparation of a Draft Supplemental Environmental Impact Report ("Draft SEIR") for the Project.
5. Pursuant to Draft 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Department appointed two architectural consultants to assist Department staff and the City Planning Commission ("Commission") in design evaluation. On December 10, 1989 the panel convened to review the preliminary design in a Project Review meeting with Department staff.
6. On January 12, 1989, the Commission approved Resolution No. 11566 establishing rules ("1987-1988 and 1988-1989 Combined Annual Limit Rules") pursuant to which the Commission would review Applications for Project Authorization under the City's Office Development Limitation Program ("Annual Limit"), Planning Code Section 320 - 325, during the 12-month approval period which commenced on October 17, 1987 and the 12 month approval period which commenced October 17, 1988 ("1987-1988 and 1988-1989 Combined Approval Periods"). The 1987-1988 and 1988-1989 Combined Annual Limit Rules include a schedule for the for review under the Annual Limit and Section 309 of the Planning Code.

CITY PLANNING COMMISSION

File 84.199B  
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7. On or about January 19, 1989, the City Planning Commission ("Commission") held a duly noticed hearing on the Draft Supplemental Environmental Impact Report ("Draft SEIR") for the project, File No. 86.73E.
8. On or before February 3, 1989, pursuant to the 1987-1988 and 1988-1989 Annual Limit Rules, the Project Sponsor filed an application for Project Authorization ("Application") for a revised proposed office and retail project at 524 Howard Street.
9. Pursuant to the 1987-88 and 1988-1989 Combined Annual Limit Rules, the architectural consultants prepared written comments on the final design submission for the Project.
10. The preferred project ("Project") as defined in the Final Design Submission pursuant to the 1987-1988 and 1988-1989 Combined Annual Limit Rules is within the C-3-0 (SD) (Downtown Office, Special Development) District and the 450-S Height and Bulk District located at 524 Howard Street on the north side of Howard Street between First and Second, on Assessor's Block 3721, Lot 13. The project is a 311-foot tall, 23-story building which contains 199,965 gsf of office space, 4,500 gsf of retail space and 14,000 sq. ft. of parking, which the Department estimates would accommodate approximately 63 vehicles with tandem valet operation, although the Project could possibly accommodate more parking spaces. The project will provide 4,218 sq. ft. of open space, in the form of an indoor park. The approximately 12,267 square foot site is currently occupied by a parking lot and garage. The Project is substantially equivalent to Alternative F as described in the FEIR.
11. Under Planning Code Sections 321 and 321.1, the Commission may approve office developments containing no more than 475,000 square feet of office space per approval period until such time as the space on the list referred to in Code Section 321.1(b) has been reduced to zero. Of this 475,000 square feet, at least 75,000 square feet of office development must be reserved for buildings between 25,000 and 49,999 square feet in gross floor area of office development pursuant to Code Section 321(b)(4).
12. No office development projects were approved during the 12-month approval period which commenced on October 17, 1987 (the "1987-1988 Approval Period"). Under Planning Code Sections 321(a) and 321(b)(4), the unallocated amount of the annual limit in the 1987-1988 Approval Period is carried over to the 1988-1989 Approval Period. As a result, during the 1987-1988 and 1988-1989 Combined Approval Period, the maximum amount of office space in office developments available under the Annual Limit is 950,000 square feet, of which at least 150,000 square feet of office development must be reserved for buildings of between 25,000 and 49,999 square feet. The unallocated amount from the 1986-1987 Approval Period is 92,721 gross square feet of office space. Thus, the Commission may approve a total of 892,721 gross square feet of office space in buildings over 50,000 square feet in this Approval Period.



CITY PLANNING COMMISSION

File 84.199B  
524 Howard Street  
Assessor's Block 3721  
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13. The Department published its Evaluation Report, dated March 20, 1989, under the San Francisco Office Development Limitation Program for the 1987-1988 and 1988-1989 Combined Approval for buildings with greater than 50,000 square feet of office development. On April 3, 1989, the Department released the Planning Code Section 309 reports for buildings with greater than 50,000 square feet of office development. On May 18, 1989, at the public hearing on the Application for Project Authorization for the Project, the Department submitted to the Commission certain revisions to the previously published Evaluation Report. The Evaluation Report of the Department of City Planning dated March 20, 1989, with the Section 309 Reports dated April 3, 1989, and with the May 18, 1989 revisions thereto, is hereinafter collectively referred to as the "Evaluation Report."
14. On April 6, 1989, the Project Sponsor presented the project in an informal Commission Workshop on the projects competing in the Annual Limit.
15. On April 27, 1989 the Commission, by Resolution No. 11637, amended the schedule set forth in the 1987-1988 and 1988-1989 Combined Annual Limit Rules to schedule the Project EIR Certification on May 11, 1989 and public hearings on May 18, 1989 and May 25, 1989.
16. On May 11, 1989, by Motion No. 11655, the Commission found the Final Supplemental Environmental Impact Report for the project ("FSEIR") to be adequate, accurate and objective, and certified the completion of the FSEIR in compliance with the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code.
17. On May 18, 1989 and May 25, 1989, the Commission conducted a duly noticed public hearing on the Application for Project Authorization for the Project.
18. In reviewing the Application in accordance with the provisions of CEQA, the State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code, the Commission has reviewed and considered the information contained in the FEIR and the FSEIR and finds that no substantial change in the environmental effects could occur as a result of the revised Project. The determinations made in this motion do not significantly change the Project or the information analyzed in the FEIR.
19. In reviewing the Application for Project Authorization for the Project, the Commission has had available to it for its review and consideration the Evaluation Report, studies, letters, plans and other material pertaining to this Project as well as the other Project competing in the Annual Limit contained in the Department's case files, has reviewed and has heard testimony and received materials from interested parties during the public hearings on the Project.

**FINDINGS**

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

1. The above recitals are accurate and also constitute findings of this Commission.
2. In determining if the Project would in particular promote the public welfare, convenience and necessity, the Commission has considered the criteria established by Code Section 321(b)(3) and the application of those criteria as described in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, and finds as follows:

A. Apportionment of Office Space Over the Course of the Approval Period in Order to Maintain a Balance Between Economic Growth, on the One Hand, and Housing, Transportation and Public Services, on the Other.

- (1) The 1987-1988 and 1988-1989 Combined Annual Limit Rules state that this criterion is not applicable during this Approval Period. Criterion A relates to the allocation of space over the approval period. Given the shortening of the approval period from three years to one year and that only one review is to be held in this approval period, Criterion A does not affect this approval period. No apportionment of office space will be necessary over the course of the approval period.

B. The Contribution of the Project to, and Its Effects on, the Objectives and Policies of the Master Plan.

- (1) In accordance with the rating system established in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Commission hereby finds as follows:
  - (a) In accordance with the rating system established in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Commission hereby finds the Project to be EXCELLENT in its relationship to the Master Plan in that it makes an outstanding contribution to advancing the objectives and policies and has no significant conflicts with an objective or policy of the Master Plan.
  - (b) The Project provides prime downtown office space and back office space and has identified users of the proposed space, thereby furthering numerous Downtown Plan objectives and policies relating to space for commerce.
  - (c) By using transferable development rights ("TDRs"), and designing the building to respect older development in the area, the Project complements a preservation objective and associated policies of the Downtown Plan.

- (d) In terms of transportation, the Project furthers several of the Downtown Plan's objectives and policies by converting some long-term parking to short-term parking.
  - (e) In providing an indoor park, the Project furthers the open space policy of providing open space in a open space difficient area.
  - (f) The Project furthers numerous objectives and policies relating to design quality and urban design. Its appropriate slender tower form will complement the skyline. Its stepped design on Natoma Street responds to sunlight access criteria.
  - (g) The Project has a neutral effect on the Downtown Plan's housing objectives and policies by not adding or demolishing housing units.
- (2) The bases of the findings set forth in Subparagraph (1) above are those portions of the Evaluation Report which discuss the contribution of the office development to and its effects on the objectives and policies of the Master Plan (criterion B) and find it to be EXCELLENT. The Commission hereby adopts said portion of the Evaluation Report as findings of this Commission.

C. The Quality of the Design of the Project.

- (1) Under the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the suitability of the Project for its design is broken down for analytical purposes into various components with a separate rating assigned for each. In accordance with the rating system established in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Commission hereby finds as follow:
- (a) The quality of the building design of the Project is GOOD/EXCELLENT in that it will make a positive contribution to the visual quality of the City and its design responds well to site constraints.
  - (b) The 524 Howard proposal successfully considers three important design factors; the need to recognize Howard as a major street; the need to incorporate open space within a small site; and, the need to compose the building to minimize the loss of sun on the 100 First Street sun terrace.
  - (c) Both the north and south facades are well proportioned and detailed. The building as designed responds to the grander scale of Howard Street, as well as to the more intimate dimensions of Natoma Street. The Natoma Street side has pedestrian and vehicular entrances appropriately scaled and integrated into the building's design.

- (d) The Howard Street elevation contains three distinct elements; a base with a glass enclosed indoor park which transitions into a tower featuring a curvilinear bay and setbacks at the penthouse level to reduce building bulk. The windows at floors 21 and 22 are stacked and recessed to give added verticality and a more distinctive top to the building.
  - (e) The Project is a strong design of high quality well suited to its location that with minor adjustment would be outstanding. While the Commission finds, as set forth in its motion under Code Section 309, that design of the Project may be improved in certain limited aspects, the Commission does not rely on the possibility of such improvement in comparing this Project to others competing for allocation of office space.
  - (f) The design quality of the open space of the Project is rated EXCELLENT. The Project contains an indoor park with a six story window on Howard Street. The open spaces are fully integrated with the Art Concept.
  - (g) The quality of the art concept for the Project is EXCELLENT. The Project has integrated the art concept into the design of the open space. The interior open space integrates a solar art pieces which responds to critical dates during the year.
- (2) The bases of the findings set forth in Subparagraph (1) above are those portions of the Evaluation Report which discuss the Design Quality (criterion C). The Commission hereby adopts said portion of the Evaluation Report as findings of this Commission.

D. The Suitability of the Project for its Location, and the Effects of the Project Specific to that Location.

- (1) Under the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the suitability of the Project for its location is broken down for analytical purposes into various components with a separate rating assigned for each. In accordance with the rating system established in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Commission hereby finds as follow:
- (a) The Project is EXCELLENT in the appropriateness of the use at this location, since this Project is located in the C-3-0(SD) District, a use district specifically designed for buildings of this type.
  - (b) The Project is EXCELLENT in its accessibility to transit, since the project is located within 1/4 mile of 32 MUNI lines. All regional carriers, except the Golden Gate Ferries are located within 1/4 mile of the site. Eleven additional MUNI lines are within 1/3 mile of the site.

- (c) The Project is GOOD in its accessibility to open space since the development is in an open space deficient area and will provide new open space sufficient to accommodate additional demand.
  - (d) The Project is EXCELLENT in its coherency, spatial definition and composition in cityscape and is GOOD in its context for preservation and scale and is rated EXCELLENT overall in urban design.
  - (e) The Project is FAIR in its seismic safety based upon the Strong intensity of future ground shaking and the location in a potential ground failure hazard area as described in the Evaluation Report (pp. I.30-31).
- (2) The bases of the findings set forth in Subparagraph (1) above is that portion of the Evaluation Report which discusses the suitability of the Project for its location (criterion D). The Commission hereby adopts said portion of the Evaluation Report as findings of this Commission.
  - (3) The Project has no significant adverse effects specific to its location. The FEIR and the FSEIR found that the Project would have no project-specific significant adverse environmental impacts. As noted in the Evaluation Report, the Project will have no material effect on views or housing displacement. The Project has a moderate effect on creation of shadow and a minor effect on small business displacement, creation of wind and on architectural or historical resources. The Project has no localized conflicts with transit, traffic or pedestrian movements and freight loading.
- E. The Anticipated Uses of the Project in Light of Employment Opportunities to be Provided, Needs of Existing Businesses, and the Available Supply of Space Suitable for Such Anticipated Uses.
- (1) Under the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the suitability of the Project for its anticipated uses is broken down for analytical purposes into various components with a separate rating assigned for each. In accordance with the rating system established in the 1987-1988 and 1988-1989 Combined Annual Limit Rules, the Commission hereby finds as follow:
    - (a) This Project will be used as an office building with ground floor retail activities. The Project Sponsor has received letters of intent from tenants for over 30 percent of the space, including letters of intent from Pacific Bank, Lawyers Title, Co. and Quan & Arima.

