



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary

Adoption of CEQA Findings Adoption of Recommendations to Amend the General Plan, Zoning Map, and Planning Code Downtown Project Authorization Adoption of Shadow Findings

HEARING DATE: MARCH 23, 2017

Date: March 9, 2017
Case No.: **2014-000362ENVGPAPCAMAPDNXSHD**
Project Address: 1500 Mission Street (a.k.a. Goodwill Site)
Current Zoning: C-3-G (Downtown General)
120/320-R-2, 85-R-2 Height and Bulk Districts
Van Ness & Market Downtown Residential Special Use District
Proposed Zoning C-3-G (Downtown General)
130/240-R-3, 130/400-R-3, 85-X
1500 Mission Street Special Use District
Block/Lot: 3506/006, 007
Project Sponsor: Goodwill SF Urban Development, LLC
c/o Matt Witte – (415) 677.9000
Related California
44 Montgomery Street, Suite 1050
San Francisco, CA 94104
Staff Contact: Tina Chang – (415) 575-9197
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Reviewed by: Daniel A. Sider – (415) 558-6697
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Recommendations: **Adopt CEQA Findings
Recommend Approval of the General Plan Amendment
Recommend Approval of Zoning Map & Planning Code Text Amendments
Approve the Downtown Project Authorization with Conditions
Adopt Shadow Findings**

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PROJECT DESCRIPTION

The project ("Project") would demolish the existing office-over-retail building at 1580 Mission Street and retain and rehabilitate a portion of the existing warehouse at 1500 Mission Street while demolishing the rest to construct two new buildings:

- 1) On the northeast portion of the site, a City office building would be built that includes an approximately 573,560 square foot, 16-story, 264-foot-tall tower primarily along 11th Street with mid-rise podium elements extending west and south from the tower. This building would consolidate office space for multiple City departments, including the Department of Building Inspection, Department of Public Works, and the Planning Department. Features of the office building include a consolidated, one-stop permit center; enhanced pedestrian connectivity via a mid-block public space

and alley network extending from Mission Street to South Van Ness Avenue; ground floor exhibition and gallery space; ground floor conference facilities and community event space; and publicly accessible open space at the 2nd floor portion of the permit center. The City office building also includes approximately 325 (306 Class 1, 15 Class 2) bicycle parking spaces and up to 120 vehicular parking stalls to accommodate the City's fleet and permit center visitors in a below-grade garage.

- 2) On the southwest portion of the site, a residential building would be built that would include an approximately 767,200 square-foot, 39-story, 396-foot-tall tower with mid-rise podium elements extending along Mission Street and South Van Ness Avenue. Features of the residential building include approximately 550 total dwelling units, 110 of which would be Below Market Rate Units (approximately 20%, rather than the required 13.5%); up to 38,000 square-feet of ground floor retail space; approximately 30,100 square-feet of private and common open space; and approximately 299 bicycle parking spaces (247 Class 1, 52 Class 2) and up to 275 vehicular parking spaces in a below-grade garage.

ENVIRONMENTAL REVIEW

On November 9, 2016, the Department published the Draft Environmental Impact Report ("DEIR"). On December 15, 2016, the Commission held a public hearing on the DEIR. The period for commenting on the EIR ended on January 4, 2017. On March 9, 2017, the Planning Department published a Responses to Comments document. A Final Environmental Impact Report ("FEIR") has since been prepared by the Department, consisting of the DEIR, any comments received during the review process, any additional information that became available, and the Responses to Comments document.

COMMUNITY OUTREACH AND PUBLIC COMMENT

The following public meetings and hearings have been held on the project: a public scoping meeting conducted as part of the Environmental Impact Report on June 2, 2015, community meeting on October 18, 2016 to which neighborhood groups and interested parties were invited, and a public hearing at the Planning Commission to present the draft EIR and proposed legislative amendments on December 15, 2016.

To date, the Planning Department has received one letter expressing support for the project and one letter expressing opposition to the amount of proposed parking. San Francisco Architectural Heritage and the Historic Preservation Commission expressed support for the Full Preservation Alternative analyzed in the EIR.

REQUIRED COMMISSION ACTIONS

The following **five actions** are before the Commission: 1.) consideration of the adoption of California Environmental Quality Act ("CEQA") Findings; 2.) consideration of a resolution recommending that the Board of Supervisors adopt the proposed General Plan Amendments; 3.) consideration of a resolution recommending that the Board of Supervisors adopt the proposed Zoning Map and Planning Code Text Amendments; 4.) consideration of a request for Downtown Project Authorization pursuant to Planning Code Section 309; and 5.) consideration of the adoption of shadow findings pursuant to Planning Code Section 295.

CEQA Findings

The draft CEQA Findings document before the Planning Commission would make findings regarding the Project's objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and make a statement of overriding considerations. Additionally, the CEQA Findings document identifies project alternatives that were analyzed in the EIR and discusses the reasons for their rejection.

In particular, the EIR included analysis of a partial and full preservation alternative that were found to not be financially feasible, pursuant to an analysis conducted by a qualified real estate economics firm and independently reviewed by another.

Legislative Amendments

Amendments to the General Plan, Zoning Map and Planning Code Text would accomplish the following:

1. Modify Map 3 of the Market and Octavia Area Plan and Map 5 of the Downtown Area Plan of the General Plan to facilitate the creation of the 1500 Mission Street SUD;
2. Modify Zoning Map H07 in order to change the Height and Bulk Districts applicable to the subject property from 85-R-2, 85/250-R-2 and 120/320-R-2 to 85-X, 130/240-R-3 and 130/400-R-3;
3. Modify Special Use District Map No. 11 (SU07) to create the "1500 Mission Street Special Use District" to include the subject property; and
4. Establish within the text of the Planning Code a new "1500 Mission Street Special Use District," which would a.) allow for off-street parking spaces for the City's fleet in excess of that which is currently permitted; b.) allow office uses above the fourth floor as a contingency should the City not occupy the office building; c.) modify bulk controls to allow larger floor plates to accommodate the unique needs of the City's one-stop permit center and to address particularly windy conditions in the project area; d.) exempt affordable units and their proportional share of residential common areas from gross floor area calculations; e.) permit certain overhead projections intended primarily to reduce ground level wind speeds; f.) limit the maximum horizontal area required for Dwelling Unit Exposure requirements to 65 feet; and g.) allow vehicular openings of up to 24-feet wide each for the office and residential uses along 11th Street to limit and restrict vehicular access along Mission Street and South Van Ness Avenue, respectively.

Downtown Project Authorization

The Project requests two exceptions under Planning Section 309:

1. **Ground Level Wind Currents.** Under existing conditions at the Project Site, 33 of the 50 test points exceed the Planning Code's comfort criterion at grade level with average wind speeds at approximately 11.8 miles per hour (mph). The 11 mph comfort criterion is currently exceeded more than 10 percent of the time. Under proposed conditions, two additional test points were studied because the Project would introduce enhanced pedestrian connectivity. The comfort criterion would be exceeded at 35 of the 52 points and would be exceeded more than 10 percent of the time with average wind speeds increasing slightly to 12.1 mph for 11.8 mph.

The Project would not result in substantial changes to wind conditions. However, a Section 309 exception is required because the Project would not eliminate the existing locations that meet or exceed the Planning Code's comfort criterion. Notably, there are no net new hazardous wind speeds or conditions caused by the Project.

2. **Off-Street Freight Loading.** Planning Code Section 152.1 requires that projects in the C-3 District that include over 500,000 square feet of residential space provide three off-street freight loading spaces, between 30,001 – 50,000 square feet of retail to provide 2 off-street freight loading spaces, and 0.1 space per 10,000 square feet of gross floor area of office use. As such, the Code requires that the Project provide a total of 10 off-street freight loading spaces. Planning Code Section 161 allows for exceptions to loading requirements in recognition of the fact that site constraints may make the provision of required loading spaces impractical or undesirable. In order to preserve floor area for other uses, the Project would provide 8 off-street loading spaces (three full-size loading spaces for the residential use and an equivalent of five for the office use).

Shadow Findings

A shadow analysis determined that the Project would cast an additional 0.03% of shadow on Patricia's Green per year. On days of maximum shading, new shadows would be present for approximately 23 minutes between 7:36 am and 8 am. The shadow analysis found that new shading from the Project would predominantly occur in the northern half of Patricia's Green.

At a public hearing on March 16, 2017, and with the recommendation of the General Manager of the Recreation and Park Department, the Recreation and Park Commission is anticipated to find that net new shadow from the Project would not adversely impact the use of the park.

RECOMMENDATION

The Department recommends that the Commission:

- Adopt CEQA Findings;
- Recommend approval of the General Plan Amendment to the Board of Supervisors;
- Recommend approval of the Zoning Map and Planning Code Text Amendments to the Board of Supervisors;
- Approve the Downtown Project Authorization with Conditions; and
- Adopt Shadow Findings that the Project would not adversely impact Patricia's Green.

BASIS FOR RECOMMENDATION

- The Project would deliver office space essential for the City's needs.
- The proposed City office building is fiscally prudent and has lower operating expenses compared to current assets or other alternatives (including the purchase of existing office space or other newly constructed office space).
- The Project would enhance public service by providing a consolidated, convenient and efficient one-stop permit center in close proximity to other government offices in the Civic Center Area.
- Inter-agency collaboration would be significantly enhanced through the colocation of three related departments in the proposed office building. A connection between the proposed City office building and existing City offices at 1 South Van Ness Avenue would enable further collaboration.
- The Project would improve pedestrian connectivity by providing two mid-block alleys activated by retail and civic uses.
- The Project would address the City's severe need for affordable housing by providing on-site inclusionary affordable dwellings units in excess of the amounts required by the Planning Code.
- The Project would provide needed on-site child care.

- The Project would help achieve General Plan objectives to expand the supply of housing in and adjacent to downtown through the proposed 550 new dwelling units.
- The Project is compatible with the surrounding neighborhood character in terms of height, scale, and massing.
- The Project is consistent with proposed heights and bulks, urban design approaches and land use goals envisioned for the Hub Plan Area within which the Project is located.
- The Project is, on balance, consistent with and supports relevant General Plan Objectives and Policies and meets all applicable requirements of the Planning Code, along with the exceptions requested through Planning Code Section 309.

RECOMMENDATION:

- **Adopt CEQA Findings**
- **Recommend Approval of the General Plan Amendments to the Board of Supervisors**
- **Recommend Approval of the Zoning Map & Planning Code Amendments to the Board of Supervisors**
- **Approve the Downtown Project Authorization with Conditions**
- **Adopt Shadow Findings that the Project would not adversely impact Patricia's Green**

Attachments:

Draft CEQA Findings Motion

Financial Feasibility Analysis of 1500 Mission Street Project, prepared by Seifel Consulting, Inc.

Peer Review of Financial Feasibility Analysis, prepared by Strategic Economics

1500 Mission Street – Programmatic Analysis of the Mixed Use Alternatives presented in the DEIR, prepared by the Office of the Director of Real Estate

Draft Resolution Recommending Board of Supervisors Approval of the General Plan Amendment

Draft Ordinance for General Plan Amendment

Draft Resolution Recommending Board of Supervisors Approval of the Planning Code Text and Zoning Map Amendment

Draft Ordinance for Planning Code Text and Zoning Map Amendment

Draft Downtown Project Authorization Motion

Draft Shadow Findings Motion

Draft Costa Hawkins Agreement

FEIR

Anti-Discriminatory Housing Affidavit

Inclusionary Housing Affidavit

First Source Hiring Affidavit

Exhibits:

Assessor's Block Map

Sanborn Map

Zoning Map

Height and Bulk Map – HT07 (includes proposed changes)

Special Use District Map – SU07 (includes proposed changes)

Market and Octavia Plan – Map 03 (includes proposed changes)

Downtown Plan – Map 05 (includes proposed changes)

Aerial

Site Photos:

Van Ness Avenue Frontage

Mission Street Frontage

11th Street Frontage

Exhibit B Plans and Renderings



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- ☒ Affordable Housing (Sec. 415)
- ☒ Transit Impact Dev't Fee (Sec. 411)
- ☒ Childcare Fee (Sec. 414)

- ☒ First Source Hiring (Admin. Code)
- ☒ Better Streets Plan (Sec. 138.1)
- ☒ Public Art (Sec. 429)

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Planning Commission Draft Motion CEQA Findings

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ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, INCLUDING FINDINGS OF FACT, FINDINGS REGARDING SIGNIFICANT AND UNAVOIDABLE IMPACTS, EVALUATION OF MITIGATION MEASURES AND ALTERNATIVES, AND A STATEMENT OF OVERRIDING CONSIDERATIONS RELATED TO APPROVALS FOR THE PROJECT AT 1500 MISSION STREET TO DEMOLISH AN EXISTING 30-FOOT TALL 29,000 SQUARE FOOT BUILDING AT 1580 MISSION STREET, RETAIN AND REHABILITATE A PORTION OF AN EXISTING 28-FOOT TALL 57,000 SQUARE FOOT BUILDING AND DEMOLISH AT 1500 MISSION STREET AND THE NEW CONSTRUCTION OF TWO NEW BUILDINGS, A 464,000 SQUARE FOOT, 16-STORY, 227-FOOT-TALL CITY OFFICE BUILDING AND A 552,290 SQUARE FOOT, 39-STORY, 396-FOOT-TALL RESIDENTIAL TOWER CONTAINING APPROXIMATELY 550 DWELLING UNITS, INCLUDING APPROXIMATELY 110 BELOW MARKET RATE UNITS; UP TO 8,000 SQUARE FEET OF GROUND FLOOR RETAIL, 29,000 SQUARE FEET OF PRIVATE AND COMMON OPEN SPACE; 620 BICYCLE PARKING SPACES (553 CLASS 1, 67 CLASS 2) AND UP TO 409 VEHICULAR PARKING SPACES WITHIN THE VAN NESS AND

MARKET DOWNTOWN RESIDENTIAL SPECIAL USE DISTRICT, DOWNTOWN-GENERAL (C-3-G) ZONING DISTRICT AND PROPOSED 1500 MISSION STREET SPECIAL USE DISTRICT AND PROPOSED 140/400-R-3 AND 85-X HEIGHT AND BULK DISTRICTS.

PREAMBLE

On October 13, 2014, Steve Vettel of Farella, Braun & Martel on behalf of Goodwill SF Urban Development, LLC ("Project Sponsor") filed an Environmental Evaluation Application for the Project. 2014. On May 13, 2015, the Department published a Notice of Preparation of Environmental Impact Report and Notice of Public Scoping Meeting ("NOP"). Publication of the NOP initiated a 30-day public review and comment period that began on May 13, 2015 and ended on June 15, 2015. On June 2, 2015, the Department held a public scoping meeting regarding the Project. On November 9, 2016, the Department published the Draft Environmental Impact Report (hereinafter "DEIR"), including the Initial Study ("IS"), and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice. Notices of availability of the DEIR and of the date and time of the public hearing were posted near the Project Site by the Project Sponsor on November 9, 2016.

On April 29, 2015, the Project Sponsor filed an application requesting approval of a Downtown Project Authorization pursuant to Section 309 of the San Francisco Planning Code to facilitate the construction of two new buildings approximately 390 and 264-feet tall located at 1500 Mission Street ("Project") containing approximately 550 dwelling units, approximately 462,000 square feet of office space, 51,000 square feet of ground floor retail space, approximately 7,600 square foot publicly accessible open space in the form of a "forum" at the ground floor, up to 423 parking spaces, 6 loading spaces, and 369 bicycle parking spaces. On February 23, 2017 the Project Sponsor submitted an updated application to correct the proposed building heights to 396 and 216 feet for the residential and office buildings respectively, the total number of proposed vehicular parking to 409 spaces, bicycle parking to 620, retail square footage to 38,000 square feet, office square footage to 449,800 square feet. Additionally, the application was updated to reflect the Project's inclusion of 4,400 square feet of on-site child care.

On April 29, 2015, the Project Sponsor also filed an application for a Planning Code Amendment and Zoning Map amendment to supersede the existing Van Ness & Market Downtown Residential Special Use District with a new special use district for the Project and to amend height and bulk districts to permit one approximately 390-foot residential tower with a podium height of 110 feet and one 264-foot tall tower with a podium height of 93 feet.

On October 19, 2016, the Project Sponsor filed amendments to the Planning Code Text and Zoning Map Amendment Applications and a General Plan Amendment Application to add Section 270(g) to amend bulk controls to the proposed special use district and Map 3 (Height Districts) of the Market and Octavia Plan.

On December 15, 2016, the Planning Commission adopted Resolutions 19821 and 19822 to initiate legislation entitled, (1) "Ordinance amending the General Plan by revising the height designation for the 1500 Mission Street project, Assessor's Block 3506 Lots 006 and 007 on Map 3 of the Market and Octavia Area Plan and on Map 5 of the Downtown Area Plan; adopting findings under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1;" and (2) Ordinance amending the Planning Code to create the 1500 Mission Street Special Use District to facilitate development of the 1500 Mission Street (Assessor's Block 3506, 006 and 07) project, to regulate bulk controls in the Special Use District, to modify Zoning Map SU07 to place the project site into this Special Use District and Zoning Map HT07 to modify

the height and bulk district designations for the project site; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 01.; and adopting findings of public necessity, convenience, and welfare under Planning Code Section 302," respectively.

On December 15, 2016, the Commission held a duly advertised public hearing on the DEIR, at which opportunity for public comment was given, and public comment was received on the DEIR. The period for commenting on the EIR ended on January 4, 2017. The Department prepared responses to comments on environmental issues received during the 56 day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected clerical errors in the DEIR.

On March 8, 2017, The Planning Department published a Responses to Comments document. A Final Environmental Impact Report (hereinafter "FEIR") has been prepared by the Department, consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the Responses to Comments document all as required by law.

On March 23, 2017, the Commission reviewed and considered the FEIR and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code. The FEIR was certified by the Commission on March 23, 2017 by adoption of its Motion No. [].

At the same Hearing and in conjunction with this motion, the Commission made and adopted findings of fact and decisions regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, California Public Resources Code Section 21000 et seq. ("CEQA"), particularly Section 21081 and 21081.5, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Section 15000 et seq. ("CEQA Guidelines"), Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31") by its Motion No. []. The Commission adopted these findings as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting these CEQA findings. The Commission hereby incorporates by reference the CEQA findings set forth in Motion No. [].

On March 23, 2017 the Commission conducted a duly noticed public hearing at a regularly scheduled meeting regarding (1) the General Plan Amendment amending Maps 3 and 5; and (2) the ordinance amending Planning Code to add the 1500 Mission Street Special Use District, and revise Zoning Map SU07 and HT07. At that meeting the Commission Adopted (1) Resolution [] recommending that the Board of Supervisors approve the requested General Plan Amendment; and (2) Resolution [] recommending that the Board of Supervisors approve the requested Planning Code Text and Map Amendments.

On March 23, 2017, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting regarding the Downtown Project Authorization application 2014-000362ENVGPAPCAMAPDNXSHD. At the same hearing the Commission determined that the shadow cast by the Project would not have any adverse effect on Parks within the jurisdiction of the Recreation and Parks Department. The Commission heard and considered the testimony presented to it at the public hearing and further considered written materials and oral testimony presented on behalf of the applicant, Department staff and other interested parties, and the record as a whole.

The Planning Department, Jonas P. Ionin, is the custodian of records; all pertinent documents are located in the File for Case No. 2014-000362ENVGPAPCAMAPDNXSHD, at 1650 Mission Street, Fourth Floor, San Francisco, California.

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

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

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of March 23, 2017.

Jonas Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

DATE: March 23, 2017

ACTION: Adoption of CEQA Findings

ATTACHMENT A

California Environmental Quality Act Findings

PREAMBLE

In determining to approve the project described in Section I, below, the ("Project"), the San Francisco Planning Commission (the "Commission") makes and adopts the following findings of fact and decisions regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, California Public Resources Code Section 21000 et seq. ("CEQA"), particularly Section 21081 and 21081.5, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Section 15000 et seq. ("CEQA Guidelines"), Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Commission adopts these findings in conjunction with the Approval Actions described in Section I(c), below, as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting these CEQA findings.

These findings are organized as follows:

Section I provides a description of the proposed project at 1500 Mission Street, the environmental review process for the Project, the City approval actions to be taken, and the location and custodian of the record.

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

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

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

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

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

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

The MMRP for the mitigation measures that have been proposed for adoption is attached with these findings as **Attachment B** to this Motion. The MMRP is required by CEQA Section 21081.6 and CEQA Guidelines Section 15091. Attachment B provides a table setting forth each mitigation measure listed in the FEIR that is required to reduce a significant adverse impact. Attachment B also specifies the agency responsible for implementation of each measure and establishes monitoring actions and a monitoring schedule. The full text of the mitigation measures is set forth in Attachment B.

These findings are based upon substantial evidence in the entire record before the Commission. The references set forth in these findings to certain pages or sections of the Draft Environmental Impact Report ("Draft EIR" or "DEIR") or the Responses to Comments ("RTC") document, with together comprise the Final EIR, are for ease of reference and are not intended to provide an exhaustive list of the evidence relied upon for these findings.

I. PROJECT DESCRIPTION AND PROCEDURAL BACKGROUND

A. Project Description

The Project site consists of two parcels (Assessor's Block 3506, Lot 002 [1500 Mission Street] and Lot 003 [1580 Mission Street]),¹ located on the north side of Mission Street between 11th Street to the east and South Van Ness Avenue to the west, within San Francisco's South of Market (SoMa) neighborhood. The Project site is located within the Downtown Area Plan and Market & Octavia Area Plan and is located within the C-3-G (Downtown General Commercial) Use District, the Van Ness & Market Downtown Residential Special Use District, and the 120/320-R-2, 85/250-R-2, and 85-X Height and Bulk Districts.

The Project site totals 110,772 square feet (2.5 acres), and the lot is generally flat. The site is a trapezoidal shape with approximately 472 feet of frontage along Mission Street, 301 feet of frontage along South Van Ness Avenue, and 275 feet of frontage along 11th Street. The northern boundary of the site stretches for 321 feet abutting an eight-story City office building that fronts onto South Van Ness Avenue, Market Street and 11th Street (One South Van Ness Avenue).

The Project site is currently occupied by two existing buildings used by Goodwill Industries: a two-story, approximately 30-foot-tall 29,000-square-foot building located at 1580 Mission Street that was constructed in 1997 and contains a Goodwill retail store on the ground level and offices above, and an approximately 57,000-square-foot, approximately 28-foot-tall (including an approximately 97-foot-tall clock tower), largely single-story warehouse building located at 1500 Mission Street that was used until June 2016 by Goodwill for processing donated items. The warehouse building at 1500 Mission Street has a basement parking garage with approximately 110 public parking spaces (some of which are valet), and accessed from an approximately 25-foot-wide curb cut on South Van Ness Avenue.

The Project site also contains approximately 25 surface parking spaces and six surface loading spaces, accessed from an approximately 46-foot-wide curb cut on Mission Street. The warehouse building, which features an approximately 97-foot-tall clock tower atop the Mission Street façade, was constructed in 1925 for the White Motor Company and renovated in 1941 for use as a Coca-Cola bottling plant—a use that continued until the 1980s. The building located at 1580 Mission Street is less than 45 years of age and is considered a "Category C" property—Not a Historical Resource. The warehouse building located at 1500

¹ Some records refer to the parcels as Lots 006 and 007.

Mission Street has been determined individually eligible for the California Register of Historical Resources and is considered a “Category A” property – Known Historical Resource.

The Project proposes to demolish the existing 1580 Mission Street building, to retain and rehabilitate a portion of the existing 1500 Mission Street building, and to demolish the remaining portions on the 1500 Mission building and construct a mixed-use development with two components: an approximately 767,200-square-foot, 396-foot-tall (416 feet to the top of the parapet) residential and retail/restaurant building at the corner of South Van Ness Avenue and Mission Street (“Retail/Residential Building”); and an approximately 567,300-square-foot, 227-foot-tall (257 feet to the top of the parapet) office and permit center building for the City and County of San Francisco (“City”) on 11th Street between Market and Mission Streets (“Office Building”) with a mid-rise podium extending west to South Van Ness Avenue. The proposed Project includes a proposed Zoning Map amendment and Planning Code text amendment to create the 1500 Mission Special Use District to supersede the Van Ness & Market Downtown Residential Special Use District designation and a proposed amendment to Planning Code Section 270 associated with bulk limitations, allowing for an exceedance of the current Height and Bulk District limitations, additional off-street parking, and office space above the fourth floor.

The proposed Residential/Retail Building will consist of a 39-story residential apartment tower containing a maximum of 550 dwelling units over approximately 38,000 gross square feet of ground floor retail/restaurant space, and below grade parking for 300 vehicles and 247 bicycles. The proposed Office Building will consist of a 16-story tower consisting of 464,000 gross square feet of office space containing various City departments, a permit center and a childcare facility and below grade vehicle parking for 120 vehicles and 306 bicycles.

B. Project Objectives

The City and County of San Francisco Real Estate Division has developed the following objectives for the proposed Office Building aspect of the Project:

- ▶ Develop a new, seismically-sound, Class-A, LEED Gold City office building of enough size to accommodate several interdependent City departments currently housed in disparate buildings around the Civic Center, into a single building to foster interagency cooperation, and located in close proximity to mass transit.
- ▶ Allow for potential future physical connections to the existing City office building at One South Van Ness Avenue by developing a new City office building on an adjacent site.
- ▶ Provide large office floor plates on the lower levels of the building to accommodate the specific functional requirements of several essential services departments (San Francisco Public Works, Department of Building Inspection, and the Planning Department), to allow for a one-stop permit center, to centralize permitting functions for enhanced customer service and streamlined operations on a single floor.
- ▶ Ensure enough parking spaces are provided to accommodate vehicles used by inspectors and other City personnel who make off-site field trips, as well as parking for members of the public visiting the permit center and other City offices.
- ▶ Construct shared conference, meeting, training, and boardroom facilities on the lower levels of the building for use by occupants of the office building, other nearby City departments, and the public.

- ▶ Provide and activate publicly-accessible open space areas, including a mid-block pedestrian connection, with regular civic programming and other public events.
- ▶ Provide an early childcare facility primarily for use by City employees.

Goodwill SF Urban Development, LLC has developed the following objectives for the proposed Retail/Residential Building aspect of the Project:

- ▶ Redevelop a large underused site at a prominent location in the downtown area that will serve as an iconic addition to the City's skyline and a gateway to the Civic Center and that will include a range of residential unit types and neighborhood serving retail uses.
- ▶ Build a substantial number of dwelling units on the site, including 20 percent to be affordable to residents earning a maximum of 50 percent of the average median income, to contribute to the City's *General Plan* Housing Element goals, and the Association of Bay Area Governments' Regional Housing Needs Allocation for the City.
- ▶ Assist the City in fulfilling its objectives associated with the construction of a new City office building and one-stop permit center on a portion of the site not developed with residential and retail uses and that can be subdivided as a separate legal parcel and conveyed to the City.
- ▶ Create a mixed-use project generally consistent with the land use, housing, open space and other objectives and policies of the Market & Octavia Area Plan.
- ▶ Provide commercial retail space of sufficient size to attract neighborhood-serving retail and personal services that are not currently offered in the immediate vicinity for project residents, area residents, and the public, such as one or more restaurants and a market.
- ▶ Retain portions of the former Coca-Cola Bottling Co. building, including the original clock tower and elements of the facades along Mission and 11th Streets that contribute to the Streamline Moderne character-defining features of the building.
- ▶ Develop a project that is economically feasible, able to attract equity and debt financing, and that will create a reasonable financial return to the project sponsor.

C. Project Approvals

The Project requires the following Board of Supervisors approvals:

- ▶ Zoning Map amendments to change the site's height and bulk district designations and to add the newly created 1500 Mission Special Use District, and *General Plan* amendments to amend Map 3 (height districts) of the Market & Octavia Area Plan and Map 5 (height and bulk districts) of the Downtown Plan
- ▶ *Planning Code* amendments to create the 1500 Mission Special Use District, which would supersede the project site's current Van Ness & Market Downtown Residential Special Use District, to permit office uses on the ground floor and above the fourth floor and allow parking for the City's fleet vehicles, and to amend Section 270 regarding bulk limits by creating a new Subsection 270(g)

- ▶ Ratification of the City's conditional agreement to purchase the office building component
- ▶ Approvals for construction within the public right-of-way (e.g., sidewalk wind screens and benches) on Mission and 11th Street and South Van Ness Avenue

The Project requires the following Planning Commission approvals:

- ▶ Certification of the Final EIR
- ▶ Zoning Map amendments to change the site's height and bulk district designations and to add the newly created 1500 Mission Special Use District, and General Plan amendments to amend Map 3 (height districts) of the Market & Octavia Area Plan and Map 5 (height and bulk districts) of the Downtown Plan (recommendation to the Board of Supervisors)
- ▶ *Planning Code* amendments to create the 1500 Mission Special Use District, which would supersede the project site's current Van Ness & Market Downtown Residential Special Use District, to permit office uses on the ground floor and above the fourth floor and allow parking for the City's fleet vehicles, and to amend Section 270 regarding bulk limits by creating a new Subsection 270(g) (recommendation to the Board of Supervisors)
- ▶ Downtown Project Authorization (*Planning Code* Section 309), including exceptions to the requirement to eliminate existing and new exceedances of the pedestrian wind comfort criterion of Section 148, and the requirement for off-street freight-loading spaces for the residential building of Section 152.1 (four spaces required, three proposed)
- ▶ Findings, upon the recommendation of the Recreation and Park General Manager and/or Commission, that new shadow would not adversely affect public open spaces under Recreation and Park Commission jurisdiction (*Planning Code* Section 295)

Actions by Other City Departments and State Agencies

- ▶ Demolition, grading, building and occupancy permits (Department of Building Inspection)
- ▶ Approval of lot merger and subdivision applications; minor or major street encroachment permits for construction within the public right-of-way (e.g., wind canopy, sidewalk wind screens and benches) on Mission and 11th Street and on South Van Ness Avenue (San Francisco Public Works)
- ▶ Approval of placement of bicycle racks on the sidewalk and other sidewalk improvements; approval of construction within the public right of way; approval of the on-street commercial (yellow zone) and passenger (white zone) loading spaces proposed on South Van Ness Avenue and on 11th Street (San Francisco Municipal Transportation Agency)
- ▶ Approval of sewer connections, relocations and changes; approval of Erosion and Sediment Control Plan; approval of post-construction stormwater design guidelines (San Francisco Public Utilities Commission)
- ▶ Determination and recommendation to the Planning Commission that shadow would not adversely affect open spaces under Commission jurisdiction (San Francisco Recreation and Park Commission)

- ▶ Approval of Enhanced Ventilation Proposal, as well as Dust Control Plan for construction-period activities (San Francisco Department of Public Health)
- ▶ Issuance of permits for installation and operation of emergency generator (Bay Area Air Quality Management District)

D. Environmental Review

The Project Sponsor submitted an Environmental Evaluation Application for the Project on October 14, 2014. On May 13, 2015, the Department published a Notice of Preparation of Environmental Impact Report and Notice of Public Scoping Meeting ("NOP"). Publication of the NOP initiated a 30-day public review and comment period that began on May 13, 2015 and ended on June 15, 2015. On June 2, 2015, the Department held a public scoping meeting regarding the Project.

On November 9, 2016, the Department published the Draft Environmental Impact Report (hereinafter "DEIR"), including the Initial Study ("IS"), and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice.

Notices of availability of the DEIR and of the date and time of the public hearing were posted near the Project Site by the Project Sponsor on November 9, 2016.

On November 9, 2016, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, to adjacent property owners, and to government agencies, the latter both directly and through the State Clearinghouse.

Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on November 9, 2016.

The Commission held a duly advertised public hearing on the DEIR on December 15, 2016, at which opportunity for public comment was given, and public comment was received on the DEIR. The period for commenting on the EIR ended on January 4, 2017.

The Department prepared responses to comments on environmental issues received during the 45 day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected clerical errors in the DEIR. This material was presented in a Responses to Comments document, published on March 8, 2017, distributed to the Commission and all parties who commented on the DEIR, and made available to others upon request at the Department.

A Final Environmental Impact Report (hereinafter "FEIR") has been prepared by the Department, consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the Responses to Comments document all as required by law. The IS is included as Appendix A to the DEIR and is incorporated by reference thereto.

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

On March 23, 2017, the Commission reviewed and considered the FEIR and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code. The FEIR was certified by the Commission on March 23, 2017 by adoption of its Motion No. [].

E. Content and Location of Record

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

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

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

F. Findings about Environmental Impacts and Mitigation Measures

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

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

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

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

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

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

II. LESS-THAN-SIGNIFICANT IMPACTS

The FEIR finds that implementation of the Project would result in less-than-significant impacts or less-than-significant impacts with mitigation in the following environmental topic areas: Land Use and Land Use Planning, Population and Housing, Noise, Greenhouse Gas Emissions, Recreation, Utilities and Services Systems, Public Services, Biological Resources, Geology and Soils, Hydrology and Water

Quality, Hazards and Hazardous Materials, Mineral and Energy Resources, and Agriculture and Forest Resources.

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

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

CEQA requires agencies to adopt mitigation measures that would avoid or substantially lessen a project's identified significant impacts or potential significant impacts if such measures are feasible. The findings in this section concern 16 potential impacts and mitigation measures proposed in the IS and/or FEIR. These mitigation measures are included in the MMRP. A copy of the MMRP is included as Attachment B to the Planning Commission Motion adopting these findings.

The Project Sponsor has agreed to implement the following mitigation measures to address the potential cultural resources, transportation and circulation, air quality, noise, geology and soils, and hazards and hazardous materials impacts identified in the IS and/or FEIR. As authorized by CEQA Section 21081 and CEQA Guidelines Section 15091, 15092, and 15093, based on substantial evidence in the whole record of this proceeding, the Planning Commission finds that, unless otherwise stated, the Project will be required to incorporate mitigation measures identified in the IS and/or FEIR into the Project to mitigate or to avoid significant or potentially significant environmental impacts. Except as otherwise noted, these mitigation measures will reduce or avoid the potentially significant impacts described in the IS and/or Final EIR, and the Commission finds that these mitigation measures are feasible to implement and are within the responsibility and jurisdiction of the City and County of San Francisco to implement or enforce.

Additionally, the required mitigation measures are fully enforceable and are included as conditions of approval in the Planning Commission's Downtown Project Authorization under Planning Code Section 309 and also will be enforced through conditions of approval in any building permits issued for the Project by the San Francisco Department of Building Inspection. With the required mitigation measures, these Project impacts would be avoided or reduced to a less-than-significant level. The Planning Commission finds that the mitigation measures presented in the MMRP are feasible and shall be adopted as conditions of project approval.

The following mitigation measures would be required to reduce 16 impacts identified in the Initial Study and/or FEIR to a less-than-significant level:

Impacts to Cultural Resources

- **Impact CR-4:** The proposed Project could cause a substantial adverse change in the significance of an archeological resource pursuant to Section 15064.5(f). With implementation of Mitigation Measure M-CR-4 (Archeological Testing Program), Impact CR-4 is reduced to a less-than-significant level.
- **Impact CR-5:** The proposed Project could result in a substantial adverse change in the significance of a tribal cultural resource. With implementation of Mitigation Measure M-CR-5 (Tribal Cultural Resources Interpretive Program), Impact CR-5 is reduced to a less-than-significant level.
- **Impact CR-6:** The proposed Project could disturb human remains, including those interred outside of formal cemeteries. With implementation of Mitigation Measure M-CR-6 (Inadvertent Discovery of Human Remains), Impact CR-6 is reduced to a less-than-significant level.

Impacts to Transportation and Circulation

- **Impact TR-3:** The proposed Project could cause a substantial increase in delays or operating costs such that significant adverse impacts to local or regional transit service could occur. With implementation of Mitigation Measure M-TR-3 (Avoidance of Conflicts Associated with On-Site Loading Operations), Impact TR-3 is reduced to a less-than-significant level.
- **Impact TR-4:** The proposed Project could create potential hazardous conditions for pedestrians, and otherwise interfere with pedestrian accessibility to the site and adjoining areas. With implementation of Mitigation Measure M-TR-3 (Avoidance of Conflicts Associated with On-Site Loading Operations), Impact TR-4 is reduced to a less-than-significant level.
- **Impact TR-5:** The proposed Project could result in potentially hazardous conditions for bicyclists, or otherwise substantially interfere with bicycle accessibility to the site and adjoining areas. With implementation of Mitigation Measure M-TR-3 (Avoidance of Conflicts Associated with On-Site Loading Operations), Impact TR-5 is reduced to a less-than-significant level.
- **Impact TR-6:** The proposed Project could create potentially hazardous conditions or significant delays for traffic, transit, bicyclists, or pedestrians associated with loading activities. With implementation of Mitigation Measure M-TR-3 (Avoidance of Conflicts Associated with On-Site Loading Operations), Impact TR-6 is reduced to a less-than-significant level.
- **Impact C-TR-5:** The proposed Project, in combination with other past, present, and reasonably foreseeable future projects, could result in cumulative bicycle impacts. With implementation of Mitigation Measure M-TR-3 (Avoidance of Conflicts Associated with On-Site Loading Operations), Impact C-TR-5 is reduced to a less-than-significant level.

Impacts to Air Quality

- **Impact AQ-3:** The proposed Project would generate toxic air contaminants, including diesel particulate matter, exposing sensitive receptors to substantial air pollutant concentrations. With implementation of Mitigation Measure M-AQ-3a (Construction Air Quality) and Mitigation Measure M-AQ-3b (Diesel Generator Specifications), Impact AQ-3 is reduced to a less-than-significant level.
- **Impact C-AQ-2:** The proposed Project could result in a considerable contribution to cumulative increases in short- and long-term exposures to toxic air contaminants. With implementation of Mitigation Measure M-AQ-3a (Construction Air Quality) and Mitigation Measure M-AQ-3b (Diesel Generator Specifications), Impact C-AQ-2 is reduced to a less-than-significant level.

Impacts to Noise

- **Impact NO-2:** The proposed Project could result in a substantial temporary or periodic increase in ambient noise and vibration in the project vicinity above levels existing without the Project during construction. With implementation of Mitigation Measure M-NO-2 (Construction Related Noise Reduction), Impact NO-2 is reduced to a less-than-significant level.
- **Impact C-NO-1:** The proposed Project, in combination with past, present, and reasonably foreseeable future projects, could result in a considerable contribution to cumulative impacts related to construction noise. With implementation of Mitigation Measure M-NO-2 (Construction Related Noise Reduction), Impact C-NO-1 is reduced to a less-than-significant level.

Impacts to Geology and Soils

- **Impact GE-6:** The proposed Project could directly or indirectly destroy a unique paleontological resource or site or unique geologic feature. With implementation of Mitigation Measure M-GE-6 (Inadvertent Discovery of Paleontological Resources), Impact GE-6 is reduced to a less-than-significant level.

Impacts to Hazards and Hazardous Materials

- **Impact HZ-2:** The proposed Project could create a significant hazard to the public or the environment through reasonably foreseeable conditions involving the release of hazardous materials into the environment. With implementation of Mitigation Measure M-HZ-2 (Hazardous Building Materials Abatement), Impact HZ-2 is reduced to a less-than-significant level.
- **Impact HZ-3:** The proposed Project could emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within a quarter-mile of an existing or proposed school. With implementation of Mitigation Measure M-HZ-2 (Hazardous Building Materials Abatement), Impact HZ-3 is reduced to a less-than-significant level.
- **Impact C-HZ-1:** The proposed Project, in combination with past, present, and reasonably foreseeable future projects, could result in a considerable contribution to cumulative impacts related to hazardous materials. With implementation of Mitigation Measure M-HZ-2 (Hazardous Building Materials Abatement), Impact C-HZ-1 is reduced to a less-than-significant level.

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

Based on substantial evidence in the whole record of these proceedings, the Planning Commission finds that there are significant project-specific and cumulative impacts that would not be eliminated or reduced to an insignificant level by the mitigation measures listed in the MMRP. The FEIR identifies one significant and unavoidable impact on cultural resources, and one significant and unavoidable impact on transportation and circulation. The FEIR also identifies that cumulative wind conditions would be altered in a manner that substantially affects the use of public areas in the vicinity and that cumulative shadow conditions on a park or open space under the jurisdiction of the Recreation and Park Department would be substantially affected; however, the FEIR concludes that the Project's contribution is not cumulatively considerable and therefore the Project's cumulative wind and shadow impacts are less than significant.

The Planning Commission further finds based on the analysis contained within the FEIR, other considerations in the record, and the significance criteria identified in the FEIR, that feasible mitigation measures are not available to reduce the significant Project impacts to less-than-significant levels, and thus those impacts remain significant and unavoidable. The Commission also finds that, although measures were considered in the FEIR that could reduce some significant impacts, certain measures, as described in this Section IV below, are infeasible for reasons set forth below, and therefore those impacts remain significant and unavoidable or potentially significant and unavoidable.

Thus, the following significant impacts on the environment, as reflected in the FEIR, are unavoidable. But, as more fully explained in Section VI, below, under Public Resources Code Section 21081(a)(3) and (b), and CEQA Guidelines 15091(a)(3), 15092(b)(2)(B), and 15093, the Planning Commission finds that these impacts are acceptable for the legal, environmental, economic, social, technological and other benefits of the Project. This finding is supported by substantial evidence in the record of this proceeding.

The FEIR identifies the following impacts for which no feasible mitigation measures were identified that would reduce these impacts to a less than significant level:

Impacts to Cultural Resources – Impact CR-2

The proposed Project would demolish most of the historic 1500 Mission Street building, which would cause a substantial adverse change in the significance of a historical resource, as defined in CEQA Guidelines Section 15064.5(b). No feasible mitigation measures were identified that would reduce this impact to a less than significant level after consideration of several potential mitigation measures. The Project Sponsor has agreed to implement four mitigation measures, as follows:

- Mitigation Measure M-CR-2a (Documentation);
- Mitigation Measure M-CR-2b (Historic Preservation Plan and Protective Measures);
- Mitigation Measure M-CR-2c (Video Recordation of the Historic Resource);
- Mitigation Measure M-CR-2d (Historic Resource Interpretation)

The Commission finds that, for the reasons set forth in the FEIR, although implementation of Mitigation Measures M-CR-2a, M-CR-2b, M-CR-2c and M-CR-2d would reduce the cultural resources impact of demolition of the 1500 Mission Street building, this impact would nevertheless remain significant and unavoidable.

Impacts to Transportation and Circulation – Impact C-TR-8

The proposed Project, combined with past, present, and reasonably foreseeable future projects, would contribute considerably to significant cumulative construction-related transportation impacts. No feasible mitigation measures were identified that would reduce this impact to a less than significant level after consideration of several potential mitigation measures. The Project Sponsor has agreed to implement one mitigation measure, as follows:

- Mitigation Measure M-C-TR-8 (Construction Coordination)

The Commission finds that, for the reasons set forth in the FEIR, although implementation of Mitigation Measure M-C-TR-8 would reduce the cumulative transportation and circulation impact of the construction phase of the Project, this impact would nevertheless remain significant and unavoidable.

V. EVALUATION OF PROJECT ALTERNATIVES

A. Alternatives Analyzed in the FEIR

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

The Planning Department considered a range of alternatives in Chapter IV of the FEIR. The FEIR analyzed the No Project Alternative, the Partial Preservation Alternative, the Full Preservation Alternative, and the All Residential Alternative. Each alternative is discussed and analyzed in these findings, in addition to being analyzed in Chapter IV of the FEIR. The Planning Commission certifies that it has independently reviewed and considered the information on the alternatives provided in the FEIR and in the record. The FEIR reflects the Planning Commission’s and the City’s independent judgment as to the alternatives. The Planning Commission finds that the Project provides the best balance between satisfaction of Project objectives and mitigation of environmental impacts to the extent feasible, as described and analyzed in the FEIR.

B. Reasons for Approving the Project

Retail/Residential Building Component

- ▶ To redevelop a large underused site at a prominent location in the downtown area that will serve as an iconic addition to the City’s skyline and a gateway to the Civic Center and that will include a range of residential unit types and neighborhood serving retail uses.
- ▶ To assist the City with the construction of a new City office building and one-stop permit center on a portion of the site not developed with residential and retail uses and that can be subdivided as a separate legal parcel and conveyed to the City.
- ▶ To build a substantial number of residential dwelling units on the site to contribute to the City’s General Plan Housing Element goals and ABAG’s Regional Housing Needs Allocation for the City and County of San Francisco.
- ▶ To create a mixed-use project generally consistent with the land use, housing, open space and other objectives and policies of the Market & Octavia Area Plan.

- ▶ To provide commercial retail space of sufficient size to attract neighborhood-serving retail and personal services that are not currently offered in the immediate vicinity for project residents, area residents, and the public, such as one or more restaurants and a market.
- ▶ To retain portions of the former Coca-Cola Bottling Co. building, including the original clock tower and elements of the facades along Mission and 11th Streets that contribute to the Streamline Moderne character-defining features of the building.

City Office Building Component

- ▶ To develop a new, seismically-sound, Class-A, LEED Gold City office building of enough size to accommodate several interdependent City departments currently housed in disparate buildings around the Civic Center, into a single building to foster interagency cooperation, and located in close proximity to mass transit.
- ▶ To allow for a one-stop permit center to centralize permitting functions for enhanced customer service and streamlined operations on a single floor.
- ▶ To construct shared conference, meeting, training, and boardroom facilities on the lower levels of the building for use by occupants of the office building, other nearby City departments, and the public.
- ▶ To provide and activate publicly-accessible open space areas, including a mid-block pedestrian connection, with regular civic programming and other public events.
- ▶ To provide an early childcare facility primarily for use by City employees.

C. Evaluation of Project Alternatives

CEQA provides that alternatives analyzed in an EIR may be rejected if “specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible . . . the project alternatives identified in the EIR.” (CEQA Guidelines § 15091(a)(3).) The Commission has reviewed each of the alternatives to the Project as described in the FEIR that would reduce or avoid the impacts of the Project and finds that there is substantial evidence of specific economic, legal, social, technological and other considerations that make these Alternatives infeasible, for the reasons set forth below.

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

Three alternatives were considered as part of the FEIR’s overall alternatives analysis, but ultimately rejected from detailed analysis. Those alternatives are as follows:

- **Off-site Alternative.** This alternative was rejected because the Project sponsor does not have control of another site that would be of sufficient size to develop a mixed-use project with the intensities and mix of uses that would be necessary to achieve most of the basic Project objectives.
- **Code Compliant Alternative.** An alternative that would consider project development of the site compliant with the site's existing Height and Bulk districts was not considered for further analysis because existing zoning would not meet most of the basic project objectives, nor would it address several other City policy objectives, nor would it comply with the *Planning Code*.
- **Phased Construction Alternative.** An alternative that would stagger the construction of this project as well as the construction of cumulative projects within the cumulative environment (0.25 mile) was rejected as such a requirement would be infeasible.

The following alternatives were fully considered and compared in the FEIR:

1. No Project Alternative

Under the No Project Alternative, the Project Site would foreseeably remain in its existing condition. The buildings on the project site would not be altered, and the proposed 1,334,500 combined square feet of residential, office, retail, open space, and supporting uses would not be constructed. While Goodwill Industries would no longer use the site, the site could be occupied with similar uses of office, retail and warehouse uses. The two-story, 29,000-square-foot building located at 1580 Mission Street would remain as retail uses on the ground level with offices above; and the approximately 57,000-square-foot, largely single-story building at 1500 Mission Street would continue to be used as a warehouse. Building heights on the site would not be increased and public parking would also remain unaltered.

This alternative would not preclude development of another project on the project site should such a proposal be put forth by the project sponsor or another entity. However, it would be speculative to set forth such an alternative project at this time.

The Planning Commission rejects the No Project Alternative as infeasible because it would fail to meet the Project Objectives and the City's policy objectives for the following reasons:

- 1) The No Project Alternative would not meet any of the Project Sponsor's or City's objectives;
- 2) The No Project Alternative would be inconsistent with key goals of the General Plan with respect to housing production. With no new housing created here and no construction, the No Project Alternative would not increase the City's housing stock of both market rate and affordable housing, would not create new job opportunities for construction workers, and would not expand the City's property tax base.
- 3) The No Project Alternative would leave the Project Site physically unchanged, and thus would not achieve any of the objectives regarding the redevelopment of a large underutilized site (primarily consisting of obsolete warehouses and a surface parking lot), creation of a mixed-use project that provides a substantial number of new residential dwelling units and affordable housing, and creation of a City office building in immediate proximity to mass transit and existing City offices and services in the Civic Center.

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

2. Partial Preservation Alternative

The Partial Preservation Alternative would develop a similar program to that of the proposed Project, but would retain the entirety of both the Mission Street and 11th Street façades of the 1500 Mission Street building as part of the office space development. The approximately 42,000 square foot permit center would be housed within the ground floor of the existing building. The Partial Preservation Alternative would maintain most of the exterior character-defining features of the existing building.

The Partial Preservation Alternative would provide a residential and retail/restaurant component on a reduced footprint, as compared to the proposed project, and the 1500 Mission Street building would be retained along the entire length of its Mission and 11th Street façades. The residential tower would remain at the same location as under the proposed project, at the corner of Mission Street and South Van Ness Avenue, but the 10-story podium would not extend as far to the east of the 39-story tower as under the proposed project. This alternative would include approximately 511,500 square feet of residential space for 468 residential units, 82 units (15 percent) fewer than with the proposed project, and would provide approximately 35,900 square feet of retail/restaurant space (nearly 9,700 square feet of which would be restaurant), approximately 2,100 square feet (six percent) less than with the project. For the office tower, a new second story, set back approximately 38 feet from the Mission Street façade, would be added directly behind the clock tower of the 1500 Mission Street building.

The office tower would then step up to seven stories behind the portion of the existing building that would be retained, at a distance of approximately 110 feet from the Mission Street façade (90 feet from the rear elevation of the clock tower), and then up to 16 stories at the rear of the building. The new tower would be setback approximately 29 feet from the existing 11th Street façade. As with the proposed project, this alternative would also provide an approximately 4,400-square-foot childcare facility. This alternative would provide approximately 455,600 square feet of office space, or 5,800 square feet (one percent) more than with the project, including the permit center within the retained 1500 Mission Street building. Access to below-grade parking, which would contain 332 parking spaces (21 percent fewer parking spaces than the proposed project), would be provided via two ramps accessible from 11th Street—one for the office and permit center component at the northeast corner of the project site and one for the residential and retail/restaurant component located four bays south of the office and permit center ramp.

This alternative would reduce but not eliminate the significant and unavoidable impacts on historical resources and transportation and circulation. Additionally, this alternative meets many but not all of the Project Sponsor's and City's objectives. Specifically, while this alternative provides the ability to redevelop the underutilized site, it reduces the number of residential units by 16% and the retail/restaurant space by 6%.

The Planning Commission rejects the Partial Preservation Alternative as infeasible because it would not eliminate any of the significant unavoidable individual impacts of the proposed Project and it would not meet the Project Objectives or City policy objectives for reasons including, but not limited to, the following:

- 1) The Partial Preservation Alternative would limit the Project to 468 dwelling units; whereas the proposed Project would provide up to 550 units to the City's housing stock and maximize the

creation of new residential units. The City's important policy objective as expressed in Policy 1.1 of the Housing Element of the General Plan is to increase the housing stock whenever possible to address a shortage of housing in the City.

- 2) The Partial Preservation Alternative would also limit the Project to 94 total affordable units; whereas the proposed Project would provide up to 110 affordable units to the City's stock of affordable housing and contribute to the City's Inclusionary Housing Program. The City's important policy objective as expressed in Policy 1.1 of the Housing Element of the General Plan is to increase the affordable housing stock whenever possible to address a shortage of housing in the City.
- 3) The Partial Preservation Alternative would create a project that would not fully utilize this site for housing production, thereby not fully satisfying General Plan policies such as Housing Element Policies 1.1 and 1.4, among others. The alternative would not further the City's housing policies to create more housing, particularly affordable housing opportunities as well as the proposed Project does, and would not remove all significant unavailable impacts.
- 4) Construction of the Partial Preservation Alternative would be more complicated, less efficient and more expensive to construct than the Proposed Project for the following reasons:
 - The Partial Preservation Alternative results in a significantly lower housing unit count due to the reduced residential footprint.
 - The reduced residential footprint also creates much less efficient residential floor plates, as the highly efficient Mission Street podium wing would be removed from the residential tower but the building core must stay the same.
 - In order to preserve a larger portion of the 1500 Mission building, the foundation underneath the building would need to be rebuilt and reinforced in order to partially support the adjoining towers, and it would be expensive to undertake this work while the existing building remains intact.
 - In order to retain the warehouse portion of the 1500 Mission Street building while also providing for vehicular access to both the office and residential subterranean garages, the existing facades, superstructure (columns and trusses) and roof would need to be reinforced and new vehicular access ramps from 11th Street would have to be constructed through and under the 11th Street façade, rather than built as part of new construction as contemplated in the Proposed Project.
 - In order to achieve sufficient residential parking spaces, an easement would need to be granted from the Office Building to the Residential Building to allow a portion of the residential parking to be located in the existing basement of the 1500 Mission Street building. In order to connect the two basements, a tunnel would need to be created and mechanical stackers would need to be added to provide necessary parking thereby increasing the construction costs. In addition, deeper excavation would be needed to accommodate these mechanical stackers.
 - Despite the reduction of residential square footage, there is relatively little reduction in general contractor's staff or general requirements given the scale and complexity of development.
 - Despite the reduction of residential square footage, the costs for vertical circulation (stairs, elevators) remain nearly the same.

- Residential building façade surface area does not decrease proportionally to the decrease in residential square footage, which creates a relatively higher façade cost per residential unit.
 - Despite the reduction of residential square footage, all large MEP equipment would remain nearly the same as the Proposed Project.
- 5) The residential/retail component of the Partial Preservation Alternative is economically infeasible. Large development projects are capital-intensive and depend on obtaining financing from equity investors to cover a significant portion of the project's costs, obtain a construction loan for the bulk of construction costs, and provide significant costs out-of-pocket. Equity investors require a certain profit margin to finance development projects and must achieve established targets for their internal rate of return and return multiple on the investment. Because the Partial Preservation Alternative would result in a project that is significantly smaller than the Project, and contains 92 fewer residential units, the total potential for generating revenue is lower while the construction cost per square foot is higher due to lower economies of scale and the impact of fixed project costs associated with development. The reduced unit count would not generate a sufficient economic return to obtain financing and allow development of the proposed Project and therefore would not be built.

Seifel Consulting, Inc., a qualified real estate economics firm, prepared on behalf of the Project sponsor a memorandum entitled "Financial Feasibility Analysis of 1500 Mission Street Project", which is included in the record and is incorporated herein by reference. Given the significant fixed development costs (such as property acquisition and site improvement costs), the lower number of units in the Partial Preservation Alternative negatively impacts its financial viability, as there are fewer units over which these fixed development costs can be spread in comparison to the Project. The memorandum concludes that the Partial Preservation Alternative is not financially feasible because the development costs for the Partial Preservation Alternative significantly exceed potential revenues, resulting in a negative developer margin or return.

Specifically, implementation of the Partial Preservation Alternative for apartment development would result in total development costs of \$344,224,000 million and result in a total value of \$341,551,000 million, resulting in negative \$2,673,000 net developer margin or return. In addition, the Reduced Density Alternative does not meet either of the return thresholds as measured by Yield On Cost or Return on Cost. Similarly, implementation of the Partial Preservation Alternative as a condominium development rather than a rental project would also result in a negative net developer margin or return (\$55,466,000 million) and would fail to meet either of the return thresholds.

The Planning Department engaged Strategic Economics, a qualified real estate economics firm, to independently review the Seifel Consulting analysis of the financial feasibility of the residential/retail component of the Partial Preservation Alternatives on behalf of the City. Strategic Economics produced a memorandum entitled "Peer Review of 1500 Mission Pro Forma," which is included in the record and is incorporated herein by reference. Strategic Economics verified that the methodology and assumptions used by Seifel Consulting were reasonable and verified the conclusion of the Seifel Consulting analysis that the residential/retail component of the Partial Preservation Alternative is financially infeasible.

- 6) The office component of the Partial Preservation Alternative is also economically infeasible. The City's Real Estate Division prepared an analysis of the Partial Preservation Alternative's

ability to meet the City's programmatic objectives, policies, requirements and financial feasibility, which is included in the record and is incorporated herein by reference. In December 2014, the City's Board of Supervisors approved a conditional Purchase and Sale Agreement ("PSA"), which contains an Approved Project Budget of \$326.7 million. The Partial Preservation Alternative would increase the Approved Project Budget by \$47 million, whereas the proposed Project would be developed at or below the Approved Project Budget. This renders the Partial Preservation Alternative economically infeasible for the City, given the City's other fiscal needs. Additionally, the Partial Preservation Alternative is infeasible in its failure to meet the City's objectives for the development Project as well as the proposed Project does. In particular, the Partial Preservation Alternative makes achieving the City's seismic and environmental policy goals more difficult and expensive by requiring retention of larger portions of existing buildings that are outdated, inefficient and environmentally unsound. The Partial Preservation Alternative also would significantly reduce available parking for City fleet vehicles and visitors to the permit center.

- 7) The Partial Preservation Alternative would create a project with fewer housing units in an area well-served by transit, services and shopping and adjacent to employment opportunities which would then push demand for residential development to other sites in the City or the Bay Area. This would result in the Partial Preservation Alternative not meeting, to the same degree as the Project, the City's *Strategies to Address Greenhouse Gas Emissions* or CEQA and the Bay Area Air Quality Management District's ("BAAQMD") requirements for a GHG reductions, by not maximizing housing development in an area with abundant local and region-serving transit options.

For the foregoing reasons, the Planning Commission rejects the Reduced Density Alternative as infeasible.

3. Full Preservation Alternative

The Full Preservation Alternative would be similar to the Partial Preservation Alternative; however, the office tower would be set back approximately 59 feet from the 11th Street façade of the 1500 Mission Street building, or more than twice the setback of the Partial Preservation Alternative. Also, in addition to preserving exterior features of the existing 1500 Mission Street building, this alternative would retain a substantial portion of the industrial warehouse section of the building, including wire glass skylights, exposed steel truss work/structural framing, unfinished concrete floor, and full-height interior space that would remain intact as part of the first floor permit center within the office building. The Full Preservation Alternative would retain the Mission and 11th Street facades of the existing 1500 Mission Street building in their entirety, and a new office tower would be constructed at the rear northwest corner of the existing building. All of the character-defining features on these two facades, and for the majority of the building, would be retained.

The Full Preservation Alternative would provide a residential and retail/restaurant component on a reduced footprint as compared to the proposed project (the same as with the Partial Preservation Alternative). Like the Partial Preservation Alternative, the Full Preservation Alternative would provide approximately 35,900 square feet of retail/restaurant space and 511,500 square feet of residential space that would accommodate 468 units. Under this alternative, an office tower would be set back approximately 59 feet from the 11th Street facade, or just over twice the setback in the Partial Preservation Alternative. Unlike the Partial Preservation Alternative, there would be no second floor addition behind

the clock tower, so the setback of the office tower would be approximately 111 feet from the Mission Street elevation (about 90 feet from the rear elevation of the clock tower).

The office tower, at the northeast corner of the building, would step up to 9 stories (compared to seven stories with the Partial Preservation Alternative), and then up to 16 stories at the rear of the building, beginning about 180 feet back from the Mission Street façade. This alternative would provide approximately 452,400 square feet of office space, 2,600 square feet (0.6 percent) more than with the proposed project, including the permit center within the retained portion of the 1500 Mission Street building, but no childcare facility due to the lack of available space for required childcare open spaces. As with the Partial Preservation Alternative, access to below-grade parking, which would contain 142 parking spaces (66 percent fewer parking spaces than the proposed project), would be provided via two ramps accessible from 11th Street, one for the office and permit center component at the northeast corner of the project site and one for the residential and retail/restaurant component located four bays south of the office and permit center ramp. This alternative would have one basement level of parking compared to the Partial Preservation Alternative, which would have two below-grade levels of parking.

The Planning Commission rejects the Full Preservation Alternative as infeasible because it would not eliminate all of the significant unavoidable individual impacts of the proposed Project and it would not meet the Project Objectives or City policy objectives for reasons including, but not limited to, the following:

- 1) The Full Preservation Alternative would limit the Project to 468 dwelling units; whereas the proposed Project would provide 550 units to the City's housing stock. The City's important policy objective as expressed in Policy 1.1 of the Housing Element of the General Plan is to increase the housing stock whenever possible to address a shortage of housing in the City.
- 2) The Full Preservation Alternative would also limit the Project to 94 total affordable units; whereas the proposed Project would provide up to 110 affordable units to the City's stock of affordable housing and contribute to the City's Inclusionary Housing Program. The City's important policy objective as expressed in Policy 1.1 of the Housing Element of the General Plan is to increase the affordable housing stock whenever possible to address a shortage of housing in the City.
- 3) The Full Preservation Alternative would create a project that would not fully utilize this site for housing production, thereby not fully satisfying General Plan policies such as Housing Element Policies 1.1 and 1.4, among others. The alternative would not create a project that is consistent with and enhances the existing scale and urban design character of the area or furthers the City's housing policies to create more housing, particularly affordable housing opportunities, and would not remove all significant unavailable impacts.
- 4) Construction of the Full Preservation Alternative would be more complicated, less efficient and more expensive to construct than the Proposed Project for the following reasons:
 - The Full Preservation Alternative results in a significantly lower housing unit count due to the reduced residential footprint.
 - The reduced residential footprint also creates much less efficient residential floor plates, as the highly efficient Mission Street podium wing would be removed from the residential tower but the building core must stay the same.

- In order to preserve a larger portion of the 1500 Mission building, the foundation underneath the building would need to be rebuilt and reinforced in order to partially support the adjoining towers, and it would be expensive to undertake this work while the existing building remains intact.
 - In order to retain the warehouse portion of the 1500 Mission Street building while also providing for vehicular access to both the office and residential subterranean garages, the existing facades, superstructure (columns and trusses) and roof would need to be reinforced and new vehicular access ramps from 11th Street would have to be constructed through and under the 11th Street façade, rather than built as part of new construction as contemplated in the Proposed Project.
 - In order to achieve sufficient residential parking spaces, an easement would need to be granted from the Office Building to the Residential Building to allow a portion of the residential parking to be located in the existing basement of the 1500 Mission Street building. In order to connect the two basements, a tunnel would need to be created and mechanical stackers would need to be added to provide necessary parking thereby increasing the construction costs. In addition, deeper excavation would be needed to accommodate these mechanical stackers.
 - Despite the reduction of residential square footage, there is relatively little reduction in general contractor's staff or general requirements given the scale and complexity of development.
 - Despite the reduction of residential square footage, the costs for vertical circulation (stairs, elevators) remain nearly the same.
 - Residential building façade surface area does not decrease proportionally to the decrease in residential square footage, which creates a relatively higher façade cost per residential unit.
 - Despite the reduction of residential square footage, all large MEP equipment would remain nearly the same as the Proposed Project.
 - In order to preserve most of the warehouse component of the 1500 Mission building, the entire foundation underneath the building would need to be underpinned, increasing the most expensive component of the temporary shoring system.
 - To achieve the parking counts for the Residential Building, a larger easement from the Office Building would need to be granted and a greater perimeter of the 1500 Mission Street building would need to be underpinned, contributing to an overall greater cost per parking spot.
- 5) The residential/retail component of the Full Preservation Alternative is economically infeasible. Large development projects are capital-intensive and depend on obtaining financing from equity investors to cover a significant portion of the Project's costs, obtain a construction loan for the bulk of construction costs, and provide significant costs out-of-pocket. Equity investors require a certain profit margin to finance development projects and must achieve established targets for their internal rate of return and return multiple on the investment. Because the Full Preservation Alternative would result in a project that is significantly smaller than the Project, and contains 92 fewer residential units, the total potential for generating revenue is lower while the construction cost per square foot is higher due to lower economies of scale and the impact of fixed project costs associated with development. The reduced unit count would not generate a sufficient economic return to obtain financing and allow development of the proposed Project and therefore would not be built.

Seifel Consulting, Inc., a qualified real estate economics firm, prepared on behalf of the Project sponsor a memorandum entitled "Financial Feasibility Analysis of 1500 Mission Street Project", which is included in the record and is incorporated herein by reference. Given the significant fixed development costs (such as property acquisition and site improvement costs), the lower number of units in the Partial Preservation Alternative negatively impacts its financial viability, as there are fewer units over which these fixed development costs can be spread in comparison to the Project. The memorandum concludes that the Partial Preservation Alternative is not financially feasible because the development costs for the Partial Preservation Alternative significantly exceed potential revenues, resulting in a negative developer margin or return.

Specifically, implementation of the Full Preservation Alternative for apartment development would result in total development costs of \$337,631,000 million and result in a total value of \$329,048,000, negative (\$8,583,000) million net developer margin or return. In addition, the Reduced Density Alternative does not meet either of the return thresholds as measured by Yield On Cost or Return on Cost. Similarly, implementation of the Full Preservation Alternative as a condominium development rather than a rental project would also result in a negative net developer margin or return (\$55,602,000 million) and would fail to meet either of the return thresholds.

The Planning Department engaged Strategic Economics, a qualified real estate economics firm, to independently review the Seifel Consulting analysis of the financial feasibility of the residential/retail component of the Partial Preservation Alternatives on behalf of the City. Strategic Economics produced a memorandum entitled "Peer Review of 1500 Mission Pro Forma," which is included in the record and is incorporated herein by reference. Strategic Economics verified that the methodology and assumptions used by Seifel Consulting were reasonable and verified the conclusion of the Seifel Consulting analysis that the residential/retail component of the Partial Preservation Alternative is financially infeasible.

- 6) The office component of the Full Preservation Alternative is also economically infeasible. The City's Real Estate Division prepared an analysis of the Full Preservation Alternative's ability to meet the City's programmatic objectives, policies, requirements and financial feasibility, which is included in the record and is incorporated herein by reference. In December 2014, the City's Board of Supervisors approved a conditional Purchase and Sale Agreement ("PSA"), which contains an Approved Project Budget of \$326.7 million. The Full Preservation Alternative would increase the Approved Project Budget by \$49 million, whereas the proposed Project would be developed at or below the Approved Project Budget. This renders the Full Preservation Alternative economically infeasible for the City, given the City's other fiscal needs. Additionally, the Full Preservation Alternative is infeasible in its failure to meet the City's objectives for the development Project as well as the proposed Project does. In particular, the Full Preservation Alternative makes achieving the City's seismic and environmental policy goals more difficult and expensive by requiring retention of larger portions of existing buildings that are outdated, inefficient and environmentally unsound. The Full Preservation Alternative also would significantly reduce available parking for City fleet vehicles and visitors to the permit center and eliminate the on-site childcare facility proposed by the Project.
- 7) The Full Preservation Alternative would create a project with fewer housing units in an area well-served by transit, services and shopping and adjacent to employment opportunities which

would then push demand for residential development to other sites in the City or the Bay Area. This would result in the Full Preservation Alternative not meeting, to the same degree as the Project, the City's *Strategies to Address Greenhouse Gas Emissions* or CEQA and the Bay Area Air Quality Management District's ("BAAQMD") requirements for a GHG reductions, by not maximizing housing development in an area with abundant local and region-serving transit options.

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

4. All Residential Alternative

The All Residential Alternative would provide residential and retail uses in two proposed towers in approximately the same location as the towers in the proposed project. At complete buildout, Tower 1, located along South Van Ness and Mission Street would be 39 stories, consistent with the proposed project tower at this location, and Tower 2, located on 11th Street between Market and Mission Streets would be 30 stories, or 14 stories taller than the proposed project.

Tower 1 would provide 570 residential units in approximately 642,900 square feet, and approximately 38,400 square feet of retail space, as well as 298 below-grade parking spaces. Tower 2 would provide 406 residential units in approximately 395,500 square feet, along with 12,700 square feet of retail space, and 203 below-grade vehicle parking spaces. Under this alternative, Tower 1 would provide 570 units, 10 more than the proposed project, and Tower 2 would be entirely devoted to residential housing, providing 406 units with the additional square footage. In addition, 38,400 square feet of retail and restaurant uses would be provided in Tower 1, with an additional 12,700 square feet of similar uses in Tower 2.

Apart from modified building heights, this alternative would use the same buildout scope and design of the proposed project, and would provide approximately 416 more residential units for a total of 976 units, 20 percent of which would be affordable units. Under the All Residential Alternative, the project would provide no office or permit center. Like the Full Preservation Alternative, this alternative would also not provide a childcare facility. Access to below-grade parking, which would contain 501 parking spaces (19 percent greater parking spaces than the proposed project), would be available from two locations off of 11th Street.

The Planning Commission rejects the All Residential Alternative as infeasible because it would not eliminate any of the significant unavoidable individual impacts of the proposed Project and it would completely fail to meet any of the City's objectives for the construction of a new, one-stop permit center and City office building.

For the foregoing reasons, the Planning Commission rejects the All Residential Alternative as infeasible.

VI. STATEMENT OF OVERRIDING CONSIDERATIONS

The Planning Commission finds that, notwithstanding the imposition of all feasible mitigation measures, impacts related to Cultural and Historic Resources, and Transportation and Circulation, will remain significant and unavoidable. Pursuant to CEQA section 21081 and CEQA Guideline Section 15093, the Planning Commission hereby finds, after consideration of the Final EIR and the evidence in the record, that each of the specific overriding economic, legal, social, technological and other benefits of the Project as set forth below independently and collectively outweighs these significant and unavoidable impacts

and is an overriding consideration warranting approval of the Project. Any one of the reasons for approval cited below is sufficient to justify approval of the Project. Thus, even if a court were to conclude that not every reason is supported by substantial evidence, the Commission will stand by its determination that each individual reason is sufficient. The substantial evidence supporting the various benefits can be found in the preceding findings, which are incorporated by reference into this Section, and in the documents found in the record, as defined in Section I.

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

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

The Project will have the following benefits:

1. The Project would add up to 550 dwelling units to the City's housing stock on a currently underutilized site. The City's important policy objective as expressed in Policy 1.1 of the Housing Element of the General Plan is to increase the housing stock whenever possible to address a shortage of housing in the City.
2. The Project would increase the stock of permanently affordable housing by creating approximately 110 units affordable to low-income households on-site.
3. The Project would provide a new City office building able to accommodate several interdependent City departments currently housed in disparate buildings around the Civic Center, as well as common training and conference facilities with the benefit of fostering interagency cooperation. Specifically, these at-grade conference and training facilities will activate the adjacent mid-block alley and facilitate use by occupants of the office building, other nearby City departments and the public, including public access into this area of the building after normal business hours.
4. The Project will provide a one-stop permit center to centralize permitting functions for enhanced customer service and streamlined operations. There are no other sites within the Civic Center area that offer the combination of geographic and functional benefits to the City that this particular site does. In particular, the Project Site is immediately adjacent to One South Van Ness, which houses an existing City office building, and can accommodate a physical connection to that building.
5. The City office building is fiscally prudent and will have a positive net present value over the next thirty years. In addition to lower operating expenses compared to current City office space or other alternatives (including the purchase of existing office space or other

newly constructed office space), the proposed City office building will also be more efficient and environmentally sustainable.

6. The Project promotes a number of General Plan Objectives and Policies, including Housing Element Policy 1.1, which provides that “Future housing policy and planning efforts must take into account the diverse needs for housing;” and Policies 11.1, 11.3 and 11.6, which “Support and respect the diverse and distinct character of San Francisco’s Neighborhoods.” San Francisco’s housing policies and programs should provide strategies that promote housing at each income level, and furthermore identify sub-groups, such as middle income and extremely low income households that require specific housing policy. In addition to planning for affordability, the City should plan for housing that serves a variety of household types and sizes.” The Project will provide a mix of housing types at this location, including studios and one-, two-, and three-bedroom units, increasing the diversity of housing types in this area of the City.
7. The Project adds nearly 38,000 gross square feet of neighborhood serving retail and restaurant space in an area with a growing residential and workplace population, consistent with the policies of the Downtown Area Plan and Market & Octavia Area Plan.
8. The Project provides both publicly accessible and/or common open space in excess of the amounts required by the Planning Code.
9. The Project provides an on-site child care facility.
10. The Project includes a massing scheme and wind reduction elements to avoid the creation of any new hazardous wind conditions on any nearby public sidewalks or seating areas.
11. The Project provides a total of 553 Class 1 secure indoor bicycle parking spaces, in excess of the number required by the Planning Code, and 67 Class 2 sidewalk bike rack spaces, encouraging residents and visitors to access the site by bicycle.
12. The Project meets the City’s *Strategies to Address Greenhouse Gas Emissions* and the BAAQMD requirements for a GHG reductions by maximizing development on an infill site that is well-served by transit, services and shopping and is suited for dense residential development, where residents can commute and satisfy convenience needs without frequent use of a private automobile and is adjacent to employment opportunities, in an area with abundant local and region-serving transit options. The Project would leverage the site’s location and proximity to transit by building a dense mixed-use project that allows people to live and work close to transit sources.
13. The Project promotes a number of Downtown Area Plan Objectives and Policies, including Policies 2.2 and 2.2, which further the Objective of maintaining and improving San Francisco’s position as a prime location for financial, administrative, corporate and professional activity; Policy 5.1, which encourages providing space for commercial activities; and Policies 7.1 and 7.2, which further the Objective of expanding the supply of housing in and adjacent to Downtown. The Project also promotes a number of Market and Octavia Area Plan Objectives and Policies, including Objectives 2.3 and 2.4, which encourage increasing the existing housing stock, including for affordable units.

14. The Project promotes a number of City urban design and transportation policies, including: eliminating existing vehicular entrances/curb cuts on South Van Ness Avenue; avoiding all curb loading zones along the entire Mission Street frontage to accommodate SFMTA's transit and bicycle lanes plan for Mission Street; incorporating significant spacing between the building towers and articulating the massing of the Office Building component with a "Collaborative Seam."
15. The Conditions of Approval for the Project include all the mitigation and improvement measures that would mitigate the Project's potentially significant impact to insignificant levels, except for its impacts on Cultural Resources and Transportation and Circulation. Although the Project demolishes most of the existing 1500 Mission Street building, it retains and rehabilitates some of that building's character defining features, including most of the Mission Street façade and the clock tower.
16. The Project will create temporary construction jobs and permanent jobs in the retail sector. These jobs will provide employment opportunities for San Francisco residents, promote the City's role as a commercial center, and provide additional payroll tax revenue to the City, providing direct and indirect economic benefits to the City.

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

Attachment B

Exhibit 1: Mitigation Monitoring and Reporting Program

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
Cultural Resources (EIR)				
<p>M-CR-2a – Documentation. Prior to the issuance of demolition or site permits, the project sponsor shall undertake Historic American Building Survey (HABS) documentation of the subject property, structures, objects, materials, and surrounding context. The project sponsor shall retain a professional who meets the Secretary of the Interior’s Professional Qualifications Standards for Architectural History, as set forth by the Secretary of the Interior’s Professional Qualification Standards (36 CFR, Part 61), to prepare written and photographic documentation of 1500 Mission Street. The document shall consist of the following:</p> <ul style="list-style-type: none"> • <i>Measured Drawings:</i> A set of measured drawings that depict the existing size, scale, and dimension of the subject property. Planning Department Preservation staff will accept the original architectural drawings or an as-built set of architectural drawings (plan, section, elevation, etc.). Planning Department Preservation staff will assist the consultant in determining the appropriate level of measured drawings; • <i>HABS-Level Photograph:</i> Either HABS standard large format or digital photography shall be used. The scope of the digital photographs shall be reviewed by Planning Department Preservation staff for concurrence, and all digital photography shall be conducted according to the latest National Park Service Standards. The photography shall be undertaken by a qualified professional with demonstrated experience in HABS photography. Photograph views for the dataset shall include (a) contextual views; (b) views of each side of the building and interior views, where possible; (c) oblique views of the building; and (d) detail views of character-defining features, including features on the interior. All views shall be referenced on a photographic key. This photographic key shall be on a map of the property and shall show the photograph number with an arrow to indicate the direction of the view. Historic photographs shall also be collected, reproduced, and included in the dataset; and • <i>HABS Historical Report:</i> A written historical narrative and report, per HABS Historical Report Guidelines. <p>The project sponsor shall transmit such documentation, in both printed and electronic form, to the History Room of the San Francisco Public Library, San Francisco Architectural Heritage, and the Northwest Information Center of the California Historical Information Resource System. All documentation will be reviewed and approved by the San Francisco Planning Department’s</p>	Project sponsor and qualified historic preservation professional	Prior to the issuance of a demolition permit for the 1500 Mission Street building	Planning Department Preservation Technical Specialist to review and approve HABS documentation	Considered complete upon submittal of final HABS documentation to the Preservation Technical Specialist

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
Preservation Coordinator prior to granting any demolition or site permit.				
<p>M-CR-2b – Historic Preservation Plan and Protective Measures. A historic preservation plan and protective measures shall be prepared and implemented to aid in preserving those portions of the individual historical resource that would be retained and incorporated into the project. The Historic Preservation Plan shall be prepared by a qualified architectural historian who meets the Secretary of Interior’s Professional Qualification Standards (36 CFR, Part 61). The project sponsor shall ensure that the contractor follows these plans. The preservation and protection plan, specifications, monitoring schedule, and other supporting documents shall be incorporated into the building or site permit application plan sets. The documentation shall be reviewed and approved by Planning Department Preservation staff.</p> <p>The historic preservation plan shall be prepared and implemented to aid in preserving those portions of the historical resource that would be incorporated into the project. The plan shall establish measures to protect the retained building façades and character-defining features, from vibration effects as well as construction equipment inadvertently coming in contact with the remaining portions of the resource. If deemed necessary upon further condition assessment of the building, the plan shall include the preliminary stabilization of the retained portion prior to construction to prevent further deterioration or damage. The historic preservation plan shall also further investigate and incorporate preservation recommendations regarding the historic materials that comprise the façades and other elements of the historical resource to be retained.</p> <p>Specifically, the Preservation Plan shall incorporate construction specifications for the proposed project with a requirement that the construction contractor(s) use all feasible means to avoid damage to adjacent historic building, including, but not necessarily limited to, staging of equipment and materials as far as possible from historic buildings to avoid direct impact damage; using techniques in demolition, excavation, shoring, and construction that not exceed a vibration level that would damage the retained structure; maintaining a buffer zone when possible between heavy equipment and historical resource(s) within 50 feet, as identified by the Planning Department; appropriately shoring excavation sidewalls to prevent movement of adjacent structures; design and installation of the new foundation to minimize uplift of adjacent soils; ensuring adequate drainage from adjacent sites; covering the roof of adjacent structures to avoid damage from falling objects; and ensuring appropriate security to minimize risks of vandalism and fire. The consultant shall conduct regular periodic inspections of the retained portion of the 1500 Mission Street building during ground-disturbing activity on the project site. Should damage to the building occur, the building shall be remediated to its preconstruction condition at the conclusion of ground-disturbing activity on the site.</p>	Project sponsor and qualified historic architectural historian	Prior to issuance of a site permit, demolition permit, or any other permit from the Department of Building Inspection for the 1500 Mission Street building	Planning Department Preservation Technical Specialist to review and approve Historic Preservation Plan	Considered complete upon submittal of final Historic Preservation Plan to the Preservation Technical Specialist

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
M-CR-2c – Video Recordation of the Historic Resource. Video recordation shall be undertaken prior to the issuance of demolition or site permits. The project sponsor shall undertake video documentation of the affected historical resource and its setting. The documentation shall be conducted by a professional videographer, preferably one with experience recording architectural resources. The documentation shall be narrated by a qualified professional who meets the standards for history, architectural history, or architecture (as appropriate) set forth by the Secretary of the Interior’s Professional Qualification Standards (36 Code of Federal Regulations, Part 61). The documentation shall include as much information as possible—using visuals in combination with narration—about the materials, construction methods, current condition, historic use, and historic context of the historical resource. Archival copies of the video documentation shall be submitted to the Planning Department, and to repositories including but not limited to the History Room of the San Francisco Public Library, San Francisco Architectural Heritage, Northwest Information Center of the California Historical Information Resource System.	Project sponsor and qualified historic videographer	Prior to issuance of a site permit, demolition permit, or any other permit from the Department of Building Inspection for the 1500 Mission Street building	Qualified videographer to undertake video recordation. Planning Department Preservation Technical Specialist to review and approve video documentation	Considered complete upon submittal of completed video documentation to the Planning Department and/or other interested historical institutions
M-CR-2d – Historic Resource Interpretation. The project sponsor shall provide a permanent display of interpretive materials concerning the history and architectural features of the building at 1500 Mission Street, and its operation during the period of significance. The historic interpretation shall be supervised by an architectural historian or historian who meets the Secretary of the Interior’s Professional Qualification Standards, and shall be conducted in coordination with an exhibit designer. The interpretative materials (which may include, but are not limited to, a display of photographs, news articles, Coca-Cola bottling memorabilia, history of streamline modern industrial style, video) shall be placed in a prominent, public setting within new building. A proposal describing the general parameters of the interpretive program shall be approved by Planning Department Preservation staff prior to issuance of a Site Permit. The substance, media and other elements of such interpretive display shall be approved by Planning Department Preservation staff prior to issuance of a Temporary Certificate of Occupancy.	Project sponsor and qualified architectural historian or historian who meets the Secretary of the Interior’s Professional Qualification Standards	Prior to the issuance of a site permit, demolition permit, or any other permit from the Department of Building Inspection for the 1500 Mission Street building	Planning Department Preservation Technical Specialist to review and approve interpretive display	Considered complete upon installation of display
M-CR-4 – Archeological Testing Program. Based on a reasonable presumption that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of an archeological consultant from the rotational Department Qualified Archeological Consultants List (QACL) maintained by the Planning Department archeologist. The project sponsor shall contact the Department archeologist to obtain the names and contact information for the next three archeological consultants on the QACL. The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant’s work shall be conducted in accordance with this measure at the direction of the Environmental Review Officer (ERO). All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by	Project sponsor and Planning Department archeologist or a qualified archeological consultant from the Planning Department pool (archeological consultant)	Prior to issuance of site permits	Project sponsor to retain a qualified archeological consultant who shall report to the ERO. Qualified archeological consultant will scope archeological testing program with ERO	Archeological consultant shall be retained prior to issuance of site permit. Archeological consultant has approved scope from the ERO for the archeological testing program

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less-than-significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Section 15064.5(a)(c).				<p>Date Archeological consultant retained: _____</p> <p>Date Archeological consultant received approval for archeological testing program scope: _____</p>
<i>Consultation with Descendant Communities:</i> On discovery of an archeological site (the term “archeological site” is intended here to minimally included any archeological deposit, feature, burial, or evidence of burial) associated with descendant Native Americans, the Overseas Chinese, or other potentially interested descendant group an appropriate representative of the descendant group and the ERO shall be contacted. (An “appropriate representative” of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American Contact List for the City and County of San Francisco maintained by the California Native American Heritage Commission and in the case of the Overseas Chinese, the Chinese Historical Society of America.) An appropriate representative of other descendant groups should be determined in consultation with the Department archeologist. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to consult with ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archeological Resources Report shall be provided to the representative of the descendant group.	Project sponsor and/or archeological consultant	Throughout the duration of ground-disturbing activities	Project sponsor and/or archeological consultant to submit record to consultation as part of Final Archeological Resources Report	Considered complete upon submittal to ERO of Final Archeological Resources Report
<i>Archeological Testing Program.</i> The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing plan (ATP). The archeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the proposed project, the testing method to be used, and the locations recommended for testing. The purpose of the archeological testing program will be to determine to the extent possible the presence or absence of archeological resources and to identify and to evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.	Project sponsor/ archeological consultant at the direction of the ERO.	Prior to any soils-disturbing activities on the project site.	Archeologist shall prepare and submit draft ATP to the ERO. ATP to be submitted and reviewed by the ERO prior to any soils disturbing activities on the project site.	<p>Date ATP submitted to the ERO: _____</p> <p>Date ATP approved by the ERO: _____</p> <p>Date of initial soils disturbing activities: _____</p>

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
<p>At the completion of the archeological testing program, the archeological consultant shall submit a written report of the findings to the ERO. If based on the archeological testing program the archeological consultant finds that significant archeological resources may be present, the ERO in consultation with the archeological consultant shall determine if additional measures are warranted. Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:</p> <p>A. The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or</p> <p>B. A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p>	Project sponsor/ archeological consultant at the direction of the ERO.	After completion of the Archeological Testing Program.	Archeological consultant shall submit report of the findings of the ATP to the ERO.	<p>Date archeological findings report submitted to the ERO: _____</p> <p>ERO determination of significant archeological resource present?</p> <p>Y N</p> <p>Would resource be adversely affected?</p> <p>Y N</p> <p>Additional mitigation to be undertaken by project sponsor?</p> <p>Y N</p>
<p><i>Archeological Monitoring Program.</i> If the ERO in consultation with the archeological consultant determines that an archeological monitoring program shall be implemented the archeological monitoring program shall minimally include the following provisions:</p> <ul style="list-style-type: none"> • The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the archeological consultant shall determine what project activities shall be archeologically monitored. In most cases, any soils- disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the risk these activities pose to potential archaeological resources and to their depositional context; • The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource; • The archeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with project archeological consultant, determined that project construction activities could have no effects on 	Project sponsor/ archeological consultant/ archeological monitor/ contractor(s), at the direction of the ERO.	ERO & archeological consultant shall meet prior to commencement of soils-disturbing activity. If the ERO determines that an Archeological Monitoring Program is necessary, monitor throughout all soils-disturbing activities.	Project sponsor/ archeological consultant/ archeological monitor/ contractor(s) shall implement the AMP, if required by the ERO.	<p>AMP required?</p> <p>Y N</p> <p>Date: _____</p> <p>Date AMP submitted to the ERO: _____</p> <p>Date AMP approved by the ERO: _____</p>

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
<p>significant archeological deposits;</p> <ul style="list-style-type: none"> The archeological monitor shall record and be authorized to collect soil samples and artefactual/ecofactual material as warranted for analysis; and If an intact archeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction activities and equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, and present the findings of this assessment to the ERO. <p>Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.</p>				<p>Date AMP implementation complete: _____</p> <p>Date written report regarding findings of the AMP received: _____</p>
<p><i>Archeological Data Recovery Program.</i> The archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> <i>Field Methods and Procedures.</i> Descriptions of proposed field strategies, procedures, and operations. <i>Cataloguing and Laboratory Analysis.</i> Description of selected cataloguing system and artifact analysis procedures. <i>Discard and Deaccession Policy.</i> Description of and rationale for field and post-field discard and deaccession policies. <i>Interpretive Program.</i> Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program. 	Archeological consultant, as directed by the ERO	If there is a determination that an ADRP program is required	Project sponsor/ archeological consultant/ archeological monitor/ contractor(s) shall prepare an ADRP if required by the ERO.	<p>ADRP required? Y N</p> <p>Date: _____</p> <p>Date of scoping meeting for ARDP: _____</p> <p>Date Draft ADRP submitted to the ERO: _____</p> <p>Date ADRP approved by the ERO: _____</p>

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
<ul style="list-style-type: none"> <i>Security Measures.</i> Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. <i>Final Report.</i> Description of proposed report format and distribution of results. <p><i>Curation.</i> Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.</p>				Date ARDP implementation complete: _____
<p><i>Final Archeological Resources Report.</i> The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.</p> <p>Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.</p>	Archeological consultant	Prior to the issuance of any certificate of occupancy for the proposed project	ERO	Considered complete upon submittal to ERO and other repositories identified in mitigation measure of Final Archeological Resources Report
<p>M-CR-5 – Tribal Cultural Resources Interpretive Program. If the ERO determines that a significant archeological resource is present, and if in consultation with the affiliated Native American tribal representatives, the ERO determines that the resource constitutes a tribal cultural resource (TCR) and that the resource could be adversely affected by the proposed project, the proposed project shall be redesigned so as to avoid any adverse effect on the significant tribal cultural resource, if feasible.</p> <p>If the Environmental Review Officer (ERO), in consultation with the affiliated Native American tribal representatives and the Project Sponsor, determines that preservation-in-place of the tribal cultural resources is not a sufficient or feasible option, the Project Sponsor shall implement an interpretive program of the TCR in consultation with affiliated tribal representatives. An interpretive plan produced in consultation with the ERO and affiliated tribal representatives, at a minimum, and approved by the ERO would be required to guide the interpretive program. The plan shall identify, as appropriate, proposed locations for installations or displays, the proposed content and materials of those displays or installation, the producers or artists of the displays or installation, and a long-term maintenance program. The interpretive program may include artist installations, preferably by local Native American artists, oral histories with local Native Americans, artifacts displays and interpretation, and educational panels or other informational displays.</p>	Project sponsor in consultation with tribal representative(s), as directed by the ERO	If directed by the ERO, prior to the issuance of any certificate of occupancy for the proposed project	ERO	Considered complete upon implementation of any required interpretive program

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>2. Design access into the mid-block alley in a way that alerts pedestrians and loading vehicle operators to the potential for conflicts (e.g., pavement texture or other indicators that alert people with hearing impairments; in-pavement flashing lighting or other indicators that alert people with visual impairments; signage; etc.);</p> <p>3. Design the loading dock area to include sufficient storage space for deliveries to be consolidated for coordinated deliveries internal to project facilities (i.e., retail and residential); and</p> <p>4. Design the loading dock area to allow for unassisted delivery systems (i.e., a range of delivery systems that eliminate the need for human intervention at the receiving end), particularly for use when the receiver site (e.g., retail space) is not in operation. Examples could include the receiver site providing a key or electronic fob to loading vehicle operators, which enables the loading vehicle operator to deposit the goods inside the business or in a secured area that is separated from the business, but can be accessed from the mid-block alley;</p> <p>In addition, the on-site loading dock could be designed to include electrification abilities for commercial refrigeration units, so that the loading vehicle operators do not need to run their diesel engines while making deliveries.</p> <p>In addition to the above-listed design actions, the project sponsor should explore the feasibility of providing a door along South Van Ness Avenue and a service corridor between South Van Ness Avenue and the proposed on-site delivery drop-off room for UPS, United States Parcel Service, Federal Express, and other similar services, and the residential building concierge should be instructed not to accept deliveries via the front door on Mission Street. These changes should be made in order to discourage drivers from stopping on Mission Street in front of the residential building lobby.</p> <p>In order to avoid ongoing conflicts, prior to receiving the building certificate of occupancy, the project sponsor shall develop a Loading Management Plan to address operational actions for City review and approval. The Loading Management Plan shall incorporate, but not be limited to, the following ongoing actions:</p> <p>1. Allow access into the mid-block alley for loading vehicles only between the hours of 10:00 a.m. and 3:00 p.m., and 7:00 p.m. and 7:00 a.m. on weekdays. On Saturdays and Sundays access into the mid-block alley and on-site loading spaces shall not be restricted.</p> <p>In addition, the Loading Management Plan should include best management practices (e.g., standards set in PIEK certification scheme in the Netherlands) to reduce noise for night-time delivery activities;</p> <p>2. On weekdays between 10:00 a.m. and 3:00 p.m., allow access to a maximum of nine loading vehicles less than or equal to 30 feet in length to the mid-block alley. At all other times, excluding the hours where access to the mid-block alley for loading vehicles is completely restricted, access to the maximum number of loading vehicles less than or equal to 30 feet in length to the mid-block alley shall not be limited, as long as the other requirements of the Loading Management Plan are met. At all times, loading vehicles more than 30 feet in length shall not be permitted to access the mid-block</p>		Prior to the issuance of any certificate of occupancy for the proposed project	ERO, Project sponsor or successor owner/manager of residential building	Considered complete upon completion of the feasibility analysis.

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
<p>alley;</p> <p>3. Establish a scheduling and loading vehicle assignment system for project-related loading activities, including the size and type of loading vehicles that shall be required to use the on-street commercial loading spaces on South Van Ness Avenue and 11th Street (e.g., UPS, USPS, and Federal Express), as a means of reducing the number of loading vehicular entries and exits to the on-site loading facility;</p> <p>4. Direct residential building lobby attendants and retail tenants to notify any delivery personnel illegally stopping at the curb along Mission Street (i.e., in the red zones) that delivery vehicles should be parked within the on-street commercial loading spaces on South Van Ness Avenue or 11th Street;</p> <p>5. Inform residents and retail tenants of the restricted hours of access to the mid-block alley and associated on-site loading facility for deliveries;</p> <p>6. Direct residents to schedule all move-in and move-out activities and deliveries of large items (e.g., furniture) with building management. For move-in and move-out activities that will result in loading vehicles larger than 30 feet in length, building management shall obtain a reserved curbside permit for South Van Ness Avenue or 11th Street from the San Francisco Municipal Transportation Agency (SFMTA) in advance. To the extent feasible, these activities should occur during non-peak hours (i.e., the hours specified above for access to the mid-block alley);</p> <p>7. Direct retail tenants to schedule deliveries, to the extent feasible;</p> <p>8. Ensure that no loading vehicles access the mid-block alley without assistance by building personnel, or at times when the on-site loading facility is full;</p> <p>9. Use an adequate number of building personnel to alert people using the mid-block alley and pedestrians and bicyclists on Mission Street adjacent to the project site of approaching loading vehicles;</p> <p>10. Ensure that loading vehicles' paths through the mid-block alley remains clear of obstructions at all times during permitted on-site loading hours;</p> <p>11. Ensure that loading vehicles enter the mid-block alley from Mission Street front-first, and exit from the mid-block alley onto Mission Street front-first;</p> <p>12. Ensure that loading vehicles entering the mid-block alley load and unload within the designated loading spaces, and not in the mid-block alley; and</p> <p>13. During hours when loading vehicles are not allowed via the mid-block alley, ensure that loading vehicles use the curbside commercial loading spaces on South Van Ness Avenue or 11th Street, rather than on Mission Street.</p> <p>The Loading Management Plan shall be evaluated by a qualified transportation professional, retained by the project sponsor and approved by the SFMTA, after the residential building reaches 50 percent occupancy and once a year going forward until such time that the SFMTA determines that the</p>				

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
<p>evaluation is no longer necessary or could be done at less frequent intervals. The content of the evaluation report shall be determined by SFMTA staff, in consultation with the Planning Department, and generally shall include an assessment of on-site and on-street loading conditions, including actual loading demand, loading operation observations, and an assessment of how the project meets this mitigation measure. If ongoing conflicts are occurring based on the assessment, the Loading Management Plan evaluation report shall put forth additional measures to address ongoing conflicts associated with loading operations. The evaluation report shall be reviewed by SFMTA staff, which shall make the final determination whether ongoing conflicts are occurring. In the event that the ongoing conflicts are occurring, the above Loading Management Plan requirements may be altered (e.g., the hour and day restrictions listed above, number of loading vehicle operates permitted during certain hours listed above, etc.).</p> <p>Further, revisions to the Loading Management Plan for the mid-block alley shall be made as necessary to reflect changes in generally accepted technology or operation protocols, or changes in street or circulation conditions (e.g., City implemented transportation projects). The Loading Management Plan and all revisions shall be reviewed and approved by the Environmental Review Officer or designee of the Planning Department and the Sustainable Streets Director or designee of the SFMTA.</p>				
<p>M-C-TR-8 – Construction Coordination. If construction of the proposed project is determined to overlap with nearby adjacent project(s) as to result in transportation-related impacts, the project sponsor or its contractor(s) shall consult with various City departments such as the SFMTA and Public Works through ISCOTT, and other interdepartmental meetings as deemed necessary by the SFMTA, Public Works, and the Planning Department, to develop a Coordinated Construction Management Plan. The Coordinated Construction Management Plan that shall address construction-related vehicle routing, detours, and maintaining transit, bicycle, vehicle, and pedestrian movements in the vicinity of the construction area for the duration of the construction period overlap. Key coordination meetings would be held jointly between project sponsors and contractors of other projects for which the City departments determine impacts could overlap. The Coordinated Construction Management Plan shall consider other ongoing construction in the project vicinity, including development and transportation infrastructure projects, and shall include, but not be limited to, the following:</p> <ul style="list-style-type: none"> • <i>Restricted Construction Truck Access Hours</i>—Limit construction truck movements to the hours between 9:00 a.m. and 4:30 p.m., or other times if approved by the SFMTA, to minimize disruption to vehicular traffic, including transit, during the a.m. and p.m. peak periods. • <i>Construction Truck Routing Plans</i>—Identify optimal truck routes between the regional facilities and the project site, taking into consideration truck routes of other development projects and any construction activities affecting the roadway network. • <i>Coordination of Temporary Lane and Sidewalk Closures</i> – The project sponsor shall coordinate lane closures with other projects requesting concurrent lane and sidewalk closures through the ISCOTT and interdepartmental meetings process above, to minimize the extent and duration of requested lane and sidewalk closures. Travel lane closures shall be minimized especially along transit and bicycle routes, so as to limit the impacts to transit service and bicycle circulation and safety. 	<p>Project sponsor, SFMTA, SF Public Works, ISCOTT, as directed by the ERO</p> <p>Project sponsor, SFMTA, SF Public Works, ISCOTT, as directed by the ERO</p>	<p>Prior to the issuance of a site permit, demolition permit, or any other permit from the Department of Building Inspection for the 1500 Mission Street building</p> <p>Prior to the start of construction, and throughout the construction period.</p>	<p>SFMTA, SF Public Works, Planning Department.</p> <p>SFMTA, SF Public Works, Planning Department.</p>	<p>Considered complete upon completion of project construction.</p> <p>Considered complete upon completion of project construction.</p>

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
<ul style="list-style-type: none"> <i>Maintenance of Transit, Vehicle, Bicycle, and Pedestrian Access</i> – The project sponsor/construction contractor(s) shall meet with Public Works, SFMTA, the Fire Department, Muni Operations and other City agencies to coordinate feasible measures to include in the Coordinated Construction Management Plan to maintain access for transit, vehicles, bicycles and pedestrians. This shall include an assessment of the need for temporary transit stop relocations or other measures to reduce potential traffic, bicycle, and transit disruption and pedestrian circulation effects during construction of the project. <i>Carpool, Bicycle, Walk and Transit Access for Construction Workers</i> – The construction contractor shall include methods to encourage carpooling, bicycling, walk and transit access to the project site by construction workers (such as providing secure bicycle parking spaces, participating in free-to-employee and employer ride matching program from www.511.org, participating in emergency ride home program through the City of San Francisco (www.sferh.org), and providing transit information to construction workers). <i>Construction Worker Parking Plan</i> – The location of construction worker parking shall be identified as well as the person(s) responsible for monitoring the implementation of the proposed parking plan. The use of on-street parking to accommodate construction worker parking shall be discouraged. The project sponsor could provide on-site parking once the below grade parking garage is usable. 				
<ul style="list-style-type: none"> <i>Project Construction Updates for Adjacent Businesses and Residents</i> – To minimize construction impacts on access for nearby institutions and businesses, the project sponsor shall provide nearby residences and adjacent businesses with regularly-updated information regarding project construction, including construction activities, peak construction vehicle activities (e.g., concrete pours), travel lane closures, and lane closures. At regular intervals to be defined in the Coordinated Construction Management Plan, a regular email notice shall be distributed by the project sponsor that shall provide current construction information of interest to neighbors, as well as contact information for specific construction inquiries or concerns. 	Project sponsor, SFMTA, SF Public Works, ISCOTT, as directed by the ERO	Prior to the start of construction, and throughout the construction period.	SFMTA, SF Public Works, Planning Department.	Considered complete upon completion of project construction.
Noise (Initial Study)				
M-NO-2 – Construction-Related Noise Reduction. Incorporate the following practices into the construction contract agreement documents to be implemented by the construction contractor: <ul style="list-style-type: none"> Provide enclosures and mufflers for stationary equipment and shroud or shield impact tools; Use construction equipment with lower noise emission ratings whenever possible, particularly for air compressors; Provide sound-control devices on equipment no less effective than those provided by the manufacturer; Locate stationary equipment, material stockpiles, and vehicle staging areas as far as practicable from Mission Street and all other identified sensitive receptors; Prohibit unnecessary idling of internal combustion engines; Implement noise attenuation measures to the extent feasible, which may include, but are not limited 	Project sponsor and construction contractor	During the construction period	Planning Department, Department of Building Inspection (as requested and/or on complaint basis), Police Department (on complaint basis).	Considered complete at the completion of project construction

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
<p>to, noise barrier curtains or noise blankets. The placement of such attenuation measures shall be reviewed and approved by the Director of Public Works prior to issuance of development permits for construction activities;</p> <ul style="list-style-type: none"> Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. Where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used where feasible; this could achieve a reduction of five dBA. Quieter procedures, such as use of drills rather than impact tools, shall be used where feasible; and The project sponsor shall designate a point of contact to respond to noise complaints. The point of contact must have the authority to modify construction noise-generating activities to ensure compliance with the measures above and with the San Francisco Noise Ordinance. 				
Air Quality (EIR)				
<p>M-AQ-3a – Construction Air Quality. The project sponsor or the project sponsor's Contractor shall comply with the following requirements:</p> <p>A. <i>Engine Requirements.</i></p> <ol style="list-style-type: none"> All off-road equipment greater than 25 horse power (hp) and operating for more than 20 total hours over the entire duration of construction activities shall have engines that meet or exceed either (1) U.S. Environmental Protection Agency (USEPA) or California Air Resources Board (ARB) Tier 4 or Tier 4 Interim off-road emission standards, or (2) Tier 2 standards with a Level 3 Verified Diesel Emissions Control Strategy (VDECS). Where access to alternative sources of power is available, portable diesel engines shall be prohibited. Diesel engines, whether for off-road or on-road equipment, shall not be left idling for more than two minutes, at any location, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment (e.g., traffic conditions, safe operating conditions). The Contractor shall post legible and visible signs in English, Spanish, and Chinese, in designated queuing areas and at the construction site to remind operators of the two-minute idling limit. The Contractor shall instruct construction workers and equipment operators on the maintenance and tuning of construction equipment, and require that such workers and operators properly maintain and tune equipment in accordance with manufacturer specifications. <p>B. <i>Waivers.</i></p>	Project sponsor/ contractor(s).	Prior to issuance of a site permit, demolition permit, or any other permit from the Department of Building Inspection, with ongoing compliance with the Construction Emissions Minimization Plan throughout the construction period.	ERO to review and approve Construction Emissions Minimization Plan; project sponsor and construction contractor to comply with, and document compliance with, Construction Emissions Minimization Plan as required by the ERO	Construction Emissions Minimization Plan considered complete upon ERO review and acceptance of Plan; measure considered complete upon completion of project construction and submittal to ERO of required documentation

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule												
<div>1. The Planning Department’s Environmental Review Officer or designee (ERO) may waive the alternative source of power requirement of Subsection (A)(2) if an alternative source of power is limited or infeasible at the project site. If the ERO grants the waiver, the Contractor must submit documentation that the equipment used for on-site power generation meets the requirements of Subsection (A)(1). If seeking a waiver under this section, the contractor must provide documentation demonstrating that off-site receptors would not be exposed to an excess cancer risk of greater than 7 per one million population exposed as a result of toxic air contaminant emissions from construction and operation.</div> <div>2. The ERO may waive the equipment requirements of Subsection (A)(1) if a particular piece of off-road equipment is not commercially available; the equipment would not produce desired emissions reduction due to expected operating modes; or, there is a compelling emergency need to use off-road equipment that is not fitted with a Tier 4 engine or Tier 2 engine with level 3 VDECS. If the ERO grants the waiver, the Contractor must use the next cleanest piece of off-road equipment, according to Table M-AQ-3a. If seeking a waiver under this section, the Contractor must provide documentation demonstrating that off-site receptors would not be exposed to an excess cancer risk of greater than 7 per one million population exposed as a result of toxic air contaminant emissions from construction and operation.</div> <div><div>TABLE M-AQ-3A OFF-ROAD EQUIPMENT COMPLIANCE STEP-DOWN SCHEDULE</div><table><tr><th>Compliance Alternative</th><th>Engine Emission Standard</th><th>Emissions Control</th></tr><tr><td>1</td><td>Tier 3</td><td>ARB Level 3 PM VDECS*</td></tr><tr><td>2</td><td>Tier 2</td><td>ARB Level 3 PM VDECS*</td></tr><tr><td>3</td><td>Tier 2</td><td>Alternative Fuel**</td></tr></table><div>NOTES: How to use the table: If the ERO determines that the equipment requirements cannot be met, then the project sponsor would need to meet Compliance Alternative 1. If the ERO determines that the Contractor cannot supply off-road equipment meeting Compliance Alternative 1, then the Contractor must meet Compliance Alternative 2. If the ERO determines that the Contractor cannot supply off-road equipment meeting Compliance Alternative 2, then the Contractor must meet Compliance Alternative 3. * VDECS is a Verified Diesel Emissions Control Strategy. ** Alternative fuels are not a VDECS.</div></div>	Compliance Alternative	Engine Emission Standard	Emissions Control	1	Tier 3	ARB Level 3 PM VDECS*	2	Tier 2	ARB Level 3 PM VDECS*	3	Tier 2	Alternative Fuel**				
Compliance Alternative	Engine Emission Standard	Emissions Control														
1	Tier 3	ARB Level 3 PM VDECS*														
2	Tier 2	ARB Level 3 PM VDECS*														
3	Tier 2	Alternative Fuel**														
C. <i>Construction Emissions Minimization Plan</i> . Before starting on-site construction activities, the Contractor shall submit a Construction Emissions Minimization Plan (Plan) to the ERO for review and approval. The Plan shall state, in reasonable detail, how the Contractor will meet the requirements of Section A.																

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
<ol style="list-style-type: none"> 1. The Plan shall include estimates of the construction timeline by phase, with a description of each piece of off-road equipment required for every construction phase. The description may include, but is not limited to, equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation. For VDECS installed, the description may include technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, the description shall also specify the type of alternative fuel being used. 2. The project sponsor shall ensure that all applicable requirements of the Plan have been incorporated into the contract specifications. The Plan shall include a certification statement that the Contractor agrees to comply fully with the Plan. 3. The Contractor shall make the Plan available to the public for review on-site during working hours. The Contractor shall post at the construction site a legible and visible sign summarizing the Plan. The sign shall also state that the public may ask to inspect the Plan for the project at any time during working hours and shall explain how to request to inspect the Plan. The Contractor shall post at least one copy of the sign in a visible location on each side of the construction site facing a public right-of-way. 				
D. <i>Monitoring.</i> After start of Construction Activities, the Contractor shall submit quarterly reports to the ERO documenting compliance with the Plan. After completion of construction activities and prior to receiving a final certificate of occupancy, the project sponsor shall submit to the ERO a final report summarizing construction activities, including the start and end dates and duration of each construction phase, and the specific information required in the Plan.	Project sponsor/ contractor(s).	Quarterly.	Project sponsor/ contractor(s) and the ERO.	Considered complete on findings by ERO that Plan is being/was implemented.
M-AQ-3b –Diesel Generator Specifications. The proposed residential generator exhaust stack shall be located in the north central portion of the second floor residential open space, as indicated in the Air Quality Technical Report, and meet the following specifications: <ul style="list-style-type: none"> • Meet or exceed one of the following emission standards for particulate matter: (1) Tier 4 certified engine, or (2) Tier 2 or Tier 3 certified engine that is equipped with a California Air Resources Board (ARB) Level 3 Verified Diesel Emissions Control Strategy (VDECS). A non-verified diesel emission control strategy may be used if the filter has the same particulate matter reduction as the identical ARB verified model and if the Bay Area Air Quality Management District (BAAQMD) approves of its use; and • Have a stack diameter between eight and 12 inches, a minimum flow rate of 8,858 standard cubic feet per minute, and a minimum stack elevation of 20 feet above grade. • The project sponsor shall submit documentation of compliance with the BAAQMD New Source Review permitting process (Regulation 2, Rule 2, and Regulation 2, Rule 5) and the emission 	Project sponsor	Prior to issuance of a building permit for residential generator	ERO	Complete when generator specifications are approved by ERO.

Mitigation Measures Adopted as Conditions of Approval	Responsibility for Implementation	Mitigation Schedule	Monitoring/ Reporting Responsibility	Monitoring Schedule
standard requirement of this mitigation measure to the Planning Department for review and approval prior to issuance of a permit.				
Geology and Soils (Initial Study)				
M-GE-6 – Inadvertent Discovery of Paleontological Resources. If potential vertebrate fossils are discovered by construction crews, all earthwork or other types of ground disturbance within 50 feet of the find shall stop immediately and the monitor shall notify the City. Work shall not resume until a qualified professional paleontologist can assess the nature and importance of the find. Based on the scientific value or uniqueness of the find, the qualified paleontologist may record the find and allow work to continue, or recommend salvage and recovery of the fossil. The qualified paleontologist may also propose modifications to the stop-work radius based on the nature of the find, site geology, and the activities occurring on the site. If treatment and salvage is required, recommendations shall be consistent with SVP 1995 guidelines, and currently accepted scientific practice, and shall be subject to review and approval by the City. If required, treatment for fossil remains may include preparation and recovery of fossil materials so that they can be housed in an appropriate museum or university collection [e.g., the University of California Museum of Paleontology], and may also include preparation of a report for publication describing the finds. The City shall ensure that information on the nature, location, and depth of all finds is readily available to the scientific community through university curation or other appropriate means.	Project sponsor, construction contractor, and, if required due to discovery of potential vertebrate fossil(s), qualified paleontologist	Throughout the duration of ground-disturbing activities	Project sponsor to notify ERO of any discovery of potential vertebrate fossil(s)	Considerd complete upon completion of ground-disturbing activities
Hazards and Hazardous Materials (Initial Study)				
M-HZ-2—Hazardous Building Materials Abatement. The project sponsor shall ensure that, prior to demolition, the building is surveyed for hazardous building materials including, electrical equipment containing polychlorinated biphenyl (PCBs), fluorescent light ballasts containing PCBs or bis(2-ethylhexyl) phthalate (DEHP), and fluorescent light tubes containing mercury vapors. These materials shall be removed and properly disposed of prior to the start of demolition or renovation. Light ballasts that are proposed to be removed during renovation shall be evaluated for the presence of PCBs and in the case where the presence of PCBs in the light ballast cannot be verified, they shall be assumed to contain PCBs, and handled and disposed of as such, according to applicable laws and regulations. Any other hazardous building materials identified either before or during demolition or renovation shall be abated according to federal, state, and local laws and regulations.	Project sponsor.	Prior to issuance of site permit	ERO	Considered complete upon ERO receipt of affidavit from project sponsor indicating that hazardous building materials have been properly removed and disposed of.

Improvement Measures Agreed to by the Project Sponsor	Responsibility for Implementation	Improvement Measure Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
Transportation and Circulation				
<p>I-TR-2a – Monitoring and Abatement of Queues. As an improvement measure to reduce the potential for queuing of vehicles accessing the project site, it should be the responsibility of the project sponsor to ensure that recurring vehicle queues or vehicle conflicts do not occur adjacent to the site. A vehicle queue is defined as one or more vehicles blocking any portion of adjacent sidewalks or travel lanes for a consecutive period of three minutes or longer on a daily and/or weekly basis.</p> <p>If recurring queuing occurs, the owner/operator of the facility should employ abatement methods as needed to abate the queue. Appropriate abatement methods would vary depending on the characteristics and causes of the recurring queue, as well as the characteristics of the parking and loading facility, the street(s) to which the facility connects, and the associated land uses (if applicable).</p> <p>Suggested abatement methods include, but are not limited to the following: redesign of facility to improve vehicle circulation and/or on-site queue capacity; employment of parking attendants; installation of LOT FULL signs with active management by parking attendants; use of valet parking or other space-efficient parking techniques; use of off-site parking facilities or shared parking with nearby uses; use of parking occupancy sensors and signage directing drivers to available spaces; travel demand management strategies; and/or parking demand management strategies such as parking time limits, paid parking, time-of-day parking surcharge, or validated parking.</p> <p>If the Planning Director, or his or her designee, determines that a recurring queue or conflict may be present, the Planning Department should notify the project sponsor in writing. Upon request, the owner/operator should hire a qualified transportation consultant to evaluate the conditions at the site for no less than seven days. The consultant should prepare a monitoring report to be submitted to the Planning Department for review. If the Planning Department determines that a recurring queue or conflict does exist, the project sponsor should have 90 days from the date of the written determination to abate the recurring queue or conflict.</p>	Project sponsor, successor building owner(s)/operator(s), parking garage operator(s)	Ongoing during project operation	ERO or other Planning Department staff	Ongoing

Improvement Measures Agreed to by the Project Sponsor	Responsibility for Implementation	Improvement Measure Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>I-TR-2b – Transportation Demand Management (TDM) Program. As an improvement measure to encourage use of sustainable modes, the project sponsor and subsequent property owners, should develop and implement a TDM Plan. The scope and number of TDM measures included in the TDM Plan should be in accordance with the Planning Commission Standards for the TDM Program (TDM Program) for the type of development proposed.¹ The TDM Program Standards may be refined as the proposed TDM Ordinance goes through the legislative process. The proposed project’s TDM Plan should conform to the most recent version of the TDM Program Standards available at the time of the project’s approval, as defined in the proposed TDM Ordinance. The Planning Department should review and approve the TDM Plan, as well as any subsequent revisions to the TDM Plan, pursuant to the TDM Program Standards. The TDM Plan should target a reduction in the vehicle miles traveled (VMT) rate (e.g., VMT per capita), monitor and evaluate project performance (actual VMT), and adjust TDM measures over time to attempt to meet VMT target reduction.</p> <p>This improvement measure may be superseded if a comparable TDM Ordinance is adopted that applies to the proposed project.</p> <p>The TDM Plan may include, but is not limited to the types of measures summarized below for explanatory example purposes. Actual TDM measures selected should include those from the TDM Program Standards, which describe the scope and applicability of candidate measures in detail and include:</p> <ol style="list-style-type: none"> 1. Active Transportation: Provision of streetscape improvements to encourage walking, secure bicycle parking, shower and locker facilities for cyclists, subsidized bike share memberships for project occupants, bicycle repair and maintenance services, and other bicycle-related services 2. Car-Share: Provision of car-share parking spaces and subsidized memberships for project occupants 3. Delivery: Provision of amenities and services to support delivery of goods to project occupants 4. Family-Oriented Measures: Provision of on-site childcare and other amenities to support the use of sustainable transportation modes by families 5. High-Occupancy Vehicles: Provision of carpooling/vanpooling incentives and shuttle bus service 6. Information and Communications: Provision of multimodal wayfinding signage, transportation information displays, and tailored transportation marketing services 7. Land Use: Provision of on-site affordable housing and healthy food retail services in underserved areas 8. Parking: Provision of unbundled parking, short term daily parking provision, parking cash out offers, and reduced off-street parking supply. 	<p>This measure is no longer required because it has been superseded by the passage of the Transportation Demand Management (TDM) Program (Board File # 160925/34-17)</p>			

¹ San Francisco Planning Department, *TDM Program Standards*, March, 2017. The *TDM Program Standards* are available online at: <http://sf-planning.org/tdm-materials-and-resources>. Note: the TDM Program Standards were adopted by the Board of Supervisors in March, 2017.

Improvement Measures Agreed to by the Project Sponsor	Responsibility for Implementation	Improvement Measure Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>I-TR-8 – Construction Management Plan and Public Updates.</p> <ul style="list-style-type: none"> <i>Construction Management Plan</i>—The project sponsor should develop and, upon review and approval by the SFMTA and Public Works, implement a Construction Management Plan, addressing transportation-related circulation, access, staging and hours of delivery. The Construction Management Plan would disseminate appropriate information to contractors and affected agencies with respect to coordinating construction activities to minimize overall disruption and ensure that overall circulation in the project area is maintained to the extent possible, with particular focus on ensuring transit, pedestrian, and bicycle connectivity. The Construction Management Plan would supplement and expand, rather than modify or supersede, and manual, regulations, or provisions set forth by the SFMTA, Public Works, or other City departments and agencies, and the California Department of Transportation. Management practices could include: best practices for accommodating pedestrians and bicyclists, identifying routes for construction trucks to utilize, minimizing deliveries and travel lane closures during the a.m. (7:30 a.m. to 9:00 a.m.) and p.m. (4:30 p.m. to 6:00 p.m.) peak periods along South Van Ness Avenue and Mission Street (Monday through Friday). <i>Carpool, Bicycle, Walk, and Transit Access for Construction Workers</i>—To minimize parking demand and vehicle trips associated with construction workers, the construction contractor could include as part of the Construction Management Plan methods to encourage carpooling, bicycle, walk and transit access to the project site by construction workers (such as providing secure bicycle parking spaces, participating in free-to-employee and employer ride matching program from www.511.org, participating in emergency ride home program through the City of San Francisco (www.sferh.org), and providing transit information to construction workers. <i>Construction Worker Parking Plan</i>—As part of the Construction Management Plan that would be developed by the construction contractor, the location of construction worker parking could be identified as well as the person(s) responsible for monitoring the implementation of the proposed parking plan. The use of on-street parking to accommodate construction worker parking could be discouraged. The project sponsor could provide on-site parking once the below grade parking garage is usable. <i>Project Construction Updates for Adjacent Businesses and Residents</i>—To minimize construction impacts on access to nearby residences and businesses, the project sponsor could provide nearby residences and adjacent businesses with regularly-updated information regarding project construction, including construction activities, peak construction vehicle activities (e.g., concrete pours), travel lane closures, and parking lane and sidewalk closures. A regular email notice could be distributed by the project sponsor that would provide current construction information of interest to neighbors, as well as contact information for specific construction inquiries or concerns. 	Project sponsor	Develop Construction Management Plan prior to the start of construction, and implement plan throughout the construction period.	Project sponsor and construction contractor	Considered complete upon completion of project construction.

Improvement Measures Agreed to by the Project Sponsor	Responsibility for Implementation	Improvement Measure Schedule	Monitoring/Reporting Responsibility	Monitoring Schedule
Air Quality				
<p>I-AQ-3 – Additional Diesel Generator Locations. To further reduce exposure of air pollutants to sensitive uses, the following additional generator locations are provided:</p> <ul style="list-style-type: none"> • The generator may be placed in the northwest corner of the 5th floor residential mezzanine; or • The generator may be placed in the northeast or southeast corner of the 11th floor pool deck. <p>The residential generator may be installed at these locations and meet the specifications in M-AQ-3b above, and no further analysis would be required.</p>	Project sponsor	Prior to installation of residential building backup generator	Project sponsor	Considered complete upon installation of residential building backup generator
Wind				
<p>I-WI-1 – Project Design Modifications to Improve On-Site Pedestrian Wind Conditions. The project sponsor should evaluate and implement feasible design modifications to avoid a wind hazard exceedance and improve pedestrian wind conditions within publicly-accessible locations on the project site. This measure should require that the project sponsor undertake wind analysis focused on the publicly-accessible, mid-block concourse that would extend east into the site from South Van Ness Avenue, between the mixed-use residential building and the office building, as well as the mid-block alley extending north into the site from Mission Street; together, these features would provide pedestrian connectivity midway through the site between South Van Ness Avenue and Mission Street. Design modifications to be evaluated may include, but should not be limited to, installation of awnings or canopies extending over all or a portion of the concourse and/or alley. The project sponsor should engage Planning Department staff in the review and adoption of potential design modifications to improve on-site pedestrian wind conditions.</p>	Project sponsor	Prior to opening of mid-block pedestrian concourse off of South Van Ness Avenue and mid-block public alley off of Mission Street	Planning Department Current Planning staff	Considered complete upon opening of mid-block pedestrian concourse and mid-block public alley



Memorandum

Date: February 23, 2017
To: Related/Goodwill SF Urban Development, LLC
CC: Steven Vettel, Farella Braun + Martel LLP
From: Seifel Consulting Inc.
Subject: Financial Feasibility Analysis of 1500 Mission Street Project

Related/Goodwill SF Urban Development, LLC (Project Sponsor) retained Seifel Consulting Inc. (Seifel) to provide real estate advisory services in connection with the environmental review process for a proposed mixed use development to be built in partnership with the City and County of San Francisco (City). The proposed development is located at 1500 Mission Street in San Francisco's South Van Ness – Mission neighborhood and is currently occupied by Goodwill industries.

As described in the Draft Environmental Impact Report (Draft EIR) and this memorandum, the Proposed Project would preserve a portion of the existing warehouse building at 1500 Mission Street, which would be redeveloped as part of a new Residential Building (including housing and retail uses), and an Office Building (including City offices, a permit center and daycare center). The two Preservation Alternatives would preserve greater portions of the warehouse building, which would decrease the residential footprint, reduce the number of housing units that could be developed and significantly increase the portion of the site being devoted to the Office use as compared to the Proposed Project.

This memorandum presents the results of an independent analysis by Seifel comparing the financial feasibility of developing the Residential Building as the Proposed Project and the Preservation Alternatives, as described in the Draft EIR. It also contains the financial and programmatic feasibility analysis performed by the City's Real Estate Division for the Office Building for the same development scenarios.

The financial analysis presented in this memorandum indicates that development of the Proposed Project as a Residential Building would be financially feasible while development of the Preservation Alternatives (Partial Preservation and Full Preservation) as a Residential Building would not be financially feasible. The Preservation Alternatives are not feasible due to the significant reduction in potential revenues associated with the smaller amount of residential development and the higher development costs per housing unit, which in combination would not provide sufficient developer margin (or return) to allow development to proceed.

The Real Estate Division's analysis of the Office Building—included as an appendix to this memorandum—concludes that the Proposed Project would best meet the City's programmatic and financial objectives, and the Preservation Alternatives greatly exceed the City's Approved Project Budget and do not meet some of the City's programmatic objectives. Therefore, the City would be unable to move forward with the Office Building pursuant to the conditional Purchase and Sale Agreement (PSA).

The Board of Supervisors would need to authorize a new budget and amended PSA to fund these revised costs, and the Real Estate Division is unlikely to recommend such a revised cost project.

This memorandum is organized into the following sections, which reference the attached appendices that provide supporting documentation and analysis to support the findings contained in this memorandum:

- A. Description of the Proposed Project
- B. Description of Preservation Alternatives (Partial Preservation and Full Preservation)
- C. Analysis of Office Building
- D. Analysis of Residential Building
- E. Financial Feasibility Findings
- F. Conclusion

Technical Appendices (A list of the Technical Appendices is included at the end of this memorandum.)
Statement of Qualifications of Seifel Consulting

A. Description of Proposed Project

The Proposed Project is a unique public private partnership between the Project Sponsor (Goodwill SF Urban Development, LLC) and the City to facilitate the mixed use development of this site, which is located adjacent to the intersection of South Van Ness and Mission Streets and contiguous to the City's existing 500,000 sq. ft. office building at One South Van Ness Avenue. The Proposed Project was conceived in early 2014 through a collaborative arrangement between the City's Division of Real Estate and the Project Sponsor, which was formalized and authorized by the Board of Supervisors on December 10, 2014 through the conditional Land Acquisition and Disposition Agreement between the City and Project Sponsor (conditional PSA).

The 2.5-acre project site currently includes a two-story retail and office building at 1580 Mission Street and a one-story warehouse with below-grade parking garage at 1500 Mission Street. Both these structures are currently occupied by Goodwill Industries, which sold the project site to the Project Sponsor. Given its location, the Project is typically referred to as the 1500 Mission Street or Goodwill site.¹

The Project Sponsor proposes to demolish one existing building and a portion of another existing building in order to construct a new mixed use development consisting of approximately 1.3 million square feet of housing, ground floor retail, office space and a child care center, which would be developed as two distinct components that are described by their major land uses:

- Residential Building – Mixed-income apartment development with 20% affordable units and retail, primarily at 1580 Mission Street.
- Office Building – City office and permit center development at 1500 Mission Street.

The Project Sponsor currently owns two parcels and would develop and construct the proposed project. Upon ratification by the San Francisco Board of Supervisors and Mayor of the conditional PSA, the City will purchase the land under the 1500 Mission portion of the site (48% of the total site area that would house the City Departments) prior to construction. Following completion of construction, the City would own and occupy the office and permit center component.

¹ The project site consists of two adjacent parcels (Assessor's Block 3506, Lot 002 at 1500 Mission Street and Lot 003 at 1580 Mission Street), located on the north side of Mission Street between 11th Street and South Van Ness Avenue.

Under the Proposed Project, a portion of the 1500 Mission Street building would be retained (consisting of the clock tower, a significant portion of the existing two-story structure, and a substantial portion of the building façades fronting Mission Street and along 11th Street) while the warehouse component of the 1500 Mission Street building and all of the 1580 Mission Street building (the Retail store constructed in 1993) would be demolished.

The Residential Building is proposed to consist of the following uses:²

- 626,200 gross square feet (gsf) of residential space in a 39-story residential apartment tower containing a maximum of 560 dwelling units, of which 20 percent (%), or 112 units, would be on-site, inclusionary below market rate (BMR) apartments that would provide homes for households earning 40% and 50% of Area-wide Median Income (AMI).
- 28,300 gsf of retail space on the ground floor of the residential building and approximately 9,700 gsf of restaurant/retail/office space in the retained portion of the 1500 Mission Street building.
- Approximately 27,000 gsf of common and publicly accessible open space.
- 300 off-street parking spaces consisting of 280 for residential uses (including 11 American with Disabilities Act or ADA-accessible parking spaces), 6 car-share spaces (including the 2 car-share spaces required for the office component), 14 spaces for retail uses, and 3 off-street freight-loading spaces.
- 247 Class 1 bicycle parking spaces would be provided in the parking garage, and 52 Class 2 bicycle parking spaces would be provided on sidewalks adjacent to the project site.

The Office Building is proposed to consist of the following uses:

- Approximately 449,800 gsf of office space in a 16-story tower, which would be occupied by various City departments and contain a 41,200 gsf permit center on the second floor. (This tower would have the potential to provide a direct connection to the City's adjacent One South Van Ness office building.)
- Approximately 4,400 gsf childcare facility including an outdoor area located on the 3rd story roof of the permit center.
- Up to 120 off-street parking spaces, including 4 ADA-accessible parking spaces, 4 off-street service spaces and 3 freight-loading spaces.
- 306 Class 1 bicycle parking spaces in the parking garage, and 15 Class 2 bicycle parking spaces on sidewalks adjacent to the project site.

Currently located within the C-3-G (Downtown Commercial General) Use District and the Van Ness & Market Downtown Residential Special Use District, the Proposed Project would seek General Plan amendments, Zoning Map amendments and Planning Code text amendments to create the Mission and South Van Ness Special Use District (to supersede the Van Ness & Market Downtown Residential Special Use District designation), and a proposed amendment to Planning Code Section 270 associated with bulk limitations, allowing for an exceedance of the current Height and Bulk District limitations, additional off-street parking for the Office Building, and office space above the fourth floor.

² The description of the Proposed Project, as well as for the Partial and Full Historic Preservation Alternatives are based on the descriptions the November 2016 Draft Environmental Impact Report and information provided by the Project Sponsor.

B. Description of Preservation Alternatives

The California Environmental Quality Act (CEQA) Guidelines require that an EIR describe a reasonable range of potentially feasible alternatives to the proposed project that could attain most of the basic project objectives while reducing the adverse impacts caused by the proposed project. The Draft EIR considered four alternatives:

- Alternative A – No Project Alternative
- Alternative B – Partial Preservation Alternative
- Alternative C – Full Preservation Alternative
- Alternative D – All Residential Alternative

This memorandum analyzes the two Preservation Alternatives in the Draft EIR– Partial Preservation (Alternative B) and Full Preservation (Alternative C). Per the conditional PSA between the City and the Project Sponsor (approved by the Board of Supervisors in 2014), the Project Sponsor is required to develop the Office Building, which will be occupied and purchased by the City. The All Residential Alternative (Alternative D) would void the terms of PSA, and therefore it is not analyzed. The No Project Alternative (Alternative A) is similarly not analyzed, as no changes would occur under this alternative.

1. Partial Preservation Alternative

The Partial Preservation Alternative would develop similar uses to the Proposed Project, but would retain the entirety of both the Mission Street and 11th Street façades of the 1500 Mission Street building as part of the Office Building. The City's permit center would be housed within the portion of the ground floor of the existing building at 1500 Mission Street being retained. The residential and retail/restaurant component would need to be developed on a substantially reduced footprint as compared to the Proposed Project, and the 1500 Mission Street building would be retained along the entire length of its Mission and 11th Street facades. Thus, the amount of site area that would need to be acquired by the City and to be devoted to the Office Building would increase significantly (from 48% to 70%) while the amount dedicated to residential would decrease as compared to the Proposed Project. Appendix Table 1.1 summarizes the amount of site area that would be devoted to each component and presents the proposed development program for the Proposed Project and Preservation Alternatives.

As a larger amount of the existing 1500 Mission Street building would be preserved, the Partial Preservation Alternative would alternatively develop the site with the following uses:

- 468 residential units—92 units fewer than the Proposed Project. (Twenty percent of these units, or 94 units, would be BMR units—18 units fewer than the Proposed Project.)
- Approximately 35,900 gsf of retail/restaurant space (about 2,100 less gsf than the Proposed Project).
- Approximately 455,600 gsf of office space (about 5,800 more gsf than the Proposed Project).
- Approximately 42,000 gsf as a permit center, which would be housed within the ground floor footprint of the existing building.
- Approximately 4,400 gsf of childcare facility space, same as that for the Proposed Project.
- 332 vehicular parking spaces, 21% (or 88 spaces) fewer than with the Proposed Project.

The Draft EIR concluded that the Partial Preservation Alternative would be an environmentally superior alternative to the Proposed Project because it would meet the Project Sponsor's and City's basic objectives to some extent, while avoiding some of the significant, unavoidable impacts to historic

resources by maintaining most of the exterior character-defining features of the existing building at 1500 Mission Street.³ However, according to the City and the Project Sponsor, construction of the Partial Preservation Alternative would be more complicated, less efficient and more expensive to construct than the Proposed Project for the following reasons:

- The Partial Preservation Alternative results in a significantly lower housing unit count due to the reduced residential footprint.
- The reduced residential footprint also creates much less efficient residential floor plates, as the highly efficient Mission Street Podium Wing would be removed from the residential tower but the building core must stay the same.
- In order to preserve a larger portion of the 1500 Mission building, the foundation underneath the building would need to be rebuilt and reinforced in order to partially support the adjoining towers, and it would be very expensive to undertake this work while the existing building remains intact.
- In order to retain the warehouse portion of the 1500 Mission Street building while also providing for vehicular access to both the office and residential subterranean garages, the existing facades, superstructure (columns and trusses) and roof would need to be reinforced and new vehicular access ramps from 11th Street would have to be constructed through and under the 11th Street façade, rather than built as part of new construction as contemplated in the Proposed Project.
- In order to achieve sufficient residential parking spaces, an easement would need to be granted from the Office Building to the Residential Building to allow a portion of the residential parking to be located in the existing basement of the 1500 Mission Street building. In order to connect the two basements, a tunnel would need to be created and mechanical stackers would need to be added to provide necessary parking thereby increasing the construction costs. In addition, deeper excavation would be needed to accommodate these mechanical stackers.
- Despite the reduction of residential square footage, there is relatively little reduction in general contractor's staff or general requirements given the scale and complexity of development.
- Despite the reduction of residential square footage, the costs for vertical circulation (stairs, elevators) remain nearly the same.
- Residential building façade surface area does not decrease proportionally to the decrease in residential square footage, which creates a relatively higher façade cost per residential unit.
- Despite the reduction of residential square footage, all large MEP equipment would remain nearly the same as the Proposed Project.

2. Full Preservation Alternative

The Full Preservation Alternative would be similar to the Partial Preservation Alternative except the office tower would be set back approximately 59 feet from the 11th Street façade of the 1500 Mission Street building, or more than twice the setback of the Partial Preservation Alternative. In addition to preserving exterior features of the existing 1500 Mission Street building, the Full Preservation Alternative would retain a substantial portion of the industrial warehouse section of the building, including a full-height interior space that would in theory remain intact as part of the first floor permit center within the office building. The Full Preservation Alternative would retain the Mission and 11th Street facades of the existing 1500 Mission Street building in their entirety, and a new office tower would be constructed at the rear northwest corner of the existing building. As with the Partial Preservation Alternative, the residential

³ This impact reduction would be achieved because the Partial Preservation Alternative would retain the 1500 Mission building along the entire length of its Mission and 11th street facades, which would have less impact on architectural resources compared to the Proposed Project, and the Partial Preservation Alternative would have a smaller residential and retail component on a reduced footprint as compared to the Proposed Project.

and retail/restaurant component would need to be developed on a reduced footprint, while the office footprint would increase. (See Appendix Table 1.1 for further detail.)

This Full Preservation Alternative would consist of a mix of residential units and commercial space as follows:

- 468 residential units (same number of units and same percentage of BMR units (20%) as the Partial Preservation Alternative).
- Approximately 35,900 gsf of retail/restaurant space (same amount and configuration as the Partial Preservation Alternative).
- Approximately 452,400 gsf of office space (slightly more gsf than the Proposed Project and slightly less gsf than the Partial Preservation Alternative).
- No childcare facility.
- 142 vehicular parking spaces, 34% (or 278 spaces) fewer than with the Proposed Project.

The Draft EIR concluded that the Full Preservation Alternative would be an environmentally superior alternative to the Proposed Project because it would meet most of the Project Sponsor and City's basic objectives while avoiding the cultural resource impact to the 1500 Mission Street building that would occur under the Proposed Project. In addition, the smaller development program and smaller amount of parking under the Full Preservation Alternative would also incrementally reduce less-than-significant impacts on transportation.⁴

As with the Partial Preservation Alternative, construction of the Full Preservation Alternative would be complicated and more expensive to construct than the Proposed Project. All of the construction considerations (and associated cost implications) discussed above under the Partial Preservation Alternative would apply, plus the following additional considerations:

- In order to preserve most of the warehouse component of the 1500 Mission building, the entire foundation underneath the building would need to be underpinned, increasing the most expensive component of the temporary shoring system.
- The Residential and Office Buildings would have only one floor of basement parking, which would require a deeper basement excavation for this floor as compared to the Proposed Project in order to accommodate stackers and support the buildings above.
- To achieve the parking counts for the Residential Building, a larger easement from the Office Building would need to be granted and a greater perimeter of the 1500 Mission Street building would need to be underpinned, contributing to an overall greater cost per parking spot.

C. Analysis of Office Building

The City's Real Estate Division prepared a programmatic and financial feasibility analysis of the Office Building component of the Proposed Project and Preservation Alternatives, which is contained in a letter from John Updike, its Director of Property, to the Planning Commission on February 10, 2017. The letter also includes drawings that illustrate the building elevations and the layout of residential and office uses by floor for the Preservation Alternatives. (This letter is included in Appendix 2 of this memorandum.)

⁴ This impact reduction would be achieved because the Full Preservation Alternative would retain more of the historic building's character-defining features than the Partial Preservation Alternative or Proposed Project, while having fewer residential units and commercial space on a reduced footprint as compared to the Proposed Project.

This letter summarizes why the Proposed Project is the only alternative that fully meets the City's programmatic and financial objectives for this site. It presents an analysis indicating that the Preservation Alternatives would not meet several of the City's key programmatic objectives as well as the Proposed Project. It further indicates that the Proposed Project will be developed at or below the Approved Project Budget while the Partial and Full Preservation Alternatives would require approximately \$47 Million and \$49 Million more in City funding, respectively.⁵ Based on all of the above, the letter concludes that the City would be unable to move forward with the Office Building pursuant to the conditional Purchase and Sale Agreement (PSA). The Board of Supervisors would need to authorize a new budget and amended PSA to fund these revised costs, and the Real Estate Division is unlikely to recommend such a revised cost project.

D. Analysis of Residential Building

This memorandum presents a financial analysis of the potential development of the Residential Building component of the Proposed Project and the Preservation Alternatives as described in Section B. This financial analysis is based on information from the Project Sponsor and builds upon Seifel's recent work for the San Francisco Planning Department, Mayor's Office of Housing and Community Development, Municipal Transportation Agency and Office of Community Investment and Infrastructure to analyze the financial feasibility of similar mixed use, highrise residential developments. During the performance of these assignments for the City of San Francisco, Seifel met with and interviewed City staff and members of the real estate community (including developers, contractors, residential and commercial market specialists and architects) to obtain current development revenue, cost and financial performance data and assumptions, as well as reviewed a broad range of development pro formas for projects recently constructed or in the development pipeline in San Francisco.

The following sections describe the project assumptions, development costs, revenues, expenses, and return metrics used in the financial analysis for the development of the Residential Building as apartments, as currently proposed by the Project Sponsor. Except where noted, the same development assumptions apply to the Preservation Alternatives and the Proposed Project for this financial evaluation. Technical Appendices 3 through 7 contain supporting information that was used to prepare the financial analysis, as will be further described in the following sections.⁶

1. Development Program Assumptions

As previously described, the Residential Building of the Proposed Project includes 560 rental units, and each of the Preservation Alternatives includes 468 rental units. The Conditional PSA contemplates and the Project Sponsor intends to provide 20% of the total units as affordable BMR rental units. Based on the reduced footprint for the Residential Building in the Preservation Alternatives and the less efficient floorplates that result, the efficiency for the Residential Building in the Preservation Alternatives is 70%

⁵ As shown in Exhibit B of Appendix 2, the increase in costs associated with the Preservation Alternatives are attributable to the additional land cost associated with the increased office footprint, higher construction costs that would result from the revised office program and significant renovation costs associated with preserving greater portions of the 1500 Mission Street building, and the additional soft costs that would occur due to the increased costs and extended time frame for predevelopment and financing, as well as other factors.

⁶ A list of the Technical Appendices is presented at the end of this memorandum, and these Technical Appendices collectively provide the supporting documentation for the project assumptions, development costs, revenues, expenses, and return metrics used in the financial analysis.

versus 75% for the Proposed Project.⁷ (See Table 1 for a summary of the development programs for each building component, and Appendix Table 1.1 for additional detail on the development programs.)

Table 1
Summary of Apartment Development Programs for Proposed Project and Preservation Alternatives

	Proposed Project	Partial Preservation Alternative	Full Preservation Alternative
Residential Development Program			
Site Area	57,617 SF	33,676 SF	33,676 SF
Number of stories	39 Stories	39 Stories	39 Stories
Units	560 Units	468 Units	468 Units
Building Gross SF	626,200 GSF	511,500 GSF	511,500 GSF
Net (Rentable) SF	469,625 NSF	358,050 NSF	358,050 NSF
Affordable %	20%	20%	20%
Affordable Units	112 AH Units	94 AH Units	94 AH Units
Average Unit Size (Net SF)	839 NSF	765 NSF	765 NSF
Retail			
Building Gross SF	38,000 GSF	35,900 GSF	35,900 GSF
Total Leasable SF	36,365 LSF	34,200 LSF	34,200 LSF
Parking & Storage			
Basement/Parking Gross SF	103,012 GSF	67,352 GSF	33,676 GSF
Residential Storage Units	40 Units	40 Units	40 Units
Total Parking Spaces	300 Spaces	252 Spaces	117 Spaces

2. Development Costs

Development costs consist of the following key categories: land, demolition and site improvements, hard construction, government fees, financing and other soft costs (such as architectural design and engineering). Some of these development costs are driven primarily by the size and design elements of the development (such as hard construction costs) while others have a significant fixed-cost component (such as land costs). Total development costs for the Residential Building are approximately \$435 million for the Proposed Project and approximately \$374 million and approximately \$367 million for the Partial Preservation and Full Preservation Alternatives respectively. (Please refer to Appendix Table 1.2 for a summary of the development assumptions used in the financial analysis.)

a. Property Acquisition

As described earlier, the Proposed Project was conceived in early 2014 through a collaborative arrangement between the City's Division of Real Estate and the Project Sponsor, which was formalized in December 2014 through the conditional PSA. The City is anticipated to purchase the Office Building once the Board of Supervisors and Mayor ratify the conditional PSA, and the City would occupy the

⁷ The Project architects, SOM and HKS, analyzed the residential floor plates for the Proposed Project and Preservation Alternatives to develop the efficiency ratios and overall net rentable square feet, as well as identified the distribution of square footage by various uses, including parking.

Office Building upon completion. Therefore, the purchase price used in this analysis is the proportionate share of the land acquisition cost for the Residential Building.⁸

Table 2 below summarizes the anticipated land acquisition cost, which includes the land purchase price based on the site area used for the Residential Building and the anticipated closing costs. As the area for the Residential Building would decrease from 57,617 to 33,676 square feet according to the Draft EIR, the proportionate share of land cost for the Residential Building would decrease by about \$16 million while the share of land cost for the Office Building would proportionately increase by the same amount. (See Appendix Table 1.3 for further detail.)

Table 2
Land Acquisition Costs for Residential Building of the Proposed Project and Preservation Alternatives

	Proposed Project	Partial Preservation Alternative	Full Preservation Alternative
<i>Land SF</i>	<i>57,617</i>	<i>33,676</i>	<i>33,676</i>
Land Purchase Price	\$35,321,000	\$19,976,000	\$19,976,000
<u>Other Acquisition Costs</u>	<u>\$494,000</u>	<u>\$289,000</u>	<u>\$289,000</u>
Land Acquisition Costs	\$35,815,000	\$20,265,000	\$20,265,000

The Project Sponsor acquired the property in 2014 from Goodwill Industries. In order to pay for the land acquisition, the Project Sponsor has secured a private loan to help finance the purchase cost, which must be carried until the project begins construction and can draw down on its construction loan. In addition, the Project Sponsor needs to pay property taxes from the date of purchase until project completion.

As the project has been designed and engineered to be built as the Proposed Project, development as either Preservation Alternative cannot start immediately because the chosen alternative would need to be fully designed and engineered. This design and engineering process for either Preservation Alternative is anticipated to take an additional year, resulting in additional land carrying costs estimated to be \$9 million to pay interest and property taxes for a longer period of time. However, as the land acquisition costs for the Residential Building would be less under the Preservation Alternatives than the Proposed Project, these carrying costs would also be less than with the Proposed Project.

b. Construction Costs

The construction costs for new apartment development would consist of four primary cost components:

- Demolition and Site Improvements
- Hard Construction Costs
- Hard Cost Contingency
- Construction Management Fee

Lawvision Consulting (LVC) was engaged by the Project Sponsor to conduct a comprehensive review of the construction budgets prepared by the Project Sponsor with respect to the Proposed Project and the Preservation Alternatives and to provide construction cost estimates based on this review and their extensive experience with similar projects throughout San Francisco and the state of California. LVC has

⁸ The purchase price is for the residential development component only and not for the entire project. The acquisition costs are based on Exhibit D of the Conditional Land Disposition and Acquisition Agreement and information provided by Related California on potential additional acquisition costs, including title and closing costs.

been actively involved in the budgeting of the Proposed Project for the past 24 months and is intimately familiar with the details of both the Office Building and Residential Building. The cost estimates presented in this memorandum rely on the cost estimates provided by LVC and the Project Sponsor. (See Appendix 3 for the letter from LVC regarding these cost estimates.)

Demolition and site improvement costs include all of the costs that are required to ready the site for development, including the demolition of existing structures, completion of the environmental remediation work and the provision of public and private pathways and landscaped areas of the project. As indicated in the project descriptions, the Proposed Project and Preservation Alternatives include demolition of existing buildings and preparation of the site for development. The residential share of the demolition and site improvement costs for the Preservation Alternatives is less than the Proposed Project because the site area for the Office Building would increase, and the Office Building would assume a larger share of these costs.

Hard construction costs for the Residential Building include construction costs related to the residential, retail and basement/parking uses. The residential hard construction costs are based on Type I, steel frame construction over below-grade parking for a building with heights of 240 feet or more and are calculated based on the gsf of residential building area.⁹ The retail construction costs are based on the cost to construct a shell on the ground floor for the retail space and are calculated based on the gsf of retail area. Construction costs related to the basement and parking underneath the residential building are based on the cost to provide the concrete and masonry work, plus to provide the parking spaces (including mechanical parking lifts/stackers as needed) and are calculated based on the gsf of basement area.

All of the hard construction costs include costs related to general conditions plus general contractor (GC) overhead, profit, insurance and other GC costs. A standard 5 percent contingency was added to the construction costs plus a 1 percent construction management fee for project oversight given the complexity of the project.

Table 3
Project Construction Costs for Proposed Project and Preservation Alternatives

	Proposed Project	Partial Preservation Alternative	Full Preservation Alternative
Project Hard Construction Cost	\$248,675,000	\$220,799,000	\$215,411,000
<u>Contingency/Construction Management Allowance</u>	<u>\$14,921,000</u>	<u>\$13,248,000</u>	<u>\$12,925,000</u>
Total Hard Construction Costs	\$263,596,000	\$234,047,000	\$228,336,000

Whereas many of the hard construction cost categories (mechanical, electrical and plumbing systems, vertical circulation, exterior façade, general conditions, building amenities, etc.) do not reduce proportionally with the reduction of building square footage, the residential hard construction costs per

⁹ Lawvision Consulting has determined that the cost estimates used in this analysis accurately reflect the anticipated costs of both the Residential and Office Buildings and the Preservation Alternatives. This conclusion is based on the measurement and pricing of quantities and/or reasonable assumptions for other work not covered in the drawings or specifications. Unit rates have been obtained from historical records, professional experience and/or discussion with contractors. The unit rates reflect current bid costs in San Francisco. Pricing reflects probable construction costs obtainable in the project locality on the date of this statement of probable costs. This estimate is a determination of fair market value for the construction of the project. Pricing assumes competitive bidding for every portion of the construction work for all subcontractors and general contractors.

gsf in both Partial Preservation and Full Preservation Alternatives are estimated to be higher than new construction for the Proposed Project. (See Appendix Table 1.4 for further detail on the apartment construction costs.)

c. Permits and Development Fees

The Project Sponsor will be required to pay City permits and development impact fees, including citywide development impact fees, neighborhood specific (Market-Octavia and Downtown) development impact fees, water and wastewater capacity fees, school fees, building permit fees, large project authorization permit, and planning fees. The Project Sponsor and Seifel prepared a cost estimate for current permits and development fees based on the City's 2016 fee schedules for the Proposed Project and Preservation Alternatives for the Residential Building. As the fees are primarily calculated based on above-grade building square feet and development costs, the estimated fees for both Preservation Alternatives are assumed to be the same. (See Appendix Tables 1.5A and 1.5B for additional information on the permit and fee estimates for the Proposed Project and Preservation Alternatives.)

d. Construction Financing

Construction financing typically represents the major source of capital that pays for development costs during construction. The construction financing assumptions used in this analysis are generally representative of construction financing terms for similar mixed-income apartment projects that are currently utilizing tax exempt bond financing. For this project, the Project Sponsor is proposing to use 4% low-income housing tax credits (LIHTC) and to obtain both construction and permanent financing through tax-exempt debt authorized by the California Debt Limit Allocation Committee (CDLAC).¹⁰ The project is anticipated to generate LIHTC based on project milestones and eligible cost items (based on the 20% affordable housing units).

The Project Sponsor intends to sell the tax credits to investors, which would provide an equity-funding source for the project. Virtually all of the proceeds from the sale of tax credits would be paid upon the closing of the permanent loan, with a small portion payable during construction, as is typically the case with LIHTC projects that seek to maximize the LIHTC equity pay-in rate.

The construction interest rate is assumed at 3.50% based on tax-exempt bond financing, which is significantly below typical construction interest rates from private financial institutions.¹¹ Loan fees and bond issuance costs are estimated to be about 1.70% of the loan amount based on information provided by the Project Sponsor and recent experience with similar projects.¹² The loan amount is based on a 95% loan to total development value at an average outstanding balance of 50% of development cost.¹³

¹⁰ The Low Income Housing Tax Credit program (LIHTC) finances the construction, rehabilitation and preservation of housing affordable to lower-income households. The LIHTC program encourages private investment by providing a tax credit: a dollar-for-dollar reduction in federal taxes owed on other income. Although housing tax credits are federal, each state has an independent agency that decides how to allocate the state's share of federal housing tax credits within a framework formed by the Internal Revenue Code.

¹¹ This reflects the anticipated lower interest rate on a tax-exempt bond financing structure, rather than the more typical 5% to 6% rate for a construction loan in the current lending environment.

¹² In addition to construction loan fees that typically range from .8% to 1.25% depending on the size of project and type of financing, the Project Sponsor would also have to pay bond issuance costs to secure tax-exempt bond financing for the project, including associated transaction costs for Bond Counsel, Advisor, Trustee and Inducement fees, as well as the CDLAC Issuance fee and Performance Deposit. Costs that are scaled based on the project size (and bond sizing) include the loan fee, San Francisco MOHCD and Bond Monitoring fees as well as CDLAC installment fees.

¹³ Typical construction loans are sized based on a 60-70% loan-to-value or development cost ratio, which assumes that the Project Sponsor contributes or raises the remaining equity. In this case, the Project Sponsor is able to obtain additional

The term of the construction loan is directly related to project timing, as the construction loan is the primary source of capital during the construction of the project. The Proposed Project and the Preservation Alternatives are anticipated to have a 28-month construction period until the permanent bond financing will be in place. The apartment absorption rate for the Proposed Project and Preservation Alternatives is assumed to be 35 units per month, until the units are occupied.¹⁴ The absorption time periods were used to estimate operating costs that must be capitalized until rental revenues begin.

e. Other Soft Costs

Other soft costs include all other indirect construction costs, such as architectural design, engineering, legal fees, marketing and other professional fees paid by the developer (excluding sales expenses for the City's transfer tax and brokerage fees for buyer representation and other transaction related expenses, which are considered separately). These other soft costs are calculated as a percentage of hard construction costs based on a review of pro formas and interviews with developers and real estate professionals. Other soft costs are assumed at 16.5 percent of hard construction costs.¹⁵ As previously explained, the Preservation Alternatives as described in the Draft EIR would require a significant redesign effort. Therefore, the soft costs for the Preservation Alternatives are increased by 2 percent to account for the additional preconstruction costs such as architectural design and engineering work.

3. Revenues

Revenues for the project come primarily from rental of the residential units, parking spaces and the commercial spaces, all of which vary between the Proposed Project and Preservation Alternatives. The market rents are based on a market study prepared by The Concord Group (TCG), an experienced market research firm that identified relevant market trends and recommended market rents for both the Proposed Project and Preservation Alternatives. (See Appendix 4 for The Concord Group market study.)

According to TCG, developments in the vicinity of the proposed Residential Building are currently averaging \$5.60 per rentable net square foot (NSF). Given the proposed project amenities and the large number of view premium units on the upper floors, TCG's recommended average market rents for the Proposed Project is \$6.09/NSF and \$6.16 for the Preservation Alternatives, which takes into account the differences in unit sizes and proposed amenities between the Proposed Project and Preservation Alternatives. Of note, the rental market for apartments in San Francisco has softened substantially in 2016. According to Real Answers, which collects and reports average monthly rents for investment grade apartments, rents in San Francisco stabilized in 2016, increasing only 0.4% through the third quarter. This is in contrast to rent increases of 8-10% each year after the housing market began to recover from the

construction financing through the use of tax-exempt bond financing and a letter of credit from the developer and the major investor, which offsets the risk to the bondholders.

¹⁴ The Proposed Project and the Preservation Alternatives assume an absorption rate of 35 units/month, which is a faster lease up rate compared to typical projects citywide that currently range from 20 to 25 units per month. However, as 20% of the units are deeply affordable, this would accelerate the absorption rate. The construction financing assumes two months of pre-leasing.

¹⁵ Based on recent work for the City of San Francisco, other soft costs for rental developments typically range between 15% and 20% of hard construction costs, inclusive of predevelopment expenses, property taxes and other land carrying costs. This soft cost estimate was developed based on a review of similar pro formas, which include budget estimates for these other soft costs, and has been adjusted to account for the fact that property taxes and interest carry for the land are shown as separate line items.

recession in 2010.¹⁶ According to Zumper, citywide average rents decreased (-4.9%) during 2016, and average rents in the Civic Center neighborhood decreased between -5% to -10%.¹⁷

The rents for the affordable units are based on 2016 BMR rents published by the City of San Francisco Mayor's Office of Housing and Community Development (MOHCD) for households earning 40% and 50% Areawide Median Income (AMI). Parking would be unbundled, and therefore all households would pay a market price for a parking space.¹⁸ (See Appendix Table 1.6 for additional detail on the apartment unit mix and revenues.)

In addition to tenant rent payments, apartment rental revenue includes other income from laundry, concierge service and other amenities, which is projected at \$150 per month for market rate units, plus 40 storage units would be rented at \$150 per month. These additional revenues represent approximately an additional \$.20 per net rentable square foot per month for the market rate units. In addition, parking spaces are unbundled, and parking income is projected at \$475 per month for apartments and \$300 per month for retail and restaurant uses, assuming valet parking revenues. Table 4 below provides a summary of the key revenue assumptions.

¹⁶ <http://www.realanswers.biz>. RealAnswers is a paid subscription service, which Seifel purchased and used to analyze historical rent trends for San Francisco.

¹⁷ <https://www.zumper.com/blog/2016/12/san-francisco-prices-decreased-4-9-in-2016/>

¹⁸ The affordable rents are calculated based on the MOHCD published rents ("rents without utilities") less an assumed utility expense for each unit, which varies by unit size. These rents are then further adjusted to take into account the City's unbundled parking policy for below-grade parking, with an additional deduction of \$211 per month times the average residential parking ratio per unit. In order to receive 4% tax credits and tax-exempt bond funds from CDLAC, 3% of total units must be affordable to households earning 40% AMI.

Table 4
Major Apartment and Retail Revenue Assumptions

	Proposed Project	Partial Preservation Alternative	Full Preservation Alternative
Residential			
Total Number of Units	560	468	468
Average Unit Square Feet (SF)	839	765	765
Market Rate Units			
Average Market Rent Per Month	\$5,148	\$4,738	\$4,738
Vacancy Rate	5.0%	5.0%	5.0%
BMR Units			
Average Rent Per Month @ 40% AMI	\$704	\$701	\$762
Average Rent Per Month @ 50% AMI	\$928	\$913	\$974
Vacancy Rate	2.5%	2.5%	2.5%
Parking Revenue Per Space Per Month	\$475	\$475	\$475
Other Income Per Month (Per Market Rate Unit)	\$150	\$150	\$150
Storage Rent Per Month	\$150	\$150	\$150
Retail and Restaurant			
Average Market Rent Per SF Per Month (NNN)	\$5.50	\$5.50	\$5.50
Parking Revenue Per Space Per Month	\$300	\$300	\$300
Vacancy Rate	10%	10%	10%

4. Sales Value and Expenses

The potential value of the property is determined by applying a capitalization rate to the net annual income from the property using a 4.5% capitalization rate for residential and 6% for non-residential.¹⁹ Sales expenses include brokerage fees and City transfer taxes that are in addition to the marketing and sales costs included within soft costs. These expenses are deducted from the rental revenue proceeds in order to generate net development revenues for the financial analysis.

The analysis assumes sales expenses equal to 3.5% of sales price, representing an allowance of about 2% for brokerage fees and 1.5% for San Francisco transfer tax. Transfer taxes are based on the City's transfer tax schedule, which is calculated according to building value, and are assumed to be paid by the developer.

5. Return Metrics

Developers, lenders and investors evaluate and measure returns in several ways. Based on input from real estate developers, equity investors and lenders, development returns are based on two key measures typically used by the real estate community.

¹⁹ Based on 2015-2017 capitalization rate surveys by Integra Realty Resources (Viewpoint, Real Estate Value Trends) with 0.5% upward adjustment to "going in" cap rate for San Francisco Class A multifamily apartments and retail.

a. Developer Margin (Return) and Return on Cost

Developer margin or return is equal to the difference between net potential revenues and total development costs (before consideration of developer return or profit).²⁰ A developer will not proceed to build a project unless the project generates sufficient developer margin to warrant the risk and private investment needed to undertake the project.

In this case, because the developer plans to use 4% low income housing tax credits, the value of the tax credits is deducted from the development costs when calculating the developer margin, as private investors provide an upfront infusion of equity funding to the project in exchange for receiving federal and/or state tax credits. (See Appendix Table 1.7 for the tax credit calculations).

Developers and investors use different target return on cost (ROC) thresholds depending on the level of complexity of the project, construction types, construction schedule, sales/rental absorption timeline, potential equity sources including the use of tax credits. Projects with longer timelines have higher risk and as a result require a higher ROC. This type of mixed use apartment development (Type I steel frame construction at or above 250 feet) would likely have a ROC threshold that ranges between 14 to 25%, as measured by return (developer margin) divided by development cost.²¹ The lowest 14% return threshold is based on the allowable developer fee (or return) according to the relevant tax credit regulations used by the California Tax Credit Allocation Committee regulations to implement Federal and State LIHTC laws. These regulations allow a maximum developer fee for new construction 4% LIHTC projects that is equal to 15% of the project's unadjusted eligible basis, which is approximately 14% of total development costs. (The unadjusted eligible basis excludes land acquisition costs and a portion of other project costs, as shown in Appendix Table 1.7.)²²

b. Yield on Cost (also known as Return on Cost for Apartments)

The most important feasibility return metric for apartment developments is called Return on Cost or Yield on Cost (YOC). YOC is measured based on Net Operating Income (NOI) divided by development costs.²³ NOI is equal to projected rental revenues less vacancy allowance less operating expenses. As the development would generate low income housing tax credits, the tax credit equity that would be raised from the sale of these tax credits is deducted from development costs in this calculation, as it represents an infusion of funding in exchange for the provision of 20% affordable housing units.

The Project Sponsor's major investor in this project is the State Teachers Retirement System of Ohio (STRS Ohio), one of the nation's largest public pension funds with investment assets of more than \$72 billion as of June 30, 2016. STRS Ohio has a long history of investing in a broad range of real estate products. About 75% of STRS Ohio's investment assets are managed internally by professionals in its Investment Departments who adhere to robust underwriting guidelines that are designed to provide high, long-term yields while minimizing exposure to risk.²⁴

²⁰ Net project revenue equals gross revenue less brokerage expenses minus total development costs.

²¹ As the development would generate low-income housing tax credits, the tax credit equity that would be raised from the sale of these tax credits is deducted from development costs in this calculation, as it represents an infusion of funding in exchange for the provision of 20% affordable housing units.

²² California Code of Regulations Title 4, Division 17, Chapter 1, Section 10327(c)(2)(B).

²³ These return metrics are considered the typical "back of the envelope" way of determining real estate feasibility and are typically based on current rent and cost assumptions (not trended upward to reflect potential future increases).

²⁴ <https://www.strsoh.org/aboutus/> - section-3

For more than 20 years, STRS Ohio has provided direct equity investments in multifamily apartment developments across the nation, including a dozen developments by Related (the parent company of the Project Sponsor) in California and New York. As part of its underwriting process for new apartment developments, STRS Ohio uses several financial metrics in order to assess the potential risk and return for each investment. However, the most important financial metric is yield on cost (also known as return on cost) based on current market rents on an untrended basis. This metric is established by STRS Ohio for each proposed apartment investment opportunity by evaluating its location, development characteristics and market conditions.²⁵

Based on STRS Ohio's current underwriting criteria for highrise apartment developments of approximately 500 units located in the Market/Van Ness corridor of San Francisco, a prospective development of this type should achieve a minimum 5.5% return on cost on an untrended basis. This return on cost threshold is increasing due to greater market uncertainty, and in the foreseeable future this requirement is anticipated to move closer to STRS Ohio's historical 6.0% minimum return basis. The cost basis for mixed income apartment developments that use tax-exempt bond financing and 4% low-income housing tax credits can be adjusted to reflect the infusion of private equity from the sale of tax credits. This yield on cost (return on cost) metric reflects the significant risks associated with the current uncertain national political and economic environment, as well as those associated with the construction and potential lease-up of a large-scale, highrise building of the type proposed by Related California in San Francisco.²⁶

This target yield on cost (return on cost) threshold is consistent with information provided by other real estate developers and investors active in San Francisco for a project of this complexity, size and financing structure.²⁷

E. Financial Feasibility Findings

The financial analysis compares the anticipated development costs with the potential revenues that could be generated by the Proposed Project and Preservation Alternatives for the Residential Building in order to test the overall financial feasibility using typical return measures of developer margin, return on total development cost and yield on cost. The summary financial pro forma analysis shown in Table 5A is based on the development assumptions previously described in Section C, and it compares the financial feasibility of the Proposed Project and Preservation Alternatives as an apartment development, as currently proposed. (Please refer to Appendix Table 1.8 for the development pro forma that was used to prepare the summary financial comparison.)

²⁵ Based on Seifel Consulting's interview with investment staff of STRS Ohio on February 10, 2017.

²⁶ Ibid.

²⁷ These ROC and YOC thresholds are consistent with the return thresholds used in similar financial analyses on housing developments performed by Seifel Consulting for various City Departments and public agencies in San Francisco. These return thresholds were developed and are based on input from a Technical Advisory Committee to the San Francisco Mayor's Office of Housing and Community Development, interviews with developers and real estate professionals and the review of more than 50 development pro formas for projects constructed or in the development pipeline over the past decade. Some projects may proceed based on lower returns, but this would be unlikely for a highrise development of this size and complexity.

Table 5A
Summary Financial Comparison for Apartment Development of the Residential Building

	Proposed Project	Partial Preservation Alternative	Full Preservation Alternative
Mixed Use Development Program			
Residential Units	560	468	468
<i>Below Market Rate Units</i>	112	94	94
Residential Gross SF	626,200	511,500	511,500
<i>Residential Net SF</i>	469,625	358,050	358,050
Retail (LSF)	36,365	34,200	34,200
Residential and Retail Parking Spaces	300	252	117
Total Development Value	\$459,806,000	\$341,551,000	\$329,048,000
Less: Development Cost	\$435,441,000	\$373,840,000	\$366,604,000
Plus: Revenue from Sale of Tax Credits	<u>\$32,624,000</u>	<u>\$29,616,000</u>	<u>\$28,973,000</u>
Total Development Cost Net of Tax Credit Equity	\$402,817,000	\$344,224,000	\$337,631,000
Return (Net Developer Margin)	\$56,989,000	(\$2,673,000)	(\$8,583,000)
<i>As Percent of Total Development Cost</i>	<i>14.1%</i>	<i>-0.8%</i>	<i>-2.5%</i>
Target Return on Total Development Cost	14% to 25%		
Return (Yield on Cost)	5.5%	4.8%	4.7%
Target Return (Yield on Cost)	5.5% to 6%		

Note: Refer to supporting tables for assumptions and calculations. Dollar values rounded to nearest \$1,000.

Source: Draft EIR 1500 Mission Street, Related California, Seifel Consulting Inc.

Based on the projected development revenues and costs described earlier, this analysis concludes that the Proposed Project is financially feasible while neither of the Preservation Alternatives for the Residential Building is financially feasible:

- The Proposed Project yields a 14.1% return (net developer margin) and a Yield on Cost of 5.5%, which is within the range of feasibility.
- The Partial Preservation Alternative does not generate sufficient return or Yield on Cost, as total development costs exceed development value, resulting in a negative return, and the Yield on Cost is 4.8%—well below the target threshold.
- The Full Preservation Alternative also does not generate sufficient return or Yield on Cost, as total development costs exceed development value, resulting in a negative return and a Yield on Cost of 4.7%—well below the target threshold.

1. Condominium Analysis of the Preservation Alternatives

As an additional check for feasibility of the Preservation Alternatives, a condominium (condo) development was also analyzed for the Residential Building with an assumed onsite affordable housing requirement of 20% BMR units. As the construction and financing process for highrise condominiums differs substantially from apartment development, the sources of funding and required developer margins or returns are different. This section begins with a brief description of the development challenges

associated with large, highrise condo towers, particularly in California. (See Appendix 5 for a more detailed description of the key assumptions and the methodology used to analyze financial feasibility as a condominium development.)

Highrise construction takes two to three years depending on the building size and site conditions. All of the condo units must be constructed in one phase, and a certificate of occupancy must be issued before the sale of any condo unit can close escrow. Developers are allowed to collect an earnest money deposit from buyers, but home purchase contracts that include a liquidated damages clause are limited to 3 percent of the purchase price in California unless damages can be proved. This clause puts a limit on damages that could be awarded to the developer if buyers don't ultimately purchase the unit. Thus, buyers can cancel the sale for a small financial penalty relative to the overall cost of the unit if the market for condos worsens during the sales period (which can occur given the cyclical nature of the economy) or if some other event occurs.

All of the units must be able to be sold within two years in order for a condo developer to attract capital to fund the project, as extending the sales period beyond this time frame significantly decreases overall returns and increases the risk that the capital sources will need to provide equity capital for more than five years (including both construction and sales), which is the preferred time period for investment capital. All of the capital funding must be in place before construction can begin, and typically multiple sources of debt and equity must be utilized given the need to raise hundreds of millions of dollars.

Condominium buyers that use an FHA lender are not able to close on their loans until the condominium receives FHA endorsement, which is based on a minimum threshold percentage of condo sales in a building (usually 50%), a threshold that is governed by FHA regulations focused on minimizing FHA's lending risk. For pre-sales to offer meaningful support for a loan, the FHA lender must assure itself that the contracts are enforceable under state and federal law.

Construction costs are significantly higher per residential building square feet than other residential product types given the more stringent building requirements associated with Type I buildings, particularly those over 240 feet, and the need to include design features that will attract condo buyers, including custom windows to maximize unobstructed viewing area, enhanced facade features, unique amenities, and upgraded unit finishes and appliances. As condominium buyers have up to ten years to sue a condominium developer and its development team for construction defects, additional insurance coverage must be purchased by both the general contractor and the developer to mitigate this risk.

The first step in the condominium financial analysis was to prepare a potential development program for the Preservation Alternatives as condominiums, recognizing that the size and scale of the Residential Building would be very large for a highrise condominium development in San Francisco, particularly at this site given that it is not located in a well-established residential neighborhood. The development program assumes the same gross building square feet and number of parking spaces described in the Draft EIR for the Preservation Alternatives.

Polaris Pacific, condominium market and sales specialists, prepared a market study for the Preservation Alternatives that recommends a proposed unit mix, unit sizes and sales prices for a potential condominium development on the site with 343 units with unbundled parking. The recommended market pricing is based on achieving full absorption within two years (sale of all condominium units at an average monthly absorption of 15 units). In order to achieve this absorption rate, prices have to be positioned competitively to nearby developments in the marketplace, and the average unit size for condos

is substantially larger than apartments (about 1,040 net square feet for the condo versus about 770 net square feet for apartments in the Preservation Alternatives).²⁸

According to Polaris Pacific, over 1,000 condominium units are currently under construction, and an additional 2,000 units are entitled in Real Estate District 9 where this property is located. The average market price to purchase a condominium at this location is projected to be about \$1.33 million per unit (or about \$1280 per net square feet), and buyers would pay an additional \$75,000 per stall to purchase parking on an unbundled basis. (See Appendix 6 for the Polaris Pacific market study.) Similar to the rental market, the condominium market in San Francisco has also softened according to Polaris Pacific, with a -3.6% decline in the average condominium sales price in highrise buildings in 2016.²⁹

The financial analysis indicates that even if the Preservation Alternatives were developed as condominiums, a developer would not achieve a positive developer margin and therefore would not proceed.³⁰ A summary of the results of this financial comparison for potential condominium development of the Preservation Alternatives is shown in Table 5B.

As an additional test on feasibility, the average market price for condominiums was increased by 10 percent to an average sales price of about \$1,400 per net square feet, which is at the high end of the current market pricing for smaller sized condominium units (averaging 700 to 850 square feet in size) in highrise buildings in San Francisco.³¹ Even when prices are increased by 10 percent above the Polaris Pacific recommended pricing, the Preservation Alternatives are not financially feasible, yielding negative returns of -4.7% and -4.8% respectively for the Full and Partial Preservation Alternatives.

In comparison, the Proposed Project is feasible as a proposed apartment development because it yields a positive developer margin, and its returns (as measured by return on cost and yield on cost) are within the target return thresholds for development feasibility.

²⁸ The absorption rate for condominium developments in San Francisco depends on the location and positioning of the development, but typically ranges between 8 to 12 units per year. To achieve higher absorption rates, developers typically need to incur additional sales and marketing expenses, offer incentives or lower sales prices relative to the competition.

²⁹ According to The Polaris Pacific Report, San Francisco, February 2017.

³⁰ As described above, high-rise condominium projects have longer timelines and higher risk profiles than apartments, which result in higher target return on cost thresholds, as measured by developer margin/development cost. This type of condominium development (steel frame construction at or above 250 feet) would likely have a ROC threshold between 20% and 30% on development costs (developer margin/development cost) or 17% and 23% on net sales revenues (developer margin/net sales revenues) given the financing assumptions and analysis described in Appendix 5.

³¹ Condominium sales prices for smaller sized units (700-850 square feet) are higher per net sq. ft. when compared to larger sized units (850-1100 square feet) for similarly located and positioned units, and the Polaris Pacific recommended pricing takes this into account. This sensitivity analysis was performed for feasibility testing purposes only.

Table 5B
Summary Financial Comparison for Condominium Development

	Partial Preservation Alternative	Full Preservation Alternative
Mixed Use Development Program		
Residential Units	343	343
<i>Below Market Rate Units</i>	69	69
Residential Gross SF	511,500	511,500
<i>Residential Net SF</i>	358,050	358,050
Retail (LSF)	34,200	34,200
Residential and Retail Parking Spaces	252	117
Total Development Value	\$409,141,000	\$400,470,000
Total Development Cost	\$464,607,000	\$456,072,000
Return (Net Developer Margin)	(\$55,466,000)	(\$55,602,000)
<i>As Percent of Total Development Cost</i>	<i>-11.9%</i>	<i>-12.2%</i>
<i>Target Return on Total Development Cost</i>	<i>20% to 30%</i>	
<i>Return on Net Sales Proceeds</i>	<i>-13.6%</i>	<i>-13.9%</i>
<i>Target Return on Net Sales Proceeds</i>	<i>17% to 23%</i>	

Note: Refer to supporting tables for assumptions and calculations. Dollar values rounded to nearest \$1,000.

Source: Draft EIR 1500 Mission Street, Related California, Seifel Consulting Inc.

F. Conclusion

This memorandum summarizes the results of an independent analysis of development assumptions and financial feasibility for the Residential Building component of the Proposed Project and for the Preservation Alternatives in the Draft EIR (Partial Preservation Alternative and Full Preservation Alternative) based on data provided by the Project Sponsor and Seifel's recent work in San Francisco.

As this analysis demonstrates, neither of the Preservation Alternatives is a financially feasible alternative to the Proposed Project for the Residential Building.³² The development costs for the Preservation Alternatives significantly exceed potential revenues, resulting in a negative developer margin or return. In addition, the Preservation Alternatives do not meet any of the return thresholds. The smaller building footprint and lower number of units in the Preservation Alternatives negatively impact their financial viability, as these alternatives would have fewer units over which the fixed development costs in the Residential Building can be spread in comparison to the Proposed Project. Furthermore, even if the Preservation Alternatives were developed as condominiums, they still do not meet sufficient return thresholds in order to be financially feasible.

³² Even when modeled as a condominium project, the Preservation Alternatives did not achieve financial feasibility.

Technical Appendices

Appendix 1 – Supporting Tables for the Financial Analysis of the Residential Building

Appendix 2 – Letter to the Planning Commission from John Updike, Director of Property, City and County of San Francisco Real Estate Division, February 13, 2017

Appendix 3 – Letter from Lawvision Consulting, Hard Cost Review of Proposed Project and Preservation Alternatives, February 8, 2017

Appendix 4 – The Concord Group Market Study for Apartment Development

Appendix 5 – Supporting Information for the Condominium Analysis of the Preservation Alternatives

Appendix 6 – Polaris Group Market Study for Condominium Development

Appendix 7 – Seifel Consulting Statement of Qualifications

Appendix 1

Supporting Tables for the Financial Analysis of the Residential Building

Appendix 1

Supporting Tables for the Financial Analysis

Appendix Table 1.1 – Development Programs for Proposed Project and Preservation Alternatives

Appendix Table 1.2 – General Development Assumptions for Proposed Project and Preservation Alternatives

Appendix Table 1.3 – Land Purchase Price Allocation for Proposed Project and Preservation Alternatives

Appendix Table 1.4 – Hard Construction Costs for Proposed Project and Preservation Alternatives

Appendix Table 1.5A – Permits and Fees Calculation for Proposed Project

Appendix Table 1.5B – Permits and Fees Calculation for Preservation Alternatives

Appendix Table 1.6 – Residential Mix and Rents for Proposed Project and Preservation Alternatives

Appendix Table 1.7 – Tax Credit Calculations - 4% Bond Project for Proposed Project and Preservation Alternatives

Appendix Table 1.8 – Pro Forma for Proposed Project and Preservation Alternatives

Appendix Table 1.1
Development Programs for Proposed Project and Preservation Alternatives
Goodwill- 1500 Mission Street Project

	Proposed Project - Apartment			Partial Preservation Alternative - Apartment			Full Preservation Alternative - Apartment		
	Residential Building	Office Building	Project Total	Residential Building	Office Building	Project Total	Residential Building	Office Building	Project Total
Property Description									
Site Area (Estimated SF)	57,617	53,004	110,621	33,676	76,945	110,621	33,676	76,945	110,621
Site Area (Acres)	1.32	1.22	2.54	0.77	1.77	2.54	0.77	1.77	2.54
Number of Stories	39	16		39	16		39	16	
Total Building Area(GSF)									
Total Building Area (Excl Garage) (GSF)	767,212	567,325	1,334,537	614,752	527,900	1,142,652	581,076	520,300	1,101,376
	664,200	454,200	1,118,400	547,400	460,000	1,007,400	547,400	452,400	999,800
Residential									
Total Residential Units	560		560	468		468	468		468
Below Market Rate Units	112		112	94		94	94		94
Total Percent Affordable	20%		20%	20%		20%	20%		20%
Rental @ 40% AMI	17		17	14		14	14		14
Rental @ 50% AMI	95		95	80		80	80		80
Total Residential Gross SF (GSF)	626,200		626,200	511,500		511,500	511,500		511,500
Total Residential Net SF (NSF)	469,625		469,625	358,050		358,050	358,050		358,050
BMR Residential Net SF (NSF) ^a	91,514		91,514	71,163		71,163	71,163		71,163
Residential Efficiency	75%		75%	70%		70%	70%		70%
Average Unit Size (NSF)	839		839	765		765	765		765
Office (GSF)									
Office (LSF)		449,800	449,800		455,600	455,600		452,400	452,400
Office Efficiency		371,000	371,000		365,500	365,500		365,500	365,500
		82%	82%		80%	80%		81%	81%
Child Care (GSF)									
Child Care (LSF)		4,400	4,400		4,400	4,400			
Retail (GSF)									
Retail (LSF)	38,000	4,400	38,000	35,900	4,400	35,900	35,900		35,900
	36,365		36,365	34,200		34,200	34,200		34,200
Parking									
Basement/Parking Structure (GSF)	103,012	113,125	216,137	67,352	67,900	135,252	33,676	67,900	101,576
Residential Parking Spaces	280		280	236		236	101		101
Office Parking Spaces		120	120		80	80		25	25
Car Share Spaces	6		6	4		4	4		4
Commercial Spaces	14		14	12		12	12		12
Total Parking for Development	300	120	420	252	80	332	117	25	142
Loading/Service Spaces	3	7	10	3	5	8	3	5	8
Total Parking with Loading/Service	303	127	430	255	85	340	120	30	150

a. BMR Residential Net SF includes manager units net square footage.

Source: Draft EIR 1500 Mission Street, Related California, Seifel Consulting Inc.

Appendix Table 1.2
General Development Assumptions for Proposed Project and Preservation Alternatives
Goodwill- 1500 Mission Street Project

Cost Assumptions by Project Alternative	Proposed Project	Partial Preservation Alternative	Full Preservation Alternative
Land Value	\$35,815,000	\$20,265,000	\$20,265,000
Demolition and Site Improvements	\$60 /GSF	\$95 /GSF	\$95 /GSF
Construction Costs (no parking)			
Rental	\$355 /GSF	\$385 /GSF	\$385 /GSF
Condo	\$355 /GSF	\$425 /GSF	\$425 /GSF
Below Grade / Parking Hard Construction Cost			
Rental	\$145 /GSF	\$195 /GSF	\$230 /GSF
Condo		\$195 /GSF	\$230 /GSF
Contingency/Construction Management Allowance (% of HCC)	6%	6%	6%
Other Soft Costs			
Rental (as a % of Hard Costs)	16.5%	16.5%	16.5%
Condo (as a % of Hard Costs)		25%	25%
Allowance for Redesign (as a % of Hard Costs)	N/A	2%	2%
Land Acquisition Financing Interest Rate	9.5%	9.5%	9.5%
Land Acquisition Financing Loan Term	36 Months	48 Months	48 Months
Property Tax Rate	1.18%	1.18%	1.18%
Construction/Mezzanine Financing			
Rental			
Construction Interest Rate	3.50%	3.50%	3.50%
Loan Fee/Bond Issuance as a % of Loan Amount	1.70%	1.70%	1.70%
Loan Draw (Average Outstanding Balance)	50%	50%	50%
Loan to Cost/Value Ratio	95%	95%	95%
% of Other Soft Costs Financed	90%	90%	90%
Construction Timing	28 Months	28 Months	28 Months
Absorption Rate	35 Units/month	35 Units/month	35 Units/month
Preleasing Overlap Period	2 Months	2 Months	2 Months
Absorption Period with Overlap	14 Months	11 Months	11 Months
Construction and Absorption Period	42 Months	39 Months	39 Months
Condo			
Construction Interest Rate		5.00%	5.00%
Loan Fee (Points) as a % of Loan Amount		1.00%	1.00%
Loan Draw (Average Outstanding Balance)		60%	60%
Loan to Cost/Value Ratio		60%	60%
% of Other Soft Costs Financed		90%	90%
Construction Timing		28 Months	28 Months
Absorption Rate		18 Units/month	18 Units/month
Absorption Overlap Period		2 Months	2 Months
Absorption Period with Overlap		28 Months	28 Months
Construction and Absorption Period		56 Months	56 Months
Mezzanine Debt Financing (Equity)			
Equity Return Requirement		12%	12%
Financing Timing		56 Months	56 Months
% of the Construction Cost Financed		30%	30%
Revenue Assumptions by Use	Residential - Apartment	Residential - Condominium	Retail
Market Rental Rate (Monthly)	See below.	N/A	\$5.50 /NSF (NNN)
Vacancy Rate- Market Rate Apartments	5%	N/A	N/A
Vacancy Rate- BMR Apartments	2.5%	N/A	
Vacancy Rate- Other Income	5.0%	N/A	10%
Operating Expenses (as a % of Gross Revenues)	See below.	N/A	6%
Capitalization Rate	4.5%	N/A	6.0%
Storage	\$150.00 /Month	N/A	\$0.00 /Month
Sales/Marketing Expense Upon Sale (Rental)	3.5%	6.0%	3.5%
Parking Revenue (Per Space)	\$475 /Month	\$75,000 /Space	\$300 /Month
Cost Assumptions by Use	Residential - Apartment	Residential - Condominium	Retail
Construction Type	Type I	Type I	Ground Level
Development Costs			
Hard Construction Costs (no parking)	See above.	See above.	\$210 /GSF
Tenant Improvements	N/A	N/A	\$100 /LSF
Residential Sale Price by Project Alternative		Partial Preservation Alternative - Condominium	Full Preservation Alternative - Condominium
Market Rate Housing Sale Price		\$1,277 /NSF	\$1,277 /NSF
BMR Sales Price			
Ownership @ 90% AMI		\$279,466 /Unit	\$292,508 /Unit
Market Price for Parking		\$75,000 /Space	\$75,000 /Space
BMR -Unbundled Parking Value		\$40,000 /Space	\$40,000 /Space
Apartment Revenues by Project Alternative	Proposed Project - Apartment	Partial Preservation Alternative - Apartment	Full Preservation Alternative - Apartment
Market Rental Rate	\$6.07 /NSF	\$6.14 /NSF	\$6.14 /NSF
BMR Rental Rate			
Rental @ 40% AMI	\$0.88 /NSF	\$0.95 /NSF	\$1.04 /NSF
Rental @ 50% AMI	\$1.16 /NSF	\$1.24 /NSF	\$1.32 /NSF
Other Income (per market rate unit)	\$150 /Month	\$150 /Month	\$150 /Month
Parking Revenue (per space)	\$475 /Month	\$475 /Month	\$475 /Month
BMR - Unbundled Parking Rent (per space)	\$211 /Month	\$211 /Month	\$211 /Month
Operating Expense Allowance	\$17,500 /Unit	\$18,000 /Unit	\$18,000 /Unit

Source: Draft EIR 1500 Mission Street, Related California, Seifel Consulting Inc.

Appendix Table 1.3
Land Purchase Price Allocation for Proposed Project and Preservation Alternatives
Related 1500 Mission Street

	Proposed Project			Preservation Alternative		
	Total	Residential Building	Office Building	Total	Residential Building	Office Building
<i>Land SF</i>	<i>110,621</i>	<i>57,617</i>	<i>53,004</i>	<i>110,621</i>	<i>33,676</i>	<i>76,945</i>
Land Purchase Price	\$65,618,000	\$35,321,360	\$30,296,640	\$65,618,000	\$19,975,880	\$45,642,120
% Allocation	100.0%	53.8%	46.2%	100.0%	30.4%	69.6%
Other Acquisition Costs ^a	\$948,645	\$494,102	\$454,543	\$948,645	\$288,793	\$659,852
Total Land Acquisition Costs	\$66,566,645	\$35,815,462	\$30,751,183	\$66,566,645	\$20,264,672	\$46,301,972

a. Estimated based on conversation with the Project Sponsor.

Source: Conditional Land Disposition and Acquisition Agreement by and between Goodwill SF Urban Development, LLC and City and County of San Francisco, Related California.

Appendix Table 1.4
Hard Construction Costs for Proposed Project and Preservation Alternatives as Apartments
Related 1500 Mission Street

Construction Category	GSF	Cost Basis	Cost/GSF (Round)	Total Costs
Proposed Project				
Demolition and Site Improvements	57,617	Site Area	\$60	\$3,457,020
Below Grade / Parking	103,012	Basement Area	\$145	\$14,936,740
Retail Allocation	38,000	Retail Area	\$210	\$7,980,000
Residential	626,200	Residential Area	\$355	\$222,301,000
Total Hard Construction Cost				\$248,674,760
<i>Total Hard Construction Cost per Residential Building GSF</i>	626,200		\$397	
Alternative Plan (Partial Preservation)				
Demolition and Site Improvements	33,676	Site Area	\$95	\$3,199,220
Below Grade / Parking	67,352	Basement Area	\$195	\$13,133,640
Retail Allocation	35,900	Retail Area	\$210	\$7,539,000
Residential	511,500	Residential Area	\$385	\$196,927,500
Total Hard Construction Cost				\$220,799,360
<i>Total Hard Construction Cost per Residential Building GSF</i>	511,500		\$432	
Alternative Plan (Full Preservation)				
Demolition and Site Improvements	33,676	Site Area	\$95	\$3,199,220
Below Grade / Parking	33,676	Basement Area	\$230	\$7,745,480
Retail Allocation	35,900	Retail Area	\$210	\$7,539,000
Residential	511,500	Residential Area	\$385	\$196,927,500
Total Hard Construction Cost				\$215,411,200
<i>Total Hard Construction Cost per Residential Building GSF</i>	511,500		\$421	

Source: Lawvision Consulting, Related California.

Appendix Table 1.5A
Permits and Fees Calculation for Proposed Project
Related 1500 Mission Street

Major Impact Fees	Estimated Fees	Fee Methodology and Comments
SF Childcare Fee	\$1,145,946	\$1.83 per SF x 626,200 GSF
SF Unified School District Fee	\$2,104,032	\$3.36 per SF x 626,200 GSF
Transportation Sustainability Fee	\$2,736,494	\$8.74 per SF x 626,200 GSF x 50% (50% of fee is owed because Project is grandfathered prior to change of fee methodology)
Market & Octavia Affordable Housing Fee	\$4,642,251	\$9.17 per SF x (626,200 GSF - 119,957 GSF of affordable housing)
Market & Octavia Infrastructure Impact Fee	\$7,182,514	\$11.47 per SF x 626,200
Van Ness and Market Affordable Housing Fee	\$6,608,094	\$38.23 x (9.0 FAR - 6.0 FAR) x 57,617 Land SF
Van Ness and Market Neighborhood Infrastructure Fee	\$2,057,134	\$19.11 x (626,200 GSF - 9.0 FAR x 57,617 Land SF)
Art Fee	\$2,486,748	1.0% x \$248,674,760
Other Fees	\$1,611,808	Fees specific to retail and other minor fees
Total	\$30,575,020	
Exaction Fee Contingency	\$249,229	
Total w/ Contingency	\$30,824,249	
EIR and Planning Department	\$822,108	
Permitting, Plan Check and Building Inspection	\$2,861,771	
Public Works	\$125,175	
Fire Department	\$164,906	
SF Public Utilities Commission	\$1,312,495	
MOD and Gas and Water	\$167,795	
Total Exactions, Fees and Permits	\$36,278,499	
5.0% Contingency	\$1,813,838	
TOTAL BUDGETED EXACTIONS AND PERMITS	\$38,092,336	
<i>Per Unit</i>	<i>\$68,022</i>	

Source: City and County of San Francisco, Related California.

Appendix Table 1.5B
Permits and Fees Calculation for Preservation Alternatives
Related 1500 Mission Street

Major Impact Fees	Estimated Fee				Fee Methodology and Comments
	Apartment		Condominium		
	Partial Preservation Alternative	Full Preservation Alternative	Partial Preservation Alternative	Full Preservation Alternative	
SF Childcare Fee	\$936,045	\$936,045	\$936,045	\$936,045	\$1.83 per SF x 511,500 GSF
SF Unified School District Fee	\$1,718,640	\$1,718,640	\$1,718,640	\$1,718,640	\$3.36 per SF x 511,500 GSF
Transportation Sustainability Fee	\$2,235,255	\$2,235,255	\$2,235,255	\$2,235,255	\$8.74 per SF x 511,500 GSF x 50% (50% of fee is owed because Project is grandfathered prior to change of fee methodology)
Market & Octavia Affordable Housing Fee	\$3,908,083	\$3,908,083	\$3,908,083	\$3,908,083	\$9.17 per SF x (511,500 GSF - 85,319 GSF of affordable housing)
Market & Octavia Infrastructure Impact Fee	\$5,866,905	\$5,866,905	\$5,866,905	\$5,866,905	\$11.47 per SF x 511,500
Van Ness and Market Affordable Housing Fee	\$3,862,300	\$3,862,300	\$3,862,300	\$3,862,300	\$38.23 x (9.0 FAR - 6.0 FAR) x 33,676 Land SF
Van Ness and Market Neighborhood Infrastructure Fee	\$3,982,830	\$3,982,830	\$3,982,830	\$3,982,830	\$19.11 x (511,500 GSF - 9.0 FAR x 33,676 Land SF)
Art Fee	\$2,207,994	\$2,154,112	\$2,412,594	\$2,358,712	1.0% of total construction cost
Other Fees	\$1,522,734	\$1,522,734	\$1,522,734	\$1,522,734	Fees specific to retail and other minor fees
Total	\$26,240,786	\$26,186,904	\$26,445,386	\$26,391,504	
Exaction Fee Contingency	\$250,000	\$250,000	\$250,000	\$250,000	
Total w/ Contingency	\$26,490,786	\$26,436,904	\$26,695,386	\$26,641,504	
EIR and Planning Department	\$801,618	\$801,618	\$801,618	\$801,618	
Permitting, Plan Check and Building Inspection	\$2,337,759	\$2,337,759	\$2,337,759	\$2,337,759	
Public Works	\$125,175	\$125,175	\$125,175	\$125,175	
Fire Department	\$136,507	\$136,507	\$136,507	\$136,507	
SF Public Utilities Commission	\$1,110,021	\$1,110,021	\$1,110,021	\$1,110,021	
MOD and Gas and Water	\$161,362	\$161,362	\$161,362	\$161,362	
Total Exactions, Fees and Permits	\$31,163,227	\$31,109,346	\$31,367,827	\$31,313,946	
5.0% Contingency	\$1,558,161	\$1,555,467	\$1,568,391	\$1,565,697	
TOTAL BUDGETED EXACTIONS AND PERMITS	\$32,721,388	\$32,664,813	\$32,936,218	\$32,879,643	
per Unit	\$69,917	\$69,797	\$96,024	\$95,859	

Source: City and County of San Francisco, Related California.

Appendix Table 1.6
Residential Mix and Rents for Proposed Project and Preservation Alternatives
Goodwill- 1500 Mission Street Project

Unit Type	Proposed Project - Apartment			Partial Preservation Alternative - Apartment			Full Preservation Alternative - Apartment		
	Units	%	Sq.Ft.	Units	%	Sq.Ft.	Units	%	Sq.Ft.
All Units									
Studio	110	19.6%	541	115	24.6%	483	115	24.6%	483
1 Bedroom	201	35.9%	698	149	31.8%	611	149	31.8%	611
2 Bedroom	228	40.7%	1,049	188	40.2%	1,015	188	40.2%	1,015
3 Bedroom	21	3.8%	1,463	16	3.4%	1,288	16	3.4%	1,288
Total or Average	560	100.0%	839	468	100.0%	765	468	100.0%	765
Market Rate Units									
Studio	87	19.5%	552	91	24.5%	484	91	24.5%	484
1 Bedroom	163	36.5%	709	118	31.7%	614	118	31.7%	614
2 Bedroom	180	40.4%	1,062	150	40.3%	1,024	150	40.3%	1,024
3 Bedroom	16	3.6%	1,463	13	3.5%	1,288	13	3.5%	1,288
Total or Average	446	100.0%	848	372	100.0%	771	372	100.0%	771
Manager's Units									
2 Bedroom	2	100.0%	1,000	2	100.0%	980	2	100.0%	980
BMR All Units									
Studio	23	20.5%	500	24	25.5%	478	24	25.5%	478
1 Bedroom	38	33.9%	650	31	33.0%	600	31	33.0%	600
2 Bedroom	46	41.1%	1,000	36	38.3%	980	36	38.3%	980
3 Bedroom	5	4.5%	1,463	3	3.2%	1,288	3	3.2%	1,288
Total or Average	112	100.0%	799	94	100.0%	736	94	100.0%	736
Market Rate - Rent Assumptions									
Studio	87	\$7.45	\$4,108	91	\$7.65	\$3,705	91	\$7.65	\$3,705
1 Bedroom	163	\$6.58	\$4,663	118	\$6.79	\$4,172	118	\$6.79	\$4,172
2 Bedroom	180	\$5.55	\$5,896	150	\$5.52	\$5,647	150	\$5.52	\$5,647
3 Bedroom	16	\$5.02	\$7,341	13	\$5.13	\$6,599	13	\$5.13	\$6,599
Total or Average	446	\$6.07	\$5,148	372	\$6.14	\$4,738	372	\$6.14	\$4,738
BMR - Rent Assumptions									
BMR Units @ 40% AMI									
Studio	4	\$1.16	\$578	4	\$1.21	\$577	4	\$1.34	\$638
1 Bedroom	5	\$1.05	\$680	3	\$1.13	\$679	3	\$1.23	\$740
2 Bedroom	7	\$0.77	\$770	6	\$0.78	\$769	6	\$0.85	\$830
3 Bedroom	1	\$0.59	\$858	1	\$0.67	\$857	1	\$0.71	\$918
Total or Average	17	\$0.88	\$704	14	\$0.95	\$701	14	\$1.04	\$762
BMR Units @ 50% AMI									
Studio	19	\$1.53	\$767	20	\$1.60	\$766	20	\$1.73	\$827
1 Bedroom	33	\$1.38	\$897	28	\$1.49	\$896	28	\$1.60	\$957
2 Bedroom	39	\$1.01	\$1,013	30	\$1.03	\$1,012	30	\$1.09	\$1,073
3 Bedroom	4	\$0.77	\$1,126	2	\$0.87	\$1,125	2	\$0.92	\$1,186
Total or Average	95	\$1.16	\$928	80	\$1.24	\$913	80	\$1.32	\$974
Manager's Unit - Assumptions									
2 Bedroom	2	\$0.00	\$0	2	\$0.00	\$0	2	\$0.00	\$0

Note: No rental revenue is assumed from two 2-Bedroom units that will be occupied by on-site resident managers.

Source: City of San Francisco, Draft EIR 1500 Mission Street, Related California, Seifel Consulting Inc.

Appendix Table 1.7
Tax Credit Calculations - 4% Bond Project for Proposed Project and Preservation Alternatives
Related 1500 Mission Street

			Proposed Project	Partial Preservation	Full Preservation
Total Units			114	96	96
<i>Manager units</i>			2	2	2
Threshold Basis Calculation					
<i>San Francisco County</i>					
<i>4% Credits</i>					
Studios (units)		\$334,766	23	24	24
1 BR (units)		\$385,982	38	31	31
2 BR (units)		\$465,600	48	38	38
3 BR (units)		\$595,968	5	3	3
4 BR (units)		\$663,946	0	0	0
Threshold Basis (Based on Affordable Units)			\$47,695,574	\$39,480,530	\$39,480,530
Boosts on Basis:					
	<i>Potential</i>	<i>Applicable</i>			
Prevailing Wage	25%	20%	\$9,539,114.80	\$9,539,115	\$9,539,115
Elevator	10%	10%	\$4,769,557	\$4,769,557	\$4,769,557
Structured Parking	7%	7%	\$3,338,690	\$3,338,690	\$3,338,690
Special Needs (100%)	2%	0%	\$0	\$0	\$0
Day Care Center	2%	0%	\$0	\$0	\$0
<i>Allowable maximum boost of 39%</i>					
		37%			
Energy Efficiencies	10%	10%	\$4,769,557	\$3,948,053	\$3,948,053
Seismic Upgrade, Toxic, Environmental	15%	0%	\$0	\$0	\$0
Highest Opportunity Area	10%	0%	\$0	\$0	\$0
Impact Fees Paid to Local Entities ^a	Share:	19.49%	\$7,422,863	\$6,503,304	\$6,503,304
4% Units <=35% AMI ^b		0%	\$0	\$0	\$0
4% Units 35 - 50% AMI ^b		20%	\$9,539,114.80	\$7,896,106	\$7,896,106
Total Adjustments With Boost^c			\$39,378,898	\$35,994,826	\$35,994,826
Adjusted Threshold Basis			\$87,074,472	\$75,475,356	\$75,475,356
Eligible Basis (see calculation below)					
Total Project Net Rentable SF			469,625	358,050	358,050
Total BMR Net Rentable SF With Manager Units			91,514	71,163	71,163
<i>Percentage Share of Total Project Costs</i>					
		19.49%		19.88%	19.88%
Hard Costs			\$49,825,107	\$45,121,376	\$44,020,365
Soft Costs			\$17,944,575	\$16,558,205	\$16,319,178
Contingency & Fee			\$10,165,452	\$9,071,160	\$8,874,082
Eligible Basis			\$77,935,134	\$70,750,741	\$69,213,626
Lesser of Threshold or Eligible Basis			\$77,935,134	\$70,750,741	\$69,213,626
Applicable Fraction			100%	100%	100%
<u>QCT Basis Boost</u>			<u>130%</u>	<u>130%</u>	<u>130%</u>
Total Qualified Basis			\$101,315,674.20	\$91,975,963	\$89,977,713
<u>Tax Credit Rate^d</u>			<u>3.2%</u>	<u>3.2%</u>	<u>3.2%</u>
Annual Tax Credits			\$3,262,365	\$2,961,626	\$2,897,282
Total Tax Credits (over 10 yrs.)			\$32,623,647.09	\$29,616,260	\$28,972,824
Yield Factor ^e			\$1.00	\$1.00	\$1.00
Tax Credit Equity to Project			\$32,623,647	\$29,616,260	\$28,972,824
Voluntary Basis Reduction for Competitiveness			0%	0%	0%
Net Tax Credit Equity to Project			\$32,623,647	\$29,616,260	\$28,972,824
<i>Per Unit</i>			<i>\$286,172</i>	<i>\$308,503</i>	<i>\$301,800</i>
Eligible Basis Calculation (Based on Total Project Costs)					
<i>% Included in Eligible Basis</i>					
Land	0%		\$0	\$0	\$0
Hard Costs					
Construction Costs (Including Parking)	97%		\$252,334,830	\$223,922,560	\$218,382,890
On and Offsite Costs	97%		\$3,353,290	\$3,103,030	\$3,103,030
Hard Costs Subtotal			\$255,688,120	\$227,025,590	\$221,485,920
Soft Costs					
Building Permits and Fees ^f	95%		\$36,187,400	\$31,084,950	\$31,084,950
Other Soft Costs	85%		\$36,969,050	\$36,804,150	\$35,905,700
Construction Finance Costs	65%		\$18,929,950	\$15,422,550	\$15,118,350
Soft Costs Subtotal			\$92,086,400	\$83,311,650	\$82,109,000
Eligible Developer Fee (15% of Above)	100%		\$52,166,178.00	\$46,550,586	\$45,539,238

Notes: Calculations and methodology based on California TCAC 2016 Regulations and 2017 Threshold Basis Limits.

a. Allocated based on proportionate share of residential square footage for affordable units.

b. Per 2016 TCAC regulations, extra boost for bond projects = 2% for each 1% of units <=35% AMI, 1% for each 1% of units from 36% up to and including 50% AMI. Affordability breakdown assumed for modeling purposes.

c. Maximum boosts excluding tax-exempt bond boosts equals 39%. If total eligible boosts exceeds 39%, the maximum is assumed.

d. This analysis assumes that rates for both 9% and 4% projects are based on historical standard practices (rate set monthly, usually lower than statutory rate) by the time these units are built.

e. Per current & historic market conditions.

f. Net of any fee credit by local agency.

Source: California TCAC 2016 Regulations and 2017 Basis Limits, Seifel Consulting Inc.

Appendix Table 1.8
Residential Building Pro Forma for Proposed Project and Preservation Alternatives as Apartments
Goodwill- 1500 Mission Street Project

<i>Proposed Project Type</i>	Proposed Project		Partial Preservation Alternative		Full Preservation Alternative	
	<i>Rental</i>		<i>Rental</i>		<i>Rental</i>	
Site						
Lot Size	110,621 SF		110,621 SF		110,621 SF	
Lot Acreage	2.54 Acres		2.54 Acres		2.54 Acres	
Development Program						
Site Area	57,617 SF		33,676 SF		33,676 SF	
Number of stories	39 Stories		39 Stories		39 Stories	
Residential						
Units	560 Units		468 Units		468 Units	
Density	221 Units/Acre		184 Units/Acre		184 Units/Acre	
Type	Rental		Rental		Rental	
Total SF	626,200 GSF		511,500 GSF		511,500 GSF	
<i>New Construction SF</i>	<i>626,200 GSF</i>		<i>511,500 GSF</i>		<i>511,500 GSF</i>	
Net (Rentable) SF	469,625 NSF		358,050 NSF		358,050 NSF	
Affordable %	20%		20%		20%	
Affordable Units	112 AH Units		94 AH Units		94 AH Units	
Rental @ 40% AMI	17 AH Units		14 AH Units		14 AH Units	
Rental @ 50% AMI	95 AH Units		80 AH Units		80 AH Units	
Average Unit Size (Net SF)	839 NSF		765 NSF		765 NSF	
Childcare						
Total SF	4,400 GSF		4,400 GSF		GSF	
Total Leasable SF	4,400 LSF		4,400 LSF		LSF	
Retail						
Total Gross SF	38,000 GSF		35,900 GSF		35,900 GSF	
Total Leasable SF	36,365 LSF		34,200 LSF		34,200 LSF	
Parking & Storage						
Residential Storage Units	40 Units		40 Units		40 Units	
Total Parking Spaces	300 Spaces		252 Spaces		117 Spaces	
Development Value	Total	Per Res. Unit	Total	Per Res. Unit	Total	Per Res. Unit
Residential - Rental						
Annual MR Rent Revenue	\$27,554,000		\$21,148,000		\$21,148,000	
Annual BMR Rent Revenue	\$1,202,000		\$994,000		\$1,063,000	
Other Revenue (Parking, Storage, etc.)	\$2,471,000		\$1,937,000		\$1,253,000	
Less Vacancy	(\$1,531,000)		(\$1,179,000)		(\$1,147,000)	
Less Operating Expenses	(\$9,800,000)		(\$8,424,000)		(\$8,424,000)	
Net Revenues (NOI)	\$19,896,000		\$14,476,000		\$13,893,000	
Sales Value	\$442,133,000		\$321,689,000		\$308,733,000	
Less Marketing Expense	(\$15,475,000)		(\$11,259,000)		(\$10,806,000)	
Net Proceeds	\$426,658,000	\$762,000	\$310,430,000	\$663,000	\$297,927,000	\$637,000
Retail						
Annual Rent Revenue	\$2,400,000		\$2,257,000		\$2,257,000	
Annual Commercial Parking Revenue	\$50,000		\$43,000		\$43,000	
Less Vacancy	(\$245,000)		(\$230,000)		(\$230,000)	
Less Operating Expenses	(\$144,000)		(\$135,000)		(\$135,000)	
Net Revenues (NOI)	\$2,061,000		\$1,935,000		\$1,935,000	
Sales Value	\$34,350,000		\$32,250,000		\$32,250,000	
Less Marketing Expense	(\$1,202,000)		(\$1,129,000)		(\$1,129,000)	
Net Proceeds	\$33,148,000	\$59,000	\$31,121,000	\$66,000	\$31,121,000	\$66,000
Total Development Value (Net Sales Proceeds)	\$459,806,000	\$821,000	\$341,551,000	\$730,000	\$329,048,000	\$703,000
<i>Total Net Operating Income</i>	<i>\$21,957,000</i>	<i>\$39,000</i>	<i>\$16,411,000</i>	<i>\$35,000</i>	<i>\$15,828,000</i>	<i>\$34,000</i>
Development Cost						
Land Purchase Cost	\$35,815,000	\$64,000	\$20,265,000	\$43,000	\$20,265,000	\$43,000
Loan Acquisition Loan Carrying Costs	\$10,207,000	\$18,000	\$7,701,000	\$16,000	\$7,701,000	\$16,000
Property Tax	\$1,271,000	\$2,000	\$959,000	\$2,000	\$959,000	\$2,000
Subtotal: Land Purchase Cost	\$47,293,000	\$84,000	\$28,925,000	\$62,000	\$28,925,000	\$62,000
Hard Construction Costs						
Site Improvements ^a	\$3,457,000		\$3,199,000		\$3,199,000	
Residential	\$222,301,000		\$196,928,000		\$196,928,000	
Retail	\$7,980,000		\$7,539,000		\$7,539,000	
Below Grade / Parking	\$14,937,000		\$13,134,000		\$7,745,000	
Project Hard Construction Cost	\$248,675,000		\$220,799,000		\$215,411,000	
Contingency/Construction Management Allowance	\$14,921,000		\$13,248,000		\$12,925,000	
Subtotal: Hard Construction Costs	\$263,596,000	\$471,000	\$234,047,000	\$500,000	\$228,336,000	\$488,000
Tenant Improvements						
Retail	\$3,637,000		\$3,420,000		\$3,420,000	
Subtotal: Tenant Improvement Costs	\$3,637,000	\$6,000	\$3,420,000	\$7,000	\$3,420,000	\$7,000
Subtotal: Land and Direct Construction Costs	\$314,526,000	\$562,000	\$266,392,000	\$569,000	\$260,681,000	\$557,000
Development Soft Costs						
Permit and Development Fees	\$38,092,000		\$32,721,000		\$32,721,000	
Construction Financing Costs	\$29,123,000		\$23,727,000		\$23,259,000	
Loan Interest	\$22,796,000	\$41,000	\$18,267,000	\$39,000	\$17,907,000	\$38,000
Loan Fees/Issuance Costs (Points)	\$6,327,000	\$11,000	\$5,460,000	\$12,000	\$5,352,000	\$11,000
Other Soft Costs	\$43,493,000		\$43,299,000		\$42,242,000	
Subtotal: Soft Costs	\$120,915,000	\$216,000	\$107,448,000	\$230,000	\$105,923,000	\$226,000
Total Development Cost / Per Res Unit	\$435,441,000	\$778,000	\$373,840,000	\$799,000	\$366,604,000	\$783,000
Revenue from Sale of Tax Credits	\$32,624,000	\$58,000	\$29,616,000	\$63,000	\$28,973,000	\$62,000
TDCs Net of Tax Credit Equity	\$402,817,000	\$719,000	\$344,224,000	\$736,000	\$337,631,000	\$721,000
Developer Margin	\$56,989,000	\$102,000	(\$2,673,000)	(\$6,000)	(\$8,583,000)	(\$18,000)
<i>As Percent of Total Development Cost</i>	<i>14.1%</i>		<i>-0.8%</i>		<i>-2.5%</i>	
<i>As Percent of Net Sales Proceeds</i>	<i>N/A</i>		<i>N/A</i>		<i>N/A</i>	
Target Return on Total Development Cost	14% to 25%					
Return (Yield on Cost)	5.5%		4.8%		4.7%	
Target Return (Yield on Cost)	5.5% to 6%					

Note: Values rounded to nearest 1,000.

a. Includes costs of site work, demolition of existing buildings (if applicable), environmental remediation, pathways and landscaping of open spaces.

Source: Draft EIR 1500 Mission Street, Related California, Seifel Consulting Inc.

Appendix 2

**Letter to the Planning Commission from John Updike,
Director of Property, City and County of San Francisco
Real Estate Division, February 10, 2017**



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

February 13, 2017

Mr. John Rahaim
Director of Planning
City and County of San Francisco
1650 Mission Street, Suite 400
San Francisco, CA 94103
Attn: Tina Chang, Current Planning

1500 Mission Street – Mixed-Use Alternatives Presented in the DEIR

Context

An ongoing policy objective of the City and County of San Francisco (“City”) and its Real Estate Division (“Real Estate”) is to consolidate City departments and services in a meaningful way into City-owned buildings. Specifically, the City has spent time over the last 10 years, through multiple unsuccessful ventures, to develop a full-service permitting center for not just building / development services, but for the other ancillary permitting functions issued by City departments (a true “One-Stop Permit Center”). Permitting functions are currently spread throughout the City, creating inefficiencies amongst City staff and most importantly, creating geographical separation challenges for its customers.

The biggest obstacles to realizing a One-Stop Permit Center involve: i) finding an available building large enough to accommodate the administrative functions of the anchor City departments that would operate in a One-Stop Permit Center; ii) finding a building with large enough floor plates to house the various permitting operations while supporting the flow of customers and enormous demand in an efficient manner; and iii) logistically acquiring such a site for the City to own in perpetuity.

1500 Mission

By any measure, 1500 Mission Street (the “Property”) is a unique parcel. Given its geographic location as the “gateway” to the Civic Center and at 2 ½ acres, this is the rarest of developable properties in the area. In addition to its size, the site is at the nexus of numerous major public transit lines on Market and Mission streets, while fronting three major streets, including State Highway 101. At such a prominent entry point to Civic Center, it is an ideal location for the consolidation of municipal functions. The Property also forms the southern edge of the emerging “HUB” district, currently being analyzed by the Planning Department for urban revitalization and the addition of essential housing, including affordable housing.

The Property’s physical characteristics (including size and zoning) take on additional import when considering it provides the City its best opportunity to finally develop its One Stop Permit Center,

including the consolidation into a single building of the essential services departments of Public Works, Planning, Building Inspection and others.

Further, the City's ownership of the 500,000 sq. ft. office building at 1 South Van Ness Avenue ("1SVN"), which is contiguous to the Property and contains 311, Mayor's Office of Housing and Community Development, OCII, SFMTA, the Department of Human Resources and others, would allow the City to connect 1SVN with its new office building, now or in the future, providing additional flexibility in planning/integrating various critical City operations. This furthers the City's objective of increasing operational efficiency amongst departments. Given the permanent nature of that existing municipal building, constructing a new City office building directly adjacent to it maximizes the development potential of the northern portion of the Property.

Essentially, there are no other sites within the Civic Center that offer this combination of geographic and functional benefits to the City pertaining to meeting these longstanding policy goals and objectives.

The Proposed Project

The proposed mixed-use, office, residential and retail project located at 1500 Mission Street (the "Proposed Project") was conceived in early 2014 through a collaborative interaction between Real Estate (on behalf of numerous City departments and stakeholders) and Related California (the "Project Sponsor"). In December 2014, the City's Board of Supervisors approved a conditional Purchase and Sale Agreement (the "conditional PSA") authorizing Real Estate and other City departments to work with the Project Sponsor to entitle a mixed-use project at 1500 Mission Street to possibly purchase and develop an approximately 450,000 square foot City office and One-Stop Permit Center on a portion of the Property. A final election by City to purchase could only occur after certification of a Final EIR. The unique structure of this arrangement addresses one of the City's main challenges mentioned above: overcoming logistics involved with acquiring such a site.

Over the past three years, the Proposed Project has evolved, developed and continues to be refined, by the Project's architect (SOM), along with guidance from staff at the City's Planning Department and SF Public Works. Together with the office building, the Proposed Project creates a residential project on the other half of the Property, including 560 apartments, of which 20% will be permanently affordable to low-income residents on site.

The Proposed Project's Draft Environmental Impact Report dated November 19, 2016 ("DEIR") provided three mixed-use alternatives that include the City's office development: 1. the Proposed Project; 2. the Full Preservation Alternative ("Full Preservation"); and 3. the Partial Preservation Alternative ("Partial Preservation"). While all three could theoretically accommodate many if not all of the City's policy objectives, the Proposed Project most effectively meets those objectives. Most importantly, the increased construction costs in the other two alternatives greatly exceed the approved budget within the conditional PSA (\$326.7M, the "Approved Project Budget"), adding significant risk to the City's continued involvement in the development.

The Proposed Project Meets the City's Policy Objectives and Financial Requirements

Policies, Objectives and Requirements impacted by Full or Partial Preservation Alternatives:

1. Develop a new, seismically-sound (Risk Category 3 or greater), Class-A, LEED Gold City office building:

Both the Full and Partial Preservation make achieving i) the seismic goals difficult as both involve retaining existing foundations that greatly limit the ability to achieve enhanced seismic performance without significant exterior bracing; and ii) the environmental policy goal more difficult as each alternative involves retaining larger portions of existing buildings with outdated, inefficient and environmentally-unsound building systems and materials.

2. Ensure enough parking spaces are provided to accommodate vehicles used by inspectors and other City personnel who make off-site field trips, as well as parking for members of the public visiting the permit center and other City offices. Ensure there is well in-excess of code requirements for electronic vehicle charging stations and bicycle parking.

The Proposed Project includes approximately 120 parking spaces for the City Office Building. It is anticipated the Proposed Project could accommodate at least 40 of those spaces as EV stations. The bicycle parking afforded is well above code. The Full and Partial Preservation Alternatives significantly reduce the usable area below grade, which greatly reduces the overall parking, the amount of EV stations, and the amount of bicycle parking available.

3. Construct shared conference, meeting, training, and boardroom facilities on the lower levels of the building for use by occupants of the office building, other nearby City departments, and the public.

The Proposed Project accommodates an approximately 7,000 square foot conference, meeting, training and boardroom facility at grade in order to activate the adjacent mid-block alley and facilitate use by occupants of the office building, other nearby City departments and the public, including public access into this area of the building after normal business hours. Under Full or Partial Preservation, the One-Stop Permit Center would have to be located on the ground floor, thus not allowing these critical amenities to be developed.

4. Provide an early childcare facility primarily for use by City employees.

The Proposed Project provides a 4,400 square foot child care facility with contiguous open space on the third floor of the office building. Under Full or Partial Preservation, the rooftop above the third floor is unavailable and no on-site childcare can be provided as the development is unable to meet the outdoor play space requirement mandated by the State of California's licensing.

5. Maintaining a total construction cost for the Office Building, including the land purchase price, at or below the Approved Project Budget.

The Proposed Project will be developed at or below the Approved Project Budget. Per Exhibit B, Partial and Full Preservation increase the Approved Project Budget by approximately \$47 Million and \$49 Million, respectively. In either instance, the City's Board of Supervisors would be unable to move forward under the previously approved agreement, but instead would need to authorize a new budget and amended PSA to fund these revised costs.

6. Achieving efficient office floor layouts relative to the increased fire and life safety code requirements that determine a minimum core size. Said differently, once a floor plate gets below a certain size it becomes economically inefficient to build.

The Full and Partial Preservation Alternatives create a smaller floor plate size in the tower levels. The resulting inefficiency of layout (or decreased density of employees) reduces the number of employees that can relocate to the building. If fewer employees relocate to the building, the financial feasibility of the City office building is further strained beyond simply increasing costs above the Approved Project Budget.

Conclusion

The Full and Partial Preservation Alternatives are less effective than the Proposed Project at meeting the City's (in its proprietary capacity as potential developer and owner of the City's office building) policy objectives and financial requirements described in this letter. Just as important, each alternative greatly exceeds the Approved Project Budget and therefore, the City would be unable to move forward with the City office building pursuant to the conditional PSA. The Board of Supervisors would need to authorize a new budget and amended PSA to fund these revised costs. It is unlikely Real Estate would recommend to the Board of Supervisors such a revised cost project.

Given the Proposed Project's alignment with City's policy objectives, the positive impact it would have on the City and the public through its creation of a One-Stop Permit Center, and its consistency with the Approved Project Budget, Real Estate requests that you seriously consider these factors when evaluating the alternatives proposed in the DEIR.

Exhibit A to this letter comparatively illustrates the level to which the Proposed Project's objectives are satisfied under each alternative.

Respectfully,

A handwritten signature in blue ink that reads "Claude L. Baker, Jr." with a stylized flourish at the end.

John Updike
Director of Property

EXHIBIT A - ANALYSIS OF PRESERVATION ALTERNATIVES IMPACT TO CITY'S POLICY OBJECTIVES AND FINANCIAL REQUIREMENTS

		Indicates if City Objective / Requirement is Achieved		
#	Project Objective / Requirements	Proposed Project	Partial Preservation	Full Preservation
Policy Objectives and Financial Requirements				
	Develop a new, seismically-sound (Risk Category 3 or greater), Class-A, LEED Gold City office building of enough size to accommodate several interdependent City departments currently housed in disparate buildings around the Civic Center, into a single building to foster interagency cooperation, and located in close proximity to mass transit. [1]	Yes	Yes, but difficult to achieve	Yes, but difficult to achieve
1	Ensure enough parking spaces are provided to accommodate vehicles used by inspectors and other City personnel who make off-site field trips, as well as parking for members of the public visiting the permit center and other City offices. Ensure there is well in-excess of code requirements for electronic vehicle charging stations and bicycle parking. [2]	Yes	No	No
2	Construct shared conference, meeting, training, and boardroom facilities on the lower levels of the building for use by occupants of the office building, other nearby City departments, and the public. [3]	Yes	Partial	Partial
3	Provide an early childcare facility primarily for use by City employees. [4]	Yes	Maybe	Highly Unlikely
4	Maintaining a total construction cost for the Office Building , including the land purchase price, at or below the Approved Project Budget. [5]	Yes	No	No
5	6. Achieving efficient office floor layouts relative to the increased fire and life safety code requirements that determine a minimum core size. Said differently, once a floor plate gets below a certain size it becomes economically inefficient to build. [6]	Yes	No	No
6				

Notes

- [1] Retaining existing foundations will require significant exterior bracing as well as retaining larger existing buildings with outdated, inefficient and environmentally-unsound building systems and materials.
- [2] The alternatives would provide significantly less vehicle parking spaces including EV spaces and bicycle space than the Proposed Project.
- [3] The Full or Preserved alternatives would mean these rooms be located above the ground floor which is an inconvenience and inefficient.
- [4] Under Full or Partial Preservation, the rooftop above the third floor is so the development is unable to meet the outdoor play space requirement mandated by the State of California's licensing.
- [5] Partial Preservation and Full Preservation increase the Approved Project Budget by approximately \$47 Million and \$49 Million, respectively.
- [6] The inefficiency of layout in the Partial and Full Preservation reduces the number of employees that can relocate to the building.

EXHIBIT B

1500 Mission Office Budget

Overall Project Budget

Budget	Factor	Approved Budget	Partial Preservation	Full Preservation	Notes
Land Acquisition Costs					
Land Price	Allocated	30,296,640	45,642,120	45,642,120	Increased land allocation due to increased land SF
Real Estate Commissions ⁽¹⁾	Estimated	2,000,000	2,000,000	2,000,000	
Closing Costs	0.50%	151,483	35,884	35,884	
Total Land Acquisition Costs		32,448,123	47,678,004	47,678,004	
Financing Costs during Predevelopment					
A&D Loan Servicing Costs	Estimated	200,000	300,000	300,000	Servicing costs for extended carry period estimated at \$100,000
A&D Loan Points & Lender Costs ^{(2), (3), (4)}	Calculated	398,904	703,507	703,507	
A&D Loan Interest Expense (Initial Term) ^{(2), (3), (4)}	Calculated	5,017,851	5,017,851	5,017,851	Incremental fees for loan renegotiation estimated at \$250K
A&D Loan Extension Option Fees ^{(2), (3), (4)}	Calculated	167,356	400,000	400,000	
A&D Loan Interest Expense (Extended Term) ^{(2), (3), (4)}	Calculated	2,570,948	7,000,000	7,000,000	Interest expense increased by \$4.5 Million to reflect extended carry period of one year
A&D Loan Cost Contingency	3.0%	244,652	244,652	244,652	
Total Financing Costs during Predevelopment ⁽²⁾		8,599,709	13,666,009	13,666,009	
Architectural and Engineering, Professional Fees and Insurance					
Contracted Soft Costs ⁽⁵⁾	Calculated	9,952,500	13,779,622	13,779,622	Estimated increase for re-design, legal, etc. associated w/ different building
Additional Re-design Soft Costs	Estimated		3,500,000	3,500,000	
Owner's Insurance during Construction	Estimated	1,850,000	1,850,000	1,850,000	
Soft Cost Contingency	3.0%	376,575	376,575	376,575	
Other / Additional Legal	Estimated	750,000	750,000	750,000	
Total Architectural and Engineering, Professional Fees and Insurance		12,929,075	20,256,197	20,256,197	
Construction Costs					
Core & Shell Hard Costs ^{(6), (7)}	Estimated	151,495,903	170,507,198	173,655,165	Includes costs to preserve existing structure and build an inefficient & complicated garage
Tenant Improvements ^{(6), (7)}	Estimated	49,330,528	49,333,209	48,475,240	
Hard Cost Owner's Contingency ⁽⁷⁾	5.0%	10,041,322	10,992,020	11,106,520	
Total Construction Costs		210,867,752	230,832,428	233,236,926	
Fees, Permits & Taxes Paid to City and County of San Francisco					
Fees & Permits	Calculated	31,493,773	29,244,876	28,927,335	Building size different; larger lot shifts FAR fees from apartment to office
Fees & Permits Contingency		1,574,689	1,574,689	1,574,689	
Real Estate Taxes during Predevelopment ⁽²⁾	Calculated	1,090,679	2,190,822	2,190,822	Increase of \$1.1 M due to - i) increased land cost and ii) extended carry period of one year
Real Estate Taxes Contingency	3.0%	32,720	65,725	65,725	
Total Fees, Permits & Taxes Paid to City and County of San Francisco		34,191,861	33,076,111	32,758,570	
Development Management Fees and Return on Equity					
Related Cost of Equity (Initial Term) ^{(2), (4)}	4.0%	757,375	757,375	757,375	Estimated \$800K for increase to 70% carry cost ratio & extra year of carry due to redesign
Related Cost of Equity (Extended Term) ^{(2), (4)}		363,433	1,150,000	1,150,000	
Related Financing Cost Contingency	3.0%	33,624	33,624	57,221	
Related Development, Entitlement and Success Fee ⁽⁸⁾	Flat Fee	26,500,000	26,500,000	26,500,000	
Total Management Fees and Return on Equity		27,654,432	28,440,999	28,464,596	
Total / Subtotal for Purchase Price under PSA and budget under CMA		326,690,953	373,949,748	376,060,302	
Total Development Costs per Square Foot		\$700.45	\$812.93	\$801.78	

NOTES

- (1) Developer shall pay a commission of 1% the Purchase Price upon City's acquisition of the Office Parcel
- (2) Assumes 48 month predevelopment period, which includes one additional year for re-design work
- (3) Based on Colony A&D loan
- (4) Allocated pro rata as a percentage of the cost of land and predevelopment costs
- (5) Includes A&E and professional fees during predevelopment and construction
- (6) As estimated by Developer with consultation from Swinerton and Pankow
- (7) Hard Cost Owner's Contingency includes "Core & Shell" and "Tenant Improvements"
- (8) Per Conditional PSA approved 12/10/2014 by the Board of Supervisors
- (9) Any costs incurred through the operation of the Goodwill Parcel during the Predevelopment period that are not covered under the Goodwill lease shall be split 50/50 between Residential Project and Office Project

Appendix 3

**Letter from Lawvision Consulting, Hard Cost Review of
Proposed Project and Preservation Alternatives,
February 8, 2017**



Lawvision Consulting

February 8, 2017

Goodwill SF Urban Development, LLC
44 Montgomery Street, Suite 1300
San Francisco, CA, 94104
Attn: Joseph Walsh, Matthew Witte

RE: 1500 Mission Street - Hard Cost Review of Proposed Project and Preservation Alternatives

Matthew and Joe:

Lawvision Consulting (LVC) was engaged by Goodwill SF Urban Development, LLC (Project Sponsor) to conduct a comprehensive review of the hard cost budgets prepared by the Project Sponsor with respect to the Proposed Project at 1500 Mission Street and the Preservation Alternatives outlined in the Draft EIR that was published on November 9th, 2016. LVC has been actively involved in budgeting of the Proposed Project for the past 24 months and is intimately familiar with the details of both the Office and Residential Buildings based on 100% design development drawings. The scope of work completed by LVC included detailed review of the following hard cost budgets, collectively ("Project Budgets):

1. Residential Building
 - a. Proposed Project – Rental
 - b. Full Preservation – Rental
 - c. Partial Preservation – Rental
 - d. Full Preservation – For Sale
 - e. Partial Preservation – For Sale
2. Office Building
 - a. Proposed Project
 - b. Full Preservation
 - c. Partial Preservation

Findings

LVC has determined that the Project Budgets presented herein in Exhibit A accurately reflect the anticipated costs of both the Residential and Office Buildings for the Proposed Project and the Preservation Alternatives in each scenario. This conclusion is based on the measurement and pricing of quantities and/or reasonable assumptions for other work not covered in the drawings or specifications, as stated within this document. Unit rates have been obtained from historical records, professional experience and/or discussion with contractors. The unit rates reflect current bid costs in the San Francisco. Pricing reflects probable construction costs obtainable in the project locality on the date of this statement of probable costs. This estimate is a determination of fair market value for the construction of the project at this 100% design development stage. Pricing assumes competitive bidding for every portion of the construction work for all subcontractors and general contractors.

Since LVC has no control over the cost of labor, material, equipment, or over the contractor's method of determining prices, or over the competitive bidding or market conditions at the time of bid, the statement of probable construction cost is based on industry practice, professional experience and qualifications, and represents LVC's best judgment as professional construction consultant familiar with the construction industry. However, LVC cannot and does not guarantee that the proposals, bids, or the construction cost will not vary from opinions of probable cost prepared by them.

Lawvision Consulting Bio

Lawvision Consulting is a sole proprietorship operated by Robert K Law, a 43 year veteran of the construction industry. From 1988 until retiring in 2015, Mr. Law was the Chief Estimator of Charles Pankow Builders and oversaw all the estimates in its San Francisco, Los Angeles, and Honolulu offices.

Signed:



Robert K. Law

Lawvision Consulting

Sole Proprietor

Exhibit A Summary of Project Budgets

Residential Budget- Rental

	<u>Proposed Budget</u>	<u>Partial Preservation</u>	<u>Full Preservation</u>
Total Budget	\$248,675,000	\$220,799,000	\$215,411,000
Gross Square Feet	626,200	511,500	511,500
Rentable Square Feet	469,625	358,050	358,050
Unit Count	560	468	468
Per GSF	\$397	\$432	\$421
Per NSF	\$530	\$617	\$602
Per Unit	\$444,000	\$472,000	\$460,000

Notes

- Partial and Full Preservation results in significantly lower unit count due to reduced building footprint
- Building core must stay approximately the same size, resulting in limited savings from reduced units
- Duration and cost of work and staff is roughly the same in all scenarios (GC's / GR's consistent)
- Façade does not reduce proportionally, resulting in a higher cost PSF in both alternatives
- Primary building systems do not reduce proportionally, resulting in a higher cost PSF in both alternatives
- Additional excavation cost and cost of stackers required in alternatives in order to achieve parking count
- Full Preservation is the same building as Partial Preservation but with only 1 level of below-grade parking

Residential Budget- For Sale Condominium Units

	<u>Proposed Budget</u>	<u>Partial Preservation</u>	<u>Full Preservation</u>
Total Budget	Not Studied	241,259,000	235,871,000
Gross Square Feet	"	511,500	511,500
Rentable Square Feet	"	358,050	358,050
Unit Count	"	343	343
Per GSF	"	\$472	\$461
Per NSF	"	\$674	\$659
Per Unit	"	\$703,000	\$688,000

Notes

- For-Sale and Rental is the same building envelope but unit count reduces due to a larger avg. unit size
- The level of finish for the for-sale project is significantly higher in common areas and within units
- The addition of custom windows to maximize views and upgraded façade increase costs.
- Full preservation is the same building as Partial Preservation but with only 1 level of below-grade parking

Office Project

	<u>Proposed Project</u>	<u>Partial Preservation</u>	<u>Full Preservation</u>
Total Budget	\$200,826,000	\$219,840,000	\$222,130,000
Square Feet	449,800	455,600	452,400
Per Square Foot	\$446	\$483	\$491

Notes

- Significant added cost due restoration of the entire Mission Street and 11th Street Facades of the Coca Cola building.
- Renovation costs add significant time to project schedule resulting in higher GC's and GR's
- Shoring and excavation cost increases significantly given added complexity of maintaining the Coca Cola building
- Full Preservation only has 1 level below-grade for parking; Proposed Project and Partial Preservation have 2 levels

Appendix 4

The Concord Group Market Study for Apartment Development



251 KEARNY STREET, 6TH FLOOR
SAN FRANCISCO, CALIFORNIA 94108
PHONE 415.397.5490 FAX 415.397.5496

396 SAN MIGUEL DRIVE
NEWPORT BEACH, CALIFORNIA 92660
PHONE 949.717.6450 FAX 949.717.6444

641 LEXINGTON AVE, SUITE 1400
NEW YORK, NY 10022
PHONE 212.535.2226

1170 PEACHTREE STREET, SUITE 1200
ATLANTA, GEORGIA 30309
PHONE 404.879.5000

STRATEGIC MARKET OVERVIEW AND
RECOMMENDATIONS FOR AN APARTMENT SITE
AT 1500 MISSION STREET, SAN FRANCISCO

REPORT UPDATE
JANUARY 24, 2017

PREPARED FOR:
RELATED

EXHIBIT 1
REGIONAL LOCATION
SAN FRANCISCO, CALIFORNIA
NOVEMBER 2016

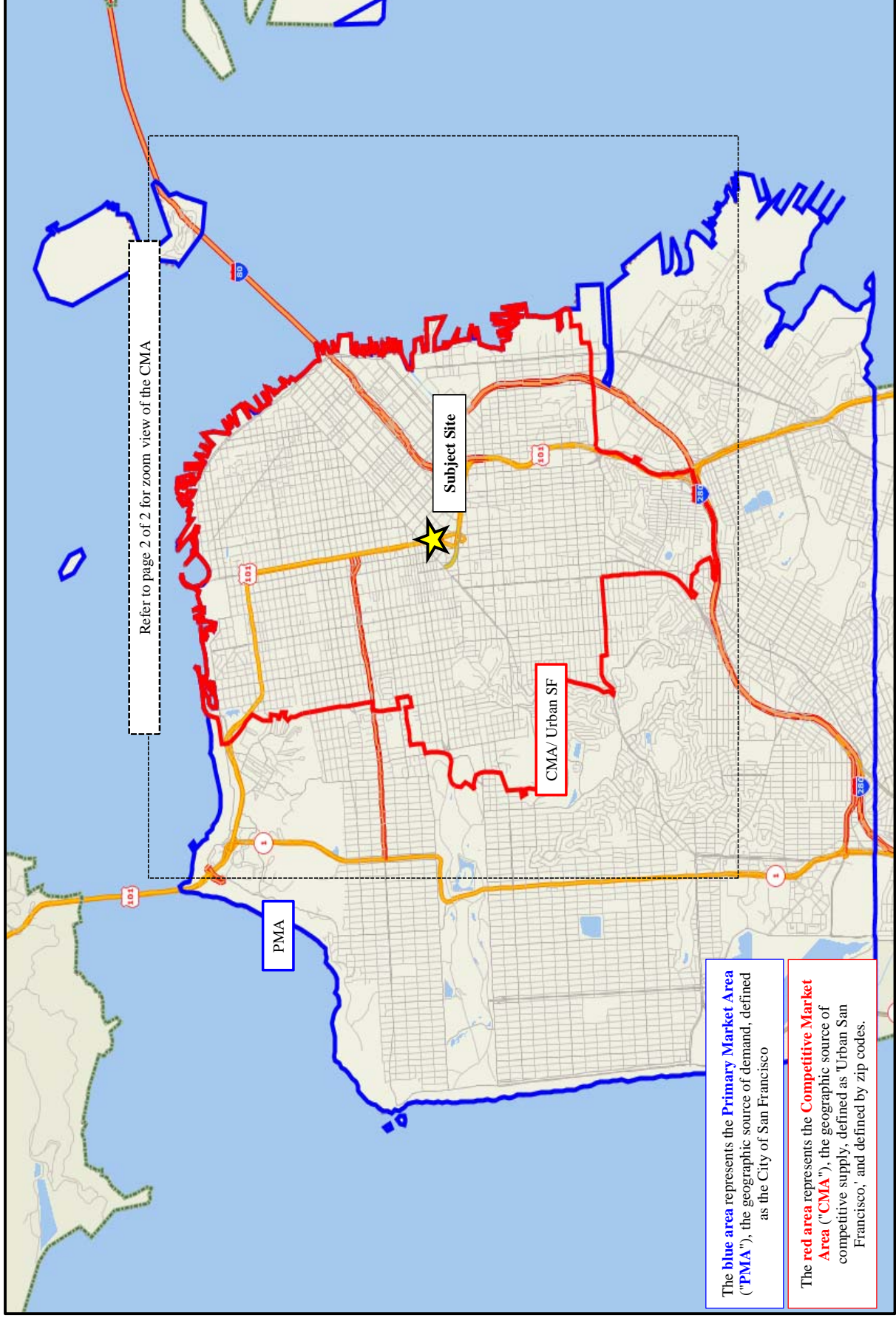


EXHIBIT 1
REGIONAL LOCATION
SAN FRANCISCO, CALIFORNIA
NOVEMBER 2016

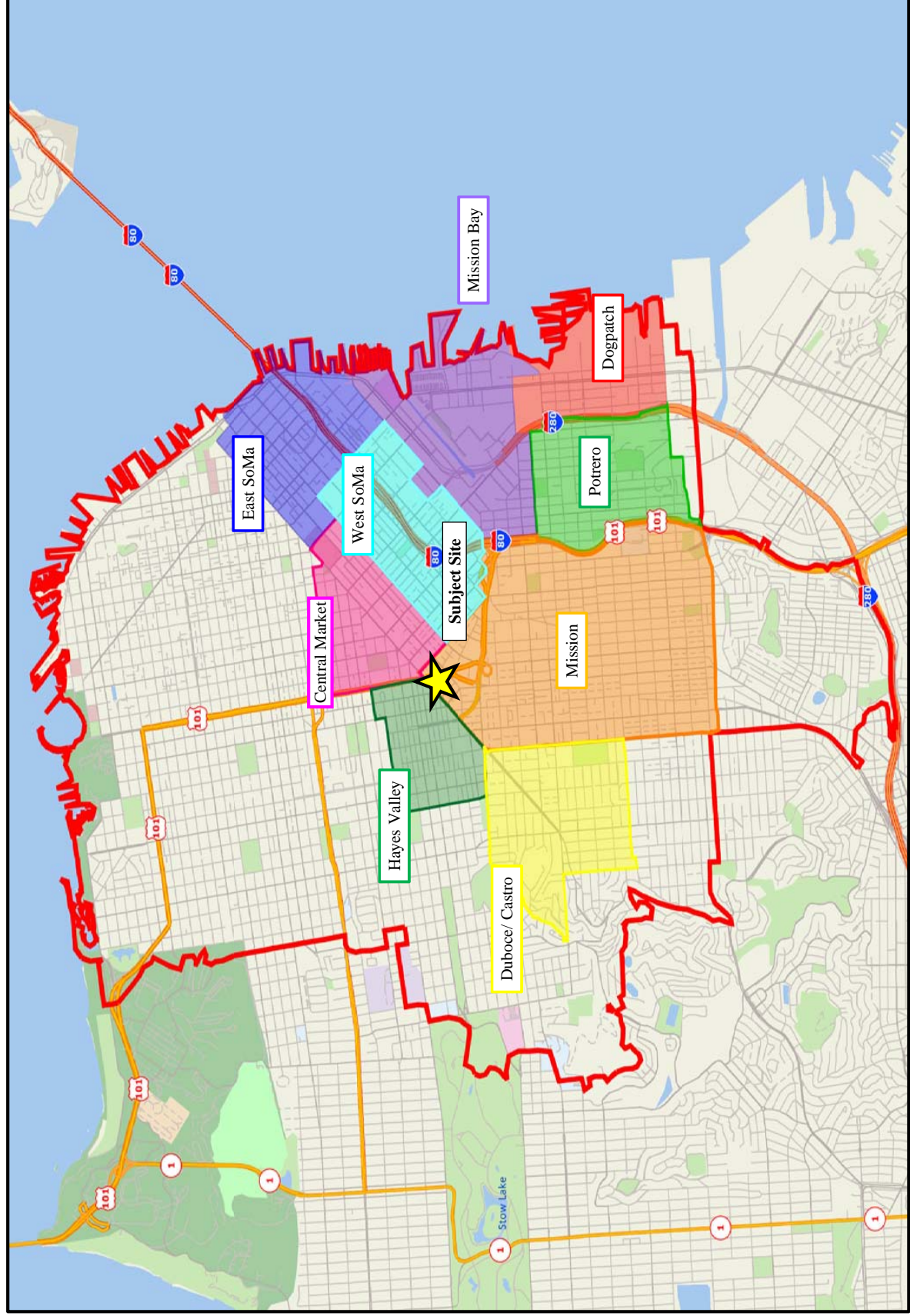


EXHIBIT 2

**CURRENT APARTMENT INVENTORY
KEY COMPARABLES: URBAN SAN FRANCISCO
DECEMBER 2016**

December 2016															
Project	Property Manager	Project type (# of floors)	Year Built/ Reno	Total Units	MR Units	BMR Units	Unit Size	Occ. Rate (3)	Base			Average (Imputed)			Conc. Value
									Base Rent (2)		Net Rent	Base Rent (2)		Net Rent	
									\$	\$/SF		\$	\$/SF		
Central Market															
NeMa - South	Crescent Heights	Highrise (24)	2013	317	279	38	582	87%	\$3,344	\$5.75	\$3,344	\$5.75	\$3,645	\$6.26	\$0
(3) Olume	Monogram Residential	Midrise (6)	2016	121	97	24	665	95%	3,705	5.57	3,705	5.57	3,788	5.70	0
(3) The Civic	Emerald Fund	Midrise (6)	2015	162	143	19	696	90%	3,912	5.62	3,586	5.15	4,000	5.75	5.28
NeMa - North	Crescent Heights	Highrise (40)	2013	437	385	52	816	87%	4,215	5.17	4,215	5.17	4,848	5.94	0
The Wilson	Riverstone	Midrise (5)	2014	67	67	0	614	94%	3,135	5.11	3,135	5.11	3,193	5.20	0
100 Van Ness	Emerald Fund	Highrise (29)	2014	399	351	48	822	95%	4,221	5.14	4,221	5.14	4,680	5.70	0
AVA 55 Ninth	Avalon Bay	Highrise (16)	2013	273	240	33	842	89%	3,832	4.55	3,832	4.55	4,062	4.82	0
Total/Wtd. Avg. n.i:									\$3,896	\$5.19	\$3,866	\$5.15	\$4,260	\$5.68	\$5.64 (\$30)
SoMa															
Jasper	Crescent Heights	Highrise (40)	2015	320	320	0	956	92%	\$4,811	\$5.03	\$4,811	\$5.03	\$5,533	\$5.79	\$0
Solaire	Golub Group	Highrise (32)	2016	409	409	0	706	61%	4,076	5.77	3,737	5.29	4,566	6.46	5.98 (340)
399 Fremont	UDR	Highrise (42)	2016	447	447	0	829	83%	4,820	5.82	4,218	5.09	5,580	6.73	6.01 (603)
340 Fremont	Equity	Highrise (40)	2016	348	348	0	817	68%	4,084	5.00	3,574	4.37	4,697	5.75	5.12 (511)
L7 Apartments	Fairfield Residential	Midrise (6)	2016	410	410	0	676	3%	3,683	5.45	3,532	5.22	3,766	5.57	5.35 (151)
Total/Wtd. Avg. n.i:									\$4,288	\$5.43	\$3,953	\$5.01	\$4,814	\$6.10	\$5.67 (\$335)
Hayes Valley															
Avalon Hayes Valley	AvalonBay Communities	Midrise (5)	2015	174	150	24	742	93%	\$3,971	\$5.35	\$3,971	\$5.35	\$4,045	\$5.45	\$0
(3) Alchemy by Alta	Alta	Midrise (4-6)	2016	330	280	50	918	76%	4,740	5.17	4,584	4.99	4,829	5.26	5.09 (156)
Total/Wtd. Avg. n.i:									\$4,472	\$5.22	\$4,370	\$5.10	\$4,556	\$5.32	\$5.20 (\$102)
Key Comp Grand Total/Wtd. Avg. n.i:									\$4,152	\$5.32	\$3,964	\$5.07	\$4,565	\$5.84	\$5.60 (\$188)

(1) All averages weighted by number of units; Grand total includes all comparable communities including rent controlled product, exclude occupancy rates for absorbing properties.

(2) Base Rent does not include premiums such as view, corner, floor level, etc.

(3) Property in lease-up at time of survey.

EXHIBIT 3

PRODUCT PROGRAM RECOMMENDATIONS
1500 MISSION STREET, SAN FRANCISCO, CALIFORNIA
DECEMBER 2016

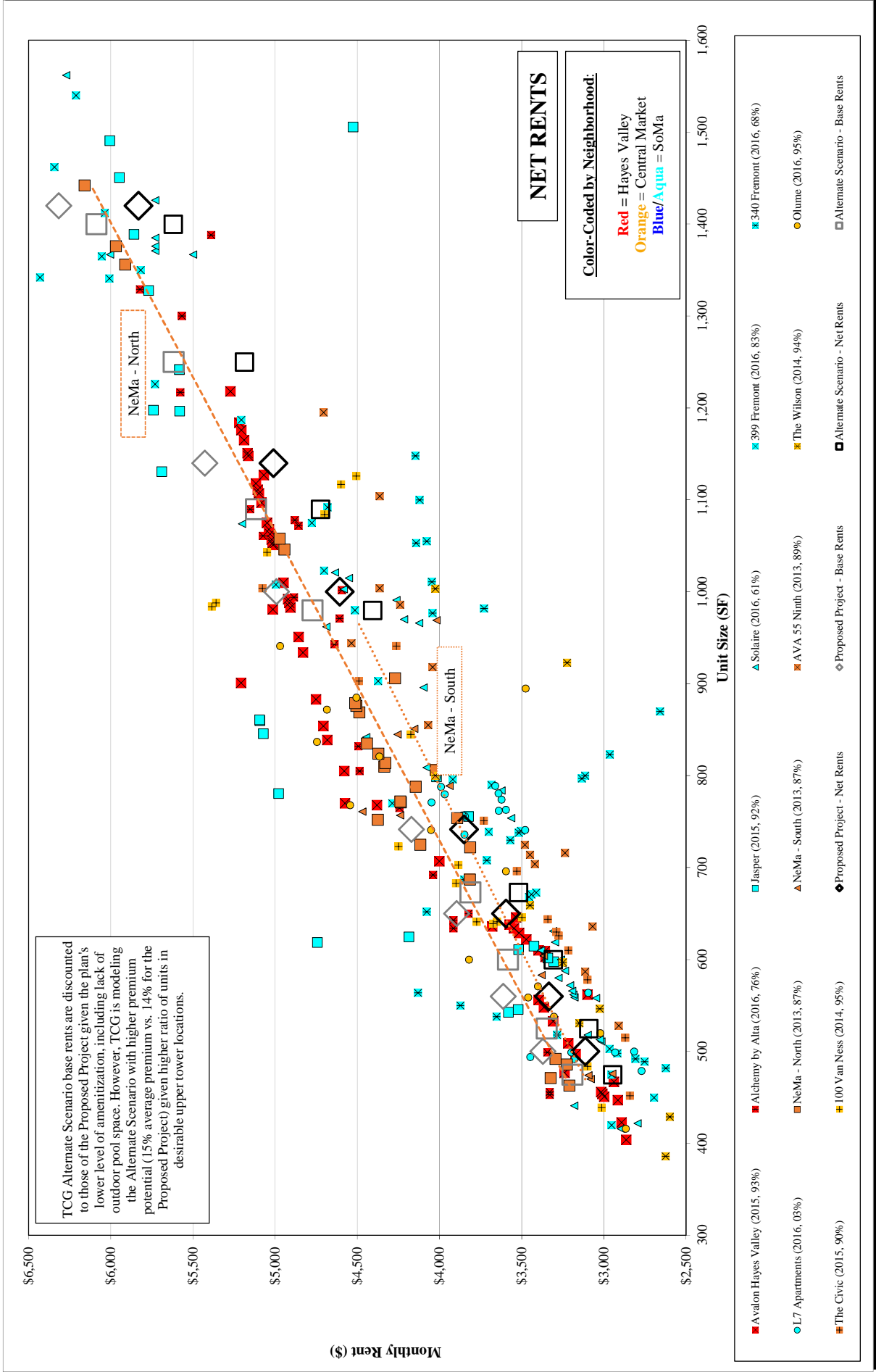
- Location:**
- Site located at 1500 Mission Street in the Mid-Market neighborhood of San Francisco
- Recommended Positioning Rationale:**
- Site positioned a premium to Central Market trendline due to varying quality/ vintage product
 - At a discount to top-of-market East SoMa comparables due to inferior location
 - Base rents with Central Market high-rise comparable Nema

TCG Positioning - Proposed Project

Plan	Bed / Bath	Unit Mix		TCG Recommendations - Lease Up						TCG Recommendations - Market Pricing					
		#	%	Base	Avg. Concession	Base Net		Avg. Premium	Average Net	Base	Avg. Premium		Average		
						\$	\$/SF				\$	\$/SF	\$	\$/SF	\$
Studio A	0 1	50	9%	\$3,372	\$6.74	\$3,112	\$6.22	\$3,548	\$7.10	\$3,372	\$6.74	\$3,844	\$7.69	\$192,189	
Studio B	0 1	60	11%	3,612	6.45	3,334	5.95	3,801	6.79	3,612	6.45	4,118	7.35	247,077	
1 Bed A	1 1	105	19%	650	5.99	3,596	5.53	4,099	6.31	3,895	5.99	4,441	6.83	466,268	
1 Bed B	1 1	96	17%	4,171	5.63	3,850	5.19	4,389	5.92	4,171	5.63	4,755	6.41	456,477	
2 Bed A	2 2	139	25%	1,000	4.99	4,607	4.61	5,252	5.25	4,991	4.99	5,690	5.69	790,930	
2 Bed B	2 2	89	16%	1,140	4.76	5,010	4.39	5,712	5.01	5,428	4.76	6,188	5.43	550,688	
3 Bed A	3 2	15	3%	6,317	4.45	5,831	4.11	6,647	4.68	6,317	4.45	7,201	5.07	108,014	
3 Bed B	3 3	6	1%	7,051	4.30	6,508	3.97	7,419	4.52	7,051	4.30	8,038	4.90	48,225	
Total/Wtd. Average:				839	\$4,480	\$5.34	1 Month	\$4,714	\$5.62	\$4,480	\$5.34	\$5,107	\$6.09	\$2,859,867	
				560	100%						14%				
				Residential Envelope:											
				469,625											

EXHIBIT 4

RENTAL PRODUCT PROGRAM POSITIONING - ALL COMPARABLES (NET RENTS)
COMPETITIVE MARKET AREA
DECEMBER 2016



Note: Net rents model a one month concession during lease up, in line with currently leasing communities.

EXHIBIT 4

AVERAGE NET RENT BY BEDROOM TYPE: KEY COMPARABLES
URBAN SAN FRANCISCO
DECEMBER 2016

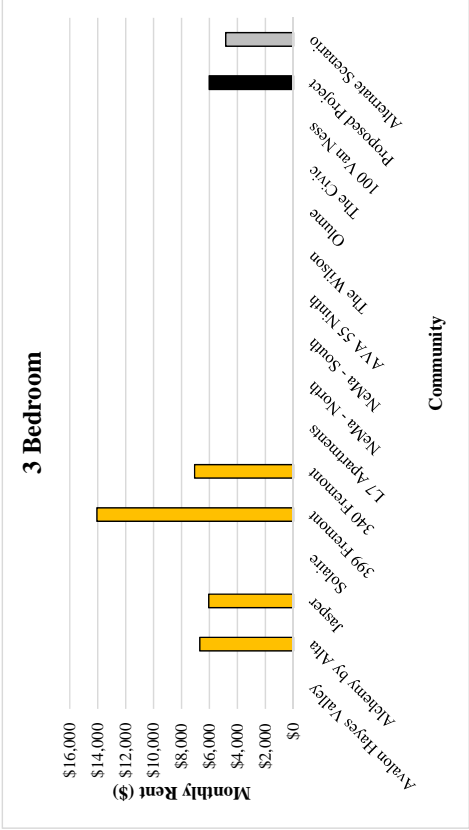
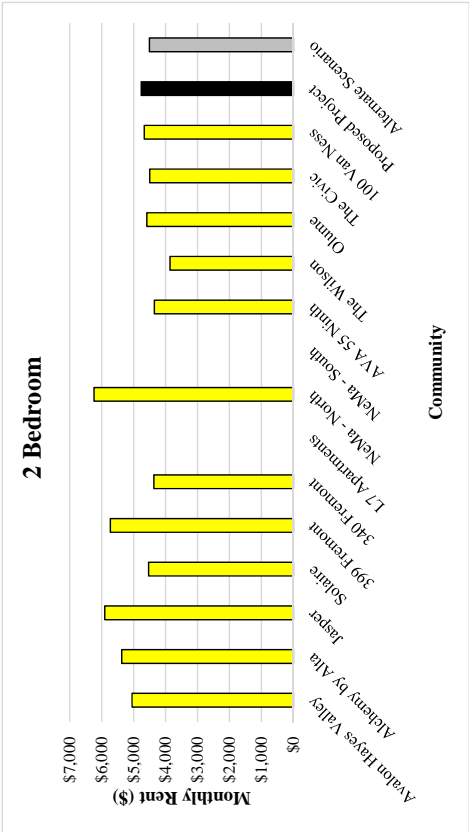
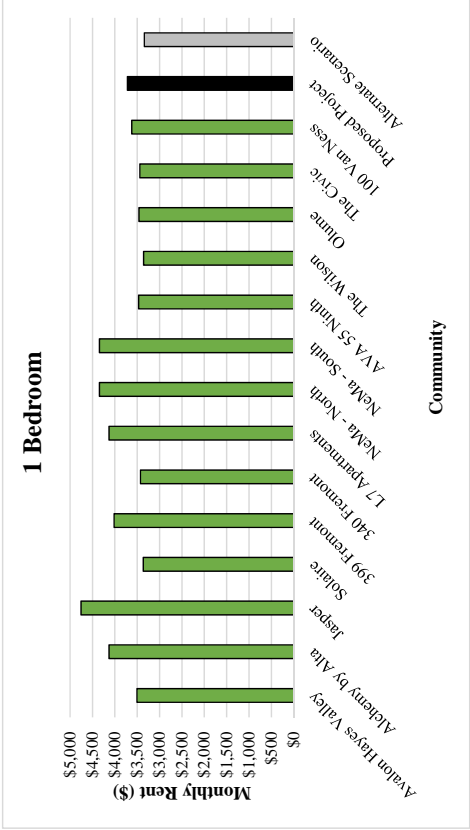
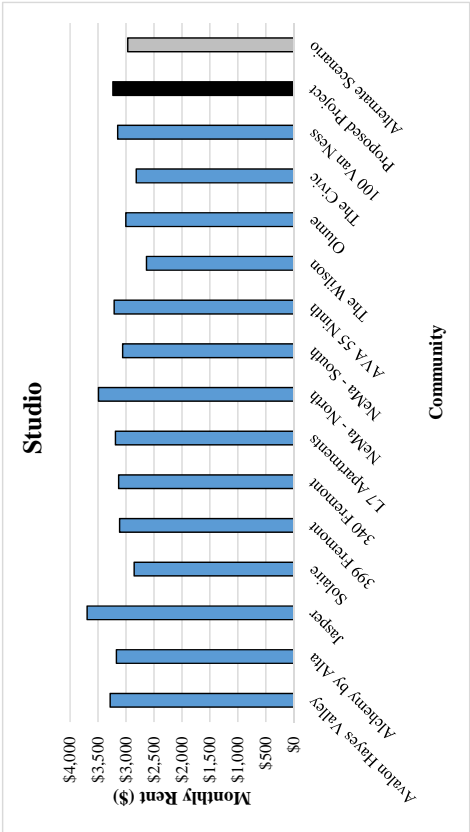


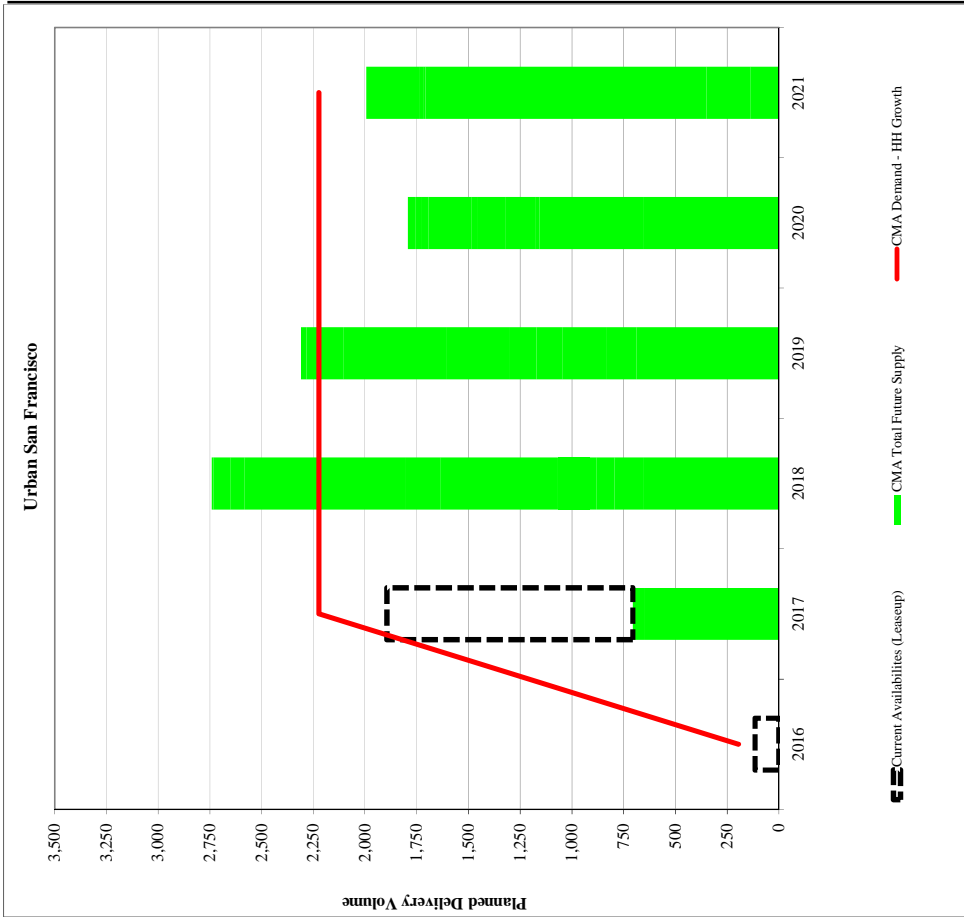
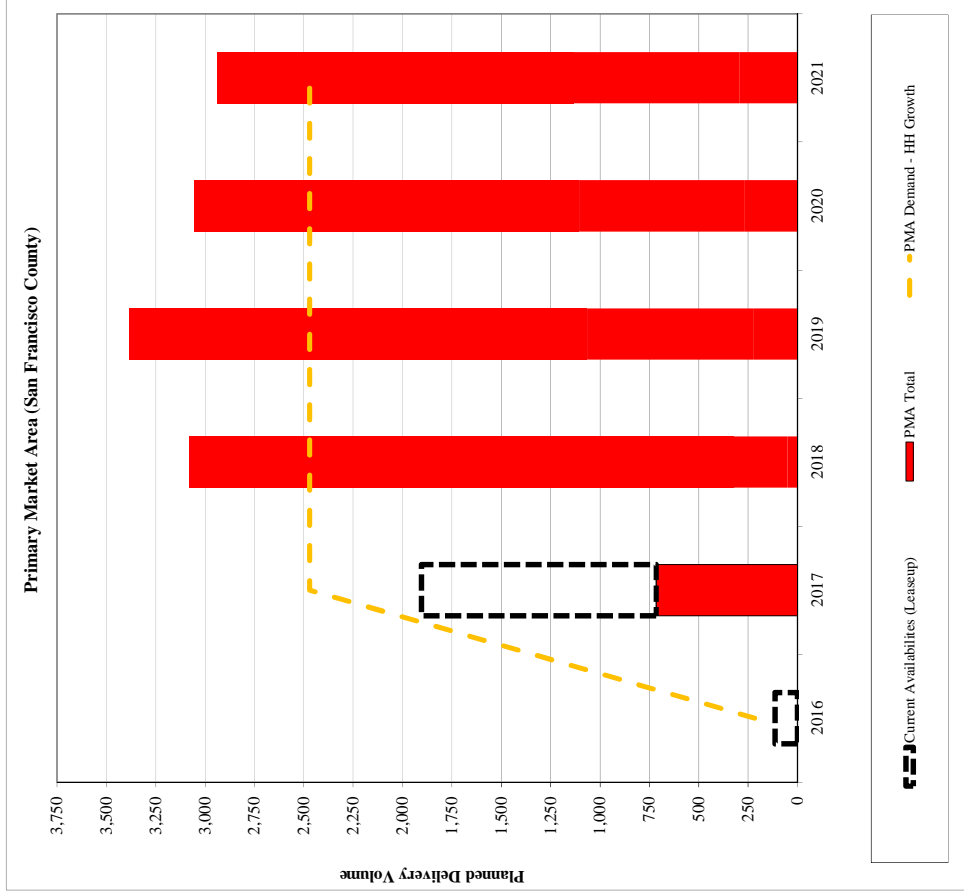
EXHIBIT 5

APARTMENT SUPPLY VERSUS DEMAND
SAN FRANCISCO, CALIFORNIA
DECEMBER 2016

** Excludes subject site

	PMA					Total
	2016	2017	2018	2019	2020	2021
<i>Unit Deliveries by Geography</i>						
Projected Deliveries :	0	716	3,079	3,384	3,052	2,941
New Comps (Leaseup) (1) :	114	1,268	0	0	0	0
Demand						
HH Growth Model	217	2,471	2,471	2,471	2,471	2,471
Under/Oversupply :	102	487	(608)	(914)	(581)	(471)
						12,570
						(1,985)

	CMA - Urban San Francisco						Total
	2016	2017	2018	2019	2020	2021	
Urban SF Total :	0	716	2,757	2,319	1,945	1,808	9,545
New Comps (Leaseup) ⁽¹⁾ :	114	1,188	0	0	0	0	1,302
HH Growth Model	195	2,224	2,224	2,224	2,224	2,224	11,313
Under/Oversupply :	81	320	(533)	(96)	278	416	466



(1) Represents all institutional communities in lease-up
16130.02 P&P: SvD - Rent

Appendix 5

Supporting Information for the Condominium Analysis of the Preservation Alternatives

Appendix 5: Supporting Information for the Condominium Analysis of the Preservation Alternatives

As an additional check for financial feasibility of the Preservation Alternatives, both were modeled as for-sale condominium developments with 20% for-sale BMR units affordable to households at 90% AMI. These condominium alternatives do not achieve sufficient developer margins and the margin on cost is well below the 20% to 30% target for return on development cost. The following describes the model assumptions that differ from those described in Section C above and summarizes the financial analysis results for condominium development for the Preservation Alternatives.

a. Development Program Assumptions

As described in the memorandum, a specific development program was developed for the condominium analysis. It assumes the same gross building square feet and number of parking spaces described in the Draft EIR for the Preservation Alternatives, as well as the same net square feet as the apartment development programs for the Preservation Alternatives. The Project Sponsor is assumed to provide the same percentage of affordable units as being provided in the Proposed Project or 20%. Please refer to Appendix Table 5.1 for the development program assumptions for the condominium scenarios.

b. Development Costs

Total development costs for a condominium development are approximately \$464 million and approximately \$456 million for the Partial Preservation and Full Preservation Alternatives respectively. All of the development costs except the ones described below are assumed to remain the same as the assumptions used in the analysis of the Preservation Alternatives as apartments. (Property acquisition as well as building fees and permits are assumed to be the same, for example.)

Hard Construction Costs

Hard construction costs for condominium construction on a per gross residential square foot basis are approximately 10% higher than apartment construction costs due to the need to provide a product of significantly higher quality. This includes custom windows intended to maximize unobstructed viewing area, enhanced facade features, upgraded appliances, unique building amenities and upgraded unit finishes including stone counters, custom millwork, and wood flooring. The summary of construction costs is shown in Appendix Table 5.2, and Appendix 3 contains additional information from Lawvision Consulting that substantiates the construction cost estimates.³³

Construction Financing

As tax-exempt bond financing and LIHTC cannot be used with condominium developments, the bond issuance costs were eliminated for this scenario, and the favorable tax-exempt bond construction-financing rate was increased to 5.0% to reflect private financing for a condominium project.³⁴ The loan amount was reduced to a 60% Loan to Cost ratio while the average outstanding balance on the loan was increased to 60% to account for the longer absorption period associated with condominiums.

³³ The Proposed Project was recently value-engineered to reduce construction costs, particularly related to the building skin and window openings that are specifically designed for apartment living. However, the development of the building as a condominium would require larger window openings and an upgraded façade, which would be much more expensive.

³⁴ This rate reflects the financial strength of the Project Sponsor and would likely be higher for other less experienced and well-capitalized developers.

The term of the construction loan is directly related to project timing, as the construction loan is the primary source of capital during the construction of the project. The condominium development is assumed to have the same construction period as described in section C of the memorandum, despite the potential additional time needed to complete condominium finishes. As condominiums take much longer to sell than apartments take to lease, a lower absorption rate of 15 units per month is assumed based on the Polaris Pacific market study.

Mezzanine Financing

As described in Section E of the memorandum, the development of the Preservation Alternatives as a highrise condominium would be large in scale for a single tower development of 343-units, which would increase the risk for construction, absorption and ultimate unit sales. For these types of developments, developers would likely need to secure mezzanine financing, which provides an additional source of capital during the construction phase. Mezzanine financing is more expensive than construction financing and is much more difficult to secure. Mezzanine financing typically seeks a preferred return of 10% or more plus a participation in the potential profits from the development. Mezzanine financing is assumed at a 10% interest rate on a 30% Loan to Cost ratio at an average outstanding balance of 60% as is common for this type of mezzanine financing.³⁵

Other Soft Costs

Other soft costs are assumed at 25% of hard construction cost to account for the additional soft costs related to condominium insurance and for the substantial marketing and sales costs associated with condominiums.³⁶ In addition, other soft costs are increased by an additional 2 percent to account for the extra design, engineering and planning work that would be needed to redesign and entitle the Preservation Alternatives, as was done in the apartment analysis.

c. Revenues

Revenues for the project derive primarily from sale of the residential units and parking spaces, along with rental income from the retail space. An average price of \$1,277 per net square foot was assumed for the sale of market rate units for each of the Preservation Alternatives, based on recently sold properties in the Van Ness-Market neighborhood and the recommended pricing from Polaris Pacific.³⁷

As a condominium for-sale project, these BMR units would likely be required to be affordable on average to households earning about 90% of AMI.³⁸ For the BMR units, an average sales price per unit of

³⁵ Mezzanine financing is difficult to secure, and this interest rate and terms reflect the financial strength of the Project Sponsor and would likely be higher or unavailable for other less experienced and well-capitalized developers. The participation share in potential profits is considered to be part of overall developer margin or returns, as calculated in the pro forma model. The 30% Loan to Cost ratio assumes that the developer would have an equity contribution of about 10% of total costs.

³⁶ Based on recent work for the City of San Francisco, other soft costs for condominium developments typically range from 20% to 30% of hard construction costs depending on the extent of design and engineering costs, cost for condominium wrap insurance, soft cost contingency allowances, and how marketing and sales costs are handled (sometimes sales costs are only included as deductions to potential revenues).

³⁷ See Appendix 6, Polaris Pacific Report, San Francisco, December 2016.

³⁸ This target income level is approximately the same as the weighted average household income target for ownership housing under Proposition C, which assumes 60% of households at 80% AMI and 40% at 120% AMI.

approximately \$279,500 and \$292,500 was assumed for the Partial Preservation Alternative and Full Preservation Alternative respectively.³⁹

The market price for parking was assumed at \$75,000 per space for market rate. All other rental income remains the same as in the rental alternatives. See Appendix Table 5.3 for additional detail on the condominium unit mix and revenues.⁴⁰

d. Sales Value and Expenses

In order to determine net revenues, an allowance of 6% of residential revenues is assumed for residential sales expenses, which reflects the payment of real estate broker costs for individual condominiums and the City's property transfer tax, consistent with standard assumptions for San Francisco projects of this type.⁴¹ Consistent with the apartment analysis, a 3.5% allowance for sales expense is assumed for the retail portion.

e. Return Metrics

Developer Margin (Return) and Return on Cost

As described earlier, no tax-exempt bond financing or 4% LIHTC could be used for condominium development, and thus no tax credit equity would be available to offset against development costs. As described in Section C of the memorandum, developers and investors use different target return on cost (ROC) thresholds depending on the level of complexity of the project, construction types, construction schedule, sales/rental absorption timeline and potential equity sources. Projects with longer timelines have higher risk and as a result require a higher ROC. This type of condominium development (steel frame construction at or above 250 feet) would likely have a ROC threshold between 20% and 30% on development costs (developer margin/development cost) or 17% and 23% on net sales revenues (developer margin/net sales revenues).⁴²

Yield on Cost

Yield on cost (YOC) or return on cost is used to evaluate development feasibility for apartment buildings, and not applicable to condominium development.

³⁹ Based on MOHCD 2016 sample inclusionary housing purchase calculations at 90% AMI. The BMR unit pricing reflects a deduction of \$40,000 per parking space multiplied by the average residential parking ratio per unit per the City's unbundled parking policy.

⁴⁰ Polaris Pacific Report, San Francisco, December 2016 (Exhibit 5.1)

⁴¹ Based on information gathered by Seifel Consulting from developers and real estate professionals during its work for the City of San Francisco, sales and marketing costs for condominiums range from 5% to 8% of sales revenues depending on what proportion of marketing and sales costs are assumed to be included in soft costs and the potential pricing of condominiums, which affects how much transfer tax must be paid.

⁴² The bottom end of the return thresholds reflect the assumption that mezzanine financing would be used to help finance the project, which would effectively lower overall required returns as mezzanine financing would likely provide a lower, fixed rate source of capital than other forms of private equity. However, given the complexity and scale of development, which would include a long timeframe from predevelopment through to occupancy, the minimum thresholds could be higher.

2. Financial Feasibility Findings

Appendix Table 5.4 presents financial pro forma of the Preservation Alternatives modeled as for-sale condominiums. Despite the higher development value of the Preservation Alternatives as condominiums, both alternatives still do not yield sufficient Developer Margin, as both result in negative returns, and the Margin on Cost (as measured by developer margin on total development cost) is well below the target return threshold of 20% to 30% required to be financially feasible.⁴³

As an additional test on feasibility, the average market price for condominiums was increased by 10 percent to an average sales price of about \$1400 per net square feet, which is at the high end of the current market pricing for smaller sized condominium units (averaging 700 to 850 square feet in size) in highrise buildings in San Francisco. Even when prices are increased by 10 percent above the Polaris Pacific recommended pricing, the Preservation Alternatives are not financially feasible, yielding negative returns of 4.8% and 4.9% respectively for the Full and Partial Preservation Alternatives.⁴⁴

In conclusion, this analysis demonstrates that neither of the Preservation Alternatives is feasible as either an apartment or condominium development.

⁴³ In addition, the return on net sales revenues is also significantly below the developer threshold of 17 to 23%, as the Condominium Alternative also yields a negative return based on that measure.

⁴⁴ As a further test on feasibility, Seifel also performed the sensitivity analysis without the assumed use of mezzanine financing (assuming 10% higher sales prices), and the returns were still well below the 20% threshold, yielding marginally positive returns of 2.5% and 2.4% for the Partial and Full Preservation Alternatives respectively.

Appendix Table 5.1
Development Programs for Preservation Alternatives
Goodwill- 1500 Mission Street Project

	Partial Preservation Alternative - Condominium			Full Preservation Alternative - Condominium		
	Residential Building	Office Building	Project Total	Residential Building	Office Building	Project Total
Property Description						
Site Area (Estimated SF)	33,676	76,945	110,621	33,676	76,945	110,621
Site Area (Acres)	0.77	1.77	2.54	0.77	1.77	2.54
Number of Stories	39	16		39	16	
Total Building Area(GSF)						
Total Building Area (Excl Garage) (GSF)	614,752	527,900	1,142,652	581,076	520,300	1,101,376
	547,400	460,000	1,007,400	547,400	452,400	999,800
Residential						
Total Residential Units	343		343	343		343
Below Market Rate Units	69		69	69		69
<i>Total Percent Affordable</i>	20%		20%	20%		20%
Ownership @ 90% AMI	69		69	69		69
Total Residential Gross SF (GSF)	511,500		511,500	511,500		511,500
Total Residential Net SF (NSF)	358,050		358,050	358,050		358,050
BMR Residential Net SF (NSF)	72,470		72,470	72,470		72,470
Residential Efficiency	70%		70%	70%		70%
<i>Average Unit Size (NSF)</i>	<i>1,044</i>		<i>1,044</i>	<i>1,044</i>		<i>1,044</i>
Office (GSF)						
Office (LSF)		455,600	455,600		452,400	452,400
<i>Office Efficiency</i>		365,500	365,500		365,500	365,500
		80%	80%		81%	81%
Child Care (GSF)						
Child Care (LSF)		4,400	4,400		0	
		4,400	4,400		0	
Retail (GSF)						
Retail (LSF)	35,900		35,900	35,900		35,900
	34,200		34,200	34,200		34,200
Parking						
Basement/Parking Structure (GSF)	67,352	67,900	135,252	33,676	67,900	101,576
Residential Parking Spaces	236		236	101		101
Office Parking Spaces		80	80		25	25
Car Share Spaces	4		4	4		4
Commercial Spaces	12		12	12		12
<i>Total Parking for Development</i>	<i>252</i>	<i>80</i>	<i>332</i>	<i>117</i>	<i>25</i>	<i>142</i>
Loading/Service Spaces	3	5	8	3	5	8
Total Parking with Loading/Service	255	85	340	120	30	150

Source: Draft EIR 1500 Mission Street, Related California, Seifel Consulting Inc.

Appendix Table 5.2
Hard Construction Costs for Preservation Alternatives as Condominiums
Related 1500 Mission Street

Construction Category	GSF	Cost Basis	Cost/GSF (Round)	Total Costs
Alternative Plan (Partial Preservation)				
Demolition and Site Improvements	33,676	Site Area	\$95	\$3,199,220
Below Grade / Parking	67,352	Basement Area	\$195	\$13,133,640
Retail Allocation	35,900	Retail Area	\$210	\$7,539,000
Residential	511,500	Residential Area	\$425	\$217,387,500
Total Hard Construction Cost				\$241,259,360
<i>Total Hard Construction Cost per Residential Building GSF</i>	511,500		\$472	
Alternative Plan (Full Preservation)				
Demolition and Site Improvements	33,676	Site Area	\$95	\$3,199,220
Below Grade / Parking	33,676	Basement Area	\$230	\$7,745,480
Retail Allocation	35,900	Retail Area	\$210	\$7,539,000
Residential	511,500	Residential Area	\$425	\$217,387,500
Total Hard Construction Cost				\$235,871,200
<i>Total Hard Construction Cost per Residential Building GSF</i>	511,500		\$461	

Source: Lawvision Consulting, Related California.

Appendix Table 5.3
Residential Mix and Rents for Preservation Alternatives
Goodwill- 1500 Mission Street Project

Unit Type	Partial Preservation Alternative - Condominium			Full Preservation Alternative - Condominium		
	Units	%	Sq.Ft.	Units	%	Sq.Ft.
All Units						
Studio	51	14.9%	586	51	14.9%	586
1 Bedroom	135	39.4%	763	135	39.4%	763
2 Bedroom	144	42.0%	1,400	144	42.0%	1,400
3 Bedroom	13	3.8%	1,800	13	3.8%	1,800
Total or Average	343	100.0%	1,044	343	100.0%	1,044
Market Rate Units						
Studio	41	15.0%	586	41	15.0%	586
1 Bedroom	108	39.4%	763	108	39.4%	763
2 Bedroom	115	42.0%	1,400	115	42.0%	1,400
3 Bedroom	10	3.6%	1,800	10	3.6%	1,800
Total or Average	274	100.0%	1,042	274	100.0%	1,042
BMR All Units						
Studio	10	14.5%	586	10	14.5%	586
1 Bedroom	27	39.1%	763	27	39.1%	763
2 Bedroom	29	42.0%	1,400	29	42.0%	1,400
3 Bedroom	3	4.3%	1,800	3	4.3%	1,800
Total or Average	69	100.0%	1,050	69	100.0%	1,050
Market Rate - Pricing Assumptions	Units	Pricing/Sq.Ft.	Pricing	Units	Pricing/Sq.Ft.	Pricing
Studio	41	\$1,374	\$805,000	41	\$1,374	\$805,000
1 Bedroom	108	\$1,332	\$1,017,000	108	\$1,332	\$1,017,000
2 Bedroom	115	\$1,254	\$1,755,000	115	\$1,254	\$1,755,000
3 Bedroom	10	\$1,139	\$2,050,000	10	\$1,139	\$2,050,000
Total or Average	274	\$1,277	\$1,332,723	274	\$1,277	\$1,332,723
BMR - Pricing Assumptions	Units	Pricing/Sq.Ft.	Pricing	Units	Pricing/Sq.Ft.	Pricing
BMR Units @ 90% AMI						
Studio	10	\$386	\$226,060	10	\$408	\$239,101
1 Bedroom	27	\$347	\$265,203	27	\$365	\$278,245
2 Bedroom	29	\$218	\$304,520	29	\$227	\$317,562
3 Bedroom	3	\$191	\$343,664	3	\$198	\$356,705
Total or Average	69	\$266	\$279,466	69	\$279	\$292,508

Source: Draft EIR 1500 Mission Street, Related California, Seifert Consulting Inc.

Appendix Table 5.4
Residential Building Pro Forma for Preservation Alternatives as Condominiums
Goodwill- 1500 Mission Street Project
(Market Rate Housing Sales Price As Shown in Market Study)

	Partial Preservation Alternative		Full Preservation Alternative	
<i>Proposed Project Type</i>	<i>Condominium</i>		<i>Condominium</i>	
Site				
Lot Size	110,621 SF		110,621 SF	
Lot Acreage	2.54 Acres		2.54 Acres	
Development Program				
Site Area	33,676 SF		33,676 SF	
Number of stories	39 Stories		39 Stories	
Residential				
Units	343 Units		343 Units	
Density	135 Units/Acre		135 Units/Acre	
Type	Condominium		Condominium	
Total SF	511,500 GSF		511,500 GSF	
<i>New Construction SF</i>	<i>511,500 GSF</i>		<i>511,500 GSF</i>	
Net (Rentable) SF	358,050 NSF		358,050 NSF	
Affordable %	20%		20%	
Affordable Units	69 AH Units		69 AH Units	
Ownership @ 90% AMI	69 AH Units		69 AH Units	
Average Unit Size (Net SF)	1,044 NSF		1,044 NSF	
Childcare				
Total SF	4,400 GSF		0 GSF	
Total Leasable SF	4,400 LSF		0 LSF	
Retail				
Total Gross SF	35,900 GSF		35,900 GSF	
Total Leasable SF	34,200 LSF		34,200 LSF	
Parking & Storage				
Total Parking Spaces	252 Spaces		117 Spaces	
Development Value	Total	Per Res. Unit	Total	Per Res. Unit
Residential - For Sale				
MR Sales Proceeds	\$365,166,000		\$365,166,000	
AH Sales Proceeds	\$19,283,000		\$20,183,000	
Parking Proceeds	\$17,700,000		\$7,575,000	
Total Sales Proceeds	\$402,149,000		\$392,924,000	
Less Sales Expense	(\$24,129,000)		(\$23,575,000)	
Net Proceeds	\$378,020,000	\$1,102,000	\$369,349,000	\$1,077,000
Retail				
Annual Rent Revenue	\$2,257,000		\$2,257,000	
Annual Commercial Parking Revenue	\$43,000		\$43,000	
Less Vacancy	(\$230,000)		(\$230,000)	
Less Operating Expenses	(\$135,000)		(\$135,000)	
Net Revenues (NOI)	\$1,935,000		\$1,935,000	
Sales Value	\$32,250,000		\$32,250,000	
Less Marketing Expense	(\$1,129,000)		(\$1,129,000)	
Net Proceeds	\$31,121,000	\$91,000	\$31,121,000	\$91,000
Total Development Value (Net Sales Proceeds)	\$409,141,000	\$1,193,000	\$400,470,000	\$1,168,000
Development Cost				
Land Purchase Cost	\$20,265,000	\$59,000	\$20,265,000	\$59,000
Loan Acquisition Loan Carrying Costs	\$7,701,000	\$22,000	\$7,701,000	\$22,000
Property Tax	\$959,000	\$3,000	\$959,000	\$3,000
Subtotal: Land Purchase Cost	\$28,925,000	\$84,000	\$28,925,000	\$84,000
Hard Construction Costs				
Site Improvements ^a	\$3,199,000		\$3,199,000	
Residential	\$217,388,000		\$217,388,000	
Retail	\$7,539,000		\$7,539,000	
Below Grade / Parking	\$13,134,000		\$7,745,000	
Project Hard Construction Cost	\$241,259,000		\$235,871,000	
Contingency/Construction Management Allowance	\$14,476,000		\$14,152,000	
Subtotal: Hard Construction Costs	\$255,735,000	\$746,000	\$250,023,000	\$729,000
Tenant Improvements				
Retail	\$3,420,000		\$3,420,000	
Subtotal: Tenant Improvement Costs	\$3,420,000	\$10,000	\$3,420,000	\$10,000
Subtotal: Land and Direct Construction Costs	\$288,080,000	\$840,000	\$282,368,000	\$823,000
Development Soft Costs				
Permit and Development Fees	\$32,936,000		\$32,880,000	
Construction Financing Costs	\$34,484,000		\$33,840,000	
Loan Interest	\$32,185,000		\$31,584,000	
Loan Fees/Issuance Costs (Points)	\$2,299,000		\$2,256,000	
Mezzanine Debt Financing (Equity)	\$32,358,000		\$31,777,000	
Other Soft Costs	\$69,048,000		\$67,506,000	
Subtotal: Soft Costs	\$176,527,000	\$515,000	\$173,704,000	\$506,000
Total Development Cost / Per Res Unit	\$464,607,000	\$1,355,000	\$456,072,000	\$1,330,000
Developer Margin	(\$55,466,000)	(\$162,000)	(\$55,602,000)	(\$162,000)
<i>As Percent of Total Development Cost</i>	<i>-11.9%</i>		<i>-12.2%</i>	
<i>As Percent of Net Sales Proceeds</i>	<i>-13.6%</i>		<i>-13.9%</i>	
Target Return on Total Development Cost	20% to 30%			
Target Return on Net Sales Proceeds	17% to 23%			

Note: Values rounded to nearest 1,000.

a. Includes costs of site work, demolition of existing buildings (if applicable), environmental remediation, pathways and landscaping of open spaces.

Source: Draft EIR 1500 Mission Street, Related California, Seifel Consulting Inc.

Appendix 6

Polaris Group Market Study for Condominium Development



Goodwill

Broker Opinion of Value (BOV)

December 2016

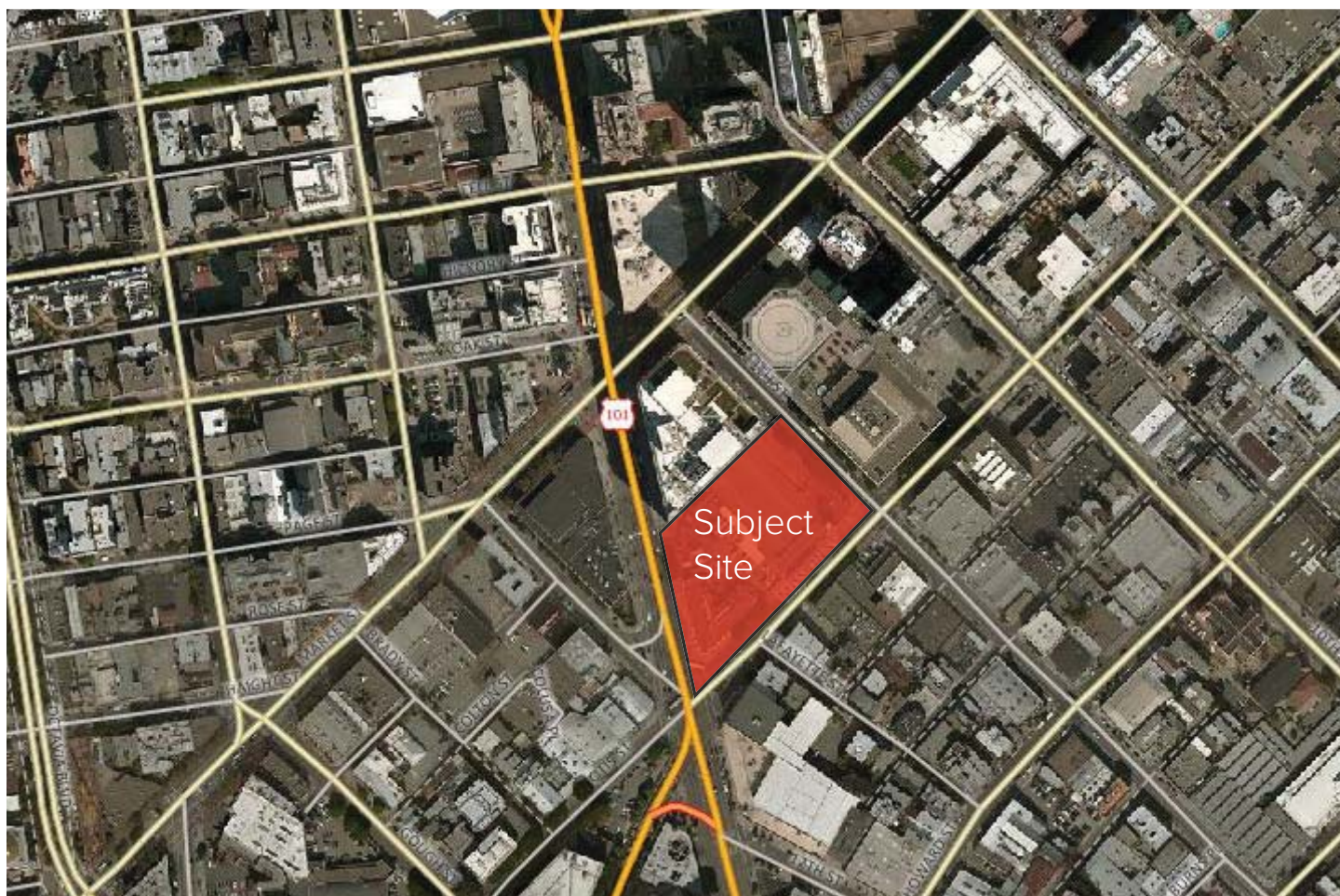
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LOS ANGELES 355 S. GRAND AVENUE, LOS ANGELES, CA 90071 T 310.622.1612

polarispacific.com

Project Overview: Goodwill

The Goodwill parcel is located at the intersection of South Van Ness and Mission Street. Current plans call for a 38-story residential tower and an 18-story commercial office tower, where the city of San Francisco plans to house its public works, building, planning and retirement, and health services department.

With the central location of the site in the developing Mid-Market corridor, SOMA, and Hayes Valley and the opportunity for high-density, amenity-rich residents, this development would be unique compared to other apartment and condominium developments around the city.



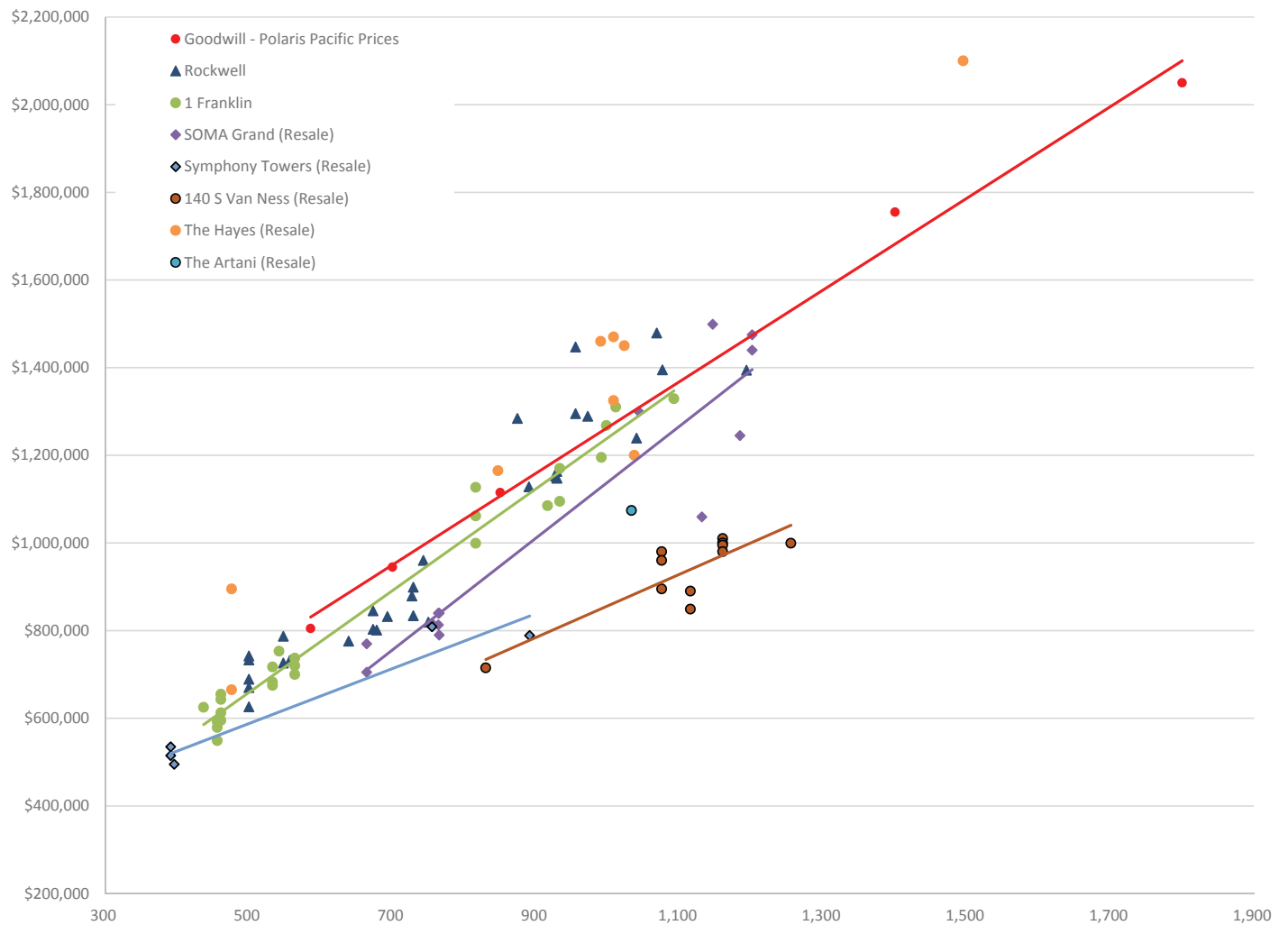
Recommended Sales Prices for Goodwill

Polaris Pacific has surveyed the development potential of the Goodwill parcel. A summary of our recommended unit mix and pricing is shown below. This summary assumes 15.0 home sales per month, which will be required to sell through a building with this number of units. In order to achieve this absorption rate, prices have to be positioned competitively to competitive developments in the marketplace. The absorption rate is in response to the sheer number of condominium projects coming to District 9, the district in which the Goodwill site resides. At present, there are over 1,000 condominium units under construction and an additional 2,000 units entitled in District 9. In addition to this pricing, Polaris Pacific anticipates parking stalls to average \$75,000 per stall.

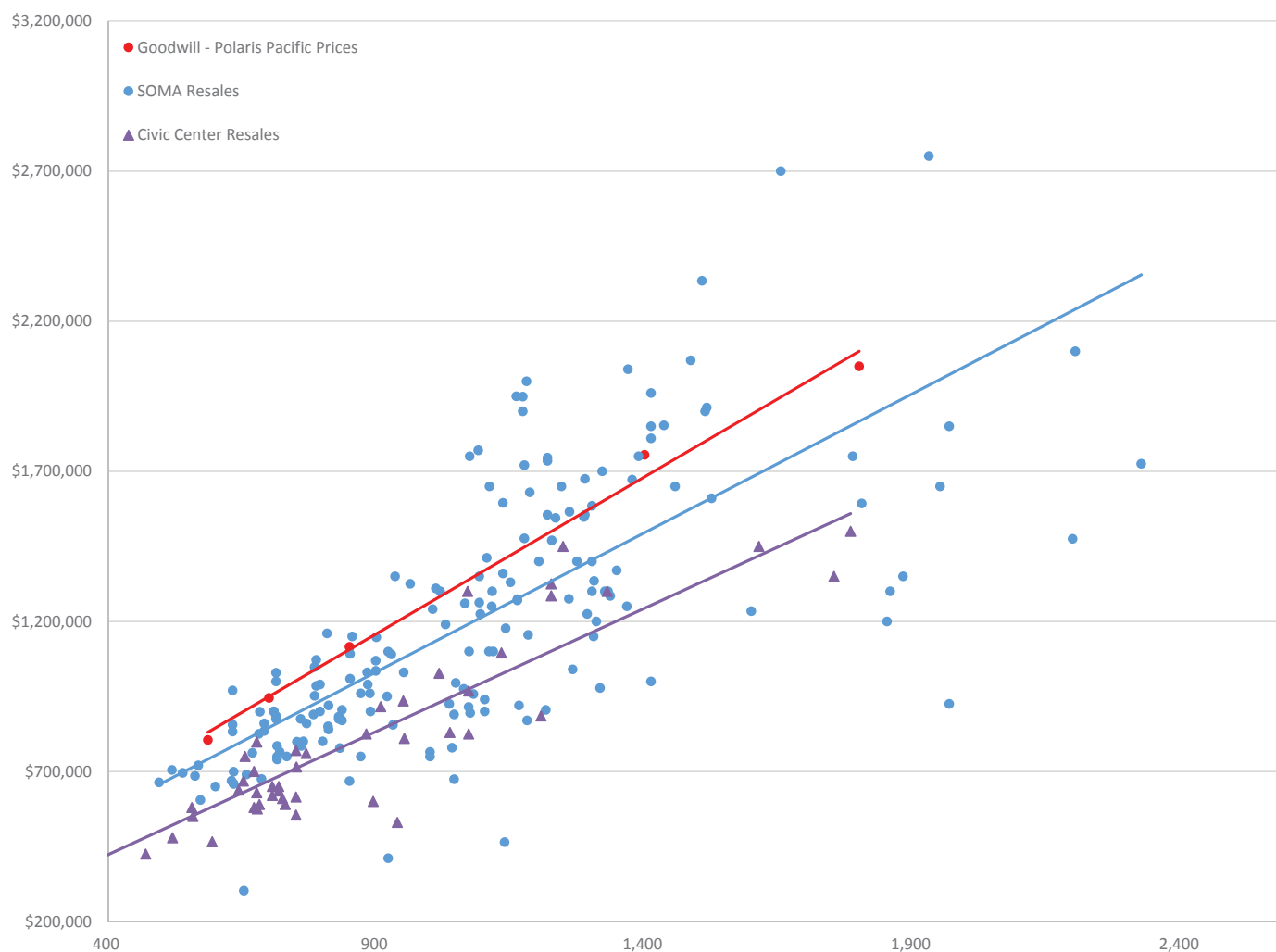
RECOMMENDED SALE PRICES - 15 SALES PER MONTH - ALL FLOORS

BEDROOM TYPE	# OF UNITS	TOTAL SF	AVG SF	TOTAL REVENUE	AVG PRICE	AVG PSF
JUNIOR 1 BED	51	30,062	586	\$41,297,132	\$805,000	\$1,374
1 BED	78	54,543	700	\$73,632,882	\$945,000	\$1,350
1 BED + DEN	57	48,845	850	\$64,073,269	\$1,115,000	\$1,312
2 BED	144	201,809	1,400	\$252,981,546	\$1,755,000	\$1,254
3 BED	13	22,791	1,800	\$25,956,565	\$2,050,000	\$1,139
TOTALS / AVGS	343	358,050	1,042	\$457,941,395	\$1,333,183	\$1,279

Subject Site vs. New Construction Comparables



Subject Site vs. Resale Comparables



CURRENTLY SELLING

PROJECT NAME	ADDRESS	DEVELOPER	UNITS
ROCKWELL	1688 PINE ST	OYSTER DEVELOPMENT	260
1 FRANKLIN	1 FRANKLIN ST	J.S. SULLIVAN	35
TOTAL UNITS			295



DISTRICT 7

ROCKWELL

1688 PINE ST

DESCRIPTION

Located in the Pacific Heights neighborhood of San Francisco, Rockwell features two 13-story glass and concrete towers.

AMENITIES

- Fitness center
- Courtyard
- Sky lounge
- Grand solarium
- Sky terrace
- Owners' club

FINISHES

- Ceasarstone counters
- Studio Becker cabinetry
- Bosch / Bertazzoni cooktop, oven & dishwasher
- Exterior exhaust venting

CURRENT STATUS

Date on Market: Apr '15
 First Close of Escrow: N/A
 In Contract: 182
 Closed: 0
 Avg. Monthly Absorption: 25.0 Units

PROJECT INFORMATION

Developer: Oyster Development
 Submarket: Pacific Heights
 Number of Homes: 260
 HOA: \$600-\$900/mo.

UNIT MIX & LIST PRICE SUMMARY

TYPE	#UNITS	SIZE SF	PRICE RANGES	PRICE P.S.F.
1-BED	113	500 - 756	\$795,126 -	\$1,214 -
1.5-BED	29	703 - 832	\$843,931 -	\$1,122 -
2-BED	117	874 - 1,515	\$1,377,619 -	\$1,318 -
3-BED	1	1,762 -	\$3,105,000 -	\$1,762 -

CLOSED SALES

ADDRESS	BEDS	BATHS	SIZE	SALE PRICE	PSF	SALE DATE
1688 PINE ST #W1103	1	1	673	\$845,000	\$1,256	6/12/2015
1688 PINE ST #E404	1	1	500	\$626,000	\$1,252	7/8/2015
1688 PINE ST #E211	1	1	678	\$801,000	\$1,181	7/24/2015
1688 PINE ST #E1207	1	1	548	\$787,000	\$1,436	8/20/2015
1688 PINE ST #W408	1	1	729	\$834,000	\$1,144	10/16/2015
1688 PINE ST #W903	1	1	673	\$803,000	\$1,193	11/13/2015
1688 PINE ST #E704	1	1	500	\$670,000	\$1,340	1/6/2016
1688 PINE ST #E709	1	1	639	\$776,000	\$1,214	1/6/2016
1688 PINE ST #E804	1	1	500	\$689,000	\$1,378	2/4/2016
1688 PINE ST #E807	1	1	548	\$726,000	\$1,325	2/17/2016
1688 PINE ST #E707	1	1	557	\$732,000	\$1,314	3/2/2016
1688 PINE ST #E803	1	1	743	\$960,000	\$1,292	4/20/2016
1688 PINE ST #E1004	1	1	500	\$733,000	\$1,466	4/20/2016
1688 PINE ST #E1104	1	1	500	\$742,000	\$1,484	5/5/2016
1688 PINE ST #E405	1	1	693	\$832,000	\$1,201	5/30/2016



DISTRICT 7

ROCKWELL

1688 PINE ST

DESCRIPTION

Located in the Pacific Heights neighborhood of San Francisco, Rockwell features two 13-story glass and concrete towers.

CLOSED SALES - CONTINUED

ADDRESS	BEDS	BATHS	SIZE	SALE PRICE	PSF	SALE DATE
1688 PINE ST #W206	1	1	750	\$819,000	\$1,092	5/31/2016
1688 PINE ST #W608	1	1	729	\$899,000	\$1,233	6/3/2016
1688 PINE ST #W804	1	1	727	\$879,000	\$1,209	6/9/2016
1688 PINE ST #W611	2	2	927	\$1,153,000	\$1,244	7/8/2015
1688 PINE ST #W1202	2	2	955	\$1,447,000	\$1,515	9/10/2015
1688 PINE ST #W902	2	2	955	\$1,295,000	\$1,356	8/26/2015
1688 PINE ST #W1108	2	2	1,068	\$1,479,000	\$1,385	10/21/2015
1688 PINE ST #W808	2	2	1,076	\$1,395,000	\$1,296	9/30/2015
1688 PINE ST #E801	2	2	890	\$1,128,000	\$1,267	10/5/2015
1688 PINE ST #W502	2	2	1,040	\$1,239,000	\$1,191	1/18/2016
1688 PINE ST #E1101	2	2	874	\$1,284,000	\$1,469	2/24/2016
1688 PINE ST #W205	2	2	1,193	\$1,394,000	\$1,168	3/24/2016
1688 PINE ST #W411	2	2	929	\$1,148,000	\$1,236	6/9/2016
1688 PINE ST #W511	2	2	929	\$1,163,000	\$1,252	8/11/2016
1688 PINE ST #W1005	2	2	972	\$1,289,000	\$1,326	6/17/2016
1688 PINE ST #W407	2	2	929	\$1,148,000	\$1,236	8/11/2016



DISTRICT 6

ONE FRANKLIN

1 FRANKLIN ST

DESCRIPTION

One Franklin features 35 condo units in an 8-story building designed by Forum Design. The building features a reinforced concrete frame, bicycle storage, and over 2,500 square feet of ground-floor retail.

AMENITIES

- Courtyard
- Outdoor BBQ
- Deck
- Bike storage
- Partnerships with Uber, Luxe, Bo Concept, Hello Alfred, Market Street Cycles, and Luke's Local

FINISHES

- Wide-plank oak wood flooring
- Bertazzoni ranges
- Tiled backsplash
- Silestone quartz countertops
- Grohe plumbing fixtures
- Single and dual vanities

CURRENT STATUS

Date on Market: Jun '16
 First Close of Escrow: N/A
 In Contract: 28
 Closed: 0
 Avg. Monthly Absorption: 9.1 Units

PROJECT INFORMATION

Developer: JS Sullivan Development
 Submarket: Hayes Valley
 Number of Homes: 35
 HOA: \$545 - \$660

UNIT MIX & LIST PRICE SUMMARY

TYPE	#UNITS	SIZE SF	PRICE RANGES	PRICE P.S.F.
STUDIO	10	445 - 479	\$595,000 - \$660,000	\$1,242 - \$1,439
1-BED	10	504 - 548	\$675,000 - \$775,000	\$1,232 - \$1,538
2-BED	15	812 - 1,080	\$1,049,000 - \$1,453,000	\$1,228 - \$1,464

CLOSED SALES

ADDRESS	BEDS	BATHS	SIZE	SALE PRICE	PSF	SALE DATE
11 FRANKLIN ST #203	0	1	456	\$549,000	\$1,204	7/9/2016
11 FRANKLIN ST #204	0	1	437	\$625,000	\$1,430	7/13/2016
11 FRANKLIN ST #303	0	1	456	\$592,000	\$1,298	6/21/2016
11 FRANKLIN ST #304	0	1	461	\$595,000	\$1,291	6/12/2016
11 FRANKLIN ST #404	0	1	461	\$612,500	\$1,329	7/4/2016
11 FRANKLIN ST #503	0	1	456	\$579,000	\$1,270	7/1/2016
11 FRANKLIN ST #504	0	1	461	\$643,000	\$1,395	6/16/2016
11 FRANKLIN ST #604	0	1	461	\$655,000	\$1,421	7/5/2016
11 FRANKLIN ST #202	1	1	533	\$682,500	\$1,280	7/31/2016
11 FRANKLIN ST #205	1	1	564	\$700,000	\$1,241	6/3/2016
11 FRANKLIN ST #302	1	1	533	\$675,000	\$1,266	5/31/2016
11 FRANKLIN ST #305	1	1	564	\$720,000	\$1,277	7/18/2016
11 FRANKLIN ST #402	1	1	533	\$716,958	\$1,345	5/31/2016
11 FRANKLIN ST #405	1	1	564	\$737,037	\$1,307	6/1/2016
11 FRANKLIN ST #702	1	1	542	\$753,000	\$1,389	1/0/1900



DISTRICT 6

ONE FRANKLIN

1 FRANKLIN ST

DESCRIPTION

One Franklin features 35 condo units in an 8-story building designed by Forum Design. The building features a reinforced concrete frame, bicycle storage, and over 2,500 square feet of ground-floor retail.

CLOSED SALES - CONTINUED

ADDRESS	BEDS	BATHS	SIZE	SALE PRICE	PSF	SALE DATE
11 FRANKLIN ST #206	2	2	916	\$1,085,000	\$1,184	8/9/2016
11 FRANKLIN ST #301	2	1	816	\$999,000	\$1,224	7/25/2016
11 FRANKLIN ST #401	2	1	816	\$1,061,500	\$1,301	5/27/2016
11 FRANKLIN ST #406	2	2	933	\$1,095,000	\$1,174	1/0/1900
11 FRANKLIN ST #506	2	2	933	\$1,170,000	\$1,254	1/0/1900
11 FRANKLIN ST #601	2	1	816	\$1,127,000	\$1,381	7/5/2016
11 FRANKLIN ST #603	2	2	998	\$1,268,000	\$1,271	6/3/2016
11 FRANKLIN ST #701	2	2	1,011	\$1,310,000	\$1,296	7/19/2016
11 FRANKLIN ST #801	2	2	1,092	\$1,329,000	\$1,217	7/24/2016
11 FRANKLIN ST #802	2	2	991	\$1,195,000	\$1,206	8/4/2016

SOLD OUT DEVELOPMENTS

PROJECT NAME	ADDRESS	DEVELOPER	UNITS
SOMA GRAND	1160 MISSION ST	AGI CAPITAL / TMG PARTNERS	246
140 SOUTH VAN NESS	140 S. VAN NESS	CHARIOT SVN	208
SYMPHONY TOWERS	750 VAN NESS AVE	WEST BAY BUILDERS	130
THE HAYES	55 PAGE ST	INTRACORP	128
THE ARTANI	818 VAN NESS AVE	GEORGE MCNABB	52
TOTAL UNITS			764



DISTRICT 9

SOMA GRAND

1160 MISSION ST

PROJECT INFORMATION

Developer: AGI Capital / TMG

Partners

Submarket: SOMA

Number of Homes: 246

HOA Fees: \$500-\$730

Sales Start Date: Mar '07

Sales End Date: Jun '10

Avg. Absorption: 6.2 Units/Mo.

CLOSED SALES

ADDRESS	BEDS	BATHS	SIZE	SALE PRICE	PSF	SALE DATE
1160 MISSION ST #1002	1	1	764	\$840,000	\$1,099	4/21/2016
1160 MISSION ST #511	1	1	765	\$840,000	\$1,098	3/16/2016
1160 MISSION ST #1003	1	1	756	\$815,000	\$1,078	10/1/2015
1160 MISSION ST #1209	1	1	764	\$813,000	\$1,064	3/11/2016
1160 MISSION ST #904	1	1	765	\$790,000	\$1,033	12/1/2015
1160 MISSION ST #2012	1	1	664	\$770,000	\$1,160	5/31/2016
1160 MISSION ST #1205	1	1	664	\$705,000	\$1,062	6/14/2016
1160 MISSION ST #1206	2	2	1,146	\$1,499,000	\$1,308	10/5/2016
1160 MISSION ST #1908	2	2	1,201	\$1,475,000	\$1,228	1/22/2016
1160 MISSION ST #1508	2	2	1,201	\$1,440,000	\$1,199	3/15/2016
1160 MISSION ST #2007	2	2	1,043	\$1,300,000	\$1,246	2/17/2016
1160 MISSION ST #708	2	2	1,184	\$1,245,000	\$1,052	7/29/2016
1160 MISSION ST #1513	2	2	1,131	\$1,059,500	\$937	10/9/2015



DISTRICT 9

140 SOUTH VAN NESS

140 S. VAN NESS AVE

PROJECT INFORMATION

Developer: Chariot SVN

Submarket: SOMA

Number of Homes: 208

HOA Fees: \$280-\$360

Sales Start Date: Nov '02

Sales End Date: Jan '04

Avg. Absorption: 14.6 Units/Mo.

CLOSED SALES

ADDRESS	BEDS	BATHS	SIZE	SALE PRICE	PSF	SALE DATE
140 SOUTH VAN NESS AVE 405	1	1.5	830	\$715,000	\$861	4/7/2016
140 SOUTH VAN NESS AVE 1021	2	2	1,160	\$1,010,000	\$871	12/3/2015
140 SOUTH VAN NESS AVE 610	2	2	1,160	\$1,000,000	\$862	3/10/2016
140 SOUTH VAN NESS AVE 746	2	2	1,255	\$999,500	\$796	12/11/2015
140 SOUTH VAN NESS AVE 1110	2	2	1,160	\$995,000	\$858	5/20/2016
140 SOUTH VAN NESS AVE 619	2	2	1,075	\$980,000	\$912	1/21/2016
140 SOUTH VAN NESS AVE 1022	2	2	1,160	\$980,000	\$845	10/7/2016
140 SOUTH VAN NESS AVE 531	2	2	1,075	\$960,000	\$893	2/23/2016
140 SOUTH VAN NESS AVE 631	2	2	1,075	\$895,000	\$833	12/4/2015
140 SOUTH VAN NESS AVE 847	2	1	1,115	\$890,000	\$798	8/22/2016
140 SOUTH VAN NESS AVE 1147	2	1	1,115	\$849,000	\$761	7/18/2016



DISTRICT 8

SYMPHONY TOWERS

750 VAN NESS AVE

PROJECT INFORMATION

Developer: West Bay Builders

Submarket: Van Ness / Civic Center

Number of Homes: 130

HOA Fees: \$300-\$500

Sales Start Date: May '07

Sales End Date: Mar '12

Avg. Absorption: 2.2 Units/Mo.

CLOSED SALES

ADDRESS	BEDS	BATHS	SIZE	SALE PRICE	PSF	SALE DATE
750 VAN NESS AVE V302	0	1	391	\$535,000	\$1,368	5/5/2016
750 VAN NESS AVE 602	0	1	391	\$515,000	\$1,317	10/3/2016
750 VAN NESS AVE V704	0	1	396	\$495,000	\$1,250	11/20/2015
750 VAN NESS AVE 1305	1	1	755	\$809,000	\$1,072	6/14/2016
750 VAN NESS AVE V205	1	1	891	\$789,000	\$886	11/4/2016



DISTRICT 6

THE HAYES

55 PAGE ST

PROJECT INFORMATION

Developer: Intracorp

Submarket: Hayes Valley

Number of Homes: 128

HOA Fees: \$300-\$500

Sales Start Date: Jun '07

Sales End Date: Jun '09

Avg. Absorption: 5.3 Units/Mo.

CLOSED SALES

ADDRESS	BEDS	BATHS	SIZE	SALE PRICE	PSF	SALE DATE
55 PAGE ST 414	1	1	476	\$665,000	\$1,397	8/17/2016
55 PAGE ST 415	1	1	476	\$895,000	\$1,880	12/4/2015
55 PAGE ST 513	2	2	1,037	\$1,200,000	\$1,157	8/16/2016
55 PAGE ST 612	2	2	1,008	\$1,325,000	\$1,314	3/23/2016
55 PAGE ST 722	2	2	990	\$1,460,000	\$1,475	3/31/2016
55 PAGE ST 724	2	1	847	\$1,165,000	\$1,375	3/14/2016
55 PAGE ST 812	2	2	1,008	\$1,470,000	\$1,458	4/27/2016
55 PAGE ST 820	2	2	1,495	\$2,100,000	\$1,405	2/18/2016
55 PAGE ST 824	2	2	1,023	\$1,450,000	\$1,417	3/11/2016



DISTRICT 8

THE ARTANI

818 VAN NESS AVE

PROJECT INFORMATION

Developer: George McNabb

Submarket: Van Ness / Civic Center

Number of Homes: 52

HOA Fees: \$350-\$600

Sales Start Date: Mar '12

Sales End Date: N/A

Avg. Absorption: 1.4 Units/Mo.

CLOSED SALES

ADDRESS	BEDS	BATHS	SIZE	SALE PRICE	PSF	SALE DATE
818 VAN NESS AVE 708	1	1	733	\$790,000	\$1,078	8/2/2016
818 VAN NESS AVE 206	2	2	1,033	\$1,074,000	\$1,040	10/14/2015

CURRENTLY REPRESENTING SALES AND MARKETING FOR:

6 MINT PLAZA	SAN FRANCISCO, CA	25 UNITS
1400 MISSION	SAN FRANCISCO, CA	190 UNITS
THE BURTON & LIVINGSTON	PASADENA, CA	16 UNITS
COLORADO COMMONS	MONROVIA, CA	72 UNITS
20 PINES	DALY CITY, CA	25 UNITS
THE GLOBE	SAN JOSE, CA	76 UNITS
LUMINA	SAN FRANCISCO, CA	656 UNITS
ROCKWELL	SAN FRANCISCO, CA	260 UNITS
THE SHORES	POINT RICHMOND, CA	333 UNITS
SKYLINE	SAN JOSE, CA	121 UNITS
THE STRAND	SAN RAFAEL, CA	81 UNITS
SUMMIT 800	SAN FRANCISCO, CA	182 UNITS
1450 FRANKLIN	SAN FRANCISCO, CA	67 UNITS
TEN50	LOS ANGELES, CA	151 UNITS
THE ARROYO	WALNUT CREEK, CA	100 UNITS
THE PACIFIC	SAN FRANCISCO, CA	76 UNITS
KNOX	SAN FRANCISCO, CA	91 UNITS
ONE FRANKLIN	SAN FRANCISCO, CA	35 UNITS
1198 VALENCIA	SAN FRANCISCO, CA	50 UNITS
ROWAN	SAN FRANCISCO, CA	70 UNITS
1001 VAN NESS	SAN FRANCISCO, CA	256 UNITS
482 ARROYO	PASADENA, CA	24 UNITS
OPTIMA KIERLAND	SCOTTSDALE, AZ	220 UNITS

For more market insights contact:

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Appendix 7

Seifel Consulting Statement of Qualifications

Appendix 7: Seifel Consulting Statement of Qualifications

Seifel Consulting is an economic consulting firm that advises public and private clients on the planning, funding and development of high quality infill development. Our strategic planning, economic and real estate advisory services help clients resolve complex growth issues while achieving fiscal goals and adding value to their communities. Since 1990, we have provided a range of real estate, fiscal and economic advisory services to more than 100 public agencies throughout California, completing over 800 consulting assignments. (See Exhibit 1 for a listing of representative clients.)

Seifel's work is organized around four integrated practice areas—real estate, economics, redevelopment and housing—that allow the firm to provide relevant expertise at progressive phases of each engagement:

- **Real Estate**—Lead clients through the analysis, funding and development of sustainable real estate.
- **Economics**—Evaluate local economies and recommend strategies to enhance economic development and fiscal health.
- **Redevelopment**—Guide successful public private partnerships and revitalization strategies to catalyze transformative infill development.
- **Housing**—Facilitate housing programs and developments that realize a thriving and diverse community.

Real estate economics is the foundation for Seifel's work. We combine insight into the real estate market with a technical foundation in pro forma cash flow modeling, asset valuation, and other analytical methods. We use the analytical tools of real estate economics and urban planning to determine the best development strategies for client properties. We perform developer advisory services to help clients realize development strategies that maximize the investment value of client portfolios and/or lead to successful land uses.

Our real estate services include evaluating the market and development potential for a broad range of real estate product types, including housing, office, retail, and lodging. We project potential market demand on local and regional levels, identify existing and future competition, and forecast revenues and absorption. We have extensive experience analyzing value premiums generated by proximity to transit. Our analyses support area planning efforts by helping clients to select among alternative land use scenarios and fine-tune development regulations (e.g., building heights and parking requirements), based on considerations such as economic feasibility, job generation potential, and fiscal impact.

We perform financial feasibility analysis for development alternatives and evaluate properties in terms of opportunities and constraints, market potential, and importance toward broader area planning goals. We project the long-term revenue potential of development and calculate net present value of future income using pro forma cash flow modeling. We identify catalyst development sites and formulate strategies to encourage redevelopment and attract additional neighborhood investment, including funding strategies to achieve development success. We also advise clients on how to select potential developers, help negotiate and structure deal terms, and perform due diligence on financial proposals.

San Francisco Experience

For more than two decades, Seifel has provided a broad range of economic consulting services to the City and County of San Francisco as well as other public agencies, community organizations and developers actively engaged in planning and development projects in San Francisco. Seifel has advised the City's Planning Department, Office of Economic and Workforce Development, Mayor's Office of Housing and Community Development, Department of Building Inspection, Port of San Francisco, the former San Francisco Redevelopment Agency, the Office of Community Investment and Infrastructure, San Francisco Municipal Transportation Agency, San Francisco Housing Authority, Treasure Island Development Authority, and Transbay Joint Powers Authority.

This experience has equipped Seifel with deep knowledge and understanding of the economic and market conditions that affect development in San Francisco, particularly in the neighborhoods surrounding the Van Ness/Market Street corridor. Seifel has advised on planning, housing and revitalization efforts in the Tenderloin neighborhood, South of Market area and along the Market Street Corridor from Union Square to the Castro, as well as most of San Francisco's major public private partnership developments. Seifel has analyzed the market potential for a broad range of residential and non-residential uses—including retail, office, industrial and hotel/conference facilities. Seifel has provided real estate and economic advisory services for the following representative San Francisco projects:

- 55 Laguna Street Mixed Use Development Financial Analysis
- Alcatraz Landing Real Estate, Economic and Lease Negotiation Support
- Balboa Park Mixed Use Development Financial Feasibility Assessment
- Castro Retail Strategy
- Central SoMa Plan Economic Analysis
- Eastern Neighborhoods Public Benefits and Economic Analysis Advisory Services
- Federal Court Expansion Valuation Study
- Fisherman's Wharf Retail Strategy
- Hunters Point Shipyard Fiscal Analysis and Developer Due Diligence
- India Basin Shoreline Market Study
- Japantown Cultural Heritage and Economic Sustainability Strategy
- Japantown Real Estate and Economic Development Advisory Services
- Market Octavia Plan Economic and Real Estate Analysis
- Mid-Market Redevelopment Feasibility Analysis
- Mixed-Use Development Financial Analysis for 901 16th Street
- Mixed-Use Development Financial Analysis for 1601 Mariposa Street
- North of Market Community Infrastructure Financing Advisory Services
- Northern Waterfront Transportation Survey Analysis
- Production, Distribution and Repair (PDR) Economic Analysis of Policy Alternatives
- San Francisco Overlook Residential Development Financial Analysis
- Seawall Lot 337 and Pier 48 (Mission Rock) Real Estate, Financial and Fiscal Advisory Services
- Tenderloin/Central Market Housing Development Due Diligence Analysis
- Transferable Development Rights Program Evaluation and Market Analysis
- Transportation Sustainability Program Economic Analysis
- Transit Center District Plan Economic and Financial Advisory Services
- University of California Hastings College of Law Parking and Mixed Use Development Analysis
- Upper Market Plan Economic and Real Estate Analysis
- West SOMA Market Analysis
- West Crissy Development Advisory Services for the Presidio Trust

An Expert Team

Achieving success in the arenas of community revitalization and real estate development requires a realistic vision, skilled project management and a steady focus on objectives. Seifel Consulting guides our clients through the complexities of the planning and development process so that they can make sound decisions built upon a solid foundation of expert analysis and clear insight. Our objective is to help our clients transform their vision into measurable value and results.

Our professional staff is skilled in its approach to solving problems and committed to producing results. We offer a broad range of expertise in demographic and market research, financial analysis, public funding and financing, fiscal and economic impact analysis, planning, public policy evaluation and grant writing. Once we understand the requirements of a client's project, we assemble an interdisciplinary team of experts who have the skills and knowledge required to achieve client goals. Our integrated approach to strategic planning, economic analysis and project management is the key to our successful track record.

The firm President, Elizabeth (Libby) Seifel, is a certified planner (AICP) who has applied the principles of real estate economics and planning to property development and community revitalization for more than 30 years. Since founding her firm in 1990, Ms. Seifel has managed more than 800 consulting assignments. She has advised private developers, investors and governments on residential, commercial, industrial and mixed-use projects ranging in value from \$5 million to \$4 billion, with a particular focus on urban infill, transit oriented development involving public private partnerships.

Prior to founding her firm, Ms. Seifel was Associate-in-Charge of Williams-Kuebelbeck & Associates, overseeing their Bay Area real estate economic and management consulting practice. Ms. Seifel combines insight into the real estate market with a technical foundation in financial modeling and development feasibility testing. She has prepared financial, fiscal and economic analyses in order to evaluate and recommend a broad variety of plans, public policies and programs.

A recognized expert on complex development projects and public private partnerships, Ms. Seifel is a frequent speaker at professional conferences, having presented to the American Planning Association, California Association of Local Economic Development, Housing California, League of California Cities, and Urban Land Institute. She is an elected member of Lambda Alpha International, the honorary society for the advancement of land economics. She was recently honored for her positive influence on real estate development, joining the Hall of Fame for Northern California Women of Influence in Real Estate. She received her Bachelor of Science and Master in City Planning from the Massachusetts Institute of Technology. (Please see Exhibit 2 for her resume.)



Elizabeth (Libby) Seifel, President, Seifel Consulting

Elizabeth (Libby) Seifel has focused her professional career on creating high quality infill developments, structuring successful public-private partnerships and encouraging the revitalization of communities. She has advised public and private clients on the planning, funding and development of a broad variety of mixed use and mixed income communities. Prior to founding her firm, Libby served as Associate-in-Charge of Williams-Kuebelbeck & Associates, overseeing the firm's economic and management consulting practice. She also served as the founding Executive Director of Tent City Corporation, a non-profit developer of mixed income housing in Boston.

Libby actively promotes best practice in real estate development and urban revitalization through teaching and writing activities. She has chaired the Urban Land Institute (ULI's) Urban Revitalization Council and SPUR Regional Policy Board. She recently served as the local host program co-chair for ULI's 2015 Fall national conference, and also serves on the board for ULI's San Francisco District Council. She served as the editor for ULI's recent publication *After Redevelopment: New Tools and Strategies to Promote Economic Development and Build Sustainable Communities*, and edited the *California Affordable Housing Handbook*, among other publications. She also has supported the success of women in business, real estate and technology through her work with the Women President's Organization, ULI Women's Leadership Initiative and MIT, where she serves on the Visiting Committee for the MIT Department of Urban Studies and Planning and Corporation Nominating Committee.

Throughout her professional career, Ms. Seifel has:

- Advised on most of San Francisco's major public-private partnership projects, including Hunters Point Shipyard/Candlestick Point, Mission Bay, Rincon Point/South Beach, San Francisco Center Expansion, Transbay Transit Center and Treasure Island.
- Counseled other clients on numerous public-private partnerships, including the preparation and review of developer solicitation packages, evaluation of developer responses, development team selection and/or structuring of development agreements for Contra Costa County and the cities of Berkeley, Emeryville, Folsom, Fremont, Hayward, Livermore, Los Angeles, Mountain View, Richmond, South San Francisco, Presidio Trust and the Hawaii Community Development Authority.
- Consulted on numerous marina and waterfront projects in San Francisco, including Mission Rock (Seawall Lot 337/Pier 48), Alcatraz Landing, South Beach Marina/Pier 40, Hunters Point Shipyard, and Presidio Trust properties along Crissy Field, as well as waterfront developments in Alameda, Long Beach, Martinez, Richmond, South San Francisco and West Sacramento.
- Prepared site analyses, market research, financial pro formas, asset management strategies and investment opportunity analyses of real estate developments throughout California for clients such as the Bay Area Smart Growth Fund, Hastings College of Law, The RREEF Funds and The Real Estate and Land Use Institute of California and numerous cities throughout California.
- Fostered the creation and revitalization of thriving communities, transit oriented development projects and over 100 successful redevelopment projects in California, including projects in proximity to existing and future transit stations in Concord, El Cerrito, Fremont, Hayward, Lafayette, Livermore, Los Angeles, Richmond, Sacramento, San Mateo, San Fernando, San Francisco, and San Jose.
- Assisted in the financing, development and planning of more than 10,000 affordable housing units in California. Helped secure over \$120 million in funding resources to revitalize public housing and help build affordable housing. Designed programs and prepared implementation strategies to build mixed income housing developments and communities. Helped communities to secure funding and strategically leverage public funding tools, including federal transportation funds, tax increment financing, community facility districts, assessment districts and development impact fees, drawing on an in-house database of available funding sources.
- Conducted professional training sessions, helped coordinate conferences and served as editor/contributing author on publications that promote best practice in affordable housing, public-private partnerships, transit oriented development and community revitalization. Recently conducted ULI training sessions for public officials on the fundamentals of real estate economics (enhancing their ability to work with developers to achieve public goals) and coordinated a series of presentations for ULI's Building the Resilient City conference and the 2015 Fall Meeting.

Professional Background

1990–present	President, Seifel Consulting, Inc., San Francisco, CA
1982–1989	Associate-in-Charge, Williams-Kuebelbeck & Associates, Belmont, CA
1981–1982	Planner/Economist, Blayney-Dyett, San Francisco, CA
1979–1981	Founding Executive Director, Tent City Corporation, Boston, MA
1977	Urban Intern, Department of HUD, Washington DC
1974–1979	Research Assistant, MIT, Cambridge, MA

Education, Professional Certification and Honorary Recognition

Bachelor of Science in Urban Studies & Planning, Massachusetts Institute of Technology, 1978
Master in City Planning, Massachusetts Institute of Technology, 1979
American Institute of Certified Planners (AICP) Certification, 1983
Harold E. Lobdell Award for Distinguished Service, Massachusetts Institute of Technology, 1995
Lambda Alpha International Honorary Society for Advancement of Land Economics, Elected Member, 2007
California Infill Builders Federation, Leadership Award, 2011
Northern California Women of Influence Award, 2015

Professional Instruction, Presentations and Publications

Ms. Seifel has served as a professional instructor in real estate, public-private partnerships and strategies for infill development and urban revitalization for ULI and UC Berkeley Extension. She has coordinated and presented at conferences and meetings sponsored by the American Planning Association (APA) and California APA, CALED, California and Florida Redevelopment Associations, Ford Foundation, Housing California, League of California Cities, Non-Profit Housing Association of Northern California, Royal Institution of Chartered Surveyors (RICS)–India, Tulane University, Urban Development Institute Pacific Region, ULI and the Victoria Rotary Club.

Ms. Seifel writes on real estate, redevelopment and housing related subjects. She has served as the volunteer editor on publications that promote infill development, affordable housing and redevelopment and reuse of underutilized properties. Her published works include:

After Redevelopment: New Tools and Strategies to Promote Economic Development and Build Sustainable Communities, Urban Land Institute, November 2013 (Lead Editor and Collaborator)
Transbay Transit Center: Key Investment in San Francisco's Future as a World Class City, Transbay Joint Powers Authority, November 2013 (Publication Coordinator and Editor)
Making Affordable Housing Work in India, RICS, November 2010 (Contributing Author)
“Sustainable Communities”, *Urban Land*, September 2009 (Author)
Community Guide to Redevelopment, CRA, 2007 (Editor and Contributing Author)
California Affordable Housing Handbook, CRA, 2006 and prior 1998 edition (Editor and Author)
The Power of Storytelling, *Redevelopment Journal*, March 2008 (Author)
Designing a Successful Inclusionary Housing Program, *Redevelopment Journal*, January 2005 (Author)
Bay Area Models of Urban Infill Housing, *Urban Land*, September 2003 (Author)

Associations and Professional Activities

Certified Planner and Member, American Planning Association (APA) and APA of California
Elected Member, Lambda Alpha International, Honorary Society for Advancement of Land Economics
Board Member, ULI, San Francisco District Council and Local Host Program Co-Chair for 2015 National Meeting
Regional Policy and Housing Policy Board Member and Former Board Director, SPUR
Corporation Nominating Committee Member, MIT Alumni Association
Visiting Committee Member, MIT Department of Urban Studies and Planning
Former President and Director Emeritus, MIT Club of Northern California (MITCNC)
Founding Steering Committee Member, Urban Land Institute Women's Leadership Initiative (WLI)
Member and Former Chair, Urban Land Institute Urban Revitalization Council (URC, formerly ICC)
Member, Non-Profit Housing Association of Northern California (NPH)
Founding Member, Bay Area Women President's Organization (WPO)
Partner, League of California Cities

Exhibit 1- Seifel Representative Clients

Public Sector			
Berkeley Rent Stabilization Board		San Francisco Housing Authority	
California Department of Real Estate		Santa Monica Rent Control Board	
California Department of Justice		Sunnyvale School District	
California Housing Finance Agency		The Presidio Trust	
Hastings College of Law		Transbay Joint Powers Authority	
Housing & Community Development Corporation of Hawaii		Treasure Island Development Authority	
Port of San Francisco		US General Services Administration	
San Buenaventura (Ventura) Housing Authority		University of California	
San Diego Association of Governments			
California Cities and Towns			
Alameda	Hayward	Palo Alto	San Mateo
Berkeley	Hercules	Petaluma	San Marcos
Brentwood	Hesperia	Pleasant Hill	Santa Cruz
Capitola	Lafayette	Portola	Santa Monica
Chico	Livermore	Rancho Cordova	Santa Rosa
Clayton	Lodi	Richmond	Santee
Cloverdale	Long Beach	Rocklin	Seaside
Concord	Los Angeles	Rohnert Park	Soledad
Cupertino	Los Gatos	Roseville	South San Francisco
Dublin	Martinez	Sacramento	Stockton
East Palo Alto	Monterey	Salinas	Sunnyvale
El Cerrito	Moraga	San Carlos	Tehachapi
El Sobrante	Mountain View	San Diego	Temple City
Elk Grove	Napa	San Fernando	Truckee
Emeryville	Novato	San Francisco	Ukiah
Fairfield	National City	San Jose	Union City
Folsom	Oakdale	San Leandro	Watsonville
Fremont	Oakland	San Luis Obispo	West Sacramento
California Counties			
Alameda	Los Angeles	Nevada	San Joaquin
Butte	Marin	Placer	Santa Cruz
Contra Costa	Mendocino	Plumas	Sonoma
Fresno	Monterey	San Diego	Stanislaus
Kern	Napa	San Francisco	Yolo
Private Sector			
Asian Inc.		Kenwood Investment	
Bay Area Council		Kilroy Realty Corporation	
Best, Best & Krieger		Kronick Moskovitz Tiedemann & Girard	
BRIDGE Housing		Legacy Partners	
Carmel Partners		Lennar Communities	
Catellus Development Corporation		LINC Housing	
CCH of Northern California		Mercy Housing	
Centex Homes		Meyers, Nave, Riback, Silver & Wilson	
Chinatown Community Development Center		Mid-Peninsula Housing Coalition	
Civic Center Associates		salesforce.com, inc.	
Ford Foundation		Shute, Mihaly & Weinberger LLP	
Forest City Development Company		Solano Affordable Housing Foundation	
Goldfarb & Lipman		Sobrato Development Company	
Grosvenor		The Real Estate and Land Use Institute	
HDNPC		The RREEF Funds	
Heritage Partners		Urban Habitat	
The John Stewart Company		Volunteers of America	

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FINAL MEMORANDUM

Date: March 3, 2017

To: Tina Chang, San Francisco Planning Department

From: Sujata Srivastava and Jake Cummings

Project: 1517b San Francisco Peer Review

Subject: Peer Review of 1500 Mission Pro Forma

INTRODUCTION

The San Francisco Planning Department retained Strategic Economics to perform a peer review of the financial feasibility analysis submitted by Related/Seifel for the 1500 Mission Street project. The peer review considers the inputs associated with the proposed rental project and two preservation alternatives, which have been tested as rental and for-sale condominiums.

The peer review is based on Strategic Economics' recently completed work for the San Francisco Market-Octavia financial analysis ("Hub Study"), as well as updated research on key revenue and cost inputs for the residential and retail components of the project.¹ This memorandum report summarizes the findings of the peer review.

REVIEW OF KEY INPUTS

REVENUE ANALYSIS

The apartment rental rate assumptions are generally consistent with Strategic Economics' Hub study, based on a review of comparable properties in Soma and Market-Octavia. The proposed project and rental preservation alternatives estimate average rents of \$6.07 to \$6.14 per square foot, which are slightly lower than the estimated rental rate of \$6.82 per square foot for the Hub study (Figure 1). Related/Seifel's more conservative rental rate assumption is reasonable, given that developers and investors in San Francisco are reportedly seeing a flattening of rental rates in 2017. Because the proposed project has a higher mix of larger units, the average per unit rent estimated is close to the Hub study. Assumptions about the vacancy and operating expenses are also consistent with Strategic Economics' assumptions.

¹ The office building component of the project has already been analyzed by the City's Real Estate Division.

Values for condo units on a per unit basis are consistent with available comparable projects, but there is a lack of data on the marketability of larger unit sizes in this area. For-sale condos in the Hub area tend to be considerably smaller than the assumed unit size in the preservation alternatives. The Hub study assumed an average unit size of 720 square feet, compared to 1,042 square feet for the preservation alternatives. Average unit sales prices are higher than the assumed unit values in the Hub study, although they are slightly lower on a per square foot basis. (As a point of comparison, a 700-square-foot one bedroom unit in the preservation alternatives is assumed to sell at \$1,350 per square foot, while a 720-square-foot unit in the Hub Study would sell for approximately \$1,411 per square foot.)

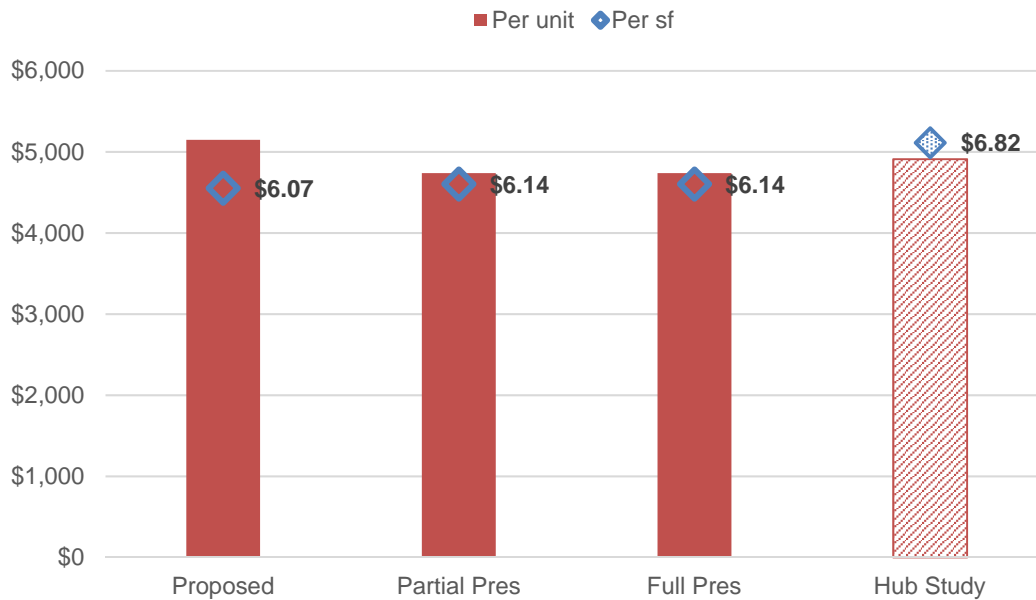
Retail rent assumptions for 1500 Mission are slightly higher than Strategic Economics' inputs for the Hub study. There are few comparable retail properties in the immediate area, but existing retail spaces lease for approximately \$4 to \$5 per square foot. The proposed project and preservation alternatives assume an average rental rate of \$5.50 per square foot for the retail space, which is about 10 percent higher.

Figure 1: Comparison of Revenue Assumptions

	Proposed	Partial Pres	Full Pres	Strategic Economics Hub Study
Rental Apartments, Market Rate				
Average Unit Size (sf)	848	771	771	720
Average Monthly Rent				
Per sf	\$6.07	\$6.14	\$6.14	\$6.88
Per unit	\$5,148	\$4,738	\$4,738	\$4,954
Vacancy (%)	5%	5%	5%	5%
Operating Expense (per unit)	\$17,500	\$18,000	\$18,000	\$17,833
Cap Rate (%)	4.5%	4.5%	4.5%	4.5%
Net Operating Income				
Per sf	\$49	\$47	\$47	\$54
Per unit	\$41,187	\$36,013	\$36,013	\$38,638
For-sale Condos, Market Rate				
Average Unit Size (sf)	--	1,042	1,042	720
Average Sales Price				
Base (per sf)	--			
Per sf	--	\$1,277	\$1,277	\$1,411
Per unit	--	\$1,332,723	\$1,332,723	\$1,015,920
Retail				
Average Monthly Rent (per nsf)		\$5.50		\$5.00
Vacancy (%)		10%		10%
Operating Expense (%)		6%		10%
Cap Rate (%)		6%		5%
Net Operating Income (per nsf)		\$4.65		\$4.05
Parking				
Monthly Rent (per space)		\$475		\$350
For-Sale Price (per space)		\$75,000		\$100,000

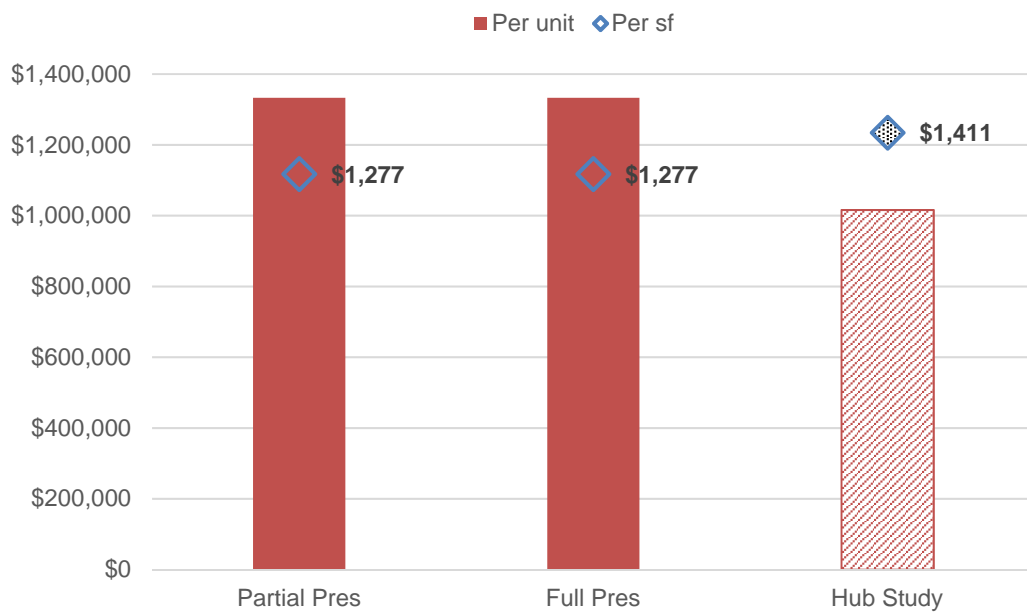
Sources: Seifel Consulting, 2017; Strategic Economics, 2017.

Average Monthly Market Rent Assumptions



Sources: Seifel Consulting, 2017; Strategic Economics, 2017.

Average For-sale Condo Sales Price Assumptions



Sources: Seifel Consulting, 2017; Strategic Economics, 2017.

The parking revenue assumptions for the proposed project and alternatives differ from the Hub study. For rental apartments, the pro forma assumes a monthly parking rate of \$475 per space, which is slightly higher than the Hub study's assumption of \$350 per space. The Related rental pro formas also include additional revenues that were not included in the Hub study, such as revenues from retail parking, storage units, and revenues from other building services. For the condo alternatives, the assumed sales price of \$75,000 per parking space is slightly lower than what is typically found in the Hub area.

DEVELOPMENT COSTS

Hard construction costs for the proposed project are significantly lower than typical costs for similar high rise construction in San Francisco. On a per net square foot basis, the proposed project's hard costs are approximately 19 percent lower than average costs used in the 2016 Hub study for a similar high-rise building. Overall, it is estimated hard construction costs have risen an additional five to seven percent since the Hub study was completed. The lower costs in the Related pro formas may imply that the developer was able to secure a lower bid from contractors and suppliers, or that the bids predate the recent spike in construction costs experienced in the region.

- The partial preservation and full preservation rental alternatives are 5 to 9 percent lower than the Hub study on a per net square foot basis.
- Hard costs for the condo alternatives are about 4 to 6 percent lower than the Hub study. All else equal, these costs should be lower than the Hub study, which assumes much smaller unit sizes.

Soft cost inputs for the proposed rental apartments are similar to Strategic Economics' assumptions for the Hub study overall. One key difference is that the proposed project has a lower contingency factor, due to the advanced nature of project design at this point in the planning process.

For the condo development alternatives, soft costs are considerably higher than the assumptions used in the Hub study. This may be due to the higher marketing and insurance costs that have been assumed for the condo alternatives.

Financing assumptions for the proposed rental project are more favorable than the conventional terms for a typical apartment project. Because of the tax credit tax exempt bond financing for the below-market rate units in the proposed rental project, there is an assumption that the construction loan would be able to access a lower interest rate (3.5 percent, compared to the more conservative assumption of 5.5 percent used for condo development alternatives.)

Figure 2: Comparison of Development Cost Assumptions, Rental Apartment Alternatives

	Proposed	Partial Pres	Full Pres	Strategic Economics Hub Study
Hard Costs				
Per gsf				
Below Grade / Parking	\$145	\$195	\$230	\$246
Retail	\$210	\$210	\$210	\$250
Residential	\$355	\$385	\$385	\$435
Per nsf residential*	\$530	\$617	\$602	\$652
Soft Costs				
Contingency/Construction Mgmt	6.0%	6.0%	6.0%	11.5%
Soft Costs	16.5%	16.5%	16.5%	12.0%
Other Soft Costs + Contingency	22.5%	22.5%	22.5%	23.5%
Financing				
Construction Interest Rate	3.50%	3.50%	3.50%	5.50%
Loan Fee	1.70%	1.70%	1.70%	1.00%
Avg Outstanding Balance	50%	50%	50%	60%
Loan to Cost/Value	95%	95%	95%	65%

* Includes site improvements, residential, below grade construction, and retail
 Sources: Seifel Consulting, 2017; Strategic Economics, 2017.

Figure 3: Comparison of Development Cost Assumptions, For-Sale Condo Alternatives

	Partial Pres	Full Pres	Strategic Economics Hub Study
Hard Costs			
Per gsf			
Below Grade / Parking	\$195	\$230	\$246
Retail	\$210	\$210	\$250
Residential	\$425	\$425	\$450
Per nsf residential*	\$674	\$659	\$704
Soft Costs			
Contingency/Construction Mgmt	6.0%	6.0%	11.5%
Soft Costs	25.0%	25.0%	12.0%
Other Soft Costs + Contingency	31.0%	31.0%	23.5%
Financing			
Construction Interest Rate	5.50%	5.50%	5.50%
Loan Fee	1.00%	1.00%	1.00%
Avg Outstanding Balance	60%	60%	60%
Loan to Cost/Value	60%	60%	65%

* Includes site improvements, residential, below grade construction, and retail
 Sources: Seifel Consulting, 2017; Strategic Economics, 2017.

DEVELOPMENT IMPACT FEES

Strategic Economics estimated development fees for each development alternative for the site. The following fees were included in the calculations:

- Childcare Fee
- Unified School District Fee
- Transportation Sustainability Fee (calculated at 50 percent of the usual rate because the project is grandfathered in prior to a change in fee calculation methodology)
- Market & Octavia Affordable Housing Fee
- Market & Octavia Infrastructure Impact Fee
- Van Ness & Market Affordable Housing Fee
- Van Ness & Market Neighborhood Infrastructure Fee
- Downtown Artwork Fee
- Jobs-Housing Linkage Fee

In all cases the fees estimated by Strategic Economics were between one and two percent lower than those calculated for the subject study. This may be because the subject study considered additional minor fees that were not considered in the Hub Study.

Figure 4: Comparison of Development Fees

	1500 Mission*	Strategic Economics Hub Study
Rental Alternatives		
Proposed	\$30,573,273	\$30,247,325
Partial Preservation	\$26,041,288	\$25,771,598
Full Preservation	\$26,186,904	\$25,717,718
Condo Alternatives		
Partial Preservation	\$26,446,386	\$25,975,490
Full Preservation	\$26,391,504	\$25,921,610

* Figures shown do not include the assumed \$250,000 exaction fee contingency.
Sources: Seifel Consulting, 2017; Strategic Economics, 2017.

DEVELOPER RETURN

The target developer return metrics in the pro forma are consistent with Strategic Economics' analysis. In order to measure the financial feasibility of the proposed project and preservation alternatives, Related/Seifel's analysis calculates the yield-on-cost (YOC) for the rental alternatives, and the return on development cost for the condominium alternatives. The minimum threshold return for the rental alternatives is established at 5.5 percent, and the target for the for-sale condominium alternatives is 20 percent. These are very similar to the thresholds established in Strategic Economics' Hub study, and reflect current market expectations for these product types in San Francisco.

Figure 5: Comparison of Developer Return

	1500 Mission	Strategic Economics Hub Study
Minimum threshold yield-on-cost (rental alternatives)	5.5%	5.5%
Minimum threshold return on development cost (for-sale condominium alternatives)	20%	21%

Sources: Seifel Consulting, 2017; Strategic Economics, 2017.

CONCLUSIONS

Related/Seifel's feasibility analysis concludes that the proposed project is financially feasible, generating a yield-on-cost of 5.5 percent, which conforms to market expectations for rental apartments in San Francisco. However, neither of the rental preservation alternatives are financially feasible, generating returns that are below the minimum threshold.

Related/Seifel also conclude that the condominium preservation alternatives are not financially feasible. They tested a smaller condominium project (343 units), based on the assumption that a larger condominium project would not be able to attract investors due to a longer expected market absorption period. This assumption may be somewhat conservative, however there very few examples of condominium projects in San Francisco containing more than 350 units, and a project of that scale would be relatively untested in the market.

In summary, Strategic Economics finds that the Related/Seifel feasibility analysis is sound and well-supported by the available market data and other development cost assumptions for each of the 1500 Mission Street project alternatives.

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Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

February 13, 2017

Mr. John Rahaim
Director of Planning
City and County of San Francisco
1650 Mission Street, Suite 400
San Francisco, CA 94103
Attn: Tina Chang, Current Planning

1500 Mission Street – Mixed-Use Alternatives Presented in the DEIR

Context

An ongoing policy objective of the City and County of San Francisco (“City”) and its Real Estate Division (“Real Estate”) is to consolidate City departments and services in a meaningful way into City-owned buildings. Specifically, the City has spent time over the last 10 years, through multiple unsuccessful ventures, to develop a full-service permitting center for not just building / development services, but for the other ancillary permitting functions issued by City departments (a true “One-Stop Permit Center”). Permitting functions are currently spread throughout the City, creating inefficiencies amongst City staff and most importantly, creating geographical separation challenges for its customers.

The biggest obstacles to realizing a One-Stop Permit Center involve: i) finding an available building large enough to accommodate the administrative functions of the anchor City departments that would operate in a One-Stop Permit Center; ii) finding a building with large enough floor plates to house the various permitting operations while supporting the flow of customers and enormous demand in an efficient manner; and iii) logistically acquiring such a site for the City to own in perpetuity.

1500 Mission

By any measure, 1500 Mission Street (the “Property”) is a unique parcel. Given its geographic location as the “gateway” to the Civic Center and at 2 ½ acres, this is the rarest of developable properties in the area. In addition to its size, the site is at the nexus of numerous major public transit lines on Market and Mission streets, while fronting three major streets, including State Highway 101. At such a prominent entry point to Civic Center, it is an ideal location for the consolidation of municipal functions. The Property also forms the southern edge of the emerging “HUB” district, currently being analyzed by the Planning Department for urban revitalization and the addition of essential housing, including affordable housing.

The Property’s physical characteristics (including size and zoning) take on additional import when considering it provides the City its best opportunity to finally develop its One Stop Permit Center,

including the consolidation into a single building of the essential services departments of Public Works, Planning, Building Inspection and others.

Further, the City's ownership of the 500,000 sq. ft. office building at 1 South Van Ness Avenue ("1SVN"), which is contiguous to the Property and contains 311, Mayor's Office of Housing and Community Development, OCII, SFMTA, the Department of Human Resources and others, would allow the City to connect 1SVN with its new office building, now or in the future, providing additional flexibility in planning/integrating various critical City operations. This furthers the City's objective of increasing operational efficiency amongst departments. Given the permanent nature of that existing municipal building, constructing a new City office building directly adjacent to it maximizes the development potential of the northern portion of the Property.

Essentially, there are no other sites within the Civic Center that offer this combination of geographic and functional benefits to the City pertaining to meeting these longstanding policy goals and objectives.

The Proposed Project

The proposed mixed-use, office, residential and retail project located at 1500 Mission Street (the "Proposed Project") was conceived in early 2014 through a collaborative interaction between Real Estate (on behalf of numerous City departments and stakeholders) and Related California (the "Project Sponsor"). In December 2014, the City's Board of Supervisors approved a conditional Purchase and Sale Agreement (the "conditional PSA") authorizing Real Estate and other City departments to work with the Project Sponsor to entitle a mixed-use project at 1500 Mission Street to possibly purchase and develop an approximately 450,000 square foot City office and One-Stop Permit Center on a portion of the Property. A final election by City to purchase could only occur after certification of a Final EIR. The unique structure of this arrangement addresses one of the City's main challenges mentioned above: overcoming logistics involved with acquiring such a site.

Over the past three years, the Proposed Project has evolved, developed and continues to be refined, by the Project's architect (SOM), along with guidance from staff at the City's Planning Department and SF Public Works. Together with the office building, the Proposed Project creates a residential project on the other half of the Property, including 560 apartments, of which 20% will be permanently affordable to low-income residents on site.

The Proposed Project's Draft Environmental Impact Report dated November 19, 2016 ("DEIR") provided three mixed-use alternatives that include the City's office development: 1. the Proposed Project; 2. the Full Preservation Alternative ("Full Preservation"); and 3. the Partial Preservation Alternative ("Partial Preservation"). While all three could theoretically accommodate many if not all of the City's policy objectives, the Proposed Project most effectively meets those objectives. Most importantly, the increased construction costs in the other two alternatives greatly exceed the approved budget within the conditional PSA (\$326.7M, the "Approved Project Budget"), adding significant risk to the City's continued involvement in the development.

The Proposed Project Meets the City's Policy Objectives and Financial Requirements

Policies, Objectives and Requirements impacted by Full or Partial Preservation Alternatives:

1. Develop a new, seismically-sound (Risk Category 3 or greater), Class-A, LEED Gold City office building:

Both the Full and Partial Preservation make achieving i) the seismic goals difficult as both involve retaining existing foundations that greatly limit the ability to achieve enhanced seismic performance without significant exterior bracing; and ii) the environmental policy goal more difficult as each alternative involves retaining larger portions of existing buildings with outdated, inefficient and environmentally-unsound building systems and materials.

2. Ensure enough parking spaces are provided to accommodate vehicles used by inspectors and other City personnel who make off-site field trips, as well as parking for members of the public visiting the permit center and other City offices. Ensure there is well in-excess of code requirements for electronic vehicle charging stations and bicycle parking.

The Proposed Project includes approximately 120 parking spaces for the City Office Building. It is anticipated the Proposed Project could accommodate at least 40 of those spaces as EV stations. The bicycle parking afforded is well above code. The Full and Partial Preservation Alternatives significantly reduce the usable area below grade, which greatly reduces the overall parking, the amount of EV stations, and the amount of bicycle parking available.

3. Construct shared conference, meeting, training, and boardroom facilities on the lower levels of the building for use by occupants of the office building, other nearby City departments, and the public.

The Proposed Project accommodates an approximately 7,000 square foot conference, meeting, training and boardroom facility at grade in order to activate the adjacent mid-block alley and facilitate use by occupants of the office building, other nearby City departments and the public, including public access into this area of the building after normal business hours. Under Full or Partial Preservation, the One-Stop Permit Center would have to be located on the ground floor, thus not allowing these critical amenities to be developed.

4. Provide an early childcare facility primarily for use by City employees.

The Proposed Project provides a 4,400 square foot child care facility with contiguous open space on the third floor of the office building. Under Full or Partial Preservation, the rooftop above the third floor is unavailable and no on-site childcare can be provided as the development is unable to meet the outdoor play space requirement mandated by the State of California's licensing.

5. Maintaining a total construction cost for the Office Building, including the land purchase price, at or below the Approved Project Budget.

The Proposed Project will be developed at or below the Approved Project Budget. Per Exhibit B, Partial and Full Preservation increase the Approved Project Budget by approximately \$47 Million and \$49 Million, respectively. In either instance, the City's Board of Supervisors would be unable to move forward under the previously approved agreement, but instead would need to authorize a new budget and amended PSA to fund these revised costs.

6. Achieving efficient office floor layouts relative to the increased fire and life safety code requirements that determine a minimum core size. Said differently, once a floor plate gets below a certain size it becomes economically inefficient to build.

The Full and Partial Preservation Alternatives create a smaller floor plate size in the tower levels. The resulting inefficiency of layout (or decreased density of employees) reduces the number of employees that can relocate to the building. If fewer employees relocate to the building, the financial feasibility of the City office building is further strained beyond simply increasing costs above the Approved Project Budget.

Conclusion

The Full and Partial Preservation Alternatives are less effective than the Proposed Project at meeting the City's (in its proprietary capacity as potential developer and owner of the City's office building) policy objectives and financial requirements described in this letter. Just as important, each alternative greatly exceeds the Approved Project Budget and therefore, the City would be unable to move forward with the City office building pursuant to the conditional PSA. The Board of Supervisors would need to authorize a new budget and amended PSA to fund these revised costs. It is unlikely Real Estate would recommend to the Board of Supervisors such a revised cost project.

Given the Proposed Project's alignment with City's policy objectives, the positive impact it would have on the City and the public through its creation of a One-Stop Permit Center, and its consistency with the Approved Project Budget, Real Estate requests that you seriously consider these factors when evaluating the alternatives proposed in the DEIR.

Exhibit A to this letter comparatively illustrates the level to which the Proposed Project's objectives are satisfied under each alternative.

Respectfully,

A handwritten signature in blue ink that reads "Claude L. Baker, Jr." with a stylized flourish at the end.

John Updike
Director of Property

EXHIBIT A - ANALYSIS OF PRESERVATION ALTERNATIVES IMPACT TO CITY'S POLICY OBJECTIVES AND FINANCIAL REQUIREMENTS

		Indicates if City Objective / Requirement is Achieved		
#	Project Objective / Requirements	Proposed Project	Partial Preservation	Full Preservation
Policy Objectives and Financial Requirements				
	Develop a new, seismically-sound (Risk Category 3 or greater), Class-A, LEED Gold City office building of enough size to accommodate several interdependent City departments currently housed in disparate buildings around the Civic Center, into a single building to foster interagency cooperation, and located in close proximity to mass transit. [1]	Yes	Yes, but difficult to achieve	Yes, but difficult to achieve
1	Ensure enough parking spaces are provided to accommodate vehicles used by inspectors and other City personnel who make off-site field trips, as well as parking for members of the public visiting the permit center and other City offices. Ensure there is well in-excess of code requirements for electronic vehicle charging stations and bicycle parking. [2]	Yes	No	No
2	Construct shared conference, meeting, training, and boardroom facilities on the lower levels of the building for use by occupants of the office building, other nearby City departments, and the public. [3]	Yes	Partial	Partial
3	Provide an early childcare facility primarily for use by City employees. [4]	Yes	Maybe	Highly Unlikely
4	Maintaining a total construction cost for the Office Building, including the land purchase price, at or below the Approved Project Budget. [5]	Yes	No	No
5	6. Achieving efficient office floor layouts relative to the increased fire and life safety code requirements that determine a minimum core size. Said differently, once a floor plate gets below a certain size it becomes economically inefficient to build. [6]	Yes	No	No
6				

Notes

- [1] Retaining existing foundations will require significant exterior bracing as well as retaining larger existing buildings with outdated, inefficient and environmentally-unsound building systems and materials.
- [2] The alternatives would provide significantly less vehicle parking spaces including EV spaces and bicycle space than the Proposed Project.
- [3] The Full or Preserved alternatives would mean these rooms be located above the ground floor which is an inconvenience and inefficient.
- [4] Under Full or Partial Preservation, the rooftop above the third floor is so the development is unable to meet the outdoor play space requirement mandated by the State of California's licensing.
- [5] Partial Preservation and Full Preservation increase the Approved Project Budget by approximately \$47 Million and \$49 Million, respectively.
- [6] The inefficiency of layout in the Partial and Full Preservation reduces the number of employees that can relocate to the building.

EXHIBIT B

1500 Mission Office Budget

Overall Project Budget

Budget	Factor	Approved Budget	Partial Preservation	Full Preservation	Notes
Land Acquisition Costs					
Land Price	Allocated	30,296,640	45,642,120	45,642,120	Increased land allocation due to increased land SF
Real Estate Commissions ⁽¹⁾	Estimated	2,000,000	2,000,000	2,000,000	
Closing Costs	0.50%	151,483	35,884	35,884	
Total Land Acquisition Costs		32,448,123	47,678,004	47,678,004	
Financing Costs during Predevelopment					
A&D Loan Servicing Costs	Estimated	200,000	300,000	300,000	Servicing costs for extended carry period estimated at \$100,000
A&D Loan Points & Lender Costs ^{(2), (3), (4)}	Calculated	398,904	703,507	703,507	
A&D Loan Interest Expense (Initial Term) ^{(2), (3), (4)}	Calculated	5,017,851	5,017,851	5,017,851	Incremental fees for loan renegotiation estimated at \$250K
A&D Loan Extension Option Fees ^{(2), (3), (4)}	Calculated	167,356	400,000	400,000	
A&D Loan Interest Expense (Extended Term) ^{(2), (3), (4)}	Calculated	2,570,948	7,000,000	7,000,000	Interest expense increased by \$4.5 Million to reflect extended carry period of one year
A&D Loan Cost Contingency	3.0%	244,652	244,652	244,652	
Total Financing Costs during Predevelopment ⁽²⁾		8,599,709	13,666,009	13,666,009	
Architectural and Engineering, Professional Fees and Insurance					
Contracted Soft Costs ⁽⁵⁾	Calculated	9,952,500	13,779,622	13,779,622	Estimated increase for re-design, legal, etc. associated w/ different building
Additional Re-design Soft Costs	Estimated		3,500,000	3,500,000	
Owner's Insurance during Construction	Estimated	1,850,000	1,850,000	1,850,000	
Soft Cost Contingency	3.0%	376,575	376,575	376,575	
Other / Additional Legal	Estimated	750,000	750,000	750,000	
Total Architectural and Engineering, Professional Fees and Insurance		12,929,075	20,256,197	20,256,197	
Construction Costs					
Core & Shell Hard Costs ^{(6), (7)}	Estimated	151,495,903	170,507,198	173,655,165	Includes costs to preserve existing structure and build an inefficient & complicated garage
Tenant Improvements ^{(6), (7)}	Estimated	49,330,528	49,333,209	48,475,240	
Hard Cost Owner's Contingency ⁽⁷⁾	5.0%	10,041,322	10,992,020	11,106,520	
Total Construction Costs		210,867,752	230,832,428	233,236,926	
Fees, Permits & Taxes Paid to City and County of San Francisco					
Fees & Permits	Calculated	31,493,773	29,244,876	28,927,335	Building size different; larger lot shifts FAR fees from apartment to office
Fees & Permits Contingency		1,574,689	1,574,689	1,574,689	
Real Estate Taxes during Predevelopment ⁽²⁾	Calculated	1,090,679	2,190,822	2,190,822	Increase of \$1.1 M due to - i) increased land cost and ii) extended carry period of one year
Real Estate Taxes Contingency	3.0%	32,720	65,725	65,725	
Total Fees, Permits & Taxes Paid to City and County of San Francisco		34,191,861	33,076,111	32,758,570	
Development Management Fees and Return on Equity					
Related Cost of Equity (Initial Term) ^{(2), (4)}	4.0%	757,375	757,375	757,375	Estimated \$800K for increase to 70% carry cost ratio & extra year of carry due to redesign
Related Cost of Equity (Extended Term) ^{(2), (4)}		363,433	1,150,000	1,150,000	
Related Financing Cost Contingency	3.0%	33,624	33,624	57,221	
Related Development, Entitlement and Success Fee ⁽⁸⁾	Flat Fee	26,500,000	26,500,000	26,500,000	
Total Management Fees and Return on Equity		27,654,432	28,440,999	28,464,596	
Total / Subtotal for Purchase Price under PSA and budget under CMA		326,690,953	373,949,748	376,060,302	
Total Development Costs per Square Foot		\$700.45	\$812.93	\$801.78	

NOTES

- (1) Developer shall pay a commission of 1% the Purchase Price upon City's acquisition of the Office Parcel
- (2) Assumes 48 month predevelopment period, which includes one additional year for re-design work
- (3) Based on Colony A&D loan
- (4) Allocated pro rata as a percentage of the cost of land and predevelopment costs
- (5) Includes A&E and professional fees during predevelopment and construction
- (6) As estimated by Developer with consultation from Swinerton and Pankow
- (7) Hard Cost Owner's Contingency includes "Core & Shell" and "Tenant Improvements"
- (8) Per Conditional PSA approved 12/10/2014 by the Board of Supervisors
- (9) Any costs incurred through the operation of the Goodwill Parcel during the Predevelopment period that are not covered under the Goodwill lease shall be split 50/50 between Residential Project and Office Project



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft General Plan Amendment Resolution

HEARING DATE: MARCH 23, 2017

Project Name: 1500 Mission Street
Case Number: 2014-000362ENVGPAPCAMAPDNXSHD
Project Sponsor: Goodwill SF Urban Development, LLC
c/o Matt Witte – (415) 677.9000
Related California
44 Montgomery Street, Suite 1050
San Francisco, CA 94104
Staff Contact: Tina Chang, AICP
tina.chang@sfgov.org, 415-575-9197
Recommendation: **Adopt the Draft Resolution to Adopt the General Plan Amendment**

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

RESOLUTION RECOMMENDING THAT THE BOARD OF SUPERVISORS APPROVE AN AMENDMENT TO THE GENERAL PLAN TO FACILITATE THE CREATION OF THE 1500 MISSION STREET SPECIAL USE DISTRICT, INCLUDING AN AMENDMENT TO MAP 3 OF THE MARKET AND OCTAVIA AREA PLAN AND MAP 5 OF THE DOWNTOWN AREA PLAN OF THE GENERAL PLAN TO CHANGE THE HEIGHT DESIGNATION SHOWN ON THE MAP FOR ASSESSOR'S BLOCK 3506, LOT 006 AND 007; MAKE AND ADOPT FINDINGS, INCLUDING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1 AND FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

WHEREAS, Section 4.105 of the Charter of the City and County of San Francisco mandates that the Planning Commission shall periodically recommend to the Board of Supervisors for approval or rejection proposed amendments to the General Plan; and

WHEREAS, the General Plan consists of goals, policies and programs for the future physical development of the City and County of San Francisco that take into consideration social, economic and environmental factors; and

WHEREAS, the General Plan shall be periodically amended in response to changing physical, social, economic, environmental or legislative conditions; and

WHEREAS, on April 29, 2015, Steve Vettel of Farella Braun & Martel on behalf of Goodwill SF Urban Development, LLC ("Project Sponsor") filed applications requesting a.) approval of a Downtown Project Authorization pursuant to Section 309 of the San Francisco Planning Code; b.) a Planning Code Text Amendment; c.) Zoning Map Amendments; and d.) on October 19, 2016 an application for a General Plan

Amendment to facilitate the construction of a mixed-use project located at 1500 Mission Street ("Project") with 1.) an approximately 240-foot tall tower that would consolidate office space for multiple City departments, including the Department of Building Inspection, SF Public Works, and the Planning Department and contain a one-stop permit center; and 2.) an approximately 400-foot tall building containing approximately 550 dwelling units providing on-site inclusionary affordable dwellings units amounting to 20 percent of the total constructed units, in excess of the amounts required by the City's Inclusionary Affordable Housing Program (Planning Code section 415) to I.) change the building height and bulk districts at the project site from 85-X, 85/250-R-2 and 120/320-R-2 to 85-X, 130/240-R-3 and 130/400-R-3; II.) allow for parking in excess of that which is currently permitted for the office use owing to the unique needs of the City's vehicular fleet; and 3.) allow office use above the fourth floor as a contingency should the City not occupy the office building; and

WHEREAS, on December 15, 2016, this Commission initiated these General Plan Amendments in its Motion No. 19821.

WHEREAS, on March 23, 2017, the Commission the Commission conducted a duly noticed public hearing at a regularly scheduled meeting regarding (1) the General Plan Amendment amending Maps 3 and 5; and (2) the ordinance amending Planning Code to add the 1500 Mission Street Special Use District, and revise Zoning Map SU07 and HT07. At that meeting the Commission Adopted (1) Resolution [] recommending that the Board of Supervisors approve the requested General Plan Amendment; and (2) Resolution [] recommending that the Board of Supervisors approve the requested Planning Code Test and Map Amendments.

WHEREAS, the Project is located on the Mission Street transit corridor, and responds to the transit-rich location by proposing increased housing and employment on the Project site; and

WHEREAS, the project site is located within the Hub Plan Area currently being studied by the Planning Department and is consistent with the proposed heights and bulks associated with the Hub Project; and

WHEREAS, San Francisco faces a continuing shortage of affordable housing for low-income residents. The San Francisco Planning Department reported that for the five-year period between 2005 and 2009, 14,397, total new housing units were built in San Francisco. This number includes 3,707 units for low and very low-income households out of a total need of 6,815 low and very low-income housing units for the same period. According to the state Department of Housing and Community Development, there will be a regional need for 214,500 new housing units in the nine Bay Area counties from 2007 to 2014. Of that amount, over 58%, or 125,258 units, are needed for moderate/middle, low and very low-income households. The Association of Bay Area Governments (ABAG) is responsible for allocating the total regional need numbers among its member governments which includes both counties and cities. ABAG estimated that San Francisco's low and very low-income housing production need from 2007 through 2014 is 12,124 units out of a total new housing need of 31,193 units, or 39 percent of all units built. The production of low and moderate/middle income units fell short of the ABAG goals; and

WHEREAS, the 2015 Consolidated Plan for July 1, 2015 to June 30, 2020, issued by the Mayor's Office of Housing, establishes that extreme housing pressures face San Francisco, particularly in regard to low- and moderate/middle-income residents. Many elements constrain housing production in the City. This is especially true of affordable housing. San Francisco is largely built out, with very few large open tracts of

land to develop. There is no available adjacent land to be annexed, as the cities located on San Francisco's southern border are also dense urban areas. Thus new construction of housing is limited to areas of the City not previously designated as residential areas, infill sites, or to areas with increased density. New market-rate housing absorbs a significant amount of the remaining supply of land and other resources available for development and thus limits the supply of affordable housing; and

WHEREAS, the Project would address the City's severe need for additional housing for low income households, by providing on-site inclusionary affordable dwellings units in excess of the amounts required by the City's Inclusionary Affordable Housing Program (Planning Code section 415) through compliance with the terms of section 415 and additional affordable units included as part of a real estate conveyance with the City for the City Office building; and

WHEREAS, the Project provides a unique opportunity to satisfy the City and County of San Francisco's unmet office needs and to provide a consolidated one-stop permit center; enhanced pedestrian connectivity via a mid-block public space and alley network extending from Mission Street to South Van Ness Avenue, and ground floor community event spaces; and

WHEREAS, the proposed City office building is fiscally prudent and has a positive net present value over the next thirty years. In addition to lower operating expenses compared to current assets or other alternatives (including the purchase of existing office space or other newly constructed office space), the project will also be more efficient and environmentally sustainable. Additional benefits are anticipated through enhanced inter-agency collaboration through colocation, a one-stop permit center, a connection to existing City offices at 1 South Van Ness, and employee and customer efficiencies given proximity to other government offices in the Civic Center area. The Project would address the City's severe need for additional housing for low income households, by providing on-site inclusionary affordable dwellings units in excess of the amounts required by the City's Inclusionary Affordable Housing Program (Planning Code section 415) as described above; and

WHEREAS, the proposed General Plan Amendment, Special Use District and Height and Bulk District Reclassification would not result in increased development potential from what is permitted under the existing height and bulk district; and

WHEREAS, the Project proposes neighborhood-serving amenities, such as new ground floor retail; proposed new publicly accessible open space, improved pedestrian connectivity, enhanced public service, and incorporation of sustainability features into the Project; and

WHEREAS, the City Attorney's Office drafted a Proposed Ordinance in order to make the necessary amendments to the General Plan to implement the Project. The Office of the City Attorney approved the Proposed Ordinance as to form; and

WHEREAS, on November 9, 2016, the Planning Department published a Draft Environmental Impact Report ("DEIR") for public review (Case No. 2014-000362ENV). The DEIR was available for public comment until January 4, 2017. On December 15, 2016, the Commission conducted a duly noticed public hearing at a 10:00 a.m. meeting to solicit comments regarding the DEIR. On March 9, 2017, the Department published a Comments and Responses document, responding to comments made regarding the DEIR prepared for the Project. Together, the Comments and Responses document and DEIR comprise the Final EIR ("FEIR"). On

March 23, 2017, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to certify the FEIR; and

WHEREAS, on March 23, 2017, the Commission adopted the FEIR and the mitigation and improvement measures contained in the Mitigation Monitoring and Reporting Program ("MMRP"), attached as Attachment B of the CEQA Findings Motion No. []; and

WHEREAS, on March 23, 2017, the Commission made and adopted findings of fact and decisions regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, California Public Resources Code Section 21000 et seq. ("CEQA"), particularly Section 21081 and 21081.5, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Section 15000 et seq. ("CEQA Guidelines"), Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31") by its Motion No. []. The Commission adopted these findings as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting these CEQA findings.

WHEREAS, 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 Planning Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Planning Department, Jonas Ionin (Commission Secretary) as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

The Commission has reviewed the proposed General Plan Amendment Ordinance; and

RESOLVED, that the Planning Commission hereby recommends that the Board of Supervisors approve the proposed General Plan Amendment Ordinance, and adopts this resolution to that effect.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments and the record as a whole, including all information pertaining to the Project in the Planning Department's case files, this Commission finds, concludes, and determines as follows:

1. The Commission finds that the General Plan amendments, the 1500 Mission Street Special Use District and the associated Project to be a beneficial development to the City that could not be accommodated without the actions requested.
2. The Commission made and adopted environmental findings by its Motion No. [], which are incorporated by reference as though fully set forth herein, regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The

Commission adopted these findings as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting the CEQA findings.

3. The Project would address the City's severe need for additional housing for low income households by providing on-site inclusionary affordable dwellings units in excess of the amounts required by the City's Inclusionary Affordable Housing Program (Planning Code section 415).
4. The Project would deliver office space essential for the City's needs, enhance public service by providing a consolidated one-stop permit center, in close proximity to other government offices in the Civic Center Area and providing greater efficiency and convenience to members of the public, and offer a fiscally prudent and has lower operating expenses compared to current assets or other alternatives (including the purchase of existing office space or other newly constructed office space).
5. The Project proposes neighborhood-serving amenities, such as improved pedestrian connectivity via two mid-block alleys, activated by retail and civic uses.
6. The General Plan Amendments are necessary in order to approve the Project;
7. **General Plan Compliance.** The Project is, on balance, consistent with the Objectives and Policies of the General Plan, for the reasons set forth in the findings in the Downtown Project Authorization, Motion No. [], which are incorporated by reference as though fully set forth herein.
8. **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, for the reasons set forth in the Downtown Project Authorization, Motion No. [] which are incorporated by reference as though fully set forth herein.
9. 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.
10. Based on the foregoing and in accordance with Section 340, the public necessity, convenience and general welfare require the proposed General Plan Amendment.

I hereby certify that the foregoing RESOLUTION was ADOPTED by the San Francisco Planning Commission on March 23, 2017.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

Draft Resolution
Hearing Date: March 23, 2017

Case No.: 2014-000362GPA

ABSENT:

[General Plan Amendments – 1500 Mission Street Project]

Ordinance amending the General Plan by revising the height and bulk designations for the 1500 Mission Street project, Assessor's Block 3506 Lots 006 and 007, on Map 3 of the Market and Octavia Area Plan and on Map 5 of the Downtown Area Plan; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan as proposed for amendment and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code Section 340.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in single-underline italics Times New Roman font.
Deletions to Codes are in ~~strikethrough italics Times New Roman font~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings.

(a) The 1500 Mission Street/City Office Building project (Assessor's Block 3506, Lots 006 and 007, referred to herein as the "Project") is planned for an approximately 2.5 acre site along the north side of Mission Street spanning from 11th Street to South Van Ness Avenue. Currently, Goodwill Industries occupies two buildings on the site: (1) a two-story, 29,000 square-foot building at the corner of South Van Ness Avenue constructed in 1997 that contains a retail store at the ground level and offices above, and (2) an approximately 57,000 square-foot warehouse building at the corner of 11th Street which was until recently used for processing donated items. The warehouse building is generally single-story and has a

1 basement parking garage containing approximately 110 spaces, 25 surface parking spaces,
2 and six surface loading spaces. The warehouse building, which features an approximately 85-
3 foot-tall clock tower atop the Mission Street façade, was constructed in 1925 for the White
4 Motor Company and renovated in 1941 for use as a Coca-Cola bottling plant, a use that
5 continued until the 1980s.

6 (b) In general terms, the project would construct two buildings and renovate a portion
7 of the existing 1500 Mission Street building. The Project Sponsor would retain one building to
8 be located on the southern portion of the site with primary frontages on Mission Street and
9 South Van Ness Avenue. The City would own the building to be located on the northern
10 portion of the site as a City office building and it would have frontages on 11th Street and
11 South Van Ness Avenue. This building would be directly adjacent to another City office
12 building at One South Van Ness Avenue.

13 (c) The Project Sponsor's residential building would include an approximately 664,000
14 square-foot, 39-story, 396-foot-tall tower with mid-rise podium elements extending along
15 Mission Street and South Van Ness Avenue and contain the following features: approximately
16 550 dwelling units of which approximately 110 would be below market rate units (20%, rather
17 than the required 13.5%), approximately 38,000 square-feet of ground floor retail,
18 approximately 26,000 square-feet of private and common open space, approximately 299
19 bicycle parking spaces, and up to 300 vehicular parking spaces.

20 (d) The City office building would include an approximately 454,000 square foot, 16-
21 story, 264-foot-tower primarily along 11th Street with mid-rise podium elements extending
22 west and south from the tower. This building would consolidate office space for multiple City
23 departments, including the Department of Building Inspection, Public Works, and the Planning
24 Department. This building would contain a consolidated, one-stop permit center and a
25 childcare facility; enhanced pedestrian connectivity via a mid-block public space and alley

1 network extending from Mission Street to South Van Ness Avenue; ground floor exhibition and
2 gallery space, ground floor conference facilities and community event space; and publicly
3 accessible open space at the 2nd floor permit center.

4 (e) On _____, 2016, in Resolution No. _____, the Planning
5 Commission initiated this legislation in accordance with Planning Code Section 340. This
6 Resolution is on file with the Clerk of the Board of Supervisors in File No. _____.

7 (f) On _____, 2017, in Motion No. _____, the Planning
8 Commission certified as adequate and complete the 1500 Mission Street/City Office Building
9 Final Environmental Impact Report (the "FEIR" found in Planning Case No. 2014.000362ENV)
10 in accordance with the California Environmental Quality Act ("CEQA", California Public
11 Resources Code Sections 21000 et seq.) and Administrative Code Chapter 31. Said Motion
12 is on file with the Clerk of the Board of Supervisors in File No. _____ and is
13 incorporated herein by reference. Copies of the FEIR and Motion No. _____ are on
14 file with the Clerk of the Board of Supervisors in File No. _____ and are
15 incorporated herein by reference. In addition, other documents, reports, and records related
16 to the FEIR and Project approvals are on file with Jonas Ionin, the Planning Department
17 custodian of records, and located at 1650 Mission Street, Fourth Floor, San Francisco,
18 California, 94103. The Board of Supervisors treats these additional Planning Department
19 records as part of its own administrative record and incorporates such materials by reference
20 herein.

21 (g) At the same hearing, in Motion No. _____, the Planning Commission
22 adopted CEQA Findings, including a Statement of Overriding Considerations, and a Mitigation
23 Monitoring and Reporting Program. In accordance with the actions contemplated herein, this
24 Board has reviewed the FEIR and the record as a whole, and adopts and incorporates by
25 reference, as though fully set forth herein, the CEQA Findings pursuant to CEQA. A copy of

1 said Motion No. _____ is on file with the Clerk of the Board of Supervisors in File No.
2 _____ and is incorporated herein by reference.

3 (h) On _____, in Resolution No. _____, the Planning Commission
4 adopted findings that the actions contemplated in this ordinance are consistent, on balance,
5 with the City's General Plan as proposed for amendment and eight priority policies of Planning
6 Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution
7 is on file with the Clerk of the Board of Supervisors in File No. _____ and is
8 incorporated herein by reference.

9 (i) In this same Resolution, the Planning Commission in accordance with Planning
10 Code Section 340 determined that this ordinance serves the public necessity, convenience,
11 and general welfare. The Board of Supervisors adopts as its own these findings.

12 (j) This ordinance is companion legislation to legislation that amends the Planning
13 Code to establish a new special use district, amend height and bulk controls, and revise the
14 Zoning Map for the 1500 Mission Street project. It also is companion legislation to legislation
15 that ratifies the City's purchase and sale agreement with the Project Sponsor for the City to
16 purchase the office building site portion of the development. This legislation is on file with the
17 Clerk of the Board of Supervisors in File Nos. _____ and _____,
18 respectively.

19
20 Section 2. The General Plan is hereby amended by revising the Market and Octavia
21 Area Plan as follows:

22 Revise Map 3 to reclassify the height limits of Assessor's Block 3506, Lots 006 and
23 007, from 85', 250' tower/85' podium and 320' tower/120' podium to 85', 400' tower/130'
24 podium and 250' tower/130' podium as described below:
25

Description of Property	Height Districts to be Superseded
Assessor's Block 3506, Lot 006	85', 320' Tower / 120' Podium
Assessor's Block 3506, Lot 007	250' Tower/85' Podium, 320' Tower/120' Podium, 85'

Description of Property for Assessor's Block 3506, Lots 006, 007	Height Districts Hereby Approved
Along the northerly portion of the South Van Ness Avenue and 11th Street frontages measuring approximately 170 feet in depth and 422 feet in width; Assessor Block and Lot to be assigned.	250' Tower / 130' Podium
Along the southerly portion of the 11 th Street frontage and the easterly portion of the Mission Street frontage measuring approximately 105-feet in depth from Mission Street and 156-feet in width along Mission Street; Assessor Block and Lot to be assigned.	85'
The westerly portion of the Mission Street frontage and southerly portion of the South Van Ness frontage measuring approximately 308 feet in width along Mission Street and approximately 110	400' Tower/130' Podium

1 feet in depth from Mission Street;
2 Assessor Block and Lot to be assigned.

3
4 Section 3. The General Plan is hereby amended by revising the Downtown Area Plan
5 as follows:

6 Revise Map 5 to reclassify the height and bulk of the same Assessor's Block and Lots
7 from 120-S, 150-S and 200-S to 85-X, 130/240-R-3 and 130/400-R-3 as described below:
8

Description of Property	Height Districts to be Superseded
Assessor's Block 3506, Lot 006	150-S, 200-S
Assessor's Block 3506, Lot 007	120-S, 150-S

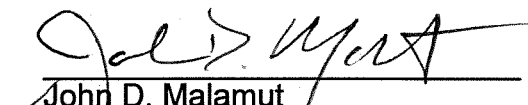
Description of Property for Assessor's Block 3506, Lots 006, 007	Height & Bulk Districts Hereby Approved
Along the northerly portion of the South Van Ness Avenue and 11th Street frontages measuring approximately 170 feet in depth and 422 feet in width; Assessor Block and Lot to be assigned.	130/240-R-3
Along the southerly portion of the 11 th Street frontage and the easterly portion of the Mission Street frontage measuring approximately 105-feet in depth from Mission Street and 156-feet in width along	85-X

Mission Street; Assessor Block and Lot to be assigned.	
The westerly portion of the Mission Street frontage and southerly portion of the South Van Ness frontage measuring approximately 308 feet in width along Mission Street and approximately 110 feet in depth from Mission Street; Assessor Block and Lot to be assigned.	130/400-R-3

Section 4. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By:


John D. Malamut
Deputy City Attorney

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SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft Planning Code Text and Zoning Map Amendment Resolution

HEARING DATE: MARCH 23, 2017

Project Name: 1500 Mission Street (a.k.a Goodwill Site)
Case Number: 2014-000362ENVGPAPCAMAPDNXSHD
Project Sponsor: Goodwill SF Urban Development, LLC

c/o Matt Witte – (415) 677.9000
Related California
44 Montgomery Street, Suite 1050
San Francisco, CA 94104

Staff Contact: Tina Chang, AICP
tina.chang@sfgov.org, 415-575-9197

Recommendation: **Approve Planning Code Text and Zoning Map Amendments and Adopt the Draft Resolution**

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Suite 400
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CA 94103-2479

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RESOLUTION RECOMMENDING TO THE BOARD OF SUPERVISORS THE APPROVAL OF AN AMENDMENT TO THE PLANNING CODE IN ORDER TO FACILITATE THE CONSOLIDATION OF CITY OFFICES INTO A SINGLE BUILDING AND ALLOW THE CREATION OF A RESIDENTIAL DEVELOPMENT THAT WOULD PROVIDE AFFORDABLE UNITS IN EXCESS OF THE CITY'S INCLUSIONARY AFFORDABLE HOUSING PROGRAM, INCLUDING 1) AN AMENDMENT OF THE PLANNING CODE TEXT TO ADD SECTION 249.XX TO ESTABLISH THE 1500 STREET SPECIAL USE DISTRICT AND AMEND SECTION 270 TO REGULATE BUILDING BULK WITHIN THE SPECIAL USE DISTRICT; 2) AMENDMENTS TO SPECIAL USE DISTRICT MAP SU07 AND HEIGHT AND BULK MAP HT07 TO REFLECT THE CREATION OF THE SPECIAL USE DISTRICT AND REDESIGNATE THE HEIGHT AND BULK OF ASSESSOR'S BLOCK 3506, LOT 006 AND 007, FROM 85-R-2, 85/250-R-2 AND 120/320-R-2 TO 85-X, 130/240-R-3 AND 130/400-R-3; MAKE AND ADOPT FINDINGS, INCLUDING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1 AND FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

WHEREAS, Section 4.105 of the Charter of the City and County of San Francisco authorizes the Planning Commission to propose ordinances regulating or controlling the height, area, bulk, set-back, location, use or related aspects of any building, structure or land for Board of Supervisors' consideration and periodically recommend to the Board of Supervisors for approval or rejection proposed amendments to the General Plan; and

WHEREAS, the Planning Code and associated zoning maps implement goals, policies, and programs of the General Plan for the future physical development of the City and County of San Francisco that take into consideration social, economic and environmental factors; and

WHEREAS, the Planning Code and associated zoning maps shall be periodically amended in response to changing physical, social, economic, environmental or legislative conditions; and

WHEREAS, on April 29, 2015, Steve Vettel of Farella Braun & Martel on behalf of Goodwill SF Urban Development, LLC ("Project Sponsor") filed applications requesting a) approval of a Downtown Project Authorization pursuant to Section 309 of the San Francisco Planning Code; b) a Planning Code Text Amendment; and c) Zoning Map Amendments. On October 19, 2016, Mr. Vettel also submitted an application for a General Plan Amendment to facilitate the construction of a mixed-use project located at 1500 Mission Street ("Project") with 1) an approximately 264-foot tall that would consolidate office space for multiple City departments, including the Department of Building Inspection, SF Public Works, and the Planning Department; and 2) an approximately 400-foot tall building containing approximately 5550 dwelling units providing on-site inclusionary affordable dwellings units amounting to 20 percent of the total constructed units, in excess of the amounts required by the City's Inclusionary Affordable Housing Program (Planning Code section 415) as described below along with a request to i) change the building height and bulk districts at the project site from 85-X, 85/250-R-2 and 120/320-R-2 to 85-X, 130/240-R-3 and 130/400-R-3; ii) amend Section 270 to add subsection (g) to modify bulk limits owing to the unique needs of the City's one-stop permit center and the locations windy conditions; iii.) allow for parking in excess of that which is currently permitted for the office use owing to the unique needs of the City's vehicular fleet; iv.) allow the City office component and residential component to permit separate parking and loading openings on the 11th street frontage no greater than 24 feet in width each; v.) allow office use above the fourth floor as a contingency should the City not occupy the office building; vi.) permit certain overhead projections intended primarily to reduce ground level wind speeds; and vi.) limit the maximum horizontal area required for Dwelling Unit Exposure requirements to 65 feet.

WHEREAS, on December 15, 2016, this Commission initiated these Planning Code Text and Zoning Map Amendments in its Motion No. 19822.

WHEREAS, on March 23, 2017, the Commission held a public hearing on this application to adopt Planning Code text amendments and Zoning Map amendments. [add standard public hearing language]

WHEREAS, the Project is located on the Mission Street transit corridor, and responds to the transit-rich location by proposing increased housing and employment on the Project site; and

WHEREAS, the project site is located within the Hub Plan Area currently being studied by the Planning Department and is consistent with the proposed heights and bulks associated with the Hub Project; and

WHEREAS, San Francisco faces a continuing shortage of affordable housing low-income residents. The San Francisco Planning Department reported that for the five-year period between 2005 and 2009, 14,397, total new housing units were built in San Francisco. This number includes 3,707 units for low and very low-income households out of a total need of 6,815 low and very low-income housing units for the same period. According to the state Department of Housing and Community Development, there will be a regional need for 214,500 new housing units in the nine Bay Area counties from 2007 to 2014. Of that amount, over 58%, or 125,258 units, are needed for moderate/middle, low and very low-income households. The Association of Bay Area Governments (ABAG) is responsible for allocating the total regional need numbers among its member governments which includes both counties and cities. ABAG

estimated that San Francisco's low and very low-income housing production need from 2007 through 2014 is 12,124 units out of a total new housing need of 31,193 units, or 39 percent of all units built. The production of low and moderate/middle income units fell short of the ABAG goals; and

WHEREAS, the 2015 Consolidated Plan for July 1, 2015 to June 30, 2020, issued by the Mayor's Office of Housing, establishes that extreme housing pressures face San Francisco, particularly in regard to low- and moderate/middle-income residents. Many elements constrain housing production in the City. This is especially true of affordable housing. San Francisco is largely built out, with very few large open tracts of land to develop. There is no available adjacent land to be annexed, as the cities located on San Francisco's southern border are also dense urban areas. Thus new construction of housing is limited to areas of the City not previously designated as residential areas, infill sites, or to areas with increased density. New market-rate housing absorbs a significant amount of the remaining supply of land and other resources available for development and thus limits the supply of affordable housing; and

WHEREAS, the findings of former Planning Code Section 313.2 for the Jobs-Housing Linkage Program, now found in Planning Code Sections 413 *et seq.*, relating to the shortage of affordable housing, the low vacancy rate of housing affordable to persons of lower and moderate/middle income, and the decrease in construction of affordable housing in the City are hereby reaffirmed; and

WHEREAS, the Project would address the City's severe need for additional housing for low income households, by providing on-site inclusionary affordable dwellings units in excess of the amounts required by the City's Inclusionary Affordable Housing Program (Planning Code section 415) through compliance with the terms of section 415 and additional affordable units included as part of a real estate conveyance with the City for the City Office building; and

WHEREAS, the Project provides a unique opportunity to satisfy the City and County of San Francisco's unmet office needs to provide a consolidated one-stop permit center; enhanced pedestrian connectivity via a mid-block public space and alley network extending from Mission Street to South Van Ness Avenue, and ground floor community event spaces; and

WHEREAS, the proposed City office building is fiscally prudent and has a positive net present value over the next thirty years. In addition to lower operating expenses compared to current assets or other alternatives (including the purchase of existing office space or other newly constructed office space), the project will also be more efficient and environmentally sustainable. Additional benefits are anticipated through enhanced inter-agency collaboration through colocation, a one-stop permit center, a connection to existing City offices at 1 South Van Ness, and employee and customer efficiencies given proximity to other government offices in the Civic Center area. The Project would address the City's severe need for additional housing for low income households, by providing on-site inclusionary affordable dwellings units in excess of the amounts required by the City's Inclusionary Affordable Housing Program (Planning Code section 415) as described above; and

WHEREAS, the proposed General Plan Amendment and Special Use District would not result in increased development potential from what is permitted under the existing height and bulk districts; and

WHEREAS, the Project proposes neighborhood-serving amenities, such as new ground floor retail; proposes new publicly accessible open space, improved pedestrian connectivity, enhanced public service and incorporation of sustainability features into the Project; and

WHEREAS, the City Attorney's Office drafted a Proposed Ordinance to make the necessary amendments to the Planning Code related to creation of a special use district, modification of bulk controls applicable to the project site, and revision to the Zoning Map SU07 and H07 to implement the Project. The Office of the City Attorney approved the Proposed Ordinance as to form; and

WHEREAS, on November 9, 2016, the Planning Department published a Draft Environmental Impact Report ("DEIR") for public review (Case No. 2014-000362ENV). The DEIR was available for public comment until January 4, 2017. On December 15, 2016, the Commission conducted a duly noticed public hearing at a 10:00 a.m. meeting to solicit comments regarding the DEIR. On March 9, 2017, the Department published a Comments and Responses document, responding to comments made regarding the DEIR prepared for the Project. Together, the Comments and Responses document and DEIR comprise the Final EIR ("FEIR"). On March 23, 2017, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to certify the FEIR; and

WHEREAS, on March 23, 2017, the Commission adopted the FEIR and the mitigation and improvement measures contained in the Mitigation Monitoring and Reporting Program ("MMRP"), attached as Attachment B of the CEQA Findings Motion No. []; and

WHEREAS, on March 23, 2017, the Commission made and adopted findings of fact and decisions regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, California Public Resources Code Section 21000 et seq. ("CEQA"), particularly Section 21081 and 21081.5, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Section 15000 et seq. ("CEQA Guidelines"), Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31") by its Motion No. []. The Commission adopted these findings as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting these CEQA findings.

WHEREAS, 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 Planning Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Planning Department, Jonas Ionin (Commission Secretary) as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

RESOLVED, that pursuant to Planning Code Section 302, the Commission hereby recommends approval of the amendments to the Planning Code Text and Zoning Maps, and adopts this resolution to that effect;

AND BE IT FURTHER RESOLVED, that the findings set forth in the Downtown Project Authorization, Motion No. [] adopted by the Commission on this date are hereby incorporated by reference.

I hereby certify that the foregoing RESOLUTION was ADOPTED by the San Francisco Planning Commission on March 23, 2017.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments and the record as a whole, including all information pertaining to the Project in the Planning Department's case files, this Commission finds, concludes, and determines as follows:

1. The Commission finds that the 1500 Mission Street Special Use District and the Project at 1500 Mission Street to be a beneficial development to the City that could not be accommodated without the actions requested.
2. The Commission made and adopted environmental findings by its Motion No. [], which are incorporated by reference as though fully set forth herein, regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Commission adopted these findings as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting the CEQA findings.
3. The Project would address the City's severe need for additional housing for very low, low and moderate income households, by providing on-site inclusionary affordable dwellings units in excess of the amounts required by the City's Inclusionary Affordable Housing Program (Planning Code section 415).
4. The proposed General Plan Amendment and Special Use District would deliver office space essential for the City's needs, enhance public service by providing a consolidated one-stop permit center, in close proximity to other government offices in the Civic Center Area and providing greater efficiency and convenience to members of the public, and offer a fiscally prudent and has lower operating expenses compared to current assets or other alternatives (including the purchase of existing office space or other newly constructed office space).
5. The Project proposes neighborhood-serving amenities, such as new ground floor retail, and pedestrian safety improvements to surrounding streets; proposes new publicly accessible open space; and would incorporate sustainability features into the Project.
6. The Planning Code and Zoning Map Amendments are necessary in order to approve the Project;
7. **General Plan Compliance.** The Project is, on balance, consistent with the Objectives and Policies of the General Plan, for the reasons set forth in the findings in the Downtown Project Authorization, Motion No. [], which are incorporated by reference as though fully set forth herein.
8. **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,

for the reasons set forth in the Downtown Project Authorization, Motion No. [] which are incorporated by reference as though fully set forth herein.

9. 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.
10. Based on the foregoing and in accordance with Section 302, the public necessity, convenience and general welfare require the proposed General Plan Amendment.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

[Planning Code – 1500 Mission Street Special Use District]

Ordinance amending the Planning Code to create the 1500 Mission Street Special Use District to facilitate development of the 1500 Mission Street (Assessor's Block 3506, Lots 006 and 007) project, to regulate bulk controls in the Special Use District, to modify Zoning Map SU07 to place the project site into this Special Use District and Zoning Map HT07 to modify the height and bulk district designations for the project site; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code Section 302.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings.

(a) This legislation is related to companion legislation that amends two General Plan height maps for the 1500 Mission Street project. It also is companion legislation to legislation that ratifies the City's purchase and sale agreement with the Project Sponsor for the City to purchase the office building site portion of the development. This legislation is on file with the Clerk of the Board of Supervisors in File Nos. _____ and _____, respectively.

1 (b) The abovementioned legislation that amends the General Plan provides a
2 description of the project and adopts findings under the California Environmental Quality Act
3 ("CEQA", California Public Resources Code Sections 21000 et seq.). For purposes of the
4 actions contemplated herein, this ordinance adopts the environmental findings from the
5 General Plan amendment legislation, which is on file with the Clerk of the Board of
6 Supervisors in File No. _____ and incorporated herein by reference.

7 (c) On _____, 2016, in Resolution No. _____, the Planning
8 Commission initiated this legislation in accordance with Planning Code Section 302. This
9 Resolution is on file with the Clerk of the Board of Supervisors in File No. _____.

10 (d) On _____, 2017, in Resolution No. _____, the Planning
11 Commission found that this ordinance is, on balance, in conformity with the General Plan and
12 the priority policies of Planning Code Section 101.1. A copy of this Resolution is on file with
13 the Clerk of the Board of Supervisors in File No. _____ and is incorporated herein
14 by reference. The Board hereby adopts the Planning Commission General Plan and Planning
15 Code Section 101.1 findings as its own.

16 (e) Also in Resolution No. _____, the Planning Commission adopted findings
17 under Planning Code Section 302 determining that this ordinance serves the public necessity,
18 convenience, and general welfare. The Board of Supervisors adopts as its own these
19 findings.

20
21 Section 2. The Planning Code is hereby amended by adding Section 249.12, to read
22 as follows:

23 **SEC. 249.12. 1500 MISSION STREET SPECIAL USE DISTRICT.**

24 (a) **Purpose.** There shall be a 1500 Mission Street Special Use District, which is
25 comprised of Lots 006 and 007 in Assessor's Block 3506, whose boundaries are designated

1 on Zoning Map SU07 of the Zoning Map of the City and County of San Francisco. This district
2 is intended to facilitate a transit-oriented, high-density, mixed-use residential and City and
3 County of San Francisco office development. This area was identified in the Downtown Plan
4 and the Market and Octavia Area Plan of the General Plan as an area to encourage housing
5 adjacent to the downtown and government offices supporting the Civic Center and City Hall.

6 (b) **Use Controls.** References to the 1500 Mission Street Special Use District in this
7 subsection shall be as of the effective date of this Section 249.12.

8 (1) **Ground Floor Uses.** Public agency office space shall be permitted at the
9 ground floor.

10 (2) **Residential Affordable Housing Program.** The provisions of Section
11 249.33(b)(3) of this Code shall apply within this Special Use District, except that the
12 Affordable Housing Fee and the off-site housing alternative shall be equivalent to 27.5 percent
13 of the number of units in the project, and the on-site percentage shall be 13.5 percent of the
14 number of units in the project.

15 (3) **Usable Open Space for Dwelling Units.** Requirements for common usable
16 open space pursuant to Section 135 may be met by providing one of the publicly-accessible
17 types delineated in Section 249.33(b)(4) of this Code.

18 (4) **Obstructions Over Streets and Usable Open Space.** Overhead
19 horizontal projections intended primarily to reduce ground level wind speeds which leave at
20 least 7½ feet of headroom may extend over a street, common usable open space, sidewalk or
21 setback where the depth of any such projection is no greater than the headroom it leaves, and
22 in no case is greater than 20 feet.

23 (5) **Lot Coverage.** The provisions of Section 249.33(b)(5) of this Code shall
24 apply within this Special Use District.

1 (6) **Floor Area Ratio.** The maximum FAR allowed shall be that described in
2 Section 123(c), provided that it shall not be greater than 9:1. The definition of Gross Floor
3 Area shall be that in Section 102, and shall include all residential uses, except for residential
4 uses that are affordable units as defined in Section 401 and the affordable units' proportional
5 share of residential common areas and amenities. Floor Area Bonuses, as set forth in Section
6 249.33(b)(6)(B) of this Code, shall apply within this Special Use District.

7 (7) **Mid-Block Alley.** An east-west mid-block pedestrian alley of not less than
8 25 feet in width shall extend from South Van Ness Avenue to the western main lobby entrance
9 of the proposed City office building. Additionally, a north-south alley of not less than 25 feet in
10 width shall extend from Mission Street to the aforementioned east-west mid-block pedestrian
11 alley. These two alleys shall be subject to the provisions of Section 270.2(e) through 270.2(i)
12 of this Code, except for Subsections 270.2(e)(5) and 270(e)(14). Additionally, the Planning
13 Director may waive or modify Subsection 270.2(e)(9) in the case of documented exceptional
14 circumstances and operational conditions relating to the unique nature of the City's tenancy
15 on the site. Other provisions of Section 270.2 shall not apply within this Special Use District.

16 (8) **Off-Street Parking.** In order to accommodate public agency fleet parking
17 and short-term parking associated with a public-serving permit center, the maximum amount
18 of off-street parking that may be provided within the proposed public agency office building
19 shall be one space for each 3,000 gross square feet of floor area. Off-street parking within
20 other buildings in this SPECIAL USE DISTRICT may be used on a temporary or ongoing
21 basis as additional accessory parking for the proposed public agency office space.

22 (9) **Dwelling Unit Exposure.** Provisions of Section 140(a)(1) of this Code shall
23 apply within this SPECIAL USE DISTRICT. The additional five horizontal feet of open space
24 required at subsequent floors pursuant to Section 140(a)(2) of this Code shall be capped at 65
25 feet in every horizontal dimension.

1 **(10) Access to Off-Street Parking and Loading.** In consideration of City
2 policy to restrict curb cuts and off-street parking and loading access on South Van Ness
3 Avenue and Mission Street, the residential component and the City office component shall
4 each be permitted to provide separate parking and loading ingress and egress openings on
5 the 11th Street frontage of no greater than 24 feet in width each, in lieu of the limitations set
6 forth in Sections 145.1(c)(2) and 155(s)(5). To the extent feasible as determined by the
7 Planning Director, in consultation with the Director of Real Property, in order to facilitate the
8 preservation of a portion of the 11th Street façade of the existing 1500 Mission Street building,
9 enhance pedestrian conditions, and further activate 11th Street, a shared ingress (but not
10 egress) to both the residential component and the City office component shall be provided to
11 reduce the residential component opening to no greater than 12 feet in width.

12
13 Section 3. The Planning Code is hereby amended by revising Section 270, to read as
14 follows:

15 **SEC. 270. BULK LIMITS: MEASUREMENT.**

16
17 * * * *

18 **(g) 1500 Mission Street Special Use District.** In Bulk District R-3, bulk limitations
19 are as follows:

20 (1) In height districts 130/240-R-3 and 130/400-R-3, there are no bulk
21 limitations below 130 feet in height, and structures above 130 feet in height shall meet the
22 following bulk limitations.

23 (A) Buildings between the podium height limit and 240 feet in height
24 may not exceed a plan length of 170 feet and a diagonal dimension of 225 feet.

(B) Buildings between 241 and 400 feet in height may not exceed a plan length of 156 feet and a diagonal dimension of 165 feet, and may not exceed a maximum average floor area of 13,100 gross square feet. To encourage tower sculpting, the gross floor area of the top one-third of the tower shall be reduced by 7 percent from the maximum floor plate of the tower above the podium height limit unless the overall tower floor plate is reduced by an equal or greater volume.

(C) In order to provide adequate sunlight and air to streets and open spaces, a minimum distance of 115 feet must be preserved between all structures above 130 feet in height at all levels above 130 feet in height. Spacing shall be measured horizontally from the outside surface of the exterior wall of the subject building to the nearest point on the closest structure above 130 feet in height.

(2) No exceptions shall be permitted. The procedures for granting special exceptions to bulk limits described in Section 272 shall not apply.

Section 4. The Planning Code is hereby amended by revising Zoning Map SU07 as follows:

Description of Property	Special Use District to be Superseded	Special Use District Hereby Approved
Assessor's Block 3506, Lots 006 and 007	Van Ness & Market Downtown Residential Special Use District	1500 Mission Street Special Use District

Section 5. The Planning Code is hereby amended by revising Zoning Map HT07 as follows:

Description of Property	Height/Bulk District to be Superseded
Assessor's Block 3506, Lot 006	85/250-R-2, 120/320-R-2
Assessor's Block 3506, Lot 007	85/250-R-2, 85-X

Description of Property for Assessor's Block 3506, Lots 006, 007	Height/Bulk District Hereby Approved
Along the northerly portion of the South Van Ness Avenue and 11th Street frontages measuring approximately 170 feet in depth and 422 feet in width; Assessor Block and Lot to be assigned.	130/240-R-3
Along the southerly portion of the 11 th Street frontage and the easterly portion of the Mission Street frontage measuring approximately 105-feet in depth from Mission Street and 156-feet in width along Mission Street; Assessor Block and Lot to be assigned.	85-X
The westerly portion of the Mission Street frontage and southerly portion of the South Van Ness frontage measuring	130/400-R-3

1 approximately 308 feet in width along
2 Mission Street and approximately 110
3 feet in depth from Mission Street;
4 Assessor Block and Lot to be assigned.

5
6
7 Section 6. This section is uncoded. In Section 1.A. of Ordinance No. 254-14, the
8 Board of Supervisors acknowledged that the "[d]eveloper has designated the remainder of the
9 Goodwill Site for a high density multifamily residential complex of approximately 110
10 affordable and 440 market rate units" A copy of this ordinance is on file with the Clerk of
11 the Board of Supervisors in File No. 141120 and is incorporated herein by reference. This
12 level of inclusionary affordable housing (20% or 110 units) exceeds the amount of affordable
13 housing that would have applied to this project (13.5% or 74 units) under Planning Code
14 Section 415.3(b)(1)(B). This Board recognizes that but for this higher level of affordable
15 housing, it would not have approved the conditional purchase agreement in said ordinance.
16 Consequently, the Board of Supervisors hereby amends the inclusionary housing
17 requirements of Section 415.3(b)(1)(B) for this project to require no less than 20%
18 inclusionary affordable housing.

19
20 Section 7. **Effective Date.** This ordinance shall become effective 30 days after
21 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
22 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
23 of Supervisors overrides the Mayor's veto of the ordinance.

1 Section 8. **Scope of Ordinance.** In enacting this ordinance, the Board of Supervisors
2 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
3 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
4 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
5 additions, and Board amendment deletions in accordance with the "Note" that appears under
6 the official title of the ordinance.

7
8 APPROVED AS TO FORM:
9 DENNIS J. HERRERA, City Attorney

10 By:


11 John D. Malamut
12 Deputy City Attorney

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SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|---|---|
| <input checked="" type="checkbox"/> Affordable Housing (Sec. 415) | <input checked="" type="checkbox"/> First Source Hiring (Admin. Code) |
| <input checked="" type="checkbox"/> Transit Impact Dev't Fee (Sec. 411) | <input checked="" type="checkbox"/> Better Streets Plan (Sec. 138.1) |
| <input checked="" type="checkbox"/> Childcare Fee (Sec. 414) | <input checked="" type="checkbox"/> Public Art (Sec. 429) |

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Planning Commission Draft Motion

HEARING DATE: MARCH 23, 2017

Date: March 9, 2017
Case No.: **2014-000362ENVGPAPCAMAPDNXSHD**
Project Address: 1500 Mission Street
Current Zoning: C-3-G (Downtown General)
120/320-R-2, 85-R-2 Height and Bulk Districts
Van Ness & Market Downtown Residential Special Use District
Proposed Zoning C-3-G (Downtown General)
130/240-R-3, 130/400-R-3, 85-X
1500 Mission Street Special Use District
Block/Lot: 3506/006, 007
Project Sponsor: Goodwill SF Urban Development, LLC
c/o Matt Witte – (415) 677.9000
Related California
44 Montgomery Street, Suite 1050
San Francisco, CA 94104
Staff Contact: Tina Chang – (415) 575-9197
Tina.Chang@sfgov.org

ADOPTING FINDINGS RELATED TO THE APPROVAL OF A SECTION 309 DETERMINATION OF COMPLIANCE AND REQUEST FOR EXCEPTIONS FOR REDUCTION OF GROUND-LEVEL WIND CURRENTS PER PLANNING CODE SECTION 148 AND OFF-STREET FREIGHT LOADING PER SECTION 161 TO DEMOLISH AN EXISTING 30-FOOT TALL 29,000 SQUARE FOOT BUILDING AT 1580 MISSION STREET, RETAIN AND REHABILITATE A PORTION OF AN EXISTING 28-FOOT TALL 57,000 SQUARE FOOT BUILDING AT 1500 MISSION STREET AND DEMOLISH THE REMAINDER OF THE 1500 MISSION STREET BUILDING AND THE NEW CONSTRUCTION OF TWO NEW BUILDINGS, A 464,000 SQUARE FOOT, 16-STORY, 227-FOOT-TALL CITY OFFICE BUILDING AND A 552,290 SQUARE FOOT, 39-STORY, 396-FOOT-TALL RESIDENTIAL TOWER CONTAINING APPROXIMATELY 550 DWELLING UNITS, INCLUDING APPROXIMATELY 110 BELOW MARKET RATE UNITS; UP TO 38,000 SQUARE FEET OF GROUND FLOOR RETAIL, 59,000 SQUARE FEET OF PRIVATE AND COMMON OPEN SPACE; 620 BICYCLE PARKING SPACES (553 CLASS 1, 67 CLASS 2) AND UP TO 409 VEHICULAR PARKING SPACES WITHIN THE VAN NESS AND MARKET DOWNTOWN RESIDENTIAL SPECIAL USE DISTRICT, DOWNTOWN-GENERAL

(C-3-G) ZONING DISTRICT AND AND PROPOSED 1500 MISSION STREET SPECIAL USE DISTRICT, AND PROPOSED 130/400-R-3 AND 85-X HEIGHT AND BULK DISTRICTS AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On October 13, 2014, Steve Vettel of Farella, Braun & Martel on behalf of Goodwill SF Urban Development, LLC ("Project Sponsor") filed an Environmental Evaluation Application for the Project. 2014. On May 13, 2015, the Department published a Notice of Preparation of Environmental Impact Report and Notice of Public Scoping Meeting ("NOP"). Publication of the NOP initiated a 30-day public review and comment period that began on May 13, 2015 and ended on June 15, 2015. On June 2, 2015, the Department held a public scoping meeting regarding the Project. On November 9, 2016, the Department published the Draft Environmental Impact Report (hereinafter "DEIR"), including the Initial Study ("IS"), and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice. Notices of availability of the DEIR and of the date and time of the public hearing were posted near the Project Site by the Project Sponsor on November 9, 2016.

On April 29, 2015, the Project Sponsor filed an application requesting approval of a Downtown Project Authorization pursuant to Section 309 of the San Francisco Planning Code to facilitate the construction of two new buildings approximately 390 and 264-feet tall located at 1500 Mission Street ("Project") containing approximately 550 dwelling units, approximately 462,000 square feet of office space, 51,000 square feet of ground floor retail space, approximately 7,600 square foot publicly accessible open space in the form of a "forum" at the ground floor, up to 423 parking spaces, 6 loading spaces, and 369 bicycle parking spaces. On February 23, 2017 the Project Sponsor submitted an updated application to correct the proposed building heights to 396 and 216 feet for the residential and office buildings respectively, the total number of proposed vehicular parking to 409 spaces, bicycle parking to 620, retail square footage to 38,000 square feet, office square footage to 449,800 square feet. Additionally, the application was updated to reflect the Project's inclusion of 4,400 square feet of on-site child care.

On April 29, 2015, the Project Sponsor also filed an application for a Planning Code Amendment and Zoning Map amendment to supersede the existing Van Ness & Market Downtown Residential Special Use District with a new special use district for the Project and to amend height and bulk districts to permit one approximately 390-foot residential tower with a podium height of 110 feet and one 264-foot tall tower with a podium height of 93 feet.

On October 19, 2016, the Project Sponsor filed amendments to the Planning Code Text and Zoning Map Amendment Applications and a General Plan Amendment Application to add Section 270(g) to amend bulk controls to the proposed special use district and Map 3 (Height Districts) of the Market and Octavia Plan.

On December 15, 2016, the Planning Commission adopted Resolutions 19821 and 19822 to initiate legislation entitled, (1) "Ordinance amending the General Plan by revising the height designation for the 1500 Mission Street project, Assessor's Block 3506 Lots 006 and 007 on Map 3 of the Market and Octavia

Area Plan and on Map 5 of the Downtown Area Plan; adopting findings under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1;” and (2) Ordinance amending the Planning Code to create the 1500 Mission Street Special Use District to facilitate development of the 1500 Mission Street (Assessor’s Block 3506, 006 and 07) project, to regulate bulk controls in the Special Use District, to modify Zoning Map SU07 to place the project site into this Special Use District and Zoning Map HT07 to modify the height and bulk district designations for the project site; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 01.; and adopting findings of public necessity, convenience, and welfare under Planning Code Section 302,” respectively.

On December 15, 2016, the Commission held a duly advertised public hearing on the DEIR, at which opportunity for public comment was given, and public comment was received on the DEIR. The period for commenting on the EIR ended on January 4, 2017. The Department prepared responses to comments on environmental issues received during the 45 day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected clerical errors in the DEIR.

On March 8, 2017, The Planning Department published a Responses to Comments document. A Final Environmental Impact Report (hereinafter “FEIR”) has been prepared by the Department, consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the Responses to Comments document all as required by law.

On March 23, 2017, the Commission reviewed and considered the FEIR and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code. The FEIR was certified by the Commission on March 23, 2017 by adoption of its Motion No. [].

At the same Hearing and in conjunction with this motion, the Commission made and adopted findings of fact and decisions regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, California Public Resources Code Section 21000 et seq. (“CEQA”), particularly Section 21081 and 21081.5, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Section 15000 et seq. (“CEQA Guidelines”), Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code (“Chapter 31”) by its Motion No. []. The Commission adopted these findings as required by CEQA, separate and apart from the Commission’s certification of the Project’s Final EIR, which the Commission certified prior to adopting these CEQA findings. The Commission hereby incorporates by reference the CEQA findings set forth in Motion No. [].

On March 23, 2017 the Commission conducted a duly noticed public hearing at a regularly scheduled meeting regarding (1) the General Plan Amendment amending Maps 3 and 5; and (2) the ordinance amending Planning Code to add the 1500 Mission Street Special Use District, and revise Zoning Map SU07 and HT07. At that meeting the Commission Adopted (1) Resolution [] recommending that the

Board of Supervisors approve the requested General Plan Amendment; and (2) Resolution [] recommending that the Board of Supervisors approve the requested Planning Code Text and Map Amendments.

On March 23, 2017, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting regarding the Downtown Project Authorization application 2014-000362ENVGPAPCAMAPDNXSHD. At the same hearing the Commission determined that the shadow cast by the Project would not have any adverse effect on Parks within the jurisdiction of the Recreation and Parks Department. The Commission heard and considered the testimony presented to it at the public hearing and further considered written materials and oral testimony presented on behalf of the applicant, Department staff and other interested parties, and the record as a whole.

The Planning Department, Jonas P. Ionin, is the custodian of records; all pertinent documents are located in the File for Case No. 2014-000362ENVGPAPCAMAPDNXSHD, at 1650 Mission Street, Fourth Floor, San Francisco, California.

MOVED, that the Commission hereby approves the Downtown Project Authorization requested in Application No. 2014-000362ENVGPAPCAMAPDNXSHD, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The Project site consists of two parcels (Assessor's Block 3506, Lot 007 [1500 Mission Street] and Lot 006 [1580 Mission Street]) (in some documents referred to as Lots 002 and 003), located on the north side of Mission Street between 11th Street to the east and South Van Ness Avenue to the west, within San Francisco's South of Market (SoMa) neighborhood. The Project site is located within the Downtown Area Plan and Market & Octavia Area Plan and is located within the C-3-G (Downtown General Commercial) Use District, the Van Ness & Market Downtown Residential Special Use District, and the 120/320-R-2, 85/250-R-2, and 85-X Height and Bulk Districts.

The Project site totals 110,772 square feet (2.5 acres), and the lot is generally flat. The site is a trapezoidal shape with approximately 472 feet of frontage along Mission Street, 301 feet of frontage along South Van Ness Avenue, and 275 feet of frontage along 11th Street. The northern boundary of the site stretches for 321 feet abutting an eight-story City office building that fronts onto South Van Ness Avenue, Market Street and 11th Street (One South Van Ness Avenue).

The Project site is currently occupied by two existing buildings used by Goodwill Industries: a two-story, approximately 30-foot-tall 29,000-square-foot building located at 1580 Mission Street that was constructed in 1997 and contains a Goodwill retail store on the ground level and offices

above, and an approximately 57,000-square-foot, approximately 28-foot-tall (including an approximately 97-foot-tall clock tower), largely single-story warehouse and office building located at 1500 Mission Street that was used until June 2016 by Goodwill for processing donated items and administrative functions. The warehouse building at 1500 Mission Street has a basement parking garage with approximately 110 public parking spaces (some of which are valet), and accessed from an approximately 25-foot-wide curb cut on South Van Ness Avenue.

The Project site also contains approximately 25 surface parking spaces and six surface loading spaces, accessed from an approximately 46-foot-wide curb cut on Mission Street. The warehouse building, which features an approximately 97-foot-tall clock tower atop the Mission Street façade, was constructed in 1925 for the White Motor Company and renovated in 1941 for use as a Coca-Cola bottling plant—a use that continued until the 1980s. The building located at 1580 Mission Street is less than 45 years of age and is considered a “Category C” property—Not a Historical Resource. The warehouse building located at 1500 Mission Street has been determined individually eligible for the California Register of Historical Resources and is considered a “Category A” property – Known Historical Resource.

3. **Surrounding Properties and Neighborhood.** Immediately north of the project site at One South Van Ness Avenue is an eight-story City-owned office building with a ground-floor Bank of America branch and parking. Various city departments, including the San Francisco Municipal Transportation Agency (SFMTA), Mayor’s Office of Housing and Community Development, and Office of Community Investment and Infrastructure, occupy the upper floors. To the east of the project site, across 11th Street, is a mixed-use office and retail building, which rises from eight stories on Mission Street to 22 stories on Market Street. The SoMa Self-Storage facility (six stories) is located to the southeast at 1475 Mission Street, and a Public Storage facility is located to the southwest (approximately two stories) at 99 South Van Ness Avenue.

Mixed-use commercial, retail, and residential buildings are located to the south of the project site, including three-story buildings located at between 1517 and 1559 Mission Street, as well as a five-story building located at 1563 Mission Street, which is an outpatient medical facility. All of these buildings are located between 11th Street and South Van Ness Avenue. To the southwest of the project site, across South Van Ness Avenue, there is a parking lot and food truck located at 1600 Mission Street, with a gas station and car wash located further to the south. A mix of commercial buildings ranging from one to three stories in height is located west of the intersection of South Van Ness Avenue and 12th Street. A Honda Dealership and Service Center is located to the northwest of the project site at 10 South Van Ness Avenue.

The project site is located approximately four blocks south of San Francisco City Hall and Civic Center Plaza, a 4.5-acre open plaza with an underground parking garage and surrounded by many of San Francisco’s largest government and cultural organizations. Approximately one-half mile northeast of the project site is United Nations Plaza, which is owned by the City and is generally bounded by Market Street to the south, McAllister Street to the north, Seventh Street to the east, and Hyde Street to the west. The plaza consists of a 2.6-acre pedestrian mall with seating, lawn areas, a fountain, public art installations, trees, and small gardens with a clear view of City Hall. The plaza is used twice a week for the Heart of the City Farmers Market and is near

the San Francisco Public Library, Asian Art Museum, various governmental institutions, offices, and numerous public transportation stops and stations.

The proposed Project is also located within one-half mile of Patricia's Green, which is generally located to the northwest. Patricia's Green includes a playground, walking paths, seating areas, lawn areas, and a rotating art installation. Patricia's Green is generally bounded by Hayes Street to the north, Octavia Street to the east (northbound) and west (southbound), and Fell Street to the south.

4. **Project Description.** The Project proposes to demolish the existing 1580 Mission Street building, to retain and rehabilitate a portion of the existing 1500 Mission Street building, and to demolish the remaining portions on the 1500 Mission building and construct a mixed-use development with two components: an approximately 767,200-square-foot, 396-foot-tall (416 feet to the top of the parapet) residential and retail/restaurant building at the corner of South Van Ness Avenue and Mission Street ("Retail/Residential Building"); and an approximately 567,300-square-foot, 227-foot-tall (257 feet to the top of the parapet) office and permit center building for the City and County of San Francisco ("City") on 11th Street between Market and Mission Streets ("Office Building") with a mid-rise extending west to South Van Ness Avenue. The proposed Project includes a proposed Zoning Map amendment and Planning Code text amendment to create the 1500 Mission Special Use District to supersede the Van Ness & Market Downtown Residential Special Use District designation and a proposed amendment to Planning Code Section 270 associated with bulk limitations, allowing for an exceedance of the current Height and Bulk District limitations, additional off-street parking, and office space above the fourth floor.

The proposed Residential/Retail Building will consist of a 39-story residential apartment tower containing approximately 550 dwelling units over up to 38,000 gross square feet of ground floor retail/restaurant space, and below grade parking for 300 vehicles and 247 bicycles. The proposed Office Building will consist of a 16-story tower consisting of 567,300 square feet of office space (of which 464,000 count towards Gross Floor Area) containing various City departments, a permit center and a childcare facility and below grade vehicle parking for 120 vehicles and 306 bicycles.

5. **Community Outreach and Public Comment.** To date, the Department has not received any formal public comment associated with the proposed Planning Code Text, Zoning Map and General Plan Amendments – or other entitlements associated with the project. Comments received as part of the environmental review process will be incorporated into the Environmental Impact Report. In addition to a community outreach meeting held on October 18, 2016, members of the public have also had opportunity to provide public comment on the project at an informational hearing at the Planning Commission held on October 27, 2016.
6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:
 - A. **Floor Area Ratio.** Pursuant to Section 123 and 424 of the Planning Code, Projects in the C-3-G Zoning District and the proposed 1500 Mission Special Use District have a base floor area ratio (FAR) of 6.0:1 and may reach an FAR of 9.0:1 with payment into the Van Ness and

Market Residential Special Use District Affordable Housing Fund. To exceed a floor area ratio of 9.0:1, all projects must contribute to the Van Ness and Market Neighborhood Infrastructure and Citywide Affordable Housing Fund.

The residential/retail component Project site has a lot area of approximately 57,617 square feet. As shown in the conceptual plans for the Project, the residential/retail building would include 766,925 square feet, of which 552,290 square feet would count towards FAR. Accordingly, the Project would make a payment to the Van Ness and Market Residential Special Use District Affordable Housing Fund for the Floor Area exceeding the base FAR ratio of 6.0:1 up to a ratio of 9.0:1 and to the Van Ness and Market Neighborhood Infrastructure and Citywide Affordable Housing Fund for any Floor Area exceeding an FAR of 9.0:1. Since the Project exceeds an FAR of 9.0:1, contribution to the City's. The City office component is exempt from these City fees.

- B. **Rear Yard Requirement.** Within the Van Ness and Market Downtown Residential Special Use District and the proposed 1500 Mission Street Special Use District, Rear Yard requirements pursuant to Planning Code Section 249.33 do not apply. Rather, lot coverage is limited to 80 percent at all residential levels.

The Project complies with this provision. Lot coverage for both parcels amount to 70%. The Project Sponsor has submitted a Subdivision Map application, which includes lot line adjustments for the two existing parcels to better align with the proposed uses and ownership structures. The proposed lot containing the residential tower measures approximately 53,004 square feet and will have approximately 58% lot coverage at the lowest residential level (Floor 2). Lot coverage controls do not apply to the office building since the 80 percent limitation is restricted to residential levels; however lot coverage of the parcel containing the City office building amounts to 82%.

- C. **Residential Open Space.** Planning Code Section 135 requires that private usable open space be provided at a ratio of 36 square feet per dwelling unit or that 48 square feet of common usable open space be provided per dwelling unit. However, common usable open space for mixed-use, residential and non-residential projects may be used to count against requirements contained in both Section 135 and 138.

The Project includes 550 dwelling units and provides private open space for 15 units. Therefore approximately 25,680 square feet of common open space is required. In all, the Project provides approximately 30,100 square feet open space of which 3,100 square feet is private and 27,000 square feet is common. Common open space can be found on floors 2, 5, 11 and 39 where terraces amounting to 27,000 square feet can be found. Publicly accessible open space can be found along the South Van Ness Avenue sidewalk, where a 15-foot setback has been provided, widening the sidewalk from 22 feet to 37 feet. The Project exceeds Planning Code requirements, and is therefore compliant with Section 135.

- D. **Public Open Space.** New buildings in the C-3-G Zoning District must provide public open space at a ratio of one square feet per 50 gross square feet of all uses, except residential uses, institutional uses, and uses in a predominantly retail/personal services building pursuant to Planning Code Section 138. This public open space must be located on the same site as the building or within 900 feet of it within a C-3 district.

Since the project proposes approximately 464,000 square feet of office use, approximately 9,280 square feet of public open space is required. Approximately 9,400 square feet of publicly accessible open space in the form of the landscaped and improved mid-block alley providing enhanced pedestrian connectivity to the proposed City office building from South Van Ness Avenue and approximately 3,300 square feet of or publicly accessible open space associated with the proposed residential and retail uses can be found. Therefore, the Project exceeds Code requirements and therefore complies with Section 138 of the Planning Code.

Although the Project proposes up to 38,000 square feet of retail space, each space amounts to less than 5,000 square feet, and is exempt from Gross Floor Area as well as the requirement to provide Public Open Space per Section 138.

- E. **Streetscape Improvements.** Planning Code Section 138.1 requires that when a new building is constructed in the C-3 District and is on a lot that is greater than half an acre in area and contains 250 feet of total lot frontage pedestrian elements in conformance with the Better Streets Plan shall be required.

The Project is located on a lot that measures 110,772 square feet, approximately 2.5 acres and contains approximately 1,040 linear feet of frontage. Due to restrictions within the Mission Street and South Van Ness Avenue right-of-ways, physical widenings along these two frontages are not possible. However, the Project includes a building setback of approximately 15 feet for approximately 285 linear feet along the South Van Ness Avenue frontage, effectively widening the sidewalk from 22 feet to over 37 feet wide. Additional streetscape improvements on South Van Ness Avenue include perforated wind screens, street and Class 2 bicycle parking (subject to approval by the San Francisco Municipal Transportation Authority (MTA)). Further, the 11th Street sidewalk will be widened from approximately 10.5 feet to 15 feet along the Project's frontage. Therefore, the Project complies with Planning Code Section 138.1.

- F. **Exposure.** Planning Code Section 140 requires all dwelling units in all use districts to face onto a public street at least 20 feet in width, side yard at least 25 feet in width or open area which is unobstructed and is no less than 25 feet in every horizontal dimension for the floor at which the dwelling unit is located and the floor immediately above it, with an increase of five feet in every horizontal dimension at each subsequent floor. The proposed Special Use District caps the horizontal dimension to which the open space must expand at each subsequent floor to 65 feet.

All 550 dwelling units expose onto a public right-of-way or an open space amounting to at least 67 feet. Therefore, the Project complies with exposure requirements pursuant to the proposed 1500 Mission Street Special Use District.

- G. **Active Frontages – Loading and Driveway Width.** Sections 145.1(c)(2) and 155(s)(5) do not apply in the proposed Special Use District. Rather, the residential and office components of the proposed Project shall be permitted to each provide separate parking and loading ingress and egress openings on the 11th Street frontage of no greater than 24 feet each, subject to conditions.

Vehicular access is not provided along the Project's South Van Ness Avenue frontage and provided in a managed, limited manner at the mid-block alley along Mission Street, as both rights-of-way are Transit Preferential Streets. The Project shall comply with improvement / mitigation measures outlined for loading on Mission Street (M-TR-3) contained in Attachment B which will be included as a part of the Conditions of Approval associated with the Project.

To the extent feasible, curb cuts and off-street parking and loading access on South Van Ness Avenue and Mission Street will be restricted to facilitate the preservation of a portion of the 11th Street façade of the existing 1500 Mission Street building, to enhance pedestrian conditions, and to further activate 11th Street. If a single shared ingress to both the residential component and the City office component is access if not feasible, the Planning Director, after consultation with the Director of Property, shall allow the residential component and the City office component each to provide separate vehicular parking and loading ingress and egress openings on the 11th Street frontage of no greater than 24 feet in width each, in lieu of the limitations set forth in Sections 145.1(c)(2) and 155(s)(5).

- H. **Street Frontage in Commercial Districts: Active Uses.** Planning Code Section 145.1(c)(3) requires that within Downtown Commercial Districts, space for "active uses" shall be provided within the first 25 feet of building depth on the ground floor.

The ground floor space along the South Van Ness Avenue, Mission Street, and 11th Street have active uses with direct access to the sidewalk within the first 25 feet of building depth, with the exception of space allowed for parking and loading access, building egress, and access to mechanical systems. Public Uses are considered Active Uses. Accordingly, the Project complies with Section 145.1(c)(3).

- I. **Street Frontage in Commercial Districts: Ground Floor Transparency.** Planning Code Section 145.1(c)(6) requires that within Downtown Commercial Districts, frontages with active uses that are not residential or PDR must be fenestrated with transparent windows and doorways for no less than 60 percent of the street frontage at the ground level and allow visibility to the inside of the building.

The Project complies with the Ground Floor Transparency requirements of the Planning Code. Approximately 83 percent of the Project's new construction frontage on 11th Street, 60 percent of the Project's South Van Ness Avenue frontage, and 61 percent of the Project's new construction frontage along Mission Street are fenestrated with transparent windows and doorways. Only the retained portions of the Project's historic resource are fenestrated with transparent windows and doorways for less than 60 percent. Pursuant to Planning Code Section 145.1(c)(6), the Planning Commission may waive or modify specific street frontage requirements for buildings considered historic resources.

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

A shadow analysis determined that the Project would cast shadow one proposed publicly accessible private open space (POPOS) – Brady Park.

The proposed Brady Park POPOS would receive new shading from 1500 Mission Street, with peak new shading likely occurring on or around the Summer Solstice (June 21). With morning shadows cast from the east to the west, a portion of the park space not shaded by 1629 Market Street would receive new shadows from the proposed Project. New shadow from 1500 Mission Street would occur during early mornings and be gone prior to 9am. No shading from the Project would be present on the equinoxes (September 20/March 21) nor the winter solstice (December 21). Quantitative calculations were not performed to confirm the precise range of dates new shading would be present, however it would likely be in the range of 1-2 months on either side of the Summer Solstice, or approximately 2-4 months annually.¹

- K. **Ground Level Wind.** Planning Code Section 148 requires that new construction in Downtown Commercial Districts will not cause ground-level wind currents to exceed pedestrian comfort levels. This standard requires that wind speeds not exceed 11 miles per hour in areas of substantial pedestrian use for more than 10 percent of the time year round, between 7:00 AM and 6:00 PM. The requirements of this Section apply either when preexisting ambient wind speeds at a site exceed the comfort level and are not being eliminated as a result of the project, or when the project may result in wind conditions exceeding the comfort criterion.

The existing conditions at the Project Site indicate that 33 of the 50 test points exceed the Planning Code's comfort criterion at grade level with average wind speeds at approximately 11.8 miles per hour (mph). The 11 mph comfort criterion is currently exceeded more than 10 percent of the time. With the Project, 2 new test points were studied since the Project introduces enhanced pedestrian connectivity. The comfort criterion is exceeded at 35 of 52 points with the project exceeded more than 10 percent of the time with average wind speeds increasing slightly to 12.1 mph from 11.8 mph. Generally, the wind conditions remain the same with the Project compared to existing conditions.

Under existing conditions, hazard criterion is exceeded at one point for 2 hours per year. With the Project, hazard criterion is exceeded at one point for 1 hour per year. Accordingly, hazardous conditions are improved with the Project.

A Section 309 exception is being sought because the Project would not eliminate the existing locations meeting or exceeding the Planning Code's comfort criterion. Exceptions from the comfort criterion may be granted pursuant to Section 309. There are no net new hazardous wind speeds caused by the Project. See Section 7, below, for 309 findings.

- L. **Parking.** Planning Section 151.1 allows up to one car for each two dwelling units as-of-right in the C-3-G Zoning District. Parking for the proposed retail use shall not exceed 7% of gross floor area for that use. For the proposed public agency office building, the maximum amount

¹ 1500 Mission Street Shadow Analysis Report, February 17, 2017, Prevision Design.

of off-street parking that may be provided off-street parking shall be one space for each 3,000 gross square feet of floor area as permitted by the proposed 1500 Mission Street Special Use District.

The Project contains 550 dwelling units, 38,000 square feet of retail and approximately 464,000 square feet of office uses. Thus, a total of 275 spaces for the residential use, up to 2,660 square feet devoted to parking for the retail use and 155 parking spaces for the City office building may be permitted. The Project proposes 275 parking spaces for the residential use, 2,660 square feet (14 spaces) devoted to parking for the retail use, and 120 parking spaces for the City office building. Therefore, the Project complies with Section 151.1 of the Planning Code and the 1500 Mission Street Special Use District.

- M. Off-Street Freight Loading.** Planning Code Section 152.1 requires that projects in the C-3 District that include the over 500,000 square feet of residential space must provide three off-street freight loading spaces within the project and 0.1 space per 10,000 square feet of gross floor area is required for office uses.

The Project includes 767,200 square feet of Residential development (552,290 square feet that counts towards Floor Area Ratio), requiring three off-street loading spaces, 38,000 square feet of Retail Use requiring 2 off-street loading spaces, and approximately 567,300 square feet of Office development (464,000 gross square feet that counts towards Floor Area Ratio), requiring 5 off-street loading spaces for a total of 10 spaces that meet dimensional requirements pursuant to Section 154. Three off-street loading spaces are provided for the Residential use and an equivalent of five spaces are provided for the Office use. Two spaces that can accommodate service vehicles meeting the dimensional requirements specified in Planning Code Section 154(b)(3) substitute one of the full-size loading spaces required for the proposed Office building. A total of four service vehicles are provided for the Office use, equivalent to two off-street loading spaces. Therefore a total of five full-size off-street loading are provided for the Office use. The Project is seeking an exception as permitted by Sections 161 and 309 for the two off-street loading spaces required for the proposed Residential / Retail component. See Section 7, below, for 309 findings.

- N. Bicycle Parking.** For buildings with more than 100 dwelling units, Planning Code Section 155.2 requires 100 Class 1 spaces plus one Class 1 space for every four dwelling units over 100, and one Class 2 space per 20 units. For Retail uses 1 Class 1 space is required for every 7,500 square feet of Occupied Floor Area and one Class 2 space is required for every 2,500 square feet of Occupied Floor Area. A minimum of one Class 1 space for every 5,000 square feet of Occupied Floor Area of Office Use and a minimum of two Class 2 spaces plus and additional space for every 50,000 square feet of Occupied Floor Area.

The Project complies with Section 155.2 because it provides 553 Class 1 and 67 Class 2 bicycle parking spaces, exceeding the Planning Code requirement to provide 311 Class 1 spaces (100 units x 1 stall = 100 + 450 X 1 stall / 4 units = 213 stalls for Residential Uses, 464,000 SF X 1 stall / 5,000 SF of Occupied Floor Area = 93 stalls for Office Uses and 38,000 SF X 1 stall / 7,500 SF of Occupied Floor Area = 5 for Retail Uses) and 54 Class 2 spaces (550 units x 1 stall/20 units = 28 stalls for Residential Uses, 464,000 SF x 1 stall / 50,000 SF of Occupied Floor Area + 2 = 11 stalls for Office Uses, and 38,000 square feet x 1 stall / 2,500 square feet = 15 stalls for Retail Uses). All Class 1 spaces are

located at the first basement level, accessible from the 11th Street ramps, and Class 2 spaces are located on the Project's sidewalks.

- O. **Shower Facilities and Lockers).** Section 155.4 requires shower facilities and lockers for new developments, depending on use. For non-retail sales and service uses (i.e. Office), four showers and 24 lockers are required where occupied floor area exceeds 50,000 square feet, and one shower and six lockers where the Occupied Floor Area exceeds 10,000 square feet but is no greater than 50,000 square feet.

The Project provides 15 showers and 76 lockers for the Office Use and 6 showers and 38 lockers for the retail use, exceeding Planning Code requirements. Therefore, the Project complies with Section 155.4.

- P. **Car Share.** Planning Code Section 166 requires two car share parking spaces for residential projects with 201 dwelling units plus an additional parking space for every 200 dwelling units over 200 and 1 space plus 1 for every 50 parking spaces over 50 for non-residential uses.

The Project requires a total of 6 car share spaces - 4 parking stalls for the building's Residential Uses (2 spaces + 1 space X (350 dwelling units / 200 dwelling units)) and 2 car share spaces for the office use since 120 accessory parking spaces are provided for said use. The retail use does not generate a requirement for car share spaces. The Project provides 6 car share spaces, and therefore complies with Planning Code Section 166.

- Q. **Transportation Demand Management (TDM) Plan.** Pursuant to Planning Code Section 169 and the TDM Program Standards, the Project shall finalize a TDM Plan prior Planning Department approval of the first Building Permit or Site Permit. As currently proposed, the Project must achieve a target of 37 (9 points for the Retail Use, 12 points for the Office Use and 16 points for the Residential Use).

The Project submitted a completed Environmental Evaluation Application prior to September 4, 2016. Therefore, the Project must only achieve 50% of the point target established in the TDM Program Standards, resulting in a required target of 37 points. As currently proposed, the Project will achieve its required 37 points through the following TDM measures:

Retail Use:

- *Unbundled Parking*
- *Bicycle Parking (Option A)*
- *Improved Walking Conditions*
- *Showers and Lockers*
- *Multimodal Wayfinding Signage*

Office Use:

- *Unbundled Parking*
- *Short Term Daily Parking Provision*
- *Improved Walking Conditions*

- *Bicycle Parking (Option B)*
- *Showers and Lockers*
- *Car-Share Parking*
- *Family TDM – On-site Childcare*
- *Multimodal Wayfinding Signage*
- *Real Time Transportation Displays*

Residential Use:

- *Unbundled Parking*
- *Parking Supply*
- *Improved Walking Conditions*
- *Bicycle Parking (Option A)*
- *Bicycle Repair Station*
- *Showers and Lockers*
- *Car-Share Parking*
- *Delivery Support Amenities*
- *Multimodal Wayfinding Signage*
- *Real Time Transportation Displays*

- R. **Height.** The proposed Height and Bulks within the 1500 Mission Street Special Use District is 120/240-R-3, 85-X and 130/400-R-3.

The Project complies with the proposed heights within the 1500 Mission Street Special Use District

- S. **Bulk.** The 1500 Mission Street Special Use District establishes the R-3 Bulk District which limits the maximum plan length of 170 feet and diagonal dimension of 225 feet for buildings between the podium height and 240 feet. For buildings between 241 and 400 feet tall, the plan length is limited to 156 feet and diagonal dimension of 165 feet with a maximum average floor area of 13,100 gross square feet. The gross floor area of the top one-third of the tower shall be reduced by 7 percent from the maximum floor plate of the tower above the podium height limit.

The Project complies with the bulk requirements pursuant to the proposed R-3 Bulk District.

- T. **Shadows on Parks (Section 295).** Section 295 requires any project proposing a structure exceeding a height of 40 feet to undergo a shadow analysis in order to determine if the project would result in the net addition of shadow to properties under the jurisdiction of the Recreation and Park Department or designated for acquisition by the Recreation and Park Commission.

A shadow analysis was conducted and determined that the Project would cast an additional 0.03% of shadow on Patricia's Green per year. On days of maximum shading, new shadows would be present

for approximately 23 minutes between 7:36 am and be gone prior to 8 am. The shadow analysis found that new shading from the project would predominantly occur in the northern half of Patricia's Green. To eliminate all new shading on Patricia's Green, the proposed residential tower would need to be reduced in height by approximately 51 feet, resulting in the elimination of 50 residential units. The Project was not found to adversely impact the use of the Park by the Recreation and Parks Department at a duly noticed, regularly scheduled meeting on March 16, 2017.

The new shadow on the proposed park at 11th and Natoma Street that is designated for acquisition by the Recreation and Park Commission generated by the Project would be present only in the late afternoon and evening between March 3 and October 11. Project-generated new shadows would fall primarily on the southern $\frac{3}{4}$ of the park site (the portions of the site with frontage on 11th and Natoma Streets) with maximum new shadow coverage typically occurring between 5:30-6:00 p.m. Since the park at 11th and Natoma Streets has not yet been developed and no future programming information has been developed or approved, the possible features affected and qualitative impacts of project-generated shadow on such features are undetermined. To eliminate all shading on the proposed park at 11th and Natoma, 16 stories of the residential tower would need to be removed, eliminating approximately 160 dwelling units.

- U. **Anti-Discriminatory Housing Policy (Administrative Code Section 1.61).** Projects with proposing ten dwelling units or more must complete an Anti-Discriminatory Housing Affidavit indicating that the Project Sponsor will adhere to anti-discriminatory practices.

The Project Sponsor has completed and submitted an Anti-Discriminatory Housing Policy affidavit confirming compliance with anti-discriminatory practices.

- V. **Inclusionary Affordable Housing Program (Section 415 and Section 249.28).** **Inclusionary Affordable Housing Program.** Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 415.3, these requirements apply to projects that consist of 10 or more units. The applicable percentage is dependent on the number of units in the project, the zoning of the property, and the date that the project submitted a complete Environmental Evaluation Application. A complete Environmental Evaluation Application was submitted on October 13, 2014; therefore, pursuant to Planning Code Section 415.3 and 249.28 the Inclusionary Affordable Housing Program requirement for the On-site Affordable Housing Alternative is to provide 13.5% of the proposed dwelling units as affordable.

The Project Sponsor has demonstrated that it is eligible for the On-Site Affordable Housing Alternative under Planning Code Section 415.5 and 415.6, and has submitted an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to satisfy the requirements of the Inclusionary Affordable Housing Program by providing the affordable housing on-site instead of through payment of the Affordable Housing Fee. In order for the Project Sponsor to be eligible for the On-Site Affordable Housing Alternative, the Project Sponsor must submit an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to the Planning Department stating that any affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the project or

submit to the Department a contract demonstrating that the project's on- or off-site units are not subject to the Costa Hawkins Rental Housing Act, California Civil Code Section 1954.50 because, under Section 1954.52(b), the Project Sponsor has entered into an agreement with a public entity in consideration for a direct financial contribution or any other form of assistance specified in California Government Code Sections 65915 et seq. and submits an Affidavit of such to the Department. All such contracts entered into with the City and County of San Francisco must be reviewed and approved by the Mayor's Office Housing and Community Development and the City Attorney's Office. The Project Sponsor has indicated the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus, concessions provided by the City and approved herein and the Project' use of tax exempt bond financing. The Project Sponsor submitted such Affidavit on March 3, 2017. The applicable percentage is dependent on the total number of units in the project, the zoning of the property, and the date that the project submitted a complete Environmental Evaluation Application. A complete Environmental Evaluation Application was submitted on October 13, 2014; therefore, pursuant to Planning Code Section 415.3 the Inclusionary Affordable Housing Program requirement for the On-site Affordable Housing Alternative is to provide 13.5% of the total proposed dwelling units as affordable. 110 units (40 (36%) studios, 29 (26%) one bedroom, 39 (35%) two bedroom and 2 (2%) three bedroom units) of the total 550 units provided will be affordable units amounting to 20% of the total constructed units, exceeding Planning Code requirements. The Project received priority processing status for exceeding inclusionary housing requirements. Additionally, the Conditional Purchase and Sale Agreement between the City and County of San Francisco and the Project Sponsor includes a commitment to the provision of affordable units at a rate of 20 percent of total constructed units. The Conditional Purchase and Sale Agreement was fully executed and unanimously supported by the Board of Supervisors in December of 2014. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative, it must pay the Affordable Housing Fee with interest, if applicable.

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

The Project would comply with this Section by dedicating one percent of the Project's construction cost to works of art. The public art concept and location will be subsequently presented to the Planning Commission at an informational presentation.

- X. **Signage (Section 607).** Currently, there is not a proposed sign program on file with the Planning Department. Any proposed signage will be subject to the review and approval of the Planning Department pursuant to the provisions of Article 6 of the Planning Code.

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

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

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

Section 309(a)(2) permits exceptions from the Section 148 ground-level wind current requirements. No exception shall be granted and no building or addition shall be permitted that causes equivalent wind speeds to reach or exceed the hazard level of 26 miles per hour (mph) for a single hour of the year.

Independent consultants analyzed ground-level wind currents in the vicinity of the Project Site. A wind tunnel analysis, the results of which are included in a technical memorandum prepared by BMT Fluid Mechanics, was conducted using a scale model of the Project Site and its immediate vicinity. The study concluded that the Project would not result in any substantial change to the wind conditions of the area.

Comfort Criterion

Based on existing conditions, 33 of the 50 (approximately 66%) locations tested currently exceed the pedestrian comfort level of 11 mph at grade level more than 10% of the time. Average wind speeds measured close to 11.8 mph.

Under the Project scenario, an additional 2 points were tested to capture the two mid-block alleys accessed from South Van Ness Avenue and Mission Street. There is no information for these points under the existing scenario because the existing buildings are constructed to the property line where the additional test points are located. With the Project, 35 of 52 locations (67%) tested exceeded the pedestrian comfort level of 11 mph more than 10% of the time. Average wind speeds, increased slightly to approximately 12.1 mph. Under the Cumulative scenario, which takes into account other planned projects in the vicinity, average wind speeds decrease to 11.3 mph, with 25 of 52 (48%) points that exceed comfort criterion.

In conclusion, the Project does not result in substantial change to the wind conditions. However, since comfort exceedances are not entirely eliminated by the Project, an exception is required under Planning Code Section 309.

Hazard Criterion

The Wind Study indicated that the project does not cause any net new hazardous conditions. Therefore, the Project would comply with the hazard criterion of Section 148.

- b. **Loading.** Planning Code Section 152.1 requires that projects in the C-3 District that include the over 500,000 square feet of residential space must provide three off-street freight loading spaces within the project and 0.1 space per 10,000 square feet of gross floor area is required for office uses. Pursuant to Section 161, exceptions to loading requirements are permitted in recognition of the fact that site constraints may make the provision of required freight loading and service vehicle spaces impractical or undesirable.

The Project includes 767,200 gross square feet of Residential development (552,290 square feet that counts towards Floor Area Ratio), requiring three off-street loading spaces, 38,000 square feet of retail requiring 2 loading spaces and approximately 464,000 gross square feet of Office development requiring 5 off-street loading spaces for a total of 10 spaces that meet dimensional requirements pursuant to Section 154. Three off-street loading spaces are provided for the Residential and Retail use and an equivalent of five spaces are provided for the Office use. Two spaces that can accommodate service vehicles meeting the dimensional requirements specified in Planning Code Section 154(b)(3) substitute one of the full-size loading spaces required for the proposed Office building.

The EIR determined that the average demand for residential and retail loading spaces is three spaces and the average demand for the office component is five spaces (see page IV.B-52 to -53). In addition, SFMTA has approved yellow loading zones at the curb on both South Van Ness Avenue and 11th Street to accommodate additional peak loading demand.

The Project is seeking an exception as permitted by Sections 161 and 309 for the two of the required off-street loading spaces. The Retail and Residential uses require a total of 5 off-street loading spaces. A total of 3 spaces are provided for both uses.

- (1) Provision of freight loading and service vehicle spaces cannot be accomplished underground due to the frequency of move-ins/move-outs typical of a rental apartment building and also because site constraints will not permit ramps, elevators, turntables and maneuvering areas with reasonable safety.

The three residential and retail loading spaces are on the ground level, rather than underground, because of the constraints on ceiling height and maneuvering areas in the basement.

- (2) Provision of the required number of freight loading and service vehicles on-site would result in the use of an unreasonable percentage of ground-floor area,

precluding more desirable uses of the ground floor for retail, pedestrian circulation or open spaces uses.

Adding the two additional loading spaces on-site would use an unreasonable percentage of the ground floor for loading, precluding more desirable ground floor retail, pedestrian circulation and open space uses.

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

The freight loading area for the City office building is not adjacent to the residential project's vertical circulation, making joint use of underground loading facilities infeasible.

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

As confirmed by the Transportation Impact Study conducted as part of the EIR, adjacent curb space is available in the immediate vicinity of the building to accommodate any peak loading demand that cannot be accommodated on-site.

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 1:

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

Policy 1.8

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

The Project supports this Policy. The proposed Project would construct two new buildings, one of which is a residential building that would contain approximately 550 dwelling units. Approximately 110 of the 550 dwelling units would be permanently affordable.

Policy 1.10

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The Project supports this Policy. It is anticipated that because of the central location of the Project, most residents would either walk, bike, or use public transportation for daily travel. The Project is less than one block from Market Street, with convenient access from the property to the Van Ness MUNI metro station and about 15 MUNI lines, and less than half a mile from the Civic Center BART Station, allowing

connections to neighborhoods throughout the City, the East Bay, and the Peninsula. Additionally, the Project provides 620 bicycle parking spaces (553 Class 1, 67 Class 2) with a convenient, safe storage in the basement and street level, encouraging bicycles as a mode of transportation.

OBJECTIVE 5:

ENSURE THAT ALL RESIDENTS HAVE EQUAL ACCESS TO AVAILABLE UNITS.

Policy 5.4

Provide a range of unit types for all segments of need, and work to move residents between unit types as their needs change.

The Project supports this Policy. The Project would create 550 dwelling units, of which 197 (36%) are studios, 146 (27%) are one bedrooms, 198 (36%) are two bedrooms and 12 (2%) are three- bedroom units. The 110 Below Market Rate units would be comprised of a similar dwelling unit mix: 40 (36%) studios, 29 (26%) one bedroom, 39 (35%) two bedroom and 2 (2%) three bedroom units.

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.

The Project supports these policies. The Project would create 550 dwelling units in the immediate vicinity of existing residential and office buildings. The Project's design upholds the Planning Department's storefront transparency guidelines by ensuring that at least 60 percent of the non-residential, non-historic active frontages are transparent (meeting Planning Code requirements), better activating South Van Ness Avenue, Mission Street and 11th Street. Additionally, the Project provides publically accessible open space in the form of a mid-block alley, which will be activated with the City's office building and ground-floor retail space. The building's architectural design promotes community interaction by inviting members of the public to interact with the core of the project, literally walking through the center of the Project site.

URBAN DESIGN ELEMENT

Objectives and Policies

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.

OBJECTIVE 3:

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

Policy 3.1

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

Policy 3.6

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

The Project meets the aforementioned objectives and policies by employing design that both relates to existing development in the neighborhood while also emphasizing a pattern that gives its neighborhoods an image and means of orientation. The Project Site is located in a neighborhood of mid- to high-rise, mixed-use buildings both residential and commercial in nature. A cohesive design or pattern does not exist; however, the Project is located at the heart of the Hub, which harkens back to a well-known neighborhood near the intersections of Market Street with Valencia, Haight and Gough Streets. This Project is consistent with the design and land use goals of those proposed in the Hub Area Plan as well as those articulated in the Market and Octavia Area Plan.

The building's design, with a transparent three-story volume adjacent to the South Van Ness mid-block alley entrance is intended to serve as the main entrance to the new City office building that will house a number of public agencies, including the Department of Public Works, Department of Building Inspections, Department of Recreation and Parks, and the Planning Department. The nine-story podium is

set back from the shorter three story volume, with the 16-story tower portion fronting the 11th Street frontage, helping to moderate between the adjacent 120-foot structure at One South Van Ness Avenue and the proposed project. Similarly, the residential podium along South Van Ness rises to four stories, for approximately 80 feet before rising to its full 39-story height. At the corner of Mission and South Van Ness, the tower portion of the residential building helps create a gateway to the Hub.

Further, the Project includes the retention of the historic clock tower portion of the building most recently serving as Goodwill Industries' sorting facility, but historically as a Coca-Cola bottling plant. The Project would restore the old pedestrian-level windows along Mission and 11th Street, improving transparency and street-level activation. Retention of the clock tower serves as a visible transition between older and newer buildings in the neighborhood.

COMMERCE AND INDUSTRY ELEMENT

Objectives and Policies

OBJECTIVE 1:

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

Policy 1.1

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

Policy 1.2

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

Policy 1.3

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

The Project Supports these Objectives and Policies. The Project would add up to 38,000 square feet of new commercial space intended to serve residents in the building and surrounding neighborhood. Retail is encouraged and principally permitted on the ground floor of buildings in the Downtown –General District, and is thus consistent with activities in the commercial land use plan.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 1:

MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT, AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA.

Policy 1.2:

Ensure the safety and comfort of pedestrians throughout the city.

A primary objective of the proposed Project is to create a pedestrian-oriented environment at the Project Site that encourages walking as a principal means of transportation. The Project is set back 15-feet from the South Van Ness property, providing a generous 37-foot, 1-inch wide sidewalk. Wind screens will be placed along the curb edge of the sidewalk while a canopy attached to the proposed residential tower would extend approximately 20-feet over the sidewalk, providing protection to pedestrians against the neighborhood's windy conditions. A wind canopy is also planned along the Project's Mission Street frontage. To improve pedestrian connectivity, the proposed mid-block alley along South Van Ness Avenue would connect to a mid-block alley proposed along the Mission Street frontage. Finally, the Project would widen the sidewalk along the 11th Street frontage to 15-feet, further improving pedestrian conditions around the Project site.

OBJECTIVE 2:

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

Policy 2.1:

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

The Project would promote Objective 2 and its associated policies by constructing a residential building with ground floor retail in the Downtown Core, which is the most transit rich area of the City. The Project would also feature multimodal wayfinding signage directing residents and visitors to transit, as well as provide transportation information displays that would provide transit information.

OBJECTIVE 11:

ESTABLISH PUBLIC TRANSIT AS THE PRIMARY MODE OF TRANSPORTATION IN SAN FRANCISCO AND AS A MEANS THROUGH WHICH TO GUIDE FUTURE DEVELOPMENT AND IMPROVE REGIONAL MOBILITY AND AIR QUALITY.

Policy 11.3:

Encourage development that efficiently coordinates land use with transit service, requiring that developers address transit concerns as well as mitigate traffic problems.

The Project is located within a neighborhood rich with public transportation; those who occupy the two proposed buildings are expected to rely heavily on public transit, bicycling, or walking for the majority of their daily trips. The project includes bicycle parking for 620 bicycles (553 Class 1, 67 Class 2). Within a few blocks of the Project Site, there is an abundance of local and regional transit lines, including MUNI bus lines, MUNI Metro rail lines and BART. Additionally such transit lines also provide access to AC Transit (Transbay Terminal) and CalTrain.

DOWNTOWN AREA 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 produces substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences which cannot be mitigated.

The Project would bring additional housing into a neighborhood that is well served by public transit on the edge of Downtown. The Project would not displace any housing because the existing structures at 1500 Mission Street contain a retail building and warehouse occupied by Goodwill Industries. The Project would improve the existing character of the neighborhood by activating the site's 11th Street frontage with retail and office uses, providing more "eyes-on" a currently an underutilized street, primarily serving as vehicular ingress/ egress. Additionally, the Project would provide retail space along the South Van Ness, Mission Street and mid-block alley frontages that would contribute to the existing retail uses in the vicinity, while creating a more pedestrian-friendly environment in the immediate neighborhood. The Project therefore creates substantial net benefits for the City with minimal undesirable consequences.

OBJECTIVE 7:

EXPAND THE SUPPLY OF HOUSING IN AND ADJACENT TO DOWNTOWN.

Policy 7.1.1

Promote the inclusion of housing in downtown commercial developments.

Policy 7.2

Facilitate conversion of underused industrial and commercial areas to residential use.

The project site currently contains two buildings – 1.) a 29,000 square foot, 30-foot-tall building at 1580 Mission Street containing a Goodwill retail store and offices at the second story, and 2.) a 57,000 square-foot, 28-foot tall building at 1500 Mission Street containing a largely single-story warehouse building used for processing donated items. The Project would retain a 43-foot deep portion of the warehouse building determined to be a historic resource of the Streamline Moderne style, while demolishing the rest of the warehouse and the retail/ office building at 1580 Mission Street to construct two new buildings containing approximately 550 dwelling units and approximately 464,000 square feet of office space - maximizing the currently underutilized parcels.

The Project also includes approximately 38,000 square feet of ground floor commercial space, with tenant spaces on along Mission Street, 11th Street, South Van Ness Avenue, and mid-block alleys; these spaces would provide services to the immediate neighborhood, and create pedestrian-oriented, active uses on each of the frontages.

OBJECTIVE 16:

CREATE AND MAINTAIN ATTRACTIVE, INTERESTING URBAN STREETSCAPES.

Policy 16.4

Use designs and materials and include amenities at the ground floor to create pedestrian interest.

The Project would promote Objective 16 by including a ground floor retail use and mid-block alleys which would promote pedestrian traffic in the vicinity. The Project would provide floor-to-ceiling, transparent windows in retail spaces, inviting pedestrian. The sidewalk area surrounding the Project Site would be landscaped with street trees and bike racks. In general, the Project would increase the usefulness of the area surrounding the Project Site to pedestrians and bicyclists, improving connective between Mission Street and South Van Ness Avenue while also creating visual interest along the Project's street frontages.

MARKET AND OCTAVIA PLAN

Objectives and Policies

Policy 1.1.2:

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

Policy 1.2.2:

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

The Project is located within an existing high-density urban context and would transform an underutilized warehouse and retail/ office building into high-density housing and civic permit center in an area that has a multitude of transportation options. The Project includes a mix of studio, one-, two- and three- bedroom units, and approximately 38,000 square feet of ground floor retail that would be devised into a 6 to 7 smaller spaces.

OBJECTIVE 2.2

ENCOURAGE CONSTRUCTION OF RESIDENTIAL INFILL THROUGHOUT THE PLAN AREA.

Policy 2.2.2:

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

Policy 2.2.4:

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

The proposed Project includes 550 dwelling units and approximately 38,000 square feet of ground floor retail on the first floor along Mission Street, South Van Ness Avenue, 11th Street and the proposed mid-

block alley. The Project includes a mix of studio, one-, two- and three-bedroom units, which helps maintain the diversity of the City's housing stock.

OBJECTIVE 5.1:

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

Policy 5.1.2:

Restrict curb cuts on transit-preferential streets.

OBJECTIVE 5.2:

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

Policy 5.2.3:

Minimize the negative impacts of parking on neighborhood quality.

OBJECTIVE 5.3:

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

Policy 5.3.1:

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

South Van Ness Avenue and Mission Street are considered transit-preferential streets. Accordingly all off-street parking access is along 11th Street. Off-street loading access would be permitted along Mission Street during off-peak traffic times to minimize impacts to pedestrians, transit service, bicycle movement and the overall traffic movement on Mission Street. All parking will be located below grade, improving the Project's urban design by minimizing street frontages devoted to vehicular uses. The street-level design of the Project provides mostly active uses including 38,000 square feet of retail along Mission Street, South Van Ness Avenue, 11th Street and the mid-block alley.

8. **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 supports this policy by providing up to 38,000 square feet of ground floor retail of varying sizes to accommodate a mix of tenants, providing future opportunities of resident employment in and ownership of business.

- 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 improve the existing character of the neighborhood by providing more pedestrian-friendly uses. No housing would be displaced because the existing structures contain offices, retail and warehousing uses occupied by Goodwill Industries. The proposed retail spaces vary in size and present opportunities to small and larger business owners, helping to preserve the cultural and economic diversity of our neighborhoods.

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

The Project enhances the City's supply of affordable housing by providing Below Market Rate units on-site at a rate of 20 percent of the total constructed units. There is currently no housing on the site; therefore, no affordable housing would be lost as part of this Project.

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

The Project would not impede MUNI transit service or overburden local streets or parking. The Project is located along a major transit corridor that would promote rather than impede the use of MUNI transit service. Future residents and employees of the Project could access both the existing MUNI rail and bus services as well as the BART system. The Project also provides a sufficient off-street parking for future residents, employees, and frequenters of the proposed permit center so that neighborhood parking will not be overburdened by the addition of new residents, employees and building users.

- E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The Project site includes warehouse space which is used to sort donated items. Accordingly, the Project would not displace industrial or service sectors.

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

The Project will be consistent with the City's goal to achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake. The building will be constructed in compliance with all current building codes to ensure a high level of seismic safety.

- G. That landmarks and historic buildings be preserved.

The Project supports this policy by retaining a 43-foot deep portion of the warehouse, formerly a Coca-Cola bottling plant of the Streamline-Moderne style.

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

The Project would cast approximately 23 minutes of shadow onto Patricia's Green during the dates of maximum shading, particularly during morning hours. It was observed that the park is most intensely

used during lunch hours. Accordingly, the additional shading on Patricia's Green was determined not to create a significant and unavoidable impact, nor adversely impact the use of the park.

9. The Commission made and adopted environmental findings by its Motion No. [], which are incorporated by reference as though fully set forth herein, regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Commission adopted these findings as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting the CEQA findings.
10. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
11. The Commission hereby finds that approval of the Downtown Project Authorization and Request for Exceptions would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Downtown Project Authorization Application No. 2014-000362ENVGPAPCAMAPDNXSHD** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated October 6, 2016 and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission has reviewed and considered the FEIR and the record as a whole and incorporates by reference herein the CEQA Findings contained in Motion No. [] and MMRP, included as Attachment B. All required mitigation and improvement measures identified in Attachment B of Motion No. [] are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 309 Determination of Compliance and Request for Exceptions to the Board of Appeals within fifteen (15) days after the date of this Motion. The effective date of this Motion shall be the date of this Motion if not appealed OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals in person at 1650 Mission Street, Room 304, 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 constitutes 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 March 23, 2017.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

Draft Motion
Hearing Date: March 23, 2017

CASE NO. 2014-000362ENVGPAPCAMAPDNXSHD
1500 Mission Street

ABSENT:

ADOPTED: March 23, 2017

EXHIBIT A

AUTHORIZATION

This authorization is for a **Downtown Project Authorization and Request for Exceptions** relating to a Project that would demolish the existing 1580 Mission Street building, retain and rehabilitate a portion of the existing 1500 Mission Street building, and demolish the remaining portions on the 1500 Mission building to construct a mixed-use development with two components: an approximately 767,200-square-foot, 396-foot-tall (416 feet to the top of the parapet) residential and retail/restaurant building at the corner of South Van Ness Avenue and Mission Street ("Retail/Residential Building"); and an approximately 567,300-square-foot, 227-foot-tall (257 feet to the top of the parapet) office and permit center building for the City and County of San Francisco ("City") on 11th Street between Market and Mission Streets ("Office Building") with a mid-rise extending west to South Van Ness Avenue pursuant to Planning Code Sections **309, 148, and 161** on Assessor's Block 3506, Lots 006 and 007 within the C-3-G, Downtown-General Zoning District and the proposed 1500 Mission Street Special Use District and the proposed 130/400-R-3 and 85-X Height and Bulk Districts; in general conformance with plans dated March 9, 2017, and stamped "EXHIBIT B" included in the docket for Case no. **2014-000362ENVGPAPCAMAPDNXSHD** and subject to conditions of approval reviewed and approved by the Commission on **March 23, 2017** under Motion No. []. The proposed Project includes a proposed Zoning Map amendment and Planning Code text amendment to create the 1500 Mission Special Use District to supersede the Van Ness & Market Downtown Residential Special Use District designation to reclassify height and bulk on the Project site to 85-X, 130/240-R-3 and 130/400-R-3, and a proposed amendment to Planning Code Section 270 associated with bulk limitations, allowing for an exceedance of the current Height and Bulk District limitations, additional off-street parking, and office space above the fourth floor. The proposed Residential/Retail Building will consist of a 39-story residential apartment tower containing approximately 550 dwelling units over up to 38,000 gross square feet of ground floor retail/restaurant space, and below grade parking for 300 vehicles and 247 bicycles. The proposed Office Building will consist of a 16-story tower consisting of 567,300 square feet of office space, of which 464,000 count towards Gross Floor Area, containing various City departments, a permit center and a childcare facility and below grade vehicle parking for 120 vehicles and 306 bicycles. 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 **March 23, 2017** under Motion No. [].

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. [] 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 Downtown Project 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 Downtown 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 three (3) years from the date that the Planning Code text amendment(s) and/or Zoning Map amendment(s) become effective. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.

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

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

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

3. **Diligent Pursuit.** Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since the date that the Planning Code text amendment(s) and/or Zoning Map amendment(s) became effective.

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. **Priority Processing.** This Project was enrolled into the Priority Processing Program, as a Type 2 Project, pursuant to Director's Bulletin No. 2.

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

7. **Floor Area Ratio.** Pursuant to the Floor Area Ratio limits (FAR) per Sections 123 and 249.33(b)(6)(B), which apply to projects within the 1500 Mission Street Special Use District, the Project is required to make a payment in to the Van Ness and Market Residential Special Use District Affordable Housing Fund for floor area that exceeds the base FAR of 6.0:1 and up to a maximum FAR of 9.0:1. For portions of the Project that exceed an FAR of 9.0:1, payment into the Van Ness and Market Neighborhood Infrastructure Fee.

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

8. **Market Octavia Community Improvements Fund.** The Project is subject to the Market and Octavia Community Improvements Fee, as applicable, pursuant to Planning Code Section 421.

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

9. **Market Octavia Affordable Housing Fee.** The Project is subject to the Market and Octavia Affordable Housing Fee, as applicable, pursuant to Planning Code Section 416.

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

10. **Market and Octavia – Van Ness & Market Street Affordable Housing Fee.** The Project is subject to the Market and Octavia – Van Ness & Market Affordable Housing Fee, as applicable, pursuant to Planning Code Section 424.3.

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

11. **Improvement and Mitigation Measures.** Improvement and Mitigation measures described in the MMRP attached as **Attachment B** of the CEQA Findings contained in Motion No. [] associated with the Subject Project are necessary to avoid potential significant impacts and further reduce less-than-significant impacts of the Project and have been agreed to by the Project Sponsor. Implementation of the Improvement and Mitigation measures is a condition of Project approval.

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

ENTERTAINMENT COMMISSION – NOISE ATTENUATION CONDITIONS

Chapter 116 Residential Projects. The Project Sponsor shall comply with the “Recommended Noise Attenuation Conditions for Chapter 116 Residential Projects,” which were recommended by the Entertainment Commission on August 25, 2015. These conditions state:

12. **Community Outreach.** Project Sponsor shall include in its community outreach process any businesses located within 300 feet of the proposed project that operate between the hours of 9PM and 5AM. Notice shall be made in person, written or electronic form.
13. **Sound Study.** Project sponsor shall conduct an acoustical sound study, which shall include sound readings taken when performances are taking place at the proximate Places of Entertainment, as well as when patrons arrive and leave these locations at closing time. Readings should be taken at locations that most accurately capture sound from the Place of Entertainment to best of their ability. Any recommendation(s) in the sound study regarding window glaze ratings and soundproofing materials including but not limited to walls, doors, roofing, etc. shall be given highest consideration by the project sponsor when designing and building the project.
14. **Design Considerations.**
- a. During design phase, project sponsor shall consider the entrance and egress location and paths of travel at the Place(s) of Entertainment in designing the location of (a) any entrance/egress for the residential building and (b) any parking garage in the building.
 - b. In designing doors, windows, and other openings for the residential building, project sponsor should consider the POE’s operations and noise during all hours of the day and night.
15. **Construction Impacts.** Project sponsor shall communicate with adjacent or nearby Place(s) of Entertainment as to the construction schedule, daytime and nighttime, and consider how this schedule and any storage of construction materials may impact the POE operations.
16. **Communication.** Project Sponsor shall make a cell phone number available to Place(s) of Entertainment management during all phases of development through construction. In addition, a line of communication should be created to ongoing building management throughout the occupation phase and beyond.

DESIGN – COMPLIANCE AT PLAN STAGE

17. **Final Materials.** The Project Sponsor shall continue to work with Planning Department on the building design. Final materials, glazing, color, texture, landscaping (including roof deck 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,

18. **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 Site 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

19. **Rooftop Mechanical Equipment.** Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the 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

20. **Lighting Plan.** The Project Sponsor shall submit an exterior lighting plan to the Planning Department prior to Planning Department approval of the architectural addendum to the site permit application.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378,

www.sf-planning.org

21. **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

22. **Open Space Provision - C-3 Districts.** Pursuant to Planning Code Section 138, the Project Sponsor shall continue to work with Planning Department staff to refine the design and

programming of the public open space so that the open space generally meets the standards of the Downtown Open Space Guidelines in the Downtown Plan of the General Plan.

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

23. **Open Space Plaques - C-3 Districts.** Pursuant to Planning Code Section 138, the Project Sponsor shall install the required public open space plaques at each office building entrance including the standard City logo identifying it; the hours open to the public and contact information for building management. The plaques shall be plainly visible from the public sidewalks on **Mission, South Van Ness and 11th Streets** and shall indicate that the open space is accessible to the public. 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 Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

24. **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

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

- a. On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
- b. On-site, in a driveway, underground;
- c. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
- d. Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
- e. Public right-of-way, underground; and based on Better Streets Plan guidelines;
- f. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
- g. On-site, in a ground floor façade (the least desirable location).
- h. Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.

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

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

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

27. **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

28. **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

29. **Odor Control Unit.** In order to ensure any significant noxious or offensive odors are prevented from escaping the premises once the project is operational, the building permit application to implement the project shall include air cleaning or odor control equipment details and manufacturer specifications on the plans. Odor control ducting shall not be applied to the primary façade of the building.

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

PARKING AND TRAFFIC

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

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

31. **Parking Maximum.** Pursuant to Planning Code Section 151.1, the Project shall provide no more than one parking space per two dwelling units as of right. With 550 dwelling units, 38,000 square feet of retail and approximately 464,000 square feet of office uses, a maximum of 430 spaces and 2,660 square feet devoted to off-street parking spaces (approximately 14 stalls) is principally permitted per Planning Code Section 151 and the proposed 1500 Mission Street Special Use District. The Project Sponsor will provide 409 off-street parking spaces plus 6 car-share spaces. The Project must also comply with Building Code requirements with respect to parking spaces for persons with disabilities.

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

32. **Off-street Loading.** Pursuant to Planning Code Section 152.1, the Project shall provide 8 off-street loading space, three (of the 5 required spaces) of which will be provided at grade accessible from the mid-block alley along Mission Street for the Residential and Retail Uses and an equivalent of five below grade spaces for the Office Use. An exception pursuant to Planning Code Section 309 was attained for two required off-street loading space that are not provided on-site.

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

33. **Car Share.** Pursuant to Planning Code Section 166, no less than six car share spaces 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

34. **Bicycle Parking (Mixed-Use: New Commercial/Major Renovation and Residential).** Pursuant to Planning Code Sections 155.1, 155.4, and 155.5, the Project shall provide no fewer than 310 Class 1 spaces (213 stalls for Residential Use, 92 stalls for Office Use and 5 stalls for Retail Use) and 54 Class 2 spaces (28 stalls for Residential Use, 11 stalls for Office Use, and 15 stalls for Retail Uses).

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

35. **Showers and Clothes Lockers.** Pursuant to Planning Code Section 155.3, the Project shall provide no fewer than four showers and 24 lockers for the Office Use and one shower and six lockers for the Retail Use.

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

36. **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

37. **Transportation Demand Management (TDM).** 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 Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

PROVISIONS

38. **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

39. **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

40. **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

41. **Child Care Fee - Residential.** 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

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.

1. **Number of Required Units.** Pursuant to Planning Code Section 415.3, the Project is required to provide 13.5% of the proposed dwelling units as affordable to qualifying households. The Project contains 550 units; therefore, 74 affordable units are currently required. The Project Sponsor will fulfill this requirement by providing the 110 affordable units on-site, exceeding Planning Code requirements. If the number of market-rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing and Community Development ("MOHCD").
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.
2. **Unit Mix.** The Project contains 197 studios, 146 one-bedroom, 198 two-bedroom, and 12 three-bedroom units; therefore, the required affordable unit mix is 27 studios, 20 one-bedroom, 26 two-bedroom, and 1 three-bedroom units. However, the Project is providing 40 studios, 29 one-bedrooms, 39 two-bedrooms, and 2 three-bedroom units as affordable units. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOHCD.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.
3. **Unit Location.** The affordable units shall be designated on a reduced set of plans recorded as a Notice of Special Restrictions on the property prior to the issuance of the first construction permit.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.
4. **Phasing.** If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than 13.5 percent (13.5%), or the applicable percentage as discussed above, of the each phase's total number of dwelling units as on-site affordable units.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.
5. **Duration.** Under Planning Code Section 415.8, all units constructed pursuant to Section 415.6, must remain affordable to qualifying households for the life of the project.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

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

<http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451>. As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale.

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

- a. The affordable unit(s) shall be designated on the building plans prior to the issuance of the first construction permit by the Department of Building Inspection ("DBI"). The affordable unit(s) shall (1) reflect the unit size mix in number of bedrooms of the market rate units, (2) be constructed, completed, ready for occupancy and marketed no later than the market rate units, and (3) be evenly distributed throughout the lower 2/3 of the building, as measured by the number of floors per Planning Code Section 415.6(c); and (4) be of comparable overall quality, construction and exterior appearance as the market rate units in the principal project. The interior features in affordable units should be generally the same as those of the market units in the principal project, but need not be the same make, model or type of such item as long they are of good and new quality and are consistent with then-current standards for new housing. Other specific standards for on-site units are outlined in the Procedures Manual.
- b. If the units in the building are offered for rent, the affordable unit(s) shall be rented to low-income households, as defined in the Planning Code and Procedures Manual. The initial and subsequent rent level of such units shall be calculated according to the Procedures Manual. Limitations on (i) occupancy; (ii) lease changes; (iii) subleasing, and; are set forth in the Inclusionary Affordable Housing Program and the Procedures Manual.
- c. The Project Sponsor is responsible for following the marketing, reporting, and monitoring requirements and procedures as set forth in the Procedures Manual. MOHCD shall be responsible for overseeing and monitoring the marketing of affordable units. The Project Sponsor must contact MOHCD at least six months prior to the beginning of marketing for any unit in the building.
- d. Required parking spaces shall be made available to initial buyers or renters of affordable units according to the Procedures Manual.

- e. Prior to the issuance of the first construction permit by DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that contains these conditions of approval and a reduced set of plans that identify the affordable units satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOHCD or its successor.
- f. The Project Sponsor has demonstrated that it is eligible for the On-site Affordable Housing Alternative under Planning Code Section 415.6 instead of payment of the Affordable Housing Fee, and has submitted the *Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415* to the Planning Department stating the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions (as defined in California Government Code Section 65915 et seq.) provided herein. The Project Sponsor has executed the Costa Hawkins agreement and will record a Memorandum of Agreement prior to issuance of the first construction document or must revert payment of the Affordable Housing Fee.
- g. If the Project Sponsor fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Section 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all available remedies at law.
- h. If the Project becomes ineligible at any time for the On-site Affordable Housing Alternative, the Project Sponsor or its successor shall pay the Affordable Housing Fee prior to issuance of the first construction permit. If the Project becomes ineligible after issuance of its first construction permit, the Project Sponsor shall notify the Department and MOHCD and pay interest on the Affordable Housing Fee and penalties, if applicable.

OPERATION

- 42. **Garbage, Recycling, and Composting Receptacles.** Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works. *For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-.5810, <http://sfdpw.org>*
- 43. **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>*

44. **Noise Control.** 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 with the 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 the construction noise, contact the Department of Building Inspection, 415-558-6570, www.sfdbi.org

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

45. **Odor Control.** 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

46. **Notices Posted at Bars and Entertainment Venues.** Notices urging patrons to leave the establishment and neighborhood in a quiet, peaceful, and orderly fashion and to not litter or block driveways in the neighborhood, shall be well-lit and prominently displayed at all entrances to and exits from the establishment.

For information about compliance, contact the Entertainment Commission, at 415 554-6678, www.sfgov.org/entertainment

47. **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

48. **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 to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.

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

49. **Streetscape Maintenance.** The Project Sponsor shall maintain the main entrance to the building all sidewalks abutting the subject property and shared street that will be provided as part of the project 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, www.sf-planning.org

MONITORING - AFTER ENTITLEMENT

50. **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

51. **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

52. **Monitoring.** The Project requires monitoring of the conditions of approval in this Motion. The Project Sponsor or the subsequent responsible parties for the Project shall pay fees as established under Planning Code Section 351(e) (1) and work with the Planning Department for information about compliance.

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

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SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|---|---|
| <input checked="" type="checkbox"/> Affordable Housing (Sec. 415) | <input checked="" type="checkbox"/> First Source Hiring (Admin. Code) |
| <input checked="" type="checkbox"/> Transit Impact Dev't Fee (Sec. 411) | <input checked="" type="checkbox"/> Better Streets Plan (Sec. 138.1) |
| <input checked="" type="checkbox"/> Childcare Fee (Sec. 414) | <input checked="" type="checkbox"/> Public Art (Sec. 429) |

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Planning Commission Draft Motion

HEARING DATE: March 23, 2016

Date: March 9, 2016
Case No.: **2014-000362ENVGPAPCAMAPDNXSHD**
Project Address: 1500 Mission Street
Current Zoning: C-3-G (Downtown General)
120/320-R-2, 85-R-2 Height and Bulk Districts
Van Ness & Market Downtown Residential Special Use District
Proposed Zoning C-3-G (Downtown General)
130/240-R-3, 130/400-R-3, 85-X
1500 Mission Street Special Use District
Block/Lot: 3506/006, 007
Project Sponsor: Goodwill SF Urban Development, LLC
c/o Matt Witte – (415) 677.9000
Related California
44 Montgomery Street, Suite 1050
San Francisco, CA 94104
Staff Contact: Tina Chang – (415) 575-9197
Tina.Chang@sfgov.org

ADOPTING FINDINGS, WITH THE RECOMMENDATION OF THE GENERAL MANAGER OF THE RECREATION AND PARK DEPARTMENT, IN CONSULTATION WITH THE RECREATION AND PARK COMMISSION, THAT NET NEW SHADOW ON PATRICIA'S GREEN BY THE PROPOSED PROJECT AT 1500 MISSION STREET WOULD NOT BE ADVERSE TO THE USE OF PATRICIA'S GREEN AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

Under Planning Code Section ("Section") 295, a building permit application for a project exceeding a height of 40 feet cannot be approved if there is any shadow impact on a property under the jurisdiction of the Recreation and Park Department, unless the Planning Commission, upon recommendation from the General Manager of the Recreation and Park Department, in consultation with the Recreation and Park Commission, makes a determination that the shadow impact will not be significant or adverse.

On February 7, 1989, the Recreation and Park Commission and the Planning Commission adopted criteria establishing absolute cumulative limits for additional shadows on fourteen parks throughout San Francisco (Planning Commission Resolution No. 11595).

Patricia's Green is a 0.45 acre park located in the Western Addition neighborhood along the former Central Freeway parcel where Octavia Boulevard splits into two lanes flanking the park to the east and west. The park is bounded by Hayes Street to the north and Fell Street to the south. Patricia's Green is characterized by a picnic seating area, a circular plaza, grassy areas, and a children's play area. The neighborhood immediately surrounding Patricia's Green is characterized by residential buildings of two to five stories in height, as well as ground floor retail and restaurant uses.

On an annual basis, the Theoretically Available Annual Sunlight ("TAAS") on Patricia's Green (with no adjacent structures present) is approximately 66,595,904 square-foot-hours of sunlight. Existing structures in the area cast shadows on Jackson Playground that total approximately 11,706,388 square-foot hours, or approximately 17.58 percent of the TAAS.

On October 13, 2014, Steve Vettel of Farella, Braun & Martel on behalf of Related California ("Project Sponsor") filed an Environmental Evaluation Application for the Project. 2014. On May 13, 2015, the Department published a Notice of Preparation of Environmental Impact Report and Notice of Public Scoping Meeting ("NOP"). Publication of the NOP initiated a 30-day public review and comment period that began on May 13, 2015 and ended on June 15, 2015. On June 2, 2015, the Department held a public scoping meeting regarding the Project. On November 9, 2016, the Department published the Draft Environmental Impact Report (hereinafter "DEIR"), including the Initial Study ("IS"), and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice. Notices of availability of the DEIR and of the date and time of the public hearing were posted near the Project Site by the Project Sponsor on November 9, 2016.

On April 29, 2015, application requesting approval of a Downtown Project Authorization pursuant to Section 309 of the San Francisco Planning Code to facilitate the construction of two new buildings approximately 390 and 264-feet tall located at 1500 Mission Street ("Project") containing approximately 550 dwelling units, approximately 462,000 square feet of office space, 51,000 square feet of ground floor retail space, approximately 7,600 square foot publicly accessible open space in the form of a "forum" at the ground floor, up to 423 parking spaces, 6 loading spaces, and 369 bicycle parking spaces. On February 23, 2017 the Project Sponsor submitted an updated application to correct the proposed building heights to 396 and 216 feet for the residential and office buildings respectively, the total number of proposed vehicular parking to 409 spaces, bicycle parking to 620, retail square footage to 38,000 square feet, office square footage to 449,800 square feet. Additionally, the application was updated to reflect the Project's inclusion of 4,400 square feet of on-site child care.

On April 29, 2015, the Project Sponsor also filed an application for a Planning Code Amendment and Zoning Map amendment to supersede the existing Van Ness & Market Downtown Residential Special Use District with a new special use district for the Project and to amend height and bulk districts to permit one approximately 390-foot residential tower with a podium height of 110 feet and one 264-foot tall tower with a podium height of 93 feet.

On October 19, 2016, the Project Sponsor filed amendments to the Planning Code Text and Zoning Map Amendment Applications and a General Plan Amendment Application to add Section 270(g) to amend

bulk controls to the proposed special use district and Map 3 (Height Districts) of the Market and Octavia Plan.

On December 15, 2016, the Planning Commission adopted Resolutions 19821 and 19822 to initiate legislation entitled, (1) "Ordinance amending the General Plan by revising the height designation for the 1500 Mission Street project, Assessor's Block 3506 Lots 006 and 007 on Map 3 of the Market and Octavia Area Plan and on Map 5 of the Downtown Area Plan; adopting findings under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1;" and (2) Ordinance amending the Planning Code to create the 1500 Mission Street Special Use District to facilitate development of the 1500 Mission Street (Assessor's Block 3506, 006 and 07) project, to regulate bulk controls in the Special Use District, to modify Zoning Map SU07 to place the project site into this Special Use District and Zoning Map HT07 to modify the height and bulk district designations for the project site; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 01.; and adopting findings of public necessity, convenience, and welfare under Planning Code Section 302," respectively.

On December 15, 2016, the Commission held a duly advertised public hearing on the DEIR, at which opportunity for public comment was given, and public comment was received on the DEIR. The period for commenting on the EIR ended on January 4, 2017. The Department prepared responses to comments on environmental issues received during the 45 day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected clerical errors in the DEIR.

On March 8, 2017, The Planning Department published a Responses to Comments document. A Final Environmental Impact Report (hereinafter "FEIR") has been prepared by the Department, consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the Responses to Comments document all as required by law.

On March 23, 2017, the Commission reviewed and considered the FEIR and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code. The FEIR was certified by the Commission on March 23, 2017 by adoption of its Motion No. []. At the same Hearing, the Commission made and adopted findings of fact and decisions regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, California Public Resources Code Section 21000 et seq. ("CEQA"), particularly Section 21081 and 21081.5, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Section 15000 et seq. ("CEQA Guidelines"), Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31") by its Motion No. []. The Commission adopted these findings as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting these CEQA findings.

On March 23, 2017 the Commission conducted a duly noticed public hearing at a regularly scheduled meeting regarding (1) the General Plan Amendment amending Maps 3 and 5; and (2) the ordinance

amending Planning Code to add the 1500 Mission Street Special Use District, and revise Zoning Map SU07 and HT07. At that meeting the Commission Adopted (1) Resolution [] recommending that the Board of Supervisors approve the requested General Plan Amendment; and (2) Resolution [] recommending that the Board of Supervisors approve the requested Planning Code Test and Map Amendments.

On March 23, 2017, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting regarding the Downtown Project Authorization application 2014-000362ENVGPAPCAMAPDNXSHD. At the same hearing the Commission determined that the shadow cast by the Project would not have any adverse effect on Parks within the jurisdiction of the Recreation and Parks Department. The Commission heard and considered the testimony presented to it at the public hearing and further considered written materials and oral testimony presented on behalf of the applicant, Department staff and other interested parties, and the record as a whole.

A technical memorandum, prepared by Prevision Design, was finalized on November 18, 2016, analyzing the potential shadow impacts of the Project to properties under the jurisdiction of the Recreation and Parks Department (Case No. 2014-000362ENVGPAPCAMAPDNXSHD). The memorandum concluded that the Project would cast approximately 20,626 square-foot-hours of new shadow on Patricia's Green, equal to approximately 0.03 percent of the theoretically available annual sunlight ("TAAS") on Patricia's Green.

On March 16, 2017, the Recreation and Park Commission conducted a duly noticed public hearing at a regularly scheduled meeting and recommended that the Planning Commission find that the shadows cast by the Project on Patricia's Green will not be adverse to the use of Patricia's Green.

The Planning Commission has reviewed and considered reports, studies, plans and other documents pertaining to the Project.

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

FINDINGS

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

1. The foregoing recitals are accurate, and also constitute findings of this Commission.
2. The Commission made and adopted environmental findings by its Motion No. [], which are incorporated by reference as though fully set forth herein, regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Commission adopted these findings as required by CEQA, separate and apart from the

Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting the CEQA findings.

3. The additional shadow cast by the Project, while numerically significant, would not be adverse, and is not expected to interfere with the use of the Park, for the following reasons:
 - a. The proposed project would reduce the annual available insolation by about 0.03 percent (a reduction of 20,686 square foot hours of sunlight). This results in a total shadow load of 12,043,542 square foot hours and a reduction of the available insolation to 18.08 percent.
 - b. Although the additional shadow cast by the proposed project has a numerically significant effect, the magnitude of the additional shadow amounts to a reasonable and extremely small loss of sunlight for a park in an area of slated for increased building heights and residential density.
 - c. The net new shadow cast upon Patricia's Green from the Project occurs in the late afternoon between February 8 and November 1.
 - d. The net new shadow cast is relatively small in area and the average daily duration of the net new shadow is 11 minutes and exceeds 23 minutes.
4. **General Plan Compliance.** The Project is, on balance, consistent with the Objectives and Policies of the General Plan, for the reasons set forth in the findings in the Downtown Project Authorization, Motion No. [], which are incorporated by reference as though fully set forth herein.
5. **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, for the reasons set forth in the Downtown Project Authorization, Motion No. [] which are incorporated by reference as though fully set forth herein.
6. 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.
7. A determination by the Planning Commission and the Recreation and Park Commission to allocate net new shadow to the Project does not constitute an approval of the Project.

DECISION

That based upon the Record, the submissions by the Project Sponsor, the staff of the Planning Department, the recommendation of the General Manager of the Recreation and Park Department, in consultation with the Recreation and Park Commission, and other interested parties, the oral testimony presented to the Planning Commission at the public hearing, and all other written materials submitted by all parties, the Planning Commission hereby DETERMINES, under Shadow Analysis Application No. **2014-000362ENVGPAPCAMAPDNXSHD**, that the net new shadow cast by the Project on Patricia's Green will not be adverse to the use of Patricia's Green.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting on March 23, 2017

Jonas P. Ionin
Commission Secretary

AYES:

NAYES:

ABSENT:

ADOPTED: March 23, 2017

Free Recording Requested Pursuant to
Government Code Section 27383

When recorded, mail to:

San Francisco Planning Department
1650 Mission Street, Room 400
San Francisco, California 94103
Attn: Director

Block 3506, Lot 002 and Lot 003

**AGREEMENT TO PROVIDE ON-SITE AFFORDABLE HOUSING UNITS BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO AND
GOODWILL SF URBAN DEVELOPMENT, LLC, RELATIVE TO THE
DEVELOPMENT KNOWN AS 1500 MISSION STREET**

THIS AGREEMENT TO PROVIDE ON-SITE AFFORDABLE HOUSING UNITS (“Agreement”) dated for reference purposes only as of this ____ day of _____, 2017, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a political subdivision of the State of California (the “City”), acting by and through its Planning Department, and GOODWILL SF URBAN DEVELOPMENT, LLC, a California limited liability company (“Developer”) with respect to the project approved for 1500 to 1580 Mission Street (the “Project”). City and Developer are also sometimes referred to individually as a “Party” and together as the “Parties.”

RECITALS

This Agreement is made with reference to the following facts:

A. Code Authorization. Chapter 4.3 of the California Government Code directs public agencies to grant concessions and incentives to private developers for the production of housing for lower income households. The Costa-Hawkins Rental Housing Act (California Civil Code Sections 1954.50 et seq., hereafter the “Costa-Hawkins Act”) imposes limitations on the establishment of the initial and all subsequent rental rates for a dwelling unit with a certificate of occupancy issued after February 1, 1995, with exceptions, including an exception for dwelling units constructed pursuant to a contract with a public entity in consideration for a direct financial contribution or any other form of assistance specified in Chapter 4.3 of the California Government Code (Section 1954.52(b)). Pursuant to Civil Code Section 1954.52(b), the City’s Board of Supervisors has enacted as part of the Inclusionary Affordable Housing Program, Planning Code Section 415 et seq, procedures and requirements for entering into an agreement with a private developer to memorialize the concessions and incentives granted to the developer and to provide an exception to the Costa-Hawkins Act for the inclusionary units included in Developer’s project.

B. Property Subject to this Agreement. The property that is the subject of this Agreement consists of the real property in the City and County of San Francisco, California, at

1500 Mission Street, Lot 002 in Assessor's Block 3506, and 1580 Mission Street, Lot 003 in Assessor's Block 3506 (the "Property"). The Property is more particularly described in Exhibit A attached hereto. The Property is owned in fee by Developer.

C. **Development Proposal; Intent of the Parties.** The Developer proposes to demolish the existing 1580 Mission Street building, to retain and rehabilitate a portion of the existing 1500 Mission Street building while demolishing the remaining portions, and to construct a mixed-use development with two components: an approximately 767,200-square-foot, 396-foot-tall (416 feet to the top of the parapet) residential and retail/restaurant building at the corner of South Van Ness Avenue and Mission Street ("Retail/Residential Building"); and an approximately 567,300-square-foot, 227-foot-tall (257 feet to the top of the parapet) office and permit center building for the City on 11th Street between Market and Mission Streets ("Office Building") with a mid-rise extending west to South Van Ness Avenue. The proposed Residential/Retail Building will consist of a 39-story residential apartment tower containing approximately 550 dwelling units over approximately 38,000 gross square feet of ground floor retail/restaurant space, and below grade parking for 300 vehicles and 247 bicycles. The proposed Office Building will consist of a 16-story tower consisting of 454,200 gross square feet of office space containing various City departments, a permit center and a childcare facility and below grade vehicle parking for 120 vehicles and 306 bicycles. All of the dwelling units would be offered as rental units and the inclusionary affordable housing would be provided on-site. The Project would fulfill its inclusionary affordable housing requirement by providing 20% of the dwelling units in the Project, or 110 below-market rate (BMR) units on-site, assuming that 550 residential units are constructed.

On _____, 2017, pursuant to Ordinance No. _____, the Board of Supervisors approved Zoning Map amendments and Planning Code text amendments to amend the height and bulk designations of the Project site from 120/320-R-2, 85/250-R-2 and 85-R-2 to 130/400-R-3, 130/240-R-3 and 85-X and create the 1500 Mission Special Use District (the "SUD Resolution") to supersede the Van Ness & Market Downtown Residential Special Use District designation and an amendment to Planning Code Section 270 associated with bulk limitations, allowing for an exceedance of the current Height and Bulk District limitations, additional off-street parking, and office space above the fourth floor (collectively, the "Rezoning Ordinance").

Additionally, on March 23, 2017, pursuant to Motion No. _____, the Planning Commission approved a Downtown Project Authorization pursuant to Planning Code Section 309 (the "Project Authorization") with exceptions from Planning Code requirements related to the requirement to eliminate existing and new exceedances of the pedestrian wind comfort criterion of Section 148, and the requirement for off-street freight-loading spaces for the residential building of Section 152.1.

The dwelling units that are the subject of this Agreement are the Project's on-site inclusionary units representing twenty percent (20%) of the Project's dwelling units, which assuming that 550 dwelling units are constructed, would total 110 inclusionary units (the "Inclusionary Units"). The dwelling units in the Project that are not Inclusionary Units, representing eighty percent (80%) of the Project's dwelling units, which, assuming that 550 units are constructed, would total 440 units, are referred to herein as the "Market Rate Units." This Agreement is not intended to impose restrictions on the Market Rate Units or any portions of the

Project other than the Inclusionary Units. The Parties acknowledge that this Agreement is entered into in consideration of the respective burdens and benefits of the Parties contained in this Agreement and in reliance on their agreements, representations and warranties.

D. Inclusionary Affordable Housing Program. The Inclusionary Affordable Housing Program, San Francisco Planning Code Section 415 et seq. (the "Affordable Housing Program") provides that developers of any housing project consisting of ten or more units to pay an Affordable Housing Fee, as defined therein. The Affordable Housing Program provides that developers may be eligible to meet the requirements of the program through the alternative means of entering into an agreement with the City and County of San Francisco pursuant to Chapter 4.3 of the California Government Code for concessions and incentives, pursuant to which the developer covenants to provide affordable on-site units as an alternative to payment of the Affordable Housing Fee to satisfy the requirements of the Affordable Housing Program and in consideration of the City's concessions and incentives.

E. Developer's Election to Provide On-Site Units. Developer has elected to enter into this Agreement to provide the Inclusionary Units on-site in lieu of payment of the Affordable Housing Fee in satisfaction of its obligation under the Affordable Housing Program, and to provide for an exception to the rent restrictions of the Costa-Hawkins Act for the Inclusionary Units only.

F. Compliance with All Legal Requirements. It is the intent of the Parties that all acts referred to in this Agreement shall be accomplished in such a way as to fully comply with the California Environmental Quality Act (Public Resources Code Section 21000 et seq., "CEQA"), Chapter 4.3 of the California Government Code, the Costa-Hawkins Act, the San Francisco Planning Code, and all other applicable laws and regulations.

G. Project's Compliance with CEQA. Pursuant to CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code, the environmental impacts associated with the Project were described and analyzed, and alternatives and mitigation measures that could avoid or reduce those impacts were discussed in the Final Environmental Impact Report ("EIR") certified by the Planning Commission on March 23, 2017. The information in the EIR was considered by all entities with review and approval authority over the Project prior to the approval of the Project.

H. General Plan Findings. This Agreement is consistent with the objectives, policies, general land uses and programs specified in the General Plan and any applicable area or specific plan, and the Priority Policies enumerated in Planning Code Section 101.1, as set forth in the Planning Commission Motion No. _____.

AGREEMENT

The Parties acknowledge the receipt and sufficiency of good and valuable consideration and agree as follows:

1. GENERAL PROVISIONS

1.1 Incorporation of Recitals and Exhibits. The preamble paragraph, Recitals, and Exhibits, and all defined terms contained therein, are hereby incorporated into this Agreement as if set forth in full.

2. CITY'S DENSITY BONUS AND CONCESSIONS AND INCENTIVES FOR THE INCLUSIONARY UNITS.

2.1 Exceptions, Concessions and Incentives. The Developer has received the following exceptions, concessions and incentives for the production of the Inclusionary Units on-site.

2.1.1 CDLAC Bond Financing. The Project is utilizing tax exempt bond financing and tax credits pursuant to the California Debt Limitation Allocation Committee (CDLAC) process.

2.1.2 Height and Bulk Limit Increases. The Rezoning Ordinance provided a change to the Property's height and bulk district designations by increasing the height limit on the residential component of the Project site from 250 feet to 400 feet and increasing the permitted bulk of the proposed residential tower . As a result of the Rezoning Ordinance, , the Project was approved with more dwelling units that would not have otherwise been possible under the Planning Code and General Plan.

2.1.3 Wind. The Project Authorization provided an exception to the ground level wind current requirements set forth in Planning Code Section 148. Prior to adoption of the Project Approval, Section 148 would have required the buildings to be designed to reduce the ambient wind speeds to meet the requirements, including comfort levels, of Section 148. The Project Authorization allowed the Project to utilize its proposed design even though comfort exceedances are not entirely eliminated by the Project. As a result of the Project Authorization, the Project was approved with more dwelling units that would not have otherwise been possible under the Planning Code.

2.1.4 Loading. The Project Authorization provided an exception to the loading requirements set forth in Planning Code Section 152.1. Prior to adoption of the Project Authorization, Section 152.1 would have required three off-street loading spaces for the residential component, two off-street loading spaces for the retail component, and five off-street loading spaces for the office component, for a total of ten spaces. The Project Authorization allowed the Project to provide three off-street loading spaces for the residential and retail component and four off-street loading spaces for the office component. As a result of the Project Authorization, the Project was approved with more dwelling units that would not have otherwise been possible under the Planning Code.

2.2 Waiver of Affordable Housing Fee. City hereby determines that the Developer has satisfied the requirements of the Affordable Housing Program by covenanting to provide the Inclusionary Units on-site, as provided in Section 3.1, and accordingly hereby waives the obligation of the Developer to pay the Affordable Housing Fee. City would not be willing to enter into this Agreement and waive the Affordable Housing Fee without the understanding and agreement that Costa-Hawkins Act provisions set forth in California Civil Code section

1954.52(a) do not apply to the Inclusionary Units as a result of the exemption set forth in California Civil Code section 1954.52(b). Upon completion of the Project and identification of the Inclusionary Units, Developer agrees to record a notice of restriction against the Inclusionary Units in the form required by the Affordable Housing Program.

2.3 Costa-Hawkins Act Inapplicable to Inclusionary Units Only.

2.3.1 Inclusionary Units. The parties acknowledge that, under Section 1954.52(b) of the Costa-Hawkins Act, the Inclusionary Units are not subject to the Costa-Hawkins Act. Through this Agreement, Developer hereby enters into an agreement with a public entity in consideration for forms of concessions and incentives specified in California Government Code Sections 65915 et seq. The concessions and incentives are comprised of, but not limited to, the concessions and incentives set forth in Section 2.1.

2.2.2 Market Rate Units. The Parties hereby agree and acknowledge that this Agreement does not alter in any manner the way that the Costa-Hawkins Act or any other law, including the City's Rent Stabilization and Arbitration Ordinance (Chapter 37 of the San Francisco Administrative Code) apply to the Market Rate Units.

3. **COVENANTS OF DEVELOPER**

3.1 On-Site Inclusionary Affordable Units. In consideration of the concessions and incentives set forth in Section 2.1 and in accordance with the terms and conditions set forth in the Affordable Housing Program and the Project Approvals, upon Developer obtaining its first certificate of occupancy for the Project, Developer shall provide twenty percent (20%) of the dwelling units in the Project as on-site Inclusionary Units in lieu of payment of the Affordable Housing Fee. For example, based on the contemplated total of 550 units comprising the Project, a total of 110 Inclusionary Units would be required in lieu of payment of the Affordable Housing Fee.

3.2 Developer's Waiver of Rights Under the Costa-Hawkins Act Only as to the Inclusionary Units. The Parties acknowledge that under the Costa-Hawkins Act, the owner of newly constructed residential real property may establish the initial and all subsequent rental rates for dwelling units in the property without regard to the City's Residential Rent Stabilization and Arbitration Ordinance (Chapter 37 of the San Francisco Administrative Code). The Parties also understand and agree that the Costa-Hawkins Act does not and in no way shall limit or otherwise affect the restriction of rental charges for the Inclusionary Units because this Agreement falls within an express exception to the Costa-Hawkins Act as a contract with a public entity in consideration for a direct financial contribution or other forms of assistance specified in Chapter 4.3 (commencing with section 65915) of Division 1 of Title 7 of the California Government Code including but not limited to the density bonus, concessions and incentives specified in Section 2. Developer acknowledges that the density bonus and concessions and incentives result in identifiable and actual cost reductions to the Project. Should the Inclusionary Units be deemed subject to the Costa-Hawkins Act, as a material part of the consideration for entering into this Agreement, Developer, on behalf of itself and all its successors and assigns to this Agreement, hereby expressly waives, now and forever, any and all rights it may have under the Costa-Hawkins Act with respect only to the Inclusionary Units (but

only the Inclusionary Units and not as to the Market Rate Units) consistent with Section 3.1 of this Agreement. Without limiting the foregoing, Developer, on behalf of itself and all successors and assigns to this Agreement, agrees not to bring any legal or other action against City seeking application of the Costa-Hawkins Act to the Inclusionary Units for so long as the Inclusionary Units are subject to the restriction on rental rates pursuant to the Affordable Housing Program. The Parties understand and agree that the City would not be willing to enter into this Agreement without the waivers and agreements set forth in this Section 3.2.

3.3 Developer's Waiver of Right to Seek Waiver of Affordable Housing Program. Developer specifically agrees to be bound by all of the provisions of the Affordable Housing Program applicable to on-site inclusionary units with respect to the Inclusionary Units. Developer covenants and agrees that it will not seek a waiver of the provisions of the Affordable Housing Program applicable to the Inclusionary Units.

4. MUTUAL OBLIGATIONS

4.1 Good Faith and Fair Dealing. The Parties shall cooperate with each other and act in good faith in complying with the provisions of this Agreement and implementing the Project Approvals.

4.2 Other Necessary Acts. Each Party shall execute and deliver to the other all further instruments and documents as may be reasonably necessary to carry out this Agreement, the Project Approvals, the Affordable Housing Program (as applied to the Inclusionary Units) and applicable law in order to provide and secure to each Party the full and complete enjoyment of its rights and privileges hereunder.

4.3 Effect of Future Changes to Affordable Housing Program. The City hereby acknowledges and agrees that, in the event that the City adopts changes to the Affordable Housing Program after the date this Agreement is executed by both Parties, nothing in this Agreement shall be construed to limit or prohibit any rights Developer may have to modify Project requirements with respect to the Inclusionary Units to the extent permitted by such changes to the Affordable Housing Program.

5. DEVELOPER REPRESENTATIONS, WARRANTIES AND COVENANTS.

5.1 Interest of Developer. Developer represents that it is the legal and equitable fee owner of the Property, that it has the power and authority to bind all other persons with legal or equitable interest in the Inclusionary Units to the terms of this Agreement, and that all other persons holding legal or equitable interest in the Inclusionary Units are to be bound by this Agreement. Developer is a limited liability company, duly organized and validly existing and in good standing under the laws of the State of California. Developer has all requisite power and authority to own property and conduct business as presently conducted. Developer has made all filings and is in good standing in the State of California.

5.2 No Conflict With Other Agreements; No Further Approvals; No Suits. Developer warrants and represents that it is not a party to any other agreement that would conflict with the Developer's obligations under this Agreement. Neither Developer's articles of organization, bylaws, or operating agreement, as applicable, nor any other agreement or law in any way

prohibits, limits or otherwise affects the right or power of Developer to enter into and perform all of the terms and covenants of this Agreement. No consent, authorization or approval of, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other person is required for the due execution, delivery and performance by Developer of this Agreement or any of the terms and covenants contained in this Agreement. To Developer's knowledge, there are no pending or threatened suits or proceedings or undischarged judgments affecting Developer or any of its members before any court, governmental agency, or arbitrator which might materially adversely affect Developer's business, operations, or assets or Developer's ability to perform under this Agreement.

5.3 No Inability to Perform; Valid Execution. Developer warrants and represents that it has no knowledge of any inability to perform its obligations under this Agreement. The execution and delivery of this Agreement and the agreements contemplated hereby by Developer have been duly and validly authorized by all necessary action. This Agreement will be a legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms.

5.4 Conflict of Interest. Through its execution of this Agreement, the Developer acknowledges that it is familiar with the provisions of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the California Government Code, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

5.5 Notification of Limitations on Contributions. Through execution of this Agreement, the Developer acknowledges that it is familiar with Section 1.126 of City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City, whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until three (3) months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

5.6 Nondiscrimination. In the performance of this Agreement, Developer agrees not to discriminate on the basis of the fact or perception of a person's, race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes, against any City employee, employee of or applicant for employment with the Developer, or against any bidder or contractor for public

works or improvements, or for a franchise, concession or lease of property, or for goods or services or supplies to be purchased by the Developer. A similar provision shall be included in all subordinate agreements let, awarded, negotiated or entered into by the Developer for the purpose of implementing this Agreement.

6. AMENDMENT; TERMINATION

6.1 Amendment or Termination. Except as provided in Sections 6.2 (Automatic Termination) and 8.3 (Remedies for Default), this Agreement may only be amended or terminated with the mutual written consent of the Parties.

6.1.1 Amendment Exemptions. No amendment of a Project Approval shall require an amendment to this Agreement. Upon approval, any such matter shall be deemed to be incorporated automatically into the Project and this Agreement (subject to any conditions set forth in the amendment). Notwithstanding the foregoing, in the event of any direct conflict between the terms of this Agreement and any amendment to a Project Approval, then the terms of this Agreement shall prevail and any amendment to this Agreement shall be accomplished as set forth in Section 6.1 above.

6.2 Automatic Termination. This Agreement shall automatically terminate in the event that the Inclusionary Units are no longer subject to regulation as to the rental rates of the Inclusionary Units and/or the income level of households eligible to rent the Inclusionary Units under the Affordable Housing Program, or successor program.

7. TRANSFER OR ASSIGNMENT; RELEASE; RIGHTS OF MORTGAGEES; CONSTRUCTIVE NOTICE

7.1 Agreement Runs With The Land. Developer may assign or transfer its duties and obligations under this Agreement to another entity, provided such entity is the legal and equitable fee owner of the Property ("Transferee"). As provided in Section 9.2, this Agreement runs with the land and any Transferee will be bound by all of the terms and conditions of this Agreement.

7.2 Rights of Developer. The provisions in this Section 7 shall not be deemed to prohibit or otherwise restrict Developer from (i) granting easements or licenses to facilitate development of the Property, (ii) encumbering the Property or any portion of the improvements thereon by any mortgage, deed of trust, or other device securing financing with respect to the Property or Project, (iii) granting a leasehold interest in all or any portion of the Property, or (iv) transferring all or a portion of the Property pursuant to a sale, transfer pursuant to foreclosure, conveyance in lieu of foreclosure, or other remedial action in connection with a mortgage. None of the terms, covenants, conditions, or restrictions of this Agreement or the other Project Approvals shall be deemed waived by City by reason of the rights given to the Developer pursuant to this Section 7.2. Furthermore, although the Developer initially intends to operate the Project on a rental basis, nothing in this Agreement shall prevent Developer from later selling all or part of the Project on a condominium basis, provided that such sale is permitted by, and complies with, all applicable City and State laws including, but not limited to that, with respect

to any inclusionary units, those shall only be sold pursuant to the City Procedures for sale of inclusionary units under the Affordable Housing Program.

7.3 Developer's Responsibility for Performance. If Developer transfers or assigns all or any portion of the Property or any interest therein to any other person or entity, Developer shall continue to be responsible for performing the obligations under this Agreement as to the transferred property interest until such time as there is delivered to the City a legally binding agreement pursuant to which the Transferee assumes and agrees to perform Developer's obligations under this Agreement from and after the date of transfer of the Property (or an interest therein) to the Transferee (an "Assignment and Assumption Agreement"). The City is entitled to enforce each and every such obligation assumed by the Transferee directly against the Transferee as if the Transferee were an original signatory to this Agreement with respect to such obligation. Accordingly, in any action by the City against a Transferee to enforce an obligation assumed by the Transferee, the Transferee shall not assert any defense against the City's enforcement of performance of such obligation that is attributable to Developer's breach of any duty or obligation to the Transferee arising out of the transfer or assignment, the Assignment and Assumption Agreement, the purchase and sale agreement, or any other agreement or transaction between the Developer and the Transferee. The transferor Developer shall remain responsible for the performance of all of its obligations under the Agreement prior to the date of transfer, and shall remain liable to the City for any failure to perform such obligations prior to the date of the transfer.

7.4 Release Upon Transfer or Assignment. Upon the Developer's transfer or assignment of all or a portion of the Property or any interest therein, including the Developer's rights and interests under this Agreement, the Developer shall be released from any obligations required to be performed from and after the date of transfer under this Agreement with respect to the portion of the Property so transferred; provided, however, that (i) the Developer is not then in default under this Agreement and (ii) the Transferee executes and delivers to the City the legally binding Assignment and Assumption Agreement. Following any transfer, in accordance with the terms of this Section 7, a default under this Agreement by the Transferee shall not constitute a default by the Developer under this Agreement and shall have no effect upon the Developer's rights under this Agreement as to the remaining portions of the Property owned by the Developer. Further, a default under this Agreement by the Developer as to any portion of the Property not transferred or a default under this agreement by the Developer prior to the date of transfer shall not constitute a default by the Transferee and shall not affect any of Transferee's rights under this Agreement.

7.5 Rights of Mortgagees; Not Obligated to Construct; Right to Cure Default.

7.5.1 Notwithstanding anything to the contrary contained in this Agreement (including without limitation those provisions that are or are intended to be covenants running with the land), a mortgagee or beneficiary under a deed of trust, including any mortgagee or beneficiary who obtains title to the Property or any portion thereof as a result of foreclosure proceedings or conveyance or other action in lieu thereof, or other remedial action, ("Mortgagee") shall not be obligated under this Agreement to construct or complete the Inclusionary Units required by this Agreement or to guarantee their construction or completion solely because the Mortgagee holds a mortgage or other interest in the Property or this

Agreement. The foregoing provisions shall not be applicable to any other party who, after such foreclosure, conveyance, or other action in lieu thereof, or other remedial action, obtains title to the Property or a portion thereof from or through the Mortgagee or any other purchaser at a foreclosure sale other than the Mortgagee itself. A breach of any obligation secured by any mortgage or other lien against the mortgaged interest or a foreclosure under any mortgage or other lien shall not by itself defeat, diminish, render invalid or unenforceable, or otherwise impair the obligations or rights of the Developer under this Agreement.

7.5.2 Subject to the provisions of the first sentence of Section 7.5.1, any person, including a Mortgagee, who acquires title to all or any portion of the mortgaged property by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise shall succeed to all of the rights and obligations of the Developer under this Agreement and shall take title subject to all of the terms and conditions of this Agreement. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote any portion of the Property to any uses, or to construct any improvements, other than the uses and improvements provided for or authorized by the Project Approvals and this Agreement.

7.5.3 If City receives a written notice from a Mortgagee or from Developer requesting a copy of any Notice of Default delivered to Developer and specifying the address for service thereof, then City shall deliver to such Mortgagee, concurrently with service thereon to Developer, any Notice of Default delivered to Developer under this Agreement. In accordance with Section 2924 of the California Civil Code, City hereby requests that a copy of any notice of default and a copy of any notice of sale under any mortgage or deed of trust be mailed to City at the address shown on the first page of this Agreement for recording, provided that no Mortgagee or trustee under a deed of trust shall incur any liability to the City for any failure to give any such notice of default or notice of sale except to the extent the City records a request for notice of default and notice of sale in compliance with Section 2924b of the California Civil Code (a "Request for Special Notice") with respect to a specific mortgage or deed of trust and the Mortgagee or trustee fails to give any notice required under Section 2924b of the California Civil Code as a result of the recordation of a Request for Special Notice.

7.5.4 A Mortgagee shall have the right, at its option, to cure any default or breach by the Developer under this Agreement within the same time period as Developer has to remedy or cause to be remedied any default or breach, plus an additional period of (i) thirty (30) calendar days to cure a default or breach by the Developer to pay any sum of money required to be paid hereunder and (ii) ninety (90) days to cure or commence to cure a non-monetary default or breach and thereafter to pursue such cure diligently to completion; provided that if the Mortgagee cannot cure a non-monetary default or breach without acquiring title to the Property, then so long as Mortgagee is diligently pursuing foreclosure of its mortgage or deed of trust, Mortgagee shall have until ninety (90) days after completion of such foreclosure to cure such non-monetary default or breach. Mortgagee may add the cost of such cure to the indebtedness or other obligation evidenced by its mortgage, provided that if the breach or default is with respect to the construction of the improvements on the Property, nothing contained in this Section or elsewhere in this Agreement shall be deemed to permit or authorize such Mortgagee, either before or after foreclosure or action in lieu thereof or other remedial measure, to undertake or continue the construction or completion of the improvements (beyond the extent necessary to conserve or protect improvements or construction already made) without first having expressly

assumed the obligation to the City, by written agreement reasonably satisfactory to the City, to complete in the manner provided in this Agreement the improvements on the Property or the part thereof to which the lien or title of such Mortgagee relates. Notwithstanding a Mortgagee's agreement to assume the obligation to complete in the manner provided in this Agreement the improvements on the Property or the part thereof acquired by such Mortgagee, the Mortgagee shall have the right to abandon completion of the improvement at any time thereafter.

7.5.5 If at any time there is more than one mortgage constituting a lien on any portion of the Property, the lien of the Mortgagee prior in lien to all others on that portion of the mortgaged property shall be vested with the rights under this Section 7.5 to the exclusion of the holder of any junior mortgage; provided that if the holder of the senior mortgage notifies the City that it elects not to exercise the rights sets forth in this Section 7.5, then each holder of a mortgage junior in lien in the order of priority of their respective liens shall have the right to exercise those rights to the exclusion of junior lien holders. Neither any failure by the senior Mortgagee to exercise its rights under this Agreement nor any delay in the response of a Mortgagee to any notice by the City shall extend Developer's or any Mortgagee's rights under this Section 7.5. For purposes of this Section 7.5, in the absence of an order of a court of competent jurisdiction that is served on the City, a then current title report of a title company licensed to do business in the State of California and having an office in the City setting forth the order of priority of lien of the mortgages shall be reasonably relied upon by the City as evidence of priority.

7.6 Constructive Notice. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project or the Property is and shall be constructively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project or the Property.

8. ENFORCEMENT OF AGREEMENT; REMEDIES FOR DEFAULT; DISPUTE RESOLUTION

8.1 Enforcement. The only parties to this Agreement are the City and the Developer. This Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person or entity whatsoever.

8.2 Default. For purposes of this Agreement, the following shall constitute a default under this Agreement: the failure to perform or fulfill any material term, provision, obligation, or covenant hereunder and the continuation of such failure for a period of thirty (30) calendar days following a written notice of default and demand for compliance; provided, however, if a cure cannot reasonably be completed within thirty (30) days, then it shall not be considered a default if a cure is commenced within said 30-day period and diligently prosecuted to completion thereafter, but in no event later than one hundred twenty (120) days.

8.3 Remedies for Default. In the event of an uncured default under this Agreement, the remedies available to a Party shall include specific performance of the Agreement in addition to any other remedy available at law or in equity. The Agreement will be considered terminated effective upon receipt of a Notice of Termination. The Party receiving the Notice of Termination

may take legal action available at law or in equity if it believes the other Party's decision to terminate was not legally supportable.

8.4 No Waiver. Failure or delay in giving notice of default shall not constitute a waiver of default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failure or delay by a Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies; nor shall it deprive any such Party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert, or enforce any such rights or remedies.

9. MISCELLANEOUS PROVISIONS

9.1 Entire Agreement. This Agreement, including the preamble paragraph, Recitals and Exhibits, constitute the entire understanding and agreement between the Parties with respect to the subject matter contained herein.

9.2 Binding Covenants; Run With the Land. From and after recordation of this Agreement, all of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the Parties, and their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, and all persons or entities acquiring the Property, any lot, parcel or any portion thereof, or any interest therein, whether by sale, operation of law, or in any manner whatsoever, and shall inure to the benefit of the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns. Regardless of whether the procedures in Section 7 are followed, all provisions of this Agreement shall be enforceable during the term hereof as equitable servitudes and constitute covenants and benefits running with the land pursuant to applicable law, including but not limited to California Civil Code Section 1468.

9.3 Applicable Law and Venue. This Agreement has been executed and delivered in and shall be interpreted, construed, and enforced in accordance with the laws of the State of California. All rights and obligations of the Parties under this Agreement are to be performed in the City and County of San Francisco, and such City and County shall be the venue for any legal action or proceeding that may be brought, or arise out of, in connection with or by reason of this Agreement.

9.4 Construction of Agreement. The Parties have mutually negotiated the terms and conditions of this Agreement and its terms and provisions have been reviewed and revised by legal counsel for both City and Developer. Accordingly, no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement. Language in this Agreement shall be construed as a whole and in accordance with its true meaning. The captions of the paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of construction. Each reference in this Agreement to this Agreement or any of the Project Approvals shall be deemed to refer to the Agreement or the Project Approval as it may be amended from time to time pursuant to the provisions of the Agreement, whether or not the particular reference refers to such possible amendment.

9.5 Project Is a Private Undertaking; No Joint Venture or Partnership.

9.5.1 The development proposed to be undertaken by Developer on the Property is a private development. The City has no interest in, responsibility for, or duty to third persons concerning any of said improvements. The Developer shall exercise full dominion and control over the Property, subject only to the limitations and obligations of the Developer contained in this Agreement or in the Project Approvals.

9.5.2 Nothing contained in this Agreement, or in any document executed in connection with this Agreement, shall be construed as creating a joint venture or partnership between the City and the Developer. Neither Party is acting as the agent of the other Party in any respect hereunder. The Developer is not a state or governmental actor with respect to any activity conducted by the Developer hereunder.

9.6 Signature in Counterparts. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

9.7 Time of the Essence. Time is of the essence in the performance of each and every covenant and obligation to be performed by the Parties under this Agreement.

9.8 Notices. Any notice or communication required or authorized by this Agreement shall be in writing and may be delivered personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or registered mail, shall be deemed to have been given and received upon the actual receipt by any of the addressees designated below as the person to whom notices are to be sent. Either Party to this Agreement may at any time, upon written notice to the other Party, designate any other person or address in substitution of the person and address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

To City:

John Rahaim
Director of Planning
San Francisco Planning Department
1650 Mission Street
San Francisco, California 94102

with a copy to:

Dennis J. Herrera, Esq.
City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

To Developer:

Goodwill SF Urban Development, LLC
c/o Related California
44 Montgomery Street, Suite 1050
San Francisco, CA 94104
Attention: Greg Vilkin

and a copy to:

Steven L. Vettel
Farella Braun + Martel LLP
235 Montgomery Street
San Francisco, CA 94104

9.9 Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect unless enforcement of the remaining portions of the Agreement would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

9.10 MacBride Principles. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 et seq. The City also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Developer acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

9.11 Tropical Hardwood and Virgin Redwood. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product.

9.12 Sunshine. The Developer understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov't Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder are public records subject to public disclosure.

9.13 Effective Date. This Agreement will become effective on the date that the last Party duly executes and delivers this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

CITY

CITY AND COUNTY OF SAN
FRANCISCO,
a municipal corporation

Approved as to form:
Dennis J. Herrera, City Attorney

By: _____
John Rahaim
Director of Planning

By: _____
Deputy City Attorney

DEVELOPER

GOODWILL SF URBAN DEVELOPMENT, LLC,
a California limited company

By: _____
Name: Greg Vilkin
Title: President, Related California Residential

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

Subscribed and sworn to (or affirmed) before me on this _____, by _____, who proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature: _____ (seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

Subscribed and sworn to (or affirmed) before me on this _____, by
_____, who proved to me on the basis of satisfactory evidence to be
the person(s) who appeared before me.

Signature: _____ (seal)

EXHIBIT A

Legal Description of Property



**SAN FRANCISCO
PLANNING
DEPARTMENT**

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

T: 415.558.6378
F: 415.558.6409

SUPPLEMENTAL INFORMATION PACKET FOR

Anti-Discriminatory Housing Policy

Pursuant to Administrative Code Section 1.61, certain housing projects must complete and submit a completed Anti-Discriminatory Housing Policy form as part of any entitlement or building permit application that proposes an increase of ten (10) dwelling units or more.

Planning Department staff is available to advise you in the preparation of this application. Call (415)558-6377 for further information.

WHEN IS THE SUPPLEMENTAL INFORMATION FORM NECESSARY?

Administrative Code Section 1.61 requires the Planning Department to collect an application/form with information about an applicant's internal anti-discriminatory policies for projects proposing an increase of ten (10) dwelling units or more.

WHAT IF THE PROJECT SPONSOR OR PERMITTEE CHANGE PRIOR TO THE FIRST ISSUANCE OF CERTIFICATE OF OCCUPANCY?

If the permittee and/or sponsor should change, they shall notify the Planning Department and file a new supplemental information form with the updated information.

HOW IS THIS INFORMATION USED?

The Planning Department is not to review the responses other than to confirm that all questions have been answered. Upon confirmation, the information is routed to the Human Rights Commission.

For questions about the Human Rights Commission (HRC) and/or the Anti-Discriminatory Housing Policy, please contact Mullane Ahern at (415) 252-2514 or mullane.ahern@sfgov.org.

All building permit applications and/or entitlements related to a project proposing 10 dwelling units or more will not be considered complete until all responses are provided.

WHAT PART OF THE POLICY IS BEING REVIEWED?

The Human Rights Commission will review the policy to verify whether it addresses discrimination based on sexual orientation and gender identity. The policy will be considered incomplete if it lacks such protections.

WILL THE ANSWERS TO THE QUESTIONS EFFECT THE REVIEW OF MY PROJECT?

The Planning Department's and Planning Commission's processing of and recommendations or determinations regarding an application shall be unaffected by the applicant's answers to the questions.

INSTRUCTIONS:

The attached supplemental information form is to be submitted as part of the required entitlement application and/or Building Permit Application. This application does not require an additional fee.

Answer all questions fully and type or print in ink. Attach additional pages if necessary.

Please see the primary entitlement application or Building Permit Application instructions for a list of necessary materials required.

SUPPLEMENTAL INFORMATION FOR Anti-Discriminatory Housing Policy

1. Owner/Applicant Information

PROPERTY OWNER'S NAME: Goodwill SF Urban Development, LLC	
PROPERTY OWNER'S ADDRESS: 44 Montgomery Street San Francisco, CA 94104, Suite 1300	TELEPHONE: (949) 697-8123 EMAIL: Matthew.witte@related.com

APPLICANT'S NAME: Goodwill SF Urban Development, LLC		Same as Above <input checked="" type="checkbox"/>
APPLICANT'S ADDRESS: See above.	TELEPHONE: () See above.	EMAIL: See above.

CONTACT FOR PROJECT INFORMATION: Matthew Witte		Same as Above <input type="checkbox"/>
ADDRESS: 44 Montgomery San Francisco, CA 94104	TELEPHONE: (949) 697 8123 EMAIL: Matthew.witte@related.com	

COMMUNITY LIAISON FOR PROJECT (PLEASE REPORT CHANGES TO THE ZONING ADMINISTRATOR): Matthew Witte		Same as Above <input checked="" type="checkbox"/>
ADDRESS: See above	TELEPHONE: () See above	EMAIL: See above

2. Location and Project Description

STREET ADDRESS OF PROJECT: 1500-1580 Mission Street, San Francisco, CA		ZIP CODE: 94103
CROSS STREETS: Mission Street btwn Van Ness and 11th Street		
ASSESSORS BLOCK/LOT: 3506 / 002, 003*	ZONING DISTRICT: C36	HEIGHT/BULK DISTRICT: 120/320-R-2 / 85-R-2
PROJECT TYPE: (Please check all that apply) <input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Demolition <input type="checkbox"/> Alteration <input type="checkbox"/> Other: _____	EXISTING DWELLING UNITS: 0	PROPOSED DWELLING UNITS: 550
		NET INCREASE: 550

* Also referred to as lot 006/007 in certain property records

PLANNING DEPARTMENT USE ONLY

PLANNING DEPARTMENT VERIFICATION:

- ☐ Anti-Discriminatory Housing Policy Form is **Complete**
☐ Anti-Discriminatory Housing Policy Form is **Incomplete**

Notification of Incomplete Information made:

To: _____ Date: _____

BUILDING PERMIT NUMBER(S):

DATE FILED:

RECORD NUMBER:

DATE FILED:

VERIFIED BY PLANNER:

Signature: _____ Date: _____

Printed Name: _____ Phone: _____

ROUTED TO HRC:

DATE:

☐ Emailed to: _____



**EQUAL HOUSING
OPPORTUNITY**

**We Do Business in Accordance With the Federal Fair
Housing Law**

(The Fair Housing Amendments Act of 1988)

**It is illegal to Discriminate Against Any Person
Because of Race, Color, Religion, Sex,
Handicap, Familial Status, or National Origin**

- | | |
|--|--|
| ■ In the sale or rental of housing or residential lots | ■ In the provision of real estate brokerage services |
| ■ In advertising the sale or rental of housing | ■ In the appraisal of housing |
| ■ In the financing of housing | ■ Blockbusting is also illegal |

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:

1-800-669-9777 (Toll Free)

1-800-927-9275 (TTY)

www.hud.gov/fairhousing

**U.S. Department of Housing and
Urban Development
Assistant Secretary for Fair Housing and
Equal Opportunity
Washington, D.C. 20410**

Fair Housing Related Fundamentals (web)

1. Overview of Fair Housing

1.1 Overview of Fair Housing



Notes:

1.2 Introduction



Notes:

One of Related's core values is to enforce fair housing laws. As a property manager, you are required to operate fairly and within the law. Fair Housing practices lay the foundation for this work. In this module, you'll learn how to avoid discriminatory practices and create a positive experience for all applicants and tenants. In the first lesson, you'll learn about the history and details of various Fair Housing laws. In lesson 2, you'll hear about secret shopper programs and how they provide Fair Housing oversight. And, finally, in lesson 3, you'll look at procedures for handling Fair Housing complaints. Following these lessons, we will review what you've learned in the Module Summary. Throughout the module, you'll have a chance to reflect on various examples and make appropriate decisions to avoid discrimination. Our reputation means everything to us, and you are on the front line! Select Lesson 1 to begin.

1.3 Main Menu



Notes:

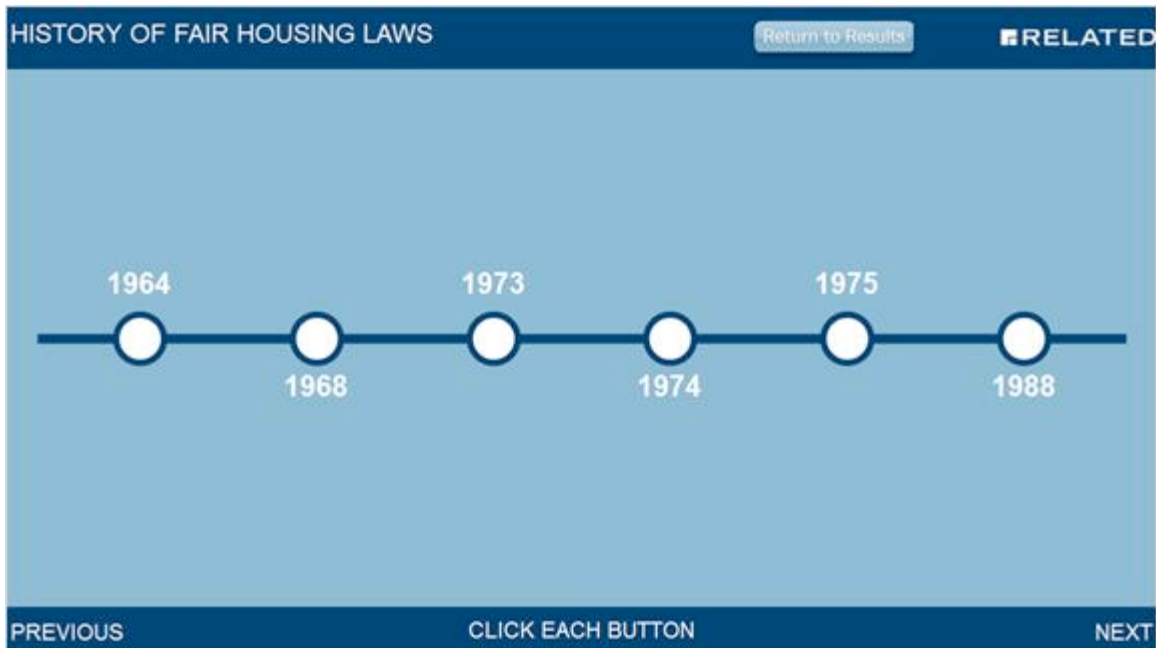
2. Lesson 1: Fair Housing Laws

2.1 Lesson 1: Fair Housing Laws



Notes:

2.2 History of Fair Housing Laws



To get started, let's take a brief look at the various fair housing laws that regulate your job as a property manager. Click the buttons on the timeline to see how fair housing laws have progressed over time.

1964

In 1964, the Civil Rights Act, Title VI was passed as a landmark piece of civil rights legislation that protects against housing discrimination based on race, color, or national origin for any program receiving federal financial assistance.

1968

In 1968, the Expanded Civil Rights Act, Title VIII, commonly referred to as the Fair Housing Act, was passed by Congress four days after the assassination of Martin Luther King, Jr. It protects against housing discrimination based on race, color, religion, and national origin.

1973

In 1973, the Rehabilitation Act, Section 504 was passed to protect against housing discrimination based on disability for any program receiving federal financial assistance.

1974

In 1974, the Fair Housing Amendment Act added sex as a protected class to the Fair Housing Act.

1975

In 1975, the Age Discrimination Act was passed to protect against housing discrimination based on age for any program receiving federal financial assistance.

1988

In 1988, the Fair Housing Amendment Act added familial status and disability as protected classes to the Fair Housing Act.

2.3 Fair Housing Act



Notes:

Let's take a closer look at fair housing laws, starting with the Fair Housing Act and the role it plays in your job. The Fair Housing Act was passed as part of the expanded Civil Rights Act of 1968. It prohibits discrimination in housing and housing-related transactions with respect to:

- Race
- Color
- Religion
- Sex
- Disability
- Familial Status, and
- National Origin

So what does this mean to you? Put simply, it means that you need to treat every applicant and resident equally. As the name implies, the Fair Housing Act is all about being *fair*. You can't let any type of bias or personal opinion enter into the equation when it comes to applicants and residents. Click the *scenario* button to consider a quick example.

2.4 Fair Housing Act - Scenario

FAIR HOUSING ACT - SCENARIO[Return to Results](#)**RELATED**

Lola, a single mother with a young child, is applying for housing. Currently, the building is mostly occupied by professionals with no children. You are afraid that Lola and her child will be a disruption to the environment. What should you do?

- A** Let Lola know you don't think this particular building would be a good fit for her, and suggest another property that is more family-oriented.
- B** Deny Lola's application.
- C** Accept Lola's application and evaluate based on the qualification criteria set forth for the building.



PREVIOUS**SUBMIT**

Notes:

Lola, a single mother with a young child, is applying for housing. Currently, the building is mostly occupied by professionals with no children. You are afraid that Lola and her child will be a disruption to the environment. What should you do?

Select your answer and then click Submit for your feedback.

- a) Let Lola know you don't think this particular building would be a good fit for her, and suggest another property that is more family-oriented.
- b) Deny Lola's application.
- c) Accept Lola's application and evaluate based on the qualification criteria set forth for the building.

2.5 Prohibited Actions



Notes:

To understand exactly what Fair Housing discrimination means, let's dig a little deeper into the Fair Housing Act to find out what you are not allowed to do under the law. The Fair Housing Act provides a strict set of guidelines to ensure you are operating fairly and in a non-discriminatory manner. Click each icon to explore the prohibited actions.






1. You may not deny anyone the opportunity to apply for housing.
2. You may not deny qualified applicants the opportunity to lease housing suitable to their needs.
3. You may not provide anyone housing that is different from that provided to others.
4. You may not steer, segregate, or direct applicants or residents, to a building, floor, or wing.
5. You may not misrepresent the availability of housing.
6. You may not restrict access to any benefit enjoyed by others within the housing program.
7. You may not treat any applicant differently in determining eligibility or other requirements for admission, in use of the housing amenities, facilities or programs, or in the terms and conditions of the lease.
8. You may not deny access to the same level of services.
9. You may not publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons.
10. You may not discriminate against someone due to their relation to or association with another individual.
11. You may not refuse to make reasonable accommodations or modifications for people with disabilities.
12. You may not retaliate against, threaten, or intimidate someone who has exercised their rights under the Fair Housing Act.






2.6 Fair Housing laws for HUD Properties

FAIR HOUSING LAWS FOR HUD PROPERTIES

[Return to Results](#)

RELATED





Contact the Compliance HelpDesk to confirm your property's obligations under these laws

PREVIOUS

NEXT

Notes:


Fair Housing Laws apply to all properties; however, for any property receiving Federal Financial Funding including all HUD Properties, there are additional laws that specifically govern these properties. Let's explore those additional laws now. Click Next to continue.

2.7 Civil Rights Act of 1964, Title VI

CIVIL RIGHTS ACT OF 1964, TITLE VI[Return to Results](#)**RELATED**

HUD requires property owners to gather data about race and ethnicity of applicants and residents

- Prohibits discrimination based on race, color, or national origin
- Spot possible discrimination
- Broader investigative authority
- Track racial or ethnic concentrations
- Additional affirmative action requirements
- Focus on enforcement actions
- Must maintain racial and ethnic data
 - Example: eligible race or ethnicity not represented in the resident population
- Data determined by self-certification
- Report number of persons with disabilities



PREVIOUS**NEXT**

Notes:

First, let's review the Civil Rights Act of 1964, Title VI. In 1964, the Civil Rights Act was passed by the Senate. Title VI was enacted as a part of this landmark legislation to prohibit all property owners who receive federal financial assistance from discriminating based on race, color, or national origin. Though similar to the Fair Housing Act, Title VI has broader investigative authority and puts additional requirements on HUD property owners to take affirmative action to ensure participation by persons of a particular race, color, or national origin. Under this regulation, you must maintain racial and ethnic data to show the extent to which members of minority groups are beneficiaries of federal financial assistance.


For subsidized multifamily housing, HUD requires property owners to gather data about the race and ethnicity of applicants and residents so that HUD can easily spot possible discrimination, track racial or ethnic concentrations, and focus enforcement actions on property owners with racially or ethnically identifiable properties. For example, HUD might investigate a situation in which there is a sizable eligible population of a given race or ethnicity in the area, but a particular property does not house any members of that population. Ethnicity and Race of applicants and residents is determined by self-certification rather than an observation of the owner. HUD also requires that property owners report the numbers of persons with disabilities served by their programs.

2.8 Age Discrimination Act of 1975

AGE DISCRIMINATION ACT OF 1975[Return to Results](#)**RELATED**

Passed to prohibit all property owners who receive federal financial assistance from discriminating based on age

- Circumstances where age can be considered as a valid component of an application;
- HUD has determined housing is designed and occupied by elderly residents



[PREVIOUS](#)[NEXT](#)

Notes:


Now let's look at the Age Discrimination Act of 1975. In 1975, the Age Discrimination Act was passed to prohibit all property owners who receive federal financial assistance from discriminating based on age. If your portfolio contains HUD properties, you cannot discriminate based on age. However, there are a few circumstances where age can be considered as a valid component of an application and is not considered a violation. Age can be considered when HUD has made a determination that the housing is designed and occupied by elderly residents.

2.9 Rehabilitation Act of 1973, Section 504

REHABILITATION ACT OF 1973, SECTION 504

Return to Results

RELATED



Prohibited by Section 504, an individual with a disability shall not be discriminated against on the basis of disability.

- Substantially limits one or more major life activities
- Provide reasonable accommodations
- Has a record of such impairment
- Modify rules, policies, practices, procedures, and practices

PREVIOUS

SCENARIO

Notes:

Finally, let's look at the Rehabilitation Act of 1973, Section 504. Section 504 of the Rehabilitation Act prohibits all property owners who receive federal financial assistance from discriminating based on disability. Although Section 504 often overlaps with the disability provisions in the Fair Housing Act, it imposes broader affirmative obligations to make programs accessible to persons with disabilities.

HUD housing property owners are obligated to provide reasonable accommodations to persons with disabilities. A reasonable accommodation is a change in rules, policies, practices, or services when such accommodation is necessary to afford a person with a disability the equal opportunity to use and enjoy a dwelling. The Fair Housing Act defines a person with a disability to include (1) individuals with a physical or mental impairment that substantially limits one or more major life activities; (2) individuals who are regarded as having such an impairment; and (3) individuals with a record of such an impairment

Similar to the Fair Housing Act, if a provider refuses a requested accommodation because it is not reasonable, the provider should engage in an interactive dialogue with the requester to determine if there is an alternative accommodation that would adequately address the requester's disability-related needs. If an alternative accommodation would meet the individual's needs and is reasonable, the provider must grant it.

Click the scenario button to explore Fair Housing & 504 obligations.

2.10 504 Obligations

504 OBLIGATIONS - SCENARIO[Return to Results](#)**RELATED**

Henry, a Vietnam Vet, is disabled and wheelchair bound. You have a unit available but it will require a few updates before Henry can move in to make it wheelchair accessible. When considering a disabled applicant such as Henry, or anyone else who has a disability, you have several obligations under the Fair Housing Law and Section 504. Click each number to learn what they are.



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PREVIOUS**NEXT**

Notes:

Henry, a Vietnam Vet, is disabled and wheelchair bound. You have a unit available but it will require a few updates before Henry can move in to make it wheelchair accessible. When considering a disabled applicant such as Henry, or anyone else who has a disability, you have several obligations under the Fair Housing law and Section 504. Click each number to learn what they are.

1. If you are in a 504 building, make or pay for reasonable structural modifications to units and/or common areas that are needed by applicants and tenants with disabilities, unless these modifications would change the fundamental nature of the housing or result in undue financial and administrative burdens. Note, in non-504 buildings the applicant or resident would usually pay for the modification.

2. Operate housing that is not segregated based on disability or type of disability, unless authorized by a federal statute or executive order.

3. Provide auxiliary aids or services necessary for effective communication with persons with disabilities.

4. Develop a transition plan to ensure that structural changes are properly implemented to meet program accessibility requirements.

5. Perform a self-evaluation of programs and policies to ensure that they do not discriminate based on disability.

2.11 504 Requests

FAIR HOUSING REQUESTS

Return to Results

RELATED

Any applicant or resident can make a Fair Housing or Section 504 request

Majority of requests are typically minor accommodations, such as:

- Change in meeting place
- Language interpreter

Click each number for directions on how to record a Fair Housing or 504 request

REQUESTS FOR REASONABLE ACCOMMODATIONS
POLICY
Applicant & Resident Notification

Under Section 504 of the Rehabilitation Act of 1973 owners house individuals' reasonable requests for modifications in policies, practices and facilities, when such accommodations are necessary to afford an individual equal opportunity to use and enjoy the benefits of a development and are not fundamental program changes.

Examples of reasonable accommodations may include, but are not limited to:

- meeting with an individual in his/her unit to conduct a certification interview
- using auxiliary aids where necessary to communicate with an individual
- installing specific features of units for an individual
- providing an individual to use auxiliary devices and animals

An individual with a disability may request a reasonable accommodation by communicating such a request to an administrative staff member at the site management office. Depending on the nature of the request, the applicant/resident may be required to complete a Section 504 Accommodation Request Form. If the applicant/resident is unable to complete the form due to a disability, staff will accommodate the individual by assisting him/her.

Applicant/residents should also be aware HUD grants all housing providers to verify that the individual requesting a Section 504 accommodation is eligible for such a benefit under law. Therefore staff may request individuals to provide additional information and/or age verification request forms.

All requests for accommodations will be processed in accordance with established policy and procedures.

Related Management is committed to comply with all requirements of Section 504 of the Rehabilitation Act of 1973.

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PREVIOUS

CLICK EACH NUMBER

NEXT

Notes:

Any applicant or resident can make a fair housing or Section 504 request. Many requests that you will receive are typically minor. For example, you may be asked to conduct an applicant interview outside of the management office for an individual with mobility issues, or engage a sign language interpreter for an individual with a hearing impairment, or you might be asked to add grab bars to a bathroom wall, or lever type faucets to a sink; modifications Related routinely provides when requested. For these types of requests, you do not need to have applicants or residents fill out the below forms or provide verification; however, you must always log all of these requests so that the property has an accurate record the request was made, and so that you can ensure to track it to completion.

The above notwithstanding, employees should always follow proper procedure for accommodation requests to ensure every request is documented and the decisions for each request can be proven. Click each number for directions on how to record a Fair Housing or 504 request.

1. Provide the requester with a Fair Housing or Section 504 Accommodation Request Form and ask him or her to complete and sign it. This form primarily asks the requester to identify the accommodation as well as to describe how this specific accommodation would meet his or her needs. Explain that this formal request form is required to be completed in order to more effectively assess the requester's need.

2. If the requester is unable to complete the form due to a disability, assist him or her. For example, a requester who is sight-impaired might not be able to read the form, and you can accommodate by reading the document aloud and recording his or her responses.

3. Complete the Fair Housing or Section 504 Accommodation Request Log Sheet and record it in your Accommodation Request Log. Assign the next request number from that log to

the request.

4. Ask the requester to assist you in the preparation of the Accommodation Verification form. You may need to inform the requester that the law permits all housing providers to verify that the individual or household requesting an accommodation is eligible for that benefit.

5. Ask the requester for the name, address, and telephone number of a verification source. The verification source can be any healthcare provider who is currently providing professional services to the individual with disabilities. Examples of healthcare providers include, but are not limited to: physicians, licensed therapists and clinicians (e.g., physical therapists, psychologists, etc.), qualified staff members of a government or private health-care facility (e.g., admissions directors, facility administrators, program directors, etc.). 6. Ask the requester to authorize the release of information by signing the form.

7. Attach a copy of the request for accommodation and forward it to the verification source.

8. Maintain copies of all documents in the accommodation request binder and record all appropriate actions and notes on the interview record sheet.

9. Once you receive the completed verification form back, review the form and discuss the Section 504 request with the regional office. In order to comply with federal law & Related policy regarding accommodation requests, it is imperative that all requests be reviewed in a timely manner. This includes consistent and timely follow-up with third parties, active dialogue with applicants and residents, review by site and regional staffs, and ensuring that all requests requiring Compliance and/or Fair Housing Officer or designee review are forwarded appropriately. It is our goal to fully process, respond to, and implement all decisions on reasonable accommodations within 30 days. Some accommodations may take longer to actually implement, but decisions rarely should take longer to be made and communicated to the requester. Consistent adherence to these procedures will assure that we will be able to maintain a central and comprehensive resource to track and evaluate our compliance with these laws.

10. If you are employed in a Section 504 building, by the fifth of every month, complete a Section 504 Accommodation Tracking Sheet and forward it to the District Manager for review. After review, the district office will then forward the tracking sheet to the Compliance Department by the tenth of every month. Upon receipt of all tracking sheets they will be forwarded, for review, to the Fair Housing Officer.

11. An approval or disapproval of the request for a reasonable accommodation must be sent to the requester. Site and regional staff are not authorized to deny or modify any Fair Housing request. All recommendations to deny or to modify an accommodation request must be forwarded for review by Compliance and/or the Fair Housing Officer or a designee.

12. If the request has been denied, the grievance procedure must accompany the denial

13. On some occasions it may not be clear a resident is asking for a reasonable accommodation request. This may be the case because the resident is unfamiliar with the phrase, "accommodation request" or is unaware of the law. On such occasions, if you believe the person has need of an accommodation, you may want to provide the applicant or resident with the paperwork and review with them whether this may be a need based on an underlying disability. If you are unsure how to proceed please immediately contact your District Manager to discuss further so that she/he may assist you and involve Compliance and/or the Fair Housing Officer if needed.

2.12 Amy, a long-time resident, requests that grab bars be installed in her shower. How do you respond?

(Multiple Choice, 0 points, 1 attempt permitted)

RELATED

Amy, a long-time resident, requests that grab bars be installed in her shower. How do you respond?

- ☐ Hand her RMC's paperwork and remind her to include a verifier.
- ☒ Log the request, confirm with Engineering the wall can support the grab bars, and then arrange to have them installed.
- ☐ Tell Amy she is welcome to install the grab bars but must do so at her own expense.

Correct	Choice
	Hand her RMC's paperwork and remind her to include a verifier.
X	Log the request, confirm with Engineering the wall can support the grab bars, and then arrange to have them installed.
	Tell Amy she is welcome to install the grab bars but must do so at her own expense.

Feedback when correct:

Grab bars are the type of routine modification, along with lever type faucets, that do not require verification or other paperwork and that RMC will always provide at no cost to residents. The

request must be logged however and staff should confirm with Maintenance prior to installation that the wall can support the weight of the bars.

Feedback when incorrect:

Grab bars are the type of routine modification, along with lever type faucets, that do not require verification or other paperwork and that RMC will always provide at no cost to residents. The request must be logged however and staff should confirm with Maintenance prior to installation that the wall can support the weight of the bars.

2.13 David, an applicant, explains he loves the property but is concerned about its pet policy that bans dogs over 50 pounds as well as certain breeds including German shepherds and pit-bulls. David explains he suffers from depression and has a companion animal, a pit-bull named Henrietta. What do you do?

(Multiple Choice, 0 points, 1 attempt permitted)

RELATED

David, an applicant, explains he loves the property but is concerned about its pet policy that bans dogs over 50 pounds as well as certain breeds including German shepherds and pit-bulls. David explains he suffers from depression and has a companion animal, a pit-bull named Henrietta. What do you do?

- ☐ Tell David you are sorry but there are no exceptions to the site's dog policy. He is welcome to move in however with an animal that meets the weight and breed restrictions.
- ☐ Explain to David that while he could submit an accommodation request for a dog over 50 pounds, that does not apply in this instance because the animal is a pit-bull.
- ☐ Explain to David that he is welcome to make an accommodation request, provide David the paperwork and process it accordingly.

Correct	Choice
	Tell David you are sorry but there are no exceptions to the site's dog policy. He is welcome to move in however with an animal that meets the weight and breed restrictions.
	Explain to David that while he could submit an accommodation request for a dog over 50 pounds, that does not apply in this instance because the animal is a pit-bull.
X	Explain to David that he is welcome to make an accommodation request, provide David the paperwork and process it accordingly.

Feedback when correct:

You must provide the paperwork and process it accordingly. The law is clear that breed, size and weight limitations may not be applied to assistance animals. Note: the phrase "assistance animal" applies to animals that work, provide assistance, or perform tasks for the benefit of a person with a disability, or provides emotional support that alleviates one or more identified symptoms or effects of a person's disability. Assistance animals are often referred to as service, assistive, support, therapy or companion animals. Note: the only reason for the site to deny such a request would be if the specific assistance animal poses a direct threat to the health and safety of others that cannot be reduced or eliminated by another reasonable accommodation or the animal would cause substantial physical damage to the property of others that cannot be reduced or eliminated by another reasonable accommodation

Feedback when incorrect:

You must provide the paperwork and process it accordingly. The law is clear that breed, size and weight limitations may not be applied to assistance animals. Note: the phrase "assistance animal" applies to animals that work, provide assistance, or perform tasks for the benefit of a person with a disability, or provides emotional support that alleviates one or more identified symptoms or effects of a person's disability. Assistance animals are often referred to as service, assistive, support, therapy or companion animals. Note: the only reason for the site to deny

such a request would be if the specific assistance animal poses a direct threat to the health and safety of others that cannot be reduced or eliminated by another reasonable accommodation or the animal would cause substantial physical damage to the property of others that cannot be reduced or eliminated by another reasonable accommodation

2.14 Miriam, a long-time resident, complains one day to Freddy, the Maintenance Tech, that she has developed severe arthritis in her knees and walking up and down the stairs to her apartment has become extremely painful. She asks him if there is anything the site can do for her in this situation as she would like to transfer to a unit on the first floor but knows the site has a strict policy that prohibits transfers based on personal preference. How should Freddy respond?

(Multiple Choice, 0 points, 1 attempt permitted)

RELATED

Miriam, a long-time resident, complains one day to Freddy, the Maintenance Tech, that she has developed severe arthritis in her knees and walking up and down the stairs to her apartment has become extremely painful. She asks him if there is anything the site can do for her in this situation as she would like to transfer to a unit on the first floor but knows the site has a strict policy that prohibits transfers based on personal preference. How should Freddy respond?

- ☐ Ignore the request as it is beyond the scope of his job.
- ☐ Thank Miriam for letting him know and tell the District Manager the next time he sees her on the premises.
- ☒ Explain to Miriam that she may want to make a request for an accommodation, refer Miriam to the Management Office, and let the Office Staff know ahead of time about this possible request so that they can document the tenant file and reach out to Miriam as well.

Correct	Choice
	Ignore the request as it is beyond the scope of his job.
	Thank Miriam for letting him know and tell the District Manager the next time he sees her on the premises.
X	Explain to Miriam that she may want to make a request for an accommodation, refer Miriam to the Management Office, and let the Office Staff know ahead of time about this possible request so that they can document the tenant file and reach out to Miriam as well.

Feedback when correct:

While Miriam does not know the phrase “accommodation request” she has indicated she has what may be a disabling condition-arthritis. In this case Freddy should refer Miriam to the Management Office where staff can give Miriam the paperwork, which can in turn be processed to assess whether Miriam’s verifier can confirm she is disabled and the accommodation is necessary to provide her equal opportunity to enjoy her dwelling and common areas. Note: telling the District Manager is not wrong, in fact, the District Manager should be made aware of all accommodation requests. Here however, simply telling the District Manager at a future time is not enough.

Feedback when incorrect:

While Miriam does not know the phrase “accommodation request” she has indicated she has what may be a disabling condition-arthritis. In this case Freddy should refer Miriam to the Management Office where staff can give Miriam the paperwork, which can in turn be processed to assess whether Miriam’s verifier can confirm she is disabled and the accommodation is necessary to provide her equal opportunity to enjoy her dwelling and common areas. Note: telling the District Manager is not wrong, in fact, the District Manager should be made aware of all accommodation requests. Here however, simply telling the District Manager at a future time is not enough.

2.15 State Laws

STATE LAWS[Return to Results](#)**RELATED**

Most states also have Fair Housing laws that include non-discrimination based on one or more:

- Race
- Color
- Creed
- National Origin
- Sex
- Age
- Disability
- Sexual Orientation
- Marital Status
- Familial Status
- Military Status
- Domestic Violence Victim Status
- Arrest or Conviction Record
- Predisposing Genetic Characteristics

Refer to your state's Fair Housing website for information about state-specific fair housing laws

PREVIOUS**NEXT**

Notes:

In addition to Federal laws, most states also have Fair Housing laws that include non-discrimination based on one or more of the following:

- Race
- Color
- Creed
- National Origin
- Sex
- Age
- Disability
- Sexual Orientation
- Marital Status
- Familial Status
- Military Status
- Domestic Violence Victim Status
- Arrest or Conviction Record, and
- Predisposing Genetic Characteristics

Refer to your state's Fair Housing website for information about state-specific fair housing laws.

2.16 Related Policy

RELATED POLICY[Return to Results](#)**RELATED**

At Related, our policy is to provide equal opportunity and non-discrimination in compliance with *all* federal, state, and local housing discrimination laws and beyond. In which of the following categories do you think Related prohibits discrimination? *Select all that apply.*

<input checked="" type="radio"/> A Race	<input checked="" type="radio"/> F Citizenship	<input checked="" type="radio"/> K Familial status
<input checked="" type="radio"/> B Color	<input checked="" type="radio"/> G Ancestry	<input checked="" type="radio"/> L Disability
<input checked="" type="radio"/> C Creed	<input checked="" type="radio"/> H Class	<input checked="" type="radio"/> M Military or veteran status
<input checked="" type="radio"/> D Religion	<input checked="" type="radio"/> I Sex	<input checked="" type="radio"/> N Age
<input checked="" type="radio"/> E National origin	<input checked="" type="radio"/> J Sexual orientation	<input checked="" type="radio"/> O Ethnic origin

PREVIOUS**SUBMIT**

Notes:

At Related, our policy is to provide equal opportunity and non-discrimination in compliance with all federal, state, and local housing discrimination laws and beyond. In which of the following categories do you think Related prohibits discrimination? Select all that apply.

- Race
- Color
- Creed
- Religion
- National or ethnic origin
- Citizenship
- Ancestry
- Class
- Sex
- Sexual orientation
- Familial status
- Disability
- Military or veteran status
- Source of income
- Age

2.17 Unintentional Discrimination

UNINTENTIONAL DISCRIMINATION
Return to Results
RELATED

ADVERTISING
PROPERTY
AVAILABILITY
AMENITIES
NEXT STEPS

TYPE	ADDRESS	STATUS	PHOTOS	FEATURES
	156 Bonnie Lane	Active	Photos (4)	Features (33)
	3546 Cornerstone	Active	Photos (6)	Features (21)
	7 South	Active	Photos (1)	Features (26)
	2164 Broadway	Active	Photos (1)	Features (30)
	244 Easy St	Active	Photos (5)	Features (31)
	246 Easy St	Active	Photos (3)	Features (22)
	1667 Bigley Rd	Active	Photos (6)	Features (19)

PREVIOUS
CLICK EACH TAB
NEXT

Looking back at some of the examples we've discussed, you may argue that you were simply using common courtesy by steering applicants towards properties or units that you thought were in their interest, and the best interest of your existing residents. However, this is never your decision to make. You may not be intending to discriminate, but that's exactly what you are doing under the law. Fair Housing takes your personal opinions out of the equation. Your job is to ensure that all potential residents are treated the same, and provided with the same services and opportunities. This is true at every stage of the application and selection process, and it is true whether the discrimination is intentional or not. Click each tab to view examples of treating all potential residents the same throughout the entire application and selection process.

Advertising

You may not make, print, or publish, or cause to be made, printed, or published housing ads that discriminate, limit or deny equal access to apartments or homes because of race, color, national origin, sex, religion, familial status, or disability. Create inclusive publications. Be sure your advertisements don't give the appearance of illegal preference for certain groups (for example, by portraying only white, single residents). Reach out to individuals who are least likely to apply, those individuals that may not even realize that Related exists and that we offer HUD housing. Avoid these words in housing ads:

- Race
- Exclusive neighborhood, upscale neighborhood
- Families, children, singles
- Professionals
- Empty nesters, or

Any words that imply that only certain people or groups are invited to apply

Note: If a site has a specific program that sets age limits, it is appropriate to define those parameters in the ad.

Property

In order to avoid potential discrimination, consistency is your best plan. All applicants should be shown the same show route, and/or unit features.

Availability

In order to avoid potential discrimination, consistency is your best plan. All applicants must be advised of the exact availability at the time they inquire.

Amenities

In order to avoid potential discrimination, consistency is your best plan. All applicants must be advised of all amenities. Just because an applicant is mobility impaired, do not assume they would not be interested in the fitness center.

Next Steps

Provide all who request an opportunity to apply.

2.18 Lesson Summary



Notes:

Now that we've explored the various fair housing laws and how they apply to you as a property manager, let's see what HUD does-and what Related does-to ensure compliance. Click Next to return to the main menu to begin Lesson 2.

3. Lesson 2: Secret Shopper Oversight

3.1 Lesson 2: Secret Shopper Oversight



3.2 HUD Secret Shoppers



Notes:

We're fairly confident that you aren't looking to blatantly discriminate against applicants and residents. In fact, it's quite rare to find property managers who explicitly state a preference or a limitation based on a protected category. That said, discrimination still occurs frequently within the housing market, and the Department of Justice and HUD are well aware of this fact. Subtle discrimination is often called "discrimination with a smile and a handshake."

What does that mean?

It means that sometimes a property manager can be courteous and friendly, while at the same time covering up some facts about a unit or its availability. Because housing discrimination is often subtle, HUD hires "secret shoppers" to pose as applicants and uncover whether or not discriminatory practices are taking place. The use of secret shoppers is common practice and has long been considered a vital method of uncovering discrimination in housing.

So how does secret shopping work?

Multiple secret shoppers are matched to properties where they meet all the relevant qualification criteria, such as income, employment, and credit history. The only significant difference between the secret shoppers is a protected characteristic, such as race, national origin, or familial status. Secret shoppers apply to housing just as any other applicant would, then they collect objective data about their experience, and that data is compared and analyzed by HUD to determine whether discrimination has occurred.

Secret shoppers will never be obvious. They are well-versed on how to appear as regular applicants and they will not typically ask questions that will give them away as secret shoppers.

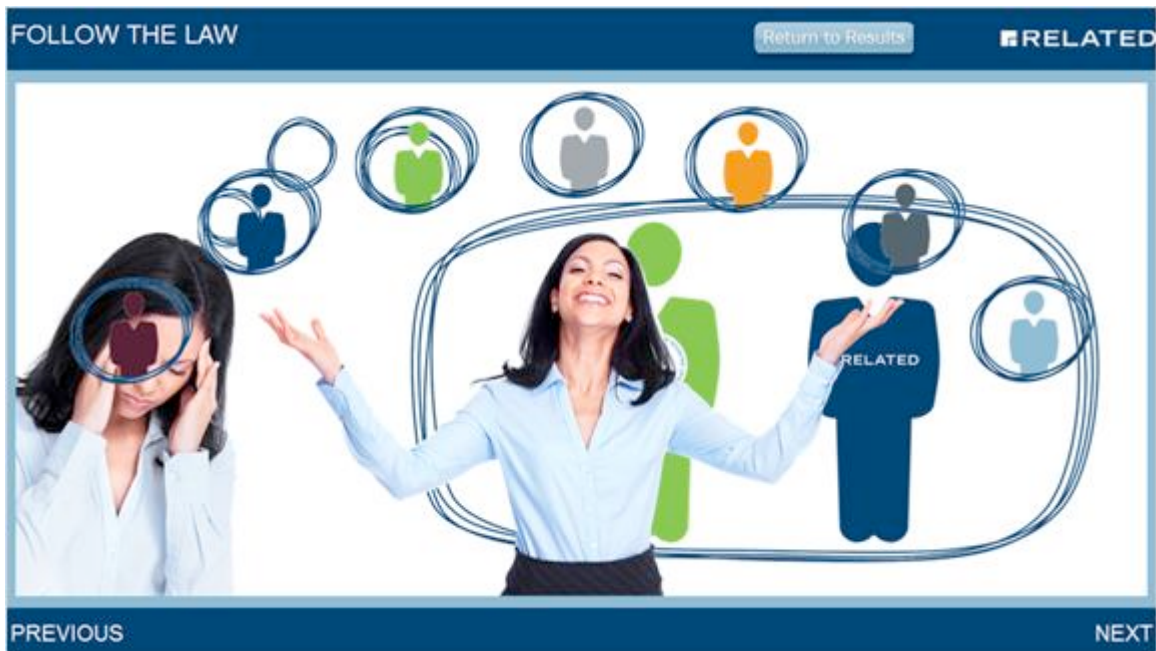
3.3 Related Secret Shoppers



Notes:

At Related, we don't just rely on HUD secret shoppers; we also have our own secret shoppers to conduct testing. This way, we can ensure property managers are operating fully within the law, treating all applicants and residents equally, and we can avoid any unpleasant surprises by HUD

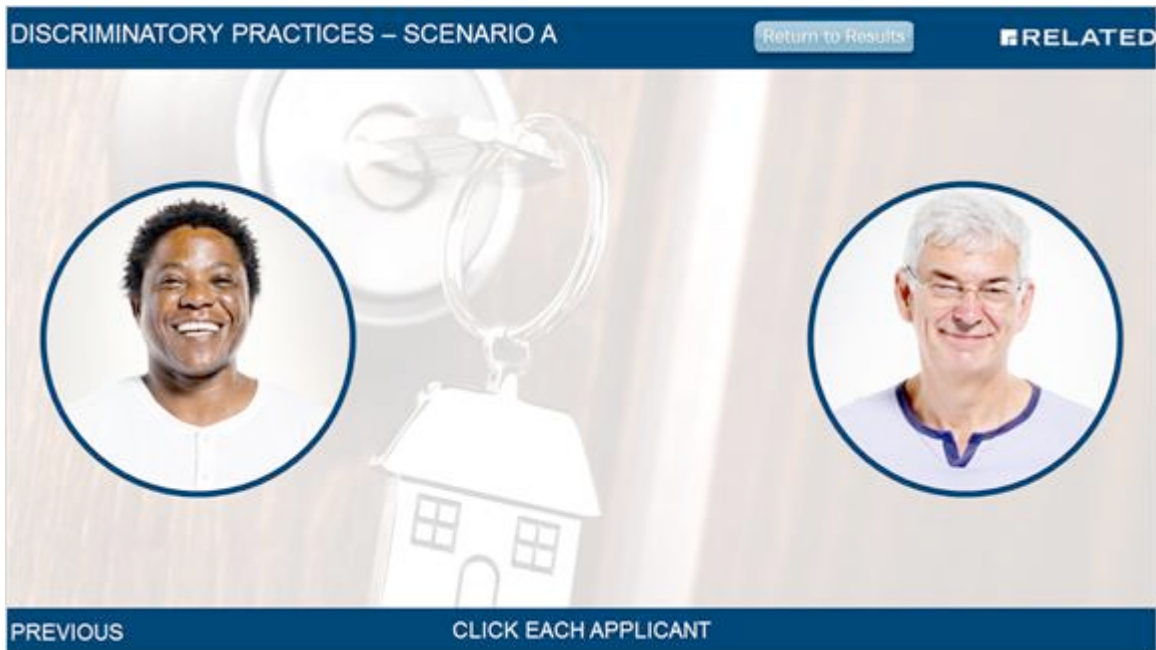
3.4 Follow the Law



Notes:

None of this is a warning to be on your toes or to watch out for potential secret shoppers. Quite the opposite! Bottom line is that you should never try to guess who is a secret shopper and who is an actual applicant. It doesn't matter! Your interaction should be the same regardless of the applicant. Treat EVERY individual as a potential applicant, and follow the law 100% of the time.

3.5 Discriminatory Practices - Scenario A



Notes:

Let's take a look at a few scenarios to see if we can spot any discriminatory practices. First up, we have Max and John. Click each applicant to listen to the property manager, and then decide if discrimination has taken place.

Max (Applicant)

Property Manager, "Hi, come on in! Let me show you around the place. This is a wonderful unit. You can take the application home with you to look over, and just get it back to me when you have a chance."

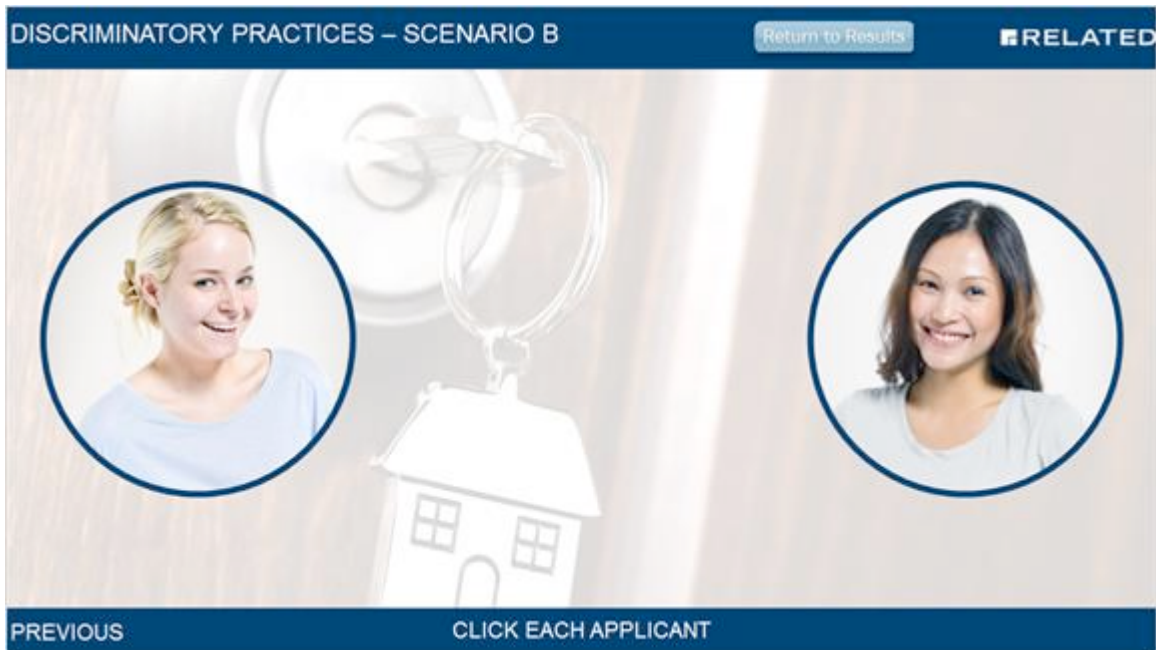
John (Applicant)

Property Manager, "Hi, come on in! Let me show you around the place. This is a wonderful unit. There's a lot of interest in this unit, but you'll be first in line if you fill out your application now."

Question

Is there a potential for discrimination between these two applicants?

3.6 Discriminatory Practices - Scenario B



Notes:

Next up, we have Cynthia and Janet. Click each applicant to listen to the property manager, and then decide if discrimination has taken place.

Cynthia (Applicant)

Property Manager, “Hi, come on in! Let me show you around the place! The unit is a little small, but I think we make up for it with our wonderful amenities. We have an on-site gym that is fully equipped, a terrific pool, convenient parking, and plenty of storage. Let me know if you have any questions.”

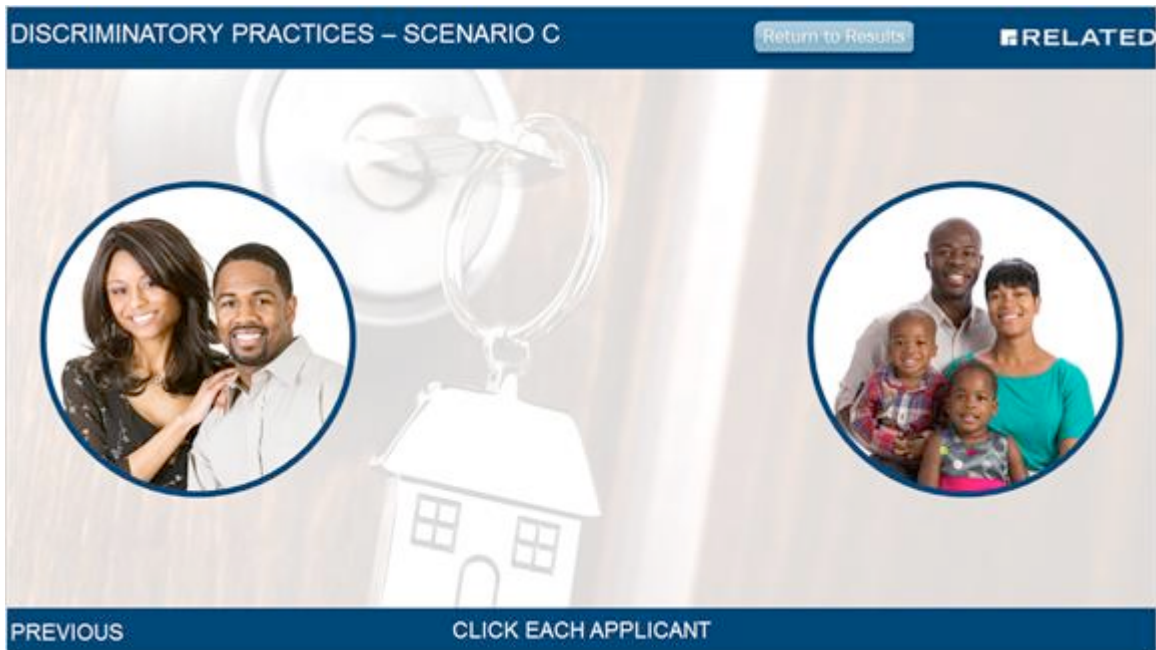
Janet (Applicant)

Property Manager, “Hi, come on in! Let me show you around the place! The unit is a little small. Let me know if you have any questions.”

Question

Is there a potential for discrimination between these two applicants?

3.7 Discriminatory Practices - Scenario C



Notes:

Finally, let's take a look at two families. Click each family to listen to the property manager, and then decide if discrimination has taken place.

Smith Family (Applicant)

Property Manager, "Hi, come on in! Let me show you around the place. It's a great unit and I think you'd fit in well here. We really pride ourselves on keeping the noise level down so that professionals like yourselves can enjoy your home without a lot of distractions."

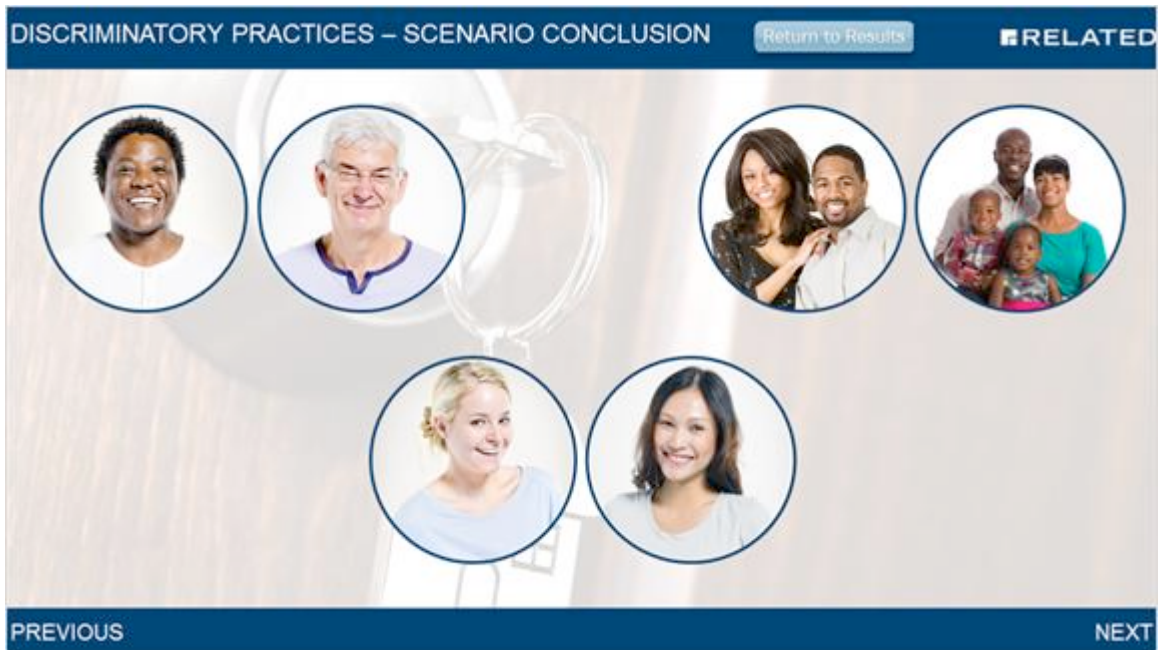
Miller Family (Applicant)

Property Manager, "Hi, come on in! Let me show you around the place. Your kids are so adorable! It's a great unit, but I have to warn you that this tends to be a pretty quiet building, so I'm not sure you'd feel quite at home here. I'd hate for you to always be concerned about making too much noise. I have kids myself, so I know they need a lot of leeway to express themselves!"

Question

Is there a potential for discrimination between these two applicants?

3.8 Discriminatory Practices - Scenario Conclusion



Notes:

As we saw from these scenarios, discrimination is not usually a blatant disregard for the law. More often, a preference is suggested through the use of coded language.

3.9 Responding to Fair Housing Questions

RESPONDING TO FAIR HOUSING QUESTIONS

Return to Results

RELATED

The staff at site name is committed to providing an equal housing opportunity to all eligible applicants without regard to race, ethnicity, national origin, familial status, or disability status. Our community reflects a population diversity that we value; however, I do not feel it is appropriate to discuss specifics of that population diversity.

- Number/distribution of:
 - minority renters
 - welfare recipients
 - families with children
- Fair housing
- Equal opportunity

PREVIOUS

NEXT

Notes:

Regardless of whether an individual is an actual applicant or a HUD or Related secret shopper, you may sometimes find yourself facing awkward questions. Any time an individual questions the number or distribution of minority renters, welfare recipients, families with children, or any other fair housing or equal opportunity questions, you should respond as follows:

"The staff [at site name] is committed to providing an equal housing opportunity to all eligible applicants without regard to race, ethnicity, national origin, familial status, or disability status or any other characteristic unrelated to the housing program eligibility of the applicant."

If the question is repeated or pursued aggressively, the second response should be the following:

"As I have stated, we are committed to providing an equal housing opportunity [here at site name], and our community reflects a population diversity that we value; however, I do not feel it is appropriate to discuss specifics of that population diversity."

If the individual continues to pursue information in this area or even becomes hostile, the third response should be the following:

"I believe I have already answered your question. Is there anything else you would like to know about our community?"

If the individual continues on a hostile or offensive path of questioning, the final response should be as follows:

"I have already answered your question. Let's move on to other appropriate information or I will need to end this conversation."

3.10 Lesson Summary



Notes:

Now that we've looked at the secret shopper practices for HUD and Related, let's discuss what to do if you receive a fair housing complaint. Click Next to return to the main menu to begin Lesson 3.

4. Lesson 3: Fair Housing Complaints

4.1 Lesson 3: Fair Housing Complaints



4.2 Handling Fair Housing Complaints



Notes:

Any applicant or resident who believes that he or she has been subject to discriminatory treatment has the right to file a housing discrimination complaint. If you receive a fair housing complaint despite your best efforts to follow the law 100% of the time, you are never to deal with it directly. Send all fair housing complaints to Related's Fair Housing Officer. The Fair Housing Officer will then work with your site to respond to the complaint.

4.3 Non-retaliation

The screenshot shows a presentation slide with a dark blue header. On the left, the text 'NON-RETALIATION' is displayed. On the right, there is a 'Return to Results' button and the 'RELATED' logo. The main content area has a white background. On the left, it says 'The Fair Housing Act prohibits:' followed by a bulleted list: 'Retaliation', 'Threats', and 'Intimidation'. On the right, there is a green silhouette of a person holding a white sign that says 'Fair Housing Complaint' with a small icon of a house with a scale of justice below it. At the bottom, there are 'PREVIOUS' and 'NEXT' navigation buttons.

Notes:

As a reminder, the Fair Housing Act prohibits retaliation, threats, or intimidation of any applicant or resident who has exercised their rights under the Fair Housing Act

4.4 Fair Housing Poster

FAIR HOUSING POSTERReturn to ResultsRELATED

HUD-subsidized multi-family housing must display the Fair Housing poster

- Provide FHEO's pamphlet, Fair Housing - It's Your Right (HUD-1686-FHEO, March 2001)

FHEO's pamphlet is available at HUD.gov

The image shows two versions of the Fair Housing poster. The left poster is in English and features a house icon with an equals sign inside. It states: 'It is illegal to discriminate against any person because of race, color, religion, sex, handicap, familial status, or national origin.' Below this, it lists prohibited practices: 'No the sale or rental of housing or residential lots', 'No the provision of real estate brokerage services', 'No advertising the sale or rental of housing', 'No the appraisal of housing', 'No the financing of housing', and 'No the creation of segregated housing'. The right poster is in Spanish and features the same house icon. It states: 'Es ilegal discriminar contra ninguna persona a causa de su raza, color, religión, sexo, discapacidad, situación familiar u origen nacional.' Below this, it lists prohibited practices: 'En la venta o el alquiler de viviendas o lotes residenciales', 'En la provisión de servicios de intermediación de bienes raíces', 'En la publicidad relacionada con la venta o el alquiler de viviendas', 'En la tasación de viviendas', 'En la financiación de la vivienda', and 'En la creación de segregación (distinción) racializada o étnica'.

PREVIOUSNEXT

Notes:

HUD-subsidized multi-family housing must display the Fair Housing poster required by the Fair Housing Act and HUD regulations. Provide the individual with FHEO's pamphlet, Fair Housing - It's Your Right (HUD-1686-FHEO, March 2001), at move in and annual recertification.

4.5 Lesson Summary



Notes:

We've come to the end of the Fair Housing Practices module. Click Next to return to the main menu to visit the Summary lesson.

5. Summary

5.1 Module Summary



5.2 Summary



Notes:

At Related, we take pride in following not only the letter of the law, but the spirit of the law, as well. We have a commitment to the highest possible standards in every aspect of our business, and property management is no exception. Honesty and integrity are the foundation upon which we build all relationships. Above all, we stand by our word. Saying that we are committed to Fair Housing is not just for appearances or to stay out of trouble. We are accountable to the company and to our customers, investors, partners, communities, and each other for the work we produce and the actions we take. Our property managers exemplify all that Related stands for - professionalism, entrepreneurialism, and a commitment to excellence.

5.3 Knowledge Check

KNOWLEDGE CHECK INTRODUCTION

RELATED



- Knowledge Check questions are scored
- You must score 100% in order to receive credit for completing this module
- Opportunity to revisit the material and then retry the Knowledge Check

PREVIOUS

NEXT

Notes:

Before we end the module, let's check in on a few more fair housing questions. These "Knowledge Check" questions will be scored. You must score 100% in order to receive credit for completing this module. If you do not score 100%, you will have the opportunity to revisit the material and then retry the Knowledge Check. Click Next to begin.

5.4 If you have two units available and one of those units is in a building where the resident composition is predominantly elderly, it would be acceptable to keep that unit vacant until there is an elderly applicant.

(True/False, 10 points, 1 attempt permitted)

KNOWLEDGE CHECK

RELATED

If you have two units available and one of those units is in a building where the resident composition is predominantly elderly, it would be acceptable to keep that unit vacant until there is an elderly applicant.

☒ True

☐ False

Correct	Choice
	True
X	False

Feedback when correct:

That's right! You selected the correct response.

Feedback when incorrect:

You did not select the correct response.

5.5 A service animal has to be a dog.

(True/False, 10 points, 1 attempt permitted)

KNOWLEDGE CHECK

RELATED

A service animal has to be a dog.

☒ True
☐ False

Correct	Choice
	True
X	False

Feedback when correct:

That's right! You selected the correct response.

Feedback when incorrect:

You did not select the correct response.

5.6 Can a landlord require certification to prove the animal is trained to be a service animal?"

(True/False, 10 points, 1 attempt permitted)

KNOWLEDGE CHECK

RELATED

Can a landlord require certification to prove the animal is trained to be a service animal?"

☒ Yes

☐ No

Correct	Choice
	Yes
X	No

Feedback when correct:

That's right! You selected the correct response.

Feedback when incorrect:

You did not select the correct response.

5.7 A prospect has walked in to the management office. She has introduced herself as a very good friend of Mary Clark. Mary Clark is a resident under eviction for non-payment of rent as well as material non-compliance of the lease (noise complaints). This is NOT a tenant you want to have in your building because of her association with Mary Clark. Because of her association with Mary Clark, are you within your rights to advise her to seek alternative housing?

(True/False, 10 points, 1 attempt permitted)

KNOWLEDGE CHECKRELATED

A prospect has walked in to the management office. She has introduced herself as a very good friend of Mary Clark. Mary Clark is a resident under eviction for non-payment of rent as well as material non-compliance of the lease (noise complaints). This is NOT a tenant you want to have in your building because of her association with Mary Clark. Because of her association with Mary Clark, are you within your rights to advise her to seek alternative housing?

☐ Yes

☒ No

Correct	Choice
	Yes
X	No

Feedback when correct:

That's right! You selected the correct response.

Feedback when incorrect:

You did not select the correct response.

5.8 A person with a disability is:

(Multiple Choice, 10 points, 1 attempt permitted)

KNOWLEDGE CHECK

RELATED

A person with a disability is:

- ☐ Any person who has a physical or mental impairment that substantially limits one or more major life activities.
- ☐ Any person who has a record of such impairment that substantially limits one or more major life activities
- ☐ Any person who is regarded as having such an impairment that substantially limits one or more major life activities.
- ☐ All of these apply

Correct	Choice
	Any person who has a physical or mental impairment that substantially limits one or more major life activities.
	Any person who has a record of such impairment that substantially limits one or more major life activities
	Any person who is regarded as having such an impairment that substantially limits one or more major life activities.
X	All of these apply

Feedback when correct:

That's right! You selected the correct response.

Feedback when incorrect:

You did not select the correct response.

5.9 A resident requests a ramp be installed so her visiting mother can enter her apartment building, which has stairs in front. How do you respond?

(Multiple Choice, 10 points, 1 attempt permitted)

KNOWLEDGE CHECK

RELATED

A resident requests a ramp be installed so her visiting mother can enter her apartment building, which has stairs in front. How do you respond?

- ☐ Offer to make the modification request.
- ☐ Deny the modification request as the resident's mother does not live at the property.
- ☐ Deny the request as you know it will be expensive and the property cannot afford it.
- ☐ Provide the resident with the Related reasonable accommodation request and verification forms so that the site can process the request and confirm the mother's disabled status and need for the accommodation.

Correct	Choice
	Offer to make the modification request.
	Deny the modification request as the resident's mother does not live at the property.

	Deny the request as you know it will be expensive and the property cannot afford it.
X	Provide the resident with the Related reasonable accommodation request and verification forms so that the site can process the request and confirm the mother's disabled status and need for the accommodation.

Feedback when correct:

That's right! You selected the correct response.

Feedback when incorrect:

You did not select the correct response.

5.10 After touring the property, an applicant to the site remarks that there seem to be a lot of families and asks, "Tell me honestly, what kinds of people live here?" How do you respond?

(Multiple Choice, 10 points, 1 attempt permitted)

After touring the property, an applicant to the site remarks that there seem to be a lot of families and asks, "Tell me honestly, what kinds of people live here?" How do you respond?

- ☒ "The staff [at site name] is committed to providing an equal housing opportunity to all eligible applicants without regard to race, ethnicity, national origin, familial status, or disability status or any other characteristic unrelated to the eligibility of the applicant."
- ☐ "Yes, it's true. We love families at this building."
- ☐ "Yes but we are working to get in a wider variety of new applicants so that the site becomes more balanced."
- ☐ Tell the applicant that the site has an average number of families and we can't help who applies.

Correct	Choice
X	"The staff [at site name] is committed to providing an equal housing opportunity to all eligible applicants without regard to race, ethnicity, national origin, familial status, or disability status or any other characteristic unrelated to the eligibility of the applicant."
	"Yes, it's true. We love families at this building."
	"Yes but we are working to get in a wider variety of new applicants so that the site becomes more balanced."
	Tell the applicant that the site has an average number of families and we can't help who applies.

Feedback when correct:

That's right! You selected the correct response.

Feedback when incorrect:

You did not select the correct response.

5.11 Your property has fallen on hard times and your colleague proposes a new advertisement for the property that he hopes will bring in more applicants. It reads, “Palm Tree Court, perfect for singles! Come see what we have in store!” He asks you for your opinion. How do you respond?

(Multiple Choice, 10 points, 1 attempt permitted)

KNOWLEDGE CHECKRELATED

Your property has fallen on hard times and your colleague proposes a new advertisement for the property that he hopes will bring in more applicants. It reads, “Palm Tree Court, perfect for singles! Come see what we have in store!” He asks you for your opinion. How do you respond?

- ☐ You tell him it looks good and you are excited to bring in more applicants.
- ☒ You explain that while you agree you need to bring in more applicants the phrase gives the appearance of an illegal preference for singles. You suggest you work together to come up with something more inclusive and appropriate.
- ☐ You tell him it’s totally unoriginal and to come up with something more creative and catchy.
- ☐ You tell him to make sure it has the equal opportunity logo but that otherwise it’s good to go.

Correct	Choice
	You tell him it looks good and you are excited to bring in more applicants.
X	You explain that while you agree you need to bring in more applicants the phrase gives the appearance of an illegal preference for singles. You suggest you work together to come up with something more inclusive and appropriate.
	You tell him it’s totally unoriginal and to come up with something more creative and catchy.
	You tell him to make sure it has the equal opportunity logo but that otherwise it’s

good to go.

Feedback when correct:

That's right! You selected the correct response.

Feedback when incorrect:

You did not select the correct response.

5.12 Results Slide

(Results Slide, 0 points, 1 attempt permitted)

Results

Your Score:

%Results1.ScorePercent%% (%Results1.ScorePoints% points)

Passing Score:

%Results1.PassPercent%% (%Results1.PassPoints% points)

Result:

Retry Quiz

Results for

5.4 If you have two units available and one of those units is in a building where the resident

composition is predominantly elderly, it would be acceptable to keep that unit vacant until there is an elderly applicant.
5.5 A service animal has to be a dog.
5.6 Can a landlord require certification to prove the animal is trained to be a service animal?"
5.7 A prospect has walked in to the management office. She has introduced herself as a very good friend of Mary Clark. Mary Clark is a resident under eviction for non-payment of rent as well as material non-compliance of the lease (noise complaints). This is NOT a tenant you want to have in your building because of her association with Mary Clark. Because of her association with Mary Clark, are you within your rights to advise her to seek alternative housing?
5.8 A person with a disability is:
5.9 A resident requests a ramp be installed so her visiting mother can enter her apartment building, which has stairs in front. How do you respond?
5.10 After touring the property, an applicant to the site remarks that there seem to be a lot of families and asks, "Tell me honestly, what kinds of people live here?" How do you respond?
5.11 Your property has fallen on hard times and your colleague proposes a new advertisement for the property that he hopes will bring in more applicants. It reads, "Palm Tree Court, perfect for singles! Come see what we have in store!" He asks you for your opinion. How do you respond?

Result slide properties

Passing Score

100%

5.13 Conclusion



Notes:

Thank you for your attention during this module.

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COMPLIANCE WITH THE INCLUSIONARY AFFORDABLE HOUSING PROGRAM



San Francisco
Planning

SAN FRANCISCO PLANNING DEPARTMENT
1650 MISSION STREET, SUITE 400
SAN FRANCISCO, CA 94103-2479
MAIN: (415) 558-6378 SFPLANNING.ORG

Date: August 16, 2016

To: Applicants subject to Planning Code Section 415 and 419: *Inclusionary Affordable Housing Program*

From: San Francisco Planning Department

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

All projects that include 10 or more dwelling units must participate in the *Inclusionary Affordable Housing Program* contained in Planning Code Sections 415 and 419. Every project subject to the requirements of Planning Code Section 415 or 419 is required to pay the Affordable Housing Fee. A project may be eligible for an Alternative to the Affordable Housing Fee if the developer chooses to commit to sell the new residential units rather than offer them as rental units. Projects may be eligible to provide rental affordable units if it demonstrates the affordable units are not subject to the Costa Hawkins Rental Housing Act. All projects that can demonstrate that they are eligible for an Alternative to the Affordable Housing Fee must provide necessary documentation to the Planning Department and Mayor's Office of Housing.

Before the Planning Department and/or Planning Commission can act on the project, this Affidavit for Compliance with the Inclusionary Affordable Housing Program must be completed. Please note that this affidavit is required to be included in Planning Commission packets and therefore, must comply with packet submittal guidelines.

The Affidavit is divided into two sections. This first section is devoted to projects that are subject to Planning Code Section 415. The second section covers projects that are located in the Urban Mixed Use (UMU) Zoning District and certain projects within the Mission Neighborhood Commercial Transit District that are subject to Planning Code Section 419. Please use the applicable form and contact Planning staff with any questions.

On June 7, 2016, Proposition C was passed by San Francisco voters to modify Affordable Housing Requirements and trailing legislation was passed by the Board of Supervisors (Ord No. 76-16 and File No. 160255) to implement the increased requirements. Please be aware that the inclusionary requirements may differ for projects depending on when a complete Environmental Evaluation Application (EEA) was submitted with the Department. Please also note that there are different requirements for smaller projects (10-24 units) and larger projects (25+ units). Please use the attached tables to determine the applicable requirement.

For new projects with complete EEA's accepted after January 12, 2016, the Inclusionary Affordable Housing Program includes provisions to allow for mixed income levels. Generally speaking, if the required number of units constructed on-site is 25%, a minimum of 15% of the units must be affordable to low-income households and 10% of the units affordable to low- or moderate/middle-income households. The Average Median Income (AMI) for low income is 55% for rental and 80% for ownership. The AMI for moderate/middle income units is 100% for rental and 120% for ownership. Projects subject to grandfathering must provide the all of the inclusionary units at the low income AMI.

Summary of requirements. Please determine what percentage is applicable for your project based on the size of the project, the zoning of the property, and the date that a complete Environmental Evaluation Application (EEA) was submitted. Chart A applies throughout San Francisco whereas Chart B addresses UMU (Urban Mixed Use District) Zoning Districts.

If the project received its first discretionary approval prior to January 12, 2016, please use the EEA accepted before 1/1/13 column to determine the applicable percentage because projects that received a first discretionary approval prior to January 12, 2016 are not subject to the new requirements included in the trailing legislation associated with Proposition C (Ord. No. 76-16 and File No. 160255).

The Project contains:	The zoning of the property is:	Complete EEA was submitted on:
UNITS		

CHART A: Inclusionary Requirements for San Francisco, excluding UMU Zoning Districts.

Complete EEA Accepted: →	Before 1/1/13	Before 1/1/14	Before 1/1/15	Before 1/12/16	After 1/12/16
Fee or Off-site					
10-24 unit projects	20.0%	20.0%	20.0%	20.0%	20.0%
25+ unit projects at or below 120'	20.0%	25.0%	27.5%	30.0%	33.0%
25+ unit projects over 120' in height *	20.0%	33.0%	33.0%	33.0%	33.0%
On-site					
10-24 unit projects	12.0%	12.0%	12.0%	12.0%	12.0%
25+ unit projects	12.0%	13.0%	13.5%	14.5%	25.0%

* except buildings up to 130 feet in height located both within a special use district and within a height and bulk district that allows a maximum building height of 130 feet.

CHART B: Inclusionary Requirements for UMU Districts. Please note that the Middle Income Incentive Alternative regulated in Planning Code Section 419 was not changed by Code amendment (Ord. No. 76-16). Also, certain projects in the SOMA Youth and Family SUD rely upon UMU requirements as stipulated by the Planning Code.

Complete EEA Accepted: →	Before 1/1/13	Before 1/1/14	Before 1/1/15	Before 1/12/16	After 1/12/16
On-site UMU					
Tier A 10-24 unit projects	14.4%	14.4%	14.4%	14.4%	14.4%
Tier A 25+ unit projects	14.4%	15.4%	15.9%	16.4%	25.0%
Tier B 10-24 unit projects	16.0%	16.0%	16.0%	16.0%	16.0%
Tier B 25+ unit projects	16.0%	17.0%	17.5%	18.0%	25.0%
Tier C 10-24 unit projects	17.6%	17.6%	17.6%	17.6%	17.6%
Tier C 25+ unit projects	17.6%	18.6%	19.1%	19.6%	25.0%
Fee or Off-site UMU					
Tier A 10-24 unit projects	23.0%	23.0%	23.0%	23.0%	23.0%
Tier A 25+ unit projects	23.0%	28.0%	30.5%	33.0%	33.0%
Tier B 10-24 unit projects	25.0%	25.0%	25.0%	25.0%	25.0%
Tier B 25+ unit projects	25.0%	30.0%	32.5%	33.0%	33.0%
Tier C 10-24 unit projects	27.0%	27.0%	27.0%	27.0%	27.0%
Tier C 25+ unit projects	27.0%	32.0%	33.0%	33.0%	33.0%
Land Dedication in UMU or Mission NCT					
Tier A 10-24 unit < 30K	35.0%	35.0%	35.0%	35.0%	35.0%
Tier A 10-24 unit > 30K	30.0%	30.0%	30.0%	30.0%	30.0%
Tier A 25+ unit < 30K	35.0%	40.0%	42.5%	45.0%	35.0%
Tier A 25+ unit > 30K	30.0%	35.0%	37.5%	40.0%	30.0%
Tier B 10-24 unit < 30K	40.0%	40.0%	40.0%	40.0%	40.0%
Tier B 10-24 unit > 30K	35.0%	35.0%	35.0%	35.0%	35.0%
Tier B 25+ unit < 30K	40.0%	45.0%	47.5%	50.0%	40.0%
Tier B 25+ unit > 30K	35.0%	40.0%	42.5%	45.0%	35.0%
Tier C 10-24 unit < 30K	45.0%	45.0%	45.0%	45.0%	45.0%
Tier C 10-24 unit > 30K	40.0%	40.0%	40.0%	40.0%	40.0%
Tier C 25+ unit < 30K	45.0%	50.0%	52.5%	55.0%	45.0%
Tier C 25+ unit > 30K	40.0%	45.0%	47.5%	50.0%	40.0%

AFFIDAVIT

COMPLIANCE WITH THE INCLUSIONARY AFFORDABLE HOUSING PROGRAM

PLANNING CODE SECTION 415 & 419**San Francisco
Planning**

SAN FRANCISCO PLANNING DEPARTMENT
1650 MISSION STREET, SUITE 400
SAN FRANCISCO, CA 94103-2479
MAIN: (415) 558-6378 SFPLANNING.ORG

3/3/2017
Date

I, Greg Vilkin
do hereby declare as follows:

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

☐ Yes ☒ No

(If yes, please indicate Affordable Housing Tier)

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

1500-1580 Mission Street, San Francisco, CA
Address

3506 / 002, 003*
Block / Lot

* also referenced as lot 006 / 007 in
certain city records

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

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

2014-000362ENV
Planning Case Number

BPN 2016 06 20 03875
Building Permit Number

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

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

- C** 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):
☐ Land Dedication

This project requires the following approval:

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

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

Tina Chang
Planner Name

D If the project will comply with the Inclusionary Affordable Housing Program through an **On-site** or **Off-site Affordable Housing Alternative**, please fill out the following regarding how the project is eligible for an alternative.

- ☐ **Ownership.** All affordable housing units will be sold as ownership units and will remain as ownership units for the life of the project.
- ☐ **Rental.** Exemption from Costa Hawkins Rental Housing Act.¹ The Project Sponsor has demonstrated to the Department that the affordable units are not subject to the Costa Hawkins Rental Housing Act, under the exception provided in Civil Code Sections 1954.50 through one of the following:
- ☐ Direct financial contribution from a public entity.
- ☒ Development or density bonus, or other public form of assistance.
- ☐ Development Agreement with the City. The Project Sponsor has entered into or has applied to enter into a Development Agreement with the City and County of San Francisco pursuant to Chapter 56 of the San Francisco Administrative Code and, as part of that Agreement, is receiving a direct financial contribution, development or density bonus, or other form of public assistance.

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

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

F Affordability Levels:

No. of Affordable Units:	% Affordable Units:	AMI Level:
15	2.7%	40%

No. of Affordable Units:	% Affordable Units:	AMI Level:
95	17.3%	50%

G The Project Sponsor must pay the Affordable Housing Fee in full sum to the Development Fee Collection Unit at the Department of Building Inspection for use by the Mayor's Office of Housing prior to the issuance of the first construction document.

H 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.

Executed on this day in:

San Francisco, CA
Location

3/3/2017
Date

Sign Here


Signature

Greg Vilkin, President
Name (Print), Title

415-653-3161
Contact Phone Number

cc: Mayor's Office of Housing and
Community Development
Planning Department Case Docket

¹ California Civil Code Section 1954.50 and following.

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:
550	NA	197	146	195	12

If you selected an On-site or Off-Site Alternative, please fill out the applicable section below. If using more than one AMI to satisfy the requirement, please submit a separate sheet for each AMI level.

☒ **On-site Affordable Housing Alternative** (Planning Code Section 415.6): calculated at 20 % 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:
110		40	29	39	2

40% 6
50% 34 4 5
25 34 2

☐ **Off-site Affordable Housing Alternative** (Planning Code Section 415.7): calculated at % 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:	

☐ **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. Fee % of affordable housing requirement.

2. On-Site % of affordable housing requirement.

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:

3. 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:	

Contact Information and Declaration of Sponsor of PRINCIPAL PROJECT

Goodwill SF Urban Housing, LLC (Related California Urban Housing)

Company Name

Greg Vilkin

Name (Print) of Contact Person

44 Montgomery Street, Suite 1300

Address

415-677-5100

Phone / Fax

San Francisco, CA 94104

City, State, Zip

Greg.Vilkin@related.com

Email

I hereby declare that the information herein is accurate to the best of my knowledge and that I intend to satisfy the requirements of Planning Code Section 415 as indicated above.

Sign Here

Signature:



greg vilkin, president

Name (Print), Title:

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:



**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 1500-1580 Mission Street, San Francisco, CA, 94103		BLOCK/LOT(S) 3506 / 002 and 003 (also referred to as 006 / 007)
BUILDING PERMIT APPLICATION NO. 2016 06 20 0387S	CASE NO. (IF APPLICABLE) 2014-000362E	MOTION NO. (IF APPLICABLE) Not yet received.
PROJECT SPONSOR Goodwill SF Urban Housing, LLC	MAIN CONTACT Joe Walsh	PHONE 415-653-3177
ADDRESS 44 Montgomery Street, Suite 1300		
CITY, STATE, ZIP San Francisco, CA, 94104	EMAIL joseph.walsh@related.com	
ESTIMATED RESIDENTIAL UNITS 550	ESTIMATED SQ FT COMMERCIAL SPACE 38,000	ESTIMATED HEIGHT/FLOORS 39 stories, 396ft
		ESTIMATED CONSTRUCTION COST \$230,000,000
ANTICIPATED START DATE October 2017		

**Note, this affidavit is for the Residential and Retail component of the project only. A separate affidavit has been submitted for the Office and Permit Center component of the project.*

Section 2: First Source Hiring Program Verification

CHECK ALL BOXES APPLICABLE TO THIS PROJECT

- ☐ Project is wholly Residential
- ☐ Project is wholly Commercial
- ☒ Project is Mixed Use
- ☒ A: The project consists of ten (10) or more residential units;
- ☒ B: The project consists of 25,000 square feet or more gross commercial floor area.
- ☐ C: Neither 1A nor 1B apply.

NOTES:

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	* see note	2	10	Laborer	* see note	20	100
Boilermaker				Operating Engineer	* see note	2	10
Bricklayer	* see note	2	10	Painter	* see note	4	20
Carpenter	* see note	20	100	Pile Driver	* see note	1	5
Cement Mason	* see note	2	10	Plasterer	* see note	2	10
Drywall/ Latherer	* see note	5	25	Plumber and Pipefitter	* see note	4	20
Electrician	* see note	6	30	Roofer/Water proofer	* see note	2	10
Elevator Constructor	* see note	2	10	Sheet Metal Worker	* see note	4	20
Floor Coverer	* see note	2	10	Sprinkler Fitter	* see note	2	10
Glazier	* see note	5	25	Taper	* see note	2	10
Heat & Frost Insulator	* see note	2	10	Tile Layer/ Finisher	* see note	2	10
Ironworker	* see note	4	20	Other:	* see note	3	15
TOTAL:			260	TOTAL:			240

*Note: Anticipated wage rates set by individual trade union requirements.

1. Will the anticipated employee compensation by trade be consistent with area Prevailing Wage?
2. Will the awarded contractor(s) participate in an apprenticeship program approved by the State of California's Department of Industrial Relations?
3. Will hiring and retention goals for apprentices be established?
4. What is the estimated number of local residents to be hired?

YES NO

☒ ☐

☒ ☐

☒ ☐

TBD

Section 4: Declaration of Sponsor of Principal Project

PRINT NAME AND TITLE OF AUTHORIZED REPRESENTATIVE
Greg Vilkin, President

EMAIL
Greg.vilkin@related.com

PHONE NUMBER
415-653-3161

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)

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.workforcedevelopmentsf.org Email: CityBuild@sfgov.org



**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>

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ADDRESS 44 Montgomery Street, Suite 1300		
CITY, STATE, ZIP San Francisco, CA, 94104	EMAIL joseph.walsh@related.com	
ESTIMATED RESIDENTIAL UNITS 550	ESTIMATED SQ FT COMMERCIAL SPACE 567,300 (total gross building square footage)	ESTIMATED HEIGHT/FLOORS 16 stories, 227ft
		ESTIMATED CONSTRUCTION COST \$200,000,000
ANTICIPATED START DATE October 2017		

**Note, this affidavit is for the Office and Permit Center component of the project only. A separate affidavit has been submitted for the Residential and Retail component of the project.*

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Boilermaker				Operating Engineer	* see note	3	15
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Carpenter	* see note	20	100	Pile Driver	* see note	1	5
Cement Mason	* see note	3	15	Plasterer	* see note	2	10
Drywall/ Latherer	* see note	5	25	Plumber and Pipefitter	* see note	4	20
Electrician	* see note	6	30	Roofer/Water proofer	* see note	2	10
Elevator Constructor	* see note	2	10	Sheet Metal Worker	* see note	4	20
Floor Coverer	* see note	2	10	Sprinkler Fitter	* see note	2	10
Glazier	* see note	5	25	Taper	* see note	2	10
Heat & Frost Insulator	* see note	2	10	Tile Layer/ Finisher	* see note	2	10
Ironworker	* see note	16	55	Other:	* see note	3	15
TOTAL:			300	TOTAL:			240

*Note: Anticipated wage rates set by individual trade union requirements.

1. Will the anticipated employee compensation by trade be consistent with area Prevailing Wage?
2. Will the awarded contractor(s) participate in an apprenticeship program approved by the State of California's Department of Industrial Relations?
3. Will hiring and retention goals for apprentices be established?
4. What is the estimated number of local residents to be hired?

YES NO

☒ ☐

☒ ☐

☒ ☐

30%

Section 4: Declaration of Sponsor of Principal Project

PRINT NAME AND TITLE OF AUTHORIZED REPRESENTATIVE
Greg Vilkin, President

EMAIL
Greg.vilkin@related.com

PHONE NUMBER
415-653-3161

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(SIGNATURE OF AUTHORIZED REPRESENTATIVE)

(DATE)

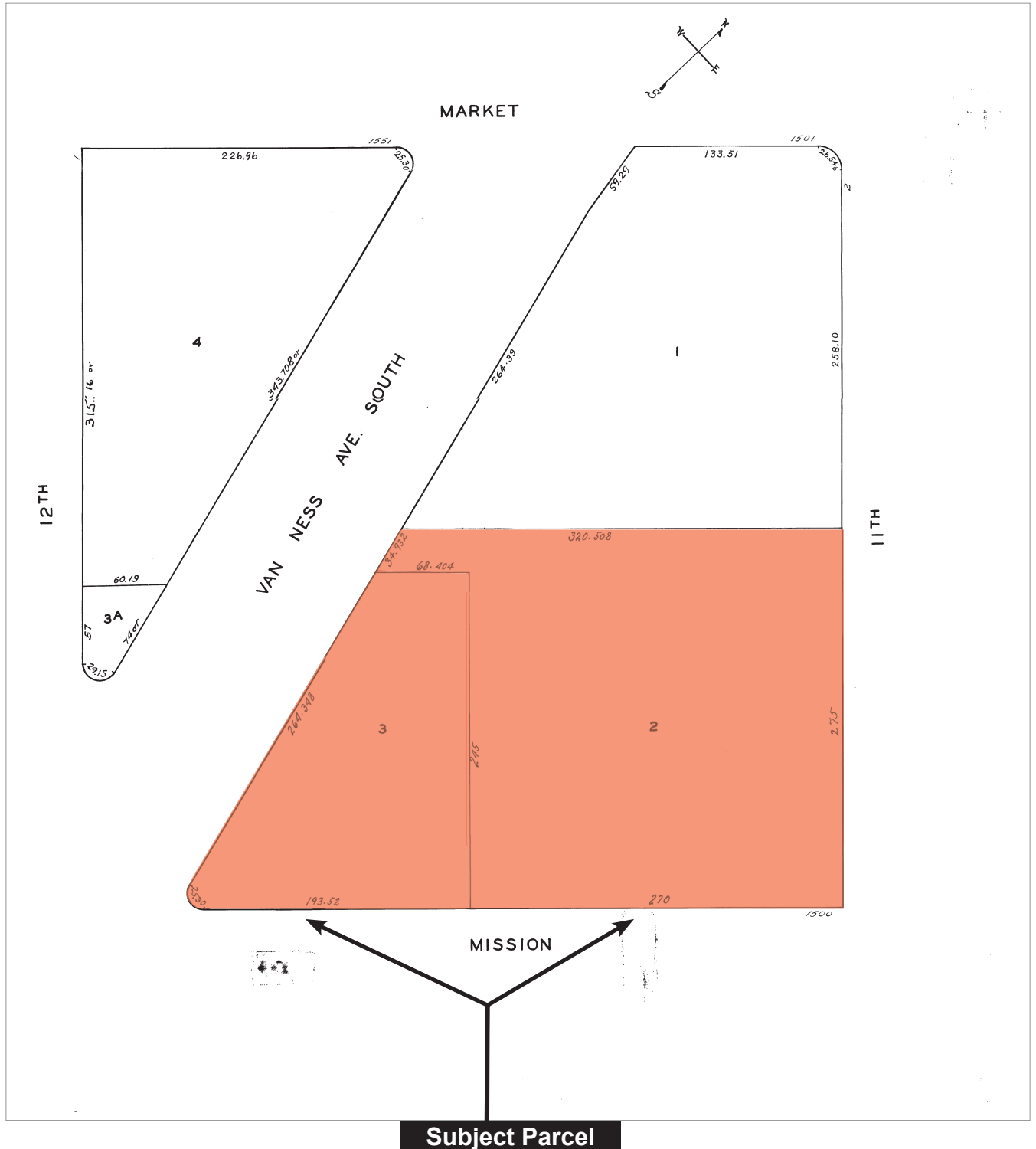
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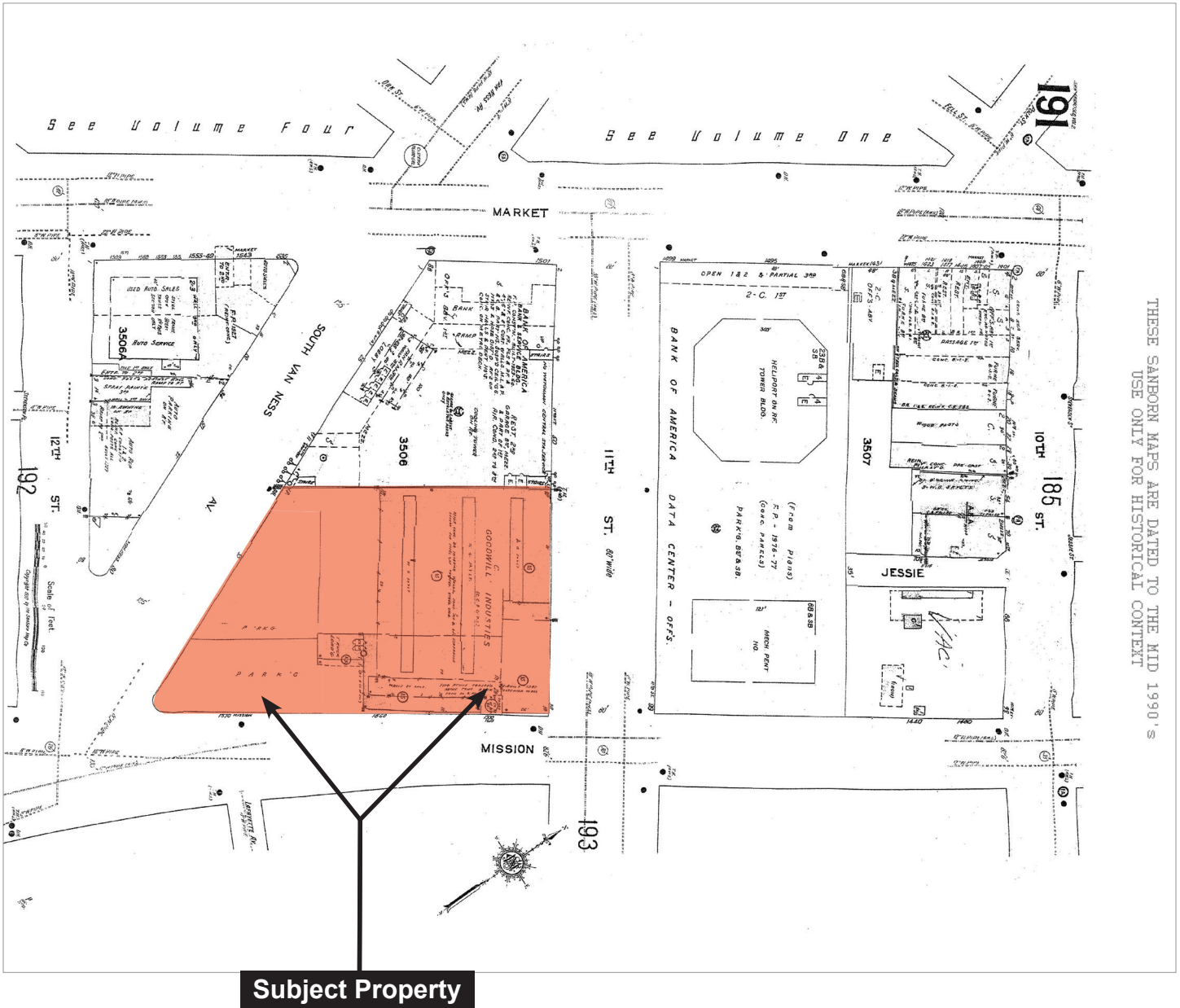
Exhibits

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Parcel Map



Sanborn Map



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

SAN FRANCISCO
PLANNING DEPARTMENT

Case Number 2014-000362ENVGPAPCAMAPDNXSHD

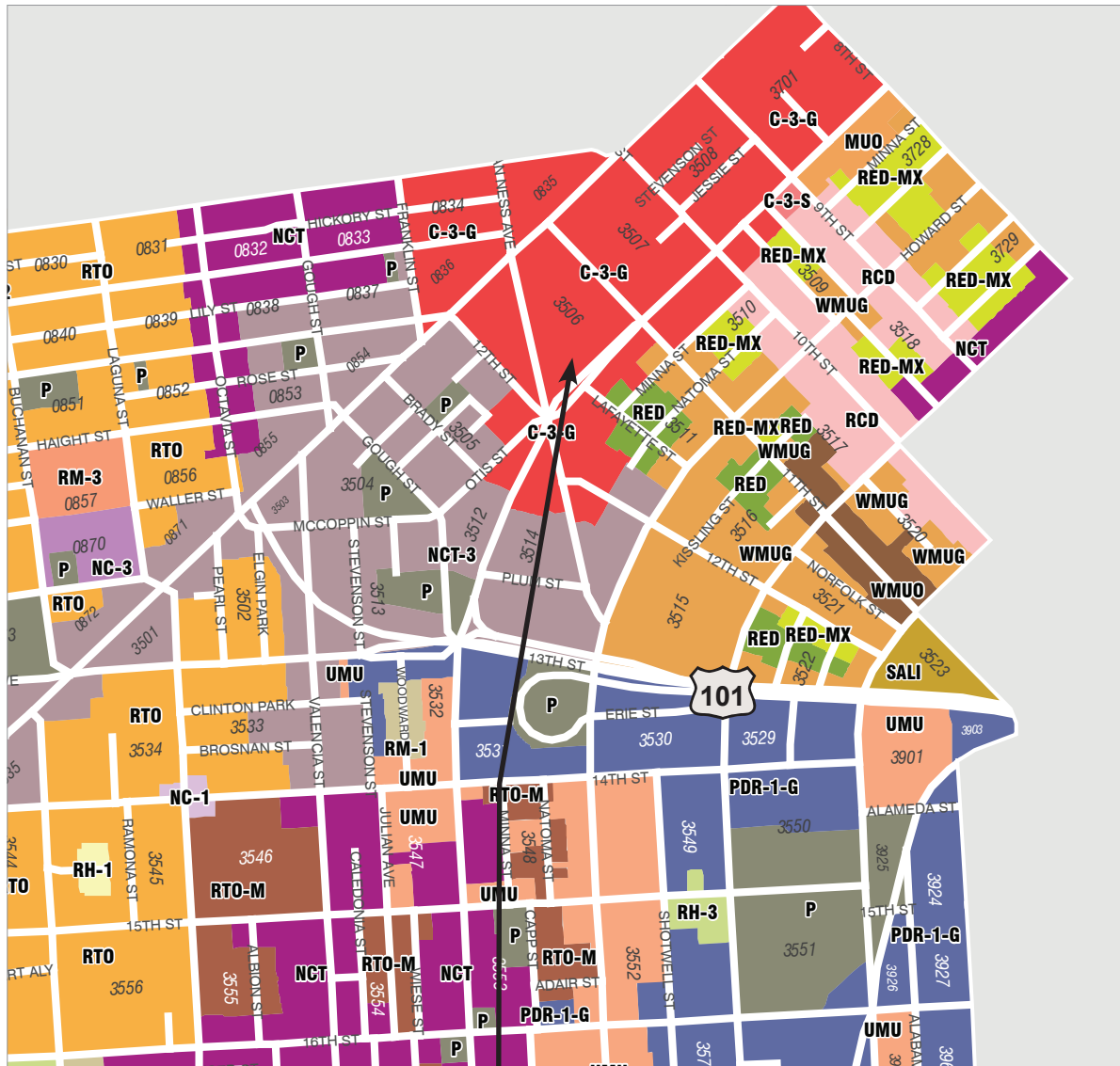
CEQA Findings

General Plan, Planning Code, Zoning Map Amendments

Downtown Project Authorization

Shadow Findings

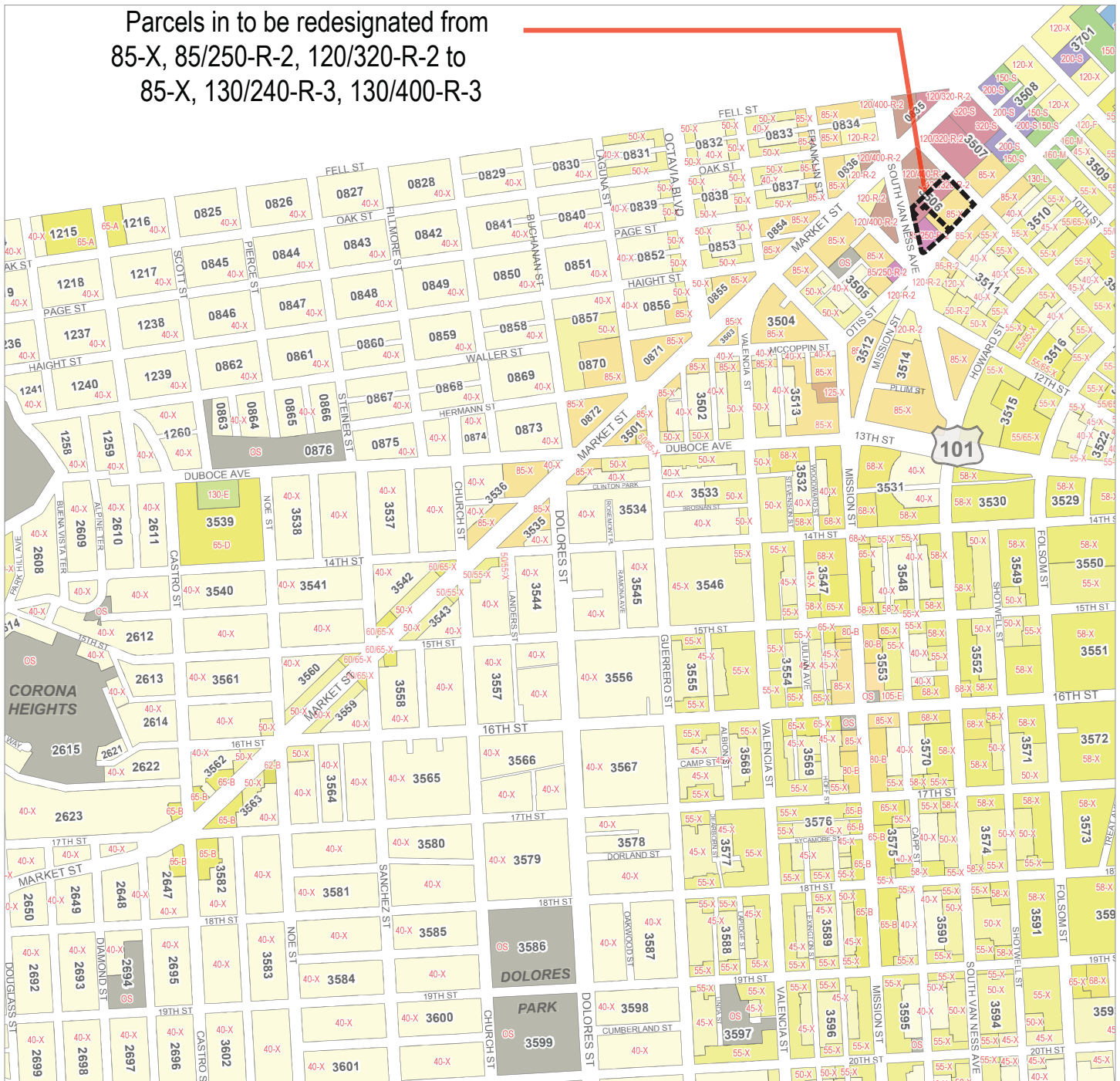
Zoning Map



Subject Property

Height & Bulk District Map 07 (HT07)

Parcels in to be redesignated from
85-X, 85/250-R-2, 120/320-R-2 to
85-X, 130/240-R-3, 130/400-R-3



SAN FRANCISCO
PLANNING DEPARTMENT

Case Number 2014-000362ENVGPAPCAMAPDNXSHD

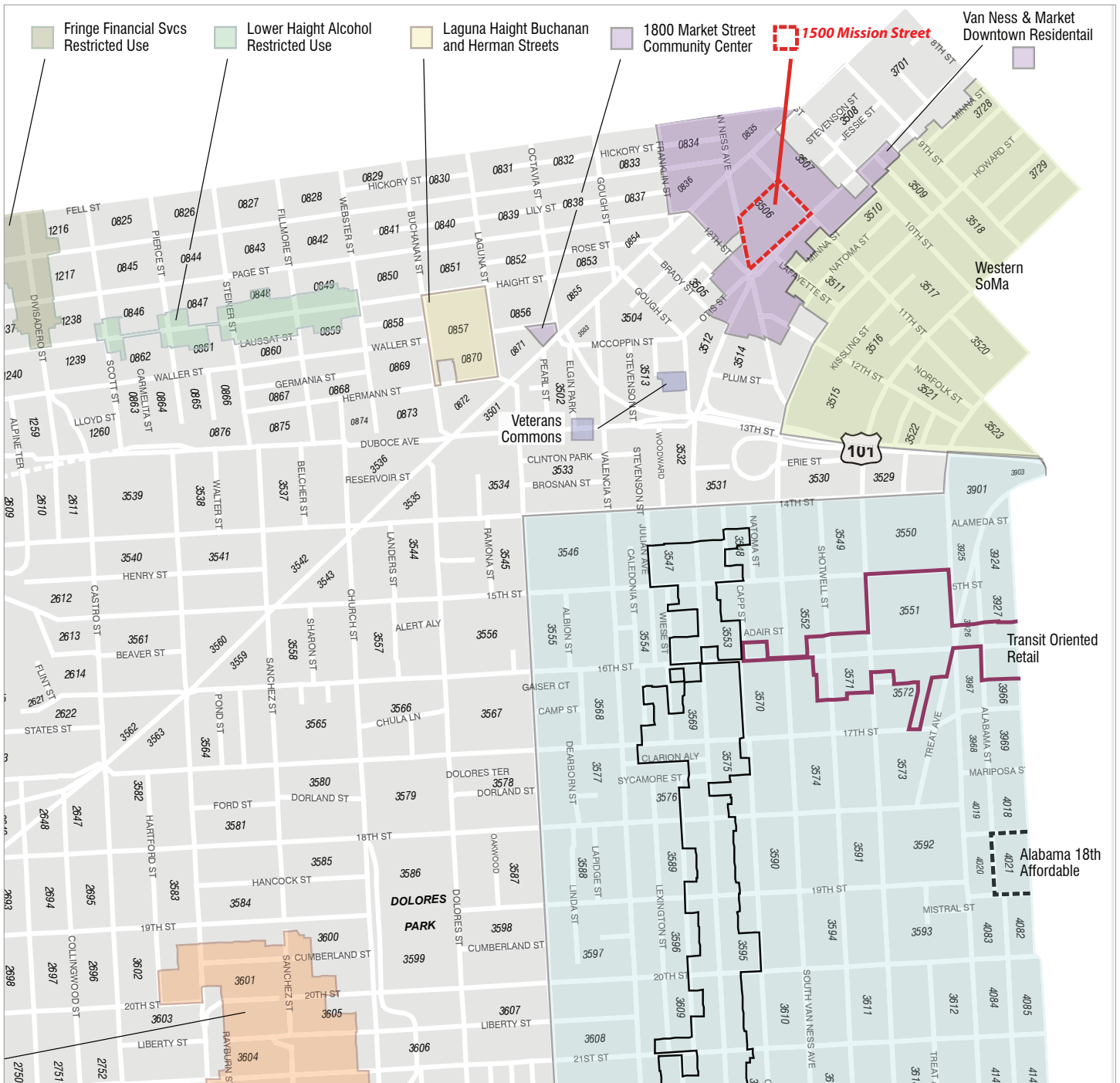
CEQA Findings

General Plan, Planning Code, Zoning Map Amendments

Downtown Project Authorization

Shadow Findings

Special Use District Map 07 (SU07)

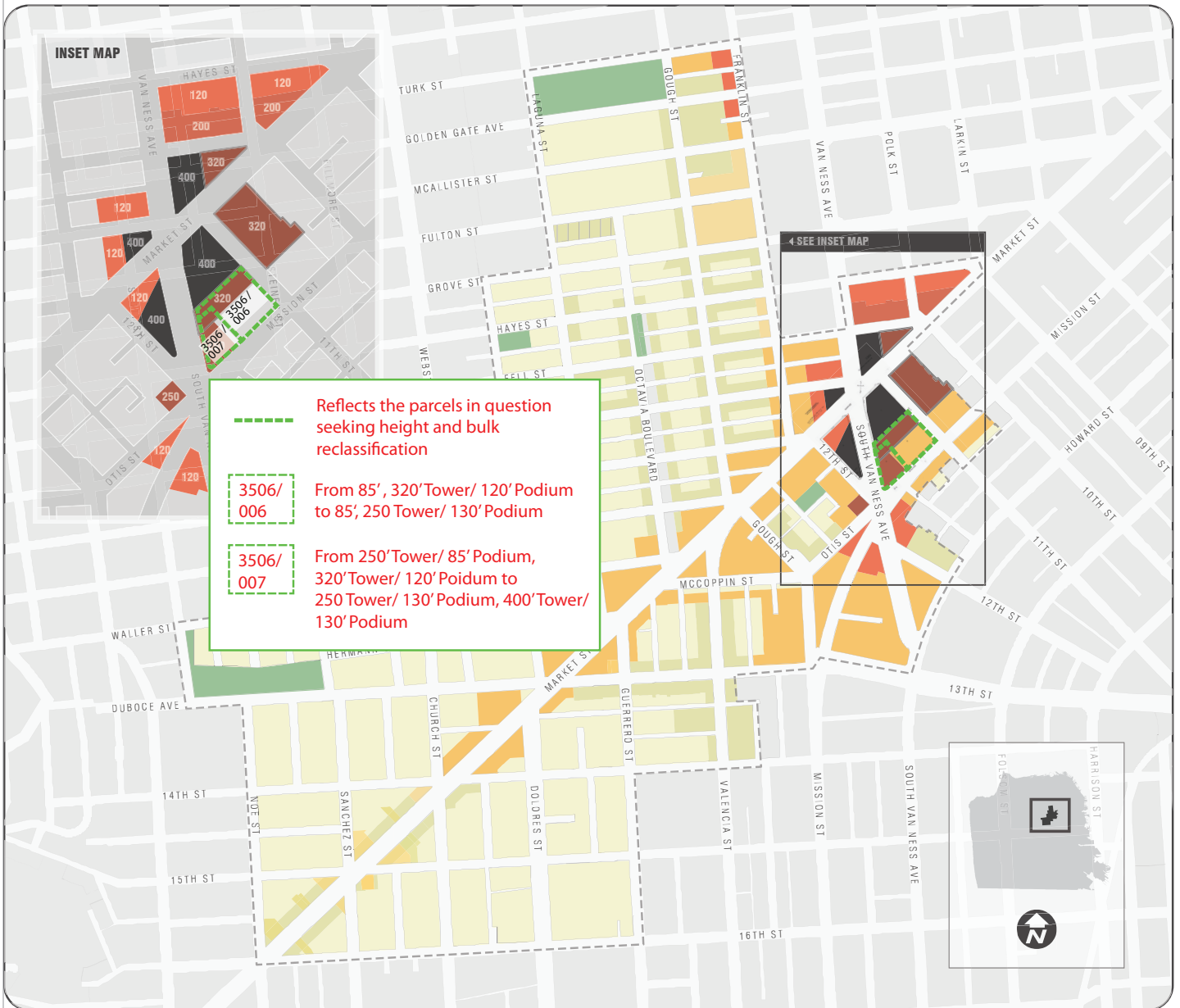


SAN FRANCISCO
PLANNING DEPARTMENT

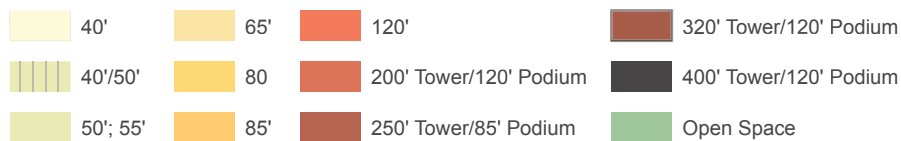
Case Number 2014-000362ENVGPAPCAMAPDNXSHD
1500 Mission Street
Block 3506 Lots, 006, 007

Market and Octavia Plan - Map 03

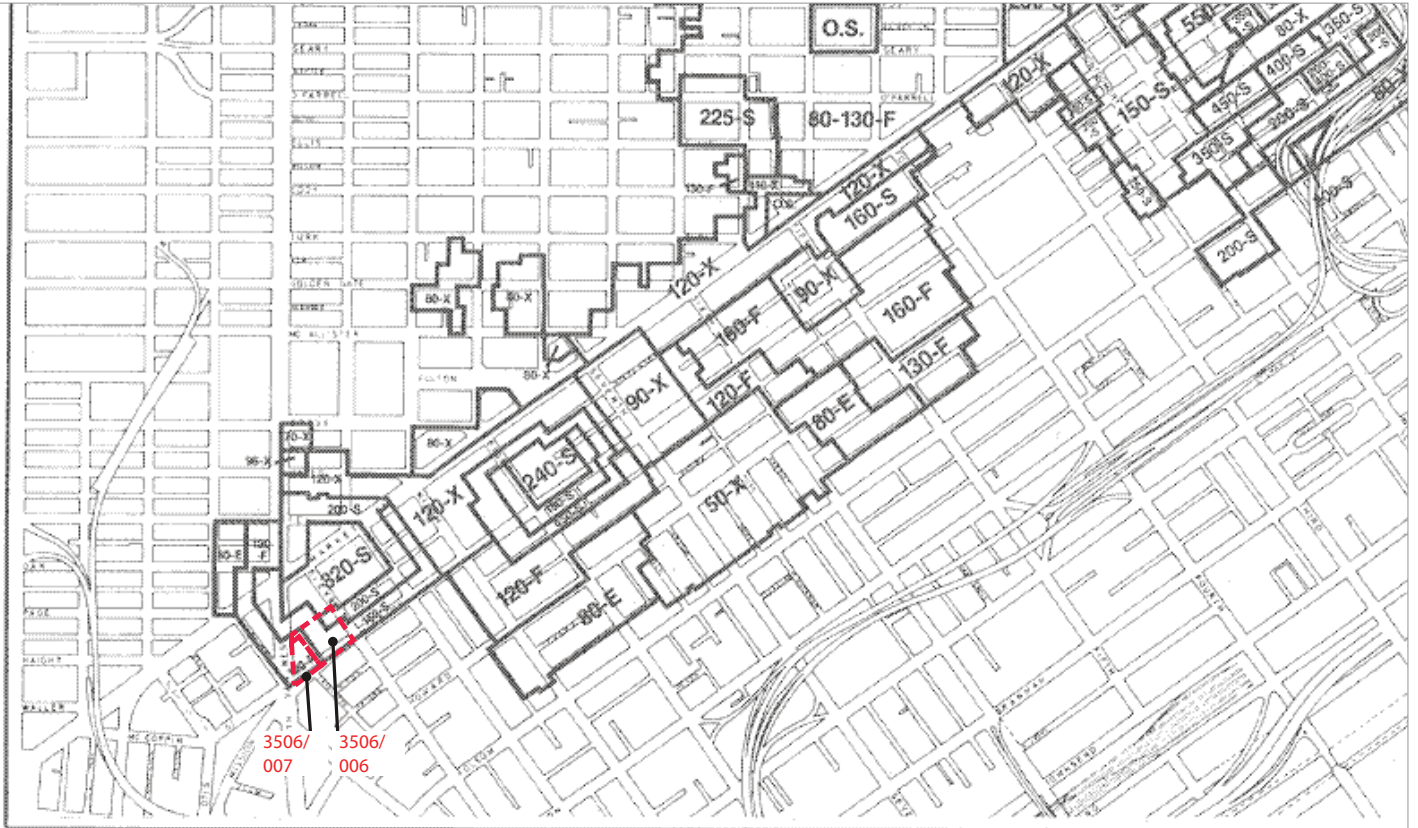
Market and Octavia Area Plan | San Francisco General Plan



Height Districts



Downtown Plan - Map 05



PROPOSED HEIGHT AND BULK DISTRICTS

MAP TO BE EDITED

- Remove 80-X label from freeway lands in Transbay and replace with notation that says “See Transbay Redevelopment Plan Development Controls”
 - Reclassify height and bulk limits of Lot 063 in Assessor’s Block 3701 from 120-X to 200-S.
 - Reclassify height and bulk limits of Lot 006 in Assessor’s Block 031, currently zoned C-3-O at the corner of Market Street Kearny Street and Geary Avenue (690 Market St) to 285-S.
 - Reclassify height and bulk limits of Lots 039, 051, 052 and 053 in Assessor’s Block 3702, as well as a portion of the former Jesse Street, from 120-X, 150-S and 240-S to 160-X, 180-X and 240-S. (2006.1343)
 - Reclassify height and bulk limits of Lot 047 in Assessor’s Block 3735 from 150-S to 250-S. (2004.0852)
 - Reclassify height and bulk limits of Lot 003 in Assessor’s Block 0312 from 80-130-F to 150-X. (2004.0165)
 - Reclassify height and bulk limits of Lot 066 in Assessor’s Block 3724 from 160-F to 320-S. (2000.790)
 - Reclassify height and bulk limits of the west corner of Lot 063 in Assessor’s Block 3735 from 150-S to 350-S, consistent with the rest of the Lot.
-
- Reclassify height and bulk limits of Lot 006 in Assessor’s Block 3506 from 150-S, 200-S to 130-240-R-3, 85-X, consistent with the height and bulk designations for the 1500 Mission Street Special Use District.
 - Reclassify height and bulk limits of Lot 007 in Assessor’s Block 3506 from 120-S, 150-S to 130-240-R-3, 85-X, consistent with the height and bulk designations for the 1500 Mission Street Special Use District.

Aerial



Subject Property

Site Photo - Van Ness Avenue Frontage



Site Photo - Mission Street Frontage



Site Photo - 11th Street Frontage



Exhibit B

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1500 mission



City of San Francisco
Real Estate Division

RELATED
SOM

March 09, 2017

Contents

Planning Commission Presentation

- site design & building massing
- historic resource retention & public realm
- one-stop permit center & civic office work space
- exterior articulation & skyline

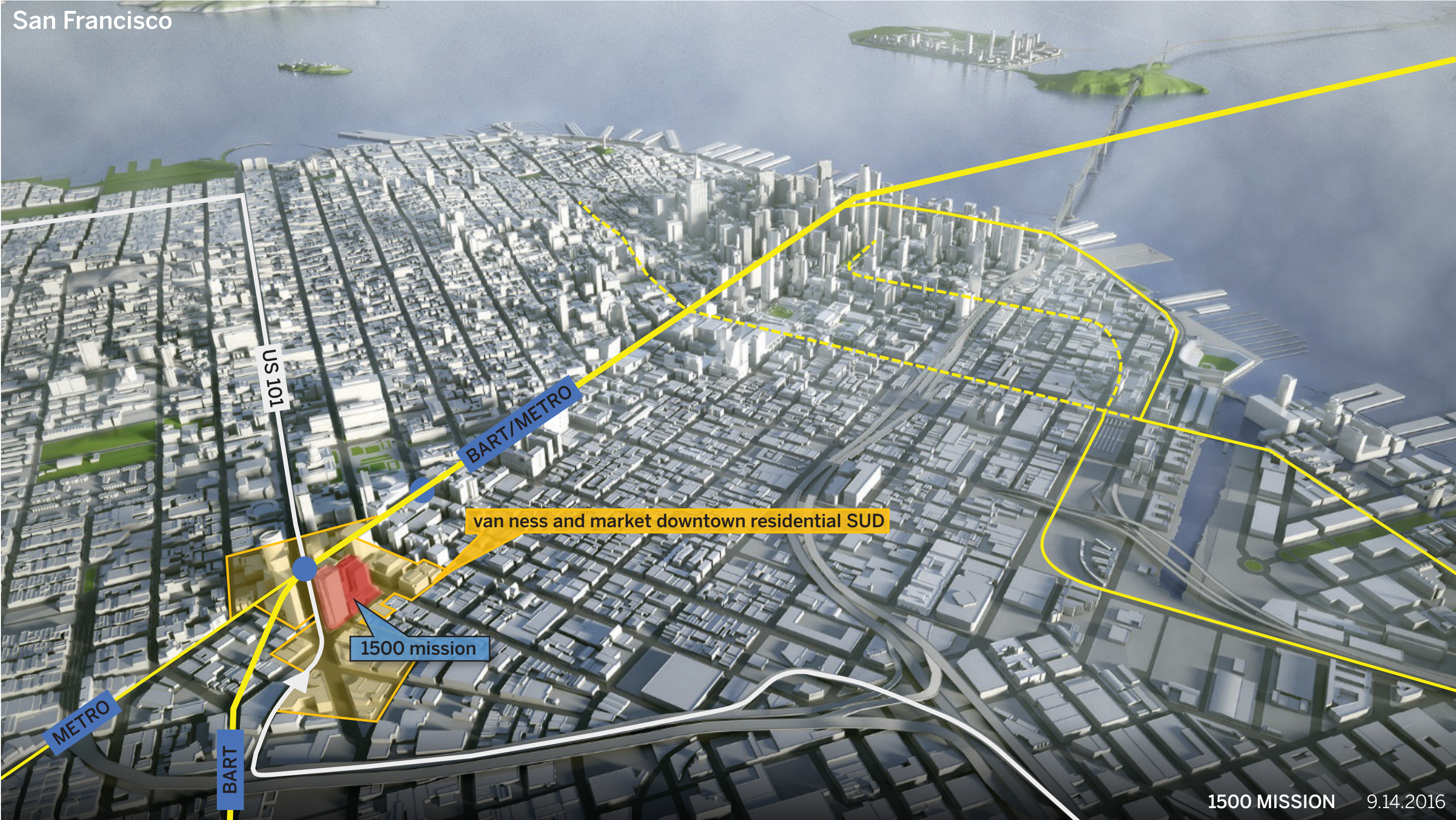
Technical Drawings



Site Design and Building Massing

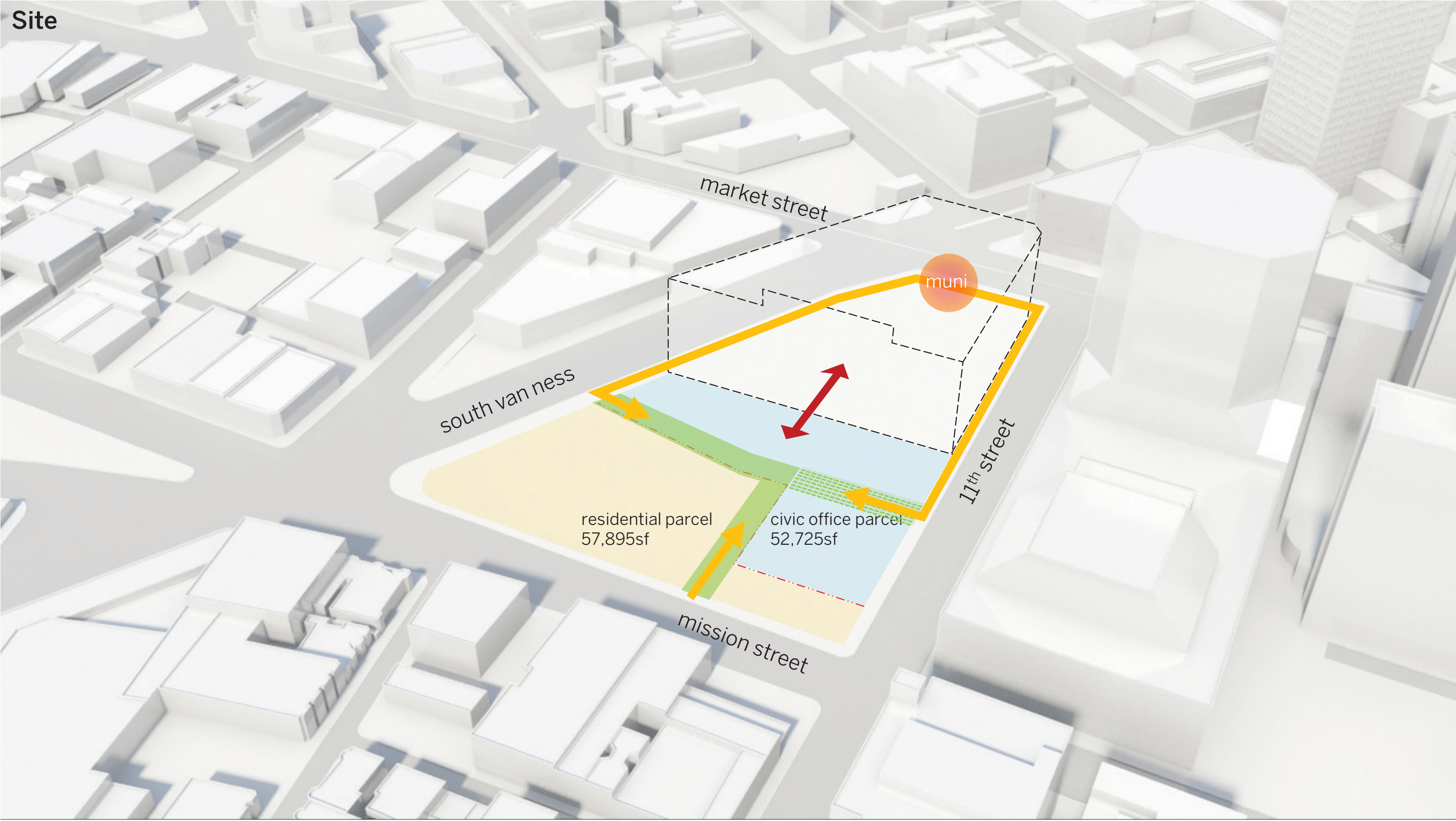
the design reflects the City's aspirations for the relationship of the **public** and the government, embodied in principles of **transparency**, expression of **use**, **simplicity**, and **performance**.

San Francisco

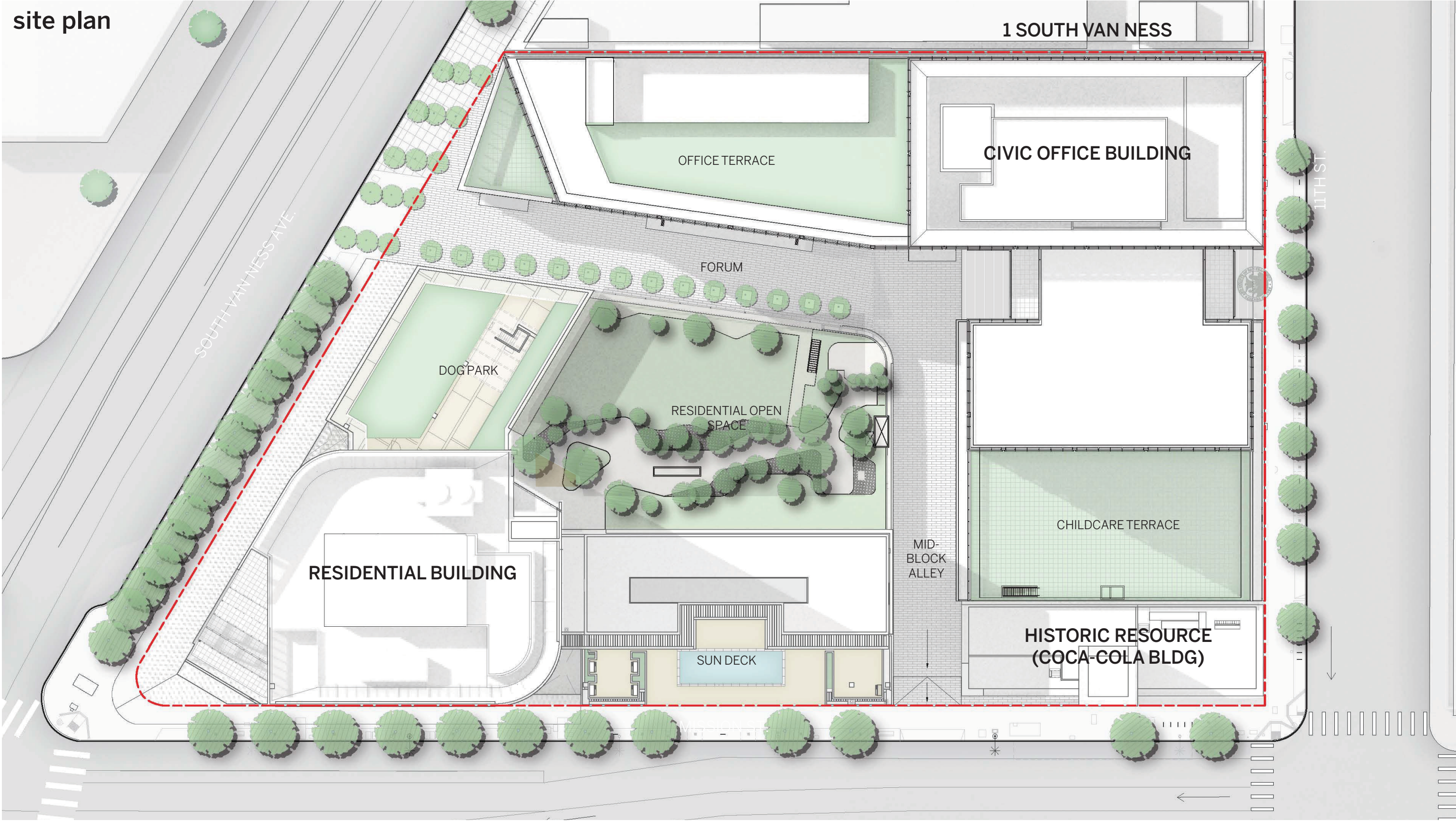


1500 MISSION 9.14.2016

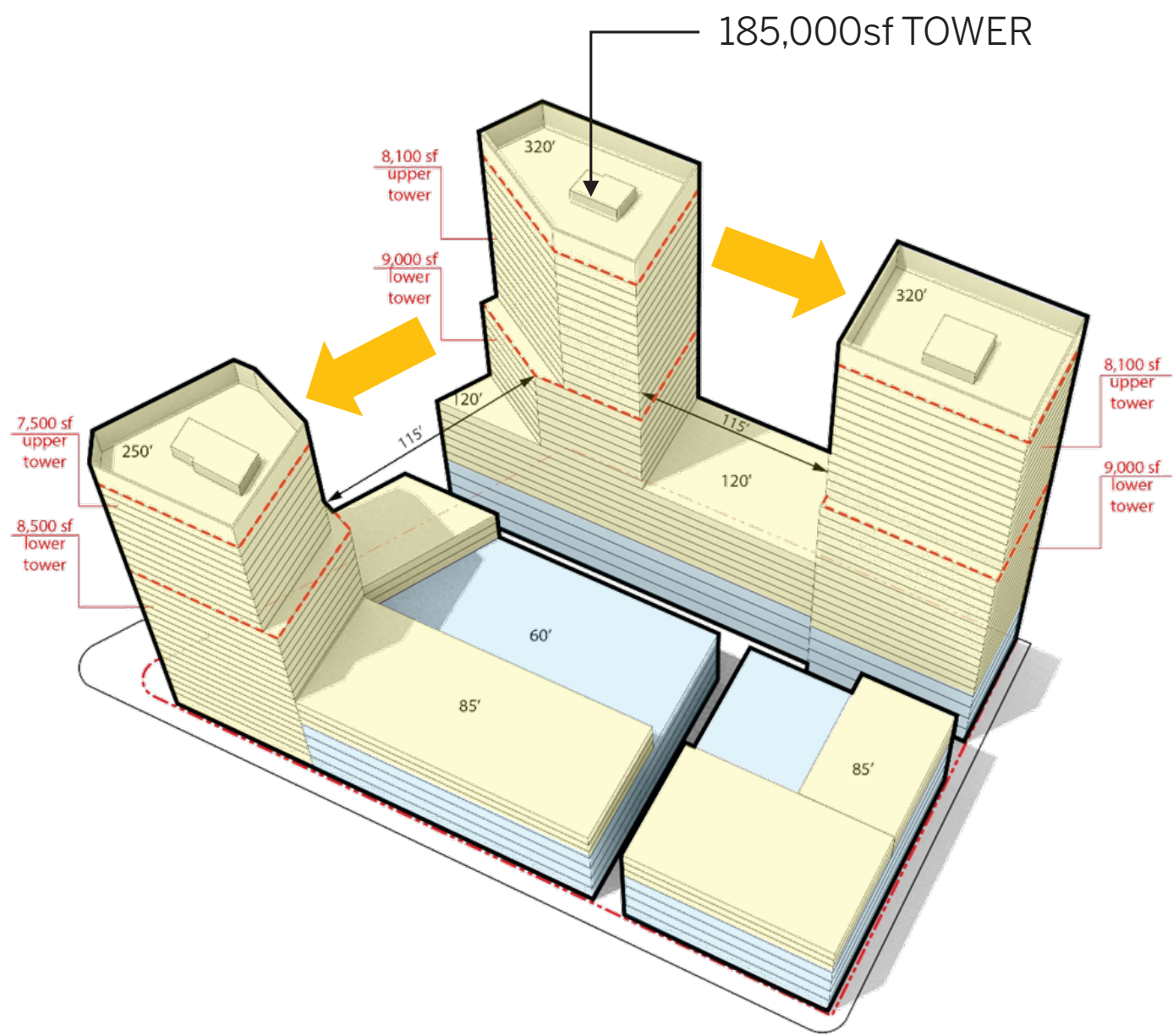
Site



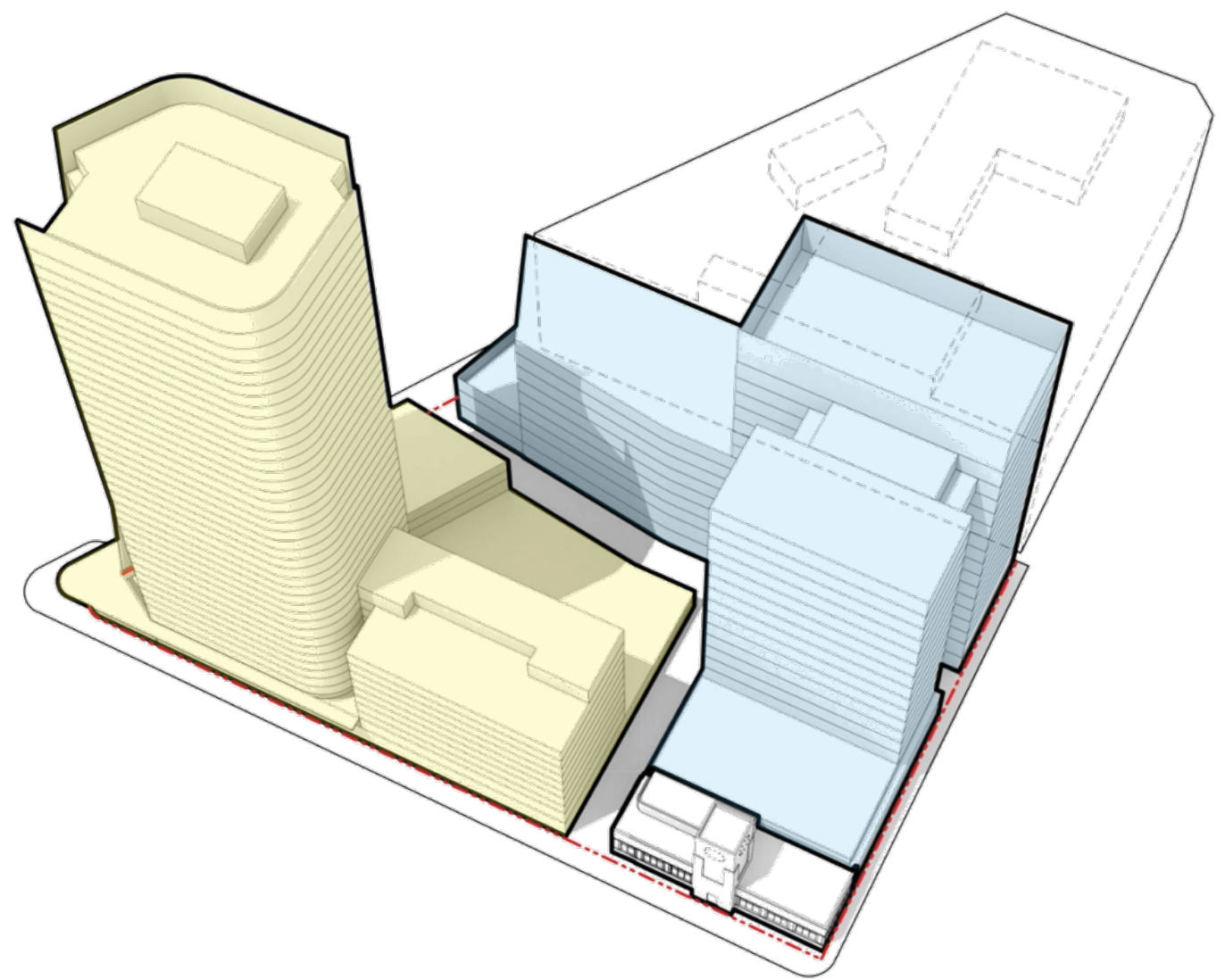
site plan



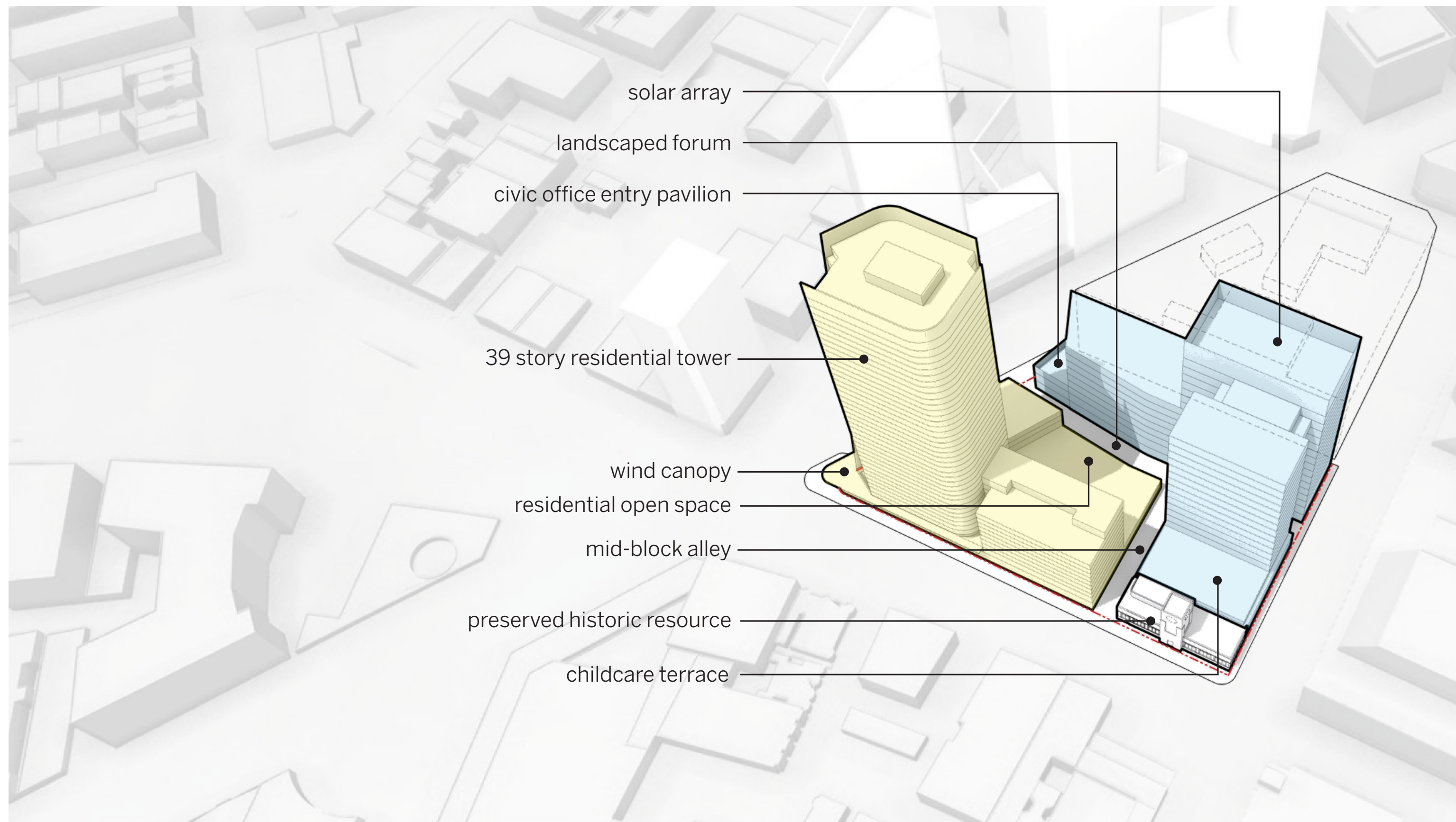
proposed massing compared to van ness and market downtown residential SUD



zoning compliant massing
Office GSF: 330,345 sf
Residential GSF: 884,455 sf
Total GSF: 1,214,800 sf



proposed massing
Office GSF: 454,195sf
Residential GSF: 659,830sf
Total GSF: 1,114,025sf



office tower beyond

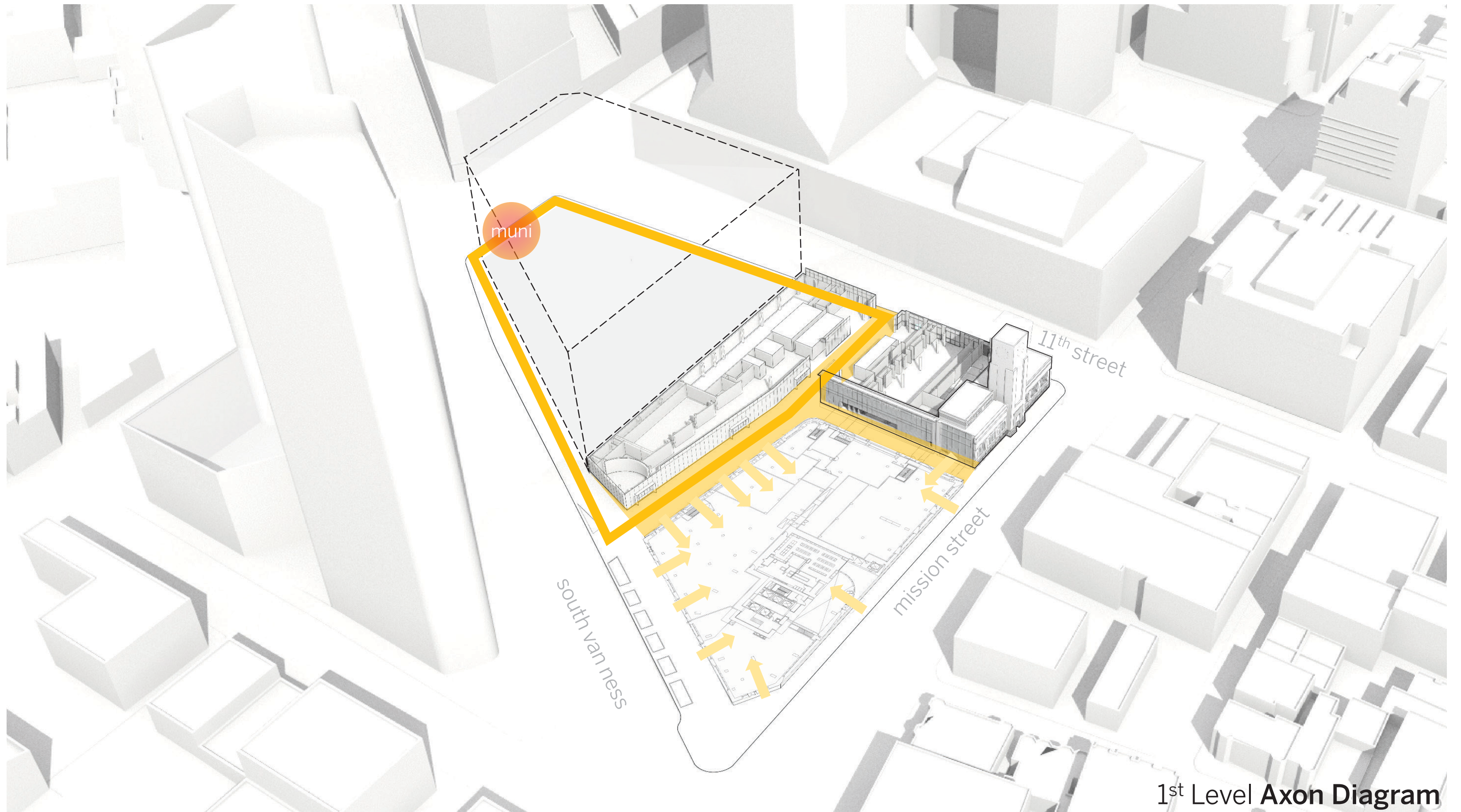
39 story residential tower

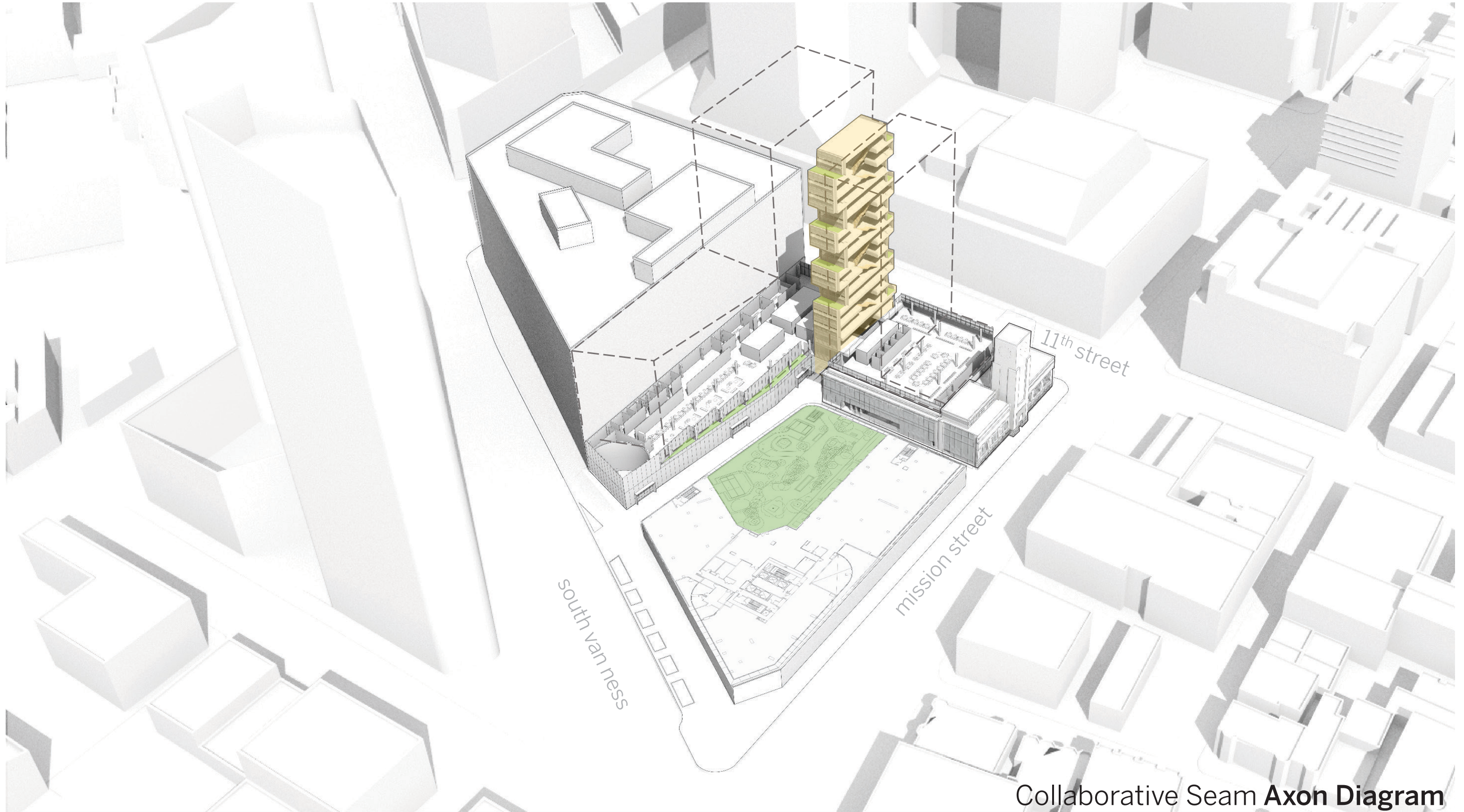
retained historic resource

childcare terrace

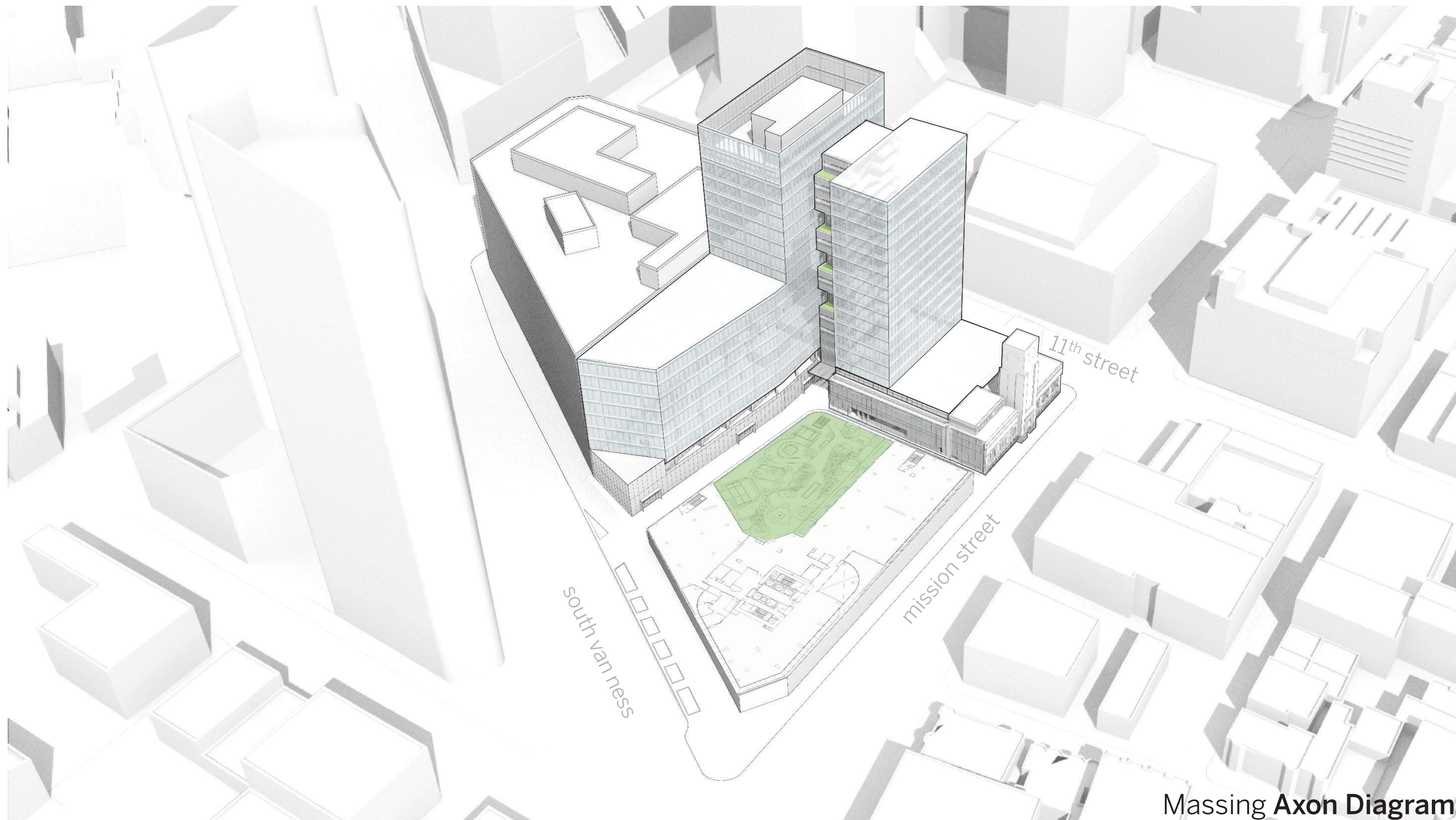
mid-block alley







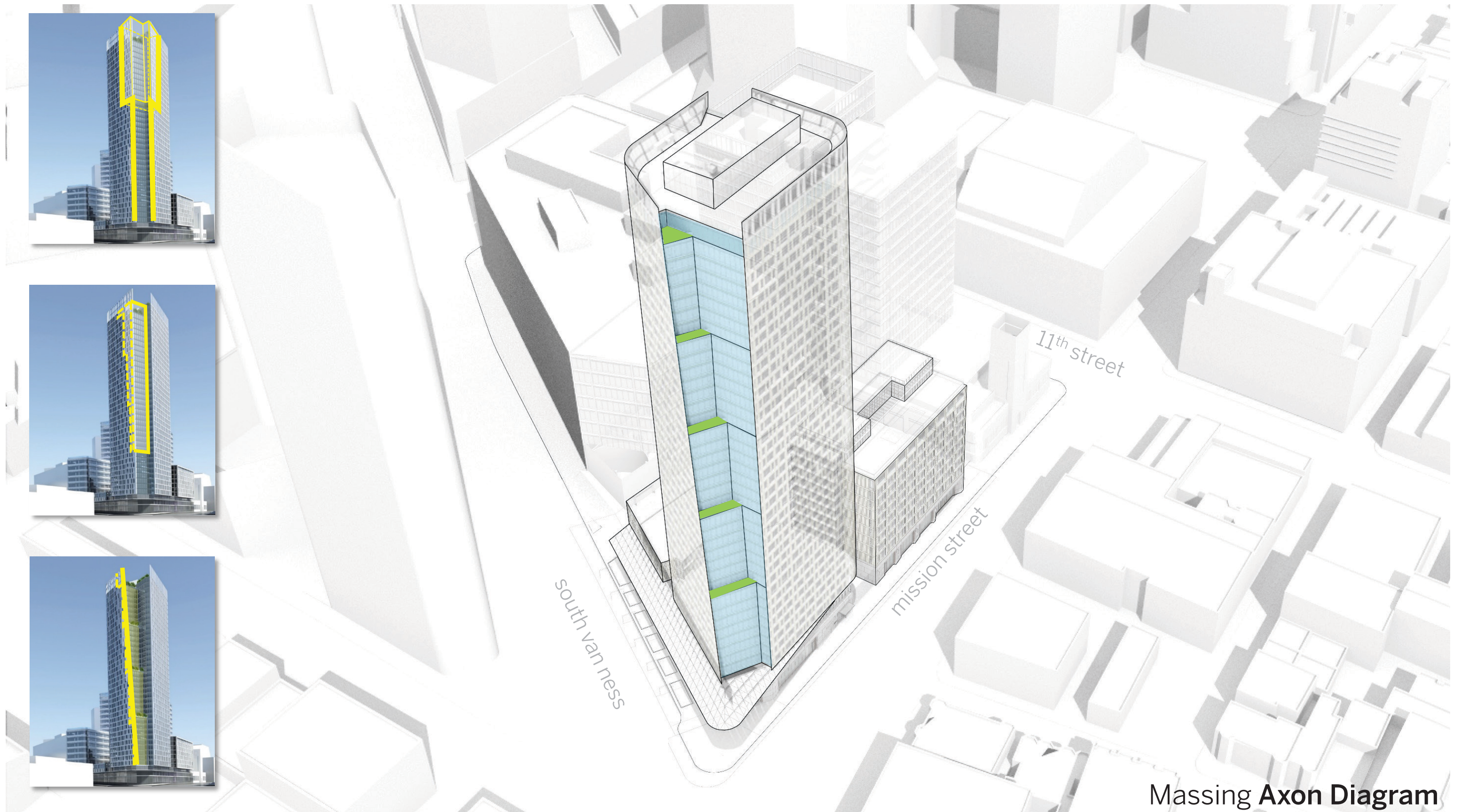
Collaborative Seam **Axon Diagram**



Massing **Axon Diagram**



Massing **Axon Diagram**



Massing **Axon Diagram**



Massing **Axon Diagram**





VIEW FROM OTIS STREET

March 09, 2017





Historic Resource Retention and the Public Realm

the design reflects the City's aspirations for the relationship of the **public** and the government, embodied in principles of **transparency**, expression of **use**, **simplicity**, and **performance**.

ground level plan extension of public realm

Van Ness BRT

South Van Ness Avenue

community events

gallery

event / display space

landscaped public forum

public entry

lobby to permit center

public entry

training center

retail

retail

retail

residential lobby

midblock alley

public entry

public entry

11th Street

Mission Street

Sidewalk Widening 20ft to 35ft

Sidewalk Widening 10ft to 15ft

March 09, 2017

GROUND LEVEL FLOOR PLAN



VIEW FROM 11TH STREET

March 09, 2017



March 09, 2017

VIEW OF MISSION AND 11TH STREET



VIEW OF RESIDENTIAL ENTRY

March 09, 2017

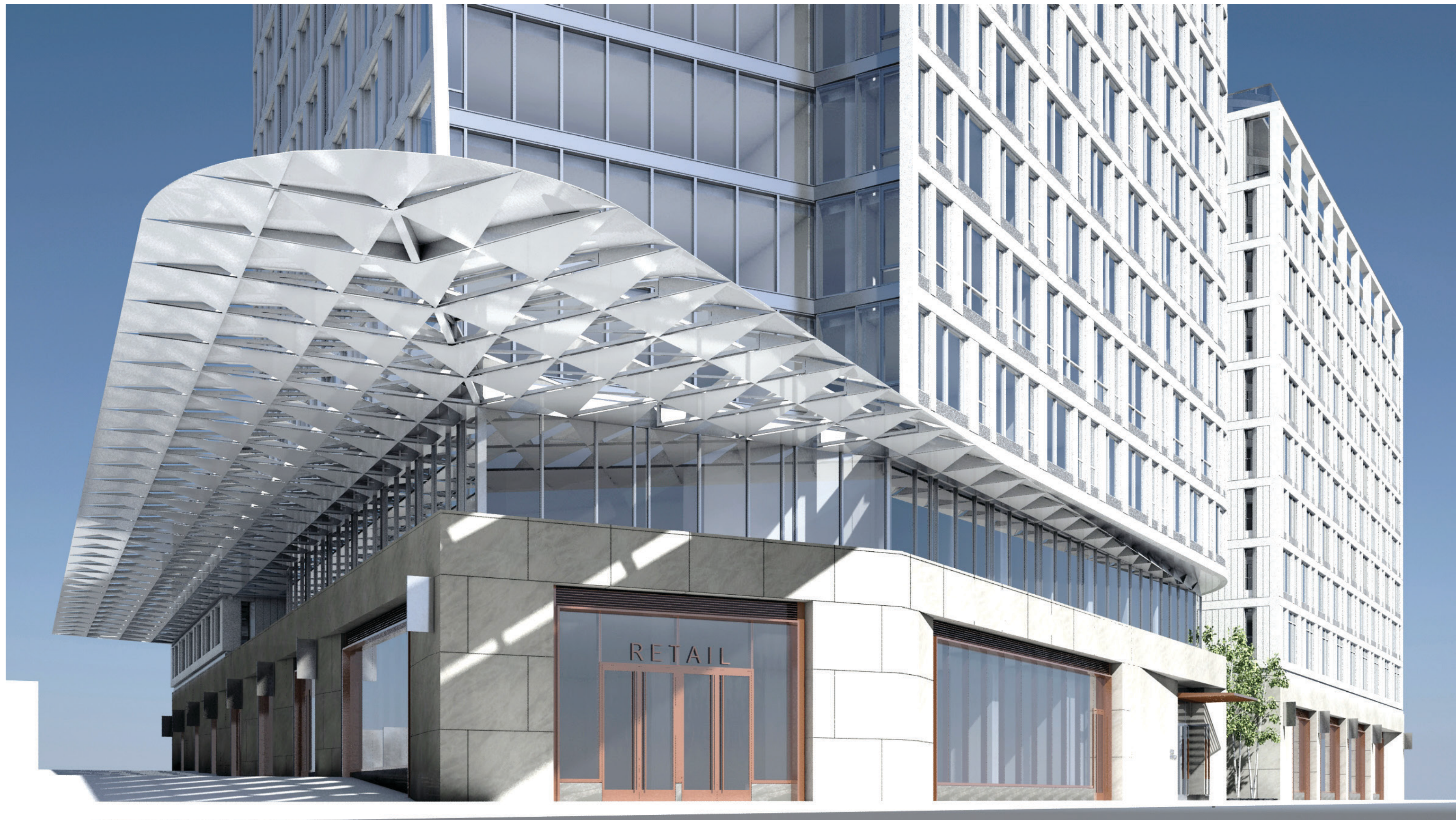




VIEW OF SOUTH VAN NESS

March 09, 2017





VIEW OF WIND CANOPY

March 09, 2017





VIEW OF CIVIC OFFICE FORUM

March 09, 2017



One-Stop Permit Center & Civic Office Work Space

the design reflects the City's aspirations for the relationship of the **public** and the government, embodied in principles of **transparency**, expression of **use**, **simplicity**, and **performance**.

B2 level plan

potential connection
between office &
residential garage

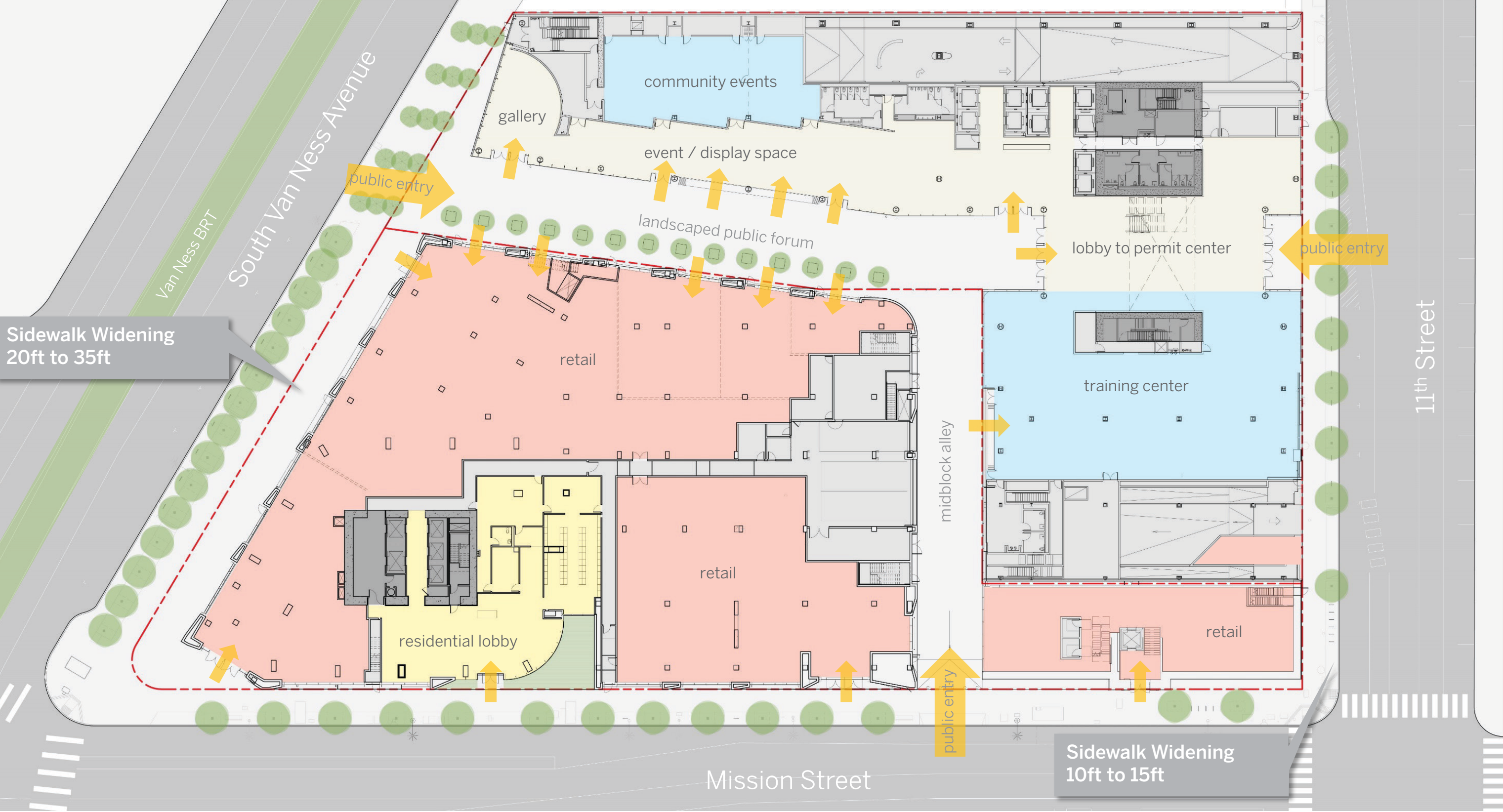


B1 level plan

potential connection
between office &
residential garage



ground level plan extension of public realm





VIEW OF CIVIC OFFICE LOBBY LOOKING EAST

March 09, 2017



March 09, 2017

VIEW OF CIVIC OFFICE LOBBY LOOKING WEST



2ND LEVEL FLOOR PLAN- ONE-STOP PERMIT CENTER



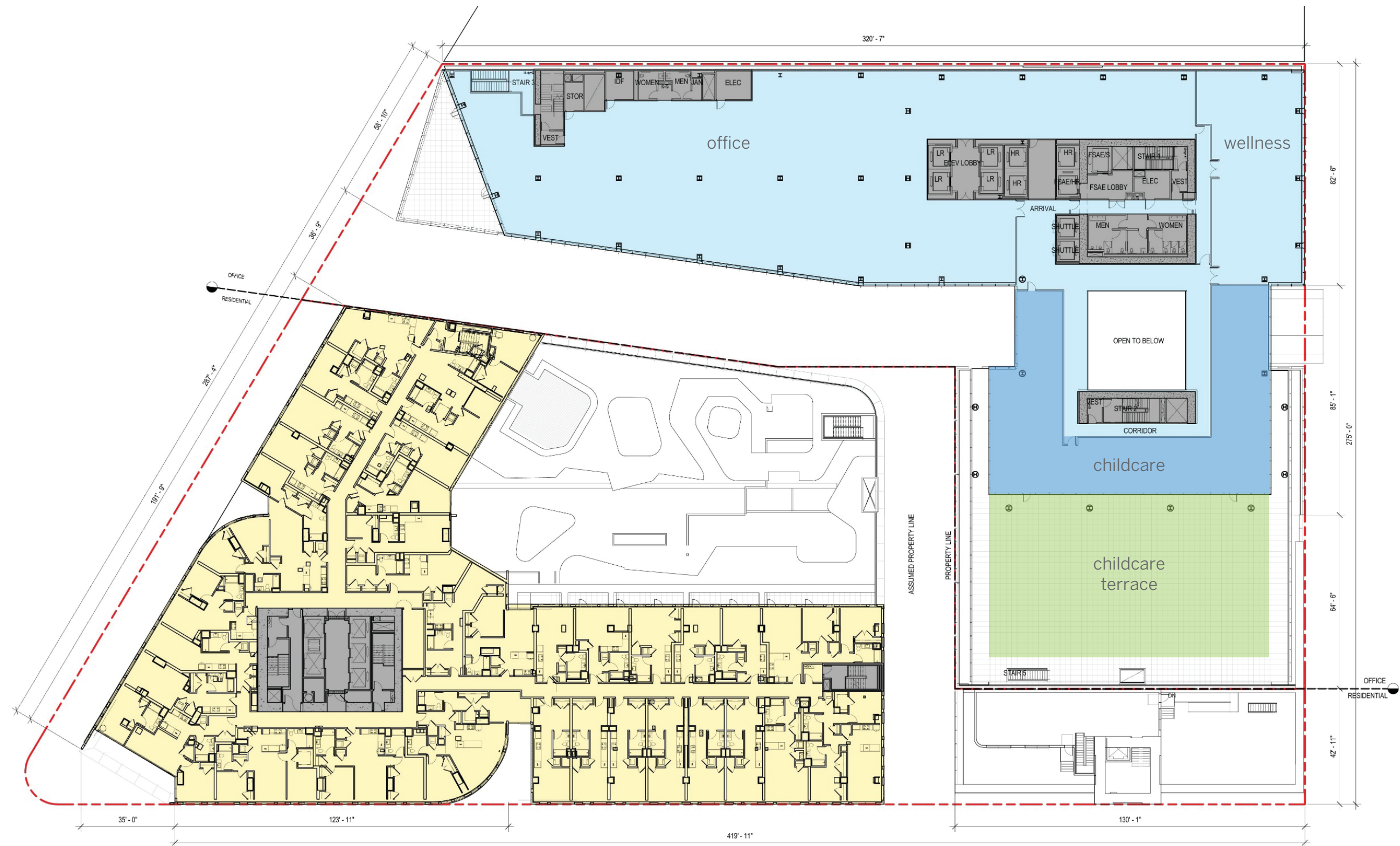
March 09, 2017

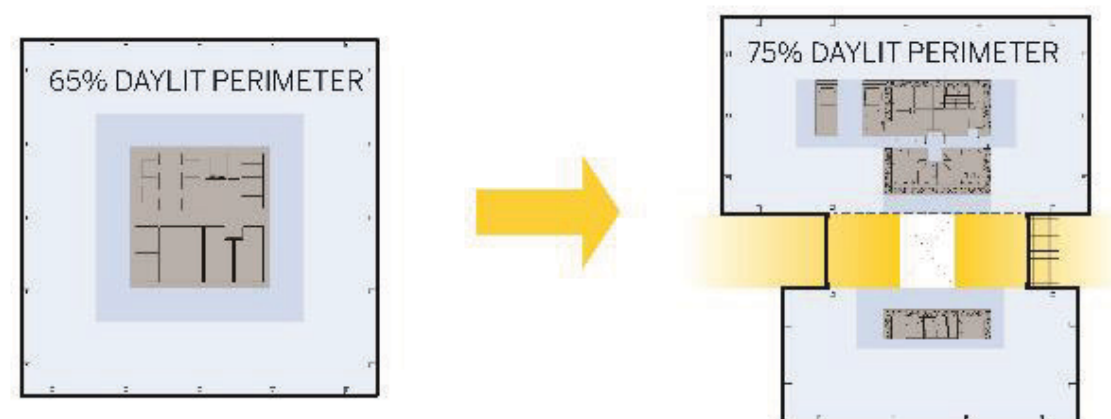
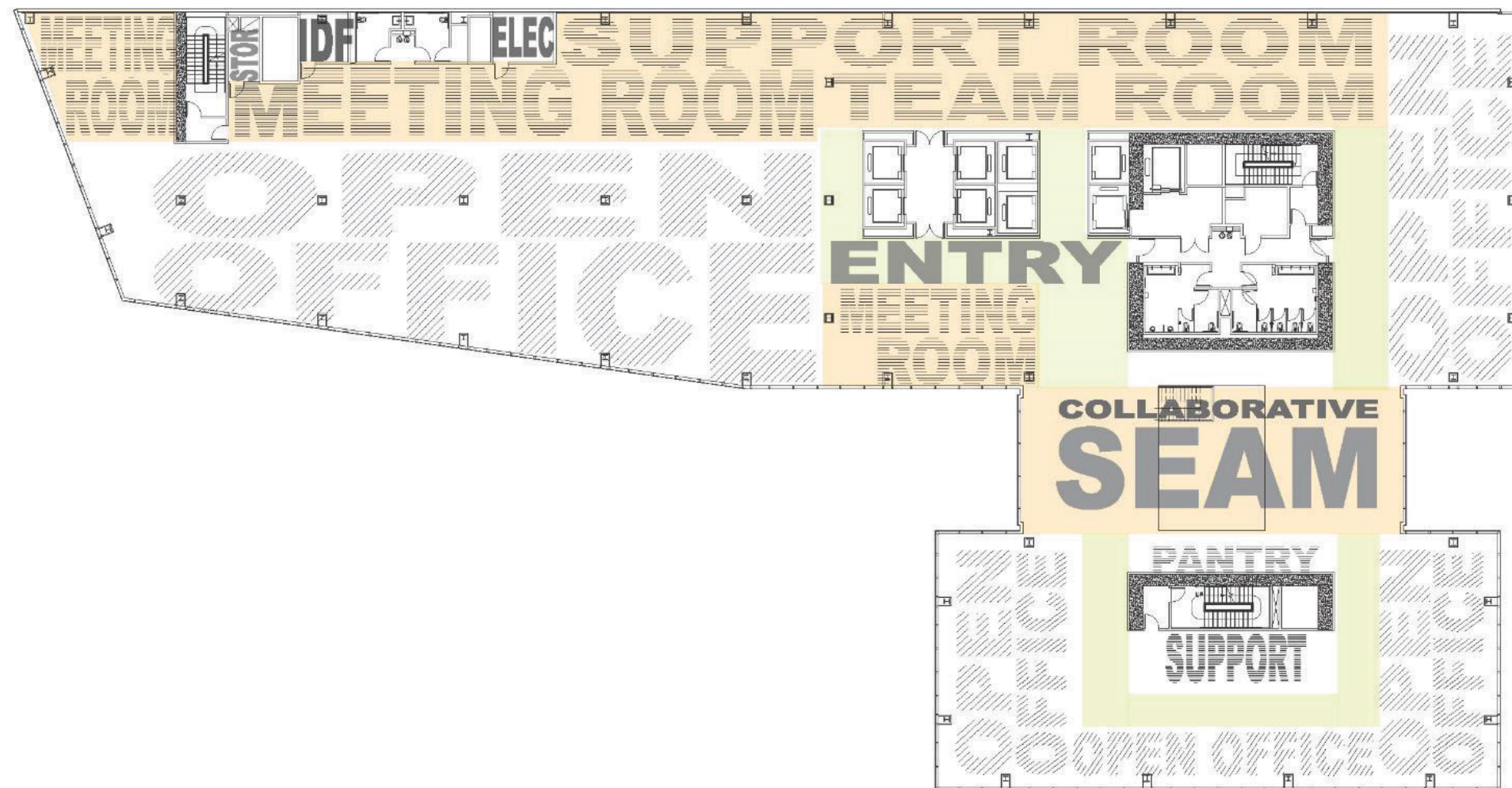
VIEW OF ONE-STOP PERMIT CENTER ARRIVAL



VIEW OF ONE-STOP PERMIT CENTER

March 09, 2017

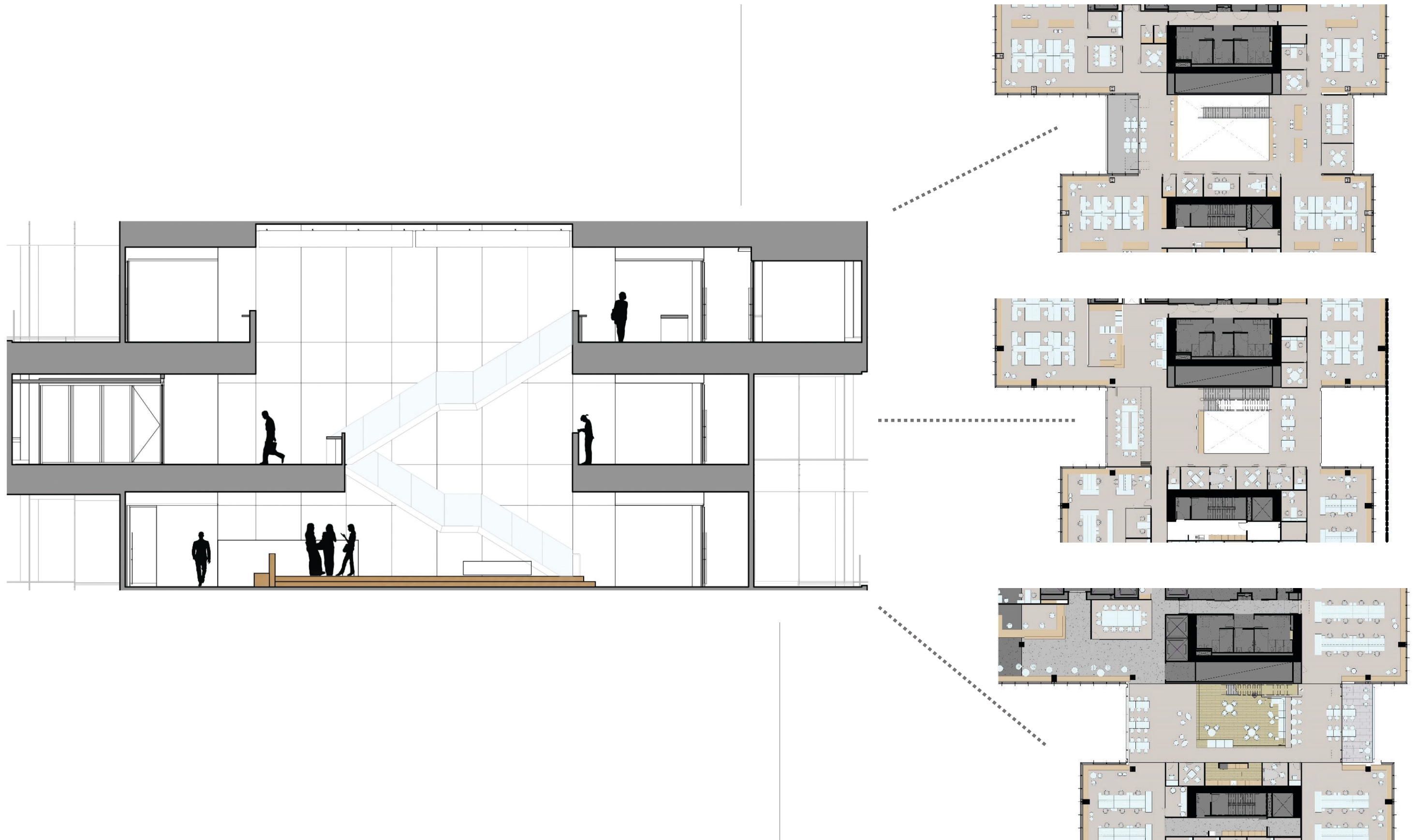






March 09, 2017

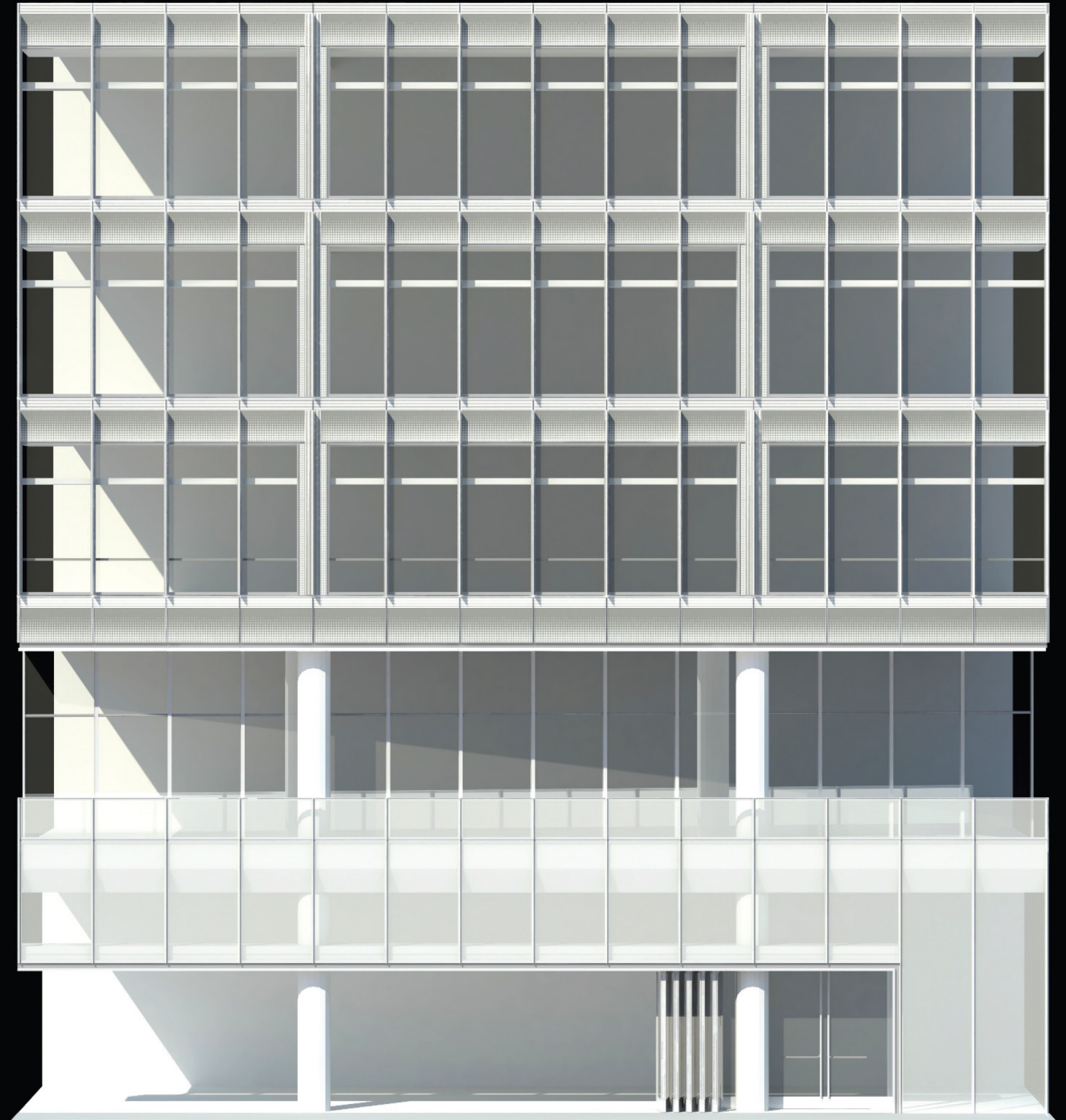
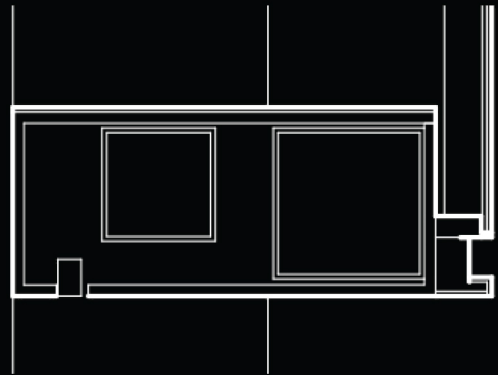
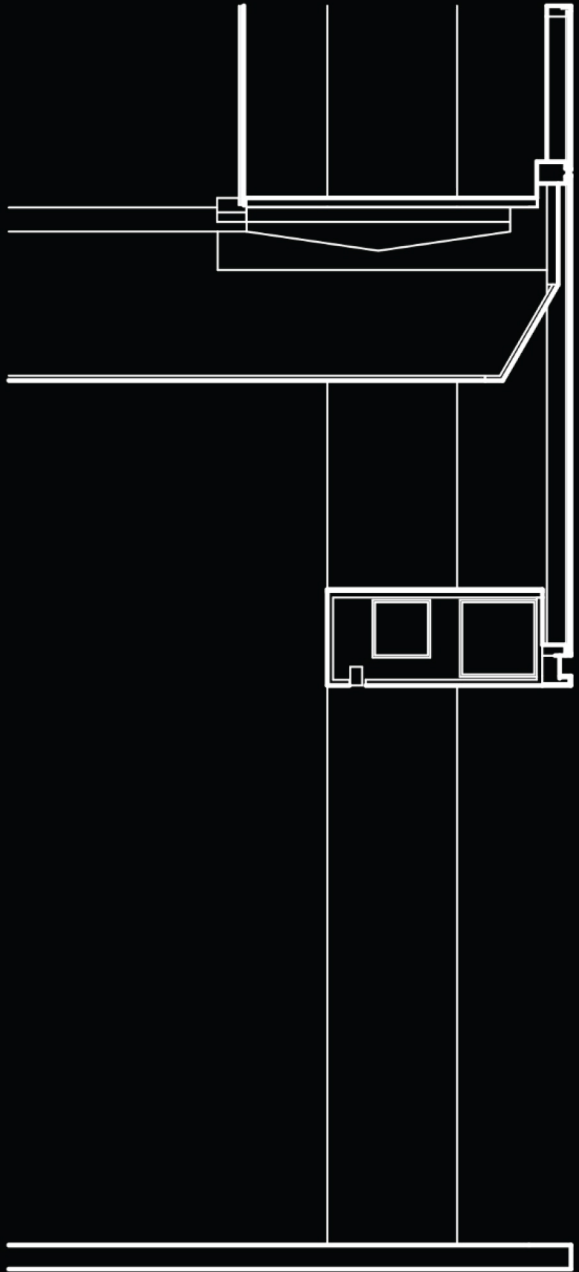
EXTERIOR VIEW OF COLLABORATIVE SEAM







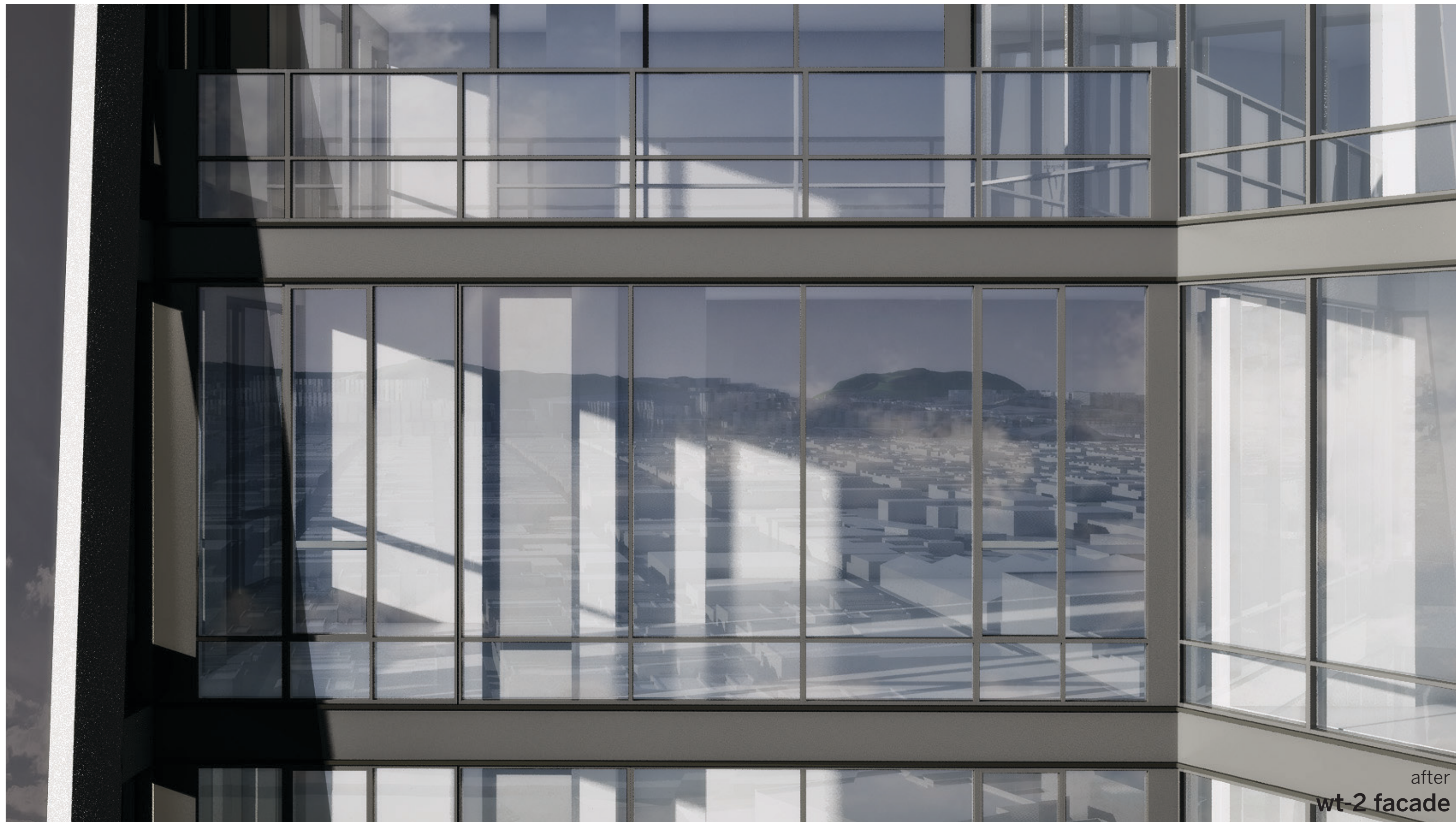
Exterior Articulation & Skyline



Forum



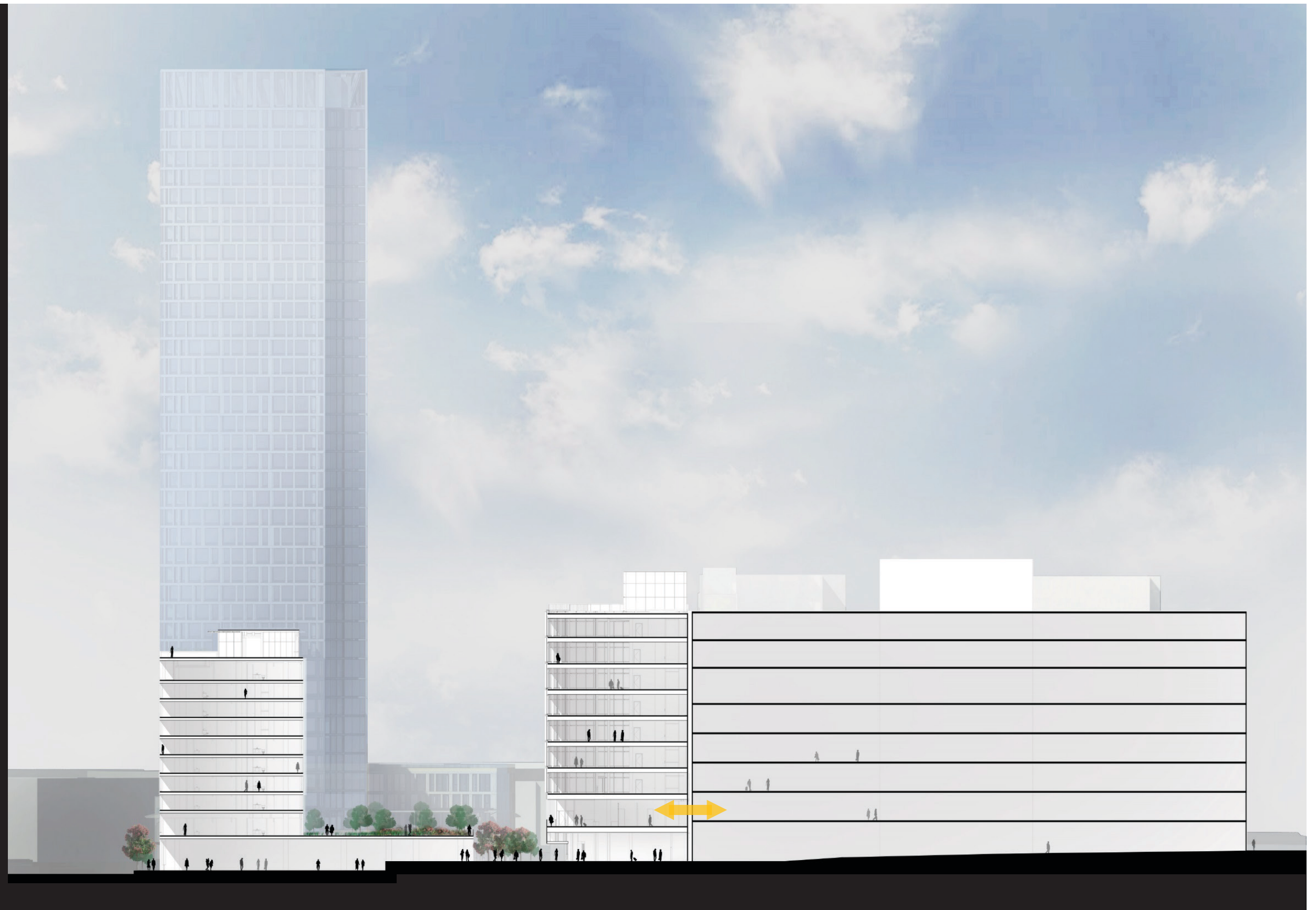




after
wt-2 facade









MID-BLOCK ALLEY ELEVATION

March 09, 2017





SOUTH VAN NESS ELEVATION

March 09, 2017



DRAWING INDEX

SHEET: SHEET NAME:

- A 0.00

COVER SHEET / DRAWING INDEX
- A 0.01

300FT DIA. PLAN / SITE PHOTOS
- A 0.02

SUD DIAGRAM
- A 0.03

HEIGHT & BULK DIAGRAM
- A 0.04

MASSING DIAGRAM
- A 0.05

EXPOSURE DIAGRAM
- A 0.06

EXPOSURE DIAGRAM
- A 0.07

EXPOSURE DIAGRAM
- A 0.08

EXPOSURE DIAGRAM
- A 0.09

PLANNING GROSS FLOOR AREA DIAGRAMS
- A 0.10

PLANNING GROSS FLOOR AREA DIAGRAMS
- A 0.11

PLANNING GROSS FLOOR AREA DIAGRAMS
- A 0.12

PLANNING GROSS FLOOR AREA DIAGRAMS
- A 0.13

PLANNING GROSS FLOOR AREA DIAGRAMS
- A 0.14

PLANNING GROSS FLOOR AREA DIAGRAMS
- A 0.15

PLANNING GROSS FLOOR AREA DIAGRAMS
- A 0.16

PLANNING GROSS FLOOR AREA DIAGRAMS
- A 0.17

BMR UNIT AREA MATRIX
- A 0.18

WIND MITIGATION MEASURES
- A 0.19

WIND MITIGATION MEASURES
- A 0.20

WIND MITIGATION MEASURES
- A 0.21

WIND MITIGATION MEASURES
- A 1.01

COLORED SITE PLAN
- A 1.02

EXISTING STREETSCAPE PLAN
- A 1.03

PROPOSED STREETSCAPE PLAN
- A 2.B2

LEVEL B2 FLOOR PLAN
- A 2.B1A

LEVEL B1 FLOOR PLAN- SHARED GARAGE ENTRY
- A 2.B1B

LEVEL B1 FLOOR PLAN- SEPARATE GARAGE ENTRY
- A 2.01A

LEVEL 1 FLOOR PLAN- SHARED GARAGE ENTRY
- A 2.01B

LEVEL 1 FLOOR PLAN- SEPARATE GARAGE ENTRY
- A 2.02

LEVEL 2 FLOOR PLAN
- A 2.03

LEVEL 3 FLOOR PLAN
- A 2.04

OFFICE LEVEL 4 / RESI LEVEL 6 FLOOR PLAN
- A 2.05

OFFICE LEVELS 5-7 / RESI LEVELS 7-10 FLOOR PLAN
- A 2.08

OFFICE LEVELS 8-9 / RESI LEVEL 11 FLOOR PLAN
- A 2.10

OFFICE LEVEL 10 / RESI LEVELS 12-17 FLOOR PLAN
- A 2.16

OFFICE LEVELS 11-16 / RESI LEVELS 18-24 FLOOR PLAN
- A 2.17

OFFICE PENTHOUSE / RESI LEVELS 25-31 FLOOR PLAN
- A 2.32

OFFICE ROOF LEVEL / RESI LEVELS 32-38 FLOOR PLAN
- A 2.39

RESI LEVEL 39 FLOOR PLAN
- A 2.40

RESI ROOF LEVEL FLOOR PLAN
- A 5.01

SECTION
- A 5.02

SECTION
- A 5.03

SECTION
- A 5.04A

ELEVATION- SHARED GARAGE ENTRY
- A 5.04B

ELEVATION- SEPARATE GARAGE ENTRY
- A 5.05

ELEVATION
- A 5.06

ELEVATION
- A 5.07

ELEVATION
- A 5.08

DIAGRAMS: VEHICULAR ENTRY/LOBBIES/TRANSPARENCY
- A 6.01

RENDERINGS
- A 6.02

RENDERINGS
- A 6.03A

RENDERINGS- SHARED GARAGE ENTRY
- A 6.03B

RENDERINGS- SEPARATE GARAGE ENTRY
- A 6.04

RENDERINGS
- A 6.05

RENDERINGS

1500 MISSION



1500 MISSION STREET

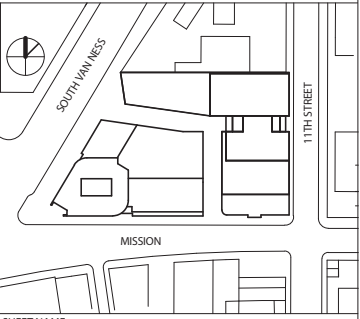
SAN FRANCISCO, CA 94103

ARCHITECT:



SKIDMORE OWINGS & MERRILL LLP

ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

COVER SHEET

DRAWING INDEX

PROJECT NO. 214214

DATE: MARCH 09, 2017

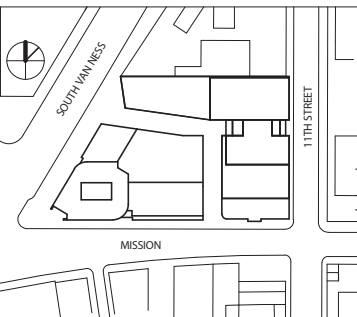
SCALE: AS NOTED

SHEET NO:

A 0.00

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:
300FT RADIUS PLAN
SITE PHOTOS

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

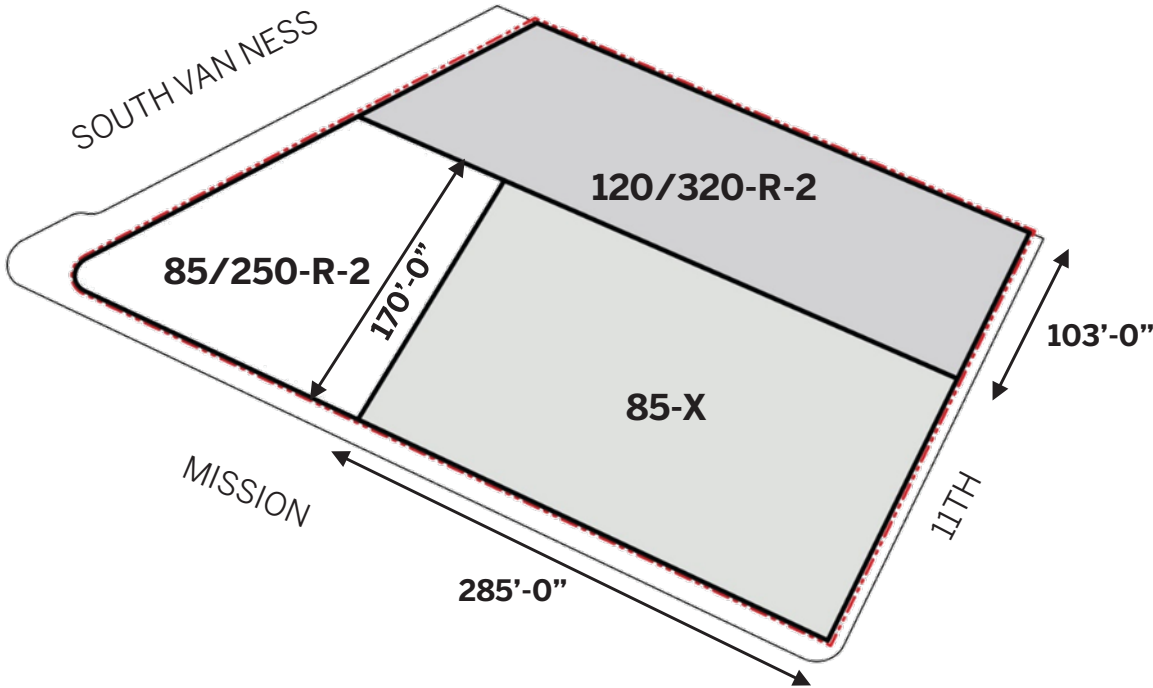
SHEET NO:
A 0.01



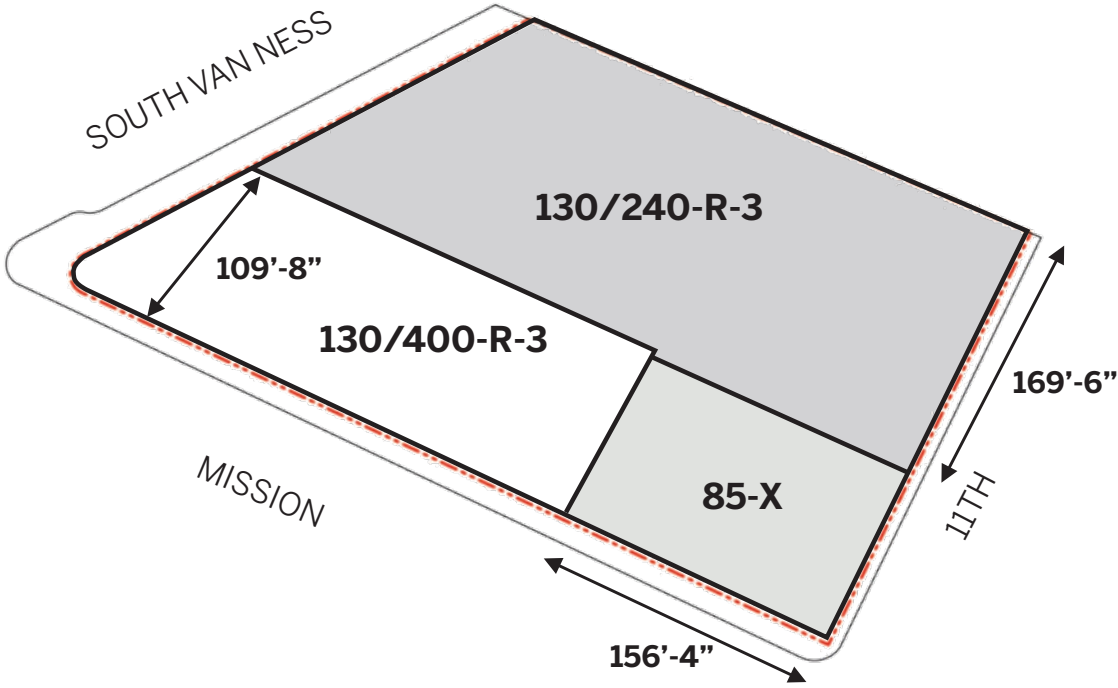
1 300FT RADIUS PLAN
SCALE: 1"=100'-0"

ARCHITECT:

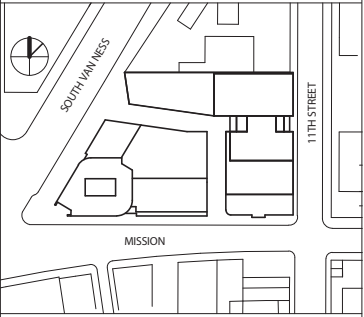
SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



EXISTING SUD



PROPOSED SUD



SHEET NAME:

SUD DIAGRAM

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

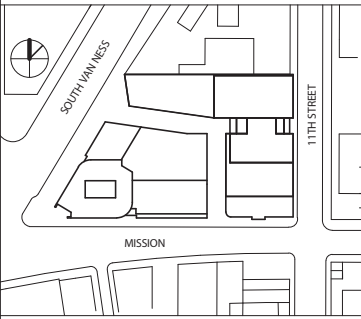
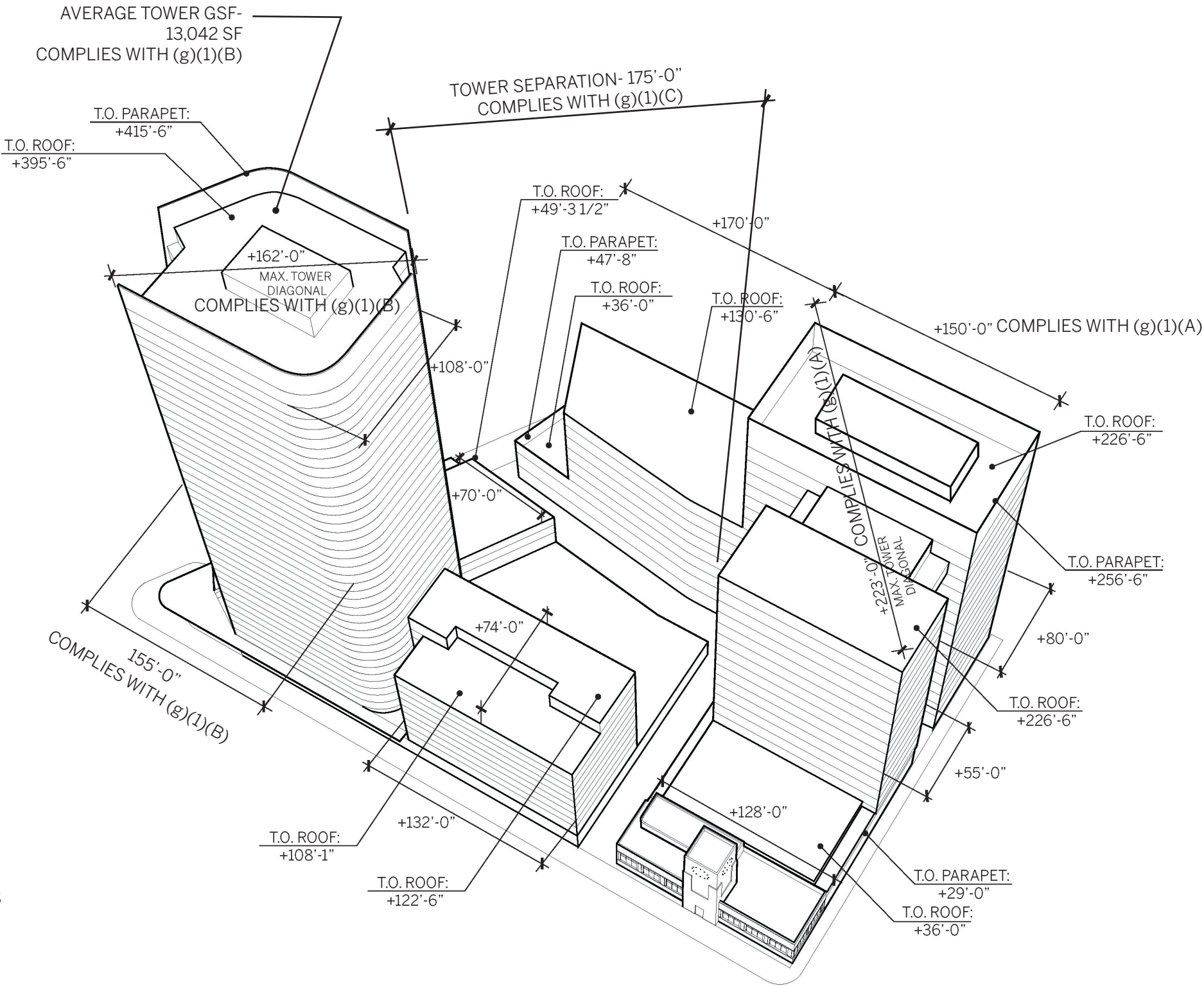
SHEET NO:

A 0.02

Proposed Code:
(g) 1500 Mission Street Special Use District. In Bulk District R-3, bulk limitations are as follows:
(1) In height districts 130/240-R-3 and 130/400-R-3, there are no bulk limitations below 130 feet in height, and structures above 130 feet in height shall meet the following bulk limitations.

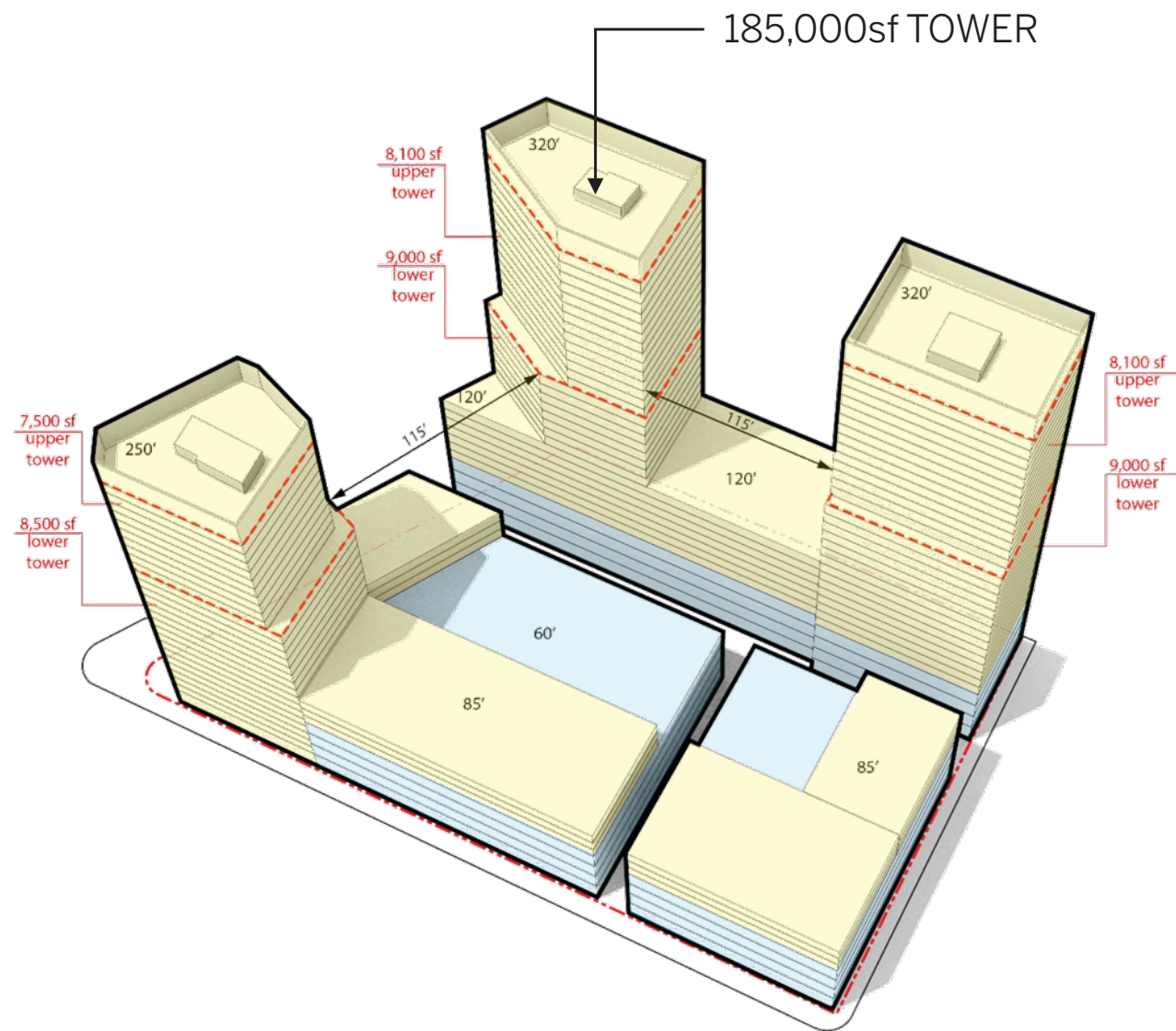
- (A) Buildings between the podium height limit and 240 feet in height may not exceed a plan length of 170 feet and a diagonal dimension of 225 feet.
- (B) Buildings between 241 and 400 feet in height may not exceed a plan length of 156 feet and a diagonal dimension of 165 feet, and may not exceed a maximum average floor area of 13,100 gross square feet. To encourage tower sculpting, the gross floor area of the top one-third of the tower shall be reduced by 7 percent from the maximum floor plate of the tower above the podium height limit unless the overall tower floor plate is reduced by an equal or greater volume.
- (C) In order to provide adequate sunlight and air to streets and open spaces, a minimum distance of 115 feet must be preserved between all structures above 130 feet in height at all levels above 130 feet in height. Spacing shall be measured horizontally from the outside surface of the exterior wall of the subject building to the nearest point on the closest structure above 130 feet in height.

NOTE:
ALL RESIDENTIAL HEIGHTS ARE RELATIVE TO PLANNING 0'-0" ON FRONTAGE TO SOUTH VAN NESS (32'-0" CITY DATUM)
ALL OFFICE HEIGHTS ARE RELATIVE TO PLANNING 0'-0" ON FRONTAGE TO 11TH STREET



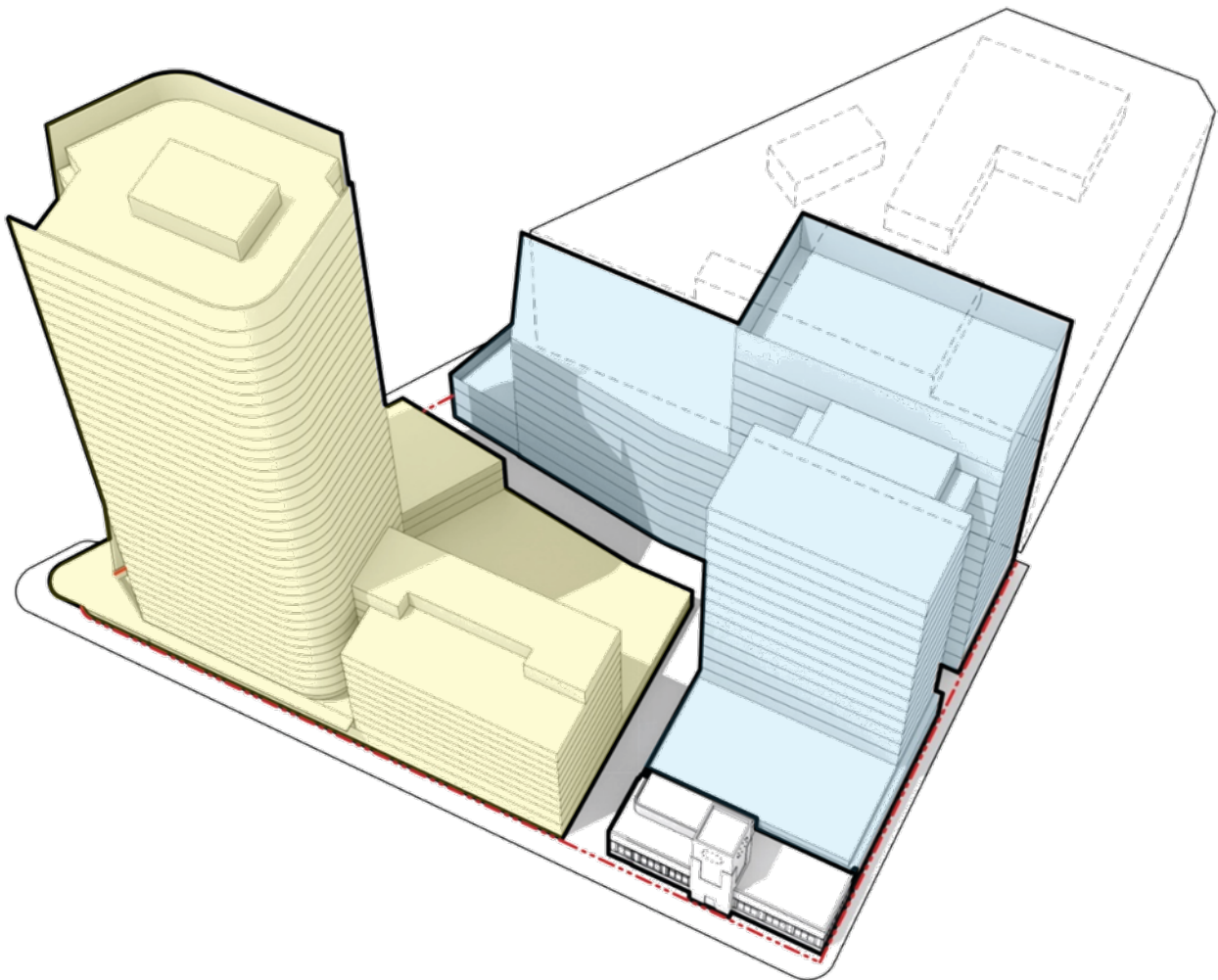
HEIGHT & BULK
DIAGRAM

proposed massing compared to van ness and market downtown residential SUD



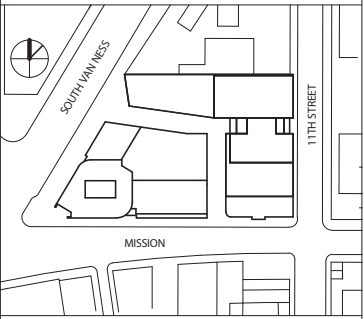
ZONING COMPLIANT ABOVE-GRADE MASSING

OFFICE GSF: 330,345 SF
RESIDENTIAL GSF: 884,455 SF
TOTAL GSF: 1,214,800 SF



PROPOSED ABOVE-GRADE MASSING

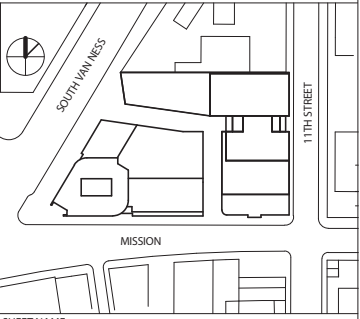
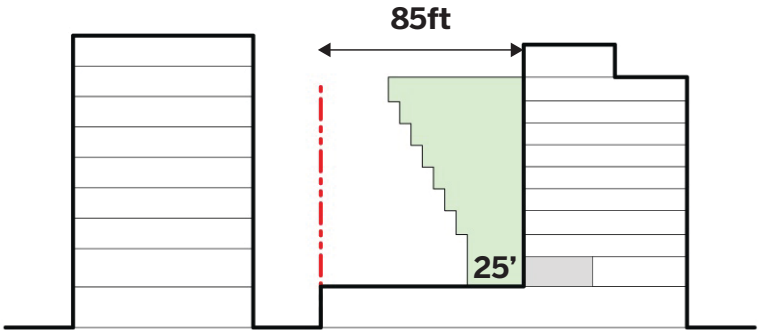
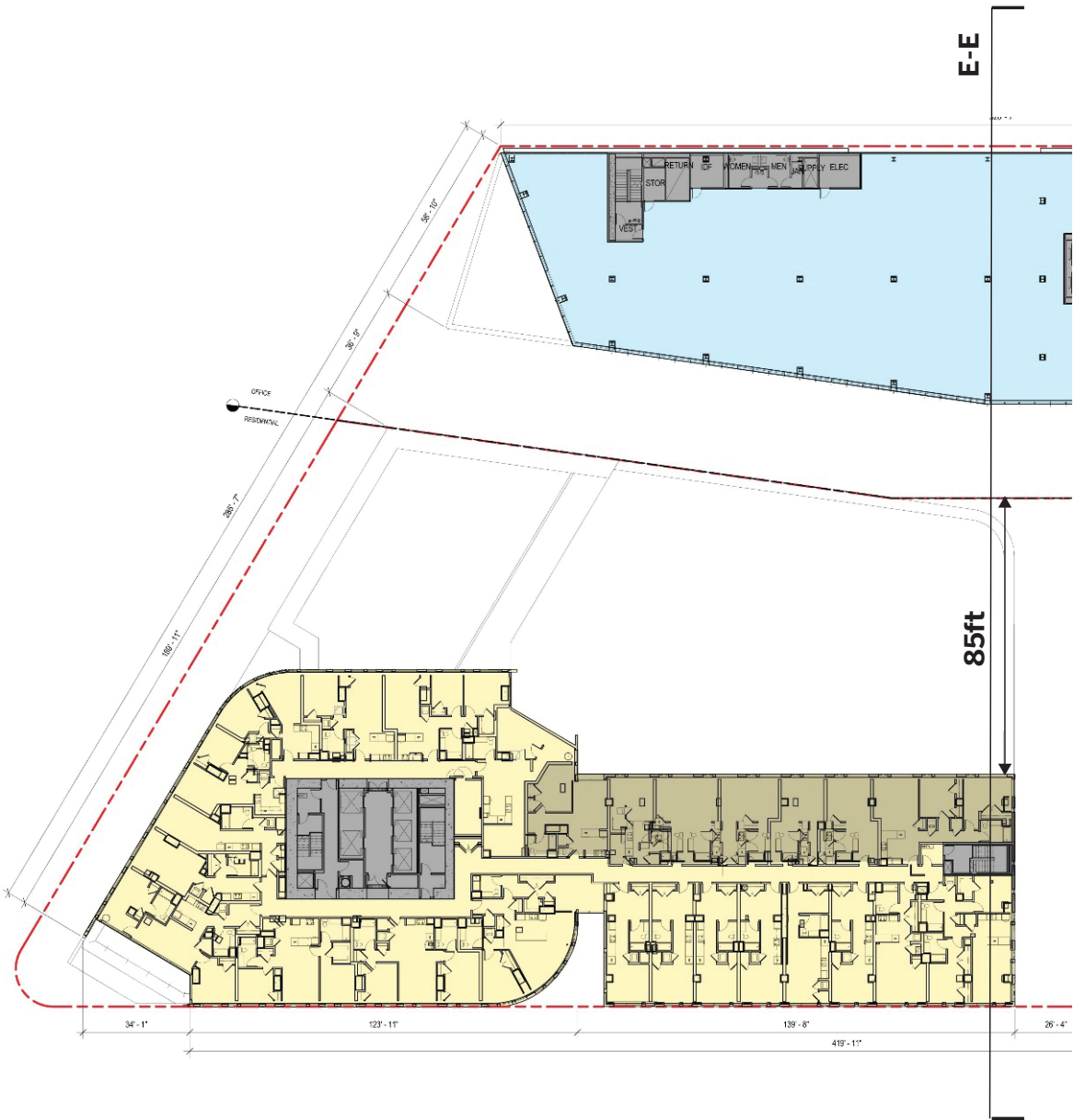
OFFICE GSF: 458,915 SF
RESIDENTIAL GSF: 656,555 SF
TOTAL GSF: 1,115,470 SF



MASSING DIAGRAM

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



EXPOSURE DIAGRAM

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 0.05

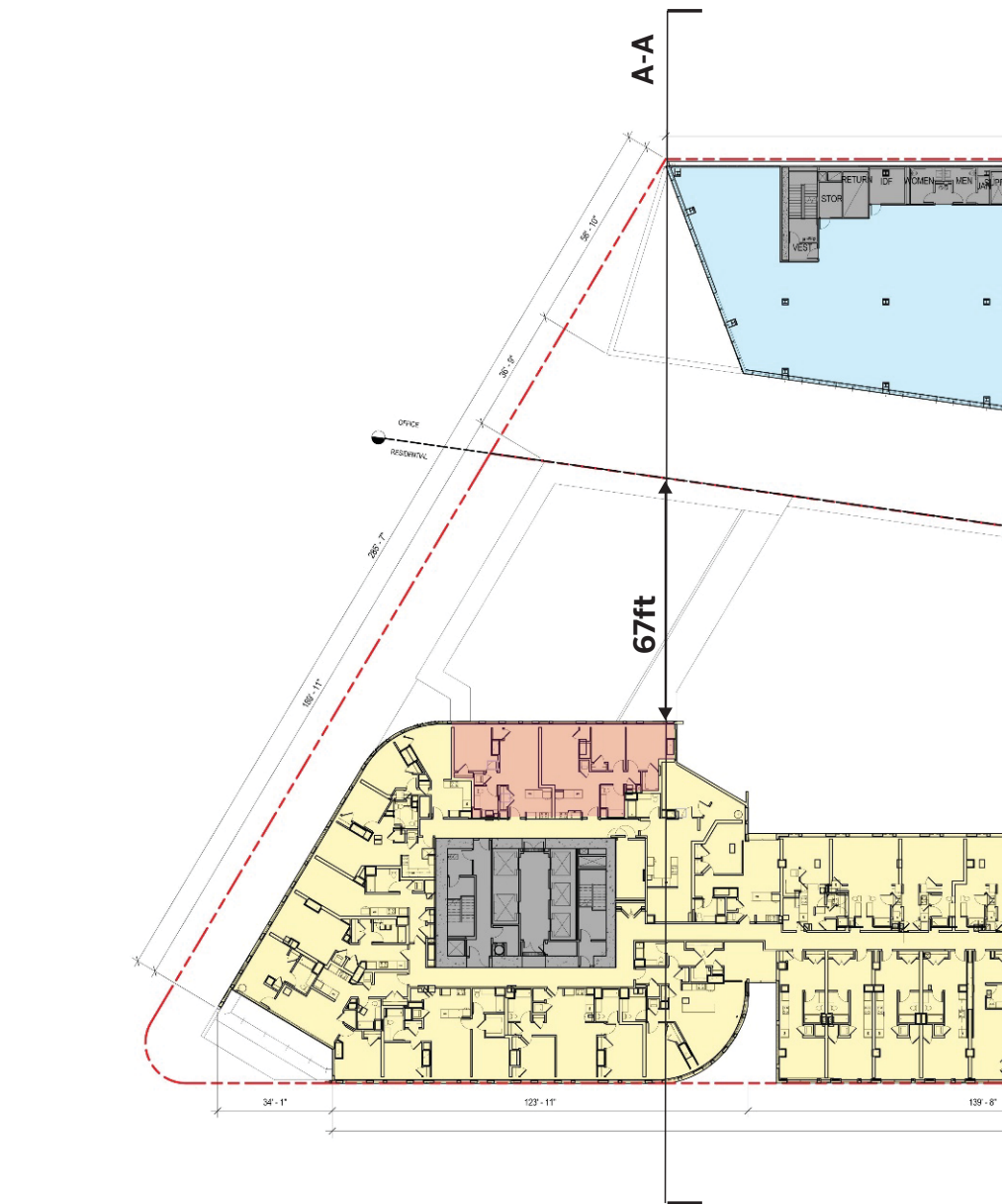
RELATED

SAN FRANCISCO, CA 94103

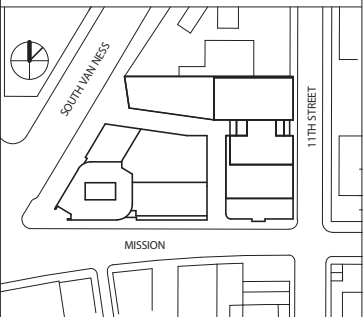
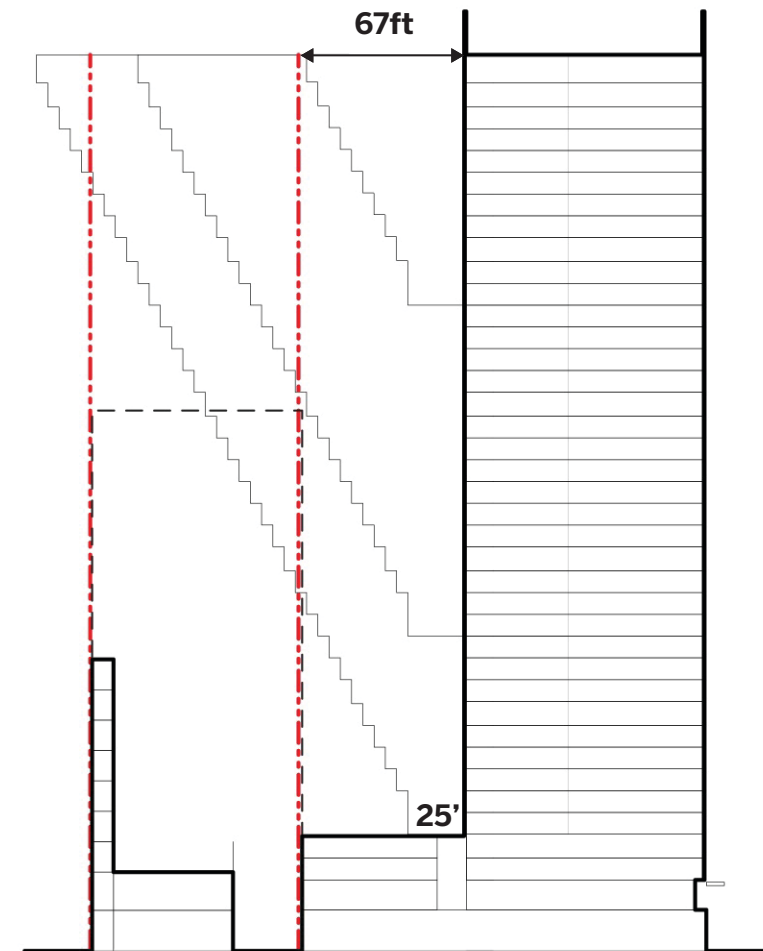
ARCHITECT:

SOM

SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



----- **PROPERTY LINE**



EXPOSURE DIAGRAM

PROJECT NO.

214214

DATE:	21-4-21
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MARCH 09, 2017

SHEET NO:

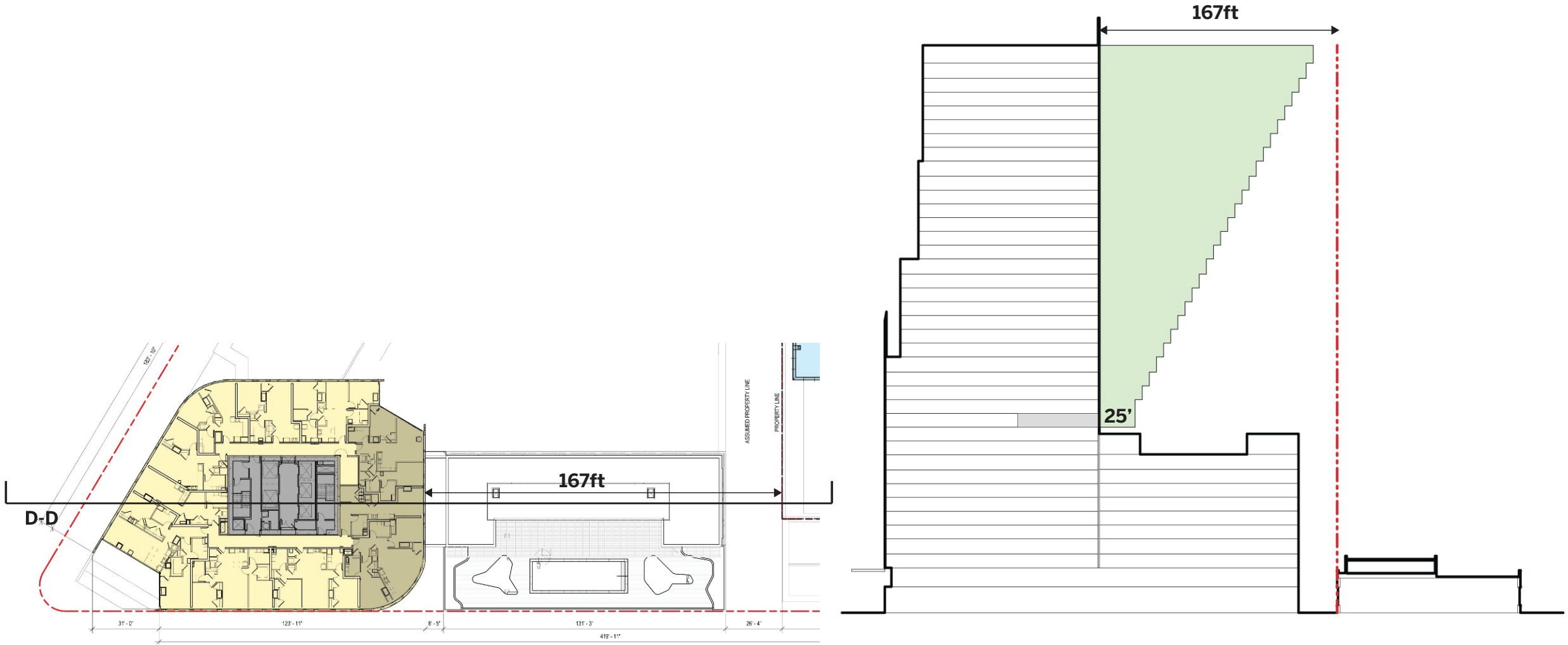
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A (

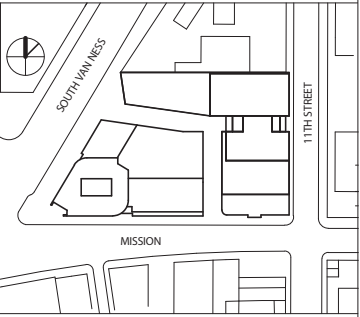
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ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



----- PROPERTY LINE



EXPOSURE DIAGRAM

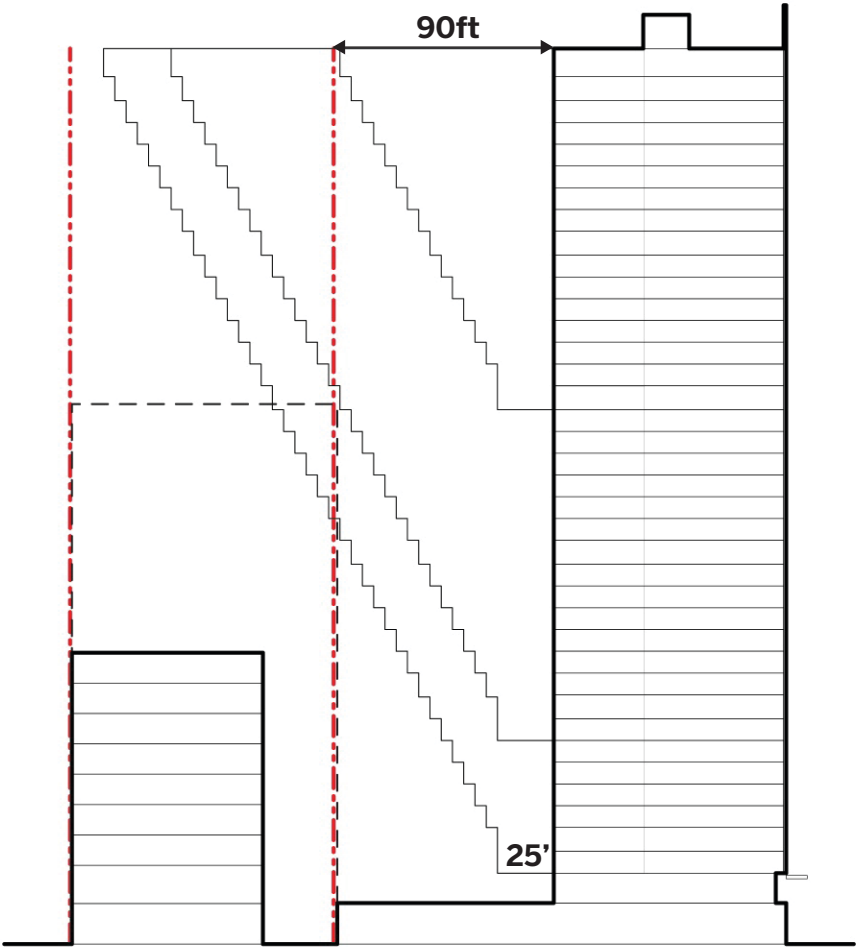
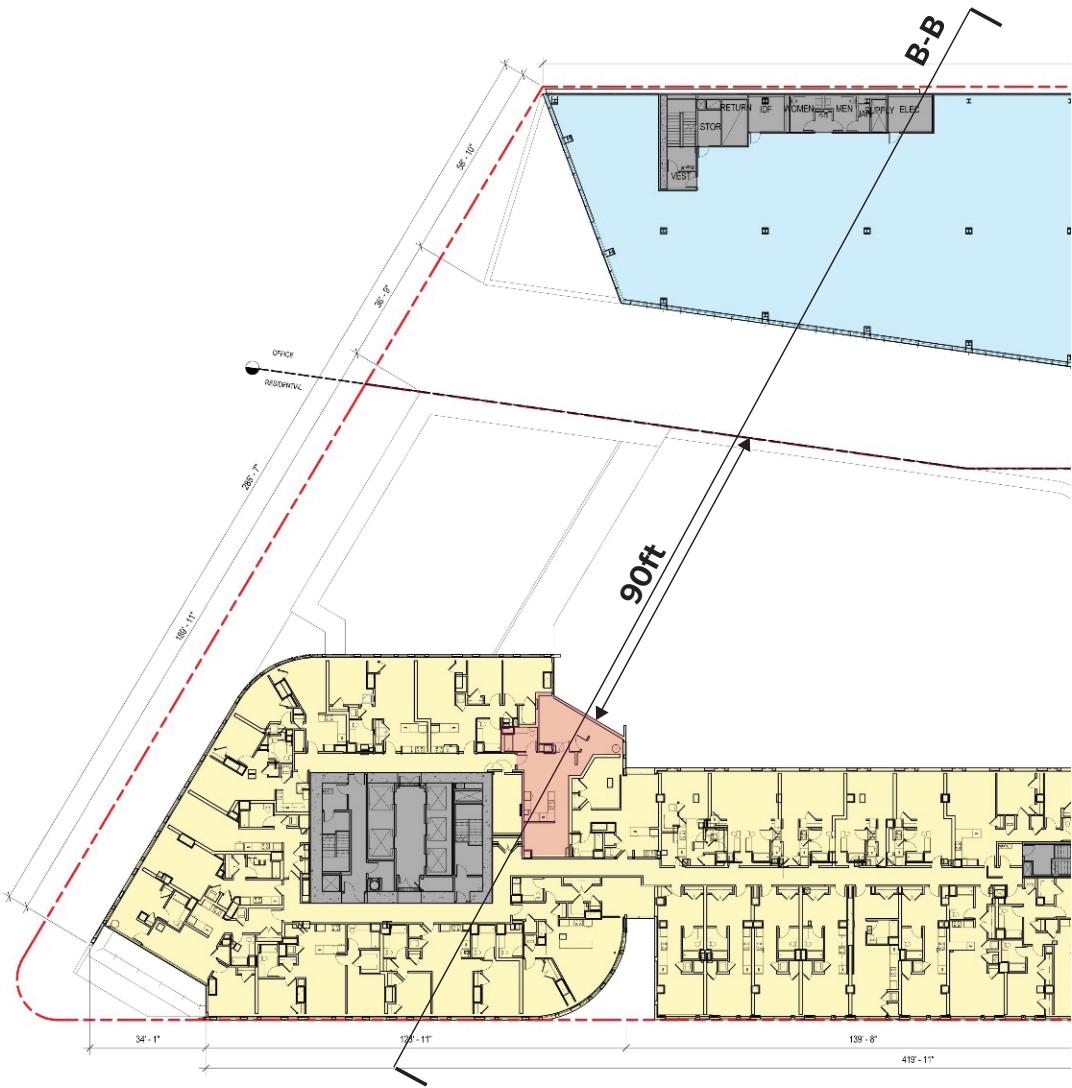
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DATE:	MARCH 09, 2017
SCALE:	AS NOTED

SHEET NO:

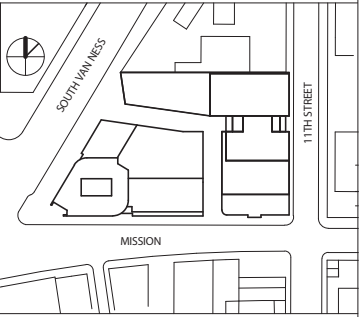
A 0.07

ARCHITECT:

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SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



----- PROPERTY LINE



EXPOSURE DIAGRAM

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 0.08

SF Planning Code Section 102.9 FLOOR AREA, GROSS

SEC 102.9 (a)

Gross Floor Area

Exclusions:

SEC 102.9 (b)(1)

Basement and cellar space used only for storage or services necessary to the operation or maintenance of the building itself;

SEC 102.9 (b)(3)

Elevator or stair penthouses, accessory water tanks or cooling towers, and other mechanical equipment, appurtenances, and areas necessary to the operation or maintenance of the building itself, if located at the top of the building or separated therefrom only by other space not included in the gross floor area;

SEC 102.9 (b)(6)

Floor space dedicated to parking that does not exceed the amount principally permitted as accessory, and is located underground;

SEC 102.9 (b)(8)

Bicycle parking that meets the standards of Sections 155.1 through 155.4 of this Code;

SEC 102.9 (b)(10)(B/C)

Balconies, porches, roof decks, terraces, courts and similar features, except those used for primary access as described in Paragraph (a)(6) above, provided that: (B) If more than 70 percent of the perimeter of such an area is enclosed, either by building walls (exclusive of a railing or parapet not more than three feet eight inches high), or by such walls and interior lot lines, and the clear space is 15 feet or more in both dimensions: (i) The area shall be excluded from Gross Floor Area if it is fully open to the sky (except for roof eaves, cornices, or belt courses that project no more than two feet from the face of the building wall); and (ii) The area may have roofed areas along its perimeter which are also excluded from Gross Floor Area if the minimum clear open space between any such roof and the opposite wall or roof (whichever is closer) is maintained at 15 feet (with the above exceptions) and the roofed area does not exceed 10 feet in depth; (iii) In addition, when the clear open area exceeds 625 square feet, a canopy, gazebo, or similar roofed structure without walls may cover up to 10 percent of such open space without being counted as gross floor area. (C) If, however, 70 percent or less of the perimeter of such an area is enclosed by building walls (exclusive of a railing or parapet not more than three feet eight inches high) or by such walls and interior lot lines, and the open side or sides face on a yard, street or court whose dimensions satisfy the requirements of this Code and all other applicable codes for instances in which required windows face upon such yard, street, or court, the area may be roofed to the extent permitted by such codes in instances in which required windows are involved;

SEC 102.9 (b)(11)

On lower, nonresidential floors, elevator shafts and other life-support systems serving exclusively the residential uses on the upper floors of a building

SEC 102.9 (B)(13)

Ground floor area in the C-3-O, C-3-O(SD), C-3-S, C-3-S(SU), and C-3-G Districts devoted to building or pedestrian circulation and building service

SEC 102.9 (b)(14)

In the C-3-O, C-3-O(SD), C-3-S, C-3-S(SU), and C-3-G Districts, space devoted to personal services, restaurants, and retail sales of goods intended to meet the convenience shopping and service needs of downtown workers and residents, not to exceed 5,000 occupied square feet per use and, in total, not to exceed 75 percent of the area of the ground floor of the building plus the ground level, on-site open space. Said uses shall be located on the ground floor except that, in order to facilitate the creation of more spacious ground floor interior spaces, a portion of the said uses, in an amount to be determined pursuant to the provisions of Section 309, may be located on a mezzanine level;

SEC 102.9 (b)(16)

Floor area in C-3, South of Market Mixed Use Districts, and Eastern Neighborhoods Mixed Use Districts devoted to child care facilities.


SUD Exlusion (BMR residential unit area)

1500 Mission Special Use District Exclusion- see A 0.17 for BMR location and areas

FLOOR
B2
B1
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
P1
TOTAL


SEC 102.9 (a) GROSS FLOOR AREA	SEC 102.9 (b)(1) BASEMENT MECHANICAL	SEC 102.9 (b)(3) ROOF MECHANICAL	SEC 102.9(b)(6) PARKING	SEC 102.9 (b)(8) BICYCLE PARKING	SEC 102.9(b)(10)(B/C) BALCONIES	SEC 102.9(b)(11) LOWER RESIDENTIAL SUPPORT	SEC 102.9(b)(13) GROUND CIRCULATION / BLDG SERVICES	SEC 102.9(b)(14) GROUND LEVEL RETAIL	SEC 102.9(b)(16) CHILDCARE	SUD EXCLUSION BMR UNIT AREA
9,435	11,940		80,840							
45,445	14,205		39,885	6,990						
17,510						1,050	40,235	33,085		
69,280										2,565
48,040					1,960				4,540	7,985
47,050					1,185					9,140
50,175					335					6,015
50,445										5,745
51,870					335					4,320
51,870					335					4,320
52,405										3,785
42,550		225			335					2,460
36,595										3,045
31,375										3,045
31,375					335					3,045
31,840					335					2,580
31,840										2,580
31,465					335					2,580
11,945		3,485			335					1,400
11,750		3,485								1,400
11,750										1,400
11,750										1,400
11,750										1,400
11,750										1,400
11,725										1,425
11,555										1,425
12,980										
12,980										
12,980										
12,980										
12,980										
12,840										
12,840										
12,840										
12,840										
12,840										
12,840										
12,840										
12,240										
0		2,545								
1,016,290	26,145	9,740	120,725	6,990	5,825	1,050	40,235	33,085	4,540	75,860
SEC 102.9 (a) GROSS FLOOR AREA	SEC 102.9 (b)(1) BASEMENT MECHANICAL	SEC 102.9 (b)(3) ROOF MECHANICAL	SEC 102.9(b)(6) PARKING	SEC 102.9 (b)(8) BICYCLE PARKING	SEC 102.9(b)(10)(B/C) BALCONIES	SEC 102.9(b)(11) LOWER RESIDENTIAL SUPPORT	SEC 102.9(b)(13) GROUND CIRCULATION / BLDG SERVICES	SEC 102.9(b)(14) GROUND LEVEL RETAIL	SEC 102.9(b)(16) CHILDCARE	SUD EXCLUSION BMR UNIT AREA

1500 MISSION

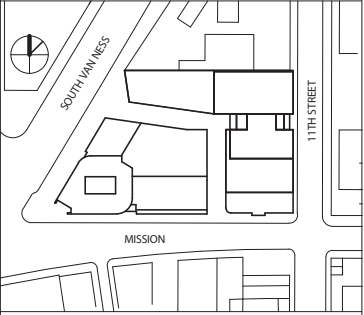


1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:



SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SOUTH VAN NESS
MISSION
11TH STREET

SHEET NAME:

PLANNING GROSS FLOOR AREA DIAGRAM

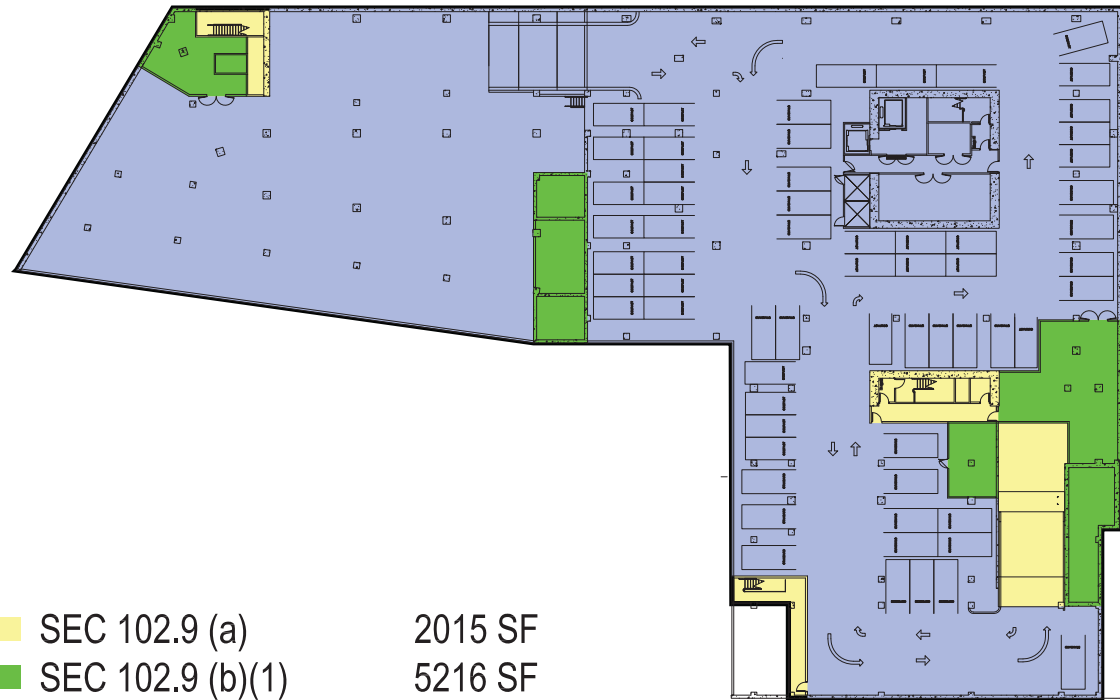
PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

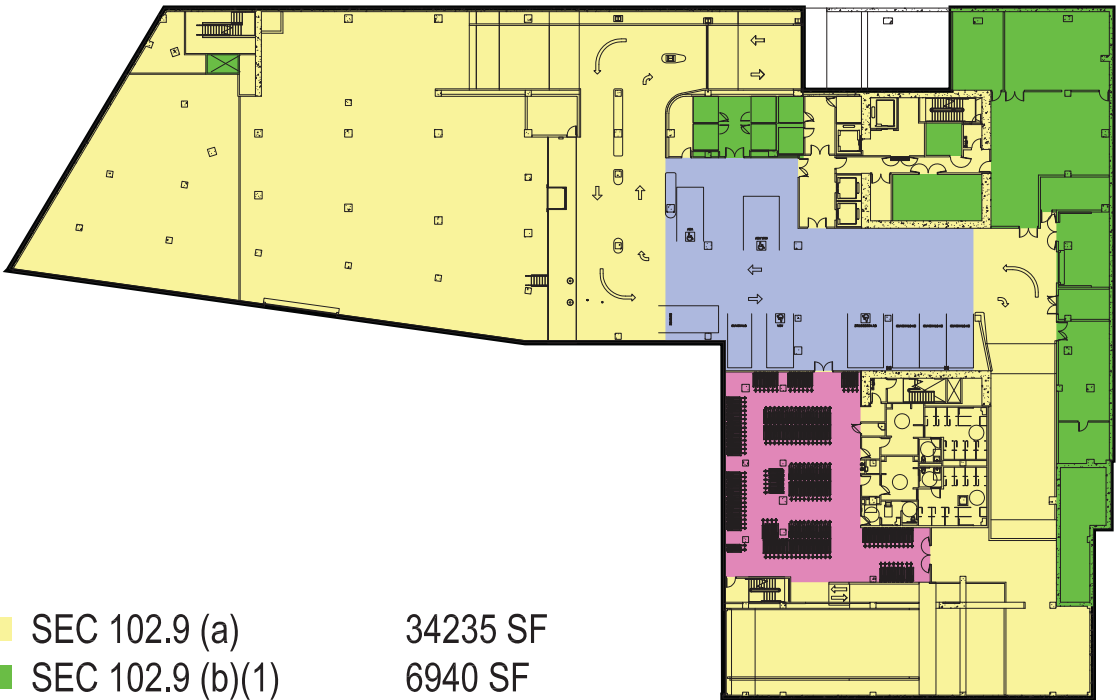
A 0.09

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ONE FRONT STREET SAN FRANCISCO, CA 94111



SEC 102.9 (a)	2015 SF
SEC 102.9 (b)(1)	5216 SF
SEC 102.9 (b)(6)	43960 SF



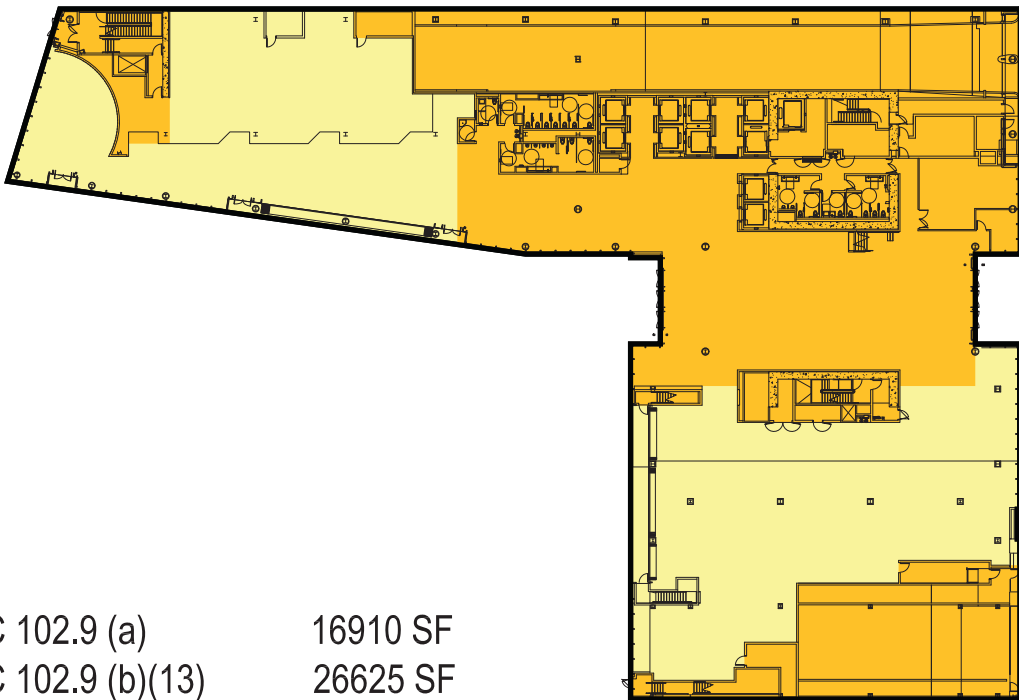
SEC 102.9 (a)	34235 SF
SEC 102.9 (b)(1)	6940 SF
SEC 102.9 (b)(6)	5720 SF
SEC 102.9 (b)(8)	3540 SF

1

AREA DIAGRAM: OFFICE LEVEL B2
SCALE: N.T.S.

2

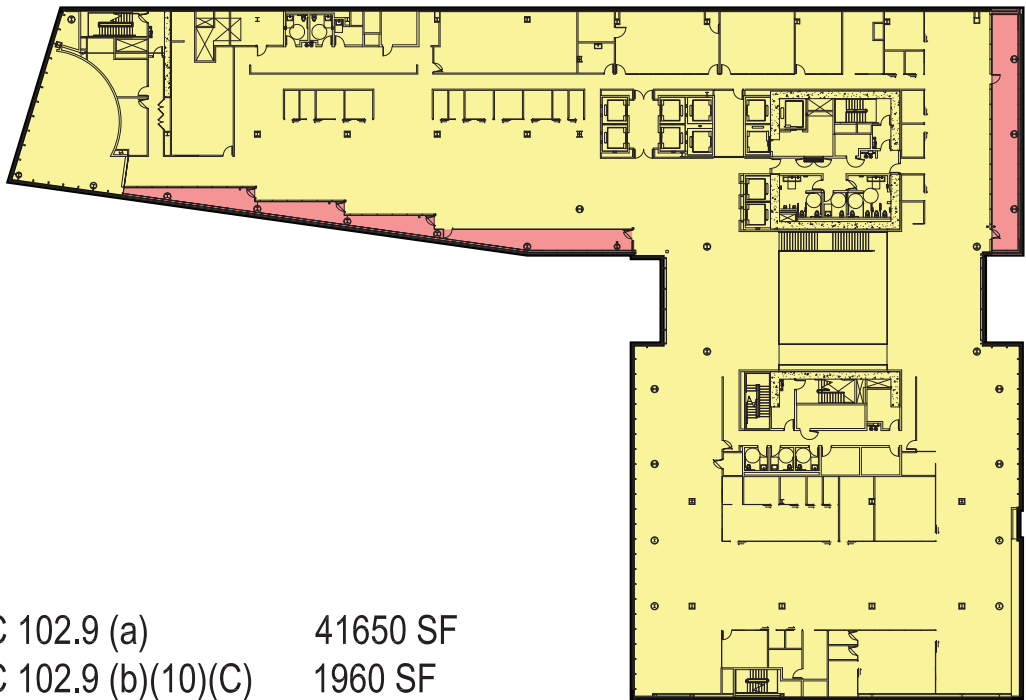
AREA DIAGRAM: OFFICE LEVEL B1
SCALE: N.T.S.



SEC 102.9 (a)	16910 SF
SEC 102.9 (b)(13)	26625 SF

3

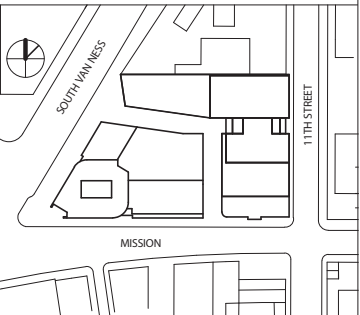
AREA DIAGRAM: OFFICE LEVEL 1
SCALE: N.T.S.



SEC 102.9 (a)	41650 SF
SEC 102.9 (b)(10)(C)	1960 SF

4

AREA DIAGRAM: OFFICE LEVEL 2
SCALE: N.T.S.



SHEET NAME:

PLANNING GROSS
FLOOR AREA
DIAGRAMS

PROJECT NO.

SHEET NO:

DATE:

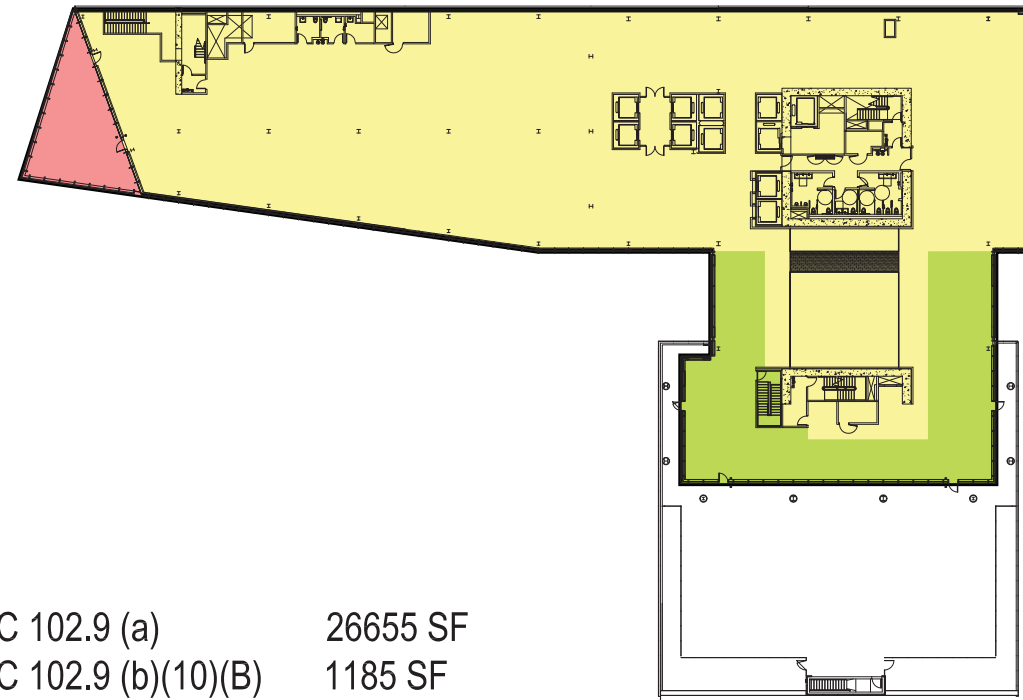
214214

SCALE:

MARCH 09, 2017

AS NOTED

A 0.10



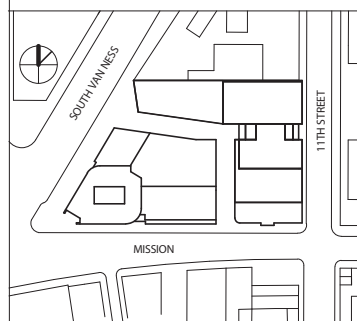
1 AREA DIAGRAM: OFFICE LEVEL 3
SCALE: N.T.S.

2 AREA DIAGRAM: OFFICE LEVEL 4
SCALE: N.T.S.



3 AREA DIAGRAM: OFFICE LEVEL 5
SCALE: N.T.S.

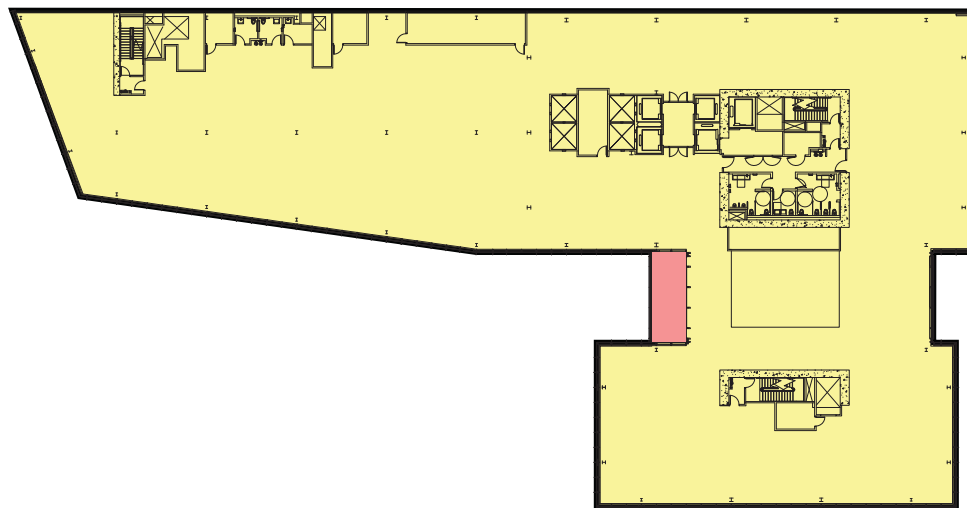
4 AREA DIAGRAM: OFFICE LEVEL 6
SCALE: N.T.S.





SEC 102.9 (a) 32520 SF
 SEC 102.9 (b)(10)(B) 335 SF

1 AREA DIAGRAM: OFFICE LEVEL 7
SCALE: N.T.S.



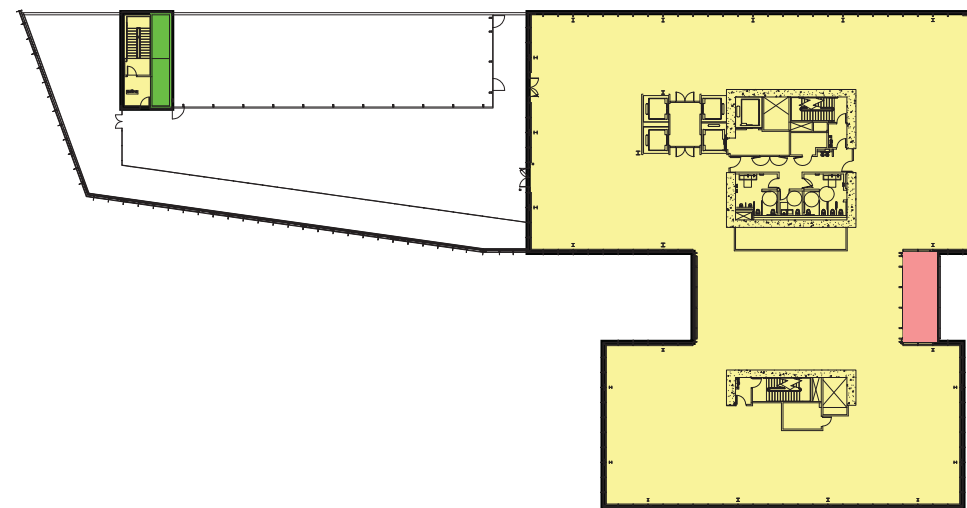
SEC 102.9 (a) 32520 SF
 SEC 102.9 (b)(10)(B) 335 SF

3 AREA DIAGRAM: OFFICE LEVEL 9
SCALE: N.T.S.



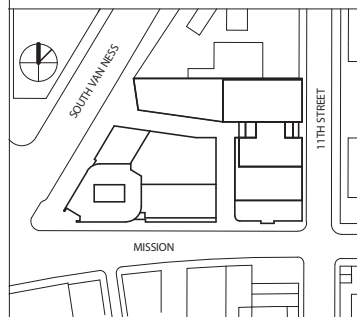
SEC 102.9 (a) 32520 SF

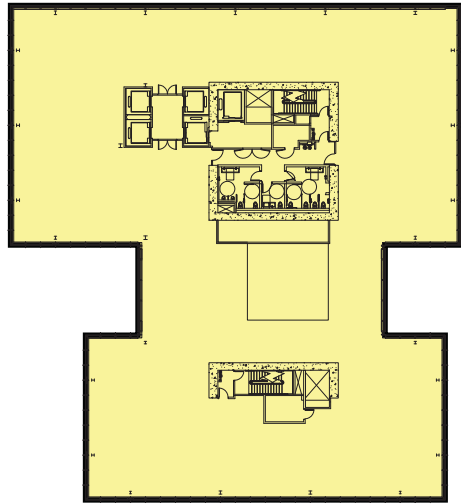
2 AREA DIAGRAM: OFFICE LEVEL 8
SCALE: N.T.S.



SEC 102.9 (a) 21340 SF
 SEC 102.9 (b)(1) 225 SF
 SEC 102.9 (b)(10)(B) 335 SF

4 AREA DIAGRAM: OFFICE LEVEL 10
SCALE: N.T.S.

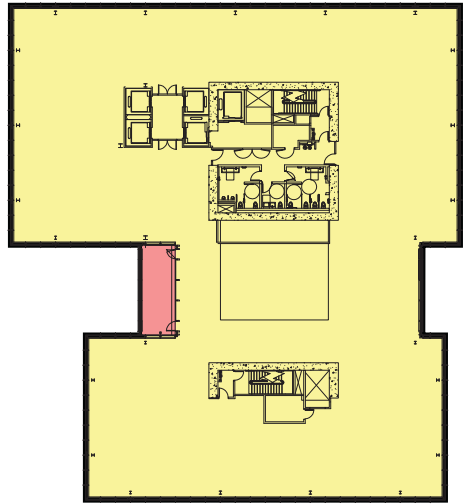




SEC 102.9 (a) 21075 SF

1

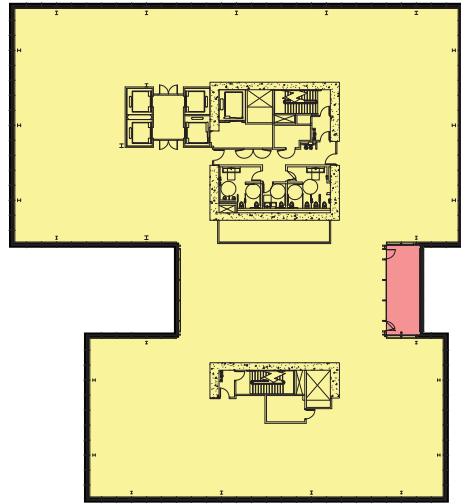
AREA DIAGRAM: OFFICE LEVEL 11
SCALE: N.T.S.



SEC 102.9 (a) 21075 SF
SEC 102.9 (b)(10)(C) 335 SF

2

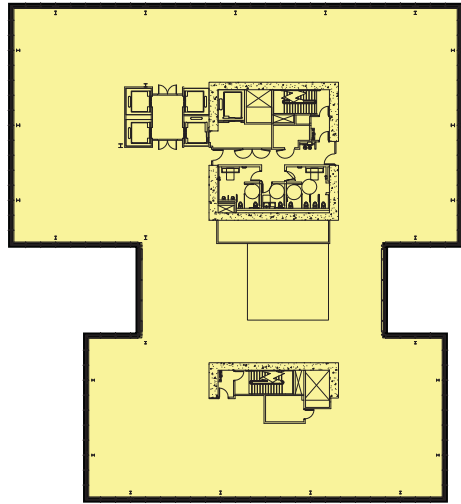
AREA DIAGRAM: OFFICE LEVEL 12
SCALE: N.T.S.



SEC 102.9 (a) 21075 SF
SEC 102.9 (b)(10)(C) 335 SF

3

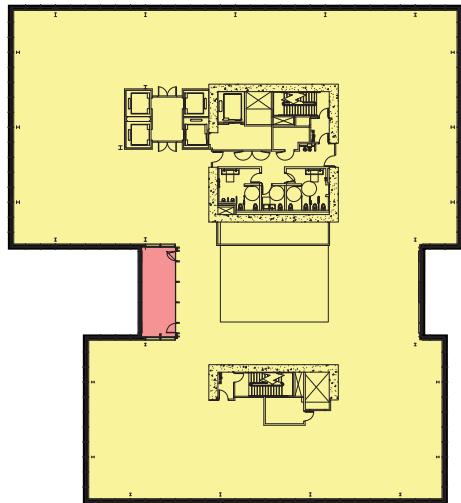
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SCALE: N.T.S.



SEC 102.9 (a) 21075 SF

4

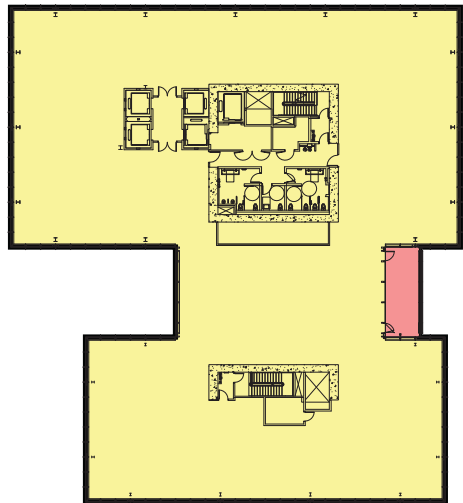
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SCALE: N.T.S.



SEC 102.9 (a) 21075 SF
SEC 102.9 (b)(10)(C) 335 SF

5

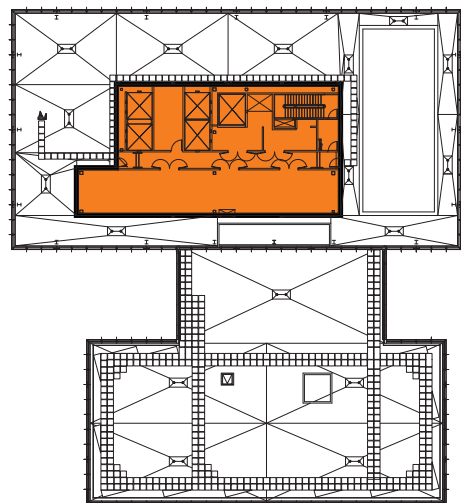
AREA DIAGRAM: OFFICE LEVEL 15
SCALE: N.T.S.



SEC 102.9 (a) 20700 SF
SEC 102.9 (b)(10)(C) 335 SF

6

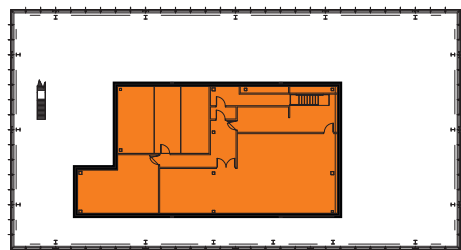
AREA DIAGRAM: OFFICE LEVEL 16
SCALE: N.T.S.



SEC 102.9 (b)(1) 3485 SF

7

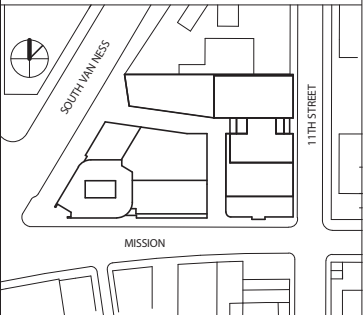
AREA DIAGRAM: OFFICE LEVEL P1
SCALE: N.T.S.



SEC 102.9 (b)(1) 3485 SF

8

AREA DIAGRAM: OFFICE LEVEL P2
SCALE: N.T.S.



SHEET NAME:

PLANNING GROSS
FLOOR AREA
DIAGRAMS

PROJECT NO.

214214

DATE:

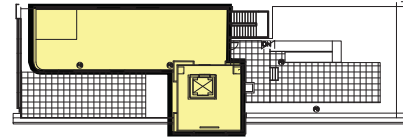
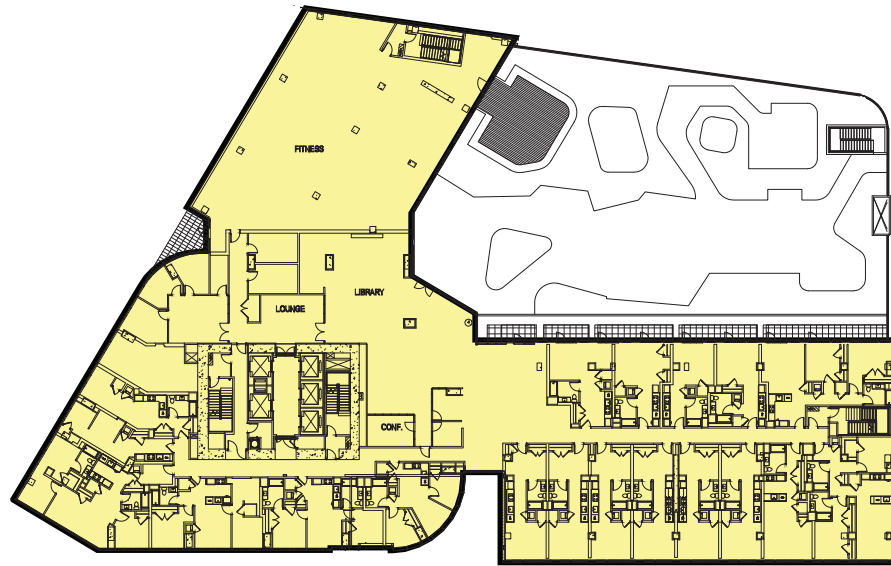
MARCH 09, 2017

SCALE:

AS NOTED

SHEET NO:

A 0.13



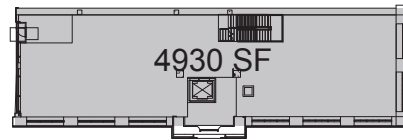
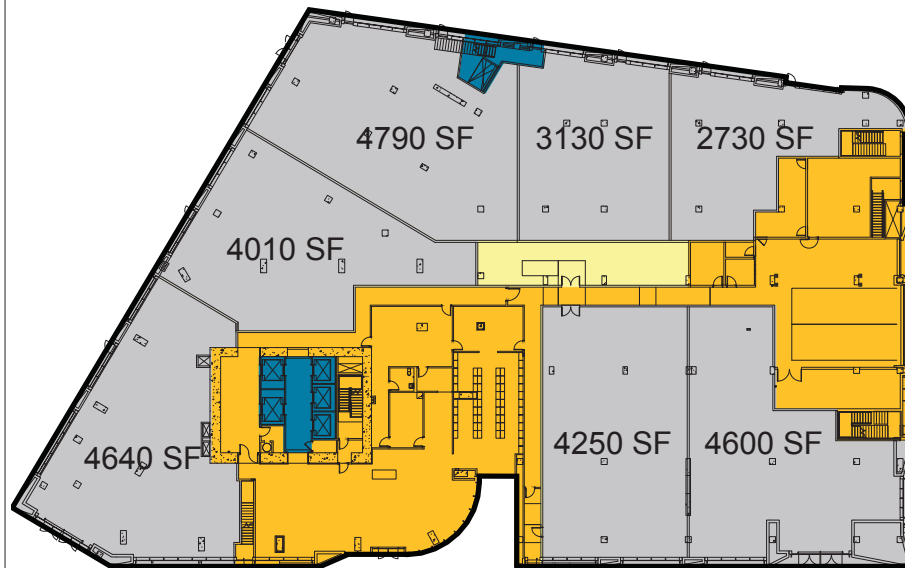
SEC 102.9 (a) 30195 SF
SEE A0.17 FOR BMR UNIT AREAS

1 AREA DIAGRAM: RESIDENTIAL LEVEL 2
SCALE: N.T.S.



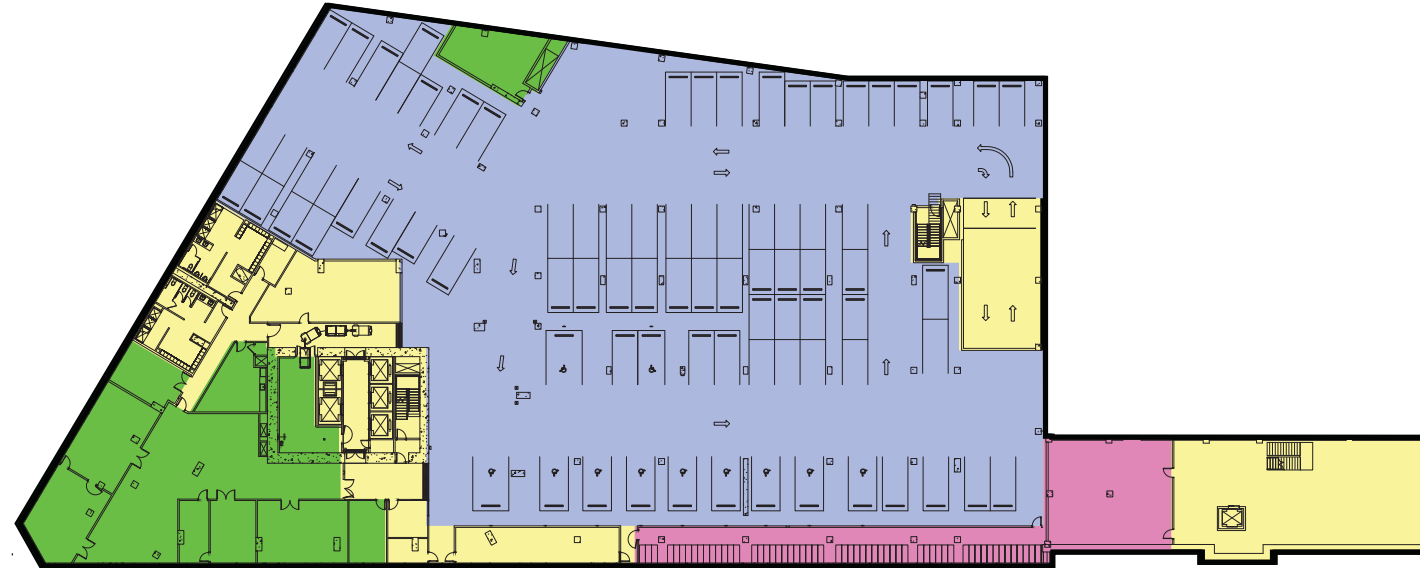
SEC 102.9 (a) 7420 SF
SEC 102.9 (b)(1) 6725 SF
SEC 102.9 (b)(6) 36880 SF

2 AREA DIAGRAM: RESIDENTIAL LEVEL B2
SCALE: N.T.S.



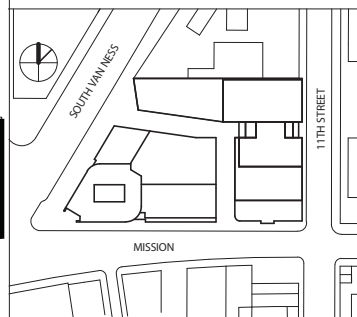
SEC 102.9 (a) 600 SF
SEC 102.9 (b)(11) 1050 SF
SEC 102.9 (b)(13) 13610 SF
SEC 102.9 (b)(14) 33080 SF

3 AREA DIAGRAM: RESIDENTIAL LEVEL 1
SCALE: N.T.S.

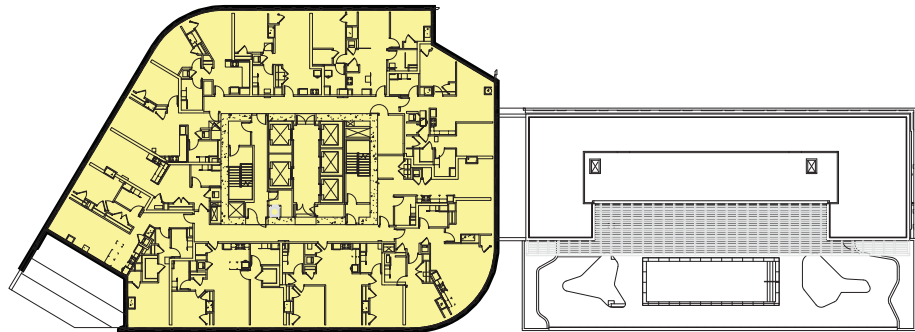


SEC 102.9 (a) 11120 SF
SEC 102.9 (b)(1) 7265 SF
SEC 102.9 (b)(6) 34165 SF
SEC 102.9 (b)(8) 3450 SF

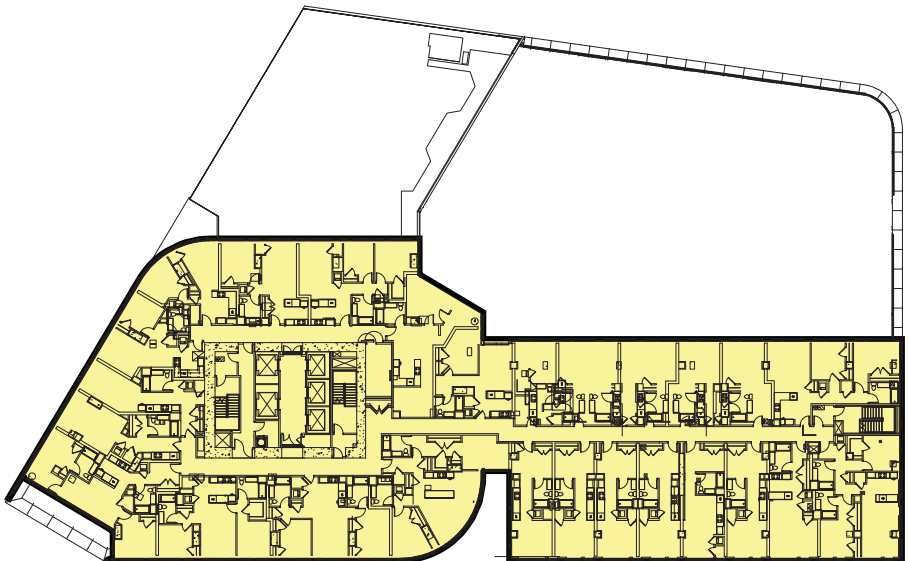
4 AREA DIAGRAM: RESIDENTIAL LEVEL B1
SCALE: N.T.S.



PLANNING GROSS
FLOOR AREA
DIAGRAMS



SEC 102.9 (a) 13345 SF
SEE A0.17 FOR BMR UNIT AREAS



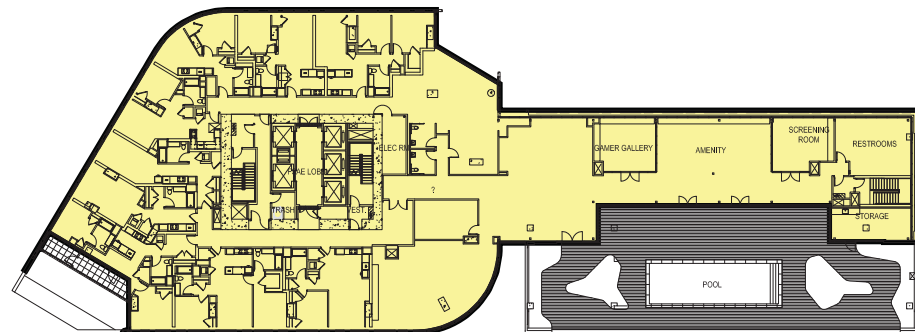
SEC 102.9 (a) 23670 SF
SEE A0.17 FOR BMR UNIT AREAS

1

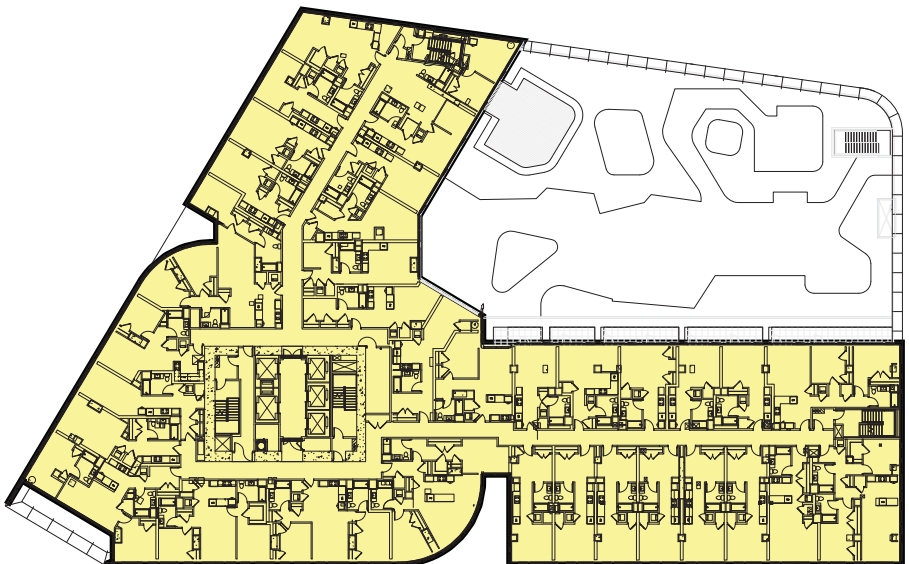
AREA DIAGRAM: RESIDENTIAL LEVELS 12-17
SCALE: N.T.S.

2

AREA DIAGRAM: RESIDENTIAL LEVELS 6-10
SCALE: N.T.S.



SEC 102.9 (a) 18565 SF
SEE A0.17 FOR BMR UNIT AREAS



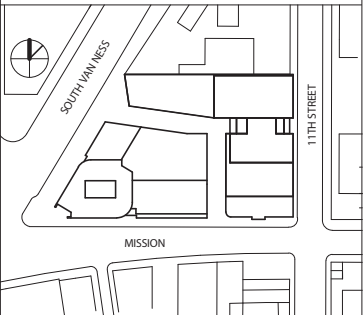
SEC 102.9 (a) 32380 SF
SEE A0.17 FOR BMR UNIT AREAS

3

AREA DIAGRAM: RESIDENTIAL LEVEL 11
SCALE: N.T.S.

4

AREA DIAGRAM: RESIDENTIAL LEVELS 2-5
SCALE: N.T.S.



SHEET NAME:

PLANNING GROSS
FLOOR AREA
DIAGRAMS

PROJECT NO.

SHEET NO:

214214

DATE:

MARCH 09, 2017

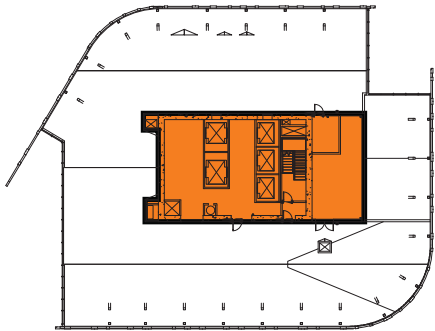
SCALE:


AS NOTED

A 0.15

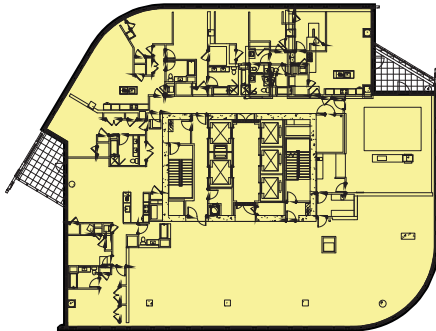
ARCHITECT:


SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



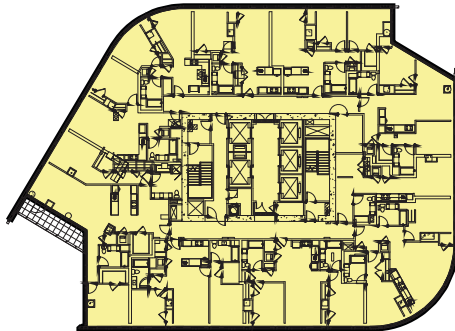
 SEC 102.9 (b)(3) 2545 SF


1 AREA DIAGRAM: RESIDENTIAL LEVEL P1
SCALE: N.T.S.



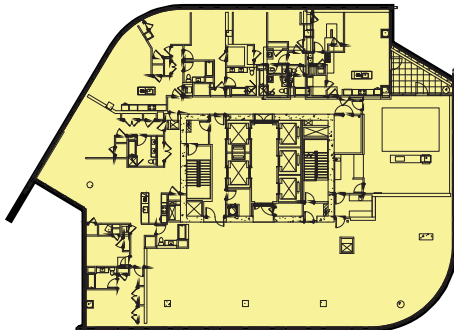
 SEC 102.9 (a) 12240 SF


2 AREA DIAGRAM: RESIDENTIAL LEVEL 39
SCALE: N.T.S.



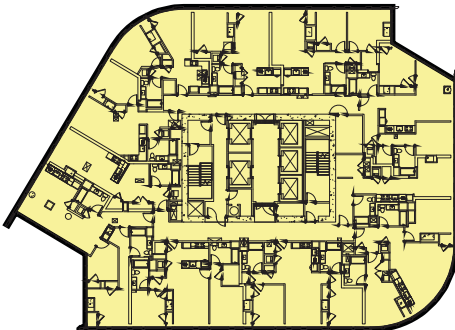
 SEC 102.9 (a) 12980 SF


3 AREA DIAGRAM: RESIDENTIAL LEVELS 25-31
SCALE: N.T.S.



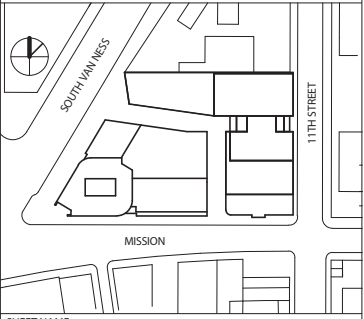
 SEC 102.9 (a) 12840 SF

4 AREA DIAGRAM: RESIDENTIAL LEVELS 32-38
SCALE: N.T.S.



 SEC 102.9 (a) 13150 SF
SEE A0.17 FOR BMR UNIT AREAS

5 AREA DIAGRAM: RESIDENTIAL LEVELS 18-24
SCALE: N.T.S.



SHEET NAME:

PLANNING GROSS
FLOOR AREA
DIAGRAMS

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 0.16

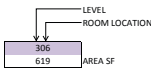
ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111

UNIT AREA BY FLOOR

FLOOR	STUDIO	NSRF PER FLOOR	1BR	NSRF PER FLOOR	2BR	NSRF PER FLOOR	3BR	NSRF PER FLOOR
39		0		0	3903 1423	1423	3901 3902 3904	6151
38		0	3803 3808	1554	3801 3802 3804 3805 3809 3810 3811	8409		0
37		0	3703 3708	1554	3701 3702 3704 3705 3709 3710 3711	8409		0
36		0	3603 3608	1554	3601 3602 3604 3605 3609 3610 3611	8409		0
35		0	3503 3508	1554	3501 3502 3504 3505 3509 3510 3511	8409		0
34		0	3403 3408	1554	3401 3402 3404 3405 3409 3410 3411	8409		0
33		0	3303 3308	1554	3301 3302 3304 3305 3309 3310 3311	8409		0
32		0	3203 3208	1554	3201 3202 3204 3205 3209 3210 3211	8409		0
31	3107 633 476	1109	3108 762	762	3101 3102 3104 3109 3110 3111	6713	3106 1438	1438
30	3007 633 476	1109	3008 762	762	3001 3002 3004 3009 3010 3011	6713	3006 1438	1438
29	2907 633 476	1109	2908 762	762	2901 2902 2904 2909 2910 2911	6713	2906 1438	1438
28	2807 633 476	1109	2808 762	762	2801 2802 2804 2809 2810 2811	6713	2806 1438	1438
27	2707 633 476	1109	2708 762	762	2701 2702 2704 2709 2710 2711	6713	2706 1438	1438
26	2607 633 476	1109	2608 762	762	2601 2602 2604 2609 2610 2611	6713	2606 1438	1438
25	2507 633 476	1109	2508 762	762	2501 2502 2504 2509 2510 2511	6713	2506 1438	1438
24	2403 590 625 455	1670	2408 769	769	2401 2404 2405 2406 2409 2410 2411	7707		0
23	2308 590 625 455	1670	2308 769	769	2301 2304 2305 2306 2309 2310 2311	7707		0
22	2208 590 625 455	1670	2208 769	769	2201 2204 2205 2206 2209 2210 2211	7707		0
21	2108 590 625 455	1670	2108 769	769	2101 2104 2105 2106 2109 2110 2111	7707		0
20	2008 590 625 455	1670	2008 769	769	2001 2004 2005 2006 2009 2010 2011	7707		0
19	1908 590 625 455	1670	1908 769	769	1901 1904 1905 1906 1909 1910 1911	7707		0
18	1808 590 625 455	1670	1808 769	769	1801 1804 1805 1806 1809 1810 1811	7707		0
17	1701 647 535 627 422	2231	1702 789 759 571 768 786	3673	1704 1705 1706 1712	4354		0
16	1601 647 535 627 422	2231	1602 789 759 571 768 786	3673	1604 1605 1606 1612	4354		0
15	1501 647 535 627 422	2231	1502 789 759 571 768 786	3673	1504 1505 1506 1512	4354		0
14	1401 647 535 627 422	2231	1402 789 759 571 768 786	3673	1404 1405 1406 1412	4354		0
13	1301 647 535 627 422	2231	1302 789 759 571 768 786	3673	1304 1305 1306 1312	4354		0
12	1201 647 535 627 422	2231	1202 789 759 571 768 786	3673	1204 1205 1206 1212	4354		0
11	1101 620 717	1337	1102 774 809 704 729	3016	1102 1103 1112 1113	3386		0
10	1001 591 531 619 596 578 561 569 535 526 572 559 549 662 579 586 477	4655	1002 846 701 655 835 762 762 996 698 737 618	7610	1002 1009 1018 1021	4412		0
9	901 591 532 619 596 578 561 569 535 526 572 559 549 662 579 586 477	9091	901 846 700 684 762 762 996 698 737 618	6803	901 1152 1031 963	3146		0
8	801 591 532 619 596 578 561 569 535 526 572 559 549 662 579 586 477	9091	801 846 700 684 762 762 996 698 737 618	6803	801 1152 1031 963	3146		0
7	701 601 605 606 608 609 610 611 612 613 614 615 616 617 622 627 628	9091	701 603 604 607 619 620 623 624 625 626	6803	701 602 618 621	3146		0
6	591 532 619 596 578 561 569 535 526 572 559 549 662 579 586 477	9576	591 503 504 507 519 520 523 524 526	6136	591 502 518 521	3145		0
5	501 592 530 619 596 578 561 569 535 526 572 559 549 662 579 586 477	10216	501 844 703 684 762 762 776 717 611 658 657 752 871	8797	501 1152 1031 963	3146	424 1144	1144
4	401 588 532 619 596 578 561 569 535 526 572 559 549 662 579 586 477	10216	401 844 703 684 762 762 776 717 611 658 657 752 871	8797	401 1152 1031 963	3146	424 1144	1144
3	301 588 532 619 596 578 561 569 535 526 572 559 549 662 579 586 477	10216	301 844 703 684 762 762 776 717 611 658 657 752 871	8797	301 1152 1031 963	3146	424 1144	1144
2	201 416 539 589 561 569	6077	201 961 626 762 762 662 646	4419	201 986 1031	2017		0
TOTAL		111280		109620		219186		18505

LEGEND
RED OUTLINE BOX DENOTES BMR UNIT



TOTAL NSRF = STUDIO + 1BDR + 2BDR + 3BDR

458591

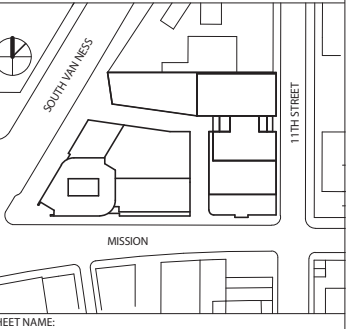
19805	18932	38881	2288	79,906	TOTAL BMR SF
				458,591	TOTAL SF
				17.42%	BMR/TOTAL %

BMR UNIT TOTALS					
MR UNITS	0BR	1BR	2BR	3BR	TOTAL
BMR	27	197	146	135	505
%	13.7%	6.6%	8.2%	10.3%	15.5%
BMR	40	29	39	2	110
%	20.3%	19.9%	20.0%	16.7%	20.0%

BMR SF MATRIX BY TYPE BY FLOOR

Sm. STUDIOS	Alcove	1BR	2B1	52&2 2BR	L2&2	3BR	TOTAL
476	0	0	0	949	0	0	1425
476	0	0	0	949	0	0	1425
455	0	0	0	944	0	0	1399
455	0	0	0	944	0	0	1399
455	0	0	0	944	0	0	1399
455	0	0	0	944	0	0	1399
455	0	0	0	944	0	0	1399
455	0	0	0	944	0	0	1399
422	627	571	960	0	0	0	2580
422	627	571	960	0	0	0	2580
422	627	571	960	0	0	0	2580
422	0	571	960	1091	0	0	3044
422	0	571	960	1091	0	0	3044
422	0	571	960	1091	0	0	3044
0	0	1513	949	0	0	0	2462
477	0	1316	1031	963	0	0	3787
477	535	1316	1031	963	0	0	4322
477	535	1316	1031	963	0	0	4322
477	535	1316	1031	963	1152	0	5474
956	535	1379	1031	963	1151	0	6015
1043	1101	2704	1031	963	1152	1144	9138
1043	1101	2704	1031	963	0	1144	7986
416	535	626	986	0	0	0	2563
12512	7293	18932	15943	19483	3455	2288	79906

UNIT AREA PER FLOOR



BMR UNITS AREA MATRIX

PROJECT NO.

214214

DATE:

MARCH 09, 2017

SCALE:

AS NOTED

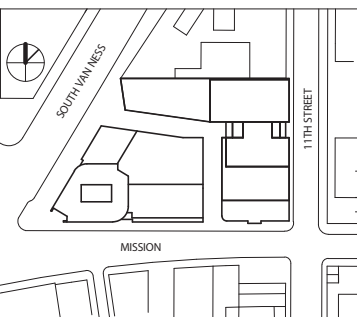
SHEET NO:

214214

SCALE:

AS NOTED

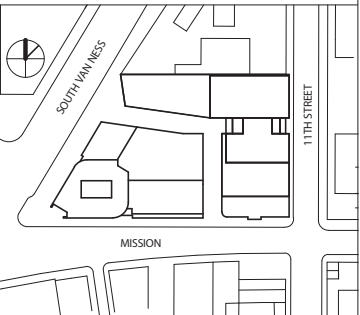
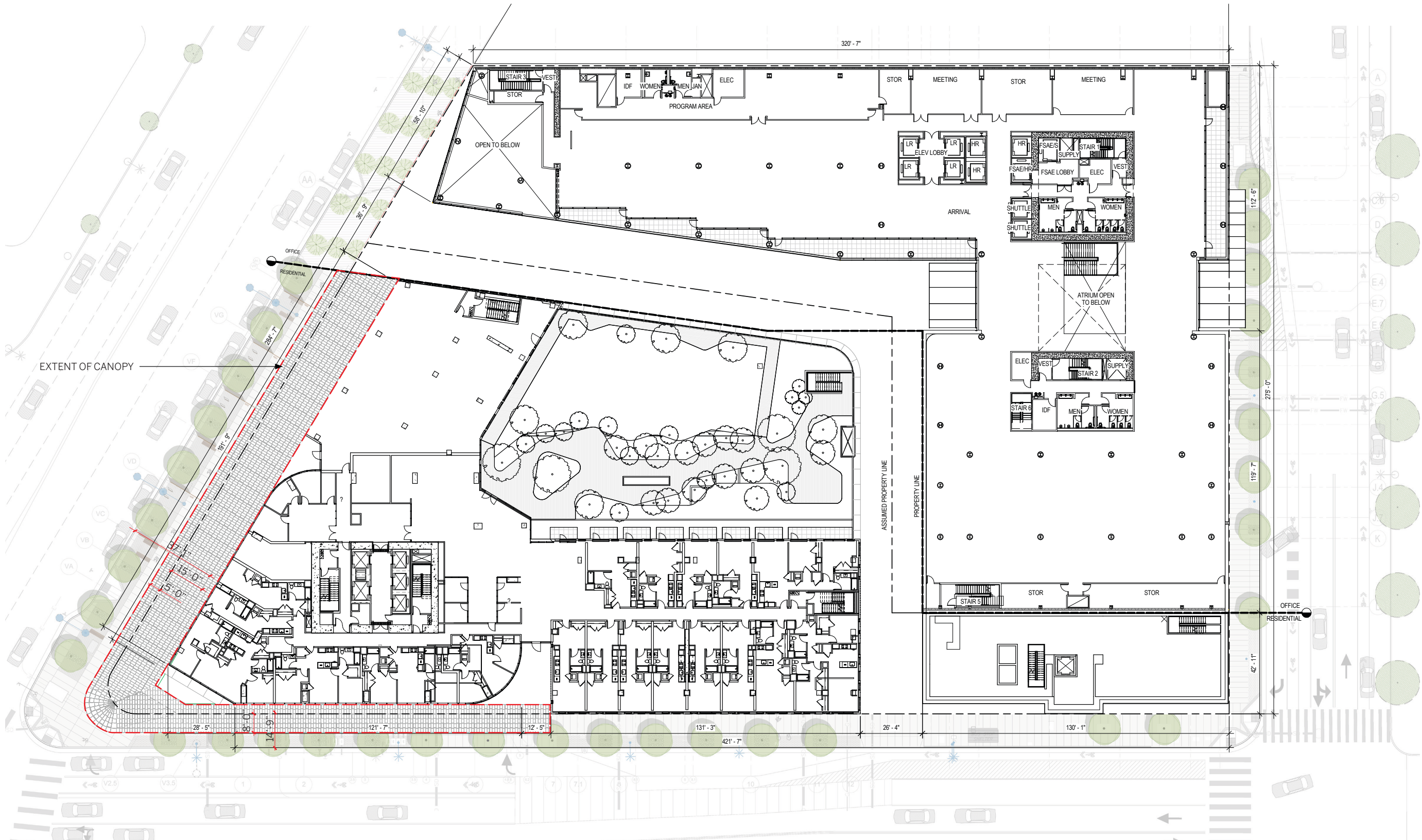
A 0.17



WIND MITIGATION MEASURES

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

WIND MITIGATION
MEASURES

1

WIND MITIGATION CANOPY PLAN

SCALE: N.T.S.

PROJECT NO.

SHEET NO:

DATE:

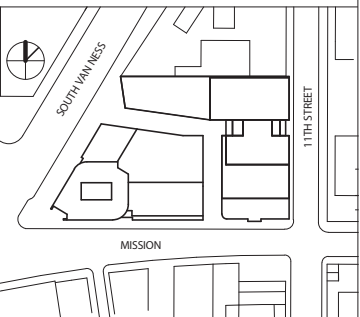
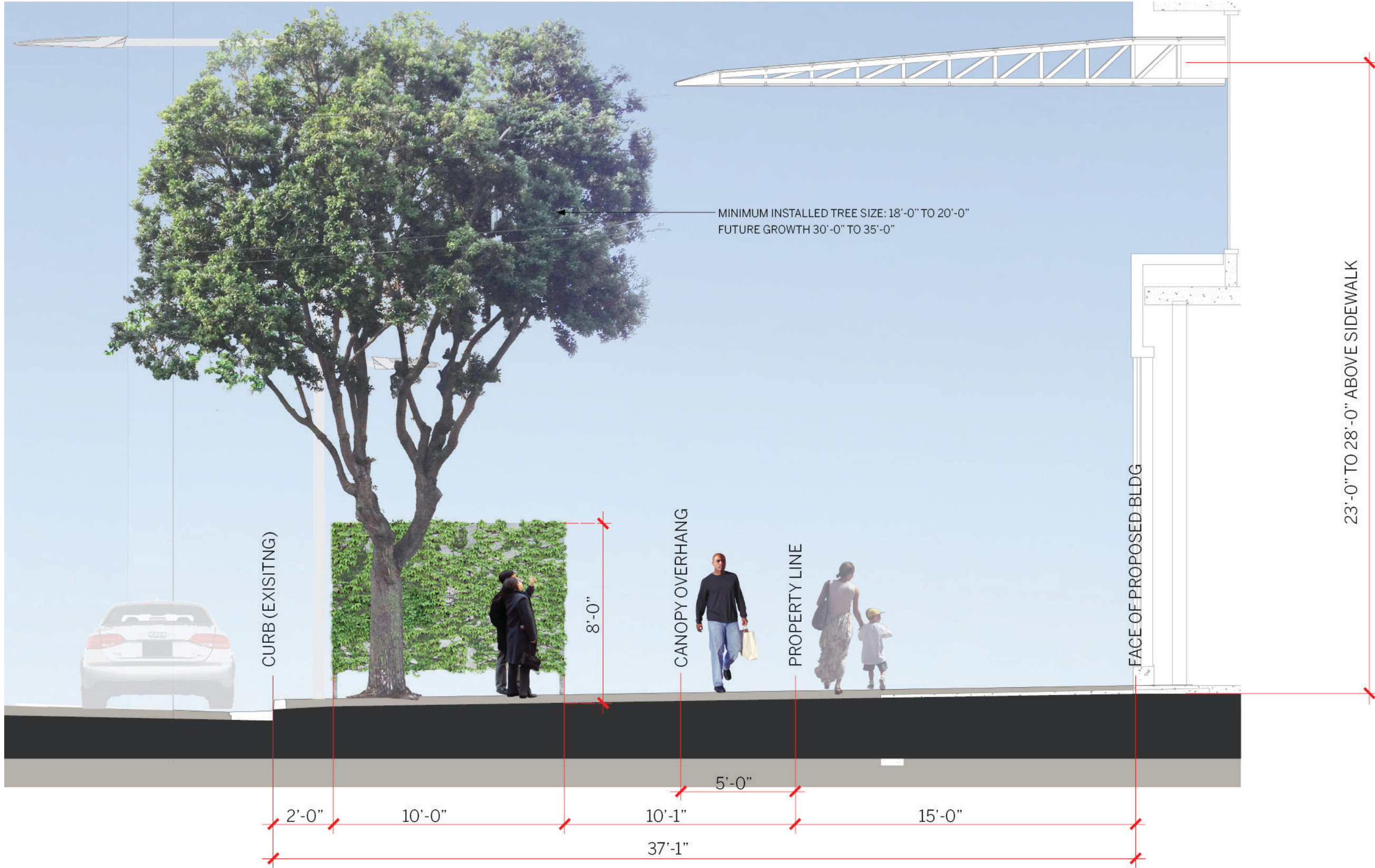
214214

SCALE:

MARCH 09, 2017

AS NOTED

A 0.19



SHEET NAME:

WIND MITIGATION
MEASURES

PROJECT NO.

SHEET NO:

214214

DATE:

MARCH 09, 2017

SCALE:

AS NOTED

A 0.20

ARCHITECT:

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ONE FRONT STREET SAN FRANCISCO, CA 94111

MINIMUM INSTALLED TREE SIZE: 18'-0" TO 20'-0"
FUTURE GROWTH 30'-0" TO 35'-0"



WIND MITIGATION
MEASURES

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 0.21

1

WIND MITIGATION MISSION STREET SIDEWALK SECTION
SCALE: N.T.S.

PROJECT DATA:

RESIDENTIAL:

39 story tower (396' Tall)
626,000 GSF Above Grade
550 Total Units (110 affordable units- 20%)
60% Studios/1BR
40% 2BR/3BR
Amenities:
17,425 SF Total on multiple levels

Terraces/Open Space:
24,490 SF

Retail: 38,000 SF

Parking:
295 Valet Spaces on B1 and B2

Bicycle Parking:
247 Class 1 space on B1

CIVIC OFFICE BUILDING:

16 story tower (225' Tall)
460,000 GSF Above Grade

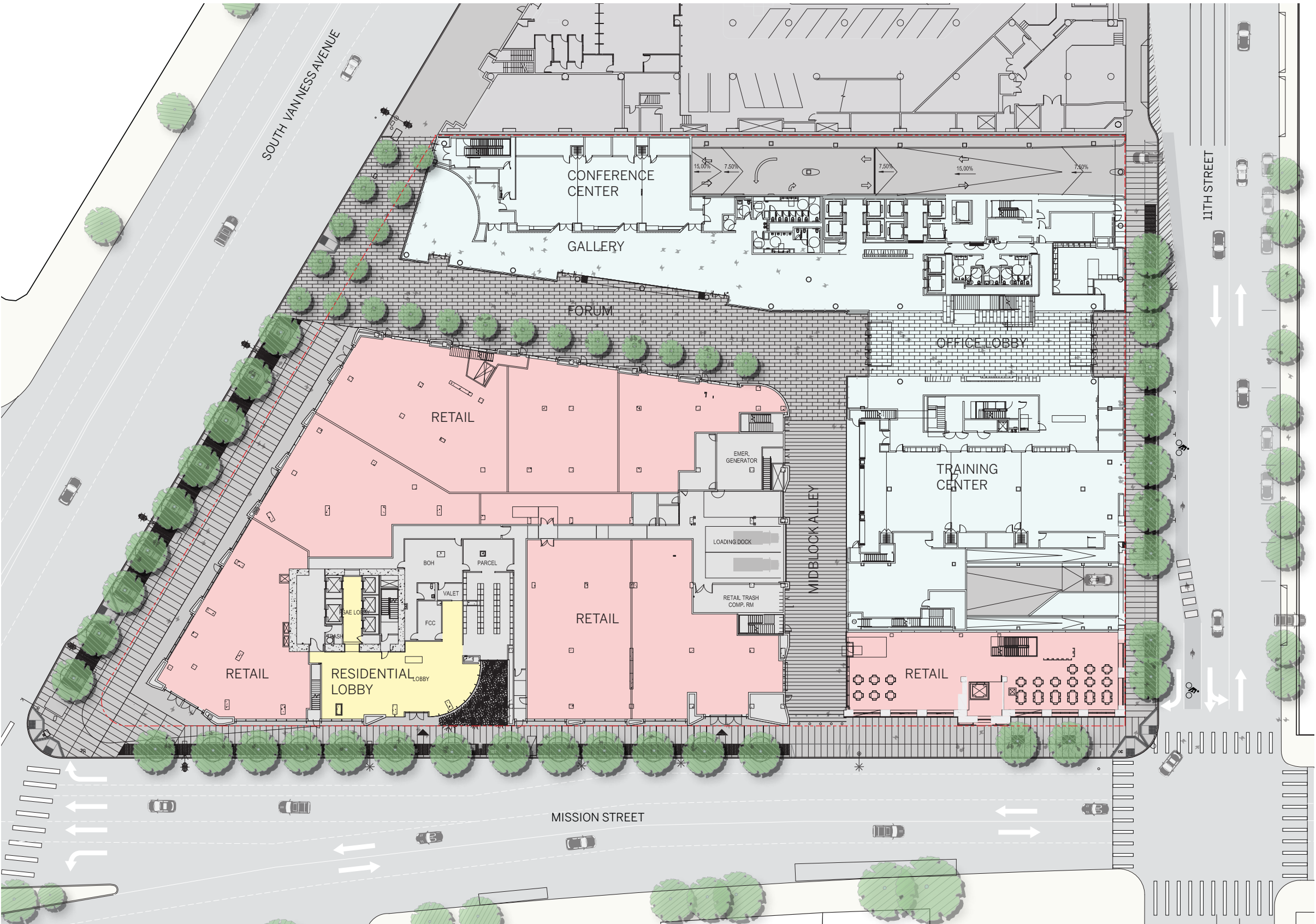
Tenants:
Three Major City Departments
and Permit Center

Open Space:
9,400 SF

Parking:
UP TO 120 Valet Spaces on B1
and B2

Bicycle Parking:
306 Class 1 space on B1

67 Class 2 spaces on sidewalk
racks for entire project

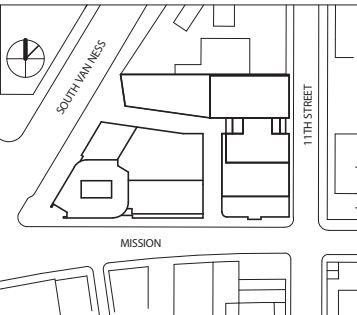


1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

COLORED SITE PLAN

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

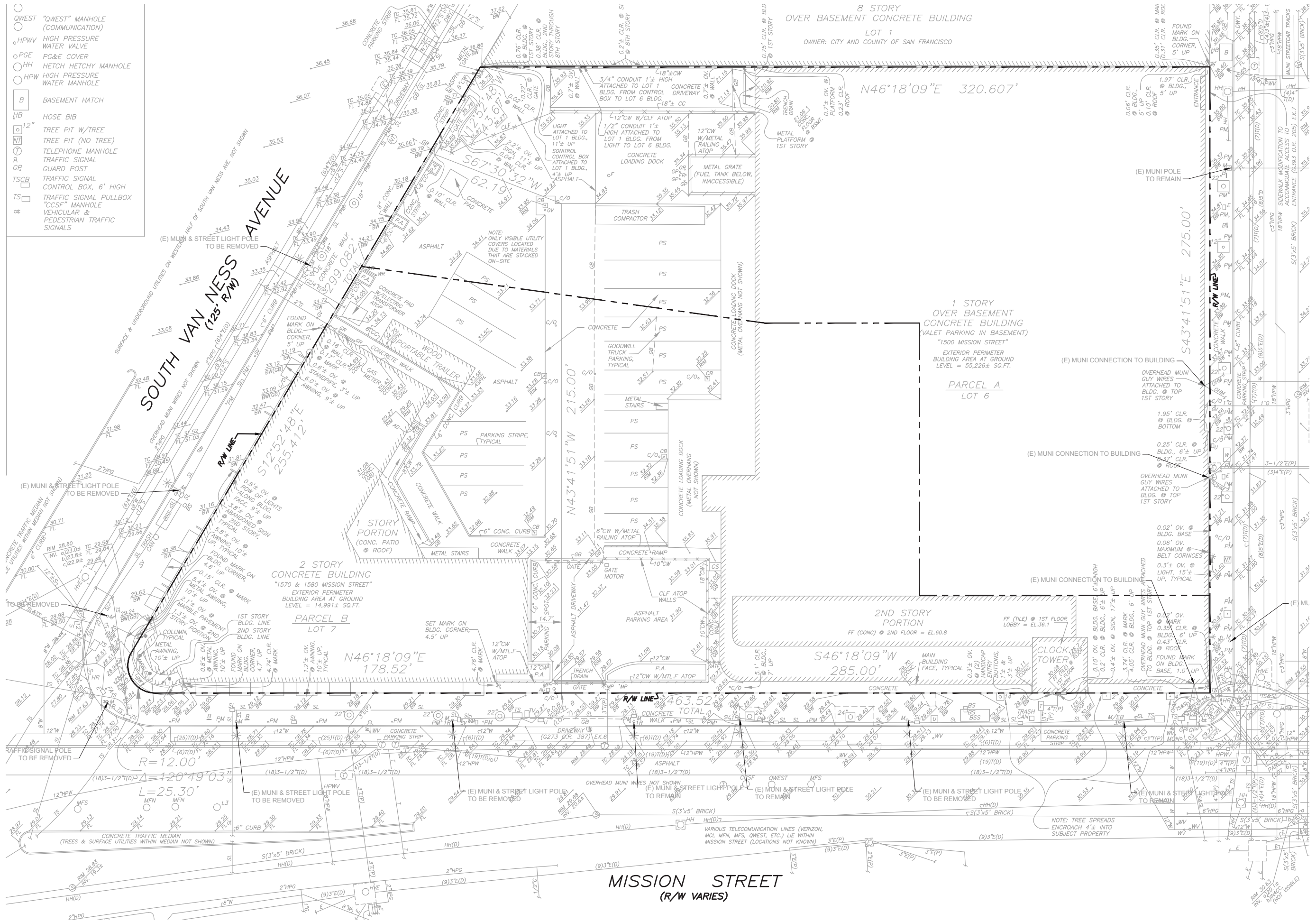
A 1.01

1

SITE PLAN

SCALE: 1"=50'-0"

- QWEST "QWEST" MANHOLE (COMMUNICATION)
○ HPWV HIGH PRESSURE WATER VALVE
○ PGE PG&E COVER
○ HH HETCH HETCHY MANHOLE
○ HPW HIGH PRESSURE WATER MANHOLE
- B BASEMENT HATCH
HB HOSE BIB
12" TREE PIT W/TREE
NT TREE PIT (NO TREE)
① TELEPHONE MANHOLE
R GUARD POST
TSCB TRAFFIC SIGNAL CONTROL BOX, 6' HIGH
TS TRAFFIC SIGNAL PULLBOX
VCCSF "VCCSF" MANHOLE VEHICULAR & PEDESTRIAN TRAFFIC SIGNALS

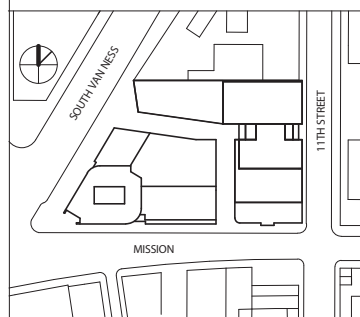


1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111

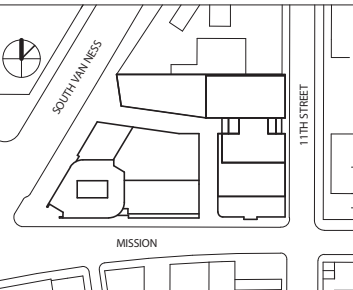


SHEET NAME:
STREETSCAPE PLAN
EXISTING

PROJECT NO.	214214	SHEET NO.	A 1.02
DATE:	MARCH 09, 2017		
SCALE:	AS NOTED		

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

STREETSCAPE PLAN
PROPOSED

PROJECT NO.

SHEET NO:

DATE:

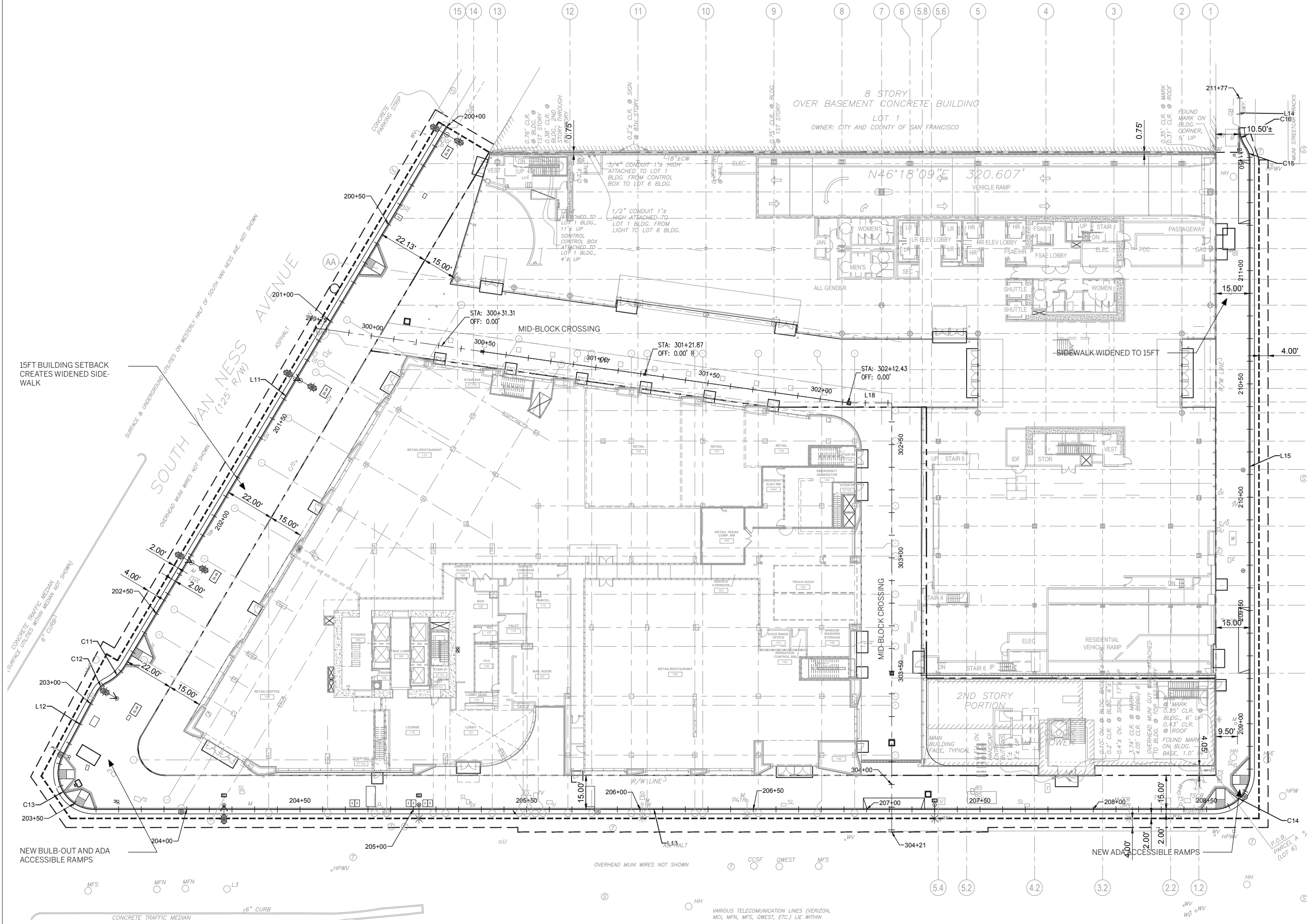
214214

SCALE:

MARCH 09, 2017

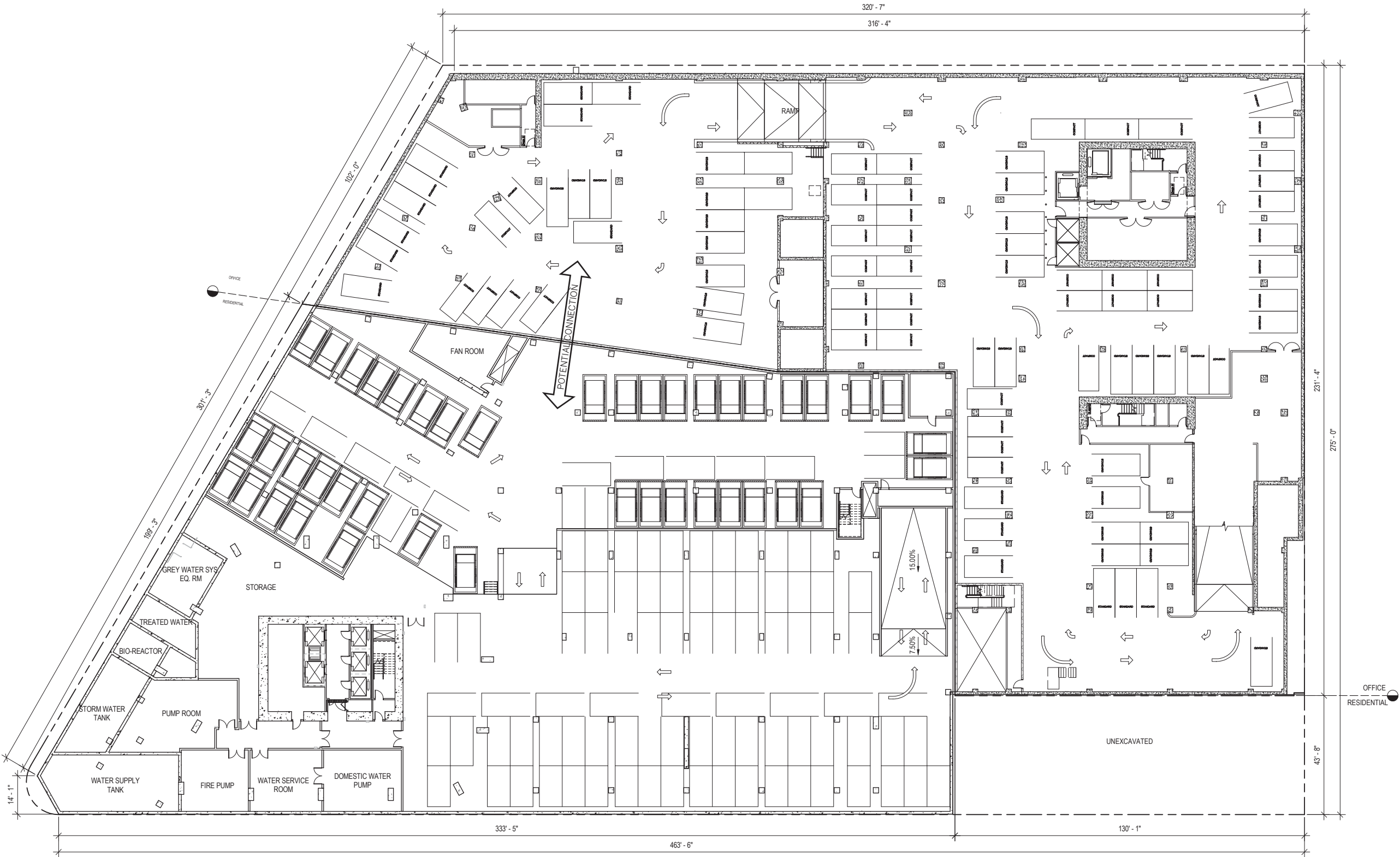
AS NOTED

A 1.03



ARCHITECT:

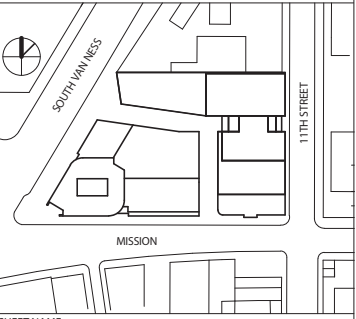
SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



1

LEVEL B2 FLOOR PLAN

SCALE: 1"=40'-0"



SHEET NAME:

LEVEL B2
FLOOR PLAN

PROJECT NO.

214214

DATE:

MARCH 09, 2017

SCALE:

AS NOTED

SHEET NO:

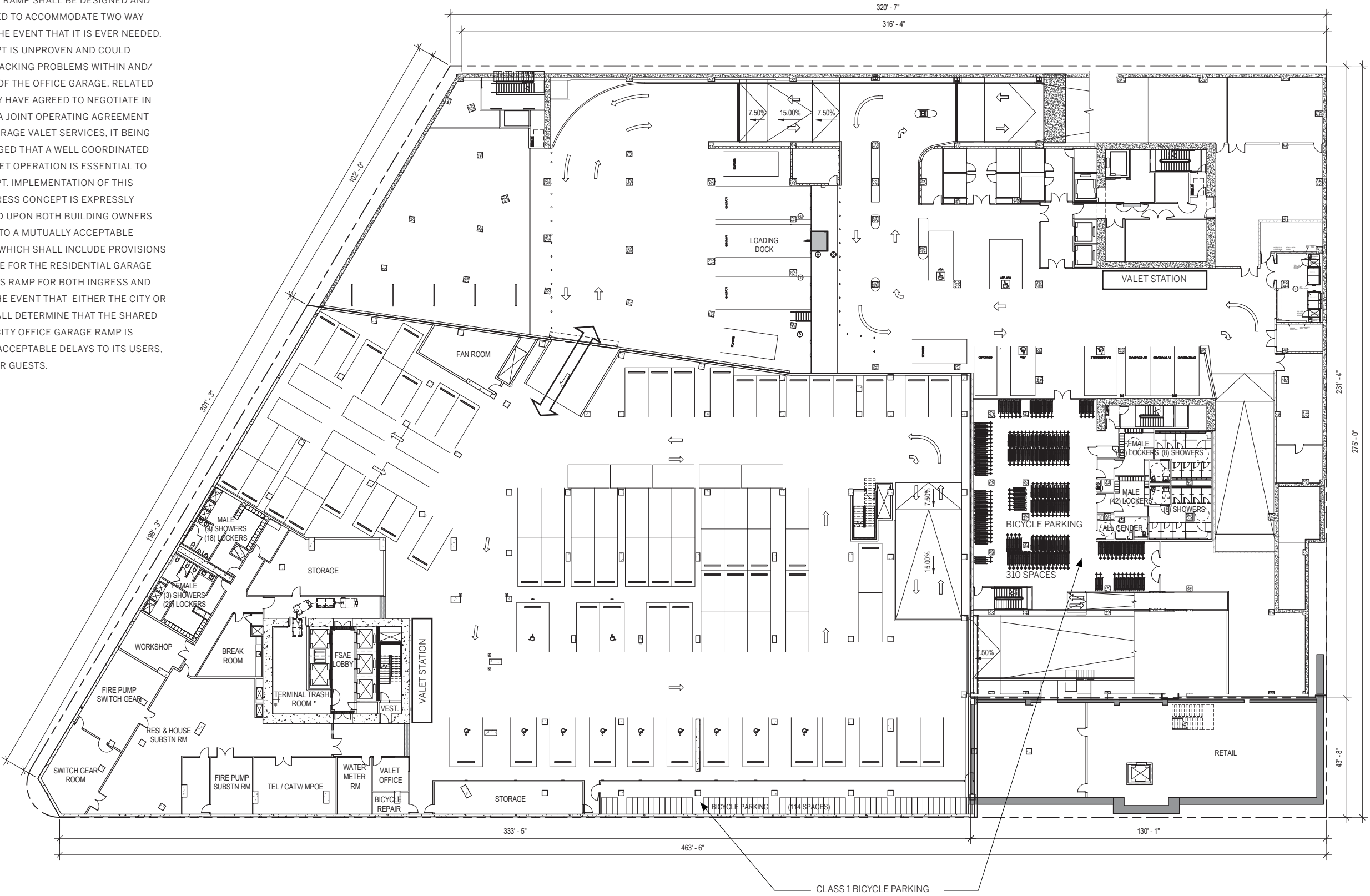
214214

SCALE:

AS NOTED

A 2.B2

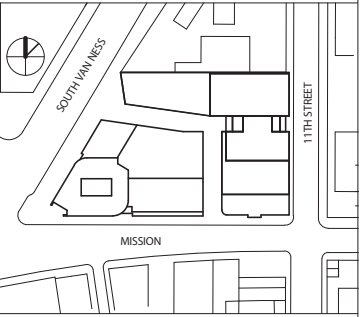
NOTE:
THESE DRAWINGS CONTEMPLATE THAT RESIDENTIAL GARAGE USERS WILL SHARE INGRESS WITH OFFICE GARAGE USERS BUT WILL EXIT THROUGH A RESIDENTIAL ONLY RAMP, WHICH RAMP SHALL BE DESIGNED AND CONSTRUCTED TO ACCOMMODATE TWO WAY TRAFFIC IN THE EVENT THAT IT IS EVER NEEDED. THIS CONCEPT IS UNPROVEN AND COULD RESULT IN STACKING PROBLEMS WITHIN AND/ OR OUTSIDE OF THE OFFICE GARAGE. RELATED AND THE CITY HAVE AGREED TO NEGOTIATE IN GOOD FAITH A JOINT OPERATING AGREEMENT FOR BOTH GARAGE VALET SERVICES, IT BEING ACKNOWLEDGED THAT A WELL COORDINATED PARKING VALET OPERATION IS ESSENTIAL TO THIS CONCEPT. IMPLEMENTATION OF THIS SHARED INGRESS CONCEPT IS EXPRESSLY CONDITIONED UPON BOTH BUILDING OWNERS ENTERING INTO A MUTUALLY ACCEPTABLE AGREEMENT WHICH SHALL INCLUDE PROVISIONS THAT PROVIDE FOR THE RESIDENTIAL GARAGE TO UTILIZE ITS RAMP FOR BOTH INGRESS AND EGRESS IN THE EVENT THAT EITHER THE CITY OR RELATED SHALL DETERMINE THAT THE SHARED USE OF THE CITY OFFICE GARAGE RAMP IS CAUSING UNACCEPTABLE DELAYS TO ITS USERS, RESIDENTS OR GUESTS.



1 LEVEL B1 FLOOR PLAN- SHARED GARAGE ENTRY
SCALE: 1"=40'-0"

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

LEVEL B1
FLOOR PLAN
SHARED GARAGE
ENTRY

PROJECT NO.

SHEET NO:

214214

DATE:

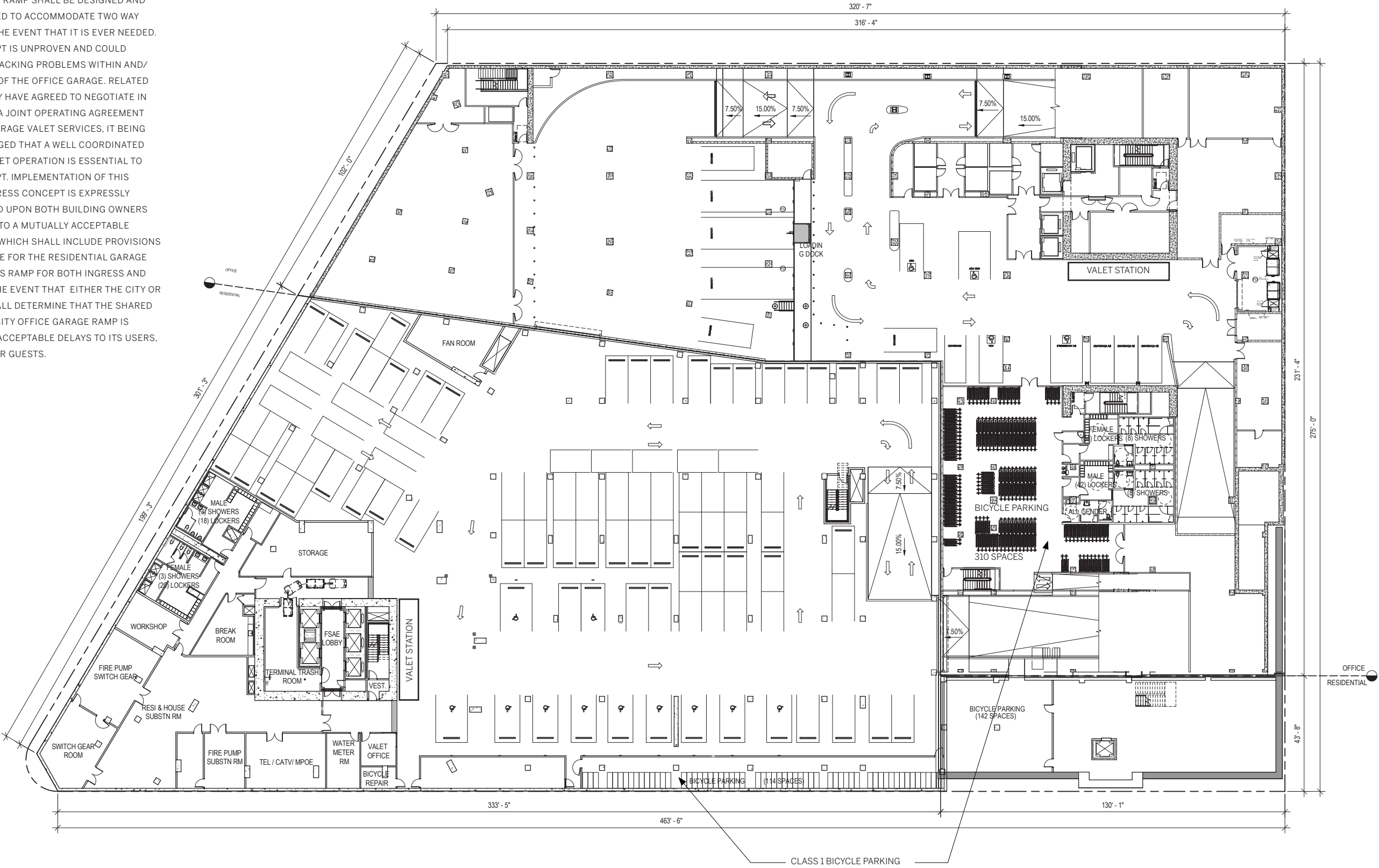
MARCH 09, 2017

SCALE:

AS NOTED

A 2.B1A

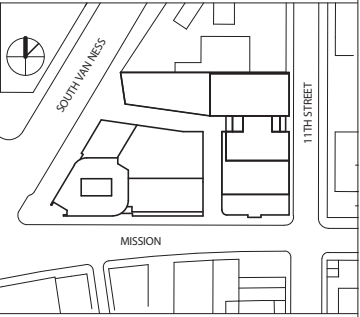
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1 LEVEL B1 FLOOR PLAN- SEPARATE GARAGE ENTRY
SCALE: 1"=40'-0"

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

LEVEL B1
FLOOR PLAN
SEPARATE GARAGE
ENTRY

PROJECT NO.

SHEET NO:

DATE:

214214

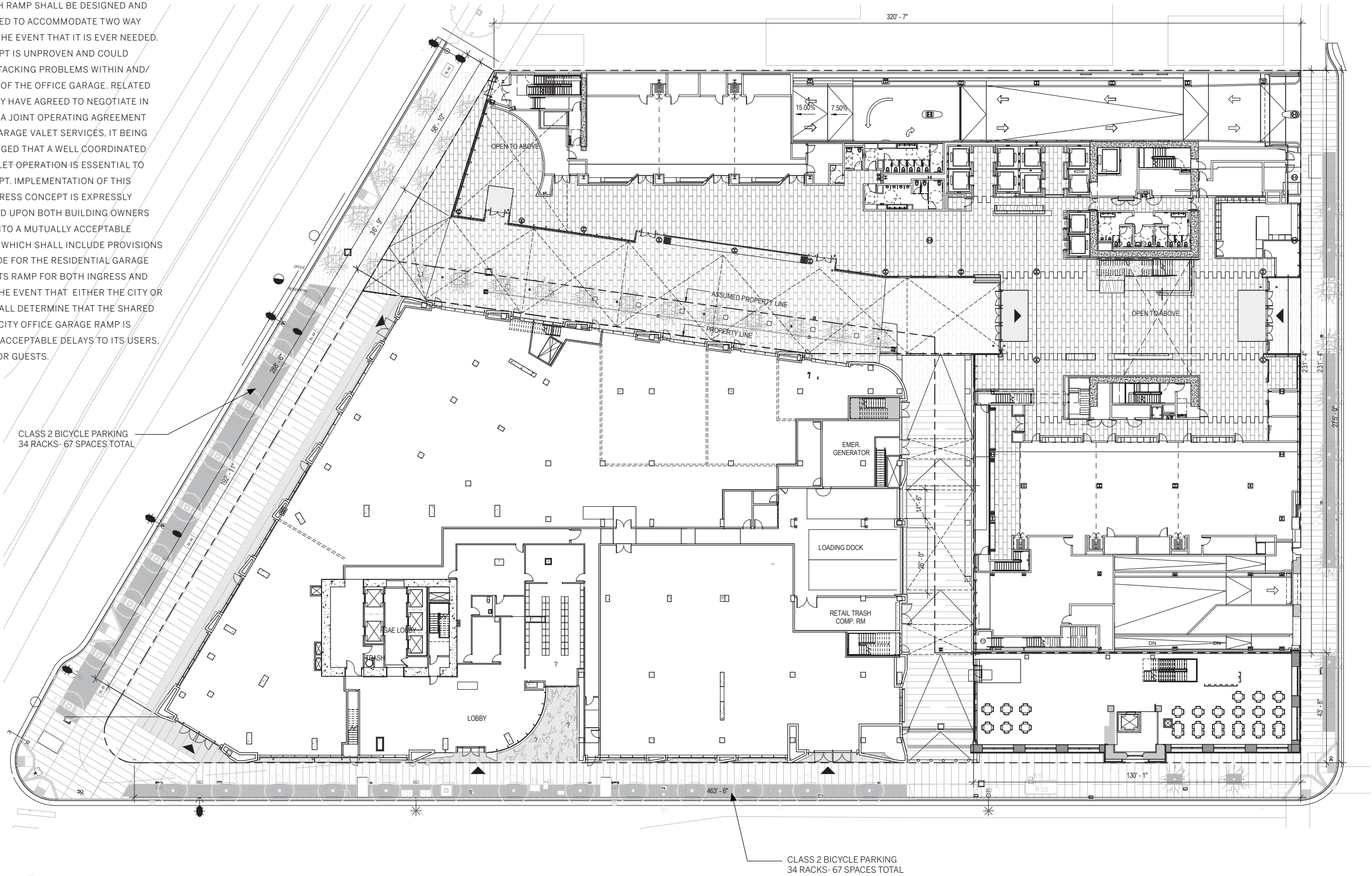
SCALE:

MARCH 09, 2017

AS NOTED

A 2.B1B

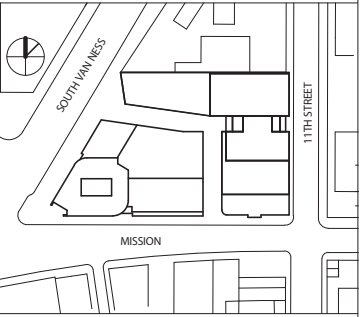
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1 LEVEL 1 FLOOR PLAN- SHARED GARAGE ENTRY
SCALE: 1"=40'-0"

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

LEVEL 1
FLOOR PLAN
SHARED GARAGE
ENTRY

PROJECT NO.

SHEET NO:

DATE:

214214

SCALE:

MARCH 09, 2017

AS NOTED

A 2.01A

THESE DRAWINGS CONTEMPLATE THAT RESIDENTIAL GARAGE USERS WILL SHARE INGRESS WITH OFFICE GARAGE USERS BUT WILL EXIT THROUGH A RESIDENTIAL ONLY RAMP, WHICH RAMP SHALL BE DESIGNED AND CONSTRUCTED TO ACCOMMODATE TWO WAY TRAFFIC IN THE EVENT THAT IT IS EVER NEEDED. THIS CONCEPT IS UNPROVEN AND COULD RESULT IN STACKING PROBLEMS WITHIN AND/OR OUTSIDE OF THE OFFICE GARAGE. RELATED AND THE CITY HAVE AGREED TO NEGOTIATE IN GOOD FAITH A JOINT OPERATING AGREEMENT FOR BOTH GARAGE VALET SERVICES. IT BEING ACKNOWLEDGED THAT A WELL COORDINATED PARKING VALET OPERATION IS ESSENTIAL TO THIS CONCEPT. IMPLEMENTATION OF THIS SHARED INGRESS CONCEPT IS EXPRESSLY CONDITIONED UPON BOTH BUILDING OWNERS ENTERING INTO A MUTUALLY ACCEPTABLE AGREEMENT WHICH SHALL INCLUDE PROVISIONS THAT PROVIDE FOR THE RESIDENTIAL GARAGE TO UTILIZE ITS RAMP FOR BOTH INGRESS AND EGRESS IN THE EVENT THAT EITHER THE CITY OR RELATED SHALL DETERMINE THAT THE SHARED USE OF THE CITY OFFICE GARAGE RAMP IS CAUSING UNACCEPTABLE DELAYS TO ITS USERS, RESIDENTS OR GUESTS.



— CLASS 2 BICYCLE PARKING
34 RACKS- 67 SPACES TOTAL

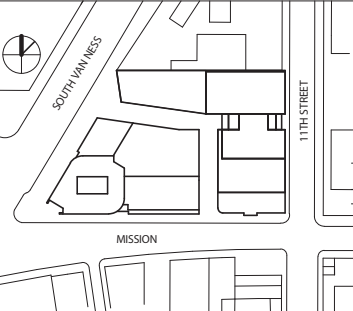
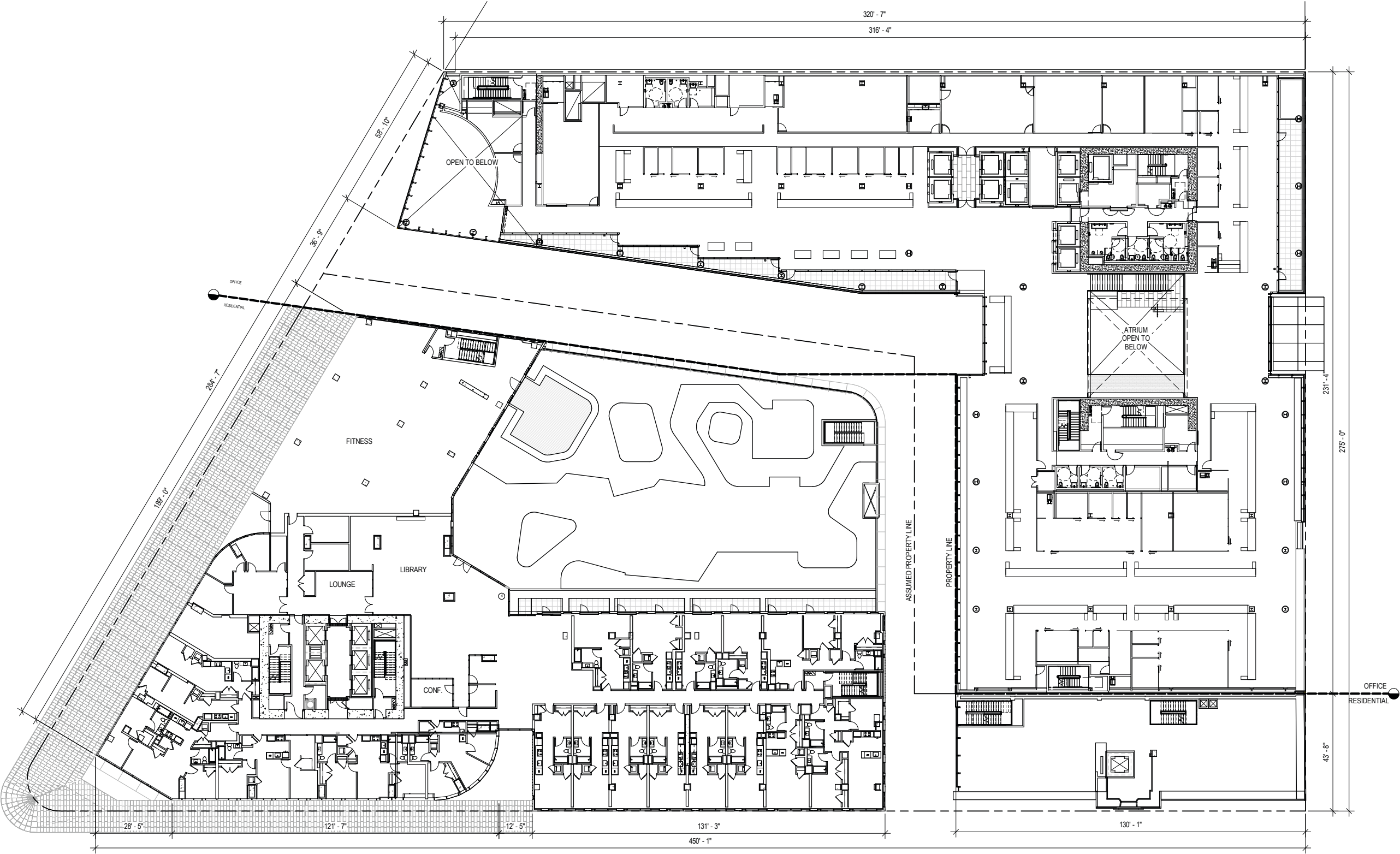
LEVEL 1 FLOOR PLAN- SEPARATE GARAGE ENTRY
SCALE: 1"=40'-0"

214214	A 2.01B
ARCH 09, 2017	

AS NOTED

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

LEVEL 2
FLOOR PLAN

PROJECT NO.

SHEET NO:

DATE:

214214

SCALE:

MARCH 09, 2017

AS NOTED

A 2.02

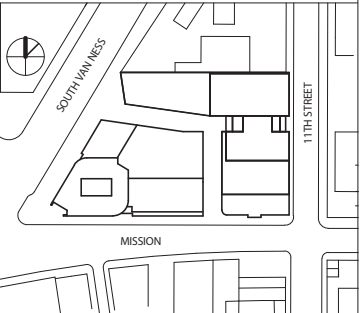
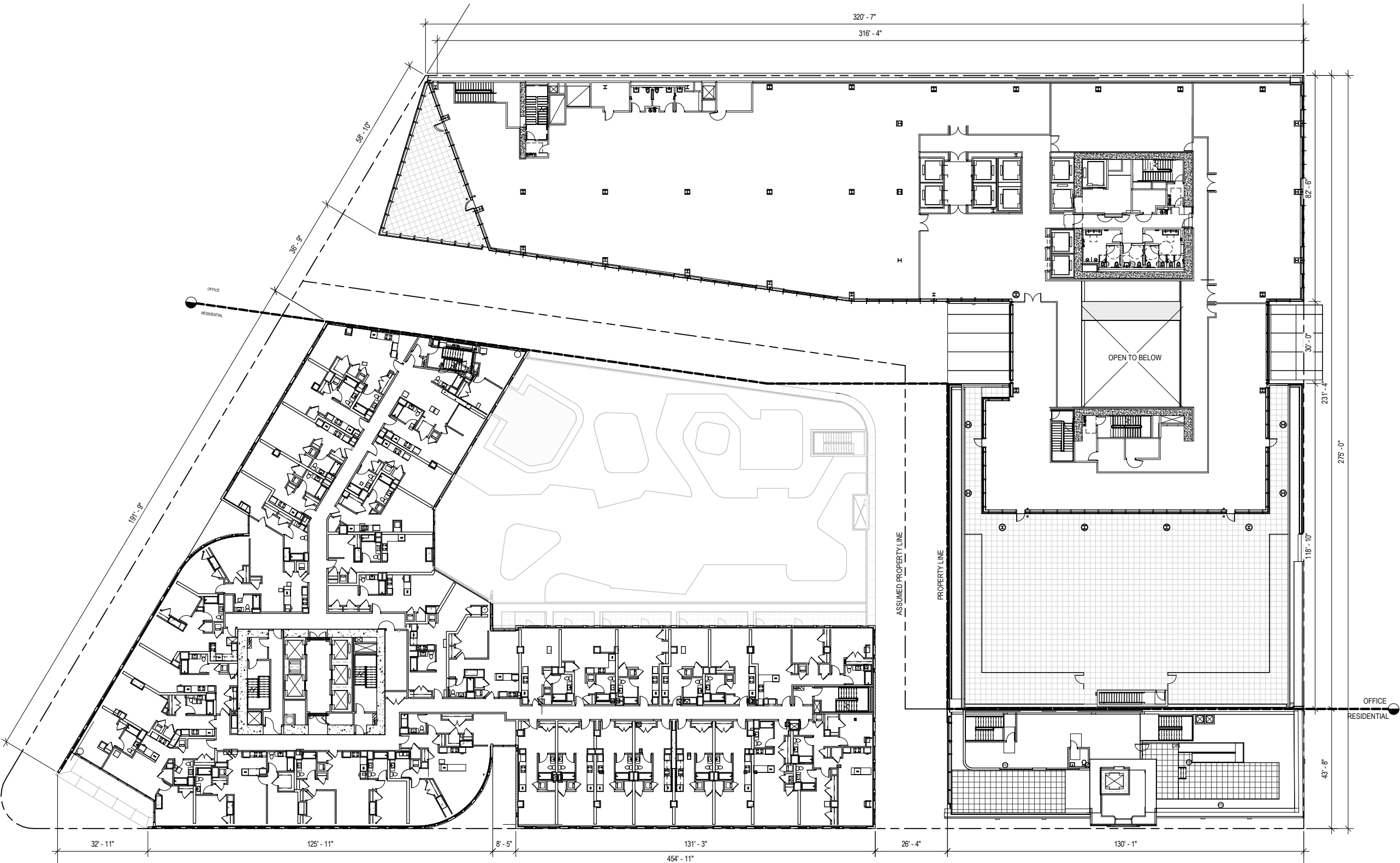
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LEVEL 2 FLOOR PLAN

SCALE: 1"=40'-0"

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

OFFICE LEVEL 3
RESI LEVELS 2-5
FLOOR PLAN

1

OFFICE LEVEL 3 / RESIDENTIAL LEVELS 2-5 FLOOR PLAN

SCALE: 1"=40'-0"

PROJECT NO.

214214

DATE:

MARCH 09, 2017

SCALE:

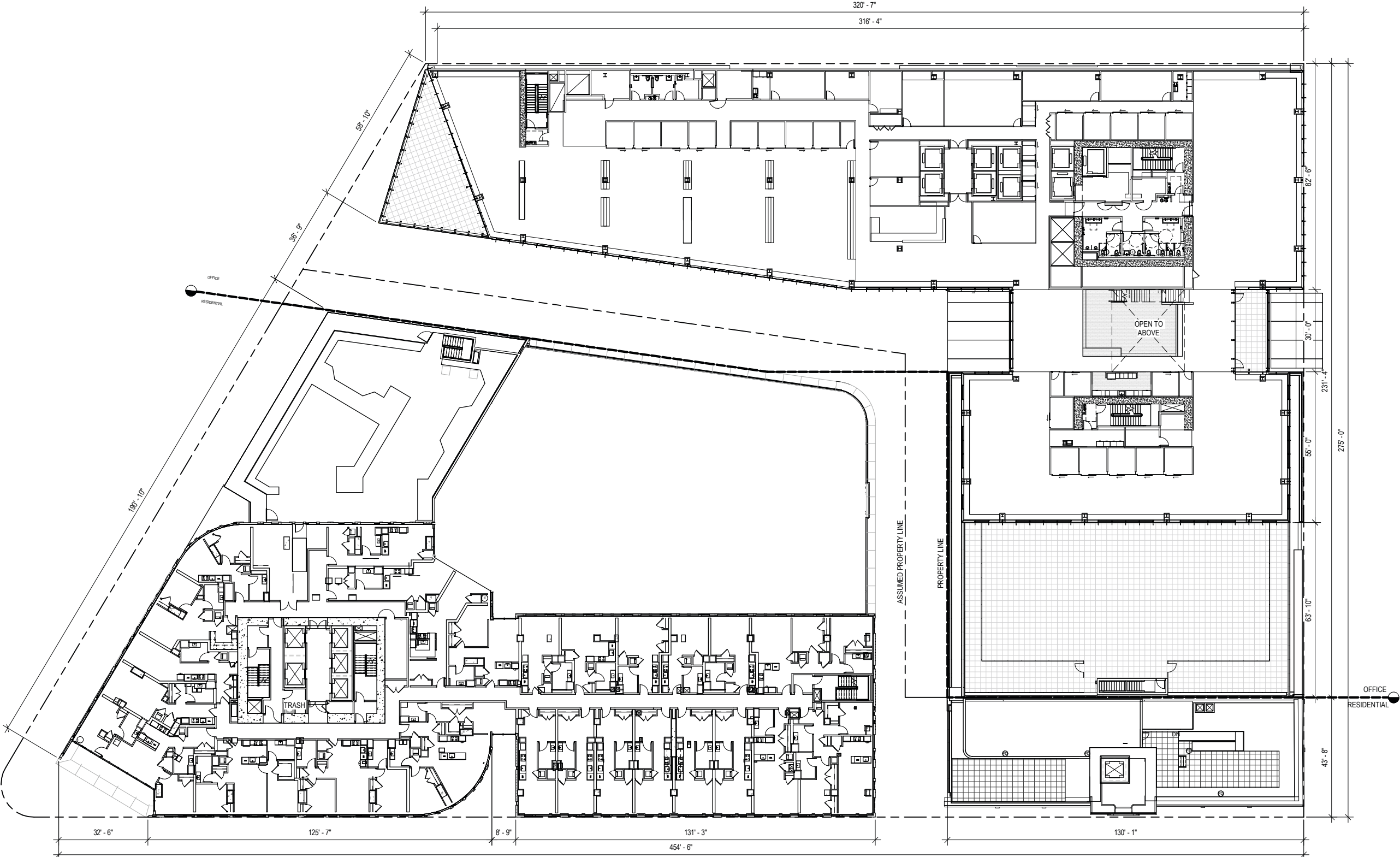
AS NOTED

SHEET NO:

A 2.03

ARCHITECT:

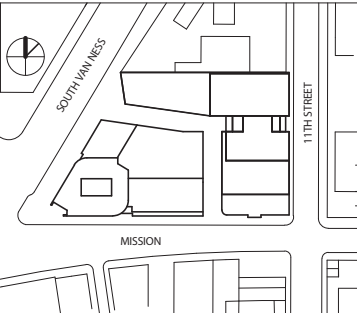
SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



1

OFFICE LEVEL 3 / RESIDENTIAL LEVELS 2-5 FLOOR PLAN

SCALE: 1"=40'-0"



SHEET NAME:

OFFICE LEVEL 4
RESI LEVEL 6
FLOOR PLAN

PROJECT NO.

SHEET NO:

DATE:

214214

SCALE:

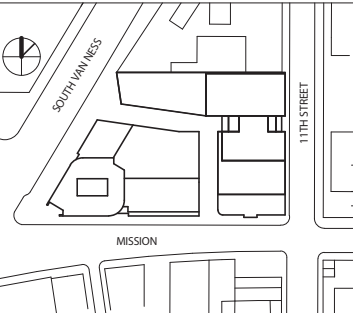
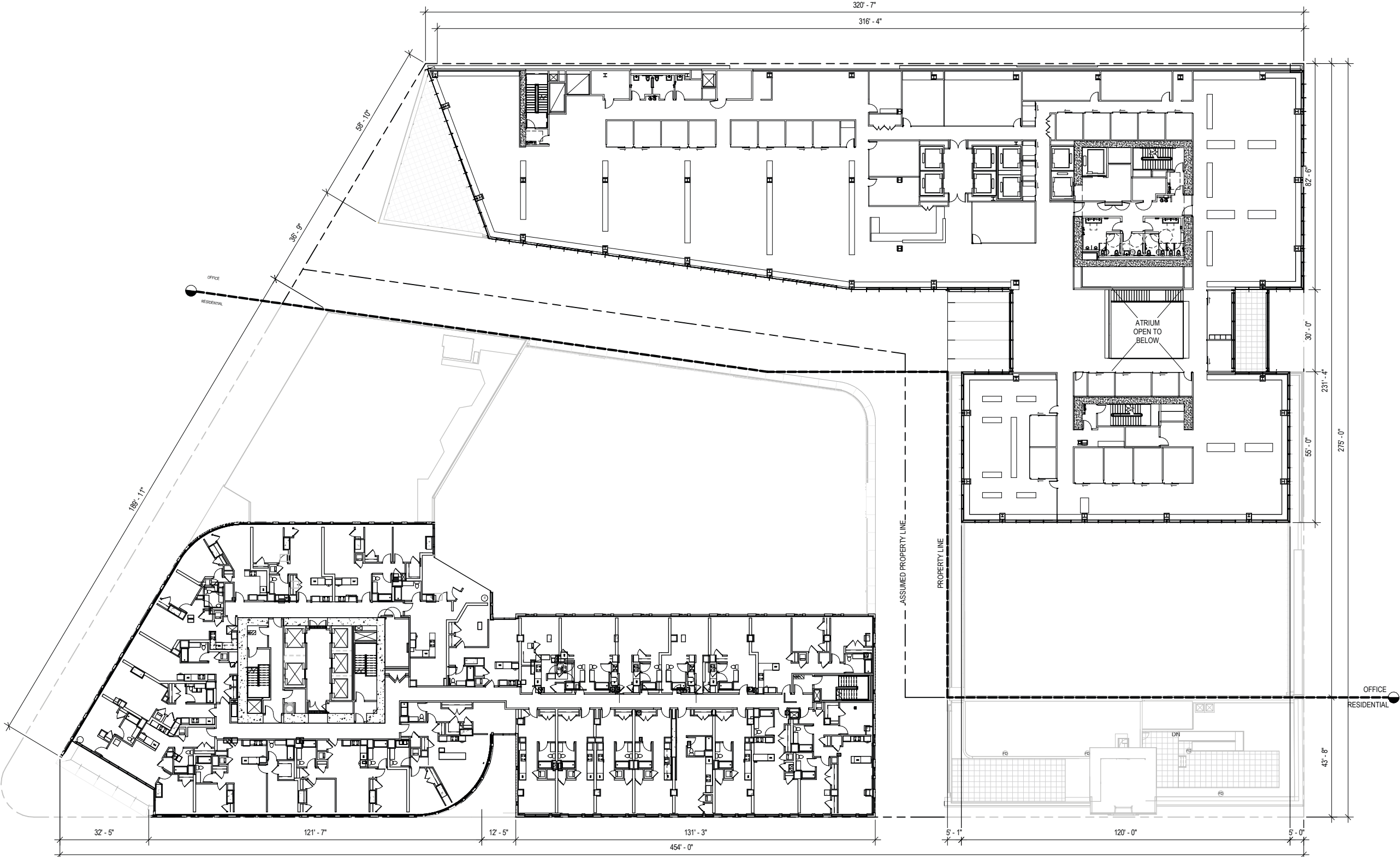
MARCH 09, 2017

AS NOTED

A 2.04

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



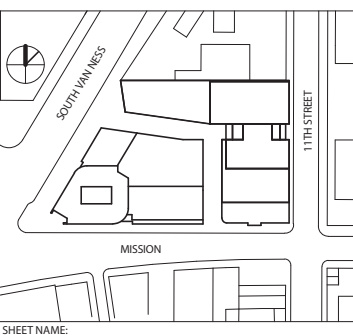
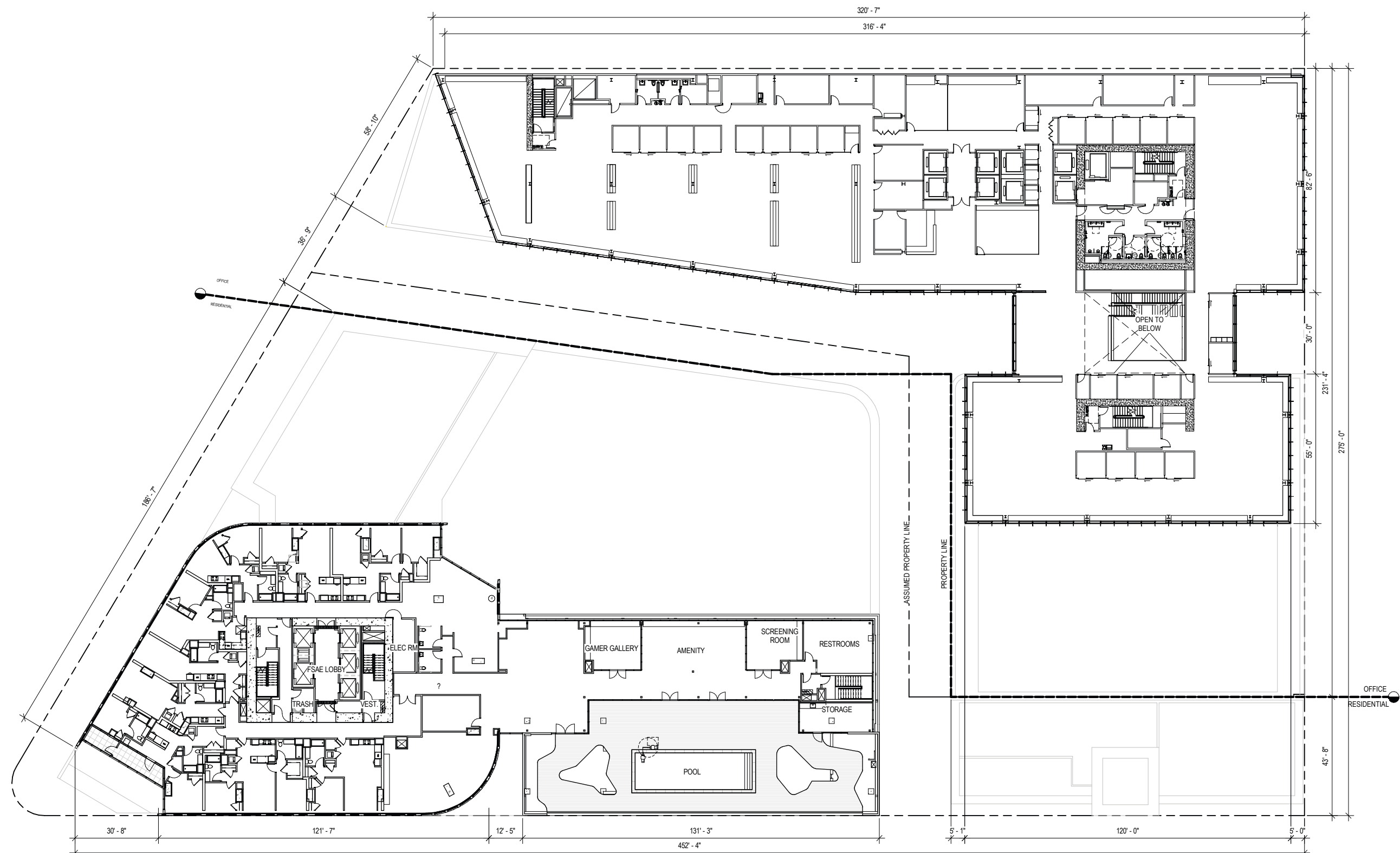
OFFICE LEVELS 5-7
RESI LEVELS 7-10
FLOOR PLAN

1

OFFICE LEVELS 5-7 / RESIDENTIAL LEVELS 7-10 FLOOR PLAN

SCALE: 1"=40'-0"

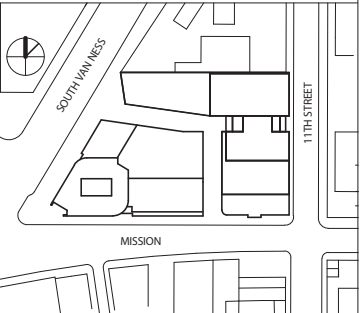
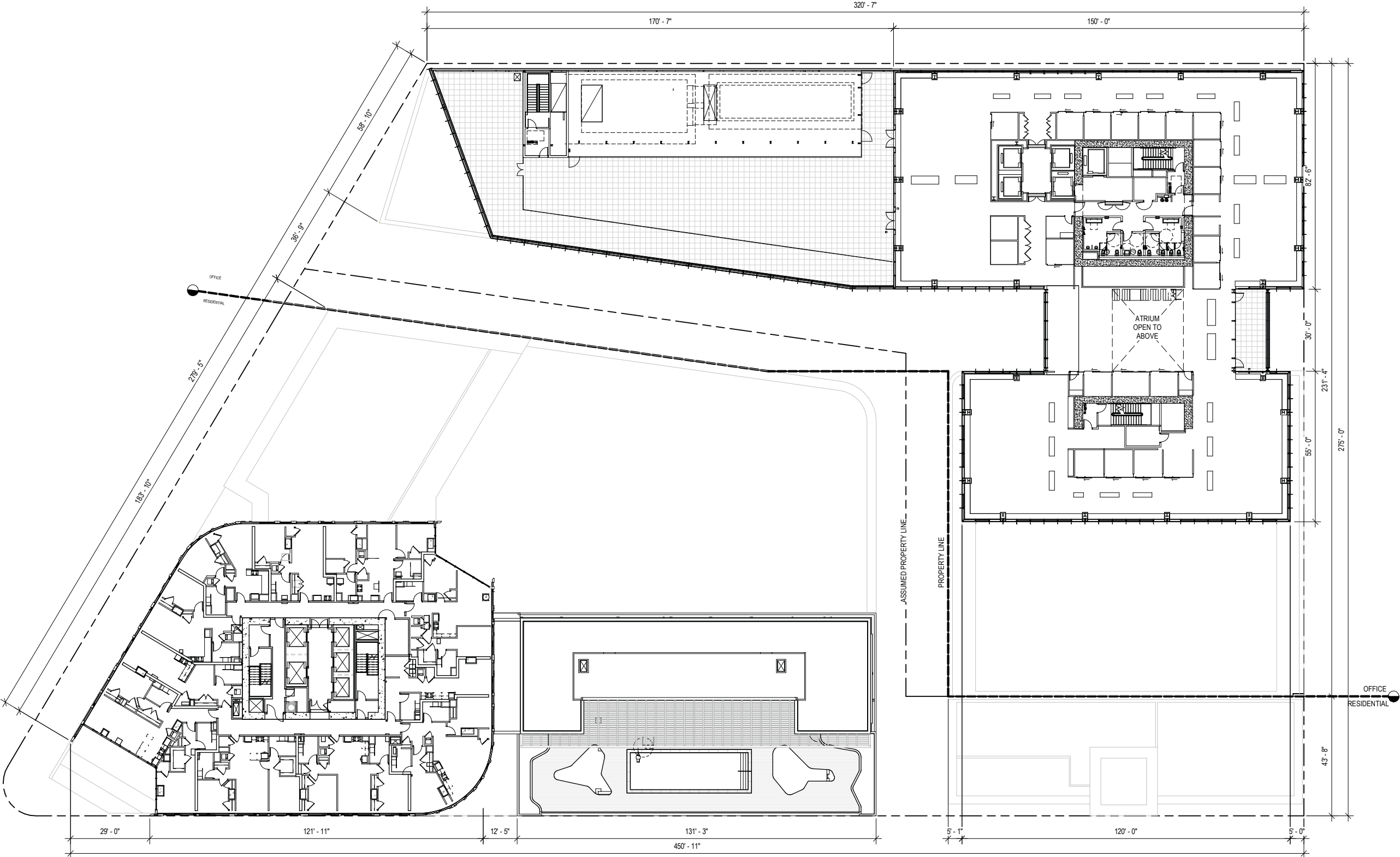
PROJECT NO.	214214	SHEET NO.	A 2.05
DATE:	MARCH 09, 2017		
SCALE:	AS NOTED		



OFFICE LEVELS 8-9
RESI LEVEL 11
FLOOR PLAN

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

OFFICE LEVEL 10
RESI LEVELS 12-17
FLOOR PLAN

PROJECT NO.

SHEET NO:

DATE:

214214

SCALE:

MARCH 09, 2017

AS NOTED

A 2.10

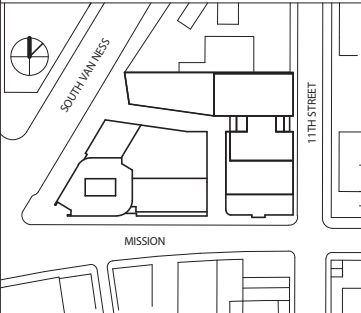
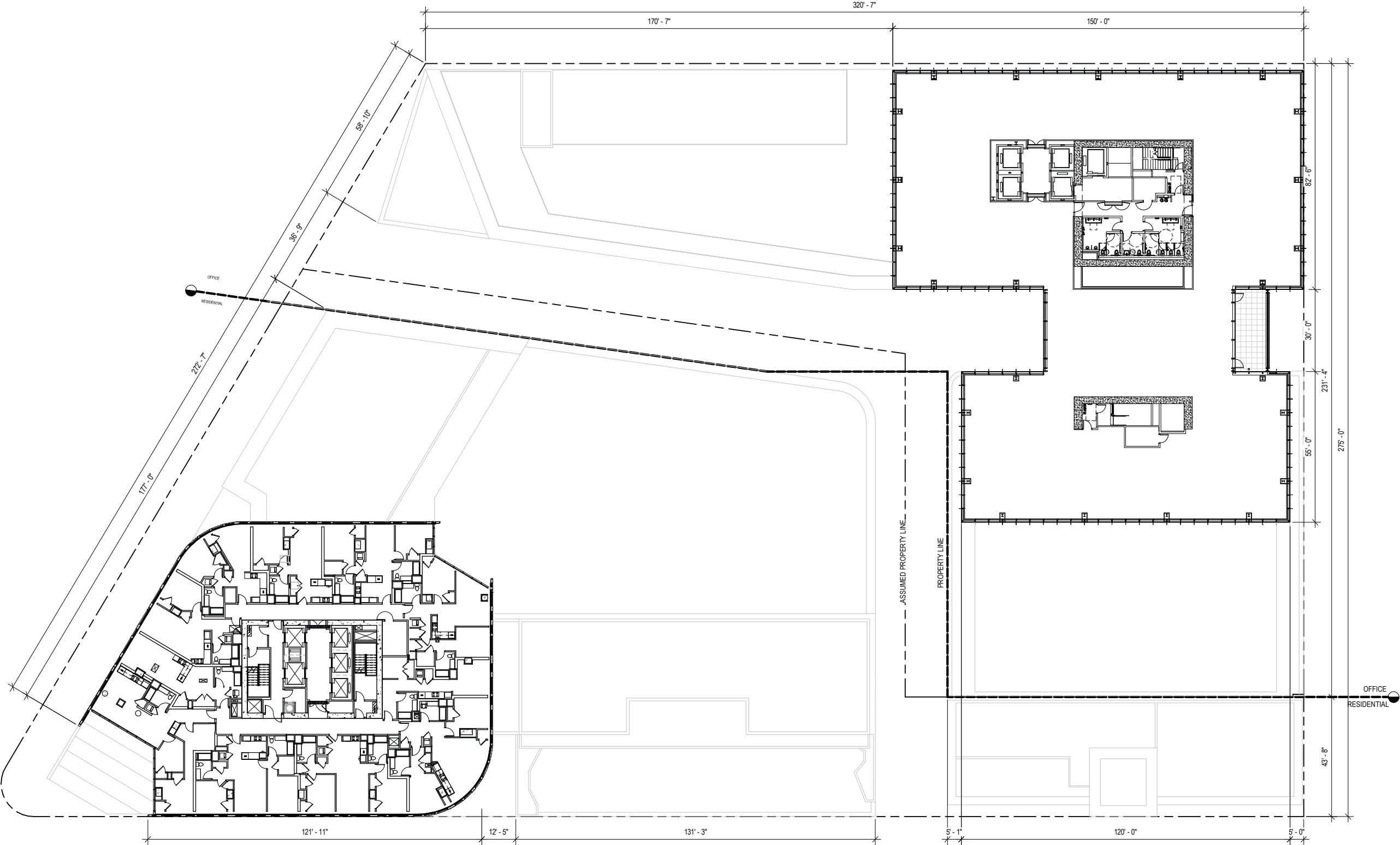
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OFFICE LEVEL 10 / RESIDENTIAL LEVELS 12-17 FLOOR PLAN

SCALE: 1"=40'-0"

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

OFFICE LEVELS 11-16
RESI LEVELS 18-24
FLOOR PLAN

PROJECT NO.

SHEET NO:

DATE:

214214

SCALE:

MARCH 09, 2017

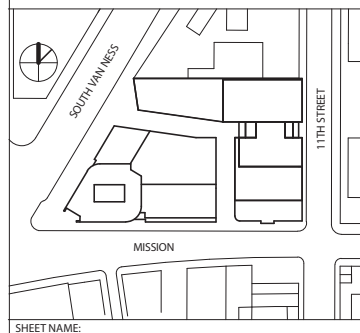
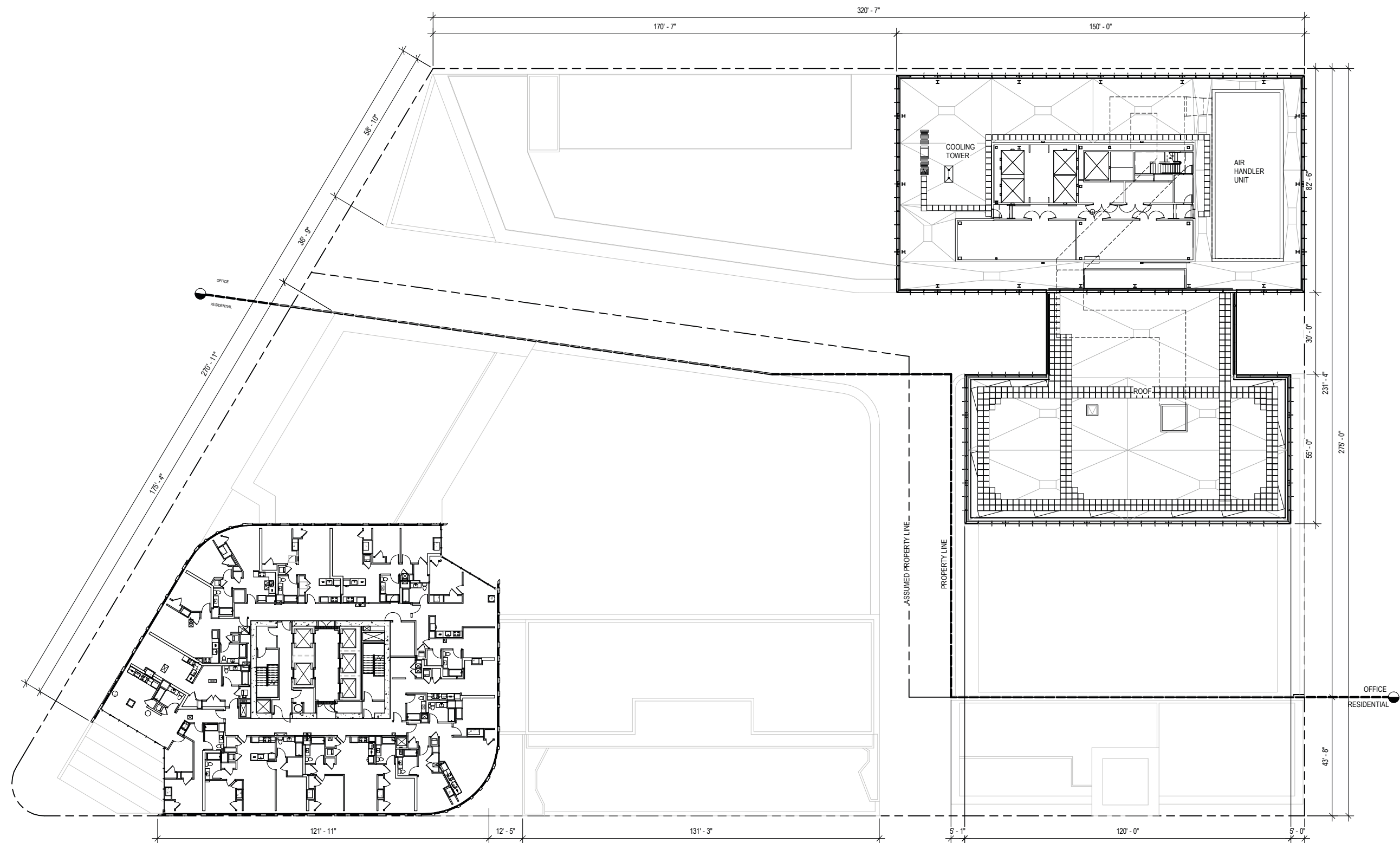
AS NOTED

A 2.16

1

OFFICE LEVELS 11-16 / RESIDENTIAL LEVELS 18-24 FLOOR PLAN

SCALE: 1"=40'-0"



SHEET NAME:

OFFICE PENTHOUSE
RESI LEVELS 25-31
FLOOR PLAN

1

OFFICE PENTHOUSE / RESIDENTIAL LEVEL 25-31 FLOOR PLAN

SCALE: 1"=40'-0"

PROJECT NO.

DATE:

SCALE:

AS NOTED

SHEET NO:

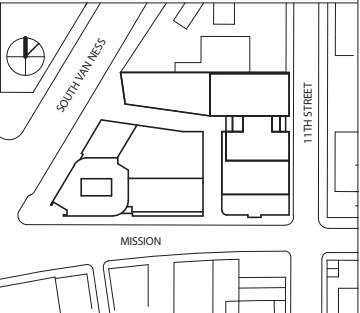
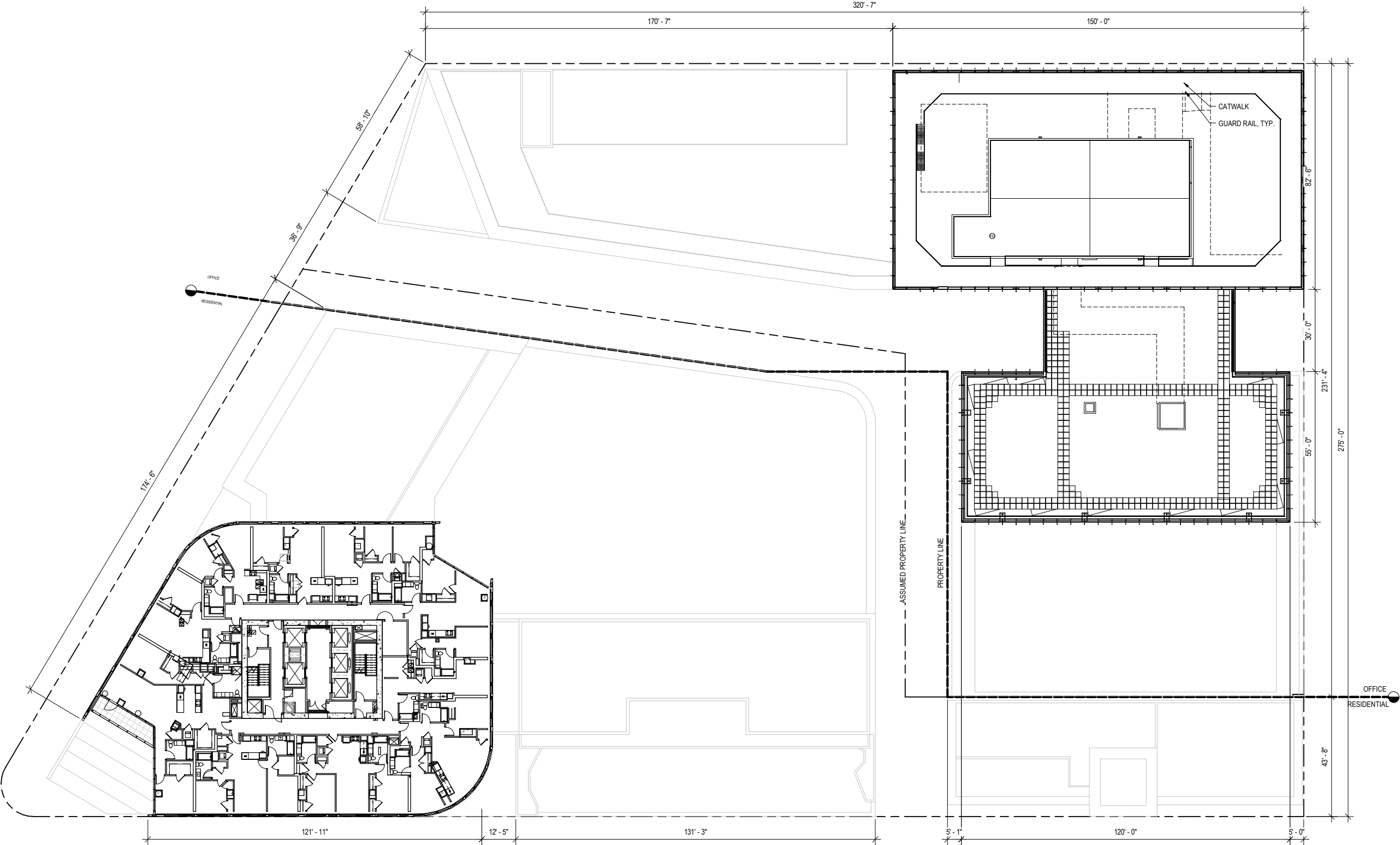
214214

MARCH 09, 2017

A 2.17

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

OFFICE ROOF LEVEL /
RESI LEVELS 32-38
FLOOR PLAN

PROJECT NO.

214214

DATE:

MARCH 09, 2017

SCALE:

AS NOTED

A 2.32

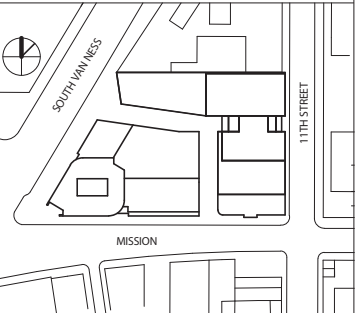
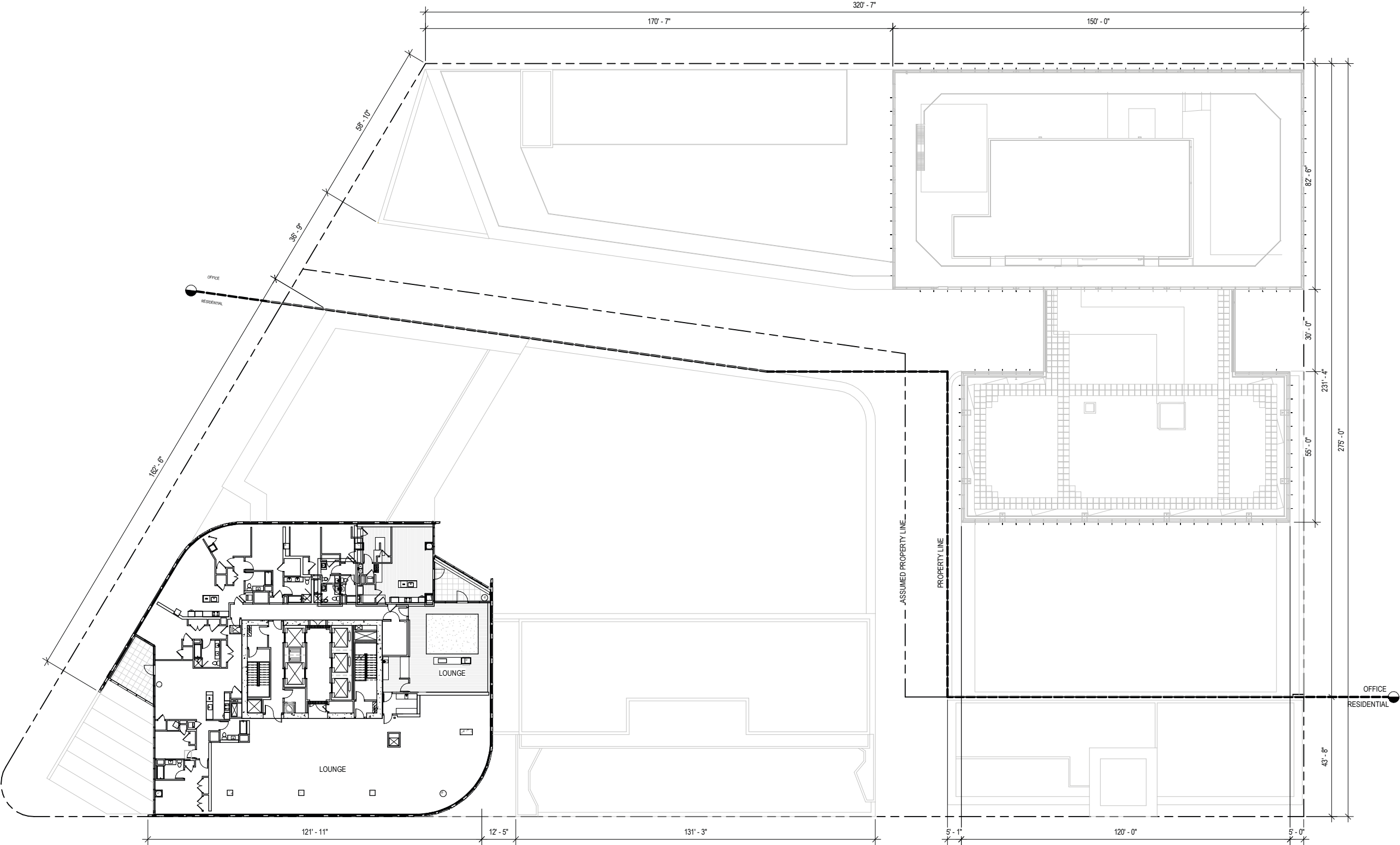
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OFFICE ROOF LEVEL / RESIDENTIAL LEVELS 32-38 FLOOR PLAN

SCALE: 1"=40'-0"

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

RESI LEVEL 39
FLOOR PLAN

PROJECT NO.	214214	SHEET NO:	A 2.39
DATE:	MARCH 09, 2017		
SCALE:	AS NOTED		

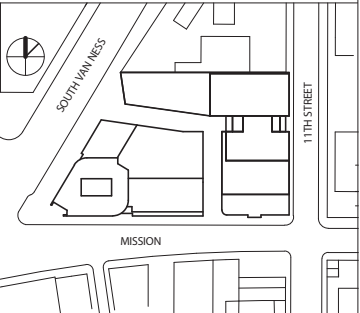
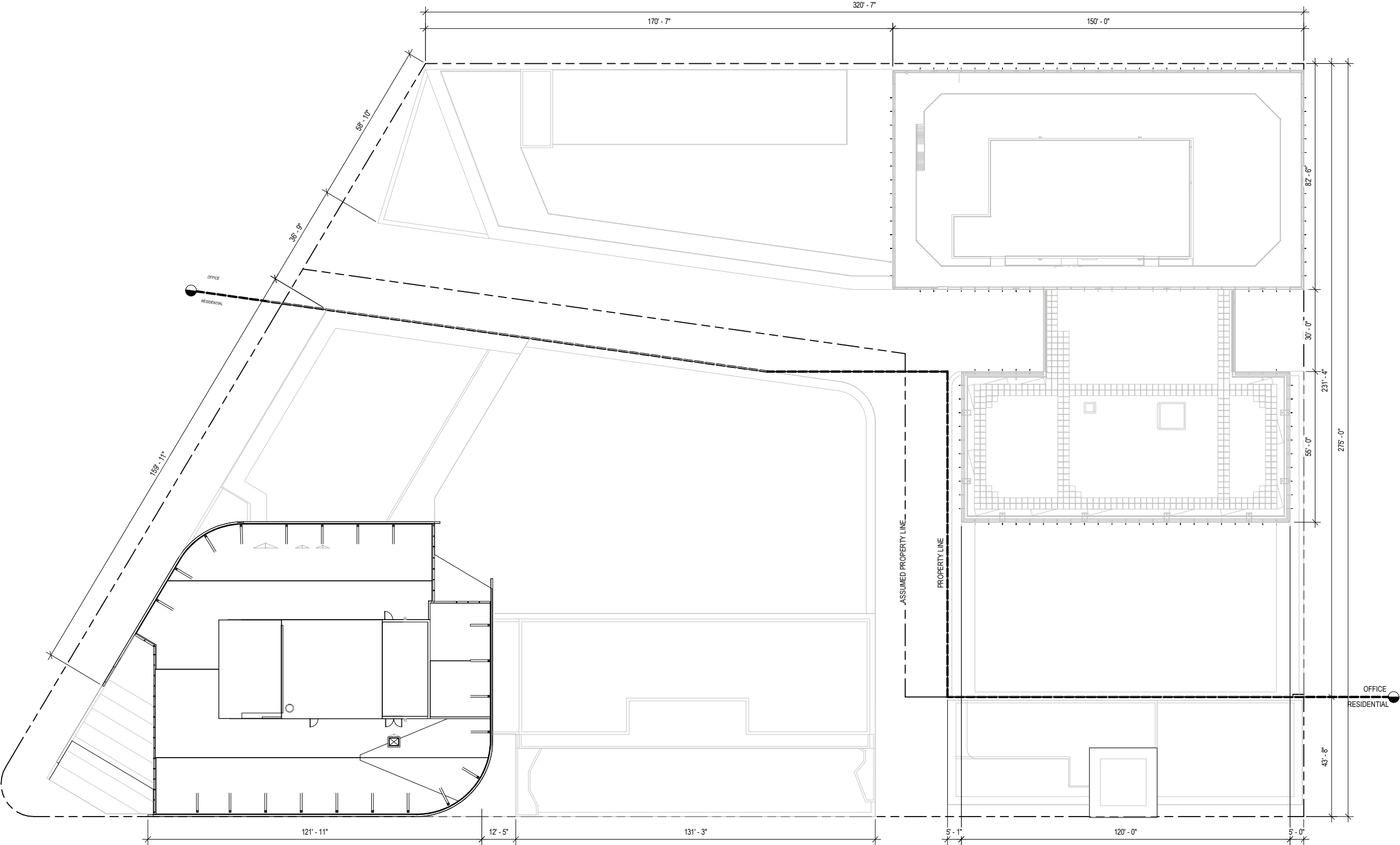
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RESIDENTIAL LEVEL 39 FLOOR PLAN

SCALE: 1"=40'-0"

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

RESI ROOF LEVEL
FLOOR PLAN

PROJECT NO.

SHEET NO:

DATE:

214214

SCALE:

MARCH 09, 2017

AS NOTED

A 2.40

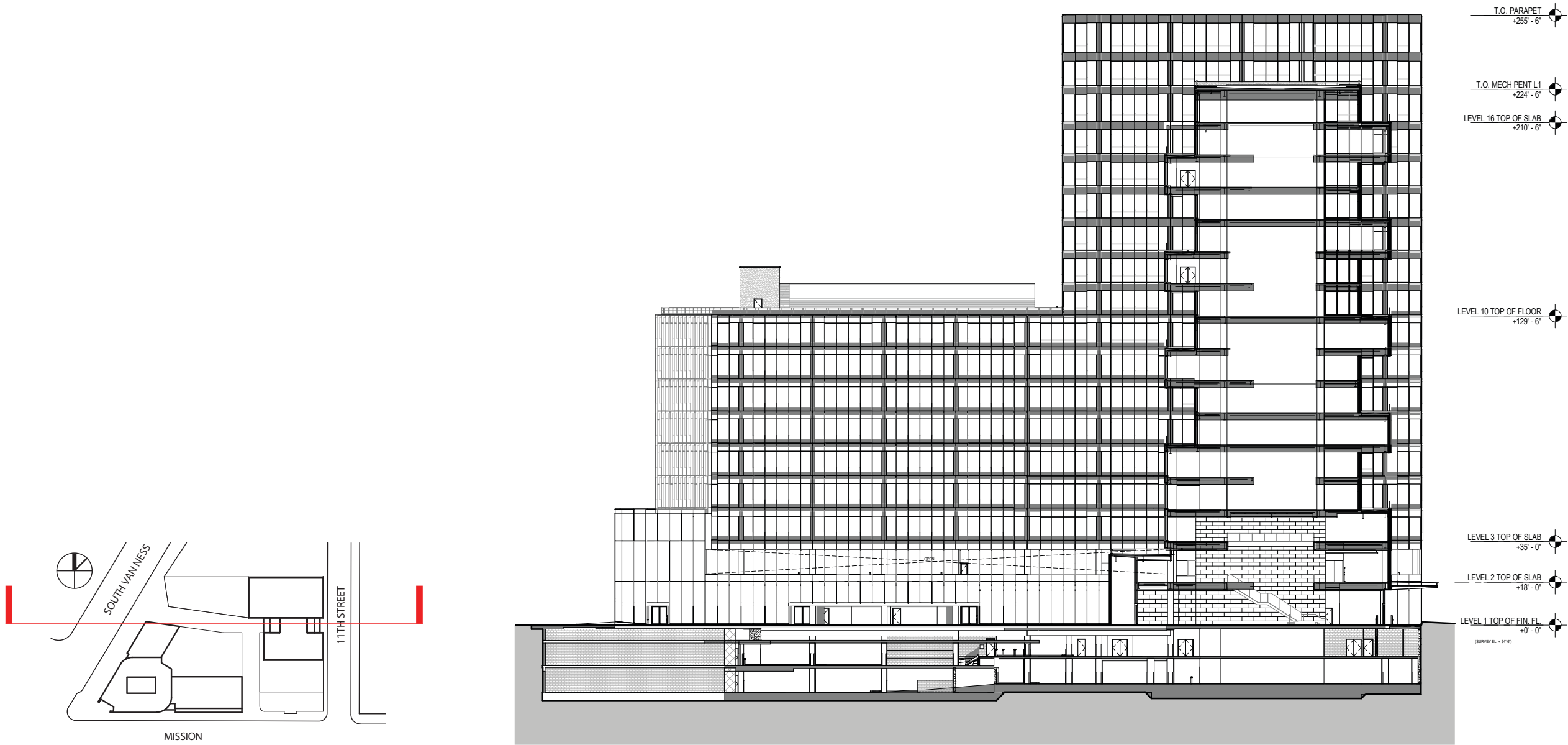
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RESIDENTIAL ROOF LEVELS FLOOR PLAN

SCALE: 1"=40'-0"

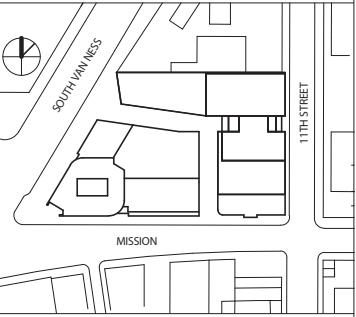
ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



1

BUILDING SECTION
SCALE: 1"=50'-0"



SHEET NAME:

SECTION

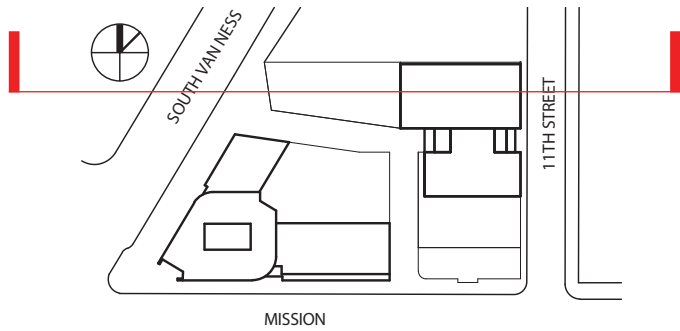
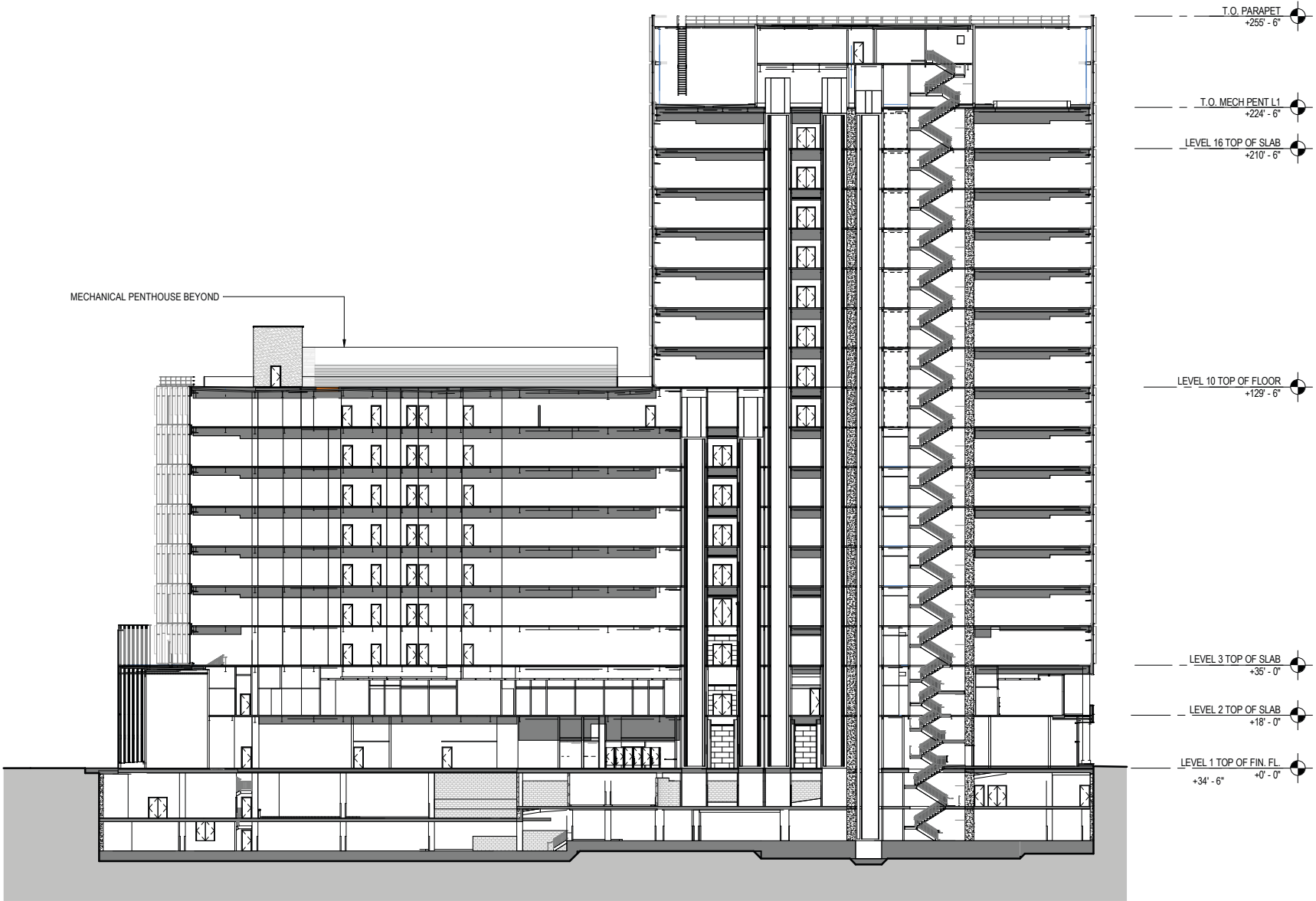
PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

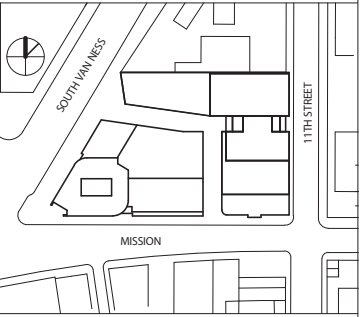
A 5.01

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



1 BUILDING SECTION
SCALE: 1"=50'-0"



SHEET NAME:

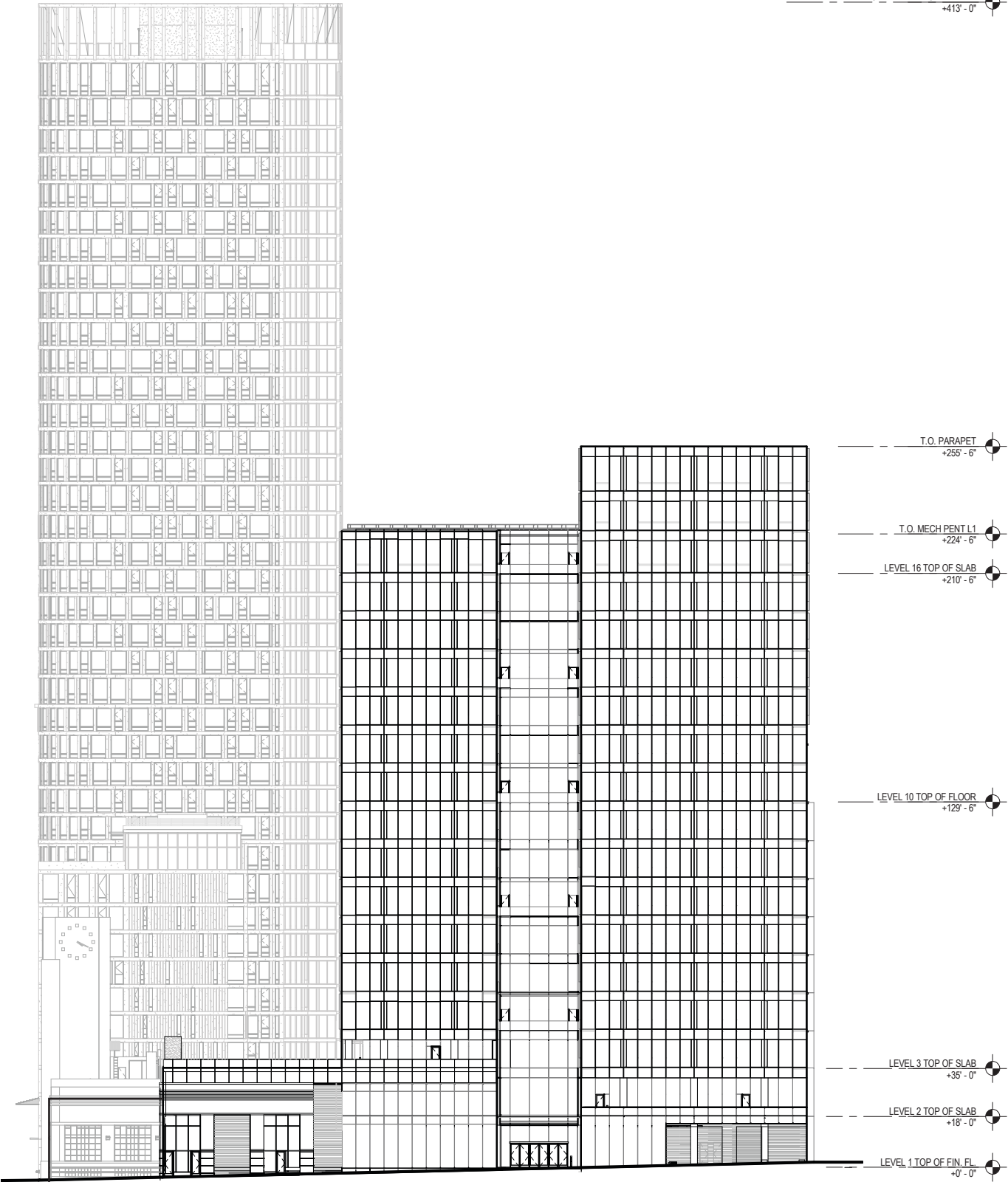
SECTION

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 5.02

NOTE:
THESE DRAWINGS CONTEMPLATE THAT RESIDENTIAL GARAGE USERS WILL SHARE INGRESS WITH OFFICE GARAGE USERS BUT WILL EXIT THROUGH A RESIDENTIAL ONLY RAMP, WHICH RAMP SHALL BE DESIGNED AND CONSTRUCTED TO ACCOMMODATE TWO WAY TRAFFIC IN THE EVENT THAT IT IS EVER NEEDED. THIS CONCEPT IS UNPROVEN AND COULD RESULT IN STACKING PROBLEMS WITHIN AND/ OR OUTSIDE OF THE OFFICE GARAGE. RELATED AND THE CITY HAVE AGREED TO NEGOTIATE IN GOOD FAITH A JOINT OPERATING AGREEMENT FOR BOTH GARAGE VALET SERVICES, IT BEING ACKNOWLEDGED THAT A WELL COORDINATED PARKING VALET OPERATION IS ESSENTIAL TO THIS CONCEPT. IMPLEMENTATION OF THIS SHARED INGRESS CONCEPT IS EXPRESSLY CONDITIONED UPON BOTH BUILDING OWNERS ENTERING INTO A MUTUALLY ACCEPTABLE AGREEMENT WHICH SHALL INCLUDE PROVISIONS THAT PROVIDE FOR THE RESIDENTIAL GARAGE TO UTILIZE ITS RAMP FOR BOTH INGRESS AND EGRESS IN THE EVENT THAT EITHER THE CITY OR RELATED SHALL DETERMINE THAT THE SHARED USE OF THE CITY OFFICE GARAGE RAMP IS CAUSING UNACCEPTABLE DELAYS TO ITS USERS, RESIDENTS OR GUESTS.



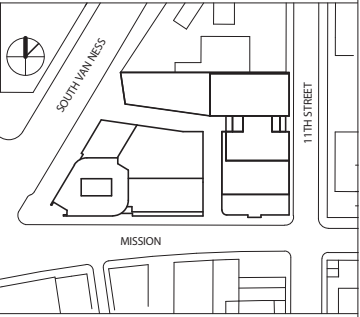
1 EAST ELEVATION- SHARED GARAGE ENTRY
SCALE: 1"=50'-0"

1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

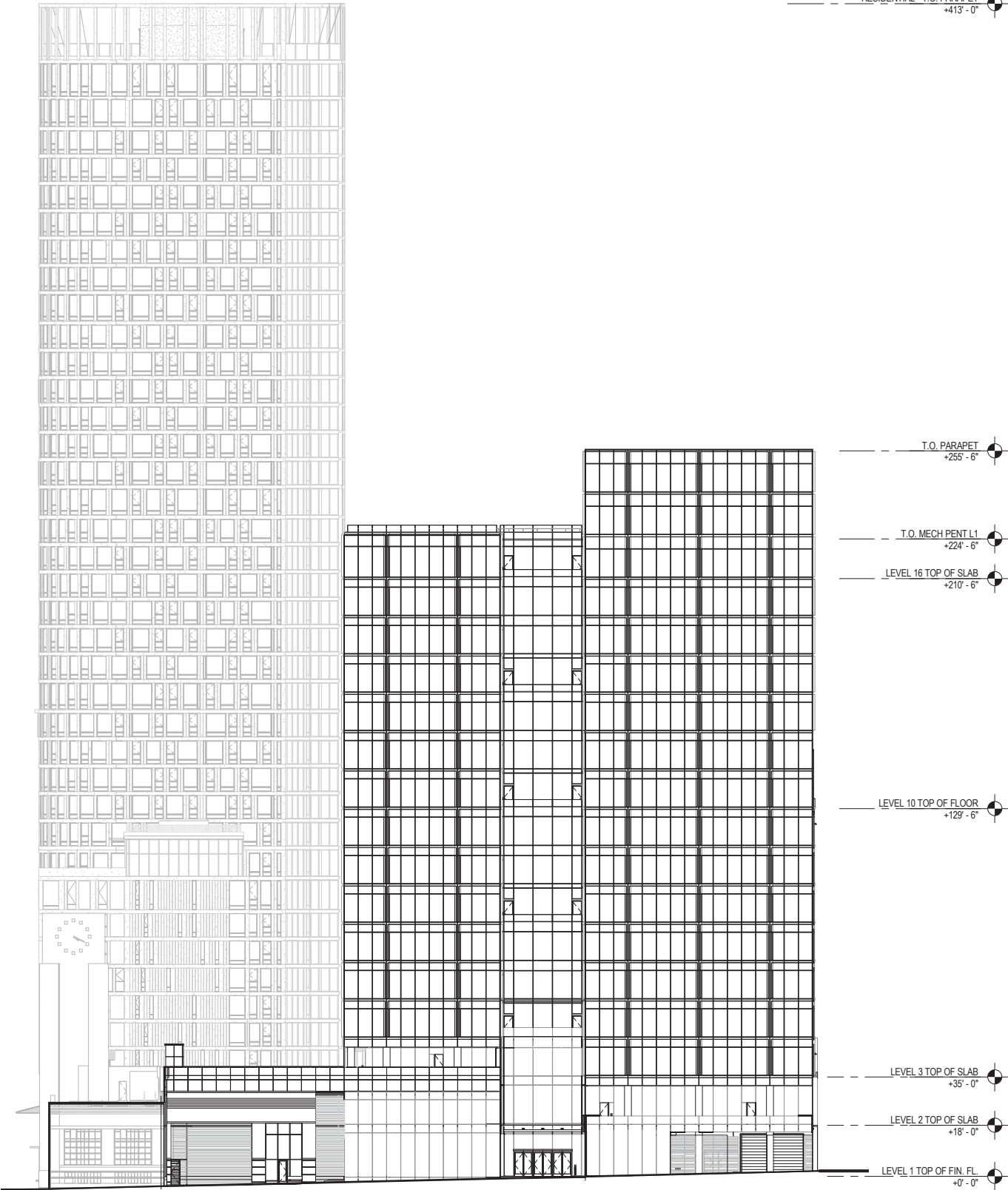
ELEVATION
SHARED GARAGE
ENTRY

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 5.04A

NOTE:
THESE DRAWINGS CONTEMPLATE THAT RESIDENTIAL GARAGE USERS WILL SHARE INGRESS WITH OFFICE GARAGE USERS BUT WILL EXIT THROUGH A RESIDENTIAL ONLY RAMP, WHICH RAMP SHALL BE DESIGNED AND CONSTRUCTED TO ACCOMMODATE TWO WAY TRAFFIC IN THE EVENT THAT IT IS EVER NEEDED. THIS CONCEPT IS UNPROVEN AND COULD RESULT IN STACKING PROBLEMS WITHIN AND/ OR OUTSIDE OF THE OFFICE GARAGE. RELATED AND THE CITY HAVE AGREED TO NEGOTIATE IN GOOD FAITH A JOINT OPERATING AGREEMENT FOR BOTH GARAGE VALET SERVICES, IT BEING ACKNOWLEDGED THAT A WELL COORDINATED PARKING VALET OPERATION IS ESSENTIAL TO THIS CONCEPT. IMPLEMENTATION OF THIS SHARED INGRESS CONCEPT IS EXPRESSLY CONDITIONED UPON BOTH BUILDING OWNERS ENTERING INTO A MUTUALLY ACCEPTABLE AGREEMENT WHICH SHALL INCLUDE PROVISIONS THAT PROVIDE FOR THE RESIDENTIAL GARAGE TO UTILIZE ITS RAMP FOR BOTH INGRESS AND EGRESS IN THE EVENT THAT EITHER THE CITY OR RELATED SHALL DETERMINE THAT THE SHARED USE OF THE CITY OFFICE GARAGE RAMP IS CAUSING UNACCEPTABLE DELAYS TO ITS USERS, RESIDENTS OR GUESTS.



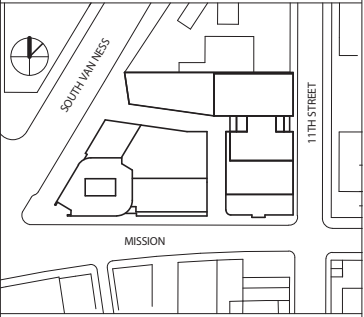
1 EAST ELEVATION- SEPARATE GARAGE ENTRY
SCALE: 1"=50'-0"

1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

ELEVATION
SEPARATE GARAGE
ENTRY

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 5.04B

RESIDENTIAL - T.O. PARAPET
+413' - 0"

T.O. PARAPET
+255' - 6"

T.O. MECH PENT L1
+224' - 6"

LEVEL 16 TOP OF SLAB
+210' - 6"

LEVEL 10 TOP OF FLOOR
+129' - 6"

LEVEL 3 TOP OF SLAB
+35' - 0"

LEVEL 2 TOP OF SLAB
+18' - 0"

LEVEL 1 TOP OF FIN. FL.
+0' - 0"

1 NORTH ELEVATION
SCALE: 1"=50'-0"

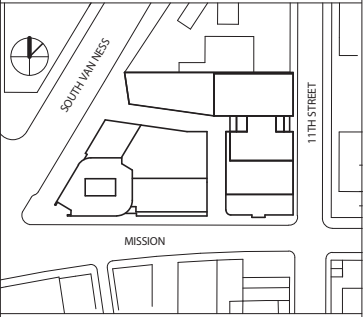


1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



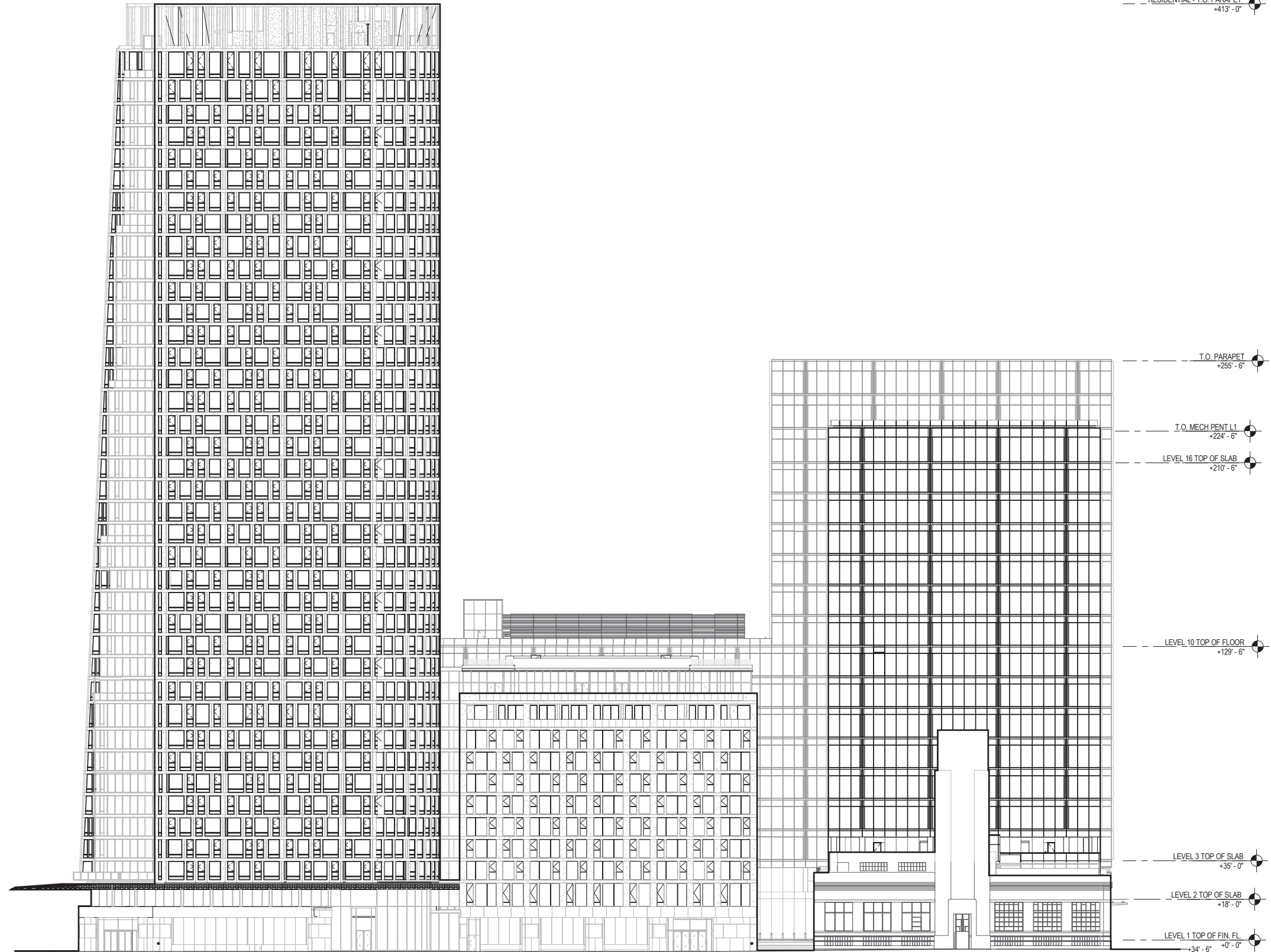
SHEET NAME:

ELEVATION

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 5.05



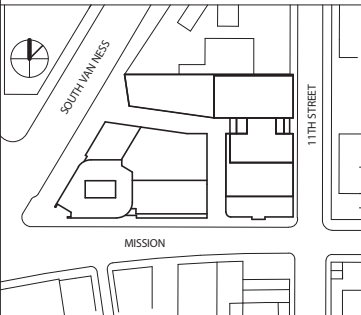
1 SOUTH ELEVATION
SCALE: 1"=50'-0"

1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

ELEVATION

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 5.06

RESIDENTIAL - T.O. PARAPET
+413' - 0"

T.O. PARAPET
+255' - 6"

T.O. MECH PENT L1
+224' - 6"

LEVEL 16 TOP OF SLAB
+210' - 6"

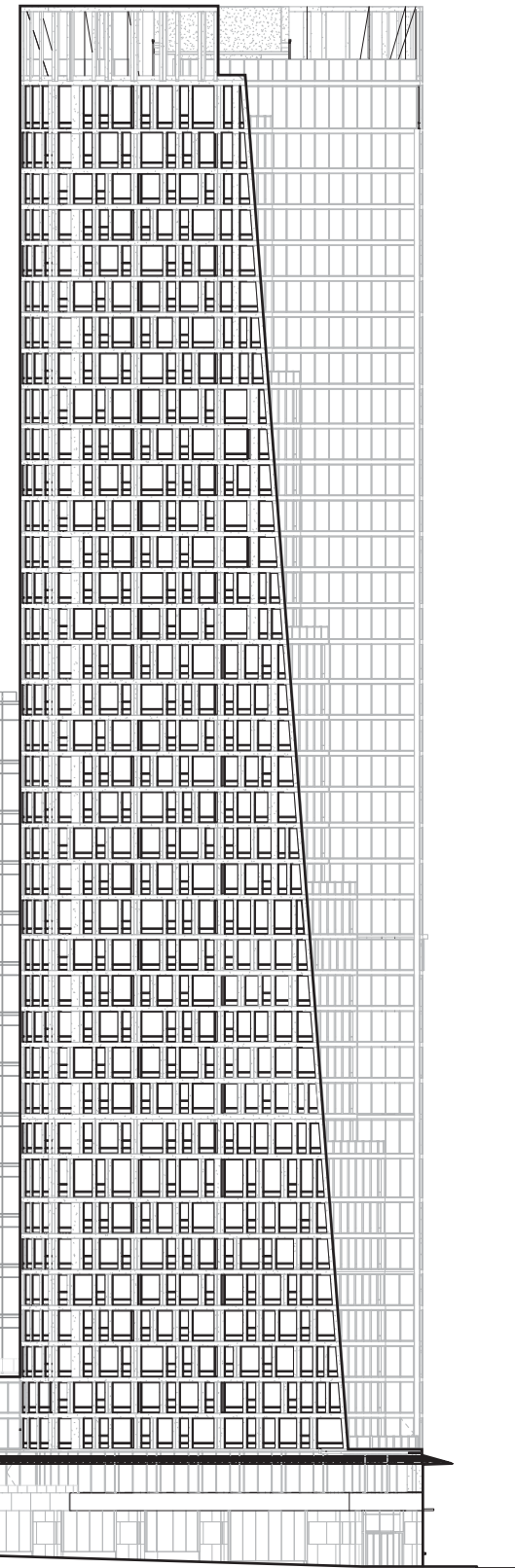
LEVEL 10 TOP OF FLOOR
+129' - 6"

LEVEL 3 TOP OF SLAB
+35' - 0"

LEVEL 2 TOP OF SLAB
+18' - 0"

LEVEL 1 TOP OF FIN. FL.
+0' - 0"

1 WEST ELEVATION
SCALE: 1"=50'-0"

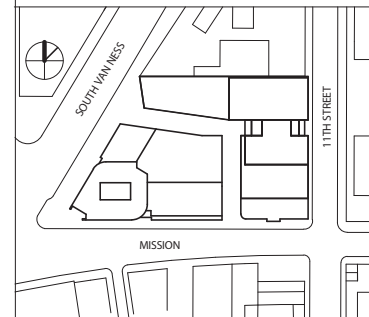


1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



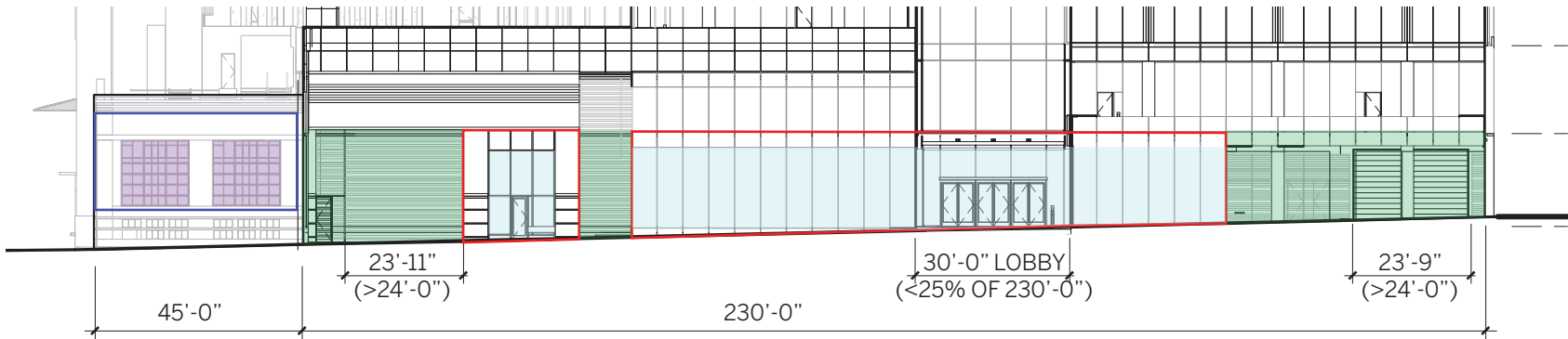
SHEET NAME:

ELEVATION

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 5.07



HISTORIC BLDG STREET FRONTAGE:	750 SF	BLDG STREET FRONTAGE:	2,685 SF
HISTORIC BLDG FENESTRATION:	335 SF (45%)	BLDG FENESTRATION:	2,240 SF (83%)
EXCEPTION SEC 145.1(E)		ACTIVE USE EXCEPTIONS PER SEC 145.1(C)(3)	

3

ELEVATION DIAGRAM: 11TH STREET

SCALE: N.T.S.



BLDG STREET FRONTAGE:	4,760SF
BLDG FENESTRATION:	2,860 SF (60%)

2

ELEVATION DIAGRAM: SOUTH VAN NESS AVENUE

SCALE: N.T.S.



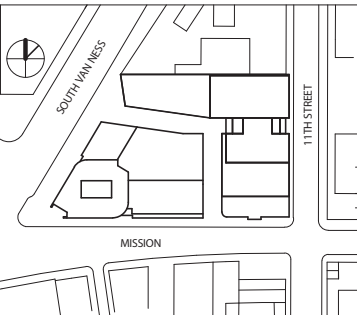
BLDG STREET FRONTAGE:	5,945 SF
BLDG FENESTRATION:	3,580 SF (61%)

HISTORIC BLDG STREET FRONTAGE:	2,640 SF
HISTORIC BLDG FENESTRATION:	955 SF (36%)
EXCEPTION SEC 145.1(E)	

1

ELEVATION DIAGRAM: MISSION STREET

SCALE: N.T.S.



SHEET NAME:

DIAGRAMS:
VEHICULAR ENTRY
LOBBIES
TRANSPARENCY

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 5.08



1

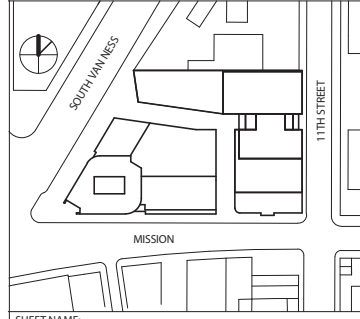
VIEW OF ENTRY FORUM
SCALE: N.T.S.

1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

RENDERING

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:
A 6.01



1

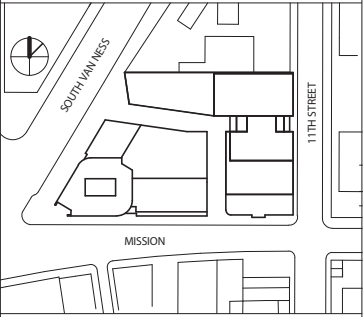
VIEW NORTH ON SOUTH VAN NESS
SCALE: N.T.S.

1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



RENDERINGS

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 6.02

NOTE:
THESE DRAWINGS CONTEMPLATE THAT RESIDENTIAL GARAGE USERS WILL SHARE INGRESS WITH OFFICE GARAGE USERS BUT WILL EXIT THROUGH A RESIDENTIAL ONLY RAMP, WHICH RAMP SHALL BE DESIGNED AND CONSTRUCTED TO ACCOMMODATE TWO WAY TRAFFIC IN THE EVENT THAT IT IS EVER NEEDED. THIS CONCEPT IS UNPROVEN AND COULD RESULT IN STACKING PROBLEMS WITHIN AND/OR OUTSIDE OF THE OFFICE GARAGE. RELATED AND THE CITY HAVE AGREED TO NEGOTIATE IN GOOD FAITH A JOINT OPERATING AGREEMENT FOR BOTH GARAGE VALET SERVICES, IT BEING ACKNOWLEDGED THAT A WELL COORDINATED PARKING VALET OPERATION IS ESSENTIAL TO THIS CONCEPT. IMPLEMENTATION OF THIS SHARED INGRESS CONCEPT IS EXPRESSLY CONDITIONED UPON BOTH BUILDING OWNERS ENTERING INTO A MUTUALLY ACCEPTABLE AGREEMENT WHICH SHALL INCLUDE PROVISIONS THAT PROVIDE FOR THE RESIDENTIAL GARAGE TO UTILIZE ITS RAMP FOR BOTH INGRESS AND EGRESS IN THE EVENT THAT EITHER THE CITY OR RELATED SHALL DETERMINE THAT THE SHARED USE OF THE CITY OFFICE GARAGE RAMP IS CAUSING UNACCEPTABLE DELAYS TO ITS USERS, RESIDENTS OR GUESTS.



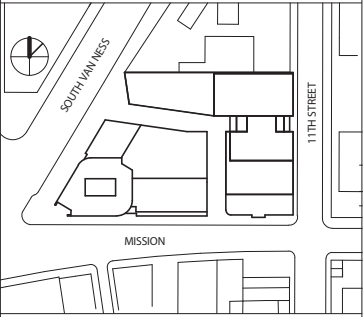
1 VIEW OF 11TH STREET- SHARED GARAGE ENTRY
SCALE: N.T.S.

1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

RENDERINGS

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 6.03A

NOTE:
THESE DRAWINGS CONTEMPLATE THAT RESIDENTIAL GARAGE USERS WILL SHARE INGRESS WITH OFFICE GARAGE USERS BUT WILL EXIT THROUGH A RESIDENTIAL ONLY RAMP, WHICH RAMP SHALL BE DESIGNED AND CONSTRUCTED TO ACCOMMODATE TWO WAY TRAFFIC IN THE EVENT THAT IT IS EVER NEEDED. THIS CONCEPT IS UNPROVEN AND COULD RESULT IN STACKING PROBLEMS WITHIN AND/OR OUTSIDE OF THE OFFICE GARAGE. RELATED AND THE CITY HAVE AGREED TO NEGOTIATE IN GOOD FAITH A JOINT OPERATING AGREEMENT FOR BOTH GARAGE VALET SERVICES, IT BEING ACKNOWLEDGED THAT A WELL COORDINATED PARKING VALET OPERATION IS ESSENTIAL TO THIS CONCEPT. IMPLEMENTATION OF THIS SHARED INGRESS CONCEPT IS EXPRESSLY CONDITIONED UPON BOTH BUILDING OWNERS ENTERING INTO A MUTUALLY ACCEPTABLE AGREEMENT WHICH SHALL INCLUDE PROVISIONS THAT PROVIDE FOR THE RESIDENTIAL GARAGE TO UTILIZE ITS RAMP FOR BOTH INGRESS AND EGRESS IN THE EVENT THAT EITHER THE CITY OR RELATED SHALL DETERMINE THAT THE SHARED USE OF THE CITY OFFICE GARAGE RAMP IS CAUSING UNACCEPTABLE DELAYS TO ITS USERS, RESIDENTS OR GUESTS.



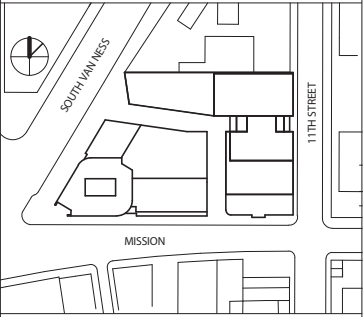
1 VIEW OF 11TH STREET- SEPARATE GARAGE ENTRY
SCALE: N.T.S.

1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

RENDERINGS

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 6.03B



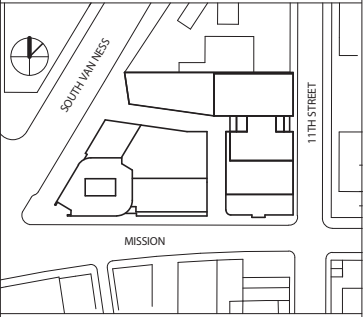
1 VIEW EAST ON OTIS
SCALE: N.T.S.

1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

RENDERINGS

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 6.04



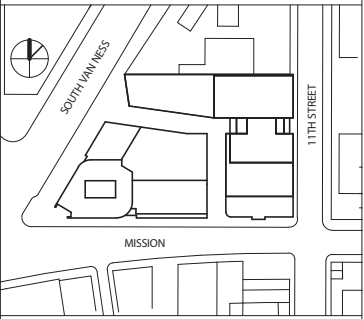
1 VIEW NORTH ON 11TH STREET
SCALE: N.T.S.

1500 MISSION
RELATED

1500 MISSION STREET
SAN FRANCISCO, CA 94103

ARCHITECT:

SOM
SKIDMORE OWINGS & MERRILL LLP
ONE FRONT STREET SAN FRANCISCO, CA 94111



SHEET NAME:

RENDERINGS

PROJECT NO.
214214
DATE:
MARCH 09, 2017
SCALE:
AS NOTED

SHEET NO:

A 6.05



City of San Francisco
Real Estate Division

RELATED
SOM