



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Large Project Authorization & Conditional Use Authorization Hearing Date: June 20, 2019

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Record No.: 2014-000203ENX/CUA
Project Address: 655 4th Street; 280-290 & 292-296 Townsend Street
Zoning: Central SoMa Mixed-Use Office (CMUO) Zoning District
400-CS Height and Bulk District
Central SoMa Special Use District
Block/Lots: 3787/026, 028, 050, 161-164
Project Sponsor: 655 4th Owner, LLC
One Bush Street, Suite 450
San Francisco, CA 94104
Staff Contact: Linda Ajello Hoagland, AICP – (415) 575-6823
linda.ajellohoagland@sfgov.org
Recommendation: **Approval with Conditions**

PROJECT DESCRIPTION

The Project includes the demolition of three existing buildings and associated parking lots on the site and construction of two new buildings that appear as four separate towers (Towers 1A, 2A, 1B and 2B) measuring 400 and 360 feet in height, measured to the top of the roof, and 425 and 370 feet measured to the roof top mechanical screen. The Project includes approximately 1,082,157 square feet with 960 dwelling units, approximately 18,454 square feet of ground floor retail, 21,840 square feet of office, a 38-room boutique hotel, 10,512 square feet of private open space, 24,495 square feet of outdoor POPOS (privately owned public open space) and 2,484 square feet of interior POPOS. The Project will also include a 170,300-square-foot below-grade, four-level basement containing building amenities, 8 loading spaces, 264 parking spaces, 12 car-share spaces, 540 Class 1 bicycle spaces, retail operations, refuse handling area, and other back-of-house features such as mechanical equipment required for operation and maintenance of the building.

REQUIRED COMMISSION ACTION

In order for the Project to proceed, the Commission must grant a Conditional Use Authorization, pursuant to Planning Code Sections 303, 317 and 848 to allow the demolition of two existing residential units on the project site and allow a hotel use in the CMUO Zoning District.

In addition, the Commission must also grant a Large Project Authorization (LPA), pursuant to Planning Code Sections 249.78 and 329, for new construction greater than 85-ft in height and more than 50,000 gross square feet in size for the Project. Under the Large Project Authorization, the Commission must grant modifications to the following Planning Code Sections:

1. Setbacks, Street Wall Articulation and Tower Separation (Section 132.4);
2. Usable Open Space for Residential Units (Section 135 & 329(e)(3)(B)(vi));

3. POPOS Design (Section 138);
4. Street Frontage Controls (Section 145.1);
5. Ground Floor Commercial Street Frontage (Section 145.4);
6. Protected Pedestrian-, Cycling-, and Transit-Oriented Street Frontages (Section 155(r));
7. Wind (Section 249.78(d)(7));
8. Use on Large Development Sites (Section 249.78(c)(6));
9. Narrow and Mid-Block Alley Controls (Section 261.1); and,
10. Central SoMa Bulk Controls (Section 270(h)).

ISSUES AND OTHER CONSIDERATIONS

- **Public Comment & Outreach.** To date, the Department has received two phone calls in opposition of the Project from residents in an adjacent residential building, siting impacts to their building adjacent to the Project site on 4th Street as a result of the Project. The Sponsor has conducted multiple one-on-one meetings with individual stakeholders, community organizations and nearby homeowner's associations, and participated in three additional community outreach forums, as outlined in the Project Sponsor Brief (Exhibit E).
- **Large Project Authorization.** The Commission must grant a LPA pursuant to Planning Code Section 329 to allow construction of a new building greater than 85 feet in height or for new construction of more than over 50,000 gross square feet in the Central SoMa Mixed-Use Office Zoning District and the Central SoMa Special Use District. As part of the LPA, the Commission may grant exceptions from certain Planning Code requirements for projects that exhibit outstanding overall design; provide qualified amenities in excess of what is required by the Code; and for Key Site development projects. As listed above, the project is seeking numerous exceptions, which are generally supported by Department staff given the qualified amenities and overall design of the Project.
- **Qualified Amenities – Key Sites.** Per Planning Code Section 329(e)(3)(A), the Project will include a public plaza and an improved pedestrian network.
- **Development Impact Fees.** The Project will be subject to development impact fees, including the Central SoMa Community Services Facility Fee, Central SoMa Infrastructure and Impact Fee, Eastern Neighborhoods Impact Fees, Eastern Neighborhoods Affordable Housing Fee, Transportation Sustainability Fee, and Residential Child Care Impact Fee.
- **Affordable Housing.** The Project will satisfy the Inclusionary Housing Requirements, pursuant to Planning Code Section 415, through payment of the Inclusionary Housing Fee at a rate equivalent to an off-site requirement of 30%.
- **Entertainment Commission.** In compliance with Ordinance No. 70-15, the Project Sponsor consulted the Entertainment Commission, however no active Places of Entertainment are located within 300 feet of the Project.

ENVIRONMENTAL REVIEW

On May 10, 2018, the San Francisco Planning Commission certified the Final Environmental Impact Report (EIR) for the Central South of Market (Central SoMa) Plan in compliance with the California Environmental Quality Act (CEQA) per Planning Commission Motion No. M-20182. Pursuant to the Guidelines of the



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft Motion

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400-CS Height and Bulk District
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ADOPTING FINDINGS RELATING TO A LARGE PROJECT AUTHORIZATION PURSUANT TO PLANNING CODE SECTIONS 249.78, 329 AND 848, TO ALLOW EXCEPTIONS TO 1) SETBACKS, STREET WALL ARTICULATION AND TOWER SEPARATION, PURSUANT TO PLANNING CODE SECTION 132.4; 2) USABLE OPEN SPACE FOR RESIDENTIAL UNITS, PURSUANT TO PLANNING CODE SECTIONS 135 & 329(e)(3)(B)(vi); 3) POPOS DESIGN, PURSUANT TO PLANNING CODE SECTION 138); 4) DWELLING UNIT EXPOSURE, PURSUANT TO PLANNING CODE SECTIONS 140 & 249.78(d)(11); 5) STREET FRONTAGE REQUIREMENTS, PURSUANT TO PLANNING CODE SECTION 145.1; 6) GROUND FLOOR COMMERCIAL FRONTAGE, PURSUANT TO PLANNING CODE SECTION 145.4); 7) PROTECTED PEDESTRIAN-, CYCLING-, AND TRANSIT-ORIENTED STREET FRONTAGES, PURSUANT TO PLANNING CODE SECTION 155(r); 8) WIND, PURSUANT TO PLANNING CODE SECTION 249.78(d)(7); 9) USES ON LARGE DEVELOPMENT SITES, PURSUANT TO PLANNING CODE SECTION 249.78(c)(6); 10) NARROW AND MID-BLOCK ALLEY CONTROLS, PURSUANT TO PLANNING CODE SECTION 261.1; AND 11) CENTRAL SOMA BULK CONTROLS, PURSUANT TO PLANNING CODE SECTION 270.1; TO ALLOW CONSTRUCTION OF TWO 36-TO-40-STORY BUILDINGS CUMULATIVELY CONTAINING APPROXIMATELY 1,014,968 GROSS SQUARE FEET OF RESIDENTIAL USE (960 DWELLING UNITS), 24,509 GROSS SQUARE FEET OF HOTEL USE (38 ROOMS), 21,830 GROSS SQUARE FEET OF OFFICE USE, 18,454 GROSS SQUARE FEET OF GROUND-FLOOR RETAIL USE, 2,484 GROSS SQUARE FEET OF RETAIL/INDOOR PRIVATELY OWNED PUBLICLY ACCESSIBLE OPEN SPACE, AND 276 OFF-STREET PARKING SPACES, LOCATED AT 655 4th STREET; 280-290 AND 292-296 TOWNSEND STREET, LOTS 026, 028, 050, AND 161-164 AND IN ASSESSOR'S BLOCK 3787, WITHIN THE CMUO (CENTRAL SOMA MIXED-USE OFFICE) ZONING DISTRICT AND A 400-CS HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On December 19, 2017, Melinda Sarjapur of Reuben, Junius & Rose, LLP, acting on behalf of 655 4TH Owner (hereinafter "Project Sponsor") filed Application No. 2014-000203ENX (hereinafter "Application") with the Planning Department (hereinafter "Department") for a Large Project Authorization pursuant to Planning Code Section 329 with exceptions from Planning Code ("Code") requirements for "Building Setbacks, Streetwall Articulation and Tower Separation"; "Usable Open Space for Residential Units"; "POPOS Design"; "Dwelling Unit Exposure"; "Street Frontage Controls"; "Ground Floor Commercial Street Frontage Controls"; "Protected Pedestrian-, Cycling-, and Transit-Oriented Street Frontages"; "Wind"; "Uses on Large Development Sites"; "Narrow and Mid-Block Alley Controls"; and "Central SoMa Bulk Controls", to demolish three existing buildings and associated surface parking on the site (655 4th Street, 280-290 and 292-296 Townsend Street) and construct two new 36-40-story, 400 and 360-foot tall, mixed-use building with 960 dwelling units, a 38-room hotel, office, and ground-floor retail (hereinafter "Project") at 655 4th Street, Block 3787 Lots 026, 028, 050, 161-164 (hereinafter "Project Site").

The environmental effects of the Project were fully reviewed under the Final Environmental Impact Report for the Central SoMa Plan (hereinafter "EIR"). The EIR was prepared, circulated for public review and comment, and, at a public hearing on May 10, 2018, by Motion No. 20182, certified by the Commission as complying with the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 *et. seq.*, (hereinafter "CEQA") the State CEQA Guidelines (Cal. Admin. Code Title 14, section 15000 *et seq.*, (hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31"). The Commission has reviewed the EIR, which has been available for this Commission's review as well as public review.

The Central SoMa Plan EIR is a Program EIR. Pursuant to CEQA Guideline 15168(c)(2), if the lead agency finds that no new effects could occur or no new mitigation measures would be required of a proposed project, the agency may approve the project as being within the scope of the project covered by the program EIR, and no additional or new environmental review is required. In approving the Central SoMa Plan, the Commission adopted CEQA findings in its Resolution No. 20183 and hereby incorporates such Findings by reference.

Additionally, State CEQA Guidelines Section 15183 provides a streamlined environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that (a) are peculiar to the project or parcel on which the project would be located, (b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent, (c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR, or (d) are previously identified in the EIR, but which are determined to have more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then and EIR need not be prepared for that project solely on the basis of that impact.

On June *, 2019, the Department determined that the Project did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Central SoMa Area Plan and was encompassed within the analysis contained in the EIR. Since the EIR was finalized, there have been no substantive changes to the Central SoMa Area Plan and no substantive changes in circumstances that would require major revisions to the EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Central Soma Area Plan EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

Planning Department staff prepared a Mitigation Monitoring and Reporting Program (“MMRP”) setting forth mitigation measures that were identified in the Central SoMa Plan EIR that are applicable to the Project. These mitigation measures are set forth in their entirety in the MMRP attached to the Motion as EXHIBIT C.

On June 20, 2019, the Commission adopted Motion No. [REDACTED], approving a Conditional Use Authorization for the Project (Conditional Use Authorization Application No. 2014.000203CUA), including a Mitigation, Monitoring, and Reporting Program for the Project, attached as Exhibit [REDACTED] to Motion No. [REDACTED], which are incorporated herein by this reference thereto as if fully set forth in this Motion

On June 20, 2019, the San Francisco Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2014-000203ENX.

The Planning Department Commission Secretary is the custodian of records; the File for Record No. 2014-000203ENX is located at 1650 Mission Street, Suite 400, San Francisco, California.

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 Large Project Authorization as requested in Application No. 2014-000203ENX, 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. **Project Description.** The Project includes the demolition of three existing buildings and associated parking lots on the site and construction of two 360- to 400-foot tall (370 and 425 feet measured to the roof top mechanical screen, respectively), 36- to 40-story mixed-use buildings. The Project will contain a total of 1,014,968 gross square feet (“gsf”) of residential use with approximately 960 dwelling units (242 studios; 330 1-bedrooms; 351 2-bedrooms; 37 3-bedrooms); 24,509 gsf of hotel use with approximately 38 rooms; 21,840 gsf of office use; 18,454 gsf of ground-floor retail; and 2,484 gsf of retail/interior privately-owned, publicly-accessible open space (“POPOS”) fronting on 4th Street. The Project will provide approximately 24,495 square feet of outdoor POPOS though landscaped plazas and mid-block alleys leading from Townsend and 4th Streets through to the center of the site, as well as approximately 18,432 square feet of privately-accessible open space for building residents, including 132 private balconies and two commonly-accessible rooftop open spaces. The Project will be served by a below-grade garage accessed along Townsend Street, containing 276 off-street parking spaces and eight off-street loading spaces. The Project will also include 540 Class 1 and 81 Class 2 bicycle spaces.
3. **Site Description and Present Use.** The Project site spans seven separate parcels (collectively encompassing approximately 1.64 acres) with addresses located at 655 4th Street and 280-290 Townsend and 292-296 Townsend Street (Assessor’s Block 3787, Lots 026, 028, 050, and 161-164) in San Francisco’s South of Market Neighborhood. The subject site is located at the northeast corner of 4th and Townsend Streets, and has approximately 275-ft along each of these frontages. Currently, the subject parcels contain three buildings, including one three-story condominium containing two residential units and one commercial unit, and two one- to- two-story retail buildings containing uses including H.D. Buttercup, Balthaup, and the Creamery. The Project site also contains an approximately 4,000 square foot surface parking lot, and a 2,300 square foot loading area.
4. **Surrounding Properties and Neighborhood.** The Project site is located in the South of Market Neighborhood, within the CMUO (Central SoMa Mixed Use-Office) and Central SoMa Special Use Zoning Districts. The SoMa neighborhood is a high-density downtown neighborhood with a mixture of low- to- mid-rise development containing commercial, office, industrial, and residential uses, as well as several undeveloped or underdeveloped sites, such as surface parking lots and single-story commercial buildings. The Project site is generally bounded by 4th Street to the west, Townsend Street to the south, four story residential and office buildings to the north at 601 4th Street and 475 Brannan Street, and a seven-story office building to the east at 260 Townsend Street. The 4th and King Street Caltrain station is located across the intersection of 4th and Townsend Streets. To the immediate south across Townsend Street is a 13-story mixed-use residential, retail, and office development at 250 King Street (the Beacon). Approximately 200 feet northwest of the Project site is 505 Brannan Street and proposes development of an eleven-story vertical addition to an existing six-story office building.
5. **Public Outreach and Comments.** To date, the Department has received two phone calls in opposition of the Project from residents in an adjacent residential building, siting impacts to their building adjacent to the Project site on 4th Street as a result of the Project. The Sponsor has conducted multiple one-on-one meetings with individual stakeholders, community organizations and nearby homeowner’s

associations, and participated in three additional community outreach forums, as outlined in the Project Sponsor Brief (Exhibit E).

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. **Permitted Uses in the CMUO Zoning District.** Planning Code Section 848 states that office; most retail; institutional (except for hospital and medical cannabis dispensary); residential; and certain production, distribution, and repair uses are principally permitted within the CMUO Zoning District.

The Project would construct new residential, retail, hotel and office uses principally permitted within the CMUO Zoning District and is seeking Conditional Use Authorization for construction of an approximately 24,509 gsf hotel use. Thus, the Project complies with Planning Code Section 848.

- B. **Floor Area Ratio and Purchase of Transferrable Development Rights (TDR).** Planning Code Section 124 establishes basic floor area ratios (FAR) for all zoning districts. However, in the Central SoMa SUD, no maximum floor area ratio applies to development on lots zoned CMUO. Rather, parcels located in Central SoMa Fee Tier C that contain new construction of 50,000 non-residential gross square feet or more and have a FAR of 3-to-1 or more are required to acquire TDR from a Transfer Lot in order to exceed an FAR of 3-to-1, up to an FAR of 4.25 to 1. Above an FAR of 4.25 to 1, the acquisition of additional TDR is not required.

The Project is located within Central SoMa Fee Tier C and consists of mixed-use development with greater than 50,000 gsf of nonresidential use. However, the majority of the Project will be residential area, which is exempt from FAR calculation. The Project is located on a 71,290 square foot site and will contain up to approximately 67,287 gsf of non-residential use, resulting in an FAR of less than 1-to-1. Accordingly, the Project does not require the purchase of TDR.

- C. **Setbacks, Streetwall Articulation, and Tower Separation.** Planning Code Section 132.4 outlines setback, streetwall articulation, and tower separation controls in the Central SoMa SUD. Section 132.4(d)(1) requires that buildings in the Central SoMa SUD be built to the street-or alley-facing property line up to 65 feet in height, subject to certain exceptions. Section 132.4(d)(2) requires that towers in the CS Bulk District provide a 15-foot setback along all property lines, starting at 85 feet in height, and that along 4th Street between Bryant and Townsend Streets, facades on new development be set back from the street-facing property line by a minimum depth of five (5) feet to a minimum height of 25 feet above sidewalk grade, and be designed as an extension of the sidewalk, free from columns or other obstructions except as allowed under Planning Code Section 136. Section 132.4(d)(3) requires that towers be set back at least 115 feet from any other building over a height of 85 feet.

The Project will entail construction of two buildings reaching up to 400 feet in height (425 feet to the top of rooftop appurtenances). The Project is seeking an exception from certain streetwall articulation, setback, and tower separation requirements of Section 132.4 as part of the Large Project Authorization (See Below).

- D. Lot Coverage.** Planning Code Section 249.78(d)(6) provides that for residential development within the Central SoMa Special Use District, the rear yard setback requirements of Planning Code Section 134 shall not apply, and instead lot coverage is limited to 80 percent at all residential levels, except that on levels in which all residential units face onto a public right-of-way, 100 percent lot coverage may occur. The unbuilt portion of the lot shall be open to the sky except for those obstructions permitted in yards pursuant to Section 136(c) of this Code. Where there is a pattern of mid-block open space for adjacent buildings, the unbuilt area of the new project shall be designed to adjoin that mid-block open space.

The Project contains two mixed-use residential buildings which occupy approximately 48,248 square feet of the 27,290 square foot site, resulting in lot coverage of approximately 67.7%. This area is less than the 80% lot coverage restriction, and thus the Project complies with Planning Code Section 249.78(d)(6).

- E. Residential Usable Open Space.** Planning Code Section 135B requires projects within Eastern Neighborhoods Mixed Use Districts to provide 80 square feet of usable open space per dwelling unit, if privately accessible, or 54 square feet per unit if publicly-accessible. Planning Code Section 329(e)(3)(B)(vi) provides that development at the Property may seek exception from this standard in connection with a Large Project Authorization, to reduce the privately-accessible open space to 60 square feet per unit. Further, Planning Code Section 135 requires that tower projects in the Central SoMa SUD provide at least 36 square feet of usable open space per unit on-site, but provides that any additional space required by Section 135B above that amount may be satisfied through in lieu fee payment pursuant to Planning Code Section 427.

The Project is a 960-unit tower development located within the Central SoMa SUD. The Project will include a total of 18,432 square feet of privately-accessible open space and approximately 24,495 square feet of POPOS. The Project is seeking exceptions to reduce the private open space requirement from 80 to 60 square feet per unit, and for a total deficiency of approximately 11,940 square feet of open space (See Below). In total, the Project would provide a more than 42,927 square feet of usable open space on site, which exceeds the requirement under Planning Code Section 134 to provide at least 32 square feet per unit on site (approximately 30,720 square feet).

- F. Non-Residential Usable Open Space in the Eastern Neighborhoods.** Per Planning Code Section 135.3, within the Eastern Neighborhoods Mixed Use Districts, retail, eating and/or drinking establishments, wholesale, home and business services, arts activities, institutional and like uses must provide 1 square foot of open space per each 250 square feet of occupied floor area of new or added square footage. Office uses must provide must provide 1 square foot of open space per each 50 square feet of occupied floor area of new, converted or added square footage. However, these

requirements do not apply to projects within the Central SoMa SUD, which are instead subject to privately-owned public open space requirement pursuant to Section 138 (a)(2).

The Project is located within the Central SoMa SUD and subject to privately-owned public open space requirement (POPOS) per Planning Code Section 138(a)(2). Therefore, the Project is not subject to a non-residential usable open space requirement per Section 135.3.

G. Privately-Owned Publicly Accessible Open Space. Per Planning Code Section 138, projects proposing construction of 50,000 gross square feet or more of new non-residential use, excluding institutional, retail, and PDR uses in the Central SoMa SUD, are required to provide POPOS at a rate of 1 square foot for each 50 square feet of applicable use. POPOS may be provided on the Project Site or within 900 feet. On sites of at least 39,661 square feet located south of Bryant, the required POPOS must be provided outdoors, and such Projects may not pay an in-lieu fee for any POPOS not provided. Pursuant to Section 138(d)(2), outdoor POPOS must be provided at street grade up to an amount that equals 15% of the lot area—any additional required open space may be provided above street grade. Outdoor POPOS provided at grade and must be open to the sky and must be maximally landscaped with plantings on horizontal and vertical surfaces. Buildings that directly abut the open space must meet the active space requirements of Section 145.1. All POPOS space must include at least one publicly-accessible potable water source convenient for drinking and filling of water bottles; any food service area provided in the required open space cannot occupy more than 20% of the open space; and any restaurant seating may not take up more than 20% of the seating and tables provided in the required open space; and all spaces must facilitate three-stream waste sorting and collection.

The Project contains less than 50,000 gsf of non-residential (excepting retail area) and thus is not subject to a non-residential open space requirement under Planning Code Section 138. However, the Project will satisfy a portion of its residential open space requirements under Section 135 through provision of approximately 24,495 square feet of POPOS. The Project is seeking exception from design standards requiring a minimum height clearance for a portion of these POPOS located below cantilevered building elements as part of the Large Project Authorization (See Below).

H. Streetscape and Pedestrian Improvements. Planning Code Section 138.1 requires a streetscape plan in compliance with the Better Streets Plan for new construction on a lot that is greater than one-half acre in area.

The Project includes the new construction of a multi-building mixed use development on a site that is greater than one-half acre in area. The Project has submitted a streetscape plan in compliance with the Better Streets Plan and proposes numerous improvements including installation of new street trees, sidewalk widening along 4th Street to 15 feet, installation of corner bulb outs, and sidewalk improvements. Therefore, the Project complies with Planning Code Section 138.1.

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

The Project site is not located within close proximity to an Urban Bird Refuge. The Project meets the requirements of feature-related standards and would install bird-friendly glazing on any feature-related hazards; therefore, the Project complies with Planning Code Section 139.

- J. **Dwelling Unit Exposure.** Planning Code Section 140 requires that at least one room of all dwelling units face onto a public street, rear yard or other open area that meets minimum requirements for area and horizontal dimensions. To meet these requirements, a public street, public alley, side yard or rear yard must be at least 25 feet in width, or an open area (inner court) must be no less than 25 ft. in every horizontal dimension for the floor at which the dwelling unit is located. Within the Central SoMa SUD, Planning Code Section 249.78(d)(11) modifies this standard to (1) allow 10% of units constructed at or below 85 feet to face directly onto an open area that is at least 15 feet by 15 feet; and (2) provide relief from the requirement for increased horizontal dimension at each subsequent floor when these units face onto open spaces.

Approximately 777 units (81%) within the Project face public streets and open areas in compliance with exposure requirements of Planning Code Sections 140 and 249.78(d)(11). The Project is seeking an exception from exposure requirements for 183 units as part of the Large Project Authorization (See Below).

- K. **Parking and Loading Entrances.** Per Planning Code Section 145.1(c)(2), 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 may be devoted to parking and loading ingress or egress.

The Project is seeking exception to locate a single 35-foot wide entrance to below-grade parking and loading along Townsend Street as part of the Large Project Authorization (See Below)

- L. **Active Uses.** Per Planning Code Sections 145.1 and 249.78(c)(1), with the exception of space allowed for parking and loading access, building egress, and access to mechanical systems, active uses—i.e. uses which by their nature do not require non-transparent walls facing a public street—must be located within the first 25 feet of building depth on the ground floor and 15 feet on floors above facing a street at least 30 feet in width. Active uses are also required along any outdoor POPOS within the Central SoMa SUD. Lobbies are considered active, so long as they are not longer than 40 feet or 25% of the building's frontage, whichever is larger. Within the Central SoMa SUD, office use is not considered an active use at the ground floor.

The Project's ground floor design generally complies with active use requirements of Sections 145.1 and 249.78(c)(1). However, the Project is seeking exception from depth of active use in certain locations as part of the Large Project Authorization (See Below).

- M. **Street Facing Ground Level Spaces.** Per Planning Code Section 145.1(c)(5), the floors of street-fronting interior spaces housing non-residential active uses and lobbies shall be as close as possible to the level of the adjacent sidewalk at the principal entrance to these spaces.

The active uses along the ground floor of each building are as close as possible to the level of the adjacent sidewalk, walkways and publicly-accessible plazas, and therefore meet the requirements for ground-level street-facing spaces of Planning Code Section 145.1.

- N. **Transparency and Fenestration.** Per Planning Code Sections 145.1(c)(6), building frontages with active uses must be fenestrated with transparent windows and doorways for no less than 60% of the street frontage at the ground level and allow visibility to the inside of the building. The use of dark or mirrored glass does not count towards the required transparent area.

The Project generally provides active commercial uses at its ground floor frontage along Fourth Street. However, the Project is seeking exception from requirement limiting such uses to 75 contiguous linear feet with regard to a proposed flexible retail/interior POPOS space anchoring the corner of 4th and Townsend Street as part of the Large Project Authorization (See Below).

- O. **Shadows on Publicly-Accessible Open Spaces.** Per Planning Code Section 147, new buildings in Eastern Neighborhood Mixed Use Districts exceeding 50 feet in height must be shaped, consistent with the dictates of good design and without unduly restricting the development potential of the site, to reduce substantial shadow impacts on public plazas and other publicly-accessible spaces other than those under the jurisdiction of the Recreation and Parks Department. The following factors shall be taken into account: (1) the amount of area shadowed; (2) the duration of the shadow; and (3) the importance of sunlight to the type of open space being shadowed.

Based on a detailed shadow analysis, the Project would cast shadow on publicly-accessible open spaces including Willie Mayes Plaza, Giants Promenade, South Beach Park, Townsend-Embarcadero Plaza, and China Basin Park. However, the Project has been shaped, consistent with the dictates of good design, to minimize shadow impacts by incorporating separate, slender tower designs and minimizing massing of each to maximize view corridors, light, and air access to newly-developed open spaces. Accordingly, the Project as designed complies with the requirements of Section 147.

- P. **Off-Street Parking.** Off-street parking is not required for any use in the CMUO Zoning District. Planning Code Section 151.1 principally permits off-street parking at a ratio of one car for each four dwelling units and allows up to a maximum ratio of one car for each two dwelling units with exception granted in connection with Large Project Authorization. The maximum ratio for office use is up to one car per 3,500 square feet of Occupied Floor Area. The maximum ratio for most retail uses is one for each 1,500 square feet of Gross Floor Area. The maximum ratio for hotel use is one car for each 16 guest bedrooms, plus one car for the manager's dwelling unit, if any.

The Project would contain approximately 960 dwelling units, served by 240 off-street parking spaces and 12 car-share parking spaces – a ratio of 0.25 cars per unit. The Project would contain approximately 21,840 gsf of office use, served by 6 off-street parking spaces – a ratio of approximately one car per each 3,640 gsf. The Project would contain approximately 20,938 gsf of retail use (excepting the hotel component), served by 15 off-street parking spaces – a ratio of one car per each 1,396 gsf. The Project would contain an approximately 38-room hotel use, served by 2 off-street parking spaces. Therefore, the Project complies with the requirements of Planning Code Section 151.1

- Q. Required Off-Street Freight Loading.** Planning Code Section 152.1 requires 0.1 space per 10,000 square feet of occupied floor area of office use. For retail uses between 10,001 and 30,000 sf of occupiable floor area (“ofa”), 1 off-street loading spaces is required. For residential and hotel uses, over 500,000 sf of ofa, 3 off-street loading spaces are required, plus 1 space for each additional 400,000 sf of ofa.

The Project will contain approximately 1,039,477 gsf of combined residential and hotel use, thus resulting in a requirement of 4 off-street loading spaces. In addition, one off-street loading space is required for the Project’s approximately 20,938 gsf of retail and retail/indoor POPOS use. No off-street loading spaces are required for the Project’s approximately 21,840 gsf office use. The Project contains a total of eight off-street loading spaces, and thus complies with the requirements of Planning Code Section 152.1.

- R. Bicycle Parking.** Per Planning Code Section 155.2, buildings containing more than 100 dwelling units must provide 100 Class One spaces, plus 1 space for each four dwelling units over 100, and 1 Class Two space per each 20 dwelling units. Office use requires 1 Class One space for every 5,000 sf of occupiable floor area (“ofa”), and a minimum of 2 Class Two spaces for any office use greater than 50,000 sf of ofa. Hotel uses require 1 Class One space for every 30 guest rooms, and a minimum of 2 Class Two spaces plus 1 Class Two space for every 5,000 sf of ofa of conference, meeting, or function rooms. Most retail uses require 1 Class One space for every 7,500 sf of ofa, and a minimum of 2 Class Two spaces, or 1 Class Two space for every 2,500 sf of ofa.

The Project will provide 530 Class One and 48 Class Two parking spaces serving its residential use; 5 Class One and 2 Class Two spaces serving its office use; 3 Class One and 29 Class Two serving its retail use; and 2 Class One and 2 Class Two spaces serving its hotel use, for a total of 540 Class One spaces and 81 Class Two spaces. This meets or exceeds the maximum bicycle parking requirement for all uses in the Project, and thus complies with Planning Code Section 155.2.

- S. Curb Cut Restrictions.** Section 155(r) limits curb cuts for garage entries, private driveways, or other direct access to off-street parking or loading. New curb cuts are generally not permitted along Townsend Street Brannan Street from 2nd to 6th Streets. Planning Code Section 329 allows for an exception to this requirement specifically for the site as a Key Site.

The Project will create a new curb cut along its Townsend Street frontage to facilitate parking and loading access, and is therefore seeking exception from Section 155(r) as part of the Large Project Authorization (See Below).

- T. **Showers and Lockers.** Section 155.4 requires that showers and lockers be provided in new buildings. Non-retail sales and service, institutional, industrial, arts, entertainment, and trade shop uses require two showers and 12 clothes lockers where the occupied floor area exceeds 20,000 square feet, but is no greater than 50,000 square feet. Retail uses require one shower and six clothes lockers where the occupied floor area exceeds 25,000 square feet but is no greater than 50,000 square feet.

The Project will contain approximately 21,840 gsf of non-retail sales and service use, and approximately 45,447 gsf of retail use, and is therefore required to provide 3 showers and 18 clothes lockers. The Project will provide the required showers and locker facilities in the basement of the building; therefore, the Project complies with Section 155.4.

- U. **Car Share.** Planning Code Section 166 requires residential development containing 201 or more residential units to provide 2 car share spaces, plus 1 additional space for every 200 units over the first 200. In addition, non-residential development containing 50 or more off-street parking spaces to provide a ratio of one car-share space, plus one additional car-share space for every 50 parking spaces over 50.

The Project will contain 960 dwelling units and approximately 24 off-street parking spaces serving combined non-residential uses, requiring 6 car share spaces. The Project will provide 12 car share spaces, exceeding the requirements of Planning Code Section 166.

- V. **Unbundled Parking.** Planning Code Section 167 requires that all off-street parking spaces accessory to residential uses in new structures of 10 dwelling units or more be leased or sold separately from the rental or purchase fees for dwelling units for the life of the dwelling units.

The Project is providing off-street parking that is accessory to the dwelling units. These spaces will be unbundled and sold and/or leased separately from the dwelling units; therefore, the Project meets this requirement.

- W. **Transportation Demand Management (TDM) Program.** Pursuant to Planning Code Section 169 and the TDM Program Standards, the Project shall finalize a TDM Plan prior to the issuance of the first Building Permit or Site Permit to construct the project and/or commence the approved uses. Within the Central SoMa SUD, Tier C projects that filed a Development Application or submitted an Environmental Application deemed complete on or before September 4, 2016 shall be subject to 75% of such target.

The Project submitted a completed Environmental Evaluation Application prior to November 16, 2015, and must achieve 75% of the point target established in the TDM Program Standards, resulting in a target of 15 points for retail use, 13 points for office use, and 27 points for residential use. As currently proposed, the Project will achieve its required points through the following TDM measures:

- *Improve Walking Conditions (Option C – Residential)*
- *Bicycle Parking (Option A – Retail & Office; Option B – Residential)*
- *Bicycle Repair Station*
- *Car-share Parking and Membership (Option C – Retail; Option D -- Residential)*
- *Delivery Supportive Amenities*
- *Family TDM Amenities (Options A& B – Residential)*
- *Family TDM Package*
- *Multimodal Wayfinding Signage*
- *Real Time Transportation Information Displays*
- *Tailored Transportation Marketing Services (Option B – Retail & Residential)*
- *Unbundle Parking (Location E – Retail, Office, and Residential)*
- *Parking Cash Out: Non-Residential Tenants (Retail)*
- *Parking Supply (Option F – Office; Option H -- Residential)*

- X. **Dwelling Unit Mix.** Planning Code Section 207.6 requires that no less than 40% of the total number of proposed dwelling units contain at least two bedrooms, or no less than 30% of the total number of proposed dwelling units contain at least three bedrooms.

The Project will contain approximately 960 dwelling units in a mix of 242 studio (25%), 330 1-bedrooms (34%), 351 2-bedrooms (37%), and 37 3-bedrooms (4%). Greater than 40% of all dwelling units containing at least two bedrooms. Therefore, the Project meets the requirements for dwelling unit mix.

- Y. **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, the current percentage requirements apply to projects that consist of ten or more units. Pursuant to Planning Code Section 415.5, the Project must pay the Affordable Housing Fee (“Fee”). This Fee is made payable to the Department of Building Inspection (“DBI”) for use by the Mayor’s Office of Housing and Community Development for the purpose of increasing affordable housing citywide. The applicable percentage is dependent on the number of units in the project, the zoning of the property, if the project is a rental or ownership project, and the date that the project submitted a complete Project Application.

The Project Sponsor has submitted an ‘Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,’ to satisfy the requirements of the Inclusionary Affordable Housing Program through payment of the Fee, in an amount to be established by the Mayor’s Office of Housing and Community Development. The applicable percentage is dependent on the total number of units in the project, the zoning of the property, whether the project is rental or ownership, and the date that the project submitted

a complete Project Application. A complete Project Application was submitted on December 19, 2017; therefore, pursuant to Planning Code Section 415.3 the Inclusionary Affordable Housing Program requirement for the Affordable Housing Fee is at a rate equivalent to an off-site requirement of 30%. This project is a rental project.

- Z. Central SoMa SUD, Micro-Retail.** Per Planning Code Section 249.78(c)(4)(B), within the Central SoMa SUD, new development projects on sites of 20,000 square feet or more must provide micro-retail spaces at a rate of one micro-retail space for every 20,000 square feet of site area, rounded to the nearest unit. All Micro-Retail units must be on the ground floor, independently and directly accessed from a public right-of-way or POPOS, and designed to be accessed and operated independently from other spaces or uses on the subject property. Formula retail uses are not permitted in the micro-retail spaces.

The Project site is approximately 71,290 square feet, resulting in a requirement to provide 4 micro retail spaces. The Project will meet this requirement at its ground floor; therefore, the Project complies with Planning Code Section 249.78(c)(4)(B).

- AA. Uses on Large Development Sites.** Per Section 249.78(c)(6), on sites larger than 39,661 square feet south of Harrison Street that involve new construction or an addition of at least 100,000 square feet, at least two-thirds of the gross floor area of all building area below 160 feet in height shall be non-residential.

The Project site is located south of Harrison Street and is larger than 39,661 square feet. The Project would contain approximately 529,313 gsf of building area below a height of 160 feet, approximately 67,287 gsf of which would be non-residential. The Project is therefore seeking exception from this standard as part of the Large Project Authorization (See Below).

- BB. On-Site Child Care Facilities** – Planning Code Section 249.78(e)(4) requires that, prior to issuance of a building or site permit for a development project subject to the requirements of Section 414.4 (Child Care Requirements for Office and Hotel Development), a Project within the Central SoMa SUD must elect its choice of the options described in subsection (A), (B) and (E) of Section 414.4(c)(1) as a condition of Project approval to fulfill the Child Care requirements.

The Project is subject to the requirements of Planning Code Section 414.4 and is located within the Central SoMa SUD. The Project has elected the compliance option under Section 414.4(c)(1)(E) to “combine payment of an in-lieu fee to the Child Care Capital Fund with construction of a child care facility on the premises or providing child-care facilities near the premises, either singly or in conjunction with other sponsors pursuant to 414.9.” The Project has elected this option in conjunction with the sponsors of the proposed residential development at 598 Brannan Street. A 5,546 gsf child care facility will be provided on the 598 Brannan Street project site, and the projects will satisfy the remainder of their joint obligation with the proposed development at 598 Brannan Street through Fee payment according to the formula provided in Section 414.9. This election will be reflected as a condition of approval to the Large Project Authorization.

The child care facility will be located in Building 3, which will be constructed in Phase 2 of the 598 Brannan Street Project.

- CC. **Wind.** Planning Code Section 249.78(d)(7) provides thresholds for wind comfort and wind hazard levels associated with development within the Central SoMa SUD. Projects must generally refrain from resulting in wind speeds exceeding a specified “comfort” and “hazard” levels, provided that exceptions may be granted from these standards as part of a Large Project Authorization.

The Project’s wind study indicates that it will result in test locations exceeding the standards set forth in Section 249.78(d)(7) for “comfort” and “one-hour hazard” criterion. The Project is seeking an exception from these standards, pursuant to Planning Code Section 329(d)(13)(D), as part of the Large Project Authorization for projects within the Central SoMa SUD (See Below).

- DD. **Mid-Block Alley Setbacks.** Planning Code Section 261.1 requires that building frontages abutting a mid-block passages provided per Section 270.2 that are twenty to thirty feet in width to provide upper stories that are set back not less than 10 feet above a height of 25 feet.

The Project includes mid-block passages provided per Section 270.2 along its 4th and Townsend Street frontages, and is seeking exception from upper story setback requirements of Section 261.1 as part of the Large Project Authorization (See Below).

- EE. **Central SoMa Bulk Limits.** Planning Code Section 270(h) applies massing standards for tower buildings, including the following: (1) for residential and hotel projects, the maximum gross floor area of any floor is 12,000 gsf; (2) maximum plan length of 150 feet; (3) maximum diagonal dimension of 190 feet; and (4) for buildings with a Height of 250 feet or more, the average gross floor area of the Upper Tower (upper 1/3 of building area above a height of 85 feet) shall not exceed 85 percent of the average gross floor area of the Lower Tower (lower 2/3 of building area above a height of 85 feet), and the average diagonal of the Upper Tower shall not exceed 92.5 percent of the average diagonal of the Lower Tower. Exception from these standards is permitted in connection with Large Project Authorization for Key Sites within the Central SoMa SUD, per Section 329(e)(3)(B).

The Project is seeking exception from tower bulk standards regarding maximum as part of the Large Project Authorization (See Below).

- FF. **Transportation Sustainability Fee (“TSF”).** Planning Code Section 411A outlines the requirements for TSF, which applies to the construction of a new non-residential use in excess of 800 gross square feet.

The Project would contain non-residential use in excess of 800 gross square feet. These uses would be subject to the TSF requirement, as outlined in Section 411A.

- GG. **Non-Residential Child Care Fee.** Planning Code Section 414 outlines the requirements for the Non-Residential Child Care Impact Fee, which applies to any project resulting in the net addition of 25,000 or more gsf of office or hotel use.

The Project would contain 25,000 or more gsf of office or hotel use. The Project is subject to the Non-Residential Child Care Fee, as outlined in Section 414.

- HH. **Residential Child Care Impact Fee.** Planning Code Section 414A outlines the requirements for the Residential Child Care Impact Fee, which applies to any project resulting in a net addition of at least one residential unit.

The Project includes approximately 960 dwelling units. The Project is subject to the Residential Child Care Impact Fee, as outlined in Section 414A.

- II. **Jobs-Housing Linkage Fee.** Planning Code Section 413 outlines the requirements for the Jobs-Housing Linkage Fee, which applies to any project resulting in a net addition of at least 25,000 gsf certain uses, including office and retail. Credits are available for existing uses on site.

The Project would contain more than 25,000 gross square feet of uses subject to the Jobs-Housing Linkage Fee, and would therefore be subject to the requirements of Section 413.

- JJ. **Eastern Neighborhoods Infrastructure Impact Fee.** Planning Code Section 423 outlines the requirements for the Eastern Neighborhoods Infrastructure Impact Fee, which applies to all new construction within the Eastern Neighborhoods Plan Area.

The Project is located within the Eastern Neighborhoods Plan Area, and would result in new construction. The Project is subject to Eastern Neighborhoods Infrastructure Impact Fee requirements for Tier C development, as outlined in Section 423.

- KK. **Public Art.** Planning Code Section 429 outlines the requirements for public art. In the case of construction of a new non-residential use area in excess of 25,000 sf on properties located in the CMUO Zoning District and located north of Division/Duboce/13th Streets, a project is required to include works of art costing an amount equal to one percent of the construction cost of the building.

The Project is located in the CMUO Zoning District, located north of Division/ Duboce / 13th Streets, and will contain greater than 25,000 sf of non-residential use. The Project is subject to the public art requirement, as outlined in Section 429.

- LL. **Central SoMa Community Services Facilities Fee.** Planning Code Section 432 is applicable to any project within the Central SoMa SUD that is in any Central SoMa fee tier and would construct more than 800 square feet.

The Project would construct more than 800 gross square feet of new use within the Central SoMa SUD. The Project is subject to the Central SoMa Infrastructure Impact Fee, as outlined in Planning Code Section 433.

- MM. **Central SoMa Infrastructure Impact Fee.** Planning Code Section 433 is applicable to any project within the Central SoMa SUD that is in any Central SoMa fee tier and would construct more than 800 square feet.

The Project would construct more than 800 gross square feet of new use within the Central SoMa SUD. The Project is subject to the Central SoMa Infrastructure Impact Fee, as outlined in Planning Code Section 433.

7. **Large Project Authorization Design Review in Eastern Neighborhoods Mixed Use District.** Planning Code Section 329(c) lists nine aspects of design review in which a project must comply; the Planning Commission finds that the project is compliant with these nine aspects as follows:

- a) **Overall building mass and scale.** *The Project's massing and scale allow for a dynamic and innovative design and are appropriate for the site. The buildings would feature larger ground floors with each subsequent higher floor would be slightly smaller than the floor below it until approximately two-thirds up each tower when all floors would become uniform in size. This design creates a stepping effect, allowing for private terraces on the lower portions of each tower. Further, cantilevered floors are placed in such a way as to allow for the two segments of the building to operate as separate structures until the seventh floor, where they connect as one building. The massing of each tower would be split, with one portion approximately 40 feet taller than the other (55' to top of rooftop screening). The two towers would be placed on the site as mirror images of each other. This design would give the impression of four distinct buildings. The towers are designed to taper away from the property line and towards the center of the development site, mitigating the appearance of bulk while still providing a prominent and iconic addition to the San Francisco skyline.*
- b) **Architectural treatments, facade design and building materials.** *The Project's architectural design blends the classic SoMa warehouse with a tower typology. The proposed facade is approximately 50% solid of a cementitious material with recessed glazing to relate to the South of Market neighborhoods brick and mortar warehouse construction. The visual appearance of four distinct tower portions will be reinforced through the use of alternating fenestration patterns between tower elevations, and a material differentiation using texture and/or color.*
- c) **The design of lower floors, including building setback areas, commercial space, townhouses, entries, utilities, and the design and siting of rear yards, parking and loading access.** *The Project's lower floors are contained within district podium structures that split to create a numerous gateway and alleyways leading pedestrians and building occupants from the active streetscape along 4th and Townsend Streets through to the landscaped central plaza. The ground floor of the four podium structures are fronted by a mix of retail and micro-retail uses facing both the street and inwards towards the central plaza and alleyways. Each building has its lobby facing inward towards the central plaza, increasing foot traffic and activity along this area. Development has been set back approximately*

44 feet from the property line at 4th street, creating a generous welcoming plaza, subsequently leading to the inner plaza through the 4th street gateway. In addition, the development has been set back 5 feet along 4th street to allow for sidewalk widening, and 10 feet along Townsend Street to accommodate heavier pedestrian traffic coming from the Cal Train terminus across the street, as well as the adjacent bus stop. The Project sits at the property line along Townsend Street, but sets back 44' from the neighboring property at 260 Townsend Street to allow room for the project's sole below grade parking and loading access. The Project is set back 15 feet from the neighboring properties at the northeast end of the site, and 10 feet from other neighboring properties to the north. The Project's lower levels generally consist of a mix of residential units beginning at level 2 and above, though the eastern tower has mix of office on levels 2 & 3, residential use on levels 4 & 5, boutique hotel on level 6 & 7, and residential amenity on level 8.

- d) **The provision of required open space, both on- and off-site. In the case of off-site publicly accessible open space, the design, location, access, size, and equivalence in quality with that otherwise required on-site.** The Project provides a significant amount of open space, including a ground-floor network of POPOS that will open up this open space amenity to the public in a way unique to residential projects in San Francisco. The Project also includes various forms of open space: 132 private balconies; 10,512 square feet of common upper-story open space for building residents; and 24,495 square feet of POPOS. The POPOS areas would be provided in a network of ground-floor open spaces, including pedestrian pathways, pocket parks, sidewalk widening, and a large central courtyard between the two buildings. The POPOS would include landscaped trees and vegetation, seating, and public art displays.
- e) **The provision of mid-block alleys and pathways on frontages between 200 and 300 linear feet per the criteria of Section 270, and the design of mid-block alleys and pathways as required by and pursuant to the criteria set forth in Section 270.2.** The Project will create two new "gateway" mid-block passages, one along each frontage. The 4th Street gateway is 28 feet in width, and the Townsend Street gateway is 20 feet wide. Retail and pedestrian amenities front both of these areas. Each passage leads into the interior courtyard—the centerpiece of the Project's open space network—and past the courtyard onto the landscaped POPOS beyond.
- f) **Streetscape and other public improvements, including tree planting, street furniture, and lighting.** In compliance with Planning Code Section 138.1, the Project includes numerous streetscape improvements, including installation of new street trees, re-construction and widening of adjacent sidewalks, and installation of new bulb outs, street furniture and lighting.
- g) **Circulation, including streets, alleys and mid-block pedestrian pathways.** The Project is designed to enhance circulation patterns throughout the property. It proposes to widen the sidewalk along the entire approximately 255-foot 4th Street frontage, and for approximately 100 feet along Townsend Street. The property is located at a prominent intersection, and the Project's curb cut is located at the northeastern corner of the site along Townsend Street. In consultation with the Planning Department, MTA, and Department of Public Works via the Streetscape Advisory Team, the single point of entry to the basement garage has been reduced in size to 35 feet, enhancing circulation by

limiting conflicts with pedestrians and motorists. Finally, the Project proposes a network of ground-floor open spaces meant to enhance pedestrian circulation around and through the property. This ground floor open space network includes pedestrian pathways, pocket parks, sidewalk widening, and a large central courtyard between the two buildings. It will include landscaped trees and vegetation, seating, and public art displays.

h) **Bulk limits.** *The overall bulk of the Project is minimized by providing two distinct towers with staggered height and massing in general conformity with area bulk controls and designed to maximize view corridors, light, and air access to the central plaza.*

i) **Other changes necessary to bring a project into conformance with any relevant design guidelines, Area Plan or Element of the General Plan.** *The Project, on balance, meets the Objectives and Policies of the General Plan. See Below.*

8. **Central SoMa Key Site Exceptions & Qualified Amenities.** Pursuant to Section 329(e), within the Central SoMa SUD, certain Code exceptions are available for projects on Key Sites that provide qualified amenities in excess of what is required by the Code. Qualified additional amenities that may be provided by these Key Sites include: affordable housing beyond what is required under Section 415 et seq.; land dedication pursuant to Section 413.7 for the construction of affordable housing; PDR at a greater amount and/or lower rent than is otherwise required under Sections 202.8 or 249.78(c)(5); public parks, recreation centers, or plazas; and improved pedestrian networks. Exceptions under Section 329(e) may be approved by the Planning Commission if the following criteria are met.

a) The amenities and exceptions would, on balance, be in conformity with and support the implementation of the Goals, Objectives, and Policies of the Central SoMa Plan,

The Project's would provide an improved pedestrian network and increased publicly-accessible open spaces two new mid-block connections and landscaped plazas lined with active retail uses. This new network of plazas and mid-block connections are intended to improve the overall access to open space within the larger Central SoMa neighborhood. These amenities are in conformity with and directly advance goals and policy objectives of the Central SoMa Plan.

b) The amenities would result in an equal or greater benefit to the City than would occur without the exceptions, and

The exceptions are necessary to secure provision of the approximately 24,495 square feet of publicly-accessible open space and an improved pedestrian network. These amenities exceed Planning Code requirements for new development at the project site.

c) The exceptions are necessary to facilitate the provision of important public assets that would otherwise be difficult to locate in a highly developed neighborhood like SoMa.

The Central SoMa Plan area currently suffers from a shortage of usable open space and pedestrian networks that provide access to public transit systems. The Key Sites Guidelines of the Central SoMa Plan identifies this site as an ideal location for a “substantial, accessible, and inviting public plaza,” as well as for improvements providing pedestrian access to transit, stating “the ongoing upgrades to Caltrain and the completion of the Central Subway are both going to bring a lot of new people to the intersection of 4th and Townsend Streets. To facilitate the movement of these pedestrians across this busy intersection, this development sites should consider ways to facilitate pedestrian movement through this block, including a new connection to Lusk Street...” Provision of this open space and improved pedestrian network directly advances Plan Objectives 4.1 to “Provide a safe, convenient, and attractive walking environment on all streets in the Plan area, and Objective 5.5. to “Augment the public open space and recreation network with privately-owned public open spaces.”

Accordingly, pursuant to Planning Code Sections 329(d) and 329(e) the Planning Commission has considered the following exceptions to the Planning Code, makes the following findings, and grants each exception to the Project as further described below:

- a) **Streetwall Articulation, Building Setbacks, and Tower Separation (Section 132.4).** Section 132.4 requires, among other items, (1) Streetwall: that buildings within the Central SoMa SUD be built up to the street-or alley-facing property line up to 65 feet in height, subject to certain exceptions, including building façade architectural articulation and modulation up to eight feet in depth; (2) Building Setbacks: that towers in the CS Bulk District provide a 15-foot setback along all property lines for the portion of each building beginning at a height of 85 feet, and that along 4th Street between Bryant and Townsend Streets, facades on new development be set back from the street-facing property line by a minimum depth of five feet to a minimum height of 25 feet above sidewalk grade, and be designed as an extension of the sidewalk, free from columns or other obstructions except for permitted obstructions under Section 136; and (3) Tower Separation: that tower portion of any project (area above 85 feet in height on buildings exceeding 160 feet in height) be set back at least 115 feet from the tower portion of any other tower.

The Project requires exception from these standards as follows:

Building Setbacks. The Project complies with minimum setback requirements along 4th Street. That frontage is set back 5 feet from the property line at the southern end of the site and then set back approximately 45 feet at the northern end of the site to provide additional POPOS between the property line and the building's base. The Project requires exception from the required 15-foot setback at a height of 85 feet along two facades, one on each building. Specifically, a portion of the northwestern-facing façade of the western tower (“Tower 1”) is flush with the property line for the entire building. This area fronts onto a 31' ½ foot deep area on the adjacent property that is subject to an easement that will prevent future development along the shared Property line. Additionally, a portion of the eastern tower fronting on Townsend Street (“Tower 2”) is set back approximately 10 feet (rather than the required 15 feet) from the property line, beginning at a height of 85 feet. This area fronts onto the 81 ½-foot wide Townsend Street. Finally, portions of Tower 2 will be set

back approximately 10 feet (rather than the required 15 feet) from the adjacent property line to the north. These areas will be set back approximately 20 feet from the closest point on the adjacent building.

Streetwall Articulation. *The Project requires exception from the requirement to provide streetwall at the property line up to a height of 65 feet as follows: (1) to provide varied setbacks along the entire 255 linear feet of 4th Street frontage and for a distance of approximately 100 linear feet of Townsend Street frontage in order to widen the adjacent sidewalk and provide a sense of extended streetscape. While this setback (approximately 5-feet deep) is required along 4th Street, exception is needed for the area of setback along Townsend Street (approximately 10 feet); (2) to provide an approximately 45 foot setback from 4th Street at the northwest end of the site, to provide a publicly-accessible courtyard designed to ease pedestrian congestion and enhance the public realm; and (3) to provide for gradual setbacks exceeding 8-feet and located below a height of 65 feet in order to facilitate the project's "twisty" architectural design, which tapers back from the street-facing property line at each subsequent story above the ground floor up to 65 feet in height, creating a sense of visual interest and massing relief. These setbacks also create an opportunity for private open spaces.*

Tower Separation. *The Project requires exception to allow reduced separation of the two towers located on one development site. Specifically, to allow (1) portions Tower 1B (the shorter segment of the western tower) to have a separation of 105 feet from Tower 2B (the shorter segment of the eastern tower), and a separation of 52 feet from Tower 2A (the taller segment of the eastern tower); and (2) portions of tower 1A (the taller segment of the western tower) to have a separation of 93 feet from Tower 2A (the taller segment of the eastern tower) and a separation of 52 feet from Tower 2B (the shorter segment of the eastern tower). All adjacent development is less than 85 feet in height. These areas are consistent with massing discussion in the Key Sites Guidelines, which anticipated reduced tower separation between the two buildings on this site to allow "a perceived separation of approximately 50 feet on the lower half of the tower and 70 feet on the upper third of the building."*

Given the overall design of the Project and the provided public benefits, the Commission supports these exceptions from these Planning Code requirements. These exceptions are necessary to facilitate the Project's innovative and dynamic design, and they further the intent of Section 132.4 and the Key Sites Guidelines by contributing to the dynamicism of the neighborhood while maintaining a strong streetwall presence and sense of "urban room".

- b) **Residential Usable Open Space (Section 135 & 329(e)(3)(B)(vi).** Planning Code Section 135 requires residential projects in the Eastern Neighborhoods to provide either 80 square feet of open space per unit if it is not publicly-accessible, or 54 square feet per unit if publicly accessible. Section 329(e)(3)(B)(vi) allows the Planning Commission to reduce the Project's private open space requirement from 80 square feet per unit to 60 square feet as part of the Large project Authorization.

The Project requests reduction in the private usable open space requirement from 80 square feet to 60 square feet per unit, to facilitate greater density of residential development on a relatively small site. Applying this standard, the Project's 24,495 square foot ground floor network of POPOS satisfies the open space

requirement for 454 units, nearly half of its unit count. In addition, the requirement for 132 units would be satisfied through provision of private balconies over 60 square feet in size, and the requirement for an additional 175 units would be satisfied through provision of 10,512 square feet of private common open space. To accommodate a high density of residential development, the Project will require exception from usable open space requirements for approximately 199 units, or approximately 11,940 square feet. The Project will meet the minimum on-site usable open space requirement of 36 square feet per unit for residential towers in the Central SoMa SUD. Given overall amount of open space provided by the Project and design of these spaces, the Commission supports an exception to this Planning Code requirement.

- c) **POPOS Design Standards (Section 138(d)).** Planning Code Section 138(d)(2)(E)(i) requires that POPOS be open to the sky, except for permitted obstructions per Planning Code Section 136 and subject to an allowance of up to 10% of the space to be located under cantilevered portions of the building if the space has a minimum height of 20 feet.

The Project proposes 24,495 square feet of outdoor POPOS, approximately 2,102 square feet of which would not be open to the sky. This area is within the 10% allowance under Section 135. However, the Project requires an exception to locate portions of outdoor POPOS below cantilevered building area less than 20 feet in height. Specifically, the building cantilevers over: (1) a portion of the 3,115 square foot publicly-accessible plaza on 4th Street, starting at a height of 11' 10"; and (2) the mid-block passage connecting from 4th Street to the central plaza, starting at a height of 12' 6". Approximately 502 square feet in these areas would be have a height of less than 20 feet. The cantilevered massing facilitates the building's distinctive architectural style which steps up at each floor, creating a visual line of site towards the open sky and an intended perception of grandeur. Given overall design of the POPOS, the Commission supports an exception to this Planning Code requirement.

- d) **Dwelling Unit Exposure (Sections 140 and 249.78).** Planning Code Section 140 requires all dwelling units to have exposure onto either a public street, public alley, side yard of at least 25 feet in depth; a code-compliant rear yard; or open area that is no less than 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 of five feet in every horizontal dimension at each subsequent floor. Section 249.78(d)(11) modifies this requirement within the Central SoMa SUD to (1) allow 10% of units constructed at or below 85 feet to face directly onto an open area that is at least 15 feet by 15 feet, and (2) relief from the requirement for increased horizontal dimensions at each subsequent floor when these units face onto open spaces.

The Project requires an exception for approximately 183 of its 960 units (19%) which face setbacks and open areas that do not meet the strict dimensions of the Planning Code. All units facing the Project's interior plaza comply with the exposure requirement: at approximately 105' by 93.5', the courtyard provides a significant source of light and air to these features. Exception is required for units located on two facades: the northeastern façade of the eastern tower and the northwestern façade of the western tower. The affected units would face onto either a 31-foot deep easement area which will not allow for future development or a 15 foot

setback, and are largely located above the level of allowable building height on adjacent properties. The Commission supports an exception to this requirement given the height of the subject building

- e) **Street Frontage Controls (Section 145.1 & 249.78(c)(1)).** Planning Code Section 145.1 requires projects in the CMUO District to limit parking and loading entrances to 1/3 the width of the respective building frontage or 20 feet, whichever is less. Additionally, “active” uses are required within the first 25 feet of building depth on the ground floor and 15 feet on floors above from any façade facing a street at least 30 feet in width. Building systems may be exempted by the Zoning Administrator if they do not negatively impact the quality of the ground floor space. In the Central SoMa SUD, active use requirements are also required along any outdoor publicly-accessible POPOS.

The Project requires exception to provide a single 35-foot wide point of entry into the below-grade parking and loading. This width is required to provide shared parking and loading access and accommodate turn radius of cars and freight loading vehicles. This width of curb cut will allow three lanes of entry onto the site, lowering queues in the Townsend Street right-of-way by more efficiently allowing entry into the basement area. A number of services are located within the basement to internalize the potential transit-disrupting effects of loading and unloading, including valet parking. The Project further avoids the potential for pedestrian and vehicle conflicts by avoiding curb cuts along 4th Street and providing minimal parking for commercial uses and code-compliant parking for residents.

In addition, the Project requires minor exceptions from active use requirements for (1) approximately 72 combined linear feet along the buildings’ mechanical cores that front interior POPOS; (2) limited retail uses less than 25 feet of deep at the ground floor and 15 feet on certain upper stories, including (a) approximately 36 linear feet of micro retail use fronting the Project’s 4th Street plaza and 25 linear feet along Townsend Street which back up to the mechanical core and back-of-house areas; and (b) approximately 75 combined linear feet of retail use fronting onto the POPOS. These areas will not negatively impact ground floor design. The Project contains more than 1,300 linear feet of street and POPOS frontages, which are predominantly lined by active use in compliance with this Section.

- f) **Commercial Street Frontage (Section 145.4).** Planning Code Section 145.4 requires active commercial uses at the ground floor of all street frontages along both 4th and Townsend Streets. In this area, individual ground floor uses must not occupy more than 75 contiguous linear feet for the first 25 feet of depth along the street-facing façade.

The Project requires exception to allow the retail/interior POPOS area anchoring the northwest corner of 4th and Townsend Streets to extend for 80 continuous linear feet (rather than 75) along Townsend Street. The Commission supports this exception due to the prominent location of this active retail and/or interior POPOS space, which will act as a pedestrian gateway to the project.

- g) **Curb Cut Restrictions (Section 155(r)).** Planning Code Section 155(r) generally prohibits new curb cuts along Townsend Street between 2nd and 6th Streets, but allows for the Project to seek exception from this standard as part of the Large Project Authorization.

The Project requires an exception to locate a new 35' wide curb cut along its Townsend Street frontage providing combine parking and loading access to the below-grade garage. This is consistent with design guidelines adopted in connection with the Central SoMa Plan which call for vehicular access along Townsend Street on this site in order to minimize the potential for impacts to transit vehicles traversing 4th Street. Therefore, the Commission supports this exception to this Planning Code requirement.

- h) **Wind Standards (Section 249.78(d)(7)).** This Section provides thresholds for wind comfort and wind hazard levels associated with development within the Central SoMa Plan area, as follows:

Wind Comfort. Projects must generally refrain from resulting in wind speeds exceeding a "Comfort Level" (ground-level wind speeds of 11 mph in areas of substantial pedestrian use and seven mph in public seating areas between 7 a.m. and 6 p.m., when occurring for more than 15% of the time year round) and may not cause a "Substantial Increase" in wind speeds of more than six miles per hour for more than 15% of the time year round) at any location where the existing or resulting wind speed exceeds the Comfort Level. However, a project may seek exception from this standard if it demonstrates that (1) it has undertaken all feasible measures to reduce wind speeds through such means as building sculpting and appearances, permanent wind baffling measures, and landscaping; and (2) further reducing wind speeds would substantially detract from the building design or unduly restrict the square footage of the project.

Wind Hazard. Projects must refrain from resulting in net new locations with an exceedance of the "One-Hour Hazard Criterion" (ground-level equivalent wind speed of 26 mph for more than one hour per year per test location), except that exceedance from this standard may be allowed by the Planning Commission where (1) The project, with mitigations, does not result in net new locations with an exceedance of the "Nine-Hour Hazard Criterion" (ground-level equivalent wind speed of 26 mph for more than nine hours per year per test location); (2) The project has undertaken all feasible measures to reduce hazardous wind speeds, such as building sculpting and appurtenances, permanent wind baffling measures, and landscaping; and (3) meeting the requirements of the One-Hour Hazard Criterion standard would detract from the building design or unduly restrict the square footage of the project.

The Project requires exception from both the wind comfort and wind hazard standards. The Project will result in wind speeds at a total of 52 test locations (out of 60) that exceed the Comfort Criterion and 23 test locations (out of 60) that exceed the One-Hour Hazard Criterion. Wind baffling measures will reduce the locations that exceed the Comfort Criterion from 52 to 48, and would reduce the locations that exceed the One-Hour Hazard Criterion from 23 to 4. The Project would not result in any new exceedance of the 9-Hour Hazard Criterion. The Commission supports this exception from these standards since:

- *The Project would not result in any exceedance of the Nine Hour Hazard Criterion;*
- *The Project has undertaken all feasible measures to reduce hazardous wind speeds including refinement of building massing; provision of a voided terrace on the façade of Tower 1B; installation of wind canopies on all towers; and installation of a 6-foot wide by 10-foot tall wind screen in the public right of way; and substantial on-site landscaping; and*
- *Further reduction of wind speeds would detract from building design and/or unduly restrict the square footage of the project. The project massing has already undergone significant revisions and reductions in order to mitigate wind conditions.*

- i) **Commercial Orientation of Large Sites (Section 249.78(c)(6)).** This Section requires development sites south of Harrison Street and larger than 40,000 square feet that propose a project over 100,000 square feet in size to provide at least two thirds of all building area below 160 feet in height as non-residential.

The Project requires exception from this requirement, since the Project is one of the only Key Sites in the Central SoMa Plan Area anticipated to provide predominantly residential development. At 960 dwelling units, the Project is anticipated to deliver nearly 1/5 of the total residential units anticipated to be constructed within the Plan area. The Commission supports this exception due to the overall design and program. Currently, new housing is a top priority for the City and County of San Francisco and this exception allows for the construction of new housing.

- j) **Narrow and Mid-Block Alley Controls (Section 261.1).** This Section requires that building frontages abutting a mid-block passages provided per Section 270.2 that are twenty to thirty feet in width to provide upper stories that are set back not less than 10 feet above a height of 25 feet.

The Project includes mid-block passages provided per Section 270.2 along its 4th and Townsend Street frontages ranging from 20-28 feet in width. The Project requires exception to allow for areas adjacent to both alleys that do not set back 10 feet above a height of 25 feet. Given the overall design of these mid-block passages, the Commission supports this exception.

- k) **Tower Bulk (Section 270(h)).** Planning Code Section 270(h) applies a number of bulk restricts to tower development in the Central SoMa SUD, including: (1) for residential and hotel projects, the maximum gross floor area of any floor is 12,000 gsf; (2) maximum plan length of 150 feet; (3) maximum diagonal dimension of 190 feet; and (4) for buildings with a Height of 250 feet or more, the average gross floor area of the Upper Tower (upper 1/3 of building area above a height of 85 feet) shall not exceed 85 percent of the average gross floor area of the Lower Tower (lower 2/3 of building area above a height of 85 feet), and the average diagonal of the Upper Tower shall not exceed 92.5 percent of the average diagonal of the Lower Tower. Exception from these standards is permitted in connection with Large Project Authorization for Key Sites within the Central SoMa SUD, per Section 329(e)(3)(B).

Both of the Project's towers comply with the average floor area ratio requirements comparing upper and lower portions of the towers. However, the Project requires an exception to the length and diagonal dimension requirements, as well as the 12,000 gross square foot floorplate limit. The floorplates of floors 9 through 21 in Tower 1 exceed the 12,000 gsf requirement, ranging in size from 15,011 gsf to 12,188 gsf. The remaining 21 stories comply. In addition, the Project's maximum length is 179' 8", and maximum diagonal is 217' 8". On Tower 2, levels 9 through 26 exceed maximum gfa requirement, ranging from 18,289 gsf to 12,008 gsf. In addition, Tower 2's maximum length is 227' 3", and maximum diagonal dimension is 258' 5". These massing exceptions are in general conformity with bulk exceptions anticipated under the Key Sites Guidelines adopted in connection with the Central SoMa Plan for development at this site.

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

Objectives and Policies

OBJECTIVE 1:

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

Policy 1.1:

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

Policy 1.3:

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

OBJECTIVE 2:

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

Policy 2.1:

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

Policy 2.3:

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

OBJECTIVE 3:

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

Policy 3.1:

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

Policy 3.2:

Promote measures designed to increase the number of San Francisco jobs held by San Francisco residents.

The Project will contain approximately 20,938 gross square feet of retail use, approximately 24,509 gross square feet of hotel use, and approximately 21,480 gross square feet of office use, expanding employment opportunities for city residents within close proximity to a range of public transit options. These uses will help to retain existing commercial and industrial activity and attract new such activity. The Project will also include up to 4 micro-retail spaces intended to contain smaller-scale neighborhood-serving uses.

URBAN DESIGN ELEMENT:

OBJECTIVE 1:

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.3:

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

Policy 1.4:

Protect and promote large-scale landscaping and open space that define districts and topography.

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 3.2:

Avoid extreme contrasts in color, shape and other characteristics which will cause new buildings to stand out in excess of their public importance.

Policy 3.3:

Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.

Policy 3.4:

Promote building forms that will respect and improve the integrity of open spaces and other public areas.

Policy 3.5:

Relate the height of buildings to important attributes of the city pattern and to the height and character of existing development.

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 will provide innovative and distinctive architecture that will elevate the standard for new development in the Plan area. The building materials are of high quality. The Project will feature two separate towers featuring staggered heights which will minimize the appearance of massing and scale to avoid overwhelming or dominating appearance in new construction.

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 11:

SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

Policy 11.1

Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.

Policy 11.2

Ensure implementation of accepted design standards in project approvals.

Policy 11.3

Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

Policy 11.4:

Continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan.

Policy 11.6

Foster a sense of community through architectural design, using features that promote community interaction.

Policy 11.8

Consider a neighborhood's character when integrating new uses, and minimize disruption caused by expansion of institutions into residential areas.

OBJECTIVE 12:

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

Policy 12.2

Consider the proximity of quality of life elements such as open space, child care, and neighborhood services, when developing new housing units.

The Project will provide innovative and distinctive architecture that will elevate the standard for new development in the Plan area. The Project Sponsor has worked with City staff to develop a project that incorporates a dynamic and distinctive design and maximizes public benefit through provision of improved pedestrian networks and publicly-accessible open space. The Project was designed in conjunction with the development and implementation of the Central SoMa Plan to create a development that would meet the goals, objectives and policies of the plan, as well as comply with design guidelines and planning code requirements. The Project will provide 960 residential units on a site where only two residential units exist and includes a central plaza that will be publicly accessible and provide access through the site. The Project will feature two separate towers featuring staggered heights which will minimize the appearance of massing and scale to avoid overwhelming or dominating appearance in new construction.

CENTRAL SOMA PLAN

GOAL 2: MAINTAIN A DIVERSITY OF RESIDENTS

Objectives and Policies

OBJECTIVE 2.3:

ENSURE THAT AT LEAST 33 PERCENT OF NEW HOUSING IS AFFORDABLE TO VERY LOW, LOW, AND MODERATE-INCOME HOUSEHOLDS

Policy 2.3.2:

Require contribution to affordable housing from commercial uses.

Policy 2.3.3:

Ensure that affordable housing generated by the Central SoMa Plan stays in the neighborhood.

Objective 2.6:

Support Services – Schools, Child Care, and Community Services – Necessary to Serve Local Residents

Policy 2.6.2:
Help facilitate the creation of childcare facilities.

The Project will satisfy the Inclusionary Housing Program through payment of an In-Lieu Fee that will be used to facilitate construction of affordable housing in proximity to the Plan Area. The Project will jointly contribute to development of a 5,546 square foot child care facility in the mixed-use office development at 598 Brannan Street.

OBJECTIVE 3.3:
ENSURE THE REMOVAL OF PROTECTIVE ZONING DOES NOT RESULT IN A LOSS OF PDR IN THE PLAN AREA

Policy 3.3.2:
Limit conversion of PDR space in formerly industrial districts.

Policy 3.3.3:
Require PDR space as part of large commercial development.

OBJECTIVE 3.4:
FACILITATE A VIBRANT RETAIL ENVIRONMENT THAT SERVES THE NEEDS OF THE COMMUNITY

Policy 3.4.2:
Require ground-floor retail along important streets.

Policy 3.4.3:
Support local, affordable, community-serving retail.

The Project will not result in removal of PDR space within the Plan area. The Project will provide approximately 20,938 gsf of ground floor retail use, lining 4th and Townsend Streets as well as POPOS. The Project will also include approximately 24,509 gsf of hotel use and 21,840 gsf of office use, which will accommodate significant opportunities for job growth within the Central SoMa SUD.

GOAL 4; PROVIDE SAFE AND CONVENIENT TRANSPORTATION THAT PRIORITIZES WALKING, BICYCLING, AND TRANSIT

OBJECTIVE 4.1:
PROVIDE A SAFE, CONVENIENT, AND ATTRACTIVE WALKING ENVIRONMENT ON ALL THE STREETS IN THE PLAN AREA

Policy 4.1.1:
Ensure streets throughout the Plan Area are designed in accordance with the City's Vision Zero Policy.

Policy 4.1.2:

Ensure sidewalks on major streets meet Better Streets Plan standards.

Policy 4.1.7:

Provide corner sidewalk extensions to enhance pedestrian safety at crosswalks, in keeping with the Better Streets Plan.

Policy 4.1.8:

Ensure safe and convenient conditions on narrow streets and alleys for people walking.

Policy 4.1.10:

Expand the pedestrian network wherever possible through creation of narrow streets, alleys, and mid-block connections.

OBJECTIVE 4.4:

ENCOURAGE MODE SHIFT AWAY FROM PRIVATE AUTOMOBILE USAGE

Policy 4.4.1:

Limit the amount of parking in new development.

Policy 4.4.2:

Utilize Transportation Demand Management strategies to encourage alternatives to the private automobile.

Policy 4.5.2:

Design buildings to accommodate delivery of people and goods with a minimum of conflict.

The Project will provide a total of 264 off-street parking spaces to accommodate all residential and non-residential uses, which is below the maximum allowed. Additionally, a total of 540 Class 1 and 81 Class 2 bicycle spaces will be provided. The Project has also developed a TDM Program and will incorporate improvements to the pedestrian network, including bulb-outs and widening of adjacent sidewalks. All street and sidewalk improvements will comply with the City's Better Street's Plan and Vision Zero Policy.

**GOAL 5: OFFER AN ABUNDANCE OF PARKS AND RECREATIONAL OPPORTUNITIES
OBJECTIVES AND POLICIES**

Objectives and Policies

OBJECTIVE 5.5:

AUGMENT THE PUBLIC OPEN SPACE AND RECREATION NETWORK WITH PRIVATELY-OWNED PUBLIC OPEN SPACES (POPOS).

Policy 5.5.1:

Require new non-residential development and encourage residential development to provide POPOS that address the needs of the community.

The Project will provide approximately 24,495 square feet of POPOS.

GOAL 6: CREATE AN ENVIRONMENTALLY SUSTAINABLE AND RESILIENT NEIGHBORHOOD OBJECTIVES AND POLICIES

Objectives and Policies

OBJECTIVE 6.2:

MINIMIZE GREENHOUSE GAS EMISSIONS

Policy 6.2.1:

Maximize energy efficiency in the built environments.

Policy 6.2.2:

Maximize onsite renewable energy generation.

Policy 6.2.3:

Satisfy 100 percent of electricity demand using greenhouse gas-free power supplies.

The Project will meet all Title 24 Energy Standards and, as required for development sites within the Central SoMa SUD, will comply with the Renewable Energy Requirements, pursuant to Planning Code 249.78.

GOAL 8: ENSURE THAT NEW BUILDINGS ENHANCE THE CHARACTER OF THE NEIGHBORHOOD AND CITY OBJECTIVES AND POLICIES

Objectives and Policies

OBJECTIVE 8.1:

ENSURE THAT THE GROUND FLOORS OF BUILDING CONTRIBUTE TO THE ACTIVATION, SAFETY, AND DYNAMISM OF THE NEIGHBORHOOD

Policy 8.1.1:

Require that ground floor uses actively engage the street.

Policy 8.1.2:

Design building frontages and public open spaces with furnishings and amenities to engage a mixed-use neighborhood.

Policy 8.1.3:
Ensure buildings are built up to the sidewalk edge.

Policy 8.1.4:
Minimize parking and loading entrances.

OBJECTIVE 8.4:
ENSURE THAT NARROW STREETS AND ALLEYS MAINTAIN THEIR INTIMATENESS AND SENSE OF OPENNESS TO THE SKY.

OBJECTIVE 8.5:
ENSURE THAT LARGE DEVELOPMENT SITES ARE CAREFULLY DESIGNED TO MAXIMIZE PUBLIC BENEFIT.

Policy 8.6.1:
Conform to the City's Urban Design Guidelines.

Policy 8.6.2:
Promote innovative and contextually-appropriate design.

Policy 8.6.4:
Design buildings to be mindful of wind.

Policy 8.6.5:
Ensure large projects integrate with the existing urban fabric and provide a varied character.

The Project Sponsor has worked with City staff to develop a project that incorporates a dynamic and distinctive design and maximizes public benefit through provision of improved pedestrian networks and publicly-accessible open space. The Project's massing has been designed to advance the intent of area plan standards. The Project incorporates features on-site to mitigate potential wind impacts.

10. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project complies with said policies in that:

- a. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The Project site currently contains 52,590 square feet of commercial use, including the Creamery neighborhood café, a taqueria, a designer furnishing store, and a catering service. The Project would create approximately 20,938 gsf of new neighborhood serving retail uses, including four new micro retail spaces, and a gross square feet of new retail use, including seven new micro-retail spaces, and approximately 24,509 gsf of hotel use, enhancing future opportunities for employment and ownership of area businesses

- 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 would remove two existing dwelling units and construct 960 dwelling units in a range of size and unit types, increasing the City's available housing stock and preserving cultural and economic diversity. In addition, the Project's office and retail components will conserve and protect the neighborhood's existing commercial character.

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

The Project will not displace any affordable housing units. The Project will construct 960 new dwelling units and will satisfy the City's Inclusionary Housing Program through payment of an in-lieu fee, which will be used to fund development of affordable housing within the area bounded by Market Street, the Embarcadero, King Street, Division Street, and South Van Ness Avenue. The Project's commercial components will also be subject to payment of the City's Jobs-Housing Linkage Fee, which will be used to develop and preserve affordable housing options throughout the City.

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

The Project will not impede transit service, or overburden streets or neighborhood parking. The Project will contain off-street parking spaces to serve residential and non-residential uses within the ratios principally permitted by the Planning Code, and will participate in the City's Transportation Demand Management Program. The site is within walking distance of San Francisco's downtown, Financial District, and office hubs around SoMa, as well as the Montgomery Street BART station, and is located kitty corner from the 4th and King Caltrain station, providing access to the East Bay, the peninsula and into Silicon Valley. The Property is also extremely well-served by public transit. The Property is within walking distance of the 09, 09A, 10, 16A, 16B, 30, 45, 47, 76, 80X, 81X, 82X and 91 bus lines. The Project is also located along the future Central Subway line.

- 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 site contains no industrial use, and proposes largely residential development. The Project will also contain approximately 20,938 gsf of new retail development, split amongst a number of individual retail units of varying size, providing future opportunities for resident employment and ownership.

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

The Project will be designed and will be constructed to conform to the structural and seismic safety requirements of the Building Code. This proposal will not impact the property's ability to withstand an earthquake.

- g. That landmarks and historic buildings be preserved.

The Project site does not contain any City Landmarks or historic buildings.

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

The Project has been designed to minimize sunlight and vista impacts to City parks and open spaces

11. **First Source Hiring.** The Project is subject to the requirements of the First Source Hiring Program as they apply to permits for residential development (Administrative Code Section 83.11), 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 submitted a First Source Hiring Affidavit and prior to issuance of a building permit will execute a First Source Hiring Memorandum of Understanding and a First Source Hiring Agreement with the City's First Source Hiring Administration.

12. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
13. The Commission hereby finds that approval of the Large Project 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 Large Project Authorization Application No. 2014-000203ENX** subject to the following conditions attached hereto as “EXHIBIT A” in general conformance with plans on file, dated June 6, 2019, and stamped “EXHIBIT B”, which is incorporated herein by reference as though fully set forth.

The Planning Commission hereby adopts the MMRP attached hereto as “EXHIBIT C” and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the Transit Center District 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 Large 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 (After the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals in person at 1650 Mission Street, Room 304, San Francisco, CA 94103, 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 20, 2019.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: June 20, 2019

EXHIBIT A

AUTHORIZATION

This authorization is for a Large Project Authorization to allow new construction of a two 36- to 40-story mixed-use buildings, containing a total of 1,014,968 gross square feet of residential use with 960 dwelling units, 24,509 gross square feet of hotel use with 38 guest rooms, 21,840 gross square feet of office use; 18,454 gross square feet of retail; and 2,484 gsf of retail/interior POPOS at 655 4th Street, 280-290 and 292-296 Townsend Street, Block 3787, Lots 045 and 050-052, pursuant to Planning Code Section 329 within the CMUO and Central SoMa SUD Districts and 400-CS Height and Bulk district; in general conformance with plans, dated June 6, 2019, and stamped "EXHIBIT B" included in the docket for Record No. 2014.000203ENX and subject to conditions of approval reviewed and approved by the Commission on **June 20, 2019** under Motion No _____. 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 20, 2019 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 Large Project Authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting PERFORMANCE

1. **Validity.** The authorization and right vested by virtue of this action is valid for five (5) 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 five-year period.

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

2. **Expiration and Renewal.** Should a Building or Site Permit be sought after the five (5) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

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

3. **Diligent Pursuit.** Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than five (5) years have passed since this Authorization was approved.

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

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

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

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

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

6. **Additional Project Authorization.** The Project Sponsor must obtain a Conditional Use Authorization under Sections 303, 317, and 848 for removal of two dwelling units at the property and to establish a hotel use in the Central SoMa Mixed Use Office Zoning District, and 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

7. **Mitigation Measures.** Mitigation measures described in the MMRP attached as Exhibit C 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

DESIGN – COMPLIANCE AT PLAN STAGE

8. **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

9. **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

10. **Lighting Plan.** The Project Sponsor shall submit an exterior lighting plan to the Planning Department prior to Planning Department approval of the building / site permit application.

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

11. **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

12. **Signage.** The Project Sponsor shall develop a signage program for the Project which shall be subject to review and approval by Planning Department staff before submitting any building permits for construction of the Project. All subsequent sign permits shall conform to the approved signage program. Once approved by the Department, the signage program/plan information shall be submitted and approved as part of the site permit for the Project. All exterior signage shall be designed to complement, not compete with, the existing architectural character and architectural features of the building.

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

13. **Rooftop Mechanical Equipment.** Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan and full building elevations to the Planning Department prior to Planning approval of the architectural addendum to the Site 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

14. **Transformer Vault Location.** 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, likely at the northwest end of the site, adjacent to the driveway of the 601 Fourth Street property; (2) on-site, in an alternate location of the building at or near grade; (3) on-site, in a basement area accessed via garage or other access point without use of separate doors on a ground floor façade facing a public right-of way; on-site, in a driveway, underground. The final selected preference shall adhere to the Memorandum of Understanding regarding Electrical Transformer Locations for Private Development Projects between Public Works and the Planning Department dated January 2, 2019.

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

15. **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

16. **Central SoMa SUD, Solar and Living Roof Requirements.** The Project shall fulfill all on-site electricity demands through any combination of on-site generation of 100% greenhouse gas-free sources in compliance with Planning Code Section 249.78(d)(4).

PARKING AND TRAFFIC

17. **Transportation Demand Management (TDM) Program.** Pursuant to Planning Code Section 169, the Project shall finalize a TDM Plan prior to the issuance of the first Building Permit or Site Permit to construct the project and/or commence the approved uses. The Property Owner, and all successors, shall ensure ongoing compliance with the TDM Program for the life of the Project, which may include providing a TDM Coordinator, providing access to City staff for site inspections, submitting appropriate documentation, paying application fees associated with required monitoring and reporting, and other actions.

Prior to the issuance of the first Building Permit or Site Permit, 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 to document compliance with the TDM Program. This Notice shall provide the finalized TDM Plan for the Project, including the relevant details associated with each TDM measure included in the Plan, as well as associated monitoring, reporting, and compliance requirements.

For information about compliance, contact the TDM Performance Manager at tdm@sfgov.org or 415-558-6377, www.sf-planning.org.

18. **Car Share.** Pursuant to Planning Code Section 166, no fewer than six (6) 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

19. **Bicycle Parking.** Pursuant to Planning Code Sections 155, 155.1, and 155.2, the Project shall provide no fewer than 323 **Class 1** bicycle parking spaces and **58 Class 2** (315 *Class 1* and 48 *Class 2* spaces for the residential portion of the Project and 8 *Class 1* and 10 *Class 2* spaces for the commercial portion of the Project). SFMTA has final authority on the type, placement and number of Class 2 bicycle racks within the public ROW. Prior to issuance of first architectural addenda, the project sponsor shall contact the SFMTA Bike Parking Program at bikeparking@sfmta.com to coordinate the installation of on-street bicycle racks and ensure that the proposed bicycle racks meet the SFMTA's bicycle parking guidelines. Depending on local site conditions and anticipated demand, SFMTA

may request the project sponsor pay an in-lieu fee for Class II bike racks required by the Planning Code.

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

20. **Showers and Clothes Lockers.** Pursuant to Planning Code Section 155.3, the Project shall provide no fewer than **3** showers and **18** clothes lockers.

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

21. **Parking Maximum.** Pursuant to Planning Code Section 151.1, the Project shall provide no more than **two hundred and sixty-four (264)** off-street parking spaces.

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

22. **Off-Street Loading.** Pursuant to Planning Code Section 152, the Project will provide **five (5)** off-street loading spaces.

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

23. **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

24. **Driveway Loading and Operations Plan.** Pursuant to Planning Code Section 155(u), the Project sponsor shall prepare a DLOP for review and approval by the Planning Department, in consultation with the San Francisco Municipal Transportation Agency. The DLOP shall be written in accordance with any guidelines issued by the Planning Department.

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

25. **Rates for Long-Term Office Parking.** Pursuant to Planning Code Section 155(g), to discourage long-term commuter parking, off-street parking spaces provided for all uses other than residential or hotel must be offered pursuant to the following rate structure: (1) the rate charged for four hours of parking cannot be more than four times the rate charged for the first hour; (2) the rate charged for eight hours of parking cannot be less than ten (10) times the rate charged for the first hour; and (3) no discounted parking rates are allowed for weekly, monthly, or similar time-specific periods.

PROVISIONS

26. **Anti-Discriminatory Housing.** The Project shall adhere to the requirements of the Anti-Discriminatory Housing policy, pursuant to Administrative Code Section 1.61.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
27. **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
28. **Transportation Sustainability Fee.** The Project is subject to the Transportation Sustainability Fee (TSF), as applicable, pursuant to Planning Code Section 411A.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
29. **Jobs-Housing Linkage.** The Project is subject to the Jobs Housing Linkage Fee, as applicable, pursuant to Planning Code Section 413.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
30. **Child-Care Requirements for Office and Hotel Development. Child-Care Requirements for Office and Hotel Development.** The Project is subject to Childcare Fee for Office and Hotel Development Projects, as applicable, pursuant to Planning Code Section 414. Pursuant to Planning Code Section 249.78(e)(4), prior to issuance of a building or site permit the Project must elect its choice of the options described in subsection (A), (B) and (E) of Section 414.4(c)(1) as a condition of Project approval. The Project anticipates electing compliance option under Section 414.4(c)(1)(E) to “combine payment of an in –lieu fee to the Child Care Capital Fund with construction of a child care facility on the premises or providing child-care facilities near the premises, either singly or in conjunction with other sponsors pursuant to 414.9.” The Project anticipates such election would be made in conjunction with the sponsors of the proposed residential development at 598 Brannan Street. In the event the Project intends to elect an alternate method of compliance as provided in Section 249.78(e)(4), it shall notify the Planning Department of this change prior to issuance of a building or site permit for the Project.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

31. **Residential Child Care Impact Fee.** The Project is subject to the Residential Child Care Fee, as applicable, pursuant to Planning Code Section 414A.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
32. **Eastern Neighborhoods Infrastructure Impact Fee.** The Project is subject to the Eastern Neighborhoods Infrastructure Impact Fee, as applicable, pursuant to Planning Code Section 423.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
33. **Eastern Neighborhoods Usable Open Space In Lieu Fee for EN Mixed Use Non-residential Projects.** The Project is subject to the Eastern Neighborhoods Usable Open Space In-Lieu Fee, as applicable, pursuant to Planning Code Section 426.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
34. **Eastern Neighborhoods Payment in case of variance or exception.** The Project is subject to the Eastern Neighborhoods Fee, as applicable, due to the granting of an exception per Section 329 from usable open space requirements for residential use, pursuant to Planning Code Section 427.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
35. **Art.** The Project is subject to the Public Art Fee, as applicable, pursuant to Planning Code Section 429.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
36. **Art Plaques.** Pursuant to Planning Code Section 429(b), the Project Sponsor shall provide a plaque or cornerstone identifying the architect, the artwork creator and the Project completion date in a publicly conspicuous location on the Project Site. The design and content of the plaque shall be approved by Department staff prior to its installation.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
37. **Art - Design.** Pursuant to Planning Code Section 429, the Project Sponsor and the Project artist shall consult with the Planning Department during design development regarding the height, size, and final type of the art. The final art concept shall be submitted for review for consistency with this Motion by, and shall be satisfactory to, the Director of the Planning Department in consultation with the Commission. The Project Sponsor and the Director shall report to the Commission on the progress of the development and design of the art concept prior to the submittal of the first building or site permit application

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

38. **Art.** Pursuant to Planning Code Section 429, prior to issuance of any certificate of occupancy, the Project Sponsor shall install the public art generally as described in this Motion and make it available to the public. If the Zoning Administrator concludes that it is not feasible to install the work(s) of art within the time herein specified and the Project Sponsor provides adequate assurances that such works will be installed in a timely manner, the Zoning Administrator may extend the time for installation for a period of not more than twelve (12) months.

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

39. **Central SoMa Infrastructure Impact Fee.** The Project is subject to the Central SoMa Infrastructure Impact Fee, as applicable, pursuant to Planning Code Section 433.

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

40. **Central SoMa Community Facilities District Program (Planning Code Section 434).** The development project shall participate, to the extent applicable, in a CFD if established by the Board of Supervisors pursuant to Article X of Chapter 43 of the Administrative Code (the "Special Tax Financing Law") and successfully annex the lot or lots of the subject development into the CFD prior to the issuance of the first Certificate of Occupancy for the development. For any lot to which the requirements of this Section 434 apply, 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 prior to the first Certificate of Occupancy for the development, except that for condominium projects, the Zoning Administrator shall approve and order the recordation of such Notice prior to the sale of the first condominium unit. This Notice shall state the requirements and provisions of subsections 434(b)-(c) above. The Board of Supervisors will be authorized to levy a special tax on properties that annex into the Community Facilities District to finance facilities and services described in the proceedings for the Community Facilities District and the Central SoMa Implementation Program Document submitted by the Planning Department on November 5, 2018 in Board of Supervisors File No. 180184.

AFFORDABLE HOUSING

Affordable Units. The following Inclusionary Affordable Housing Requirements are those in effect at the time of Planning Commission action. In the event that the requirements change, the Project Sponsor shall comply with the requirements in place at the time of issuance of first construction document.

41. **Requirement.** Pursuant to Planning Code Section 415.5, the Project Sponsor must pay an Affordable Housing Fee at a rate equivalent to the applicable percentage of the number of units in an off-site project needed to satisfy the Inclusionary Affordable Housing Program Requirement for

the principal project. The applicable percentage for this project is thirty percent (30%) because it is a rental project. The Project Sponsor shall pay the applicable Affordable Housing Fee at the prior to the issuance of the first construction document.

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.

42. **Other Conditions.** The Project is subject to the requirements of the Inclusionary Affordable Housing Program under Section 415 et seq. of the Planning Code and the terms of the City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual"). The Procedures Manual, as amended from time to time, is incorporated herein by reference, as published and adopted by the Planning Commission, and as required by Planning Code Section 415. Terms used in these conditions of approval and not otherwise defined shall have the meanings set forth in the Procedures Manual. A copy of the Procedures Manual can be obtained at the Mayor's Office of Housing and Community Development ("MOHCD") at 1 South Van Ness Avenue or on the Planning Department or Mayor's Office of Housing and Community Development's websites, including on the internet at:

<http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451>.

As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale or rent.

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

- a. The Project Sponsor must pay the Fee in full sum to the Development Fee Collection Unit at the DBI for use by MOHCD prior to the issuance of the first construction document.
- b. Prior to the issuance of the first construction permit by the DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that records a copy of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOHCD or its successor.
- c. If project applicant fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Sections 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all other remedies at law, including interest and penalties, if applicable.

MONITORING - AFTER ENTITLEMENT

43. **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

44. **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

45. **Eating and Drinking Uses.** As defined in Planning Code Section 202.2, Eating and Drinking Uses, as defined in Section [102](#), shall be subject to the following conditions:

- A. The business operator 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 Street and Sidewalk Maintenance Standards. In addition, the operator shall be responsible for daily monitoring of the sidewalk within a one-block radius of the subject business to maintain the sidewalk free of paper or other litter associated with the business during business hours, in accordance with Article 1, Section [34](#) of the San Francisco Police Code.

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

- B. When located within an enclosed space, the premises shall be adequately soundproofed or insulated for noise and operated so that incidental noise shall not be audible beyond the premises or in other sections of the building, and fixed-source equipment noise shall not exceed the decibel levels specified in the San Francisco Noise Control Ordinance.

For information about compliance of fixed mechanical objects such as rooftop air conditioning, restaurant ventilation systems, and motors and compressors with acceptable noise levels, contact the Environmental Health Section, Department of Public Health at (415) 252-3800, www.sfdph.org.

For information about compliance with construction noise requirements, contact the Department of Building Inspection at 415-558-6570, www.sfdbi.org.

For information about compliance with the requirements for amplified sound, including music and television, contact the Police Department at 415-553-0123, www.sf-police.org.

- C. While it is inevitable that some low level of odor may be detectable to nearby residents and passersby, appropriate odor control equipment shall be installed in conformance with the approved plans and maintained to prevent any significant noxious or offensive odors from escaping the premises.

For information about compliance with odor or other chemical air pollutants standards, contact the Bay Area Air Quality Management District, (BAAQMD), 1-800-334-ODOR (6367), www.baaqmd.gov and Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

- D. 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 the Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, <http://sfdpw.org>.

46. **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>

47. **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 and all registered neighborhood groups for the area with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator and registered neighborhood groups 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

48. **Lighting.** All Project lighting shall be directed onto the Project site and immediately surrounding sidewalk area only, and designed and managed so as not to be a nuisance to adjacent residents.

Nighttime lighting shall be the minimum necessary to ensure safety, but shall in no case be directed so as to constitute a nuisance to any surrounding property.

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

49. **POPOS Design and Operations Strategy (Central SoMa Plan – Implementation Matrix Measure 5.5.1.3).** The Project shall be required to submit a design and operations strategy for the proposed Privately-Owned Public Open Spaces, that will be reviewed and approved by the Planning Department and Recreation and Parks Department (if applicable), soliciting feedback from members of the public.

50. **Privately- Owned Public Open Space Provision.** Pursuant to Planning Code Section 138, the Project shall provide no less than XXXX gross square feet of privately-owned public open space (POPOS), of which 2,484 gross square feet may be indoor. The Project Sponsor shall continue to work with Planning Department staff to refine the design and programming of the POPOS so that the open space meets the standards of Section 138(d) and the Urban Design Guidelines. Prior to the first certificate of occupancy for any building on the site, the Project Sponsor shall submit a maintenance and operations plan for the POPOS for review and approval by the Planning Department. At a minimum the maintenance and operations plan shall include:

- A. a description of the amenities and programming for the POPOS and how it serves the open space and recreational needs of the diverse users, including but not limited to residents, youth, families, workers, and seniors;
- B. a site and floor plan of the POPOS detailing final landscape design, irrigation plan, public art, materials, furnishings, lighting, signage and areas for food service *[Edit for any project specific requirements]*;
- C. a description of the hours and means of public access to the POPOS;
- D. a proposed schedule for maintenance activities; and
- E. contact information for a community liaison officer.

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

51. **Hours of Access of Open Space.** All POPOS shall be publicly accessible from 7AM to 9PM every day. Should all or a portion of the POPOS be temporarily closed due to construction or maintenance activities, the operator shall contact the Planning Department in advance of the closure and post signage, plainly visible from the public sidewalks, that indicates the reason for the closure, an estimated date to reopen, and contact information for a community liaison officer. *For information about compliance, contact the Code Enforcement, Planning Department at 415-558-6378, www.sf-planning.org*

52. **Food Service in Open Spaces.** Pursuant to Planning Code Section 138, food service area shall occupy no more than 20% of the required POPOS during the hours that the open space is accessible

to the public. Restaurant seating shall not take up more than 20% of the seating and tables provided in the required open space.

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

53. **Open Space Plaques.** Pursuant to Planning Code Section 138 (i), the Project Sponsor shall install the required public open space plaques at each building entrance. The plaques shall be plainly visible from the public sidewalks on 4th and Townsend Streets. Design of the plaques shall utilize the standard templates provided by the Planning Department, as available, and shall be approved by the Department staff prior to installation.

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

54. **Monitoring and Reporting - Open Space.** One year from the issuance of the first certificate of occupancy for any building on the site, and then every 3 years thereafter, the Project Sponsor shall submit a maintenance and operations report to the Zoning Administrator for review by the Planning Department. At a minimum the maintenance and operations report shall include:

- F. a description of the amenities, and list of events and programming with dates, and any changes to the design or programming during the reporting period;
- G. a plan of the POPOS including the location of amenities, food service, landscape, furnishing, lighting and signage;
- H. photos of the existing POPOS at time of reporting;
- I. description of access to the POPOS;
- J. a schedule of the means and hours of access and all temporary closures during the reporting period;
- K. a schedule of completed maintenance activities during the reporting period;
- L. a schedule of proposed maintenance activities for the next reporting period; and
- M. contact information for a community liaison officer.

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

State Secretary of Resources for the implementation of the California Environmental Quality Act (CEQA), the Planning Department of the City and County of San Francisco will publish its determination on the proposed application by Thursday, June 13, 2019. An additional staff report will be published by Department staff.

BASIS FOR RECOMMENDATION

The Department believes this project is approvable for the following reasons:

- The Department finds that the Project is, on balance, consistent with the Central SoMa Plan and the Objectives and Policies of the General Plan.
- The Project produces a new mixed-use development with ground floor PDR and Retail and significant site updates, including landscaping and common open space.
- The site is currently underutilized, and the addition of new ground-floor retail spaces and publicly-accessible open spaces will enliven the streetscape.
- The Project adds 960 new dwelling units to the City's housing stock, including 242 studios, 330 one-bedroom, 351 two-bedroom and 37 three-bedroom units.
- The Project will meet the City's inclusionary affordable housing requirements by paying the in-lieu fee. Given the size of the Project, this fee will provide a substantial funding to the Mayor's Office of Housing and Community Development for the production of affordable housing in the Central SoMa neighborhood.
- The Department also finds the project to be necessary, desirable, and compatible with the surrounding neighborhood, and not to be detrimental to persons or adjacent properties in the vicinity.

ATTACHMENTS:

Draft Motion – Conditional Use Authorization with Conditions of Approval

Draft Motion – Large Project Authorization with Conditions of Approval

Exhibit B – Plans and Renderings

Exhibit C– Land Use Data

Exhibit D – Maps and Context Photos

Exhibit E – Project Sponsor Brief

Exhibit F – Project Sponsor Submittal: Market Demand Analysis prepared by CBRE dated 12/27/2018

Exhibit G – First Source Hiring Affidavit

Exhibit H – Inclusionary Affordable Housing Affidavit

Exhibit I – Anti-Discriminatory Housing Affidavit

Exhibit J – Public Correspondence



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft Motion

HEARING DATE: JUNE 20, 2019

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Record No.: 2014.000203CUA
Project Address: 655 4th STREET; 280-290 TOWNSEND STREET; AND
292-296 TOWNSEND STREET
Zoning: CMUO (Central SoMa Mixed Use Office) Zoning District
Central SoMa Special Use District
400-CS Height and Bulk District
Block/Lot: 3787/026, 028, 050, 161-164
Project Sponsor: 655 4th Owner, LLC
One Bush Street, Suite 450, San Francisco, CA, 94104
Property Owner: 655 4th Owner, LLC
San Francisco, CA 94104
Staff Contact: Linda Ajello Hoagland – (415) 575-6823
linda.ajellohoagland@sfgov.org
Recommendation: **Approval with Conditions**

ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO PLANNING CODE SECTIONS 303, 317 AND 848 TO DEMOLISH TWO EXISTING DWELLING UNITS AND ESTABLISH A TOURIST HOTEL WITH 38 ROOMS WITHIN THE CMUO (CENTRAL SOMA MIXED-USE OFFICE) ZONING DISTRICT, CENTRAL SOMA SPECIAL USE DISTRICT, AND A 400-CS HEIGHT AND BULK DISTRICT, LOCATED AT 655 FOURTH STREET, 280-290 TOWNSEND STREET, AND 292-296 TOWNSEND STREET, LOTS 045 AND 050-052 IN ASSESSOR'S BLOCK 3787, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On December 19, 2017, Melinda Sarjapur of Reuben, Junius & Rose, LLP, acting on behalf of 655 4TH Owner, LLC (hereinafter "Project Sponsor") filed a request, as modified by subsequent submittals, with the San Francisco Planning Department (hereafter "Department") for Large Project Authorization pursuant to Planning Code Section 329 and Conditional Use Authorization pursuant to Planning Code Sections 303, 317, and 848, to demolish three existing buildings and associated surface parking on the site and to construct two 36-to-40 story mixed-use buildings containing a mix of residential, office, hotel, and retail uses (collectively, the "Project").

The environmental effects of the Project were determined by the San Francisco Planning Department to have been fully reviewed under the Final Environmental Impact Report for the Central SoMa Plan (hereinafter "EIR"). The EIR was prepared, circulated for public review and comment, and, at a public hearing on May 10, 2018, by Motion No. 20182, certified by the Commission as complying with the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 *et. seq.*, (hereinafter "CEQA") the State CEQA Guidelines (Cal. Admin. Code Title 14, section 15000 *et seq.*, (hereinafter "CEQA Guidelines")

and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31"). The Commission has reviewed the EIR, which has been available for this Commission's review as well as public review.

The Central SoMa Plan EIR is a Program EIR. Pursuant to CEQA Guideline 15168(c)(2), if the lead agency finds that no new effects could occur or no new mitigation measures would be required of a proposed project, the agency may approve the project as being within the scope of the project covered by the program EIR, and no additional or new environmental review is required. In approving the Central SoMa Plan, the Commission adopted CEQA findings in its Resolution No. 20183 and hereby incorporates such Findings by reference.

Additionally, State CEQA Guidelines Section 15183 provides a streamlined environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that (a) are peculiar to the project or parcel on which the project would be located, (b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent, (c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR, or (d) are previously identified in the EIR, but which are determined to have more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for that project solely on the basis of that impact.

On June 20, 2019, the Department determined that the Project did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Central SoMa Area Plan and was encompassed within the analysis contained in the EIR. Since the EIR was finalized, there have been no substantive changes to the Central SoMa Area Plan and no substantive changes in circumstances that would require major revisions to the EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Central SoMa Area Plan EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

Planning Department staff prepared a Mitigation Monitoring and Reporting Program ("MMRP") setting forth mitigation measures that were identified in the Central SoMa Plan EIR that are applicable to the Project. These mitigation measures are set forth in their entirety in the MMRP attached to the draft Motion as EXHIBIT C.

On June 20, 2019, the Commission adopted Motion No. 2014.000203ENX, approving a Large Project Authorization for the Project (Large Project Authorization No. 2014.000203ENX), including a Mitigation, Monitoring, and Reporting Program for the Project, attached as Exhibit C to Motion No. 2014.000203ENX, which are incorporated herein by this reference thereto as if fully set forth in this Motion.

On June 20, 2019, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Authorization Application No. 2014.0002030CUA.

The Planning Department Commission Secretary is the custodian of records located in the file for Case No. 2014.000203CUA at 1650 Mission Street, Fourth Floor, San Francisco, California.

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 requested in Application No. 2014-000203CUA, subject to the conditions contained in "EXHIBIT A" of this motion and incorporated by reference, 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. **Project Description.** The Project will demolish existing buildings on the site (which contain, among other uses, two dwelling units) and will construct two 360- to- 400-foot tall (425 to top of rooftop mechanical screening), 36- to- 40-story mixed-use buildings, located at the northeast corner of 4th and Townsend Streets. The Project will contain a total of 1,014,968 gross square feet ("gsf") of residential use with approximately 960 dwelling units, 24,509 gsf of hotel use with approximately 38 rooms; 21,840 gsf of office use; 18,454 gsf of ground-floor retail; and 2,484 gsf of retail/interior privately-owned, publicly-accessible open space ("POPOS") fronting on 4th Street. The Project will provide approximately 24,495 square feet of outdoor POPOS through landscaped plazas and mid-block alleys leading from Townsend and 4th Streets through to the center of the site, as well as approximately 18,432 square feet of privately-accessible open space for building residents, including 132 private balconies and two commonly-accessible rooftop open spaces. The Project will be served by a below-grade garage accessed along Townsend Street, containing 276 off-street parking spaces and eight off-street loading spaces.
3. **Site Description and Present Use.** The Project site spans seven separate parcels (collectively encompassing approximately 1.64 acres) with addresses located at 655 4th Street and 280-290 Townsend and 292-296 Townsend Street (Assessor's Block 3787, Lots 026, 028, 050, and 161-164) in San Francisco's South of Market Neighborhood. The subject site is located at the northeast corner of 4th and Townsend Streets, and has approximately 275-ft along each of these frontages. Currently, the subject parcels contain three buildings, including one three-story condominium containing two residential units and one commercial unit, and two one- to- two-story retail buildings containing uses including H.D.

Buttercup, Balhaup, and the Creamery. The Project site also contains an approximately 4,000 square foot surface parking lot, and a 2,300 square foot loading area.

4. **Surrounding Properties and Neighborhood.** The Project site is located in the South of Market Neighborhood, within the CMUO (Central SoMa Mixed Use-Office) and Central SoMa Special Use Zoning Districts. The SoMa neighborhood is a high-density downtown neighborhood with a mixture of low- to- mid-rise development containing commercial, office, industrial, and residential uses, as well as several undeveloped or underdeveloped sites, such as surface parking lots and single-story commercial buildings. The Project site is generally bounded by 4th Street to the west, Townsend Street to the south, four story residential and office buildings to the north at 601 4th Street and 475 Brannan Street, and a seven-story office building to the east at 260 Townsend Street. The 4th and King Street Caltrain station is located across the intersection of 4th and Townsend Streets. To the immediate south across Townsend Street is a 13-story mixed-use residential, retail, and office development at 250 King Street (the Beacon). Approximately 200 feet northwest of the Project site is 505 Brannan Street, which has been identified as Key Site 9 under the Central SoMa Plan and proposes development of an eleven-story vertical addition to an existing office building.
5. **Public Outreach and Comments.** To date, the Department has received two phone calls in opposition of the Project from residents in an adjacent residential building, siting impacts to their building adjacent to the Project site on 4th Street as a result of the Project. The Sponsor has conducted multiple one-on-one meetings with individual stakeholders, community organizations and nearby homeowner's associations, and participated in three additional community outreach forums, as outlined in the Project Sponsor Brief (Exhibit E).
6. **Planning Code Compliance:** The Planning Code Compliance Findings set forth in Motion No. _____ Case No. 2014-000203ENX (Large Project Authorization, pursuant to Planning Code Section 329) apply to this Motion, and are incorporated herein as though fully set forth.
7. **Conditional Use Findings.** Planning Code Section 303 establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use Authorization. On balance, the Project complies with said criteria in that:
 - A. The proposed new uses 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 neighboring community.

The Project will construct two new mixed-use residential buildings containing approximately 960 dwelling units, 24,509 gross square feet of hotel, 21,840 gross square feet of office, and 20,938 square feet of ground floor retail use. The buildings will reach maximum heights of 400 feet (425 including rooftop screening), and will feature a distinctive architectural style, emphasizing the importance of the 4th and Townsend intersection in proximity to Caltrain and the Central Subway. The Project will be among the largest housing developments in the Central SoMa Plan area and the Eastern Neighborhoods, thereby significantly contributing to the approximately 8,300 new housing units proposed for the Plan area. It advances Plan

goals and objectives, including Goal 1: To accommodate a substantial amount of jobs and housing; Goal 2: maintain the diversity of residents; Goal 3: facilitate an economically diversified and lively jobs center; Goal 4: Provide safe and convenient transportation that prioritizes walking, bicycling, and transit; Goal 5: offer an abundance of parks and recreational opportunities; and Goal 8: ensure that new buildings enhance the character of the neighborhood and the City.

Housing is a top priority for the City and County of San Francisco. The size and intensity of the proposed development is necessary and desirable for this neighborhood and the surrounding community because it will provide new opportunities for housing and add new site amenities that will contribute to the character of the surrounding neighborhood. The Project will also replace an underutilized site, while also providing new public amenities, including landscaping, sidewalk improvements, publicly-owned private open space and bicycle parking. The Project is consistent with the neighborhood uses, which include a mix of ground floor commercial uses with residential above, multi-family residential building and commercial uses. The influx of new residents will contribute to the economic vitality of the existing neighborhood by adding new patrons for the nearby retail uses. In summary, the Project is an appropriate urban invention and infill development.

The Project is consistent with land use controls established for the Central SOMA Mixed Use-Office Zoning District, as well as with scope and character of development anticipated for this location in the Planning Department's Key Development Sites Guidelines. It is the only Key Site Central SoMa project that is primarily residential.

Further, the Project will provide significant public benefits for the Plan area and City through payment of numerous development impact fees that will be used to improve local transportation infrastructure, affordable housing, community facilities, and the public realm.

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

1. The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of the structures;

The Project will construct two buildings, each reaching a maximum height of 400 feet (425 including rooftop screening). The buildings will be situated to provide multiple mid-block connections for pedestrian foot traffic, with lobby access for the residential, retail, hotel and office uses located along a spacious landscaped POPOS. The property is located in a height and bulk district, which allows for up to 400 feet of development. This prominent height emphasizes the importance of the 4th and Townsend intersection due to its location in proximity to the Caltrain and Central Subway stations. The Project's proposed height and massing are consistent with design policies of the Central SoMa Plan. The Project will feature a distinctive architectural style, enhancing the character of the neighborhood and City, and will feature approximately 20,938 square feet of ground floor retail, both activating its prominent 4th and Townsend Street frontages and effectively drawing foot traffic into the site's central public open spaces.

2. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The property is well-served by public transit. The Property is within walking distance of the Powell Street BART station, one block from the 4th and King MUNI light rail station and Caltrain, and just minutes away from numerous bus lines including the 09, 09A, 09B, 10, 16A, 16B, 30, 45, 47, 76, 80X, 81X, 82X and 91. The project would also be located along the future Central Subway line, which is currently under construction. In addition, the project would provide below-grade off-street parking in an amount consistent with the standards set forth in the Plan, and will therefore avoid burdening neighborhood parking.

3. The safeguards afforded to proven noxious or offensive emissions such as noise, glare, dust and odor;

The Project entails construction of a mixed-use residential development compatible with the surrounding Central SoMa Plan area. It is not anticipated to generate any noxious or offensive emissions. Appropriate mitigation measures will be undertaken to accommodate for noise, glare and dust during construction.

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

The Project will feature a variety of streetscape improvements including street widening, installation of new signage, landscaping, tree planting, etc., consistent with the City's Better Streets Plan. Further, the project will incorporate approximately 24,495 square feet of attractively landscaped and hardscaped publicly-accessible open space, re-activating and drawing foot traffic into development on this prominent corner location.

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

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

- D. That the use as proposed would provide development that is in conformity with the purpose of the applicable CMUO (Central SoMa Mixed Use Office) District.

The Project is consistent with the stated purpose of the CMUO Zoning District in that it will result in development of a mix of residential and non-residential uses, including office, retail, and a tourist hotel. Per Planning Code Section 848, the CMUO Zoning District is described as:

The Central SoMa Mixed Use-Office (CMUO) extends predominantly between 2nd Street and 6th Street in the South of Market area. The CMUO is designed to encourage a mix of residential and

non-residential uses, including office, retail, light industrial, arts activities, nighttime entertainment, and tourist hotels.

8. **Planning Code Section 303(g)** establishes additional criteria and findings for the Planning Commission to consider when reviewing applications for hotels and motels, in addition to those applicable to Conditional Uses. On balance, the project does comply with said criteria in that:

- A. The impact of the employees of the hotel or motel on the demand in the City for housing, public transit, child care, and other social services. To the extent relevant, the Commission shall also consider the seasonal and part-time nature of employment in the hotel or motel;

The Project Sponsor will comply with the First Source Hiring Program, thus allowing certain positions to be available to local residents. The Project Sponsor also expects that a sizable portion of its new hires will be local, minimizing effects on the demand for new housing, public transit, childcare, and other social services. The Project site is well-served by numerous public transit options and accessible via bicycle and foot from major transit stops. Further, the Project will contribute funding to support affordable housing, child-care, public transit, and other social services through various applicable impact fees.

- B. The measures that will be taken by the project sponsor to employ residents of San Francisco in order to minimize increased demand for regional transportation;

The Project Sponsor intends to coordinate local hiring to address Project construction and employment needs of the hotel use. The Project is in close proximity to public transit. Further, the Project has demonstrated compliance with the TDM Program, and will encourage modes of non-vehicular transportation including: walking, bicycling, and public transit by providing sufficient bicycle parking, real time transportation displays, multi-modal wayfinding signage, and streetscape improvements.

- C. The market demand for a hotel or motel of the type proposed;

According to the Market Demand Analysis prepared by CBRE dated December 27, 2018, the San Francisco Bay Area is one of the strongest lodging markets in the United States, and has been approximately 20 percentage points above national averages, and with the reopening of the Moscone Center, occupancy in the San Francisco lodging market is expected to remain significantly above the national average. The report indicates that the overall demand for hotel units in San Francisco is set to continue at its currently high levels. Specific to the Project's proposed hotel, the competitive market's performance similarly surpasses both national and regional trends. The Analysis concludes that the hotel will not have any material impact on the overall market's long-term performance, and that occupancy in its market space will remain relatively stable at 83-85% over the next several years. Finally, the hotel is expected to achieve a stabilized occupancy in 2024 of 85%, again well over national trends and in line with the stabilized level projected for the competitive market.

- D. In the Transit Center C-3-O(SD) Commercial Special Use District, the opportunity for commercial growth in the Special Use District and whether the proposed hotel, considered with other hotels and non-commercial uses approved or proposed for major development sites in the Special Use

District since its adoption would substantially reduce the capacity to accommodate dense, transit-oriented job growth in the District;

The Project is not located within the Transit Center C-3-O(SD) Commercial Special Use District.

9. **Planning Code Section 317** establishes additional criteria and findings for the Planning Commission to consider when reviewing applications for projects that will demolish existing dwelling units. On balance, the project does comply with said criteria in that:

- A. Whether the property is free of a history of serious, continuing Code violations;

There are no serious, continuing Code violations at the property. The subject property (655 4th Street) has an open violation with the Department of Building Inspection for failure to comply with the Commercial Water Conservation Ordinance.

- B. Whether the housing has been maintained in a decent, safe, and sanitary condition;

The two existing condominium units have been maintained in a decent, safe, and sanitary condition.

- C. Whether the Property is an “historical resource” under CEQA;

Not Applicable. The property is not an historical resource under CEQA.

- D. Whether the removal of the resource will have a substantial adverse impact under CEQA;

Not Applicable. The property is not an historical resource under CEQA.

- E. Whether the project converts rental housing to other forms of tenure or occupancy;

The property currently contains two market rate condominium units. The Project will remove these units to construct a new residential project containing approximately 960 rental dwelling units.

- F. Whether the project removes rental units subject to the Residential Rent Stabilization and Arbitration Ordinance for affordable housing;

The two existing units at the property are not subject to the Residential Rent Stabilization and Arbitration Ordinance.

- G. Whether the project conserves existing housing to preserve cultural and economic neighborhood diversity;

The Project will remove two market rate condominium units, to facilitate construction of a new residential project containing approximately 960 rental dwelling units. The new housing will provide additional opportunity for neighborhood housing and the Project will participate in the City’s Inclusionary Housing

Program, contributing to conservation and preservation of cultural and economic diversity and promote the construction and rehabilitation of permanently affordable units within the neighborhood.

- H. Whether the project conserves neighborhood character to preserve neighborhood cultural economic diversity;

The project is consistent with policy goals of the Central SoMa Plan area, and will contribute to the evolving neighborhood character while enhancing opportunity for cultural and economic diversity of area residents.

- I. Whether the project protects the relative affordability of existing housing;

The existing building contains two market rate condominium units. There are no existing affordable housing units at the property.

- J. Whether the project increases the number of permanently affordable units as governed by Section 415;

The existing building contains two market rate condominium units. The Project will not remove any affordable housing units. The Project will construct approximately 960 market-rate rental dwelling units on site, and will satisfy the City's Inclusionary Housing Program requirements through payment of an In Lieu Fee that will contribute to the development of affordable housing within the Central SoMa neighborhood.

- K. Whether the project locates in-fill housing on appropriate sites in established neighborhoods;

The Project will locate approximately 960 market rate units of in-fill housing within the Central SoMa Plan area, in a transit-rich location.

- L. Whether the project increases the number of family-sized units on site;

The Project will significantly increase the number of family-sized units on site. The property currently contains two market rate condominium units. The Project will construct approximately 960 new dwelling units, including approximately 351 two-bedroom and 37 three-bedroom units, resulting in a net increase of approximately 958 new dwelling units.

- M. Whether the project creates new supportive housing;

The Project will not contain new supportive housing.

- N. Whether the project is of superb architectural and urban design, meeting all relevant design guidelines, to enhance existing neighborhood character;

The Project has an iconic design at a prominent street corner in the Central SoMa Plan area. The Project is, on balance, consistent with all relevant design guidelines, and will enhance existing neighborhood character.

- O. Whether the project increases the number of on-site Dwelling Units;

The Project will increase the number of on-site dwelling units from 2 to 960, a net increase of 958 units.

- P. Whether the project increases the number of on-site bedrooms;

The Project will increase the number of on-site bedrooms from 6 to 1,385.

- Q. Whether or not the replacement project would maximize density on the subject lot; and

The Project would maximize residential density on the subject lot, consistent with project design, massing, dwelling unit mix, and all other applicable standards for the Central SoMa Plan area.

- R. If replacing a building not subject to the Residential Rent Stabilization and Arbitration Ordinance, whether the new project replaces all of the existing units with new Dwelling Units of a similar size and with the same number of bedrooms.

The Project will replace the existing market-rate condominium units with new dwelling units with a range of sizes and bedroom configurations, as discussed above.

10. **General Plan Compliance.** The General Plan Consistency Findings set forth in Motion No _____, Case No. 2014-000203ENX (Large Project Authorization, pursuant to Planning Code Section 329) apply to this Motion, and are incorporated herein as though fully set forth.

11. **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 complies with said policies in that:

- a. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The Project site currently contains 52,590 square feet of commercial use, including the Creamery neighborhood café, a taqueria, a designer furnishing store, and a catering service. The Project would create approximately 20,938 gsf of new neighborhood serving retail uses, including four new micro retail spaces, and a gross square feet of new retail use, including seven new micro-retail spaces, and approximately 24,509 gsf of hotel use, enhancing future opportunities for employment and ownership of area businesses.

- 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 would remove two existing dwelling units and construct 960 dwelling units in a range of size and unit types, increasing the City's available housing stock and preserving cultural and economic

diversity. In addition, the Project's office and retail components will conserve and protect the neighborhood's existing commercial character.

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

The Project will not displace any affordable housing units. The Project will construct 960 new dwelling units and will satisfy the City's Inclusionary Housing Program through payment of an in-lieu fee, which will be used to fund development of affordable housing within the area bounded by Market Street, the Embarcadero, King Street, Division Street, and South Van Ness Avenue. The Project's commercial components will also be subject to payment of the City's Jobs-Housing Linkage Fee, which will be used to develop and preserve affordable housing options throughout the City.

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

The Project will not impede transit service, or overburden streets or neighborhood parking. The Project will contain off-street parking spaces to serve residential and non-residential uses within the ratios principally permitted by the Planning Code, and will participate in the City's Transportation Demand Management Program. The site is within walking distance of San Francisco's downtown, Financial District, and office hubs around SoMa, as well as the Montgomery Street BART station, and is located kitty corner from the 4th and King Caltrain station, providing access to the East Bay, the Peninsula and into Silicon Valley. The Property is also extremely well-served by public transit. The Property is within walking distance of the 09, 09A, 10, 16A, 16B, 30, 45, 47, 76, 80X, 81X, 82X and 91 bus lines. The Project is also located along the future Central Subway line.

- 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 site contains no industrial use, and proposes largely residential development. The Project will also contain approximately 20,938 gsf of new retail development, split amongst a number of individual retail units of varying size, providing future opportunities for resident employment and ownership.

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

The Project will be designed and will be constructed to conform to the structural and seismic safety requirements of the Building Code. This proposal will not impact the property's ability to withstand an earthquake.

- g. That landmarks and historic buildings be preserved.

The Project site does not contain any City Landmarks or historic buildings.

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

The Project has been designed to minimize sunlight and vista impacts to City parks and open spaces.

- 12. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
- 13. The Commission hereby finds that approval of the Conditional Use Authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Authorization Application No. 2014-000203CUA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated June 6, 2019, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission hereby adopts the MMRP attached hereto as "EXHIBIT C" and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the Transit Center District 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. 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 20, 2019.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

**Draft Motion
June 20, 2019**

**RECORD NO. 2014-000203CUA
655 4th STREET**

ABSENT:

ADOPTED: June 20, 2019

EXHIBIT A

AUTHORIZATION

This authorization is for a Conditional Use Authorization to allow demolition of two dwelling units and establishment of a tourist hotel containing 38 guestrooms at 655 4th Street, 280-290 and 292-296 Townsend Street, Block 3787, Lots 045 and 050-052, pursuant to Planning Code Sections 303, 317, and 848 within the CMUO Zoning District, Central SoMa Special Use District and 400-CS Height and Bulk District; in general conformance with plans, dated June 6, 2019, and stamped "EXHIBIT B" included in the docket for Record No. 2014-000203CUA and subject to conditions of approval reviewed and approved by the Commission on **June 20, 2019** 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 20, 2019 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

1. **Validity.** The authorization and right vested by virtue of this action is valid for five (5) 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 five-year period.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
2. **Expiration and Renewal.** Should a Building or Site Permit be sought after the five (5) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
3. **Diligent Pursuit.** Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than five (5) years have passed since this Authorization was approved.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
4. **Extension.** All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
5. **Conformity with Current Law.** No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
6. **Additional Project Authorization.** The Project Sponsor must obtain a Large Project Authorization under Planning Code Section 329 for new construction of more than 50,000 gross square feet and

greater than 85 feet in height within the CMUO Zoning District, Central SoMa Special Use District and 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

7. **Mitigation Measures.** Mitigation measures described in the MMRP attached as Exhibit C 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

DESIGN – COMPLIANCE AT PLAN STAGE

8. **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

9. **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

10. **Signage.** The Project Sponsor shall develop a signage program for the Project which shall be subject to review and approval by Planning Department staff before submitting any building permits for construction of the Project. All subsequent sign permits shall conform to the approved signage program. Once approved by the Department, the signage program/plan information shall be submitted and approved as part of the site permit for the Project. All exterior signage shall be designed to compliment, not compete with, the existing architectural character and architectural features of the building.

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

11. **Noise.** Plans submitted with the building permit application for the approved project shall incorporate acoustical insulation and other sound proofing measures to control noise. *For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org*

MONITORING - AFTER ENTITLEMENT

12. **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*
13. **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

14. **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>*
15. **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 and all registered neighborhood groups for the area with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator and registered neighborhood groups 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

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

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

EXHIBIT B

655 4TH ST

4TH & TOWNSEND
SOMA, SAN FRANCISCO

PLANNING UPDATE

JUNE 06, 2019



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OWNER



DESIGN CONSULTANT
LANDSCAPE DESIGN CONSULTANT



ARCHITECT OF RECORD





VIEW FROM OVER CALTRAIN TRACKS



BIRDS EYE VIEW TOWARDS BAY

PLANNING UPDATE _ JUNE - 06 - 2019

655 4TH STREET

TISHMAN SPEYER _ BJARKE INGELS GROUP_ ADAMSON ASSOCIATES



VIEW FROM CORNER OF 4TH ST AND TOWNSEND ST



VIEW FROM 4TH STREET



PARKING & LOADING ENTRY ON TOWNSEND ST



CENTRAL COURTYARD

PLANNING UPDATE _ JUNE - 06 - 2019

655 4TH STREET

TISHMAN SPEYER _ BJARKE INGELS GROUP_ ADAMSON ASSOCIATES



VIEW OF ALLEYWAY FROM TOWNSEND STREET



VIEW UNDER GATEWAY ON 4TH STREET



VIEW OF TOWER 2B LEVEL 8 OPEN SPACE



MURALS



FRESCOS



SCULPTURES

PUBLIC ART POTENTIAL





ZONING INFORMATION AND PROJECT STATISTICS

ZONING INFORMATION

ADDRESS	655 4TH STREET, SAN FRANCISCO
ASSESSORS BLOCK/LOT	BLOCK 3787: LOT 26, 28, 50, 161, 162/164
SITE AREA	71,290 SF
ZONING DISTRICT	CENTRAL SOMA MIXED USE - OFFICE (CMUO)
SPECIAL USE DISTRICT	CENTRAL SOMA SPECIAL USE DISTRICT
HEIGHT AND BULK	400-CS, STREET WALL SET BACK AT 4TH ST; STREET WALL SETBACK AT 85'= 15'; MAX. HORIZONTAL DIM = 150'; NO RESIDENTIAL FLOOR TO EXCEED 12,000 SF AND MAX DIAGONAL DIMENSION = 190'; TOP 1/3 = 15% MIN BULK REDUCTION; DISTANCE BETWEEN TOWERS MIN. 85' IF THE DIFFERENCE IN HEIGHT OF THE TOWERS IS MIN. 50'
FLOOR AREA RATIO	UNLIMITED
RESIDENTIAL DENSITY	NONE
LOT COVERAGE	67.7% (LESS THAN 80%)
GROUND FLOOR HEIGHT	14' MINIMUM
GROUND FLOOR	ACTIVE USE REQUIRED

RESIDENTIAL UNIT MIX

	TOWER 1A/B	TOWER 2A/B	TOTAL	UNIT %
STUDIO	121	121	242	25%
1 BR	170	160	330	34%
2 BR	190	161	351	37%
3 BR	15	22	37	4%
TOTAL	496	464	960	

HOTEL		38		
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SF PLANNING GROSS FLOOR AREA - BY USE

	TOWER 1A	TOWER 1B	TOWER 2A	TOWER 2B	TOTAL
RETAIL	3,070	4,130	4,254	7,000	18,454
INTERIOR POPOS/ RETAIL	0	2,484	0	0	2,484
OFFICE	0	0	0	21,840	21,840
HOTEL	0	0	0	24,509	24,509
RESIDENTIAL	297,075	208,986	318,305	190,504	1,014,968
TOTAL	300,145	215,600	322,559	243,853	1,082,157

OPEN SPACE SUMMARY

TOTAL UNIT COUNT	960
UNITS W/ PRIVATE BALCONIES (GREATER THAN 60 SF)	132
TOTAL UNITS WITHOUT BALCONIES	828
TOTAL PUBLIC OPEN SPACE (GROUND) POPOS	24,495
CSOMA PUBLIC OPEN SPACE REQUIREMENT	54
UNITS SATISFIED	454
TOTAL PRIVATE OPEN SPACES	10,512
CSOMA PRIVATE OPEN SPACE REQUIREMENT	60
UNITS SATISFIED	175
TOTAL UNITS SATISFIED	629
TOTAL UNITS NOT SATISFIED	199

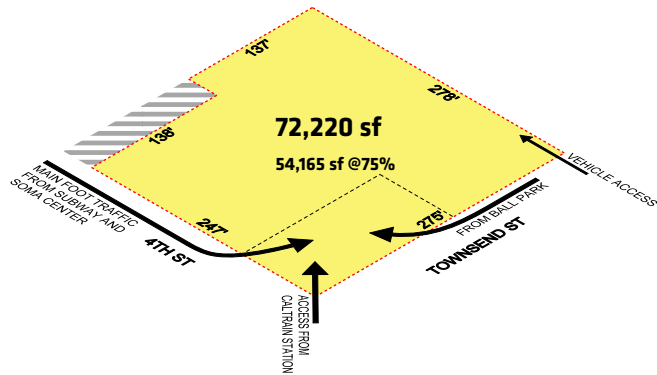
LOADING

	TOWER 1 & 2
34' LONG ROLL-OFF COLLECTION VEHICLE OR SEMI (3 AXLE)	3
SEMI (3 AXLE)	3
20X10 PARCEL DELIVERY	2
TOTAL	8

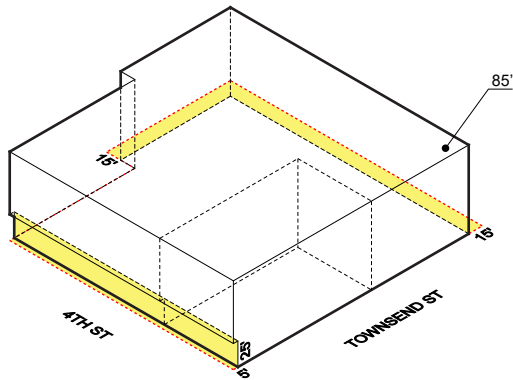
SF PLANNING GROSS FLOOR AREA - ABOVE GRADE BY FLOOR

FLOOR		TOWER 1A/B AREA	TOWER 2A/B AREA
ROOF		0	0
LEVEL	40	7,278	7,278
LEVEL	39	7,278	7,278
LEVEL	38	7,278	7,278
LEVEL	37	7,278	7,278
LEVEL	36	11,950	11,933
LEVEL	35	11,950	11,933
LEVEL	34	11,950	11,933
LEVEL	33	11,950	11,933
LEVEL	32	11,950	11,933
LEVEL	31	11,950	11,933
LEVEL	30	11,950	11,933
LEVEL	29	11,950	11,933
LEVEL	28	11,945	11,933
LEVEL	27	11,945	11,997
LEVEL	26	11,945	12,008
LEVEL	25	11,945	12,171
LEVEL	24	11,945	12,372
LEVEL	23	11,971	12,593
LEVEL	22	11,589	12,856
LEVEL	21	12,188	13,107
LEVEL	20	12,417	13,420
LEVEL	19	12,309	13,782
LEVEL	18	12,500	14,190
LEVEL	17	12,744	14,515
LEVEL	16	12,957	14,965
LEVEL	15	13,274	15,467
LEVEL	14	13,555	16,022
LEVEL	13	13,860	16,655
LEVEL	12	14,280	17,226
LEVEL	11	14,195	17,748
LEVEL	10	14,645	18,289
LEVEL	9	15,011	12,401
LEVEL	8	15,402	18,615
LEVEL	7	15,964	20,373
LEVEL	6	16,164	20,238
LEVEL	5	16,576	20,165
LEVEL	4	16,843	19,922
LEVEL	3	17,039	19,567
LEVEL	2	17,065	19,408
LEVEL	1	18,760	19,831
SUB-TOTAL		515,745	566,412
TOTAL	1,082,157		

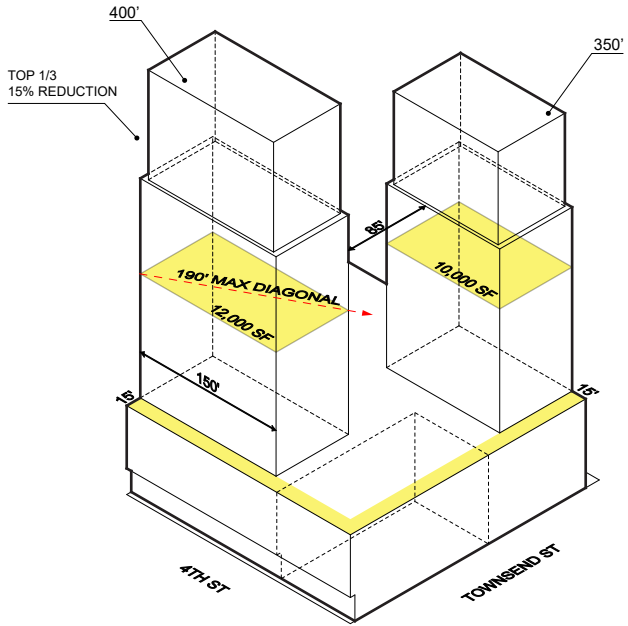
DESIGN CONCEPT



SITE



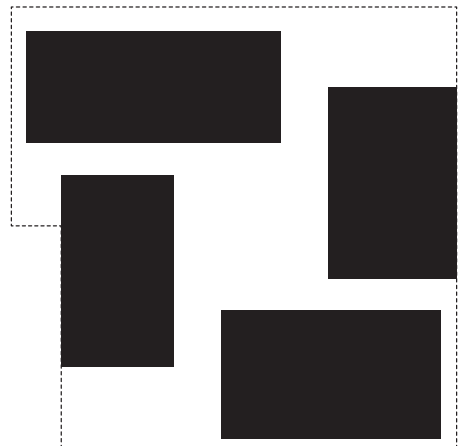
PODIUM SETBACKS



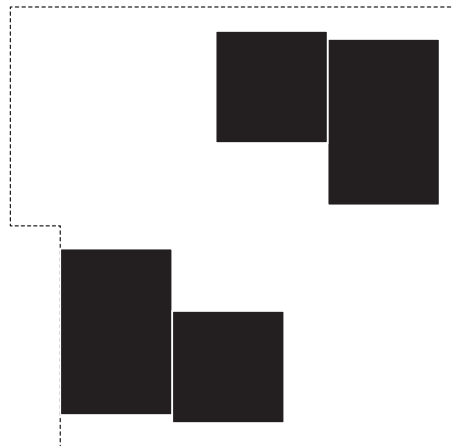
TOWER BULK



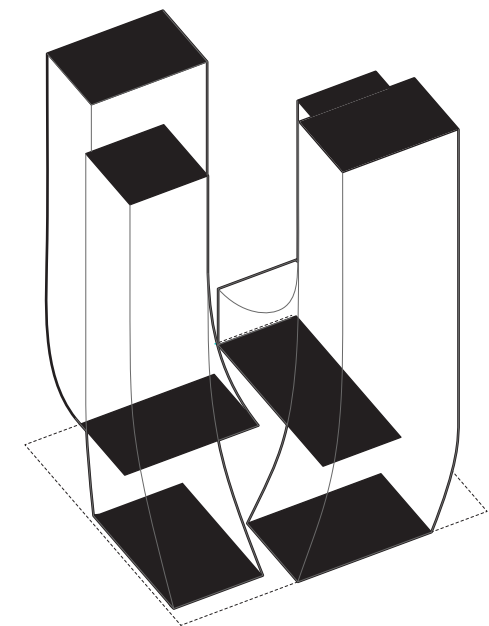
URBAN FORM GOALS



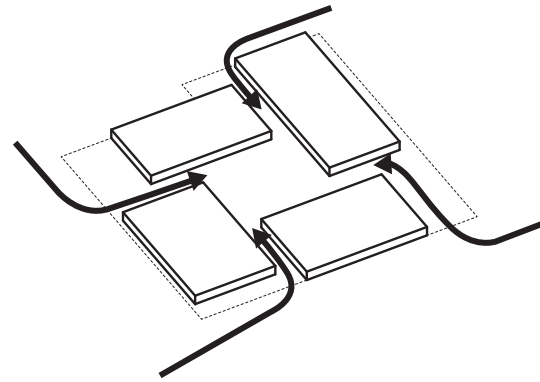
PINWHEEL FOOTPRINT



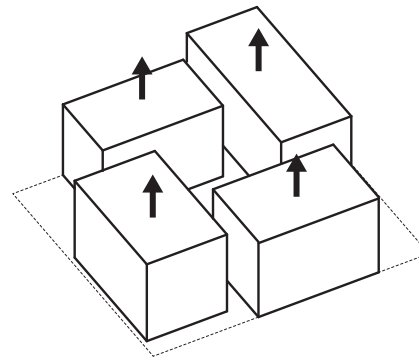
BROKEN UP TOWER MASSING



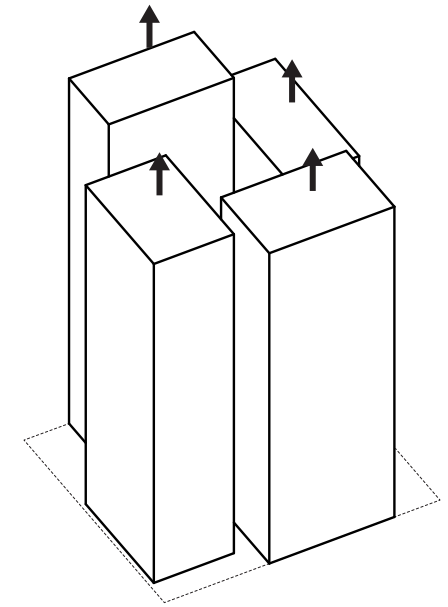
MERGED TWO TOWERS AND PODIUM



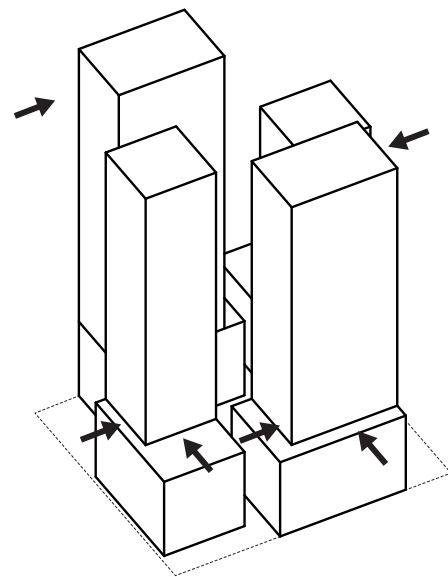
MAXIMUM PUBLIC ACCESS



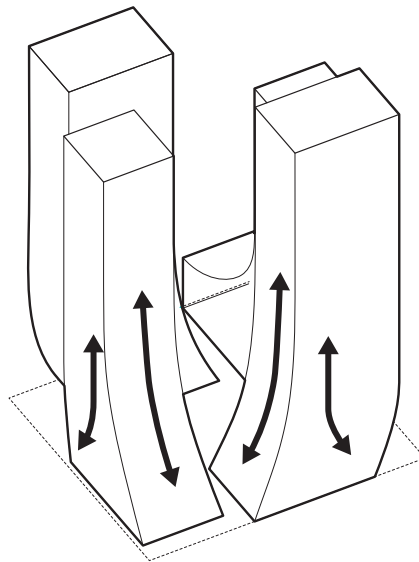
PODIUM



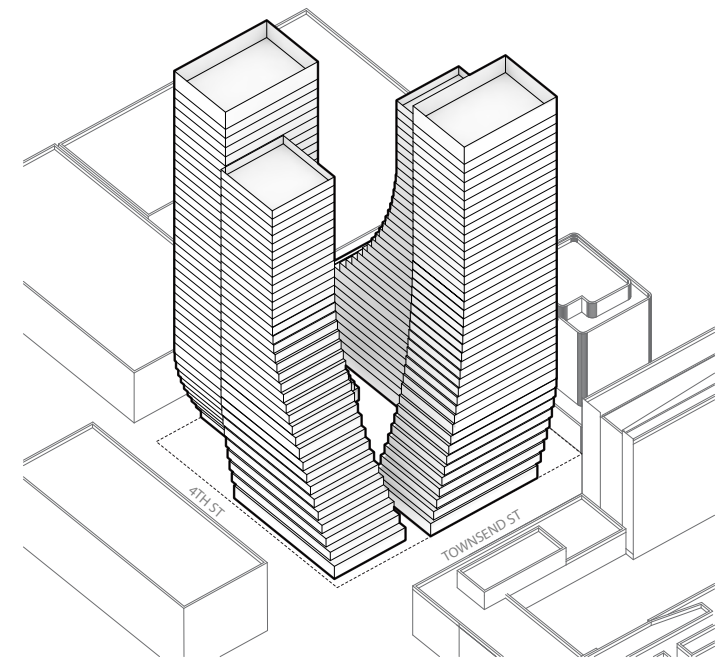
TOWERS



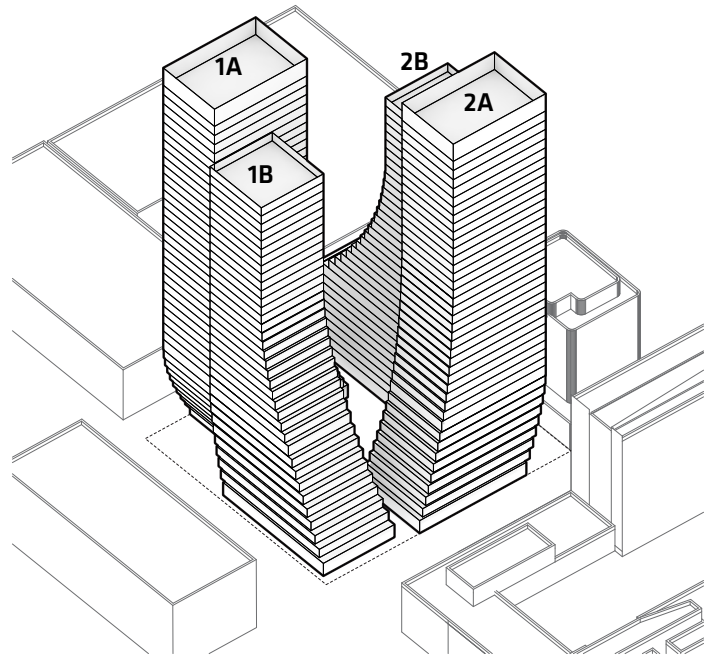
SETBACKS



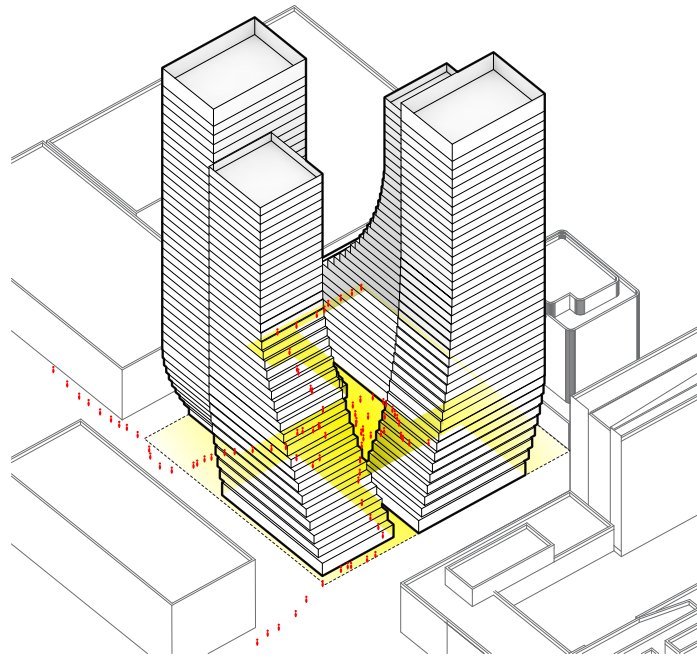
MERGE



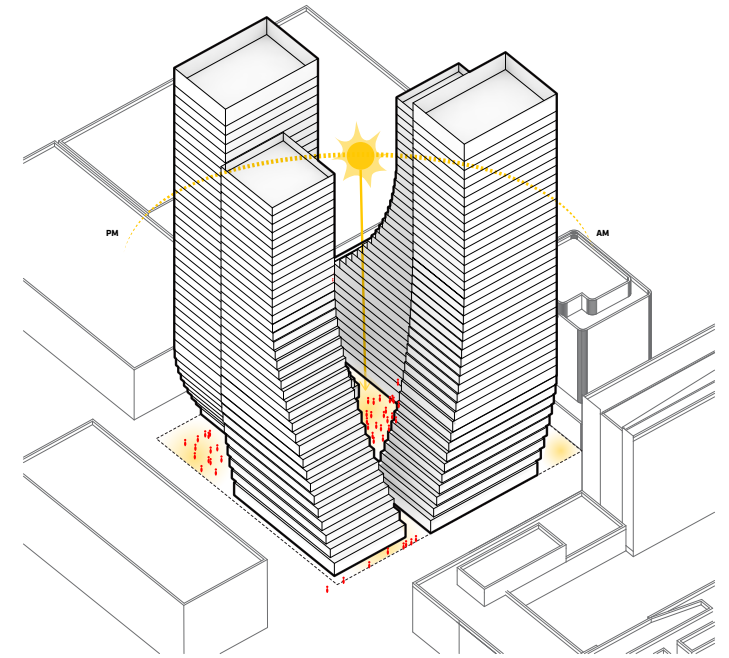
SIMPLE & DYNAMIC



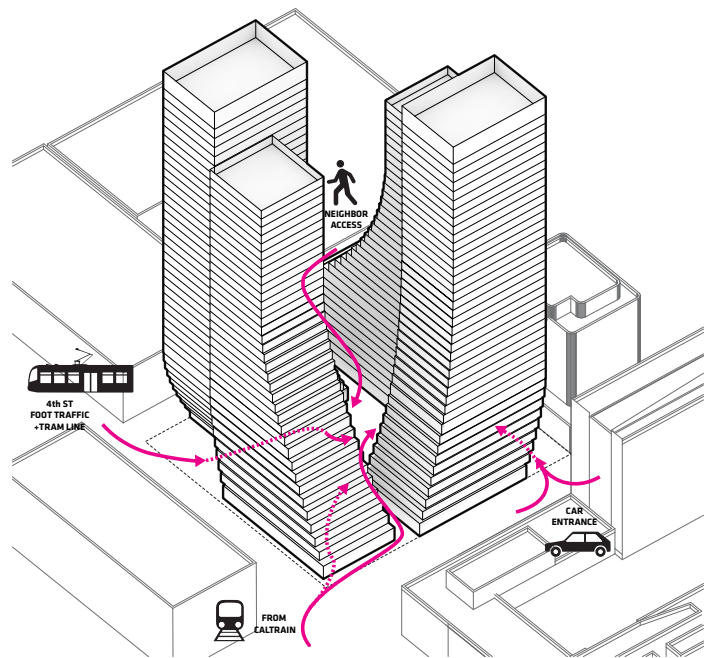
BUILDING NAMING



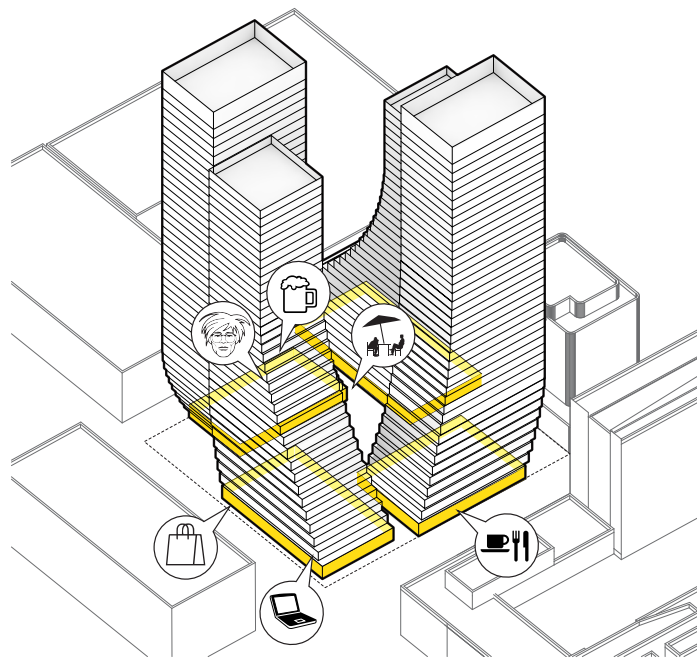
THE SITE AS A PUBLIC PLAZA



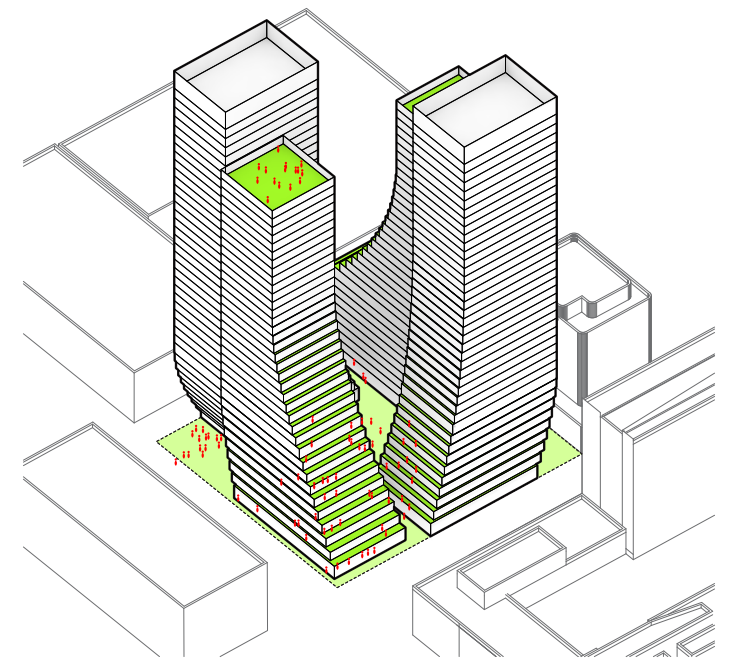
OPENING TO THE SOUTH



POROSITY & BLOCK CONNECTIVITY

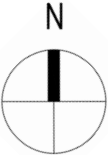


MICRO RETAIL & ACTIVE STOREFRONTS

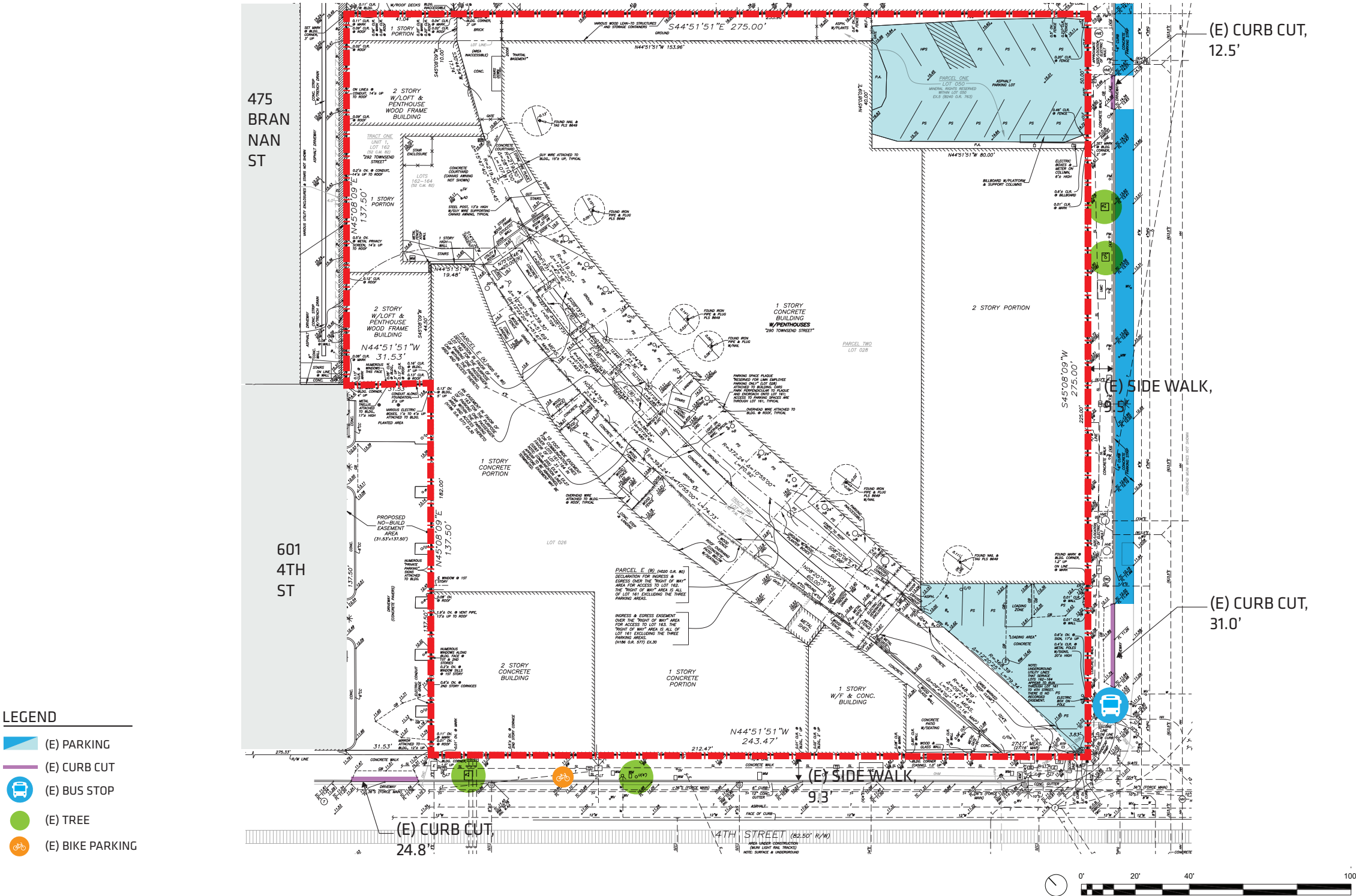


OPEN SPACES

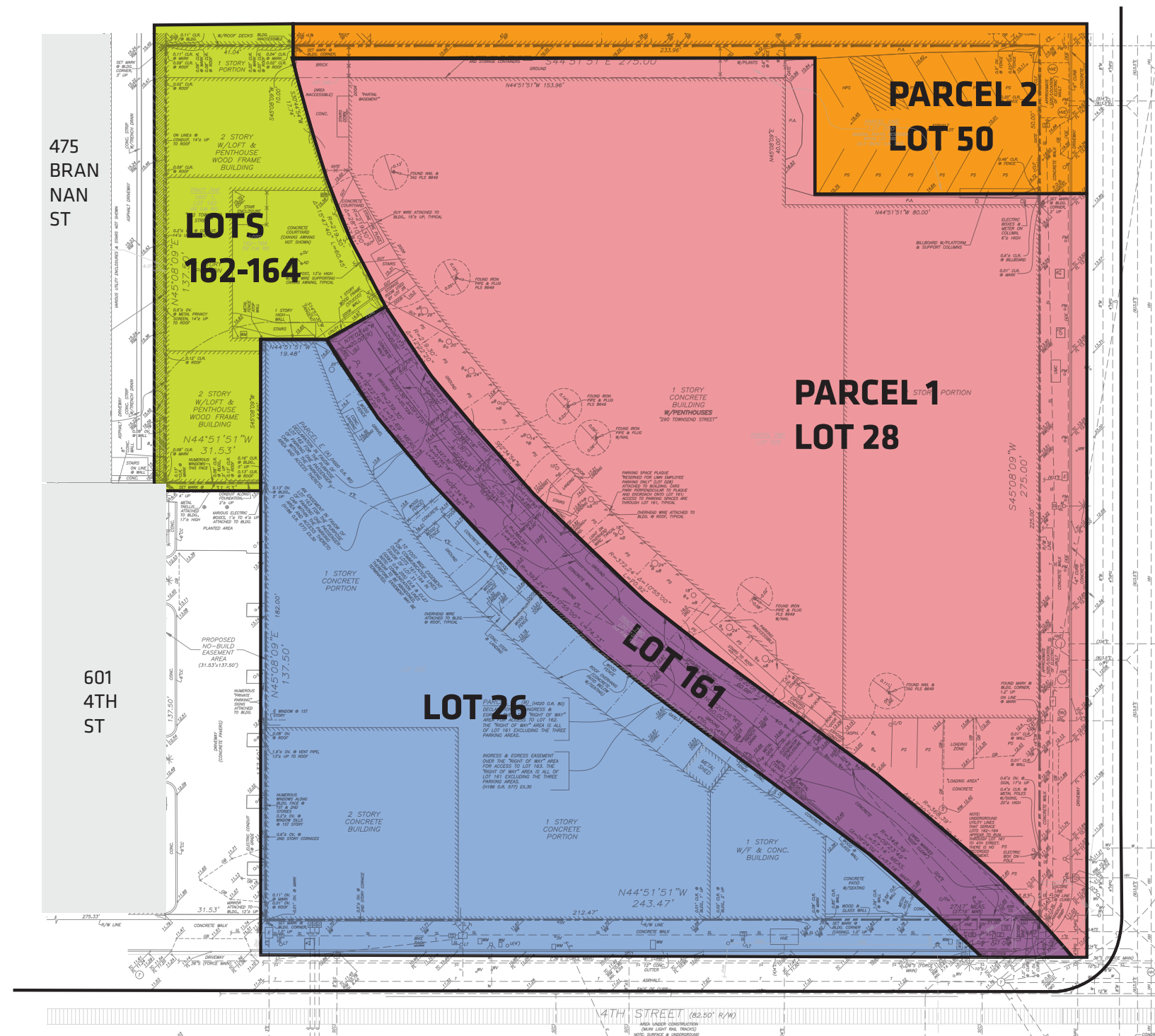
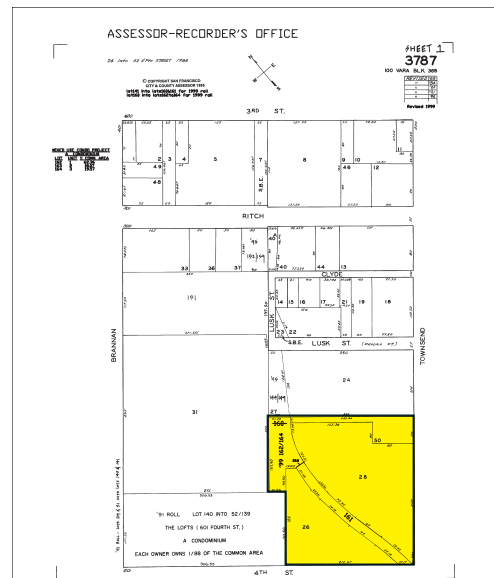
LOCATION MAP



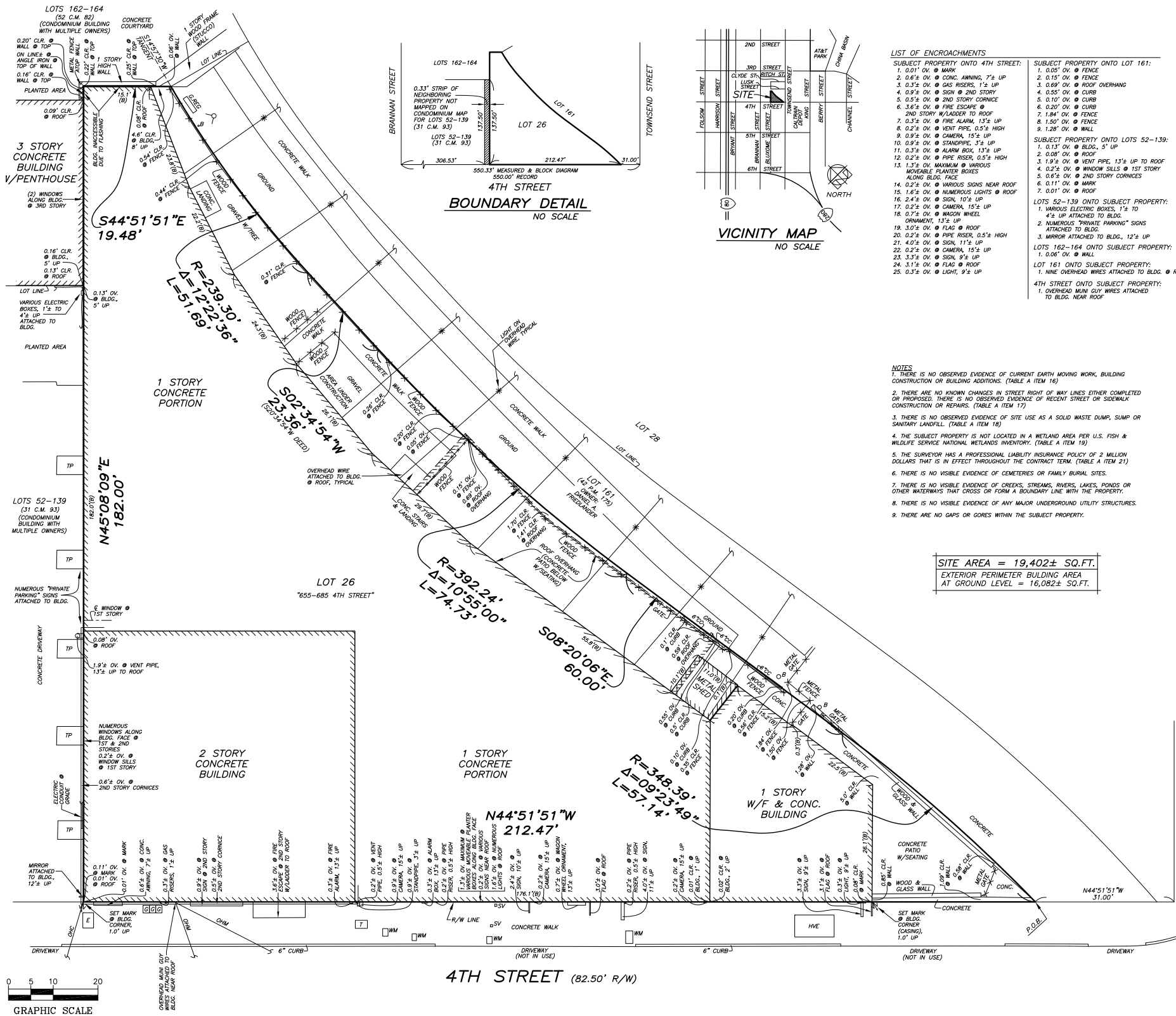
EXISTING SITE PLAN



SITE SURVEY& PARCELS







LEGEND	
CLR.	CLEAR OF PROPERTY LINE
OV.	OVER PROPERTY LINE
BLDG.	BUILDING
(B)	BUILDING DIMENSION
R/W	RIGHT OF WAY
P.O.B.	POINT OF BEGINNING
C.M.	CONDOMINIUM MAPS
CONC.	CONCRETE
CC	CONCRETE CURB
HVE	HIGH VOLTAGE ELECTRIC VAULT
WM	WATER METER
GSV	SEWER VENT
T	TELEPHONE PULLBOX
G	GAS BOX
E	ELECTRIC PULLBOX
OB	BOLLARD
G-REG	GAS REGULATOR
FP	FIRE HYDRANT
TP	TREE PIT W/TREE
CHC	OVERHEAD COMMUNICATION WIRE
CHM	OVERHEAD MUNI WIRE

LEGAL DESCRIPTION
ALL THAT REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT IN THE NORTHEASTLY LINE OF 4TH STREET, DISTANT THEREON NORTH 44°51'51" WEST, 31.00 FEET FROM THE NORTHWESTERLY LINE OF TOWNSEND STREET; THENCE NORTH 44°51'51" WEST, ALONG SAID NORTHEASTLY LINE OF 4TH STREET, 212.47 FEET; THENCE NORTH 45°08'08" EAST, 182.00 FEET; THENCE SOUTH 44°51'51" EAST, 19.48 FEET; THENCE FROM A TANGENT WHICH BEARS SOUTH 14°57'30" WEST, SOUTHWESTERLY ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 239.30 FEET, A CENTRAL ANGLE OF 12°22'36", AN ARC DISTANCE OF 51.69 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 20°34'54" WEST, 23.36 FEET; THENCE SOUTHERLY ALONG A CURVE TO THE LEFT, TANGENT TO LAST DESCRIBED COURSE, HAVING A RADIUS OF 392.24 FEET, A CENTRAL ANGLE OF 10° 55', AN ARC DISTANCE OF 74.73 FEET; THENCE SOUTH 82°06' EAST, TANGENT TO LAST DESCRIBED CURVE, 60.00 FEET; THENCE SOUTHERLY ALONG A CURVE TO THE RIGHT, TANGENT TO THE LAST DESCRIBED COURSE, HAVING A RADIUS OF 348.39 FEET, A CENTRAL ANGLE OF 9°23'49", AN ARC DISTANCE OF 57.14 FEET TO THE POINT OF BEGINNING.
BEING A PORTION OF 100 VARA BLOCK NO. 368.

SURVEY REFERENCE
CHICAGO TITLE INSURANCE COMPANY COMMITMENT NO. FHPN-T014000186 UPDATE-E DATED FEBRUARY 28, 2014.
THE FOLLOWING IS AN EXCEPTION TO TITLE WITHIN THE ABOVE REFERENCED TITLE COMMITMENT:
5. AN ENCROACHMENT OF THE BUILDING SITUATED ON SAID LAND ONTO LOTS 162, 163 AND 164 LYING ADJACENT TO THE NORTH, AS DISCLOSED BY THE PARCEL MAP FOR A MIXED USE CONDOMINIUM PROJECT, FILED MARCH 12, 1997, IN BOOK 52 OF CONDOMINIUM MAPS AT PAGES 82-84.
a) BUILDING 0.01" OVER
b) BUILDING 0.07" OVER
NOT PLOTTED

BASIS OF SURVEY
1. CITY OF SAN FRANCISCO MONUMENT MAP NO. 320 ON FILE IN THE OFFICE OF THE CITY AND COUNTY SURVEYOR.
2. BLOCK DIAGRAM OF 100 VARA BLOCK 368 DATED OCTOBER 26, 1909, FILED IN THE OFFICE OF THE CITY AND COUNTY SURVEYOR.

GENERAL NOTES
1. DETAILS NEAR PROPERTY LINES MAY NOT BE TO SCALE.
2. DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
3. ONLY PERTINENT SIDEWALK FEATURES ARE SHOWN HEREON.

ZONING (PER SAN FRANCISCO PROPERTY INFORMATION MAP)
SLI - SOMA SERVICE/LIGHT INDUSTRIAL DISTRICT
HEIGHT AND BULK DISTRICT: 85-X 85 FOOT HEIGHT LIMIT
THE MEASURED HEIGHT FROM THE TOP OF CURB AT THE MIDDLE OF THE LOT ALONG 4TH STREET TO THE ROOF PARAPET IS 32 FEET PLUS OR MINUS.

PARKING
THERE IS NO PARKING WITHIN THE SUBJECT PROPERTY.

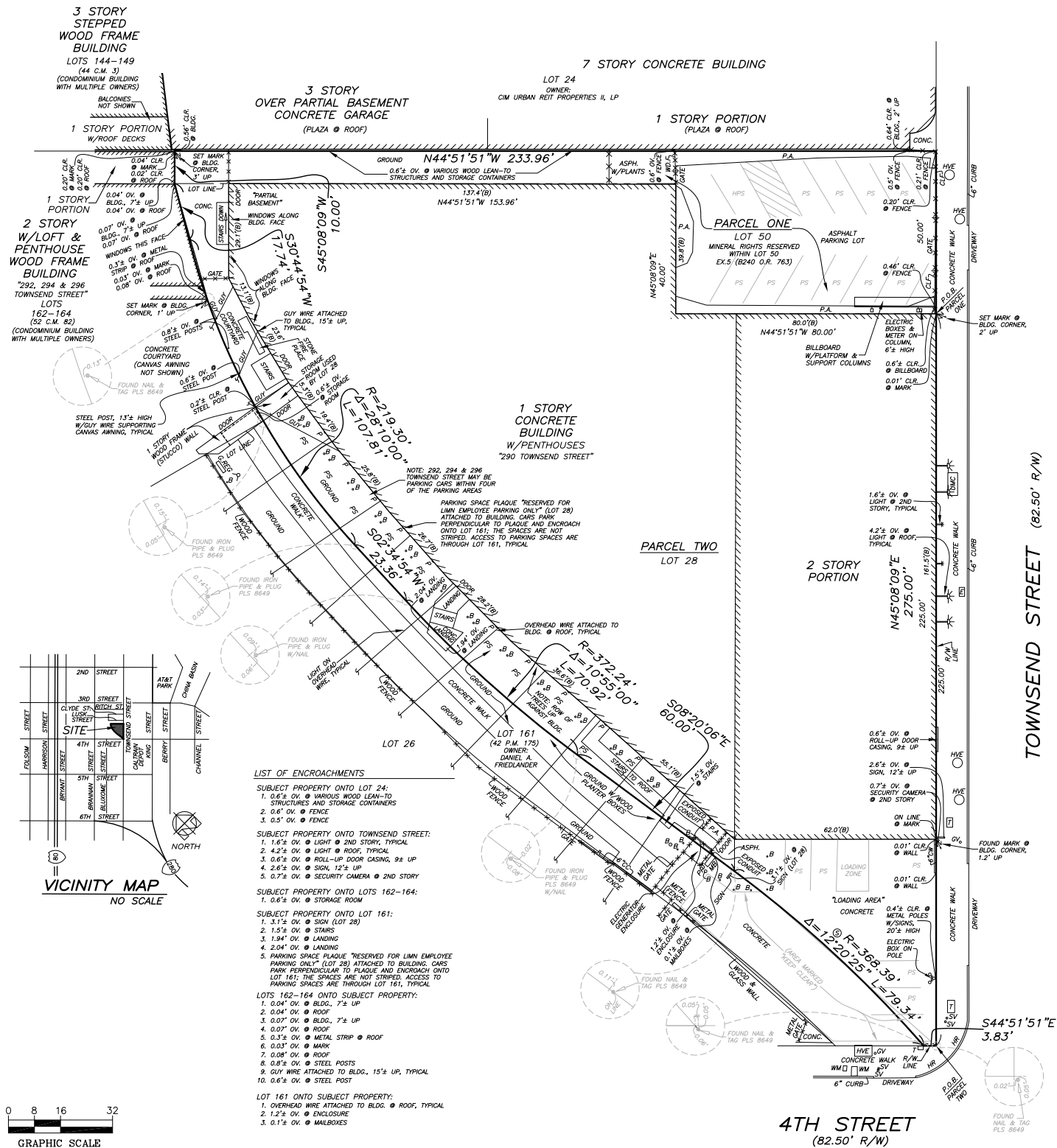
FLOOD NOTE
THE SUBJECT PROPERTY HAS NOT BEEN IDENTIFIED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY AS A SPECIAL FLOOD HAZARD AREA. THERE IS NO FLOOD INSURANCE RATE MAP FOR SAN FRANCISCO.

SURVEYOR'S CERTIFICATE
TO TISHMAN SPEYER DEVELOPMENT CORPORATION, DLA PIPER LLP (US) AND CHICAGO TITLE INSURANCE COMPANY:
THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 2-4, 6(5), 7(6), 7(7), 7(8), 8, 9, 11(6), 13, 14, 16, 17, 18, 19, AND 21 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON FEBRUARY 27, 2014.
DATE: MARCH 21, 2014

B. B. R.
BENJAMIN B. RON
PROFESSIONAL LAND SURVEYOR NO. 5015
STATE OF CALIFORNIA

ALTA/ACSM LAND TITLE SURVEY OF A PORTION OF ASSESSOR'S BLOCK NO. 3787 FOR TISHMAN SPEYER

SAN FRANCISCO		CALIFORNIA
SCALE: 1" = 10'	MARTIN M. RON ASSOCIATES LAND SURVEYORS 859 HARRISON STREET, SUITE 200 SAN FRANCISCO, CA 94107 (415) 543-4500	SURV: DD/RF
DATE: 3/21/14		DES:
SHEET: 1		DRW: JP
DF: 1		CHK: BR
JOB NO. S-5584		REV. NO.



SURVEY REFERENCE

CHICAGO TITLE INSURANCE COMPANY COMMITMENT NO. FWP-N-7014000187 AMENDMENT-E DATED APRIL 21, 2014.

THE FOLLOWING IS AN EXCEPTION TO TITLE WITHIN THE ABOVE REFERENCED TITLE COMMITMENT:

5. MINERAL RIGHTS AS RESERVED BY THE SOUTHERN PACIFIC COMPANY IN THAT CERTAIN INSTRUMENT RECORDED MAY 10, 1968 IN BOOK B-240, PAGE 763, OFFICIAL RECORDS, PLOTTED HEREON.

BASIS OF SURVEY

1. CITY OF SAN FRANCISCO MONUMENT MAP NO. 320 ON FILE IN THE OFFICE OF THE CITY AND COUNTY SURVEYOR.

2. BLOCK DIAGRAM OF 100 VARA BLOCK 368 DATED OCTOBER 26, 1909, FILED IN THE OFFICE OF THE CITY AND COUNTY SURVEYOR.

GENERAL NOTES

1. DETAILS NEAR PROPERTY LINES MAY NOT BE TO SCALE.

2. DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.

3. ONLY PERTINENT SIDEWALK FEATURES ARE SHOWN HEREON.

ZONING (PER SAN FRANCISCO PROPERTY INFORMATION MAP)

SLI - SOMA SERVICE/LIGHT INDUSTRIAL DISTRICT

HEIGHT AND BULK DISTRICT: 85-X 85 FOOT HEIGHT LIMIT

THE MEASURED HEIGHT FROM THE TOP OF CURB AT THE MIDDLE OF THE BUILDING ALONG TOWNSEND STREET TO THE ROOF PARAPET IS 31 FEET PLUS OR MINUS.

PARKING

THERE ARE 11 MARKED PARKING SPACES (INCLUDES 1 HANDICAP SPACE) WITHIN THE PARKING LOT.

THERE ARE 3 MARKED PARKING SPACES WITHIN THE LOADING AREA. 3 OF THE PARKING SPACES CAN ONLY BE ACCESSED FROM LOT 161.

THERE ARE 10 PARKING SPACES AT THE REAR OF THE BUILDING THAT ENCROACH ONTO LOT 161 AND CAN ONLY BE ACCESSED THROUGH LOT 161.

FLOOD NOTE

THE SUBJECT PROPERTY HAS NOT BEEN IDENTIFIED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY AS A SPECIAL FLOOD HAZARD AREA. THERE IS NO FLOOD INSURANCE RATE MAP FOR SAN FRANCISCO.

NOTES

1. THERE IS NO OBSERVED EVIDENCE OF CURRENT EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS. (TABLE A ITEM 16)

2. THERE ARE NO KNOWN CHANGES IN STREET RIGHT OF WAY LINES EITHER COMPLETED OR PROPOSED. THERE IS NO OBSERVED EVIDENCE OF RECENT STREET OR SIDEWALK CONSTRUCTION OR REPAIRS. (TABLE A ITEM 17)

3. THERE IS NO OBSERVED EVIDENCE OF SITE USE AS A SOLID WASTE DUMP, SUMP OR SANITARY LANDFILL. (TABLE A ITEM 18)

4. THE SUBJECT PROPERTY IS NOT LOCATED IN A WETLAND AREA PER U.S. FISH & WILDLIFE SERVICE NATIONAL WETLANDS INVENTORY. (TABLE A ITEM 19)

5. THE SURVEYOR HAS A PROFESSIONAL LIABILITY INSURANCE POLICY OF 2 MILLION DOLLARS THAT IS IN EFFECT THROUGHOUT THE CONTRACT TERM. (TABLE A ITEM 21)

6. THERE IS NO VISIBLE EVIDENCE OF CEMETERIES OR FAMILY BURIAL SITES.

7. THERE IS NO VISIBLE EVIDENCE OF CREEKS, STREAMS, RIVERS, LAKES, PONDS OR OTHER WATERWAYS THAT CROSS OR FORM A BOUNDARY LINE WITH THE PROPERTY.

8. THERE ARE NO GAPS OR CORES WITHIN THE SUBJECT PROPERTY.

9. THERE IS NO VISIBLE EVIDENCE OF ANY MAJOR UNDERGROUND UTILITY STRUCTURES OR UNDERGROUND UTILITIES THAT PASS THROUGH THE SUBJECT PROPERTY.

SURVEYOR'S CERTIFICATE

TO TISHMAN SPEYER DEVELOPMENT CORPORATION, DLA PIPER LLP (US) AND CHICAGO TITLE INSURANCE COMPANY

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED BY ALTA AND NSPS, AND INCLUDES ITEMS 2-4, 6(c), 7(c), 7(d), 7(e), 8, 9, 11(c), 13, 14, 16, 17, 18, 19 AND 21 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON MAY 19, 2014.

DATE: MAY 22, 2014

Benjamin B. Ron

BENJAMIN B. RON
PROFESSIONAL LAND SURVEYOR NO. 5015



ALTA/ACSM LAND TITLE SURVEY

OF A PORTION OF ASSESSOR'S BLOCK NO. 3787

FOR
TISHMAN SPEYER

SAN FRANCISCO		CALIFORNIA
SCALE: 1" = 16'	DATE: 5/22/14	SURV: RF
SHEET: 1	MARTIN M. RON ASSOCIATES	DES.
OF: 1	LAND SURVEYORS	DRW: JP
JOB NO. S-8595	859 HARRISON STREET, SUITE 200 SAN FRANCISCO, CA 94107 (415) 543-4500	CHK: BR
		CAD FILE: S-8594, S-8595A LOTS 28 AND 50

SURVEY LOT 28 & 50





SOMA & CENTRAL CORRIDOR PLAN BOUNDARY



CENTRAL "T" SUBWAY EXPANSION



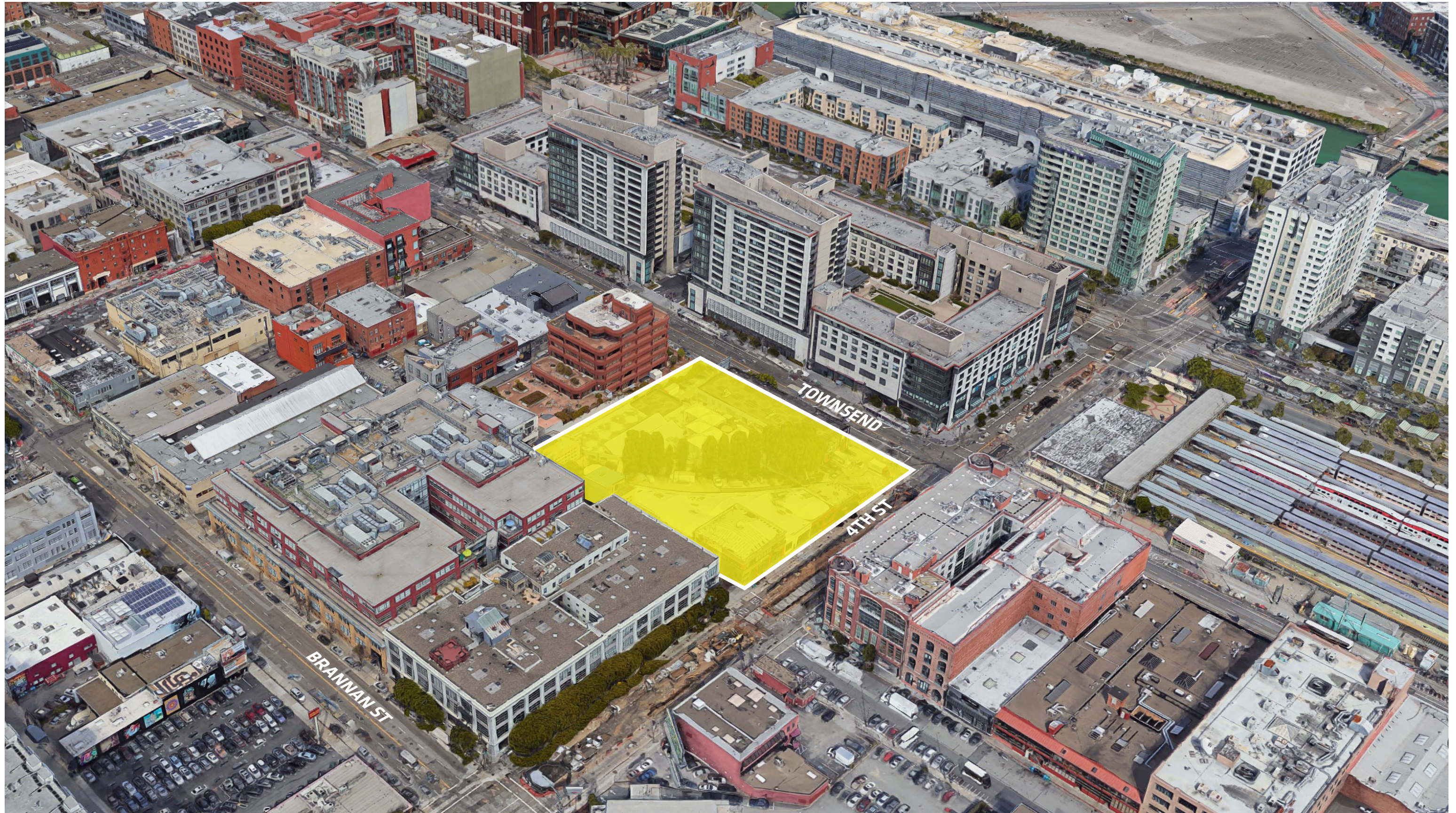
TRANSPORTATION - STREETS



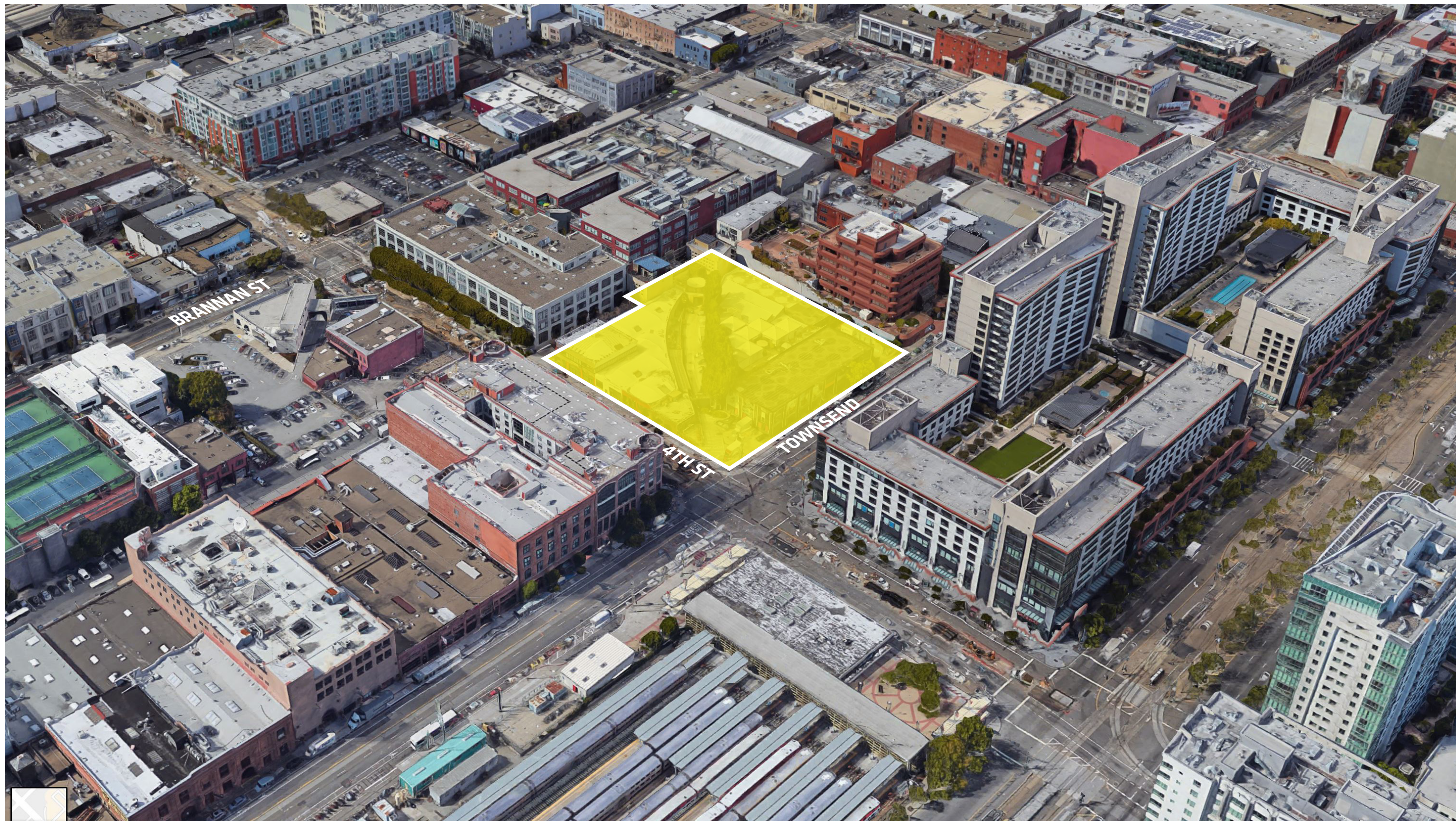
TRANSPORTATION - BUS

NEIGHBOURHOOD CONTEXT





VIEW WEST



VIEW NORTH



SITE PHOTOS

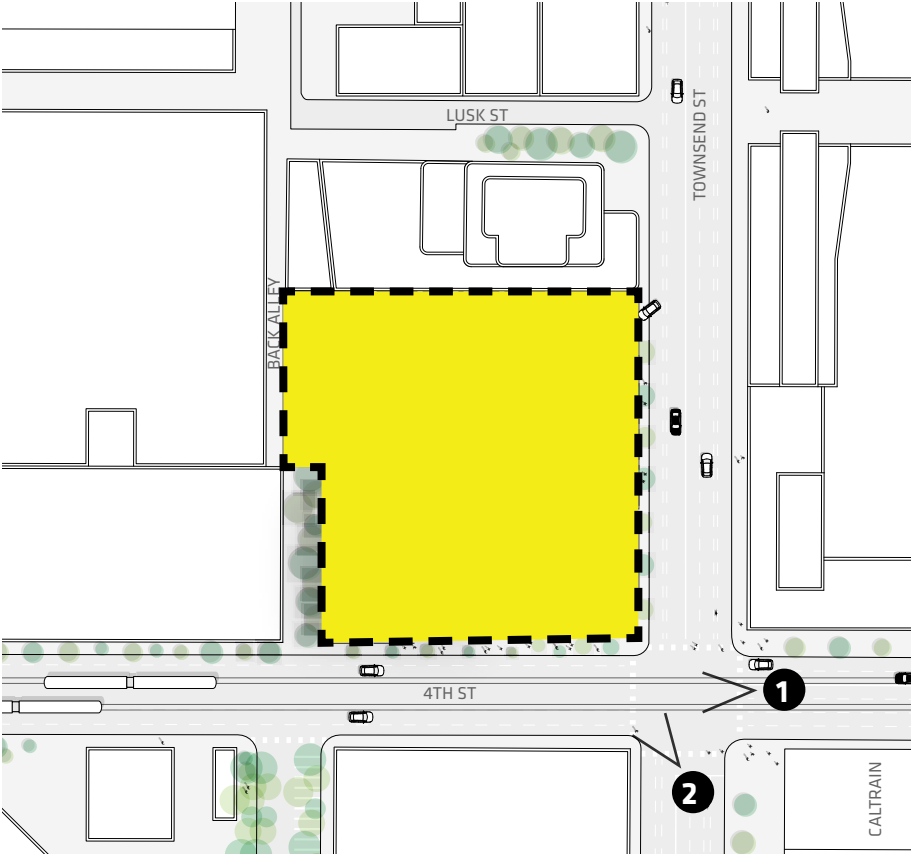


1 VIEW FROM 4TH STREET



2 VIEW FROM TOWNSEND STREET

SITE KEY



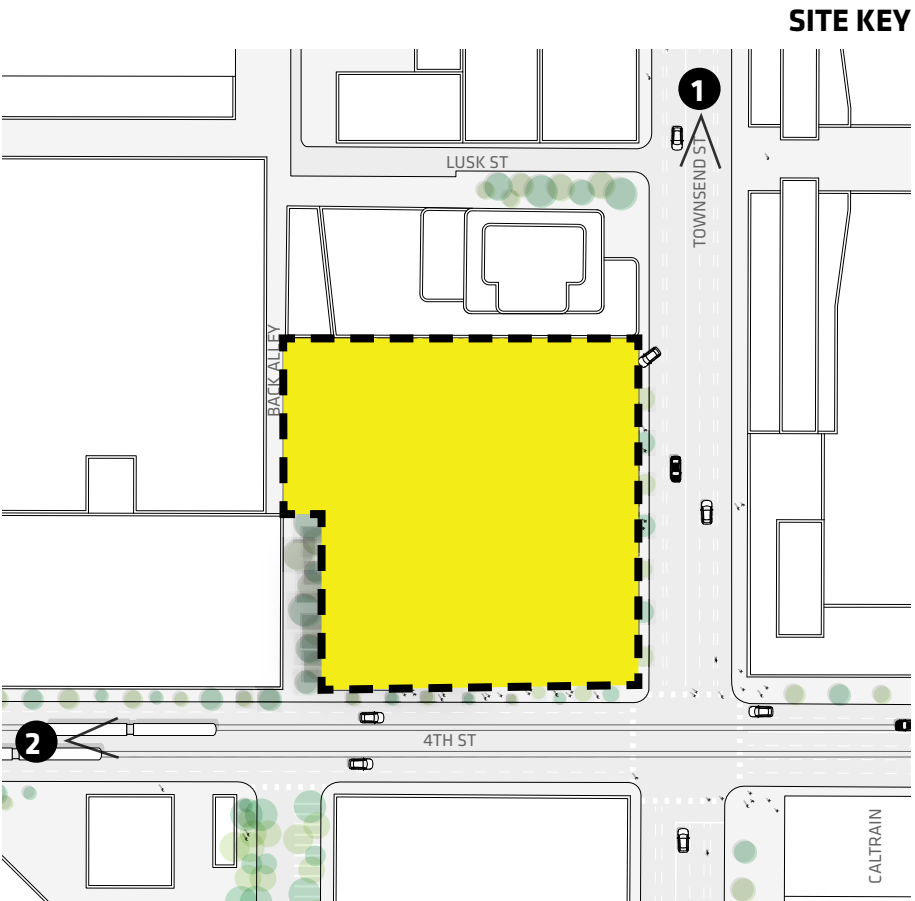


1 VIEW FROM TOWNSEND STREET

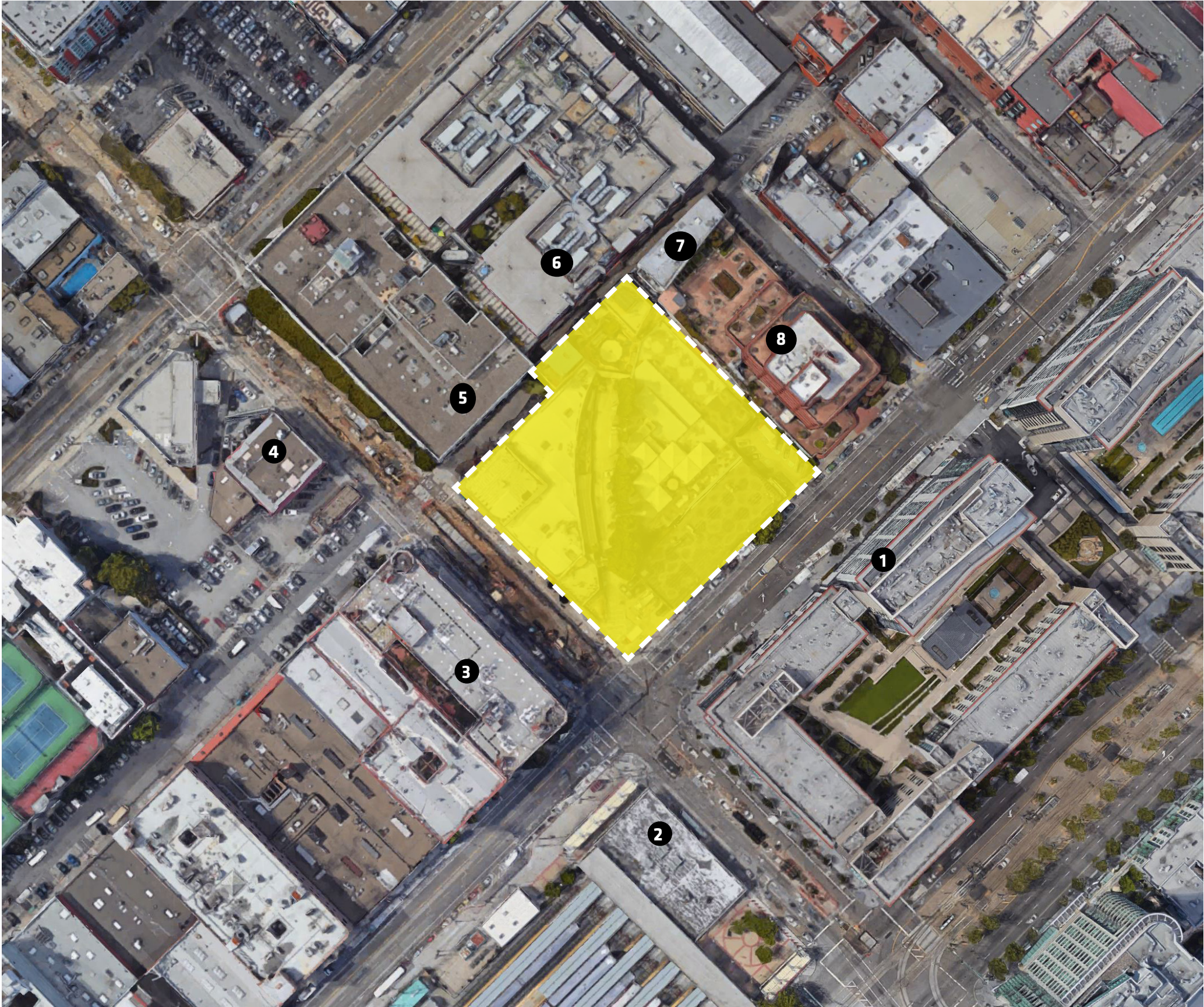


2 VIEW FROM 4TH STREET

PLANNING UPDATE _ JUNE - 06 - 2019
655 4TH STREET
 TISHMAN SPEYER _ BJARKE INGELS GROUP_ ADAMSON ASSOCIATES

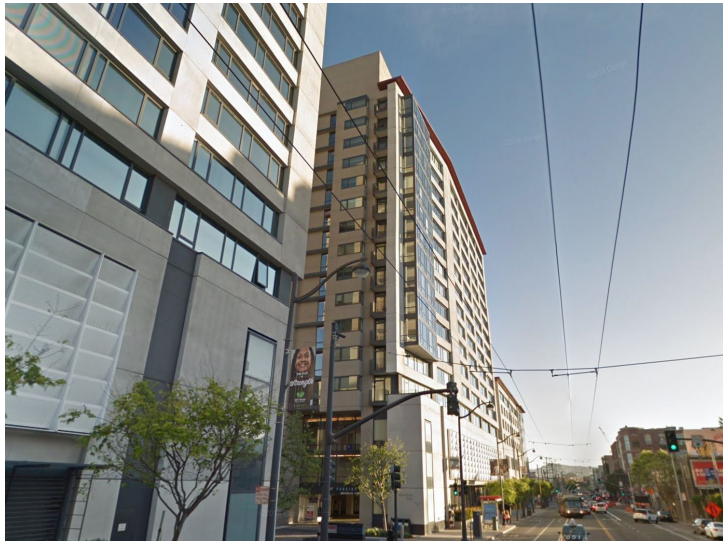


VICINITY MAP



- 1 THE BEACON
- 2 CAL TRAIN
- 3 650-688 4TH STREET
- 4 636-648 4TH STREET
- 5 601 4TH STREET
- 6 475 BRANNAN STREET
- 7 38 LUSK STREET
- 8 260 TOWNSEND STREET





1. THE BEACON



2. CAL TRAIN



3. 650-688 4TH STREET



4. 636-648 4TH STREET



5. 601 4TH STREET



6. 475 BRANNAN STREET

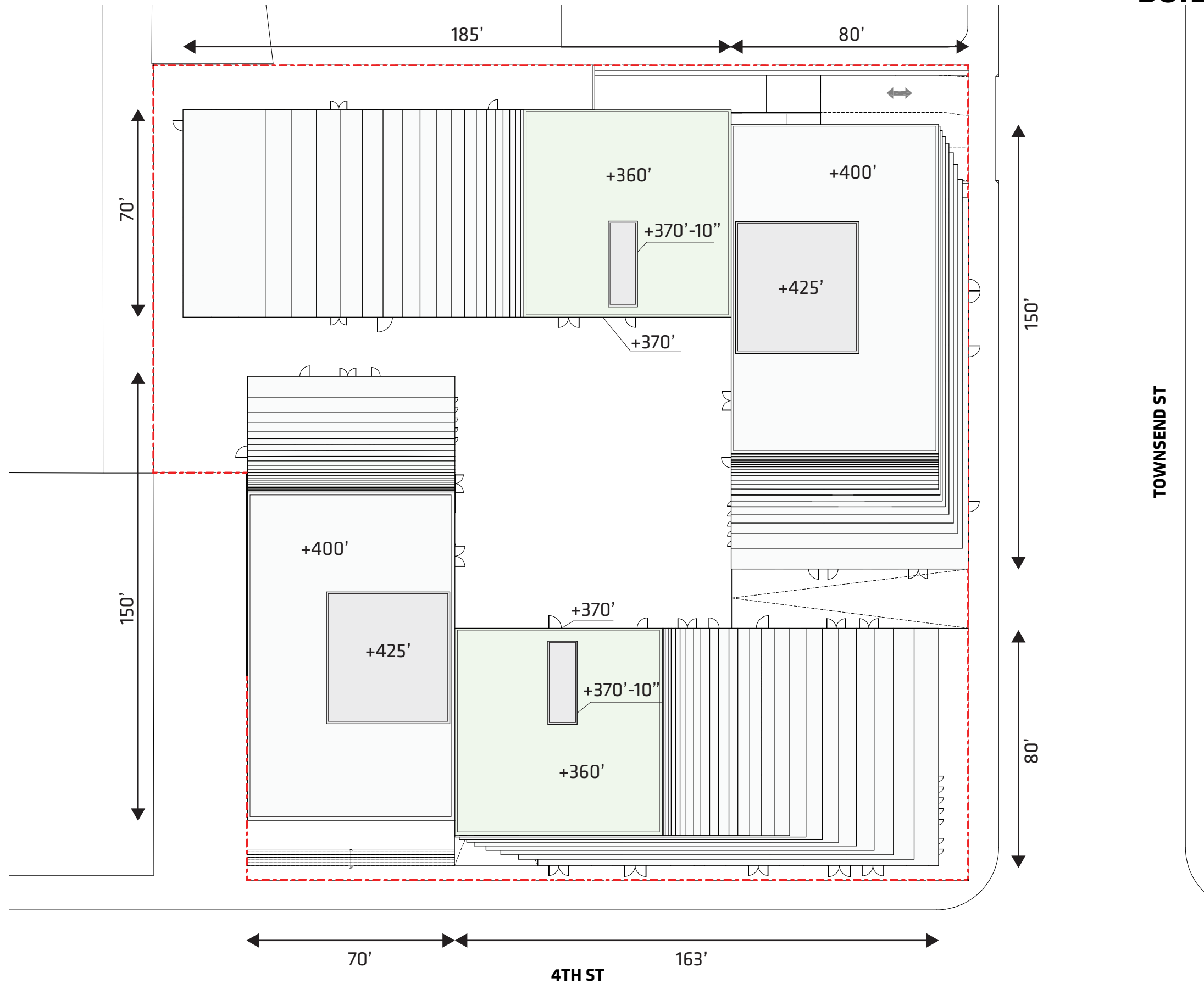


7. 38 LUSK STREET

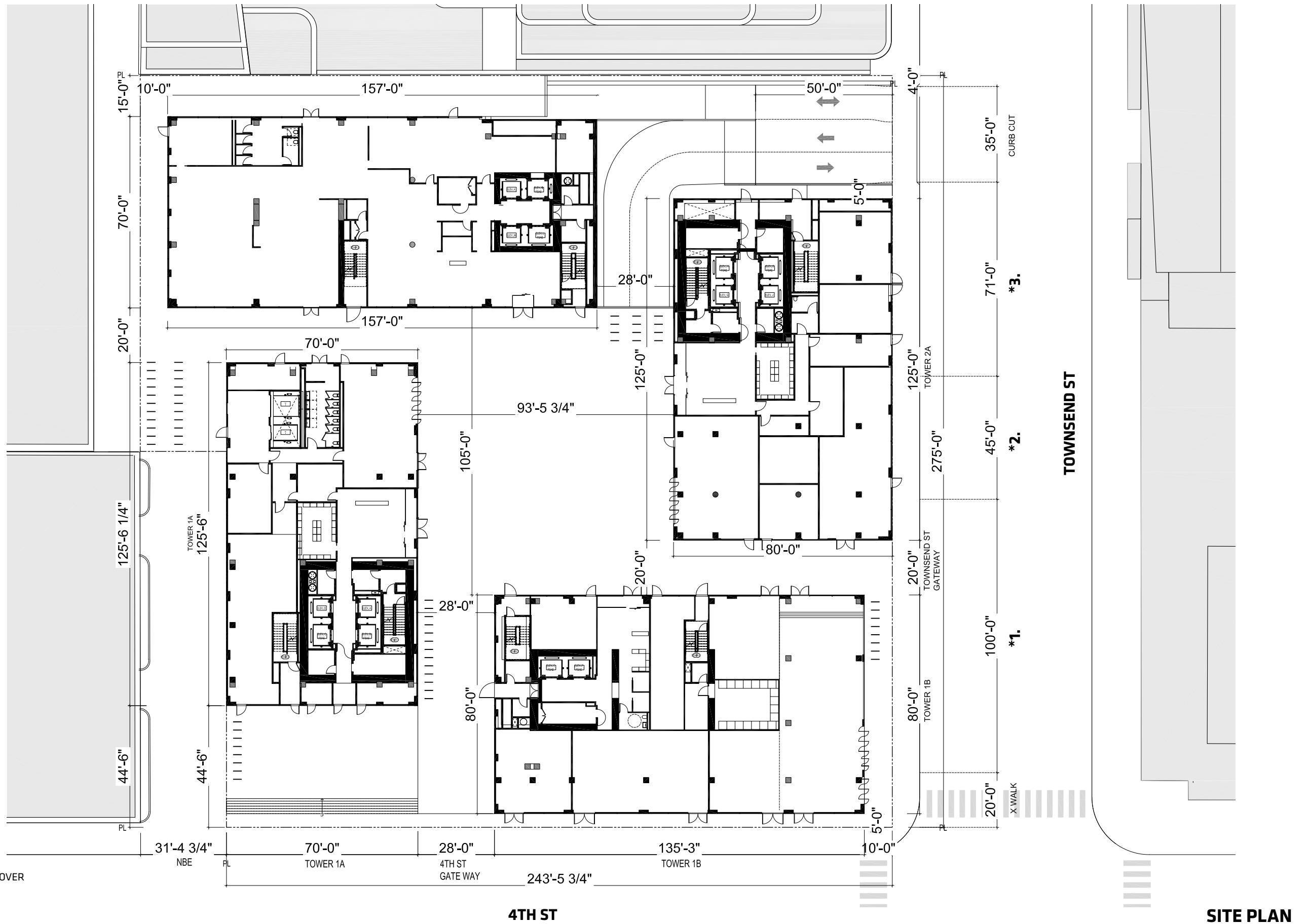


8. 260 TOWNSEND STREET

BUILDING PLANS



- *1. MUNI BUS ZONE (10 TOWNSEND)
- *2. PASSENGER LOADING, EXCEPT 6-9 AM, M-F,
WHEN SPACE IS NEEDED FOR 3RD 81/82X BUS TO LAYOVER
- *3. PASSENGER LOADING AT ALL TIMES



SITE PLAN

RETAIL LEGEND

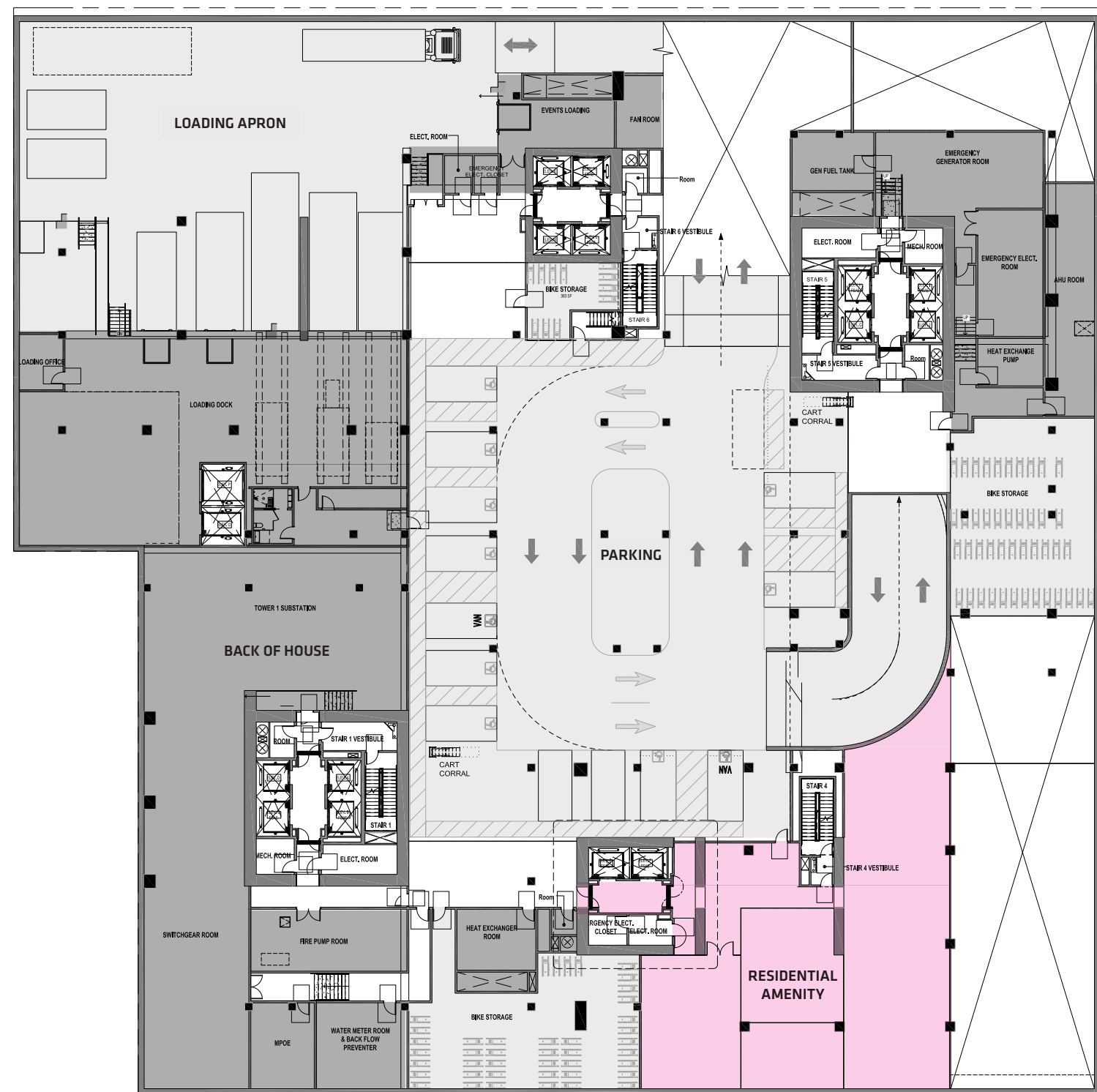
- 1. RETAIL (692 SF)
- 2. RETAIL (472 SF)
- 3. RETAIL (1,452 SF)
- 4. MICRO RETAIL (435 SF)
- 5. RETAIL (1,403 SF)
- 6. RETAIL (469 SF)
- 7. RETAIL (635 SF)
- 8. RETAIL (769 SF)
- 9. RETAIL/POPOS (2,484 SF)
- 10. RETAIL (775 SF)
- 11. RETAIL (1,000 SF)
- 12. RETAIL (584 SF)
- 13. MICRO RETAIL (184 SF)
- 14. MICRO RETAIL (93 SF)
- 15. RETAIL (1,399 SF)
- 16. MICRO RETAIL (269 SF)
- 17. RETAIL (1,232 SF)
- 18. RETAIL (4,000 SF)
- 19. RETAIL (3,200 SF)

LEGEND

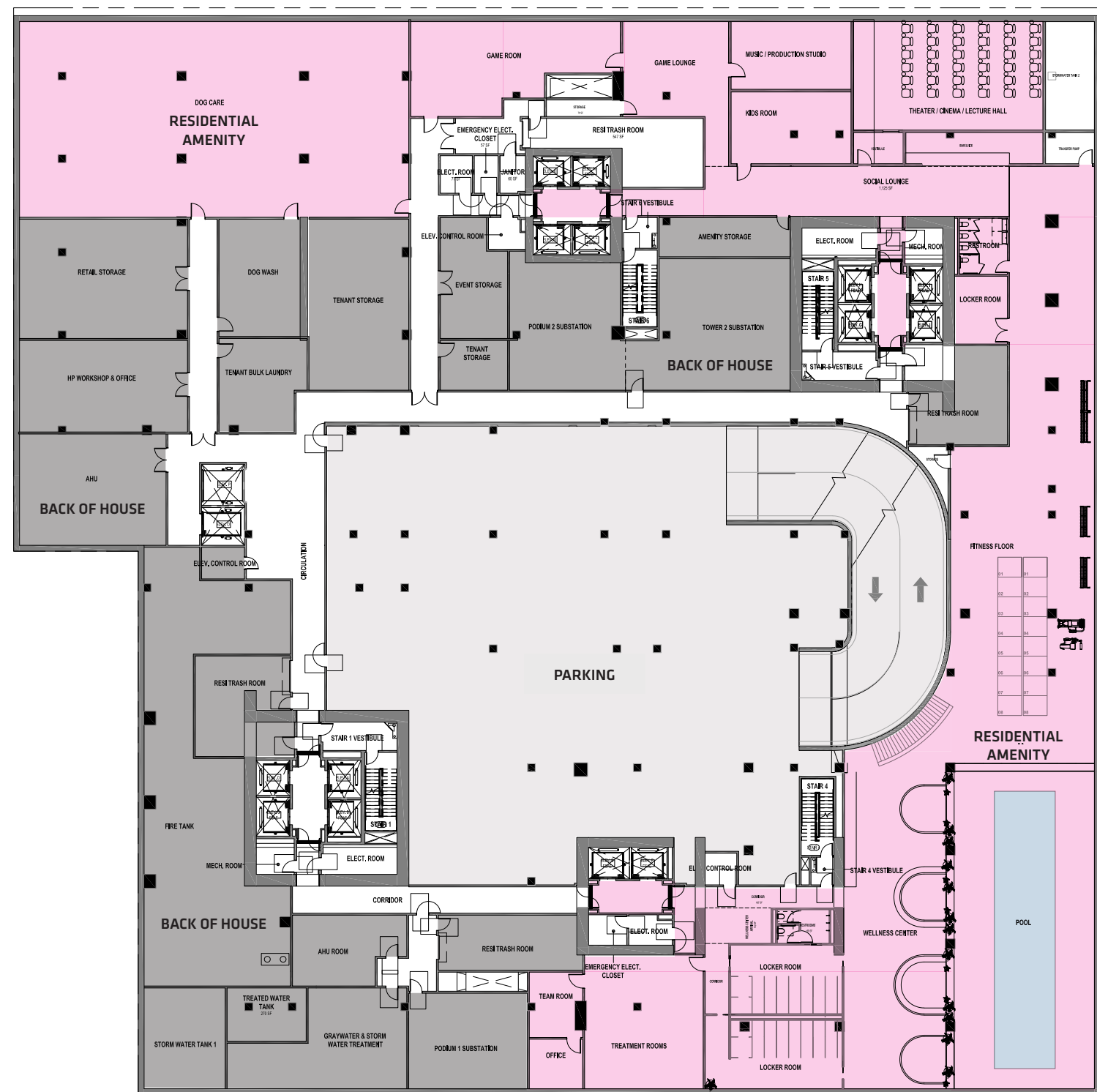
- LOADING
- CURB CUT
- BUS STOP
- TREE
- LOBBY
- RETAIL



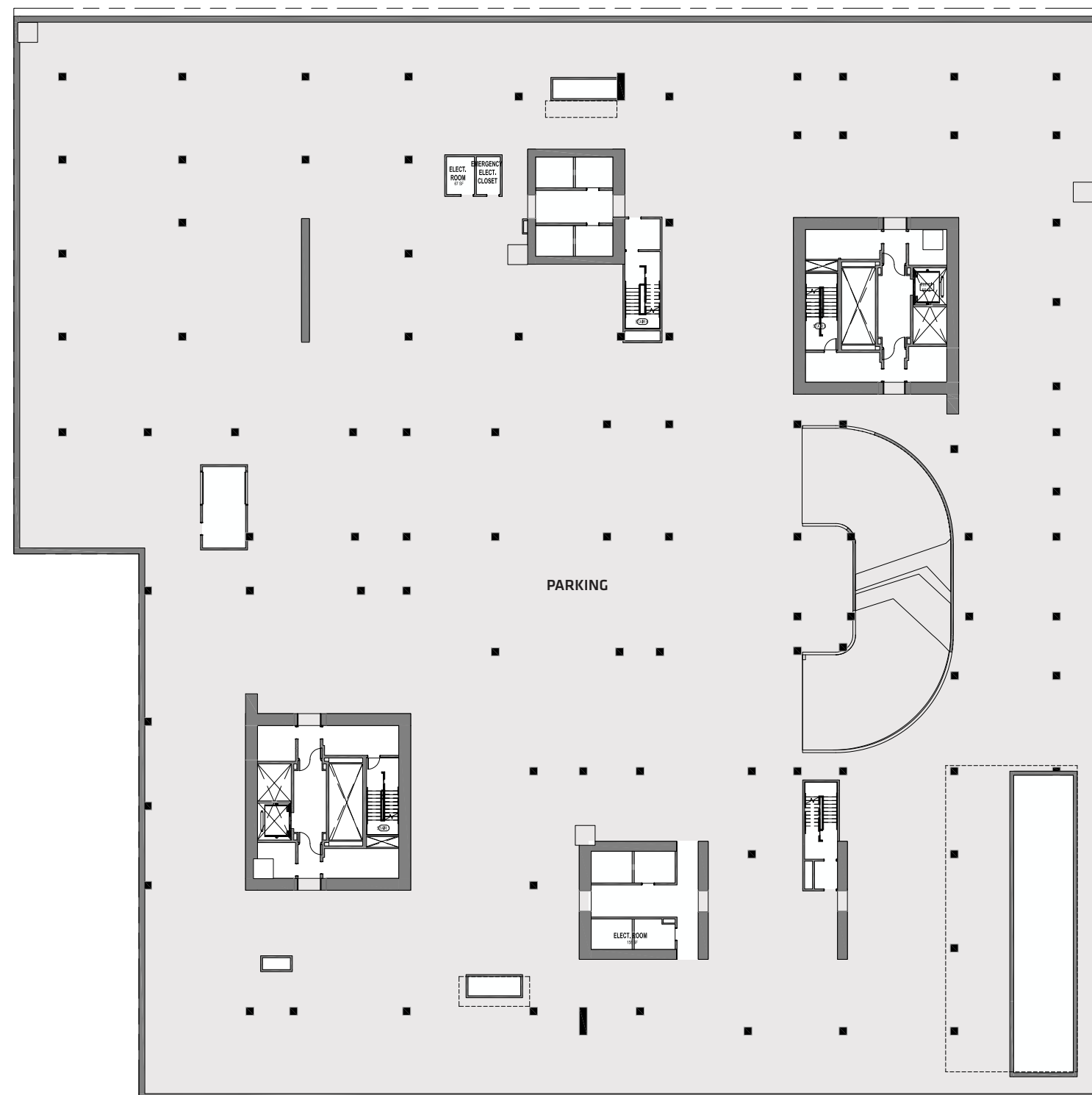
- RESIDENTIAL AMENITY
- BACK OF HOUSE
- PARKING



- RESIDENTIAL AMENITY
- BACK OF HOUSE
- PARKING



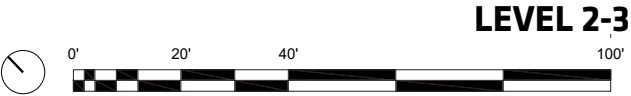
PARKING



- RETAIL
- LOBBY
- RETAIL/POPOS

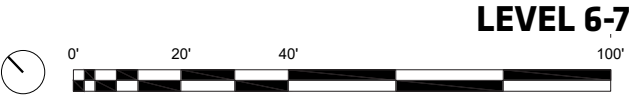


- OFFICE
- RESIDENTIAL UNITS
- PRIVATE BALCONY



LEVEL 2-3

- RESIDENTIAL UNITS
- HOTEL
- PRIVATE BALCONY



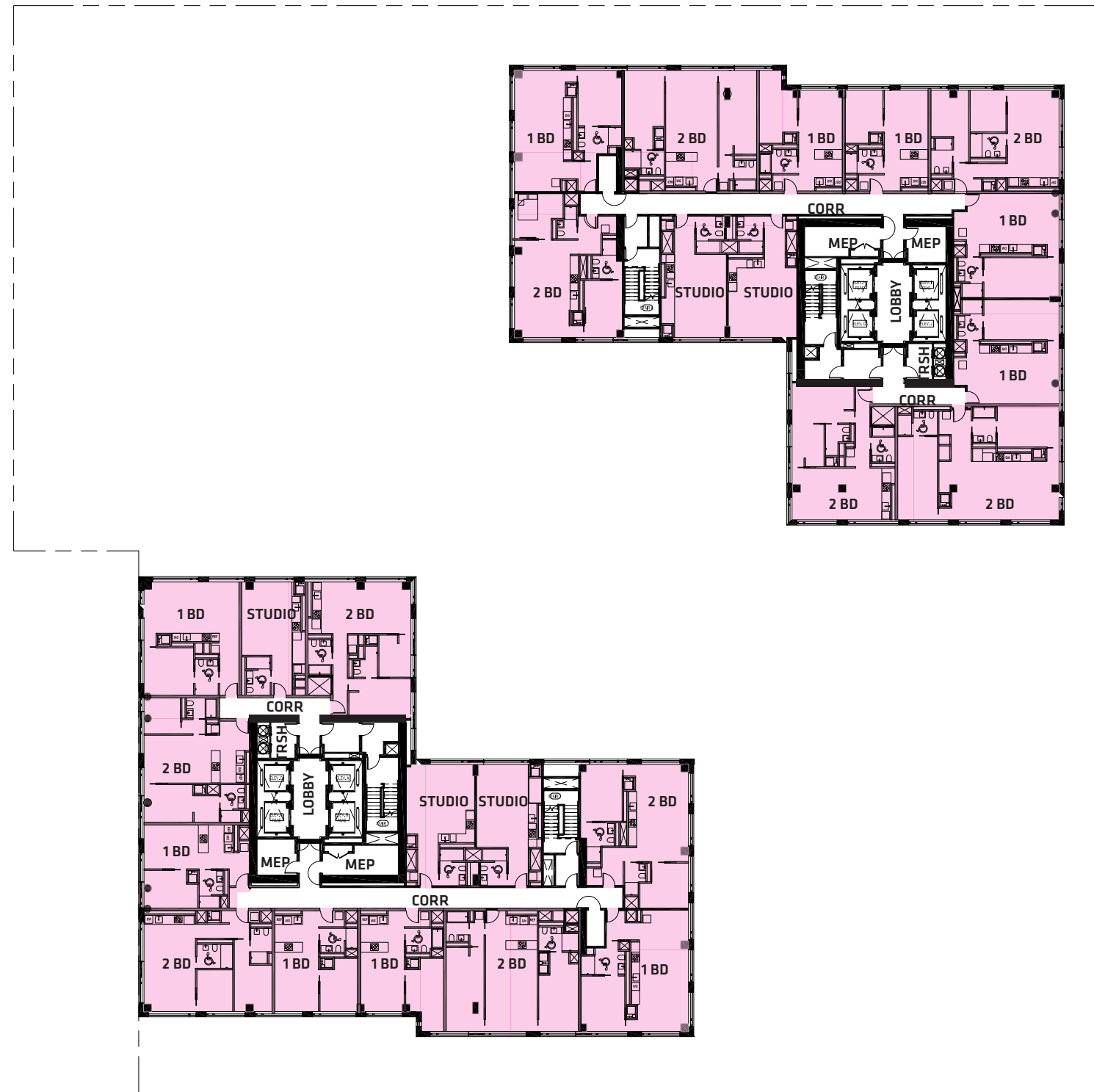
LEVEL 6-7

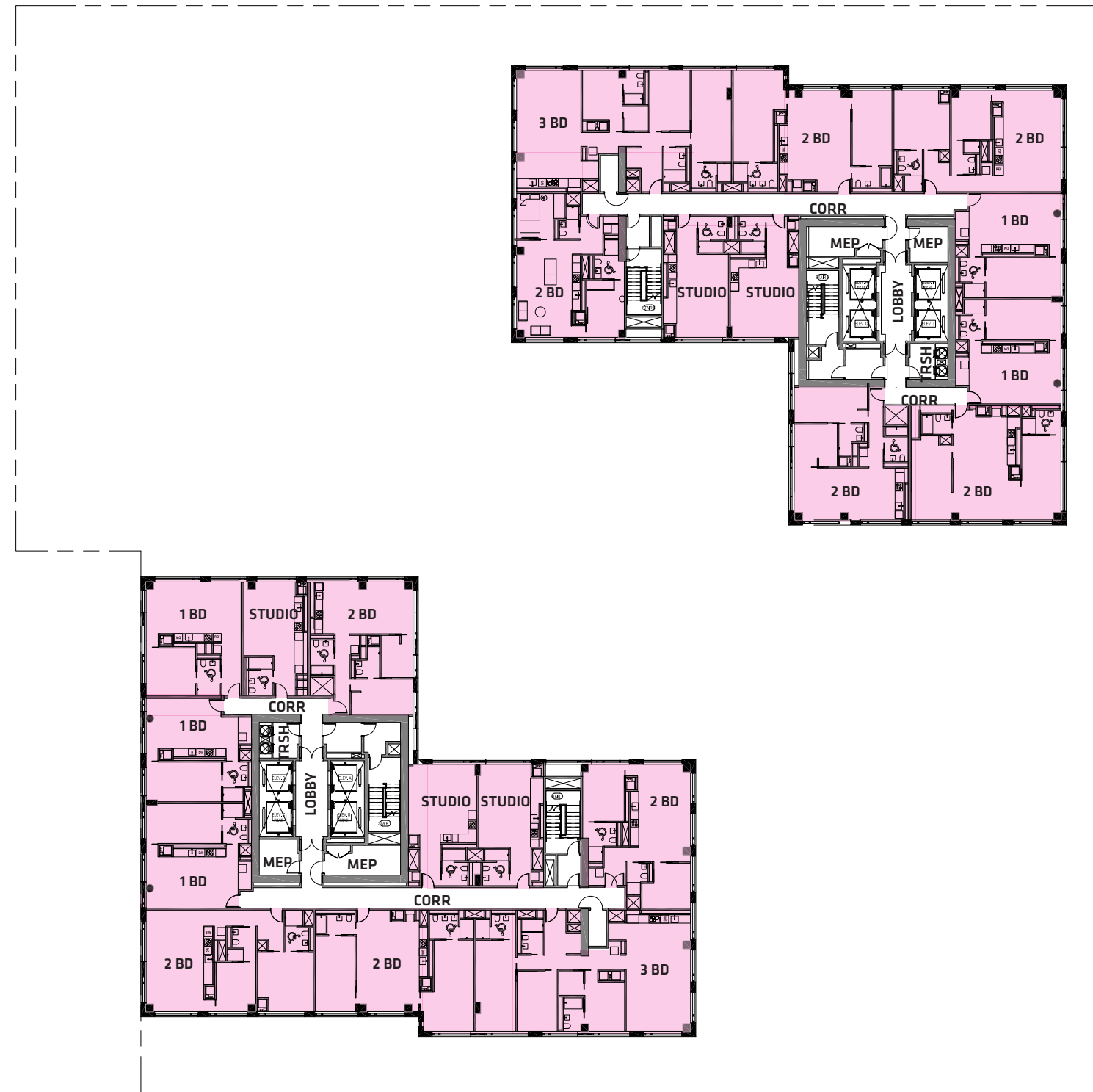
- RESIDENTIAL UNITS/ AMENITY
- COMMON OPEN SPACE (1,863 SF)
- PRIVATE BALCONY



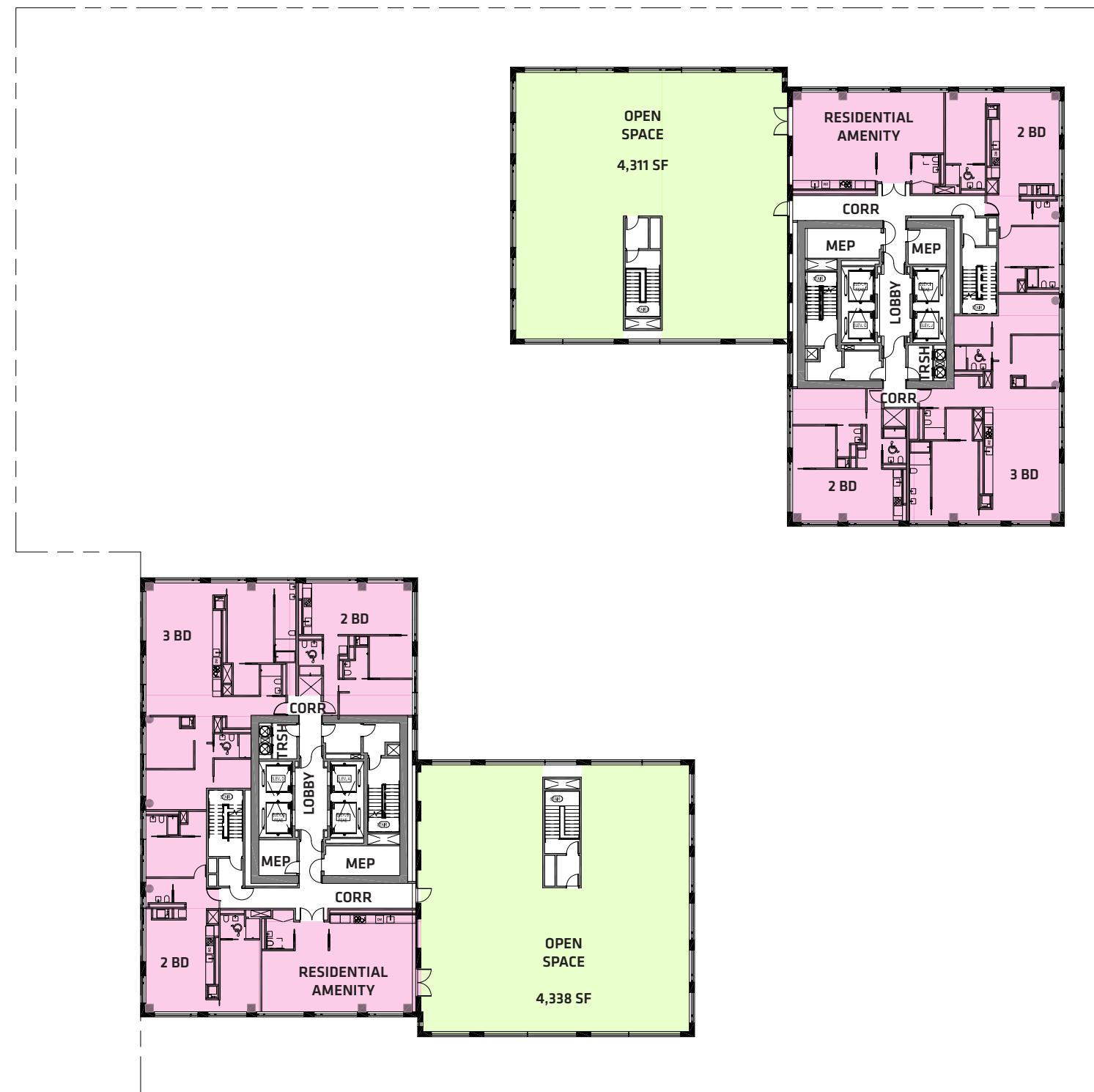


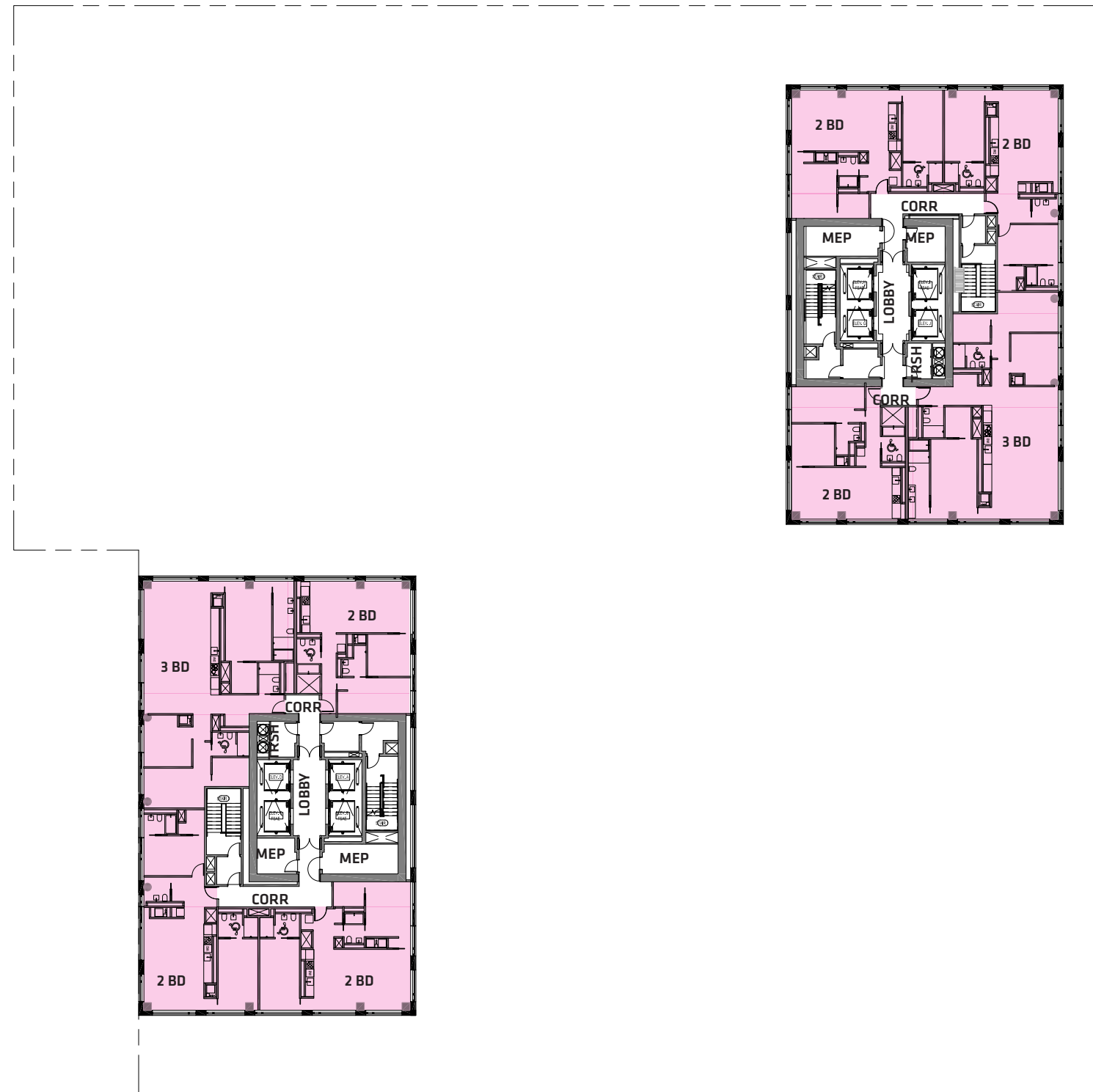




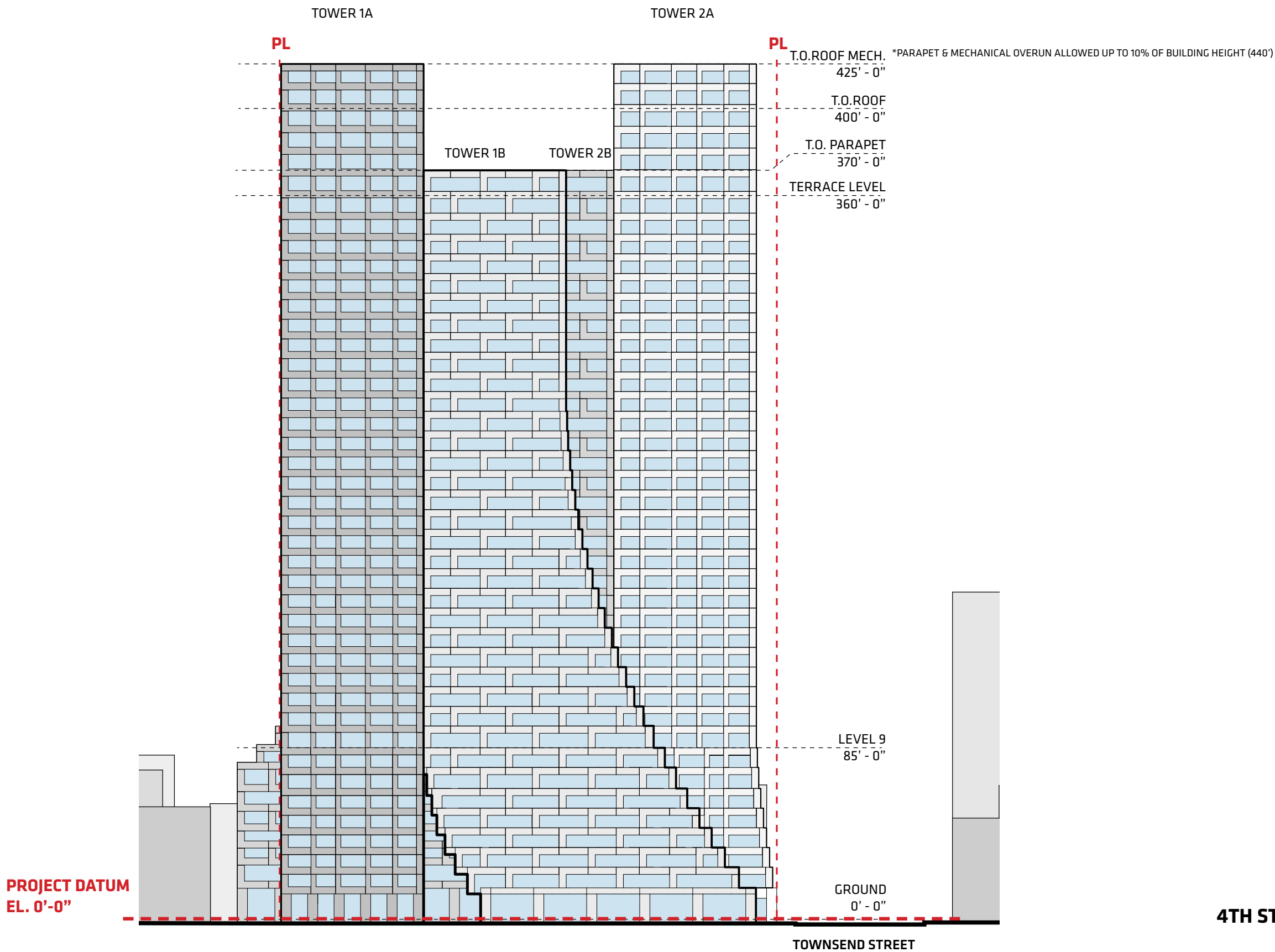


RESIDENTIAL UNITS/ AMENITY
COMMON OPEN SPACE (8,649 SF)

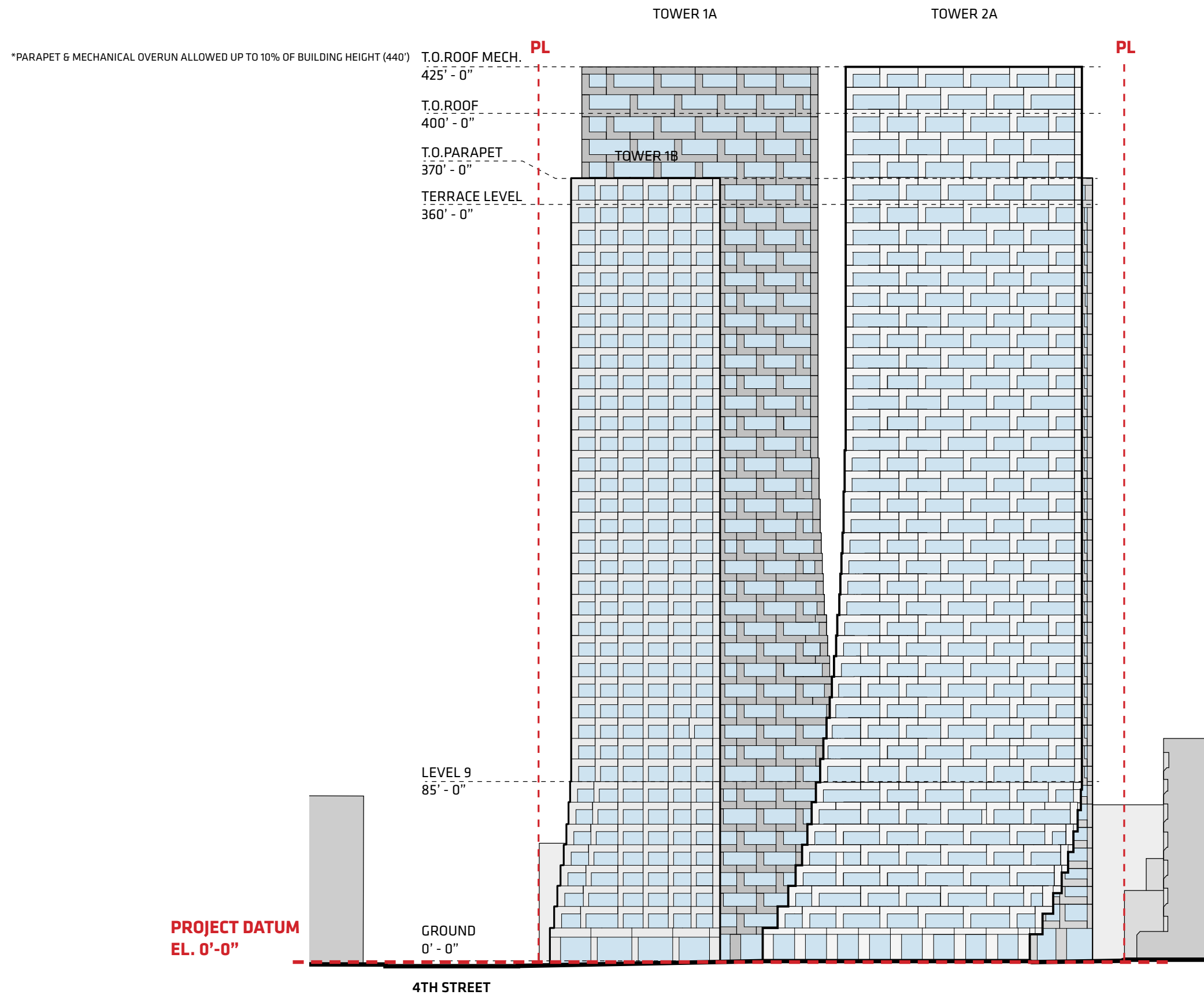




BUILDING ELEVATIONS

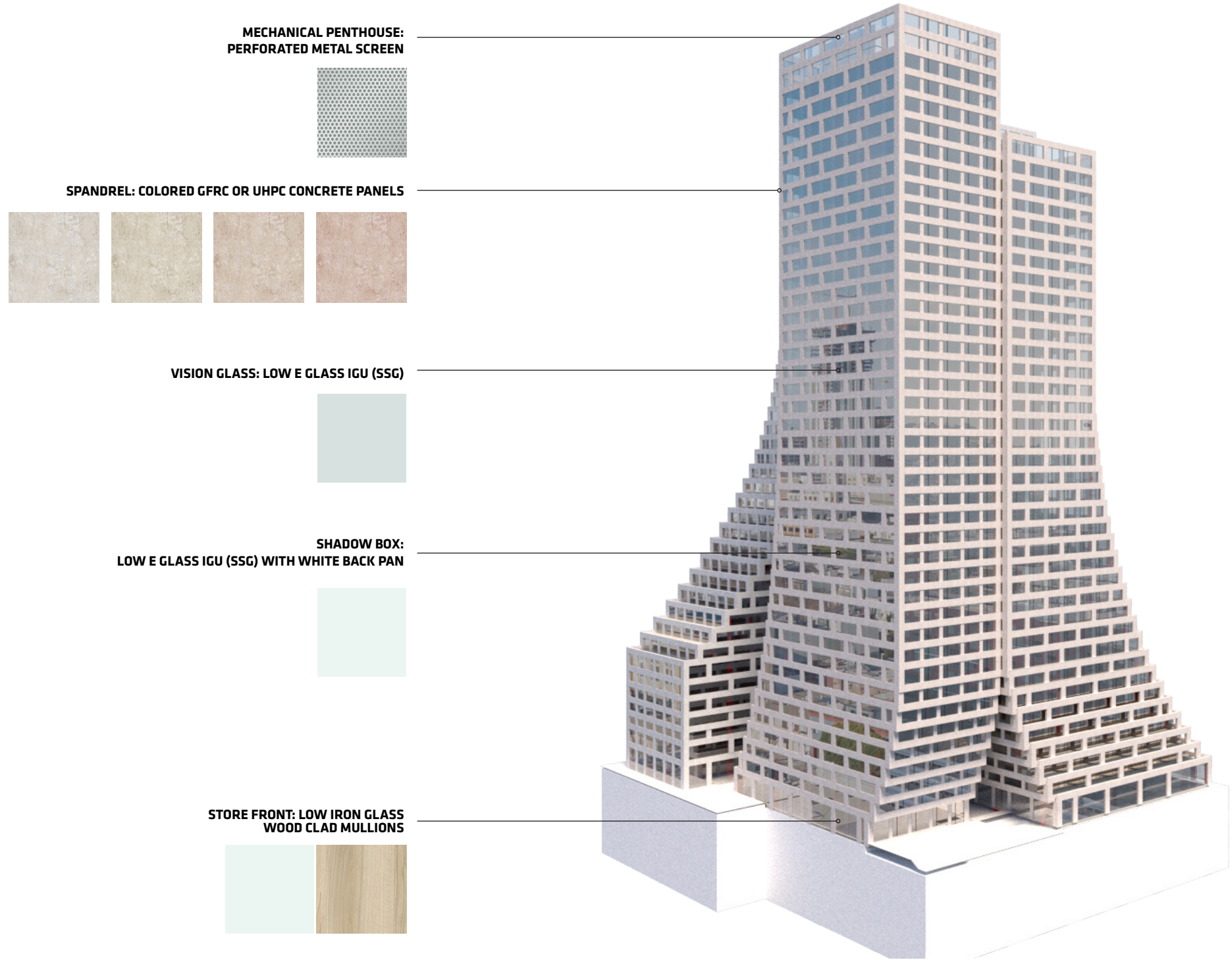


4TH STREET ELEVATION



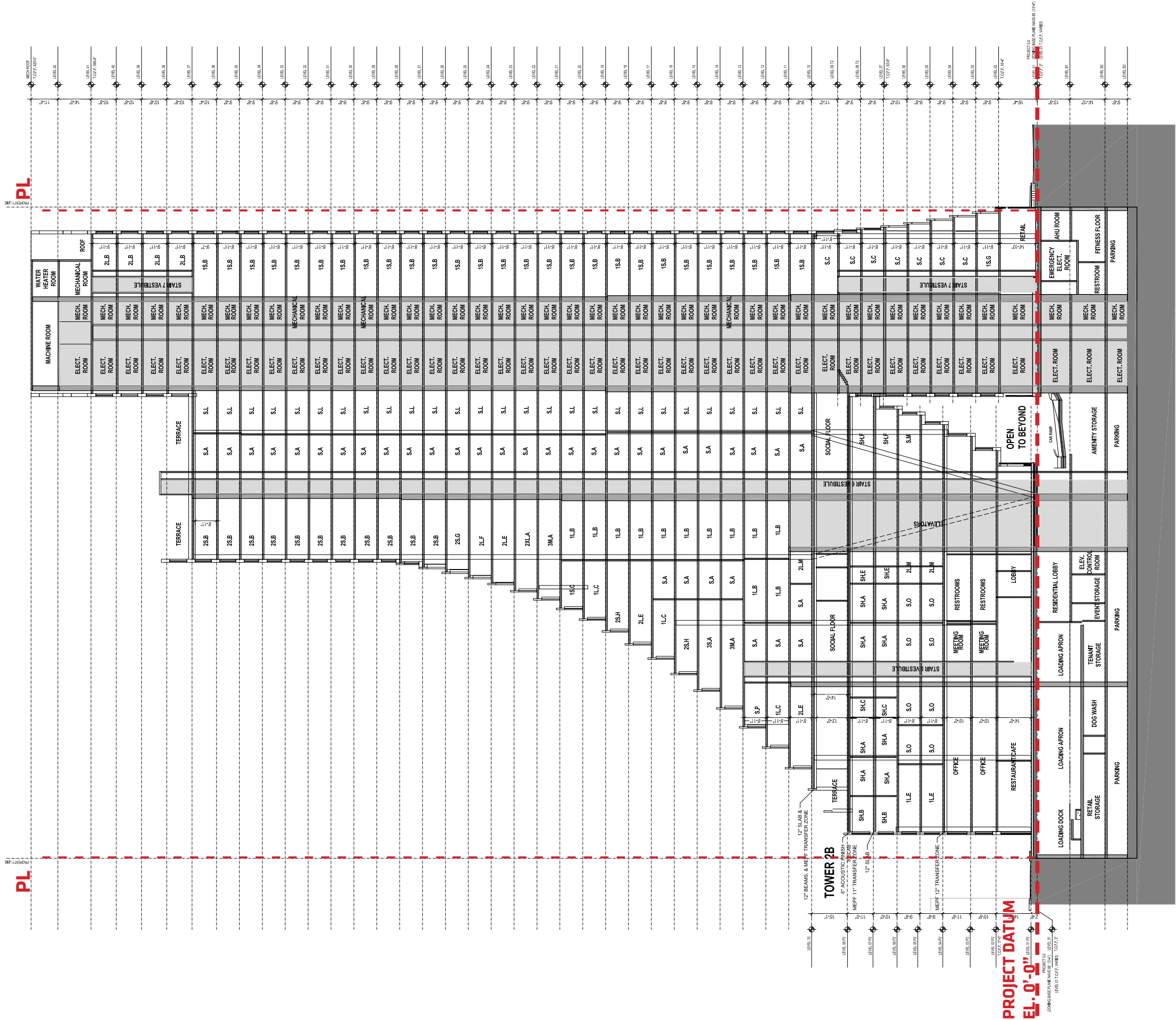
TOWNSEND ST ELEVATION

FACADE MATERIALS





TOWER 2A

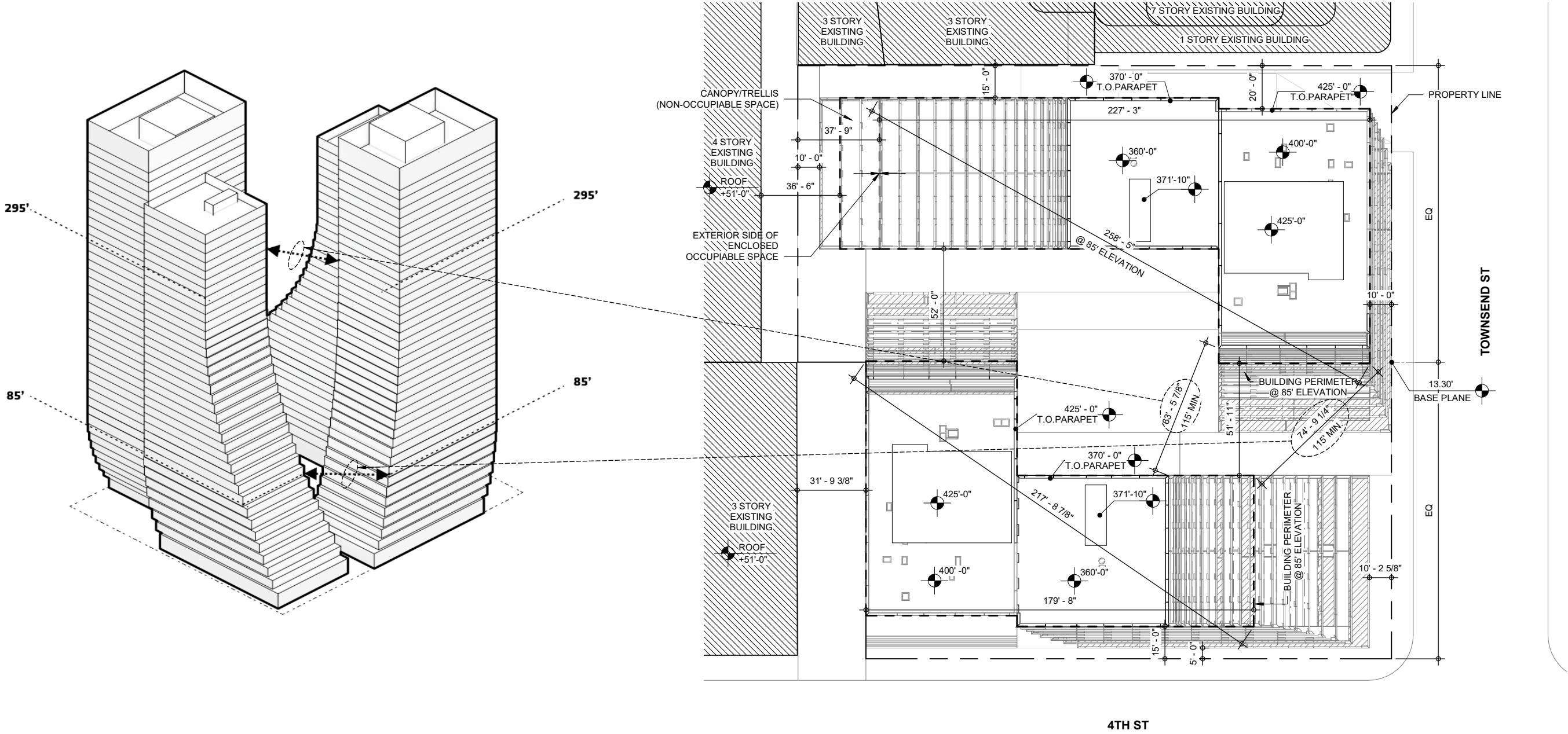


TOWER 2 E-W SECTION

CODE COMPLIANCE AND EXCEPTIONS

- 1. BUILDING SETBACKS, STREET WALL ARTICULATION & TOWER SEPARATION (PC SEC. 132.4);
- 2. USABLE OPEN SPACE FOR RESIDENTIAL UNITS (PC SEC. 135 & 329(E)(3)(B)(VI);
- 3. POPOS DESIGN (PC SEC. 138);
- 4. DWELLING UNIT EXPOSURE (PC SEC. 140 & 249.78(D)(11));
- 5. STREET FRONTAGE CONTROLS (PC. SEC. 145.1);
- 6. GROUND FLOOR COMMERCIAL USE (PC SEC. 145.4);
- 7. CURB CUTS (PC SEC. 155(R));
- 8. WIND (PC SEC. 249.78(D)(9));
- 9. USES ON LARGE DEVELOPMENT LOTS (PC SEC. 249.78(C)(6));
- 10. NARROW AND MID-BLOCK ALLEY CONTROLS (PC SEC. 261.1);
- 11. TOWER BULK (PC SEC. 270(H)).

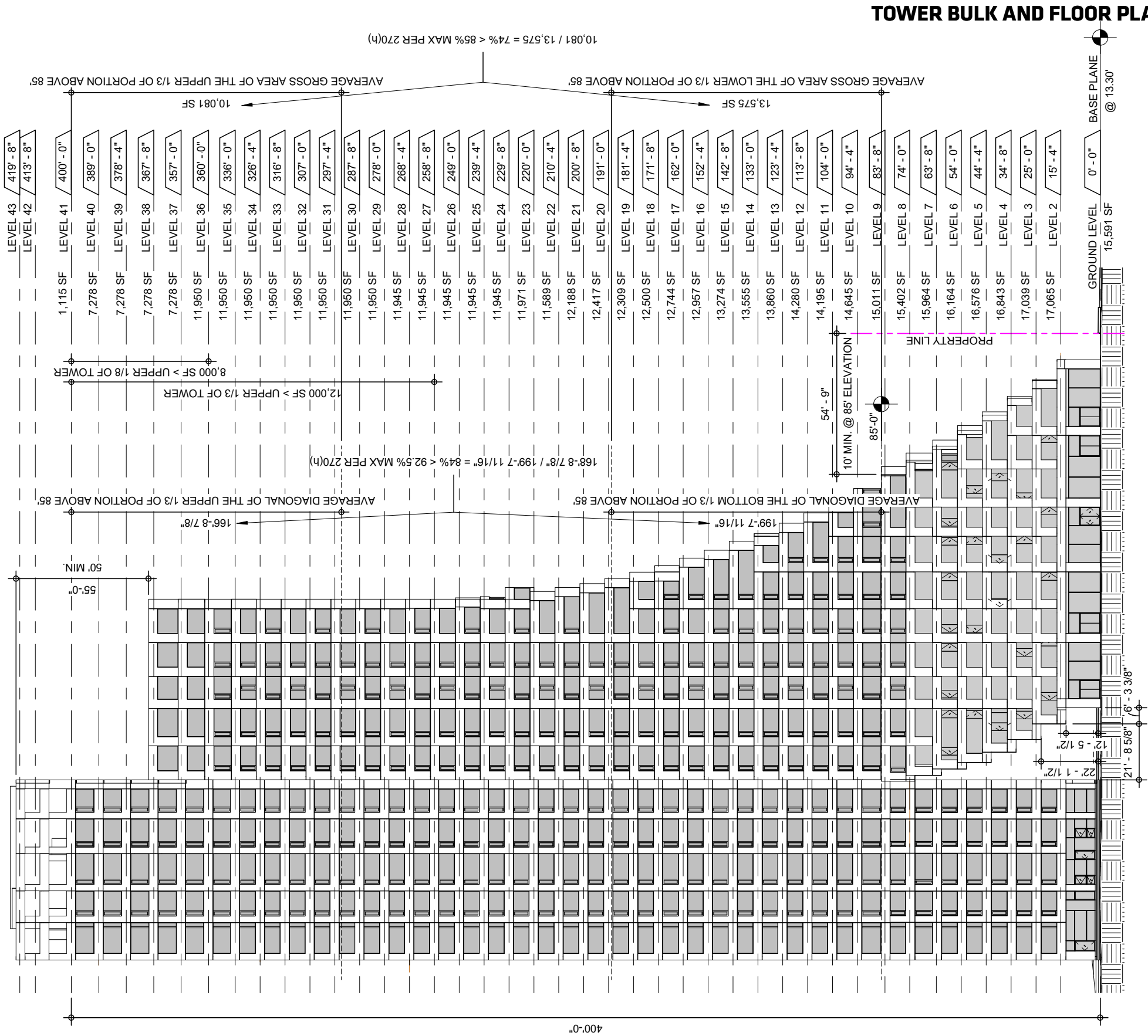
TOWER SEPARATION (§ 132.4)
SET BACKS AND STREET WALL (§ 132.4(D)(2)(C)/ § 132.4(D)(1))



TOWER SEPARATION DIAGRAM

SITE PLAN

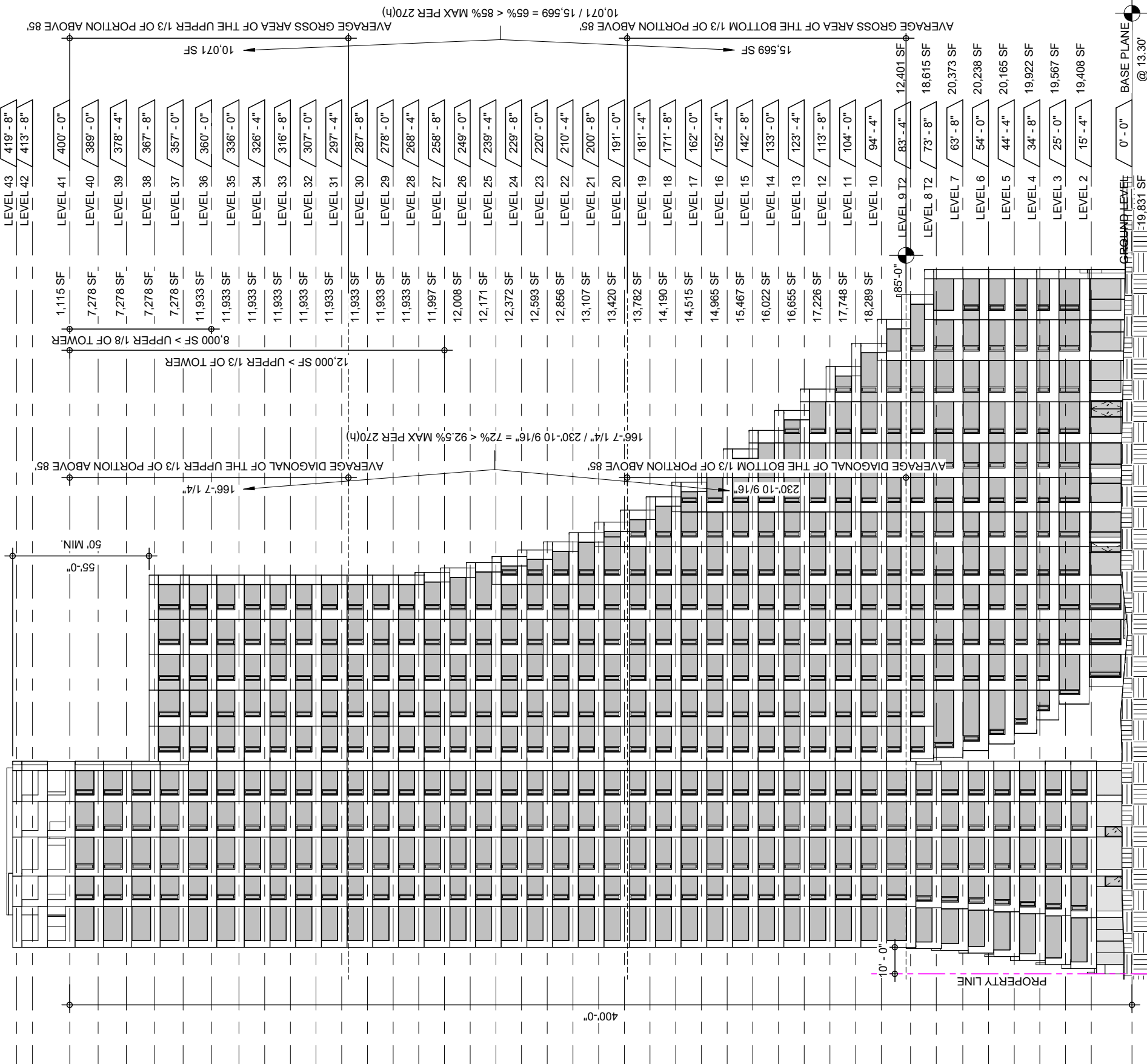
SETBACKS / SEPARATION / HEIGHT CONTROL



TOWER BULK AND FLOOR PLATE SIZE (§ 270(H)(3) & § 132.4)

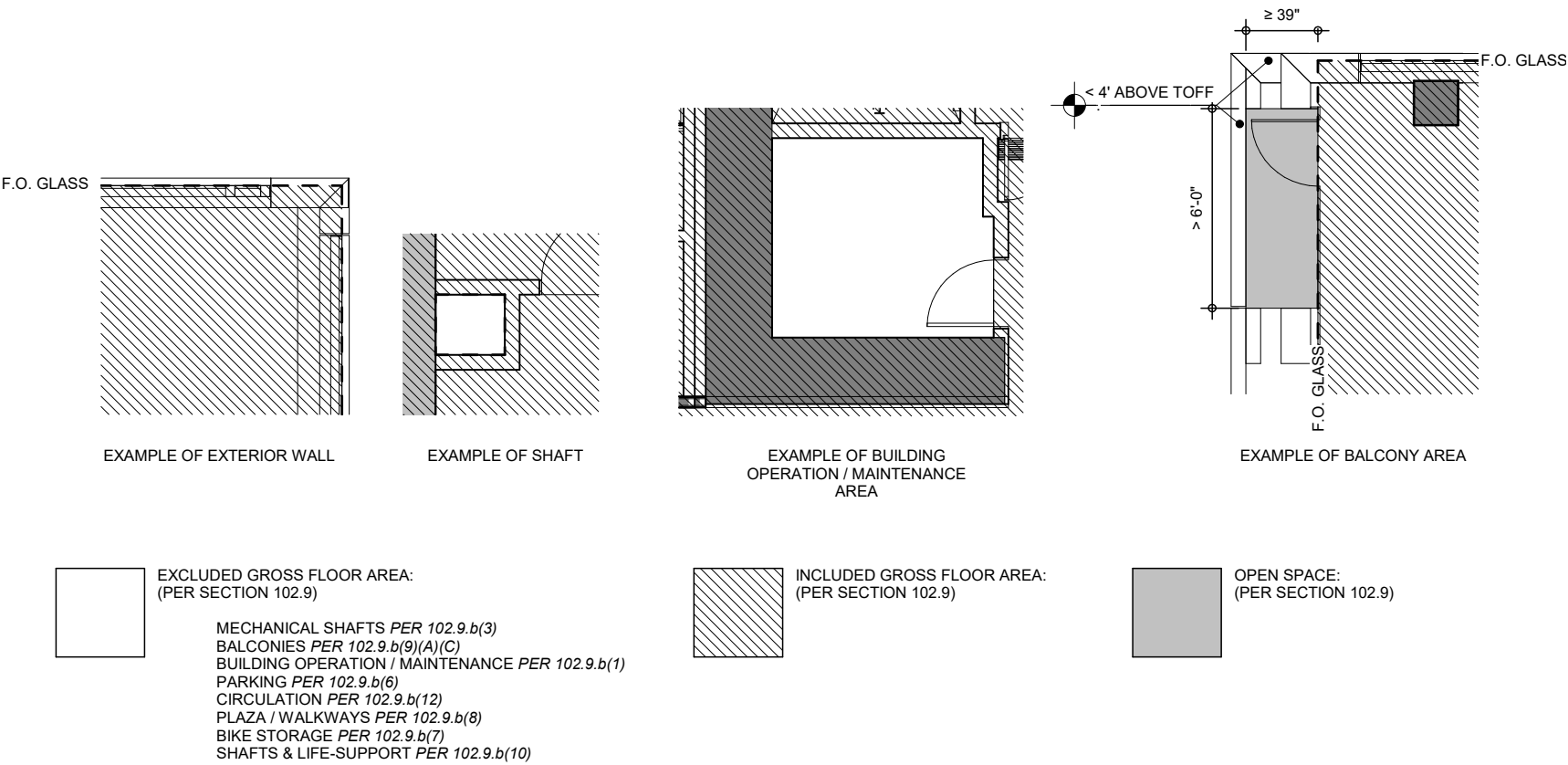
TOWER 1 SOUTH ELEVATION

TOWER BULK AND FLOOR PLATE SIZE (§ 270(H)(3) & § 132.4)



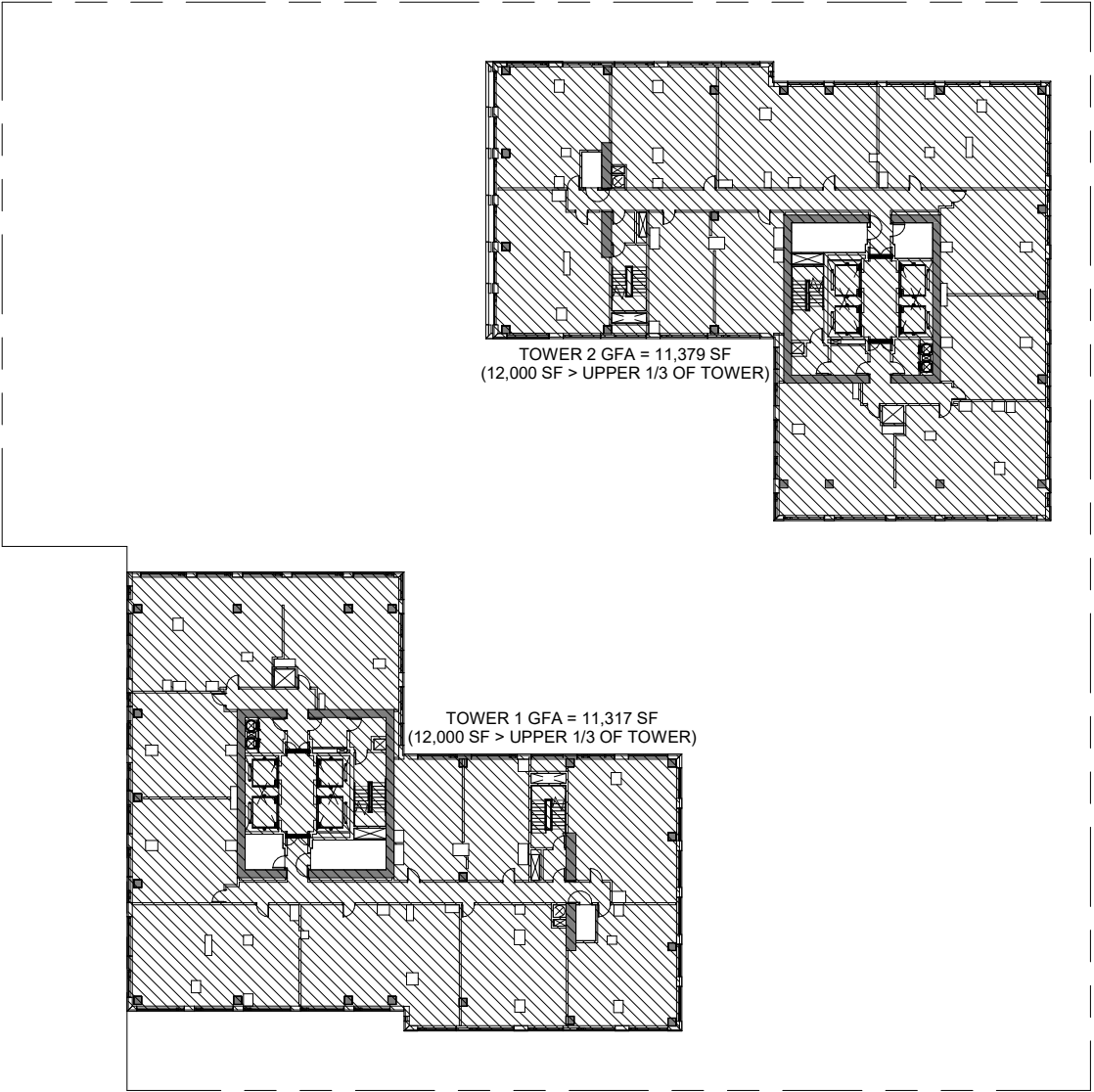
TOWER 2 NORTH ELEVATION

TOWER BULK AND FLOOR PLATE SIZE (§ 270(H)(3) & § 132.4)



AREA MEASUREMENT DIAGRAM

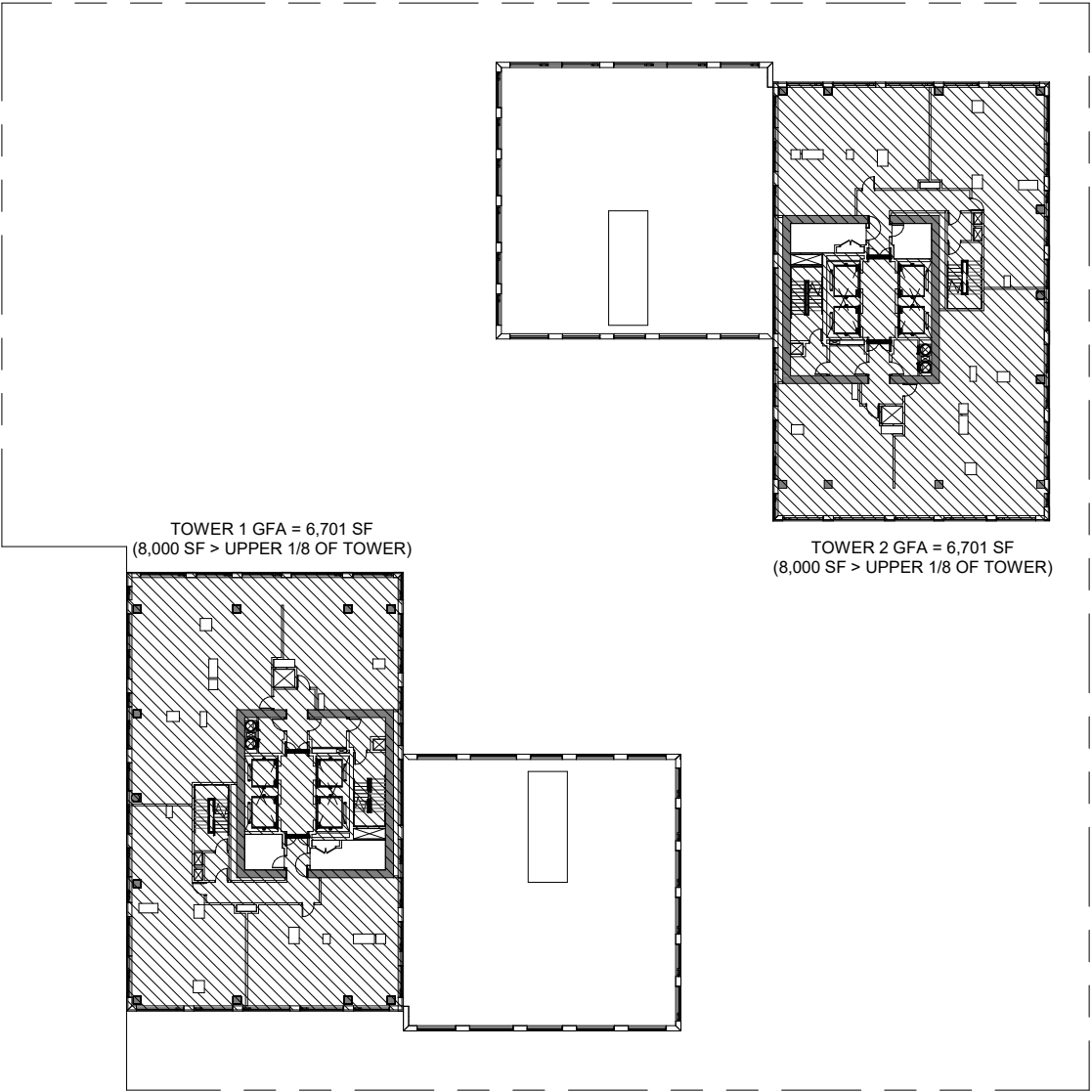
1



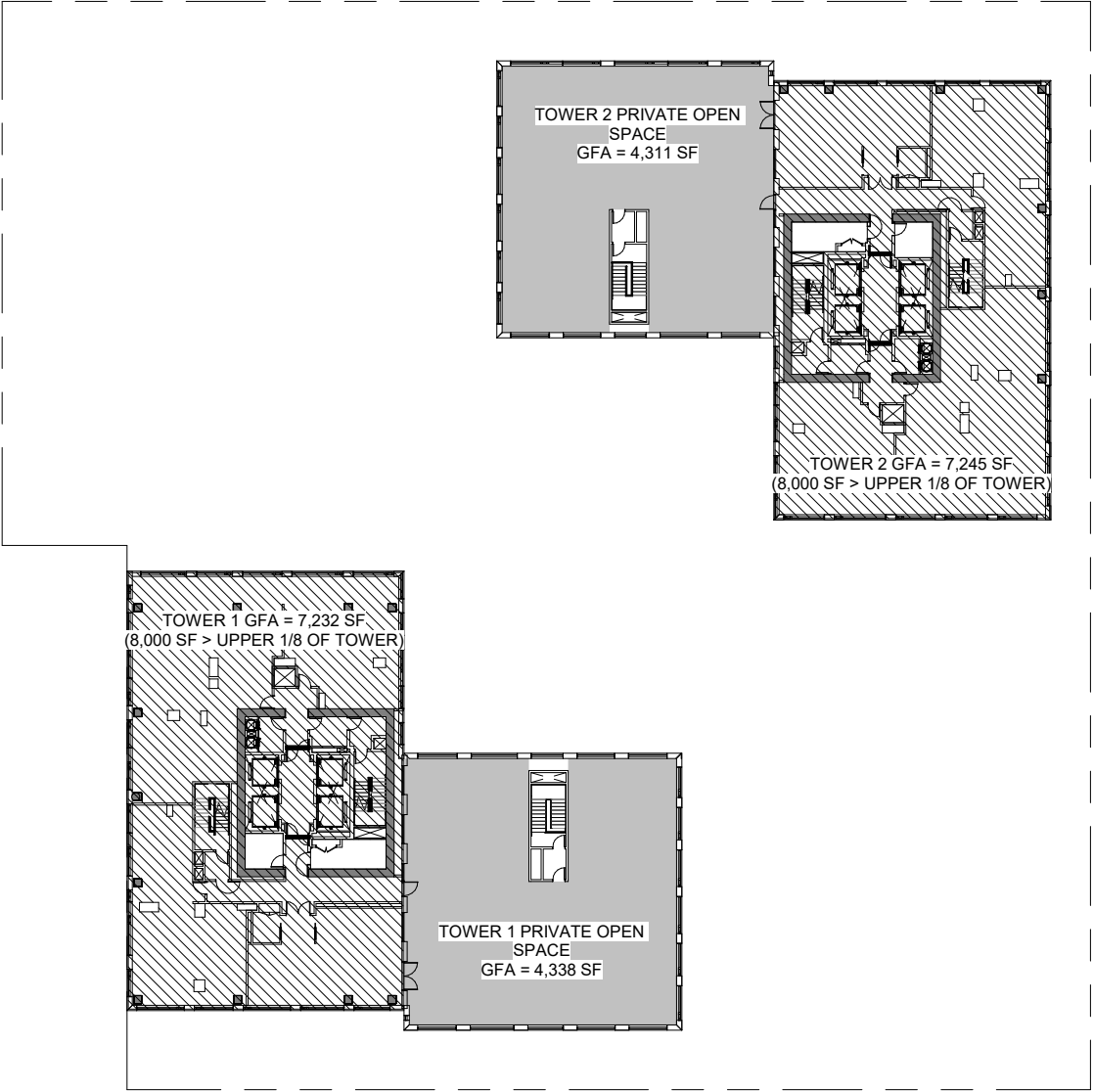
LEVEL 27 (LEVEL 28-35 SIM)
(UPPER 1/3 OF TOWER)

7

TOWER BULK AND FLOOR PLATE SIZE (§ 270(H)(3) & § 132.4)

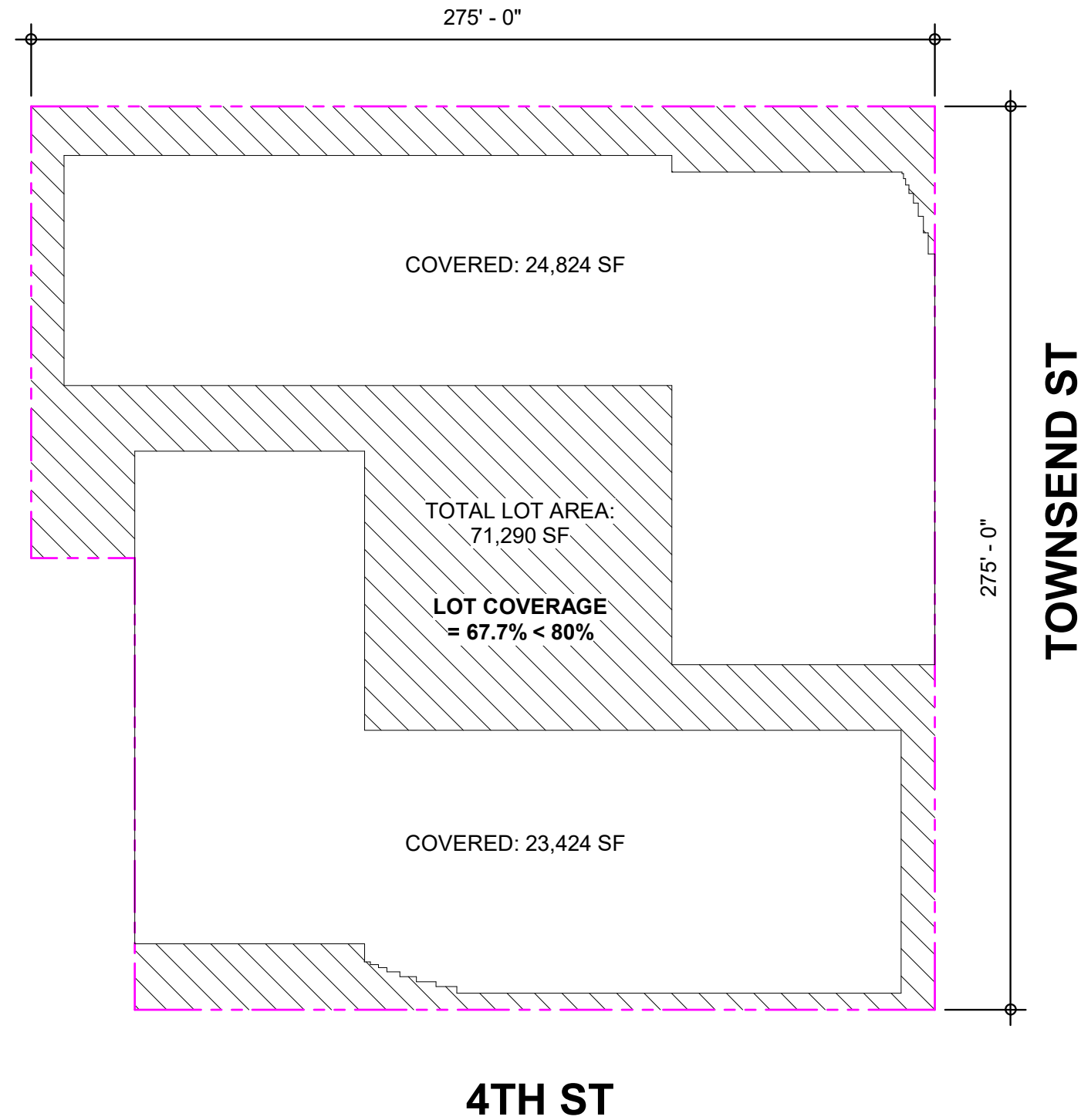


LEVEL 38 (LEVEL 39-40 SIM)
(UPPER 1/8 OF TOWER) 9



LEVEL 37 OPEN SPACE
(UPPER 1/8 OF TOWER) 8

5. REAR YARD (§ 134 / § 249.78 (D)(4))

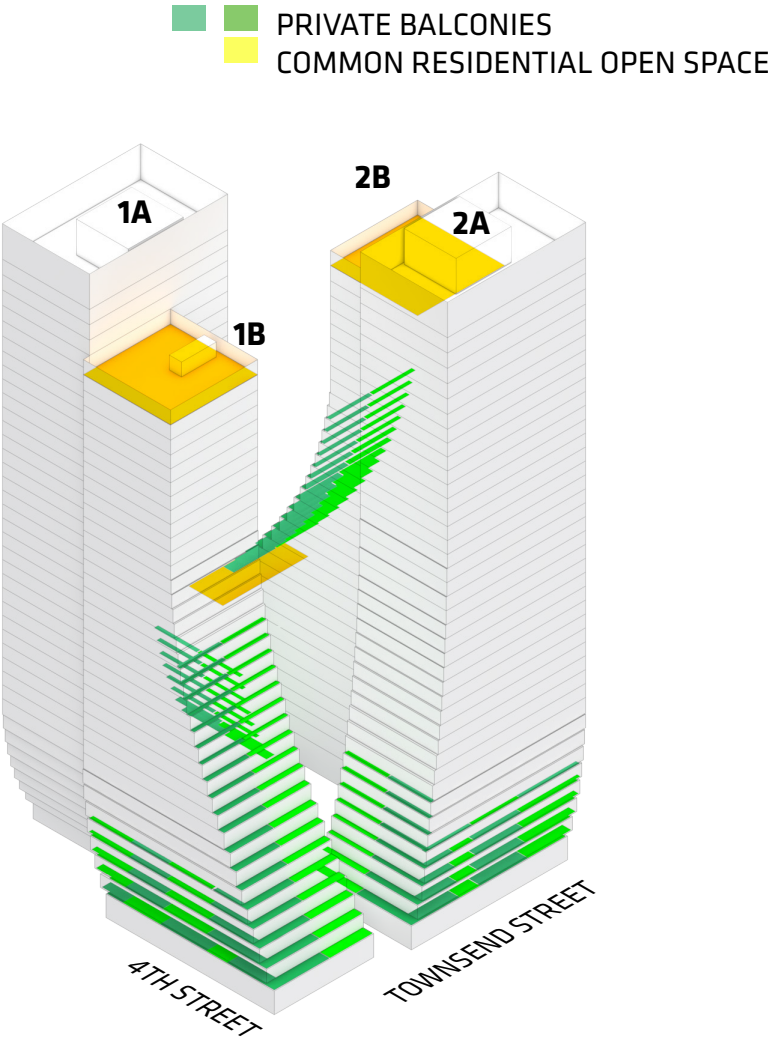


**LOT COVERAGE DIAGRAM
@ LEVEL 2 (LOWEST RESIDENTIAL LEVEL)**

PRIVATE BALCONY AREAS

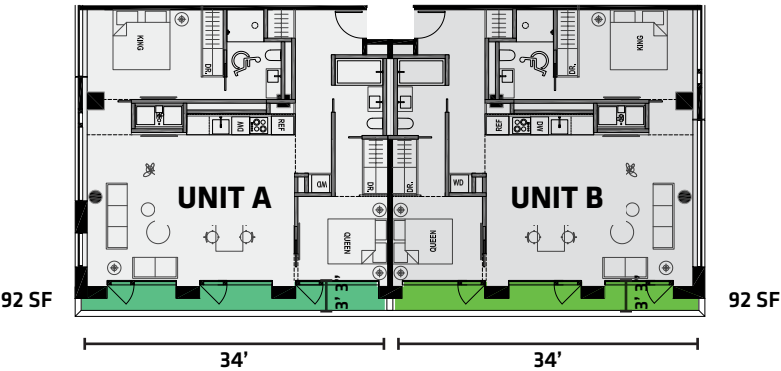
	TOWER 1 BALCONIES: 70								TOWER 2 BALCONIES: 62										
LEVEL									TOTAL								TOTAL		
26												95	95				190		
25												98	98				196		
24												102	102				204		
23												105	105				210		
22												107	107				214		
21												122	122				244		
20			92	92					184			139	139				278		
19			92	92					184			156	156				312		
18			95	95					190			173	173				346		
17			98	98					196			190	190				380		
16			102	102					204			207	207				414		
15			105	105					210			224	224				448		
14			107	107					214			240	240				480		
13			121	121					242			257	257				514		
12			121	121					242			274	274				548		
11			138	138					276			283	283				566		
10			155	155					310								0		
9	92	92	172	175					531	94	92						186		
8	95	95	172	179					541	99	95						194		
7	98	98	172	184					552	107	98						205		
6	102	102	189	284		116	99	108	1000	218	102				104	132	556		
5	105	105	189	344		148	127	135	1153	211	105			66	161	202	745		
4	107	107	206	451		201	172	163	1407	265	107			90	218	256	936		
3	155	155	223	581		253	217	162	1746	391	155			114	275	294	1229		
2	223	223	266	625	151	343	277	159	2267	589	223			146	351	326	1635		
TOWER 1 BALCONY AREA TOTAL:									11649	TOWER 2 BALCONY AREA TOTAL:									11230

USABLE OPEN SPACE (§ 135)

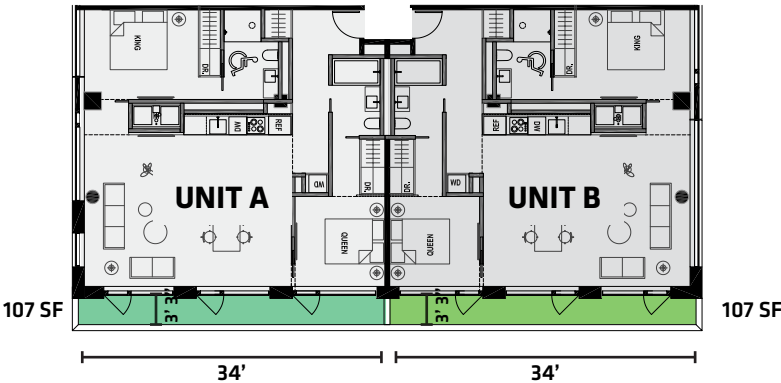


KEY BALCONY DIAGRAMS

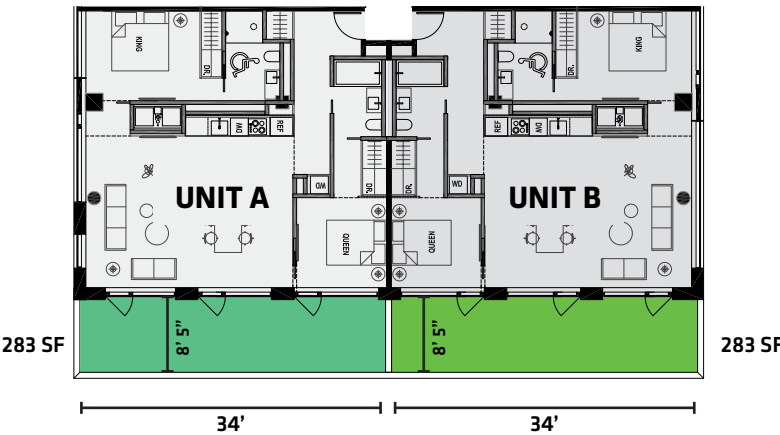
SOUTH ISOMETRIC



TYPICAL SMALLER UPPER BALCONIES



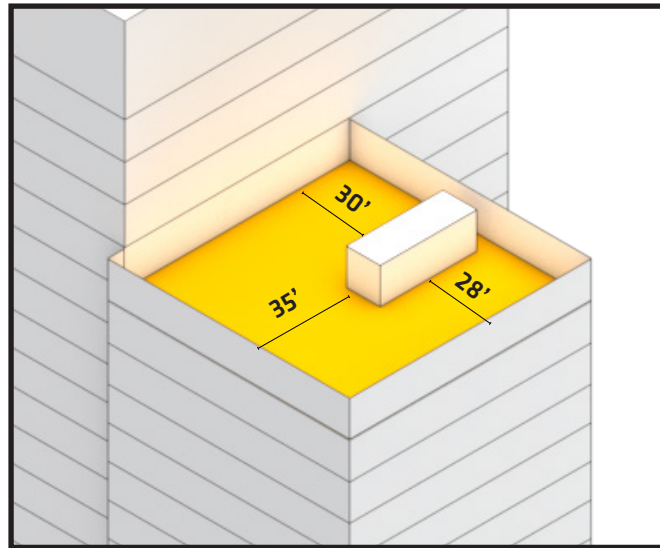
TYPICAL MIDDLE BALCONIES



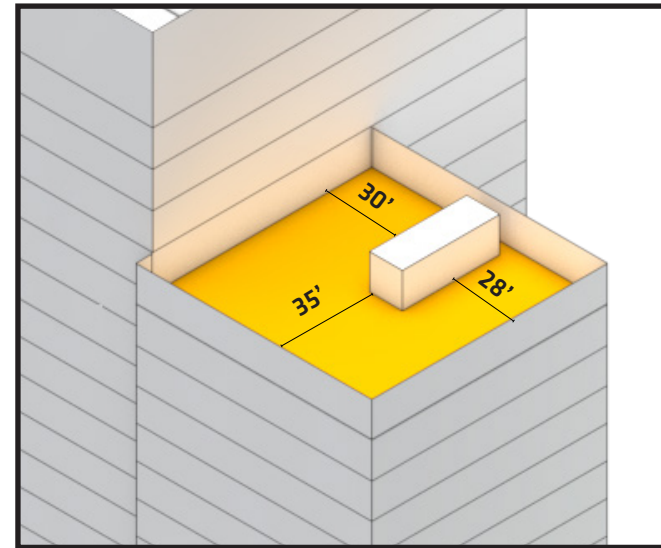
TYPICAL LARGER LOWER BALCONIES

USABLE OPEN SPACE (§ 135)

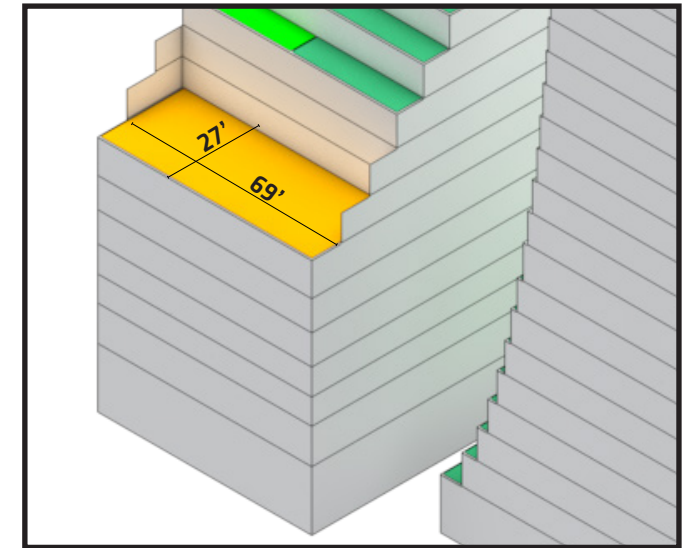
- PRIVATE BALCONIES
- COMMON RESIDENTIAL OPEN SPACE



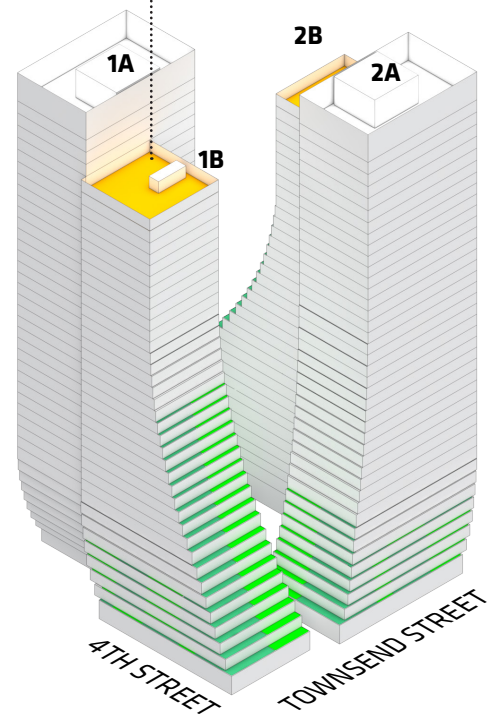
LEVEL 37 OPEN SPACE



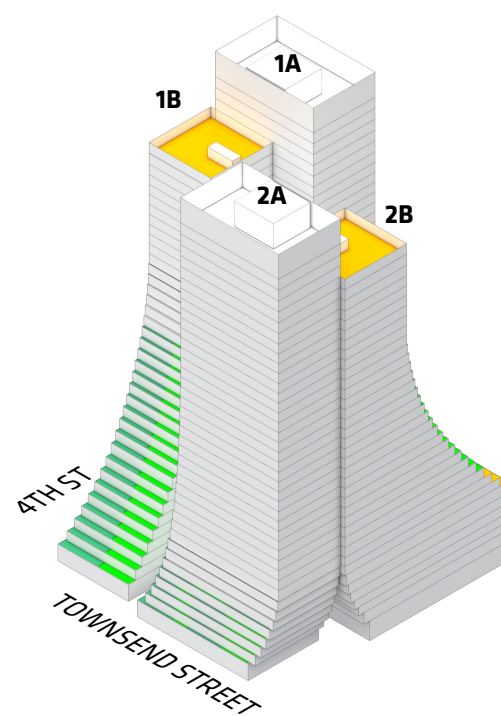
LEVEL 37 OPEN SPACE



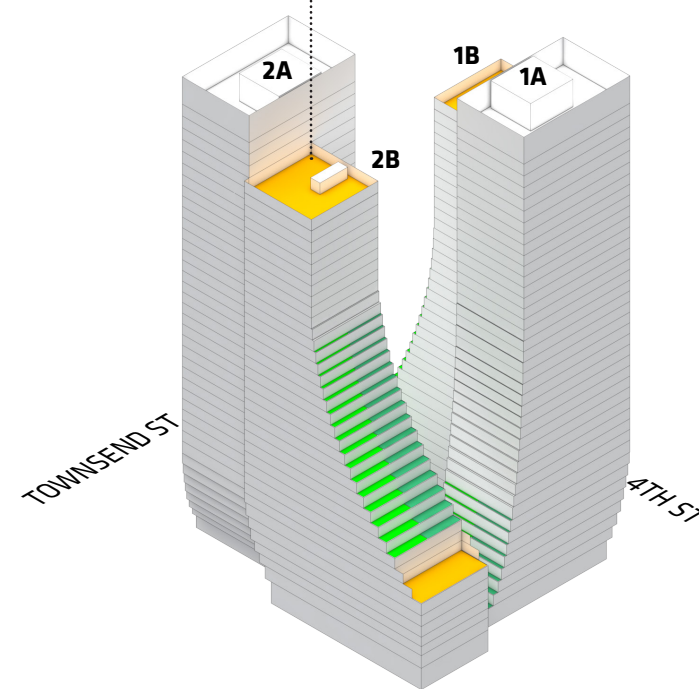
LEVEL 08 OPEN SPACE



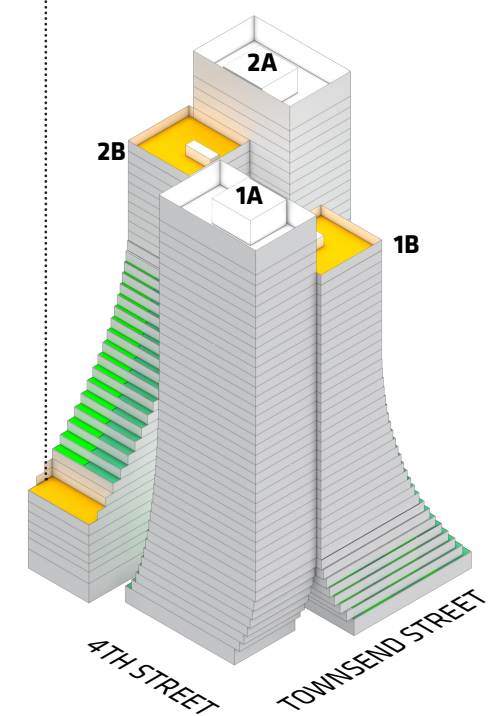
SOUTH ISOMETRIC



EAST ISOMETRIC

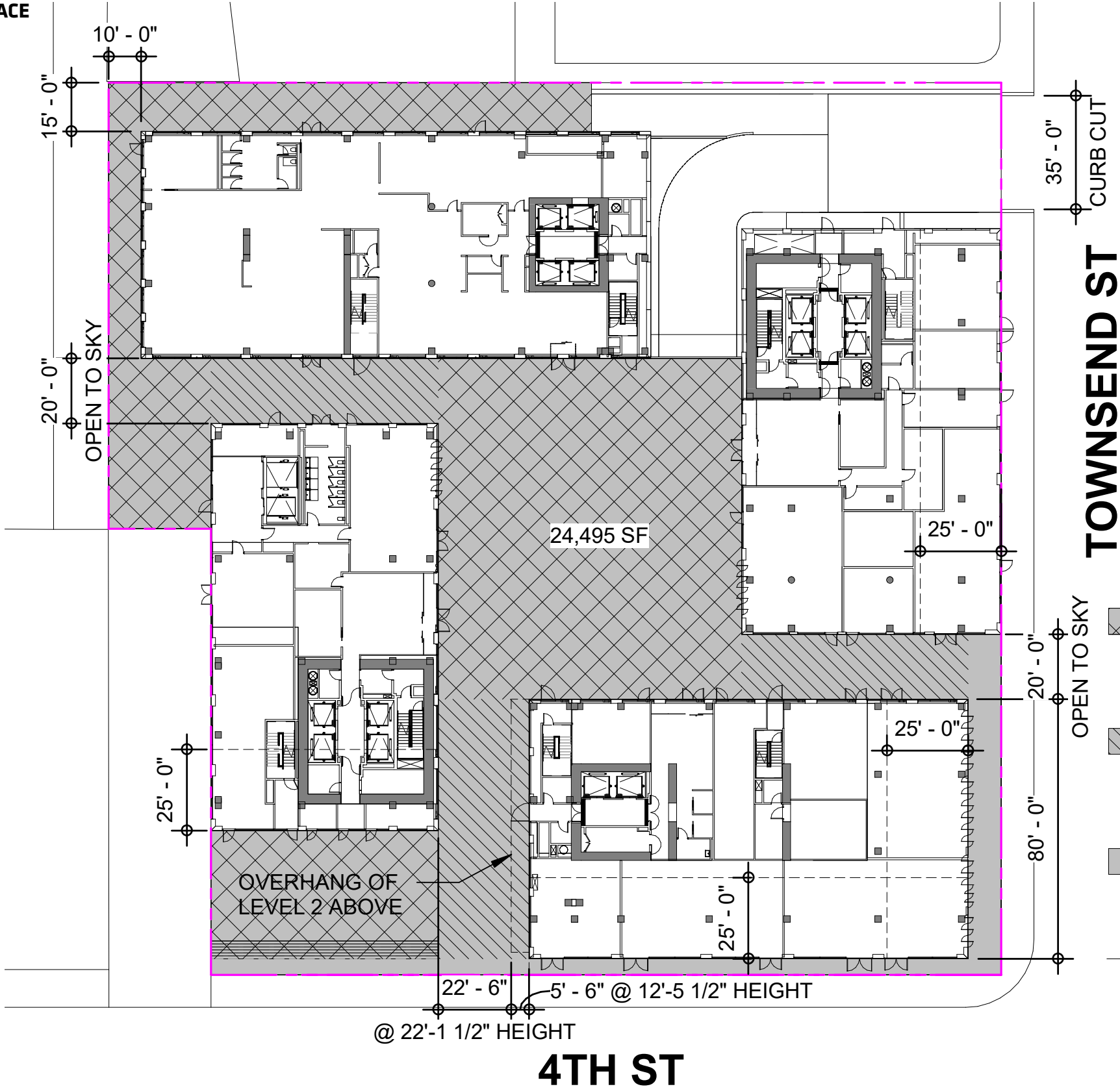





NORTH ISOMETRIC



WEST ISOMETRIC

GROUND LEVEL PUBLIC OUTDOOR SPACE
GROSS FLOOR AREA

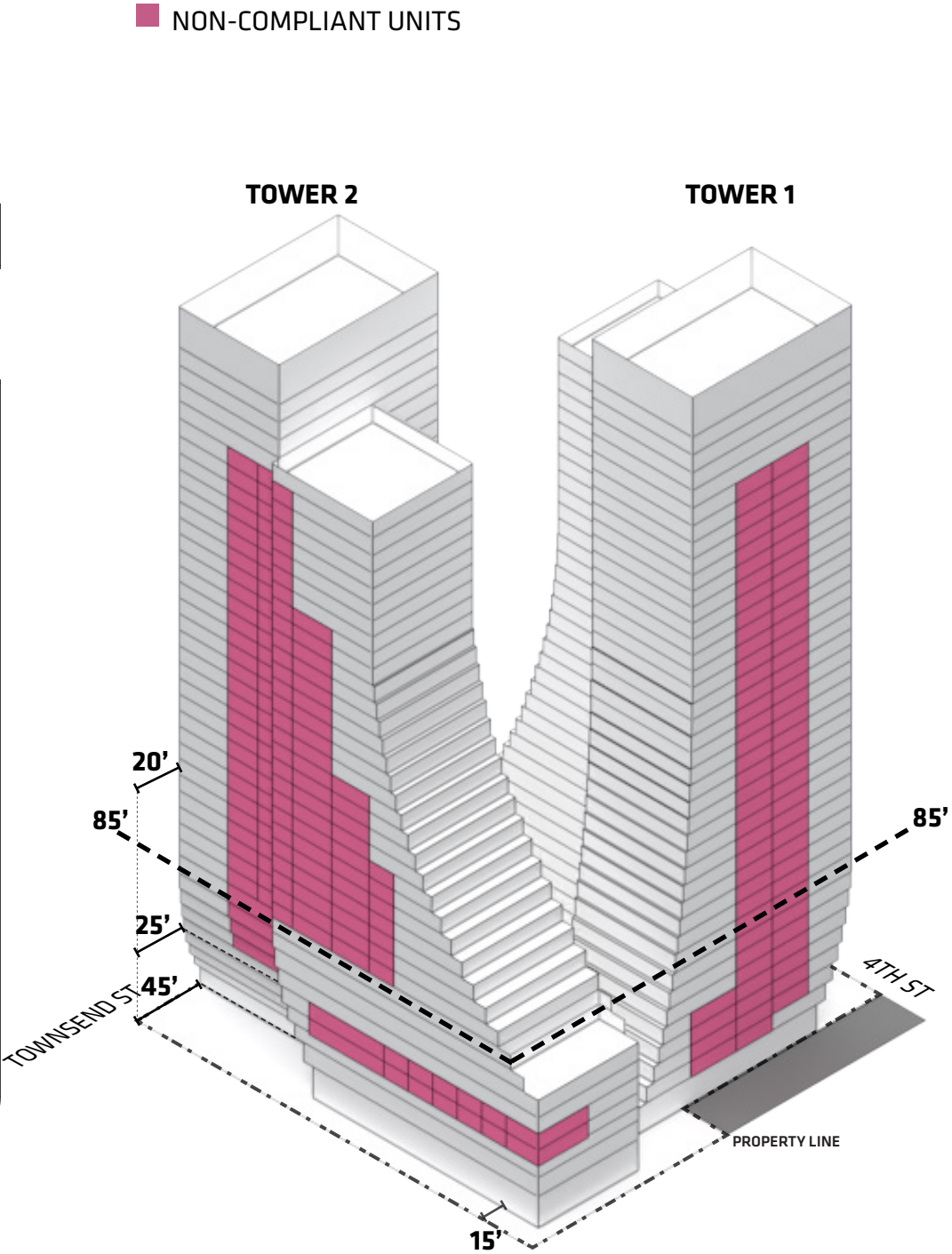


	PUBLICLY-ACCESSIBLE USABLE OPEN SPACE PER SECTION 135 (h)1.B.	17,166 SF
	PUBLICLY-ACCESSIBLE USABLE OPEN SPACE PER SECTION 135 (h)1.C.	5,040 SF (2,101 SF COVERED - 42% < ALLOWED 60%)
	PUBLICLY-ACCESSIBLE USABLE OPEN SPACE PER SECTION 135 (h)1.D.	2,289 SF
TOTAL PUBLICLY-ACCESSIBLE USABLE OPEN SPACE		24,495 SF

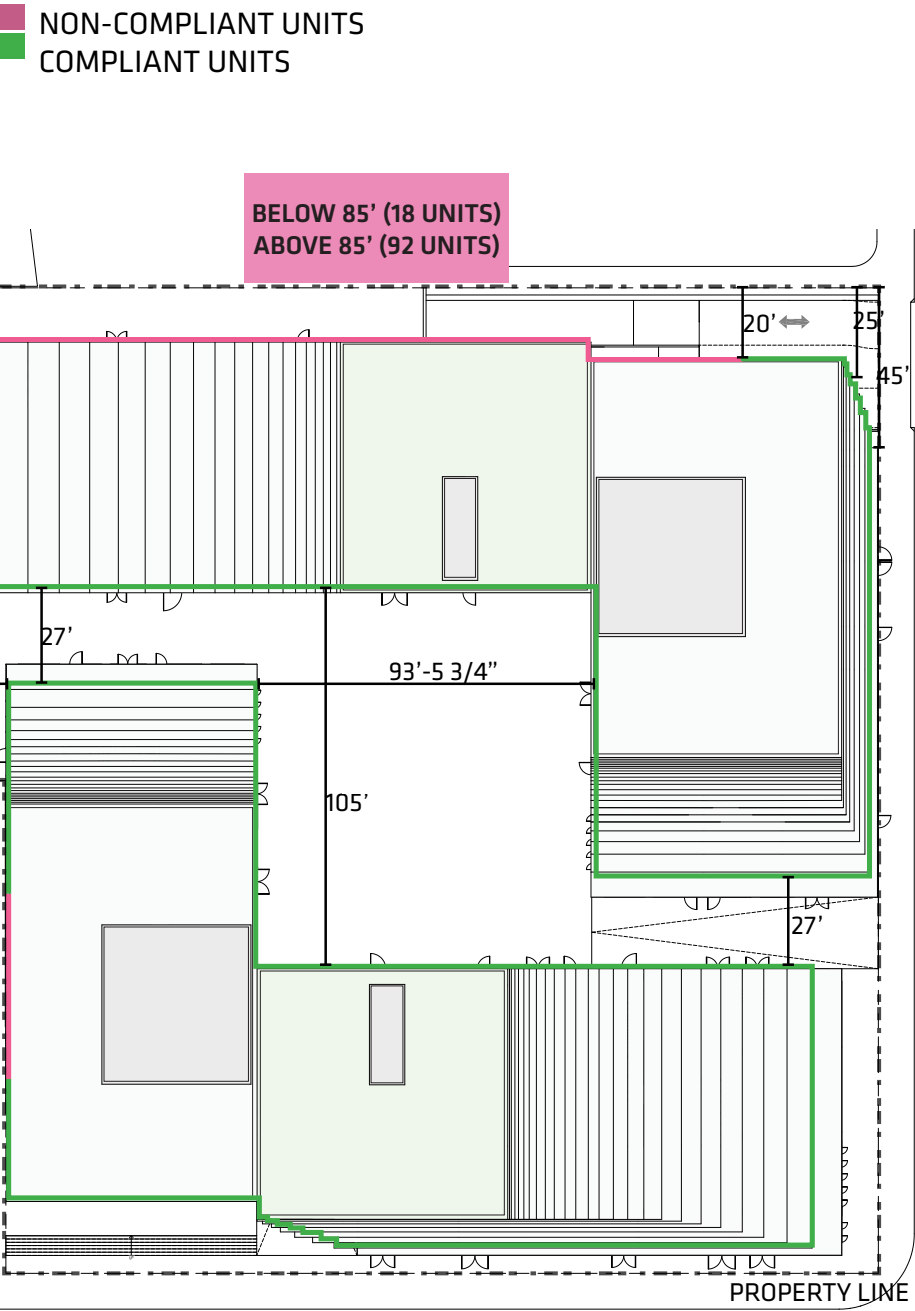
DWELLING UNIT EXPOSURE (§ 140)

			TOWER 1		TOWER 2	
LEVEL			UNITS PER FLOOR	NON-COMPLIANT UNITS PER FLOOR	UNITS PER FLOOR	NON-COMPLIANT UNITS PER FLOOR
		40	4	0	4	0
		39	4	0	4	0
		38	4	0	4	0
		37	3	0	3	0
		36	10	2	9	2
		35	11	2	10	2
		34	11	2	10	2
		33	11	2	10	2
		32	13	2	10	2
		31	13	2	10	2
		30	13	2	10	2
		29	13	2	12	3
		28	13	2	12	3
		27	13	2	12	3
		26	13	2	12	3
		25	13	2	12	3
		24	13	2	12	3
		23	13	2	12	3
		22	13	2	12	3
		21	13	2	12	3
		20	13	2	14	4
		19	13	2	14	4
		18	13	2	15	4
		17	13	2	15	4
		16	13	2	17	5
		15	13	2	17	5
		14	15	2	17	5
		13	15	2	17	5
		12	15	2	18	5
		11	15	2	18	5
		10	15	2	18	5
		9	15	2	7	1
		8	17	2	7	1
		7	16	2	7	1
		6	15	2	7	1
		5	17	3	24	7
		4	17	3	24	7
		3	16	3	9	0
		2	16	2	7	0
		1	0	0	0	0
TOTAL ABOVE 85'			367	54	372	92
TOTAL BELOW 85'			129	19	92	18
GRAND TOTAL			496	73	464	110
					960	183
						19%

UNIT EXPOSURE NON-COMPLIANT COUNTS



NON-COMPLIANT UNITS AXO DIAGRAM



UNIT EXPOSURE DISTANCES

GROUND FLOOR ACTIVE FRONTAGE CONTROL 60% OPEN

■ SOLID FACADE (2,080 SF)
□ OPENING (4,759 SF)

69% OPENING



GROUND FLOOR CEILING HEIGHTS (§ 145.1)

FLOOR TO FLOOR HEIGHTS



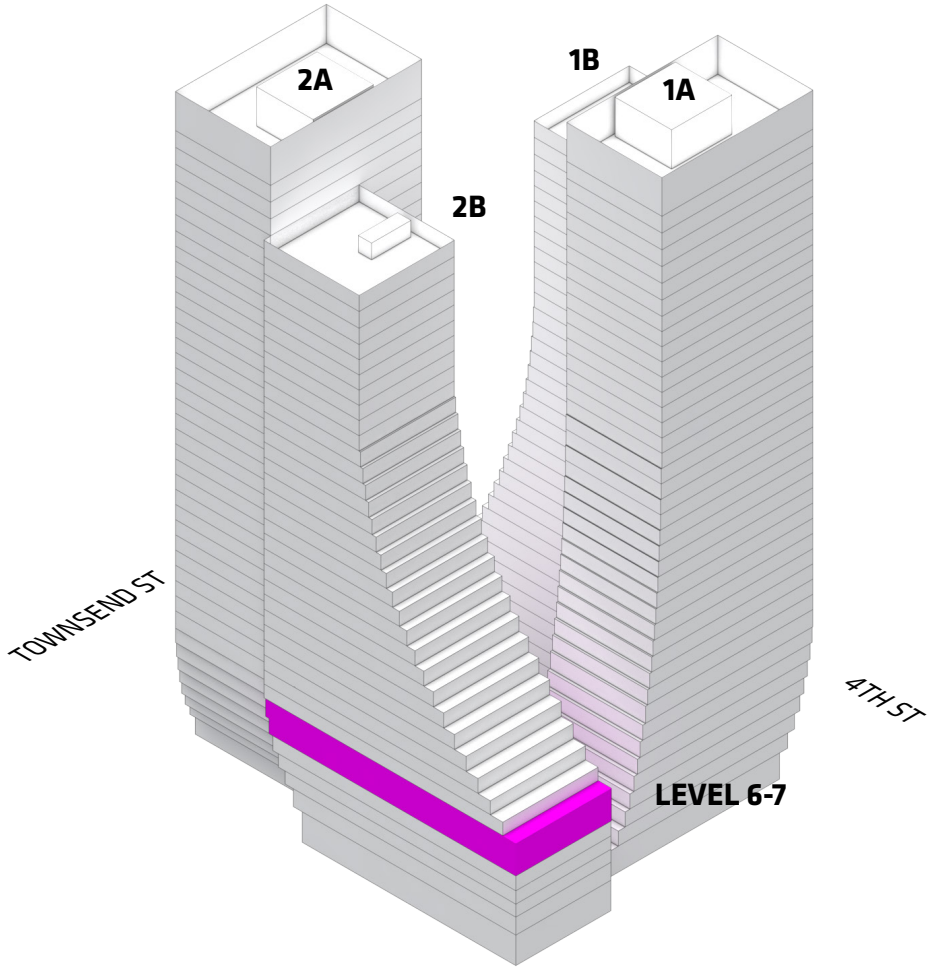


**STREET FRONTAGE CONTROLS:
ACTIVE USE REQUIRED(§ 145.1)**

- ACTIVE RETAIL WITH LESS THAN 25' FROM FACADE FACING STREET OR POPOS

38 HOTEL SUITES

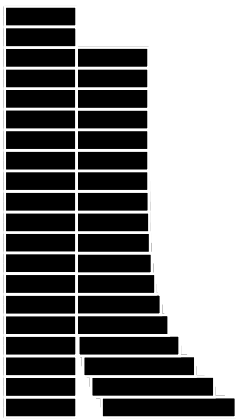
■ HOTEL



NORTH ISOMETRIC



HOTEL @ LEVEL 6 & 7



BIG


TISHMAN SPEYER



adamson
ASSOCIATES, INC.



SAN FRANCISCO PLANNING DEPARTMENT

Land Use Information

PROJECT ADDRESS: 655 4TH STREET
RECORD NO.: 2014000203ENX/CUA

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

	EXISTING	PROPOSED	NET NEW
GROSS SQUARE FOOTAGE (GSF)			
Parking GSF	~4,000	90,500	94,500
Residential GSF	~6,000 live/work	1,014,968	~1,008,968
Retail/Commercial GSF	~52,590	18,454 retail 2,484 retail/interior POPOS	20,938
Office GSF	0	21,840	21,840
Industrial/PDR GSF <i>Production, Distribution, & Repair</i>	0	0	0
Medical GSF	0	0	0
Visitor GSF	0	24,509 (hotel)	24,509 (hotel)
CIE GSF	0	0	0
Usable Open Space	0	POPOS – 24,495 Private -18,432	POPOS – 24,495 Private -18,432
Public Open Space	0	24,495	24,495
Other ()	-	-	-
TOTAL GSF	~62,590	~1,240,177	1,238,177
	EXISTING	NET NEW	TOTALS
PROJECT FEATURES (Units or Amounts)			
Dwelling Units - Affordable	0	0	0
Dwelling Units - Market Rate	2	958	960
Dwelling Units - Total	2	958	960
Hotel Rooms	0	38	38
Number of Buildings	3	-1	2
Number of Stories	1-3	35-37	36-40
Parking Spaces	25	251	276 (includes 6 car share spaces)
Loading Spaces	1	7	8
Bicycle Spaces	0	540 Class 1 81 Class 2	540 Class 1 81 Class 2
Car Share Spaces	0	12	12
Other ()	-	-	-

Exhibit D

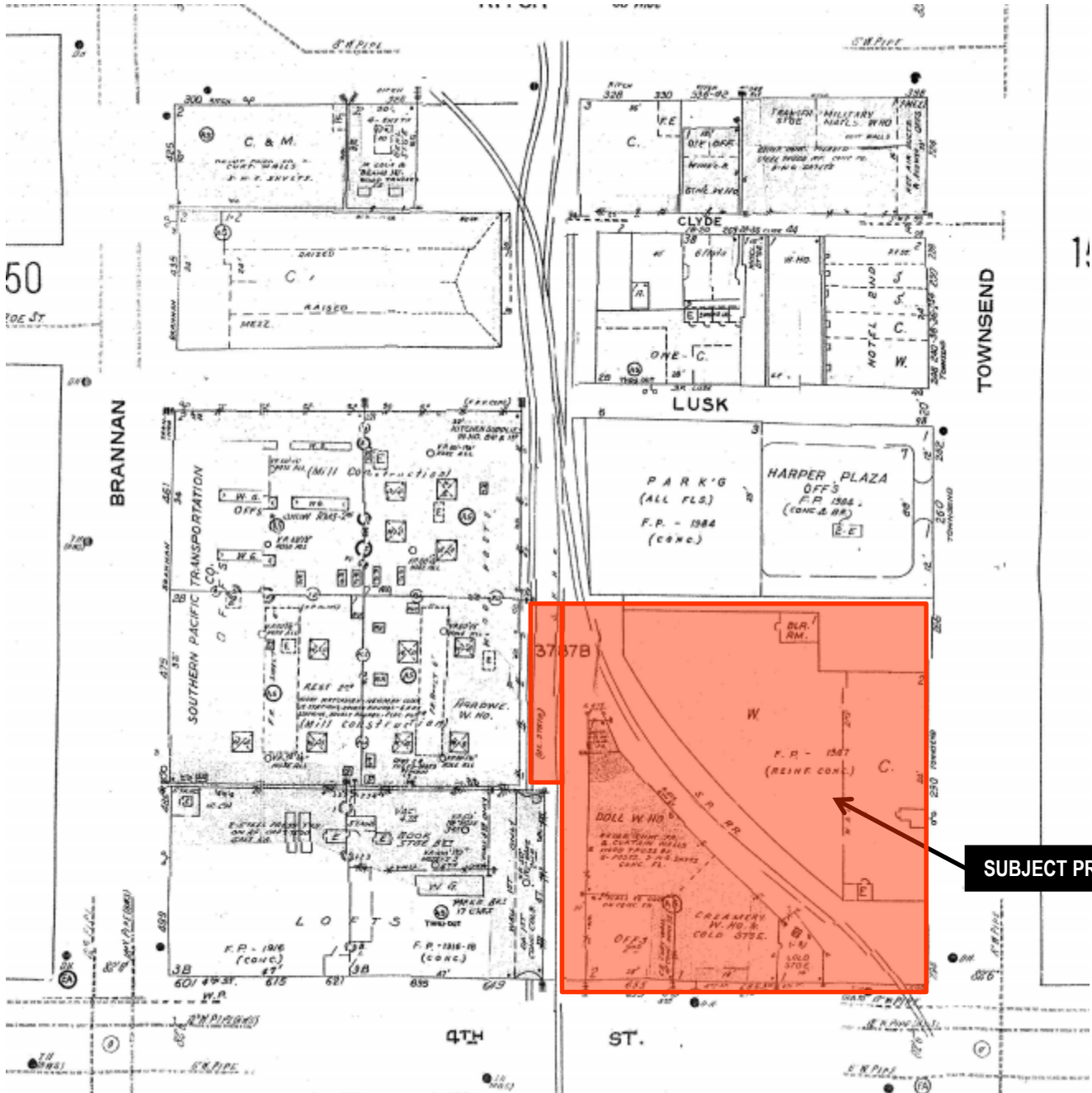
10 PROJECT
MINIMUM
COMM. AREA
2.36
8.07
9.57



Large Project Authorization &
Conditional Use Authorization
Case Number 2014-000203ENX/CUA
655 4th Street



Sanborn Map*

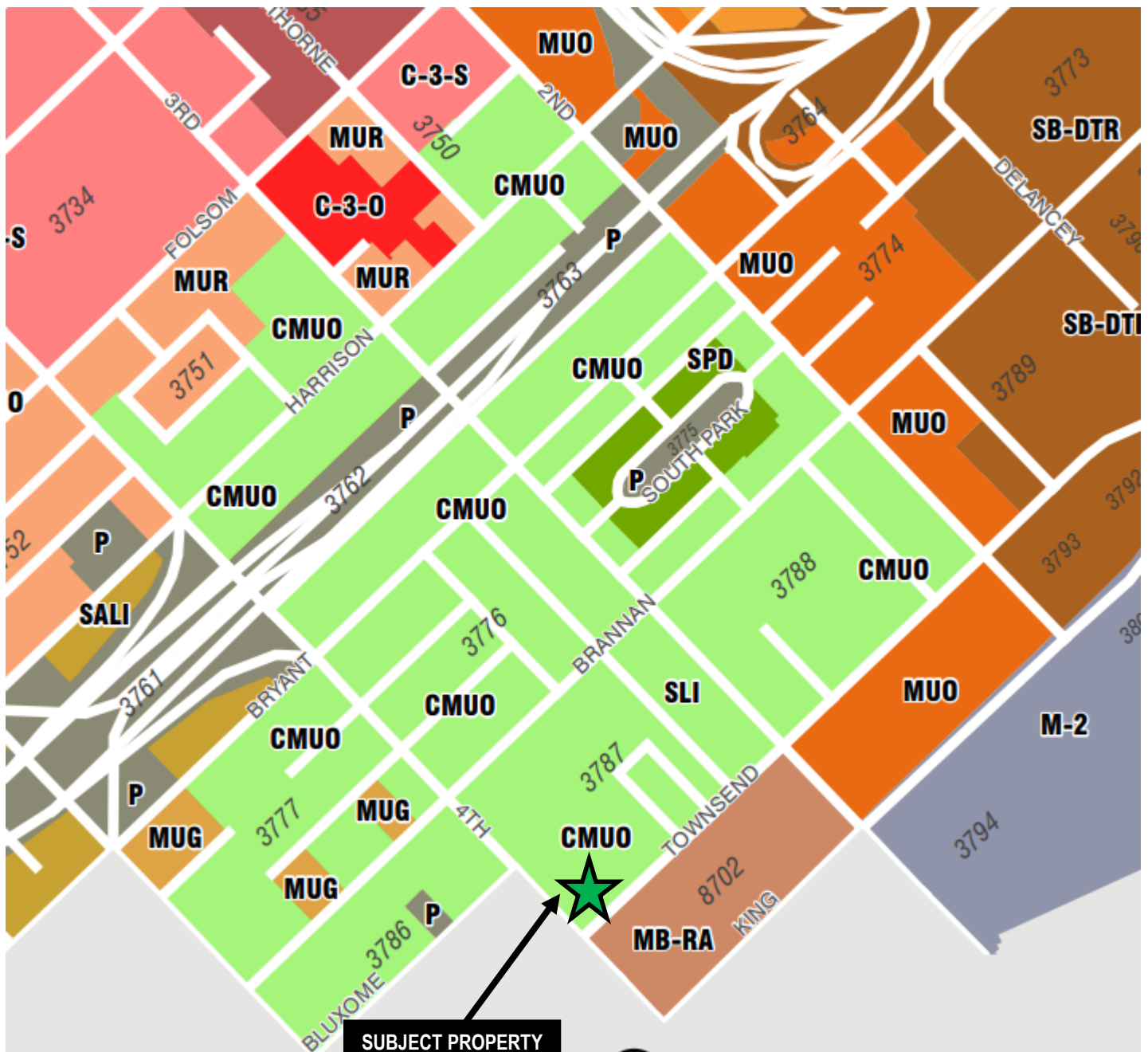


*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.

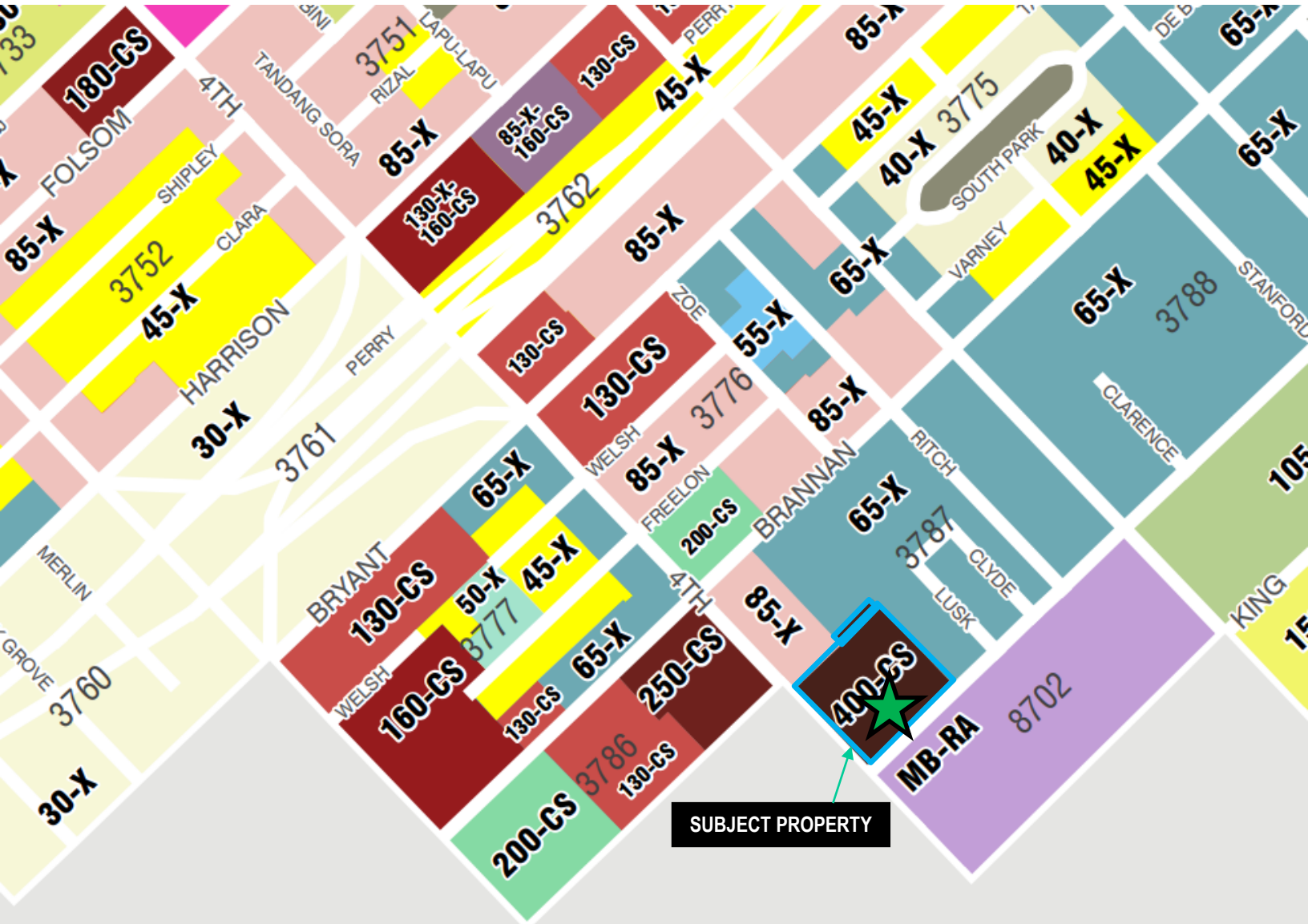
Large Project Authorization &
Conditional Use Authorization
Case Number 2014-000203ENX/CUA
655 4th Street



Zoning Map



Height and Bulk Map



Large Project Authorization &
Conditional Use Authorization
Case Number 2014-000203ENX/CUA
655 4th Street

Aerial Photo

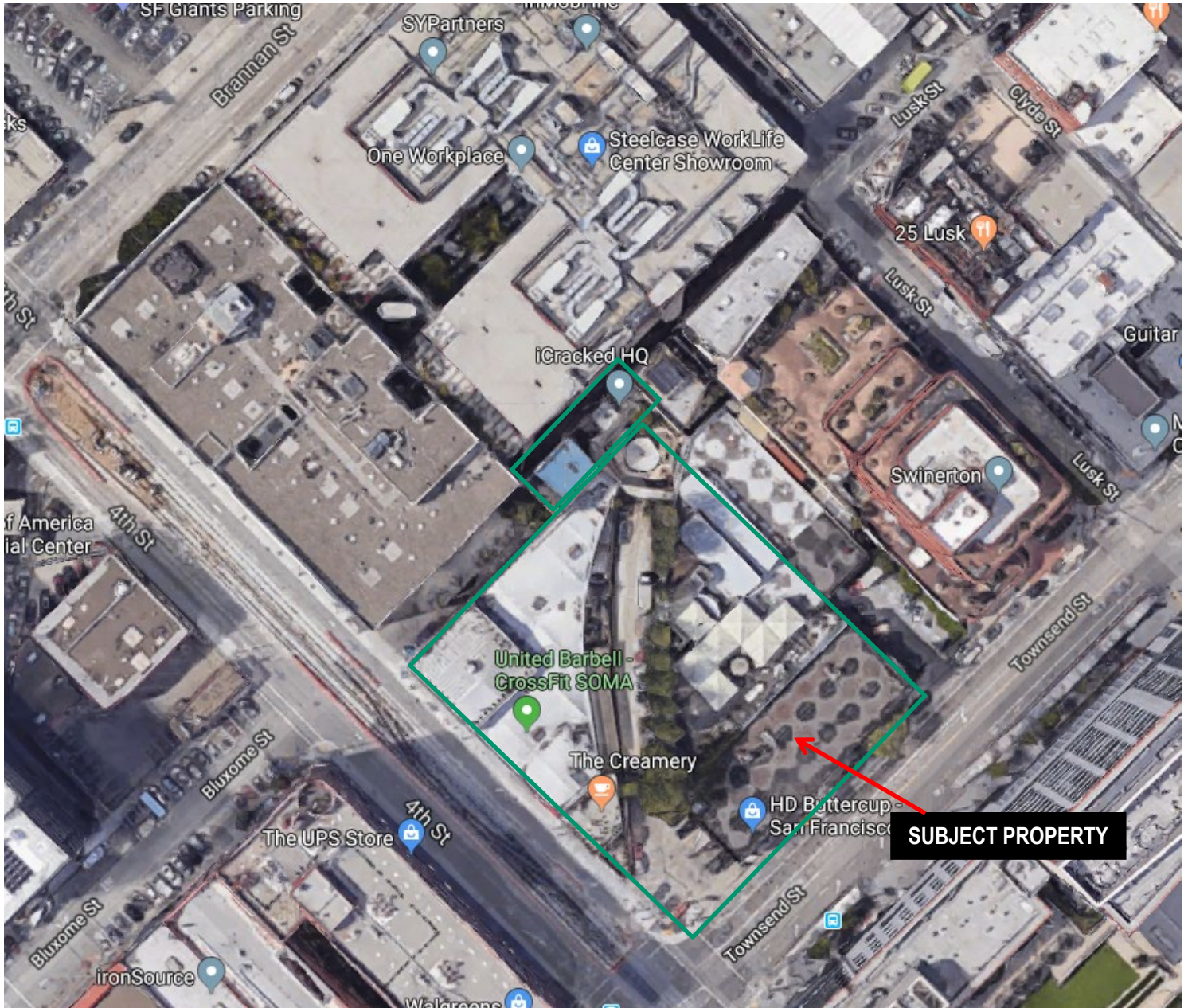


SUBJECT PROPERTY



Large Project Authorization &
Conditional Use Authorization
Case Number 2014-000203ENX/CUA
655 4th Street

Aerial Photo



Large Project Authorization &
Conditional Use Authorization
Case Number 2014-000203ENX/CUA
655 4th Street

Site Photos

SUBJECT PROPERTY @ 4th STREET



SUBJECT PROPERTY FROM TOWNSEND STREET



Site Photos

PORTION OF SUBJECT BLOCK FROM TOWNSEND STREET



PORTION OF SUBJECT BLOCK FROM 4TH STREET



Large Project Authorization &
Conditional Use Authorization
Case Number 2014-000203ENX/CUA
655 4th Street

Site Photos

PORTION OF OPPOSITE BLOCK TOWNSEND STREET @ 5th STREET



PORTION OF OPPOSITE BLOCK TOWNSEND STREET @ 5th STREET



Large Project Authorization &
Conditional Use Authorization
Case Number 2014-000203ENX/CUA
655 4th Street

Context Photo

PORTION OF OPPOSITE BLOCK ON 5th STREET



PORTION OF OPPOSITE BLOCK @ 4th & TOWNSEND STREETS



Large Project Authorization &
Conditional Use Authorization
Case Number 2014-000203ENX/CUA
655 4th Street

Melinda A. Sarjapur
msarjapur@reubenlaw.com

June 6, 2019

Delivered Via Hand Delivery & E-Mail

(linda.ajellohoagland@sfgov.org)

Commission President Myrna Melgar
San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: 655 4th Street – Large Project Authorization; Conditional Use Authorization
Planning Case No.: 2014.000203ENX/CUA
Hearing Date: June 20, 2019
Our File No.: 6250.25

Dear President Melgar and Commissioners:

Our office represents 655 4th Owner, LLC, the sponsor (“**Sponsor**”) of project located at the northeast corner of 4th and Townsend Streets, which is identified as “Key Site 8: “4th and Townsend” under the Central SoMa Area Plan. The project would construct two mixed-use residential towers reaching up to 400 feet and containing 960 dwelling units; a mix of hotel, office, and retail use; and approximately 24,495 square feet of publicly-accessible open space (the “**Project**”).

The Project requires a Large Project Authorization (“**LPA**”) for new construction exceeding a height of 85 feet and containing more than 50,000 gsf in the Central SoMa neighborhood, and a Conditional Use Authorization (“**CU**”) to establish a hotel use in the Central SoMa Mixed Use Office (“**CMUO**”) Zoning District and to remove two market-rate condominium units.

The Project is the result of a multi-year design process. It advances key goals of the Central SoMa Plan and its Key Development Sites Guidelines, which call for: (1) tower development featuring distinctive architecture at this site; and (2) a substantial network of ground-floor POPOS to facilitate and improved pedestrian network adjacent to Caltrain and the new Central Subway.

We look forward to presenting this Project to the Commission on June 20th.

1. Site Conditions

The Project site is 1.64 acres in size, located at the northeast corner of 4th and Townsend Streets in the South of Market neighborhood and Central SoMa Plan (“**Plan**”) area. It is zoned Central SoMa Mixed Use Office (“**CMUO**”), Central SoMa Special Use District, and is in a 400-CS height and bulk district.

The site contains three non-historic buildings and surface parking, including a three-story condo building with one commercial unit and two market-rate dwelling units, and two one- and two-story retail buildings. The retail buildings contain H.D. Buttercup (home furnishings), Balhaup (kitchen and bath design), Iron Cactus (taqueria), and the Creamery (café).

The SoMa neighborhood is a high-density downtown neighborhood with a mix of office, residential, and retail uses. To the immediate west is 4th Street and the new Central Subway line. Kitty-corner to the southwest is the 4th & King Caltrain Station. To the immediate south (across Townsend Street) is a 13-story mixed-use residential, retail, and office development at 250 King Street (The Beacon).

The Plan allows for up to 400 feet in height at this site, to emphasize its location at the intersection of two major rail lines. In addition, the Plan’s Key Sites Guidelines call for development with distinctive architecture to “demarcate the importance of the site and serve as an identifier of Central SoMa on the skyline.”

2. Project Description

The Project will construct two mixed-use residential towers. The buildings reach up to 400 feet in height (425 to top of screening) and contain approximately 960 units; a 38-room hotel; 21,840 gross square feet (“**gsf**”) of office; and 20,938 gsf of ground-floor retail (including four “micro” retail units of no greater than 1,000 gsf).

The buildings feature a distinctive and dynamic architectural style that emphasizes the importance of the 4th & Townsend intersection. Each building will be made up of two tower components, one approximately 55 feet taller than the other. Unlike a typical building where each floor is the same square footage, these buildings would have larger ground floors that decrease at each subsequent level until approximately two-thirds up each tower, when all floors would become uniform in size. The design creates a stepping effect, allowing for private balconies on the lower levels and creating an appearance of movement. Cantilevered floors are placed in such a way as to allow for the two segments of each building to operate as separate structures until the seventh floor, where they will connect as one. The towers would be placed on the site as mirror images of each other. The design would give the impression of four distinct buildings, as shown in the renderings below:



The building lobbies will be oriented toward the center of the site, to draw foot traffic to ground-floor active retail uses framing approximately 24,495 square feet of attractively landscaped and hardscaped POPOS. The open space includes two new mid-block pedestrian connections from 4th and Townsend Streets, and an approximately 3,110 square foot plaza along 4th Street. The Project would also include 132 private balconies and 10,512 square feet of common rooftop open space for building residents.



The Project would be served by a below-grade garage and loading area accessed from a single recessed entrance along Townsend Street and containing up to 264 off-street parking spaces, 12 car share spaces, and eight freight loading spaces. The Project would provide approximately 540 Class One bicycle spaces.

The Project will also construct significant streetscape improvements, including sidewalk replacement and widening to meet Better Streets Plan standards, planting trees, and installation of new landscaping, furnishings, lighting and bicycle parking to revitalize all frontages.

3. Summary of Project Benefits

The Project would provide a range of public benefits, including:

- **Residential Development.** Constructing approximately 960 new dwelling units, in a diverse mix of studio, 1- 2- and 3-bed units, many of which will be suitable for family housing. The Project will be amongst the largest housing developments in the Central SoMa neighborhood.

- **Pedestrian Network.** Providing a network of mid-block alleys, setback plazas, widened streetscapes, and landscaped publicly-accessible open spaces at this prominent corner. This will substantially contribute to a safe, convenient, and attractive walking environment for pedestrians adjacent to the new Central Subway line and 4th & King Caltrain station.
- **POPOS & Mid-Block Alleys.** Creating 24,495 square feet of attractively-landscaped and hardscaped POPOS. These publicly-accessible open areas will include two new mid-block pedestrian connections from 4th and Townsend Streets through to a central plaza, lined with active ground-floor retail uses.
- **Neighborhood-Serving Retail.** Activating ground-floor street frontages and publicly-accessible open spaces with approximately 20,938 gsf of neighborhood-serving retail, including four micro-retail locations.
- **Streetscape Improvements.** Revitalizing the public realm through a broad array of streetscape improvements, including sidewalk replacement and widening, installation of lighting and furnishings, and planting street trees.
- **Development Impact Fees.** Paying a robust package of development impact fees used to fund Central SoMa neighborhood and citywide improvements – providing a projected value to the City of more than \$115 million.
- **Job Creation.** Creating hundreds of temporary jobs during construction, and creating hundreds of new positions in the long-term through development of approximately 68,187 gross square feet of office, retail, and hotel use.

4. Required Entitlements

The Project requires Commission approval of (1) a Large Project Authorization (“**LPA**”) for new construction exceeding a height of 85 feet and containing more than 50,000 gsf in the Central SoMa neighborhood; and (2) Conditional Use Authorization (“**CU**”) to remove two market-rate condo units and establish a new 38-room hotel use.

In connection with the LPA, the Project is requesting exception from certain design controls, which are described in detail in the Commission’s hearing packet. These exceptions are consistent with the scope of development identified for this site under the Key Development Sites Guidelines for the Central SoMa Plan, and are justified in light of the Project’s exemplary design and substantial public benefits package.

5. Community Outreach

Since the initial conception of the project, the Sponsor team has conducted community outreach to residents and merchants. Engagement included several one-on-one meetings, and meetings held at adjacent buildings. The Sponsor team has met with individual stakeholders,

community organization representatives, and nearby homeowner's associations. A detailed summary of Project outreach activities is attached as **Exhibit A**.

6. Conclusion

The Project is the result of a multi-year planning and design review process. It features exemplary design and will substantially improve pedestrian conditions adjacent to the 4th & King Caltrain station and new Central Subway line through provision of approximately 24,495 square feet of attractively-landscaped POPOS and new mid-block connections from 4th and Townsend. The Project is also anticipated to pay a robust package of development impact fees necessary to fund local and citywide affordable housing and infrastructure improvements. For these reasons and those listed in the application, we urge you to approve the requested Large Project Authorization application and Conditional Use Authorization.

Thank you for your consideration.

Very truly yours,

REUBEN, JUNIUS & ROSE, LLP



Melinda A. Sarjapur

cc: Vice President Joel Koppel
Commissioner Rich Hillis
Commissioner Milicent Johnson
Commissioner Kathryn Moore
Commissioner Dennis Richards
Commissioner Frank Fung
Jonas P. Ionin, Commission Secretary
Tishman Speyer

EXHIBIT A

June 6, 2019

Public Outreach Summary
655 Fourth Street (The Creamery)

The site plan, public benefits, and design for 655 Fourth Street (The Creamery) project was shaped by an extensive and productive public outreach process.

Since the initial conception of the project, the team has conducted community outreach to residents and merchants. Engagement included several one-on-one meetings, and meetings held at adjacent buildings. The project team has met with individual stakeholders, community organization representatives, and nearby homeowner's associations.

The project will bring needed rental housing units, while increasing retail activity and open space, at the corner of Fourth & Brannan Streets. It has the support of on-site and adjacent retail owners, as the development will expand opportunities for new customers and participate in the growth of the area.

Some of the key project changes that have resulted from outreach include:

- Under the draft Central SoMa Plan, the project was initially slated as an office site. With support from the pro-housing community and the Planning Department, we proposed this be supported as a for-rent residential site, to address housing needs and complement office growth in the area.
- Community participation will be a key element in design of the POPOS at the central Plaza and the Townsend Street Gateway. Upon procurement of a landscape architect, the team will hold an initial community session to hear their input directly. We will develop plans that include features desired by the community, such as public art, water features, seating and lawn areas, and clear signage/ welcoming wayfinding.
- The 4th Street façade was stepped back to increase light and air to the neighboring building, 601 Fourth Street.
- The 4th Street plaza was expanded as a community gathering place and retail “front door” to respond to neighborhood support.
- Parking was substantially reduced, eliminating close to 200 stalls to arrive at current .25 spaces per unit.

Meetings were held with residents of adjacent buildings, including the 601 Fourth Street HOA and the Beacon, to discuss details of the project. Other community outreach forums included:

12/19/17	Pre-App Neighborhood Meeting, at 296 Townsend Street.
1/9/2018	Social Gathering at the Beacon, at 250 King Street.
5/15/19	Presentation to San Francisco Housing Coalition

MARKET DEMAND ANALYSIS

Market Demand Analysis - Proposed Hotel
655 4th Street
San Francisco, CA 94107
CBRE Group, Inc. File No. 18-490SF-0083

Mr. Jeremy Bachrach
Tishman Speyer
655 4th Street Owner, LLC
One Bush Street, Suite 450
San Francisco, CA 94104

www.cbre.com
www.cbrehotels.com

CBRE



Chris Kraus
Managing Director
CBRE Hotels Advisory

CBRE Group, Inc.
Salesforce Tower
415 Mission Street, Suite 4600
San Francisco, CA 94105

+1 406 582 8189 Office
+1 415 652 4483 Mobile

chris.kraus@cbre.com
www.cbrehotels.com

December 27, 2018

Mr. Jeremy Bachrach
Tishman Speyer
655 4th Street Owner, LLC
One Bush Street, Suite 450
San Francisco, CA 94104

Re: Market Demand Analysis – Proposed Hotel
655 4th Street
San Francisco, CA 94107
CBRE, Inc. File No. 18-490SF-0083

Dear Mr. Bachrach:

In accordance with your request, we have completed our engagement contract, which is a study of the potential market demand for a proposed 38-room hotel (the “Subject” or “Hotel”) to be located at 655 4th Street in San Francisco, California. As we understand it, 655 4th Street Owner, LLC, (a special purpose entity controlled by Tishman Speyer) was created for the purpose of developing a mixed-use project to be located in San Francisco, California. Pursuant to our engagement, we have prepared this report summarizing our findings.

The conclusions set forth are based on an analysis of the existing and potential future supply and demand for the competitive lodging market as of the completion of our fieldwork in December of 2018. It is our understanding that the purpose and use of this analysis is for 655 4th Street Owner, LLC, and its affiliated entities, to present to representatives of the City and County of San Francisco to understand the potential market demand for the proposed Hotel within the City of San Francisco’s lodging market.

As in all studies of this type, the estimated results are based on competent and efficient management and presume no significant change in the status of the competitive lodging market from that as set forth in this report. The terms of our engagement are such that we have no obligation to revise our conclusions to reflect events or conditions that occur subsequent to the date

of completion of our fieldwork. However, we are available to discuss the necessity for revisions in view of changes in the economy or market factors impacting the competitive lodging market.

Since the proposed Hotel's future performance is based on estimates and assumptions that are subject to uncertainty and variation, we do not present them as results that will actually be achieved. However, our analysis has been conscientiously prepared on the basis of information obtained during the course of this assignment and on our experience in the industry. This report is subject to the Assumptions and Limiting Conditions presented in the Addenda.

After you have had an opportunity to review this report, please feel free to contact us with any questions or comments. Thank you for the opportunity to work with you on this interesting engagement.

Yours sincerely,

CBRE Hotels Advisory



By: Chris Kraus
Managing Director
chris.kraus@cbre.com | 415.652.4483



By: Kapil Gopal
Consultant
kapil.gopal@cbre.com | 303.385.2024

A. INTRODUCTION

1. OVERVIEW OF THE MARKET STUDY

CBRE Hotels Advisory was formally retained on November 15, 2018 by 655 4th Street Owner, LLC to conduct a study of the potential market demand for a proposed hotel to be located at 655 4th Street in San Francisco, California.

As a component of this analysis, we first determined the market potential for a hotel by evaluating supply and demand trends within the San Francisco lodging market. Based on the recent performance of comparable hotels in the market, we then provided our projections of the occupancy and average daily room rate (“ADR”) the proposed Hotel could achieve for its first five years of operation. For the purpose of this analysis, we have assumed that the proposed Hotel would be open and available for occupancy by April 1, 2023, in line with developer’s construction timeline.

2. METHODOLOGY

Specifically, in conducting the study of the potential market demand, we:

- Visited the site and assessed the impact of its accessibility, visibility, and location relative to demand generators;
- Researched and analyzed current economic and demographic trends to determine their impact on future lodging demand in the market;
- Researched the competitive lodging supply in San Francisco, with a particular focus on the hotels that would compete most directly with the proposed Hotel;
- Reviewed the historical performance of the competitive lodging market;
- Estimated the anticipated growth in supply and demand for lodging accommodations in the local market area;
- Prepared a forecast of future performance for the competitive lodging market;
- Evaluated the project’s development plan for appropriateness within the market based on projected demand growth in San Francisco and the city’s lodging needs; and,
- Prepared a forecast of the projected market penetration and the resulting occupancy levels and average daily rates (“ADR”) for the proposed Hotel’s first five years of operation.

Several sources were used in compiling the background information and preparing the analyses contained in this report. These sources include CBRE’s *Trends® in the Hotel Industry*, STR Inc., data gathered through direct interviews with representatives of local businesses, data provided by

sources in the lodging chains with which the competitive properties are affiliated, data from various local government agencies, and data collected by STR, Inc.

B. SUMMARY OF FINDINGS

Based on the preceding work program, we have made a determination of the market viability for the proposed Hotel in San Francisco, California. Presented below is a summary of the historical and projected future performance of the greater San Francisco lodging market, followed by a more detailed projection of the primary sample of hotels deemed most competitive to the proposed Hotel. We have also presented the potential market performance of the proposed Hotel.

1. SAN FRANCISCO LODGING MARKET

A summary of historical and projected future performance for the San Francisco MSA lodging market for years 2013 to 2022 is presented below (from *CBRE Hotels Hotel Horizons, December 2018 – February 2019 Edition*). It should be noted that this table includes hotels in San Francisco, San Mateo, and Marin Counties and is generally referred to as the San Francisco MSA lodging market.

San Francisco MSA Lodging Market Historical and Projected Performance						
YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2013	82.8%	3.1%	\$187.33	9.1%	\$155.02	12.5%
2014	84.0%	1.5%	\$208.09	11.1%	\$174.83	12.8%
2015	84.4%	0.5%	\$222.10	6.7%	\$187.50	7.2%
2016	84.3%	-0.2%	\$230.62	3.8%	\$194.32	3.6%
2017	82.8%	-1.8%	\$229.02	-0.7%	\$189.52	-2.5%
2018F	82.4%	-0.5%	\$242.55	5.9%	\$199.80	5.4%
2019F	83.6%	1.5%	\$253.94	4.7%	\$212.22	6.2%
2020F	83.8%	0.3%	\$265.09	4.4%	\$222.20	4.7%
2021F	83.4%	-0.5%	\$271.92	2.6%	\$226.74	2.0%
2022F	83.1%	-0.3%	\$274.94	1.1%	\$228.56	0.8%

Source: CBRE Hotels Americas Research, STR, Inc, Q3 2018

The San Francisco Bay Area is one of the strongest lodging markets in the United States. Occupancy has been consistently strong between 2013 and 2017, and has been approximately 20 percentage points above national averages for each of the past five years. ADR has also been very strong with rate growth ranging between -0.7 percent in 2017 (primarily due to the temporary

closing of the Moscone Center) and 11.1 percent in 2014. The long run average ADR for the San Francisco MSA lodging market is 3.8 percent, above the national long run average growth rate of 3.0 percent. Based on performance data through the first three quarters of 2018, Occupancy is expected to decrease 0.5 percent, resulting in a forecasted occupancy of 82.4 percent, and, ADR is projected to increase approximately 5.9 percent, resulting in an ADR of \$242.55. It should be noted that the decrease in occupancy and ADR between 2016 and 2017 is largely attributable to decrease in market compression resulting from the closure of the Moscone Center, San Francisco's convention center, which was undergoing a renovation/expansion. Approximately 490,000 group and convention room nights were cancelled, many of which were booked in 2017. However, with the re-opening of the Moscone Center, occupancy in the local lodging market is projected to remain in the low- to mid-80 percent range over the next five years, with continual ADR growth beginning in 2018.

2. COMPETITIVE LODGING MARKET

Presented in the following table is a summary of historical performance for the 11 San Francisco hotels that comprise the proposed Hotel's competitive market from 2012 to 2017. On the following page, we have also presented the competitive market's projected performance between 2018 and 2028, coinciding with the proposed Hotel's first five full years of operation.

Proposed Hotel - San Francisco, CA Historical Performance of the Competitive Market									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2012	838,602	-	693,524	-	82.7%	\$259.93	-	\$214.96	-
2013	844,665	0.7%	716,276	3.3%	84.8%	\$285.14	9.7%	\$241.80	12.5%
2014	848,994	0.5%	730,984	2.1%	86.1%	\$312.73	9.7%	\$269.26	11.4%
2015	877,015	3.3%	761,249	4.1%	86.8%	\$326.04	4.3%	\$283.00	5.1%
2016	913,960	4.2%	796,973	4.7%	87.2%	\$323.28	-0.8%	\$281.90	-0.4%
2017	948,628	3.8%	800,642	0.5%	84.4%	\$317.98	-1.6%	\$268.38	-4.8%
CAGR	2.5%	-	2.9%	-	85.3%	4.1%	-	4.5%	-
YTD Oct '17	786,002	-	676,748	-	86.1%	\$322.86	-	\$277.98	-
YTD Oct '18	811,072	3.2%	679,678	0.4%	83.8%	\$342.92	6.2%	\$287.37	3.4%

Source: CBRE Hotels Advisory

Proposed Hotel - San Francisco, CA Projected Performance of the Competitive Market									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2017	948,628	3.8%	800,642	0.5%	84%	\$317.98	-1.6%	\$268.38	-4.8%
2018	973,820	2.7%	804,400	0.5%	83%	\$337.00	6.0%	\$278.37	3.7%
2019	1,120,915	15.1%	925,900	15.1%	83%	\$354.00	5.0%	\$292.41	5.0%
2020	1,219,100	8.8%	1,007,000	8.8%	83%	\$368.00	4.0%	\$303.98	4.0%
2021	1,250,125	2.5%	1,050,100	4.3%	84%	\$379.00	3.0%	\$318.36	4.7%
2022	1,280,785	2.5%	1,088,700	3.7%	85%	\$390.00	2.9%	\$331.51	4.1%
2023	1,291,370	0.8%	1,097,700	0.8%	85%	\$402.00	3.1%	\$341.71	3.1%
2024	1,294,655	0.3%	1,100,500	0.3%	85%	\$414.00	3.0%	\$351.91	3.0%
2025	1,294,655	0.0%	1,100,500	0.0%	85%	\$426.00	2.9%	\$362.11	2.9%
2026	1,294,655	0.0%	1,100,500	0.0%	85%	\$439.00	3.1%	\$373.16	3.1%
2027	1,294,655	0.0%	1,100,500	0.0%	85%	\$452.00	3.0%	\$384.22	3.0%
2028	1,294,655	0.0%	1,100,500	0.0%	85%	\$466.00	3.1%	\$396.12	3.1%
CAGR	2.9%	-	3.2%	-	-	3.3%		3.6%	

Source: CBRE Hotels Advisory

As shown, the competitive market's occupancy has been very strong and ranged from 82.7 percent in 2012 to a high of 87.2 percent in 2016. Over this six-year period from 2012 to 2017, the competitive market's average occupancy was 85.3 percent. ADR for the competitive market has increased by a compound annual growth rate ("CAGR") of 4.1 percent, negatively impacted in 2016 and 2017 by the temporary disruption from renovations at the Moscone Center. As of year-end 2017, ADR for the competitive market was \$317.98 as compared to the \$229.02 ADR indicated by the San Francisco MSA.

The performance of the hotels comprising the proposed Hotel's direct competitive market is amongst the strongest in the nation, surpassing both national and regional trends. We are of the opinion that the addition of the proposed Hotel will not have any material impact on the overall market's long-term performance; in fact, the City of San Francisco is vastly under-served with regard to hotel supply and generates a significant amount of unsatisfied demand that is displaced to other markets throughout the Bay Area such as the SFO market and Oakland/Emeryville market.

Occupancy for the competitive market is projected to remain relatively stable between 83 and 85 percent over the next several years, even with the anticipated hotel additions, including the proposed Hotel, expected to enter the market.

3. SUBJECT

Finally, we have presented our projections of future performance for the 38-room proposed Hotel in the following table. As mentioned, we have assumed that the proposed Hotel will be open as of April 1, 2023.

Proposed Hotel - San Francisco, CA Projected Performance					
Year	Hypothetical ADR	Market Growth	Occupancy	RevPAR	Percent Change
2018	\$375.00	-	-	-	-
2019	\$398.00	6.0%	-	-	-
2020	\$418.00	5.0%	-	-	-
2021	\$435.00	4.0%	-	-	-
2022	\$448.00	3.0%	-	-	-
2023	\$461.00	3.0%	83%	\$383.26	-
2024	\$475.00	3.0%	85%	\$404.11	5.4%
2025	\$489.00	3.0%	85%	\$416.02	2.9%
2026	\$504.00	3.0%	85%	\$428.78	3.1%
2027	\$519.00	3.0%	85%	\$441.54	3.0%
2028	\$535.00	3.0%	85%	\$455.16	3.1%
2029	\$551.00	3.0%	85%	\$468.77	3.0%
2030	\$568.00	3.0%	85%	\$483.23	3.1%
2031	\$585.00	3.0%	85%	\$497.69	3.0%
2032	\$603.00	3.0%	85%	\$513.01	3.1%

Source: CBRE Hotels Advisory

If the Hotel were open in 2018, we believe that it could achieve an ADR of approximately \$375 based upon the performance of other hotels of similar quality in the City of San Francisco. Applying the same growth rates for the competitive market, we project an ADR of \$461 upon opening in 2023. We expect the proposed Hotel to achieve a stabilized occupancy in 2024 of 85 percent, in line with the stabilized level projected for the competitive market.

C. PROJECT AND SITE DESCRIPTION

As we understand it, the 38-room proposed Hotel will be located at 655 4th Street in the South of Market (“SoMa”) district of San Francisco, and will be a component of a larger mixed-use multi-family residential development. According to the developers, the mixed-use project will include 960 residential units, 22,000 square feet of office space, and 38 hotel rooms spread across two floors (6th and 7th floors) with approximately 500 square feet dedicated to each hotel room.

The proposed Hotel will be located approximately 0.7 miles southeast of the Moscone Center, the Metreon, Yerba Buena Center (a 10- to 15-minute walk), and adjacent to the CalTrain Station, which provides easy access to the South Bay area. The proposed Hotel will also be located approximately 0.5 miles southeast from the Montgomery BART and Muni Metro Station, and approximately 0.4 miles northeast of the Yerba Buena/Moscone Central Subway Station at 4th and Folsom Streets. It should also be noted that the proposed Hotel will be located adjacent to the Central Subway Project, an extension of the Muni Metro T Third Line through SoMa. A more detailed discussion regarding transportation is provided later in the report.

SoMa is a relatively large neighborhood in San Francisco and contains several sub-neighborhoods including South Beach, Mission Bay, Rincon Hill, South Park, Yerba Buena, and Financial District South. SoMa’s boundaries are generally Market Street to the north, the San Francisco Bay to the east, Mission Creek to the south, and Division Street, 13th Street, and U.S. 101 to the west. It is the

part of San Francisco in which the street grid runs parallel and perpendicular to Market Street. It should also be mentioned that the proposed Hotel will be located within 0.3 miles of the AT&T Park (7 minutes walking distance), and less than 1 mile from the soon to be built Chase Center in Mission Bay (15 minutes walking distance).

Many major software and technology companies have headquarters and offices in SoMa, including: Ustream, Planet Labs, Foursquare, CloudFlare, Wikia, Thumtak, Wired, GitHub, Pinterest, CBS Interactive, LinkedIn, Trulia, Cleanify, Dropbox, IGN, Salesforce.com, BitTorrent Inc., Yelp, Zynga, Airbnb, Uber, Twitter, Facebook, and Advent Software.

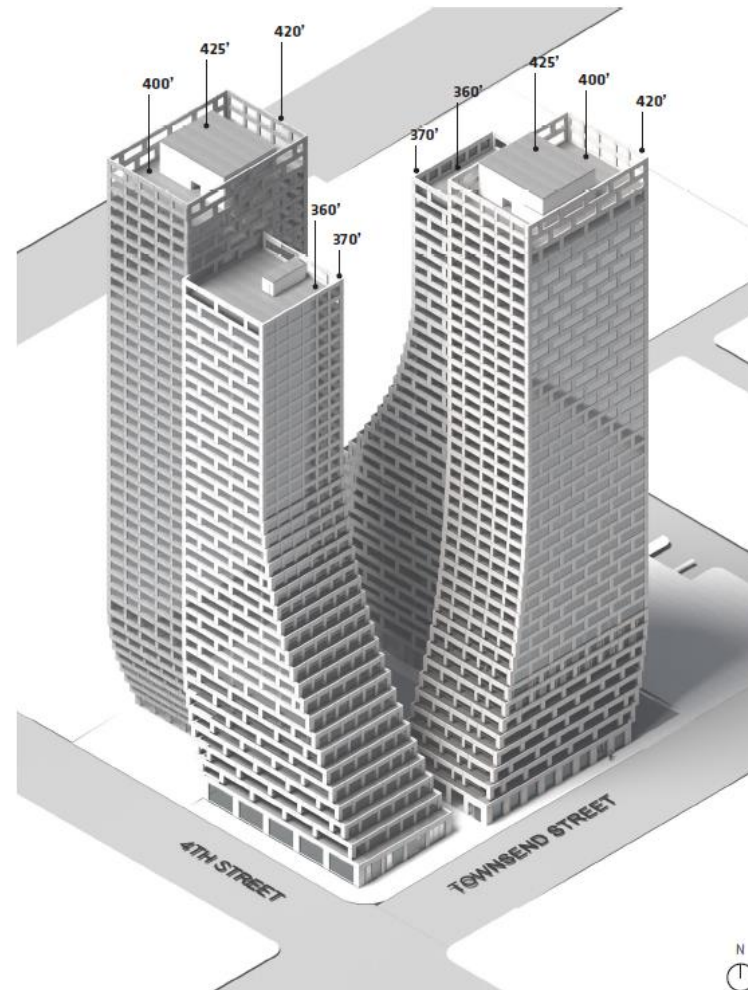
Furthermore, the site benefits from a location with convenient freeway access, facilitating access to the region's two main airports: the San Francisco International Airport ("SFO") and the Oakland International Airport ("OAK").

Overall, the location of the Subject site is ranked "excellent," as outlined in the following table.

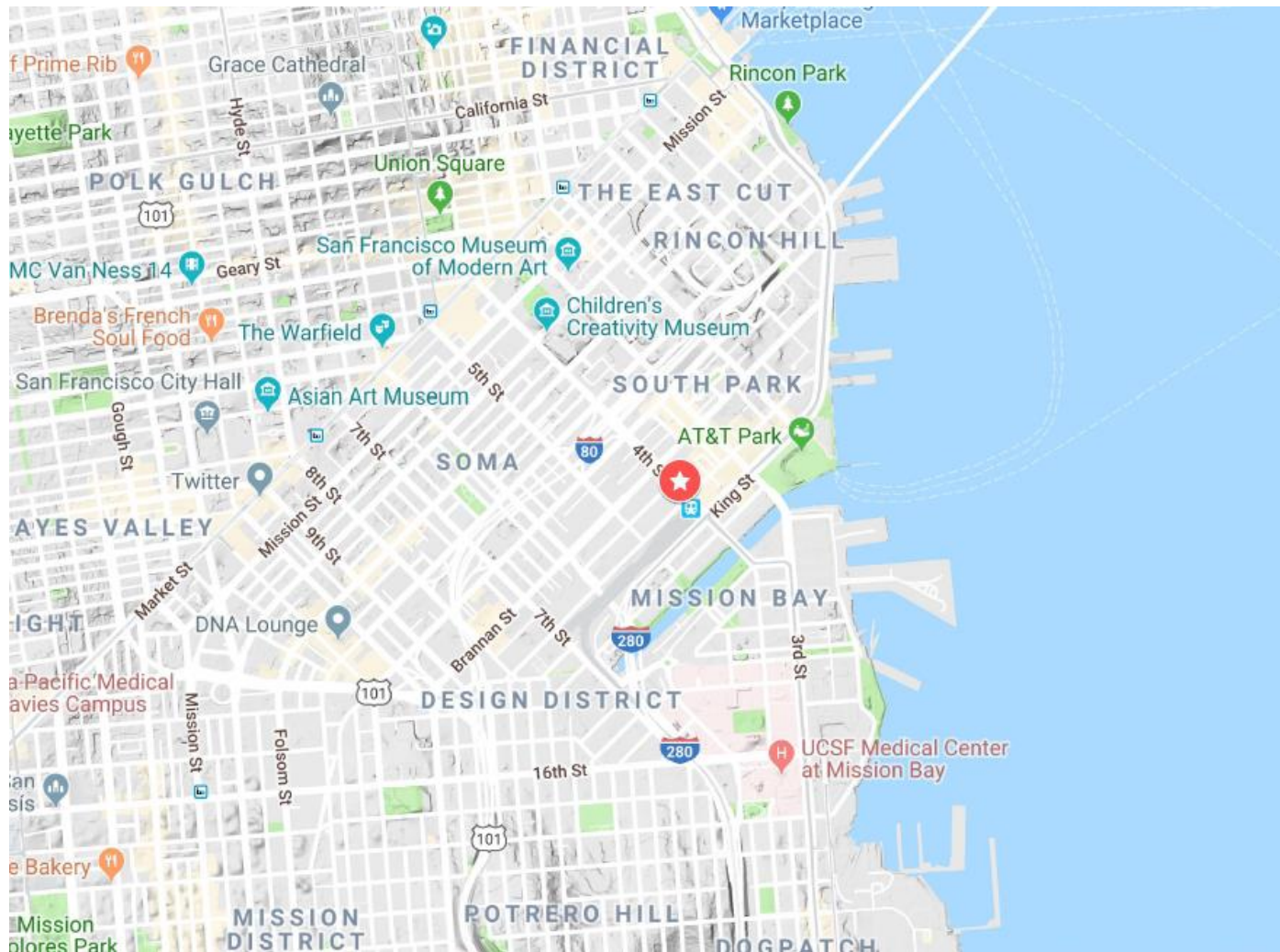
Subject Site Analysis					
	Excellent	Very Good	Good	Fair	Poor
Accessibility	X				
Visibility	X				
Proximity to Amenities-upon opening	X				
Proximity to Demand	X				
Long-term Strategic Potential	X				

Renderings of the mixed-use development, and a neighborhood and aerial map have been presented on the following pages.

Proposed Development Renderings



Neighborhood Map



Aerial Map (4th Street and Townsend Street)



D. LOCAL AREA ECONOMIC HIGHLIGHTS

Presented in the pages below is a brief summary of several of the economic highlights impacting the economy and subsequently the lodging demand in San Francisco.

Introduction: The market performance of a hotel is often influenced by factors that can be broadly categorized as economic, governmental, social, and environmental. It is therefore necessary to evaluate the dynamics of these factors within the local and primary feeder markets to understand their effect on the performance of a lodging property.

National Overview: Economic growth was strong in the third quarter, with real GDP increasing by 3.5 percent on an annualized basis, according to the Bureau of Economic Analysis. This result compares to a roaring 4.2 percent increase in the previous quarter. The Q3 2018 growth is attributable to both robust consumption and a large increase in inventories. Total nonfarm payroll employment increased by an average of 192,000 jobs per month in Q3, according to the Bureau of Labor Statistics. This is lower than the previous quarter's average of 211,000. The unemployment rate edged down from the previous quarter by a small margin to 3.8 percent. On the other hand, median weekly wages increased in Q3 by 1.3 percent.

In Q3, the Federal Reserve raised its target interest rate 25 basis points for the third time in 2018, to between 2.00 percent and 2.25 percent. This action was spurred in part by a strong employment outlook and in part by an inflation rate of 2.3 percent for the year ended in September. The new level is very close to the Federal Reserve's stated goal of 2.0 percent inflation, and core inflation is slightly closer at 2.2 percent growth. CBRE-EA forecasts inflation to stay at 2.3 percent for 2018 and slow to 2.2 percent in 2019.

Our baseline outlook for the U.S. predicts GDP growth of 3.0 percent in 2018 and 2.6 percent in 2019. The rate of job creation has slowed as the number of available workers falls and the economy operates at near-peak capacity. The total annual job creation is forecast to be 2.4 million in 2018 and then 1.7 million in 2019. Wages should continue to rise with a tightening labor market, and real personal income is predicted to increase by 2.5 percent in 2018 and 2.9 percent in 2019. Moving forward, close attention will be paid to the actions of the Federal Reserve, as the "rate normalization" policy continues to ratchet interest rates upward.

Presented in the following text is a brief overview of the local socio-economic factors directly impacting the performance of the proposed Hotel.

State of California: California's economy has surpassed that of the United Kingdom to become the world's fifth largest. California's gross domestic product rose by \$127 billion from 2016 to 2017, surpassing \$2.7 trillion. Meanwhile, the U.K.'s economic output slightly shrank over that time when measured in U.S. dollars, due in part to exchange rate fluctuations. The data

demonstrates the sheer immensity of California's economy, home to nearly 40 million people, a thriving technology sector in Silicon Valley, the world's entertainment capital in Hollywood, and the Central Valley agricultural heartland. It also reflects a substantial turnaround since the Great Recession.

All economic sectors except agriculture contributed to California's higher GDP, according to the California Department of Finance. Financial services and real estate led the pack at \$26 billion in growth, followed by the information sector, which includes many technology companies, at \$20 billion. Manufacturing was up \$10 billion. California last had the world's fifth largest economy in 2002 but fell as low as 10th following the Great Recession. Since then, the most populous U.S. state has added 2.0 million jobs and grown its GDP by \$700 billion.

California's economic output is now surpassed only by the total GDP of the U.S., China, Japan, and Germany. The state has 12 percent of the U.S. population but contributed 16 percent of the country's job growth between 2012 and 2017. Its share of the national economy also grew to 14.2 percent from 12.8 percent over that five-year period, according to state economists. California's strong economic performance relative to other industrialized economies is driven by worker productivity. The U.K. has 25 million more people than California but now has a smaller GDP.

City and County of San Francisco Overview: The proposed Hotel is located in the City and County of San Francisco. San Francisco is the focal point of the Bay Area and a major West Coast financial, retail, and transportation center, with an economy driven primarily by technology and tourism. Although the city was negatively impacted by the 2008 and 2009 economic downturn, it has been quick to rebound. A knowledge-based economy, coupled with numerous developments within the city, will continue to support economic growth in the region.

Population: According to the U.S. Census Bureau, San Francisco had a population of approximately 883,963 as of January 2018. The population has grown at a compound annual growth rate ("CAGR") of 1.2 percent since 2010, slightly above the statewide growth rate of 0.7 percent over the same period due primarily to the city's rapid economic growth following the most recent recession. Going forward, San Francisco's population is projected to trail that of the state for the next decade as residents relocate to more affordable areas in surrounding Bay Area cities.

Employment: According to the State of California Employment Development Department, San Francisco has an employment base of 565,700 as of October 2018. Major sectors within the city include professional and business services; trade, transportation, and utilities; government; and leisure and hospitality. However, San Francisco (and the entire Bay Area) is primarily known for its high-tech presence. The city has more than 60,000 tech employees within approximately 75 major companies.

As with the rest of the nation, San Francisco's unemployment rate has fluctuated greatly over the past two decades, with peaks in the early 1990s, early 2000s, and late 2000s. During the recent economic recession, the city reported an annual unemployment rate of 9.4 percent in 2009 and 9.5 percent in 2010, with the latter representing San Francisco's highest unemployment rate of the past 20 years. This rate has dropped considerably in the years since, and was reported to be 2.3 percent as of October 2018, lower than the national rate of 3.7 percent and the statewide rate of 4.1 percent that same month due to the city's highly-trained workforce and concentration of high-growth technology companies.

Commercial Office Market: According to CBRE, Inc., the San Francisco commercial office market consists of approximately 82.1 million square feet of net rentable area. The office market can be generally categorized into ten sectors, which consist of: 1) Financial District, 2) South Financial District, 3) North Waterfront & Jackson Square, 4) South of Market, 5) Yerba Buena, 6) South of Market West, 7) Mission Bay/China Basin, 8) Potrero Hill, 9) Civic Center & Van Ness, and 10) Union Square. The proposed Hotel is located in the South of Market sector.

According to CBRE Research's Q3 2018 San Francisco Office MarketView, the 3.3 million square feet of positive net absorption recorded year-to-date surpassed the previous annual record volume of 2.6 million square feet in 2006. Class A properties in the South of Financial District accounted for 40 percent of the overall market's 1.2 million square feet of positive net absorption, primarily due to the continued occupancy of the Salesforce Tower. New record highs for rent and net absorption were set during Q3 2018. The average asking lease rent surged by 2.7 percent to \$77.61 per square foot quarter-over-quarter and is up 6.3 percent for the year.

Convention Center: San Francisco is home to the Moscone Convention Center, which is responsible for generating an estimated 21 percent of all tourism to San Francisco. The Center features three main buildings: Moscone North, South, and West. Moscone North offers 181,440 square feet of exhibit space in two halls and up to 53,410 square feet of flexible meeting space in 17 rooms. Moscone South offers 260,560 square feet of exhibit space, divisible into three halls, along with 60,580 square feet of meeting space within 41 flexible meeting rooms. The most recent addition to the center, known as Moscone West, opened in June of 2003 and provides 300,000 square feet of flexible exhibit and meeting space. Combined, the Center offers over 740,000 square feet of exhibit space, up to 106 meeting rooms, and as many as four ballrooms.

However, the city and the San Francisco Travel Association believed that there was insufficient space to support local convention demand, and the San Francisco Travel Association estimates that the City will have lost nearly \$2.1 billion in meeting revenue between 2010 and 2019 as a result of space limitations. Thus, the Center has undertaken a \$500 million project to construct 515,000 square feet of contiguous exhibition space. The project also includes the construction of two new pedestrian bridges connecting the upper levels of Moscone North and Moscone South, as well as

an upgrade to the existing pedestrian bridge across Howard Street. The actual ground-breaking of the expansion project began in April of 2015 and the expanded Center is anticipated to open on January 3, 2019.

Based on recent discussions with representatives of the San Francisco Travel Association, we understand that in order to complete the expansion on time, the conference dates for several groups scheduled at Moscone were moved between the dates of April and August of 2017, resulting in some cancellations. In addition, many groups were also moved in 2018. This rescheduling was for those meetings being held in Moscone North and South only as Moscone experienced significant closures during this time. Based on the November 2018 Trends Analysis Projections, LLC (“TAP”) report, the projected hotel room nights generated from Moscone Center events is approximately 694,000 for 2018, well below the Pace Target of 1,095,647. However, with the completed expansion combined with a full twelve-month calendar, definite room nights booked for 2019 have exceeded the pace target and are currently at 113 percent of pace with nearly 1.2 million rooms nights booked, a record for San Francisco. Despite the disruption from the Moscone renovation/expansion, occupancy for the San Francisco hotel market has remained strong given significant demand for hotel room nights in the city as well as the hotel market’s ability to flex self-contained room nights.

Tourism: San Francisco is a world-class tourist destination and is widely appreciated for its numerous attractions, picturesque scenery, and diverse culture. It is consistently ranked as one of the top ten best cities to visit by the Condé Nast Traveler’s Readers’ Choice Awards, and has received a variety of additional accolades from other national and international publications.

The San Francisco Travel Association estimated a total of 25.5 million visitors to the city for 2017, an increase of 1.4 percent over 2016. Total visitor spending reached \$9.1 billion, up 1.4 percent over 2016. This was the eighth consecutive year of record-breaking performance for San Francisco’s tourism industry. This massive influx of visitor dollars benefits hotels, restaurants, retail shops, local attractions, and cultural institutions, and has in fact bolstered practically every segment of the city’s economy. It has also remained a positive influence on government finances. Major contributors to that figure include hotel tax and property tax. Due to a high volume of visitation, the city’s hotel rooms achieve one of the highest annual occupancy levels in the nation.

City Development: San Francisco continues to be involved in various medium- to large-scale development projects that will revive some underused areas and improve other already-popular districts of the city, such as the Embarcadero and Mission Bay. These projects are discussed further in the following paragraphs.

The continuous development of The Embarcadero, San Francisco’s waterfront area between Mission Bay and Fisherman’s Wharf, is part of a master plan known as the Waterfront Land Use

Plan of 1997. This mixed-use plan emphasizes opening up the bay to residents and tourists and promoting the development of abandoned piers and buildings into more attractive uses. Between 1997 and 2014, 63 new acres of waterfront open space were constructed, 19 historical resources were rehabilitated, seven derelict piers and wharves were removed, and AT&T Park was constructed. The Ferry Building, a San Francisco landmark, is the most visual of the numerous Embarcadero developments. After a comprehensive renovation and restoration in 2003, the Ferry Building now houses numerous restaurants, shops, and a popular farmers' market. Additional restaurants and retail outlets along Steuart Street (which runs parallel to the waterfront) and on the first and second floors of the Embarcadero Center have made this area a destination.

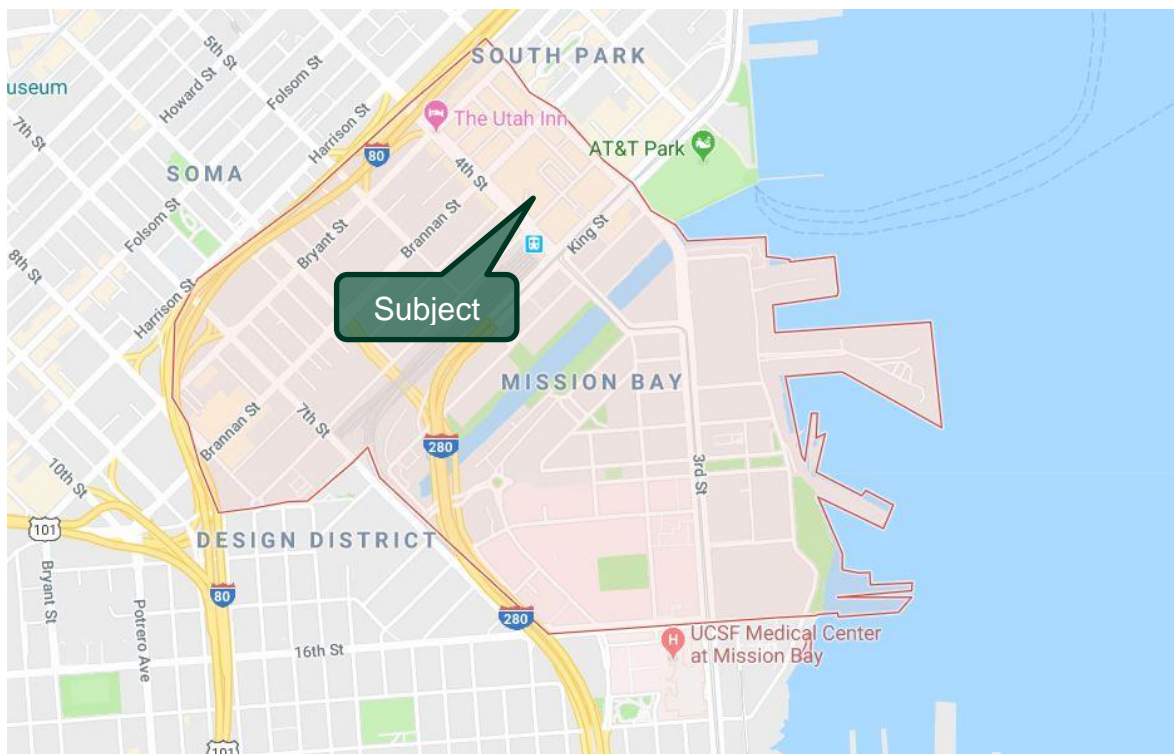
Current projects in the planning stages for The Embarcadero include the following:

- Construction of an affordable housing development and a new welcome center for the National Park Service at Alcatraz Landing;
- The re-purposing of Pier 29 to potentially include new retail facilities;
- The repairing of the Pier 38 bulkhead;
- A redevelopment of Pier 48 to include a waterfront park, and 3.6 million square feet of retail, light manufacturing, commercial, and residential uses;
- Construction of the nine-acre Crane Cove waterfront park at Pier 70;
- Redevelopment of a 28-acre site at Pier 70, to potentially include the construction of 950 residential units; 2.6 million square feet of office, retail, and commercial uses; rehabilitation of four historic buildings; seven acres of open space; and parking structures;
- Redevelopment of a privately-owned 21-acre site located south of Pier 70, to potentially include the construction of residential, life and sciences, office developments, and a hotel. This represents the Potrero Power Station mixed-use development;
- The construction of an automobile import/export terminal at Pier 80; and,
- Development of a cargo terminal at Pier 90 to facilitate the export of iron ore mining products.

The Subject technically sits in Mission Bay, a 303-acre redevelopment area located just south of AT&T Park, is the city's largest raw land development project and is being promoted as the future headquarters to the world's biotechnology industry. When fully complete, the project could potentially include 6,400 housing units (including 1,900 designated affordable units), 3.4 million square feet of commercial space and biotech lab space, a 3.15 million-square-foot UCSF research campus, a 550-bed UCSF Medical Center (which opened its first phase in February 2015 and started the second phase in March 2017), 425,000 square feet of retail space, a 250-room Marriott

hotel, 49+ acres of public parks and open space, a 500-student public school, a public library, a new fire and police station, and other community facilities. Development began in 2000 and will take place over 20 to 30 years, and is expected to cost in excess of \$9 billion. \$700 million of investment in new public infrastructure and parks is being leveraged to generate \$9+ billion in new investment from private developers, users, and institutions. This community will be home to an estimated 11,000 new residents, promoting smart growth by placing housing and jobs directly adjacent to transit. With an estimated 30,000 jobs at full build-out in critical fields like biotech, healthcare, technology and education, Mission Bay creates a hub for innovation and economic growth for the city, region and state. As of August 2017, 5,296 housing units, including 1,048 affordable units, have been constructed in Mission Bay. More than 1.9 million square feet of retail, office, clinical, and biotechnology lab space has been built with another 2.5 million square feet under construction. A map of Mission Bay is presented below.

Mission Bay Map



Source: CBRE Hotels Advisory

Mission Rock, a 28-acre project area located in Mission Bay at the site of AT&T Park's Lot A surface parking, is proposed to be a new mixed-use neighborhood. The project is expected to consist of eight acres of new parks and open space, approximately 1,500 new rental homes (40 percent affordable housing), historic rehabilitation of Pier 48, 1.3 to 1.7 million square feet of commercial

space, 150,000 to 200,000 square feet of retail, and 850,000 square feet of structured parking. Construction is expected to begin in 2019 and be complete by 2025.

The Golden State Warriors basketball team is relocating from Oakland to San Francisco, and has begun construction on a privately funded \$800 million arena. This arena, the Chase Center, is located in Mission Bay on a 12-acre site bounded by South Street, Terry Francois Boulevard, 16th Street, and 3rd Street. The 18,000-seat structure will include a view deck and two public plazas, and represents another indoor venue for the city with ability to host approximately 220 events, annually. Completion is slated for the start of the 2019-20 NBA season.

The ongoing development of Mission Bay has led to the revitalization of the nearby Rincon Hill and Dogpatch neighborhoods. A 49-story, 298-unit residential development at One Rincon Hill opened in 2014 as a companion to an existing 64-story, 390-unit tower. In addition, over 1,500 housing units are proposed or under construction in the Dogpatch area.

Redevelopment of the Transbay Terminal in San Francisco's SoMa neighborhood began in December 2008. This \$4.5 billion transportation and housing project has replaced the current Transbay Terminal at First and Mission Streets with a modern regional transit hub connecting eight Bay Area counties through 11 transit systems. The project consists of three elements: replacing the existing terminal; extending CalTrain and the California High Speed Rail underground; and creating a new neighborhood with homes, hotels, offices, parks, and shops surrounding the new Transit Center, now referred to as the Salesforce Transit Center. The center will include over six million square feet of new office space, 4,400 units of new housing (1,200 of which will be affordable), 100,000 square feet of new retail, 1,000 new hotel rooms, the 1,070-foot Salesforce Tower, and 11 acres of public parks. Construction on the first phase, the aboveground bus terminal, began in 2010. Limited Muni bus service began in December 2017, and full service from AC Transit and other regional bus operators began in August 2018. Full funding has not yet been secured for the second phase of construction, the Downtown Rail Extension, which will add an underground terminal station for Caltrain and California High-Speed Rail. Once completed, the new Transit Center is anticipated to accommodate over 100,000 passengers each weekday and up to 45 million people per year. The Transit Center was abruptly ordered closed on September 25, 2018 following the discovery of a crack in a steel beam supporting the rooftop park. After discovering of a crack in a second beam, the facility will be closed until repairs can be made.

The Central Subway Project will improve public transportation in San Francisco by extending the Muni Metro T Third Line to provide a direct transit link between the Bayshore and Mission Bay areas to SoMa, downtown San Francisco, and Chinatown. When the Central Subway is completed, T Third Line trains will travel mostly underground from the 4th Street Caltrain Station, directly adjacent to the Subject site, to Chinatown, bypassing heavy traffic on congested 4th Street and Stockton Street. Four new stations will be built along the 1.7-mile alignment: 1) 4th and Brannan Station, 2)

Yerba Buena/Moscone Station (4th and Folsom Streets), 3) Union Square/Market Street Station (Stockton Street at Union Square), and 4) Chinatown Station (Stockton and Washington Streets). Construction is underway and the project is scheduled for completion in 2019.

Treasure Island, a former naval base, is currently in the stages of converting to civilian use and incorporation into the jurisdiction of San Francisco. Current plans for the \$1.5 billion project include the development of approximately 8,000 residential units, 300,000 square feet of retail, 100,000 square feet of office, 500 hotel rooms, 300 acres of parks and open space, a marina, and a ferry terminal. Additional developments may include an organic farm, wind farm, parkland, and tidal marshes.

San Francisco has long been known for its art and culture and is the home to a diverse selection of museums, many of which have undergone expansions or renovations in recent years. Most notable is the San Francisco Museum of Modern Art (“SFMOMA”), which closed in June 2013 to undergo a \$295 million expansion to triple the amount of gallery space and reopened in May 2016.

The Hunters Point Shipyard, a former naval base, is a master-planned community of approximately 500 acres. A two-phase development program is planned for the area: Phase I is underway and upon completion will include the construction of 1,600 homes (27 to 40 of which will be affordable) and 26 acres of open space. Phase II provides for an additional 10,500 new housing units (32 percent of which will be affordable) and over three million square feet of research and development uses centered around green and clean technology uses. Phases I and II will generate hundreds of new construction jobs each year, and ultimately will create over 10,000 permanent jobs. The redevelopment project is projected to take seven years and \$15 billion to complete. However, the overall development has recently been stalled due to concerns over the initial removal of nuclear residue and other toxic materials.

One of the fastest growing neighborhoods in San Francisco is Mid-Market, which generally refers to the area bordered by Market, 5th, Mission, and 9th Streets. Approximately 35 projects are currently in varying stages of development in and around this fast-growing area, including multi-family residential, retail, office developments, and several boutique hotels.

Transportation: San Francisco has a well-developed transportation system with sophisticated air, highway, rail, trucking, and water infrastructure. Each is discussed in the paragraphs below.

The San Francisco International Airport (“SFO”) is located approximately 15 miles south of San Francisco between the cities of South San Francisco and Millbrae. Passenger volume has increased steadily since 2004, aided by the expansion of services by Southwest Airlines and Virgin America in 2008. Overall, passenger traffic has increased dramatically since 1995, with 2017 representing the strongest year in terms of passenger counts. In 2017, SFO served over 55 million inbound and

outbound passengers; a 5.1 percent increase over 2016 passenger traffic. Through fiscal year-to-date March 2018, total passenger traffic has increased 7.1 percent over prior year levels. Through year-to-date September 2018, passenger volume increased by 4.9 percent over prior year levels to approximately 43.8 million. Additional airports that service the San Francisco Bay Area include the Oakland International Airport approximately ten miles east, and the San Jose International Airport approximately 40 miles south.

A \$383 million renovation of Terminal 2 was completed in April 2011 that included a new control tower, the use of green materials, and a seismic retrofit. The renovated terminal features permanent art installations from Janet Echelman, Kendall Buster, Norie Sato, Charles Sowers, and Walter Kitundu. Terminal 2 set accolades by being the first U.S. airport to achieve LEED Gold status. It is home to Alaska Airlines (formerly Virgin America) and American Airlines, who share the 14-gate common-use facility. A \$253 million renovation of Terminal 3 was completed at the end of 2015 that included a 53,000-square-foot expansion of its East Concourse which resulted in the introduction of three more boarding gates, a new United Club, and a larger, more consolidated central security checkpoint. The renovation began in June 2013 and covered the concourse's 400,000 square feet.

SFO began the renovation of Terminal 1, one of its oldest terminals, to meet the needs of modern travelers. When fully completed in 2024, T1 will elevate SFO's standard of providing a world-class, environmentally friendly travel experience and is expected to meet or exceed the award-winning standards of Terminal 2 and Terminal 3 boarding areas. The \$2.4 billion project will include:

- Design and construction of Terminal 1's north, south, and central areas.
- A new boarding area with improved passenger circulation and access to its 24 gates, new passenger loading bridges, and new concessions.
- A refreshed boarding area C.
- A new central area with improved spaces for passenger check-in, a consolidated security checkpoint, a re-composure area, a new common use baggage handling system and baggage claims, and a new mezzanine with connections to the AirTran, and the Central Parking Garage.

A number of additional construction projects are currently planned for SFO over the next few years as part of a ten-year \$4.1 billion capital improvement plan. Major projects include the construction of a new rental car center and the redevelopment of the old Air Traffic Control Tower that was decommissioned in October 2016 when the new 221-foot Tower opened. Additionally, a new 351-room Grand Hyatt Hotel is currently under construction at the entrance of SFO with an expected completion date in mid-2019.

The major highways in and out of the city include Interstates 80 and 280 and Highways 1 and 101. Interstate 80 connects with the Bay Bridge and Oakland, and Highway 101 connects with the Golden Gate Bridge and Marin County. Bay Area Rapid Transit (“BART”), a high-speed rail system, is a major commuter transportation system that links 43 stations in the Counties of Alameda, Contra Costa, San Mateo, and San Francisco. BART has had a tremendous impact on the Bay Area, transporting approximately 126 million passengers annually and, thus, facilitating the region’s commercial and residential growth. The CalTrain system provides commuter rail service to Peninsula cities from San Francisco to Gilroy, and the MUNI light rail and bus systems facilitate transportation throughout the city.

As mentioned, the proposed Hotel will be located adjacent to the Central Subway Project, which is expected to improve public transportation by extending the Muni Metro T Third Line through SoMa, Union Square, and Chinatown. This extension is expected to vastly improve transportation to and from some of the city’s most populated and busiest areas. The 1.7-mile alignment will include four new stations including, 4th and Brannan Station, Yerba Buena/Moscone Station, Union Square/Market Street Station, and Chinatown Station. Testing for the new Central Subway Project is expected to carry into 2019 with revenue service also beginning in 2019.

Conclusion: While San Francisco was negatively impacted by the last recession in 2008 and 2009, the City rebounded quickly due to its economic diversity and knowledge-based employment. Furthermore, San Francisco’s tourism industry is projected to remain healthy given its world-renowned reputation, ongoing improvements, and easy accessibility. Additionally, with the expansion of the Moscone Center scheduled for completion in late 2018, the estimated number of convention attendees beginning in 2019 are reaching levels well beyond the center’s targeted pace. As such, we are of the opinion that local demographic and economic conditions will continue to facilitate demand for the San Francisco hotel market.

E. HOTEL MARKET ANALYSIS

1. NATIONAL LODGING MARKET

In addition to our advisory and valuation group, our Firm contains a research division, CBRE Hotels’ Americas Research (“CBRE Hotels’ Research”). CBRE Hotels’ Research owns the database for Trends® in the Hotel Industry, the statistical review of U.S. hotel operations, which first appeared in 1935 and has been published every year since. Beginning in 2007, CBRE Hotels’ Research unveiled its powerful Hotel Horizons®, an economics-based hotel forecasting model that projects five years of supply, demand, occupancy, ADR, and revenue per available room (“RevPAR”) for the U.S. lodging industry with a high degree of accuracy. Hotel Horizons® reports are published on a quarterly basis for 60 markets and six national chain-scales.

Based on the *December 2018 – February 2019* National Edition of Hotel Horizons®, CBRE forecasts a 1.9 percent increase in the number of available U.S. hotel rooms from 2018 to 2019. This is slightly less than 2018's growth rate of 2.0 percent. With the slowing growth rate, it appears that supply growth has peaked, which should provide some relief for hotel owners and operators in 2019 and beyond. That said, we expect 50 of the 60 markets we cover to have supply growth greater than 2.0 percent in 2019, which is up from the 39 markets that realized growth greater than 2.0 percent in 2018. Nashville, Denver, Savannah, New York, and Seattle are a few of the markets that are expected to have the greatest rates of new hotel supply growth next year.

Fortunately for owners and operators, a robust economy continues to support even greater increases in the demand for these new accommodations. For 2019, CBRE is forecasting a 2.1 percent rise in the number of occupied rooms. This will mark the tenth consecutive year of occupancy growth for the U.S. With occupancy levels at record highs, one would expect outsized increases in ADR. Unfortunately, this has not occurred during this cycle. ADR growth is forecast to grow by 2.5 percent in 2019, which is just above our forecast of inflation.

U.S. Hotel RevPAR is expected to grow by just 2.7 percent in 2019. This is the lowest rate of growth since the recovery began in 2010. While operating margins are at the highest levels since 1960, we do not expect any more growth in the margin during this cycle primarily because of rising labor costs. Given our modest forecasts of RevPAR change over the next few years, operators will need to keep expense growth to under 3.0 percent for hotels to achieve real gains in profits.

2. SAN FRANCISCO MSA OVERVIEW

Based on the *December 2018 – February 2019* San Francisco Edition of Hotel Horizons®, which includes the Nob Hill/ Wharf, Market Street, Airport, and San Mateo/Redwood City submarkets, San Francisco hotels are forecast to see a RevPAR increase of 5.4 percent by year-end 2018. This is the result of an estimated decline in occupancy of 0.5 percent and a 5.9 percent gain in average daily room rates (ADR). The 5.4 percent boost in San Francisco RevPAR is better than the national projection of a 2.8 percent increase.

Leading the way in 2018 RevPAR growth is the upper-priced segment of San Francisco. The properties in this category are forecast to achieve a 5.3 percent gain in ADR, with no change in occupancy, resulting in a 5.3 percent RevPAR increase. Lower priced hotels are projected to experience an ADR growth rate of 6.9 percent, along with a 1.7 percent loss in occupancy, resulting in a 5.1 percent RevPAR increase.

Looking towards 2019, San Francisco RevPAR is expected to grow 6.2 percent. This is better than the rate of growth in 2018. Prospects for RevPAR growth in the upper-priced segment (positive 6.5 percent) are better than in the lower-priced segment (positive 5.0 percent). San Francisco market

occupancy levels are expected to range from 82.4 percent to 83.8 percent during the 5-year forecast period.

Within the San Francisco MSA, the City of San Francisco represents the largest submarket with almost 34,000 rooms accounting for approximately 64 percent of the total room count in the San Francisco MSA as a whole. As can be seen in the following table, occupancy in the City of San Francisco submarket averaged 84.5 percent between 2013 and 2017. Going forward, occupancy is forecast to be 83.0 percent in 2018, 84.0 percent in 2019, and 83.0 percent in 2020. The City of San Francisco finished 2017 with an ADR of \$249.75 with the rate expected to increase to \$262.00 in 2018, \$276.00 in 2019, and \$289.00 in 2020.

City of San Francisco Lodging Market Projected Performance									
Year	Daily Supply	% Chg.	Daily Demand	% Chg.	Occupancy	ADR	% Chg.	RevPAR	% Chg.
2013	33,442	-	28,049	-	83.9%	\$209.41	-	\$175.64	-
2014	33,297	-0.4%	28,287	0.8%	85.0%	\$232.47	11.0%	\$197.48	12.4%
2015	33,302	0.0%	28,274	0.0%	84.9%	\$245.60	5.6%	\$208.51	5.6%
2016	33,687	1.2%	28,763	1.7%	85.4%	\$253.20	3.1%	\$216.19	3.7%
2017	33,963	0.8%	28,289	-1.6%	83.3%	\$249.75	-1.4%	\$208.03	-3.8%
2018 Forecast	34,628	1.9%	28,575	1.0%	83.0%	\$262.00	5.0%	\$216.00	4.0%
2019 Forecast	34,800	0.5%	29,150	2.0%	84.0%	\$276.00	5.5%	\$232.00	7.0%
2020 Forecast	35,325	1.5%	29,450	1.0%	83.0%	\$289.00	4.5%	\$241.00	4.0%

Source: STR, Inc. and CBRE Hotels Advisory

The primary hotel supply can generally be categorized into five lodging products or classifications: luxury, first-class/convention, boutique, middle-market, and limited-service as detailed in the following paragraphs.

Luxury Hotels provide extensive and personalized services along with high-quality furnishings, superior food and beverage facilities, and extensive, varied guest amenities. The emphasis on personalized guest services results in a high employee-to-guest ratio, an intimate atmosphere, and high room rates. These properties provide meeting and banquet space; however, the emphasis is on catering to small meetings of less price-sensitive, top-level professionals and executives.

Large First-Class/Convention Hotels have guest services, amenities, and product quality designed to appeal to middle and high-income convention and individual travelers. These are medium to large properties which offer high quality but less personalized service than luxury hotels. First-class hotels usually offer a variety of food and beverage facilities at varying price ranges. In San Francisco, they are located near the Moscone Convention Center, Financial District, or various tourist attractions. Meeting facilities are provided to accommodate the group and convention segment needs. Many first-class hotels provide designated floors with special services for the upscale executive traveler. Generally, these hotels are newer or well-maintained older properties. Room rates typically fall between luxury room rates and the citywide ADR.

Boutique and Lifestyle Upscale Hotels are typically older buildings, ranging in size from 80 to 200 rooms. The majority of these hotels have been fully renovated within the last ten to 15 years. Because renovation or conversion of an existing hotel or office building is generally less expensive than building a new facility, these properties are able to offer below-market room rates for a high-quality product. In San Francisco, boutique and lifestyle hotels have developed a significant market presence, competing with the full-service hotels for the commercial and leisure traveler predominately and for group demand to a lesser extent. They tend to have limited meeting space and small public areas, and have eliminated expensive overhead such as extensive food and beverage facilities. A number of boutique hotels do, however, have “signature” restaurants on-premises that are marketed independently of the hotel and have achieved a high level of recognition for quality and uniqueness. Lastly, there have been a number of new nationally affiliated hotels that have entered the San Francisco market over the last several years that also fall into this category.

Middle-Market Hotels appeal to the middle-income individual and family traveler. Tour operators primarily book these hotels because they offer a good compromise among service, product quality, and room rate. Guest service is usually good, but with few frills. Food and beverage facilities are limited and more economical than in first-class hotels. Room rates are typically similar to the citywide average.

Limited-Service, Midscale and Economy Hotels generally range in size from 30 to 150 rooms. These properties offer room rates at the lower end of the scale and commonly do not offer on premise food and beverage facilities or recreational components. This lodging product type is located outside of the more highly trafficked areas such as the Financial District or Union Square, and is instead proximate to the Civic Center, SoMa, and Lombard Street. This product-type generally does not compete, directly or indirectly, with the four other lodging products discussed.

3. PRIMARY LODGING SECTORS

The five primary lodging sectors in San Francisco are: 1) Union Square/Moscone/SoMa; 2) Nob Hill; 3) the Financial District and South Financial District; 4) Fisherman's Wharf; and 5) Civic Center/Van Ness Corridor. While these are distinct areas with their own supply and demand dynamics, there is often some market area overlap. The map on the following page indicates the general location of these sectors within San Francisco. It should be noted that the proposed Hotel is located adjacent to Union Square/Moscone/SoMa lodging submarket as the Mission Bay neighborhood does not yet contain enough hotels to represent a separate market area.

The City of San Francisco – Primary Lodging Sectors



Source: CBRE Hotels Advisory

Union Square/Moscone/SoMa: This sector's location makes it attractive to most lodging demand, as Union Square is proximate to the Financial District and the Moscone Convention Center. Union Square is one of the nation's most prestigious retail districts, continually attracting new retail shops and expanding its existing stores. Westfield San Francisco Centre is the largest shopping center in this district, as well as one of the largest in the country. This general area also includes the growing SoMa district, The Transbay District and the Museum of Modern Art, Yerba Buena Gardens, the Sony Metreon, and AT&T Park and Mission Bay is easily accessible from this sector.

Union Square contains the city's largest supply of hotel rooms and attracts a mix of commercial, leisure, and group travelers. This sector has benefited from the completion of Moscone West in 2003 and will benefit further from the Center's expansion. The proposed Hotel will be located directly southeast of this submarket border.

Nob Hill: This lodging sector has the most prestigious location in the city, with luxury properties including the Ritz-Carlton, Stanford Court, Fairmont Hotel, and the Mark Hopkins-InterContinental. However, it is also the smallest of the lodging sectors in terms of number of properties and number of guestrooms. The Ritz-Carlton, which opened in 1991, was the first addition to this sector's supply since the mid-1970s. Typical guests are upper-income corporate and leisure travelers, as well as the high-end group market.

Historically, this sector has commanded the highest ADR in the city, but with below-average occupancy. This is due to the higher cost of the hotel rooms and to their somewhat removed, hilltop location.

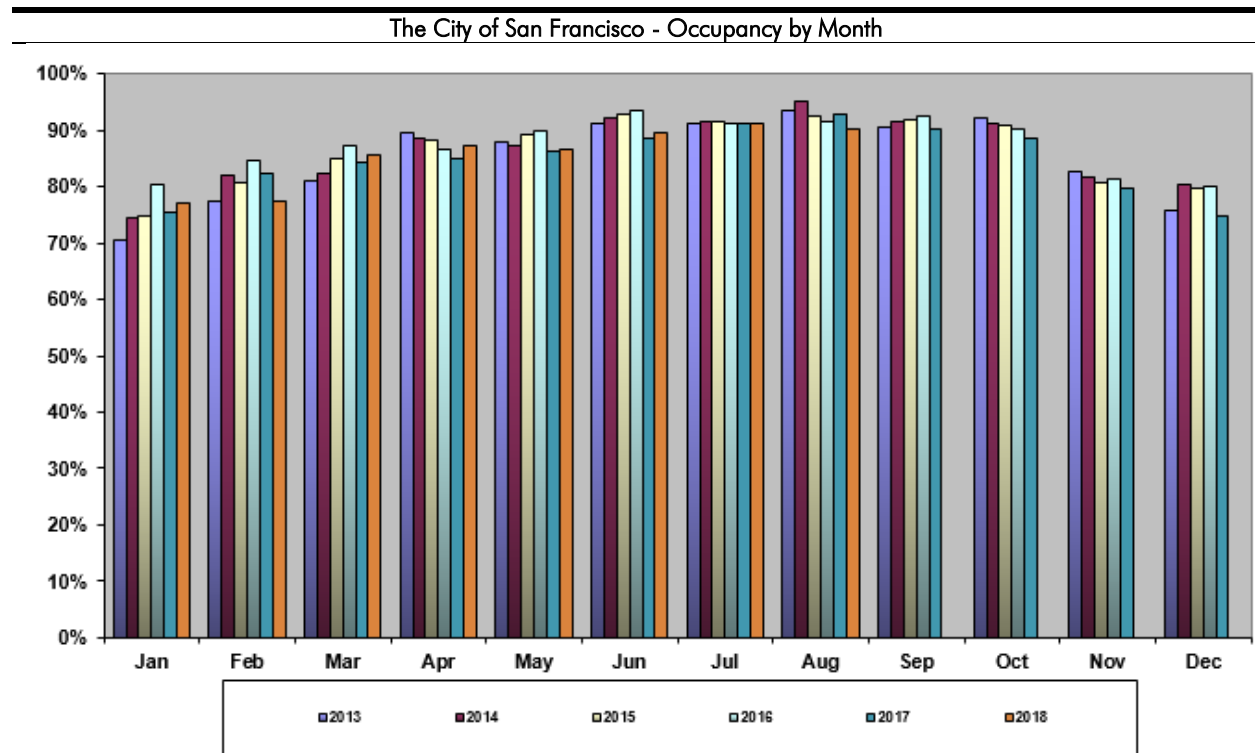
Financial and South Financial District: The major demand generator for the Financial District lodging sector is the high-density office population located within the area, both north and south of Market Street. The north is comprised of more traditional professional services firms while the south of market financial district is comprised of a higher concentration of technology companies. Typical guests in this sector are middle to high-income business, professional, and group travelers. Hotels in this neighborhood attract primarily commercial visitors due to their location. They experience their highest demand on weekdays, and obtain above-average occupancy and ADRs.

Fisherman's Wharf: This area is considered to be one of the top tourist attractions in Northern California. Its hotels are designed and oriented primarily to service middle-income families visiting San Francisco. However, given its proximity to the Financial District, the hotels attract a secondary share of business travelers. Most of the major U.S. lodging chains are represented in this sector by their respective mid-level products such as Hilton, Holiday Inn, Hyatt Centric, Marriott, and Sheraton. Furthermore, this sector is family-friendly due to its convenience, price point, and proximity to venues and attractions. Consequently, families visiting San Francisco perceive a more casual and comfortable ambiance in the Fisherman's Wharf lodging sector as opposed to Nob Hill, Union Square, or the Financial District. Historically, this sector has achieved the highest occupancy of all the city's sectors. ADR, on the other hand, is typically below the overall average.

Civic Center/Van Ness Corridor: This lodging sector stretches along Van Ness Avenue, reaching south from the San Francisco Civic Center into SoMa, north to Fisherman's Wharf, and along Lombard Street into the Cow Hollow area. This lodging sector caters to the more price-sensitive visitors to San Francisco, as well as state and federal government employees. Historically, its composite occupancy and ADR tends to be the lowest of the five lodging sectors.

4. SEASONALITY OF DEMAND

The seasonality of demand in San Francisco is largely tied to leisure travel as well as the convention calendar. Presented in the following table is a graph summarizing the city's occupancy by month for the past five calendar years and through year-to-date August 2018.

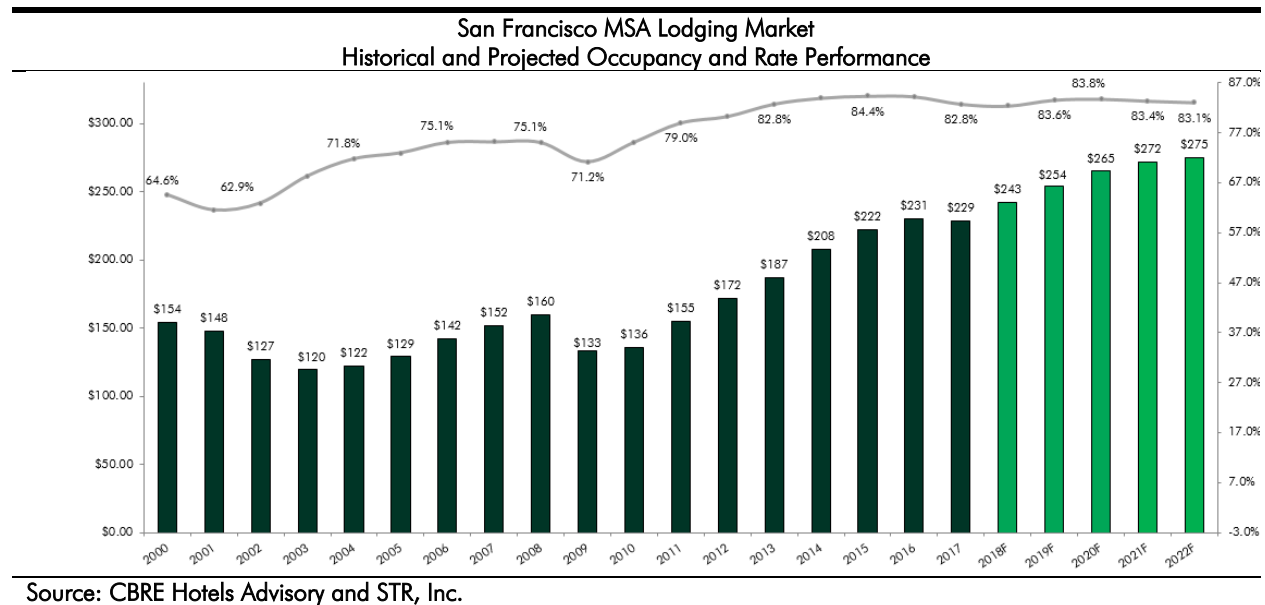


Source: CBRE Hotels Advisory

As noted, San Francisco hotels run a high occupancy year-round. However, the summer and fall months of June, July, August, September, and October are generally the strongest due to the seasonal increase of leisure travelers in the summer and to the high volume of conventioners in the fall. March, April, and May are also strong months due to convention activity. January, February, November, and December are the slowest months, as both commercial and leisure travel declines during the holiday season. However, occupancy during these months still well exceeds national averages.

5. HISTORICAL PERFORMANCE

Presented in the chart on the following page is a summary of the historical performance of the overall San Francisco MSA lodging market from 2000 through 2017, along with performance projections through 2022. This historical and projected future performance is compiled by CBRE Hotels, Americas Research. It should be noted that the historical and projected performance of the San Francisco MSA market includes hotels located in San Francisco, San Mateo, and Marin Counties.



Occupancy has historically been strong for the San Francisco MSA lodging market over the past five calendar years, averaging 83.7 percent and ranging from a low of 82.8 percent in 2013 to a high of 84.4 percent in 2015. With occupancy levels this high, the MSA generated a significant amount of unsatisfied demand, or demand that was turned away to other Bay Area markets due to the limited supply growth during those years. This high demand allowed hotel managers to significantly increase room rates. Between 2013 and 2017, the San Francisco MSA achieved rate growth ranging between approximately -0.7 and 11.1 percent per year, resulting in a year-end 2017 ADR of approximately \$229. It should be noted that hotels within the City of San Francisco achieve a premium in ADR over the markets comprising the San Francisco MSA, as well as an overall higher occupancy level.

Lastly, the City of San Francisco is generally regarded as one of the strongest lodging markets in the United States, achieving record occupancy levels and extraordinary average rate growth with relatively few projected additions to supply. In fact, lodging demand is forecast to remain so strong that the City of San Francisco has a significant undersupply of new rooms in the development pipeline, ensuring strong levels of occupancy, even during the downturns in normal economic cycles.

6. CHANGES TO SUPPLY

We are aware of numerous projects that have been proposed or are currently under construction throughout the City of San Francisco. However, as many of these projects are deemed to be either highly speculative at this point in time and/or are deemed to be noncompetitive to the proposed Hotel due to their positioning within the market and/or their location, we have excluded them from

our analysis. We have, however, provided a summary of the hotels currently under construction in San Francisco in the table below.

City of San Francisco Hotel Additions			
Hotel	Rooms	Status	Date Open
The Lodge at the Presidio	40	Open	June 2018
Yotel	203	U/C	Q4 2018
Virgin Hotel	194	U/C	Q1 2019
Hyatt Place	228	U/C	Q1 2019
950 Market Street	212	U/C	2020
Marriott SOMA Mission Bay	250	U/C	2020
Waldorf Astoria	171	U/C	2021
Total Planning	+/- 25 Projects		
Total Rooms Recently Opened	40		
Total Rooms U/C	1,258		
Total Rooms in Planning	+/- 3,000		
Source: CBRE Hotels Advisory			

As summarized in the table above, there are currently six hotels under construction, totaling 1,258 rooms. However, for the purpose of this analysis, we have only included the Virgin Hotel, Hyatt Place, Marriott SOMA Mission Bay, and Waldorf Astoria as additions to supply as these properties are all located in either the Union Square/Moscone/SoMa submarket or growing Mission Bay submarket. A brief summary of each of these four hotels is provided below.

- **Virgin Hotel:** An 11-story, 194-room Virgin Hotel is being developed by Developer Jay Singh. The Virgin Hotel will have a restaurant and a bar/lounge and is scheduled to open in January of 2019. The hotel will be located at 250 4th Street, approximately 0.5 miles northwest of the proposed Hotel.
- **Hyatt Place:** Stonebridge Corporation is developing a 228-room, 11-story Hyatt Place hotel on a 13,750-acre site. The hotel is projected to open in February 2019 and will be located at 701 3rd Street, approximately one block to the east of the proposed Hotel.
- **Marriott SOMA Mission Bay:** Located on a three-acre site, known as Block 1, the Marriott SOMA Mission Bay is currently being developed by the Strada Investment Group and Stanford Hotels Corporation. The hotel will encompass an estimated 250 rooms and 15 floors and is projected to open in 2020. Located at 1000 Channel Street, the hotel will be approximately 0.3 miles southeast of the proposed Hotel.
- **Waldorf Astoria:** The 171-room Waldorf Astoria hotel is currently under construction in the mixed-use tower known as the Oceanwide Center. The project is being developed by Oceanwide Holdings and will include over 1.0 million square feet of office space, 265 residential condominium units and the 171-room hotel. The hotel is expected to open in

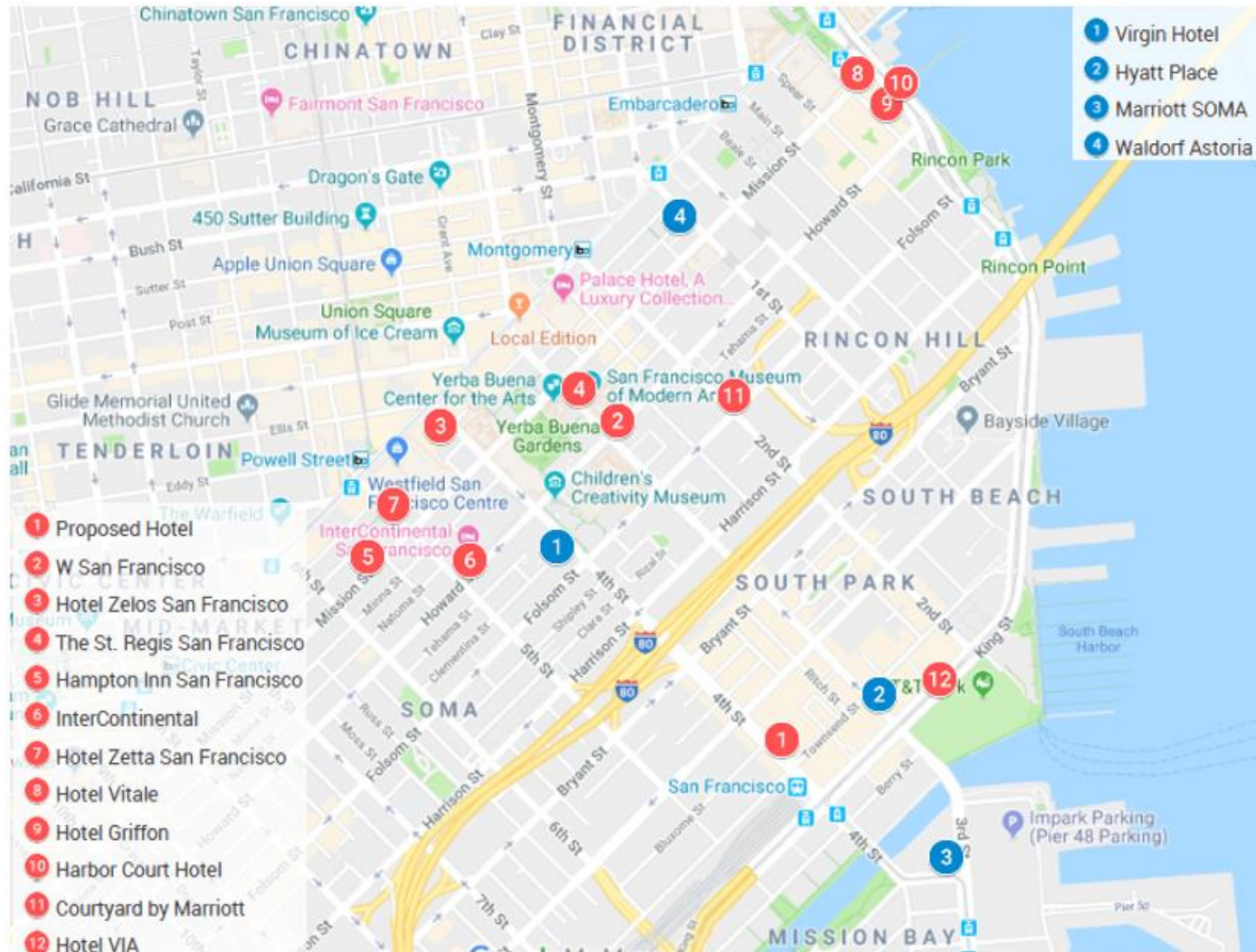
2021 and will be located at 50 1st Street, approximately 1.2 miles north of the proposed Hotel.

7. COMPETITIVE LODGING MARKET OVERVIEW

Within the San Francisco lodging market, the proposed Hotel will compete with similarly-positioned hotels located in and around the SoMa district. Based on our research and understanding of the proposed Hotel, we have identified 11 properties (totaling 2,668 guestrooms) as representing the primary competitive market.

Competitive properties were identified on the basis of location, affiliation, room product offered, guest type, rate structure, and overall quality. A map and tables on the following pages show the location and provide a summary of the competitive hotels.

Competitive Lodging Market (Red) and Additions to Supply (Blue)



Summary of Hotels in the Primary Competitive Lodging Market				
Property	W Hotel San Francisco	Hotel Zelos	St. Regis San Francisco	Hampton Inn San Francisco Downtown
				
Address	181 3 rd Street	12 4 th Street	125 3 rd Street	942 Mission Street
Distance from Subject	1.3 miles	1.6 miles	0.9 miles	1.4 miles
Year Opened	1999	1908	2005	2015
Number of Rooms	404	202	260	174
Affiliation	Marriott International	Independent	Marriott International	Hilton
Chain Scale	Luxury	Luxury	Luxury	Upper Midscale

Summary of Hotels in the Primary Competitive Lodging Market				
Property	InterContinental San Francisco	Hotel Zetta	Hotel Vitale	Hotel Griffon
				
Address	888 Howard Street	55 5 th Street	8 Mission Street	155 Steuart Street
Distance from Subject	1.1 miles	1 mile	1.6 miles	1.8 miles
Year Opened	2008	1913	2005	1906
Number of Rooms	550	116	200	62
Affiliation	IHG	Independent	Joie De Vivre	Independent
Chain Scale	Luxury	Luxury	Upper Upscale	Luxury

Summary of Hotels in the Primary Competitive Lodging Market			
Property	Harbor Court Hotel	Courtyard San Francisco Downtown	Hotel Via
			
Address	165 Steuart Street	299 2 nd Street	138 King Street
Distance from Subject	1.7 miles	0.9 miles	0.5 miles
Year Opened	1907	2001	2017
Number of Rooms	131	410	159
Affiliation	Independent	Marriott International	Independent
Chain Scale	Luxury	Upscale	Luxury

8. HISTORICAL PERFORMANCE OF THE COMPETITIVE MARKET

The following table summarizes the historical performance of these 11 hotels between 2012 and 2017, as well as for year-to-date (“YTD”) October 2017 and 2018.

Proposed Hotel - San Francisco, CA Historical Performance of The Competitive Market									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2012	838,602	-	693,524	-	82.7%	\$259.93	-	\$214.96	-
2013	844,665	0.7%	716,276	3.3%	84.8%	\$285.14	9.7%	\$241.80	12.5%
2014	848,994	0.5%	730,984	2.1%	86.1%	\$312.73	9.7%	\$269.26	11.4%
2015	877,015	3.3%	761,249	4.1%	86.8%	\$326.04	4.3%	\$283.00	5.1%
2016	913,960	4.2%	796,973	4.7%	87.2%	\$323.28	-0.8%	\$281.90	-0.4%
2017	948,628	3.8%	800,642	0.5%	84.4%	\$317.98	-1.6%	\$268.38	-4.8%
CAGR	2.5%	-	2.9%	-	85.3%	4.1%	-	4.5%	-
YTD Oct '17	786,002	-	676,748	-	86.1%	\$322.86	-	\$277.98	-
YTD Oct '18	811,072	3.2%	679,678	0.4%	83.8%	\$342.92	6.2%	\$287.37	3.4%

Source: CBRE Hotels Advisory

- Supply for the competitive market has increased at a compound annual growth rate (“CAGR”) of 2.5 percent between 2012 and 2017. Two of the hotels comprising the competitive market underwent extensive renovations and were repositioned within the local market over the past few years, causing supply to fluctuate. These properties were Hotel Zetta (formerly Milano Hotel) and Hotel Zelos (formerly Hotel Palomar). Additionally, two new hotels were added to the market: the 174-room Hampton Inn & Suites Downtown (August 2015) and the 159-room Hotel Via (June 2017). The net supply changes noted from 2012 through 2017 reflect temporary closings of hotels in the competitive market for renovation/conversions as well as the new hotel openings.
- Demand for room nights, as measured by occupied rooms, increased at a CAGR of 2.9 percent from 2012 to 2017. Occupancy during this historical period averaged 85.3 percent, ranging from a low of 82.7 percent in 2012 to a high of 87.2 percent in 2016. Demand growth has been steady over the historical period, only outpacing the growth in supply by 0.4 percentage points, an indication that the market is operating at capacity. Through year-to-date October 2018, demand grew a modest 0.4 percent over prior year levels, below the level of supply during the same time period, resulting in a small decline in occupancy.
- With hotels operating at such high occupancy levels, operators were successful in their ability to significantly increase ADR in 2013 and 2014 as there was insignificant growth in supply during those years. As shown, ADR increased 9.7 percent in 2013 and 2014, but began to taper between 2015 and 2017 as new supply (Hampton Inn & Suites Downtown and Hotel Via) was introduced into the market. Additionally, hotel operators offered

discounted rates to build occupancy in an effort to offset the decrease in convention room nights generated by the Moscone Center during that same time period. ADR growth has since rebounded as those rooms have been absorbed into the market and the Moscone Center has re-opened. ADR has increased at a CAGR of 4.1 percent since 2012, and between 2012 and 2017, ADR for the competitive market increased nearly \$58. Through year-to-date October 2018, ADR increased 6.2 percent over prior year levels.

- RevPAR for the competitive market increased at a CAGR of 4.5 percent over the past six years, increasing by approximately \$53 during the six-year period. Through year-to-date October 2018, RevPAR increased approximately 3.4 percent over prior year levels as hotel operators were successfully able to drive rates after the re-opening of the Moscone Center.
- The majority of the properties comprising the competitive market receive most of their demand from the transient commercial and leisure market segment. We estimate the demand segmentation of the competitive market is comprised of approximately 75 percent transient commercial and leisure demand and 25 percent group demand. These hotels generally attract travelers who seek convenient access to the SoMa, Union Square, and Mid-Market submarkets of San Francisco.
- As illustrated in the following table, occupancy in the competitive market does exhibit seasonal patterns, albeit modestly. Focusing on the three-year average, the strongest months are the months of June through October when occupancy is in the high 80 percent to low 90 percent range. February, March, April, May and November are shoulder months with occupancy in the low to high 80 percent range. January and December are the slowest months with occupancy in the high 70 to low 80 percent range.

Competitive Market Seasonality (Monthly)				
Monthly Occupancy	2015	2016	2017	3-Year Avg.
January	81%	82%	80%	81%
February	85%	85%	85%	85%
March	87%	86%	84%	85%
April	88%	87%	88%	87%
May	88%	88%	86%	87%
June	92%	93%	89%	91%
July	89%	89%	87%	88%
August	92%	91%	90%	91%
September	89%	92%	86%	89%
October	90%	91%	86%	89%
November	81%	83%	79%	81%
December	79%	81%	73%	78%
Average	87%	87%	84%	86%

Source: STR, Inc.

- The chart below illustrates the demand in the competitive market by day of the week. Corporate travel drives demand from Monday through Thursday, with the peak nights

achieving occupancy in the 90 percent range. Leisure travel drives demand on Fridays and Saturdays, with occupancy in the mid 80 percent range. Sundays are the slowest day of the week, albeit still very strong with occupancy in the mid 70 percent range.

Competitive Market Seasonality (Weekly)				
Day of Week	TTM 1/16	TTM 1/17	TTM 1/18	3-Year Avg.
Sunday	76%	74%	73%	74%
Monday	87%	85%	82%	85%
Tuesday	92%	90%	87%	90%
Wednesday	93%	91%	88%	91%
Thursday	88%	87%	85%	87%
Friday	85%	83%	80%	83%
Saturday	88%	87%	83%	86%
Average	87%	85%	83%	85%

Source: STR, Inc.

9. PROJECTED PERFORMANCE OF THE COMPETITIVE MARKET

Presented in the following table is a summary of our occupancy and ADR projections for the competitive market for the years 2018 through 2028, coinciding with the proposed Hotel's first five full years of operation. As discussed, we have assumed that the proposed Hotel would be open and available for occupancy by April 1, 2023 and will include 38 guestrooms.

Proposed Hotel - San Francisco, CA Projected Performance of the Competitive Market									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2017	948,628	3.8%	800,642	0.5%	84%	\$317.98	-1.6%	\$268.38	-4.8%
2018	973,820	2.7%	804,400	0.5%	83%	\$337.00	6.0%	\$278.37	3.7%
2019	1,120,915	15.1%	925,900	15.1%	83%	\$354.00	5.0%	\$292.41	5.0%
2020	1,219,100	8.8%	1,007,000	8.8%	83%	\$368.00	4.0%	\$303.98	4.0%
2021	1,250,125	2.5%	1,050,100	4.3%	84%	\$379.00	3.0%	\$318.36	4.7%
2022	1,280,785	2.5%	1,088,700	3.7%	85%	\$390.00	2.9%	\$331.51	4.1%
2023	1,291,370	0.8%	1,097,700	0.8%	85%	\$402.00	3.1%	\$341.71	3.1%
2024	1,294,655	0.3%	1,100,500	0.3%	85%	\$414.00	3.0%	\$351.91	3.0%
2025	1,294,655	0.0%	1,100,500	0.0%	85%	\$426.00	2.9%	\$362.11	2.9%
2026	1,294,655	0.0%	1,100,500	0.0%	85%	\$439.00	3.1%	\$373.16	3.1%
2027	1,294,655	0.0%	1,100,500	0.0%	85%	\$452.00	3.0%	\$384.22	3.0%
2028	1,294,655	0.0%	1,100,500	0.0%	85%	\$466.00	3.1%	\$396.12	3.1%
CAGR	2.9%	-	3.2%	-	-	3.3%	-	3.6%	-

Source: CBRE Hotels Advisory

- Supply for the competitive market is expected to increase by approximately 33 percent between 2018 and 2024 with the annualized addition of the Hotel Via, and the additions of the 194-room Virgin Hotel, 228-room Hyatt Place, 250-room Marriott SOMA Mission Bay, 169-room Waldorf Astoria, and 38-room proposed Hotel. The largest increase in supply will occur between 2019 and 2020 as 672 additional rooms from the Virgin Hotel, Hyatt Place, and Marriott SOMA Mission Bay will be added to the market.

- Demand is expected to increase modestly in 2018, consistent with year-to-date trends. In 2019 and 2020, we are of the opinion that the induced demand stemming from the new hotel rooms, and from the Moscone Center expansion, demand growth will mirror the growth in supply during that time period. Therefore, we expect occupancy to remain at 83 percent through 2020. As the new rooms are absorbed into the market, we expect occupancy to increase to 84 percent in 2021 and finally stabilize at 85 percent in 2022.
- As noted in the historical performance table, the competitive market has consistently achieved occupancy levels in the low to high 80 percent range. Consistent with projections for the overall San Francisco MSA based on historical averages, new supply additions, and current market conditions, we believe it is reasonable to assume an occupancy level in the mid-80 percent range through 2028.
- ADR for the competitive market decreased by 0.8 percent in 2016 and further decreased by 1.6 percent in 2017, due primarily to the temporary closing of the Moscone Center for the renovation and expansion. While there is high demand in San Francisco for hotel room nights outside of room nights emanating from the Moscone Center, hotel operators discounted rates in an attempt to attract a fair share of demand from other sources. However, largely due to the Moscone Center reopening, ADR for the competitive market increased 6.2 percent through year-to-date 2018. Consistent with year-to-date trends, it is expected that ADR will grow by 6.0 percent in 2018 before tapering down 5.0 percent in 2019 and 4.0 percent in 2020 as new supply is introduced into the market. Thereafter, it is expected that ADR will increase by 3.0 percent per annum, consistent with our long-term outlook for inflation.

F. PROJECTED PERFORMANCE OF THE SUBJECT

Based upon our analysis contained herein, including a review of the overall competitive market and of each identified hotel, we have provided our occupancy and ADR projections for the proposed Hotel's first five years of operation, as stated in calendar years.

Assuming that the proposed Hotel will be a 38-room boutique hotel, we assume that it will be able to achieve its fair share of demand after a one year ramp up period. Specifically, we believe that it could achieve an occupancy of 83 percent as it is introduced into the market in April 2023. As it gains recognition, we project occupancy to increase to 85 percent in 2024. It is at this level we project the proposed Hotel to stabilize. Our stabilized occupancy for the proposed Hotel is in line with our stabilized occupancy for the competitive market, which we believe is reasonable given the proposed Hotel's location and small number of guestrooms.

Based on the individual attributes and performance levels of the individual competitive hotels, we believe that the proposed Hotel could achieve an ADR of \$375 under the hypothetical condition that it was open and stabilized in 2018.

We project ADR to grow at rates in line with our projections for the competitive market, such that the proposed Hotel is projected to open with an ADR of **\$461** in **2023**. Projections for both occupancy and ADR for the proposed Hotel's first ten full years of operation are presented in the following table.

Proposed Hotel - San Francisco, CA Projected Performance					
Year	Hypothetical ADR	Market Growth	Occupancy	RevPAR	Percent Change
2018	\$375.00	-	-	-	-
2019	\$398.00	6.0%	-	-	-
2020	\$418.00	5.0%	-	-	-
2021	\$435.00	4.0%	-	-	-
2022	\$448.00	3.0%	-	-	-
2023	\$461.00	3.0%	83%	\$383.26	-
2024	\$475.00	3.0%	85%	\$404.11	5.4%
2025	\$489.00	3.0%	85%	\$416.02	2.9%
2026	\$504.00	3.0%	85%	\$428.78	3.1%
2027	\$519.00	3.0%	85%	\$441.54	3.0%
2028	\$535.00	3.0%	85%	\$455.16	3.1%
2029	\$551.00	3.0%	85%	\$468.77	3.0%
2030	\$568.00	3.0%	85%	\$483.23	3.1%
2031	\$585.00	3.0%	85%	\$497.69	3.0%
2032	\$603.00	3.0%	85%	\$513.01	3.1%

Source: CBRE Hotels Advisory

As noted, the proposed Hotel is assumed to open on April 1, 2023. Accordingly, we must convert the calendar year forecast into fiscal year periods. To accomplish this for the fiscal year 2023/24, we have taken a weighted average of nine months of the calendar year 2023 and three months of the calendar year 2024 to derive the fiscal year projection. We have then performed this analysis for each subsequent fiscal year. In doing so, it is our calculation that for the first fiscal year, the proposed Hotel will achieve an ADR of \$465 with a corresponding occupancy of 84 percent. We project a long-term stabilized occupancy of 85 percent beginning in 2024/25.

Proposed Hotel - San Francisco, CA Projected Future Performance							
Calendar Year Projections				Fiscal Year Conversion			
Year	Occupancy	ADR	Percent Change	Fiscal Year	Occupancy	ADR	Percent Change
2023	83%	\$461.00	3%	2023/24	84%	\$465.00	3%
2024	85%	\$475.00	3%	2024/25	85%	\$479.00	3%
2025	85%	\$489.00	3%	2025/26	85%	\$493.00	3%
2026	85%	\$504.00	3%	2026/27	85%	\$508.00	3%
2027	85%	\$519.00	3%	2027/28	85%	\$523.00	3%

Note: Average daily rates rounded to the whole dollar

Source: CBRE Hotels Advisory

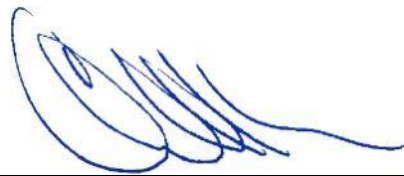
Of particular note is that, given the previously discussed strong fundamentals of the greater San Francisco lodging market, and the proposed Hotel's competitive market, along with the proposed Hotel's assumed quality new improvements, the new 38-room Hotel will open with very strong levels of performance and with minimal impact on the greater competitive San Francisco lodging market.

While it is possible that the proposed Hotel will experience growth in occupancy and ADR above those estimated in the report, it is also possible that sudden economic downturns, unexpected additions to the room supply, or other external factors will force the property below the selected point of stability. Consequently, the estimated occupancy and ADR levels are representative of the most likely potential operations of the proposed Hotel over the projection period based on our analysis of the market as of the date of the report.

This completes our analysis of the potential market demand for the proposed Hotel at 655 4th Street in San Francisco. After you have had an opportunity to review this report, please feel free to contact us with any questions or comments. Thank you for this opportunity to work with you on this engagement. Please let us know should you have any questions or should you require any further information.

Yours sincerely,

CBRE Hotels Advisory



By: Chris Kraus
Managing Director
chris.kraus@cbre.com | 406.582.8189



By: Kapil Gopal
Consultant
kapil.gopal@cbre.com | 303.583.2024

ADDENDA

Addendum A

ASSUMPTIONS AND LIMITING CONDITIONS

Assumptions and Limiting Conditions

1. CBRE, Inc. through its advisor (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) If any, existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this report and, therefore, makes no representations relative to the condition of improvements. CBRE advisors are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
7. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of the performance of the subject property. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
8. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by the advisors. Any user of the Report is advised to retain experts in areas that fall outside the scope of the advisor for such matters.
9. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
10. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
11. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
12. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.

13. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own consultants and advisors for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.



SAN FRANCISCO
PLANNING
DEPARTMENT

AFFIDAVIT FOR FIRST SOURCE HIRING PROGRAM

Administrative Code

Chapter 83

1650 Mission Street, Suite 400 • San Francisco CA 94103-2479 • 415.558.6378 • <http://www.sfplanning.org>

Section 1: Project Information

PROJECT ADDRESS 655 4th Street, 292-296 Townsend Street, & 280-290 Townsend Street		BLOCK/LOT(S) 3787/ 026, 028, 050, 161-164	
BUILDING PERMIT APPLICATION NO. N/A	CASE NO. (IF APPLICABLE) 2014-000203	MOTION NO. (IF APPLICABLE) N/A	
PROJECT SPONSOR 655 4th Owner, LLC	MAIN CONTACT Jeremy Bachrach	PHONE (415) 344-6277	
ADDRESS One Bush Street, Suite 450			
CITY, STATE, ZIP San Francisco, CA 94104		EMAIL jbachrac@tishmanspeyer.com	
ESTIMATED RESIDENTIAL UNITS 960	ESTIMATED SQ FT COMMERCIAL SPACE Approx. 65,000	ESTIMATED HEIGHT/FLOORS Approx. 400'; 40 floors	ESTIMATED CONSTRUCTION COST
ANTICIPATED START DATE			

Section 2: First Source Hiring Program Verification

CHECK ALL BOXES APPLICABLE TO THIS PROJECT	
<input type="checkbox"/>	Project is wholly Residential
<input type="checkbox"/>	Project is wholly Commercial
<input checked="" type="checkbox"/>	Project is Mixed Use
<input checked="" type="checkbox"/>	A: The project consists of ten (10) or more residential units;
<input checked="" type="checkbox"/>	B: The project consists of 25,000 square feet or more gross commercial floor area.
<input type="checkbox"/>	C: Neither 1A nor 1B apply.
<p>NOTES:</p> <ul style="list-style-type: none"> If you checked C, this project is NOT subject to the First Source Hiring Program. Sign Section 4: Declaration of Sponsor of Project and submit to the Planning Department. If you checked A or B, your project IS subject to the First Source Hiring Program. Please complete the reverse of this document, sign, and submit to the Planning Department prior to any Planning Commission hearing. If principally permitted, Planning Department approval of the Site Permit is required for all projects subject to Administrative Code Chapter 83. For questions, please contact OEWD's CityBuild program at CityBuild@sfgov.org or (415) 701-4848. For more information about the First Source Hiring Program visit www.workforcedevelopmentsf.org If the project is subject to the First Source Hiring Program, you are required to execute a Memorandum of Understanding (MOU) with OEWD's CityBuild program prior to receiving construction permits from Department of Building Inspection. 	

Continued...

Section 3: First Source Hiring Program – Workforce Projection

Per Section 83.11 of Administrative Code Chapter 83, it is the developer's responsibility to complete the following information to the best of their knowledge.

Provide the estimated number of employees from each construction trade to be used on the project, indicating how many are entry and/or apprentice level as well as the anticipated wage for these positions.

Check the anticipated trade(s) and provide accompanying information (Select all that apply):

TRADE/CRAFT	ANTICIPATED JOURNEYMAN WAGE	# APPRENTICE POSITIONS	# TOTAL POSITIONS	TRADE/CRAFT	ANTICIPATED JOURNEYMAN WAGE	# APPRENTICE POSITIONS	# TOTAL POSITIONS
Abatement Laborer	-	-	-	Laborer	66.53	55	110
Boilermaker	-	-	-	Operating Engineer	92.30	17	34
Bricklayer	-	-	-	Painter	72.00	6	12
Carpenter	93.60	29	58	Pile Driver	-	-	-
Cement Mason	94.00	15	30	Plasterer	-	-	-
Drywall/Latherer	94.81	13	26	Plumber and Pipefitter	125.00	23	46
Electrician	125.00	21	42	Roofer/Water proofer	91	3	6
Elevator Constructor	135.00	4	8	Sheet Metal Worker	125	7	14
Floor Coverer	79.00	3	6	Sprinkler Fitter	95.00	5	10
Glazier	96.00	15	30	Taper	105.92	11	22
Heat & Frost Insulator	75.00	1	2	Tile Layer/Finisher	79	6	12
Ironworker	92.00	40	80	Other:			
TOTAL:			282	TOTAL:			266

1. Will the anticipated employee compensation by trade be consistent with area Prevailing Wage? ☒ YES ☐ NO
2. Will the awarded contractor(s) participate in an apprenticeship program approved by the State of California's Department of Industrial Relations? ☐ YES ☐ NO
3. Will hiring and retention goals for apprentices be established? ☐ YES ☐ NO
4. What is the estimated number of local residents to be hired? _____

Section 4: Declaration of Sponsor of Principal Project

PRINT NAME AND TITLE OF AUTHORIZED REPRESENTATIVE Authorized Signatory Carl D. Shannon	EMAIL cshannon@ rishman-spry.com	PHONE NUMBER (415) 344-6030
I HEREBY DECLARE THAT THE INFORMATION PROVIDED HEREIN IS ACCURATE TO THE BEST OF MY KNOWLEDGE AND THAT I COORDINATED WITH OEWD'S CITYBUILD PROGRAM TO SATISFY THE REQUIREMENTS OF ADMINISTRATIVE CODE CHAPTER 83.		
(SIGNATURE OF AUTHORIZED REPRESENTATIVE)		(DATE) 6/4/19

FOR PLANNING DEPARTMENT STAFF ONLY: PLEASE EMAIL AN ELECTRONIC COPY OF THE COMPLETED AFFIDAVIT FOR FIRST SOURCE HIRING PROGRAM TO OEWD'S CITYBUILD PROGRAM AT CITYBUILD@SFGOV.ORG

Cc: Office of Economic and Workforce Development, CityBuild
Address: 1 South Van Ness 5th Floor San Francisco, CA 94103 Phone: 415-701-4848
Website: www.workforcedevelopments.org Email: CityBuild@sfgov.org

AFFIDAVIT

EXHIBIT G



San Francisco Planning

SAN FRANCISCO PLANNING DEPARTMENT
169C MISSION STREET, SUITE 400
SAN FRANCISCO, CA 94103-2479
MAIN: (415) 558-6378 SFPLANNING.ORG

COMPLIANCE WITH THE INCLUSIONARY AFFORDABLE HOUSING PROGRAM

PLANNING CODE SECTION 415, 417 & 419

6/3/19
Date

I, Carl Shannon,
do hereby declare as follows:

A The subject property is located at (address and block/lot):

655 4th St.; 280-290 Townsend St.; & 292-296 Townsend St.
Address

3787 / 26, 28, 50, & 161-164
Block / Lot

The subject property is located within the following Zoning District:

CMUO / Central SoMa SUD
Zoning District

400-X
Height and Bulk District

Central SoMa SUD
Special Use District, if applicable

Is the subject property located in the SOMA NCT, North of Market Residential SUD, or Mission Area Plan?

☐ Yes ☒ No

B The proposed project at the above address is subject to the *Inclusionary Affordable Housing Program*, Planning Code Section 415 and 419 et seq.

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

2014-000203
Planning Case Number

N/A
Building Permit Number

This project requires the following approval:

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

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

Linda Ajello-Hoagland
Planner Name

A complete Environmental Evaluation Application or Project Application was accepted on:

11/16/2015
Date

The project contains 960 total dwelling units and/or group housing rooms.

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

- ☐ This project is 100% affordable.
- ☐ This project is 100% student housing.

Is this project in an UMU Zoning District within the Eastern Neighborhoods Plan Area?

☐ Yes ☒ No
(If yes, please indicate Affordable Housing Tier)

Is this project a HOME-SF Project?

☐ Yes ☒ No
(If yes, please indicate HOME-SF Tier)

Is this project an Analyzed or Individually Requested State Density Bonus Project?

☐ Yes ☒ No

C Please indicate the tenure of the project.

☐ **Ownership.** If affordable housing units are provided on-site or off-site, all affordable units will be sold as ownership units and will remain as ownership units for the life of the project. The applicable fee rate is the ownership fee rate.

☒ **Rental.** If affordable housing units are provided on-site or off-site, all affordable units will be rental units and will remain rental units for the life of the project. The applicable fee rate is the rental fee rate.

D This project will comply with the Inclusionary Affordable Housing Program by:

☒ Payment of the Affordable Housing Fee prior to the first construction document issuance (Planning Code Section 415.5)

☐ On-site Affordable Housing Alternative (Planning Code Sections 415.6)

☐ Off-site Affordable Housing Alternative (Planning Code Sections 415.7)

☐ Combination of payment of the Affordable Housing Fee and the construction of on-site or off-site units
(Planning Code Section 415.5 - required for Individually Requested State Density Bonus Projects)

☐ Eastern Neighborhoods Alternate Affordable Housing Fee (Planning Code Section 417)

☐ Land Dedication (Planning Code Section 419)

The applicable inclusionary rate is:

30%

On-site, off-site or fee rate as a percentage

If the method of compliance is the payment of the Affordable Housing Fee pursuant to Planning Code Section 415.5, please indicate the total residential gross floor area in the project.

1,014,968

Residential Gross Floor Area

E The Project Sponsor acknowledges that any change which results in the reduction of the number of on-site affordable units following the project approval shall require public notice for a hearing and approval by the Planning Commission.

F The Project Sponsor acknowledges that failure to sell or rent the affordable units or to eliminate the on-site or off-site affordable units at any time will require the Project Sponsor to:

- (1) Inform the Planning Department and the Mayor's Office of Housing and Community Development 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.

G The Project Sponsor acknowledges that in the event that one or more rental units in the principal project become ownership units, the Project Sponsor shall notify the Planning Department of the conversion, and shall either reimburse the City the proportional amount of the Inclusionary Affordable Housing Fee equivalent to the then-current requirement for ownership units, or provide additional on-site or off-site affordable units equivalent to the then-current requirements for ownership units.

I For projects with over 25 units and with EEA's accepted between January 1, 2013 and January 12 2016, in the event that the Project Sponsor does not procure a building or site permit for construction of the principal project before December 7, 2018, rental projects will be subject to the on-site rate in effect for the Zoning District in 2017, generally 18% or 20%.

J For projects with EEA's/PRJ's accepted on or after January 12 2016, in the event that the Project Sponsor does not procure a building or site permit for construction of the principal project within 30 months of the Project's approval, the Project shall comply with the Inclusionary Affordable Housing Requirements applicable thereafter at the time the Sponsor is issued a site or building permit.

K If a Project Sponsor elects to completely or partially satisfy their Inclusionary Housing requirement by paying the Affordable Housing Fee, the Sponsor must pay the 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.

UNIT MIX TABLES

Number of All Units in PRINCIPAL PROJECT:

TOTAL UNITS:	SRO / Group Housing:	Studios:	One-Bedroom Units:	Two-Bedroom Units:	Three (or more) Bedroom Units:
960	0	242	330	351	37

If you selected the On-site, Off-Site, or Combination Alternative, please fill out the applicable section below. The On-Site Affordable Housing Alternative is required for HOME-SF Projects pursuant to Planning Code Section 206.4. State Density Bonus Projects that have submitted an Environmental Evaluation Application prior to January 12, 2016 must select the On-Site Affordable Housing Alternative. State Density Bonus Projects that have submitted an Environmental Evaluation Application on or after to January 12, 2016 must select the Combination Affordable Housing Alternative to record the required fee on the density bonus pursuant to Planning Code Section 415.3. If the Project includes the demolition, conversion, or removal of any qualifying affordable units, please complete the Affordable Unit Replacement Section.

☐ **On-site Affordable Housing Alternative** (Planning Code Section 415.6, 419.3, or 206.4): % of the unit total.

Number of Affordable Units to be Located ON-SITE:

TOTAL UNITS:	SRO / Group Housing:	Studios:	One-Bedroom Units:	Two-Bedroom Units:	Three (or more) Bedroom Units:
LOW-INCOME	Number of Affordable Units	% of Total Units		AMI Level	
MODERATE-INCOME	Number of Affordable Units	% of Total Units		AMI Level	
MIDDLE-INCOME	Number of Affordable Units	% of Total Units		AMI Level	

☐ **Off-site Affordable Housing Alternative** (Planning Code Section 415.7 or 419.3): % of the unit total.

Number of Affordable Units to be Located OFF-SITE:

TOTAL UNITS:	SRO / Group Housing:	Studios:	One-Bedroom Units:	Two-Bedroom Units:	Three (or more) 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. for Off-Site Project (if applicable):		Number of Market-Rate Units in the Off-site Project:	
AMI LEVELS:	Number of Affordable Units	% of Total Units		AMI Level	
	Number of Affordable Units	% of Total Units		AMI Level	
	Number of Affordable Units	% of Total Units		AMI Level	

UNIT MIX TABLES: CONTINUED

- ☐ **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 will 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. On-Site % of affordable housing requirement.

If the project is a State Density Bonus Project, please enter "100%" for the on-site requirement field and complete the Density Bonus section below.

Number of Affordable Units to be Located ON-SITE:

TOTAL UNITS:	SRO / Group Housing:	Studios:	One-Bedroom Units:	Two-Bedroom Units:	Three (or more) Bedroom Units:

2. Off-Site % of affordable housing requirement.

Number of Affordable Units to be Located OFF-SITE:

TOTAL UNITS:	SRO / Group Housing:	Studios:	One-Bedroom Units:	Two-Bedroom Units:	Three (or more) 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. for Off-Site Project (if applicable):		Number of Market-Rate Units in the Off-site Project:	

Income Levels for On-Site or Off-Site Units in Combination Projects:

AMI LEVELS:	Number of Affordable Units	% of Total Units	AMI Level

3. Fee % of affordable housing requirement.

Is this Project a State Density Bonus Project? ☐ Yes ☒ No

If yes, please indicate the bonus percentage, up to 35% _____, and the number of bonus units and the bonus amount of residential gross floor area (if applicable) _____

I acknowledge that Planning Code Section 415.4 requires that the Inclusionary Fee be charged on the bonus units or the bonus residential floor area.

Affordable Unit Replacement: Existing Number of Affordable Units to be Demolished, Converted, or Removed for the Project

TOTAL UNITS:	SRO / Group Housing:	Studios:	One-Bedroom Units:	Two-Bedroom Units:	Three (or more) Bedroom Units:
0	0	0	0	0	0

This project will replace the affordable units to be demolished, converted, or removed using the following method:

N/A

- ☐ On-site Affordable Housing Alternative
- ☐ Payment of the Affordable Housing Fee prior to the first construction document issuance
- ☐ Off-site Affordable Housing Alternative (Section 415.7)
- ☐ Combination of payment of the Affordable Housing Fee and the construction of on-site or off-site units (Section 415.5)

Contact Information and Declaration of Sponsor of PRINCIPAL PROJECT

655 4th Owner, LLC

Company Name

Jeremy Bachrach

Name (Print) of Contact Person

One Bush Street, Suite 450

Address

(415) 344-6277

Phone / Fax

San Francisco, CA 94104

City, State, Zip

jbachrac@tishmanspeyer.com

Email

I am a duly authorized agent 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. 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.

Sign Here

Signature:



Name (Print), Title:

**Authorized Signatory
Carl D. Shannon**

Executed on this day in:

Location:

San Francisco, CA

Date:

6/3/19

Contact Information and Declaration of Sponsor of OFF-SITE PROJECT (If Different)

Company Name

Name (Print) of Contact Person

Address

City, State, Zip

Phone / Fax

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.

Sign Here

Signature:


Name (Print), Title:


SUPPLEMENTAL INFORMATION FOR Anti-Discriminatory Housing Policy

1. Owner/Applicant Information

PROPERTY OWNER'S NAME: Various, c/o 655 4th Owner, LLC	
PROPERTY OWNER'S ADDRESS: 655 4th Owner, LLC One Bush Street, Suite 450 San Francisco, CA 94104 (Attn: Jeremy Bachrach)	TELEPHONE: (415) 344-6277 EMAIL: jbachrach@tishmanspeyer.com

APPLICANT'S NAME: <div style="text-align: right;">Same as Above </div>	
APPLICANT'S ADDRESS:	TELEPHONE: () EMAIL:

CONTACT FOR PROJECT INFORMATION: <div style="text-align: right;">Same as Above </div>	
ADDRESS:	TELEPHONE: () EMAIL:

COMMUNITY LIAISON FOR PROJECT (PLEASE REPORT CHANGES TO THE ZONING ADMINISTRATOR): <div style="text-align: right;">Same as Above </div>	
ADDRESS:	TELEPHONE: () EMAIL:

2. Location and Project Description

STREET ADDRESS OF PROJECT: 655 4th Street; 280-290 Townsend Street; 292-294 Townsend Street		ZIP CODE: 94107
CROSS STREETS: 4th & Townsend		
ASSESSORS BLOCK/LOT: 3787 26, 28, 50 & 161-164	ZONING DISTRICT: CMUO	HEIGHT/BULK DISTRICT: 400-X

PROJECT TYPE: (Please check all that apply) <input checked="" type="checkbox"/> New Construction <input checked="" type="checkbox"/> Demolition <input type="checkbox"/> Alteration <input type="checkbox"/> Other: _____	EXISTING DWELLING UNITS: 2	PROPOSED DWELLING UNITS: 960	NET INCREASE: 958
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Compliance with the Anti-Discriminatory Housing Policy

1. Does the applicant or sponsor, including the applicant or sponsor's parent company, subsidiary, or any other business or entity with an ownership share of at least 30% of the applicant's company, engage in the business of developing real estate, owning properties, or leasing or selling individual dwelling units in States or jurisdictions outside of California?

☐ YES ☐ NO

1a. If yes, in which States? New York, Massachusetts,
Washington DC

- 1b. If yes, does the applicant or sponsor, as defined above, have policies in individual States that prohibit discrimination based on sexual orientation and gender identity in the sale, lease, or financing of any dwelling units enforced on every property in the State or States where the applicant or sponsor has an ownership or financial interest?

☒ YES ☐ NO

- 1c. If yes, does the applicant or sponsor, as defined above, have a national policy that prohibits discrimination based on sexual orientation and gender identity in the sale, lease, or financing of any dwelling units enforced on every property in the United States where the applicant or sponsor has an ownership or financial interest in property?

☒ YES ☐ NO

If the answer to 1b and/or 1c is yes, please provide a copy of that policy or policies as part of the supplemental information packet to the Planning Department.

Human Rights Commission contact information
hrc.info@sfgov.org or (415)252-2500

Applicant's Affidavit

Under penalty of perjury the following declarations are made:

- a: The undersigned is the owner or authorized agent of the owner of this property.
- b: The information presented is true and correct to the best of my knowledge.
- c: Other information or applications may be required.

Signature: _____



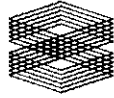
Date: _____

4/3/19

Authorized Signatory
Carl D. Shannon

Print name, and indicate whether owner, or authorized agent:

Owner / Authorized Agent (circle one)



TISHMAN SPEYER

Fair Housing Policy

Tishman Speyer is committed to comply with all federal, state, and local fair housing laws. Tishman Speyer will not discriminate against any person in the advertising, financing, lease, or sale of property because of race, color, age, sex, sexual orientation, gender, gender identity, marital status, military or veteran status, national origin, disability, religion, or any other characteristic protected by law.

**SOP :****Non-discriminatory Practices**

Our customers and associates will appreciate our non-discriminatory practices when interacting with each other. We strive to treat each customer with dignity and integrity, in a non-judgmental manner.

Rationale

Last updated: March 21, 2019

Effective Date

- We do not discriminate.
- We follow the Fair Housing Act of 1968 and the Fair Housing Amendments Act of 1988 at all times.
- Certain financial guidelines and occupancy standards are to be followed in the approval of an applicant.
- Any associate who does not comply with the Federal Fair Housing Laws will be terminated.
- Fair housing posters are displayed at each community.
- All advertisements must have the Fair Housing logo.

Policy

1. Complete annual Fair Housing recertification.
2. Discuss any questions you have with your supervisor.
3. You should request additional instruction if you are unsure of the fair housing laws.
4. Take any outside seminars offered by the local apartment associations, at Bozzuto's expense, to refresh your knowledge of fair housing. Obtain Property Manager approval before attending.
5. Treat people similarly in similar situations. If in doubt, ask your supervisor.

Procedure**Materials and Notes****Contact**

Please direct all questions to:
standards@bozzuto.com