



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Downtown Project Authorization/ Conditional Use/ Variance

HEARING DATE: JUNE 25, 2015

Date: June 11, 2015
Case No.: 2012.0877ECVX
Project Address: 1546-1564 MARKET STREET
Zoning: C-3-G (Downtown General)
Van Ness & Market Downtown Residential Special Use District
120-R-2 Height and Bulk District
Area Plan: Market and Octavia
Block/Lot: 0836/006 and 007
Project Sponsor: Jessie Stuart
Trumark Urban
90 New Montgomery Street, STE 750
San Francisco, CA 94103
Staff Contact: Kevin Guy – (415) 558-6163
kevin.guy@sfgov.org
Recommendation: **Approval with Conditions**

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PROJECT DESCRIPTION

The Project proposes demolition of the three existing buildings and construction of a new 120-foot, 12-story building with approximately 109 dwelling units and 5,010 square feet of ground floor retail spaces fronting on Oak Street and Market Street. Off-street parking for 28 vehicles (including one car share vehicle) and 136 Class 1 bicycle parking spaces is provided in the basement level. Basement access is provided from Oak Street via a 12-foot single lane vehicular ingress/egress along the western property line, as well as a bike stair along the eastern property line. Eight Class 2 bicycle parking spaces are provided along Oak Street and Market Street. The project includes a mix of 11 studio units, 74 one-bedroom units, and 24 two-bedroom units. The project is arranged as two masses situated around a central courtyard and connected via a series of bridges.

SITE DESCRIPTION AND PRESENT USE

The project site is located on two lots totaling 12,565 square feet on the north side of Market Street between Van Ness Avenue and Franklin Street. Lot 006 is a 2,074 square foot lot with frontage along Market Street. Lot 007 is a 10,491 square foot lot with frontages along Market Street and Oak Street.

Lot 006 is occupied by a three-story reinforced concrete building (1546-1550 Market Street) that was constructed in 1912. It is generally rectangular in plan, has a flat roof, and is clad in stucco. The building was originally constructed as a multi-family residential building with ground-floor commercial. The

residential units at 1550 Market Street were subsequently converted to office uses. The ground floor commercial at 1546 Market Street most recently used as a retail liquor store.

Lot 007 is occupied by a one-story brick building along Market Street (1554-1564 Market Street) and a one-story-plus-mezzanine reinforced concrete building along Oak Street (55 Oak Street). The building at 1554-1564 Market Street was constructed in 1907 and is a one-story brick commercial building with two bays, recessed entries and a single store-front in each bay. 1554 Market Street was most recently occupied by a gallery and 1564 Market Street was most recently occupied by an antiques store. The building at 55 Oak Street was built circa 1920 and is rectangular in plan with a flat roof, and clad in stucco and concrete. The building was designed as an automobile repair shop and most recently was occupied by automobile repair uses.

1554-1564 Market Street and 55 Oak Street are considered historic resources under CEQA. All the buildings on the project site are currently vacant.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The project site is at the edge of the Downtown/Civic Center neighborhood and adjacent to the South of Market neighborhood, within the Market and Octavia Area Plan. The surrounding mixed-use area contains diverse building types and uses. The project site is approximately four blocks south/southwest of the Civic Center, which includes City Hall and other government buildings and the performing arts complex, which includes Davies Symphony Hall, the Opera House, and Herbst Theater.

Surrounding land uses include commercial/hotel/office/retail, industrial, residential, and parking lots. Immediately adjacent land uses include a surface parking lot to the west, and office uses to the east. Other uses on the same block include additional surface parking lots, an automotive repair shop, a mixed-use residential building with ground-floor retail, and a café with office above. Immediately across Market Street from the project site is a car dealership at 1535-1599 Market Street (SF Honda) and a single-room occupancy hotel. Immediately across Oak Street from the project site are offices uses, the Conservatory of Music, and a surface parking lot.

The project site is located within the C-3-G Zoning District, the Van Ness and Market Downtown Residential Special Use District, and within the Market and Octavia and Downtown Area Plans. The C-3-G Zoning District covers the western portions of downtown and is composed of a variety of uses: retail, offices, hotels, entertainment, institutions, and high-density residential. Many of these uses have a Citywide or regional function. The intensity of development in the area is currently lower than the downtown core area, however, a number of intense mixed-use development projects are anticipated for the immediate area, including the nearly completed 100 Van Ness Avenue project, 150 Van Ness Avenue, 30 Van Ness Avenue, 1540 Market Street, 1 Franklin Street, 10 South Van Ness Avenue, the Goodwill property at 1500-1580 Mission Street, and 1601 Mission Street.

The Van Ness & Market Downtown Residential Special Use District is comprised of the parcels zoned C-3-G in the Market and Octavia Area Plan. This district is generally comprised of parcels focused at the intersections of Van Ness Avenue at Market Street and South Van Ness Avenue at Mission Street, along with parcels on both sides of Market and Mission Streets between 10th and 12th Streets. This district is intended to be a transit-oriented, high-density, mixed-use neighborhood with a significant residential

presence. This area is encouraged to transition from largely a back-office and warehouse support function into a more cohesive downtown residential district, and serves as a transition zone to the lower scale residential and neighborhood commercial areas to the west. A notable amount of large citywide commercial and office activity will remain in the area, including government offices supporting the Civic Center and City Hall. This area was initially identified in the Downtown Plan of the General Plan as an area to encourage housing adjacent to the downtown, and was further articulated in the Market and Octavia Area Plan.

ENVIRONMENTAL REVIEW

The Project is within the Market and Octavia Plan area, the environmental impacts of which were examined in the Market and Octavia Programmatic EIR (Market and Octavia PEIR). The Planning Commission certified the Market and Octavia PEIR on April 5, 2007.

Because this Project is within the Market and Octavia Plan Area, a Community Plan Exemption (“CPE”) Checklist was prepared for the project to analyze whether it would result in any peculiar, project specific environmental effects that were not sufficiently examined in the Market and Octavia PEIR. The CPE Checklist (Appendix A to the Draft EIR) concluded that, with the exception of historic architectural resources, the proposed project would not result in any new significant environmental impacts or impacts of greater severity than were analyzed in the Market and Octavia PEIR. Thus, a focused EIR was prepared to examine the Project’s potential impacts on historic architectural resources.

On January 7, 2015, the Department published a draft Environmental Impact Report (EIR) for the Project for public review. The draft EIR was available for public comment until February 23, 2015. On February 12, 2015, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to solicit comments regarding the draft EIR. On June 10, 2015 the Department published a Comments and Responses document, responding to comments made regarding the draft EIR prepared for the Project. The Commission will consider certification of the EIR at the hearing on June 25, 2015.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	June 5, 2015	June 5, 2015	20 days
Posted Notice	20 days	June 5, 2015	June 3, 2015	22 days
Mailed Notice	20 days	June 5, 2015	June 5, 2015	20 days

PUBLIC COMMENT

As of the date of staff report publication, the Department has received nine letters of support for the proposed project from the following organizations:

Hayes Valley Neighborhood Association –Transportation and Planning Committee
Civic Center Community Benefit District
San Francisco Housing Action Coalition
SPUR

Larkin Street Youth Services
Market on Market
Carpenters Union
IBEW Local 6
Sheetmetal Workers' Local Union 104

ISSUES AND OTHER CONSIDERATIONS

- **Market and Octavia Area Plan.** The Van Ness & Market Downtown Residential Special Use District is comprised of the parcels zoned C-3-G in the Market Octavia Area Plan. This district is generally comprised of parcels focused at the intersections of Van Ness Avenue at Market Street and South Van Ness Avenue at Mission Street, along with parcels on both sides of Market and Mission Streets between 10th and 12th Streets. This district is intended to be a transit-oriented, high-density, mixed-use neighborhood with a significant residential presence. This area is encouraged to transition from largely a back-office and warehouse support function into a more cohesive downtown residential district, and serves as a transition zone to the lower scale residential and neighborhood commercial areas to the west. The scale and dense residential component of the Project conforms with the vision for the area set forth in the Market and Octavia Area Plan.
- **Planning Code Exceptions.** The project does not strictly conform to several aspects of the Planning Code. As part of the Downtown Project Authorization process, the Commission may grant exceptions from certain requirements of the Planning Code for projects that meet specified criteria. The Project requests exceptions regarding ground level wind currents (Section 148), rear yard—lot coverage (Sections 134 and 249.33), and off-street loading (Sections 152.1 and 161(f)). Compliance with the specific criteria for each exception is summarized below, and is described in the attached draft Downtown Project Authorization motion.
- **Ground-Level Wind Currents.** The Code requires that new buildings in C-3 Districts must be designed so as not cause ground-level wind currents to exceed specified comfort levels. When preexisting ambient wind speeds exceed the comfort levels, new buildings must be designed to attenuate ambient wind speeds to meet the specified comfort level. According to the wind analysis prepared for the project, 49 out of 68 test locations meet the specified comfort levels. Existing wind speeds average 10 miles per hour for all measurement locations and exceed the 11 miles per hour criterion 9% of the time on average. Wind speeds range from 5 to 17 miles per hour. With the Project, winds would meet the Section 148 pedestrian-comfort criterion at 27 out of the 68 test locations, an increase of 22 exceedances, with the average wind speed for all test locations increasing from 10 miles per hour to 12 miles per hour. An exception is justified under the circumstance because the project would only marginally increase wind speeds. The 11 miles per hour criterion would be exceeded 16% of the time on average and the wind speed range would increase by one mile per hour from 5 to 6 miles per hour with the maximum wind speed remaining at 17 miles per hour. Of the wind speed exceedances, two of the 41 locations are on the project site and 14 are in areas not frequented by pedestrians (roads and parking lots). The remaining 25 wind speed exceedances are on pedestrian walkways, but of those only 12 are new exceedances, and the project would eliminate two existing wind exceedances in those locations.
- **Lot Coverage.** Planning Code Section 134 requires a rear yard equal to 25% of the lot depth in C-3 districts. For properties within the Van Ness & Market Downtown Residential Special Use District (SUD), the rear yard requirement is replaced with a maximum lot coverage of 80% at all residential levels.

As with the rear yard requirement, exceptions may be granted to the maximum lot coverage requirement through the Downtown Project Authorization process.

The proposed Project would cover 85% of the lot, leaving 15% open to the sky. The Project is arranged in two masses situated around a central courtyard. This design enables the increased density envisioned for this area by the Market and Octavia Area Plan, while establishing a pattern of mid-block open space, which is currently lacking on the subject block. The interior courtyard also provides light and air to adjacent properties, and varies in width with the building articulation and design. The courtyard “pinches” in toward the pedestrian walkway and angles out toward the adjacent property line, resulting in a tower separation measuring between 25.5 feet to 38 feet. The towers and courtyard are oriented east-west to maximize the light and air into the interior units, and the floor plans are arranged such that bedrooms are located the furthest distance between the two masses of the building. The configuration of the courtyard and the design of the elevations facing the courtyard provides articulation for all visible portions of the Project. The courtyard also helps to diffuse and divert ambient winds, minimizing potential wind hazards associated with development in the area.

- **Off-Street Loading.** The Planning Code requires the Project to include one off-street loading space to serve the residential uses, however, no off-street loading spaces are provided. The project site is narrow (66 feet in width) which poses significant challenges to providing parking and loading in a basement garage. Space within the basement area is constrained and already utilizes space-efficient parking to accommodate the 28 off-street parking spaces. Between the balance of bicycle parking, mechanical space, and elevator/stair access, there is not sufficient room to maneuver a full-size freight loading truck within the below-grade garage. Providing an at-grade off-street loading space would impact and degrade the pedestrian-oriented streetscape along Oak Street. The Oak Street frontage includes a retail space, the residential lobby and access to a bicycle stair that provides separate bike access to bicycle parking in the basement. Off-street freight loading and service in this location would displace the retail and bike stair access, resulting in over 60 percent of the Oak Street frontage used for vehicular purposes such as parking ingress/egress and loading.

- **Dwelling Unit Exposure.** The project requests a Variance from dwelling unit exposure requirements of the Planning Code. Section 140 requires that at least one room of all dwelling units face onto a public street, a rear yard, or other open area that meets minimum requirements for dimensions. The dwelling units that face one of the abutting streets (Market Street or Oak Street) would fully comply with Section 140. However, the units on floors 2 through 10 that solely face the interior courtyard do not comply with this requirement, because the courtyard does not meet the dimensional requirements of Section 140. A Variance from the exposure requirements of Planning Code Section 140 is being sought for the approximately 40 units facing the courtyard.

- **Ground Floor Ceiling Heights.** Section 145.1(c)(4) requires that ground floor non-residential uses in C-3 Districts provide a minimum floor-to-floor height of 14 feet. The retail uses along the Market Street frontage have a floor-to-floor height of approximately 15 feet, exceeding the minimum 14-foot dimension required by Section 145.1(c)(4). However, due to a slight grade change across the property, the finished floor of the retail space along the Oak Street frontage has a higher finished floor. The floor-to-floor height in this area measures approximately 12.5 feet, and therefore, does not comply with this requirement. The Project Sponsor is requesting a Variance from the requirements of Section 145.1(c)(4) with respect to the floor-to-floor height in this portion of the Project.

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must 1) Adopt Findings under the California Environmental Quality Act; 2) Approve a Downtown Project Authorization pursuant to Planning Code Section 309, granting exceptions to the requirements for ground level wind currents (Section 148), rear yard—lot coverage (Sections 134 and 249.33), and off-street loading (Sections 152.1 and 161(f)), and; 3) Approve a Conditional Use Authorization pursuant to Planning Code Sections 124(f) and 303 to allow additional square footage above the base floor area ratio for the development of on-site affordable dwelling units within the Project. In addition, the Zoning Administrator would need to grant Variances from the dwelling unit exposure requirements of Section 140, as well as the minimum floor-to-floor heights for non-residential uses (Section 145.1).

BASIS FOR RECOMMENDATION

- The project will add housing and employment opportunities within an intense, walkable urban context.
- The project fulfills the intent of the Market and Octavia Area Plan to focus new housing in transit-served locations and to create active, vibrant streetscapes.
- The project includes a mix of dwelling unit sizes to serve a diversity of household sizes and people with varied housing needs.
- The proposed ground-floor commercial spaces will expand the spectrum of retail goods and services available in the area, and will activate the sidewalks along Market and Oak Streets.
- The project is necessary and desirable, is compatible with the surrounding neighborhood, and would not be detrimental to persons or adjacent properties in the vicinity.
 - The project meets all applicable requirements of the Planning Code, aside from the exceptions requested pursuant to Planning Code Section 309 and the requested Variances.

RECOMMENDATION:	Approval with Conditions
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Attachments:

Draft CEQA Findings Motion

- Including Mitigation, Monitoring, and Reporting Program

Draft Downtown Project Authorization

Draft Conditional Use Authorization

Block Book Map

Sanborn Map

Aerial Photographs

Zoning District Map

Inclusionary Housing Affidavit

Letter from Project Sponsor to Department staff, dated June 8, 2015

- Including correspondence in support of project

Letter from Project Sponsor to Planning Commission, dated June 10, 2015

Project Plans

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 checked="" 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 checked="" type="checkbox"/> Check for legibility |
| <input checked="" type="checkbox"/> Aerial Photo | <input type="checkbox"/> Wireless Telecommunications Materials |
| <input checked="" type="checkbox"/> Context Photos | <input type="checkbox"/> Health Dept. review of RF levels |
| <input checked="" type="checkbox"/> Site Photos | <input type="checkbox"/> RF Report |
| | <input type="checkbox"/> Community Meeting Notice |
| | <input checked="" type="checkbox"/> Housing Documents |
| | <input checked="" type="checkbox"/> Inclusionary Affordable Housing Program: Affidavit for Compliance |

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

Planner's Initials



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft Motion CEQA Findings

HEARING DATE: JUNE 25, 2015

Date: June 11, 2015
Case No.: 2012.0877E
Project Address: 1546-1564 Market Street
Zoning: C-3-G
Van Ness and Market Downtown Residential District
120-R-2 Height and Bulk District
Block/Lot: 0836/006 and 007
Project Sponsor: Jessie Stuart, Trumark Urban
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ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, INCLUDING FINDINGS OF FACT, FINDINGS REGARDING SIGNIFICANT IMPACTS AND SIGNIFICANT AND UNAVOIDABLE IMPACTS, EVALUATION OF MITIGATION MEASURES AND ALTERNATIVES, AND A STATEMENT OF OVERRIDING CONSIDERATIONS RELATED TO APPROVALS FOR THE PROJECT LOCATED AT 1546-1564 MARKET STREET, TO MERGE TWO LOTS, DEMOLISH THE EXISTING BUILDINGS AND CONSTRUCT A 12-STORY RESIDENTIAL BUILDING CONTAINING UP TO 109 RESIDENTIAL UNITS, 5,010 SQUARE FEET OF COMMERCIAL RETAIL USE AND BELOW GRADE-PARKING FOR 28 VEHICLES.

PREAMBLE

The Project Sponsor (Trumark Urban) submitted applications for a project located at 1546-1564 Market Street for a Downtown Project Authorization under Planning Code section 309, a Variance under Planning Code section 305 and a Conditional Use Authorization under Planning Code section 303 to demolish the existing buildings and construct a 12-story approximately 146,803 gross square foot residential building with 109 residential units, 5,010 square feet of commercial retail use and below grade parking for 28 vehicles.

The Project is within the Market and Octavia Plan area, the environmental impacts of which were examined in the Market and Octavia Programmatic EIR (Market and Octavia PEIR). The Planning

Commission (hereafter referred to as "Commission") certified the Market and Octavia PEIR on April 5, 2007.

Section 15183 of the CEQA Guidelines provides an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR has been certified, except as may be necessary to examine whether any project-specific effects are peculiar to the project or project site. Under this exemption, examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in the prior EIR for the underlying zoning or plan; c) are potentially significant off-site or cumulative impacts that were not discussed in the underlying EIR; or d) were previously identified as significant effects in the underlying EIR, but that have been determined to have a more severe adverse impact than that discussed in the underlying EIR.

Because this Project is within the Market and Octavia Plan Area, a Community Plan Exemption ("CPE") Checklist was prepared for the project to analyze whether it would result in any peculiar, project specific environmental effects that were not sufficiently examined in the Market and Octavia PEIR. The CPE Checklist (Appendix A to the Draft EIR) concluded that with the exception of historic architectural resources, the proposed project would not result in any new significant environmental impacts or impacts of greater severity than were analyzed in the Market and Octavia PEIR. Thus, a focused EIR was prepared to examine the Project's potential impacts on historic architectural resources.

The Commission reviewed and considered the Final Environmental Impact Report (FEIR) for the Project and found the contents of said report and the procedures through which the FEIR was prepared, publicized and reviewed complied with the California Environmental Quality Act (Public Resources Code section 21000 et seq.) ("CEQA"), the CEQA Guidelines (14 Cal. Code Reg. section 15000 et seq.), and Chapter 31 of the San Francisco Administrative Code.

The Commission found the FEIR was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Planning Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and certified the Final EIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31 by its Motion No. XXXXX. The Commission, in certifying the FEIR, found that the project described in the FEIR will have the following significant and unavoidable environmental impacts: (1) the demolition of the existing building located at 1554-1564 Market Street will cause a substantial adverse change in the significance of historic architectural resources; and (2) the demolition of the existing building located at 55 Oak Street will cause a substantial adverse change in the significance of historic architectural resources.

The Planning Department, Jonas P. Ionin, is the custodian of records for the Planning Department materials, located in the File for Case No. 2012.0877EX, at 1650 Mission Street, Fourth Floor, San Francisco, California.

On June 25, 2015, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Case No. 2012.0877EX to consider the approval of the Project. 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 Project, the Planning Department staff, expert consultants and other interested parties.

This Commission has reviewed the entire record of this proceeding, the Environmental Findings, attached to this Motion as Attachment A, regarding the alternatives, mitigation measures, environmental impacts analyzed in the FEIR and overriding considerations for approving the Project, and the proposed MMRP attached as Attachment B, which material was made available to the public.

MOVED, that the Planning Commission hereby adopts findings under the California Environmental Quality Act, including rejecting alternatives as infeasible and adopting a Statement of Overriding Considerations, and adopts the MMRP attached as Attachment B, based on the findings attached to this Motion as Attachment A as though fully set forth in this Motion, and based on substantial evidence in the entire record of this proceeding.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of June 25, 2015.

Jonas Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

EXCUSED:

ACTION: Adoption of CEQA Findings

Attachment A

PREAMBLE

In determining to approve the project described in Section I, Project Description below, the ("Project"), the San Francisco Planning Commission ("Planning Commission," "Commission" or "City") makes and adopts the following findings of fact and decisions regarding the Project description and objectives, significant impacts, mitigation measures and alternatives, including a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, California Public Resources Code Section 21000 et seq. ("CEQA"), particularly Section 21081 and 21081.5, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Section 15000 et seq. ("CEQA Guidelines"), and Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Commission adopts these findings in conjunction with the Approval Actions described in Section I(c), below, as required by CEQA. In approving the Project, the Planning Commission has required the Project Sponsor to commit to implementing all mitigation measures identified in the Final EIR; the Project Sponsor has acknowledged in writing the feasibility of the mitigation measures contained in the MMRP.

This document is organized as follows:

Section I provides a description of the proposed project at 1546-1564 Market Street, the environmental review process for the Project, the Planning Commission actions to be taken, and the location and custodian of the record.

Section II lists the Project's less-than-significant impacts that do not require mitigation.

Section III identifies potentially significant impacts that can be avoided or reduced to less-than-significant levels through mitigation and describes the disposition of the mitigation measures.

Section IV identifies significant project-specific or cumulative impacts that would not be eliminated or reduced to a less-than-significant level and describes any applicable mitigation measures as well as the disposition of the mitigation measures. The Final EIR identified mitigation measures to address these impacts, but implementation of the mitigation measures will not reduce the impacts to a less than significant level.

Sections III and IV set forth findings as to the mitigation measures proposed in the Final EIR. (The Draft EIR and the Comments and Responses document together comprise the Final EIR, or "FEIR.") Attachment B to the Planning Commission Motion contains the Mitigation Monitoring and Reporting Program ("MMRP"), which provides a table setting forth each mitigation measure listed in the Final Environmental Impact Report that is required to reduce or avoid a significant adverse impact.

Section V identifies the project alternatives that were analyzed in the EIR and discusses the reasons for their rejection.

Section VI sets forth the Planning Commission's Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15093.

I. PROJECT DESCRIPTION AND PROCEDURAL BACKGROUND

a. Project Description

The Project Sponsor proposed to demolish three existing structures totaling 16,644-gsf and construct a 12-story, approximately 120-foot-tall (excluding a 20-foot-tall mechanical penthouse), mixed-use residential development at 1546-1564 Market Street, and 55 Oak Street, San Francisco, California. The project site is 12,565 square feet and includes two parcels; Assessor's Parcel Number 0836-006, which is a 2,074 square foot lot fronting on Market Street, and Assessor's Parcel Number 0836-007, which is a 10,491 square foot lot with frontages on Market Street and Oak Street. The Project Sponsor would merge the two lots and construct two buildings totaling 146,803 gross square feet (gsf), fronting along Market Street and Oak Street, connected via skyway and internal courtyard, with 116,550 gsf of residential uses (109 dwelling units), 1,115 gsf for residential lobby/lounge uses, 5,010 gsf of retail (three retail spaces), and 12,512 gsf of parking at the basement level, with 28 car parking spaces, primarily provided in vehicle stackers or lifts, and 113 bicycle parking spaces. Thirteen (13) of the 109 residential units are proposed to be on-site affordable units, reflecting the unit mix of studio, one- and two-bedroom units proposed at project. (*See* Project Objectives in Section I(b), below.)

The project site is located mid-block on the north side of Market Street between Franklin Street and Van Ness Avenue (U.S. Highway 101) with frontage also along the south side of Oak Street. The project site is located within the boundaries of the Market and Octavia Area Plan (Area Plan), is zoned C-3-G (Downtown General Commercial District), is within the Van Ness and Market Downtown Residential Special Use District, and is in the 120 R-2 Height and Bulk District. The project site slopes approximately two (2) feet from south (Market Street) to north (Oak Street) and is fully occupied entirely by three buildings. 1546-1550 Market Street contains a 6,330 square foot three-story reinforced concrete building. 1554-1564 Market Street is a 4,179 square foot one-story brick building. 55 Oak Street is a 6,135 square foot one-story plus mezzanine reinforced concrete building. 1554-1564 Market Street and 55 Oak Street are resources under CEQA.

The Project site is at the edge of the Downtown/Civic Center neighborhood, and adjacent to the South of Market neighborhood. Immediately adjacent land uses include a surface parking lot to the west, and office uses at 1540 Market Street (four-story building) to the east. Other uses on same block include additional surface parking lots; an automotive repair shop at 24 Franklin Street (one-story building); a mixed-use residential building with ground-floor retail at 1580-1598 Market Street (six-story building, referred to as the Miramar apartments); and a café with office above at 1500 Market Street (three-story building). Immediately across Market Street from the project site is a car dealership at 1535-1599 Market Street (two-story façade), which occupies the entire frontage on the block, and a single-room occupancy hotel at 20 12th Street (five-story building). Immediately across Oak Street from the project site are offices uses at

11-35 Van Ness Avenue (eight-story building), the Conservatory of Music at 50-70 Oak Street (six-story building), and a surface parking lot.

b. Project Objectives

The Project Sponsors' objectives has developed the following objectives for the proposed project, as identified in Chapter II of the Final EIR:

- Continue the redevelopment and revitalization of Market Street through the development of a project that is consistent with and enhances the existing scale and urban design character of the area, and furthers the City of San Francisco's (City's) housing and applicable General Plan policies.
- Implement the City's Market and Octavia Area Plan by replacing existing structures with a high-quality residential project with exceptional design that reflects the transitional nature of the block from higher-density development at the corner of Market Street and Van Ness Avenue/South Van Ness Avenue, to lower-density at Market Street and Franklin Street.
- Increase the City's supply of housing in an area that is identified for higher-density housing due to its proximity to downtown and local and regional transit hubs, and increase the affordable housing supply in the City in accordance with City requirements.
- Construct a sufficient number of dwelling units to generate a return on investment adequate to attract investment capital and construction financing.
- Construct streetscape improvements that complement the proposed Oak Street Plaza (proposed by adjacent 1510-1540 Market Street project), and enliven pedestrian activity by developing ground-floor retail and public-amenity space to supplement existing uses, and serve neighborhood residents and visitors.

c. Project Approvals

The Planning Commission and Zoning Administrator are currently considering various actions ("Approval Actions") in furtherance of the Project, which include the following:

Planning Commission

- Findings of General Plan and Priority Policies consistency
- Downtown Project Authorization pursuant to Planning Code Section 309
- Exceptions to the following Planning Code Standards:
 - Lot coverage requirements (Planning Code Section 249.33(b)(5))
 - Off-street loading requirements (Planning Code Section 152.1)
 - Ground-level wind currents requirements (Planning Code Section 148)
- Conditional Use authorization pursuant to Planning Code 303 to remove the square footage of dwelling units that will be affordable to households whose incomes are within 150 percent of the medium income for a minimum of 20 years ("BMR units") from the base floor area ratio ("FAR") calculations for the Project Pursuant to Planning Code section 124(f)

Zoning Administrator

- Variance pursuant to Planning Code 305 for:
 - Dwelling Unit Exposure (Section 140)
 - Ground Floor Ceiling Height (Section 145.1)

Actions by Other City Departments

- **Department of Public Health** – Approval of a Site Mitigation Plan in accordance with Article 22A of the Health Code (Maher Ordinance).
- **Department of Building Inspection** – Approval of site permit. Demolition, grading, and building permits for the demolition of the existing buildings and construction of the new building.
- **Department of Public Works** – Approval of a lot merger and condominium map.
- **San Francisco Municipal Transportation Agency** – Approval of the proposed curb modifications and parking garage operations plan.
- **Bureau of Streets and Mapping, Department of Public Works** – Street and sidewalk permits for any modifications to public streets, sidewalks, protected trees, street trees, or curb cuts.
- **San Francisco Public Utilities Commission** – Approval of any changes to sewer laterals. Approval of an erosion and sediment control plan prior to commencing construction, and compliance with post-construction stormwater design guidelines, including a stormwater control plan; required for projects that result in ground disturbance of an area greater than 5,000 square feet.

d. **Environmental Review**

The Project is within the Market and Octavia Plan area, the environmental impacts of which were examined in the Market and Octavia Programmatic EIR (Market and Octavia PEIR). The Planning Commission (hereafter referred to as “Commission”) certified the Market and Octavia PEIR on April 5, 2007.

Section 15183 of the CEQA Guidelines provides an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR has been certified, except as may be necessary to examine whether an project-specific effects are peculiar to the project or project site. Under this exemption, examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in the prior EIR for the underlying zoning or plan; c) are potentially significant off-site or cumulative impacts that were not discussed in the underlying EIR; or d) were previously identified as significant effects in the underlying EIR, but that have been determined to have a more severe adverse impact than that discussed in the underlying EIR.

Because this Project is within the Market and Octavia Plan Area, a community plan exemption (“CPE”) Checklist was prepared for the project to analyze whether it would result in any peculiar, project specific environmental effects that were not sufficiently examined in the Market and Octavia PEIR. the CPE Checklist (Appendix A to the Draft EIR) concluded that, with the exception of historic resources the proposed project would not result in any new significant environmental impacts or impacts of greater severity than were analyzed in the Market and Octavia PEIR.

Thus, the Department determined that a focused Environmental Impact Report (hereinafter “EIR”) should be prepared with and published a NOP with a Community Plan Exemption (CPE) Checklist under the Market and Octavia PEIR on October 22, 2014. Topics analyzed in the EIR were Cultural and Paleontological Resources (Historic Architectural Resources only).

On January 7, 2015, the Department published the Draft Environmental Impact Report (hereinafter “DEIR”) and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department’s list of persons requesting such notice.

Notices of availability of the DEIR and of the date and time of the public hearing were posted near the project site by the project sponsor on January 7, 2015.

On January 7, 2015, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, to adjacent property owners, and to government agencies, the latter both directly and through the State Clearinghouse.

Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on January 7, 2015.

The Commission held a duly advertised public hearing on said DEIR on February 26, 2015, at which opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments ended on March 2, 2015.

The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 53 day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a Responses to Comments document, published on June 10, 2015, distributed to the Commission and all parties who commented on the DEIR, and made available to others upon request at the Department.

A Final Environmental Impact Report (hereinafter “FEIR”) has been prepared by the Department, consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the Responses to Comments document all as required by law.

Project EIR files have been made available for review by the Commission and the public. These files are available for public review at the Department at 1650 Mission Street, Suite 400, and are part of the record before the Commission.

On June 25, 2015, the Commission reviewed and considered the FEIR and hereby does find that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

e. **Content and Location of Record**

The record upon which all findings and determinations related to the adoption of the proposed project are based include the following:

- The EIR, and all documents referenced in or relied upon by the FEIR, including the CPE Checklist prepared under the Market and Octavia PEIR;
- All information (including written evidence and testimony) provided by City staff to the Planning Commission relating to the FEIR, the proposed approvals and entitlements, the Project, and the alternatives set forth in the FEIR;
- All information (including written evidence and testimony) presented to the Planning Commission by the environmental consultant and subconsultants who prepared the FEIR, or incorporated into reports presented to the Planning Commission;
- All information (including written evidence and testimony) presented to the City from other public agencies relating to the project or the FEIR;
- All applications, letters, testimony, and presentations presented to the City by the project sponsor and its consultants in connection with the project;
- All information (including written evidence and testimony) presented at any public hearing or workshop related to the project and the EIR;
- The MMRP; and
- All other documents comprising the record pursuant to Public Resources Code Section 21167.6(e).

The public hearing transcript, a copy of all letters regarding the FEIR received during the public review period, the administrative record, and background documentation for the FEIR are located at the Planning Department, 1650 Mission Street, 4th Floor, San Francisco. The Planning Department, Jonas P. Ionin, is the custodian of these documents and materials.

F. Findings about Environmental Impacts and Mitigation Measures

The following Sections II, III and IV set forth the Commission's findings about the Final EIR's determinations regarding significant environmental impacts and the mitigation measures proposed to address them. These findings provide the written analysis and conclusions of the Commission regarding the environmental impacts of the Project and the mitigation measures included as part of the FEIR and adopted by the Commission as part of the Project. To avoid duplication and redundancy, and because the Commission agrees with, and hereby adopts, the conclusions in the FEIR, these findings will not repeat the analysis and conclusions in the FEIR but instead incorporate them by reference and rely upon them as substantial evidence supporting these findings.

In making these findings, the Commission has considered the opinions of staff and experts, other agencies, and members of the public. The Commission finds that (i) the determination of significance thresholds is a judgment decision within the discretion of the City and County of San Francisco; (ii) the significance thresholds used in the FEIR are supported by substantial evidence in the record, including the expert opinion of the FEIR preparers and City staff; and (iii) the significance thresholds used in the FEIR provide reasonable and appropriate means of assessing the significance of the adverse environmental effects of the Project. Thus, although, as a legal matter, the Commission is not bound by the significance determinations in the FEIR (see Public Resources Code, Section 21082.2, subdivision (e)), the Commission finds them persuasive and hereby adopts them as its own.

These findings do not attempt to describe the full analysis of each environmental impact contained in the FEIR. Instead, a full explanation of these environmental findings and conclusions can be found in the FEIR, and these findings hereby incorporate by reference the discussion and analysis in the FEIR supporting the determination regarding the project impact and mitigation measures designed to address those impacts. In making these findings, the Commission ratifies, adopts and incorporates in these findings the determinations and conclusions of the FEIR relating to environmental impacts and mitigation measures, except to the extent any such determinations and conclusions are specifically and expressly modified by these findings.

As set forth below, the Commission adopts and incorporates the applicable mitigation measures found in the Market and Octavia PEIR and all of the mitigation measures set forth in the Project FEIR, which are set forth in the attached MMRP, to reduce the significant and unavoidable impacts of the Project. The Commission intends to adopt the mitigation measures proposed in the FEIR as well as the applicable mitigation measures proposed in the Market and Octavia PEIR. Accordingly, in the event a mitigation measure recommended in the FEIR or Market and Octavia PEIR has inadvertently been omitted in these findings or the MMRP, such mitigation measure is hereby adopted and incorporated in the findings below by reference. In addition, in the event the language describing a mitigation measure set forth in these findings or the MMRP fails to accurately reflect the mitigation measures in the FEIR or Market and Octavia PEIR due to a clerical error, the language of the policies and implementation measures as set forth in the FEIR or Market and Octavia PEIR shall control. The impact numbers and mitigation measure numbers used in these findings reflect the information contained in the FEIR and Market and Octavia PEIR.

In Sections II, III and IV below, the same findings are made for a category of environmental impacts and mitigation measures. Rather than repeat the identical finding to address each and every significant effect and mitigation measure, the initial finding obviates the need for such repetition because in no instance is the Commission rejecting the conclusions of the FEIR or the Market and Octavia PEIR or the mitigation measures recommended in the FEIR or in the Market and Octavia PEIR for the Project.

These findings are based upon substantial evidence in the entire record before the Planning Commission. The references set forth in these findings to certain pages or sections of the EIR or responses to comments in the Final EIR are for ease of reference and are not intended to provide an exhaustive list of the evidence relied upon for these findings.

II. LESS-THAN-SIGNIFICANT IMPACTS

The CPE Checklist (Appendix A to the DEIR) and the Final EIR find that implementation of the Project would result in less-than-significant impacts in the following environmental topic areas: Land Use and Land Use Planning; Population and Housing; Transportation and Circulation; Air Quality; Greenhouse Gas Emissions; Wind and Shadow; Recreation; Utilities and Service Systems; Public Services; Biological Resources; Geology and Soils; Hydrology and Water Quality; Hazards and Hazardous Materials; Mineral Resource and Energy Resources; and Agricultural and Forestry Resources.

Note: Senate Bill (SB) 743 became effective on January 1, 2014. Among other things, SB 743 added §21099 to the Public Resources Code and eliminated the requirement to analyze aesthetics and parking impacts for certain urban infill projects under CEQA. The proposed project meets the definition of a mixed-use residential project on an infill site within a transit priority area as specified by Public Resources Code §21099. Accordingly, the FEIR did not discuss the topic of Aesthetics, which can no longer be considered in determining the significance of the proposed project's physical environmental effects under CEQA.

The EIR nonetheless provided visual simulations for informational purposes. Similarly, the FEIR included a discussion of parking for informational purposes. This information, however, did not relate to the significance determinations in the FEIR.

III. FINDINGS OF SIGNIFICANT IMPACTS THAT CAN BE AVOIDED OR REDUCED TO A LESS-THAN-SIGNIFICANT LEVEL THROUGH MITIGATION AND THE DISPOSITION OF THE MITIGATION MEASURES

CEQA requires agencies to adopt mitigation measures that would avoid or substantially lessen a project's identified significant impacts or potential significant impacts if such measures are feasible. The findings in this section concern two potential impacts and mitigation measures proposed in the Market and Octavia PEIR and the CPE Checklist for this project. These mitigation measures are included in the MMRP. A copy of the MMRP is included as Attachment B to the Planning Commission Motion adopting these findings.

The CPE Checklist found that a mitigation measure proposed in the Market and Octavia PEIR would be required for this project to avoid any potential adverse effect from the proposed project on accidentally discovered archeological resources as defined in CEQA Guidelines Section 15064.5(a)(c). The CPE

Checklist also found that a mitigation measure proposed in the Market and Octavia PEIR would be required for this project to reduce to a less than significant level a hazardous materials impact due to construction related soils. As authorized by CEQA Section 21081 and CEQA Guidelines Section 15091, 15092, and 15093, based on substantial evidence in the whole record of this proceeding, the Planning Commission finds that, unless otherwise stated, the Project has been required to incorporate mitigation measures identified in the FEIR and the Market and Octavia PEIR into the project to mitigate or to avoid significant or potentially significant environmental impacts. Except as otherwise noted, these mitigation measures will reduce or avoid the potentially significant impacts described in the Final EIR, and the Commission finds that these mitigation measures are feasible to implement and are within the responsibility and jurisdiction of the City and County of San Francisco to implement or enforce.

Additionally, the required mitigation measures are fully enforceable and are included as conditions of approval in the Planning Commission's Planning Code Section 303 and 309 approval, the Zoning Administrator's Section 305 approval, or will be enforced through inclusion as conditions of approval in any building permits issued for the Project by the San Francisco Department of Building Inspection. With the required mitigation measures, all potential project impacts, except for those associated with historical architecture resource impacts, would be avoided or reduced to a less-than-significant level (see Section IV, below). The Planning Commission finds that the mitigation measures presented in the MMRP are feasible and shall be adopted as conditions of project approval.

The following mitigation measure would be required to reduce potential archeological impacts identified in the Market and Octavia PEIR to a less-than-significant level:

Project Mitigation Measure M-CP-1 – Archaeological Testing (Implementing Market and Octavia PEIR Mitigation Measure C-2):

Based on a reasonable presumption that archaeological resources may be present on the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of an archaeological consultant from the rotational Department Qualified Archaeological Consultants List (QACL) maintained by the Planning Department archaeologist. The project sponsor shall contact the Planning Department archaeologist to obtain the names and contact information for the next three archaeological consultants on the QACL. The archaeological consultant shall undertake an archaeological testing program as specified herein. In addition, the consultant shall be available to conduct an archaeological monitoring and/or data recovery program if required pursuant to this measure. The archaeological consultant's work shall be conducted in accordance with this measure at the direction of the ERO. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archaeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of 4 weeks. At the direction of the ERO, the suspension of construction can be extended beyond 4 weeks only if such a suspension is the only feasible means to reduce to a less-than-significant level potential effects on a significant archaeological resource as defined in CEQA Guidelines Section 15064.5 (a)(c).

Consultation with Descendant Communities. On discovery of an archaeological site¹ associated with descendant Native Americans, the Overseas Chinese, or other descendant group, an appropriate representative² of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archaeological field investigations of the site, and to consult with ERO regarding appropriate archaeological treatment of the site; of recovered data from the site; and if applicable, any interpretative treatment of the associated archaeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group.

Archaeological Testing Program. The archaeological consultant shall prepare and submit to the ERO for review and approval an archaeological testing plan (ATP). The archaeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archaeological resource(s) that potentially could be adversely affected by the proposed project; the testing method to be used; and the locations recommended for testing. The purpose of the archaeological testing program will be to determine to the extent possible the presence or absence of archaeological resources and to identify and to evaluate whether any archaeological resource encountered on the site constitutes an historical resource under CEQA.

At the completion of the archaeological testing program, the archaeological consultant shall submit a written report of the findings to the ERO. If, based on the archaeological testing program, the archaeological consultant finds that significant archaeological resources may be present, the ERO, in consultation with the archaeological consultant, shall determine if additional measures are warranted. Additional measures that may be undertaken include additional archaeological testing, archaeological monitoring, and/or an archaeological data recovery program. No archaeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archaeologist. If the ERO determines that a significant archaeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor, either:

- A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archaeological resource; or
- B) A data recovery program shall be implemented, unless the ERO determines that the archaeological resource is of greater interpretive than research significance, and that interpretive use of the resource is feasible.

Archaeological Monitoring Program. If the ERO, in consultation with the archaeological consultant, determines that an archaeological monitoring program shall be implemented, the archaeological monitoring program shall minimally include the following provisions:

¹ The term "archaeological site" is intended to minimally include any archaeological deposit, feature, burial, or evidence of burial.

² An "appropriate representative" of the descendant group is defined, in the case of Native Americans, as any individual listed in the current Native American Contact List for the City and County of San Francisco maintained by the California Native American Heritage Commission; and in the case of the Overseas Chinese, the Chinese Historical Society of America. An appropriate representative of other descendant groups should be determined in consultation with the Planning Department archaeologist.

- The archaeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to the commencement of any project-related soils-disturbing activities. The ERO, in consultation with the archaeological consultant, shall determine which project activities shall be archaeologically monitored. In most cases, any soils-disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), or site remediation shall require archaeological monitoring because of the risk these activities pose to potential archaeological resources and to their depositional context.
- The archaeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archaeological resource.
- The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archaeological consultant and the ERO until the ERO has, in consultation with the project archaeological consultant, determined that project construction activities could have no effects on significant archaeological deposits.
- The archaeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis.
- If an intact archaeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archaeological monitor shall be empowered to temporarily redirect demolition/excavation/pile-driving/construction activities and equipment until the deposit is evaluated. If, in the case of pile-driving activity (foundation, shoring, etc.), the archaeological monitor has cause to believe that the pile-driving activity may affect an archaeological resource, the pile-driving activity shall be terminated until an appropriate evaluation of the resource has been made, in consultation with the ERO. The archaeological consultant shall immediately notify the ERO of the encountered archaeological deposit. The archaeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archaeological deposit, and present the findings of this assessment to the ERO.

Whether or not significant archaeological resources are encountered, the archaeological consultant shall submit a written report of the findings of the monitoring program to the ERO.

Archaeological Data Recovery Program. The archaeological data recovery program shall be conducted in accordance with an archaeological data recovery plan (ADRP). The archaeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archaeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archaeological resource is expected to contain. The ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archaeological resources if nondestructive methods are practical.

The scope of the ADRP shall include the following elements:

- **Field Methods and Procedures.** Descriptions of proposed field strategies, procedures, and operations.
- **Cataloguing and Laboratory Analysis.** Description of selected cataloguing system and artifact analysis procedures.
- **Discard and De-accession Policy.** Description of and rationale for field and post-field discard and de-accession policies.
- **Interpretive Program.** Consideration of an onsite/offsite public interpretive program during the course of the archaeological data recovery program.
- **Security Measures.** Recommended security measures to protect the archaeological resource from vandalism, looting, and non-intentionally damaging activities.
- **Final Report.** Description of proposed report format and distribution of results.
- **Curation.** Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.

Human Remains and Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils-disturbing activity shall comply with applicable state and federal laws. This shall include immediate notification of the Coroner of the City and County of San Francisco; and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission, who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archaeological consultant, project sponsor, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (CEQA Guidelines, Section 15064.5[d]). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects.

Final Archaeological Resources Report. The archaeological consultant shall submit a Draft Final Archaeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archaeological resource and describes the archaeological and historical research methods employed in the archaeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archaeological resource shall be provided in a separate removable insert in the final report.

Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one copy, and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound, and one unlocked, searchable PDF copy on CD of the FARR, along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/CRHR. In instances of high public interest in or

the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.

The following mitigation measure would be required to reduce potential hazardous impacts identified in the Market and Octavia PEIR to a less-than-significant level:

Project Mitigation Measure M-GE-1 – Construction-Related Soils (Mitigation Measure G1 of the Market and Octavia PEIR):

Program- or project-level temporary construction-related impacts would be mitigated through the implementation of the following measures:

BMPs erosion control features shall be developed with the following objectives and basic strategy:

- Protect disturbed areas through minimization and duration of exposure.
- Control surface runoff and maintain low runoff velocities. Trap sediment on site.
- Minimize length and steepness of slopes.

IV. SIGNIFICANT IMPACTS THAT CANNOT BE AVOIDED OR REDUCED TO A LESS-THAN-SIGNIFICANT LEVEL

Based on substantial evidence in the whole record of these proceedings, the Planning Commission finds that there are significant project-specific impacts that would not be eliminated or reduced to an insignificant level by the mitigation measures listed in the MMRP. The Final EIR identifies a significant and unavoidable adverse effect to historical architectural resources related to the demolition of the building located at 1554-1564 Market Street. The Final EIR also identifies a significant and unavoidable adverse effect to historical architectural resources related to the demolition of the building located at 55 Oak Street.

CEQA requires agencies to adopt mitigation measures that would lessen a project's identified significant impacts if such measures are feasible. The findings in this section concern mitigation measures discussed in the FEIR and presented in the MMRP, included as Attachment B to the Planning Commission Motion adopting these findings. The FEIR includes mitigation measures that have been identified that would reduce the significant and unavoidable environmental impacts of the Project listed in this section. All of the mitigation measures set forth in the FEIR that are needed to reduce these significant and unavoidable environmental impacts are contained in the MMRP.

As authorized by CEQA Section 21081 and CEQA Guidelines Section 15091, 15092, and 15093, based on substantial evidence in the whole record of this proceeding, the Planning Commission finds that these mitigation measures are feasible to implement and are within the responsibility and jurisdiction of the City and County of San Francisco to implement or enforce.

Additionally, the required mitigation measures are fully enforceable and are included as conditions of approval in the Planning Commission's Planning Code Section 309 and 303 proceeding, the Zoning Administrator's Planning Code Section 304 proceeding, or will be enforced through inclusion as conditions of approval in any building permits issued for the Project by the San Francisco Department of

Building Inspection. With the required mitigation measures, the significant and unavoidable impacts associated with historical architecture resource impacts would be reduced but not eliminated. The Planning Commission finds that the mitigation measures presented in the MMRP are feasible and shall be adopted as conditions of project approval.

The FEIR identifies mitigation measures to address the impacts on historic resources, identified in the FEIR as:

Impact CP-1: The proposed demolition of the existing 1554-1564 Market Street building would have a substantial adverse effect on an individual historic architectural resource.

Impact CP-2: The proposed demolition of the existing 55 Oak Street building would have a substantial adverse effect on an individual historic architectural resource.

Mitigation Measure M-CP-1a, Documentation: Prior to the issuance of demolition or site permits, the project sponsor shall undertake Historic American Buildings Survey (HABS) Level II documentation of the affected historical resources and their setting. The documentation shall be undertaken by a qualified professional who meets the standards for history, architectural history, or architecture (as appropriate) set forth by the *Secretary of the Interior's Professional Qualification Standards* (36 Code of Federal Regulations, Part 61). The documentation shall be in accordance with HABS Level II, and HABS material standards regarding reproducibility, durability, and size shall be met. The scope of the documentation shall be developed with Planning Preservation staff prior to undertaking each of the outlined tasks. All documentation tasks must be completed and approved by Planning Department Preservation Staff prior to the issuance of any site permit or demolition permit for the project. Documentation shall include:

1. **Measured Drawings:** A digital and hard copy set of measured drawings that depict the existing size, scale, and dimension of the subject property shall be produced. The measured drawing set shall include a site plan, floor plans, sections, elevations, and other drawings as needed to depict the existing conditions of the property. If available, the Planning Department Preservation staff will also accept the original architectural drawings or as-built drawings to supplement the measured drawings. The supplemental drawings shall be scanned or photographed in large-format, and submitted in digital and hard copy. The scope of the drawing package will be reviewed and approved by Planning Department Preservation staff prior to the commencement of this task to determine the appropriate level, number, and type of drawings required. All drawings shall be created according to the latest HABS Drawings Guidelines by the National Park Service. The measured drawings shall be produced by a qualified professional who meets the standards for architecture set forth by the *Secretary of the Interior's Professional Qualification Standards* (36 Code of Federal Regulations, Part 61).

2. **HABS-Level Photographs:** Digital photographs of the interior, exterior, and setting of the subject property shall be produced. Large format negatives are not required. The photographs must adequately document the character-defining features and setting of the historic resource. The Planning Department Preservation staff will review and approve the scope (including views and number) of photographs required prior to the commencement of this task. All digital photography shall be conducted according to the latest HABS Photography Guidelines

by the National Park Service. The photographs shall be produced by a qualified professional photographer with demonstrated experience in HABS photography.

3. HABS Historical Report: A written narrative historical report, per HABS Historic Report Guidelines, shall be produced. The report shall include historical information, including the physical history and historic context of the building; and an architectural description of the site setting, exterior, and interior of the building. The report shall be prepared by a qualified professional who meets the standards for history or architectural history set forth by the Secretary of the Interior's Professional Qualification Standards (36 Code of Federal Regulations, Part 61).

Archival copies of the drawings, photographs, and report shall be submitted to the Planning Department, and to repositories including but not limited to the San Francisco Public Library, Northwest Information Center, and California Historical Society. This mitigation measure would create a collection of reference materials that would be available to the public and inform future research.

Mitigation Measure M-CP-1b: Video Recordation: Prior to the issuance of demolition or site permits, the project sponsor shall undertake video documentation of the affected historical resource and its setting. The documentation shall be conducted by a professional videographer, preferably one with experience recording architectural resources. The documentation shall be narrated by a qualified professional who meets the standards for history, architectural history, or architecture (as appropriate) set forth by *the Secretary of the Interior's Professional Qualification Standards* (36 Code of Federal Regulations, Part 61). The documentation shall include as much information as possible—using visuals in combination with narration—about the materials, construction methods, current condition, historic use, and historic context of the historical resource.

Archival copies of the video documentation shall be submitted to the Planning Department, and to repositories including but not limited to the San Francisco Public Library, Northwest Information Center, and the California Historical Society. This mitigation measure would supplement the traditional HABS documentation, and would enhance the collection of reference materials that would be available to the public and inform future research.

Mitigation Measure M-CP-1c: Interpretation: The project sponsor shall facilitate the development of interpretive displays about the history of the affected historical resources. These displays will include a high-quality permanent digital interpretive website and a temporary exhibition or interpretive display installed at a local cultural institution, or publically accessible location near the project site. The interpretive displays shall illustrate the contextual history and the architecture of the building, and of the general building typology (e.g., post-Earthquake reconstruction "tax-payer block" commercial or automobile support structure), and shall include, but not be limited to, historic and contemporary photographs; narrative text; historic news articles and memorabilia; salvaged materials; and maps.

The development of the interpretive displays shall be overseen by a qualified professional who meets the standards for history, architectural history, or architecture (as appropriate) set forth by the *Secretary of the Interior's Professional Qualification Standards* (36 Code of Federal Regulations, Part 61). An outline of the

format, location, and content of the interpretive displays shall be reviewed and approved by the San Francisco Planning Department's Preservation staff prior to issuance of a Demolition Permit or Site Permit. The format, location and content of the interpretive displays must be finalized prior to issuance of any Building Permits for the project.

The permanent digital interpretive website shall be hosted in perpetuity by the project sponsor, or in partnership with a local cultural institution, non-profit organization, or community organization.

The temporary interpretive display shall be exhibited in a publically visible and/or accessible location. Suggested locations include the San Francisco Public Library, San Francisco City Hall, or the street-level publically visible windows of buildings with the same typology (the project sponsor shall make a determined effort to find an interested "similar property type" owner who could exhibit the temporary interpretive display). The duration of the temporary exhibit shall be at least 4 months, but can be negotiated upon approval by Planning Department Preservation Staff, according to the schedule of the venue where they will be displayed.

The Commission considers these measures feasible, but their implementation would not reduce the impacts to historical architectural resources to less-than-significant levels.

V. EVALUATION OF PROJECT ALTERNATIVES

a. Alternatives Analyzed in the FEIR

This section describes the Project as well as alternatives and the reasons for approving the Project and for rejecting the alternatives. CEQA mandates that an EIR evaluate a reasonable range of alternatives to the Project or the Project location that generally reduce or avoid potentially significant impacts of the Project. CEQA requires that every EIR also evaluate a "No Project" alternative. Alternatives provide a basis of comparison to the Project in terms of their significant impacts and their ability to meet project objectives. This comparative analysis is used to consider reasonable, potentially feasible options for minimizing environmental consequences of the Project.

The Planning Department considered a range of alternatives in Chapter VI of the Final EIR. The Final EIR considered but rejected the following three alternatives due to inability to meet most of the Project's objectives and infeasibility: (a) Full Preservation Variation, (b) Preservation -- Market Street Variation, and (c) Partial Preservation -- Single Tower. The Response to Comments document also considered but rejected a Façade Preservation -- Oak Street Façade alternative as it would not reduce impacts compared to the proposed project since both historic resources would be demolished as that term is defined by the Secretary of Interior Standards, even though the Oak Street façade would be preserved and would also result in increased construction costs compared to the proposed project.

The Final EIR analyzed the No Project Alternative (Alternative 1), a Full Preservation Alternative (Alternative 2), Market Partial Preservation Alternative (Alternative 3) and an Oak Partial Preservation Alternative (Alternative 4). Each alternative is discussed and analyzed in these findings, in addition to being analyzed in Chapter VI of the Final EIR. The Planning Commission certifies that it has independently reviewed and considered the information on the alternatives provided in the Final EIR

and in the record. The Final EIR reflects the Planning Commission's and the City's independent judgment as to the alternatives. The Planning Commission finds that the Project provides the best balance between satisfaction of Project objectives and mitigation of environmental impacts to the extent feasible, as described and analyzed in the Final EIR, and adopts a statement of overriding considerations.

b. Reasons for Approving the Project

- To increase the City's supply of housing in an area designated for higher density pursuant to the Market and Octavia Plan.
- To construct a high-quality project with superior design and a sufficient number of dwelling units to produce a reasonable return on investment for the Project Sponsor and investors and attract investment capital and construction financing.
- To construct streetscape improvements that encourage and enliven pedestrian activity.
- To improve the architectural and urban design character of the project site by replacing rundown structures with a high-quality residential project incorporating a superior design.
- To provide adequate parking and vehicular access to serve the needs of project residents and their visitors.

c. Evaluation of Project Alternatives

CEQA provides that alternatives analyzed in an EIR may be rejected if "specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible . . . the project alternatives identified in the EIR." (CEQA Guidelines § 15091(a)(3).) The Commission has reviewed each of the alternatives to the Project as described in the Final EIR that would reduce or avoid the impacts of the Project and finds that there is substantial evidence of specific economic, legal, social, technological and other considerations that make these Alternatives infeasible, for the reasons set forth below. Any one of the reasons cited below is sufficient to justify the findings regarding infeasibility. Thus, even if a court were to conclude that not every reason is supported by substantial evidence, the Commission will stand by its determination that each individual reason is sufficient.

In making these determinations, the Planning Commission is aware that CEQA defines "feasibility" to mean "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, legal, and technological factors." The Commission is also aware that under CEQA case law the concept of "feasibility" encompasses (i) the question of whether a particular alternative promotes the underlying goals and objectives of a project, and (ii) the question of whether an alternative is "desirable" from a policy standpoint to the extent that desirability is based on a reasonable balancing of the relevant economic, environmental, social, legal, and technological factors.

FEIR Alternative 1: No Project Alternative

Under the No Project Alternative, the Project Site would remain in its existing condition. The existing buildings would likely continue to remain in their current condition for the foreseeable future. Conditions described in detail for each environmental topic in Chapter IV, Environmental Setting, Impacts and Mitigation Measures, would remain and none of the impacts associated with the Project would occur.

The three (3) buildings on the site would continue with commercial/retail uses on Market Street and automotive repair uses on Oak Street, and no new construction would occur at the site. Overall, this alternative would result in the development of no residential units and the retention of approximately 25,000 square feet of vacant or underutilized space.

Under this alternative, the two historic architectural resources, 1554-1564 Market Street and 55 Oak Street, would not be demolished. Therefore, the No Project Alternative would avoid the project's significant unavoidable impacts to historic architectural resources. However, the No Project Alternative would not achieve any of the project sponsor's objectives listed in Section 2.B, Project Sponsor's Objectives, in Chapter 2, Project Description.

The No Project Alternative would be inconsistent with key goals of the General Plan with respect to housing production and Market and Octavia Plan Objective 2.2 to "encourage construction of residential infill throughout the plan area." It would also be inconsistent with Proposition K, adopted by voters on November 4, 2014, declaring the City in a housing affordability crisis and declaring express support for the production of 30,000 units of new housing in San Francisco. With no new housing created here and no construction, the No Project Alternative would not increase the City's housing stock of both market rate and affordable housing, would not create new job opportunities for construction workers, and would not expand the City's property tax base. This alternative would also fail to serve any of the Project Sponsor's objectives, as described in the EIR, including continuing the redevelopment and revitalization of Market Street through the development of a project that is consistent with and enhances the existing scale and urban design character of the area, and increasing the City's supply of housing in an area that is identified for higher-density housing due to its proximity to downtown and local and regional transit hubs.

For the foregoing reasons, the Planning Commission rejects the No Project Alternative.

FEIR Alternative 2: Full Preservation Alternative

Under the Full Preservation Alternative, development would only occur on Lot 006 (1546-1550 Market Street), which is a 2,074-square-foot lot, and both historic architectural resources on Lot 007 (1554-1564 Market Street and 55 Oak Street) would be fully preserved. The existing 1546-1550 Market Street building would be demolished and replaced with a 12-story, 120-foot-tall building. The new building would be approximately 22 feet wide and approximately 102 feet deep. Under this alternative, the automotive repair uses in 55 Oak Street would be replaced with residential/retail uses; the building would be redeveloped with two dwelling units and a 1,425-square-foot retail space. Between the new

1546-1550 Market Street building and the redeveloped 55 Oak Street building, this alternative would be 14,937 square feet and have a total of 13 residential units and 13 bicycle parking spaces. No off-street parking or loading is proposed.

Overall, the Full Preservation Alternative would have reduced impacts compared to the proposed project on historic architectural resources because the two historic resources on the site would be retained. Although the resource at 55 Oak Street would be altered, the alterations would be undertaken in compliance with the Secretary of the Interior's Standards for Treatment of Historic Properties, which would reduce potential impacts to less-than-significant levels. Therefore, the impacts of the Full Preservation Alternative would be less than significant.

The Planning Commission rejects the Full Preservation Alternatives as infeasible because it would only partially meet the Project Sponsor Objectives for reasons including, but not limited to, the following:

- 1) The Full Preservation Alternative would limit the project to 13 market rate dwelling units, whereas the proposed project would contribute 109 units to the City's housing stock, including 13 affordable housing units. The Full Preservation Alternative would create a project that would not fully utilize this site for housing production. It would not fully satisfy General Plan policies such as Housing Element Policies 1.1 and 1.4 and would not meet Market and Octavia Plan Objectives and policies such as Objective 2.2 and 3.1, and Policies 1.2.2, 1.2.7, 2.2.4 and 3.1.1, among others. The Market and Octavia Plan encourages infill housing throughout the Market and Octavia Plan area, but specifically encourages it on sites close to transit and services. The Market and Octavia Plan seeks to maximize housing opportunities with high-quality commercial spaces encouraged on the ground floor, and along Market Street, new mixed-use infill is encouraged with a scale and statue appropriate for the surrounding conditions. The Full Preservation Alternative would not be consistent with these policies in not maximizing housing production and eliminating an existing retail space along Market Street to accommodate a residential lobby and not constructing a new commercial space. The Full Preservation Alternative would also be inconsistent with Proposition K, adopted by voters on November 4, 2014, by not developing the maximum number of housing units to help alleviate the declared affordability crisis or assist in developing 30,000 new housing. Under the Full Preservation Alternative only two affordable housing units would be created. While the Full Preservation Alternative would preserve the existing historical resource, the alternative would not create a project that furthers the City's housing policies to create more housing, particularly affordable housing opportunities and would not create a project that is consistent with and enhances the existing scale and urban design character of the area.
- 2) The Full Preservation Alternative would include one new 120 foot building, while retaining the existing one and two-story buildings. This substantial variation in building heights along the project site would not create a congruent or consistent façade along the street, and would fail to reflect the transitional nature of the block from higher-density development at the corner of Market Street and Van Ness Avenue/South Van Ness Avenue, to lower-density at Market Street and Franklin Street.

- 3) The Full Preservation Alternative would provide only one 1,425 square foot ground floor retail space as compared to proposed project, which would provide three retail spaces totaling 4,810 square feet. In addition, this alternative would not construct streetscape improvements that complement the proposed Oak Street Plaza. Therefore, the Full Preservation Alternative fails to maximize ground-floor retail and public-amenity space that would serve neighborhood residents, enliven the surrounding streets, and contribute to a safe, active neighborhood, while meeting the demands of the expanding San Francisco economy and growth in the project area.
- 4) The Full Preservation Alternative is also economically infeasible. Large development projects are capital-intensive and depend on obtaining financing from equity investors to cover a significant portion of the project's costs, obtain a construction loan for the bulk of construction costs, and provide up to 10 percent of the costs out-of-pocket. Equity investors require a certain profit margin to finance development projects and must achieve established targets for their internal rate of return and return multiple on the investment. Because the Full Preservation Alternative would result in a project that contains 96 fewer residential units, the total potential for generating revenue is lower while the construction cost per square foot is higher due to restoration efforts, lower economies of scale and the impact of fixed project costs associated with development. The reduced unit count would not generate a sufficient economic return to obtain financing and allow development of the proposed project and therefore would not be built.
- 5) The Full Preservation Alternative would create a project with fewer housing units in an area well-served by transit, services and shopping as well adjacent to employment opportunities which would then push demand for residential development to other sites in the City or the Bay Area. This would result in the Full Preservation Alternative, not meeting, to the same degree, the City's *Strategies to Address Greenhouse Gas Emissions* or CEQA and the Bay Area Air Quality Management District's ("BAAQMD") requirements for a GHG reductions, by not maximizing housing development in an area with abundant local and region-serving transit options.

For the foregoing reasons, the Planning Commission rejects the Full Preservation Alternative.

FEIR Alternative 3: Market Partial Preservation Alternative

Under the Market Partial Preservation Alternative, the existing nonhistoric structure on Lot 006, 1546-1550 Market Street, and one historic resource on Lot 007, 55 Oak Street, would be demolished, and the other historic resource on the Lot 007, 1554-1564 Market Street, would be retained. A new 80,411-gross-square-foot, 12 story, 120-foot-tall residential tower would be constructed. The building would have a total of 66 dwelling units, comprising 55 one-bedroom dwelling units and 11 studios. The ground floor would include a 600-square-foot retail space and 985 square-foot residential lobby along Oak Street, and a 675 square-foot retail space along Market Street. Storage for the 66 Class 1 bicycle parking spaces would be provided in a 770 square-foot bicycle storage area accessed from Oak Street. The mechanical core and elevator bank would occur on the 55 Oak Street site with an internal corridor providing access to the units fronting along Market Street. No off-street parking or loading is proposed.

Under this alternative, Lot 007 would be divided into two lots and the historic resource at 1554-1564 Market Street would be preserved. The structure at 1554-1564 Market Street would include a 4,179 square-foot one-story brick commercial building with two retail spaces each, with a single bay and recessed entry. The existing retail/commercial uses at 1554-1564 Market Street would remain, consistent with the Planning Code requirements for active commercial uses, as described above.

The Market Partial Preservation Alternative would have reduced impacts compared to the proposed project on historic architectural resources because one resource (1554-1564 Market Street) would be retained on the site. However, similar to the proposed project, this alternative would result in the demolition of the other resource on the project site (55 Oak Street). Thus, even with mitigation, impacts would remain significant and unavoidable.

The Planning Commission rejects the Market Partial Preservation Alternatives as infeasible because it would only partially meet the Project Sponsor Objections for reasons including, but not limited to, the following:

- 1) The Market Partial Preservation Alternative would limit the project to 66 dwelling units, which is approximately 40 percent less than the proposed project. In addition, this alternative would result in eight below-market units, which is 62 percent of the potential affordable housing units that could be constructed on the site under the proposed project. Thus, the Market Partial Preservation Alternative would create a project that would not fully utilize this site for housing production, and thereby not fully satisfy General Plan policies such as Housing Element Policies 1.1 and 1.4, and would not meet Market and Octavia Plan Objectives and policies such as Objective 2.2 and 3.1, and Policies 1.2.2, 1.2.7, 2.2.4 and 3.1.1, among others. The Market and Octavia Plan encourages infill housing throughout the Market and Octavia Plan area, but specifically encourages it on sites close to transit and services. The Market and Octavia Plan seeks to maximize housing opportunities with high-quality commercial spaces encouraged on the ground floor and along Market Street, new mixed-use infill is encouraged with a scale and statue appropriate for the surrounding conditions. The Market Partial Preservation Alternative would not be consistent with these policies in not maximizing housing production and eliminating an existing retail space along Market Street to accommodate a residential lobby and not constructing a new commercial space. The Full Preservation Alternative would also be inconsistent with Proposition K, adopted by voters on November 4, 2014, by not developing the maximum number of housing units to help alleviate the declared affordability crisis or assist in developing 30,000 new housing. While the Market Partial Preservation Alternative would preserve one of the existing historical resources, the alternative would not create a project that furthers the City's housing policies to create more housing, particularly affordable housing opportunities and would not create a project that is consistent with and enhances the existing scale and urban design character of the area.
- 2) The Market Partial Preservation Alternative would include one new 120 foot building, while retaining the existing one-story buildings located on Lot 007, 1554-1564 Market Street. This substantial variation in building heights along the project site would not create a congruent or consistent façade along Market Street, and would fail to reflect the transitional nature of the block

from higher-density development at the corner of Market Street and Van Ness Avenue/South Van Ness Avenue, to lower-density at Market Street and Franklin Street.

- 3) The Market Partial Preservation Alternative would provide only 1,585 square feet of ground floor retail space as compared to proposed project, which would provide three retail spaces totaling 5,010 square feet. Therefore, the Market Partial Preservation Alternative fails to maximize ground-floor retail space that would serve neighborhood residents, enliven the surrounding streets, and contribute to a safe, active neighborhood, while meeting the demands of the expanding San Francisco economy and growth in the project area.
- 4) The Market Partial Preservation Alternative is also economically infeasible. Large development projects are capital-intensive and depend on obtaining financing from equity investors to cover a significant portion of the project's costs, obtain a construction loan for the bulk of construction costs, and provide up to 10 percent of the costs out-of-pocket. Equity investors require a certain profit margin to finance development projects and must achieve established targets for their internal rate of return and return multiple on the investment. Because the Market Partial Preservation Alternative would result in a project that contains 43 fewer residential units, the total potential for generating revenue is lower while the construction cost per square foot is higher due to restoration efforts, lower economies of scale and the impact of fixed project costs associated with development. The reduced unit count would not generate a sufficient economic return to obtain financing and allow development of the proposed project and therefore would not be built.
- 5) The Market Partial Preservation Alternative would create a project with fewer housing units in an area well-served by transit, services and shopping as well adjacent to employment opportunities which would then push demand for residential development to other sites in the City or the Bay Area. This would result in the Market Partial Preservation Alternative, not meeting, to the same degree, the City's *Strategies to Address Greenhouse Gas Emissions* or CEQA and the Bay Area Air Quality Management District's ("BAAQMD") requirements for a GHG reductions, by not maximizing housing development in an area with abundant local and region-serving transit options.

For the foregoing reasons, the Planning Commission rejects the Market Partial Preservation Alternative.

FEIR Alternative 4: Oak Partial Preservation Alternative

Under the Oak Partial Preservation Alternative, the existing nonhistoric structure on Lot 006, 1546 1550 Market Street, and one historic resource on Lot 007, 1554-1564 Market Street, would be demolished, and the other historic resource on the lot, 55 Oak Street, would be retained. A new 12 story, 120-foot-tall residential tower would be constructed fronting onto Market Street. In addition, under this alternative, a single-story addition to 55 Oak Street would be constructed over the existing structure, which would be supported by internal columns selectively punched through the 55 Oak Street building. The addition would be set back 15 feet from the Oak Street building façade. The existing building at 55 Oak Street would be brought up to code and redeveloped with commercial and residential uses, requiring some façade alterations to support the change of use. The modifications to 55 Oak Street would be designed

and built in compliance with the Secretary of the Interior's Standards for Treatment of Historic Properties.

In total, accounting for the new tower and the modified 55 Oak Street building, this alternative would result in a 74,469-gross-square-foot residential structure with 62 dwelling units. The residential tower would have 56 units and the modified 55 Oak Street building would have eight units. Access to the residences would occur through a 1,175 square-foot residential lobby along Market Street. A 1,425-square-foot ground-floor retail space on Oak Street and a 1,560 square-foot ground-floor retail space along Market Street would be provided, as well as access to a 730 square-foot bicycle storage area for the 60 Class 1 bicycle parking spaces. Access to the units above 55 Oak Street would be from the main lobby along Market Street; egress from these units would be through the Oak Street structure, in accordance with building code requirements. Two Class 1 bicycle parking spaces would be provided in the ground-floor dwelling units, and access to the units would be provided directly from the street. No off-street parking or loading is proposed.

The Oak Partial Preservation Alternative would have reduced impacts compared to the proposed project on historic architectural resources because one resource (55 Oak Street) would be retained on the site, and altered in compliance with the Secretary of the Interior's Standards for Treatment of Historic Properties. However, similar to the proposed project, this alternative would result in the demolition of the other resource on the project site (1554-1564 Market Street). Thus, even with mitigation, impacts would remain significant and unavoidable.

The Planning Commission rejects Oak Partial Preservation Alternative as infeasible because it would only partially meet the Project Sponsor Objections for reasons including, but not limited to, the following:

- 1) The Oak Partial Preservation Alternative would limit the project to 62 dwelling units, which is approximately 43 percent less than the proposed project. In addition, this alternative would result in seven below-market units, which is 55 percent of the potential affordable housing units that could be constructed on the site under the proposed project. Thus, the Oak Partial Preservation Alternative would create a project that would not fully utilize this site for housing production, and thereby not fully satisfy General Plan policies such as Housing Element Policies 1.1 and 1.4 and would not meet Market and Octavia Plan Objectives and policies such as Objective 2.2 and 3.1, and Policies 1.2.2, 1.2.7, 2.2.4 and 3.1.1, among others. The Market and Octavia Plan encourages infill housing throughout the Market and Octavia Plan area, but specifically encourages it on sites close to transit and services. The Market and Octavia Plan seeks to maximize housing opportunities with high-quality commercial spaces encouraged on the ground floor and along Market Street, new mixed-use infill is encouraged with a scale and stature appropriate for the surrounding conditions. The Market Partial Preservation Alternative would be inconsistent with these policies. The Full Preservation Alternative would also be inconsistent with Proposition K, adopted by voters on November 4, 2014, in that it would not develop the maximum number of housing units to help alleviate the declared affordability crisis and assist in developing 30,000 new housing units. While the Oak Partial Preservation Alternative would preserve one of the existing historical resources, the alternative would not create a project that furthers the City's housing policies to create more housing, particularly affordable housing

opportunities and would not create a project that is consistent with and enhances the existing scale and urban design character of the area.

- 2) The Oak Partial Preservation Alternative would include one new 120 foot building, while retaining the existing one-story building located 55 Oak Street. The retention of 55 Oak Street would limit this alternative's ability to achieve a street frontage along Oak Street that would be congruent with the immediately-adjacent planned 400 foot tower at 1510 Market Street.
- 3) The Oak Partial Preservation Alternative would provide only 2,985 square feet of ground floor retail space as compared to proposed project, which would provide three retail spaces totaling 4,810 square feet. In addition, this alternative would not construct streetscape improvements or ground floor retail fronting on the proposed Oak Street Plaza. Therefore, the Oak Partial Preservation Alternative fails to maximize ground-floor retail and public-amenity space that would serve neighborhood residents, enliven the surrounding streets, and contribute to a safe, active neighborhood, while meeting the demands of the expanding San Francisco economy and growth in the project area.
- 4) The Oak Partial Preservation Alternative is also economically infeasible. Large development projects are capital-intensive and depend on obtaining financing from equity investors to cover a significant portion of the project's costs, obtain a construction loan for the bulk of construction costs, and provide up to 10 percent of the costs out-of-pocket. Equity investors require a certain profit margin to finance development projects and must achieve established targets for their internal rate of return and return multiple on the investment. Because the Oak Partial Preservation Alternative would result in a project that contains 47 fewer residential units, the total potential for generating revenue is lower while the construction cost per square foot is higher due to restoration efforts, lower economies of scale and the impact of fixed project costs associated with development. The reduced unit count would not generate a sufficient economic return to obtain financing and allow development of the proposed project and therefore would not be built.
- 5) The Oak Partial Preservation Alternative would create a project with fewer housing units in an area well-served by transit, services and shopping as well adjacent to employment opportunities which would then push demand for residential development to other sites in the City or the Bay Area. This would result in the Oak Partial Preservation Alternative, not meeting, to the same degree, the City's *Strategies to Address Greenhouse Gas Emissions* or CEQA and the Bay Area Air Quality Management District's ("BAAQMD") requirements for a GHG reductions, by not maximizing housing development in an area with abundant local and region-serving transit options.

For the foregoing reasons, the Planning Commission rejects the Oak Partial Preservation Alternative.

V. STATEMENT OF OVERRIDING CONSIDERATIONS

The Planning Commission finds that, notwithstanding the imposition of all feasible mitigation measures and alternatives, significant impacts related to Historic Resources will remain significant and

unavoidable. Pursuant to CEQA section 21081 and CEQA Guideline Section 15093, the Planning Commission hereby finds, after consideration of the Final EIR and the evidence in the record, that each of the specific overriding economic, legal, social, technological and other benefits of the Project as set forth below independently and collectively outweighs these significant and unavoidable impacts and is an overriding consideration warranting approval of the Project. Any one of the reasons for approval cited below is sufficient to justify approval of the Project. Thus, even if a court were to conclude that not every reason is supported by substantial evidence, the Commission will stand by its determination that each individual reason is sufficient. The substantial evidence supporting the various benefits can be found in the preceding findings, which are incorporated by reference into this Section, and in the documents found in the record, as defined in Section I.

On the basis of the above findings and the substantial evidence in the whole record of this proceeding, the Planning Commission specifically finds that there are significant benefits of the Project to support approval of the Project in spite of the unavoidable significant impacts, and therefore makes this Statement of Overriding Considerations. The Commission further finds that, as part of the process of obtaining Project approval, all significant effects on the environment from implementation of the Project have been eliminated or substantially lessened where feasible. All mitigation measures proposed in the EIR and MMRP are adopted as part of the Approval Actions described in Section I, above.

Furthermore, the Commission has determined that any remaining significant effects on the environment found to be unavoidable are acceptable due to the following specific overriding economic, technical, legal, social and other considerations.

The Project will have the following benefits:

1. The Project would add 109 dwelling units to the City's housing stock, including 13 affordable housing units.
2. The project site is currently underused and the construction of 109 new housing units at this underutilized site will directly help to alleviate the City's housing shortage and lead to more affordable housing. A fundamental principle of the Market and Octavia Area Plan is to provide ample and diverse housing opportunities. The Project develops the project site in a manner envisioned by the Plan by replacing existing structures with a high-quality residential project with exceptional design that reflects the transitional nature of the block from higher-density development at the corner of Market Street and Van Ness Avenue/South Van Ness Avenue, to lower-density at Market Street and Franklin Street. The building façade, street-level retail uses, and pedestrian-scale design along Market and Oak streets are consistent with the Area Plan's design principles.
3. The Project promotes a number of General Plan Objectives and Policies, including Housing Element Policy 1.1, which provides that "Future housing policy and planning efforts must take into account the diverse needs for housing. The RHNA projections indicate housing goals for various income levels thus provide basic planning goals for housing affordability. San Francisco's housing policies and programs should provide strategies that promote housing at each income

level, and furthermore identify sub-groups, such as middle income and extremely low income households that require specific housing policy. In addition to planning for affordability, the City should plan for housing that serves a variety of household types and sizes[;]" and policies 11.1, 11.3 and 11.6, which "[s]upport and respect the diverse and distinct character of San Francisco's Neighborhoods." The Project will provide a mix of housing type at this location including 11 studios, 74 one bedrooms and 24 two bedrooms as well as 13 on-site affordable housing units with a comparable unit mix increasing the diversity of housing in this area of the City.

4. The Project encourages the development of new housing in an infill site identified for housing under the Market and Octavia Plan. The Project is located near major transit hubs and along an area with rich transit and services. Development of significant housing in this area consistent with Market and Octavia Plan Objective 2.2 to encourage more housing to be built close to transit and services. The Project also includes three ground floor commercial spaces providing high quality ground floor commercial space along Market Street and Oak Street in furtherance of Market and Octavia Plan policy 1.2.2 and develops a new mixed-use infill development on Market Street of a scale consistent with the surrounding uses in furtherance of policy 1.2.7.
5. The Project develops 109 new housing units consistent with the City's declared official policy as set forth in Proposition K, adopted by voters on November 4, 2014. The Project develops the maximum number of housing units consistent with Proposition K's goal to produce 30,000 units of new housing in response to the current housing affordability crisis including 13 on-site inclusionary housing units. In providing new housing and new on-site inclusionary housing, the Project is furthering the goals and policies of Proposition K.
6. The Project meets the City's *Strategies to Address Greenhouse Gas Emissions* and the BAAQMD requirements for a GHG reductions by maximizing development on an infill site that is well-served by transit, services and shopping and is suited for dense residential development, where residents can commute and satisfy convenience needs without frequent use of a private automobile and is adjacent to employment opportunities, in an area with abundant local and region-serving transit options.
7. The Project's innovative design furthers Housing Element Policy 11.1, which provides that "The City should continue to improve design review to ensure that the review process results in good design that complements existing character."
8. The Project would construct a development that is in keeping with the scale, massing and density of other structures in the immediate vicinity.
9. The Project would create new opportunities for neighborhood commercial serving retail uses in an area embracing and encourage such uses.
10. The Conditions of Approval for the Project include all the mitigation and improvement measures that would mitigate the Project's potentially significant impact to insignificant levels, except for its impact on an Architectural Historic Resource.

11. The Project will create temporary construction jobs and permanent jobs in the retail sector. These jobs will provide employment opportunities for San Francisco residents, promote the City's role as a commercial center, and provide additional payroll tax revenue to the City.
12. The Project will substantially increase the assessed value of the Project Site, resulting in corresponding increases in tax revenue to the City.

Having considered the above, the Planning Commission finds that the benefits of the Project outweigh the unavoidable adverse environmental effects identified in the Final EIR, and that those adverse environmental effects are therefore acceptable.

1546-1564 MARKET STREET PROJECT (Environmental Planning Case No. 2012.0877E) – MITIGATION MONITORING AND REPORTING PROGRAM – DRAFT 2

Impact No.	Impact Summary/Title	Adopted Mitigation Measures	Monitoring and Reporting Program				
			Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
MITIGATION MEASURES FROM ENVIRONMENTAL IMPACT REPORT (EIR)							
Historic Architectural Resources							
Impact CP-1	The proposed demolition of the existing 1554-1564 Market Street building would have a substantial adverse effect on an individual historic architectural resource.	<p>Mitigation Measure M-CP-1a: Documentation</p> <p>Prior to the issuance of demolition or site permits, the project sponsor shall undertake Historic American Buildings Survey (HABS) Level II documentation of the affected historical resources and their setting. The documentation shall be undertaken by a qualified professional who meets the standards for history, architectural history, or architecture (as appropriate) set forth by the <i>Secretary of the Interior’s Professional Qualification Standards</i> (36 Code of Federal Regulations, Part 61). The documentation shall be in accordance with HABS Level II, and HABS material standards regarding reproducibility, durability, and size shall be met. The scope of the documentation shall be developed with Planning Preservation staff prior to undertaking each of the outlined tasks. All documentation tasks must be completed and approved by Planning Department Preservation Staff prior to the issuance of any site permit or demolition permit for the project. Documentation shall include:</p> <p>1. Measured Drawings: A digital and hard copy set of measured drawings that depict the existing size, scale, and dimension of the subject property shall be produced. The measured drawing set shall include a site plan, floor plans, sections, elevations, and other drawings as needed to depict the existing conditions of the property. If available, the Planning Department Preservation staff will also accept the original architectural drawings or as-built drawings to supplement the measured drawings. The supplemental drawings shall be scanned or photographed in large-format, and submitted in digital and hard copy. The scope of the drawing package will be reviewed and approved by Planning Department Preservation staff prior to the commencement of this task to determine the appropriate level, number, and type of drawings required. All drawings shall be created according to the latest HABS Drawings Guidelines by the National Park Service. The measured drawings shall be produced by a qualified professional who meets the standards for architecture set forth by the <i>Secretary of the Interior’s Professional Qualification Standards</i> (36 Code of Federal Regulations, Part 61).</p>	<ul style="list-style-type: none">Project sponsorQualified professional who meets the Secretary of the Interior’s Professional Qualification Standards	Prior to the issuance of demolition or site permits.	<p>A qualified professional shall undertake Historic American Buildings Survey (HABS) Level II documentation of the affected historical resources and their setting, including measured drawings, HABS-level photographs, and a HABS historical report.</p> <p>Copies of the photographs and report shall be presented to the Planning Department, and to repositories such as the San Francisco Public Library, Northwest Information Center, and California Historical Society.</p>	San Francisco Planning Department’s Preservation staff to review and approve HABS documentation.	Considered complete upon submittal of final HABS documentation.

SF Planning = SF Planning Department
ERO = SF Planning Department Environmental Review Officer

1546-1564 MARKET STREET PROJECT (Environmental Planning Case No. 2012.0877E) – MITIGATION MONITORING AND REPORTING PROGRAM – DRAFT 2

Impact No.	Impact Summary/Title	Adopted Mitigation Measures	Monitoring and Reporting Program				
			Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
Impact CP-1 (continued)		<p>2. HABS-Level Photographs: Digital photographs of the interior, exterior, and setting of the subject property shall be produced. Large format negatives are not required. The photographs must adequately document the character-defining features and setting of the historic resource. The Planning Department Preservation staff will review and approve the scope (including views and number) of photographs required prior to the commencement of this task. All digital photography shall be conducted according to the latest HABS Photography Guidelines by the National Park Service. The photographs shall be produced by a qualified professional photographer with demonstrated experience in HABS photography.</p> <p>3. HABS Historical Report: A written narrative historical report, per HABS Historic Report Guidelines, shall be produced. The report shall include historical information, including the physical history and historic context of the building; and an architectural description of the site setting, exterior, and interior of the building. The report shall be prepared by a qualified professional who meets the standards for history or architectural history set forth by the <i>Secretary of the Interior's Professional Qualification Standards</i> (36 Code of Federal Regulations, Part 61).</p> <p>Archival copies of the drawings, photographs, and report shall be submitted to the Planning Department, and to repositories including but not limited to the San Francisco Public Library, Northwest Information Center, and California Historical Society. This mitigation measure would create a collection of reference materials that would be available to the public and inform future research.</p>					

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Impact No.	Impact Summary/Title	Adopted Mitigation Measures	Monitoring and Reporting Program				
			Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
Impact CP-1 (continued)		Mitigation Measure M-CP-1b: Video Recordation Prior to the issuance of demolition or site permits, the project sponsor shall undertake video documentation of the affected historical resource and its setting. The documentation shall be conducted by a professional videographer, preferably one with experience recording architectural resources. The documentation shall be narrated by a qualified professional who meets the standards for history, architectural history, or architecture (as appropriate) set forth by <i>the Secretary of the Interior’s Professional Qualification Standards</i> (36 Code of Federal Regulations, Part 61). The documentation shall include as much information as possible—using visuals in combination with narration—about the materials, construction methods, current condition, historic use, and historic context of the historical resource. Archival copies of the video documentation shall be submitted to the Planning Department, and to repositories including but not limited to the San Francisco Public Library, Northwest Information Center, and the California Historical Society. This mitigation measure would supplement the traditional HABS documentation, and would enhance the collection of reference materials that would be available to the public and inform future research.	<ul style="list-style-type: none">Project sponsorQualified professional who meets the Secretary of the Interior’s Professional Qualification Standards	Prior to the issuance of demolition or site permits.	A professional videographer shall undertake video documentation of the affected historical resource and its setting, which will be narrated by a qualified professional.	San Francisco Planning Department’s Preservation staff to review and approve video recordation.	Considered complete upon submittal of video recordation.
		Mitigation Measure M-CP-1c: Interpretation The project sponsor shall facilitate the development of interpretive displays about the history of the affected historical resources. These displays will include a high-quality permanent digital interpretive website and a temporary exhibition or interpretive display installed at a local cultural institution, or publically accessible location near the project site. The interpretive displays should illustrate the contextual history and the architecture of the building, and of the general building typology (e.g., post-Earthquake reconstruction “tax-payer block” commercial or automobile support structure), and shall include, but not be limited to historic and contemporary photographs; narrative text; historic news articles and memorabilia; salvaged materials; and maps. The development of the interpretive displays shall be overseen by a qualified professional who meets the standards for history, architectural history, or architecture (as appropriate) set forth by the <i>Secretary of the Interior’s Professional Qualification Standards</i> (36 Code of Federal Regulations, Part 61). An outline of the format, location and content of the interpretive displays shall be reviewed and approved by the San Francisco Planning Department’s Preservation staff prior to issuance of a Demolition Permit or Site Permit. The format, location, and content of the interpretive displays must be finalized prior to issuance of any Building Permits for the project.	<ul style="list-style-type: none">Project sponsorQualified professional who meets the Secretary of the Interior’s Professional Qualification Standards	Prior to the issuance of demolition or site permits. Length of temporary exhibit shall be at least four months.	The project sponsor shall facilitate the development of a high-quality permanent website and a temporary interpretive display for the historical resource, which shall be overseen by a qualified professional. The interpretive display shall illustrate the contextual history and the architecture of the building, and of the general building typology, and shall include: a display of historic and contemporary photographs; narrative text; historic news articles and memorabilia; and maps.	San Francisco Planning Department’s Preservation staff to review and approve interpretive website and interpretive display.	Considered complete upon submittal of permanent interpretive website to SF Planning Preservation staff and installation of temporary interpretive display.

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Impact CP-1 (continued)		<p>The permanent digital interpretive website shall be hosted in perpetuity by the project sponsor, or in partnership with a local cultural institution, non-profit organization, or community organization.</p> <p>The temporary interpretive display shall be exhibited in a publically visible and/or accessible location. Suggested locations include the San Francisco Public Library, San Francisco City Hall, or the street-level publically visible windows of buildings with the same typology (the project sponsor shall make a determined effort to find an interested “similar property type” owner who could exhibit the temporary interpretive display). The duration of the temporary exhibit shall be at least 4 months, but can be negotiated upon approval by Planning Department Preservation Staff, according to the schedule of the venue where they will be displayed.</p>					
Impact CP-2	The proposed demolition of the existing 55 Oak Street building would have a substantial adverse effect on an individual historic architectural resource.	Implement Mitigation Measures M-CP-1a (Documentation), M-CP-1b (Video Recordation), and M-CP-1c (Interpretation).	See discussion in Impact CP-1.	See discussion in Impact CP-1.	See discussion in Impact CP-1.	See discussion in Impact CP-1.	See discussion in Impact CP-1.

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MITIGATION MEASURES FROM COMMUNITY PLAN EXEMPTION (CPE)							
Archaeological Resources							
Project Mitigation Measure M-CP-1	Archaeological Testing	Project Mitigation Measure M-CP-1 – Archaeological Testing: Based on a reasonable presumption that archaeological resources may be present on the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of an archaeological consultant from the rotational Department Qualified Archaeological Consultants List (QACL) maintained by the Planning Department archaeologist. The project sponsor shall contact the Planning Department archaeologist to obtain the names and contact information for the next three archaeological consultants on the QACL. The archaeological consultant shall undertake an archaeological testing program as specified herein. In addition, the consultant shall be available to conduct an archaeological monitoring and/or data recovery program if required pursuant to this measure. The archaeological consultant’s work shall be conducted in accordance with this measure at the direction of the ERO. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archaeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of 4 weeks. At the direction of the ERO, the suspension of construction can be extended beyond 4 weeks only if such a suspension is the only feasible means to reduce to a less-than-significant level potential effects on a significant archaeological resource as defined in CEQA Guidelines Section 15064.5 (a)(c).	<ul style="list-style-type: none">Project sponsorArchaeological consultant from the rotational Department Qualified Archaeological Consultants List (QACL)ERO	Prior to any soil disturbing activities and as specified in Archaeological Testing Program (ATP)/Archaeological Monitoring Program (AMT)/ Archaeological Data Recovery Program (ARDTP).	The project sponsor shall hire an archaeological consultant who will undertake an archaeological testing program as specified herein.	<ul style="list-style-type: none">Project sponsorArchaeological consultantERO	Considered complete upon review and approval by ERO of results of ATP/AMP/ARDTP and Final Archaeological Resources Report (FARR), as applicable.

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Project Mitigation Measure M-CP-1 (continued)		<p>Consultation with Descendant Communities. On discovery of an archaeological site¹ associated with descendant Native Americans, the Overseas Chinese, or other descendant group, an appropriate representative² of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archaeological field investigations of the site, and to consult with ERO regarding appropriate archaeological treatment of the site; of recovered data from the site; and if applicable, any interpretative treatment of the associated archaeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group.</p> <p>Archaeological Testing Program. The archaeological consultant shall prepare and submit to the ERO for review and approval an archaeological testing plan (ATP). The archaeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archaeological resource(s) that potentially could be adversely affected by the proposed project; the testing method to be used; and the locations recommended for testing. The purpose of the archaeological testing program will be to determine to the extent possible the presence or absence of archaeological resources and to identify and to evaluate whether any archaeological resource encountered on the site constitutes an historical resource under CEQA.</p> <p>At the completion of the archaeological testing program, the archaeological consultant shall submit a written report of the findings to the ERO. If, based on the archaeological testing program, the archaeological consultant finds that significant archaeological resources may be present, the ERO, in consultation with the archaeological consultant, shall determine if additional measures are warranted.</p> <hr/> <p>¹ The term “archaeological site” is intended to minimally include any archaeological deposit, feature, burial, or evidence of burial.</p> <p>² An “appropriate representative” of the descendant group is defined, in the case of Native Americans, as any individual listed in the current Native American Contact List for the City and County of San Francisco maintained by the California Native American Heritage Commission; and in the case of the Overseas Chinese, the Chinese Historical Society of America. An appropriate representative of other descendant groups should be determined in consultation with the Planning Department archaeologist.</p>			<p>If an archaeological site is discovered which is associated with descendant Native Americans, the Overseas Chinese, or other descendant group, an appropriate representative of the descendant group and the ERO shall be contacted. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group.</p> <p>The archaeological consultant shall prepare and submit to the ERO an archaeological testing plan (ATP). The archaeological testing program shall be conducted in accordance with the approved ATP.</p> <p>At the completion of the archaeological testing program, the archaeological consultant shall submit a written report of the findings to the ERO. If the consultant finds that significant archaeological resources may be present, the ERO, in consultation with the archaeological consultant, shall determine if additional measures are warranted. If archaeological resources are present and could be adversely affected, either:</p> <ul style="list-style-type: none">• The proposed project shall be re-designed so as to avoid any adverse effect on the significant archaeological resource; or• A data recovery program shall be implemented.		

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Project Mitigation Measure M-CP-1 (continued)		<p>Additional measures that may be undertaken include additional archaeological testing, archaeological monitoring, and/or an archaeological data recovery program. No archaeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archaeologist. If the ERO determines that a significant archaeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor, either:</p> <ul style="list-style-type: none">• The proposed project shall be re-designed so as to avoid any adverse effect on the significant archaeological resource; or• A data recovery program shall be implemented, unless the ERO determines that the archaeological resource is of greater interpretive than research significance, and that interpretive use of the resource is feasible. <p>Archaeological Monitoring Program. If the ERO, in consultation with the archaeological consultant, determines that an archaeological monitoring program shall be implemented, the archaeological monitoring program shall minimally include the following provisions:</p> <ul style="list-style-type: none">• The archaeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to the commencement of any project-related soils-disturbing activities. The ERO, in consultation with the archaeological consultant, shall determine which project activities shall be archaeologically monitored. In most cases, any soils-disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), or site remediation shall require archaeological monitoring because of the risk these activities pose to potential archaeological resources and to their depositional context.• The archaeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archaeological resource.• The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archaeological consultant and the ERO until the ERO has, in consultation with the project archaeological consultant, determined that project construction activities could have no effects on significant archaeological deposits.• The archaeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis.			<p>The project sponsor shall prepare an archaeological monitoring program if the ERO determines that one shall be implemented.</p> <p>Whether or not significant archaeological resources are encountered, the archaeological consultant shall submit a written report of the findings of the monitoring program to the ERO.</p>		

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Project Mitigation Measure M-CP-1 (continued)		<ul style="list-style-type: none">If an intact archaeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archaeological monitor shall be empowered to temporarily redirect demolition/ excavation/pile-driving/construction activities and equipment until the deposit is evaluated. If, in the case of pile-driving activity (foundation, shoring, etc.), the archaeological monitor has cause to believe that the pile-driving activity may affect an archaeological resource, the pile-driving activity shall be terminated until an appropriate evaluation of the resource has been made, in consultation with the ERO. The archaeological consultant shall immediately notify the ERO of the encountered archaeological deposit. The archaeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archaeological deposit, and present the findings of this assessment to the ERO. <p>Whether or not significant archaeological resources are encountered, the archaeological consultant shall submit a written report of the findings of the monitoring program to the ERO.</p> <p>Archaeological Data Recovery Program. The archaeological data recovery program shall be conducted in accordance with an archaeological data recovery plan (ADRP). The archaeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archaeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archaeological resource is expected to contain. The ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archaeological resources if nondestructive methods are practical. The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none">Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations.Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures.Discard and De-accession Policy. Description of and rationale for field and post-field discard and de-accession policies.Interpretive Program. Consideration of an onsite/offsite public interpretive program during the course of the archaeological data recovery program.			<p>If an Archaeological Data Recovery Program is required, the archaeological consultant, project sponsor, and ERO shall consult on the scope of the ADRP.</p> <p>The archaeological consultant shall submit to the ERO a draft Archaeological Draft Recovery Plan. Upon approval of the draft Archaeological Draft Recovery Plan, the Archaeological Data Recovery Program shall be conducted in accordance with the Plan.</p>		

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Project Mitigation Measure M-CP-1 (continued)		<ul style="list-style-type: none">• Security Measures. Recommended security measures to protect the archaeological resource from vandalism, looting, and non-intentionally damaging activities.• Final Report. Description of proposed report format and distribution of results.• Curation. Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities. <p>Human Remains and Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils-disturbing activity shall comply with applicable state and federal laws. This shall include immediate notification of the Coroner of the City and County of San Francisco; and in the event of the Coroner’s determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission, who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archaeological consultant, project sponsor, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (CEQA Guidelines, Section 15064.5[d]). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects.</p> <p>Final Archaeological Resources Report. The archaeological consultant shall submit a Draft Final Archaeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archaeological resource and describes the archaeological and historical research methods employed in the archaeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archaeological resource shall be provided in a separate removable insert in the final report.</p> <p>Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one copy, and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound, and one unlocked, searchable PDF copy on CD of the FARR, along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/CRHR. In instances of high public interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.</p>			<p>In the event human remains or funerary objects are discovered during any soils-disturbing activity, their treatment shall comply with applicable state and federal laws.</p> <p>The archaeological consultant shall submit a Draft Final Archaeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archaeological resource and describes the archaeological and historical research methods employed in the archaeological testing/monitoring/data recovery program(s) undertaken.</p> <p>Once approved by the ERO, copies of the FARR shall be distributed to the relevant entities.</p>		

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Geology and Soils							
Project Mitigation Measure M-GE-1	Construction-Related Soils (Mitigation Measure G1 of the Market and Octavia PEIR)	Project Mitigation Measure M-GE-1 – Construction-Related Soils (Mitigation Measure G1 of the Market and Octavia PEIR): Program- or project-level temporary construction-related impacts would be mitigated through the implementation of the following measures: BMPs erosion control features shall be developed with the following objectives and basic strategy: Protect disturbed areas through minimization and duration of exposure. Control surface runoff and maintain low runoff velocities. Trap sediment on site. Minimize length and steepness of slopes.	Project sponsor	During construction	The project sponsor shall develop erosion control feature BMPs.	Project sponsor	On-site monitoring by project sponsor
IMPROVEMENT MEASURES FROM CPE							
Transportation and Circulation							
Project Improvement Measure I-TR-1	Transportation Demand Management	Project Improvement Measure I-TR-1 – Transportation Demand Management: The following Transportation Demand Management (TDM) measures shall be implemented during project operations: <ul style="list-style-type: none">• Identify TDM Coordinator. The project sponsor should identify a TDM coordinator for the project site. The TDM Coordinator is responsible for the implementation and ongoing operation of all other TDM measures described below. The TDM Coordinator could be a brokered service through an existing transportation management association (e.g., the Transportation Management Association of San Francisco, TMA SF), or an existing staff member (e.g., property manager); the TDM Coordinator does not have to work full-time at the project site. However, the TDM Coordinator should be the single point of contact for all transportation-related questions from building occupants and City staff. The TDM Coordinator should provide TDM training to other building staff about the transportation amenities and options available at the project site and nearby.	<ul style="list-style-type: none">• Project sponsor• TDM Coordinator	During project operations	The project sponsor shall identify a TDM coordinator for the project site who will be responsible for the implementation and ongoing operation of all TDM measures.	<ul style="list-style-type: none">• Project sponsor• TDM coordinator• City staff	Throughout the duration of project operations.

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Project Improve-ment Measure I-TR-1 (continued)		<p>Provide Transportation and Trip Planning Information to Building Occupants:</p> <ul style="list-style-type: none">• Move-in packet. The move-in packet shall include an insert providing information on transit service (local and regional, schedules and fares); information on where transit passes could be purchased; information on the 511 Regional Rideshare Program and nearby bike and car share programs; and information on where to find additional web-based alternative transportation materials (e.g., NextMuni phone app). This move-in packet should be continuously updated as local transportation options change, and the packet should be provided to each new building occupant. Provide Muni maps and San Francisco Bicycle and Pedestrian maps upon request.• New-hire packet. The new-hire packet shall include a transportation insert that provides information on transit service (local and regional, schedules and fares); information on where transit passes could be purchased; information on the 511 Regional Rideshare Program and nearby bike and car share programs; and information on where to find additional web-based alternative transportation materials (e.g., NextMuni phone app). This new-hire packet should be continuously updated as local transportation options change, and the packet should be provided to each new building occupant. Provide Muni maps and San Francisco Bicycle and Pedestrian maps upon request. <p>Bicycles:</p> <ul style="list-style-type: none">• Parking. Increase the number of onsite secured bicycle parking beyond Planning Code requirements and/or provide additional bicycle facilities in the public right-of-way in locations adjacent to or within a quarter mile of the project site (e.g., sidewalks, on-street parking spaces). <p>Car-Share:</p> <ul style="list-style-type: none">• Parking. Provide optional carshare spaces as described in Planning Code Section 166(g).• Membership. Offer one annual car share membership for each new resident (one per household) or employee. Recipient would be responsible for the remainder of the costs associated with the membership.• City Access for Data Collection. As part of an ongoing effort to quantify the efficacy of TDM measures, City staff may need to access the project site (including the garage) to perform trip counts, and/or intercept surveys and/or other types of data collection. All onsite activities shall be coordinated through the TDM Coordinator. Project sponsor shall ensure that future access to the site is available to City Staff.			<p>The project sponsor shall provide a move-in packet and new-hire packet to building occupants.</p> <p>The project sponsor shall increase the number of onsite secured bicycle parking beyond Planning Code requirements and/or provide additional bicycle facilities in the public right-of-way in locations adjacent to or within a quarter mile of the project site, provide additional carshare spaces, and offer one annual car share membership for each new resident (one per household) or employee.</p>		

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Project Improvement Measure I-TR-2	Non-Peak Construction Traffic Hours	Project Improvement Measure I-TR-2 – Non-Peak Construction Traffic Hours: To minimize the construction-related disruption of the general traffic flow on adjacent streets during the AM and PM peak periods, truck movements and deliveries shall occur only between 9 AM to 3:30 PM, outside of peak and evening hours.	Project sponsor	During construction	The project sponsor shall ensure truck movements and deliveries shall occur only between 9 AM to 3:30 PM, outside of peak and evening hours.	Project sponsor	Throughout the duration of construction.
Project Improvement Measure I-TR-3	Construction Management Plan Additions	Project Improvement Measure I-TR-3 – Construction Management Plan Additions: Carpool and Transit Access for Construction Workers. To minimize parking demand and vehicle trips associated with construction workers, the construction contractor shall include in their contracts methods to encourage carpooling and transit access to the project site by construction workers. Project Construction Updates for Adjacent Businesses and Residents. To minimize construction impacts on access for nearby institutions and businesses, the project sponsor shall provide nearby residences and adjacent businesses with regularly updated information regarding project construction, through publically accessible means such as a website. This information should include a project construction contact person, construction activities, duration, peak construction activities (e.g., concrete pours), travel lane closures, and lane closures.	<ul style="list-style-type: none">Project sponsorConstruction contractor	During construction	The construction contractor shall include in their contracts methods to encourage carpooling and transit access to the project site by construction workers. The project sponsor shall provide nearby residences and adjacent businesses with regularly updated information regarding project construction.	Project sponsor	Throughout the duration of construction.
Project Improvement Measure I-TR-4	Class II Bicycle Parking Signage	Project Improvement Measure I-TR-4 – Class II Bicycle Parking Signage: Prior to building occupation, and in coordination with SFMTA, bicycle parking signage shall be provided on the Market Street frontage, directing bicyclists to the additional public Class II bicycle parking spaces on Oak Street.	<ul style="list-style-type: none">Project sponsorSFMTA	Prior to building occupation	The project sponsor shall provide bicycle parking signage on the Market Street frontage, directing bicyclists to the additional public Class II bicycle parking spaces on Oak Street.	<ul style="list-style-type: none">Project sponsorSFMTA	Throughout the duration of project operations
	Queue Abatement	Project Improvement Measure I-TR-5 – Queue Abatement: To minimize the vehicle queues at the proposed project driveway into the public right-of-way, the project sponsor shall implement the Planning Department’s vehicle queue abatement Conditions of Approval listed below. <ul style="list-style-type: none"><i>Queue Abatement Condition of Approval</i> It shall be the responsibility of the owner/operator of any off-street parking facility with more than 20 parking spaces (excluding loading and car-share spaces) to ensure that recurring vehicle queues do not occur on the public right-of-way. A vehicle queue is defined as one or more vehicles (bound for the parking facility) blocking any portion of any public street, alley, or sidewalk for a period of 3 consecutive minutes or longer on a daily or weekly basis.	Project sponsor	During project operations	The project sponsor shall ensure that recurring vehicle queues do not occur on the public right-of-way.	<ul style="list-style-type: none">Project sponsorSF Planning Department	Throughout the duration of project operations

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Project Improve-ment Measure I-TR-5 (continued)		<p>If a recurring queue occurs, the owner/operator of the parking facility shall employ abatement methods as needed. Appropriate abatement methods will vary depending on the characteristics and causes of the recurring queue, as well as the characteristics of the parking facility, the street(s) to which the facility connects, and the associated land uses (if applicable).</p> <p>Suggested abatement methods include but are not limited to redesign of the facility to improve vehicle circulation and/or onsite queue capacity; employment of parking attendants; installation of LOT FULL signs, with active management by parking attendants; use of valet parking or other space-efficient parking techniques; use of offsite parking facilities or shared parking with nearby uses; use of parking occupancy sensors and signage directing drivers to available spaces; travel demand management strategies such as additional bicycle parking, customer shuttles, or delivery services; and/or parking demand management strategies such as parking time limits, paid parking, time-of-day parking surcharge, or validated parking.</p> <p>If the Planning Director, or his or her designee, suspects that a recurring queue is present, the Department shall notify the property owner in writing. Upon request, the owner/operator shall hire a qualified transportation consultant to evaluate the conditions at the site for no less than 7 days. The consultant shall prepare a monitoring report to be submitted to the Department for review. If the Department determines that a recurring queue does exist, the facility owner/operator shall have 90 days from the date of the written determination to abate the queue.</p>			<p>If a recurring queue occurs, the project sponsor shall employ abatement methods to reduce the queue.</p> <p>If the Planning Director, or his or her designee, suspects that a recurring queue is present, the Department shall notify the project sponsor. Upon request, the sponsor shall hire a qualified transportation consultant to evaluate the conditions at the site and prepare a monitoring report to be submitted to the Department for review. If the Department determines that a recurring queue does exist, the project sponsor shall have 90 days from the date of the written determination to abate the queue.</p>		

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			Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
Air Quality							
Project Improvement Measure I-AQ-1	Construction Emissions Minimization	<p>Project Improvement Measure I-AQ-1 – Construction Emissions Minimization:</p> <ul style="list-style-type: none">• Construction Emissions Minimization Plan. Prior to issuance of a construction permit, the project sponsor shall submit a Construction Emissions Minimization Plan (Plan) to the ERO for review and approval by an Environmental Planning Air Quality Specialist. The Plan shall detail project compliance with the following requirements:<ul style="list-style-type: none">○ All off-road equipment greater than 25 horsepower and operating for more than 20 total hours over the entire duration of construction activities shall meet the following requirements:<ul style="list-style-type: none">▪ Where access to alternative sources of power are available, portable diesel engines shall be prohibited;▪ All off-road equipment shall have:<ul style="list-style-type: none">• Engines that meet or exceed either U.S. Environmental Protection Agency or California Air Resources Board (CARB) Tier 2 off-road emission standards, and• Engines that are retrofitted with a CARB Level 3 VDECS.³▪ Exceptions:<ul style="list-style-type: none">• Exceptions to A(1)(a) may be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that an alternative source of power is limited or infeasible at the project site, and that the requirements of this exception provision apply. Under this circumstance, the sponsor shall submit documentation of compliance with A(1)(b) for onsite power generation.• Exceptions to A(1)(b)(ii) <i>may</i> be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that a particular piece of off-road equipment with an CARB Level 3 VDECS is: (1) technically not feasible; (2) would not produce desired emissions reductions due to expected operating modes; (3) installing the control device would create a safety hazard or impaired visibility for the operator; or (4) there is a compelling emergency need to use off-road equipment that are not retrofitted with a CARB Level 3 VDECS and the sponsor has submitted documentation to the ERO that the requirements of this exception provision apply. If granted an exception to A(1)(b)(ii), the project sponsor must comply with the requirements of A(1)(c)(iii).	<ul style="list-style-type: none">• Project sponsor• ERO• Environmental Planning Air Quality Specialist	Prior to the issuance of a construction permit	<p>The project sponsor shall submit a Construction Emissions Minimization Plan (Plan) to the ERO for review and approval by an Environmental Planning Air Quality Specialist, which will detail project compliance with the listed requirements.</p> <p>Prior to the commencement of construction activities, the project sponsor shall certify (1) compliance with the Plan, and (2) that all applicable requirements of the Plan have been incorporated into contract specifications.</p>	<ul style="list-style-type: none">• Project sponsor• ERO	During project construction until the production of the final report summarizing construction activities.

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Impact No.	Impact Summary/Title	Adopted Mitigation Measures	Monitoring and Reporting Program																
			Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule												
Project Improvement Measure I-AQ-1 (continued)		<ul style="list-style-type: none">If an exception is granted pursuant to A(1)(c)(ii), the project sponsor shall provide the next-cleanest piece of off-road equipment as provided by the step-down schedules in Table 4.																	
		<p>Table 4:</p> <p>Off-Road Equipment Compliance Step-down Schedule</p>																	
		<table><tr><th>Compliance Alternative</th><th>Engine Emission Standard</th><th>Emissions Control</th></tr><tr><td>1</td><td>Tier 2</td><td>CARB Level 2 VDECS</td></tr><tr><td>2</td><td>Tier 2</td><td>CARB Level 1 VDECS</td></tr><tr><td>3</td><td>Tier 2</td><td>Alternative Fuel*</td></tr></table>						Compliance Alternative	Engine Emission Standard	Emissions Control	1	Tier 2	CARB Level 2 VDECS	2	Tier 2	CARB Level 1 VDECS	3	Tier 2	Alternative Fuel*
		Compliance Alternative						Engine Emission Standard	Emissions Control										
		1						Tier 2	CARB Level 2 VDECS										
		2						Tier 2	CARB Level 1 VDECS										
		3						Tier 2	Alternative Fuel*										
		<p>How to use the table: If the requirements of (A)(1)(b) cannot be met, then the project sponsor would need to meet Compliance Alternative 1. Should the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 1, then Compliance Alternative 2 would need to be met. Should the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 2, then Compliance Alternative 3 would need to be met.</p>																	
		<p>* Alternative fuels are not a VDECS.</p>																	
		<ul style="list-style-type: none">The project sponsor shall require the idling time for off-road and on-road equipment be limited to no more than 2 minutes, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment. Legible and visible signs shall be posted in multiple languages (English, Spanish, Chinese) in designated queuing areas and at the construction site to remind operators of the 2-minute idling limit.																	

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1546-1564 MARKET STREET PROJECT (Environmental Planning Case No. 2012.0877E) – MITIGATION MONITORING AND REPORTING PROGRAM – DRAFT 2

Impact No.	Impact Summary/Title	Adopted Mitigation Measures	Monitoring and Reporting Program				
			Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
Project Improve-ment Measure I-AQ-1 (continued)		<ul style="list-style-type: none">○ The project sponsor shall require that construction operators properly maintain and tune equipment in accordance with manufacturer specifications.○ The Plan shall include estimates of the construction timeline by phase with a description of each piece of off-road equipment required for every construction phase. Off-road equipment descriptions and information may include, but are not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel use and hours of operation. For VDECS installed: technology type, serial number, make, model, manufacturer, CARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, reporting shall indicate the type of alternative fuel being used.○ The Plan shall be kept on site and available for review by any persons requesting it, and a legible sign shall be posted at the perimeter of the construction site indicating to the public the basic requirements of the Plan and a way to request a copy of the Plan. The project sponsor shall provide copies of Plan to members of the public as requested. <p>• Reporting. Quarterly reports shall be submitted to the ERO indicating the construction phase and off-road equipment information used during each phase, including the information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p> <p>Within 6 months of the completion of construction activities, the project sponsor shall submit to the ERO a final report summarizing construction activities. The final report shall indicate the start and end dates and duration of each construction phase. For each phase, the report shall include detailed information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p> <p>• Certification Statement and Onsite Requirements. Prior to the commencement of construction activities, the project sponsor must certify (1) compliance with the Plan, and (2) all applicable requirements of the Plan have been incorporated into contract specifications.</p>			<p>The project sponsor shall submit quarterly reports to the ERO indicating the construction phase and off-road equipment information used during each phase. In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p> <p>The project sponsor shall submit to the ERO a final report summarizing construction activities. The final report shall indicate the start and end dates and duration of each construction phase. In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p>		

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Impact No.	Impact Summary/Title	Adopted Mitigation Measures	Monitoring and Reporting Program				
			Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
Project Improvement Measure I-AQ-2	Best Available Control Technology for Diesel Generators	Project Improvement Measure I-AQ-2 – Best Available Control Technology for Diesel Generators: All diesel generators should have engines that: <ul style="list-style-type: none">• Meet Tier 4 Final or Tier 4 Interim emission standards, or• Meet Tier 2 emission standards and are equipped with a CARB Level 3 VDECS.	Project sponsor	During project operations	The project sponsor shall ensure that all diesel generators have engines that: <ul style="list-style-type: none">• Meet Tier 4 Final or Tier 4 Interim emission standards, or• Meet Tier 2 emission standards and are equipped with a CARB Level 3 VDECS.	Project sponsor	During project operations

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SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

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

Planning Commission Draft Motion Downtown Project Authorization

HEARING DATE: JUNE 25, 2015

Date: June 11, 2015
Case No.: **2012.0877ECVX**
Project Address: **1546-1564 MARKET STREET**
Zoning: C-3-G (Downtown General)
Van Ness & Market Downtown Residential Special Use District
120-R-2 Height and Bulk District
Area Plan: Market and Octavia
Block/Lot: 0836/006 and 007
Project Sponsor: Jessie Stuart
Trumark Urban
90 New Montgomery Street, STE 750
San Francisco, CA 94103
Staff Contact: Kevin Guy – (415) 558-6163
kevin.guy@sfgov.org

ADOPTING FINDINGS RELATING TO A DOWNTOWN PROJECT AUTHORIZATION PURSUANT TO PLANNING CODE SECTION 309 WITH EXCEPTIONS TO THE REQUIREMENTS FOR GROUND LEVEL WIND CURRENTS (PLANNING CODE SECTION 148), REAR YARD—LOT COVERAGE (PLANNING CODE SECTIONS 134 AND 249.33), AND FREIGHT LOADING (PLANNING CODE SECTION 152.1 AND 161(f)), FOR A PROJECT TO DEMOLISH THREE EXISTING STRUCTURES AND CONSTRUCT A 120-FOOT, 12-STORY BUILDING CONTAINING APPROXIMATELY 109 DWELLING UNITS, 5,010 SQUARE FEET OF GROUND FLOOR RETAIL, AND 28 OFF-STREET PARKING SPACES, LOCATED AT 1546-1564 MARKET STREET WITHIN THE C-3-G (DOWNTOWN GENERAL) ZONING, 120-R-2 HEIGHT AND BULK DISTRICT, AND THE VAN NESS & MARKET DOWNTOWN RESIDENTIAL SPECIAL USE DISTRICT (SUD), AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On June 19, 2013, Jessie Stuart on behalf of Trumark Urban ("Project Sponsor") filed Application No. 2012.877X ("Application") with the Planning Department ("Department") for a Downtown Project Authorization pursuant to Planning Code Section ("Section") 309, with exceptions to the requirements for ground level wind currents (Section 148), rear yard—lot coverage (Sections 134 and 249.33), and off-street loading (Sections 152.1 and 161(f)), for a project to demolish three existing structures and construct a 120-foot, 12-story building containing approximately 109 dwelling units, 5,010 square feet of ground floor retail, and 28 off-street parking spaces ("Project"), located at 1546-1564 Market Street within the C-3-G Zoning District, the 120-R-2 Height And Bulk District, and the Van Ness & Market Downtown Residential Special Use District (SUD) ("Project Site").

On January 3, 2015, the Project Sponsor submitted a request for Conditional Use Authorization, pursuant to Sections 124(f) and 303, to allow additional square footage above the base floor area ratio for the development of on-site affordable dwelling units within the Project (Application No. 2012.877C).

On May 11, 2015, the Project Sponsor submitted a request for Variances from the requirements for dwelling unit exposure (Section 140) and minimum floor-to-floor heights for non-residential uses (Section 145.1), in association with the Project (Application No. 2012.0877V).

The Project is within the Market and Octavia Plan area, the environmental impacts of which were examined in the Market and Octavia Programmatic EIR (Market and Octavia PEIR). The Planning Commission (hereafter referred to as "Commission") certified the Market and Octavia PEIR on April 5, 2007.

Section 15183 of the CEQA Guidelines provides an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR has been certified, except as may be necessary to examine whether any project-specific effects are peculiar to the project or project site. Under this exemption, examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in the prior EIR for the underlying zoning or plan; c) are potentially significant off-site or cumulative impacts that were not discussed in the underlying EIR; or d) were previously identified as significant effects in the underlying EIR, but that have been determined to have a more severe adverse impact than that discussed in the underlying EIR.

Because this Project is within the Market and Octavia Plan Area, a Community Plan Exemption ("CPE") Checklist was prepared for the project to analyze whether it would result in any peculiar, project specific environmental effects that were not sufficiently examined in the Market and Octavia PEIR. The CPE Checklist (Appendix A to the Draft EIR) concluded that with the exception of historic architectural resources, the proposed project would not result in any new significant environmental impacts or impacts of greater severity than were analyzed in the Market and Octavia PEIR. Thus, a focused EIR was prepared to examine the Project's potential impacts on historic architectural resources.

On January 7, 2015, the Department published a draft Environmental Impact Report (EIR) for the Project for public review. The draft EIR was available for public comment until February 23, 2015. On February

12, 2015, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to solicit comments regarding the draft EIR. On June 10, 2015 the Department published a Comments and Responses document, responding to comments made regarding the draft EIR prepared for the Project

The Commission reviewed and considered the Final Environmental Impact Report (FEIR) for the Project and found the contents of said report and the procedures through which the FEIR was prepared, publicized and reviewed complied with the California Environmental Quality Act (Public Resources Code section 21000 et seq.) ("CEQA"), the CEQA Guidelines (14 Cal. Code Reg. section 15000 et seq.), and Chapter 31 of the San Francisco Administrative Code.

The Commission found the FEIR was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Planning Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and certified the Final EIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31 by its Motion No. XXXXX. The Commission, in certifying the FEIR, found that the project described in the FEIR will have the following significant and unavoidable environmental impacts: (1) the demolition of the existing building located at 1554-1564 Market Street will cause a substantial adverse change in the significance of historic architectural resources; and (2) the demolition of the existing building located at 55 Oak Street will cause a substantial adverse change in the significance of historic architectural resources.

Planning Department staff prepared a Mitigation Monitoring and Reporting Program (MMRP) setting forth mitigation measures that were identified in the Market and Octavia Area Plan EIR that are applicable to the project. These mitigation measures are set forth in their entirety in the MMRP attached to the CEQA Findings Motion No. XXXXX as Exhibit B.

The Planning Department, Jonas P. Ionin, is the custodian of records for the Planning Department materials, located in the File for Case No. 2012.0877X, at 1650 Mission Street, Fourth Floor, San Francisco, California.

On June 25, 2015, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Downtown Project Authorization Application No. 2012.0877ECVX.

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 Downtown Project Authorization requested in Application No. 2012.08773ECVX, 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 site is located on two lots totaling 12,565 square feet on the north side of Market Street between Van Ness Avenue and Franklin Street. Lot 006 is a 2,074 square foot lot with frontage along Market Street. Lot 007 is a 10,491 square foot lot with frontages along Market Street and Oak Street.

Lot 006 is occupied by a three-story reinforced concrete building (1546-1550 Market Street) that was constructed in 1912. It is generally rectangular in plan, has a flat roof, and is clad in stucco. The building was originally constructed as a multi-family residential building with ground-floor commercial. The residential units at 1550 Market Street were subsequently converted to office uses. The ground floor commercial at 1546 Market Street most recently used as a retail liquor store.

Lot 007 is occupied by a one-story brick building along Market Street (1554-1564 Market Street) and a one-story-plus-mezzanine reinforced concrete building along Oak Street (55 Oak Street). The building at 1554-1564 Market Street was constructed in 1907 and is a one-story brick commercial building with two bays, recessed entries and a single store-front in each bay. 1554 Market Street was most recently occupied by a gallery and 1564 Market Street was most recently occupied by an antiques store. The building at 55 Oak Street was built circa 1920 and is rectangular in plan with a flat roof, and clad in stucco and concrete. The building was designed as an automobile repair shop and most recently was occupied by automobile repair uses.

1554-1564 Market Street and 55 Oak Street are considered historic resources under CEQA. All the buildings on the project site are currently vacant.

3. **Surrounding Properties and Neighborhood.** The project site is at the edge of the Downtown/Civic Center neighborhood and adjacent to the South of Market neighborhood, within the Market and Octavia Area Plan. The surrounding mixed-use area contains diverse building types and uses. The project site is approximately four blocks south/southwest of the Civic Center, which includes City Hall and other government buildings and the performing arts complex, which includes Davies Symphony Hall, the Opera House, and Herbst Theater.

Surrounding land uses include commercial/hotel/office/retail, industrial, residential, and parking lots and immediately adjacent land uses include a surface parking lot to the west, and office uses to the east. Other uses on the same block include additional surface parking lots, an automotive repair shop, a mixed-use residential building with ground-floor retail, and a café with office above. Immediately across Market Street from the project site is a car dealership at 1535-1599 Market Street (SF Honda) and a single-room occupancy hotel and immediately across Oak Street from the project site are offices uses, the Conservatory of Music, and a surface parking lot.

The project site is located within the C-3-G Zoning District, the Van Ness and Market Downtown Residential Special Use District, and within the Market and Octavia and Downtown Area Plans.

The C-3-G Zoning District covers the western portions of downtown and is composed of a variety of uses: retail, offices, hotels, entertainment, institutions, and high-density residential. Many of these uses have a Citywide or regional function. The intensity of development in the area is currently lower than the downtown core area, however, a number of intense mixed-use development projects are anticipated for the immediate area, including the nearly completed 100 Van Ness Avenue project, 150 Van Ness Avenue, 30 Van Ness Avenue, 1540 Market Street, 1 Franklin Street, 10 South Van Ness Avenue, the Goodwill property at 1500-1580 Mission Street, and 1601 Mission Street.

The Van Ness & Market Downtown Residential Special Use District is comprised of the parcels zoned C-3-G in the Market Octavia Area Plan. This district is generally comprised of parcels focused at the intersections of Van Ness Avenue at Market Street and South Van Ness Avenue at Mission Street, along with parcels on both sides of Market and Mission Streets between 10th and 12th Streets. This district is intended to be a transit-oriented, high-density, mixed-use neighborhood with a significant residential presence. This area is encouraged to transition from largely a back-office and warehouse support function into a more cohesive downtown residential district, and serves as a transition zone to the lower scale residential and neighborhood commercial areas to the west. A notable amount of large citywide commercial and office activity will remain in the area, including government offices supporting the Civic Center and City Hall. This area was initially identified in the Downtown Plan of the General Plan as an area to encourage housing adjacent to the downtown. As part of the city's Better Neighborhoods Program, this concept was fully articulated in the Market and Octavia Area Plan.

4. **Project Description:** The Project proposes demolition of the three existing buildings and new construction of a 120 foot, 12-story building with approximately 109 dwelling units and 5,010 square feet of ground floor retail fronting on Oak Street and Market Street. Off-street parking for 28 vehicles and one car share vehicle and 136 Class 1 bicycle parking spaces is provided in the basement level. Basement access is provided from Oak Street via a 12-foot single lane vehicular ingress/egress along the western property line, as well as a bike stair along the eastern property line. Eight Class 2 bicycle parking spaces are provided along Oak Street and Market Street. The project includes a mix of 11 studio units, 74 one-bedroom units, and 24 two-bedroom units. The project is arranged as two masses situated around a central courtyard and connected via a series of bridges.
5. **Public Comment.** As of May 29, 2015, the Department has received nine letters of support for the proposed project from the following organizations:
 - Hayes Valley Neighborhood Association –Transportation and Planning Committee
 - Civic Center Community Benefit District
 - San Francisco Housing Action Coalition
 - SPUR
 - Larkin Street Youth Services
 - Market on Market
 - Carpenters Union

- IBEW Local 6
- Sheetmetal Workers' Local Union 104

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

A. **Floor Area Ratio (Section 124).** The floor area ratio (FAR) limit as defined by Planning Code Section 124 for the Downtown General District is 6.0 to 1. Section 124(f) provides that in C-3-G Districts, additional square footage above the base FAR of 6.0 to 1 may be approved through Conditional Use authorization for the construction of dwelling units affordable for 20 years to households whose incomes are within 150 percent of the median income, as defined in Section 124(f).

In the C-3-G District, the maximum floor area may be increased to 1.5 times the base floor area limit of 6.0 to 1 to 9.0 to 1. In the Van Ness & Market Downtown Residential Special Use District any increment of FAR above the base FAR and up to the maximum FAR requires payment into the Citywide Affordable Housing Fund per additional gross square foot for that increment of FAR above the base FAR (Sec. 249.33). FAR above 9:1 can be allowed through payment of the Van Ness & Market Neighborhood Infrastructure Fee.

With a site area 12,5656, the base FAR of 6.0 allows a building measuring 75,390 gsf on the Project Site. The project proposes an 115,900 gsf structure yielding an FAR of 9.2 to 1.0. Square footage from certain features (such as mechanical functions, lobby, and parking) can be excluded from the calculation of Gross Floor Area.

The Project requests Conditional Use Authorization for additional floor area above the base FAR for on-site affordable units. Based on the current location and size of these units, approximately 10,749 gsf of additional floor area above the base FAR would be allowed through the requested Conditional Use authorization. This will facilitate the provision of on-site inclusionary housing units for the Project, rather than meeting the inclusionary housing requirement through off-site units or through the payment of an in-lieu fee. Section 124(f) requires the units to be affordable for a minimum of 20 years to households whose incomes are within 150 percent of the median income. The on-site affordable units will satisfy the inclusionary housing requirements of Section 415, which require inclusionary rental units to be permanently affordable to households whose incomes are within 55 percent of the area median income or ownership units to be permanently affordable to households whose incomes are within 90 percent of the median income. Thus, the Project's inclusionary units will be more affordable than the requirements set forth in Section 124(f).

To satisfy the Citywide Affordable Housing Fund pursuant to Planning Code Sections 249.33(b)(6) and 424, the Project will be required to pay \$36.41 (the 2015 fee amount) per additional gross square foot over the base FAR, not including the on-site inclusionary housing floor area, or 29,761 square feet.

B. **Rear Yard (Section 134)/Lot Coverage (Section 249.33).** Planning Code Section 134 requires that projects in C-3 Districts provide a minimum rear yard depth equal to 25 percent of the total depth of the lot on which the building is situated. However, the Project is within the

Van Ness & Market Downtown Residential Special Use District (Sec. 249.33), which exempts it from the rear yard requirements of Section 134. Instead, the Project is subject to a lot coverage limit of 80 percent at all residential levels, except on levels in which all residential units face onto a public right of way. Additionally, the unbuilt portion of the lot shall be open to the sky except for those obstructions permitted in yards per Section 136(c).

The Project proposes to cover approximately 85% of the lot, and therefore does not provide lot coverage that complies with this requirement. The Project requires a lot coverage exception through the Downtown Project Authorization process. An exception may be granted so long as the "building location and configuration assure adequate light and air to windows within the residential units and to the usable open space provided." See Section 7 below for discussion of the findings for the exception.

- C. **Residential Open Space (Section 135).** Planning Code Section 135 requires 36 sf of private open space per dwelling unit or 47.88 sf of common open space per dwelling unit. Private open space shall have a minimum horizontal dimension of six feet and a minimum area of 36 sf if located on a deck, balcony, porch or roof, and shall have a minimum horizontal dimension of 10 feet and a minimum area of 100 sf if located on open ground, a terrace or the surface of an inner or outer court. Common usable open space shall be at least 15 feet in every horizontal dimension and shall be a minimum area of 300 sf. Further, inner courts may be credited as common usable open space if the enclosed space is not less than 20 feet in every horizontal dimension and 400 sf in area, and if the height of the walls and projections above the court on at least three sides is such that no point on any such wall or projection is higher than one foot for each foot that such point is horizontally distant from the opposite side of the clear space in the court.

The Project has elected to meet the open space requirements of Section 135 through a mix of private and common open space. Of the 109 dwelling units, two have private open space, with roof-top common open space provided for the remaining 107 dwelling units.

The two dwelling units with private open space are on levels 11 and 12 and include terraces totaling 220 square feet, which meets the minimum dimension and area requirements for private open space. A 5,136 square foot roof-top terrace provides common open space for the remaining 107 dwelling units and meets the code dimension and area requirements for common open space. The Project satisfies all usable open space requirements.

The open space provided as an inner court and located on the ground floor does not meet the requirements of Section 135, and therefore it has not been included in the calculations.

- D. **Streetscape and Pedestrian Improvements (Section 138.1).** Planning Code Section 138.1 requires one new street tree for every 20 feet of street frontage for projects proposing new construction. Streetscape and pedestrian elements in conformance with the Better Street Plan is required for all projects that contain at least 250 feet of total lot frontage on one or more publicly-accessible rights-of-way and that propose new construction.

The Project is required to provide seven street trees. The conceptual plans for the Project propose three new street trees along the Project frontage on Oak Street, and the retention of the three existing street trees along the Market Street frontage. If approved by the Zoning Administrator, in consultation with the Department of Public Works – Bureau of Urban Forestry, the Project Sponsor will pay an in-lieu fee per each required tree that infeasible to plant, as specified in Planning Code Section 428. The conceptual streetscape plan also provides for the relocation and reduction in size of the existing curb cut along Oak Street and the installation of bike racks, benches, and pedestrian scaled lighting along Market Street and Oak Street near the primary retail and lobby entrances. The precise location, spacing, and species of the street trees, as well as other streetscape improvements, will be further refined throughout the building permit review process.

The retail storefronts along the Market and Oak Street frontages are recessed from the property line, creating functional extensions of the public sidewalk in these areas. Enhanced sidewalk paving is proposed for these areas to highlight entryways to the retail storefronts and building.

The Project complies with Planning Code Section 138.1.

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

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

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

The dwelling units that face one of the abutting streets (Market Street or Oak Street) would fully comply with Section 140. However, the units on floors 2 through 10 that solely face the interior courtyard do not comply with this requirement, because the courtyard does not meet the dimensional requirements of Section 140. A Variance from the exposure requirements of Planning Code Section 140 is being sought for the approximately 40 units facing the inner court.

- G. **Parking and Loading Entrances (Section 145.1(c)(2)) and Parking and Loading Access—Width of Openings (Section 155 (s)(5)(A)).** Per Section 145.1, the Planning Code requires that no more than one-third of the width or 20 feet, whichever is less, of any given street frontage of a new structure parallel to and facing a street shall be devoted to parking and loading ingress and egress. The placement of parking and loading entrances should minimize

interference with street-fronting active uses and with the movement of pedestrians, cyclists, public transit and autos.

The Project includes a single 12 foot-wide parking entrance along Oak Street. The Project satisfies Planning Code Section 145.1 in terms of the parking entrance, access and width of openings.

- H. **Street Frontage in Commercial Districts: Active Uses and Ceiling Height (Sections 145.1(c)(3) and 145.1(c)(4)).** Section 145.1(c)(3) requires that within Downtown Commercial Districts, space for “active uses” shall be provided within the first 25 feet of building depth on the ground floor. Spaces accessory to residential uses, such as fitness or community rooms are considered active uses only if they meet the intent of this section and have access directly to the public sidewalk or street. Building systems including mechanical, electrical and plumbing features may be exempted from this requirement by the Zoning Administrator only in instances where those features are provided in such a fashion as to not negatively impact the quality of the ground floor space. Section 145.1(c)(4) requires that ground floor non-residential uses in C-3 Districts provide a minimum floor-to-floor height of 14 feet.

The Project provides retail uses along both Market Street and Oak Street with direct access to the sidewalk within the first 25 feet of building depth and is thus compliant with this Code Section. All other features along Market Street and Oak Street (i.e., garage access, minimal lobby, fire control room, etc.) are exempt from the active use requirement. Therefore, the Project fully complies with Planning Code Sections 145.1(c)(3).

The retail uses along the Market Street frontage have a floor-to-floor height of approximately 15 feet, exceeding the minimum 14-foot dimension required by Section 145.1(c)(4). However, due to a slight grade change across the property, the finished floor of the retail space along the Oak Street frontage has a higher finished floor. The floor-to-floor height in this area measures approximately 12.5 feet, and therefore, does not comply with this requirement. The Project Sponsor is requesting a Variance from the requirements of Section 145.1(c)(4) with respect to the floor-to-floor height in this portion of the Project.

- I. **Street Frontage in Commercial Districts: Ground Floor Transparency (Section 145.1(c)(6)).** Section 145.1(c)(6) of the Planning Code requires that within Downtown Commercial Districts, frontages with active uses that are not residential or PDR 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

Both the Market and Oak Street frontages of the Project include Active Uses. The Market Street frontage measures consists entirely of retail uses, except for a required egress stair. Over 90% of the Market Street frontage is transparent. The Oak Street frontage consists of a 12-foot wide vehicular driveway and a 12-foot wide corridor that serves as a bike stair as well as required egress. The remainder of the frontage (i.e., 42 feet or 63%) is comprised of transparent retail and lobby uses. Therefore, the Project complies with Planning Code Section 145.1(c)(6).

- J. **Required Ground Floor Commercial Uses (Section 145.4).** Active commercial uses (defined in Table 145.4) are required on Market Street for the entirety of the Van Ness & Market Downtown Residential Special Use District.

The Project proposes the active commercial use of retail for the Market Street frontage. The Market Street frontage has been split into two distinct retail spaces with the larger space totaling 2,446 square feet and the smaller space totaling 2,029 square feet. The Project satisfies Planning Code Section 145.4

- K. **Shadows on Public Sidewalks (Section 146).** The Planning Code (Section 146(a)) establishes design requirements for buildings on certain streets in order to maintain direct sunlight on public sidewalks in certain downtown areas during critical use periods. Section 146(c) requires that buildings, not located on specific streets identified in Section 146(a), shall be shaped to reduce substantial shadow impacts on public sidewalks, if it can be done without unduly creating an unattractive design and without unduly restricting development potential.

Section 146(a) does not apply to construction on the north side of Market Street or Oak Street, and therefore does not apply to the Project.

As it relates to Section 146(c), the Project would replace existing one to three story structures and although it would create new shadows on sidewalks and pedestrian areas adjacent to the site, the Project's shadow effects would be limited in scope and would not increase the total amount of shading above levels that are commonly and generally accepted in urban areas. The Project is proposed at a height that is zoned for the property. The structure cannot be further shaped to reduce substantial shadow impacts on public sidewalks without creating an unattractive design and without unduly restricting development potential. The Project will not create substantial shadow impacts to public sidewalks.

- L. **Shadows on Public Open Spaces (Section 147).** Planning Code Section 147 seeks to reduce substantial shadow impacts on public plazas and other publicly accessible open spaces other than those protected under Section 295. Consistent with the dictates of good design and without unduly restricting development potential, buildings taller than 50 feet should be shaped to reduce substantial shadow impacts on open spaces subject to Section 147. In determining whether a shadow is substantial, the following factors shall be taken into account: the area shaded, the shadow's duration, and the importance of sunlight to the area in question.

A shadow fan prepared for the Project determined that the Project would not cast new shadow on any open spaces other than those protected under Section 295. The Project complies with Section 147.

- M. **Ground Level Wind (Section 148).** Pursuant to Section 148, in C-3 Districts, buildings and additions to existing buildings shall be shaped, or other wind-baffling measures shall be adopted, so that the development will not cause ground-level wind currents to exceed more than 10 percent of the time year round, between 7:00 AM and 6:00 PM, the comfort level of 11

miles per hour equivalent wind speed in areas of substantial pedestrian use and seven miles per hour equivalent wind speed in public seating areas.

When pre-existing ambient wind speeds exceed the comfort level, or when a proposed building or addition may cause ambient wind speeds to exceed the comfort level, the building shall be designed to reduce the ambient wind speeds to meet the requirements. An exception may be granted, in accordance with the provisions of Section 309, allowing the building or addition to add to the amount of time that the comfort level is exceeded by the least practical amount if (1) it can be shown that a building or addition cannot be shaped and other wind-baffling measures cannot be adopted to meet the foregoing requirements without creating an unattractive and ungainly building form and without unduly restricting the development potential of the building site in question, and (2) it is concluded that, because of the limited amount by which the comfort level is exceeded, the limited location in which the comfort level is exceeded, or the limited time during which the comfort level is exceeded, the addition is insubstantial.

No exception shall be granted and no building or addition shall be permitted that causes equivalent wind speeds to reach or exceed the hazard level of 26 miles per hour for a single hour of the year.

Wind tunnel tests were performed in March 2014 for the Project proposed and results were provided to the Department via a Technical Memorandum dated June 6, 2014. A total of 68 test point locations were selected for the purpose of analyzing existing and proposed wind levels and wind near the project site pursuant to Planning Code Section 148. Under existing conditions, wind speeds meet the comfort criterion at 49 out of 68 test location. With the Project, two comfort exceedances would be eliminated but a general increase in local wind speeds will occur. Winds would exceed the Section 148 pedestrian-comfort criterion at 41 out of the 68 test locations. No test locations under the existing or Project conditions exceeded the wind hazard criterion.

Because the Project does not eliminate all pre-existing wind comfort exceedances, and because the Project would create new wind comfort exceedances, the Project requires an exception through the Downtown project Authorization process. See Section 7 below for a discussion of the findings for this exception.

- N. **Parking (Section 151.1).** Section 151.1 provides that dwelling units in the C-3 Districts and in the Van Ness & Market Downtown Residential SUD are permitted to provide up to one car for each four dwelling units. The Planning Commission may consider a request to provide up to 0.5 parking spaces for each dwelling unit through the Downtown Project Authorization exception process.

Projects with 50 or more units seeking an exception from Planning Code Section 151.1 must demonstrate that all residential accessory parking in excess of 0.5 parking spaces for each dwelling unit shall be stored and accessed by mechanical stackers or lifts, valet, or other space-efficient means that allows more space above-ground for housing, maximizes space efficiency and discourages use of vehicles for commuting or daily errands.

The Project proposes 28 residential off-street parking spaces plus one car share space, per Planning Code Section 151.1(d). The parking ratio proposed (a ratio of 0.25 to 1) complies with the principally permitted parking allowed in the Van Ness and Market Downtown Residential SUD. The project does not include any off-street parking for retail uses. While the parking ratio proposed does not exceed a 0.5 ratio, the parking spaces are provided in a single below-grade level with all parking spaces, except for the car share and accessible space, accessed via stackers. The Project complies with the requirements of Planning Code section 151.1.

- O. **Loading (Section 152.1).** Section 152.1 establishes minimum requirements for off-street loading. In C-3 Districts, the loading requirement is based on the total gross floor area of the structure or use. Residential uses between 100,000 and 200,000 square feet are required to provide one off-street loading spaces. Retail uses less than 10,000 square feet are not required to provide any loading spaces.

The Project proposes a total of 146,803 square feet of residential space and no off-street loading space. One on-street loading space is proposed along Oak Street and would be subject to MTA approval. The Project requires an exception from Planning Code Section 152.1 through the Downtown Project Authorization process. See Section 7 below for a discussion of the findings for this exception.

- P. **Bicycle Parking (Section 155.2).** Planning Code Section 155.2 of the Planning Code requires at least one Class 1 bicycle parking space per dwelling unit for the first 100 units and then one Class 1 bicycle parking space for every four dwelling units over 100. One Class 1 bicycle parking space is also required per 7,500 square feet of retail space. Additionally, one Class 2 bicycle parking space is required per 20 dwelling units and one Class 2 bicycle parking space is required per 2,500 square foot of retail space.

The Project includes 109 dwelling units; therefore, the Project is required to provide 102 Class 1 bicycle parking spaces and five (5) Class 2 bicycle parking spaces for residential use. The Project also includes 5,010 square feet of retail space and is required to provide two (2) Class 2 bicycle parking spaces for the retail use. The Project will provide 136 Class 1 bicycle parking spaces on the basement level with access from a ground floor bike stair off of Oak Street and eight (8) Class 2 bicycle parking spaces along Market Street and Oak Street. The Project is required to provide 102 total Class 1 and

seven (7) total Class 2 bicycle parking spaces. A total of 156 bicycle parking spaces are provided, thus exceeding the requirements. In addition, bike repair facilities for residents are provided. The Project satisfies the bicycle parking requirements of Planning Code Sections 155.1 through 155.5.

- Q. Car Share Requirements (Section 166).** Planning Code Section 166 requires one car-share parking spaces per 50-200 units.

The Project includes 109 dwelling units and is required to provide a minimum of one car-share parking space. The Project provides one car-share parking space located in the basement garage. Therefore, the Project complies with Planning Code Section 166.

- R. Density (Section 249.33).** The Van Ness & Market Downtown Residential Special Use District provide no density limit for residential uses by lot area, but by applicable requirements and limitations elsewhere in the Planning Code as well as the Market & Octavia Area Plan Fundamental Design Principles.

The Project proposes 109 dwelling units in varying unit sizes while satisfying the Market & Octavia Area Plan Fundamental Design Principles and other Planning Code requirements, with only one Variance being requested (from the exposure requirements of Section 140). The Design Principles encourage buildings to be built facing public rights-of-way, use of setbacks to reduce mass, three dimensional detailing, and high quality building materials. The Project faces two public rights-of-way and uses an internal courtyard to provide mass reduction, open space and exposure. The Project is set back along the Market Street and Oak Street façade providing 500 square feet of public open space along the retail spaces and residential lobby.

The Project proposes retail spaces along Market Street and Oak Street. The Oak Street retail space has a floor-to-floor height below the requirement of 14 feet specified in Section 145.1 for non-residential ground floor uses, therefore, a Variance is being requested. However, this retail space represents a relatively small proportion of the overall ground-floor program, and will help to activate the Oak Street sidewalk. The retail spaces along the Market Street comprise the majority of the ground-floor retail program, and exceed the requirement for a 14-foot floor-to-floor height.

Both the Market Street (south) façade and the Oak Street (north) façade of the proposed project are characterized by a rhythmic pattern of Juliette balconies, full-height window wall glazing, and casement windows that begin to break down the overall height to a residential scale. The stories are further differentiated by an angular undulation which produces rhythmic voids and projections in the façade. The well-defined pedestrian realm, combined with the distinctive enclosure of the rooftop functions, reinforces a tripartite building arrangement that is desired by the Market & Octavia Area Plan Fundamental Design Principles.

- S. Uses (Sections 210.2).** The Project Site is located in a Downtown General (C-3-G) District wherein residential and commercial uses are permitted. Areas in the City identified as Downtown General include a variety of different uses, such as retail, offices, hotels, entertainment, clubs and institutions and high-density residential. Many of these uses have a

Citywide or regional function, although the intensity of development is lower there than in the downtown core area.

The Project proposes a primarily residential use building with ground floor retail, both of which are principally permitted in the C-3-G Zoning District.

- T. **Height and Bulk (Section 260 and 270).** The property is located in a 120-R-2 Height and Bulk District, thus permitted structures up to a height of 120 feet. In Bulk District R-2 the Van Ness & Market Downtown Residential Special Use District bulk limits apply. In the R-2 Bulk District, there are no bulk limitations below 120 feet.

The Project would reach a roof height of approximately 120', in conformance with the 120-R-2 Height and Bulk District. The building includes various rooftop features, such as elevator/stair penthouses, mechanical structures, and wind screens, which are allowed to extend above the roof height limitation pursuant to Section 260(b). The rooftop screen, which encloses the recreational functions on the roof, extends 16 feet above the height limit. In addition, the Project proposes an enclosed area of elevator, stair penthouse, and mechanical room at a height 20' above the roof, which is permitted by Section 260(b) within C-3 Districts. The Project complies with the height limitation applicable to the property.

- U. **Transit Impact Development Fee (Section 411).** Pursuant to Planning Code Section 411, the Project Sponsor is required to pay the Transit Impact Development Fee for the conversion of office use square footage to retail use.

The Project proposes to demolish buildings which previously housed office and retail uses. Pursuant to Section 411(d)(1), the Project is eligible to apply a Prior Use credit to these uses in the calculation of the Transit Impact Development Fee Fund applicable to the proposed retail use. The exact amount to be paid into the Transit Impact Development Fee Fund will be assessed as the project evolves but prior to the issuance of the building permit.

- V. **Inclusionary Affordable Housing Program.** Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 415.3, these requirements would apply to projects that consist of 10 or more units, where the first application (EE or BPA) was applied for on or after July 18, 2006. Pursuant to Planning Code Section 415.5 and 415.6, the Inclusionary Affordable Housing Program requirement for the On-site Affordable Housing Alternative is to provide 12% of the proposed dwelling units as affordable.

The Project Sponsor has demonstrated that it is eligible for the On-Site Affordable Housing Alternative under Planning Code Section 415.5 and 415.6, and has submitted a 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to satisfy the requirements of the Inclusionary Affordable Housing Program by providing the affordable housing on-site instead or through payment of the Affordable Housing Fee. Pursuant to Planning Code Section 415.3 and 415.6, the on-site requirement is 12%. Thirteen (13) units (1 studio, 9 one-bedrooms and 3 two-bedroom) of the 109 units provided will be affordable for-sale units. If the Project

becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative, it must pay the Affordable Housing Fee with interest.

The 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' submitted on May 28, 2015 to the Planning Department states that the affordable units designated as on-site units will be sold as ownership units and remain as ownership units for the life of the project.

- W. Market & Octavia Affordable Housing Fee (Section 416).** All development projects in the Market & Octavia Plan Area that are subject to the Residential Inclusionary Affordable Housing Program shall pay an additional housing fee into the Citywide Affordable Housing Fund pursuant to Planning Code Section 416.

The provision of on-site inclusionary housing per Section 415 does not preclude a project from paying the affordable housing fee per Section 416. However, per Section 416(c), a project applicant shall not pay a supplemental affordable housing fee for any square foot of space designated as a below market rate unit under Section [415.1](#) et seq., the Citywide Inclusionary Affordable Housing Program, or any other residential unit that is designated as an affordable housing unit under a Federal, State, or local restriction in a manner that maintains affordability for a term no less than 50 years.

The Project is located in the Market and Octavia Plan Area and proposes more than 10 dwelling units, making it subject to the Market & Octavia Affordable Housing Fee. The net addition of residential use or change of use to residential fee has a specific fee compared to the replacement, or change of use from, non-residential to residential. Because the project converts office space to residential, a portion of the fee will be assessed for conversion. The balance will be assessed for the net addition of residential use. The Project includes on-site affordable dwelling units that will satisfy the inclusionary housing requirements of Section 415. The Market & Octavia Affordable Housing Fee will not be applicable to the square footage of those units.

The total amount of the Market & Octavia Affordable Housing fee will be assessed prior to issuance of the building permit.

- X. Market & Octavia Community Improvement Fund (Section 421).** The Market & Octavia Community Improvement Fees apply to the Project Area. These fees shall be charged on net additions of gross square feet which result in a net new residential unit, contribute to a 20 percent increase of non-residential space in an existing structure, or create non-residential space in a new structure. Fees shall be assessed per net new gross square footage on residential and non-residential uses within the Plan Area. Fees shall be assessed on mixed-use projects according to the gross square feet of each use in the project.

The Project proposes new residential and non-residential uses, which are subject to the Fee. All monies will be collected by DBI pursuant to Section 421.3(b) and deposited in a special fund maintained by the Controller. The total fee amount to be paid into the Market & Octavia Community Improvement Fund by the Project Sponsor will be assessed prior to issuance of the building permit.

- Y. **Van Ness and Market Affordable Housing and Neighborhood Infrastructure Fee and Program (Section 424).** Any development project located in the Van Ness & Market Downtown Residential Special Use District (SUD) is subject to fees per Section 424. All uses in any development project within the Van Ness & Market Downtown Residential Special Use District shall pay an additional fee per gross square foot of the building exceeding the base development site FAR of 6:1 up to a base development site FAR of 9:1.

The Project exceeds the base FAR, and will therefore be subject to this fee. The precise calculation of the square footage applicable to the fee will be performed prior to the issuance of the building permit.

- Z. **Public Art (Section 429).** In the case of construction of a new building or addition of floor area in excess of 25,000 gsf to an existing building in a C-3 District, Section 429 requires a project to include works of art costing an amount equal to one percent of the construction costs of the building.

The Project estimates a construction cost of \$30,000,000, one percent of which is estimated to be \$300,000 dedicated to public art. The Project Sponsor will either pay the required one percent into the Public Artwork Trust Fund, contribute to on-site public artwork or a combination of the two. Any public art proposed to be provided on-site will be reviewed by the Planning Director for compliance with the requirements of the program. In addition, the proposal will then be presented to the Planning Commission at an information presentation. The Project will comply with the public art requirement pursuant to the Conditions of Approval.

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

The Project Sponsor has not executed yet a Memorandum of Understanding (MOU) with the City and County of San Francisco, as part of the First Source Hiring Program, however an affidavit for First Source Hiring Program – Section 83 was filed on May 28, 2015.

7. **Exceptions Requested Pursuant to Planning Code Section 309.** The Planning Commission has consider the following exceptions to the Planning Code, makes the following findings and grants each exception as further described below:

- A. **Section 134: Rear Yard—Lot Coverage.** Planning Code Section 134 requires a rear yard equal to 25% of the lot depth in C-3 districts. Section 249.33(b)(5) modifies the Section 134 rear yard

requirement in the Van Ness & Market Downtown Residential Special Use District (SUD) to require a maximum of 80% lot coverage and does not specify the required location of the rear yard. The criteria for granting a rear yard exception in the C-3 districts is set forth in Section 134(d): "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."

The proposed Project would cover 85% of the lot leaving 15% open to the sky. The Project design consists of two towers connected via a walkway and separated by an internal courtyard that allows for an increased unit count, meeting the intent of the Market and Octavia Area Plan and the Van Ness & Market Downtown Residential Specific Use District by maximizing density and intensity on lots in close proximity to significant transit centers and along major transit and bicycle corridors.

The design of the building holds the street walls along both Market Street and Oak Street, with more than half of the units looking out over these streets. An internal courtyard separates the two towers allowing light and air to the interior units with no interior units fronting a light well for light and air. All units are provided ample light and air.

The interior courtyard also provides light and air to adjacent properties and varies in width with the building articulation and design. The courtyard "pinches" in toward the pedestrian walkway and angles out toward the adjacent property line resulting in a tower separation of 25 feet 6 inches to 38 feet. The towers and courtyard are oriented east-west facing to maximize the light and air into the interior units and the floor plans are arranged such that bedrooms are located the furthest distance between the two towers. This courtyard will establish a pattern of mid-block open space, which is currently lacking on the subject block.

The configuration of the courtyard and the design of the elevations facing the courtyard provides articulation for all visible portions of the Project. The courtyard also helps to diffuse and divert ambient winds, minimizing potential wind hazards associated with development in the area.

For these reasons, an exception from the lot coverage provision is appropriate.

- B. **Section 148: Ground Level Wind.** Pursuant to Section 148, in C-3 Districts, buildings and additions to existing buildings shall be shaped, or other wind-baffling measures shall be adopted, so that the development will not cause ground-level wind currents to exceed more than 10 percent of the time year round, between 7:00 AM and 6:00 PM, the comfort level of 11 miles per hour equivalent wind speed in areas of substantial pedestrian use and seven miles per hour equivalent wind speed in public seating areas.

When pre-existing ambient wind speeds exceed the comfort level, or when a proposed building or addition may cause ambient wind speeds to exceed the comfort level, the building shall be designed to reduce the ambient wind speeds to meet the requirements. An exception may be granted, in accordance with the provisions of Section 309, allowing the

building or addition to add to the amount of time that the comfort level is exceeded by the least practical amount if (1) it can be shown that a building or addition cannot be shaped and other wind-baffling measures cannot be adopted to meet the foregoing requirements without creating an unattractive and ungainly building form and without unduly restricting the development potential of the building site in question, and (2) it is concluded that, because of the limited amount by which the comfort level is exceeded, the limited location in which the comfort level is exceeded, or the limited time during which the comfort level is exceeded, the addition is insubstantial.

No exception shall be granted and no building or addition shall be permitted that causes equivalent wind speeds to reach or exceed the hazard level of 26 miles per hour for a single hour of the year.

Wind tunnel tests were performed in March 2014 for the proposed project and results were provided to the Department via a Technical Memorandum prepared by RWDI Consulting Engineers & Scientists dated June 6, 2014, that is part of the Project record. Wind measurements were taken at 68 test points using a scale model of the Project Site and its immediate vicinity and the existing conditions test included existing buildings and the projects located at 1600 Market Street, 1401 Market Street, 1455 Market Street and 100 Van Ness Avenue, which were under construction at the time of the test.

Comfort Criterion

Under existing conditions, wind speeds meet the comfort criterion at 49 out of 68 test locations. Existing wind speeds average 10 miles per hour for all measurement locations and exceed the 11 miles per hour criterion 9% of the time on average. Wind speeds range from 5 to 17 miles per hour. With the Project, winds would meet the Section 148 pedestrian-comfort criterion at 27 out of the 68 test locations, an increase of 22 exceedances, with the average wind speed for all test locations increasing from 10 miles per hour to 12 miles per hour. Because the Project would not eliminate the existing exceedances and would create additional exceedances, an exception is required under Section 309.

An exception is justified under the circumstance because the project would only marginally increase wind speeds. The 11 miles per hour criterion would be exceeded 16% of the time on average and the wind speed range would increase by one mile per hour from 5 to 6 miles per hour with the maximum wind speed remaining at 17 miles per hour. Of the wind speed exceedances, two of the 41 locations are on the project site and 14 are in areas not frequented by pedestrians (roads and parking lots). The remaining 25 wind speed exceedances are on pedestrian walkways, but of those only 12 are new exceedances with the project eliminating two existing wind exceedances (sensor test points #11 and #13) in those locations.

The Project could not be designed in a manner that would affect wind conditions substantially enough to eliminate all the existing comfort exceedances and prevent the additional wind exceedances created by the Project without unduly restricting the site's development potential. For these reasons, an exception from the comfort criterion is appropriate.

Hazard Criterion

The wind study indicated that all test points currently meet the wind hazard criterion, and that the Project would not cause wind speeds to reach or exceed the hazard level. In the cumulative setting, one wind hazard condition would be created in the street along Market Street near the South Van Ness intersection. Cumulative wind hazards are not considered in determining Planning Code Section 148 compliance. Therefore, the Project would comply with the hazard criterion of Section 148.

- C. **Section 152.1: Loading.** Planning Code Section 152.1 requires one off-street loading space for residential uses between 100,001 and 200,000 square feet in the C-3 District. Retail uses less than 10,000 square feet are not required to provide any loading spaces. Two service-vehicle spaces may be provided in place of one full-sized loading space. The Project with a gross floor area of 146,803 square feet of residential space is required to provide one off-street freight loading space. The 5,010 square foot retail space does not require separate off-street loading spaces. As the Project is not providing an off-street freight loading space, an exception from Planning Code Section 152.1 is required, which may be granted by the Commission if the following findings are made:

- (1) Provision of freight loading and service vehicle spaces cannot be accomplished underground because site constraints will not permit ramps, elevators, turntable and maneuvering areas with reasonable safety;

The Project site is narrow (66 feet in width) which poses significant challenges to providing parking and loading in a below grade garage. The proposed below-grade parking is constrained and already utilizes space-efficient parking to accommodate the 28 off-street parking spaces. Between the balance of bicycle parking, mechanical space, and elevator/stair access, there is not sufficient room to maneuver a full-size freight loading truck within the below-grade garage.

- (2) Provision of the required number of freight loading and service vehicle spaces on-site would result in the use of an unreasonable percentage of ground-floor area, and thereby preclude more desirable use of the ground floor for retail, pedestrian circulation or open space uses;

Due to the limited street frontages and the curb cut restriction along Market Street, providing an off-street loading space on the ground floor would impact and degrade the pedestrian-oriented streetscape along Oak Street. The Oak Street frontage includes a retail space, the residential lobby and access to a bicycle stair that provides separate bike access to below grade bicycle parking. Off-street freight loading and service in this location would displace the retail and bike stair access resulting in over 60 percent of the Oak Street frontage used for vehicular purposes such as parking ingress/egress and loading.

- (3) A jointly used underground facility with access to a number of separate buildings and meeting the collective needs for freight loading and service vehicles for all uses in the buildings involved, cannot be provided; and,

The proposed Project is an independent, stand-alone development and does not share, or propose to share, any underground facilities with adjacent lots or structures.

- (4) Spaces for delivery functions can be provided at the adjacent curb without adverse effect on pedestrian circulation, transit operations or general traffic circulation, and off-street space permanently reserved for service vehicles is provided either on-site or in the immediate vicinity of the building.

A parking/loading zone carve-out currently exists along Market Street in front of the Project. This existing carve-out provides space for delivery functions for the Project. Hourly street parking currently exists along Oak Street. The Project would seek approval for an on-street loading zone for delivery functions along Oak Street in an existing curb cut area, and would not further reduce street parking or impact pedestrian circulation, transit operations, or general traffic circulation.

For these reasons, an exception from the off-street freight loading requirements is appropriate.

8. **General Plan Conformity.** The Project would affirmatively promote the following objectives and policies of the General Plan:

**HOUSING ELEMENT:
Objectives and Policies**

OBJECTIVE 1

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

Policy 1.1:

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

Policy 1.2

Focus housing growth and infrastructure-necessary to support growth according to community plans.

Policy 1.10:

Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

The Project is a high-density residential development in a transitioning area. This Project is immediately adjacent to the Van Ness MUNI station, and within convenient walking distance of the 16th Street and Civic Center BART stations. There are also abundant surface transportation options on both Market Street and Van Ness Avenue. Its proximity to transit makes it an important site within the Market Octavia Area Plan, which strongly emphasizes residential development near transit.

The Project site is an infill site that is vacant and previously occupied with non-residential uses. The project offers a full range of housing options including affordable housing on site.

OBJECTIVE 4

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

Policy 4.4:

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

OBJECTIVE 12

BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

Policy 12.1:

Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

The Project will add residential units to an area that is well-served by transit, services, and shopping opportunities. The Project Site is located within walking distance of the employment cluster of the Civic Center, and is in an area with abundant transit option routes that travel to the South of Market and Financial District areas. The Project includes a mix of studio, one-bedroom, and two-bedroom units in a range of sizes, to provide housing opportunities for various household types and socioeconomic groups within the neighborhood that would be offered as for-sale housing units. The required inclusionary affordable housing units would be provided on-site and would number 13 units based on the proposed 109 dwelling units

TRANSPORTATION ELEMENT
Objectives and Policies

OBJECTIVE 2:

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

Policy 2.1:

Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

The Project is located within an existing high-density urban context. The project area has a multitude of transportation options. The Project Site is along the Market Street transit spine, and thus would make good

use of the existing transit services available in this area and would assist in maintaining the desirable urban characteristics and services of the area.

URBAN DESIGN ELEMENT
Objectives and Policies

OBJECTIVE 3:

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.1:

Promote harmony in the visual relationships and transitions between new and older buildings.

Policy 3.6:

Relate the bulk of buildings to the prevailing scale of development to avoid an overwhelming or dominating appearance in new construction.

The Project would not dominate or otherwise overwhelm the area, as the project is designed in compliance with the bulk and height per zoning governing the entire block. With the construction of taller buildings proposed near the intersections of Market Street/Van Ness Avenue and Mission Street/Van Ness Avenue, the Project will provide an appropriate transition to the lower-scaled context of Hayes Valley and other areas to the west. The Project's contemporary design would allow the building to fit in context with buildings of comparable height and bulk. Existing buildings in the area are constructed in an eclectic mix of architectural styles, and no particular style dominates. However, the tripartite arrangement of the Project will create a dialogue with the forms and proportions of older buildings along Market Street.

MARKET AND OCTAVIA PLAN
Objectives and Policies

Policy 1.1.2:

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

Policy 1.2.2:

Maximize housing opportunities and encourage high-quality commercial spaces on the ground floor.

The Project is located within an existing high-density urban context and would convert underutilized retail and office buildings into high-density housing in an area that has a multitude of transportation options. The project includes a mix of studio, one and two bedroom units, and approximately 5,010 square feet of ground floor retail.

OBJECTIVE 2.2

**ENCOURAGE CONSTRUCTION OF RESIDENTIAL INFILL THROUGHOUT THE
PLAN AREA.**

Policy 2.2.2:

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

Policy 2.2.4:

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

The proposed project includes 109 dwelling units and approximately 5,010 square feet of ground floor retail on the first floor along both Market Street and Oak Street. The project includes a mix of studio, one and two bedroom units, which helps maintain the diversity of the housing stock in the city.

OBJECTIVE 5.1:

**IMPROVE PUBLIC TRANSIT TO MAKE IT MORE RELIABLE, ATTRACTIVE,
CONVENIENT, AND RESPONSIVE TO INCREASING DEMAND.**

Policy 5.1.2:

Restrict curb cuts on transit-preferential streets.

OBJECTIVE 5.2:

**DEVELOP AND IMPLEMENT PARKING POLICIES FOR AREAS WELL SERVED BY
PUBLIC TRANSIT THAT ENCOURAGE TRAVEL BY PUBLIC TRANSIT AND
ALTERNATIVE TRANSPORTATION MODES AND REDUCE TRAFFIC CONGESTION.**

Policy 5.2.3:

Minimize the negative impacts of parking on neighborhood quality.

OBJECTIVE 5.3:

**ELIMINATE OR REDUCE THE NEGATIVE IMPACT OF PARKING ON THE PHYSICAL
CHARACTER AND QUALITY OF THE NEIGHBORHOOD.**

Policy 5.3.1:

Encourage the fronts of buildings to be lined with active uses and, where parking is provided, require that it be setback and screened from the street.

Market Street has been identified as a transit-preferential street. As such, off-street parking access is provided on Oak Street to minimize impacts to pedestrians, transit service, bicycle movement and overall traffic movement on Market Street. All parking will be located below grade, thus improving the overall urban design of the Project. The street-level design of the Project provides mostly active uses including 5,010 square feet of retail along Market Street and Oak Street. A single 12 foot-curb cut is proposed along Oak Street.

9. **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 new residents in the Project will patronize area businesses, bolstering the viability of surrounding commercial establishments. In addition, the Project would include 5,010 square feet of retail space to provide goods and services to residents in the area, contribute to the economic vitality of the area, and define and activate the streetscape.

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

The project will not diminish existing housing stock, and will add 109 dwelling units in a manner that enhances the vitality of the neighborhood.

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

No housing is removed for this Project. A total of 13 affordable dwelling units will be provided on-site.

- D. That commuter traffic not impedes MUNI transit service or overburdens our streets or neighborhood parking.

A wide variety of goods and services are available within walking distance of the Project Site without reliance on private automobile use. In addition, the area is well-served by public transit, providing connections to all areas of the City and to the larger regional transportation network. All project parking will be provided below grade (mostly on stackers) and will not overburden neighborhood parking.

- 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, and does not propose any office development. The Project would replace three vacant retail, commercial and office buildings with 109

residential units. The Project will include 5,010 square feet of retail space that will provide employment opportunities for area residents.

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

The Project is designed and will be constructed to conform to the structural and seismic safety requirements of the City Building Code.

- G. That landmarks and historic buildings be preserved.

The Project would demolish two historic resources (1546-1550 Market Street and 55 Oak Street) to make way for a new construction project. These existing buildings are not landmarks. The adverse impact of the project on the historic resources has been fully analyzed in the Project's FEIR. While the Project proposes demolition of the existing buildings, the Project would increase the City's needed housing supply by 109 units, including 13 integrated on-site affordable units. Various project alternatives were evaluated to preserve one or both of the historic resources; however, under either alternative a resource would still be considered removed for the purposes of CEQA, and either alternative was determined to be financially infeasible and not meet the project objectives.

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

The Project will not cast net new shadows or impede views for parks and open spaces in the area, nor have any negative impact on existing public parks and open spaces. A shadow analysis determined that the Project would not cast net new shadow any open space under the jurisdiction of, or designated to be acquired by the Recreation and Park Commission.

10. 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.
11. Environmental Findings. The Commission adopted findings under CEQA, including adoption of the MMRP and a Statement of Overriding Considerations, in its Motion No. _____. These findings are incorporated in to this approval action as though fully set forth herein.
12. The Commission hereby finds that approval of this Section 309 Authorization including exceptions 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 Downtown Project Authorization Application No. 2012.0877ECVX** pursuant to Planning Code Section 309, subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated June 25, 2015, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission hereby adopts the MMRP attached to the CEQA Findings Motion No. XXXXX as Exhibit B and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the Market and Octavia Area Plan EIR and contained in the MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Downtown Project Authorization to the Board of Appeals within fifteen (15) days after the date of this Motion. The effective date of this Motion shall be the date of this Motion if not appealed OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals in person at 1650 Mission Street, Room 304 or call (415) 575-6880.

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

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

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on June 25, 2015.

Draft Motion
June 25, 2015

CASE NO. 2012.0877ECVX
1546-1564 Market Street

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: June 25, 2015

EXHIBIT A

AUTHORIZATION

This authorization is for a Downtown Project Authorization pursuant to Planning Code Section 309, with exceptions to the requirements for ground level wind currents (Section 148), rear yard—lot coverage (Sections 134 and 249.33), and off-street loading (Sections 152.1 and 161(f)), for a project to demolish three existing structures and construct a 120-foot, 12-story building containing approximately 109 dwelling units, 5,010 square feet of ground floor retail, and 28 off-street parking spaces, for a project located at 1546-1564 Market Street, Lots 006 and 007 in Assessor Block 0836, within the C-3-G Zoning District, the Van Ness and Market Residential Special Use District, and the 120-R-2 Height and Bulk District; in general conformance with plans, dated June 25, 2015, and stamped "EXHIBIT B" included in the docket for Case No. 2012.0877X, and subject to conditions of approval reviewed and approved by the Commission on June 25, 2015 under Motion No XXXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on June 25, 2015 under Motion No XXXXXX.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. XXXXXX shall be reproduced on the Index Sheet of construction plans submitted with the site or building permit application for the Project. The Index Sheet of the construction plans shall reference to the 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

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

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

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

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

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

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

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

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

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

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

Additional Project Authorization. The Project Sponsor must obtain a Conditional Use authorization under Sections 124(f) and 303 to allow additional square footage above the base Floor Area Ratio by providing on-site affordable dwelling units. In addition, the Project Sponsor must obtain Variances from the requirements for dwelling unit exposure (Section 140) and ground-floor ceiling heights for non-residential uses (Section 145.1). The Project Sponsor must satisfy all the conditions thereof. The conditions

set forth below are additional conditions required in connection with the Project. If these conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply.

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

Mitigation Measures. Mitigation measures described in the MMRP attached as Exhibit B to CEQA Findings Motion No. XXXXX are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor. Their implementation is a condition of project approval.

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

Improvement Measures. Improvement measures described in the MMRP attached as Exhibit B to CEQA Findings Motion No. XXXXX are conditions of project approval, and are incorporated herein by reference as though fully set forth.

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

DESIGN – COMPLIANCE AT PLAN STAGE

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

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

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

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

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

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

Streetscape Plan. Pursuant to Planning Code Section 138.1, the Project Sponsor shall continue to work with Planning Department staff, in consultation with other City agencies, to refine the design and

programming of the Streetscape Plan so that the plan generally meets the standards of the Better Streets Plan and all applicable City standards. The Project Sponsor shall complete final design of all required street improvements, including procurement of relevant City permits, prior to issuance of first architectural addenda, and shall complete construction of all required street improvements prior to issuance of first temporary certificate of occupancy.

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

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

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

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

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

Overhead Wiring. The Property owner will allow MUNI to install eyebolts in the building adjacent to its electric streetcar line to support its overhead wire system if requested by MUNI or MTA.

For information about compliance, contact San Francisco Municipal Railway (Muni), San Francisco Municipal Transit Agency (SFMTA), at 415-701-4500, www.sfmta.org

Noise, Ambient. Interior occupiable spaces shall be insulated from ambient noise levels. Specifically, in areas identified by the Environmental Protection Element, Map1, "Background Noise Levels," of the General Plan that exceed the thresholds of Article 29 in the Police Code, new developments shall install and maintain glazing rated to a level that insulate interior occupiable areas from Background Noise and comply with Title 24.

For information about compliance, contact the Environmental Health Section, Department of Public Health at (415) 252-3800, www.sfdph.org

Street Trees. Pursuant to Planning Code Section 138.1 (formerly 143), the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application

indicating that street trees, at a ratio of one street tree of an approved species for every 20 feet of street frontage along public or private streets bounding the Project, with any remaining fraction of 10 feet or more of frontage requiring an extra tree, shall be provided. The street trees shall be evenly spaced along the street frontage except where proposed driveways or other street obstructions do not permit. The exact location, size and species of tree shall be as approved by the Department of Public Works (DPW). In any case in which DPW cannot grant approval for installation of a tree in the public right-of-way, on the basis of inadequate sidewalk width, interference with utilities or other reasons regarding the public welfare, and where installation of such tree on the lot itself is also impractical, the requirements of this Section 428 may be modified or waived by the Zoning Administrator to the extent necessary.

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

PARKING AND TRAFFIC

Parking for Affordable Units. All off-street parking spaces shall be made available to Project residents only as a separate “add-on” option for purchase or rent and shall not be bundled with any Project dwelling unit for the life of the dwelling units. The required parking spaces may be made available to residents within a quarter mile of the project. All affordable dwelling units pursuant to Planning Code Section 415 shall have equal access to use of the parking as the market rate units, with parking spaces priced commensurate with the affordability of the dwelling unit. Each unit within the Project shall have the first right of refusal to rent or purchase a parking space until the number of residential parking spaces are no longer available. No conditions may be placed on the purchase or rental of dwelling units, nor may homeowner’s rules be established, which prevent or preclude the separation of parking spaces from dwelling units.

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

Car Share. Pursuant to Planning Code Section 166, no fewer than one car share space shall be made available, at no cost, to a certified car share organization for the purposes of providing car share services for its service subscribers.

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

Bicycle Parking Pursuant to Planning Code Sections 155.1, 155.2, and 155.3, the Project shall provide no fewer than 102 Class 1 bicycle parking spaces and seven Class 2 bicycle parking spaces.

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

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

Parking Maximum. Pursuant to Planning Code Section 151.1, the Project shall provide no more than 27 off-street parking spaces to serve the residential uses.

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

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

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

PROVISIONS

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

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

Transit Impact Development Fee. Pursuant to Planning Code Section 411, the Project Sponsor shall pay the Transit Impact Development Fee (TIDF) as required by and based on drawings submitted with the Building Permit Application. Prior to the issuance of a temporary certificate of occupancy, the Project Sponsor shall provide the Planning Director with certification that the fee has been paid.

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

Inclusionary Affordable Housing Program.

1. **Number of Required Units.** Pursuant to Planning Code Section 415.6, the Project is required to provide 12% of the proposed dwelling units as affordable to qualifying households. The Project contains 109 units; therefore, 13 affordable units are required. The Project Sponsor will fulfill this requirement by providing the 13 affordable units on-site. If the number of market-rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing and Community Development ("MOHCD").

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

2. **Unit Mix.** The Project contains 11 studios, 74 one-bedroom, and 24 two-bedroom units; therefore, the required affordable unit mix is 1 studio, 9 one-bedroom, and 3 two-bedroom units. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOHCD.

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

3. **Unit Location.** The affordable units shall be designated on a reduced set of plans recorded as a Notice of Special Restrictions on the property prior to the issuance of the first construction permit.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.
4. **Phasing.** If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than twelve percent (12%) of the each phase's total number of dwelling units as on-site affordable units.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.
5. **Duration.** Under Planning Code Section 415.8, all units constructed pursuant to Section 415.6, must remain affordable to qualifying households for the life of the project.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.
6. **Other Conditions.** The Project is subject to the requirements of the Inclusionary Affordable Housing Program under Section 415 et seq. of the Planning Code and City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual"). The Procedures Manual, as amended from time to time, is incorporated herein by reference, as published and adopted by the Planning Commission, and as required by Planning Code Section 415. Terms used in these conditions of approval and not otherwise defined shall have the meanings set forth in the Procedures Manual. A copy of the Procedures Manual can be obtained at the MOHCD at 1 South Van Ness Avenue or on the Planning Department or MOHCD websites, including on the internet at: <http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451>. As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.
 - a. The affordable unit(s) shall be designated on the building plans prior to the issuance of the first construction permit by the Department of Building Inspection ("DBI"). The affordable unit(s) shall (1) reflect the unit size mix in number of bedrooms of the market rate units, (2) be constructed, completed, ready for occupancy and marketed no later than the market rate units, and (3) be evenly distributed throughout the building; and (4) be of comparable overall quality, construction and exterior appearance as the market rate units in the principal project. The interior features in affordable units should be generally the same as those of the market units in the principal project, but need not be the same make, model or type of such item as

- long they are of good and new quality and are consistent with then-current standards for new housing. Other specific standards for on-site units are outlined in the Procedures Manual.
- b. If the units in the building are offered for sale, the affordable unit(s) shall be sold to first time home buyer households, as defined in the Procedures Manual, whose gross annual income, adjusted for household size, does not exceed an average of ninety (90) percent of Area Median Income under the income table called "Maximum Income by Household Size derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that contains San Francisco." The initial sales price of such units shall be calculated according to the Procedures Manual. Limitations on (i) reselling; (ii) renting; (iii) recouping capital improvements; (iv) refinancing; and (v) procedures for inheritance apply and are set forth in the Inclusionary Affordable Housing Program and the Procedures Manual.
 - c. The Project Sponsor is responsible for following the marketing, reporting, and monitoring requirements and procedures as set forth in the Procedures Manual. MOHCD shall be responsible for overseeing and monitoring the marketing of affordable units. The Project Sponsor must contact MOHCD at least six months prior to the beginning of marketing for any unit in the building.
 - d. Required parking spaces shall be made available to initial buyers or renters of affordable units according to the Procedures Manual.
 - e. Prior to the issuance of the first construction permit by DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that contains these conditions of approval and a reduced set of plans that identify the affordable units satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOHCD or its successor.
 - f. The Project Sponsor has demonstrated that it is eligible for the On-site Affordable Housing Alternative under Planning Code Section 415.6 instead of payment of the Affordable Housing Fee, and has submitted the *Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415* to the Planning Department stating that any affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the Project.
 - g. If the Project Sponsor fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Section 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all available remedies at law.

- h. If the Project becomes ineligible at any time for the On-site Affordable Housing Alternative, the Project Sponsor or its successor shall pay the Affordable Housing Fee prior to issuance of the first construction permit or may seek a fee deferral as permitted under Ordinances 0107-10 and 0108-10. If the Project becomes ineligible after issuance of its first construction permit, the Project Sponsor shall notify the Department and MOHCD and pay interest on the Affordable Housing Fee and penalties, if applicable.

Market Octavia Affordable Housing Fee. Pursuant to Planning Code Section 416, the Project Sponsor shall comply with the Market Octavia Affordable Housing requirements through payment of the Market Octavia Affordable Housing Fee in full to the Treasurer, prior to the issuance by Department of Building Inspection of the first certificate of occupancy for the development project.

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

Market Octavia Community Improvements Fund. Pursuant to Planning Code Section 421, the Project Sponsor shall comply with the Market Octavia Community Improvements Fund provisions through payment of an Impact Fee in full to the Treasurer, or the execution of a Waiver Agreement, or an In-Kind agreement approved as described per Planning Code Section 421 (formerly 326) prior to the issuance by Department of Building Inspection of the construction document for the development project.

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

Market and Octavia – Van Ness & Market Street Affordable Housing Fee. Pursuant to Planning Code 424.3, the Project Sponsor shall pay the Van Ness Market Street Affordable Housing Fee or execute an In-Kind Agreement with the Planning Department prior to issuance of the first construction document.

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

Art - Residential Projects. Pursuant to Planning Code Section 429, the Project Sponsor must either provide on-site artwork, pay into the Public Artworks Fund; or fulfill the requirement with any combination of on-site artwork or fee payment as long as it equals one percent of the hard construction costs for the Project as determined by the Director of the Department of Building Inspection. The Project Sponsor shall provide to the Director necessary information to make the determination of construction cost hereunder. Payment into the Public Artworks Fund is due prior to issuance of the first construction document.

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

MONITORING - AFTER ENTITLEMENT

Enforcement. Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or

Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

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

Revocation due to Violation of Conditions. Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

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

OPERATION

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

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

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

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

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



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

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

Planning Commission Draft Motion Conditional Use Authorization

HEARING DATE: JUNE 25, 2015

Date: June 11, 2015
Case No.: **2012.0877ECVX**
Project Address: **1546-1564 MARKET STREET**
Zoning: C-3-G (Downtown General)
Van Ness & Market Downtown Residential Special Use District
120-R-2 Height and Bulk District
Area Plan: Market and Octavia
Block/Lot: 0836/006 and 007
Project Sponsor: Jessie Stuart
Trumark Urban
90 New Montgomery Street, STE 750
San Francisco, CA 94103
Staff Contact: Kevin Guy – (415) 558-6163
kevin.guy@sfgov.org

ADOPTING FINDINGS GRANTING CONDITIONAL USE AUTHORIZATION PURSUANT TO PLANNING CODE SECTIONS 303, 124(F) TO ALLOW ADDITIONAL SQUARE FOOTAGE ABOVE THE BASE FLOOR AREA RATIO FOR DWELLING UNITS THAT WILL BE AFFORDABLE FOR A MINIMUM OF 20 YEARS TO HOUSEHOLDS WHOSE INCOMES ARE WITHIN 150 PERCENT OF THE MEDIAN INCOME, FOR A PROJECT TO DEMOLISH THREE EXISTING STRUCTURES AND CONSTRUCT A 120-FOOT, 12-STORY BUILDING CONTAINING APPROXIMATELY 109 DWELLING UNITS, 5,010 SQUARE FEET OF GROUND FLOOR RETAIL, AND 28 OFF-STREET PARKING SPACES, LOCATED AT 1546-1564 MARKET STREET WITHIN THE C-3-G (DOWNTOWN GENERAL) ZONING, 120-R-2 HEIGHT AND BULK DISTRICT, AND THE VAN NESS & MARKET DOWNTOWN RESIDENTIAL SPECIAL USE DISTRICT (SUD), AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On June 19, 2013, Jessie Stuart on behalf of Trumark Urban ("Project Sponsor") filed Application No. 2012.877X ("Application") with the Planning Department ("Department") for a Downtown Project Authorization pursuant to Planning Code Section ("Section") 309, with exceptions to the requirements for ground level wind currents (Section 148), rear yard—lot coverage (Sections 134 and 249.33), and off-street loading (Sections 152.1 and 161(f)), for a project to demolish three existing structures and construct a 120-foot, 12-story building containing approximately 109 dwelling units, 5,010 square feet of ground floor retail, and 28 off-street parking spaces ("Project"), located at 1546-1564 Market Street within the C-3-G Zoning District, the 120-R-2 Height And Bulk District, and the Van Ness & Market Downtown Residential Special Use District (SUD) ("Project Site").

On January 3, 2015, the Project Sponsor submitted a request for Conditional Use Authorization, pursuant to Sections 124(f) and 303, to allow additional square footage above the base floor area ratio for the development of on-site affordable dwelling units within the Project (Application No. 2012.877C).

On May 11, 2015, the Project Sponsor submitted a request for Variances from the requirements for dwelling unit exposure (Section 140) and minimum floor-to-floor heights for non-residential uses (Section 145.1), in association with the Project (Application No. 2012.0877V).

The Project is within the Market and Octavia Plan area, the environmental impacts of which were examined in the Market and Octavia Programmatic EIR (Market and Octavia PEIR). The Planning Commission (hereafter referred to as "Commission") certified the Market and Octavia PEIR on April 5, 2007.

Section 15183 of the CEQA Guidelines provides an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR has been certified, except as may be necessary to examine whether any project-specific effects are peculiar to the project or project site. Under this exemption, examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in the prior EIR for the underlying zoning or plan; c) are potentially significant off-site or cumulative impacts that were not discussed in the underlying EIR; or d) were previously identified as significant effects in the underlying EIR, but that have been determined to have a more severe adverse impact than that discussed in the underlying EIR.

Because this Project is within the Market and Octavia Plan Area, a Community Plan Exemption ("CPE") Checklist was prepared for the project to analyze whether it would result in any peculiar, project specific environmental effects that were not sufficiently examined in the Market and Octavia PEIR. The CPE Checklist (Appendix A to the Draft EIR) concluded that with the exception of historic architectural resources, the proposed project would not result in any new significant environmental impacts or impacts of greater severity than were analyzed in the Market and Octavia PEIR. Thus, a focused EIR was prepared to examine the Project's potential impacts on historic architectural resources.

On January 7, 2015, the Department published a draft Environmental Impact Report (EIR) for the Project for public review. The draft EIR was available for public comment until February 23, 2015. On February

12, 2015, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to solicit comments regarding the draft EIR. On June 10, 2015 the Department published a Comments and Responses document, responding to comments made regarding the draft EIR prepared for the Project

The Commission reviewed and considered the Final Environmental Impact Report (FEIR) for the Project and found the contents of said report and the procedures through which the FEIR was prepared, publicized and reviewed complied with the California Environmental Quality Act (Public Resources Code section 21000 et seq.) ("CEQA"), the CEQA Guidelines (14 Cal. Code Reg. section 15000 et seq.), and Chapter 31 of the San Francisco Administrative Code.

The Commission found the FEIR was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Planning Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and certified the Final EIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31 by its Motion No. XXXXX. The Commission, in certifying the FEIR, found that the project described in the FEIR will have the following significant and unavoidable environmental impacts: (1) the demolition of the existing building located at 1554-1564 Market Street will cause a substantial adverse change in the significance of historic architectural resources; and (2) the demolition of the existing building located at 55 Oak Street will cause a substantial adverse change in the significance of historic architectural resources.

Planning Department staff prepared a Mitigation Monitoring and Reporting Program (MMRP) setting forth mitigation measures that were identified in the Market and Octavia Area Plan EIR that are applicable to the project. These mitigation measures are set forth in their entirety in the MMRP attached to the CEQA Findings Motion No. XXXXX as Exhibit B.

The Planning Department, Jonas P. Ionin, is the custodian of records for the Planning Department materials, located in the File for Case No. 2012.0877E, at 1650 Mission Street, Fourth Floor, San Francisco, California.

On June 25, 2015, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Authorization Application No. 2012.0877ECVX.

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

MOVED, that the Commission hereby approves the Conditional Use authorization to allow additional square footage above the base floor area ratio for dwelling units that will be affordable for a minimum of 20 years to households whose incomes are within 150 percent of the median income requested in Application No. 2012.0877ECVX, 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 site is located on two lots totaling 12,565 square feet on the north side of Market Street between Van Ness Avenue and Franklin Street. Lot 006 is a 2,074 square foot lot with frontage along Market Street. Lot 007 is a 10,491 square foot lot with frontages along Market Street and Oak Street.

Lot 006 is occupied by a three-story reinforced concrete building (1546-1550 Market Street) that was constructed in 1912. It is generally rectangular in plan, has a flat roof, and is clad in stucco. The building was originally constructed as a multi-family residential building with ground-floor commercial. The residential units at 1550 Market Street were subsequently converted to office uses. The ground floor commercial at 1546 Market Street most recently used as a retail liquor store.

Lot 007 is occupied by a one-story brick building along Market Street (1554-1564 Market Street) and a one-story-plus-mezzanine reinforced concrete building along Oak Street (55 Oak Street). The building at 1554-1564 Market Street was constructed in 1907 and is a one-story brick commercial building with two bays, recessed entries and a single store-front in each bay. 1554 Market Street was most recently occupied by a gallery and 1564 Market Street was most recently occupied by an antiques store. The building at 55 Oak Street was built circa 1920 and is rectangular in plan with a flat roof, and clad in stucco and concrete. The building was designed as an automobile repair shop and most recently was occupied by automobile repair uses.

1554-1564 Market Street and 55 Oak Street are considered historic resources under CEQA. All the buildings on the project site are currently vacant.

3. **Surrounding Properties and Neighborhood.** The project site is at the edge of the Downtown/Civic Center neighborhood and adjacent to the South of Market neighborhood, within the Market and Octavia Area Plan. The surrounding mixed-use area contains diverse building types and uses. The project site is approximately four blocks south/southwest of the Civic Center, which includes City Hall and other government buildings and the performing arts complex, which includes Davies Symphony Hall, the Opera House, and Herbst Theater.

Surrounding land uses include commercial/hotel/office/retail, industrial, residential, and parking lots and immediately adjacent land uses include a surface parking lot to the west, and office uses to the east. Other uses on the same block include additional surface parking lots, an automotive repair shop, a mixed-use residential building with ground-floor retail, and a café with office above. Immediately across Market Street from the project site is a car dealership at 1535-1599 Market Street (SF Honda) and a single-room occupancy hotel and immediately across Oak Street from the project site are offices uses, the Conservatory of Music, and a surface parking lot.

The project site is located within the C-3-G Zoning District, the Van Ness and Market Downtown Residential Special Use District, and within the Market and Octavia and Downtown Area Plans. The C-3-G Zoning District covers the western portions of downtown and is composed of a variety of uses: retail, offices, hotels, entertainment, institutions, and high-density residential. Many of these uses have a Citywide or regional function. The intensity of development in the area is currently lower than the downtown core area, however, a number of intense mixed-use development projects are anticipated for the immediate area, including the nearly completed 100 Van Ness Avenue project, 150 Van Ness Avenue, 30 Van Ness Avenue, 1540 Market Street, 1 Franklin Street, 10 South Van Ness Avenue, the Goodwill property at 1500-1580 Mission Street, and 1601 Mission Street.

The Van Ness & Market Downtown Residential Special Use District is comprised of the parcels zoned C-3-G in the Market Octavia Area Plan. This district is generally comprised of parcels focused at the intersections of Van Ness Avenue at Market Street and South Van Ness Avenue at Mission Street, along with parcels on both sides of Market and Mission Streets between 10th and 12th Streets. This district is intended to be a transit-oriented, high-density, mixed-use neighborhood with a significant residential presence. This area is encouraged to transition from largely a back-office and warehouse support function into a more cohesive downtown residential district, and serves as a transition zone to the lower scale residential and neighborhood commercial areas to the west. A notable amount of large citywide commercial and office activity will remain in the area, including government offices supporting the Civic Center and City Hall. This area was initially identified in the Downtown Plan of the General Plan as an area to encourage housing adjacent to the downtown. As part of the city's Better Neighborhoods Program, this concept was fully articulated in the Market and Octavia Area Plan.

4. **Project Description:** The Project proposes demolition of the three existing buildings and new construction of a 120 foot, 12-story building with approximately 109 dwelling units and 5,010 square feet of ground floor retail fronting on Oak Street and Market Street. Off-street parking for 28 vehicles and one car share vehicle and 136 Class 1 bicycle parking spaces is provided in the basement level. Basement access is provided from Oak Street via a 12-foot single lane vehicular ingress/egress along the western property line, as well as a bike stair along the eastern property line. Eight Class 2 bicycle parking spaces are provided along Oak Street and Market Street. The project includes a mix of 11 studio units, 74 one-bedroom units, and 24 two-bedroom units. The project is arranged as two masses situated around a central courtyard and connected via a series of bridges.
5. **Public Comment.** As of May 29, 2015, the Department has received nine (9) letters of support for the proposed project from the following organizations:
 - Hayes Valley Neighborhood Association –Transportation and Planning Committee
 - Civic Center Community Benefit District
 - San Francisco Housing Action Coalition
 - SPUR

- Larkin Street Youth Services
- Market on Market
- Carpenters Union
- IBEW Local 6
- Sheetmetal Workers' Local Union 104

6. **Planning Code Compliance.** The Planning Code Compliance Findings set forth in Motion No. XXXXX, Case No. 2012.0877X (Downtown Project Authorization, pursuant to Planning Code Section 309) apply to this Motion, and are incorporated herein as though fully set forth. The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:

A. **Floor Area Ratio (Section 124).** The floor area ratio (FAR) limit as defined by Planning Code Section 124 for the Downtown General District is 6.0 to 1. Section 124(f) provides that in C-3-G Districts, additional square footage above the base FAR of 6.0 to 1 may be approved through Conditional Use authorization for the construction of dwelling units affordable for 20 years to households whose incomes are within 150 percent of the median income, as defined in Section 124(f).

In the C-3-G District, the maximum floor area may be increased to 1.5 times the base floor area limit of 6.0 to 1 to 9.0 to 1. In the Van Ness & Market Downtown Residential Special Use District any increment of FAR above the base FAR and up to the maximum FAR requires payment into the Citywide Affordable Housing Fund per additional gross square foot for that increment of FAR above the base FAR (Sec. 249.33). FAR above 9:1 can be allowed through payment of the Van Ness & Market Neighborhood Infrastructure Fee.

With a site area 12,5656, the base FAR of 6.0 allows a building measuring 75,390 gsf on the Project Site. The project proposes an 115,900 gsf structure yielding an FAR of 9.2 to 1.0. Square footage from certain features (such as mechanical functions, lobby, and parking) can be excluded from the calculation of Gross Floor Area.

The Project requests Conditional Use Authorization for additional floor area above the base FAR for on-site affordable units. Based on the current location and size of these units, approximately 10,749 gsf of additional floor area above the base FAR would be allowed through the requested Conditional Use authorization. This will facilitate the provision of on-site inclusionary housing units for the Project, rather than meeting the inclusionary housing requirement through off-site units or through the payment of an in-lieu fee. Section 124(f) requires the units to be affordable for a minimum of 20 years to households whose incomes are within 150 percent of the median income. The on-site affordable units will satisfy the inclusionary housing requirements of Section 415, which require inclusionary rental units to be permanently affordable to households whose incomes are within 55 percent of the area median income or ownership units to be permanently affordable to households whose incomes are within 90 percent of the median income. Thus, the Project's inclusionary units will be more affordable than the requirements set forth in Section 124(f).

To satisfy the Citywide Affordable Housing Fund pursuant to Planning Code Sections 249.33(b)(6) and 424, the Project will be required to pay \$36.41 (the 2015 fee amount) per additional gross square foot over the base FAR, not including the on-site inclusionary housing floor area, or 29,761 square feet.

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

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

The Project is necessary and desirable for the neighborhood because it will revitalize an underutilized site with currently vacant commercial buildings with a residential development providing 109 units of housing. Severe competition for existing housing is creating the greatest pressure on the supply of housing affordable to households of lower and moderate income. The 13 on-site affordable units will add to that supply in a neighborhood with numerous transit options.

Providing a total of 109 dwelling units in the area will assist in alleviating the City's housing shortage for numerous families and smaller households. The addition of residents will enliven the area throughout the day and evening, strengthen the customer base of retail uses in the neighborhood, and generate a substantial amount of pedestrian activity throughout the area, resulting in a safer neighborhood. The active residential uses at the ground floor and public realm improvements along the public rights-of-way will create a vibrant focal point for the area, activating the streetscape and creating visual interest for pedestrians at a prominent site location. The Project is compatible with the neighborhood and community in terms of use and scale, and offers residents access to important amenities and support services.

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

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

The Project Site consists of two lots that would be merged to create a single, long and narrow thru-lot fronting along both Oak Street and Market Street. Currently, one of the lots (Lot 006) fronts only on Market Street and merging the lot with Lot 007 creates a uniform pattern of development on the block. The size and shape of the site is adequate for accommodating a high-density residential development. The height and overall massing of the Project is appropriate for the site and the neighborhood. The Project has been arranged as two masses situated around a central courtyard, holding the street wall along Market Street and Oak Street, establishing a pattern of mid-block open space, and providing adequate light and air to each of the proposed

dwelling units. To maximize common open space on the site, the Project provides a large roof deck terrace and an inner court. The structure meets the Design Principles of the Market & Octavia Area Plan and compliments the office, civic, and institutional nature of the neighborhood. With Conditional Use Authorization for the additional square footage for the inclusionary units the size, shape, and arrangement of the structures on the site will be able to accommodate the Project as proposed.

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

The Project Site is located within an urban context, where convenience goods and services are available within walking distance. Given the proximity of multiple public transit alternatives (BART, Golden Gate Transit, MUNI, and SamTrans), the on-site bicycle parking and on-site car share, the Project will provide an adequate amount of parking (27 residential spaces plus one car-share for 109 dwelling units in a below-grade garage – a ratio of 0.25:1) to be accessed from Oak Street, which is the maximum amount of parking permitted by Section 151.1.

The Project proposes an on-street loading zone along Oak Street, subject to approval by SFMTA, for delivery functions in an existing curb cut area and would not further reduce street parking or impact pedestrian circulation, transit operations or general traffic circulation. A parking/loading zone carve-out currently exists along Market Street in front of the Project that would be maintained and provides additional space for delivery functions for the Project.

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

The Project, which is predominantly residential in nature, will not emit any noxious odors or other offensive emissions. While some temporary increases in noise can be expected during construction, this noise is limited in duration and will be regulated by the San Francisco Noise Ordinance which prohibits excessive noise levels from construction activity and limits the permitted hours of work. During construction, appropriate measures will be taken to minimize dust and noise as required by the Building Code and any measures set forth in the Project's FEIR. All window glazing will comply with the Planning Code and relevant design guidelines to eliminate or reduce glare.

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

The Project includes street trees along Oak Street and protection and preservation of existing street trees along Market Street, as well as trees and other vegetation which would be located in the interior courtyard and roof top terrace. The Project provides for two (2) private open spaces in the form of terraces and a total of 5,136 sf of common open space in the roof. The open space

provided as an inner court and located on the ground floor does not meet code requirements, but is additional open area.

The garage is below grade and is screened from view. All proposed lighting and signage will comply with the requirements of the Planning Code and be typical to residential projects. The detailed lighting and signage plans would be subject to future review and approval by the Planning Department.

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

The Project complies with the applicable sections of the Code. The residential uses contemplated for the Project are permitted within the C-3-G District. The Project complies with use and density requirements. The Project Site is well-served by transit and commercial services, allowing residents to commute, shop and reach amenities by walking, transit and bicycling. The Project conforms to multiple goals and policies of the General Plan, as described in further detail in Item 8, General Plan Consistency.

8. **General Plan Consistency.** The General Plan Consistency Findings set forth in Motion No. XXXXX, Case No. 2012.0877X (Downtown Project Authorization, pursuant to Planning Code Section 309) apply to this Motion, and are incorporated herein as though fully set forth.

9. **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 new residents in the Project will patronize area businesses, bolstering the viability of surrounding commercial establishments. In addition, the Project would include 5,010 square feet of retail space to provide goods and services to residents in the area, contribute to the economic vitality of the area, and define and activate the streetscape.

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

The project will not diminish existing housing stock, and will add 109 dwelling units in a manner that enhances the vitality of the neighborhood.

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

No housing is removed for this Project. A total of 13 affordable dwelling units will be provided on-site.

- A. That commuter traffic not impedes MUNI transit service or overburdens our streets or neighborhood parking.

A wide variety of goods and services are available within walking distance of the Project Site without reliance on private automobile use. In addition, the area is well-served by public transit, providing connections to all areas of the City and to the larger regional transportation network. All project parking will be provided below grade (mostly on stackers) and will not overburden neighborhood parking.

- B. 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, and does not propose any office development. The Project would replace three vacant retail, commercial and office buildings with 109 residential units. The Project will include 5,010 square feet of retail space that will provide employment opportunities for area residents.

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

The Project is designed and will be constructed to conform to the structural and seismic safety requirements of the City Building Code.

- D. That landmarks and historic buildings be preserved.

The Project would demolish two historic resources (1546-1550 Market Street and 55 Oak Street) to make way for a new construction project. These existing buildings are not landmarks. The adverse impact of the project on the historic resources has been fully analyzed in the Project's FEIR. While the Project proposes demolition of the existing buildings, the Project would increase the City's needed housing supply by 109 units, including 13 integrated on-site affordable units. Various project alternatives were evaluated to preserve one or both of the historic resources; however, under either alternative a resource would still be considered removed for the purposes of CEQA, and either alternative was determined to be financially infeasible and not meet the project objectives.

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

The Project will not cast net new shadows or impede views for parks and open spaces in the area, nor have any negative impact on existing public parks and open spaces. A shadow analysis determined that the Project would not cast net new shadow any open space under the jurisdiction of, or designated to be acquired by the Recreation and Park Commission.

10. Environmental Findings. The Commission adopted findings under CEQA, including adoption of the MMRP and a Statement of Overriding Considerations, in its Motion No. _____. These findings are incorporated in to this approval action as though fully set forth herein.
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 this Conditional Use Authorization would promote the health, safety, and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Authorization Application No. 2012.0877ECVX** pursuant to Planning Code Sections 124(f) and 303, subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated June 25, 2015, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission hereby adopts the MMRP attached to the CEQA Findings Motion No. XXXXX as Exhibit B and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the Market and Octavia Area Plan EIR and contained in the MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. XXXX. 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 June 25, 2015.

Jonas P. Ionin
Commission Secretary

Draft Motion
June 25, 2015

CASE NO. 2012.0877ECVX
1546-1564 Market Street

AYES:

NAYS:

ABSENT:

ADOPTED: June 25, 2015

EXHIBIT A

AUTHORIZATION

This authorization is for a Conditional Use Authorization under Planning Code Sections 124(f) and 303 to allow additional square footage above the base floor area ratio for the development of on-site affordable dwelling units within the Project, for a project to demolish three existing structures and construct a 120-foot, 12-story building containing approximately 109 dwelling units, 5,010 square feet of ground floor retail, and 28 off-street parking spaces, for a project located at 1546-1564 Market Street, Lots 006 and 007 in Assessor Block 0836, within the C-3-G Zoning District, the Van Ness and Market Residential Special Use District, and the 120-R-2 Height and Bulk District; in general conformance with plans, dated June 25, 2015, and stamped "EXHIBIT B" included in the docket for Case No. 2012.0877C, and subject to conditions of approval reviewed and approved by the Commission on June 25, 2015 under Downtown Project Authorization Motion No XXXXXX (2012.0877X). This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

COMPLIANCE WITH OTHER REQUIREMENTS

The Conditions of Approval set forth in Exhibit A of Motion No. XXXX, Case No. 2012.0877X (Downtown Project Authorization under Planning Code Section 309) apply to this approval, and are incorporated herein as though fully set forth, except as modified herein.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on June 25, 2015 under Motion No. XXXX.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

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

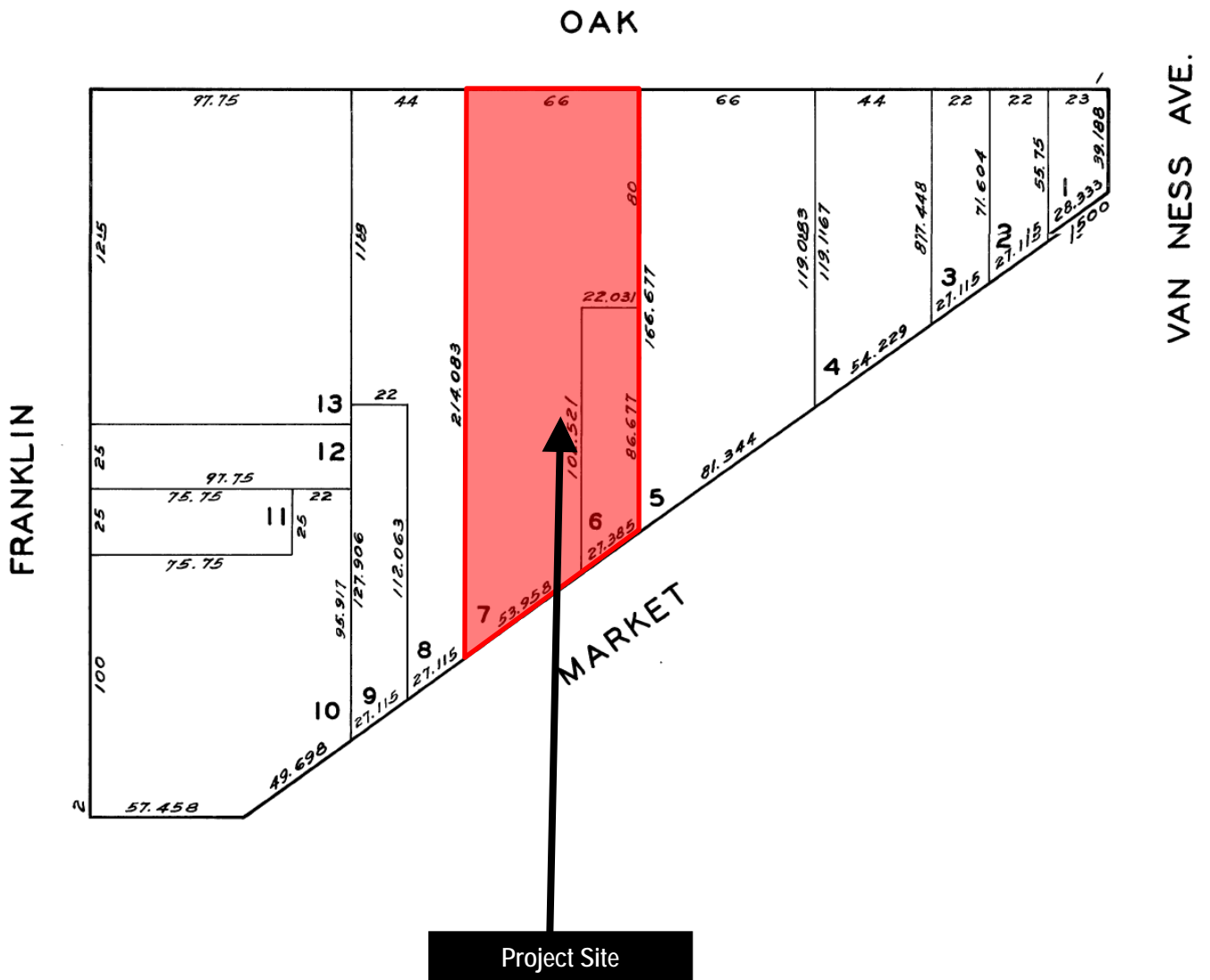
SEVERABILITY

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

CHANGES AND MODIFICATIONS

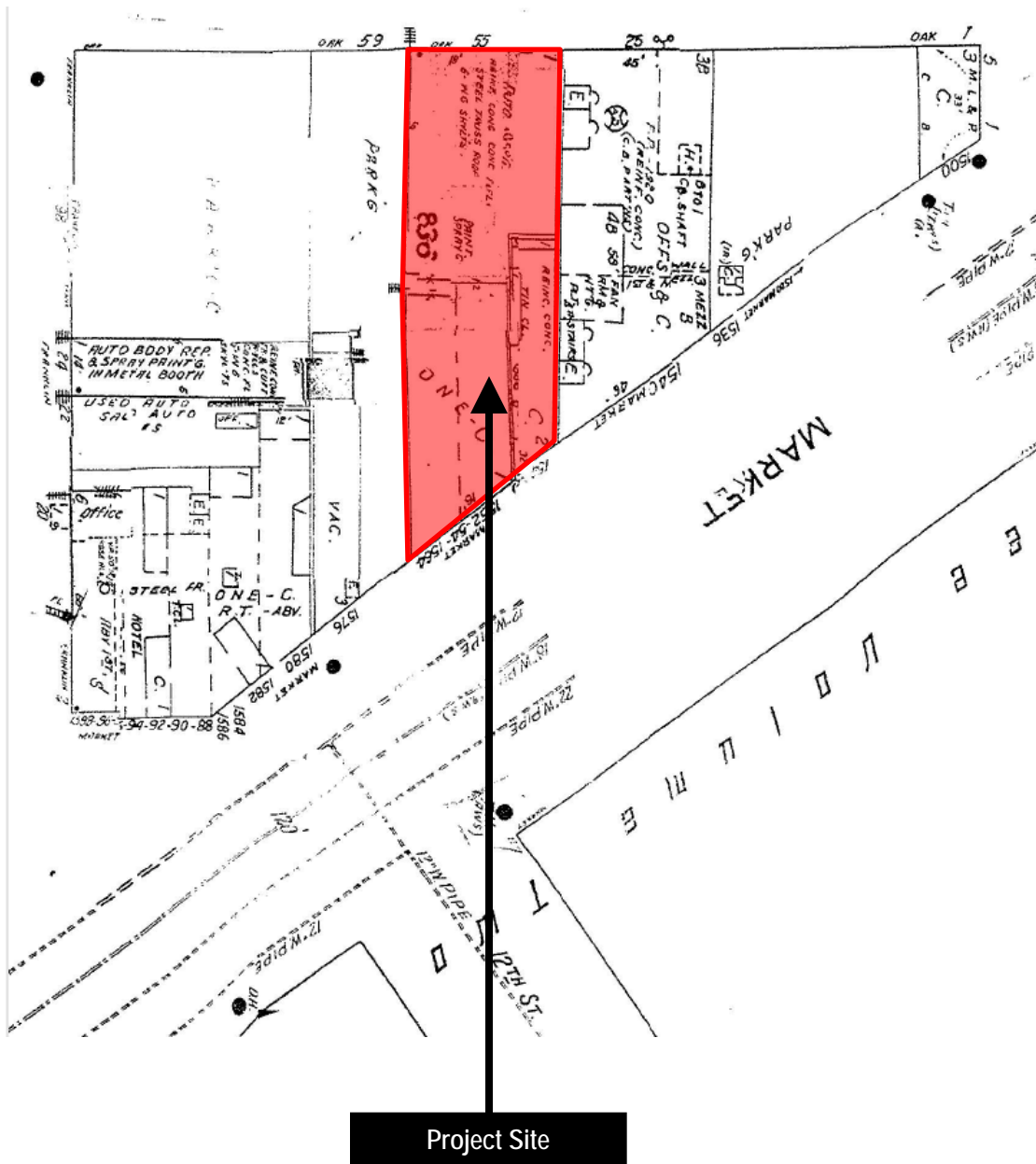
Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new authorization.

Parcel Map



Case No. 2012.0877ECVX
1546-1564 Market Street
Cond. Use/Downtown Project Auth./Var.

Sanborn Map*

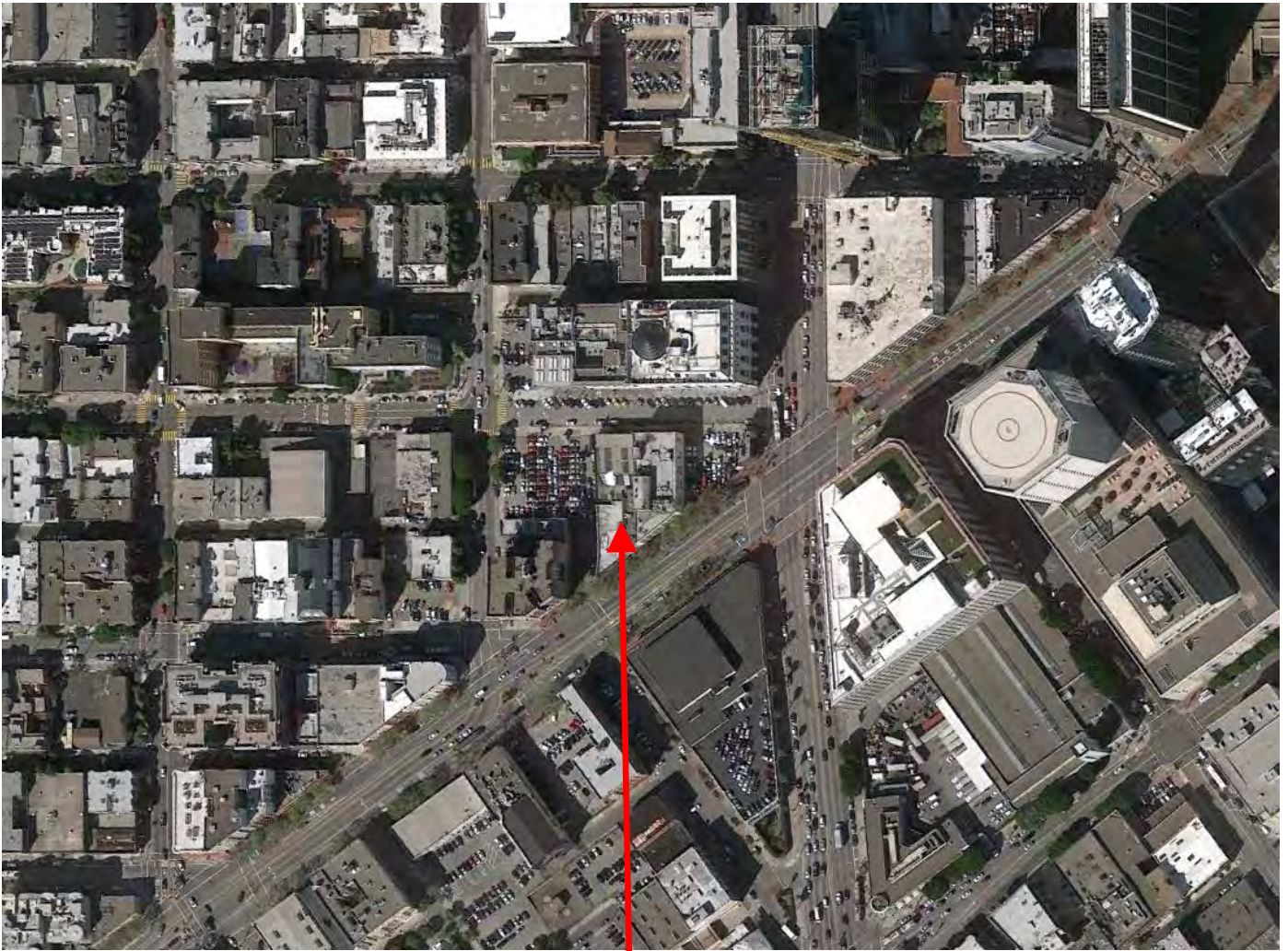


*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.



Case No. 2012.0877ECVX
1546-1564 Market Street
Cond. Use/Downtown Project Auth./Var.

Aerial Photo



Project Site



Case No. 2012.0877ECVX
1546-1564 Market Street
Cond. Use/Downtown Project Auth./Var.

Zoning District Map



Case No. 2012.0877ECVX

1546-1564 Market Street

Cond. Use/Downtown Project Auth./Var.



SAN FRANCISCO
PLANNING
DEPARTMENT

AFFIDAVIT FOR Compliance with the Inclusionary Affordable Housing Program

Date: **January 11, 2013**

Planning Department
1650 Mission Street
Suite 400
San Francisco, CA
94103-9425

To: **Applicants subject to Planning Code Section 415: Inclusionary
Affordable Housing Program**

From: **San Francisco Planning Department**

Re: **Compliance with the Inclusionary Affordable Housing Program**

T: 415.558.6378
F: 415.558.6409

All projects that involve five or more new dwelling units must participate in the *Inclusionary Affordable Housing Program* contained in Section 415 of the Planning Code. Every project subject to Section 415 must pay an Affordable Housing Fee that is equivalent to the applicable percentage of the number of units in the principal project, which is 20% of the total number of units proposed (or the applicable percentage if subject to different area plan controls or requirements).

A project may be eligible for an Alternative to the Affordable Housing Fee if the developer chooses to commit to sell the new on- or off-residential units rather than offer them as rental units. Second, the project may be eligible for an Alternative to the Affordable Housing Fee if it has demonstrated to the Planning Department that the affordable units are not subject to the Costa Hawkins Rental Housing Act. All projects that can demonstrate that they are eligible for an alternative to the Affordable Housing Fee must provide the necessary documentation to the Planning Department and the Mayor's Office of Housing. Additional material may be required to determine if a project is eligible to fulfill the Program's requirements through an alternative.

Before the Planning Department and/or Planning Commission can act on the project, this *Affidavit for Compliance with the Inclusionary Affordable Housing Program* must be completed.

¹ California Civil Code Section 1954.50 et.al.

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

May 28, 2015

Date

I, **Jessie Stuart**, do hereby declare as follows:

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

1546-1564 Market Street & 55 Oak Street

Address

0836/06, 07

Block / Lot

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

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

2012.0877U

Planning Case Number

2013/11/22/2657 S

Building Permit Number

This project requires the following approval:

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

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

Kevin Guy

Planner Name

Is this project within the Eastern Neighborhoods Plan Area?

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

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

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

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

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

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

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

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

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

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

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

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

90 New Montgomery Suite 750, San Francisco, CA 94105
Location

5.28.15
Date

Jessie Stuart
Signature
Jessie Stuart, Development Manager
Name (Print), Title

cc: Mayor's Office of Housing
Planning Department Case Docket
Historic File, if applicable
Assessor's Office, if applicable

415-370-1767
Contact Phone Number

Unit Mix Tables

NUMBER OF ALL UNITS IN PRINCIPAL PROJECT:					
Total Number of Units	SRO	Studios	One-Bedroom Units	Two-Bedroom Units	Three-Bedroom Units
109	-	11	74	24	-

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

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

NUMBER OF AFFORDABLE UNITS TO BE LOCATED ON-SITE					
Total Affordable Units	SRO	Studios	One-Bedroom Units	Two-Bedroom Units	Three-Bedroom Units
13		1	9	3	

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

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

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

- ☐ Combination of payment of a fee, on-site affordable units, or off-site affordable units with the following distribution:

Indicate what percent of each option would be implemented (from 0% to 99%) and the number of on-site and/or off-site below market rate units for rent and/or for sale.

1. Fee _____ % of affordable housing requirement.

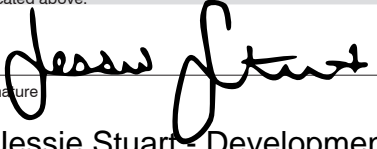
2. On-Site _____ % of affordable housing requirement.

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

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

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

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

CONTACT INFORMATION AND DECLARATION OF SPONSOR OF PRINCIPAL PROJECT	CONTACT INFORMATION AND DECLARATION OF SPONSOR OF OFF-SITE PROJECT (IF DIFFERENT)
Company Name Trumark Urban	Company Name
Print Name of Contact Person Jessie Stuart	Print Name of Contact Person
Address 90 New Montgomery Suite 750	Address
City, State, Zip San Francisco, CA 94105	City, State, Zip
Phone, Fax 415-370-1767	Phone, Fax
Email jstuart@trumarkco.com	Email
I hereby declare that the information herein is accurate to the best of my knowledge and that I intend to satisfy the requirements of Planning Code Section 415 as indicated above.	I hereby declare that the information herein is accurate to the best of my knowledge and that I intend to satisfy the requirements of Planning Code Section 415 as indicated above.
 Signature Jessie Stuart - Development Manager Name (Print), Title	 Signature Name (Print), Title



June 10, 2015

Mr. Rodney Fong, President
San Francisco Planning Commission
1650 Mission Street, STE 400
San Francisco, CA 94103

Re: 1546-1564 Market Street (Case No. 2012.0877) – June 25, 2015, Hearing on
Certification of Final Environmental Impact Report, Downtown Project
Authorization, Conditional Use Authorization and Variance

Dear President Fong and Commissioners,

I am writing on behalf of my client, Trumark Urban, the project sponsor for 1546-1564 Market Street (Case No. 2012.0877). On June 25, 2015, the Planning Commission will consider approving a Downtown Project Authorization and a Conditional Use Authorization¹ for the development of a 12-story, 146,803 gross square foot residential mixed use development on the north side of Market Street between Van Ness Avenue and Franklin Street (“Project”).

Over the past few years, Trumark Urban has worked diligently with Planning Department staff, neighbors, and community groups on the Project. Trumark Urban greatly appreciates the input and believes that the insight provided has resulted in a better project. A detailed description of the changes that have occurred with the Project is included below, but in summary, since originally proposed, the Project has added a “hold-out” parcel that fronts only along Market Street, added retail along Oak Street, increased bicycle parking, decreased off-street parking to the principally permitted amount (i.e., a ratio of 0.25 spaces per unit) and relocated and reduced the curb cut along Oak Street. These, coupled with other design changes, have resulted in a Project of exceptional design that complements the neighborhood and establishes a great benchmark for future development in the area.

For all these reasons and as discussed in more detail below, **Trumark Urban respectfully requests that the Planning Commission grant the approvals requested.**

SUMMARY

The Project is located in an area slated for significant new development over the next few years. It sits near the intersections of Market Street, Van Ness Avenue, South Van Ness Avenue, Mission Street and Oak Street; an area that will see major transformation through the implementation of the Market and Octavia Plan. As one of the first new developments, the Project incorporates creative and forward thinking design that integrates nicely with the existing neighborhood while proposing a distinctive design that will also stand-up when future towers

¹ The Project is seeking a Conditional Use Authorization for the exemption of on-site inclusionary housing from the gross square footage calculation (Planning Code section 124(f)). Variances from the Zoning Administrator are also requested.

around it are built. For your reference, an image showing the Project in context with proposed new developments in the area is attached.

The Project is located in the Downtown General (C-3-G) District, the Van Ness & Market Downtown Residential Special Use District (“SUD”) and the 120-R-G Height and Bulk Districts. It is within the Market and Octavia Plan area and at the edge of several diverse and vibrant neighborhoods – Civic Center, Hayes Valley and the Mission. The Project, as proposed, is code compliant, seeking a few minor exceptions and variances that are warranted given the existing conditions on the site.

Project Evolution

Originally, the Project was proposed on **one parcel**, 1554-1564 Market Street/55 Oak Street, a 10,491 square foot **thru-lot with frontages on Market Street and Oak Street**. At the request of the Planning Department, Trumark Urban added a second, smaller parcel, 1546-1550 Market Street, which is a 2,074 square feet lot **fronting only on Market Street**. The addition of this lot² makes sense from an urban design and planning perspective because it was not part of either Trumark Urban’s project, or the adjacent 1540 Market Street’s (aka, One Oak) development proposal. But, adding this parcel was done at great cost and expense. The incorporation of the smaller parcel also allowed for significant changes to the design.

The Project began as a single-tower with light-wells for the interior facing units as is common place in the surrounding buildings. Upon acquisition of the “hold-out” parcel, a new design scheme was proposed that included two towers connected by an interior courtyard and a pedestrian sky-bridge. The revamped design allowed the Project to hold the street wall along Market Street and Oak Street and through the use of angles and undulations, create vibrant, open and light interior facing units. The two tower design also minimized potential wind impacts associated with the Project.

Wind in the area can be significant and was a very real issue for the adjacent One Oak development. As a solution to eliminate wind hazards, the One Oak project has contemplated placing a canopy over Oak Street and additional streetscape improvements including a pedestrian plaza. Although One Oak is still in process, the traffic analysis conducted for the Project under the California Environmental Quality Act (“CEQA”) considered both current Oak Street conditions and a potential Oak Street plaza, finding that under either scenario the Project would not create a traffic impact.

From a design perspective, the potential for a pedestrian plaza also resulted in subtle Project changes along Oak Street. The Project relocated the existing curb cut along Oak Street from the easternmost to the westernmost property line to avoid any conflicts between vehicles and pedestrians. Also, the Project added a small ground floor retail space (i.e., 535 square feet), and a dedicated bike stair at the easternmost property line. These and other changes have resulted in a code compliant development that not only epitomizes good design and planning, but ensures future residents will benefit from the changes occurring around them.

² The addition of 1546-1550 Market Street to the Project means a lot merger will be required. 1554-1564 Market Street and 55 Oak Street already sit on a single thru-lot, and the merger would merge 1546-1550 Market Street into the larger lot and allow a uniform lot frontage along Market Street. 1546-1550 Market Street is not a thru-lot.

CEQA

An Environmental Impact Report (“EIR”) under CEQA has been prepared for the Project because 1554-1564 Market Street and 55 Oak Street are historic resources that will be demolished as part of the Project. These two buildings are identified as historic resources for different reasons and neither building is part of a qualifying historic district. 1554-1564 Market Street is historic because of its status as a post-1906 commercial building; 55 Oak Street is historic because of its status as an automotive support/repair structure within the Van Ness Avenue corridor. **Neither building is a signature or landmark structure.**

As part of the CEQA review, the EIR analyzed various alternatives to reduce the environmental impact associated with the demolition of the two buildings. These alternatives included preserving one or both of the structures, preserving a portion of both structures and building a single tower in the middle of the site, and most recently a design option to preserve just the façade of the 55 Oak Street building. Other alternatives were also evaluated, but like the alternatives studied, they were rejected because they failed to reduce the environmental impact associated with the Project and failed to meet the Project sponsor’s objectives. One such objective is the ability to construct a financially viable project.

Financial viability of a project depends on many factors, some of which are not always intuitive. For example, the development of a smaller project does not per se result in a financially viable project because there are certain set costs associated with development regardless of the size of the project, such as excavation, street improvements, equipment (e.g., cranes, excavators, etc.), and mechanical equipment. Development is therefore based on economies of scale, so that even if certain costs go down with a reduction in units, the overall cost per square foot increases as set costs or expenses are not spread across more units.

Here, the issue is even more acute as the Project increased its land costs through the purchase of the “hold-out” parcel and because, since the Project was first proposed, construction costs have escalated more than 20 percent. As a result, to make the Project attractive to investors and financially viable, a certain number of units are required. Any alternative that significantly decreases the unit count renders the Project financially infeasible. While preservation of just the 55 Oak Street façade would not impact the unit count, it would increase the cost of construction. Moreover, the Project Sponsor does not support this alternative because it would create “façadism” and would not reduce the project-level environmental impact.

For these reasons, **Trumark Urban supports the findings and conclusions of the Final EIR and recommends its certification under CEQA.**

Conclusion

Over the past three years (over 1,000 days), Trumark Urban has worked diligently on this Project, and has listened to requests from the neighbors, the community and the Planning Department. Trumark Urban has created a building and design that is consistent with the density and intensity of the Planning Code and General Plan. The Project design and intensity of development reflects the Market and Octavia Plan, and provides much needed residential housing in a vibrant transit rich neighborhood. **The Project is harmonious with the surrounding context, and we respectfully request that you approve the Project, as proposed.**

A. Property Background

1546-1564 Market Street is comprised of two lots on Assessor's Block 836 (Lots 006 and 007) totaling 12,565 square feet. Lot 006 is 2,074 square feet and only fronts along Market Street. Lot 007 is 10,491 square feet and is a thru-lot with frontages along both Market Street and Oak Street. Both lots are mid-block on the north side of Market Street between Van Ness Avenue and Franklin Street and are in the C-3-G (Downtown General) zoning, 120-R-2 Height and Bulk district, the Van Ness & Market Downtown Residential Special Use District (SUD) and the Market and Octavia Plan area.

The Project site is fully developed with three one- to three-story buildings. The buildings were constructed in 1906, 1912 and 1929 and have been occupied by office, retail, residential, commercial and automotive uses over the years. The buildings are all **currently vacant**. 1554-1564 Market Street and 55 Oak Street are considered historic resources.³

B. Project Description

The Project is the construction of one hundred and nine (109) dwelling units comprised of twenty-four (24) 2-bedroom/2-3 bath units, seventy-four (74) 1-bedroom/1-2 bath units and eleven (11) studios. The Project includes twenty-eight (28) parking spaces, including one (1) car share space in a single below grade basement level accessed via a 12-foot drive aisle along Oak Street. One hundred and thirty-six (136) Class 1 bicycle parking spaces are also provided in the basement level with dedicated access via a bike stair along Oak Street.

At the ground floor, the Project includes 5,010 square feet of retail uses along Market Street and Oak Street. Market Street is the primary retail frontage with two large retail spaces totaling 4,475 square feet. Each retail space has a ground floor ceiling height of over 15 feet and is separated by code required building egress stairs. Oak Street includes the residential lobby and entry to the Project as well as a small retail space totaling 535 square feet that was added at the request of the neighbors and community. Both frontages are set back from the property line creating up to 433 square feet of additional sidewalk area for pedestrians.

The Project includes approximately 7,211 square feet of open space area. This includes 220 square feet of private code complying open space on roof-top terraces, and 5,136 square feet of common, code complying, open space on a 12th Floor rooftop terrace. The Project also provides a 1,855 square foot interior courtyard with direct access off the residential lobby and lounge. Pedestrian improvements are planned along Market Street and Oak Street including three new trees along Oak Street, eight (8) Class 2 bike parking spaces and enhanced sidewalk areas along the front setback property line.

The design of the Project is unique in its two tower scheme with connections between the towers along an interior courtyard and a pedestrian sky-bridge. The two tower design allows for the

³ 1554-1564 Market Street and 55 Oak Street are both historic resources, but they are historic for different reasons and neither resource is part of a larger historic district. 1554-1564 Market Street is historic as an example of a multi-unit, single-story commercial building constructed following the 1906 earthquake. 55 Oak Street is historic as an example of an early automotive support/repair structure along the Van Ness corridor. While several studies and surveys of the Van Ness auto row corridor have been conducted, a historic district has not been established. Of the building types evaluated in the auto row corridor, general automotive repair, such as 55 Oak Street, were assigned the lowest priority (e.g., tier 3) of importance.

Project to hold the street wall while also creating a four-sided development with each façade incorporating floor-to-ceiling glazing for access to air, light and views. The street facing facades include a rhythmic pattern of Juliette balconies, and the overall angular undulation of all the facades differentiates the stories while producing rhythmic projections creating depth and capturing light and shadows. As designed, the building is envisioned to glow in the spirit of the surrounding civic buildings while reflecting the vibrancy of the Market and Octavia Plan area.

C. Project Approvals

The Project is requesting a Downtown Project Authorization under Planning Code section 309, and, as part of that authorization, three (3) exceptions are being requested. A Conditional Use authorization under Planning Code section 124(f) is also being requested to exempt on-site inclusionary housing provided from the floor-to-area ratio (FAR) calculation. Finally, the Project is seeking two (2) variances from the Planning Code requirements for the Exposure (section 140) and Street Frontage (section 145.1).⁴

As discussed in more detail below, **the exceptions and variances requested are minor and warranted given the site conditions and exceptional design proposed.**

1. Downtown Project Authorization

The Project is a 12-story, 146,803 square foot mixed-use residential development in the C-3 District. It is consistent with the size and intensity of development allowed under the Planning Code, and anticipated under the Market and Octavia Plan. The Project is seeking three (3) exceptions as part of its Downtown Project Authorization: (1) rear yard/lot coverage; (2) ground level wind currents; and (3) off-street loading. The requested exceptions are minor, appropriate given the Project, and warranted.

a. Rear Yard/Lot Coverage

The Project is located in the Van Ness & Market Downtown Residential SUD, which imposes an 80 percent lot coverage requirement, in lieu of a rear yard requirement. Under Planning Code sections 134(d) and 249.33, the Planning Commission may grant exceptions to the lot coverage requirement, provided the building location and configuration affords adequate light and air to the residential units.

The Project is proposing 85 percent lot coverage. This is due to the narrow nature of the Project site and the desire to maximize the number of dwelling units based on the site's proximity to a major transit hub at the corner of Oak Street and Van Ness Avenue, as well as the increased cost associated with the development from the purchasing of the "hold out" parcel.⁵ The density and intensity of residential use proposed is consistent with the intent of the Market and Octavia Plan and

⁴ As part of these approvals, the Planning Commission will also need to certify the Final EIR under CEQA and make the required CEQA Findings and adopt a Statement of Overriding Considerations.

⁵ Prior to the request from Planning, Trumark Urban had reached out to the property owner of 1546-1550 Market Street several times to try to incorporate the parcel into its proposed development. The property owner, however, refused to sell and only after Trumark Urban offered them twice what it paid for the adjacent parcel, Lot 007, did the owner finally agree to sell. The net result was the acquisition of a lot ¼ the size (i.e., Lot 006 is 2,338.5 square feet whereas Lot 007 is 10,227 square feet) for 2x the price.

the Van Ness & Market Downtown Residential SUD, and the lot coverage provided does not impact the light and air to interior residential units.

The Project's two tower design, maintains significant light and air to the interior units. The two towers are configured at an angle, "pinching" in toward the pedestrian walkway and angling out toward the adjacent property lines. This results in a minimum 25 foot and a maximum 38 foot separation between the towers and the angular design along an east/west interior courtyard affords the north/south towers the ability to capture the sunlight as it moves east to west across the Project site. That light will funnel through the glass pedestrian walkway to center of the project, providing continuous light to the interior units.

The Project also includes three (3) times the amount of open area and outdoor space than would be provided by code compliant lot coverage. These areas include 7,244 square feet of open area including 220 square feet of private open space, 5,136 square feet of open space in a roof-top terrace, 433 square feet in ground floor open area along Market Street and Oak Street, and a 1,855 square foot interior courtyard.

For all the reasons stated above, and as a comparable amount of open space required by the lot coverage requirement is being provided, **an exception to the lot coverage requirement is warranted.**

b. Ground Level Wind Currents

In the C-3 District, buildings and additions must incorporate wind baffling measures, or be shaped to minimize potential wind impacts. Buildings or additions that create a wind hazard (i.e., wind speeds reaching or exceeding 26 miles per hour for a single hour of the year) are not permitted. Buildings or additions that create or contribute to wind comfort exceedances (i.e., wind speed reaching 11 miles per hour more than 10 percent of the time from 7:00 AM to 6:00 PM) either must incorporate measures to reduce wind speeds or seek an exception pursuant to Planning Code section 309.

In March 2014, a technical wind study was prepared by RWDI to evaluate the Project's impact on existing and future wind conditions.⁶ Sixty-eight (68) test point locations were evaluated. The analysis concluded the Project **would not create or contribute to any hazardous wind conditions.**⁷ The Project would, however, contribute to existing wind comfort exceedances and create new wind comfort exceedances. As a result, an exception from Planning Code section 148 is required.

Currently, under existing conditions, wind comfort conditions are exceeded at 19 of the 68 test locations. The average speed for all measurement locations is 10 miles per hour and the wind speed range is five (5) to 17 miles per hour. Existing wind speeds exceed the 11 miles per hour wind

⁶ The technical wind study prepared by RWDI analyzed the potential cumulative wind impact of the Project and the following additional development proposals, which had known and identified project designs at the time the wind analysis was prepared: 1540 Market Street (aka, One Oak); 1 Franklin Street; 22 Franklin Street; 150 Van Ness Avenue; and 101 Polk Street. Additional development is currently being proposed in the surrounding area and the Project's contribution to the cumulative wind conditions will be evaluated as part of those development proposals.

⁷ In the cumulative setting, one (1) wind hazard condition was identified along the south side of Van Ness Avenue on the pedestrian crossing at the intersection of Van Ness Avenue and Market Street. According to the technical expert, RWDI, the Project does not influence this condition due its location and distance from the Project site.

comfort criteria nine (9) percent of the time on average. Under the existing plus project conditions, wind comfort conditions are exceeded at an additional 25 locations. The average speed for all measurement locations is 12 miles per hour, an increase of two (2) miles per hour over existing conditions, with a wind speed range of six (6) to 17 miles per hour. Existing plus project wind speeds would exceed the wind comfort criteria of 11 miles per hour five (5) percent more of the time on average, or 16 percent of the time on average.

While the Project increases the wind comfort exceedances, **the wind speed increases are marginal** and many of the location of the exceedances are in areas not frequented by pedestrians (i.e., roads and parking lots). Two of the wind speed exceedance locations under the existing plus project conditions are on the Project site. Fourteen of them are on roads or parking lots. Only 25 of the total 41 wind comfort exceedances are on pedestrian walkways and only 12 of those are new exceedances. The Project also eliminates two existing wind exceedances on the sidewalk along the south side of Market Street south of 12th Street (i.e., Sensor #11 and #13). Moreover, the Project increases the wind speed by only one (1) mile per hour over the 11 miles per hour wind comfort criteria and that exceedance occurs only 16 percent of the time on average. The maximum wind speed of 17 miles per hour remains constant, and the minimum wind speed increased by only one (1) mile per hour from five (5) to six (6) miles per hour.

The Project has been designed to minimize wind impact. Further revisions or reconfigurations would not substantially impact wind conditions to eliminate all existing comfort exceedances, or prevent additional wind exceedances, **without unduly restricting the site's development potential**.

For these reasons, **an exception from the comfort criterion is appropriate**.

c. Loading

Planning Code section 152 requires that one off street loading space be provided for any new residential development between 100,001 and 200,000 square feet. The Project is requesting an exception because, due to site constraints, off-street loading below grade is not feasible.

As noted above, the Project site is a narrow thru-lot with frontages along Market Street and Oak Street. Due to the curb cut restrictions along Market Street, off-street loading can only be accommodated along Oak Street. The Project site along Oak Street is 66 feet in width, which creates significant challenges in accommodating the off-street, below grade, vehicular, bike, car-share and van-accessible parking spaces as well as the necessary mechanical equipment, elevators, stairwells and other building and life safety equipment. The ability to also accommodate and maneuver either a full-size freight loading truck or two service vehicles in the same below-grade garage is simply not feasible. While off-street loading could be accommodated along Oak Street at the ground floor, this would result in over 60 percent of the Oak Street frontage being used for vehicular purposes and would eliminate the retail space along Oak and the proposed bike stair.

The Project proposes on-street loading along Oak Street. This would not impact pedestrian, bicycle or transit use of Oak Street.⁸ On-street loading is proposed in the location of the existing

⁸ Oak Street currently is used primarily for vehicular traffic and no transit operations occur along it. Bicycle and pedestrian traffic also tends to occur along Market Street due to the dedicated bicycle lanes and existing ground floor retail.

curb cut, and thus would not reduce any existing on-street parking. Moreover, because the Project is a for sale residential development, move-ins/move-outs are likely to be limited, and therefore would not conflict with any existing use or operation of Oak Street.

For all these reasons, **an exception from the loading requirements is warranted.**

2. Conditional Use Authorization

Under Planning Code section 124, a base floor-to-area ratio (FAR) of 6.0 to 1 and a maximum FAR of 9.0 to 1 is allowed in the C-3 district. Floor area above the base FAR requires payment into the Citywide Affordable Housing Fund, and in the Van Ness & Market Downtown Residential SUD (Planning Code section 249.33), floor area above the maximum FAR is permitted upon payment into the Van Ness & Market Neighborhood Infrastructure Fund. Additional square footage above the base FAR is allowed in the C-3-G district with a Conditional Use authorization if such square footage is dedicated to on-site affordable housing.⁹

The Project site is 12,565 square feet and is allowed a base FAR of 75,390 gross square feet. The Project proposes 115,900 gross square feet.¹⁰ The Project includes 13 on-site inclusionary housing units totaling 10,749 gross square feet and is requesting Conditional Use authorization under Planning Code section 124(f) for that inclusionary housing floor area. With a Conditional Use authorization, the total Project square footage is 105,151 gross square feet. Given the provision of inclusionary housing units on-site, a Conditional Use authorization is warranted.

3. Variances

The Project requests two (2) variances from the strict quantitative standards of the Planning Code. The variances requested are minor and appropriate, and are in harmony with the general purpose and intent of the Planning Code. Granting the variances requested allows construction of one hundred and nine (109) much needed dwelling units, including thirteen (13) new on-site below market rate units, on underutilized in-fill properties near regional transit creating “smart-growth” in an area designated by the City for additional residential development.

a. Exposure

Planning Code section 140 requires that each unit have one room that faces either a public street measuring at least 25 feet in width, a code complying rear yard, or an interior court that measures 25 feet in every horizontal dimension increasing by five feet at each successive level above the second floor. The Project is requesting a variance because the interior units of the Project face onto a courtyard that does not meet the strict dimensional requirements of the Planning Code regarding an interior courtyard.

⁹ Under Planning Code section 124(f) the on-site affordable housing must be affordable for 20 years to households whose incomes are within 150 percent of the median income. Because on-site inclusionary housing under Planning Code section 415, requires permanently affordable inclusionary housing to households within 90 percent of the median income (for sale), any on-site inclusionary housing meets the threshold requirements for affordability under Planning Code section 124(f).

¹⁰ Under Planning Code section 102, square footage devoted to mechanical, lobby, and back of house functions and parking are not included in the gross floor area calculation and are exempt from FAR.

Because of the narrow nature of the lot, it is not feasible to create an interior courtyard with the required stepping and also maximize the number of dwelling units to accommodate the density and intensity of development anticipated under the Market and Octavia Area Plan and the Van Ness & Market Downtown Residential Special Use District. Requiring stepping would cause a significant loss of units and a change to the overall design. As currently proposed, the design maximizes light and air to the interior units as the two angular tower design and glass pedestrian sky-bridge capture and funnel the sunlight as it moves east to west across the north to south facing towers providing ample light and air to the interior units.

For all these reasons, **a Variance to the exposure requirements is warranted.**

b. Street Frontages

Planning Code section 145.1 requires a 14-foot high ceiling for all non-residential uses on the ground floor in the C-3 district. The Project includes a small retail space along Oak Street with 11 foot 2 inch ceiling heights. The Project is requesting a variance for only that retail space, which was added at the request of the community and is not required by the Planning Code.

The height of the Oak Street retail space matches the adjacent residential lobby ceiling height and bike stair entry, creating a seamless transition at the pedestrian level. The lower ceiling height along Oak Street is the result of the two (2) foot slope of the lot from Market Street to Oak Street. Because the floor-plates of the two towers and the pedestrian sky-bridge must match, the change in slope is captured through a shorter ground floor along Oak Street, the secondary frontage. Increasing the ground floor ceiling height of the small retail space by stepping down is also not feasible given accessibility issues and the small (i.e., 535 square feet) nature of the space.

For all these reasons, a variance **from the ground floor ceiling height requirement for the retail space along Oak Street is warranted.**

D. Project Benefits¹¹

The Project includes significant neighborhood and citywide benefits as well as providing exceptional design. Glenn Rescalvo of Handel Architects designed the Project, taking cues from the surrounding neighborhood and context to create a unique two tower design in a burgeoning area of the City. The design is distinctive and will transform the underutilized infill site into a contemporary, sophisticated residential building. In addition to the exceptional design, the Project Benefits include:

- Reduction in Blight: The Project will replace three (3) under-utilized structures along a major transit thoroughfare with 109 high quality residential dwelling units and will eliminate and remove an existing liquor store that attracted significant vagrancy in the neighborhood.
- Street Activation: The Project will activate Oak Street, currently used for primarily for automotive uses, with a small 535 square foot retail space, a residential lobby and a bike stair. In addition, two new retail spaces are proposed along Market Street.

¹¹ A separate letter from Trumark Urban has been submitted outlining their community outreach efforts to date.

- Green Development: The Project will be a “green” development committed to reducing energy and water demand associated with new construction. The building will be GreenPoint Rated.
- Infill Residential Development: In developing the Project Site with residential uses, the Project provides much needed residential units in an ideal location for infill development.
- Job Creation: The Project **will create over 300 union construction jobs over a 19 month period** as well as provide an apprentice, from the SoMa Pathways Program,¹² an opportunity to work on the construction site.
- Inclusionary Housing Commitment: The Project will include thirteen (13) on-site below market rate units including one (1) studio, nine (9) 1-bedroom units and three (3) 2-bedroom units.
- Impact Fees: The Project is estimated to pay over \$4.5 million in impact fees including over \$1.2 million in Market & Octavia Community Infrastructure Impact Fee and over \$850,000 in the Market & Octavia Inclusionary Affordable Housing Fee.

* * * * *

In sum, the Project before you is an excellent example of green, infill development, adding one hundred and nine (109) new dwelling units to the City’s housing stock in an area with significant transit and identified for major growth in the near future. The Project creates a residential use that is compatible with the surrounding neighborhood and proposes a design that integrates with the neighborhood and community.

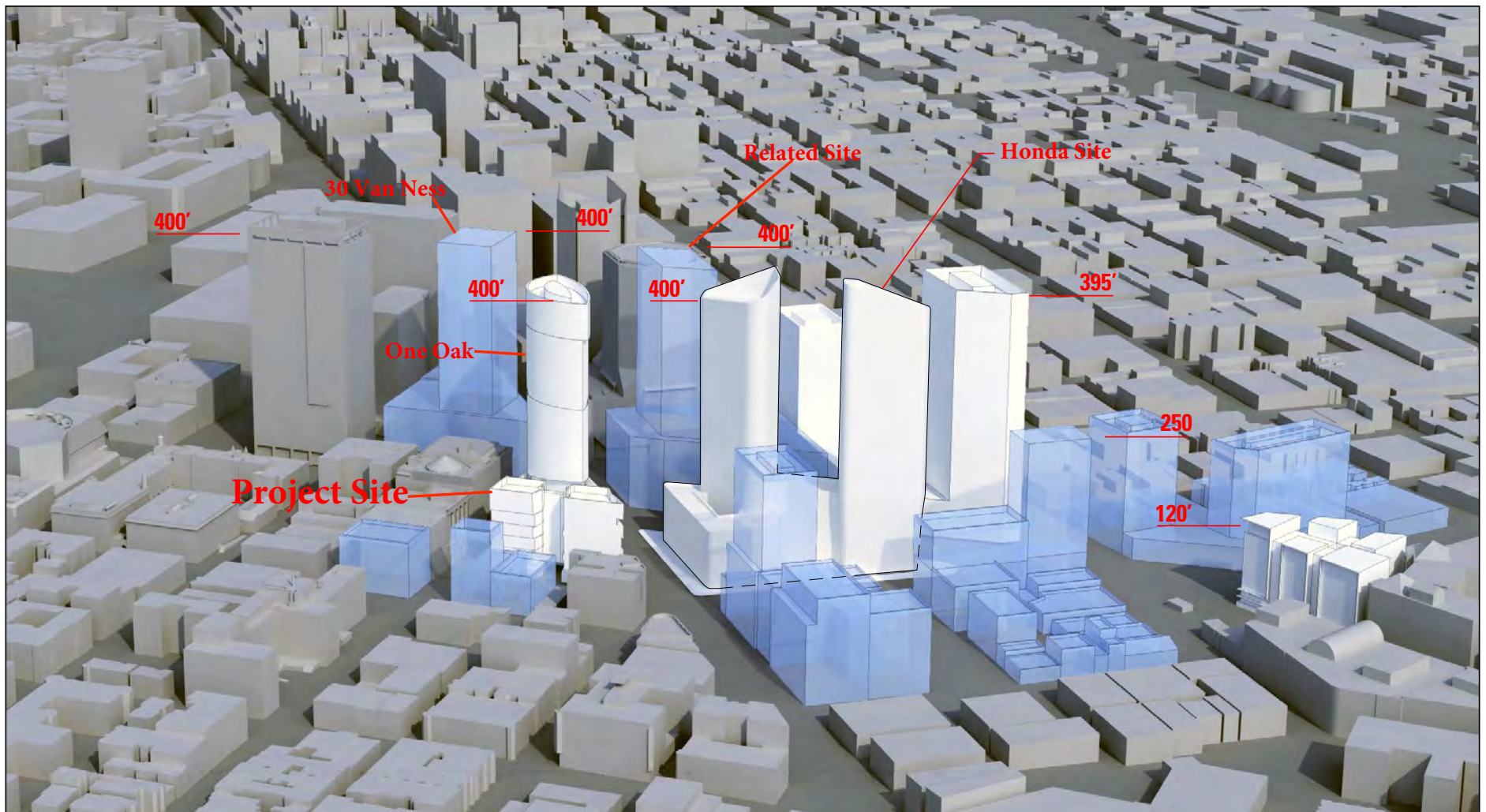
This is an exceptional Project, in an exceptional location, and one that we respectfully request you support and approve.

Very truly yours,



Alexis M. Pelosi

¹²SoMa Pathways is a partnership between Trumark Urban and United Playaz that aims to educate and connect youth to potential local employment and education opportunities within real estate, development and construction.



June 8, 2015

Mr. Kevin Guy
City of San Francisco, Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

RE: 1546-64 Market Street
Trumark Urban's Community Outreach-to-Date

Dear Mr. Guy,

I thought it would be helpful to provide you with a summary of Trumark Urban's community outreach efforts to date related to our proposed project at 1546-1564 Market Street in San Francisco ("Project"). Trumark Urban believes in learning from the communities where it seeks to locate its projects, and as a result, we have been on a 'listening tour', hearing from neighbors, neighborhood groups and other stakeholders about the concerns and needs of the neighborhood. The information we have gained from our listening tour has resulted in the Project that is before you today.

Since we started to work on the Project in 2012, we have met with or spoken to numerous neighbors, local businesses, community groups and interested parties about the Project. Below is summary of our outreach to date. We are continuing to collect signatures and additional letters of support and will provide an updated support package with those letters prior to the Planning Commission hearing.

From the beginning, we have worked in close collaboration with the Hayes Valley Neighborhood Association's Transportation & Planning Committee, the Civic Center Community Benefit District, and other local stakeholders. We listened to their comments and have made numerous changes to the Project and its design based on what we heard. The final Project that is before the Planning Commission reflects the neighborhood's insights and comments and we are thankful for their input and believe the process has made it a better Project, with a superior design, that fits the neighborhood and intent of the Market & Octavia Area Plan.

Some specific changes to the Project that we have made as a direct result of meeting with the community and local stakeholders include:

- (1) Committing to providing onsite inclusionary housing
- (2) Adding additional bike parking with a meandering staircase accessed from Oak Street that connects to the bike parking to create a greater connection between the Project and cycling
- (3) Providing retail space on Oak Street to further activate the streetscape
- (4) Adding Lot 006 to the Project and shuttering an existing liquor store with a history of vagrancy

The original Project only included Lot 007, which includes 55 Oak Street and 1554-1560 Market Street. Based on comments from the Planning Department, Lot 006 was added to the Project.

The addition of Lot 006 enabled Trumark Urban to reconsider the project's overall design. Starting from scratch, Glenn Rescalvo from Handel Architects re-envisioned the site recognizing the importance of both the Market Street and Oak Street frontages and creating a signature design of two towers that hold the street walls while connecting via a glass pedestrian sky bridge and internal courtyard. These are just a few of the changes that have been incorporated into the Project in direct response to what we have heard from the neighbors, community and the Planning Department.

As noted above, Trumark Urban has spent the past three years working with the community on this Project. Our outreach efforts have created unique lasting partnerships that further build upon Trumark Urban's mission to take great places and make them even better.

1546-1564 Market Community Outreach Summary:

Supervisor London Breed

- We have met with the Supervisor on a number of occasions since 2013 to review Trumark Urban's community outreach efforts and we have provided regular updates on the Project.

Hayes Valley Neighborhood Association - Transportation & Planning Committee (HVNA T&P)

- Trumark Urban has been engaged and worked closely with the HVNA T&P Committee since 2013. We presented the Project on October 14th, 2013, to the HVNA T&P and based on comments received, we revised the Project to add retail on Oak Street and committed to including affordable units onsite. A revised Project was presented on November 10th, 2014, and based on the revised design, the Project received full support. A strong letter of support for the Project from Jason Henderson, the Chair of the HVNA T&P has been provided by the HVNA T&P and is attached.
- Trumark Urban regularly attends HVNA meetings and is an active participant in the organization.

Civic Center Community Benefit District (CBD)

- The goal of the Civic Center Community Benefit District (CBD) is to improve the image, safety, beauty and cleanliness of the greater Civic Center area for the benefit of patrons, residents, employees, merchants, property owners and visitors.
- Trumark Urban has met with and presented the Project and has been in regular contact with Donald Savoie, the Executive Director and Jim Haas, a member of the CBD Board.
- The Project team presented the proposed Project on March 17th to the CBD Planning Committee and the Board voted unanimously to endorse the proposed development. A letter of support from the CBD is attached.

French American International School

- The French American International School (FAIS) is located in close proximity to the Project site and owns the vacant parking lot adjacent to the proposed Project.

- Trumark Urban has met with Melinda Bihn, Head of the School, and Aaron Levine, CFO and Director of Operations, to share and review our proposed Project. We are in regular contact with the FAIS on logistics and they have expressed support for the proposed Project and look forward to the improved safety and walkability to the area.

San Francisco Conservatory of Music

- The San Francisco Conservatory of Music (SFCM) is located across Oak Street from the proposed Project. Trumark Urban has met with David Stull, the President, Kathryn Wittenmyer, the VP of Finance, and Timothy Foo, their Board Chair, to review our proposed Project. We will be in regular contact with them on logistics moving forward. The SFCM has expressed support of the proposed Project and complimented the proposed design.

Build Inc. – One Oak

- Build Inc. is proposing the adjacent mixed-use residential tower (One Oak) and Trumark Urban has met with them on several occasions to ensure that the two developments are thoughtfully integrated to eliminate potential conflicts and create a combined community benefit through cohesive design features. We will continue work closely with Build Inc. moving forward. Build Inc. is also supportive of the proposed Project and a letter of support will be provided.

Mercy Housing

- Mercy Housing has a property located on the corner of Franklin and Market Streets. Trumark Urban provided Doug Shoemaker with Mercy Housing the proposed plans to review. No comments have been received.

Mo' MAGIC

- Trumark Urban has worked closely with Mo' MAGIC since early 2013. Mo' MAGIC is a collaborative San Francisco neighborhood-based nonprofit organization whose mission is to transform the community and youth through the MAGIC of collaboration. Trumark Urban has proudly supported Mo' MAGIC's efforts to build transformative quality programs, develop informative and interactive community-centered events to demonstrate the magic of sharing resources, purpose and hope.
- Trumark Urban has attended and sponsored Mo' MAGIC's annual summer learning kick-off event since 2013 to support local youth.
- Mo' MAGIC was able to secure Congressman John Lewis to speak to the local youth of San Francisco in March of 2015 about his involvement in the Civil Rights movement. Trumark Urban proudly sponsored the event by providing 300 graphic novels to local youth, which document the U.S. Civil Rights Movement, told through the perspective of a civil rights leader and U.S. Congressman John Lewis.
- Trumark Urban has included youth involved with Mo' MAGIC into our 2015 SOMA Pathways program. Trumark Urban, in partnership with United Playaz, launched SOMA Pathways, a program aimed to educate and connect youth to potential local employment and education opportunities, within real estate, development and construction. Trumark Urban takes great pride in strengthening the SOMA Pathways program and is committed to bring the community closer together and help provide opportunities to local youth.

Individual Neighborhood Merchants

- Trumark Urban has been regularly updating local merchants in the area over the course of the past few years about our proposed Project, and copies of letters of support from merchants are will be provided.

City CarShare

- Trumark Urban has met with Rick Hutchinson, and others at City CarShare, on the proposed City CarShare spot at our proposed Project. Discussion topics included access for City CarShare members into the project, routes of travel, and other operational issues.

San Francisco Bicycle Coalition

- Trumark Urban has met with the Bicycle Coalition on several occasions to ensure we are following best practices to provide a bike friendly development that encourages increased bike ridership.

Project Presentations

- Trumark Urban presented the project to the SPUR Project Review Committee on November 4th, 2014. A letter of support from SPUR is attached.
- Trumark Urban also presented the project to the San Francisco Housing Action Coalition ("SFHAC") Design Review Committee on December 10th, 2014. A letter of support from SFHAC is attached.

Letters of Support

- As noted above, Trumark Urban has received letters of support from the Hayes Valley T&P Committee, Civic Center CBD, SPUR, and the SFHAC.
- Additional letters of support have also been received from the following: IBEW6, Carpenters Local Union No. 22, Sheet Metal Workers Local 104, and Laborers' Local 261
- All letters of support collected to date are attached in Attachment A.

As the Project moves toward the June 25, 2015 Planning Commission Hearing, Trumark Urban will continue our community outreach efforts. We are currently in the process of scheduling meetings with other local neighborhood groups as well as continuing to update existing stakeholders regarding the status of the Project. If you have any questions about the information provided or need any additional information regarding the benefits of the Project, please let us know.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Stuart", with a stylized flourish at the end.

Jessie Stuart
Development Manager
Trumark Urban
jstuart@trumarkco.com
(415) 370-1767

Attachment A

May 26th 2015

Kevin Guy
San Francisco Planning Department
1660 Mission Street, Suite 400
San Francisco, CA 94103

CC: Jessie Stuart (Trumark Urban)

RE: 1554-1564 Market Street/ Case # 2012.0877

Dear Mr. Guy,

The Hayes Valley Neighborhood Association (HVNA) based on our longstanding support for the Market and Octavia Neighborhood Plan, endorses the residential infill proposal by Trumark Urban at 1554-1564 Market Street.

The proposed 109-unit project includes 14 on-site BMR units, and this is a key reason we support the project. While we'd like to see more BMR units in moderate-scale projects like this, the developer is following existing city policies. We are enthusiastic that the BMR units will be on-site rather than off-site because this provides some increment of affordability in a centrally located, transit-rich part of the city. It makes smart growth more equitable. We are also pleased Trumark is following the residential unit-mix policies of the Market and Octavia Plan.

The residential off-street parking for this project is within the Market and Octavia Plan guidelines, but for the record we did urge Trumark to consider zero parking and believe all residential projects in this part of the city should be car free. That said, as with the on-site BMR, the project's parking is within the city's existing policy. So we cannot object vociferously with the 0.25:1 parking ratio and we appreciate that Trumark is sticking with the plan policies regarding the parking maximum. Additionally the bicycle parking is welcomed.

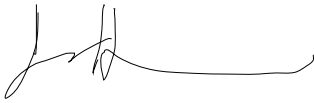
With respect to the parking garage entrance, we are glad to hear that Trumark intends to work closely with Build Inc. as their neighboring project at 1 Oak undergoes planning and review. The building of two new garages facing Oak Street will make it more difficult, but not impossible, to create a worthwhile public realm on Oak Street. We hope to see an urbane pedestrian zone on Oak Street as the two projects come together.

As far as the building design and architecture, HVNA was very pleased with how it evolved since our first meeting with the developer in October 2013. At our last meeting, in November 2014, Trumark also proposed small-scale retail on the Oak Street side, as well as a

commitment to seeking a neighborhood-serving retail tenant.

Trumark Urban is a local builder and we welcome them to our neighborhood. Their outreach has been collegial and open-minded and they were very responsive to our comments and suggestions. Their proposed project is in a transit rich location, is bicycle-friendly, and will greatly enhance the pedestrian experience along Market Streets – and hopefully Oak. This is a well-designed mixed-use development and we hope it proceeds expeditiously.

Sincerely,

A handwritten signature in black ink, appearing to read 'J Henderson', with a long horizontal flourish extending to the right.

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



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March 26, 2015

San Francisco Planning Commission
Rodney Fong, President
Cindy Wu, Vice-President
Michael J. Antonini, Commissioner
Rich Hillis, Commissioner

Christine D. Johnson, Commissioner
Kathrin Moore, Commissioner
Dennis Richards, Commissioner

John Rahaim, Director of Planning

RE: 1554-64 Market Street

Dear President Wu, Commissioners and Mr. Rahaim:

On behalf of the Civic Center Community Benefit District (CBD), I am writing to formally endorse the proposed development of 1554-64 Market Street as part of the transformation of the oldest "new" residential neighborhood in San Francisco.

The goal of the Civic Center CBD is to improve the image, safety, beautification and cleanliness of the greater Civic Center area for the benefit of patrons, residents, employees, merchants, property owners and other visitors within the district.

The proposed development would demolish all the existing structures on the site, including two older structures with limited use. Trumark Urban proposes to replace the structures with a high quality development that will include 109 for sale dwelling units, onsite affordable, ground floor retail on Market Street and Oak Streets, underground parking and ample bike parking.

It is noteworthy that in Trumark's original project, the parcel currently owned by the liquor store, was not included. With the encouragement of the City and the neighborhood, Trumark included this building into its project plans, understanding that it was in the best interest of the community and future residents to remove this source of blight and replace the use with neighborhood-serving retail that re-vitalizes and activates the street.

We believe that this project benefits the neighborhood in the following ways:

1. Approximately 4,600 square feet of new ground floor retail near the corner of Van Ness Avenue and Market Street will help activate and provide vibrancy to the area.
2. The project is in the Market Octavia Plan and is transit oriented, bike friendly, and pedestrian friendly. The project is within 2 blocks of 38 different transit lines, including BART, Muni Metro (underground), and the future Van Ness Bus Rapid Transit.
3. We support replacing the existing structures on the site, with the proposed high quality residential development that reinvigorates this part of Market Street and activates Oak Street with pedestrian and non-automotive uses.
4. A neighborhood with mixed uses increases the activation of the sidewalks and streets, which leads to enhanced safety and vitality of the area.

We believe that the proposed development by Trumark Urban at 1554-64 Market Street is in perfect alignment with our CBD's goals: improving the image, safety, beautification, and cleanliness of the greater Civic Center area.

We strongly urge you to support this vital redevelopment of 1554-64 Market Street.

Sincerely,

A handwritten signature in black ink, appearing to read 'Donald W. Savoie'.

Donald W. Savoie, Executive Director



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-

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12 January 2015

Ms. Kim Diamond
Trumark Urban
90 New Montgomery, Suite 750
San Francisco, CA 94105

Re: Proposed Development at 1554-64 Market Street

Dear Ms. Diamond:

On behalf of the members of the SPUR Project Review Committee, we would like to thank your team for bringing the proposed development at 1554-64 Market Street to our group for consideration and review at our November 2014 meeting.

The mission of the SPUR Project Review Committee is to consider projects that are of citywide importance and to evaluate them according to criteria related to land use, public realm interface, building design and environmental effects. In all cases, we are seeking a combination of excellent planning and design solutions that will ensure the positive contribution of each project to a safe, visually appealing, and vibrant urban setting for the people who live and work in San Francisco.

As a result of our review and discussion of the 1554-64 Market Street project, we provide the following comments for your information and action:

Land Use

The project proposes a mixed-use development at 1554-64 Market Street on a narrow, mid-block lot situated between Market and Oak streets at Van Ness. The project is in the Market & Octavia Neighborhood Plan area and is zoned C3G. The project sponsors note that the lot immediately adjacent to the site (the future One Van Ness project) is zoned for high-rise development, and they have taken steps to address that likelihood in their site plan.

The proposed development is composed of 12 stories with an overall height of 120 feet plus an additional 15-foot high windscreen to protect the proposed roof garden. Inclusionary housing at 12% of the 109 units will be included onsite in the proposed mix of 11 studios, 74 one-bedroom, and 24 two-bedroom units. Ground floor retail includes approximately 4,300 sf on Market Street and 200 sf on Oak Street. Underground parking will provide a ratio of 0.25:1 in a stacking configuration, with one Car Share and secure bike parking.

The committee is supportive of the proposed residential/retail project in the busy Civic Center neighborhood. The site is exceptionally well served by public transit, near the Market Street

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Allison Williams
Paul Woolford
Charmaine Yu

streetcar and bus lines and the Van Ness transit corridor. The low parking ratio is therefore well-justified, particularly when combined with access to jobs in the immediate vicinity. The committee is very pleased to see the inclusionary housing on-site. We agree that the buildings are appropriately scaled and consider the unit mix and project density to be appropriate for this location. We also appreciate the extensive community outreach and coordination with the Oak Street plans.

Public Realm Interface and the Promotion of a Pedestrian-Oriented Environment

With minimal impact on public realm interface, pedestrian, vehicle, and bike parking are all located on Oak Street, with a single curb cut for vehicles and dedicated bike ramp. Although the narrow lot does not include an extensive street frontage, the project has added small snippets of public open space on both Market and Oak streets, which widen pedestrian access to the retail frontage of the property. The committee appreciates these carefully considered details—typical of the project overall—which enhance the public experience. Retail and landscaping enhancements are appropriate and welcome.

Building & Landscape Design

The project sponsors have chosen to address the restrictions of the narrow lot and potential high-rise neighbor by dividing the massing into two buildings with a private courtyard at center. The buildings will be connected via a glass-faced pedestrian bridge at all upper levels. The sides of the buildings will be faced with white GRFC panels while the courtyard, Market, and Oak Street facades will be largely glass in a variegated form that takes advantage of light and views. Some units will have balconies and a roof garden, which extends to both buildings, will be protected by translucent white glass. Windows at each corner on the buildings sides both relieve the white massing and allow for additional light and views from within.

The committee was very enthusiastic about the creative approach to the building design. By splitting the mass into two buildings, the project sponsor has maximized the potential enjoyment of the building for tenants and provided a direction for massing in the future development of One Van Ness. The committee applauds the project for sponsor for its very careful consideration of future development probabilities as well as the existing condition of the surrounding area.

One concern of the committee has to do with the 15-foot windscreen at the roof level. Project sponsors indicated the screen might be illuminated at night. The committee fears this could present a light trespass to neighbors (and even tenants) if not handled carefully.

Environmental Effects

SPUR believes it is essential for projects to build environmental sustainability into their design and function. In all instances, the committee encourages project sponsors to incorporate sustainability early in the design process and we look forward to seeing more specific information regarding sustainable features as the project evolves. We encourage the sponsor to explore all avenues for the highest certification possible.

Conclusion

The SPUR Project Review Committee finds the proposed project at 1554-64 Market Street to be an appropriate use of the site. The residential/retail development has been carefully planned and beautifully designed.

We thank you for committing your time and resources to the presentation at SPUR. We will follow further refinements of this project with great interest and invite you to keep us informed on its progress.

Consideration for Endorsement

Should you intend to request SPUR to consider this project for endorsement, you should contact the Committee co-chairs at the appropriate time. Endorsement by SPUR is reserved for projects of the highest quality and significance to the city. Consideration for endorsement begins with a formal response by projects sponsors to this review letter, including an update on any significant changes to the project program or design since the project was initially presented at SPUR. The project is then taken up for discussion by an endorsement subcommittee of SPUR board members who serve on committees in the areas of project review, urban policy, housing, sustainability, and transportation. We normally require a month's lead-time to schedule a meeting of the endorsement subcommittee.

Please do not hesitate to contact us for questions/clarifications.

Sincerely,

Charmaine Curtis Mary Beth Sanders Reuben Schwartz
SPUR Project Review Committee Co-Chairs

cc: SPUR Board of Directors



95 Brady Street
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415 541 9001
info@sfhac.org
www.sfhac.org

Ms. Kim Diamond, Development Director
Trumark Urban
90 New Montgomery Street, Suite 750
San Francisco, CA 94105

January 28, 2015

Ref: 1554 Market Street – Mixed-use Development

Dear Ms. Diamond,

Thank you for bringing your proposed mixed-use development at 1554 Market Street to the San Francisco Housing Action Coalition's (SFHAC) Project Review Committee on December 10, 2014. Following review and discussion, our Committee believes the project has merit and will make a substantial contribution to SFHAC's mission of increasing the supply of well-designed, well-located housing that meets the needs of both present and future San Franciscans. This letter reflects our endorsement of your project and includes recommendations made by our members for modest improvements. We believe, however, that in general this project embodies the best principals of urban design.

Please see also see our report card, which grades your proposal according to our guidelines. We have attached a copy of our project review criteria to this letter for your reference.

Project Description

The project proposes to demolish two under-utilized commercial buildings and replace them with two independent 120-feet-tall buildings, consisting of 109 for-sale homes, 4,760 square feet of ground-floor retail and subterranean parking.

Land Use

Two under-utilized commercial buildings currently occupy the site. This is an excellent site for new housing, as it is in close proximity to the City's jobs and is well-served by transit and bike lanes.

Density

The project proposes a mix of junior-one-bedroom, one-bedroom and two-bedroom units. The SFHAC believes this is an appropriate location for a high-density project and conforms closely to the guidelines of the Market and Octavia Area Plan.

Mrs. Kim Diamond
January 28, 2015
Page Two

Affordability

The SFHAC supports the decision to provide the Inclusionary units on site. This will create 13 new below-market-rate homes, or 12 percent of the total unit count. Because the project is designed with fewer high-end amenities, this will help keep the homeowner's association fees within reach of the BMR owners, a strategy SFHAC applauds.

Parking and Alternative Transportation

The site is adjacent to numerous Muni lines, is near the Civic Center BART station, and is located on the Market Street bicycle corridor, a major bike route. In addition, the neighborhood has high walkability scores. The project proposes a car-parking ratio of 0.25 spaces per residential unit, or 28 spaces. This ratio is appropriate for the location.

The project proposes 103 bicycle parking spaces, a less than a 1:1 parking ratio, as well as one car share space. We strongly encourage you to increase the amount of bike parking and explore options under a transportation demand management analysis.

Preservation

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

Urban Design

The project agrees well with the intent of the Market and Octavia Area Plan and will significantly improve the pedestrian experience along Market and Oak Streets with the addition of active ground-floor retail and extensive street landscaping. Open space will be provided on the roof and in a courtyard between the two buildings. Our members noted that the courtyard space as designed is rather small and encouraged you to explore ways to increase open space for the building's residents.

Environmental Features

The project would comply with the City's Green Point rating. The SFHAC encourages you to consider ways to further reduce your proposal's environmental footprint. We also suggest you consider incorporating individual water sub-metering. It is likely that in the next year there will be local or statewide initiatives that mandate sub-metering in new multifamily residential projects.

Community Input

Trumark Urban has consistently excelled in effectively engaging the community in its proposed developments. This project is no exception. You have met with the Hayes Valley Neighborhood Association (HVNA) several times and incorporated their feedback into your development. This includes adding retail along Oak Street.

Mrs. Kim Diamond

January 28, 2015

Page Three

Thank you for submitting this project to the SFHAC Project Review Committee. We are pleased to endorse this project subject to our concerns about increasing bike parking. Please keep us abreast of any changes or updates and let us know how we may be of assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Colen", with a long horizontal flourish extending to the right.

Tim Colen, Executive Director

CC: Planning Commission

SFHAC Project Review Guidelines

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

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

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

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

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

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

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

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

Mrs. Kim Diamond

January 28, 2015

Page Five

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

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



San Francisco Housing Action Coalition (SFHAC) Project Report Card

Address: 1554 Market Street

Project Sponsor: Trumark Urban

Date of SFHAC Review: December 10, 2014

Grading Scale:

1 = Fails to meet project review guideline criteria

2 = Meets some project review guideline criteria

3 = Meets basic project review guideline criteria

4 = Exceeds basic project review guideline criteria

5 = Goes far beyond of what is required

Criteria for SFHAC Endorsement:

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

Guideline	Comments	Grade
Land Use	This is an excellent site for new housing, close to jobs, transit, and neighborhood amenities. It consists of two independent, 120-foot-tall buildings with 4,760 square feet of ground-floor retail and underground parking.	5
Density	The project maximizes the building envelope with 109 new condos, including a mixture of one- and two-bedroom units.	5
Affordability	The project includes 13 on-site below-market-rate homes (12%). The design includes fewer high-end-amenities, so HOA fees will be kept within financial reach of the BMR owners.	4
Parking and Alternative Transportation	The project includes a low 0.25:1 car-parking ratio, which we applaud. We encourage you to increase bike parking above 1:1 and to consider implementing a transportation demand management program.	4
Preservation	There are no structures of significant cultural or historic merit on or near the site that would be affected by this project.	N/A
Urban Design	The project will significantly improve the street experience by incorporating active ground-floor retail and street landscaping. We suggest enlarging the open space in the interior courtyard.	4
Environmental Features	We encourage that you to consider ways to reduce the project's footprint. We suggest installation of individual water sub-metering for the units since it is likely to become mandatory soon.	3
Community Input	The project sponsor has done exemplary outreach by meeting with the Hayes Valley Neighborhood Association several times, incorporating their feedback into the design.	5
Additional Comments		N/A
Final Comments	The SFHAC endorses the project subject to our suggestions regarding increased bike parking.	4.3/5

Please see attached letter for further explanation.



**SAN FRANCISCO ELECTRICAL CONSTRUCTION INDUSTRY
Labor-Management Office of Business Development**

55 Fillmore Street, Suite 100 • San Francisco • CA 94117
Tel. 415.241.0126 • Fax 415.241.0129



March 12, 2015

City of San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

RE: 1554-64 Market Street
Case # 2012.0877U

Dear Planning Commissioners,

The IBEW Local Union 6 strongly endorses Trumark Urban's proposed mixed-use residential project located at 1554 Market Street.

The proposed mixed-use development will generate new local construction jobs and additional employment opportunities associated with the development.

Trumark Urban's project will be an asset to the neighborhood by improving and further activating the existing site. The project will add 109 new homes, neighborhood serving retail, and is a welcome change to the neighborhood.

IBEW Local Union 6 has been actively involved with Trumark Urban's SOMA Pathways program and greatly appreciates Trumark's commitment to helping local youth. We are happy to partner with Trumark Urban to continue to support support their SOMA Pathways program moving forward.

IBEW Local Union 6 supports 1554 Market Street as proposed, and urges you to endorse the project as proposed to support local job creation to improve the area.

Sincerely,



United Brotherhood of Carpenters and Joiners of America

LOCAL UNION NO. 22

March 17, 2015

City of San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: 1554-64 Market Street
Case # 2012.0877U

Dear Planning Commissioners,

Carpenters Local Union 22 of the United Brotherhood of Carpenters and Joiners of America endorses Trumark Urban's proposed mixed-use residential development project located at 1554 Market Street.

The proposed development will create new local construction jobs and additional employment opportunities associated with the development.

Trumark Urban's proposed project will be an asset to the neighborhood by improving and activating the existing site. The project will add 109 homes, neighborhood serving retail, and is a welcome addition to the neighborhood.

Carpenters Local Union 22 participated in Trumark Urban's SOMA Pathways program, created in collaboration with united Playaz and the youth they serve is commendable.

We strongly urge your endorsement of this proposed project that will improve the neighborhood and support local job creation.

Sincerely,

Peter Garza, Sr.
Field Representative

sko/opeiu-3-afl-cio (38)

2085 3RD STREET • SAN FRANCISCO, CA 94107
TELEPHONE: (415) 355-1322 • FAX: (415) 355-1422



SHEET METAL WORKERS' LOCAL UNION No. 104

WEST BAY DISPATCH OFFICE

PHONE (415) 621-2930



FAX (415) 621-2554

1939 MARKET STREET, SUITE A, SAN FRANCISCO, CA 94103

March 17th, 2015

City of San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

RE: *1554-64 Market Street*
Case # 2012.0877U

Dear Planning Commissioners,

The brothers and sisters of the Sheet Metal Workers' Local Union No. 104 strongly support Trumark Urban's proposed development at 1554 Market Street. We urge you to join us in supporting the mixed-use residential development that will create 109 new homes.

By supporting the project, you will guarantee the addition of local employment, both indirect and direct through construction, and other related jobs associated with the development.

The proposed development will enhance the pedestrian experience by activating a currently underutilized site, thus improving safety and security in the area. We also support the project as Trumark Urban has opted to include the affordable housing units onsite.

Trumark Urban partnered with United Playaz for an exciting new program called SOMA Pathways. We participated in SOMA Pathways by presenting to local youth, and really enjoyed the experience. We appreciate and respect Trumark Urban for their dedication and involvement in the community.

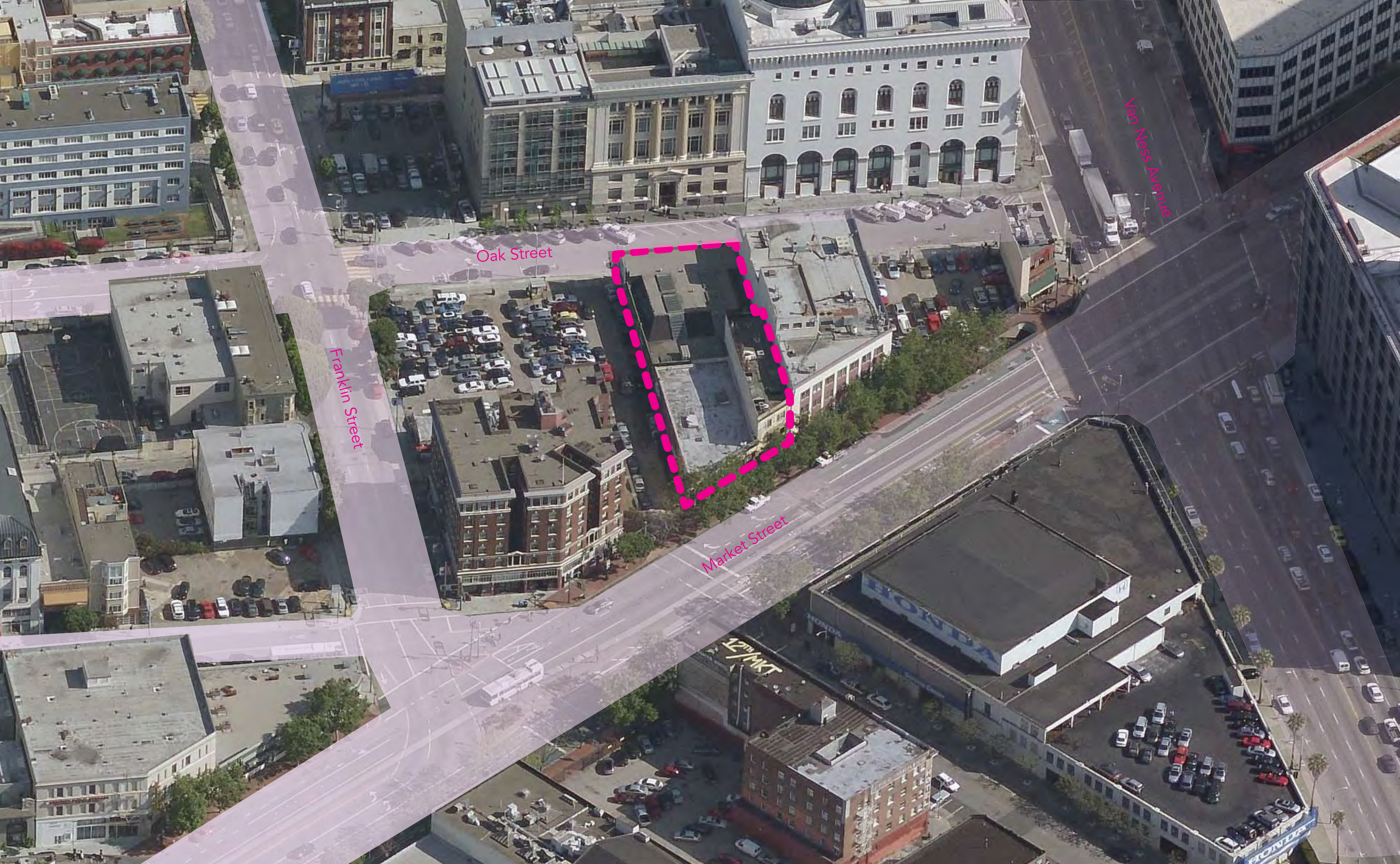
The Sheet Metal Workers' Local Union No. 104 strongly supports the development proposed at 1554 Market Street for the above-mentioned reasons, and ask that you join us to support the development to create local jobs.

Kind Regards,

A handwritten signature in blue ink, appearing to read "Anthony Urbina".

Anthony Urbina
Business Representative

1546-1564
Market Street
San Francisco, California





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Neighborhood History and Character

1546-1564 Market Street is situated at the intersection of two major thoroughfares of San Francisco— Market Street and Van Ness Avenue. Although these are major transportation corridors, the area also has strong pedestrian and bicycle access due to its relatively flat topography. In addition, the project is located within the Market and Octavia Neighborhood Plan area, which integrates a diversity of housing types, commercial activities, cultural institutions, and open spaces within a close-knit urban fabric. The plan also strengthens the role of Market Street as the City's cultural heart. In the early 20th century, cultural landmarks such as the Orpheum, the Esquire Theatre, the Empress Theater, and Warfield Theater solidified Market Street as a center for vaudeville, cinema, and theatre. Today, the War Memorial & Performing Arts Center, the San Francisco Ballet, SF Jazz Center, and SF Conservatory of Music enhance the cultural life of the area in a similar and vibrant way.

The project stands at the junction of many of the City's most diverse neighborhoods— Civic Center, Hayes Valley, and the Mission, among others. It is situated on a through-lot that fronts Market and Oak Streets. The various commercial frontages on Market Street draw dense traffic, while Oak Street offers a calmer pace— transitioning between the energy of Market Street and the more residential areas to the west and north.

1546-1564 Market Street is a transit oriented development that contributes to urban density by transforming an infill plot, previously occupied by 1 and 2-story retail and automotive shop buildings, into 109 housing units and three retail spaces. The project has been designed as two towers with a shared courtyard, connected by a pedestrian sky bridge. The street and courtyard facades have high performance floor-to-ceiling glazing at each unit for access to air, light, and views. The lot-line walls at the east and west facades use a triangulated pattern to create depth and texture and to activate all sides the building. The recesses on various floors of the Oak and Market Street facades provide spatial relief and activate the outdoor space with private balconies. The rooftop has a common planted terrace with a perforated screen that provides wind protection but still allows for expansive views of landmarks such as City Hall and the neighborhoods of Hayes Valley, Twin Peaks, and SOMA.



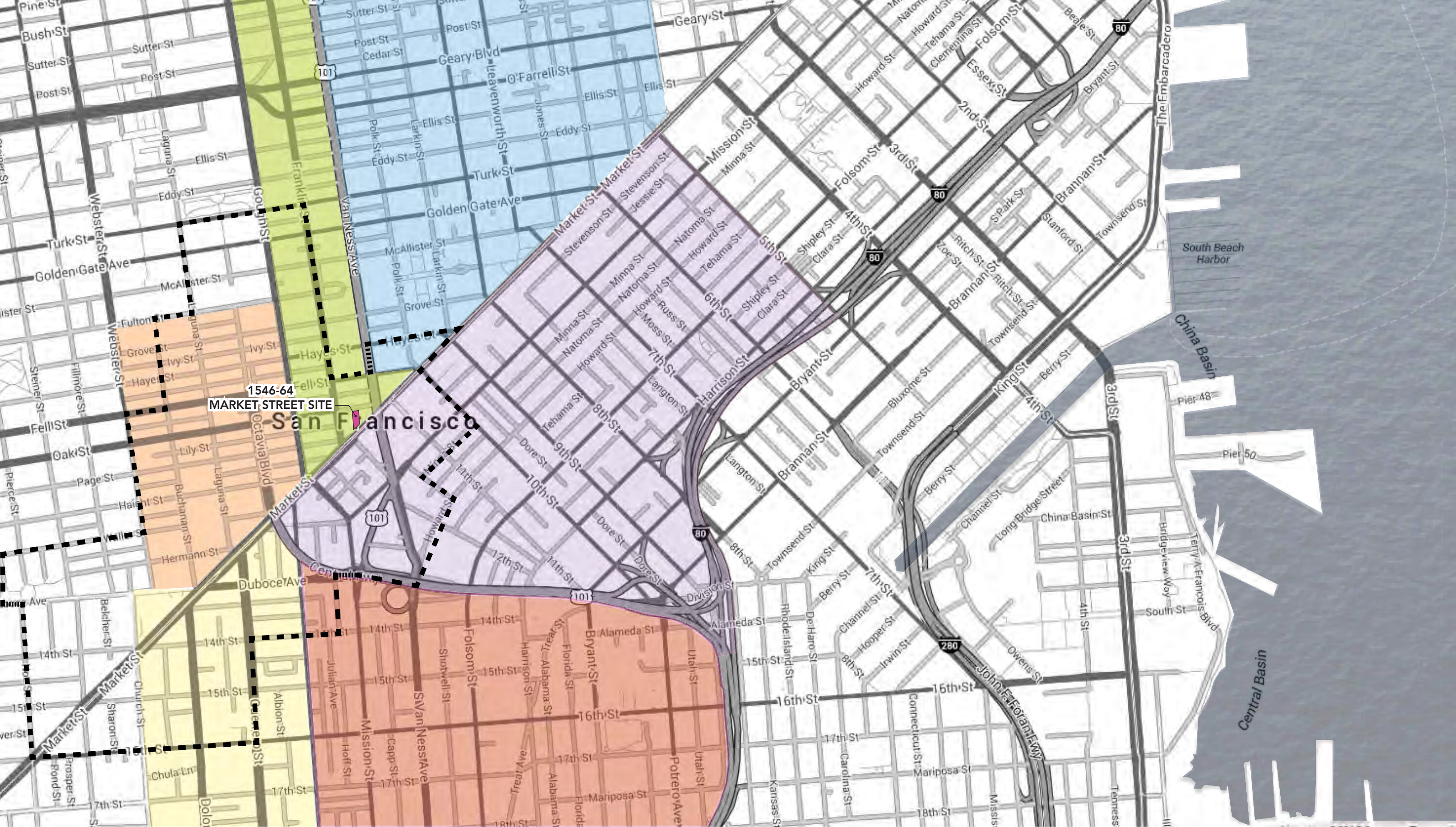
SF Jazz Center



New Conservatory Theater Center



SF Conservatory of Music



NEIGHBORHOODS:

VAN NESS/
CIVIC CENTER

TENDERLOIN

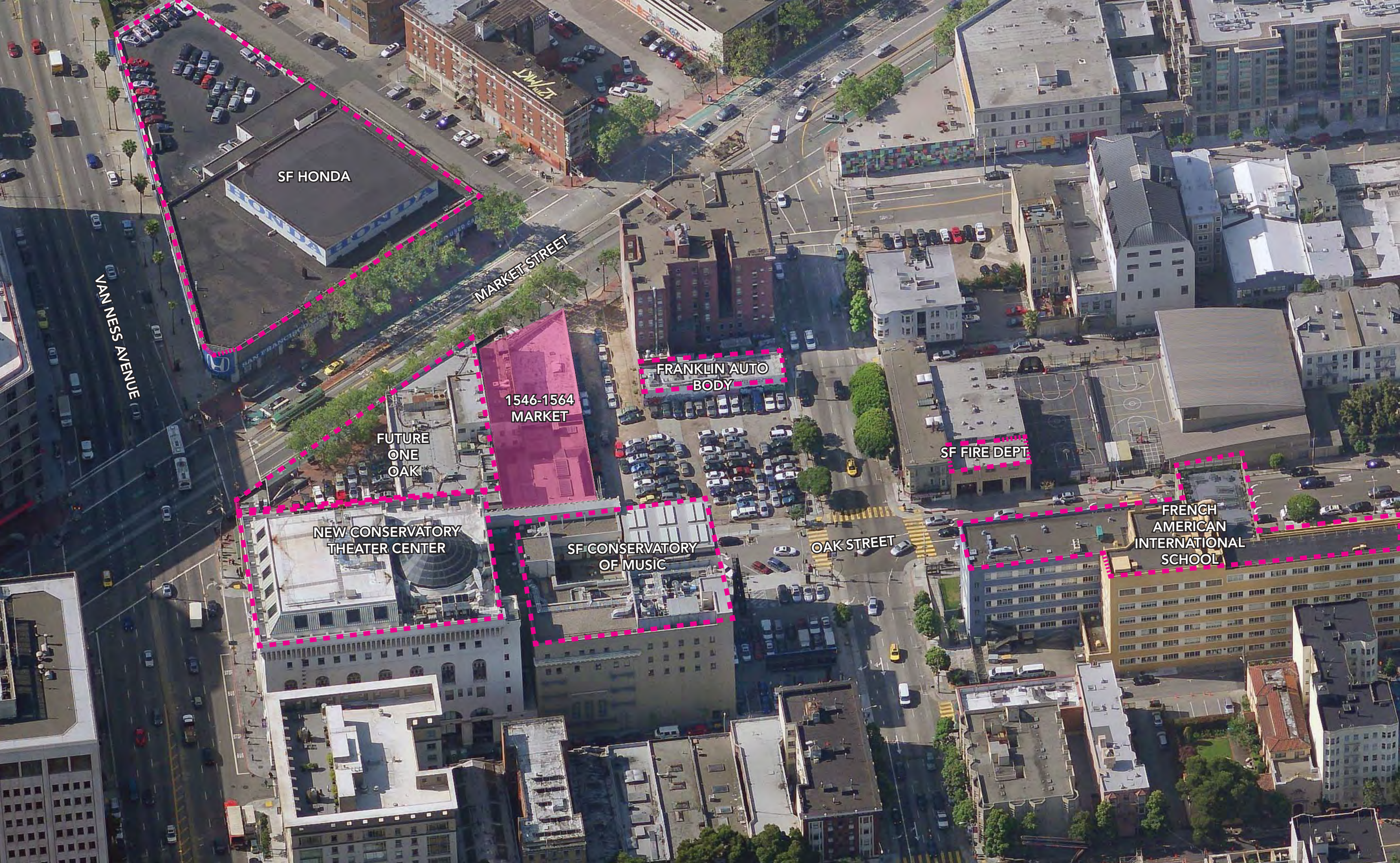
HAYES VALLEY

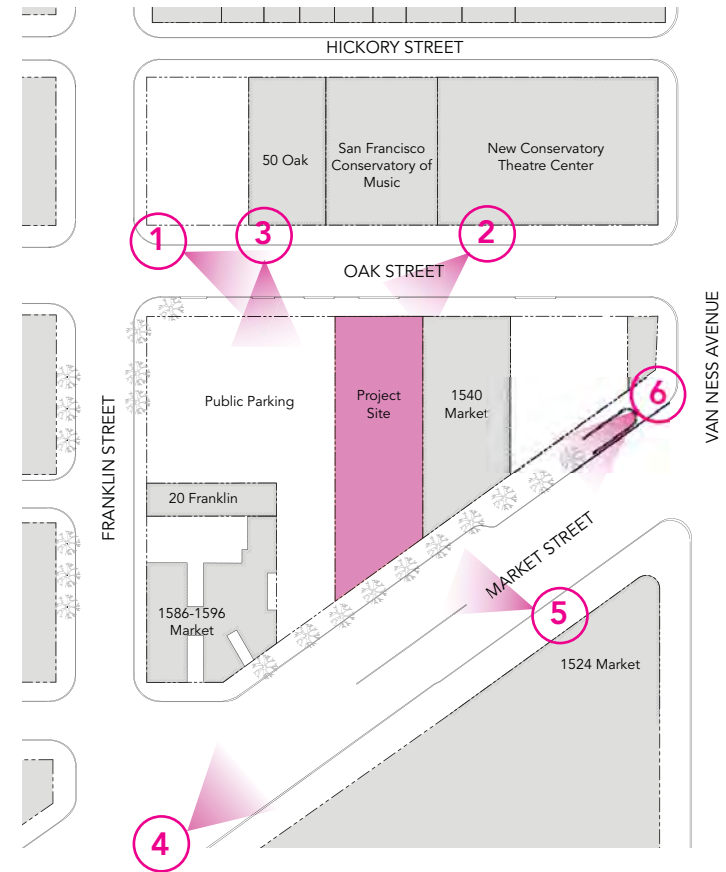
INNER MISSION

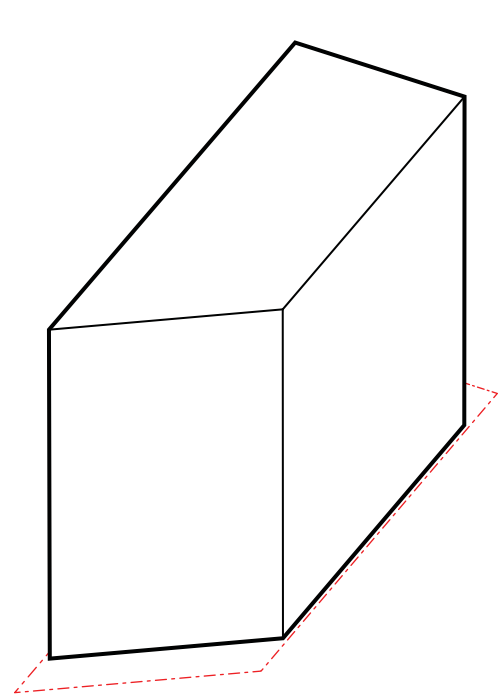
SOUTH OF MARKET

MISSION / DOLORES

MARKET OCTAVIA
PLAN ZONE

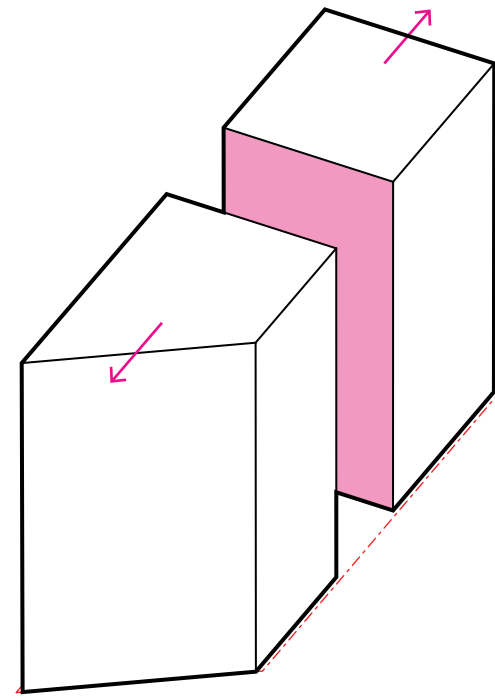






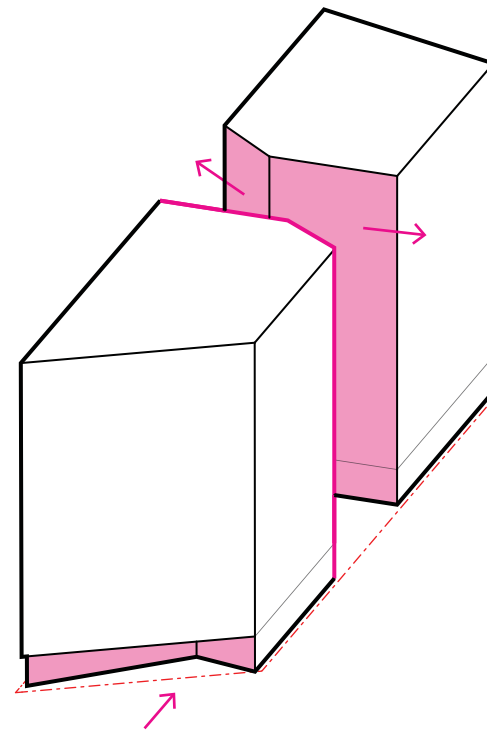
1

maximum volume on site



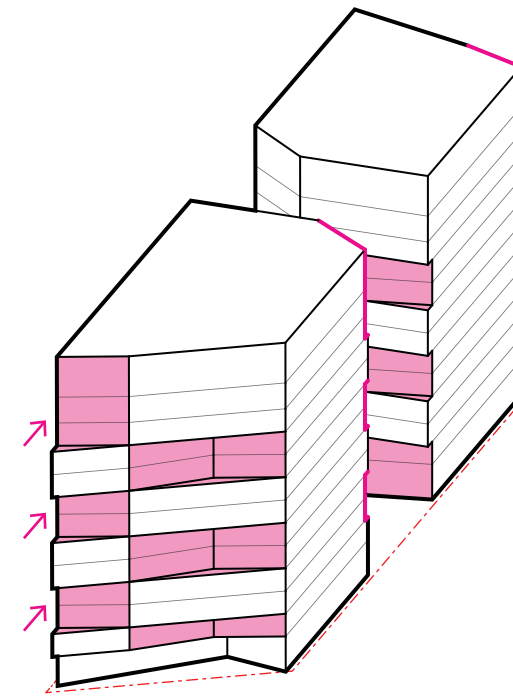
2

volumes split into two



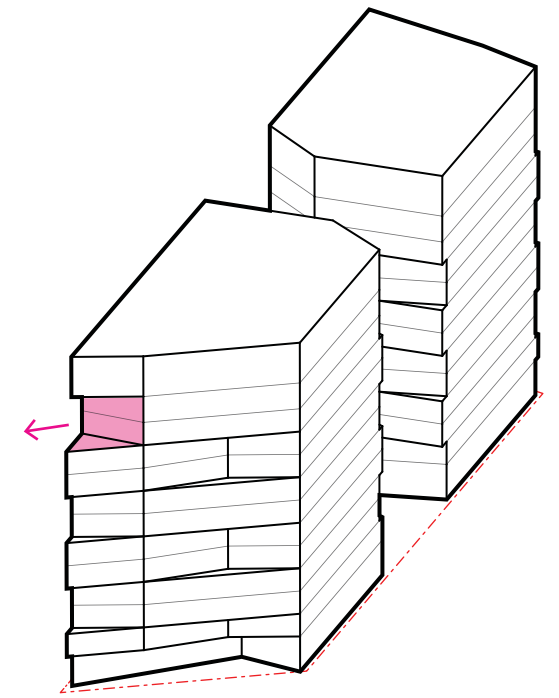
3

facades articulated with program at street level and expansion of light, air and view at internal courtyard



4

facades further articulated with recesses to create a connection to the typology of Market Street and to provide shading on the south side and double height spatial relief in the courtyard



5

a spatial moment is created! the facade has greater relief at the top of the building to accentuate the view down Market Street and create a terrace for a penthouse unit

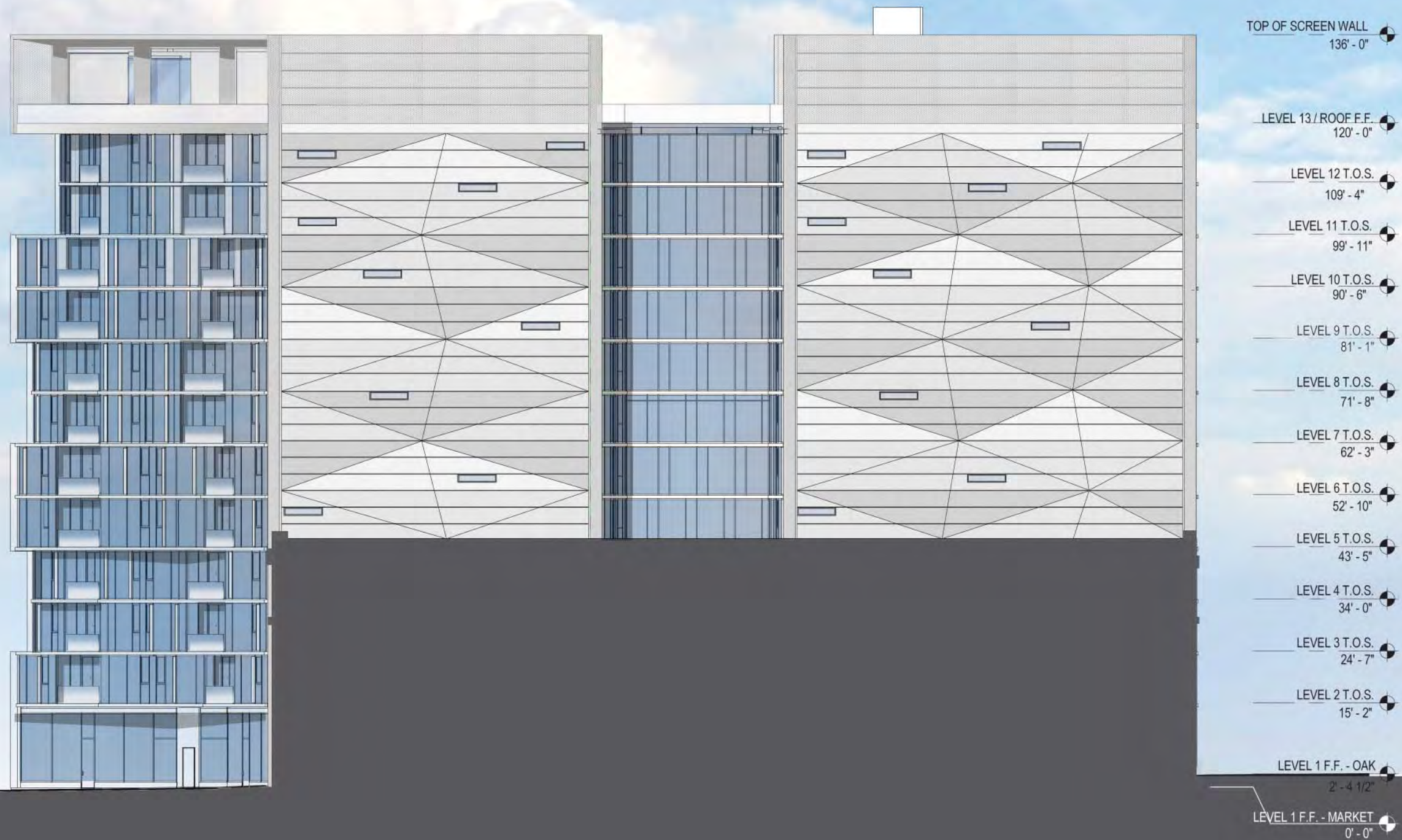


1546-1564 MARKET STREET | JUNE 25, 2015

TRUMARK URBAN | HANDEL ARCHITECTS LLP
MARTA FRY LANDSCAPE ARCHITECTS











16 Proposed View from Market Street



Future
Development
Massing

Future
One
Oak
Project





1546-1564 MARKET STREET | JUNE 25, 2015

TRUMARK URBAN | HANDEL ARCHITECTS LLP
MARTA FRY LANDSCAPE ARCHITECTS

COMMON AND PRIVATE OPEN SPACE TABULATIONS

	PRIVATE OPEN SPACE SQ. FT.	COMMON OPEN SPACE SQ. FT.
	FLOOR TOTAL	FLOOR TOTAL
ROOF	202 SQ. FT.	5,136 SQ. FT.
LEVEL 12	0	0
LEVEL 11	18 SQ. FT.	0
LEVEL 10	0	0
LEVEL 9	0	0
LEVEL 8	0	0
LEVEL 7	0	0
LEVEL 6	0	0
LEVEL 5	0	0
LEVEL 4	0	0
LEVEL 3	0	0
LEVEL 2	0	0
LEVEL 1	0	0
LEVEL B1		

220 SQ. FT.

5,136 SQ. FT.

TOTAL NUMBER OF UNITS WITH PRIVATE OPEN SPACE PROVIDED

1+1 = 2 UNITS

COMMON OPEN SPACE REQUIRED

109 (total units) - 2 (units with private open space) = 107 units x 48 sq. ft. = 5,136 SQ. FT.

TOTAL AMOUNT OF OPEN SPACE PROVIDED

220 sq. ft. (private) + 5,136 sq. ft. (common) = 5,356 SQ. FT.

UNIT MATRIX

	STUDIO	1-BD 1-BA	1-BD 2-BA	2-BD 2-BA	2-BD 3-BA	TOTAL	TOTAL BMR
LEVEL 12	1	2	2	3	1	9	
LEVEL 11	1	2	2	3	1	9	
LEVEL 10	1	2	2	3	1	9	
LEVEL 9	1	2	2	3	1	9	
LEVEL 8	1	2	2	3	1	9	1
LEVEL 7	1	2	2	3	1	9	3
LEVEL 6	1	8	2	0	0	11	1
LEVEL 5	1	8	2	0	0	11	1
LEVEL 4	1	8	2	0	0	11	2
LEVEL 3	1	8	2	0	0	11	2
LEVEL 2	1	8	2	0	0	11	3
LEVEL 1	0	0	0	0	0	0	0
LEVEL B1	0	0	0	0	0	0	0

11 UNITS
10.1%

52 UNITS
47.7%

22 UNITS
20.2%

18 UNITS
16.5%

6 UNITS
5.5%

109 UNITS

13 UNITS

PARKING

	CAR	BIKE CLASS 2	BIKE CLASS 1
LEVEL B1	28	8	136
	28	8	136

BMR MIX

STUDIO	1-BD 1-BA	1-BD 2-BA	2-BD 2-BA
1	8	1	3
1	8	1	3

GSF (PER SEC 102.9)

	RESIDENTIAL			RETAIL	TOTAL GSF
	NET	COMMON (elev lobby, corridor, stairs)	GROSS		
ROOF	388	468	856		2,487
LEVEL 12	8138	2445	10,583		10,583
LEVEL 11	8139	2444	10,583		10,583
LEVEL 10	8167	2444	10,611		10,611
LEVEL 9	8167	2444	10,611		10,611
LEVEL 8	8139	2444	10,583		10,583
LEVEL 7	8139	2444	10,583		10,583
LEVEL 6	8167	2444	10,611		10,611
LEVEL 5	8167	2444	10,611		10,611
LEVEL 4	8139	2444	10,583		10,583
LEVEL 3	8139	2444	10,583		10,583
LEVEL 2	8167	2444	10,611		10,611
LEVEL 1	0	4523		5,010	9,533
LEVEL B1					12,509
PIT/FIRE WATER					5,724

90,056 SQ. FT.

31,876 SQ. FT.

116,550 SQ. FT.

5,010 SQ. FT.

146,803 SQ. FT.

—

EXEMPTED GSF		
PARKING	MECH + UTILITY	SUBTOTAL
	1,631	1,631
	311	311
	311	311
	311	311
	311	311
	311	311
	311	311
	318	318
	318	318
	317	317
	317	317
	318	318
	7,588	7,588
12,509		12,509
	5,724	5,724

=

FLOOR AREA (total GSF exempting parking, mech)
856
10,272
10,272
10,300
10,300
10,272
10,272
10,293
10,293
10,266
10,266
10,293
1,945

—

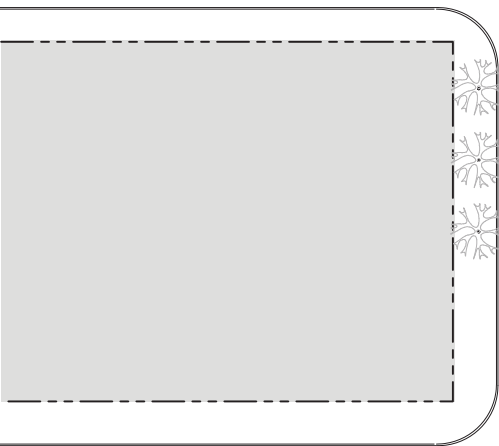
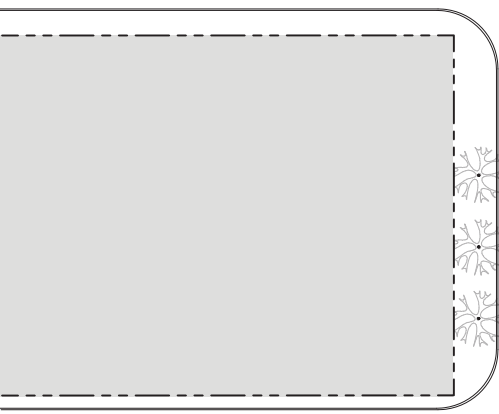
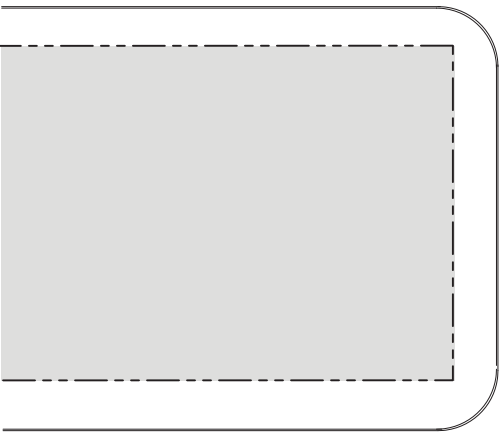
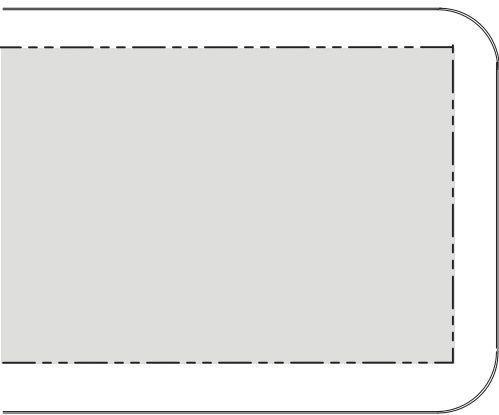
EXEMPTED GSF
GROSS BMR
0
0
0
0
0
494
3,508
712
763
1,450
1,602
2,220

=

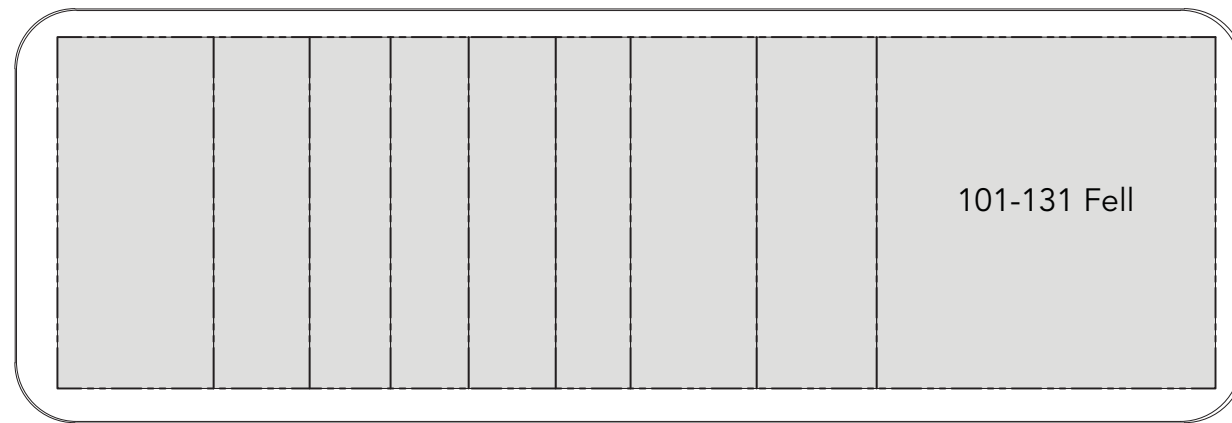
FLOOR AREA (exempting parking, mech+utility, and gross BMR)
856
10,272
10,272
10,300
10,300
9,778
6,764
9,581
9,530
8,816
8,664
8,073
1,945

115,900 SQ. FT.

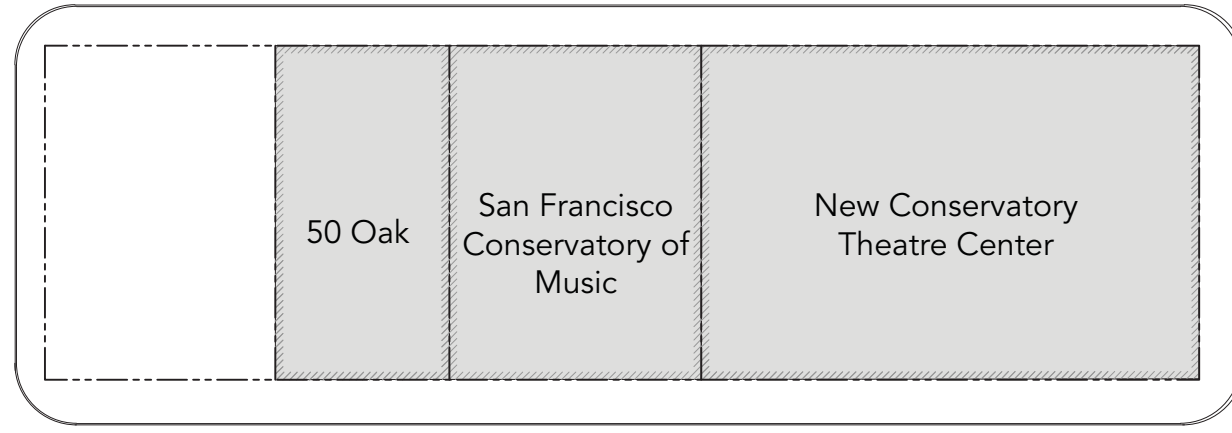
105,151 SQ.



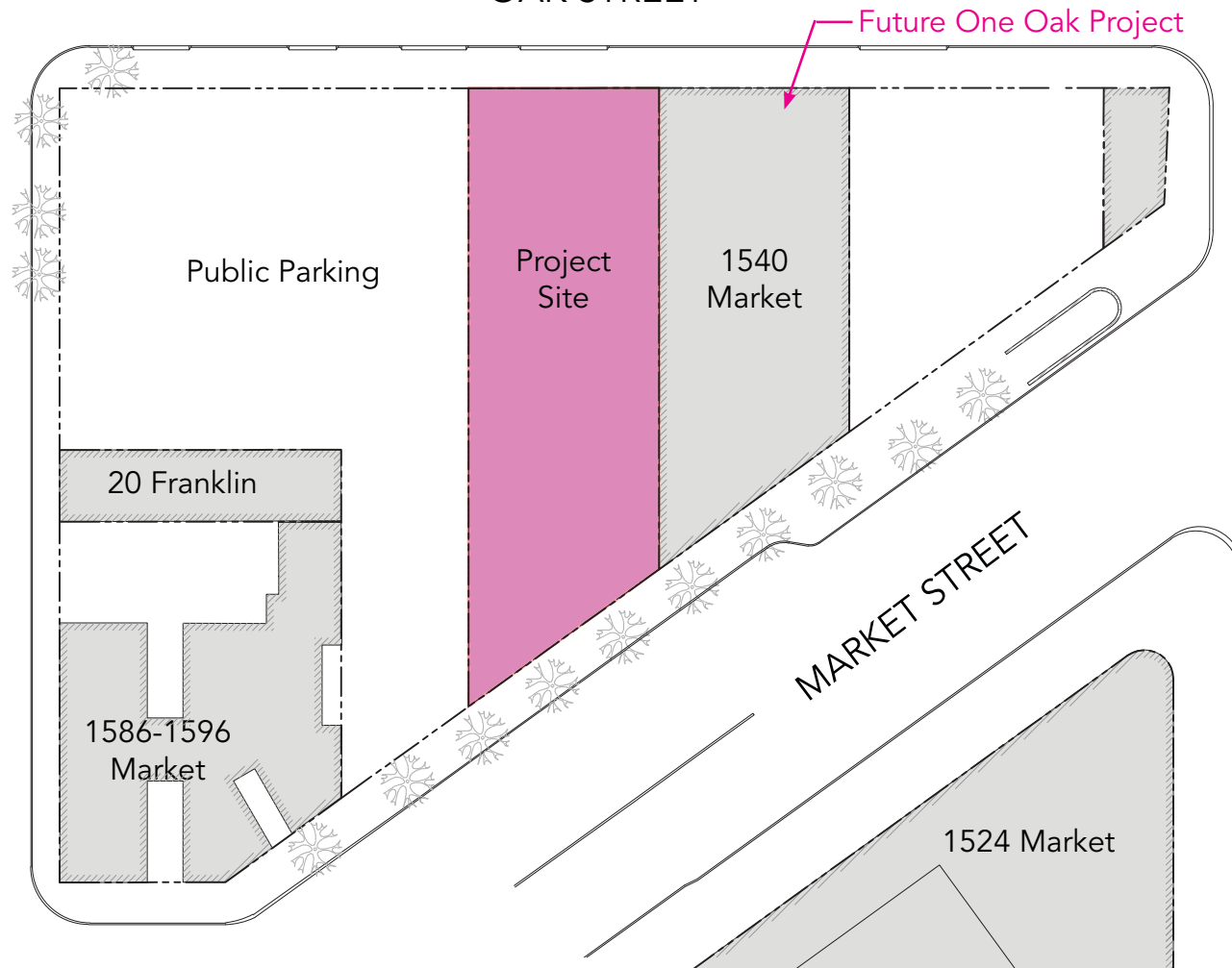
FRANKLIN STREET



HICKORY STREET



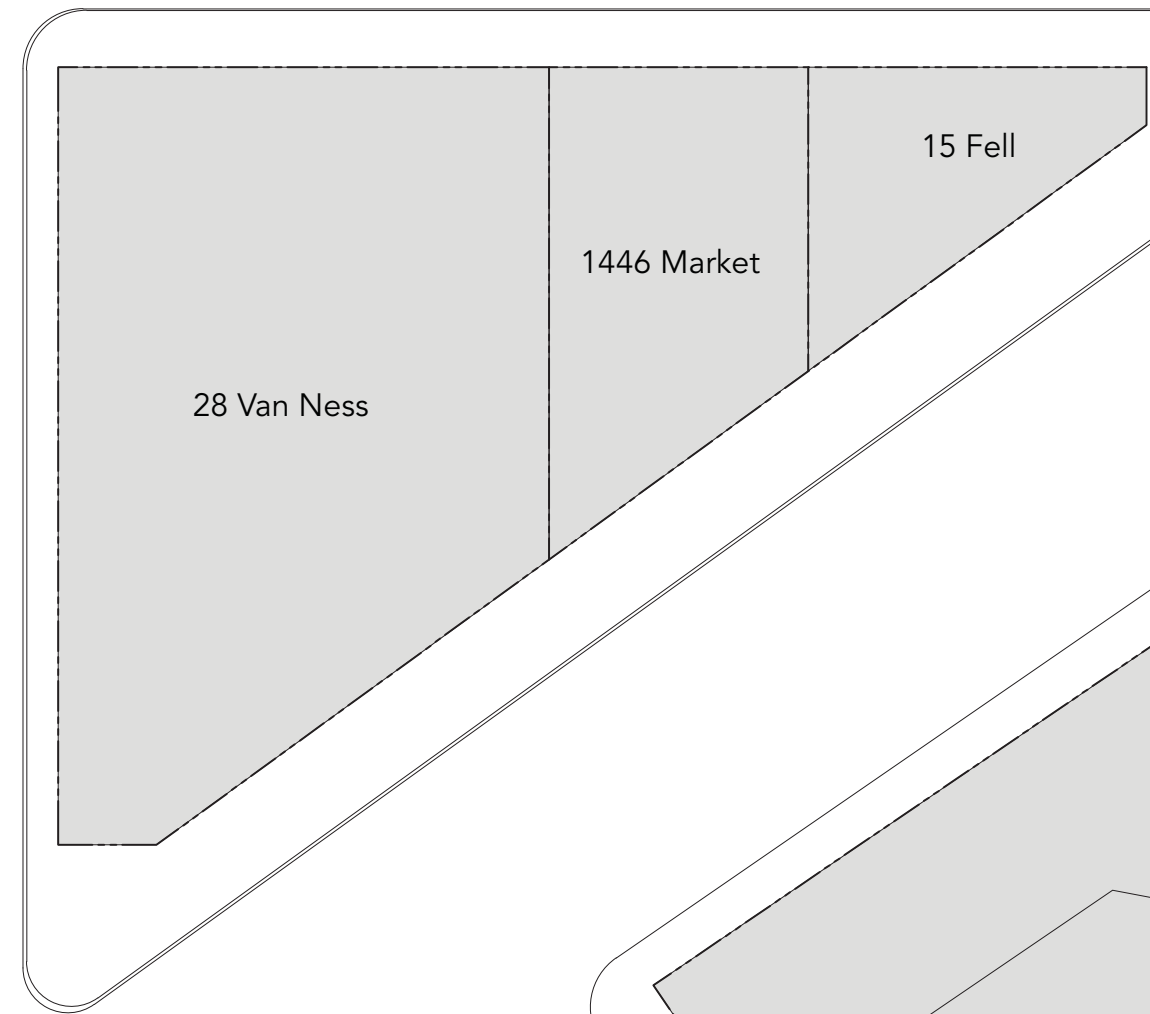
OAK STREET



Future One Oak Project

MARKET STREET

VAN NESS AVENUE

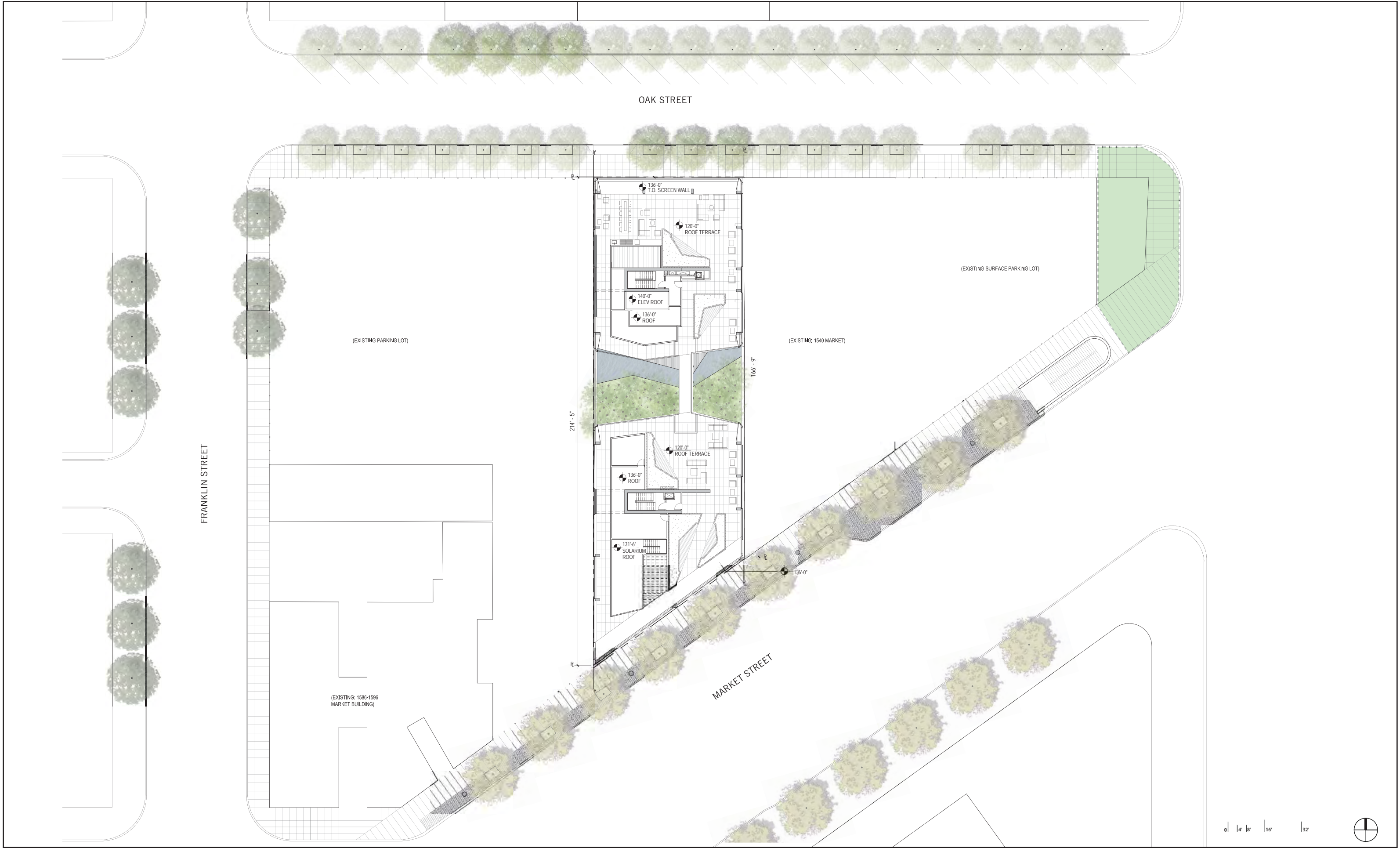


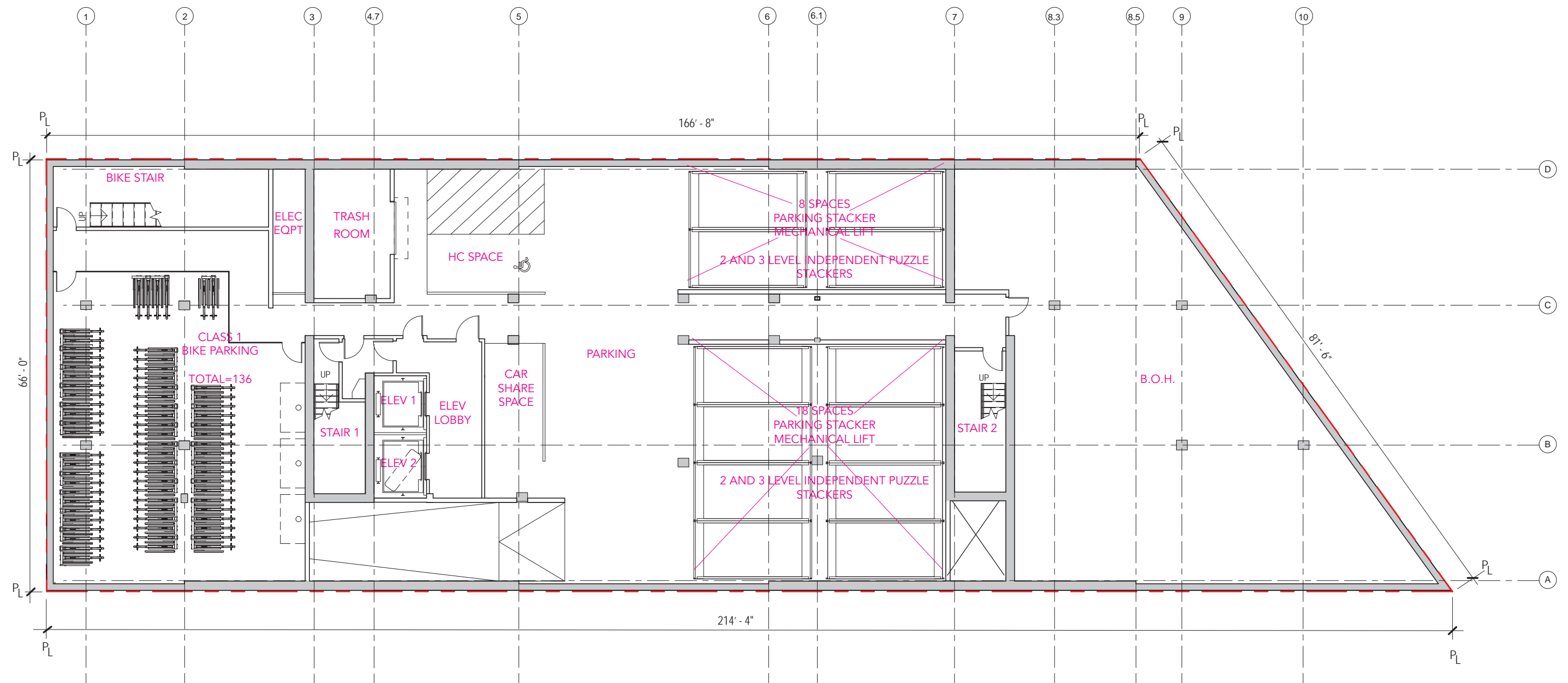
11th STREET

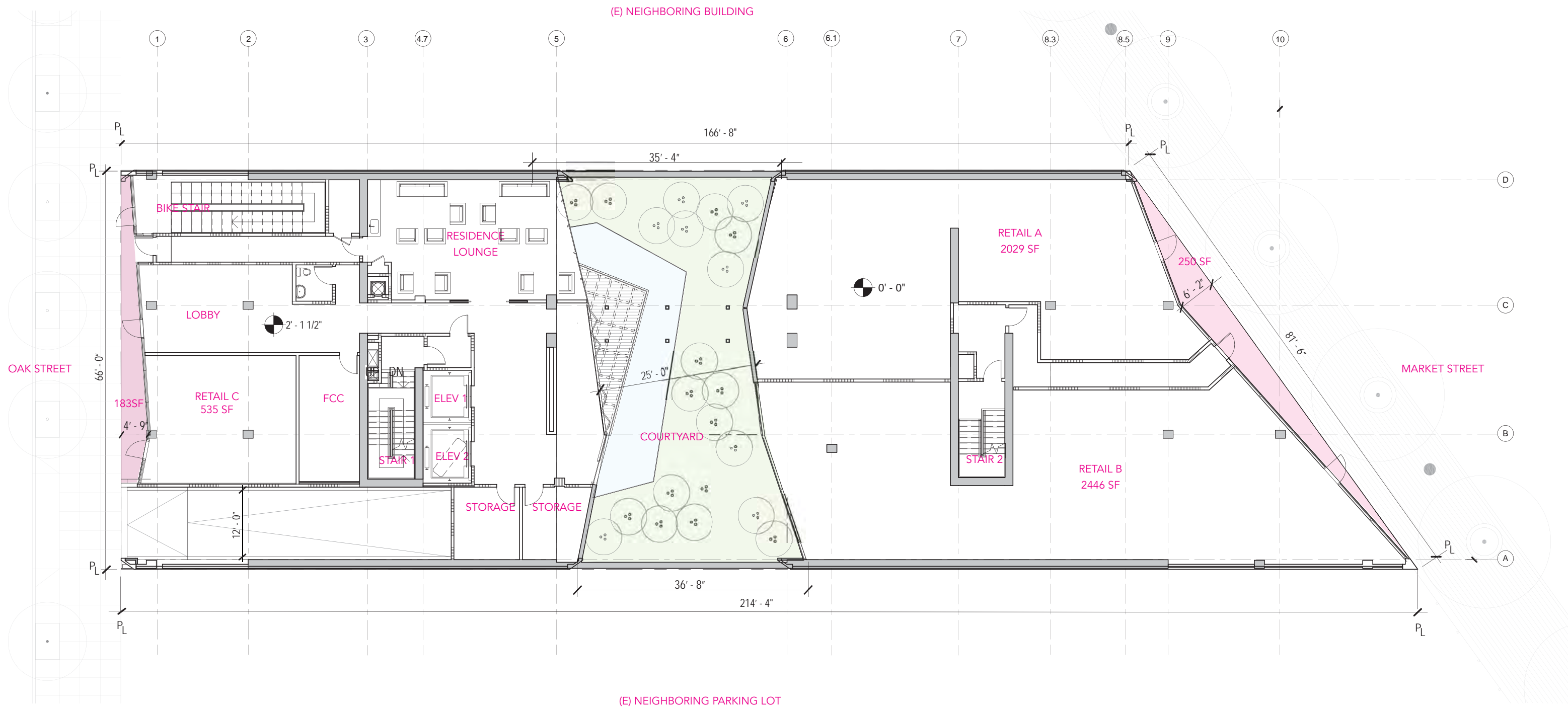


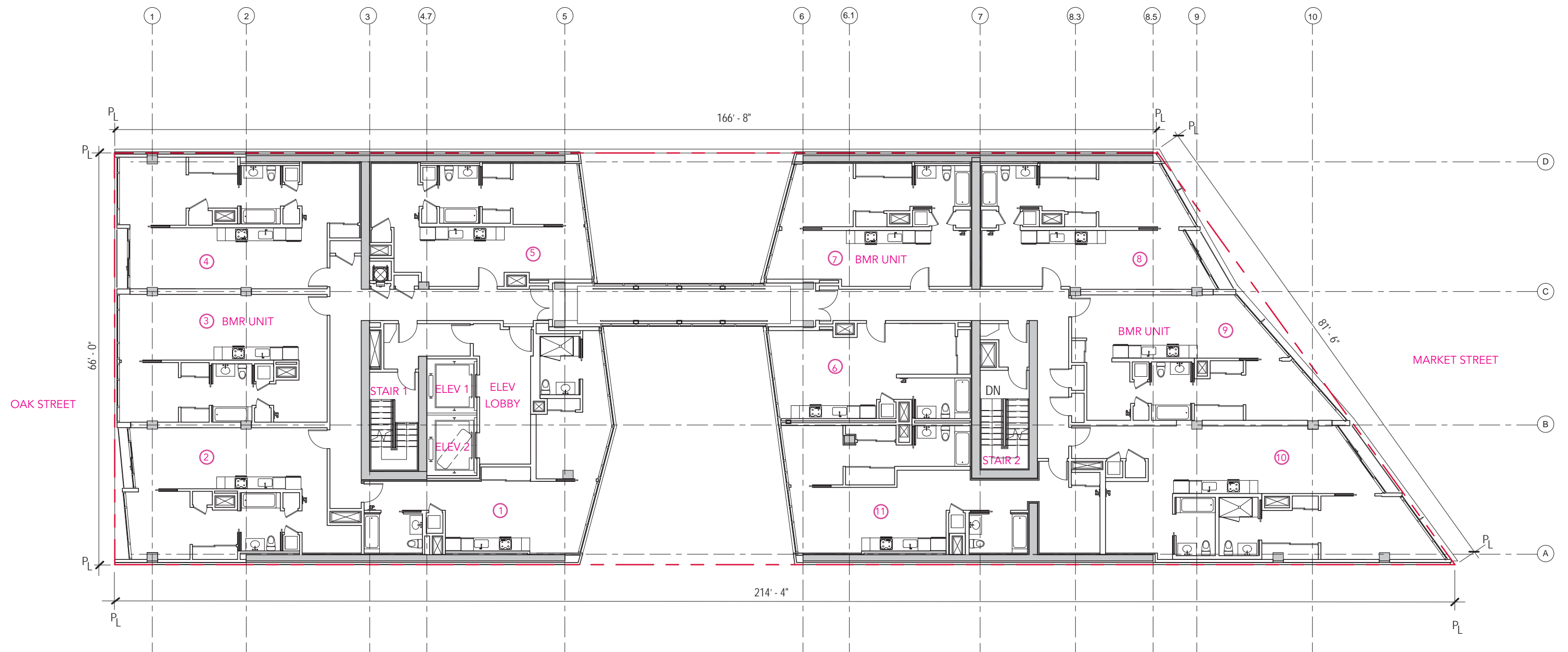
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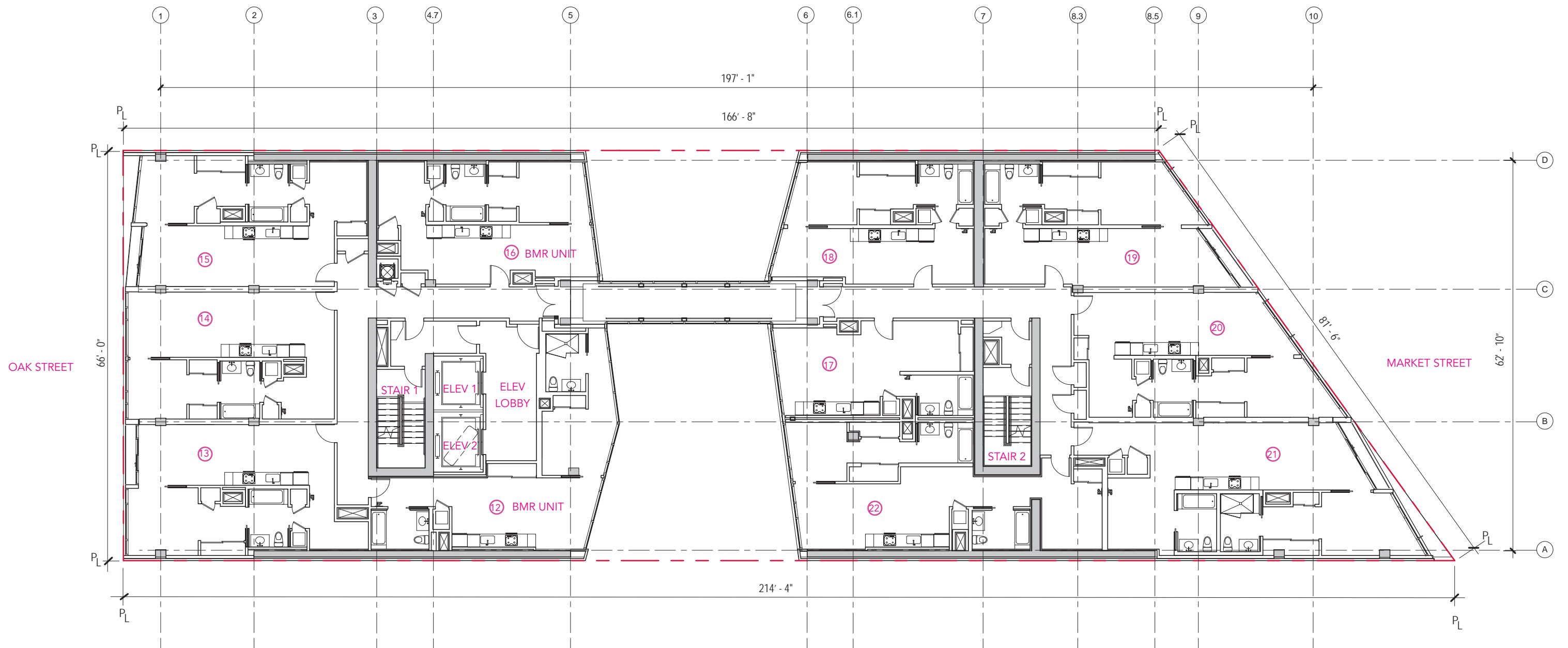


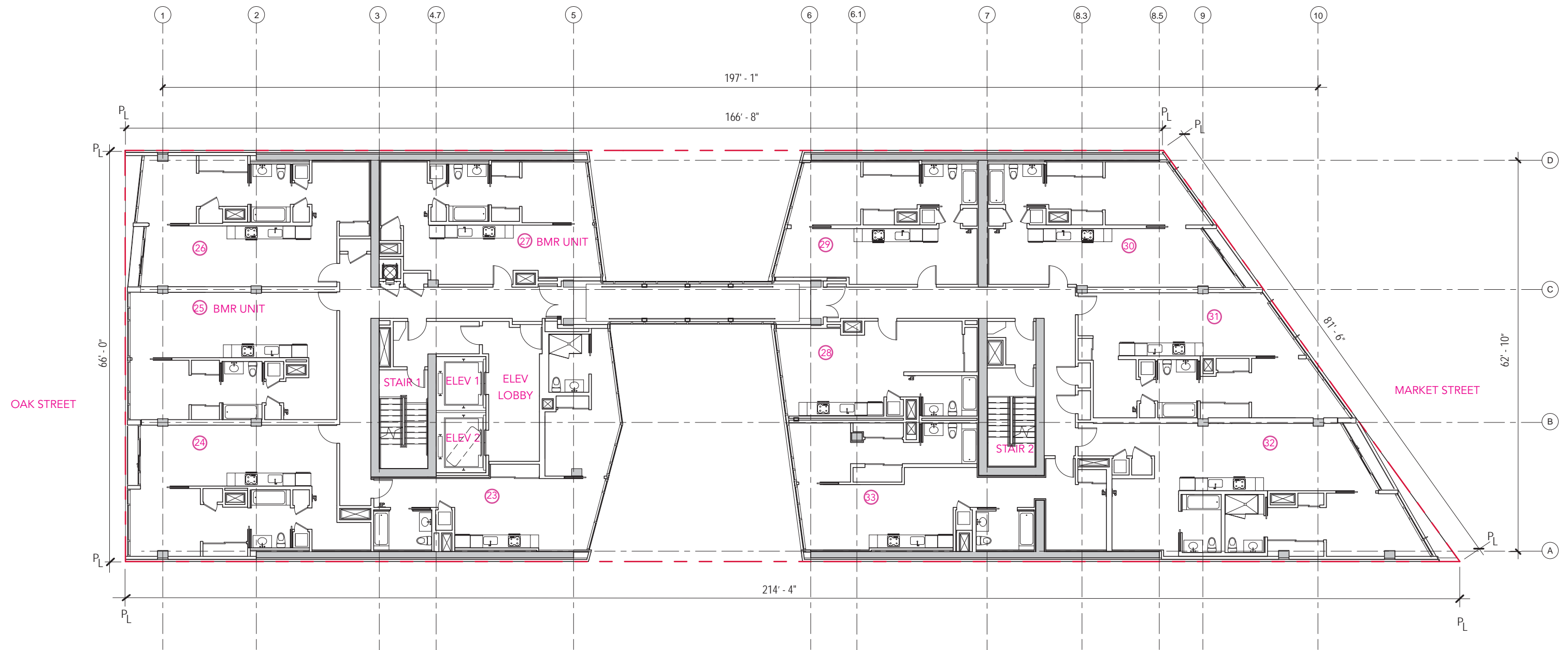


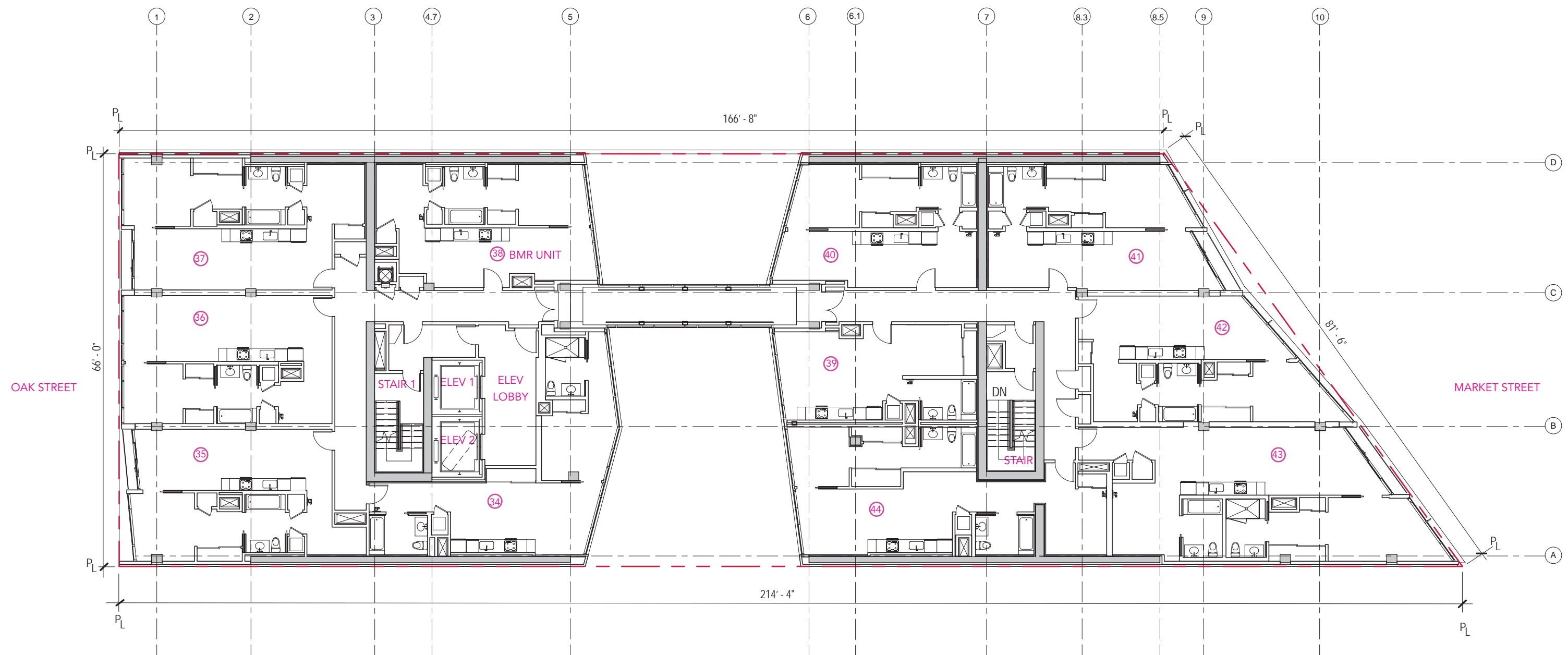


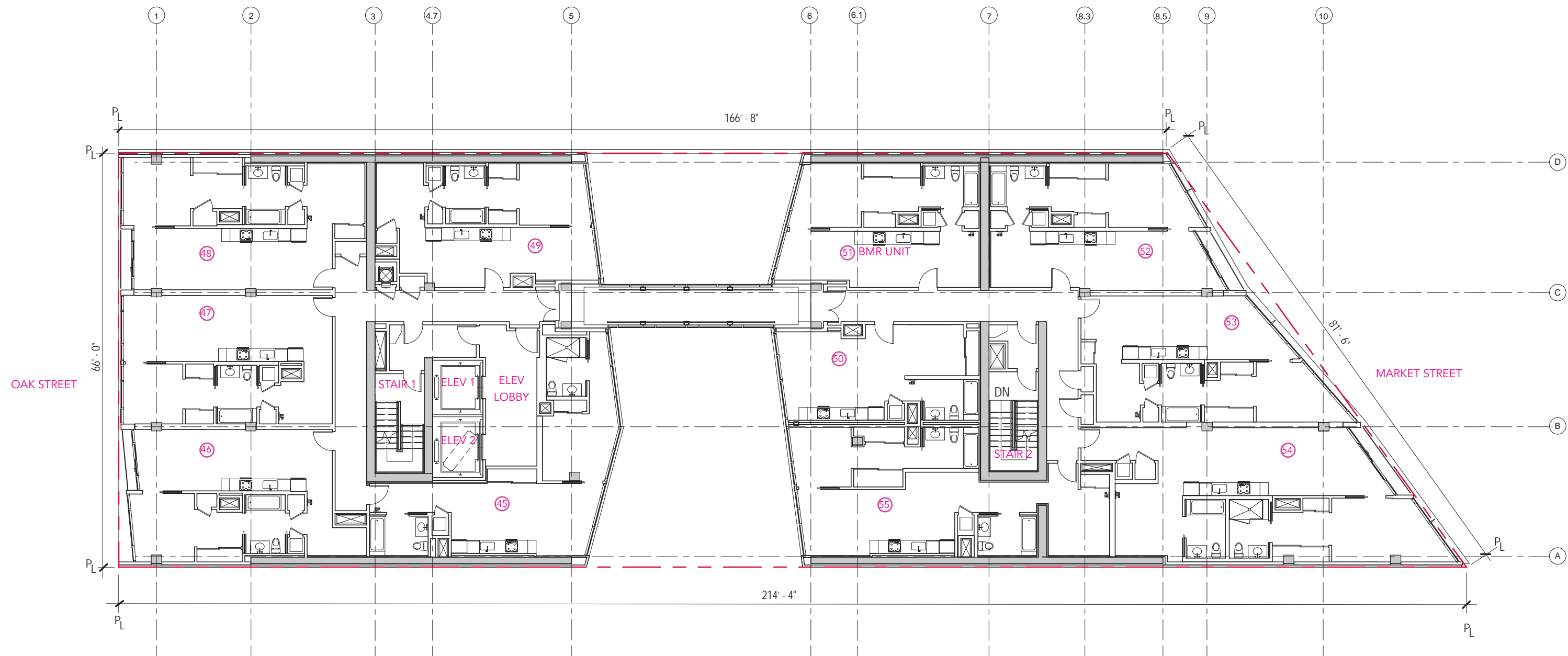


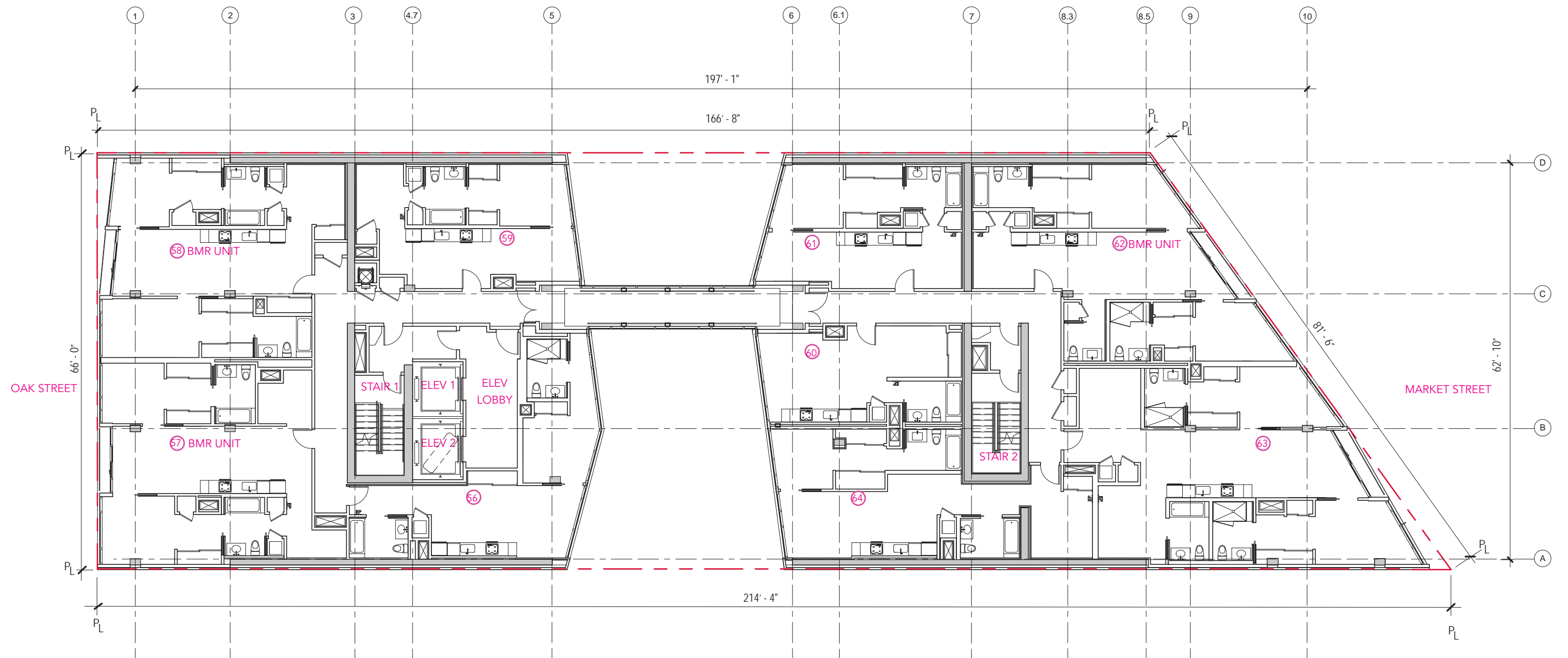


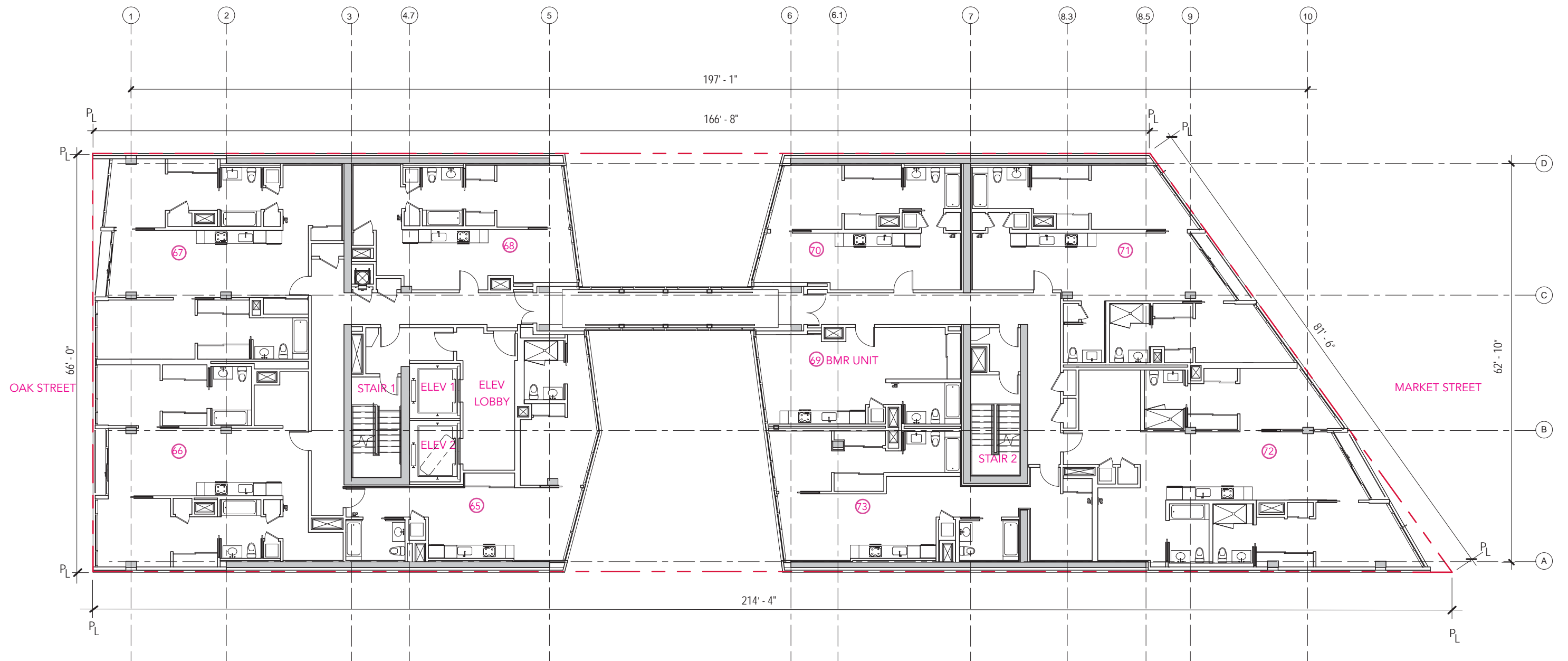


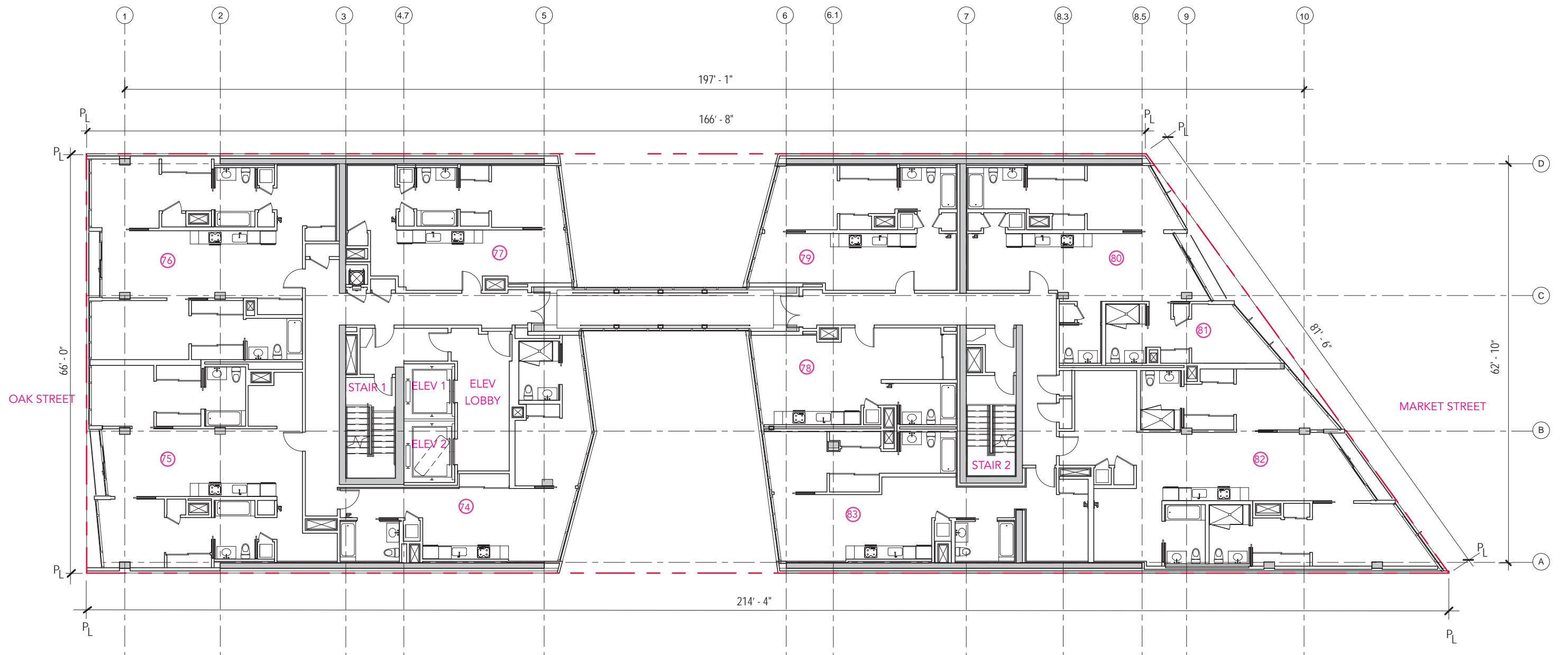


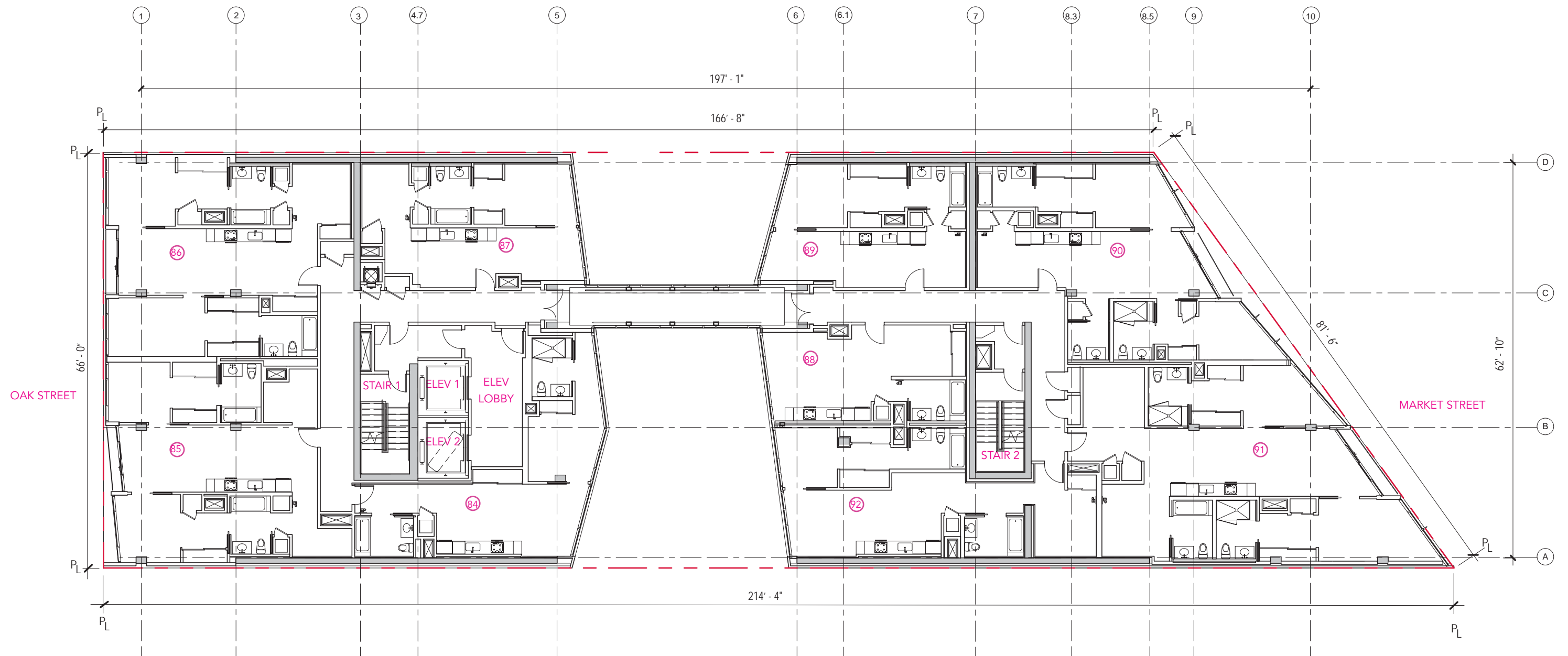


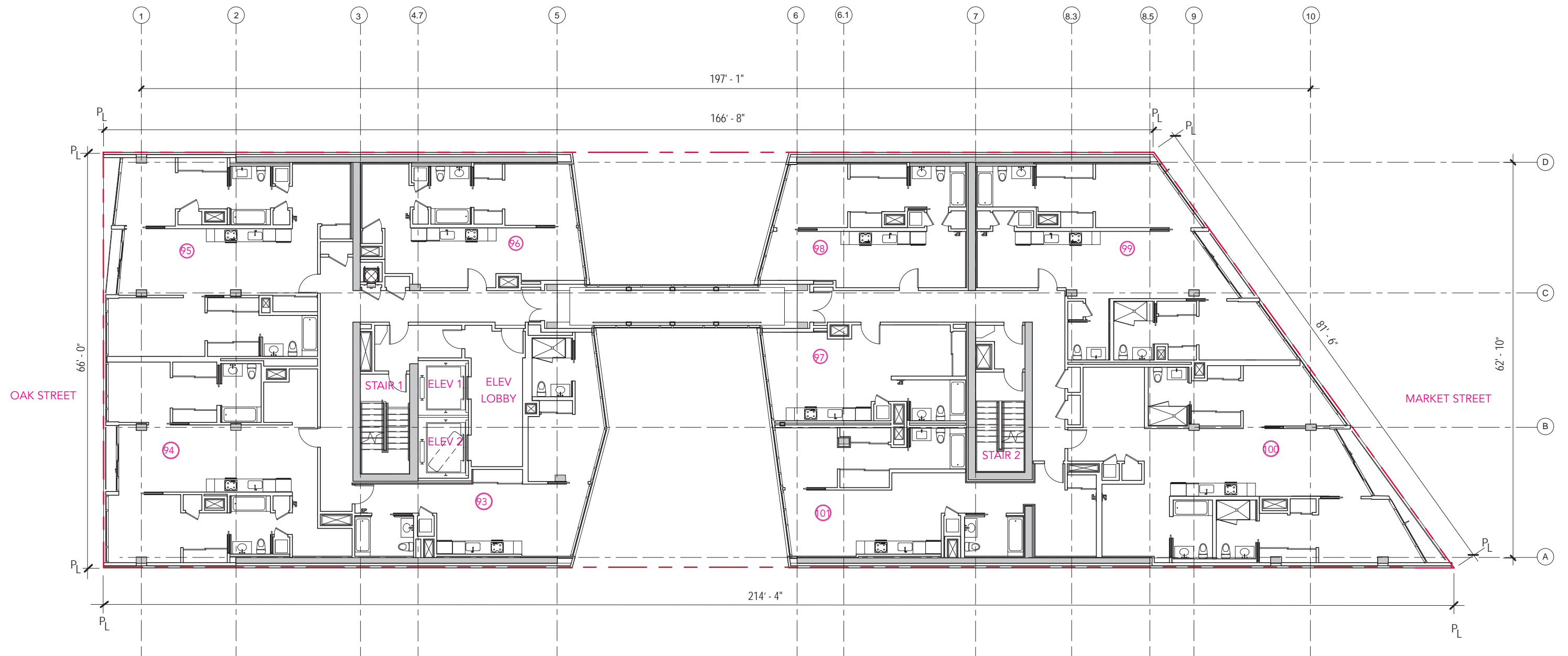


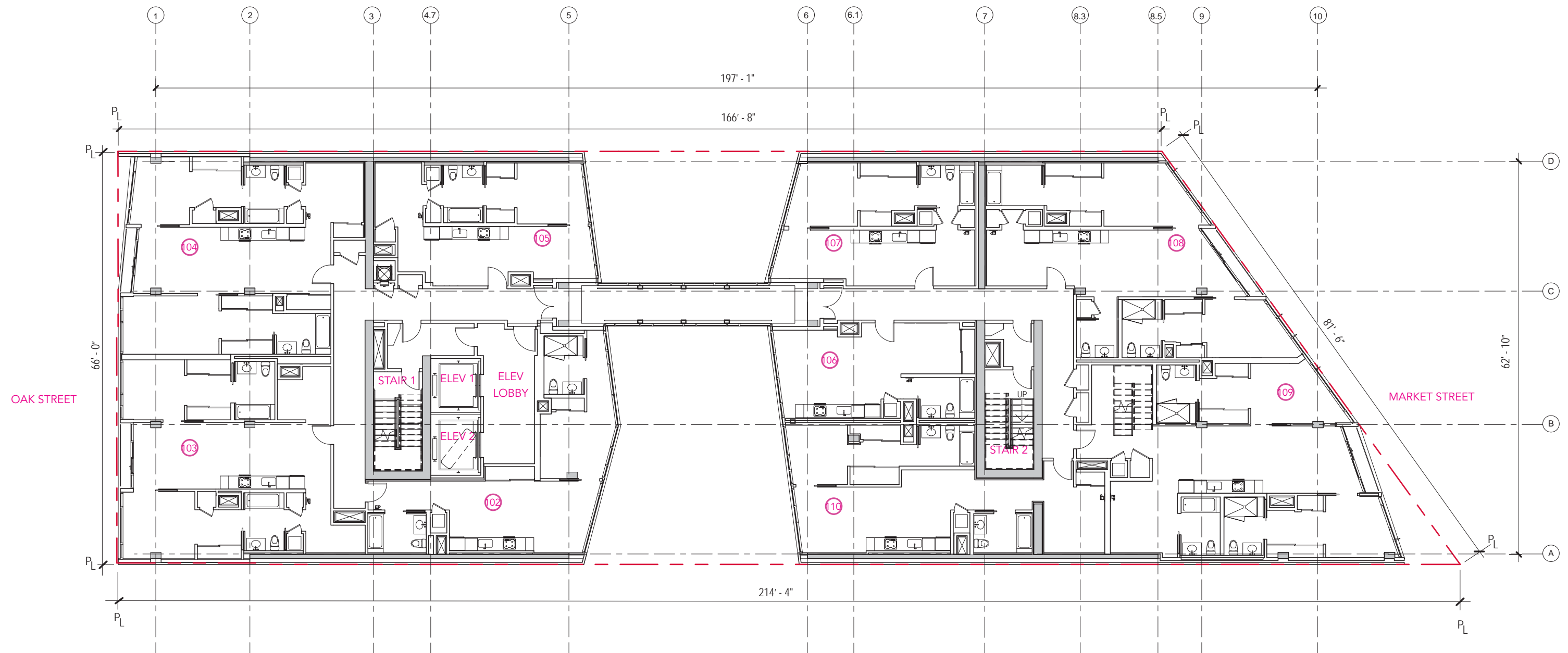


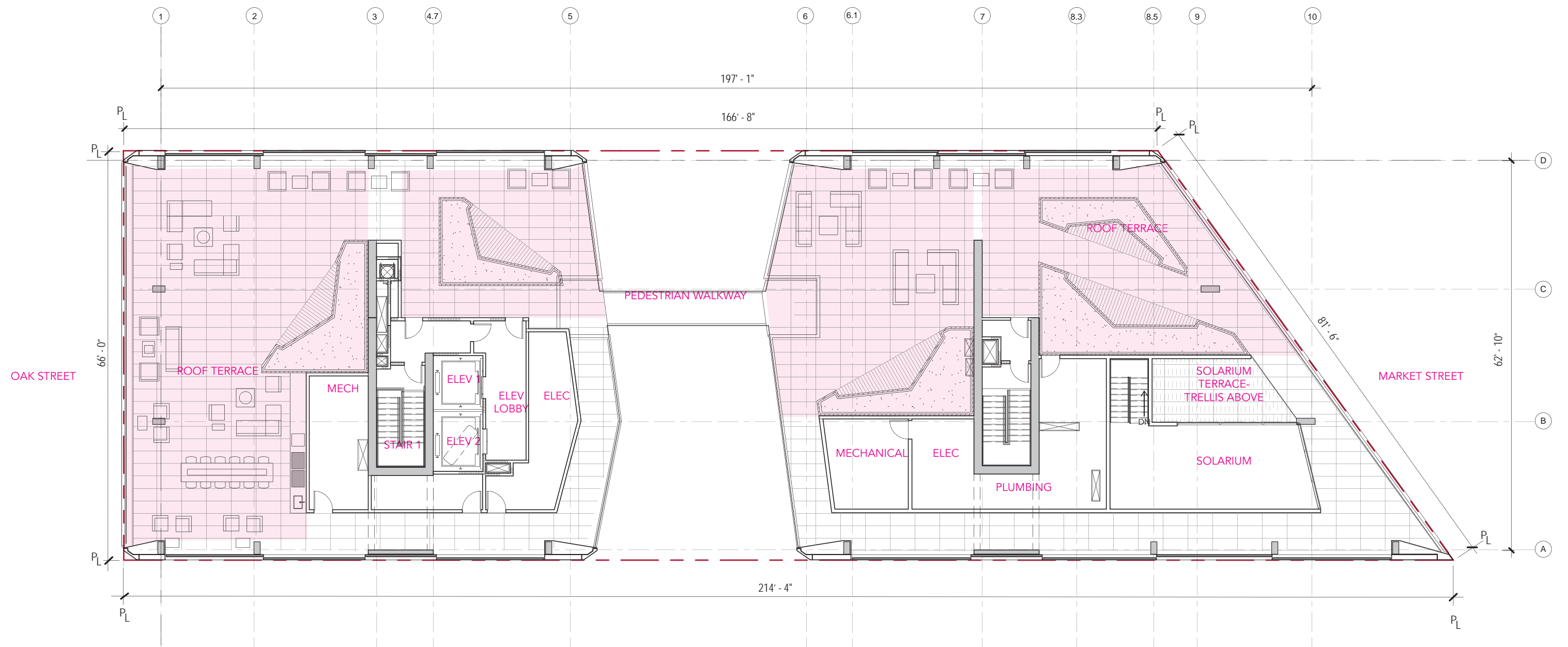












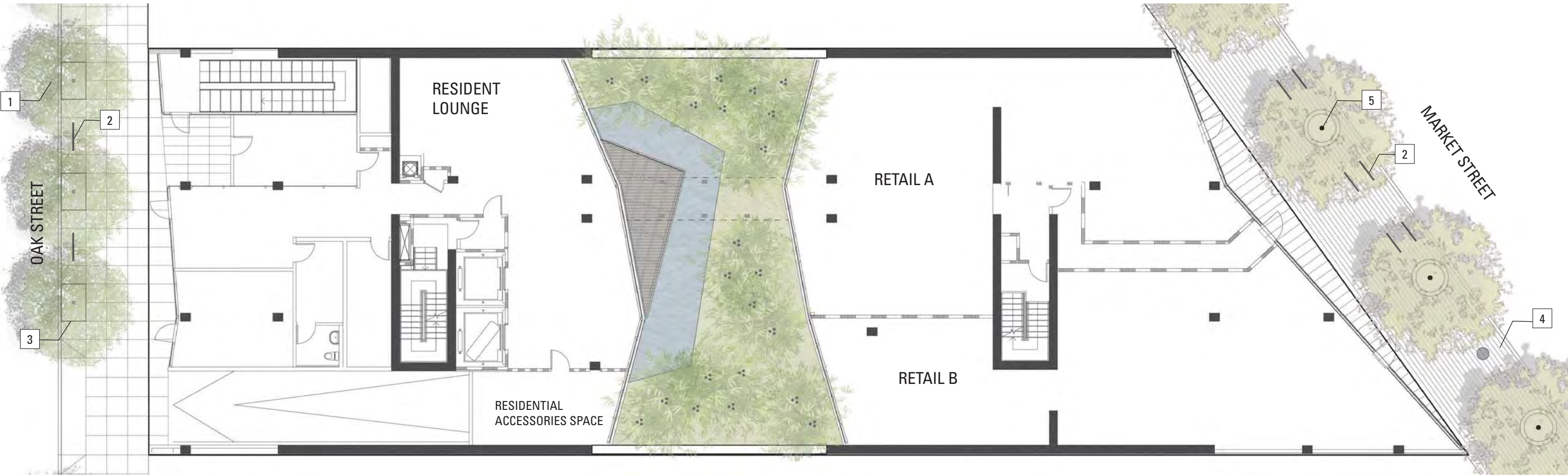






- ### KEY
- 1 POTENTIAL FUTURE STREET TREES
[TO BE PLANTED OR INSTALLED BY OTHERS]
 - 2 EXISTING GINKGO TREES
[OAK STREET]
 - 3 PROPOSED GINKGO TREES
 - 4 PROPOSED BIKE RACK
[2 TOTAL]
 - 5 PROPOSED METAL TREE GRATE
 - 6 CONCRETE CITY SIDEWALK
 - 7 EXISTING LONDON PLANE TREES
 - 8 ENHANCED CITY PAVING
 - 9 EXISTING ORNAMENTAL POST LAMP

LANDSCAPE SITE PLAN



KEY

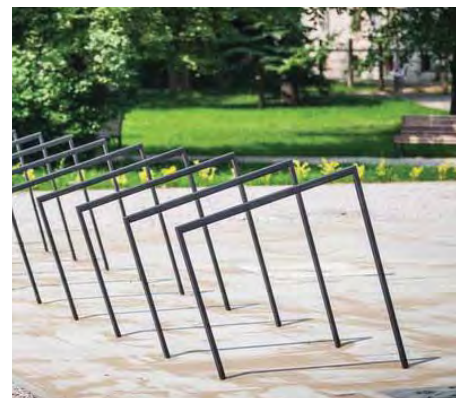
- 1 PROPOSED GINKGO TREES ON OAK STREET (QTY: 3)
- 2 BIKE RACK (QTY: 8)
- 3 NEW METAL TREE GRATES AT OAK STREET (QTY: 3)
- 4 EXISTING CITY SIDEWALK ON MARKET STREET
- 5 EXISTING LONDON PLANE TREES TO BE RETAINED AND PROTECTED



NEW GINKGO TREES ON OAK STREET



EXISTING GINKGO TREES ON OAK STREET



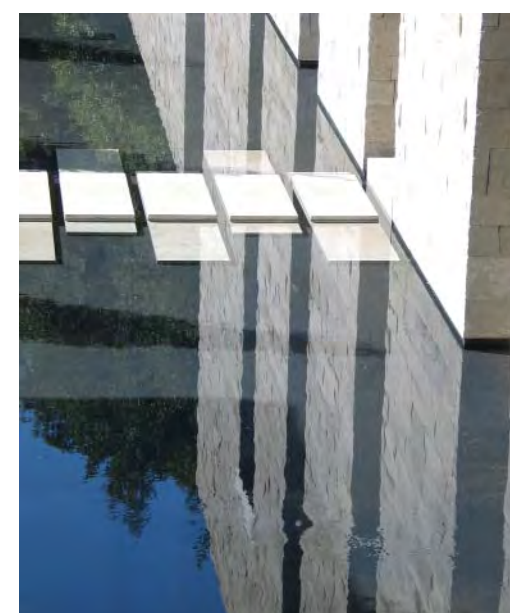
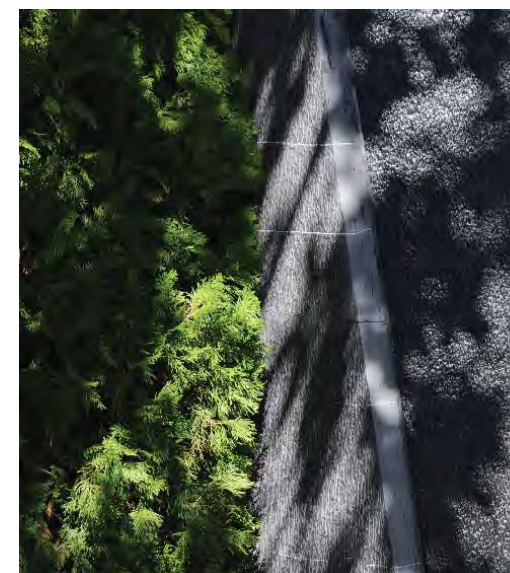
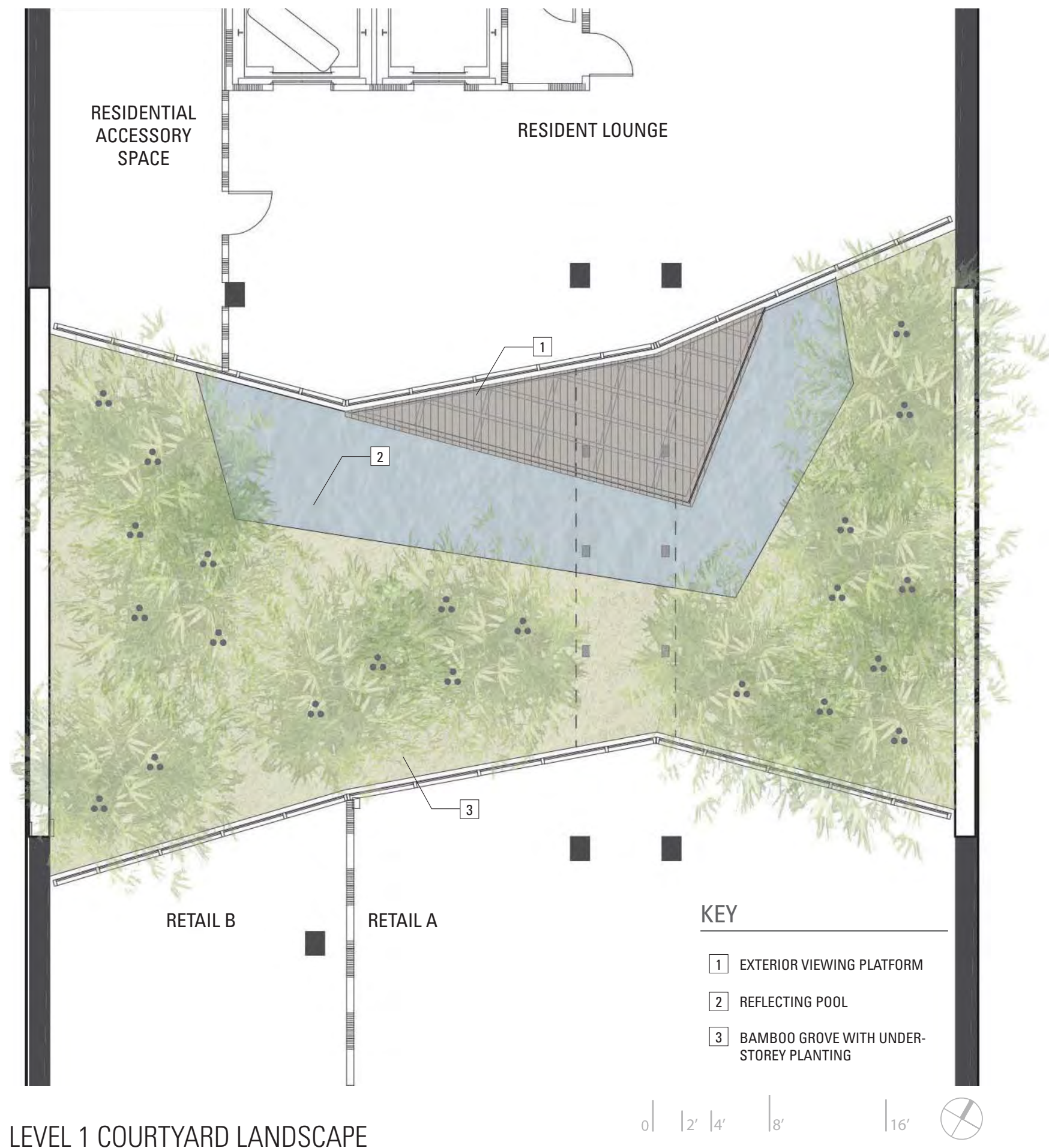
NEW BIKE RACKS ON OAK & MARKET ST.



NEW METAL TREE GRATE ON OAK ST.

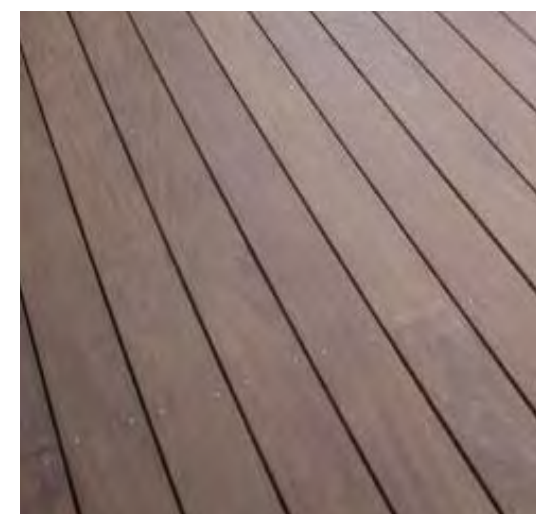


METAL TREE GRATE ON MARKET ST.



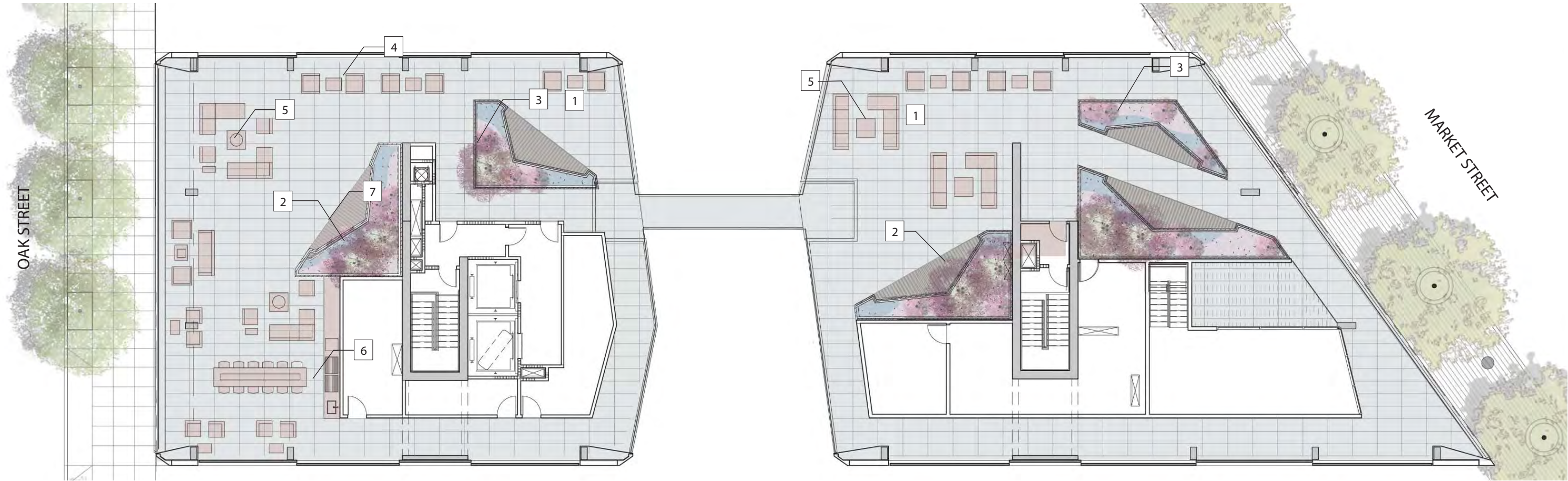
REFLECTING POOL

BAMBOO PLANTING



UNDERSTORY PLANTING

WOOD DECK PLATFORM



KEY

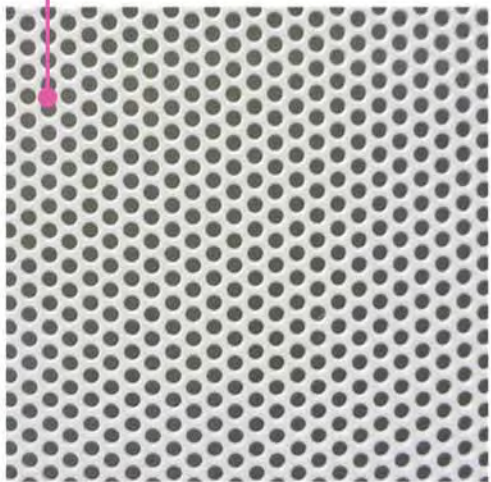
- 1 24" X 36" PAVER ON PEDESTALS
- 2 WOOD PLATFORM/SEATING INTEGRATED INTO RAISED PLANTER
- 3 RAISED CONCRETE PLANTER WITH NATIVE & ADAPTIVE PLANTING
- 4 MOVEABLE FURNISHINGS
- 5 FIRE PIT
- 6 OUTDOOR KITCHEN & DINING AREA
- 7 FILM SCREENING WALL



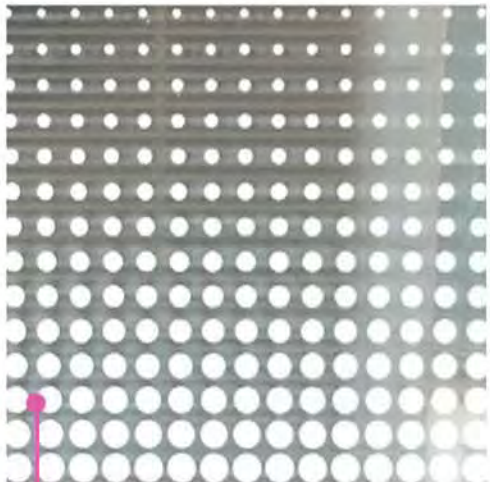
ROOF LEVEL LANDSCAPE



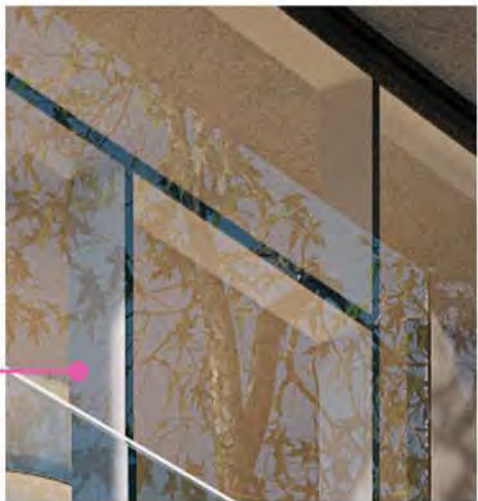
Cast In Place Concrete



Perforated Metal Screen



Glass with Gradient Ceramic Frit



Floor to Ceiling Window Wall



White Shadow Box Panels
and Vertical Aluminum Fins



Exterior Plaster in 3 Tones
with Reflective Panels









48 Market Street Retail Front | Oak Street Lobby and Retail Front



1546-1564 MARKET STREET | JUNE 25, 2015

TRUMARK URBAN | HANDEL ARCHITECTS LLP
MARTA FRY LANDSCAPE ARCHITECTS



50 View From Oak Street | Aerial View



1546-1564

Market Street

San Francisco, California

Thank You

