

August 31, 2019

San Francisco Planning Department  
1650 Mission Street Suite #400  
San Francisco, CA 94103  
and  
Bureau of Street-Use & Mapping  
1155 Market Street, 3rd Floor  
San Francisco, CA 94103

RE: Hearing on September 5, 2019 about conditional use authorization for development of Laurel Hill on San Francisco.

Dear Madam/Sir:

As a member of the medical profession who lives in Laurel Hill, we strongly oppose to the proposed development by developer. All along, we have been supportive of the supervisors and mayor. Unfortunately, it seems that they may be under undue influence from developers. We certainly have serious second thoughts about our future support.

This project is way too destructive and disruptive. It is going to add 30 feet to part of the present building which is already more than 40 feet above ground level. Laurel Hill has been a quiet environment for generations and is close to Presidio, which is considered as one of the 10 wonders in the world by National Geography. Many of us have lived in this neighborhood for longtime and it is surprising that such a gigantic disruptive project can be approved.

We would strongly recommend the planning department to analyze the two community alternatives in detail. This would also allow for more affordable housing for all (as well as our senior citizens). We also would like to continue hearing for at least 30 more days to allow the community to evaluate our two latest community alternatives.

We also would like to make sure that the project will keep buildings off the green space. There is only a limited amount of green space in Laurel Heights. Those green spaces have become playground for our children as well as adults and our pets. The same space was the original habitat for Manzanita franciscana for millions of years till about 70 years ago. There is a chance that remnants of this plant may still be found in Laurel Heights. Now there is only one secret spot in Presidio preserving this endangered species.

We also would like to eliminate unwanted retail proposed. This will further downgrade our elegant shopping areas - Sacramento Street and Laurel Village. The practical retail proposed is unsuitable for our neighborhood. It mandates at least two different types of businesses sharing one common premise. Just imagine how much joy we will have when we are forced to welcome massage parlors with cigarette shops. This will make this family-friendly neighborhood a major disgrace.

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We would like to express our strong opposition to the proposed project by this private for profit company. We understand that this company has similar problem at Potrero Hill. We also understand that supervisors may have their particular special view on this project. We as voters also need to care about our own neighborhood, our future generation, and our safety. It is a disgrace in the history of San Francisco if this project is approved.

Thank you for the kind consideration.

Sincerely,



**K. K. PUN, M.D., P.H.D, F.A.C.E, F.R.C.P. (E)**  
KKP/GS/SG

OF 49 Lupine Avenue,  
S.F. CA 94118.

Received at CPC Hearing 9/5/19  
H. Foster

# Making It Pencil: The Math Behind Housing Development

Authored by **David Garcia, Policy Director**

**B**uilding new housing is complicated and costly. From land acquisition to project design to entitlement to financing, a developer must go through numerous steps before the first shovel ever hits the ground. However, the steps that a developer navigates to take new housing from idea to occupancy are not well understood by the public or by policy makers. As a result, some well-intentioned decisions—such as imposing inclusionary zoning requirements on new developments when those requirements are not supported by market fundamentals—may lead to the unintended consequence of fewer, rather than more, affordable housing units being built. The “math” underlying housing development is critical, but very few resources exist to explain that math to those outside the real estate industry.

We believe that demystifying the math that underpins whether a project “pencils” is an important step towards

forming a shared understanding of what it will take to move forward in solving California’s housing crisis. To that end, the Terner Center has undertaken an analysis of development scenarios in various regions in Northern California to shed light on the development process.

This brief will explain the steps a developer undertakes to design, finance, build, and set the rents for market-rate housing. We answer the following questions:

- » What are the various costs that go into the development of new housing?
- » How are new housing developments financed?
- » What are the benchmarks required by financial institutions and capital sources to invest in new housing?
- » How do various requirements impact the ability of developers to deliver projects?

Unpacking the factors that impact what a developer can build in today’s market helps in understanding why so much new housing is expensive, and why new supply is often only affordable for upper-income households.<sup>1</sup>

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mechanical systems. Hard costs are also reflective of various building code requirements that impact the way a structure is built. For example, in seismic zones, building codes require new buildings to be constructed with materials that will hold up during an earthquake. A 5 percent hard cost contingency is also included in our pro formas to mitigate against project overruns.

## Soft Costs

The second largest component of overall project costs are known as “soft costs,” which are those associated with the design and implementation of the project, but not the physical construction (i.e. hard costs). As there are numerous components to any project’s soft costs, we’ve grouped them together in broad categories—fees, financing, consulting, and tax, title, and insurance—each of which is described in more detail in Table 3. We assumed a flat rate of \$40,000 in impact fees per unit for the purpose of comparing equally across markets. However, it should be noted that fees vary widely by jurisdiction, with many localities charging much more than our assumed amount.<sup>6</sup>

Consultant costs refer to the broad set of experts that developers need to design and execute a building. The majority of these costs go to the architects and engineers hired to work on the project. We also include the costs of the various other consultants typically required for a development of this size. On any given project, these consultants can include, but are not limited to, geotechnical

engineers (e.g., to determine the integrity of soil on project site); historical resource consultants (e.g., determine whether the site contains buildings or resources that can be considered historic); and joint trench consultants (e.g., consultants that coordinate trenching of existing overhead utilities). It should also be noted that the bulk of these costs are typically paid for upfront by the developer before obtaining financing or full project approvals.

The financing category includes items that are related to costs associated with obtaining financing, but do not include return requirements, which are discussed in the next section. The financing of soft costs includes a required interest reserve (to pay interest on the construction loan during construction period), soft cost contingency funds (in case soft costs exceed the budgeted amount), and the costs to close financing. In addition, the financing section also includes an amount for a “developer fee.” Generally, financial partners allow developers to budget 3 to 5 percent of the total project cost in order to compensate for risk and cover developer overhead, which includes the out-of-pocket expenses that the developer incurs specific to managing the project during predevelopment, construction, and lease-up phases.<sup>7</sup> This fee is not accessible to a developer until financing has closed and construction commences. As such, costs associated with paying development team staff, city fees for plan check and other services, and general property holding costs are borne solely by the developer.

Table 3: Soft Cost Categories

<p><b>Fees</b></p> <p>Includes any fees required as a condition of approval for the project, such as school fees, utility connection fees, park fees, art fees, or transportation fees. NOTE: our prototypes standardized total fees at \$40k per unit, however total fees vary widely by jurisdiction, and are levied by different entities.</p>	<p><b>Consultants</b></p> <p>Includes costs associated with professional services to design the project. This includes, but is not limited to, architects; structural engineers; civil engineers, landscape architects; mechanical, electrical, and plumbing design; geotechnical engineers; joint trench consultants; waterproofing consultant; accounting; and legal.</p>
<p><b>Financing Costs</b></p> <p>Includes costs associated with obtaining debt and equity, including loan closing costs, soft cost contingencies, and operating reserves. Also, our prototypes include 3 percent of total costs for a “developer fee” to mitigate developer risk and pay for overhead to build and manage the project.</p>	<p><b>Tax, Title, and Insurance</b></p> <p>Includes costs of general liability and builder’s risk insurance, as well as property taxes during construction.</p>

## Land Costs

The cost of land is a significant part of overall costs, but is determined in a different manner from hard and soft costs. Generally speaking, land costs are “residual” in that the cost of land should be determined by the amount a developer can afford to pay for the land without making the project too expensive to reach threshold financing requirements. Put another way, the cost of land should be determined by the amount of funds left over after estimating total hard and soft costs without pushing the project into infeasibility. In theory, the market value of land, and what the developer can pay for it, is driven by what can be developed there.

In reality, however, land costs are impacted by various factors, many of which are not related to project feasibility. For example, a property owner may hold out on selling property at the residual price to a developer for many reasons, such as: continuing to operate a profitable business on the property (e.g., a surface parking lot), anticipating that the value of the land will increase in the future, or owing more on the property than the residual value. In these and other instances, a residual land price offered by a developer may be less than what a property owner is willing to sell for. As a result, developers must choose to pay more than the residual value or not purchase the land at all.

For our prototype, we determined land cost by using comparable sales of land in each of the three markets.

In addition to total cost, this category also includes costs associated with closing on the land, as well as due diligence reports (e.g., environmental “phase 1” or “phase 2” reporting to determine the extent to which the presence of harmful substances exist on the site).

## Pro Forma Cost Results

Based on the characteristics and assumptions described above, we calculated the total cost of the prototype in the three markets:

- Costs were highest in the East Bay, with the project estimated at a total of **\$68,828,255 (\$573,569/unit)**, driven by higher construction and land prices.
- The South Bay project was similarly costly at **\$61,579,785 (\$513,165/unit)**.
- In Sacramento, the prototype was significantly less expensive at **\$45,581,075 (\$379,842/unit)** due to lower construction and land costs.

Figure 1: Total Prototype Cost

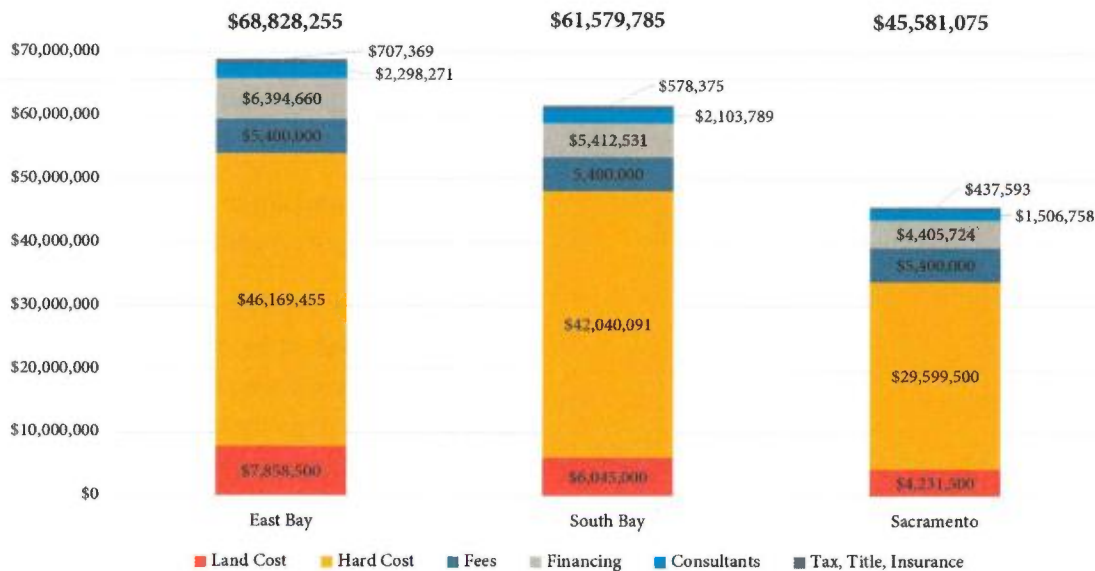
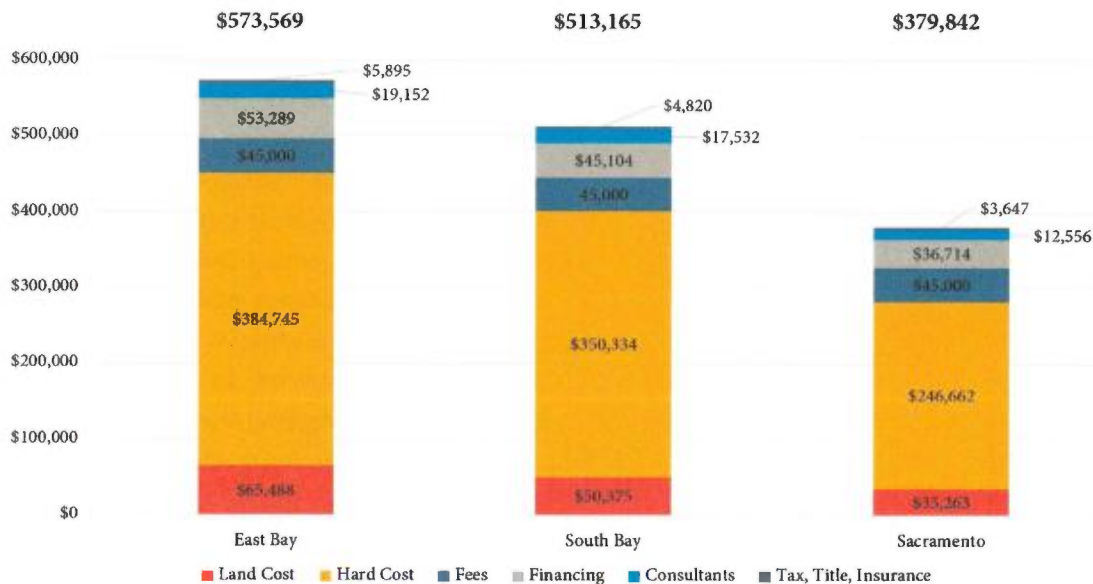


Figure 2: Total Per Unit Prototype Cost



## Project Financing

To pay for the cost of these prototypes, a developer will obtain funding from two sources: debt and equity. Debt provides the bulk of project financing, while equity provides the balance. Both forms of funding have their own strict thresholds and requirements that a developer must meet in order to obtain money to build the project. These requirements also influence project feasibility, and can add to the overall costs of development.

### Debt

Debt is provided in the form of a loan from a lender (generally a bank) and carries an interest rate which the developer pays back over time.<sup>8</sup> Interest rates vary across market cycles, but for the purposes of this brief, we've assumed a total interest rate of 5 percent across each prototype.

Lenders examine two components when considering whether or not to provide a loan to a particular development: the developer capacity and the details of the project.<sup>9</sup> Developers must show that they have a proven record of success in completing projects on time and on budget, and paying back debt. Lenders also often require a developer to personally guarantee the project loan, which puts tremendous risk on a developer, and severely limits developers who do not

have the personal assets to sign such a guarantee. In other words, if the project doesn't succeed, the developer is often personally liable to repay the lender.

Lenders also require supporting documentation to ensure that the project will be successful, and will not agree to fund a project or release funding until this documentation is provided. This includes but is not limited to: market studies, appraisals, environmental documents, architectural documents, and approvals from localities and agencies that have jurisdiction over development in the project's location (Table 4). Developers must provide these at their own expense and risk before closing on project financing.<sup>10</sup>

In addition to assessing a developer's track record and a project's documentation, banks require a project to demonstrate the ability to meet certain financial benchmarks. These financial benchmarks help a bank to determine the likelihood a project will not go into default—that projected long-term income on the project will more than cover the payments on the loans that the bank would make on the development. While there are many benchmarks required by different institutions, we focus on two specific metrics: debt service coverage ratio (DSCR) and loan-to-cost ratio (LTC).

**Table 4: Examples of Lender Documentation Requirements**

<b>Market Study</b> Developers must provide a study by a reputable consulting firm demonstrating sufficient demand for housing at the project's projected rental prices.	<b>Environmental Documents</b> Lenders will request documentation identifying any existing environmental issues with the site, such as the potential for contaminated soil from an underground gas tank or well.
<b>Appraisal</b> The appraisal determines the project's market value upon completion.	<b>Architectural Documents</b> Lenders require architectural plans from the developer, including engineering and other technical documentation necessary to construct the building.
<b>Approvals</b> In order to close a construction loan, the project must have obtained all approvals from relevant governing bodies. This includes entitlements and building department approvals from the local municipality, but also any approvals required from other agencies with jurisdiction over development in the project's location (e.g. regional water quality control board, or air resources board).	

## Debt Service Coverage Ratio (DSCR)

To mitigate risk, a bank requires a project to demonstrate that its income can support the monthly loan payments over the life of the loan. This metric is measured by a debt service coverage ratio (DSCR) and is calculated by dividing the project's net operating income (NOI)<sup>11</sup> by the anticipated loan payment. For example, a projected DSCR of 1.0 indicates that a project anticipates achieving exactly enough income to match what is required to pay its debt. However, banks require the DSCR to be higher than 1.0 for real estate lending to ensure that, if NOI projections are inaccurate, the developer can still meet their debt obligations. For instance, in the case of a DSCR of 1.0, any small change in NOI—such as higher than anticipated maintenance costs, or lower rent revenues—would put the developer in danger of not meeting their debt obligations. We have made the assumption that a lender would require a DSCR of 1.3, meaning that our projects must demonstrate an NOI 1.3 times the amount of debt issued. While this ratio is standard in California, it could be more or less depending on the specific lender's requirement.

## Loan to Cost (LTC)

While the majority of funding for a standard market-rate project takes the form of debt, banks do not provide loans on the total cost of a project. To further minimize risk, banks require developers to bring in equity for the amount of the project that is not covered by the loan (described in detail in the following section). This is similar to a traditional home mortgage where a bank requires the buyer to make a down payment of 20 percent of the value of the house.

The amount that banks are willing to lend relative to the total project cost is referred to as the loan-to-cost ratio (LTC) (Figure 3).<sup>12</sup> Lower LTC ratios indicate lower confidence that a project will perform as anticipated given market conditions and trends, while higher LTC ratios indicate stronger confidence in project success. Typically, in California, lenders currently require an approximately 65 percent LTC ratio. We use this ratio in our analysis, but as with the DSCR, the LTC ratio can vary by region, project, or bank.

## Equity

After determining how much debt can be obtained, each prototype is left with a "gap" between the total cost of development and how much of the project can be financed with loans. This gap is filled by equity, which comes from a project investor (as well as a smaller amount of equity provided by the developer). It is important to note that this form of capital is not specific to real estate, and can flow to wherever it can achieve the highest risk-adjusted rate of return.

Equity investors consider housing development a riskier investment when compared to traditional forms of investment such as stocks or bonds. Because of the length of time needed to develop before revenue is generated, as well as the myriad challenges that new housing faces (e.g., unpredictable costs, market cycles, construction delays), there are many variables that could lead a project to deliver below expectations or be derailed entirely. Investors in real estate account for these risks by requiring certain levels of

**Figure 3: Amount of Debt Compared to Cost for Three Regions**



return, and as a result developers must demonstrate that they can achieve sufficient returns to justify the risk.

Equity investors in residential real estate come in various forms, and are not exclusively private equity groups. Depending on the size and experience of a developer, private equity is obtained from insurance companies, foreign capital, and the pension funds of public sector employees and union members that utilize real estate development investments as “high return” options to round out their overall portfolios. This means developers are beholden to equity returns in the market, which are set as much by Wall Street as by local conditions, and often do not relate to how much profit a developer makes from a project.

A developer gains equity by contributing a portion of their own capital (in the case of larger developers), as well as through their time to develop and manage the project (also known as “sweat equity”). The percentage of developer equity is generally a much smaller percentage than that of the investors. Profits received by a developer are not realized until at minimum the loan payment has been made, and the investor has received their preferred return. In most cases, developers will not see profit until equity is fully returned to investors. This is a key point to understand as a developer is generally the last stakeholder to receive any profit from a new housing development, and most developers shoulder a significant amount of risk and cost even before any form of financing is secured.

## Measuring Return

The form of equity financing is critical in determining whether a project gets built. Ultimately, a developer will make a decision to build or not based on whether they can achieve threshold return requirements that will allow them to attract equity. While there are several ways to measure return, the simplest metric is to compare a project’s anticipated return-on-cost (ROC) to local area capitalization rates. The ROC can be used to compare returns across various investment types. With regards to real estate development, ROC measures the expected return after accounting for the cost to build and manage a new housing development. This metric is determined by dividing a project’s anticipated NOI by total project cost. Capitalization rates, on the other hand, measure the return one can expect by purchasing a certain property. Essentially, by comparing ROC to capitalization rates, a developer is measuring the return of building a new project against the return of simply buying an existing

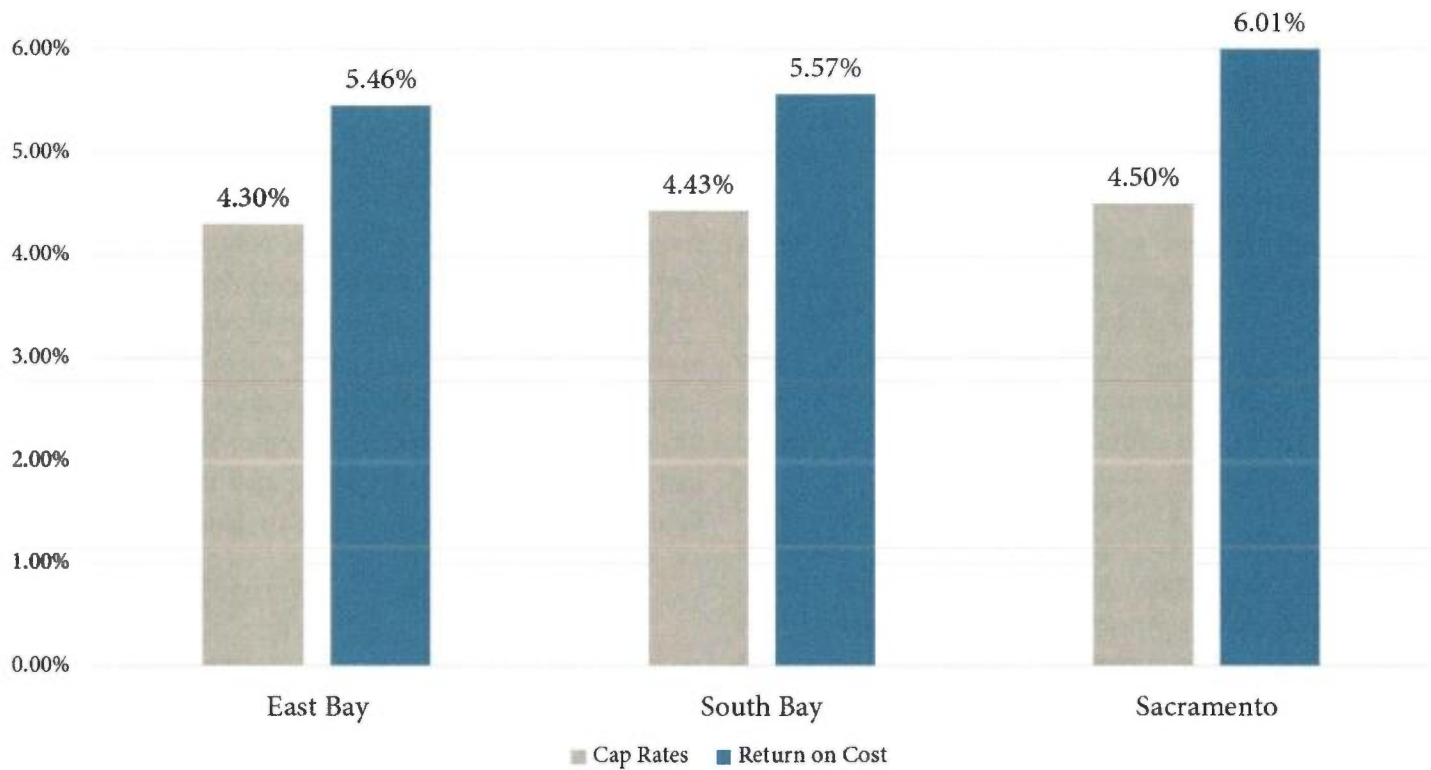
building. If the project’s ROC is reasonably above the capitalization rate, then a developer will move forward. To put it another way, a developer will not go through the time and expense of developing a new project if it will not yield a higher return than they would receive by buying an existing property in the area.

We use this ROC to capitalization rate comparison to determine feasibility for each of our projects. The extent to which a project ROC must surpass capitalization rates to achieve feasibility changes according to the region, project type, and investor (including their views on timing relative to the market cycle). To determine this variable, we spoke to developers, consultants, and architects in each region. Based on these conversations, we determined that a minimum spread of between 1.0 percent and 1.5 percent is needed for projects in the East and South Bay regions, while projects in Sacramento are moving forward at a spread of 1.5 to 2.0 percent.

ROC is determined by dividing a project’s Year 1 NOI by total project cost. As illustrated in Figure 4, each project’s ROC varied to a degree. However, these project ROCs all reach our threshold requirements for feasibility when compared to area capitalization rates.<sup>13</sup> For our East Bay project, the ROC is 1.16 percent percentage points higher than area capitalization rates for new buildings.<sup>14</sup> Similarly, our South Bay project achieved a spread of 1.14 percent between the project ROC and capitalization rates. For Sacramento, our project demonstrates a 1.51 percent spread between ROC and capitalization rates. While these three projects each reached the minimum threshold requirements as explained above, they fall on the low end for feasibility, with little to no room for additional cost increases.

Beyond ROC, investors use other metrics to determine their interest in a project. For example, another common metric is internal rate of return (IRR). IRR measures an investor’s total anticipated return over the life of their investment (as opposed to the Year 1 return, as measured by ROC). Specifically, the IRR is calculated by summing the anticipated annual cash flow for the number of years an investor expects to hold the property (generally 10 years) with the anticipated value at sale. Depending on the type of investor, IRR requirements can fluctuate significantly. For example, some investors will only invest in projects whose IRRs exceed 20 percent (e.g., a high-yield investment fund) while other funds may be comfortable with projects with IRRs closer to 15 percent. The IRRs demonstrated by our projects are 15.4 percent for the East Bay, 15.2 percent for

**Figure 4: Prototype ROC/Cap Rate Spread**



**Figure 5: Prototype Internal Rate of Return**



the South Bay, and 18.2 percent for Sacramento (Figure 5). These IRRs would be attractive to some investors, but not all, which limits the available pool of capital for the developer.

## Project Rents

New developments derive the vast majority of their income from rents charged to tenants.<sup>15</sup> To determine rents in new projects, developers must commission a detailed market analysis from private consultants. These consultants use proprietary data sources to determine the demand for new housing in the project area as well as what a developer could expect to receive in rents. A developer uses these numbers to complete their pro forma and to prove to lenders and investors that their project will receive enough income from rents to justify their financing of the project. If developers cannot produce evidence that they can achieve rents high enough to satisfy both lender and investor requirements, they will not receive financing.

Rents for each of our projects were determined by assessing area rents in similar new projects. These rents are illustrated

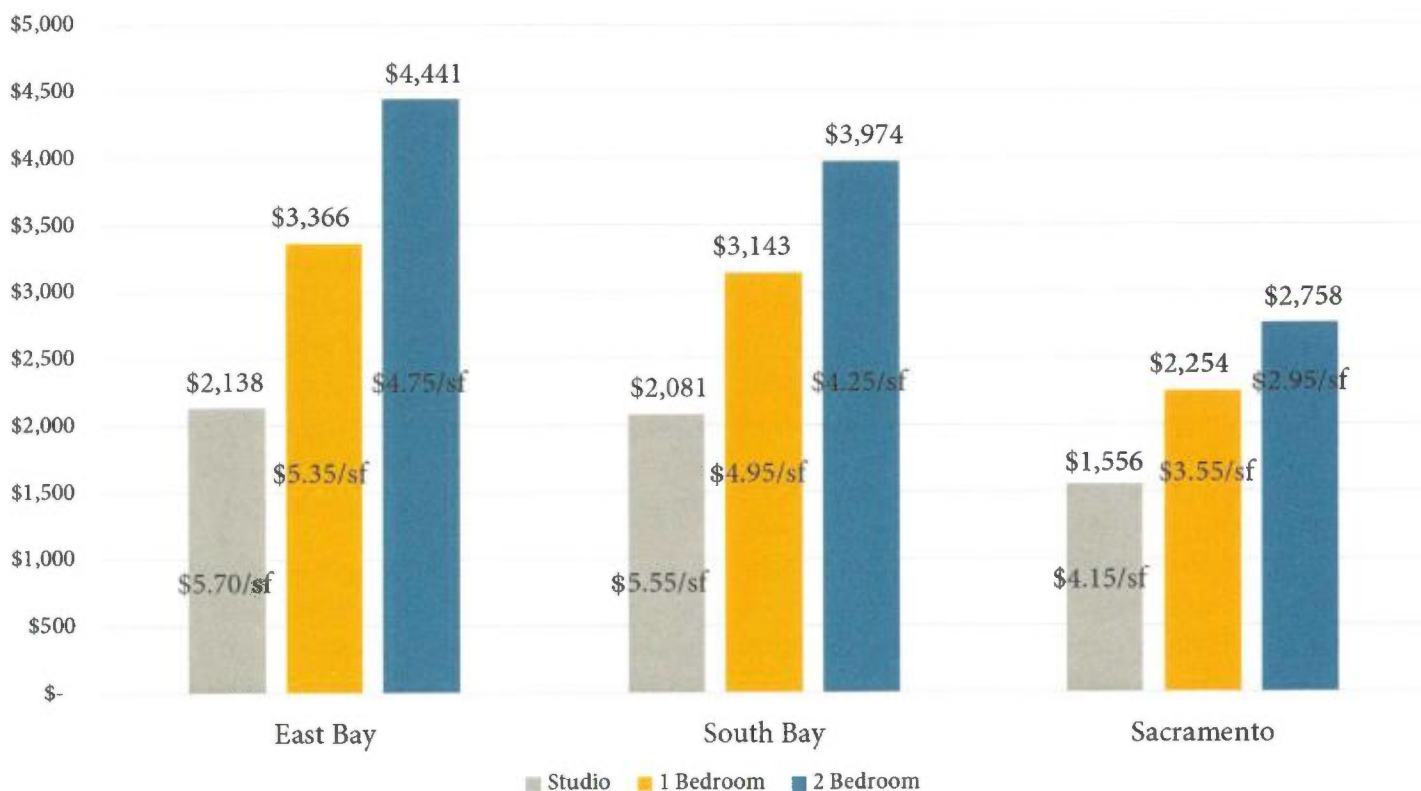
below in Figure 6. In each case, the rents required to make the project feasible are higher than what most renter households in each region can afford. When compared to income levels of renter households in each region, the minimum rents required for a two bedroom unit are only affordable to those with the region's highest incomes.<sup>16</sup>

## Layering Requirements

What happens when projects face additional costs, either due to unknown cost factors (e.g., learning that the land has soil contamination that requires remediation) or local requirements, such as parking, inclusionary zoning, and development impact fees? Anything that drives up project costs will affect the pro forma calculations and influence whether the project is financially feasible.

To illustrate this dynamic, we have layered a handful of common requirements onto each of the three project pro formas. Specifically, we added three inputs: increased parking (2:1 ratio of parking spaces to units); higher fees (total of \$60,000 per unit); and a 15 percent inclusionary zoning

**Figure 6: Prototype Monthly Rents**



## Conclusion

requirement (at 60 percent of AMI). These variables were selected because they can have a significant impact on overall cost, and also vary widely across—and even within—cities. Cities have sole authority to determine these requirements (with the exception of development fees levied by other entities, such as school districts and utility districts). We compare the effect of these changes against the capitalization rate; as explained above, projects that fall close to or below an area’s capitalization rate are unlikely to be built.

As demonstrated in Figure 7, the combination of these three requirements brings each project well below the minimum threshold for viability. In these cases, rents would need to be significantly higher in order to maintain viability. However, given that rents for the baseline prototypes are already only affordable to those with the region’s highest incomes, it is likely that the market would not be able to support the rents necessary to absorb these additional requirements, and the project would not be built.

On the other hand, reducing costs in other areas can allow projects to “pencil” while achieving policy priorities. In other words, a priority like inclusionary zoning may become viable if, for example, a jurisdiction reduces parking requirements. To demonstrate this concept, we adjusted a handful of cost assumptions by: reducing total fees (\$20,000 per unit); reducing parking requirements (0.5:1 parking spaces to units); and tax exempting affordable units. As illustrated in Figure 8, each project falls below the return on cost threshold for feasibility when a 15 percent inclusionary zoning requirement is layered onto each project’s baseline pro forma. However, as offsets that help reduce overall costs are added, each project moves back towards feasibility to the point where project returns are actually healthier than the original pro formas without inclusionary units. By calibrating policy to account for the overall cost to build, policy makers can enable developers to build projects that meet important policy goals, such as including on-site affordability, without jeopardizing their ability to obtain financing. The options presented here are not the only opportunities to provide meaningful offsets as policies such as approval streamlining, which limits cost increases and holding costs (e.g., maintenance, property taxes, insurance), additional density or height bonuses that allow for more units, and flexibility on affordability (i.e. allowing higher AMIs for inclusionary units) can also impact project feasibility.

Building new housing is complex and costly, and understanding the process developers follow to build housing is important for determining appropriate policy responses. As demonstrated by our pro forma analysis, there are dozens of inputs and requirements that directly impact the cost to build new housing and the amount at which new housing can be offered to renters. Even where development conditions are favorable, the overall cost to build makes it difficult for developers to deliver housing at price points affordable to lower-, middle-, and increasingly upper-middle-class households in high cost regions in California.

Given the complexities and costs involved with creating new housing, policy makers at all levels of government should be cognizant of how requirements interact with the math behind housing development. While many requirements are intended to help achieve important policy objectives—creating deed-restricted affordable housing or expanding park facilities, for example—they may inadvertently push new housing into the red. Thoughtful approaches to balancing various priorities are required to ensure that these policies can work with new housing development rather than against.

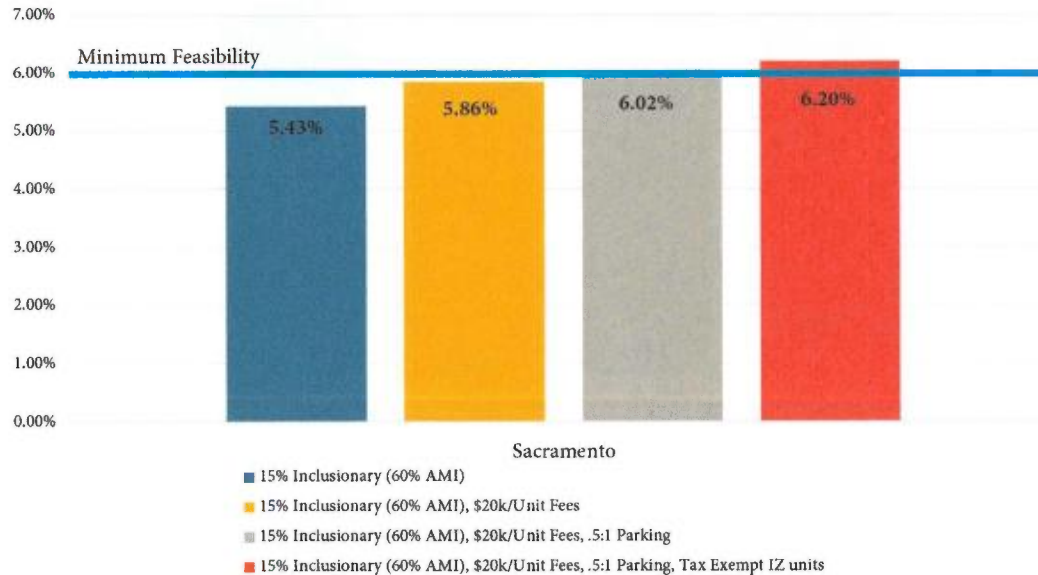
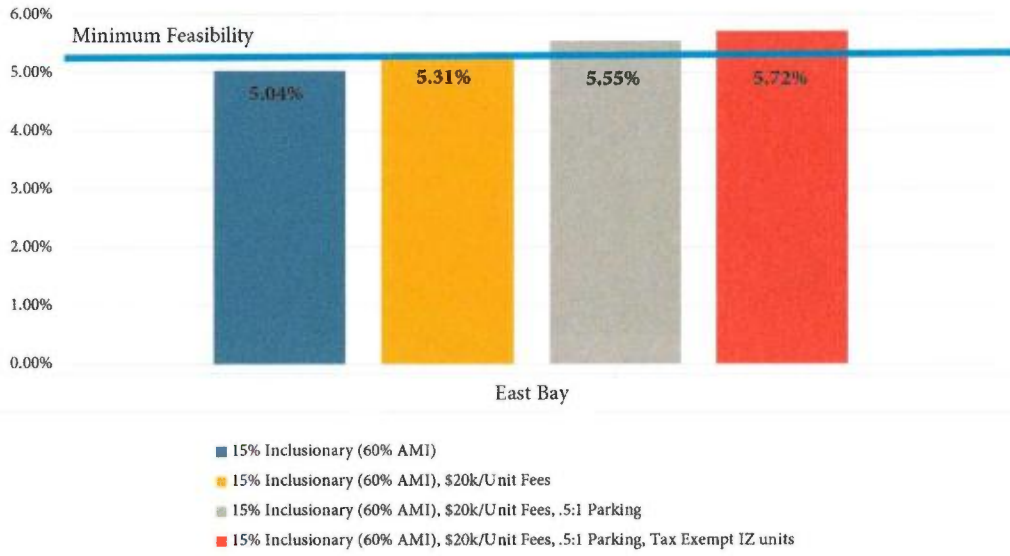
The Termer Center has shown that broad tools can be created to provide these important insights. In addition to the pro forma analyses presented in this brief, the Housing Development Dashboard allows users to design a “prototype” project using various market and policy inputs. Using these inputs, the dashboard then determines the likelihood that the project will be built, using similar financial assumptions as presented in this brief.

As local, regional, and state policy makers consider various policies for increasing housing supply and affordability, tools such as [the Termer Center Dashboard](#) or other thoughtful and technical approaches should be utilized and expanded to provide insight into the relationship between new housing development and other important factors. Embedding this type of analysis is integral to understanding the potential outcomes of various policy choices. •

**Figure 7: Cumulative Impacts of Additional Requirements on Prototype Pro Forms**



**Figure 8: Cumulative Impacts of Inclusionary Zoning Offsets on Prototype Pro Formas**



# Endnotes

1. While this brief does not delve into the factors driving increasing construction costs, future Terнер Center research will address this specific issue.
2. This type of construction is commonly referred to as “five-over-one”.
3. The selection of the East Bay was driven by the Center’s work with the Metropolitan Transportation Commission, specifically on the Committee to House the Bay Area (CASA) Initiative; the selection of the South Bay was driven by support from SV@Home; the selection of Sacramento was driven by support from the Sacramento Area Council of Governments.
4. Even within a similar building type, development characteristics are dictated by lot size and shape, as well as local city zoning standards, such as setbacks, lot coverage, and allowable density or height, among others.
5. Prevailing wage requirements mandate that any contractor working on a project pay a predetermined wage rate. These wages are generally required on projects that utilize public subsidies, such as with many affordable housing projects, or in instances where the developer has negotiated with local stakeholders to pay prevailing wages.
6. Mawhorter, S., Garcia, D., & Raetz, H. (2018). It All Adds Up: The Cost Of Housing Development Fees In Seven California Cities. Berkeley, CA: Terнер Center for Housing Innovation. Retrieved from <https://turnercenter.berkeley.edu/development-fees>
7. Peiser, R. B. & Hamilton, D. (2012). Professional Real Estate Development: the ULI Guide to the Business. Third Edition. p. 213-214. Urban Land Institute
8. There are two types of loans necessary for rental housing projects: a Construction loan, which is the loan used to pay for the construction of the project, and Permanent debt, which is the long-term mortgage on a finished project. Once construction is complete, a lender will “take out” the construction loan (i.e. pay off) and replace it with a fixed-rate permanent loan. The permanent debt cannot be obtained until the project has been completed and reached financially sustainable occupancy at rent levels that support the debt.
9. Peiser, R. B. & Hamilton, D. (2012). Professional Real Estate Development: the ULI Guide to the Business. Third Edition. p. 64-65, 209. Urban Land Institute
10. The loan will also include a “not to exceed” amount, as well as contingency amounts for unforeseen issues (i.e. cost overruns).
11. Net Operating Income is defined as project income derived from rents minus expenses of operating the property (i.e. maintenance, leasing, property taxes, legal, staff) before paying debt.
12. Loan to Value is another metric by which banks will measure the amount they are willing to lend. While similar to LTC, LTV sizes the loan relative to the finished value of the project, rather than the project cost.

13. Capitalization rates for the East Bay and South Bay regions were determined through an analysis of Yardi data. Capitalization rates for Sacramento were pulled from CBRE's North America Cap Rate Survey, Second Half 2018.
14. These percentages are commonly referred to as basis points, or BPS.
15. Income is also derived from parking charges, retail rent, and other sources, if applicable.
16. "Affordable" is determined by calculating 30 percent of income for housing costs.

## Acknowledgements

We would like to thank the Metropolitan Transportation Commission, SV@Home, and the Sacramento Area Council of Governments for the funding and support that made this work possible. The author would like to thank Charmaine Curtis and Dennis Williams for their insights, as well as Carol Galante, Carolina Reid, and Elizabeth Kneebone for their review.

The Planning Association For Divisadero Street  
339 Divisadero Street  
San Francisco, California 94117

Ca 15014449 Founded in 1988

San Francisco Planning Commission -HAND DELIVER

Re: 3333 California Street, San Francisco California 94117

September 5, 2019

Dear Commissioners:

As an association who have supported housing for over 40 years, we cannot support this project as presented today for the following reasons:

1. This project lacks middle and low middle - income housing.
2. Alternative plans that would have solved the middle income

Housing were not even given the right of discussion

3. The Historical Building is being decimated when other plans solved the solution.

4, There is no necessity of commercial on this property. There is the Target (City) buildings that are having a hard time being economically viable. There is Trader Joes and above all there are Laurel Village and the Divisadero Corridor. This project appears to have predatory practices against small business.

5. Flex Zoning denies the right for the surrounding neighbors and residents of the project the right for fair hearings and right of quality of life and safety It should be challenged in court.

6. There were back up deals made by the developer for letters of support. It appears that the JCC has been in negotiation for the non profit section of the commercial before the project has been approved – with an agreement that there will be no competing businesses in the commercial district. How many other letters of support have back end deals

7. The Commercial section of this project has sizes of 6 to 7 000 square feet retail spaces – this project denies the right for small business to be involved within the project.

8 The commercial space does not support tourism for the City and County of San Francisco. Tourists do not come to San Francisco to go to Formula retail(6000-7000 square ft.) businesses that are in their towns.

9. Cequa – The Cequa does not take into consideration the location of this project and its proximity to surrounding issues that are still prevalent to the area. There is the Westside projects and the Booker Washington projects within 4 blocks. This project will have impacts because the project does not take into consideration providing a safe environment for the new residents as well as the safety for the commercial area. We saw this project and stated our concerns and they were never addressed.

10 Misrepresentation of the developer to us. They stated that they were placing around 2 small restaurants on California Street and eliminating the rest of the commercial. That has not happened.

There have been 1000 petitions saying for this project not to be approved as it is at this time.

We support Laurel Heights in their stand concerning this project.

3333 California – Planning Commission – September 5, 2019.-page 3.

Solution to this project:

1. Send this back for more compromise.
2. Instruct the Planning Department to actually study the alternative Plan. And find compromises.
3. Eliminate the commercial and replace it with 25 - 30 small starter units for the Middle Class.
4. Keep the existing historical building in tact with the existing restaurant as commercial.
5. Include all stake holders. this time
6. With the behavior of the developers – require once this project is approved that the low income units be built first .We do not want this to become another Santana Project

Patricia Vaughey – President of The Planning Association for Divisadero Street..



## COMMUNITY FULL PRESERVATION ALTERNATIVE VARIANT 2

### OVERVIEW

The Community Full Preservation Alternative Variant 2 – CFPV2 -would construct the same number of new housing units as the developer's proposed project variant (744 units) and would be completed in approximately four years rather than the 7-15 years requested by the developer to complete his proposals. The CFPV2 would preserve virtually all of the character-defining features of the main building and its integrated landscaping, which are listed in the California Register of Historical Resources pursuant to Section 4851(a)(2) of the California Code of Regulations.

The CFPV 2 would excavate for a single approximately two level underground parking garage. In contrast, the developer proposes to excavate for four new underground garages, some consisting of three levels.

The Community Full Preservation Alternative Variant 2 would:

(1) convert the interior of the main building to residential uses while retaining the existing 1,500 gsf cafe, 11,500 gsf childcare center, and 5,000 gsf of the existing office space (at the developer's option, this existing office space could be converted to residential use),

(2) construct three new residential buildings (California Front, California Back, Walnut) along California Street where parking lots are now located, construct the Mayfair new residential building near the intersection of Mayfair Drive and Laurel Street, and construct five Laurel St. townhomes north of the Euclid Green

(3) provide at least 64 flat-type family-sized units in the California Front Building, with affordable senior housing in the enhanced Walnut Building.

(4) Construct 5 Laurel St. Duplexes using the Developers' design and layouts,

except that the fourth story would be removed and the third story set back 15 feet at its front. See section “Summary of Building Calculations” in the last section.

(5) excavate for approximately two levels of underground parking.

(6) propose all freight loading and unloading to be conducted in the underground freight loading areas accessed from Presidio Avenue and all passenger loading and unloading to be conducted inside the site in turnarounds or in the underground parking garage.

(7) retain the historically significant landscaping designed by the renowned landscape architects of Eckbo, Royston & Williams which is integrated with the window-walled main building, including without limitation the Eckbo Terrace and the existing landscaped green spaces along Euclid Avenue, Presidio Avenue and some of Laurel St. (see layout) which would be designated as community benefits in the development agreement,

(8) preserve the majority of the 195 mature trees on the site which are comprised of 48 different tree species (Initial Study p. 16), and

(9) maintain public vistas of the downtown and Golden Gate Bridge and the historically significant main building and integrated landscaping.

Figure 2: Community Full Preservation Alternative Variant 2



	Developers Proposed Variant 7/3/2019	Community Full Preservation Alternative Variant 2
	Residential GSF	Residential GSF
<b>BUILDING</b>		
Masonic	83,505	N/A
Euclid	184,170	N/A
Laurel Townhomes	55,300	34,935
Mayfair	46,680	46,680
Plaza A/California Front	66,755	120,000
Plaza B/California Back	72,035	76,952
Walnut	147,590	336,350
Main Building	N/A	371,734
Center A	89,735	N/A
Center B	231,667	N/A
<b>TOTAL Residential GSF</b>	<b>977,437</b>	<b>986,651</b>

The CFPA Variant 2 would add units to the Walnut Building which could be used for senior housing and additional units within the other buildings. The CFPAV 2 would use all the new construction for residential use and would not rezone the site to permit the approximately 34,500 gsf of retail uses, as the developer proposes.

**THE COMMUNITY FULL PRESERVATION ALTERNATIVE VARIANT 2 WOULD PROVIDE THE SAME AMOUNT OF NEW HOUSING UNITS IN APPROXIMATELY FOUR YEARS WITHOUT ADVERSELY IMPACTING A HISTORICALLY SIGNIFICANT RESOURCE.**

The CFPAV 2 would preserve the character-defining features of the main building and integrated landscaping, which are listed in the California Register of Historical Resources pursuant to Section 4851(a)(2) of the California Code of Regulations. (Ex. A, confirmation of listing) The window-walled main building would be converted to primarily residential use. This CFPAV 2 would have the same number of residential units as the developer's proposed project Variant (744) and would be constructed in approximately four

years because the existing main building would be converted to residential use at the same time as the new residential buildings are constructed, to the greatest extent feasible pursuant to staging. The CFPV 2 would entail far less excavation, as it would have only one new, approximately two level, underground parking garage along California Street and a total of approximately 558 on-site parking spaces. In contrast, the developers' variant proposes to construct four new underground parking garages, to provide a total of 873 parking spaces. The CFPV 2 would excavate only under the existing parking lots along California St.- the easiest, least disruptive, quickest most efficient excavation- whereas the developer would carry out major excavation on all quadrants of the site including major excavations on Masonic, on Euclid (which entails a substantial portions of Laurel Hill), as well as under the existing parking lots along California St.

This CFPV 2 would retain the existing Eckbo Terrace, the existing landscaped green spaces along Euclid Avenue, Presidio Avenue and some of Laurel St. (see layout). The existing Terrace would be designated as Privately-Owned, Publicly-Accessible Open Space in recorded deed restrictions and would be open to the public. A new ground level Walnut Passage would be constructed to connect Walnut and Masonic Avenue and be opened to the public.

The character-defining features of the existing main building that this CFPV 2 would retain include all of the following:

- Plan of the building with wings open along the sides to the immediate landscape and to views of the distant city.

- Horizontality of massing.

- Horizontal lines of projecting edges of concrete floors.

Horizontal bands of nearly identical  
window units.

Uninterrupted glass walls.

Brick accents and trim.

Wrought iron deck railings that match gates in the landscape.

The character-defining features of the existing landscape that this CFPav 2 would retain include all of the following:

The Eckbo Terrace, which was designed to integrate the architecture of the building with the site and with the broader setting (through views of San Francisco), key character-defining features include its biomorphic-shaped (amoeba-shaped) lawn surrounded by a paved terrace and patio (paved with exposed aggregate concrete divided into panels by rows of brick), brick retaining wall and large planting bed around the east and north sides of the paved patio, custom-designed wood benches, and three circular tree beds constructed of modular sections of concrete.

In the two outdoor sitting areas on the east and west sides of the area now used as an auditorium, key character-defining features for the area on the west side include the pavement (exposed aggregate divided into panels by rows of bricks), circular tree bed constructed of modular sections of concrete, and metal benches; key character-defining features for the area on the east side include the pavement (concrete divided into panels by wood inserted into expansion joints).

All passenger loading, pick-ups and drop-offs are proposed to be internal to the site,

and turnarounds will be provided in front of the main building on California/Walnut. All freight loading and unloading is proposed to be conducted in the underground freight loading areas accessed from Presidio Avenue.

Vegetation features that help to integrate the character of the Fireman's Fund site with that of the surrounding residential neighborhoods that will be retained include (1) the large Cypress trees in the existing west parking lot area, (2) the lawns on the south and east sides of the property and portions of the west side, and (3) the planted banks along Masonic street.

In this CFPV 2 the existing 1,500 gsf cafe and 11,500 gsf childcare center would remain in their present locations in the main building. Approximately 5,000 square feet of the existing nonconforming office space in the main building would remain, which the developer could continue to use for offices. At the developer's option, this existing office space could be converted to residential use.

In the CFPV2, new residential buildings (California Front & Back and Walnut) would be constructed along California Street where parking lots are currently located, and a Mayfair building generally identical to the Developers' plan would also be constructed.

The new California Front building units would be designed for families, averaging 1,875gsf. This building would be designed to be compatible with both the main building and the existing buildings along the north side of California Street and would maintain the rhythm and scale of the townhouses across California Street. Each California Front building would be 40 feet tall, approximately 25 feet wide and 100 feet in length with 25% of that length consisting of a private rear yard. Approximately 16 new buildings containing 64 units would be built in the California Front building between Laurel Street and Walnut Street. Two adjacent residential units would share one elevator, a common stairway and one mechanical shaft. The

elevator would provide access to the underground garage constructed under these buildings.

The new California Street Back building would face inward toward the existing main building and be constructed with window walls designed to be compatible with the character-defining features of the windows in the existing main building. They would not have private rear yards. They would be sculpted to be a minimum of 42 ft. from the large Monterey Cypress trees that remain from the Laurel Hill Cemetery, so the lengths of the buildings would vary from approximately 35 to 72 feet long, and each unit would be approximately 25 feet wide. They would have 60 units, with the average unit size 1,283 gsf depending on location, and the buildings would be 40 feet tall and be constructed between Laurel Street and Walnut Street. Two adjacent residential units would share one elevator, a common stairway and one mechanical shaft.

In this CFPV2, approximately 270 residential units would be provided in the existing main building, averaging 1,377gsf. The developer can configure the size of the units and/or eliminate the office use. Internal Light Courts similar to those described on Developer's August 17, 2017 plan sheets A6.15 and A6.16 will be located where feasible.

For these units, parking with direct access would be provided in the existing underground garage in the main building.

A new 70-foot tall Walnut Building would be built along California Street between Walnut Street and Presidio Avenue. This building would contain approximately 310 residential units with an average 1,085 gsf. The developer can configure the size of the units. For these units, parking with direct access would be provided in the new underground garage constructed under this building.

In the CFPV2, a new 40-foot tall Mayfair Building, based on the Developers' design and layout, would be constructed approximately east of Mayfair Drive at Laurel Street. The Mayfair Building would have 30 residential units with an average size of 1,556 gsf. The Mayfair Building would not contain an underground parking garage. For these units, parking would be provided in the new underground garages constructed under the California Street Front and Back Buildings. The Mayfair Building would be constructed of window walls designed to be compatible with the character-defining features of the windows in the existing main building.

Under the CFPV2, all Truck Loading or Unloading is proposed to occur in the underground garage accessed on Presidio Avenue, and trucks and automobiles will have ingress and egress to these areas for loading, unloading, pick-ups, drop-offs and parking. Passenger vehicles and automobiles will also have ingress and egress to the site through the Walnut Gate at Walnut and California Streets and through the Mayfair Gate at Mayfair and Laurel streets. Passenger vehicles and automobiles will also have access to a turnaround for passenger loading and unloading through the Laurel Street gate and through the Walnut gate.

## **SUMMARY OF BUILDING CALCULATIONS**

The Community Full Preservation Alternative Variant 2 re-purposes the historic main building and utilizes a combination of new designs and the developers design, unit configuration layouts, sizes, etc.

The Community Full Preservation Alternative Variant 2 preserves both the historic Eckbo Terrace and the existing landscaped green spaces along Euclid Avenue and Presidio

Avenue and some of Laurel Street.

To this day the green spaces are used by families, friends, children, moon-watchers, etc..

The Community Full Preservation Variant 2 uses much of the DEIR Community Full Preservation Alternative Variant submitted in response to the Draft EIR with the following major changes: Developer's Laurel Hill Duplexes added(5); Developer's Mayfair Building adopted; Walnut Building enhanced; one level, Level 5, added to the core of the main building; ground level Walnut Passage created. California St. Front and Back Buildings remain unchanged.

There is no retail.

The Community Full Preservation Alternative Variant 2 is shown on pg. 3 above.

**Masonic Building:** Eliminated to preserve the historic green-space encompassing Eckbo Terrace. Retaining this historic green space will provide a place for the public to host resident events such as July 4 barbecues, etc. with views of the City.

No underground parking garage in this area.

**Euclid Building:** Eliminated to preserve the historic parklike greenspace and the historic main building that occupies Laurel Hill. It allows the childcare center and play area to remain in its present location in the sun as opposed to the developer's proposed heavily shadowed area alongside the Credit Union.

No underground parking garage in this area.

**Laurel Duplexes:** Similar to developer's submission of 07.03.2019 modified to reduce height to 30 ft. and top floor set back 15 ft. References: A10.01(two southernmost duplexes eliminated to preserve Historic Laurel Hill), A10.02(same comment), A10.03, A10.11(modified for height, setback and elimination of Duplex 01 & 02), A10.12(same comment), A10.13(same comment), A10.21(same comment), A10.23(same comment), A10.24(same comment), A10.25(same comment).

As noted previously the two townhomes at the top of Laurel St. have been eliminated to preserve this historic green space. The five remaining townhomes are lowered from 40 ft. to 30 ft. to better reflect the 20 ft. homes on the west side of Laurel St. Additionally the third floor is set back 15 ft.

**Mayfair Building:** Generally identical to developers' 07/03/2019 submission:

predominant reference A9.01, A9.02, A9.03, A9.04, A9.11, A9.12, A9.21, A9.22, A9.30, A9.60.

No underground parking garage.

**California St. Front:** The 4-story townhome buildings occupy an approximately 400 ft. long by 75ft. deep (plus 25 ft backyard) section along California St. between Laurel St. and Walnut St. presently occupied by surface parking lots. Reference: Site Survey R0.00

PPA/EEA 03.23.2016; Draft EIR Fig. 2.23; DEIR Fig. 2.24. Building footprint 30,000gsf.

**California St. Back:** The 4-story townhome buildings occupy approximately 375 ft. of the rear portion of this section along California St. between Laurel St. and Walnut St. In order to preserve the historic Monterey Cypress trees the units vary in depth from 35 ft. to 72 ft. The footprint of these building is approximately 19,238gsf.

**Walnut Building:** The enhanced Walnut Building is re-designed to provide a 7-story residential building. As this building is flanked by the Main Building and the Credit Union and is opposite the 65 ft. tall JCC, it is compatible with the character of its surroundings. The 48,050 square foot net footprint was determined from dimensions in developer's Submittals of 03.06.2017 & 07.03.2019: reference VAR 13, 14, 19.

General dimensions: Southside east-west 305ft; Northside east-west 240ft; North-south : 175ft.; Triangle near Credit Union: 155ft. base, 175ft. height. Adjusted for light-courts and setbacks.

**Main Building:** The Community Full Preservation Alternative Variant 2, unlike the developer's Variant, does not destroy the historic characteristics of the building and fully complies with the Secretary of the Interior's Standards for the treatment of historic properties. The Draft EIR acknowledges that the developer's design would have a substantial adverse effect on the historic characteristics of the listed building and

landscaping.

The developer proposes to cut a 40 ft. gap through all levels of the main building thereby creating two separate structures, and adding two and three levels on top, thereby impairing the horizontality of the building.

The Community Full Preservation Alternative Variant 2, in accordance with the SOISs, adds one level, Level 5, to the main building. The developer would add add Level 5, Level 6 and Level 7.

**Walnut Passage:** In order to construct the developer's 40 ft. wide Walnut Walk which would connect the north and south sides of the property in alignment with Walnut St. the developer proposes to bifurcate the building with a 40 ft cut through all existing levels of the building.

**There is a better solution.**

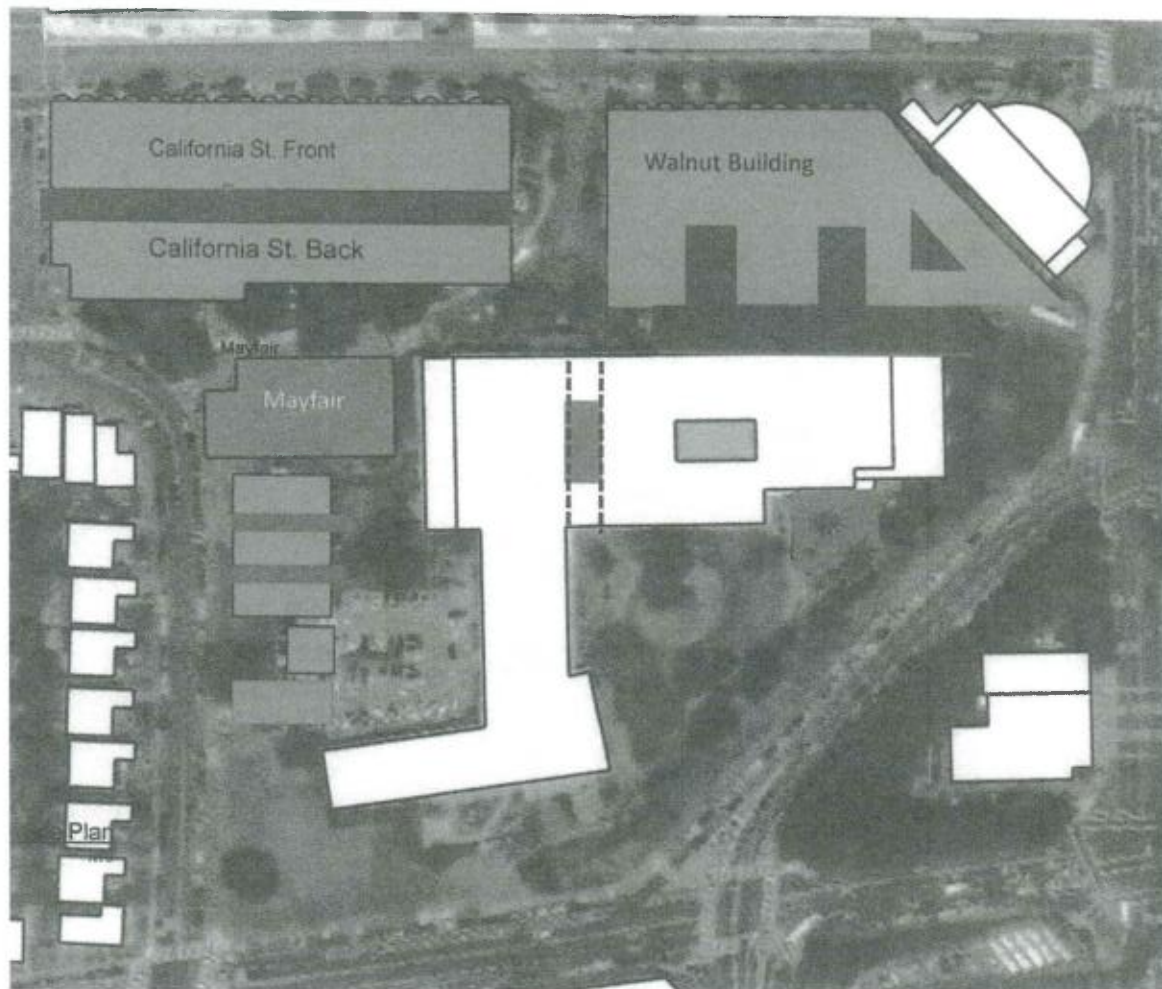
The Community Full Preservation Alternative Variant 2 design calls for a ground level 15 ft high (Level 1) by 20 ft. wide entry/exit on the north and south sides of the building. This entry/exit would extend 35 ft. into the building where it would open up into a 35 ft. wide by 75 ft. long landscaped Center Court which also serves as a Light Court in the building. This design fully maintains the historic characteristics of the Main building while at the same time meeting the developer's desire for connectivity in alignment with Walnut St.

**A case of form follows function.**

**Summary:** Same number of units (744) in less than 4 years, more residential gsf than the

developer's proposal, compliant with RM-1 zoning, historically compatible, neighborhood responsive.

## Community Full Preservation Alternative Variant 2



# Community Full Preservation Alternative Variant 2 Determination of Eligibility



STATE OF CALIFORNIA - THE NATURAL RESOURCES AGENCY  
**OFFICE OF HISTORIC PRESERVATION**  
DEPARTMENT OF PARKS AND RECREATION  
P.O. BOX 942896  
SACRAMENTO, CA 94298-0001  
(916) 445-7000 Fax: (916) 445-7053  
calshpo@parks.ca.gov

EDMUND G. BROWN, JR., GOVERNOR



August 31, 2018

John Rothman, President  
Kathryn Devincenzi, Vice President  
Laurel Heights Improvement Association of San Francisco  
22 Iris Avenue  
San Francisco, California 94118

RE: **Fireman's Fund Insurance Company, Determination of Eligibility  
National Register of Historic Places**

Dear Mr. Rothman and Ms. Devincenzi:

I am writing to inform you that on August 29, 2018, Fireman's Fund Insurance Company was determined eligible for the National Register of Historic Places (National Register). As a result of being determined eligible for the National Register, this property has been listed in the California Register of Historical Resources, pursuant to Section 4851(a)(2) of the California Code of Regulations.

There are no restrictions placed upon a private property owner with regard to normal use, maintenance, or sale of a property determined eligible for the National Register. However, a project that may cause substantial adverse changes in the significance of a registered property may require compliance with local ordinances or the California Environmental Quality Act. In addition, registered properties damaged due to a natural disaster may be subject to the provisions of Section 5028 of the Public Resources Code regarding demolition or significant alterations, if imminent threat to life safety does not exist.

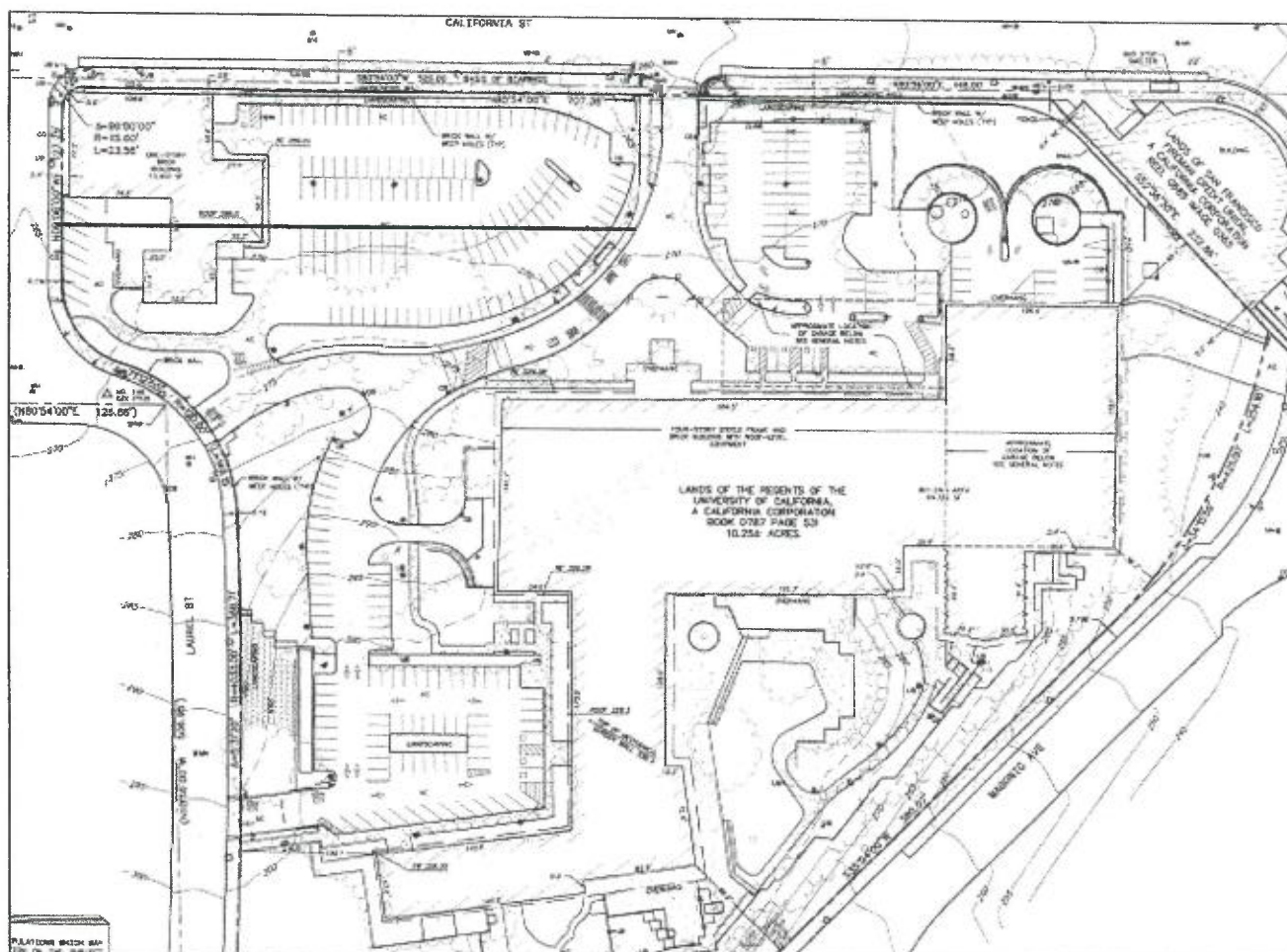
If you have any questions or require further information, please contact Jay Correia of the Registration Unit at (916) 445-7008.

Sincerely,

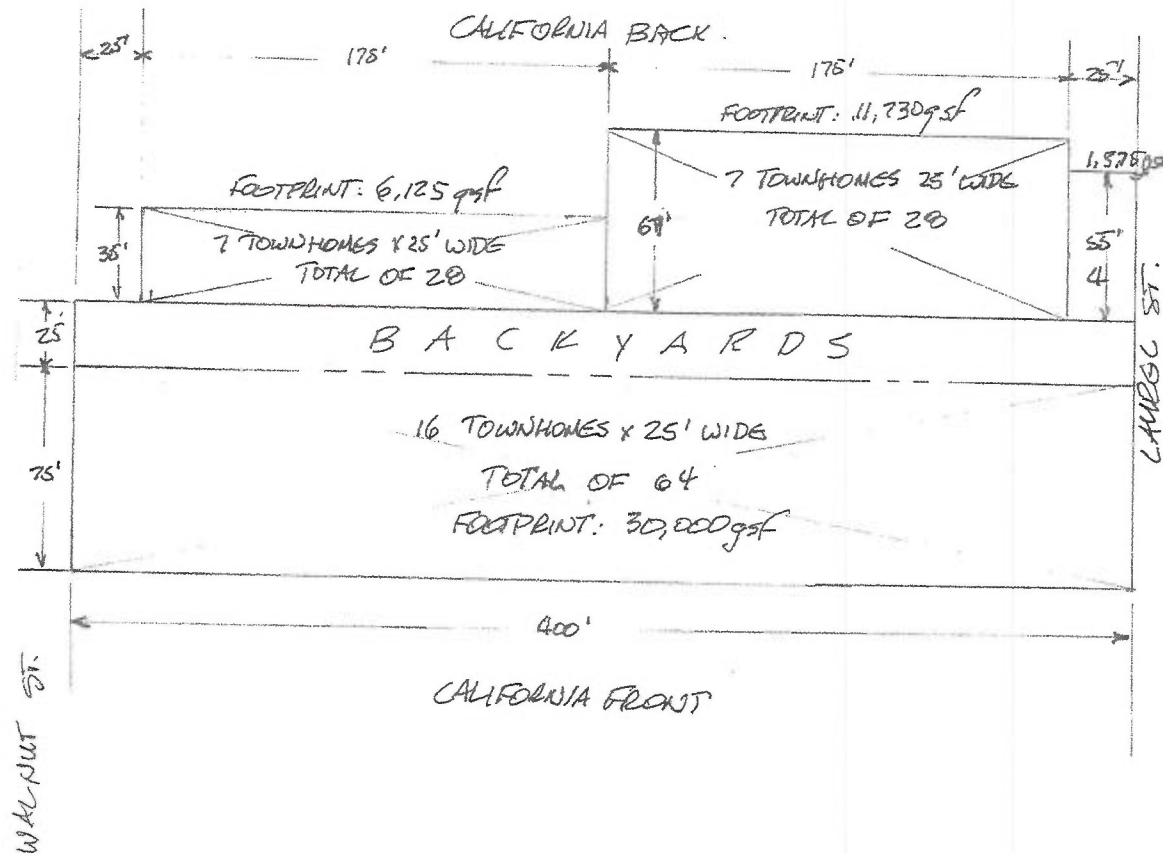
Julianne Polanco  
State Historic Preservation Officer

Enclosure

## 3333 California “As Is” Site Topography & Layout



## Community Full Preservation Alternative Variant 2 California St. Layouts



## Community Full Preservation Alternative Variant 2 California St. Calculations

### CFPA VARIANT 2

#### CALIFORNIA FRONT & BACK

CALIFORNIA FRONT 400' Laurel St. to Walnut St.  
(Site Survey RD.00 dtd 03.23.2016)  
Sixteen Four Story 25' Wide Units  
Each unit 25' x 75'  
Total Units: 64

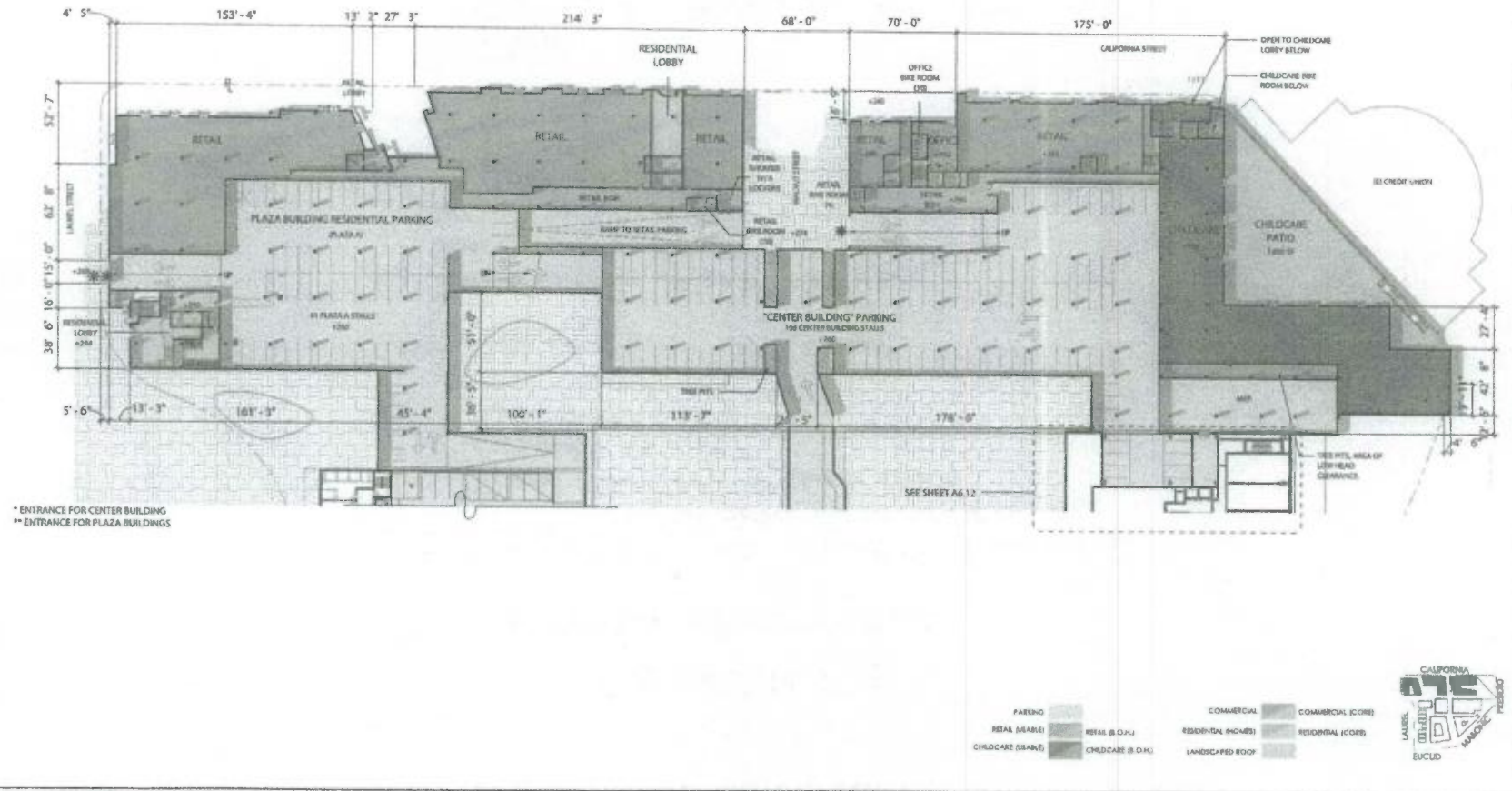
CALIFORNIA BACK 375' Length.

Seven Townhome 25' Wide x 35' Deep  
Seven " 25' " x 67' Deep  
One " 25' " x 55' "  
Total Units: 60

#### FOOTPRINTS:

Calif. Front:  $30,000 \text{ sqf} \times 4 = 120,000 \text{ sqf}$   
Calif. Back:  $19,238 \text{ sqf} \times 4 = 76,952 \text{ sqf}$

# 1. Dimensions Along California St.



Source: Laurel Heights Partners, LLC (2017)

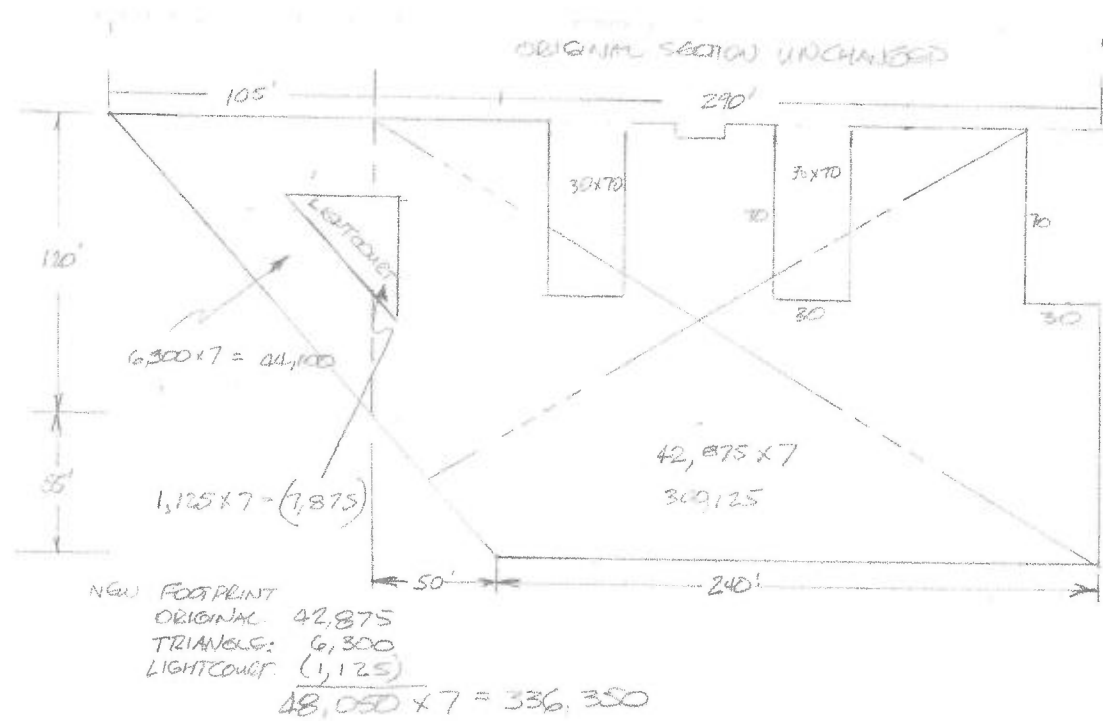
## 3333 CALIFORNIA STREET MIXED USE PROJECT

November 7, 2018  
Case No. 2015-014028ENV

FIGURE 2.23: PROPOSED CALIFORNIA STREET GARAGE AND CENTER BUILDING B GARAGE - BASEMENT LEVEL B1

3333 California Street Mixed-Use Project  
Draft EIR

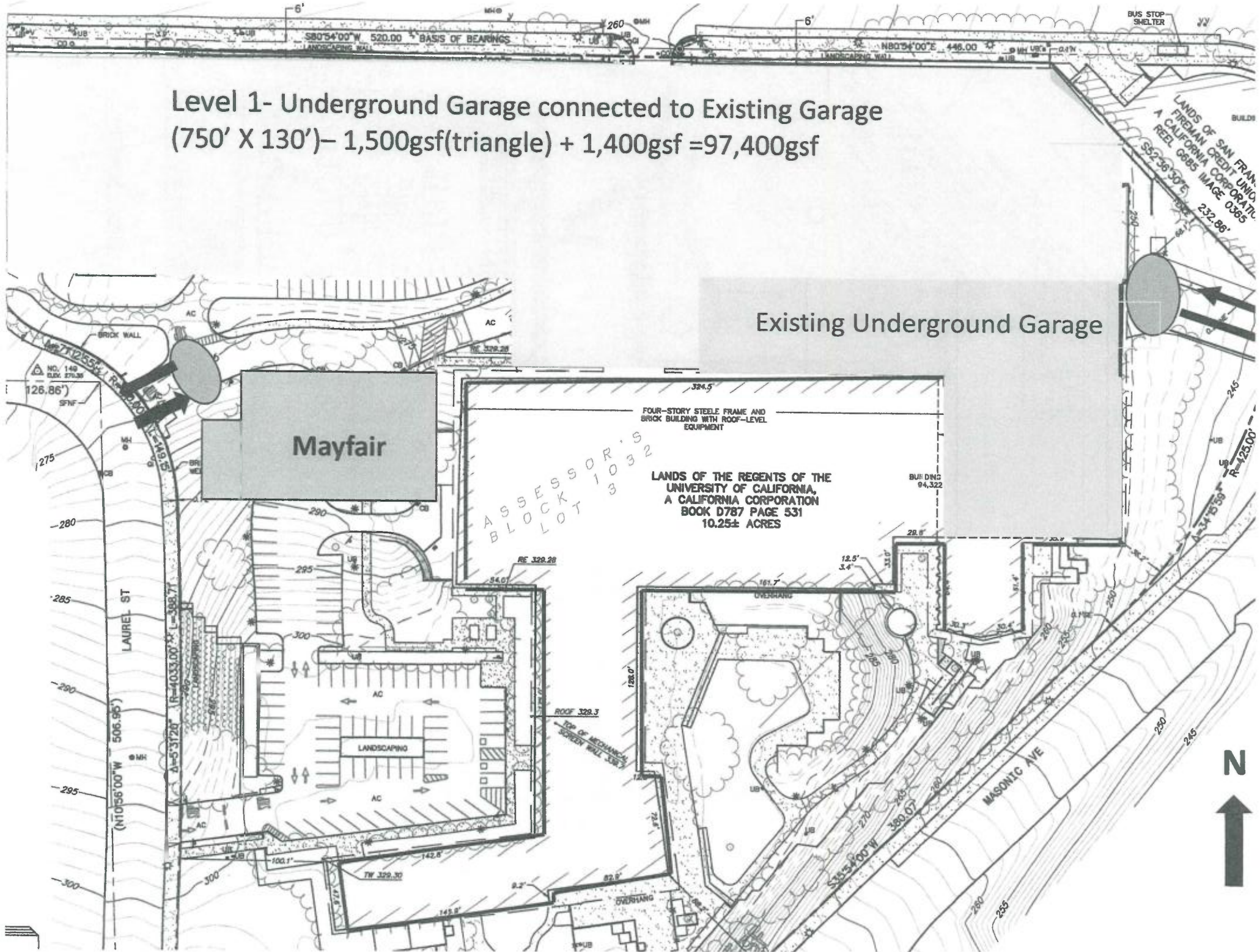
## Community Full Preservation Alternative Variant 2 Walnut Building Layout



## Comparison of Developers' Variant and Community Full Preservation Alternative Variant 2

	Developers Proposed Variant 7/3/2019			Community Full Preservation Alternative Variant 2		
	Residential GSF	Units	Avg. Size	Residential GSF	Units	Avg. Size
<b>BUILDING</b>						
Masonic	83,505	57	1,465	N/A		
Euclid	184,170	139	1,325	N/A		
Laurel Townhomes	55,300	14	3,950	34,935	10	3,494
Mayfair	46,680	30	1,556	46,680	30	1,556
Plaza A/California Front	66,755	67	996	120,000	64	1,875
Plaza B/California Back	72,035	61	1,181	76,952	60	1,283
Walnut	147,590	186	793	336,350	310	1,085
Main Building	N/A			371,734	270	1,377
Center A	89,735	51	1,760	N/A		
Center B	231,667	139	1,667	N/A		
<b>TOTAL Residential GSF</b>	<b>977,437</b>	<b>744</b>	<b>1,314</b>	<b>986,651</b>	<b>744</b>	<b>1,326</b>

Level 1- Underground Garage connected to Existing Garage  
(750' X 130')- 1,500gsf(triangle) + 1,400gsf =97,400gsf



Level 2-Underground Garage  
(600' X 130') + 1,400gsf = 79,4000gsf

Existing Underground Garage

Mayfair

FOUR-STORY STEEL FRAME AND  
BRICK BUILDING WITH ROOF-LEVEL  
EQUIPMENT

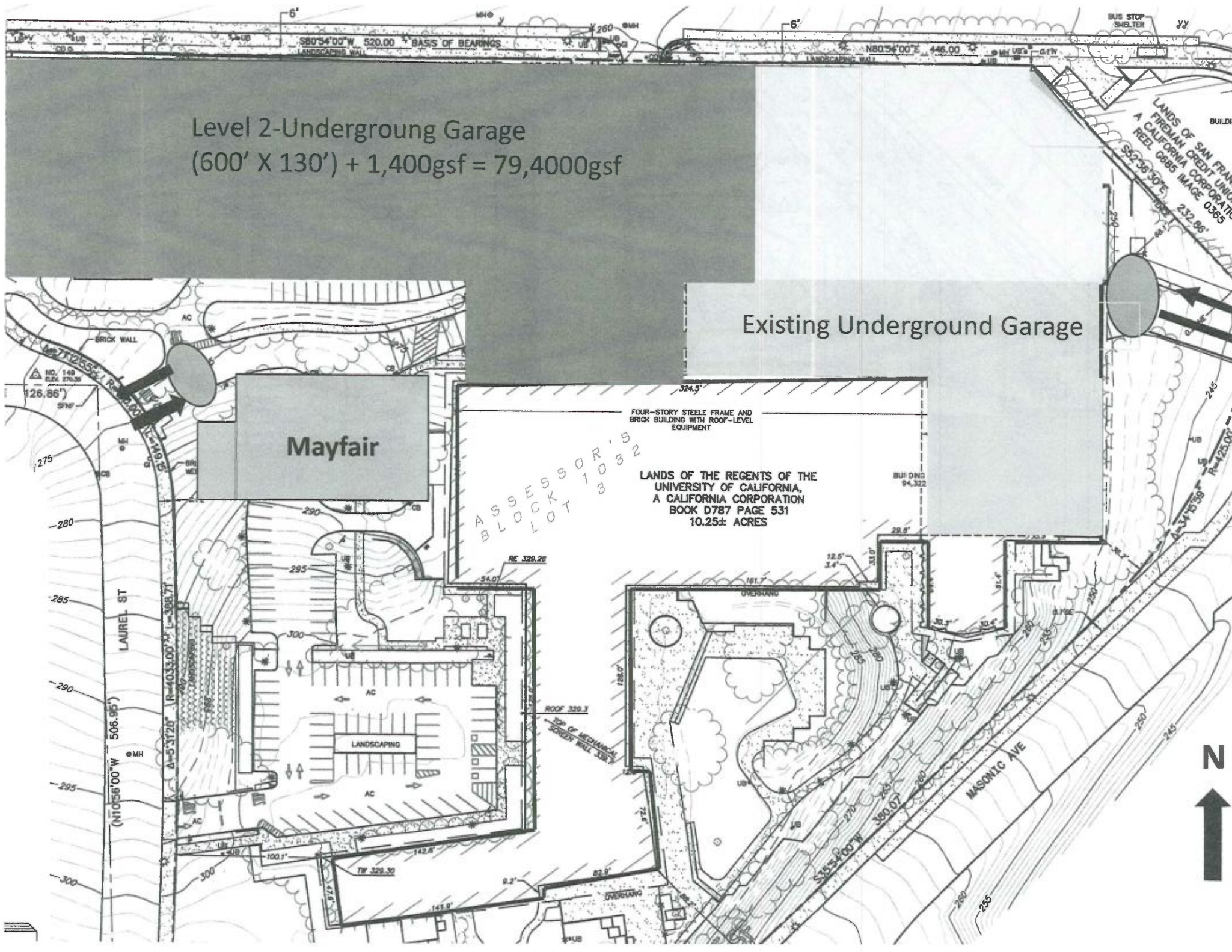
LANDS OF THE REGENTS OF THE  
UNIVERSITY OF CALIFORNIA,  
A CALIFORNIA CORPORATION  
BOOK D787 PAGE 531  
10.25± ACRES

ASSESSOR'S  
BLOCK 10392

LAUREL ST

MASONIC AVE

N



**COMMUNITY FULL PRESERVATION ALTERNATIVE VARIANT 2**

**and**

**COMMUNITY PRESERVATION LOOKALIKE VARIANT**

**PARKING NARRATIVE**

Find attached the drawings of the layout, with dimensions, of the new California St. underground garage. In addition, a Summary of the Developers and FPCA Parking details is also attached.

There is 93,000gsf of parking under the main building, shown in pink, which provides 212 parking spaces as well as spaces for truck loading/unloading. This will be connected to the new parking garage. Cars will be able to enter and leave the garage complex via Presidio, California (at Walnut) and Laurel.

This portion of the garage is connected internally to the main building via elevators and stairways.

The new one and a half level underground garage will consist of approximately 174,000 gsf of parking providing 346 spaces for cars, 6 freight loading docks and 600 bicycle spaces.

Total parking gsf is approximately 267,000 gsf for a total of 558 car parking spaces.

The Walnut Building as well as the California Building, Front and Back will have elevator and stairway access to the new parking garage. There will be additional entryways to/from the garage for residents of the Mayfair Building.

The Laurel townhomes have their own organic parking and are not shown in the totals.

# PARKING GARAGE SUMMARY

	A	B	C	D	E
1					
2					
3					
4		GROSS SQUARE FEET	SPACES	AVG. SIZE GSF	
5	<b>DEVELOPER (VAR.01a)</b>				
6	<b>TOTAL</b>	<b>401,234</b>	<b>857</b>	<b>468</b>	includes 693 bicycles and 6 freight loading spaces.
7					
8					
9	<b>COMMUNITY ALTERNATIVES</b>				
10	UCSF Existing	93,000	212	439	
11	New Level 1	96,000			
12	New Level 2	78,000			
13	New Total	174,000	346	500	
14	<b>TOTAL</b>	<b>267,000</b>	<b>558</b>	<b>478</b>	includes 693 bicycles and 6 freight loading spaces.

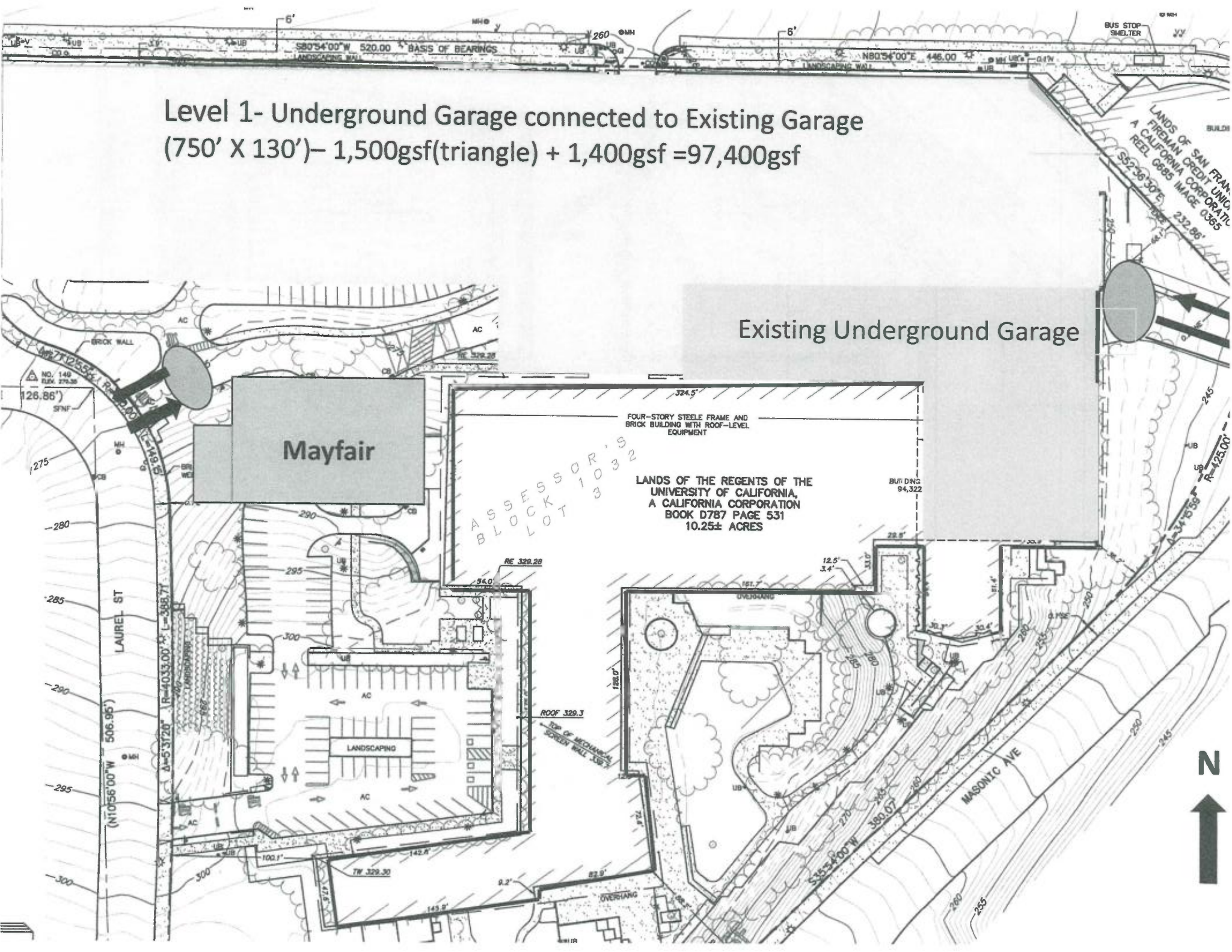
Level 1- Underground Garage connected to Existing Garage  
(750' X 130')- 1,500gsf(triangle) + 1,400gsf = 97,400gsf

Existing Underground Garage

Mayfair

LANDS OF THE REGENTS OF THE  
UNIVERSITY OF CALIFORNIA,  
A CALIFORNIA CORPORATION  
BOOK D787 PAGE 531  
10.25± ACRES

ASSESSOR'S  
BLOCK 103



Level 2-Underground Garage  
(600' X 130') + 1,400gsf = 79,4000gsf

Existing Underground Garage

Mayfair

FOUR-STORY STEEL FRAME AND  
BRICK BUILDING WITH ROOF-LEVEL  
EQUIPMENT

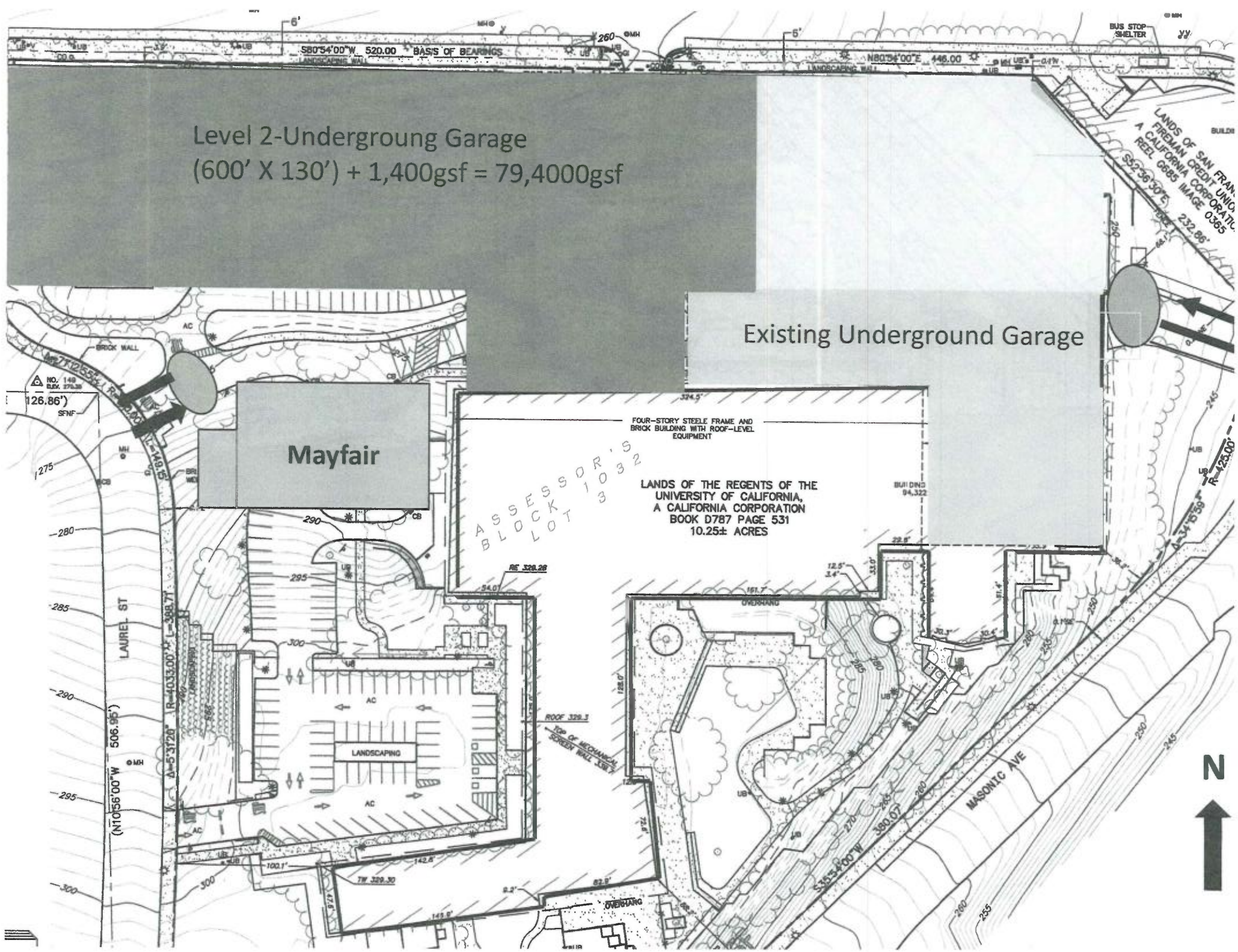
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A CALIFORNIA CORPORATION  
BOOK D787 PAGE 531  
10.25± ACRES

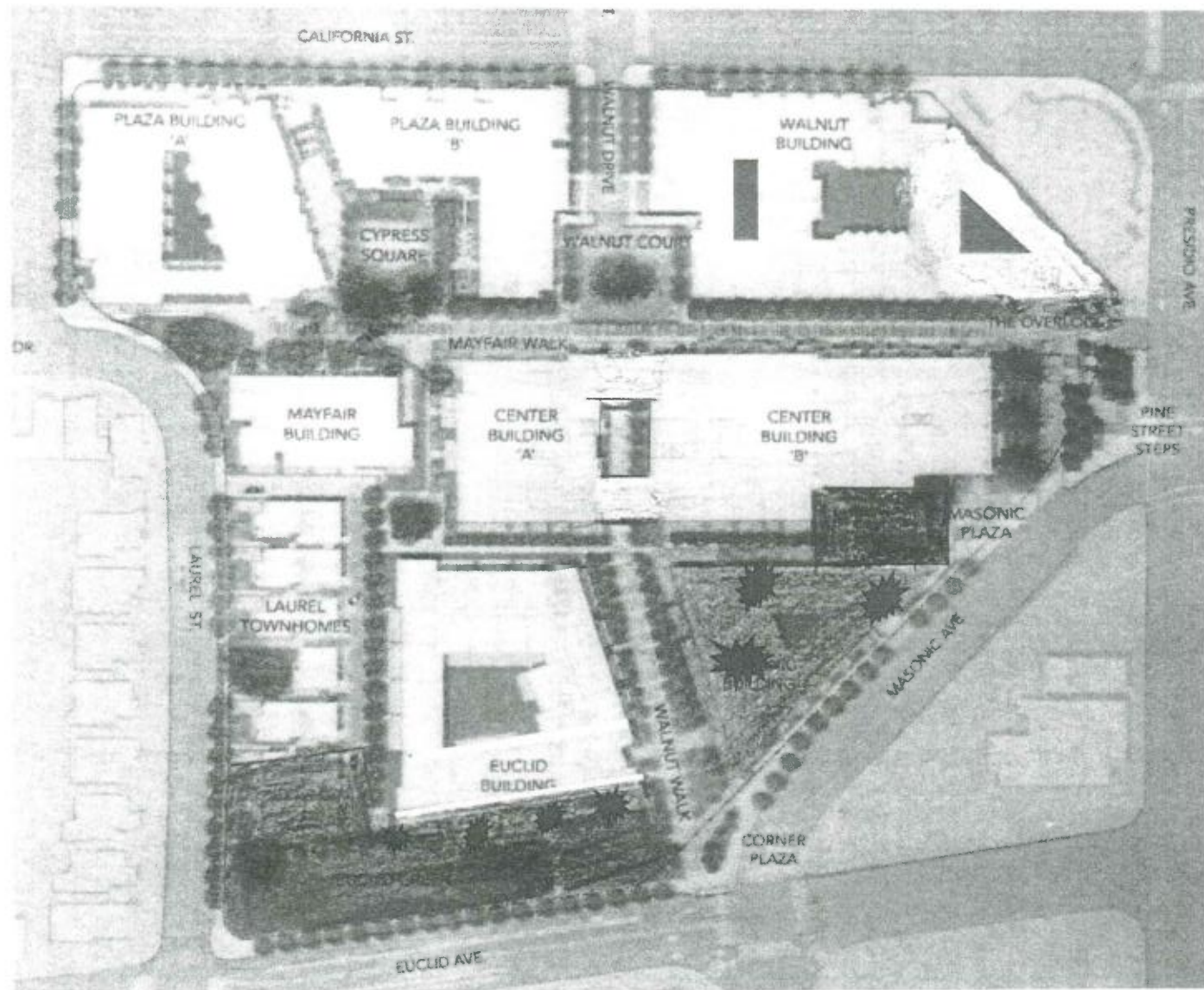
ASSESSOR'S  
BLOCK 1032

LANDSCAPING

MASONIC AVE

N







# *Laurel Heights Improvement Association of San Francisco, Inc.*

BY HAND

August 28, 2019

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

**RECEIVED**

AUG 28 2019

CITY & COUNTY OF S.F.  
PLANNING DEPARTMENT  
RECEPTION DESK

Re: 3333 California Street, San Francisco, CA  
Record Number: 2015-014028CUA/PCA/MAP/DUA  
Certification of Final EIR  
Planning Commission Hearing: September 5, 2019

- 1. The Community Preservation Lookalike Variant is Feasible as Mitigation and Would Achieve 744 Housing Units, Including Senior Affordable Housing, While Mitigating Significant Adverse Impacts on the Historically Significant Main Building and Integrated Landscaping, and Other Alternatives Are Feasible.**

Although we object to the developer's plan, if the Commission is inclined to consider it, we request that the Commission order that it be modified as follows in order to mitigate the project/variant's significant adverse impact upon the historically significant resource. The Community Preservation Lookalike Variant (Ex. A hereto) basically uses the developer's site plan with the following modifications:

Removes approximately 30 feet from the south side of the Euclid building to preserve green space

Removes 2 Laurel townhomes toward the top of Laurel Street to preserve the green space

Reduces the height of the five remaining Laurel townhomes from 40 to 30 feet with a 15-foot set back on the third level, to conform with the scale of the homes across the street on Laurel (Ex. B, photo of 20-foot tall homes on Laurel)

Constructs a ground-level passageway through the main building (aligned with Walnut Street) under a Light Court to avoid cutting a 40-foot pathway all the way through the main building

Constructs a set-back, one-level addition to the top of the main building, to conform with the Secretary of Interior's Standards for the Treatment of Historic Properties

Enlarges the Walnut building so that the project has the same amount of residential square footage as the developer's variant

Uses all space in the new buildings for housing; does not include new retail uses

Moves the childcare center from the west of the Eckbo Terrace toward the east of it.

Retains the existing 1,183 asf café, 11,500 gsf childcare center and 5,000 gsf of office space in the main building

Would be built in approximately 4 years, instead of 7-15 years requested by the developer

Since the project site is adjacent to the Laurel Village Shopping Center (anchored by Cal-Mart and Bryan's grocery stores) and near Sacramento Street shops, Trader Joe's, Target and Geary and Presidio Street retail stores, retail is not needed on site, and **the Planning Commission should recommend the design and duration modifications stated above**, if it considers the developer's proposal.

We respectfully urge the Planning Commission to strike the appropriate balance, because the developer has stated "this is not a negotiation" and declined to make appropriate revisions in response to community input. Also, the developer paid only approximately \$192.35 per square foot for the property (\$88,600,000.00 for 99-year lease plus \$1,612,000 for the fee interest = \$90,212,000/469,000 = \$192.35) so can well afford to make some modifications to avoid significant adverse impact on this listed historical resource. (Ex. D, deeds)

Public Resources Code section 21002 states:

The Legislature finds and declares that it is the policy of the state that public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects..... The Legislature further finds and declares that in the event specific economic, social, or other conditions make infeasible such project alternatives or such mitigation measures, individual projects may be approved in spite of one or more significant effects thereof.

The Community Full Preservation alternatives are also feasible and could be adopted, including:

Community Full Preservation Alternative Variant 2 - Matches developer's residential square footage plus 744 housing units, including senior housing. (Ex. C)

Community Full Preservation Alternative Variant - 744 housing units submitted as

comment on DEIR (Ex. E, see accompanying letter re modifications in connection with developer's July 2019 revised plan submittal and proposed Development Agreement relating to affordable senior housing; please also **note that architect Goldenberg has verified that the 744 units fit in the spaces and provided unit counts -Ex. F)**

Community Full Preservation Alternative - 558 housing units submitted as comment on DEIR (Ex. C, see accompanying letter re modifications in connection with developer's July 2019 revised plan submittals and proposed Development Agreement; please **note that architect Goldenberg has verified that the 558 units fit in the spaces and provided unit counts -Ex. F )**

EIR Alternative C: Full Preservation-Residential Alternative- Residential - 534 residential units (EIR 6.75)

Since all the above alternatives are feasible, and ample retail is provided in the immediate vicinity of the project, this Commission may not approve the developer's proposed project, which would have a significant adverse impact on a listed historical resource. False or inadequate findings are subject to contest under the California Environmental Quality Act (CEQA).

Public Resources Code section § 21081 provides that:

Pursuant to the policy stated in Sections 21002 and 21002.1, no public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant effects on the environment that would occur if the project is approved or carried out unless **both of the following occur**:

(a) The public agency makes one or more of the following findings with respect to each significant effect:

(1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

(2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.

(3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.

(b) With respect to significant effects which were subject to a finding under paragraph (3) of subdivision (a), the public agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment. (Emphasis added; see also 14 Cal. Code Regs. § 15091)

This is a stand-down mandate. The developer's project is unnecessarily destructive and prolonged, and the Commission should order it redesigned to preserve the historically significant natural green spaces and landscaping and its integrated Mid-Century modern main building. This resource is also significant for its association with the Fireman's Fund Insurance Company, a company established in San Francisco that grew due to its reputation for integrity and played an important role in the development of San Francisco, paying fire claims after the 1906 earthquake and other significant conflagrations. (Ex. G, listing and excerpts from approved nomination)

The EIR's claim that this alternative would not have enough commercial uses to constitute mixed use is inaccurate, unsupported by fact, and reflective of the overly narrow description of project objectives. There are several types of mixed-use developments including Mixed-Use Walkable Areas, which combine both vertical and horizontal mix of uses in an area, within an approximately 10-minute walking distance to core activities. ( Ex. H- *Planning for Complete Communities in Delaware*) Taking this realistic view, the on-site commercial uses in the Community Preservation alternatives must be considered together with the retail uses in the adjacent Laurel Village Shopping Center and the nearby Sacramento Street neighborhood commercial uses, Trader Joe's, Target and Presidio Avenue and Geary Boulevard commercial uses.

**2. The EIR is Inadequate Because it Considered only the Impacts of Single-Use Retail Activities on Traffic, Noise and Air Quality, but the Special Use District Released on August 1, 2019 Included Multiple Retail and Other Uses that the EIR Did Not Analyze.**

After being kept secret until August 1, 2019, the proposed **zoning changes in the Special Use District (SUD)** for 3333 California Street were posted on the Board of Supervisors' website in File No. 190844.

While we object to retail uses and other uses proposed in the SUD other than RM-1 uses, the Commission should recommend the following modifications in the proposed Special Use District if it considers retail uses and other uses proposed in the SUD:

- A. **Limit Hours of Operation to 6 am to 11 pm**, rather than 6 am to 2 am.
- B. Prohibit Nighttime Entertainment - not evaluated in EIR
- C. Prohibit Flexible Retail, which allows multiple uses to share a space without notice to the public as to the new uses going in and out- (not permitted in NC-S or in Sacramento Street and Fillmore Street NCDs and not evaluated in EIR
- D. Use NC-1 controls (PC 710 for neighborhood-serving retail) rather than NC-S controls (PC 713 for primarily car-oriented and intended to serve nearby neighborhoods)
- E. Prohibit Entertainment, Arts and Recreation (not permitted in NC-S)
- F. Prohibit Adult Business (not permitted in NC-S)

- G. Prohibit Massage Establishment
- H. Prohibit Amusement Game Arcade
- I. Prohibit Restaurant, Fast Food
- J. Prohibit Philanthropic administrative services (not permitted in NC-S)
- K. Prohibit Social Service or Philanthropic Facilities (not permitted in NC-S)
- L. Prohibit Public Uses which are included in Social Service and Philanthropic Facilities (not evaluated in EIR)
- M. Prohibit Arts Activities (not permitted in NC-S)
- N. Prohibit Industrial Uses (not permitted in NC-S)
- O. Prohibit Kennel
- P. Prohibit Services, Fringe Financial
- Q. Prohibit Services, Limited Financial
- R. Prohibit Storage, Self
- S. Prohibit Bar
- T. Prohibit Student housing
- U. Prohibit Drive-up Facility
- V. Prohibit Motel (not permitted in NC-S)
- W. Prohibit Short-term residential occupancy of 60 days or less, such as Air B & B
- X. Prohibit Shared working spaces such as WeWork
- Y. Prohibit storage of delivered goods for persons not residing in the property

### **Operations Until 2 am**

In addition to any uses allowed in an RM-1 district, in the ground and second floors of all buildings fronting on California Street, the new SUD zoning would also permit all uses allowed in an NC-S district (Planning Code section 713), which allows hours of operation from **6am to 2 am**. Although an NC-S District normally does not allow **Flexible Retail** and **Social Service or Philanthropic Facilities** (including public uses), the SUD adds them back in.

Flexible Retail is not otherwise permitted in an NC-S District (Planning Code section 713, District 2, or in the Sacramento Street Neighborhood Commercial District ((Planning Code Article 7, Table 724) or Fillmore Street Neighborhood Commercial Transit District (Planning Code Article 7, Table 760). (Ex. I)

NC-S also prohibits Entertainment, Arts and Recreation Uses, but Flexible Retail allows them.

Flexible Retail would not require neighborhood notification under Planning Code section 311; However, a conditional use authorization is still required in neighborhoods where the zoning requires a CUA. (Ex. I, excerpts, SF Planning packet; Board of Supervisors File 180806)

**Flexible Retail** would **require** multiple uses in the same space: at least 2 types of the

## COMMUNITY PRESERVATION LOOKALIKE VARIANT

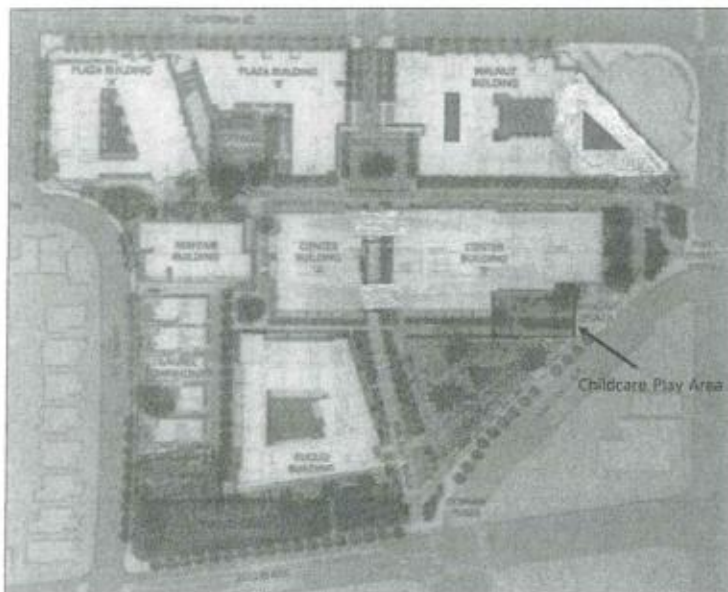
### OVERVIEW

The Community Preservation Lookalike Variant, CPLV, would construct the same number of new housing units as the developer's proposed variant (744 units) and would be completed in less than four years rather than the 7-15 years requested by the developer to complete his proposals. In addition the Community Preservation Lookalike Variant would increase the residential gsf by approx. 20,000gsf more than the developer's proposal.

The Community Preservation Lookalike Variant would preserve the key character-defining features of the main building and its integrated landscaping, which are listed in the California Register of Historical Resources pursuant to Section 4851(a)(2) of the California Code of Regulations.

The Community Preservation Lookalike Variant utilizes approximately 90 percent of the developers' proposed buildings, designs and locations as can be seen below.

Figure 4: Community Preservation Lookalike Variant



BUILDING	DEVELOPER VARIANT 7/3/2019	COMMUNITY PRESERVATION VARIANT
	Residential GSF	"Developer Lookalike" Residential GSF
Masonic	83,505	N/A
Euclid	184,170	144,870
Laurel Townhomes	55,300	34,935
Mayfair	46,680	46,680
Plaza A	66,755	81,571
Plaza B	72,035	83,215
Walnut	147,590	336,350
Main Building-Note 1	N/A	268,365
Center A	89,735	N/A
Center B	231,667	N/A
TOTAL Residential GSF	977,437	995,986

The major differences are that the Community Preservation Lookalike Variant:

1. Would preserve the key Historic defining characteristics of the site as noted above.
2. Would create an All-Residential development with the retention of the existing café, childcare facility and office space in the Main Building noted below.
3. Would excavate only for a single, approximately two underground parking garage whereas the developer proposes to excavate for four new under-ground parking garages spread across the site, some consisting of three levels.
4. Would eliminate the Masonic Building to preserve the Historic Eckbo Terrace and also to provide a location for the childcare play area in sunlight as opposed to being placed in the heavily shadowed area alongside the Credit Union, as proposed in the developer's plan.
5. Would make modifications to the Euclid Building by removing approximately 30 ft. from the southside of the proposed building to move it off the historically significant green space.
6. Would eliminate two Laurel St. Townhomes from Euclid Green in order to fully preserve the historically significant green space at the top of Laurel Hill.

For a summary of changes that the Community Preservation Lookalike Variant would implement see "Summary of Building Changes" at the end of the document.

Furthermore, the Community Preservation Lookalike Variant would:

(1) convert the interior of the main building to residential use while retaining the existing 1,500 gs cafe, 11,500 gsf childcare center, and 5,000 gsf of the existing office space (at the developer's option, this existing office space could be converted to residential use),

(2) construct three new residential buildings (the Plaza A, Plaza B and Walnut) along

California Street where parking lots are now located; the new Mayfair Building near the intersection of Mayfair Drive and Laurel; five new townhomes along Laurel St; and the new Euclid Building along Euclid Avenue;

(3) provide housing units affordable to and sized for middle-income families, with additional on-site affordable housing as determined by the Board of Supervisors,

(4) require all freight loading and unloading to be conducted in the underground freight loading areas accessed from Presidio Ave. and Mayfair Ave.

(5) require all passenger loading and unloading to be conducted inside the site in turnarounds or in the underground parking garage,

(6) retain the historically significant landscaping designed by the renowned landscape architects of Eckbo, Royston & Williams which is integrated with the window-walled main building, including the Eckbo Terrace, Laurel Hill greenspace and existing landscaped green spaces along Presidio Avenue, all of which would be designated as community benefits in the development agreement,

(7) maintain public vistas of the downtown and Golden Gate Bridge and the historically significant main building and integrated landscaping.

(9) provide units in the Walnut Building for senior housing.

(9) the Community Preservation Lookalike Variant would use all the space for residential use and would not rezone the site for approximately 34,496 gsf of retail uses as the developer proposes.

**THE COMMUNITY PRESERVATION LOOKALIKE VARIANT WOULD PROVIDE THE SAME AMOUNT OF NEW HOUSING UNITS IN LESS THAN FOUR YEARS WITHOUT ADVERSELY IMPACTING A HISTORICALLY SIGNIFICANT RESOURCE.**

The Community Preservation Lookalike Variant would preserve all the key character-defining features of the main building and integrated landscaping, which are listed in the California Register of Historical Resources pursuant to Section 4851(a)(2) of the California Code of Regulations. (Ex. A, confirmation of listing). The window-walled main building would be converted to primarily residential use.

The Community Preservation Lookalike Variant would have the same number of residential units as the developer's proposed variant (744 units) and would be constructed in less than four years because the existing main building would be converted to residential use at the same time as the new residential buildings are constructed, to the greatest extent feasible pursuant to staging.

The Community Preservation Lookalike Variant would entail far less excavation, as it would have approximately two levels of parking in a single new underground garage. In contrast, the developer's variant proposes to construct four new underground parking garages, to provide a total of 873 parking spaces. The CFPV 2 would excavate only under the existing parking lots along California St.- the easiest, least disruptive, quickest most efficient excavation- whereas the developer would carry out major excavation in all quadrants of the site including major excavations on Masonic, on Euclid including the excavation of major portions of Laurel Hill as well as under the parking lots along California St.

The Community Preservation Lookalike Variant would preserve the existing Eckbo Terrace and the green landscaped areas along Euclid and Presidio Avenues as well as partly along Laurel Street. The existing Eckbo Terrace would be designated as Privately-Owned, Publicly-Accessible Open Space in recorded deed restrictions and would be open to the public. The new ground level Walnut Passage will run

through the first floor of the main building, opening up into a larger landscaped Center Court mid-building, and lead onto the Walnut Walk alongside Eckbo Terrace and thence onto Masonic Avenue and would be open to the public and marked with signage identifying it as a public thoroughway.

The character-defining features of the existing main building that the Community Preservation Lookalike Variant would retain include all of the following:

- Plan of the building open along Eckbo Terrace and to views of the distant city.

- Horizontality of massing.

- Horizontal lines of projecting edges of concrete floors.

- Horizontal bands of nearly identical compatible window units.

- Uninterrupted glass walls.

- Brick accents and trim

- Wrought iron deck railings that match gates in landscaping.

The character-defining features of the existing landscape that the Community Preservation Lookalike Variant would preserve include all of the following:

- In the Eckbo Terrace, which was designed to integrate the architecture of the building with the site and with the broader setting (through views of San Francisco), key character-defining features include its biomorphic-shaped lawn surrounded by a paved terrace and patio (paved with exposed aggregate concrete divided into panels by rows of brick), brick retaining wall and large planting bed around the east and north sides of the paved patio, custom-designed wood benches, and the three circular tree beds constructed of modular sections of concrete.

All passenger loading, pick-ups and drop-offs are proposed to be internal to the site, and turnarounds will be provided in front of the main building. All freight loading and unloading is proposed to be conducted in the underground freight loading areas accessed from Presidio Avenue and Mayfair.

In the Community Preservation Lookalike Variant, the Masonic Building and two Laurel Townhomes are eliminated and the Walnut building re-designed. The Euclid building, reduced in size to preserve the Euclid Green area, the remaining five Laurel Townhomes, the Mayfair building, Plaza A and Plaza B utilize the developer's footprint and architectural design throughout. The Main Building utilizes Levels 1-4 of the developer's architectural design and adds one setback story at Level 5 consistent with the Secretary of the Interior Standards for the treatment of historic properties, thereby retaining the historic characteristics of the main building and integrated landscaping. Contrary to the developer, the Community Preservation Lookalike Variant does not sever the Main Building with a full height 40 ft gap, thereby creating two separate structures.

As noted previously, the Community Preservation Lookalike Variant creates a ground-level Walnut Passage while fully retaining the historic characteristics of the building.

The Main building, Walnut, Plaza A and Plaza B will have direct access to the underground parking garage. The Laurel Townhomes have their own organic parking. For the Mayfair and Euclid Buildings, parking will be provided in the new underground parking garage constructed under the California Street Front and Back Buildings.

Truck loading and unloading for the buildings along California St. as well as the Main and Mayfair buildings would occur in the underground garage accessed from Presidio Avenue and Mayfair Avenue.

## **SUMMARY OF BUILDING CHANGES**

The Community Preservation Lookalike Variant generally utilizes the developer's footprint and architectural design, unit configuration layouts, sizes, etc. except for the Masonic Building (which is not constructed) and the expanded Walnut Building.

The Community Preservation Lookalike Variant preserves both the historic Eckbo Terrace and the existing green spaces along Euclid and Masonic Avenues (by eliminating the Masonic Building) and partly along Laurel Street.

To this day, these green spaces are used by families, friends, children, moon-watchers, etc. The historically green space is preserved by modifying the south side of the Euclid Building (removing 30 ft.) and eliminating two Laurel St. townhomes at the top of Laurel St. as noted above.

### Community Preservation Lookalike Variant

approximately 35,000gsf). Additionally, the remaining top floor units on the south side are set back 15 ft. to moderate the bulk and intensity of the Euclid Avenue appearance (loss of approximately 4,000gsf). It should be noted that the Euclid Building can be expanded on the east side by approximately 25 ft. along the entire 256 ft (ref. Dwg.A8.01 from submission) by aligning Walnut Walk with Eckbo Terrace which would more than offset the space eliminated by the modification to the south side noted above.

**This potential expansion has not been accounted for in the Community's plan.**

No underground parking garage.

References: A8.01(modified as noted above), .02(same comment), A8.03(same comment), A8.04(same comment), A8.05(same comment), A8.06(same comment), A8.11(same comment), A8.12, A8.21(same comment), A8.22, A8.23(same comment), A8.24(same comment), A8.25(same comment), A8.30, A8.41.

**Laurel Townhomes:** Generally identical to developer's submission of 07.03.2019 modified to reduce height to 30 ft. and set top floor back 15 ft.

Reference A10.01(two southernmost duplexes eliminated to preserve Historic green space), A10.02(same comment), A10.03, A10.11(modified for height, setback and elimination of Duple 01 & 02), A10.12(same comment), A10.13(same comment), A10.21(same comment), A10.23(same comment), A10.24(same comment), A10.25(same comment).

As noted previously the two townhomes at the top of Laurel St. have been eliminated to preserve the green space. The height of the five remaining townhomes is lowered from 40 ft. to 30 ft. to be compatible with the 20 ft. homes on the west side of the Laurel St. block. Additionally, the third floor is set back 15 ft.

**Mayfair Building:** Generally identical to developer's 07/03/2019 submission: predominant references A9.01, A9.02, A9.03, A9.04, A9.11, A9.12, A9.21, A9.22, A9.30, A9.60 .

No underground parking garage.

**Plaza A:** Generally identical to developer's submission of 07.03.2019: references A2.00, A2.01, A2.02, A2.21(modified for the parking design), A2.22(same note on parking), A2.30, A2.41.

All retail gsf is converted to residential. As a result, the height of the building is lowered from 45 ft. to 40 ft., which allows it to comply with the existing height limit.

**Plaza B:** Same comments as to Plaza A above. Developer's submission of 07.03.2019: references A3.00(retail converted to residential), A3.01, A3.02, A3.03, A3.21(modified for the parking design), A3.22(same comment on parking), A3.24(retail converted to residential; building height adjusted accordingly), A3.25, A3.41, A3.42.

**Walnut Building:** The enhanced Walnut Building is re-designed to provide a 7-story residential building. As this building is flanked by the Main Building and the Credit Union and is opposite the approximately 65 ft. tall JCC, it is compatible with the character of its surroundings. The 48,050 square foot net footprint was determined from dimensions in Submittals of 03.06.2017 & 07.03.2019: references VAR 13, 14, 19.

General dimensions: Southside east-west 305ft; Northside east-west 240ft; North-south : 175ft.;

Triangle at Credit Union: 155ft. base, 175ft. height. Adjusted for light-courts and setbacks.

**Main Building/Center A&B:** Use the developer's unit configurations and sizes from 03/03/2019:

predominant references A6.02, A6.03, A6.04, A6.05, A6.06, A6.07, A6.08, A6.09, A6.19(modified for Walnut Passage; no Levels 6 and 7), A6.21(modified for Walnut Passage; no levels 6 and 7), A6.22(no Levels 6 and 7), A6.30, A6.46(no Levels 6 and 7).

The Community Preservation Lookalike Variant, unlike the developer's, preserves the historic characteristics of the building and fully complies with the Secretary of the Interior's Standards for the treatment of historic properties.

The Draft EIR acknowledges that the developer's design would have a substantial adverse effect on the historic characteristics of the listed building and landscaping.

The developer proposes to cut a 40 ft. gap through all levels of the main building, thereby creating two separate structures and adding 2 and 3 new levels on top, thereby impairing the horizontality of the building.

The Community Preservation Lookalike Variant, in accordance with the SOISs, adds one set back level, Level 5, to the main building. As noted above, the developer would add Level 5, Level 6 and Level 7.

**Walnut Passage:** In order for the developer to create the 40 ft. wide Walnut Walk which would connect the north and south sides of the property in alignment with Walnut St., the developer proposes to bifurcate the building with a 40 ft cut through all existing levels of the building.

**There is a better solution.**

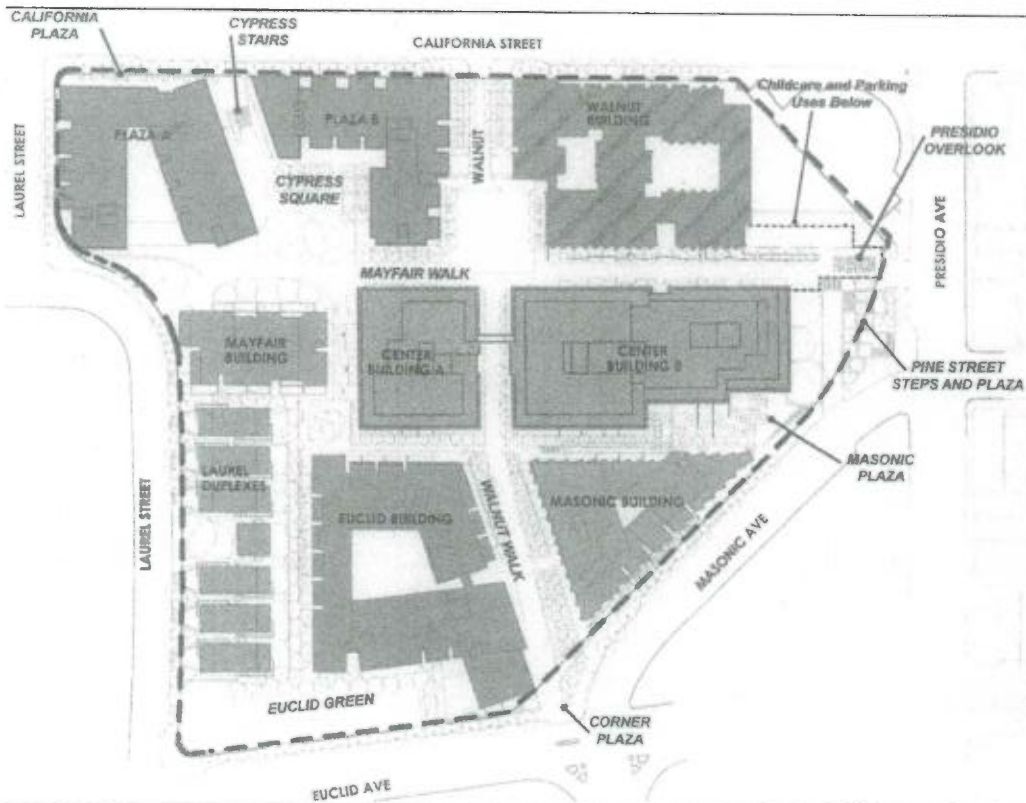
The Community Preservation Lookalike Variant design calls for a ground level 15 ft high (Level 1) by 20 ft. wide entry/exit on the north and south sides of the building. This entry/exit would extend 35 ft. into the building where it would open up into a 35 ft. wide by 75 ft. long landscaped Center Court which also serves as a Light Court in the building. This design fully maintains the historic characteristics of the Main

building while at the same time meeting the developer's desire in alignment with Walnut Street for connectivity.

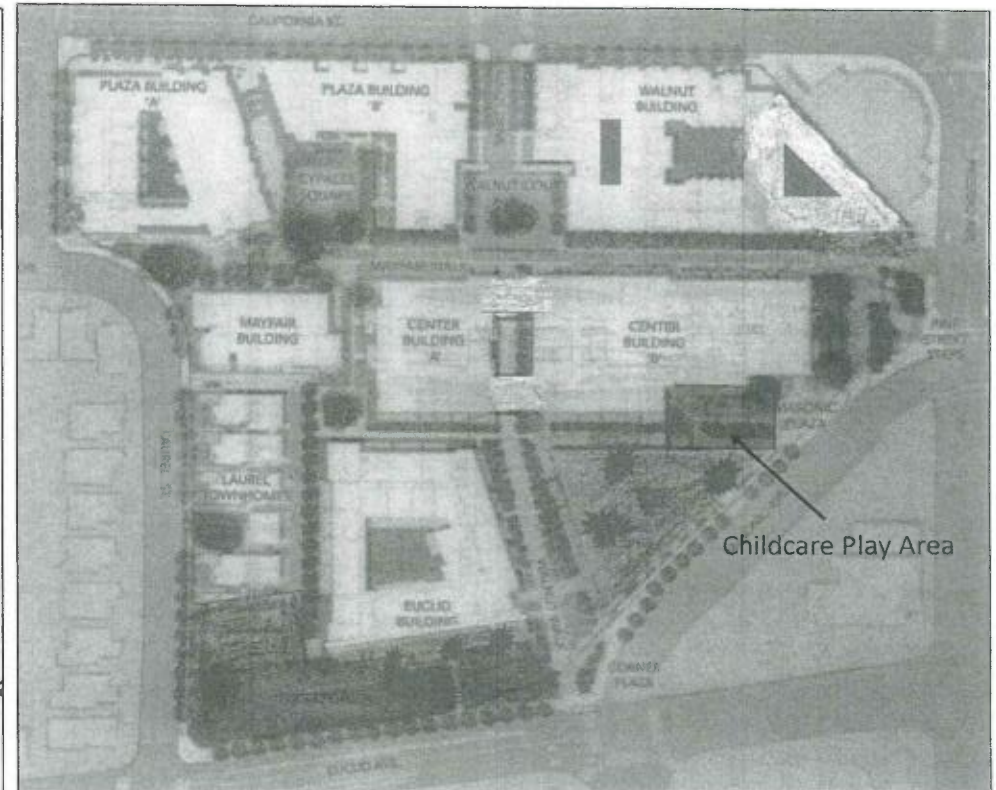
**A case of form follows function.**

**Summary:** Same number of units(744) in less than 4 years, more residential gsf than the developer's proposal, compliant with RM-1 zoning , historically compatible, neighborhood responsive.

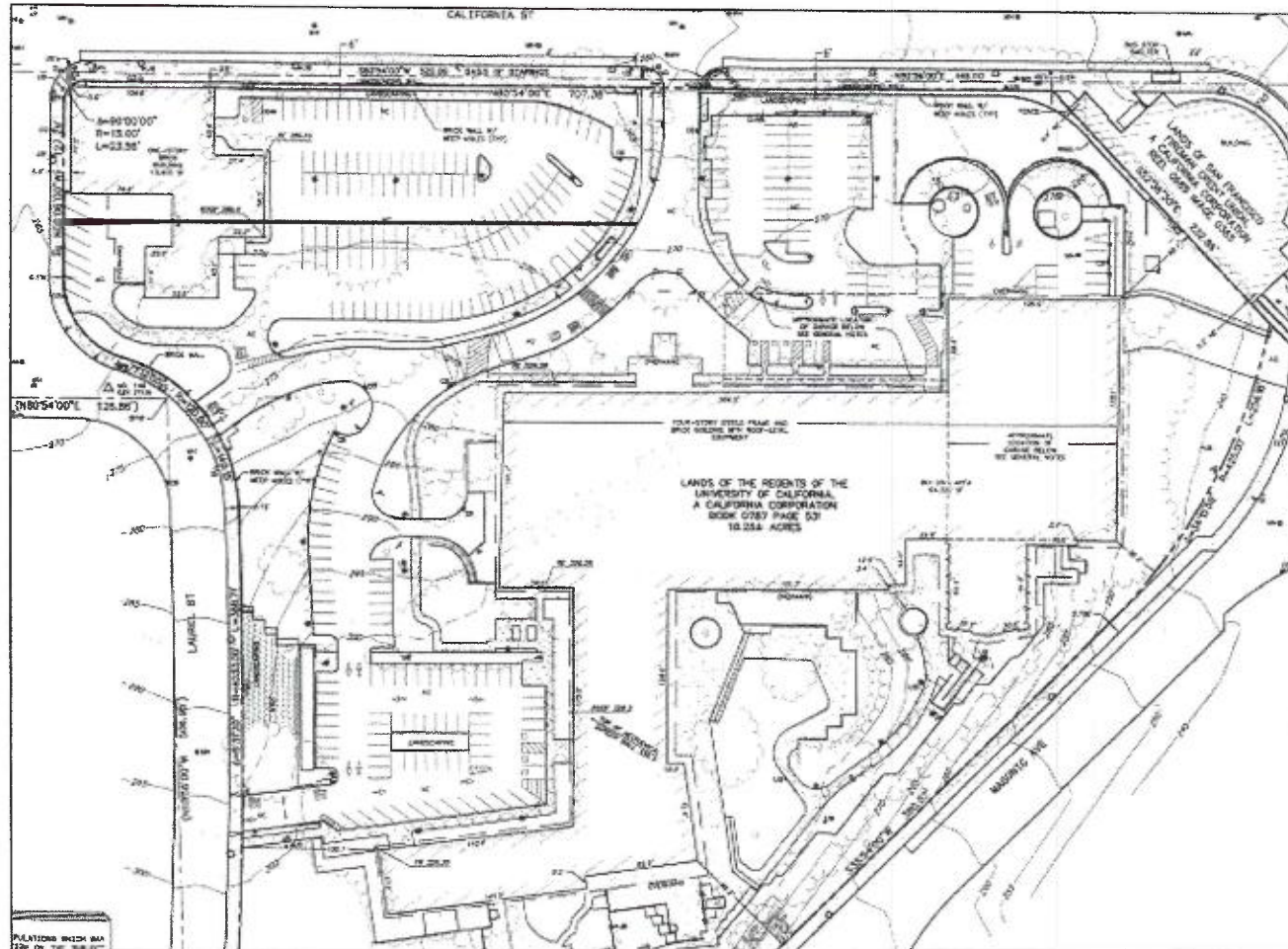
## Developers Variant 7/3/2019



## Community Preservation Lookalike Variant



## 3333 California "As Is" Site Topography & Layout



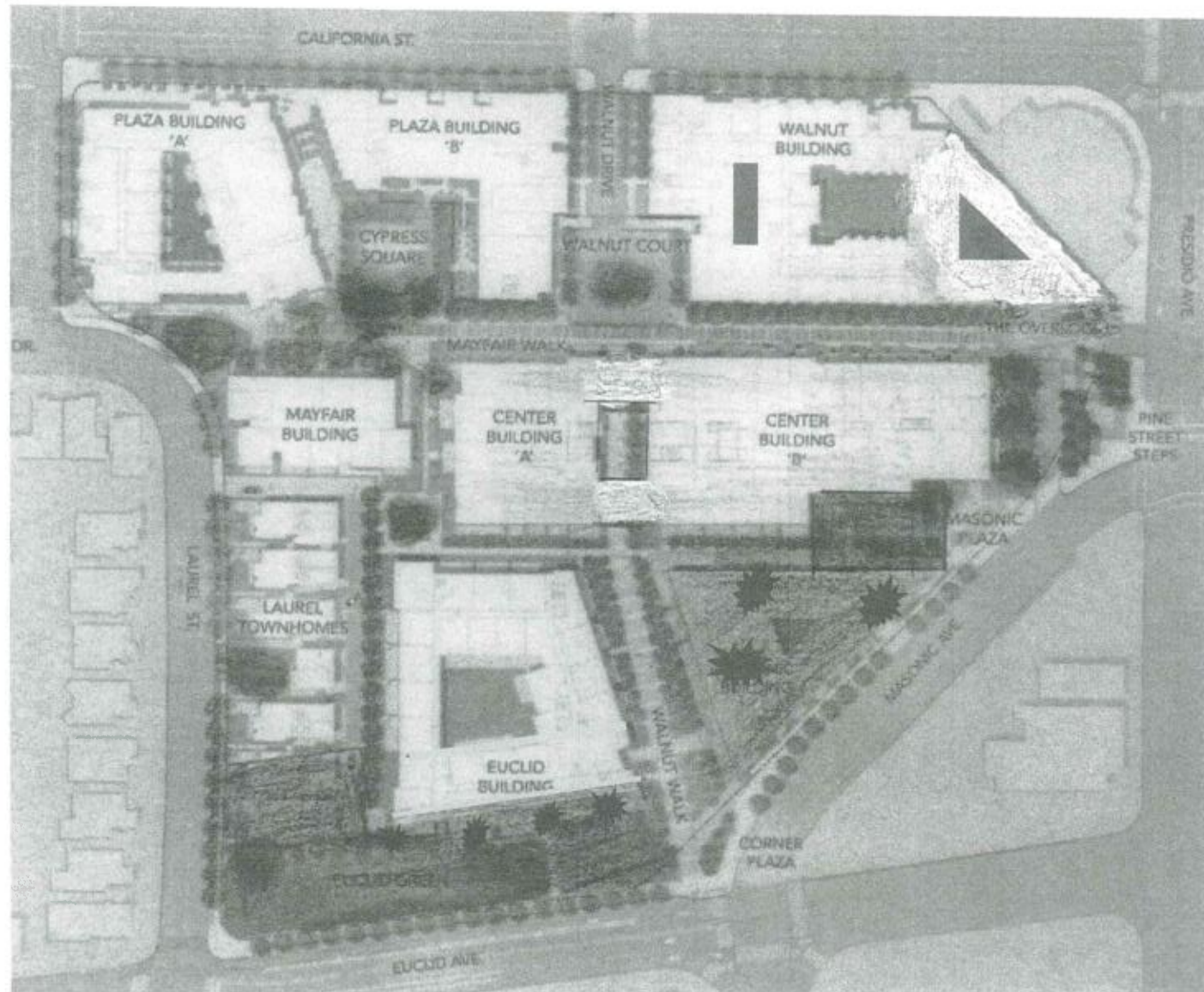
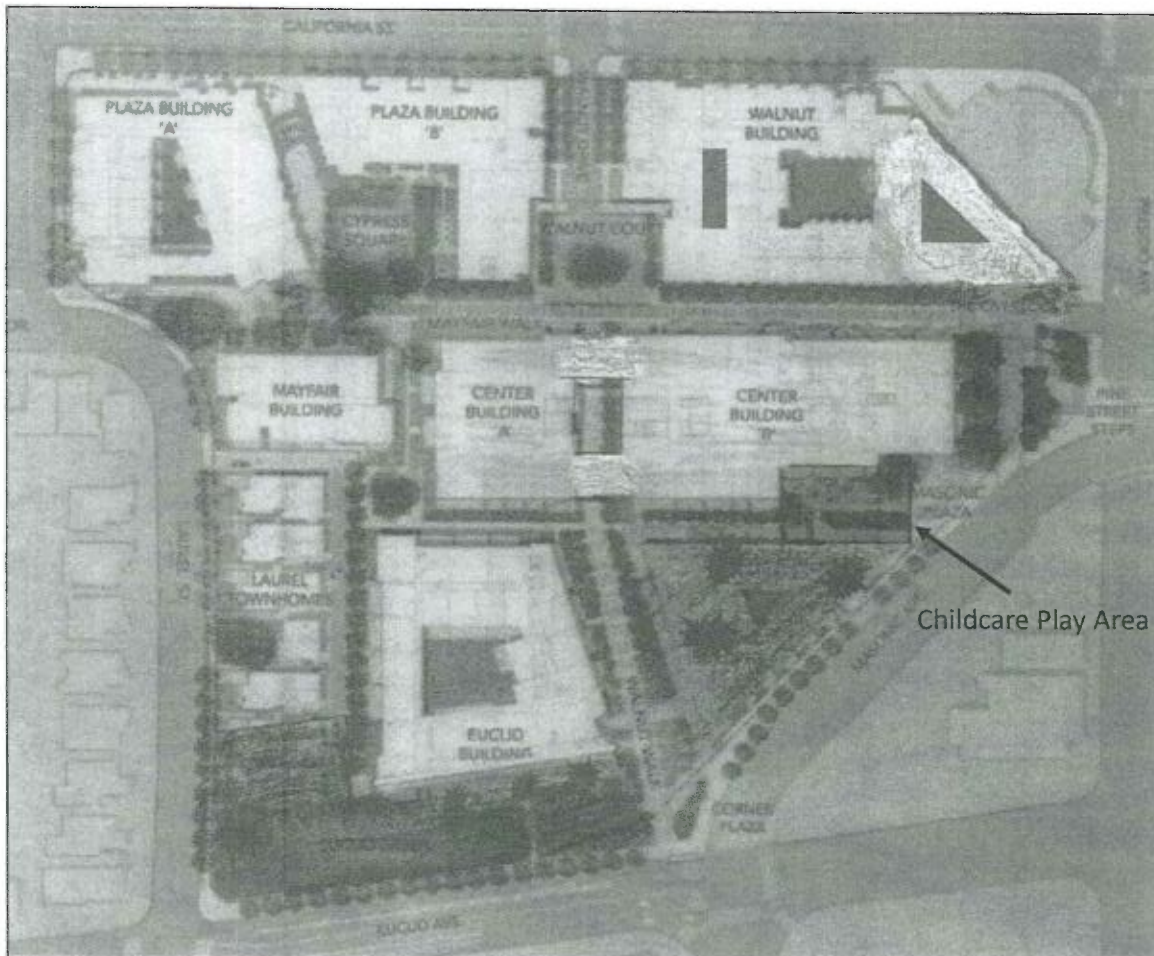
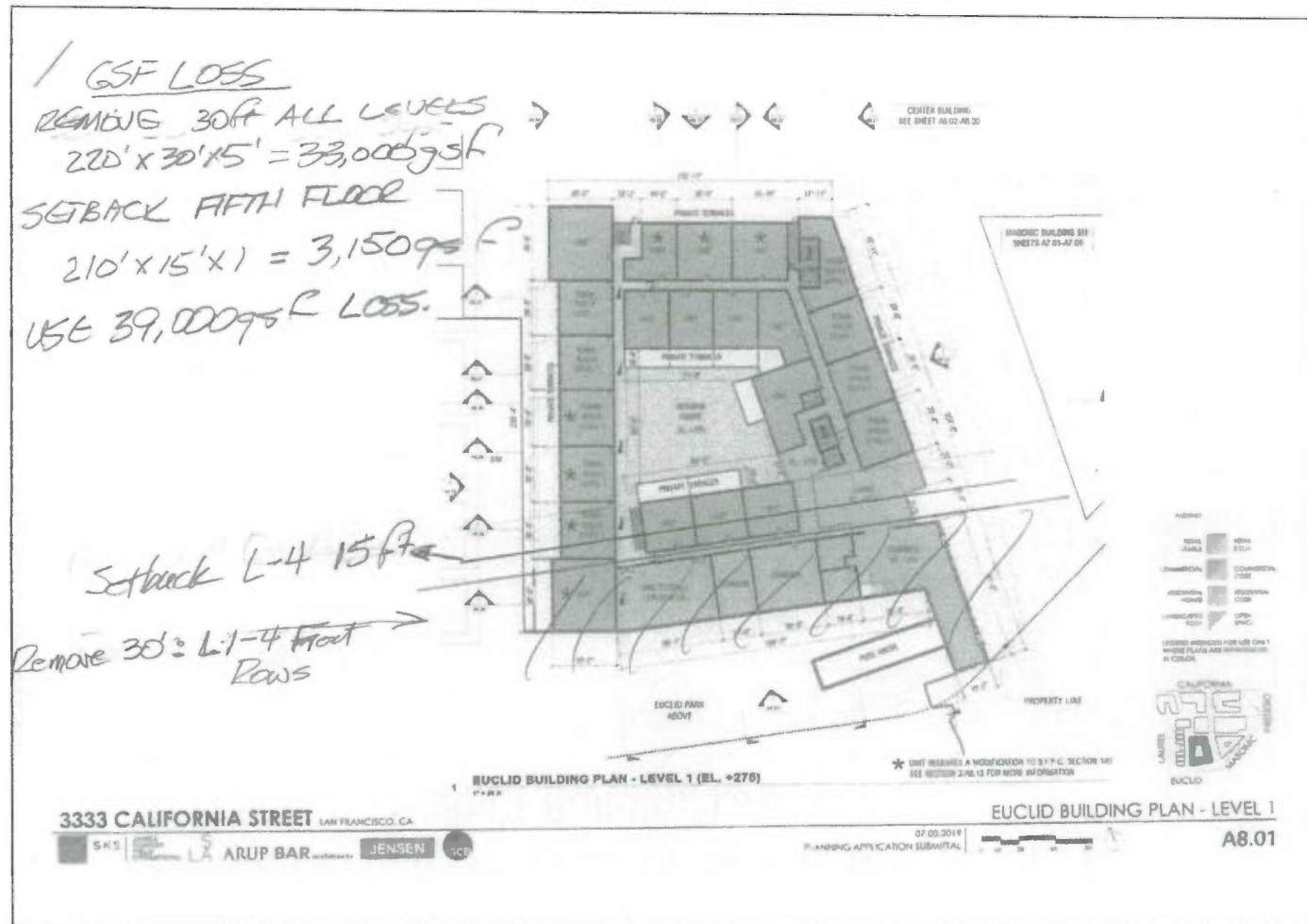


Figure 4: Community Preservation Lookalike Variant

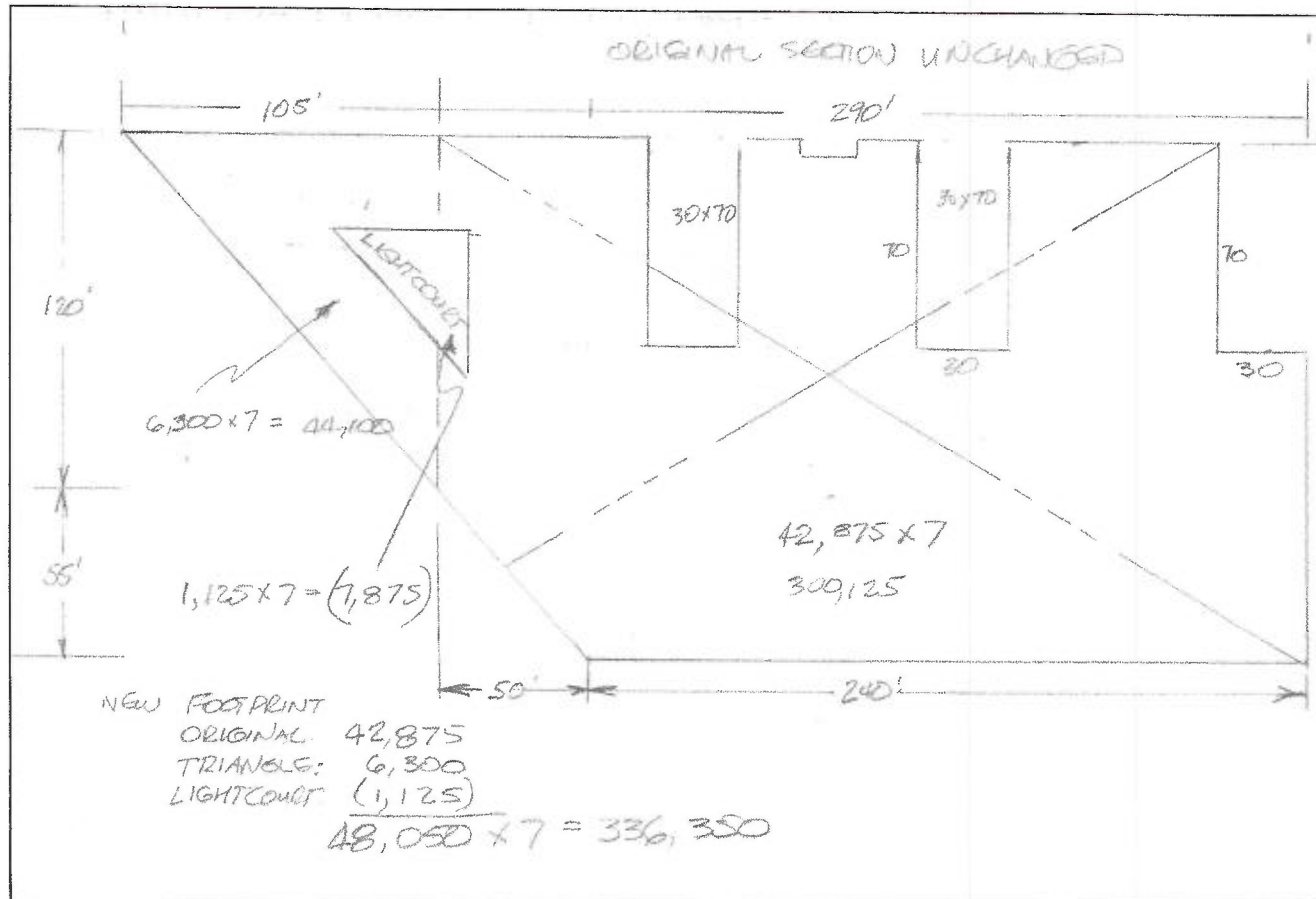


	DEVELOPER VARIANT 7/3/2019	COMMUNITY PRESERVATION VARIANT "Developer Lookalike"
	Residential GSF	Residential GSF
BUILDING		
Masonic	83,505	N/A
Euclid	184,170	144,870
Laurel Townhomes	55,300	34,935
Mayfair	46,680	46,680
Plaza A	66,755	81,571
Plaza B	72,035	83,215
Walnut	147,590	336,350
Main Building-Note 1	N/A	268,365
Center A	89,735	N/A
Center B	231,667	N/A
TOTAL Residential GSF	977,437	995,986

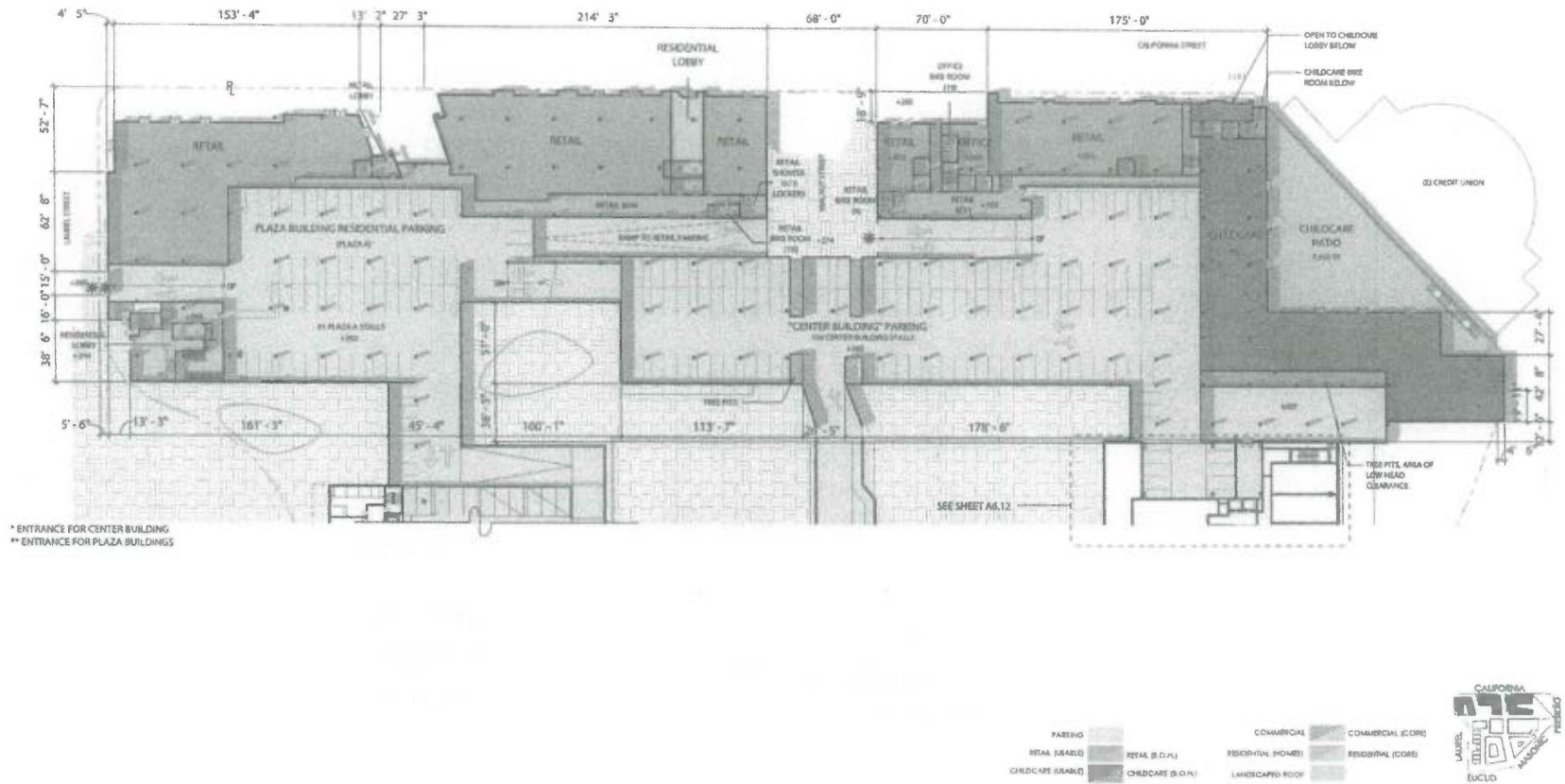
# Community Preservation Lookalike Variant Euclid Build Modifications



## Community Full Preservation Alternative Variant 2 Walnut Building Layout



# 1. Dimensions Along California St.



## 3333 CALIFORNIA STREET MIXED USE PROJECT

FIGURE 2.23: PROPOSED CALIFORNIA STREET GARAGE AND CENTER BUILDING B GARAGE - BASEMENT LEVEL B1

## Comparison of Developer & Community Preservation Lookalike Variants

BUILDING	DEVELOPERS VARIANT 7/3/2019			COMMUNITY PRESERVATION LOOKALIKE VARIANT		
	Residential GSF	Units	Avg. Size	Residential GSF	Units	Avg. Size
Masonic	83,505	57	1,465	N/A	0	
Euclid	184,170	139	1,325	144,870	109	1329
Laurel Townhomes	55,300	14	3,950	34,935	10	3494
Mayfair	46,680	30	1,556	46,680	30	1556
Plaza A	66,755	67	996	81,571	82	996
Plaza B	72,035	61	1,181	83,215	71	1172
Walnut	147,590	186	793	336,350	283	1189
Main Building	N/A			268,365	159	1688
Center A	89,735	51	1,760	N/A		
Center B	231,667	139	1,667	N/A		
TOTAL	977,437	744	1,314	995,986	744	1339



Level 2-Underground Garage  
(600' X 130') + 1,400gsf = 79,4000gsf

Existing Underground Garage

Mayfair

FOUR-STORY STEEL FRAME AND  
BRICK BUILDING WITH ROOF-LEVEL  
EQUIPMENT

LANDS OF THE REGENTS OF THE  
UNIVERSITY OF CALIFORNIA,  
A CALIFORNIA CORPORATION  
BOOK D787 PAGE 531  
10.25± ACRES

ASSESSOR'S  
BLOCK LOT 10392





# Laurel Heights Improvement Association of San Francisco, Inc.

## Modifications - Excerpts

BY HAND

August 28, 2019

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

RECEIVED

AUG 28 2019

CITY & COUNTY OF S.F.  
PLANNING DEPARTMENT  
RECEPTION DESK

Re: 3333 California Street, San Francisco, CA  
Record Number: 2015-014028CUA/PCA/MAP/DUA  
Certification of Final EIR  
Planning Commission Hearing: September 5, 2019

- The Community Preservation Lookalike Variant is Feasible as Mitigation and Would Achieve 744 Housing Units, Including Senior Affordable Housing, While Mitigating Significant Adverse Impacts on the Historically Significant Main Building and Integrated Landscaping, and Other Alternatives Are Feasible.**

Although we object to the developer's plan, if the Commission is inclined to consider it, we request that the Commission order that it be modified as follows in order to mitigate the project/variant's significant adverse impact upon the historically significant resource. The Community Preservation Lookalike Variant (Ex. A hereto) basically uses the developer's site plan with the following modifications:

Removes approximately 30 feet from the south side of the Euclid building to preserve green space

Removes 2 Laurel townhomes toward the top of Laurel Street to preserve the green space

Reduces the height of the five remaining Laurel townhomes from 40 to 30 feet with a 15-foot set back on the third level, to conform with the scale of the homes across the street on Laurel (Ex. B, photo of 20-foot tall homes on Laurel)

Constructs a ground-level passageway through the main building (aligned with Walnut Street) under a Light Court to avoid cutting a 40-foot pathway all the way through the main building

Constructs a set-back, one-level addition to the top of the main building, to conform with the Secretary of Interior's Standards for the Treatment of Historic Properties

Enlarges the Walnut building so that the project has the same amount of residential square footage as the developer's variant

Uses all space in the new buildings for housing; does not include new retail uses

Moves the childcare center from the west of the Eckbo Terrace toward the east of it.

Retains the existing 1,183 asf café, 11,500 gsf childcare center and 5,000 gsf of office space in the main building

Would be built in approximately 4 years, instead of 7-15 years requested by the developer

Since the project site is adjacent to the Laurel Village Shopping Center (anchored by Cal-Mart and Bryan's grocery stores) and near Sacramento Street shops, Trader Joe's, Target and Geary and Presidio Street retail stores, retail is not needed on site, and **the Planning Commission should recommend the design and duration modifications stated above**, if it considers the developer's proposal.

We respectfully urge the Planning Commission to strike the appropriate balance, because the developer has stated "this is not a negotiation" and declined to make appropriate revisions in response to community input. Also, the developer paid only approximately \$192.35 per square foot for the property (\$88,600,000.00 for 99-year lease plus \$1,612,000 for the fee interest =  $\$90,212,000/469,000 = \$192.35$ ) so can well afford to make some modifications to avoid significant adverse impact on this listed historical resource. (Ex. D, deeds)

Public Resources Code section 21002 states:

The Legislature finds and declares that it is the policy of the state that public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects..... The Legislature further finds and declares that in the event specific economic, social, or other conditions make infeasible such project alternatives or such mitigation measures, individual projects may be approved in spite of one or more significant effects thereof.

The Community Full Preservation alternatives are also feasible and could be adopted, including:

Community Full Preservation Alternative Variant 2 - Matches developer's residential square footage plus 744 housing units, including senior housing. (Ex. C)

Community Full Preservation Alternative Variant - 744 housing units submitted as

comment on DEIR (Ex. E, see accompanying letter re modifications in connection with developer's July 2019 revised plan submittal and proposed Development Agreement relating to affordable senior housing; please also **note that architect Goldenberg has verified that the 744 units fit in the spaces and provided unit counts -Ex. F)**

Community Full Preservation Alternative - 558 housing units submitted as comment on DEIR (Ex. C, see accompanying letter re modifications in connection with developer's July 2019 revised plan submittals and proposed Development Agreement; please **note that architect Goldenberg has verified that the 558 units fit in the spaces and provided unit counts -Ex. F )**

EIR Alternative C: Full Preservation-Residential Alternative- Residential - 534 residential units (EIR 6.75)

Since all the above alternatives are feasible, and ample retail is provided in the immediate vicinity of the project, this Commission may not approve the developer's proposed project, which would have a significant adverse impact on a listed historical resource. False or inadequate findings are subject to contest under the California Environmental Quality Act (CEQA).

Public Resources Code section § 21081 provides that:

Pursuant to the policy stated in Sections 21002 and 21002.1, no public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant effects on the environment that would occur if the project is approved or carried out unless **both of the following occur**:

(a) The public agency makes one or more of the following findings with respect to each significant effect:

(1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

(2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.

(3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.

(b) With respect to significant effects which were subject to a finding under paragraph (3) of subdivision (a), the public agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment. (Emphasis added; see also 14 Cal. Code Regs. § 15091)

This is a stand-down mandate. The developer's project is unnecessarily destructive and prolonged, and the Commission should order it redesigned to preserve the historically significant natural green spaces and landscaping and its integrated Mid-Century modern main building. This resource is also significant for its association with the Fireman's Fund Insurance Company, a company established in San Francisco that grew due to its reputation for integrity and played an important role in the development of San Francisco, paying fire claims after the 1906 earthquake and other significant conflagrations. (Ex. G, listing and excerpts from approved nomination)

The EIR's claim that this alternative would not have enough commercial uses to constitute mixed use is inaccurate, unsupported by fact, and reflective of the overly narrow description of project objectives. There are several types of mixed-use developments including Mixed-Use Walkable Areas, which combine both vertical and horizontal mix of uses in an area, within an approximately 10-minute walking distance to core activities. (Ex. H- *Planning for Complete Communities in Delaware*) Taking this realistic view, the on-site commercial uses in the Community Preservation alternatives must be considered together with the retail uses in the adjacent Laurel Village Shopping Center and the nearby Sacramento Street neighborhood commercial uses, Trader Joe's, Target and Presidio Avenue and Geary Boulevard commercial uses.

**2. The EIR is Inadequate Because it Considered only the Impacts of Single-Use Retail Activities on Traffic, Noise and Air Quality, but the Special Use District Released on August 1, 2019 Included Multiple Retail and Other Uses that the EIR Did Not Analyze.**

After being kept secret until August 1, 2019, the proposed **zoning changes in the Special Use District (SUD)** for 3333 California Street were posted on the Board of Supervisors' website in File No. 190844.

While we object to retail uses and other uses proposed in the SUD other than RM-1 uses, the Commission should recommend the following modifications in the proposed Special Use District if it considers retail uses and other uses proposed in the SUD:

- A. **Limit Hours of Operation to 6 am to 11 pm**, rather than 6 am to 2 am.
- B. Prohibit Nighttime Entertainment - not evaluated in EIR
- C. Prohibit Flexible Retail, which allows multiple uses to share a space without notice to the public as to the new uses going in and out- (not permitted in NC-S or in Sacramento Street and Fillmore Street NCDs and not evaluated in EIR
- D. Use NC-1 controls (PC 710 for neighborhood-serving retail) rather than NC-S controls (PC 713 for primarily car-oriented and intended to serve nearby neighborhoods)
- E. Prohibit Entertainment, Arts and Recreation (not permitted in NC-S)
- F. Prohibit Adult Business (not permitted in NC-S)

- G. Prohibit Massage Establishment
- H. Prohibit Amusement Game Arcade
- I. Prohibit Restaurant, Fast Food
- J. Prohibit Philanthropic administrative services (not permitted in NC-S)
- K. Prohibit Social Service or Philanthropic Facilities (not permitted in NC-S)
- L. Prohibit Public Uses which are included in Social Service and Philanthropic Facilities (not evaluated in EIR)
- M. Prohibit Arts Activities (not permitted in NC-S)
- N. Prohibit Industrial Uses (not permitted in NC-S)
- O. Prohibit Kennel
- P. Prohibit Services, Fringe Financial
- Q. Prohibit Services, Limited Financial
- R. Prohibit Storage, Self
- S. Prohibit Bar
- T. Prohibit Student housing
- U. Prohibit Drive-up Facility
- V. Prohibit Motel (not permitted in NC-S)
- W. Prohibit Short-term residential occupancy of 60 days or less, such as Air B & B
- X. Prohibit Shared working spaces such as WeWork
- Y. Prohibit storage of delivered goods for persons not residing in the property

### Operations Until 2 am

In addition to any uses allowed in an RM-1 district, in the ground and second floors of all buildings fronting on California Street, the new SUD zoning would also permit all uses allowed in an NC-S district (Planning Code section 713), which allows hours of operation from **6am to 2 am**. Although an NC-S District normally does not allow **Flexible Retail** and **Social Service or Philanthropic Facilities** (including public uses), the SUD adds them back in.

Flexible Retail is not otherwise permitted in an NC-S District (Planning Code section 713, District 2, or in the Sacramento Street Neighborhood Commercial District ((Planning Code Article 7, Table 724) or Fillmore Street Neighborhood Commercial Transit District (Planning Code Article 7, Table 760). (Ex. I)

NC-S also prohibits Entertainment, Arts and Recreation Uses, but Flexible Retail allows them.

Flexible Retail would not require neighborhood notification under Planning Code section 311; However, a conditional use authorization is still required in neighborhoods where the zoning requires a CUA. (Ex. I, excerpts, SF Planning packet; Board of Supervisors File 180806)

**Flexible Retail** would **require** multiple uses in the same space: at least 2 types of the

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September 5, 2019

Myrna Melgar, President  
San Francisco Planning Commission  
1650 Mission Street, 4th Floor, Suite 400  
San Francisco, CA 94103

**Re: 3333 California Street, Case No. 2015.014028 CUA/PCA/MAP/DVA**

Dear President Melgar and Honorable Commissioners:

We submit this letter in response to the two letters that the Laurel Heights Improvement Association (LHIA) submitted on the evening of August 28, 2019 in opposition to the proposed Project at 3333 California Street.

In setting forth its opposition to the proposed Project, LHIA moves from topic-to-topic in a scattershot manner, twists the law and misstates facts – all in an effort to confuse and obfuscate. This letter does not contain an exhaustive response to each issue raised by LHIA, and lack of a response to any specific issue raised by LHIA should not be interpreted as a concession of the validity of LHIA's arguments.<sup>1</sup> In an effort to provide a clear and concise response, we have organized this letter by the major topic headings, as we understand them, of LHIA's letters.

## **I. CEQA Issues**

### **A. The EIR's Analysis is Adequate**

1. The EIR's Alternatives Analysis is Adequate and does not need to include the LHIA Alternatives. Moreover, the City Is Authorized Under CEQA to Reject Alternatives and Override Significant Environmental Impacts.

The EIR contains an adequate analysis of alternatives to the proposed Project, with a reasonable range of alternatives studied at an appropriate level of detail. At the eleventh hour, LHIA has introduced additional alternatives, including a "Community Preservation Lookalike Variant" attached as Exhibit A to LHIA's 22 page August 28 letter. Neither this new LHIA Alternative nor any of the others submitted merit further consideration.

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<sup>1</sup> In addition, we have attempted not to duplicate any of the discussion contained in the Planning Department's memorandum to you of September 4, 2019.

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Page 2

Like the proposed Project, the “Lookalike Variant” would not avoid the proposed Project’s significant and unavoidable historic resources impact. Its design is not considerably different from Alternative E, the Partial Preservation – Residential Alternative, which alters the character-defining features of the existing landscape, and accordingly reduces but does not eliminate the significant and unavoidable historic resources impact.

Like Alternative E, the “Community Preservation Lookalike Variant” would “hinder the site’s ability to convey its historically open feel such that the property could no longer convey its historic and architectural significance as a Midcentury Modern-design corporate campus.” (DEIR p. 6.150, describing the impacts of Alternative E.)

Similarly, the “Community Full Preservation Alternative Variant 2” would reduce but not avoid the proposed Project’s significant and unavoidable historic resources impact, and is not considerably different from alternatives analyzed in the reasonable range included in the EIR. Accordingly it too merits no further consideration.

There is no legal requirement to study an alternative that provides the exact residential unit density as the proposed Project. The largest alternative in terms of residential density in the EIR is the Code Conforming Alternative (Alternative F), which contains 629 units. The Draft CEQA Findings explain that the alternatives, including the Code Conforming Alternative, were rejected for multiple reasons in addition to their failure to provide the same density as the proposed Project.

Notably, the Code Conforming Alternative and all of the alternatives proposed by LHIA would fail to open and connect the site to the surrounding community to the same extent as the project, a key urban design principle and project objective. Even assuming for the sake of argument that LHIA’s alternatives could provide 744 units—notwithstanding the engineering and architectural deficiencies and challenges noted in the analysis by the Department of Public Works—those alternatives’ failure to achieve key project objectives and City policy goals justify their exclusion from the EIR and rejection by the Planning Commission and Board of Supervisors.

Regarding implementation of feasible mitigation and alternatives, “CEQA requires [San Francisco] to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project.” (CEQA Guidelines section 15093(a).) “If [the above-mentioned benefits] of a proposal outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered ‘acceptable.’” (CEQA Guidelines section 15093(a).)

The Draft CEQA Findings included in the August 30, 2019 packet override the significant and unavoidable impacts of the proposed Project and reject as infeasible the alternatives

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Page 3

presented in the DEIR, as well as the LHIA Alternative submitted during the comment period. The Draft CEQA Findings apply with equal force to the eleventh-hour alternatives submitted by LHIA as well.

Under LHIA's version of CEQA, the City would be forced to approve only "Full Preservation" alternatives, without engaging in the balancing of project benefits against unavoidable adverse environmental effects. This is not the law, as demonstrated by the Planning Commission's numerous past approvals of projects with significant and unavoidable historic resources impacts.

2. The EIR Adequately Analyzes Potential Inconsistencies with Applicable Plans and Policies. Moreover, the proposed Project is Consistent with the City's General Plan Priority Policies and the Housing Element.

CEQA Guidelines section 15125 requires that an EIR discuss "any inconsistencies between the proposed project and applicable general plans, specific plans, and regional plans." The EIR contains a separate chapter, Chapter 3, with a comprehensive analysis of the proposed Project's potential inconsistencies with applicable plans and policies, focusing on those that could result in environmental impacts. There are no City-landmarked buildings on the site, but from the early stages of the CEQA review of the proposed Project, the City has analyzed the project site as a historic resource for CEQA purposes. The proposed Project will comply with various mitigation measures to reduce the impacts on the historic resource. The proposed Project will enhance the existing neighborhood character by opening up the site with pathways and open space and through its architecture, which is sensitive to types and styles of buildings in the surrounding neighborhood.

Consistent with the policies and objectives of the Housing Element, Project Sponsor undertook a 5-year planning process that included over 170 meetings with neighbors, community groups and stakeholders. In addition, various City agencies reviewed and commented on the proposed Project in detail. In response, Project Sponsor made substantial changes to the Project's design and has elected to pursue approvals for 744 units instead of 558. In addition, Project sponsor seeks the zoning flexibility necessary to help assure lease-up of the California Street retail/commercial space so that the neighborhood can enjoy an active street-front.

Contrary to LHIA's assertions, the EIR's Chapter 3 explicitly discloses the potential conflict with Planning Code Section 101.1's Priority Policy 7, stating that the proposed Project "may...be inconsistent with priority policy 7, preservation of landmarks and historic buildings," and points to the substantive analysis of the historic resources impact elsewhere in the EIR. (EIR p. 3.11-3.12.)

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The Initial Study for the proposed Project also contains a “plans and policies” inconsistency analysis, and states the following regarding Priority Policy 2 (conservation and protection of existing housing and neighborhood character in order to preserve the cultural and economic diversity of neighborhoods): “The proposed project and project variant do not appear to conflict with the following Priority Policies: [ ] Priority Policy 2, as they would not call for demolition of existing housing units and, consistent with the surrounding neighborhood, would construct new residential units.” (Initial Study p. 103-104.)

Regarding the alleged failure to discuss the proposed Project’s inconsistency with Housing Element Policy 1.4, the proposed Project is not a “community plan” as contemplated by the Housing Element. The examples of community plans provided in the Planning Department’s March 30, 2011 memo to the Board of Supervisors (excerpted in Exhibit S to the LHIA August 28, 2019 letter), are instructive: “The Planning Department has in recent years planned for growth through community plans such as the Better Neighborhoods and Eastern Neighborhoods Plans.”

The CEQA analysis adequately discloses the proposed Project’s conflicts with Resolution 4109, and the need for Board of Supervisors action to modify or waive its requirements to approve and implement the proposed Project. (See RTC p. 5.C.25 for a more detailed discussion of the adequacy of the Resolution 4109 discussion.)

3. The City Properly Applied the Secretary of the Interior’s Standards to its Historic Resources Analysis.

The City complied with San Francisco Preservation Bulletin No. 21 and properly applied the Secretary of the Interior’s Standards for the Treatment of Historic Properties to the proposed Project as part of the CEQA evaluation. Through application of those Standards, the City determined that “the proposed project and project variant would not be in conformance with Standards 1, 2, 5, 6, 9 and 10, and would materially alter the physical characteristics of 3333 California Street that convey its historic significance and that justify its inclusion in the California Register. As such, the proposed project or project variant would cause a substantial adverse impact on 3333 California Street, a historical resource, and would be considered a significant impact under CEQA.” (DEIR p. 4.B.41-4.B.44.)

Applying the Secretary’s Standards does not obligate the City to require a project to be designed in conformance with each and every one of the Secretary’s Standards. Here, the City used the Secretary’s Standards as Preservation Bulletin No. 21 states they should be used: “use of the *Standards* has provided a consistent level of evaluation and review of projects by both Planning Department staff and the Landmarks Board on projects that may compromise the integrity and/or level of significance of designated (Article 10) or identified (CEQA) historical resources.” (Preservation Bulletin No. 21, p. 1.)

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4. The EIR's GHG Analysis is Adequate.

As explained in greater detail in the RTC document, compliance with San Francisco's qualified GHG Reduction Strategy is the basis for the EIR's determination that the proposed Project would not have a significant environmental impact related to GHG emissions. This approach is supported by CEQA case law and CEQA Guidelines Section 15064.4, and may be relied on to support a less-than-significant GHG impact determination.

Moreover, the proposed Project's AB 900 application's GHG emissions calculations, and the requirement as a certified AB 900 project to offset any and all GHG emissions resulting from the proposed Project, provide further support for the less-than-significant GHG impact determination reached by the City.

5. Residential Development in RM-1 is not subject to FAR.

The EIR adequately analyzed applicable Planning Code provisions. In RM zoning districts, residential development is not subject to FAR limitations, while non-residential development in the RM-1 district is subject to an FAR limitation of 1.8 to 1. The amount of non-residential development in the proposed Project is approximately 6% of the allowable non-residential FAR. See Planning Code Section 209.2. The Project seeks approval to extinguish Planning Commission Resolution 4109 and any FAR controls contained therein and instead have the Planning Code's FAR provisions apply.

## II. Planning Code and Development Agreement Issues

A. The ability to have Flexible Retail and Other Non-Residential Uses under NC-S Zoning in the Buildings along California Street will improve the Project

The Special Use District for the Project proposes to allow the non-residential uses permitted under the NC-S zoning, as well as Flexible Retail, in the buildings with frontage on California Street. The neighboring Laurel Village Shopping Center is also zoned NC-S. Therefore Project Sponsor is simply proposing to continue the NC-S for another block to the east of Laurel Village. In addition, Project Sponsor has requested the ability to have Flexible Retail uses. One approach to bricks and mortar retailing that has enjoyed some success is Flexible Retail, which allows different retail uses to mix in a single space. With traditional bricks and mortar retailing facing tremendous competition from on-line shopping, the ability to have Flexible Retail uses will increase the potential for successful retail uses in the proposed Project. Project Sponsor's ability to fill the California Street-fronting space with other retail and commercial uses allowed in the NC-S will help to assure an active street front, with uses that will be of value to the Project's residents, as well as to the surrounding neighborhood.

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B. The Development Agreement adequately protects the City regarding construction of the Affordable Housing Units

The Development Agreement obligates the Project Sponsor to build a 186-unit senior affordable housing building. As security for performance of that obligation, Project Sponsor is required to deposit a fee for each market rate unit constructed based on the affordable housing fee payable under Section 415.5(b)(2) of the Planning Code. As additional security, Project Sponsor is obligated to transfer to the City the land on which the affordable housing building would be built and, in that regard, Project Sponsor will grant to the City a deed of trust lien on the land.

C. The Project is Consistent with the Residential Design Guidelines; the Townhomes' Heights are Consistent with Heights elsewhere in the Neighborhood

The City undertook a rigorous review of the Project's design, including the City's Urban Design Advisory Team and Street Design Advisory Team reviews involving multiple City agencies, as well as the Planning Department's review. All of those reviews took into account the City's Residential Design Guidelines.

Many of the buildings in the surrounding neighborhood are 40' or greater in height. As such, the townhomes' proposed heights are entirely consistent with heights in the surrounding neighborhood.

D. Planning Code Sec. 253 – The Planning Commission can approve Buildings over 50' in RM Zoning Districts; the Board of Supervisors can extinguish Resolution 4109

Section 253 of the Planning Code clearly authorizes the Planning Commission to grant conditional use authorization. As set forth in the draft resolution granting conditional use authorization, such grant is conditioned on the Board's approval of the 3333 California Street Special Use District, which, among other things will increase heights on the Project site to greater than 50', while maintaining the underlying RM-1 zoning. In addition, Section 253 subjects buildings in RM zoning districts to conditional use authorization where a building with more than 50' of street frontage exceeds 40' in height. The Project contains several buildings which fall into that category.

Project Sponsor has not asked the Planning Commission to extinguish Planning Commission Resolution 4109, but has requested that the Board of Supervisors pass an ordinance that would do so.

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### III. Conclusion

By misstating facts and twisting the law, LHIA's letters seem to be positioned to confuse and obfuscate. As set forth above, the project has been correctly analyzed and LHIA's conclusions are simply incorrect.

Respectfully submitted,



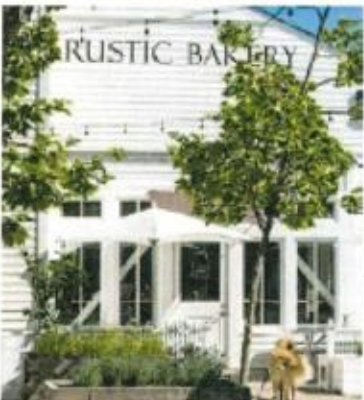
Gregg Miller

cc: Joel Koppel, Commission Vice President  
Frank Fung, Commissioner  
Rich Hillis, Commissioner  
Milicent Johnson, Commissioner  
Kathrin Moore, Commissioner  
Dennis Richards, Commissioner  
Debra Dwyer, San Francisco Planning Department  
Nick Foster, San Francisco Planning Department  
Kei Zushi, San Francisco Planning Department

H. Foster

# 3333 CALIFORNIA STREET

3333  
CALSf



# THE DESIGN TEAM

3333  
**CALSF**

Multiple Hands Designing an Urban Vision for the Long Term

**BAR** architects

**JENSEN**



**JAMES  
CORNER  
FIELD  
OPERATIONS**

**MS  
LA**

**ARUP**



# COMMUNITY

3333  
**CALSF**

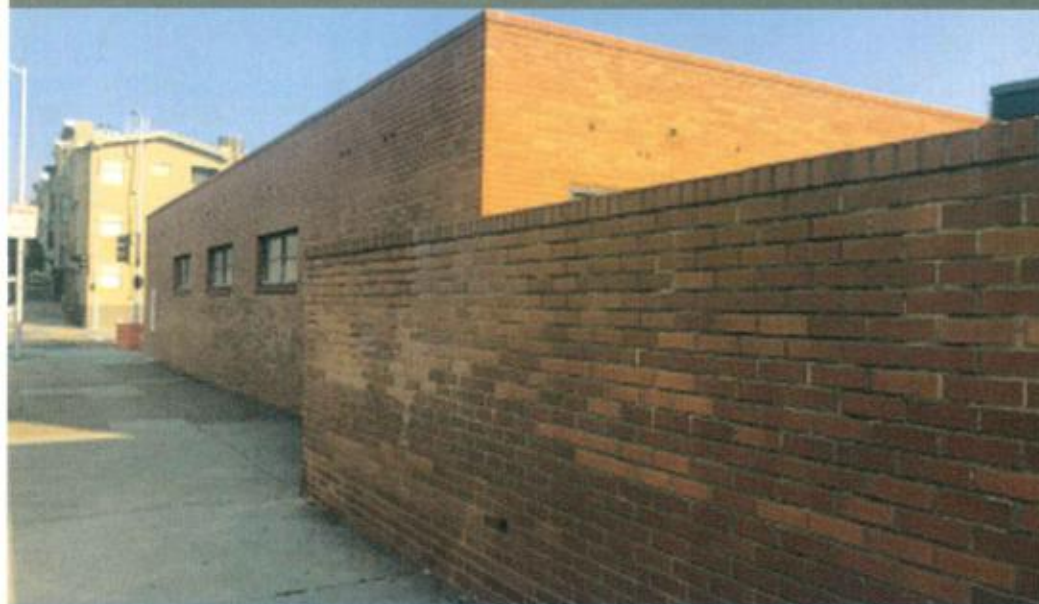
## Community Engagement: 160+ Meetings Over Four and Half Years

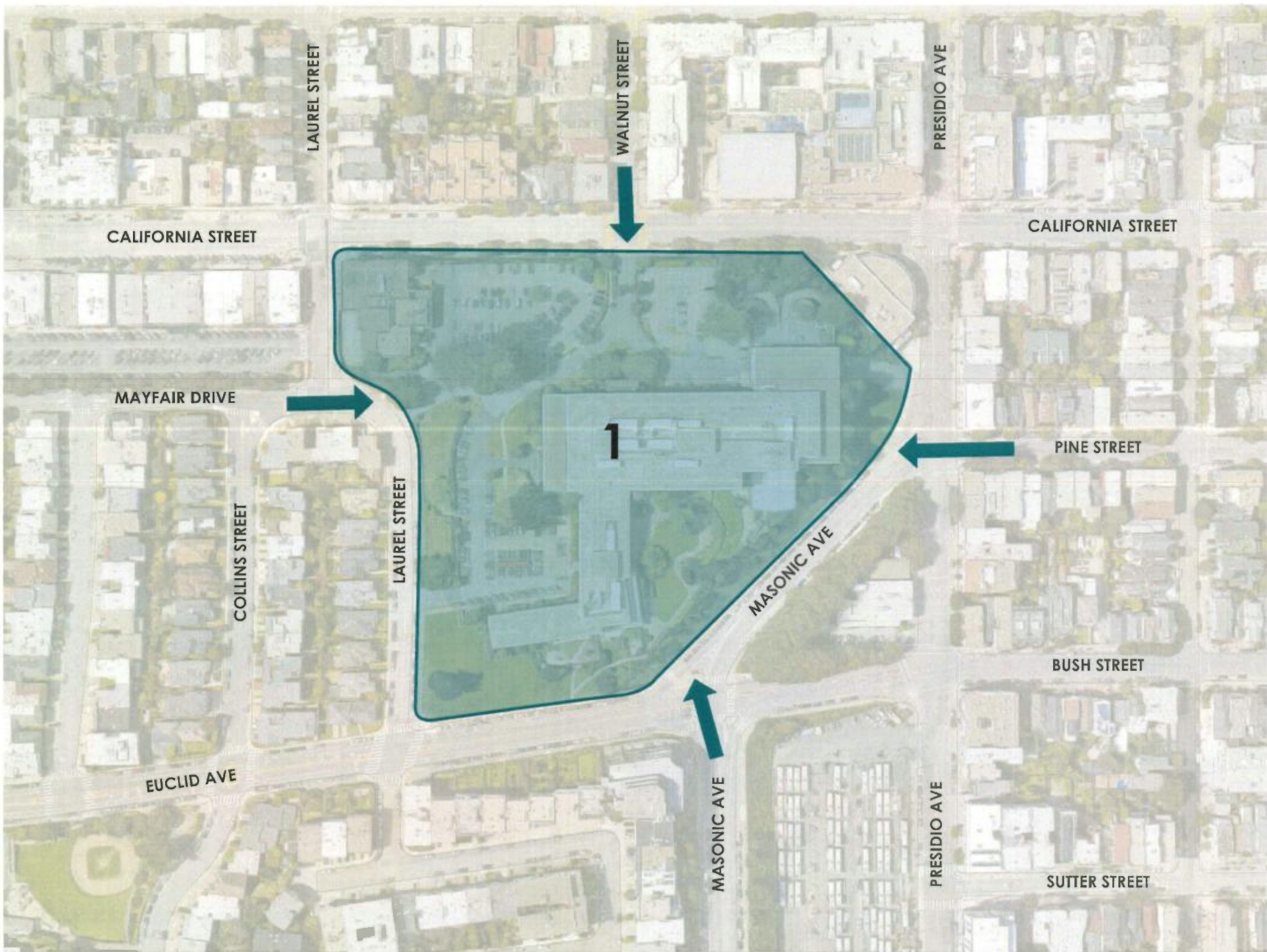


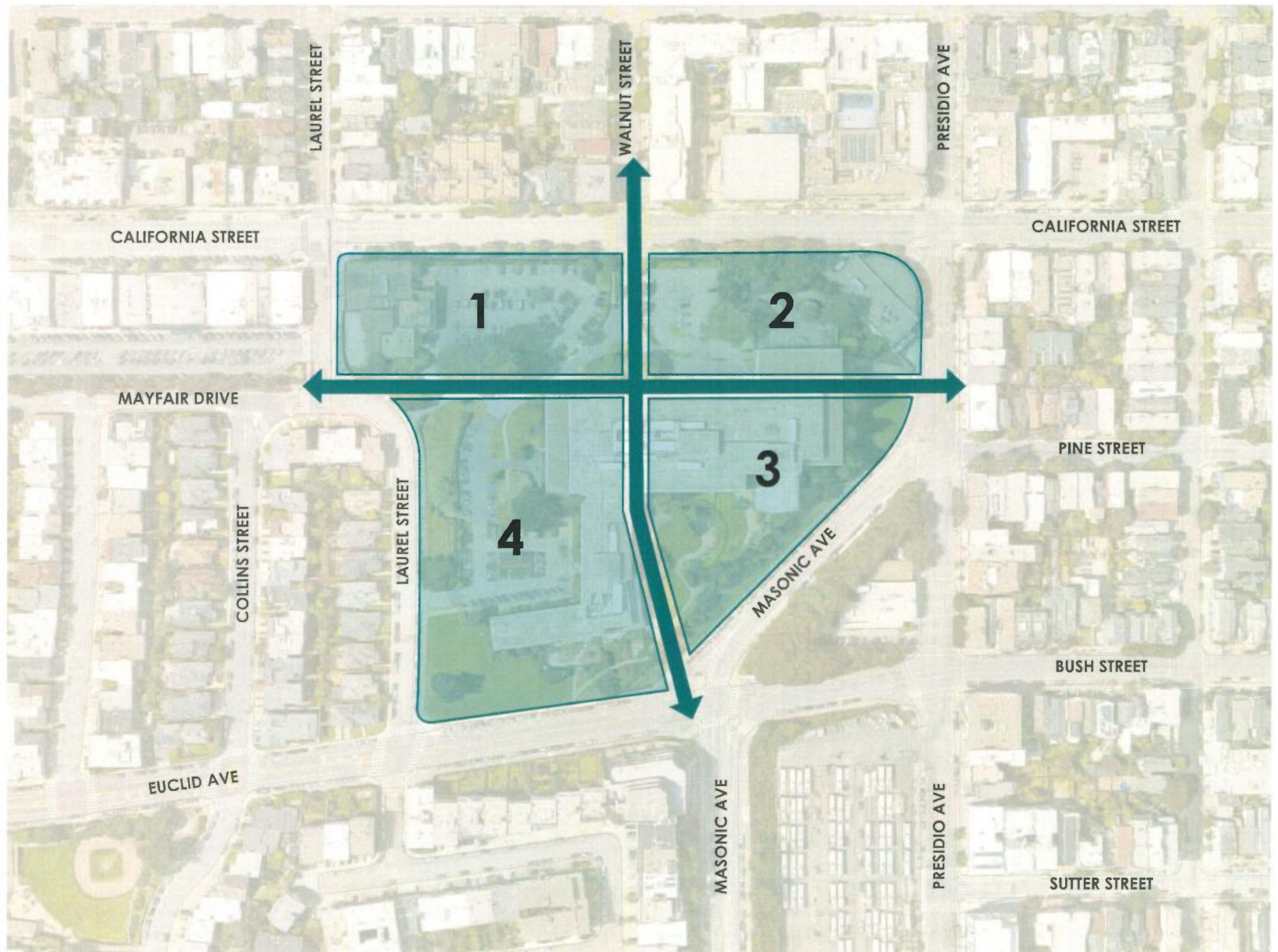
# Now: A Walled-Off Island



# Now: A Walled-Off Island





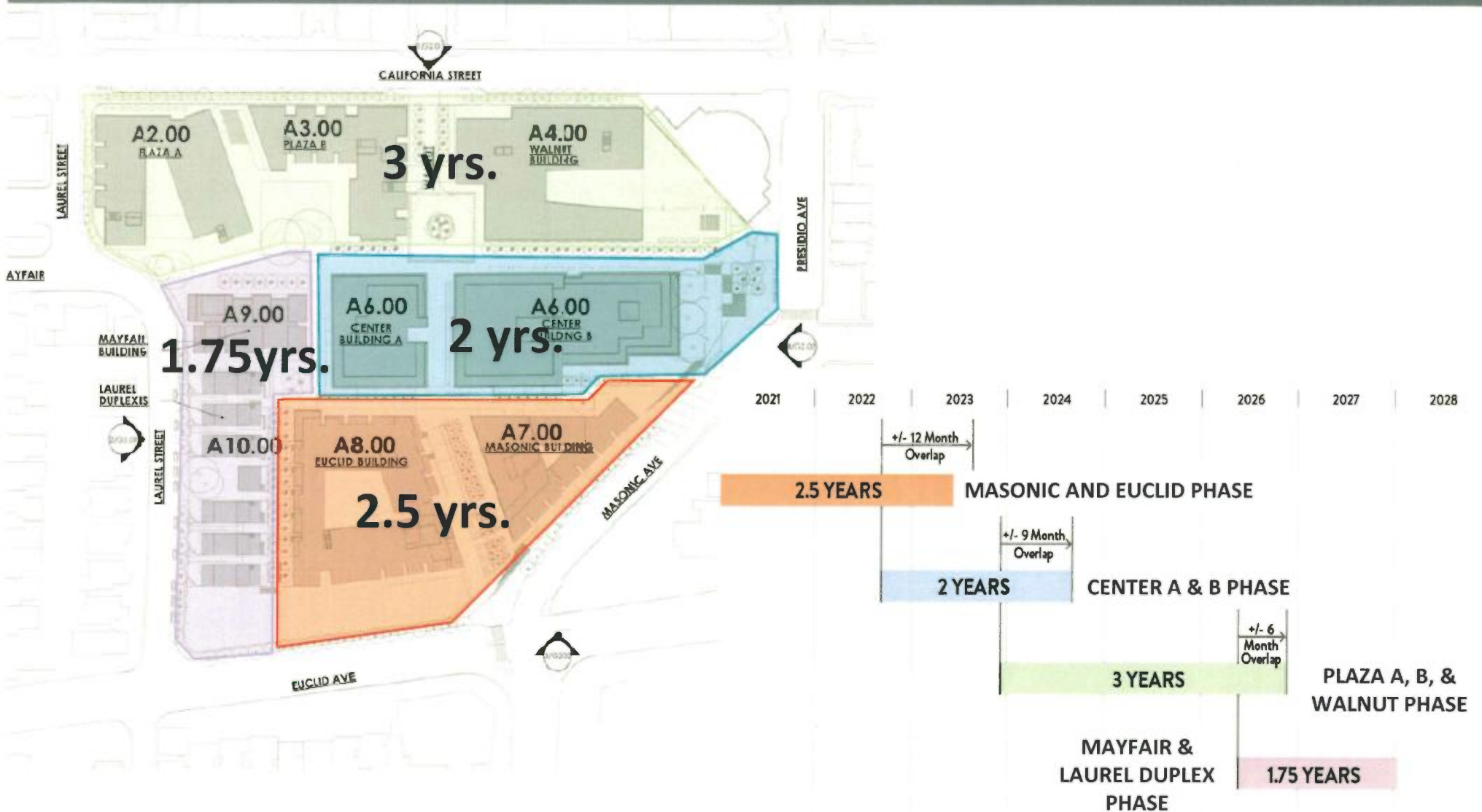


# 744 New Homes



**58% Family-Friendly with 2, 3, or 4 Bedrooms**  
**25% On-site Affordable Housing for Seniors**

# Construction Phasing



4 Over-lapping Phases Studied in the EIR

# Neighborhood Shops on California Street



Uninviting Gap in the Retail Fabric of California Street.

# Neighborhood Retail



35,000 sf of California Street Retail to Compliment Laurel Village

# COMMUNITY BENEFITS

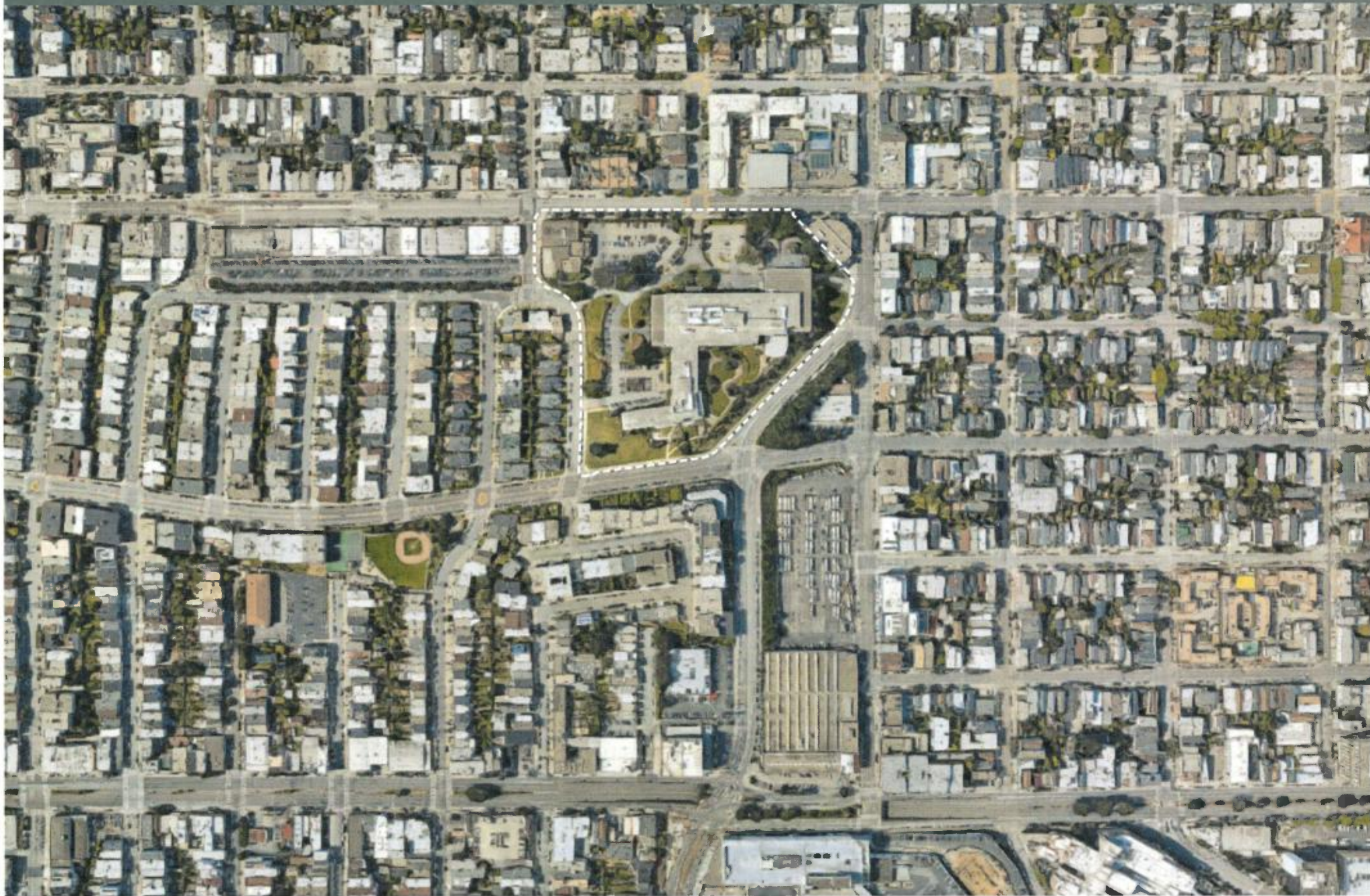
	<b>PUBLICLY ACCESSIBLE OPEN SPACE</b>	<b>2.9 ACRES</b>
	<b>ON-SITE CHILD CARE</b>	<b>175 CHILDREN</b>
	<b>AFFORDABLE HOUSING</b>	<b>186 HOMES (25%)</b>
	<b>SUSTAINABLE DEVELOPMENT</b>	<b>LEED GOLD +</b>
	<b>COMMUNITY BENEFIT FEES</b>	<b>\$20.7 M.</b>
	<b>INCREASED TAX REVENUE</b>	<b>+ \$10 M.</b>

# **FUTURE: 10 ACRES TRANSFORMED INTO HOMES, AFFORDABLE HOUSING, OPEN SPACE, CHILDCARE & SHOPS**

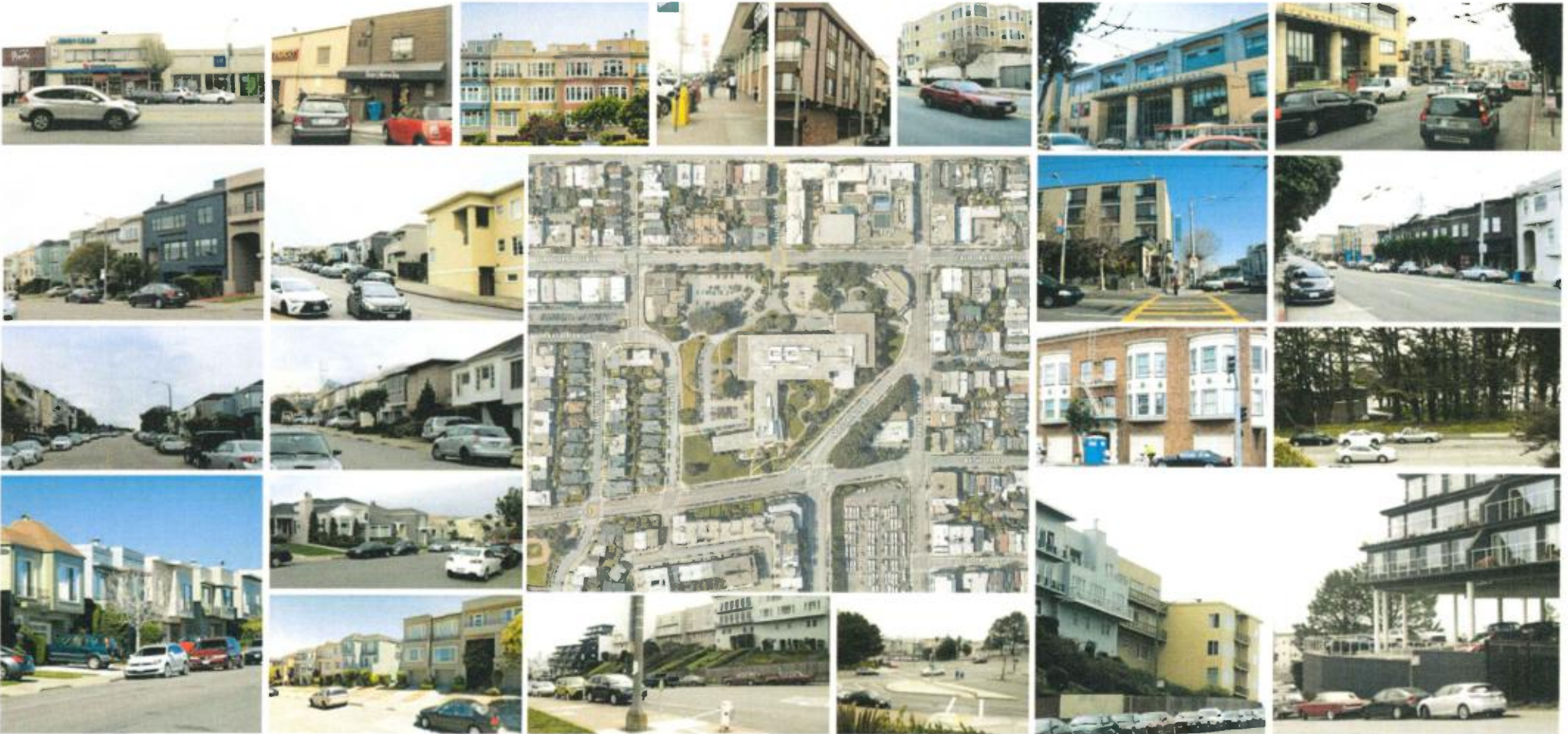


**A Walkable, Connected, and Sustainable Community**

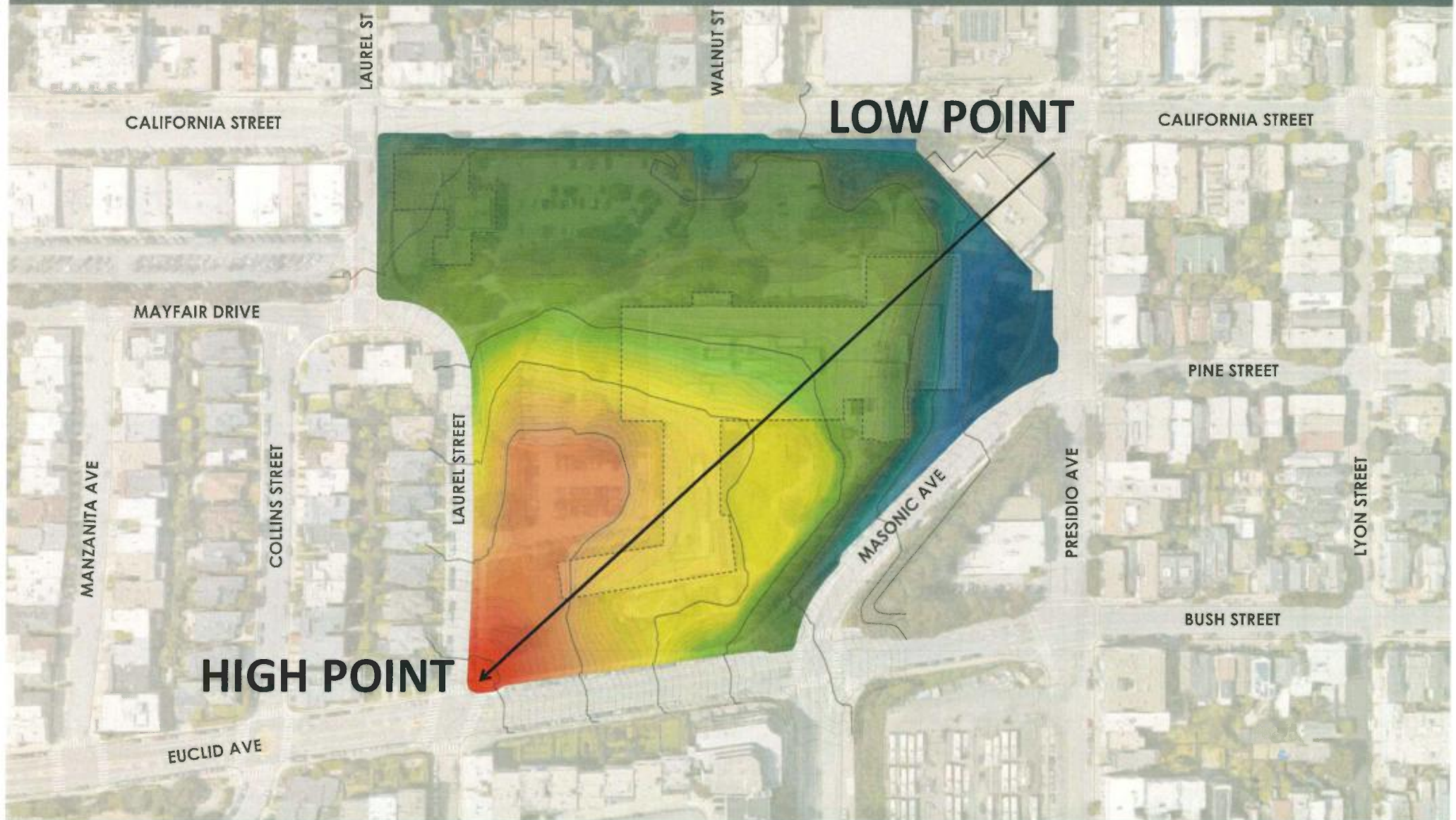
# Now: Not Responsive to Context



# Neighborhood Context

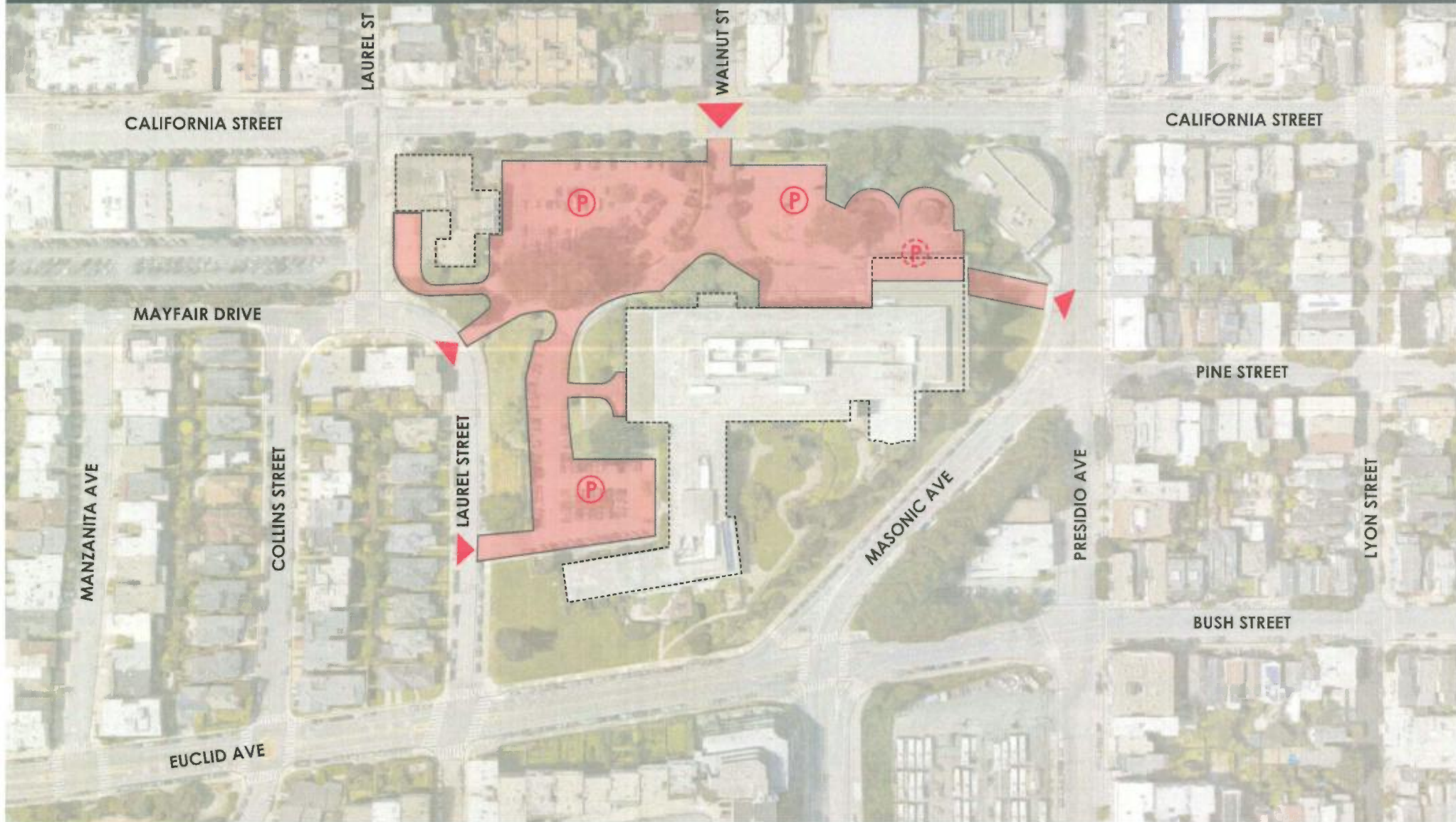


# Now: A Barrier to Accessibility



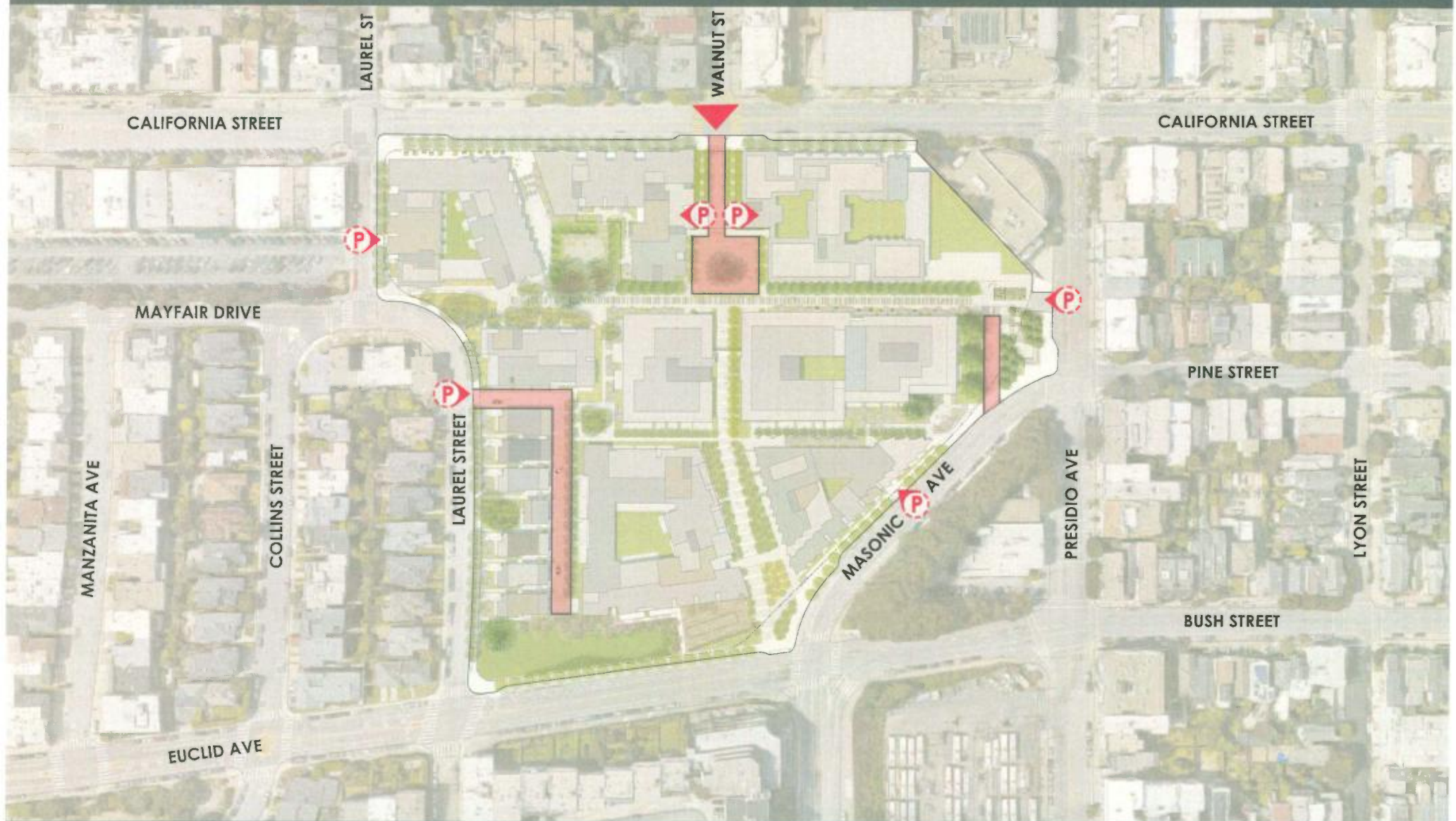
67' of grade change.

# Now: Car-Centric



Existing Site is Dominated by Vehicular Access.

# Proposed: Minimal Car Access (Made for People)



Below-grade parking and service access.

# Pedestrian Access



Continuous Network of Active Pedestrian Open Spaces.



LAUREL ST



WALNUT ST

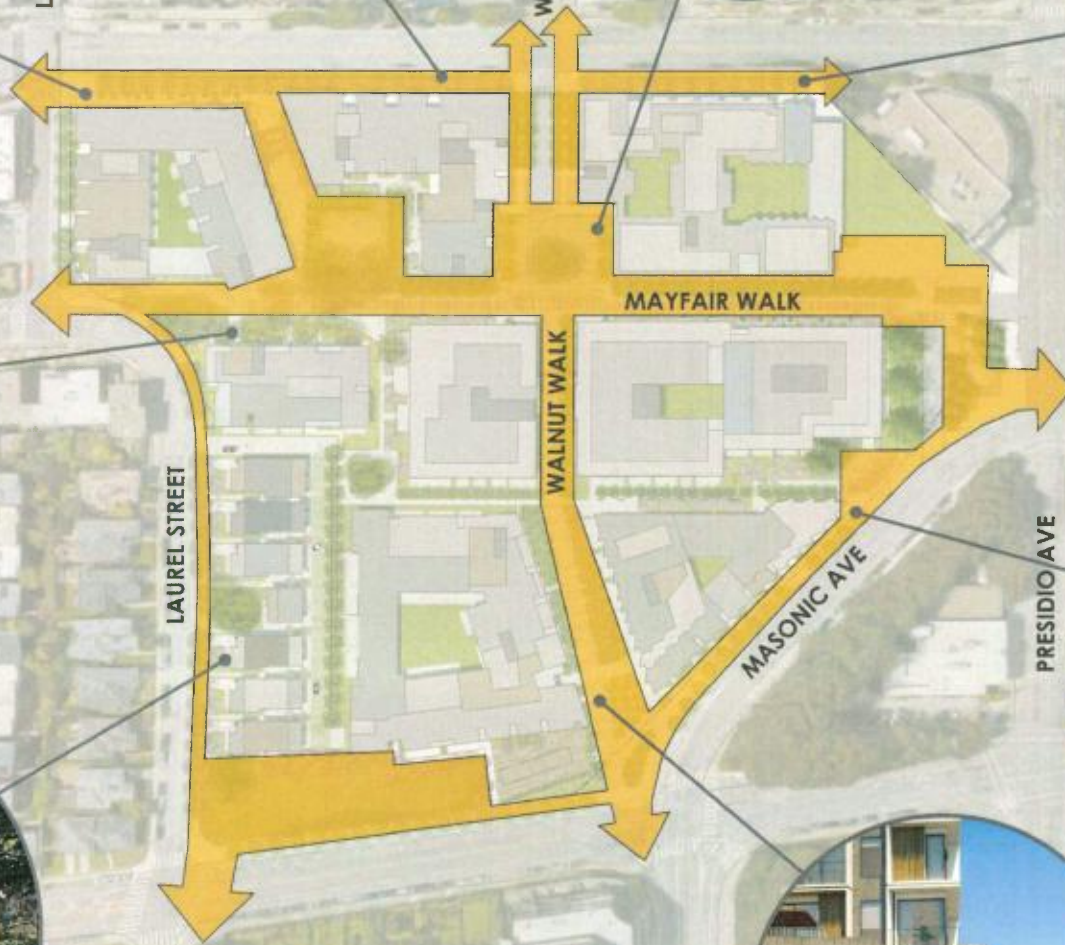


MANZANITA AVE

COLLINS STREET



LAUREL STREET



MAYFAIR WALK

WALNUT WALK

MASONIC AVE

PRESIDIO AVE

PINE STREET



SUTTER STREET

**Now: Car Access**



**Now: Driveway & Surface Parking**

# Proposed: Pedestrian Access



Cypress Square

**Now: No Access**



**Walnut Walk**

# Proposed: Pedestrian and Fire Truck Access



Walnut Walk

# ECOLOGY, ENERGY, WELLNESS

Targeting LEED Gold+ for Neighborhood Development



Increase Site Porosity



Green Roofs



Transit Access



Biodiversity



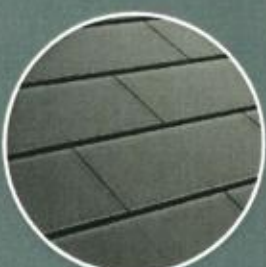
Adaptive Reuse



Wellness



Stormwater Management



On-Site Solar Energy



Accessibility

ARUP

# Enhance Pedestrian Experience



Improved Sidewalk Crossings and Inviting Entries.



CALIFORNIA STREET



WALNUT ST



PINE STREET



COLLINS STREET



MANZANITA AVE



SUTTER STREET

# Now: Single Building Design



**Singular Architectural Expression.**



CALIFORNIA STREET

CALIFORNIA STREET

MAYFAIR DRIVE

PINE STREET

MANZANITA AVE

COLLINS STREET

LAUREL STREET

WALNUT ST

PRESIDIO AVE

LYON STREET

EUCLID AVE

BUSH STREET

SUTTER STREET

PLAZA BUILDING A

PLAZA BUILDING B

WALNUT AFFORDABLE SENIOR BUILDING

MAYFAIR BUILDING

CENTER BUILDING A

CENTER BUILDING B

EUCLID BUILDING

MASONIC BUILDING

LAUREL DUPLEXES

# Contextual Scale



**Proposed Buildings Respond to Neighborhood Texture.**

# Contextual Building Components

RYTHMIC BAYS



PUNCHED WINDOWS



HORIZONTAL LINES



STEPPED MASSING & RAILINGS



NEIGHBORHOOD CONTEXT: WINDOW PATTERN



NEIGHBORHOOD CONTEXT: MASSING



IMPLEMENTED DESIGN FEATURES: LAUREL & MAYFAIR



EXISTING BUILDING: MIDCENTURY HORIZ. LINES



# Contextual Materials



Context Wood Shingles



Bay Windows



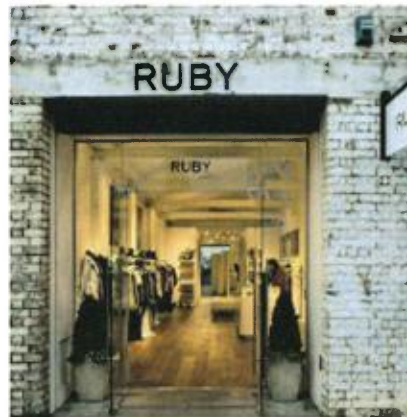
Siding



Street Trees



Context Painted Brick



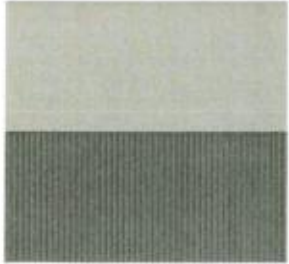
Retail



Window Frame

Sample Materials Board- Plaza B Building

# Contextual Materials



**A** CEMENT BOARD



**B** CEMENT PLASTER



**L** SLAT SCREEN



**C** METAL PANEL



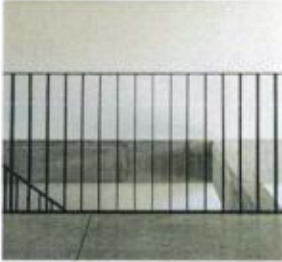
**N** WOOD SHINGLES



**O** WOOD SIDING



**D E** ALUMINUM STOREFRONT WINDOW SYSTEM



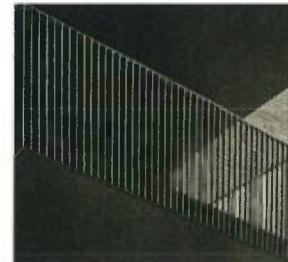
**G** STEEL GUARDRAIL



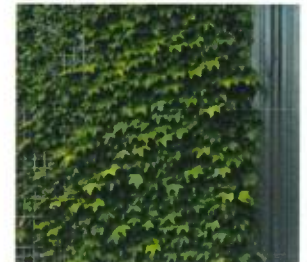
**K** ARCHITECTURAL CONCRETE PLANTERS



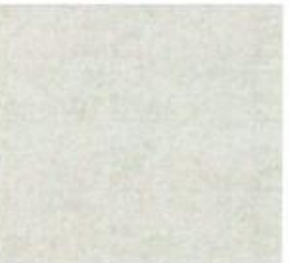
**D** ALUMINUM WINDOW SYSTEM



**G** STEEL GUARDRAIL



**I** GREEN WALL



**B** CEMENT PLASTER



**H** COMPOSITE WOOD PLANK SIDING



**K** ARCHITECTURAL CONCRETE



**L** SLAT SCREEN



**D** ALUMINUM WINDOW SYSTEM



**B** CEMENT PLASTER



**D E** ALUMINUM STOREFRONT WINDOW SYSTEM



**G** STEEL GUARDRAIL



**I** GREEN WALL



**P** BRICK



**G** STEEL GUARDRAIL



**K** ARCHITECTURAL CONCRETE

# Fine-grained Response to Neighborhood



Activating the site edges and connecting the city fabric.



Thank You



# 3333 California Street Mixed-Use Project



Case No. 2015-014028 ENV/MAP/PCA/DVA/CUA

San Francisco Planning Commission  
September 5, 2019



**San Francisco**  
**Planning**

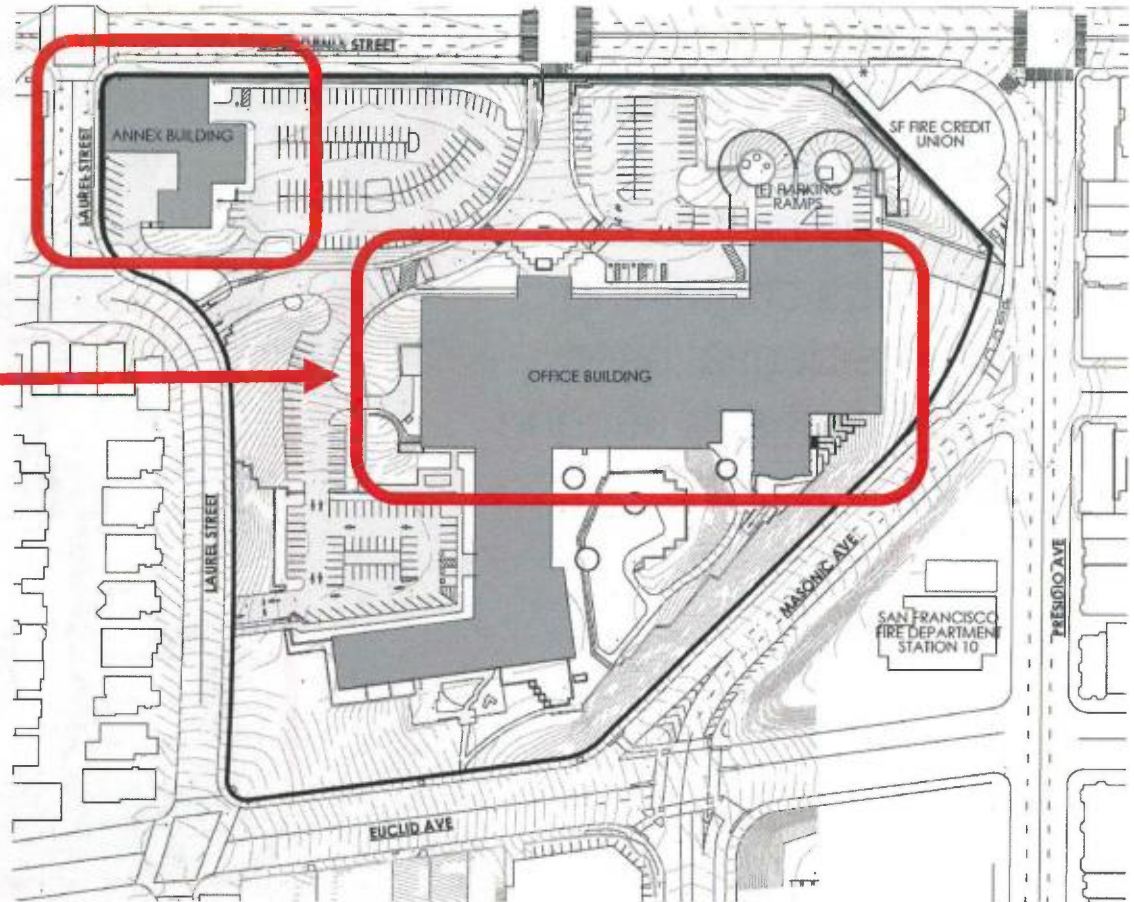
## Summary of Actions

- Certify the Final Environmental Impact Report under CEQA
- Adopt findings and a statement of overriding consideration under CEQA
- Recommend that the Board of Supervisors approve the SUD Ordinance
- Recommend that the Board of Supervisors approve a Development Agreement ("DA")
- Approve a request for Conditional Use Authorization

## Project Synopsis

- Demolish existing annex building.
- Partial demolition and adaptive reuse of existing center office building for residential uses.

Existing Site Plan



## Project Synopsis

- Construct 13 new buildings as either residential-only buildings or mixed-use buildings containing non-residential uses on the first and second floors.



## Project Synopsis

- 1,428,000 square feet (sf) of uses:
- Residential:
  - 978,000 sf of residential floor area
  - 744 dwelling units (25% provided as senior affordable)
- Non-Residential:
  - 35,000 sf of retail floor area
  - 15,000 sf child care facility
- 857 vehicular spaces (including 10 car-share spaces)
- 839 Class 1 and 2 bicycle parking spaces

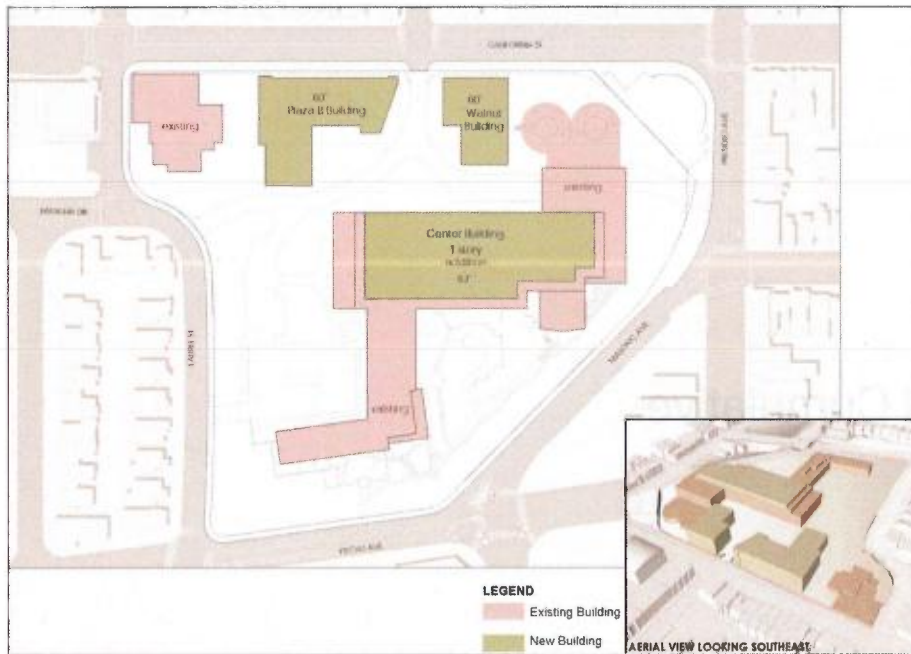
## **SUMMARY OF SIGNIFICANT AND UNAVOIDABLE IMPACTS**

- **Historic Architectural Resources**
  - 3333 California Street property, including the existing office building and landscaped space
- **Transit Capacity**
  - 43 Masonic Muni route
- **Construction Noise**

# SIGNIFICANT IMPACTS THAT CAN BE MITIGATED

- **Transportation – Project Level and Cumulative**
  - Regional vehicle miles traveled
- **Construction Noise – Project Level**
  - Groundbourne vibration
- **Operational Noise – Project Level**
  - Stationary equipment
- **Cultural Resources – Project Level and Cumulative**
  - Archeological resources
  - Human remains
  - Tribal cultural resources
- **Biological Resources – Project Level and Cumulative**
  - Migratory birds
- **Paleontological Resources – Project Level**

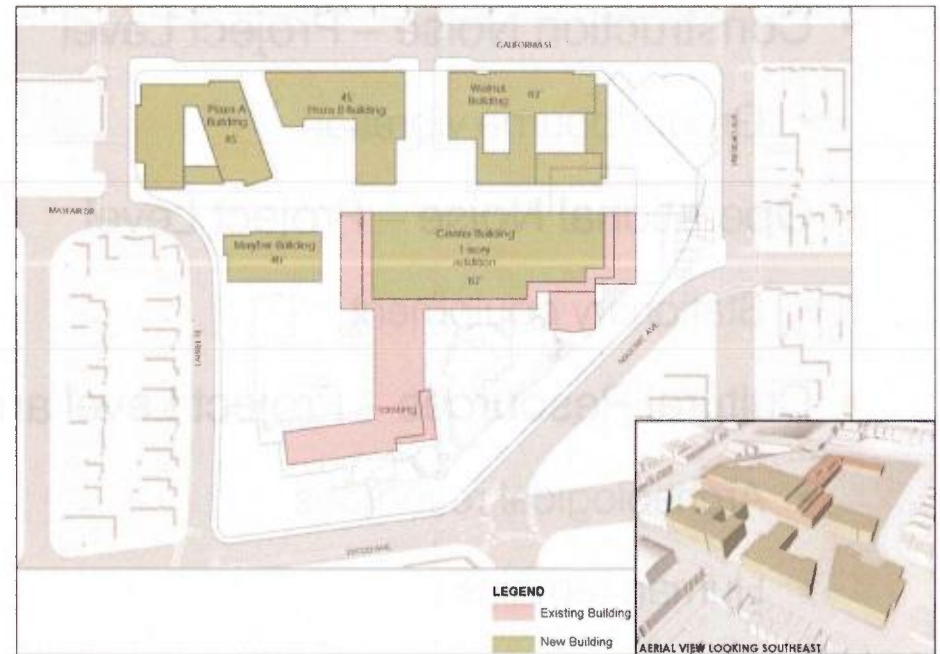
# Alternatives B and C - Full Preservation Alternatives



Source: Leland Project Partners, LLC (2015)

**3333 CALIFORNIA STREET MIXED-USE PROJECT**  
2015-014078ENV

FIGURE 6.2: ALTERNATIVE B: FULL PRESERVATION - OFFICE ALTERNATIVE SITE PLAN

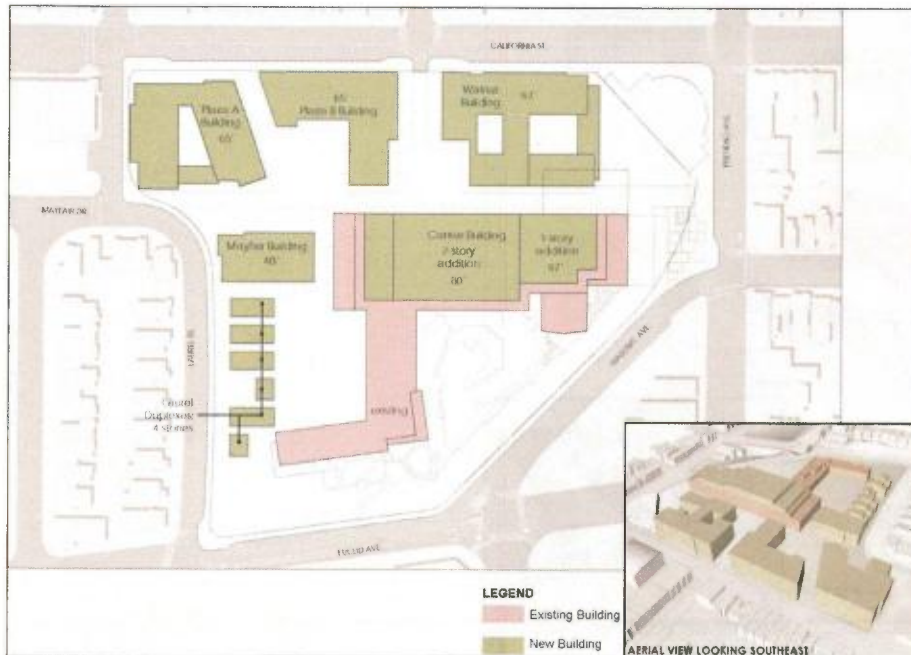


Source: Leland Project Partners, LLC (2015)

**3333 CALIFORNIA STREET MIXED-USE PROJECT**  
2015-014078ENV

FIGURE 6.5: ALTERNATIVE C: FULL PRESERVATION - RESIDENTIAL ALTERNATIVE SITE PLAN

# Alternatives D and E - Partial Preservation Alternatives

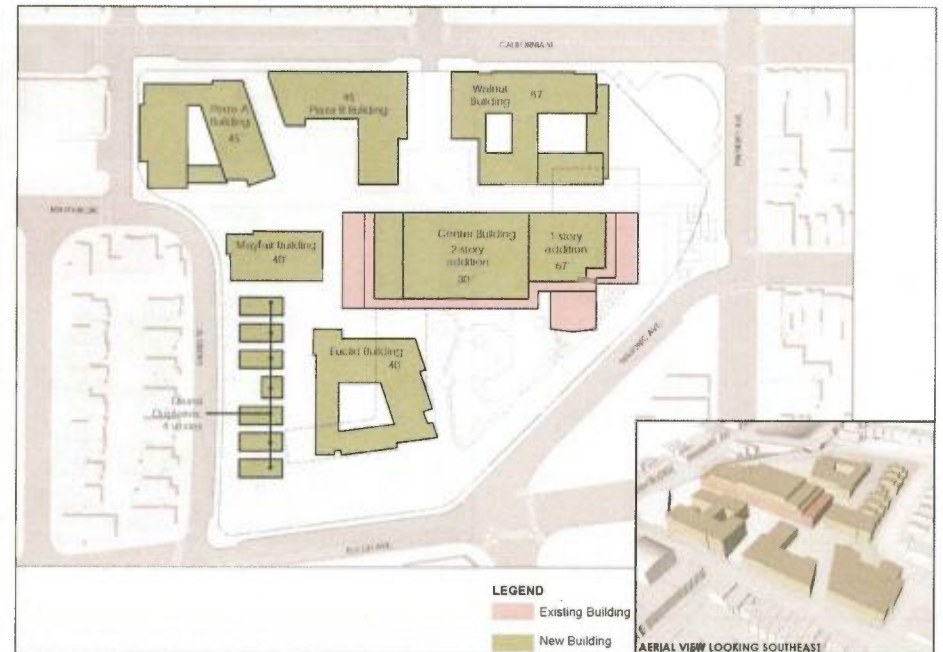


Source: Laurel Heights Partners, LLC (2016)

**3333 CALIFORNIA STREET MIXED-USE PROJECT**

2015-014028ENV

**FIGURE 6.8: ALTERNATIVE D: PARTIAL PRESERVATION - OFFICE ALTERNATIVE SITE PLAN**



Source: Laurel Heights Partners, LLC (2016)

**3333 CALIFORNIA STREET MIXED-USE PROJECT**

2015-014028ENV

**FIGURE 6.11: ALTERNATIVE E: PARTIAL PRESERVATION - RESIDENTIAL ALTERNATIVE SITE PLAN**

## Alternative F - Code Conforming Alternative

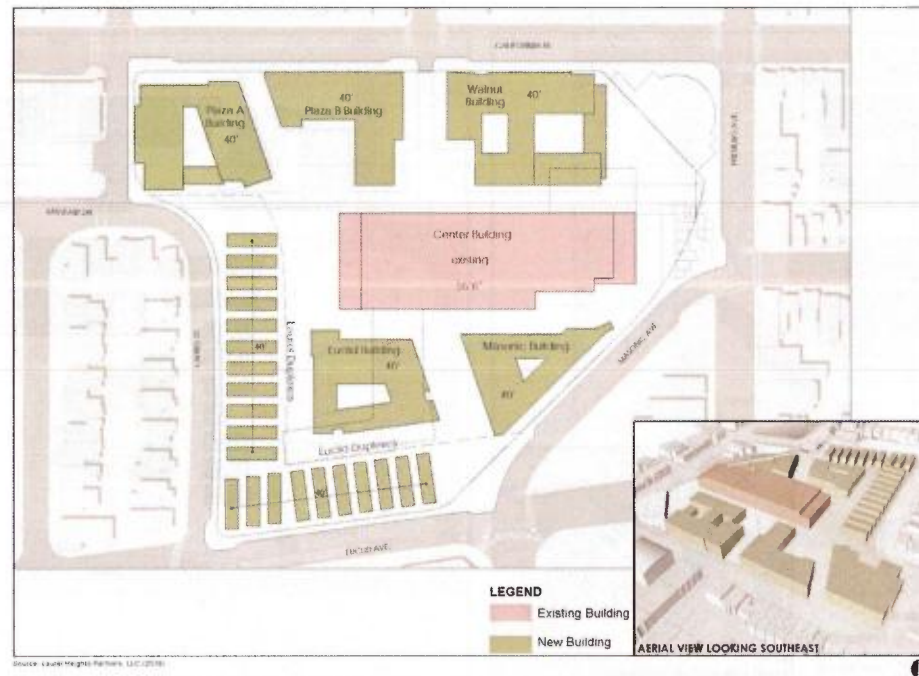
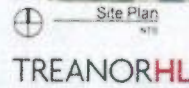


FIGURE 6.14: ALTERNATIVE F: CODE CONFORMING  
ALTERNATIVE - SITE PLAN

### Alternative C:



2015-014028ENV



Source: Laurel Heights Improvement Association

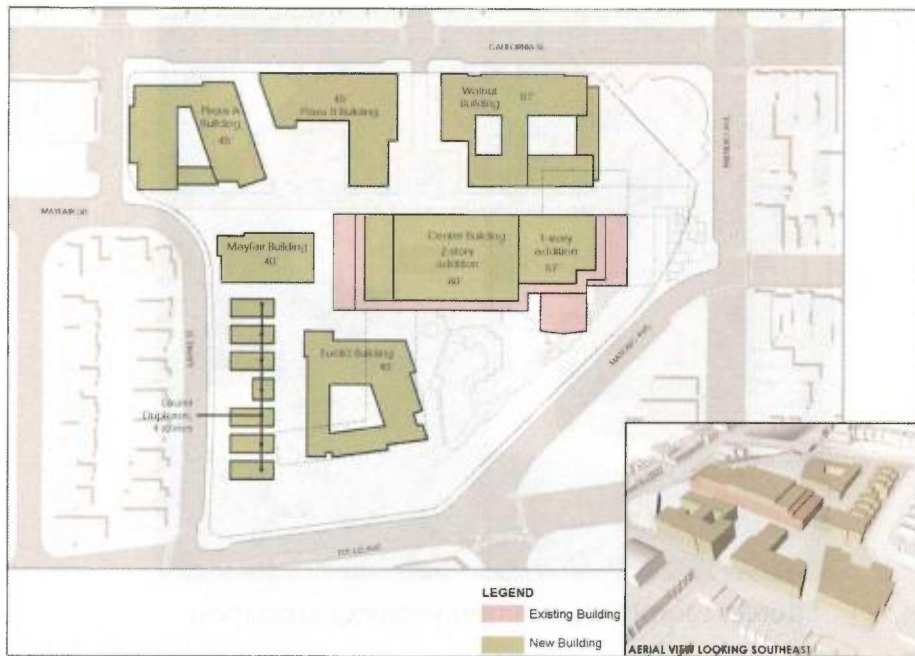
Aerial View Looking SE

# Public Works Analysis of LHIA Alternative and Variant

- Unit count is overestimated:
  - 473 and 576 units (vs. 558 and 744 units claimed);
  - 323 parking spaces (vs. 460 spaces claimed)
- Would not meet Planning Code section 207.7 - unit mix requirements
  - Would provide mostly small units (studios, junior 1BR units, and 1BR units) – Approx. 73%

Units	Sec. 207.7	LHIA Alternative	LHIA Alternative Variant
2BR+	≥ 25% of units	27%	16%
3BR+	≥ 10% of units	7%	5%

## Alternative E: Partial Preservation Alternative – Residential



Source: Laurel Heights Partners, LLC (2018)

3333 CALIFORNIA STREET MIXED-USE PROJECT  
2015-014028ENV

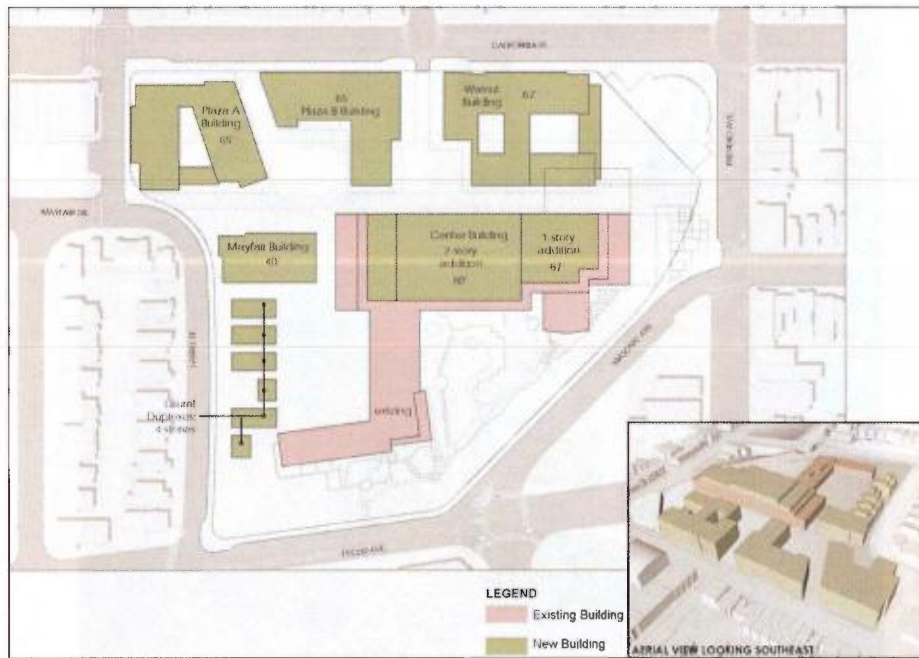
FIGURE 6.11: ALTERNATIVE E: PARTIAL PRESERVATION –  
RESIDENTIAL ALTERNATIVE SITE PLAN

## Community Preservation Lookalike Variant



Source: Laurel Heights Improvement Association

## Alternative D: Partial Preservation Alternative – Office



Source: Laurel Heights Partners, LLC (2016).

3333 CALIFORNIA STREET MIXED-USE PROJECT

2015-01402REV

FIGURE 6.8: ALTERNATIVE D: PARTIAL PRESERVATION - OFFICE ALTERNATIVE SITE PLAN

## Community Preservation Alternative Variant 2



Source: Laurel Heights Improvement Association

## Staff Recommendation

- Staff recommends that the Planning Commission certify the Final Environmental Impact Report for the 3333 California Street Mixed-Use Project.

## DEVELOPMENT AGREEMENT

- 15 year term
- Vesting and phasing rights for developer
- Key Community Benefits
  - 25% on-site senior affordable housing units
  - Public open space & accessible pedestrian pathways
  - Childcare center with 10% of seats for low-income families
  - TDM commitments above code-requirement
  - Workforce program participation (LBE & First Source)
  - SFFD AWSS community benefit fee

## DEVELOPMENT AGREEMENT

### Affordable Housing Plan

- 25% on-site affordable housing dedicated to low-income seniors; 185 senior units & 1 on-site manager's unit
- Located in proposed Walnut Building on California Street close to retail, amenities, transit, and co-located with childcare center
- Developer-funded, no City subsidies in project
- Developer must build and open Walnut Building before more than 386 market rate units are complete
- Developer must fee-out into an escrow account for each market rate unit built prior to Walnut Building completion; funds to be used for gap financing of Walnut Building
- City has right to acquire (1) Walnut Land at no cost and (2) escrow funds if Walnut Building not complete by year 12 of DA term

**End of Presentation**

1 [Planning Code, Zoning Map - 3333 California Street Special Use District]

2  
3 **Ordinance amending the Planning Code and Zoning Map to create the 3333 California**  
4 **Street Special Use District; and making environmental findings, findings of consistency**  
5 **with the General Plan and the eight priority policies of Planning Code, Section 101.1,**  
6 **and findings of public convenience, necessity, and welfare under Planning Code,**  
7 **Section 302.**

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

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

16 Section 1. Environmental and Land Use Findings.

17 (a) On \_\_\_\_\_, the Planning Commission conducted a duly noticed public hearing on  
18 the proposed 3333 California Street Project ("Project"), including the proposed Planning Code  
19 and Zoning Map amendments, and by Resolution No. \_\_\_\_\_ recommended the proposed  
20 amendments for approval. At its hearing on \_\_\_\_\_, and prior to recommending the proposed  
21 Planning Code and Zoning Map amendments for approval, the Planning Commission certified  
22 a Final Environmental Impact Report (FEIR) for the Project pursuant to the California  
23 Environmental Quality Act (CEQA) (California Public Resources Code Sections 21000 et  
24 seq.), the CEQA Guidelines (14 Cal. Code Reg. Sections 15000 et seq.) and Chapter 31 of  
25 the Administrative Code. In accordance with the actions contemplated in this ordinance, the  
Board of Supervisors has reviewed the FEIR and concurs with its conclusions, and finds that

1 the actions contemplated in this ordinance are within the scope of the Project described and  
2 analyzed in the FEIR. The Board hereby adopts and incorporates by reference as though fully  
3 set forth herein the Commission's CEQA approval findings, including a statement of overriding  
4 considerations, adopted by the Planning Commission on \_\_\_\_\_ in Motion No. \_\_\_\_\_. This  
5 Board also adopts and incorporates by reference as though fully set forth herein the Project's  
6 Mitigation Monitoring and Reporting Program (MMRP). Said findings and MMRP are on file  
7 with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

8 (b) On \_\_\_\_\_, the Planning Commission, in Resolution No. \_\_\_\_\_,  
9 adopted findings that the actions contemplated in this ordinance are consistent, on balance,  
10 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The  
11 Board of Supervisors adopts these findings as its own. A copy of said Resolution is on file  
12 with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein  
13 by reference.

14 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that the  
15 Planning Code and Zoning Map amendments will serve the public necessity, convenience,  
16 and welfare for the reasons set forth in Planning Commission Resolution No. \_\_\_\_\_, and  
17 the Board incorporates such reasons herein by reference.

18  
19 Section 2. Article 2 of the Planning Code is hereby amended by adding Section  
20 249.86, to read as follows:

21 **SEC. 249.86. 3333 CALIFORNIA STREET SPECIAL USE DISTRICT.**

22 (a) Location. A Special Use District entitled the 3333 California Special Use District  
23 ("SUD"), the general boundaries of which are California Street to the north, Presidio Avenue to the  
24 east, Masonic Avenue to the southeast, Euclid Avenue to the south, and Laurel Street/Mayfair Drive to

1 the west, as more specifically shown on Section Map SU03 of the Zoning Maps of the City and County  
2 of San Francisco, is hereby established for the purpose set forth below.

3 (b) Purpose. The purpose of the SUD is to facilitate the development of a mixed use project in  
4 a transit-rich location with residential, non-residential, child care, open space, and related uses, and to  
5 give effect to the Development Agreement for the 3333 California Street Mixed-Use Development  
6 Project, as approved by the Board of Supervisors in the ordinance in File No. \_\_\_\_\_. The SUD will  
7 provide benefits to the City including but not limited to: replacement of a large-scale office building  
8 with a series of smaller buildings designed to be consistent with the scale and character of the  
9 neighborhood; construction of hundreds of new housing units, including family-sized units and on-site  
10 senior housing with affordability levels exceeding on-site City requirements; an on-site child care  
11 facility; and construction and maintenance of new, publicly accessible open spaces and new  
12 connections to the surrounding street grid, including new pedestrian connections, and other street and  
13 streetscape improvements.

14 (c) Development Controls. Applicable provisions of the Planning Code shall apply to the SUD  
15 except as otherwise provided in this Section 249.86. In the event of a conflict between other provisions  
16 of the Planning Code and this Section, the provisions of this Section shall control.

17 (1) Additional Permitted Uses. In addition to the uses permitted in the RM-1 zoning  
18 district, the following uses are principally permitted within the first and second story of all buildings  
19 with frontage on California Street, and shall be subject to the controls of the NC-S zoning applicable to  
20 such uses, except for any prohibition on such use:

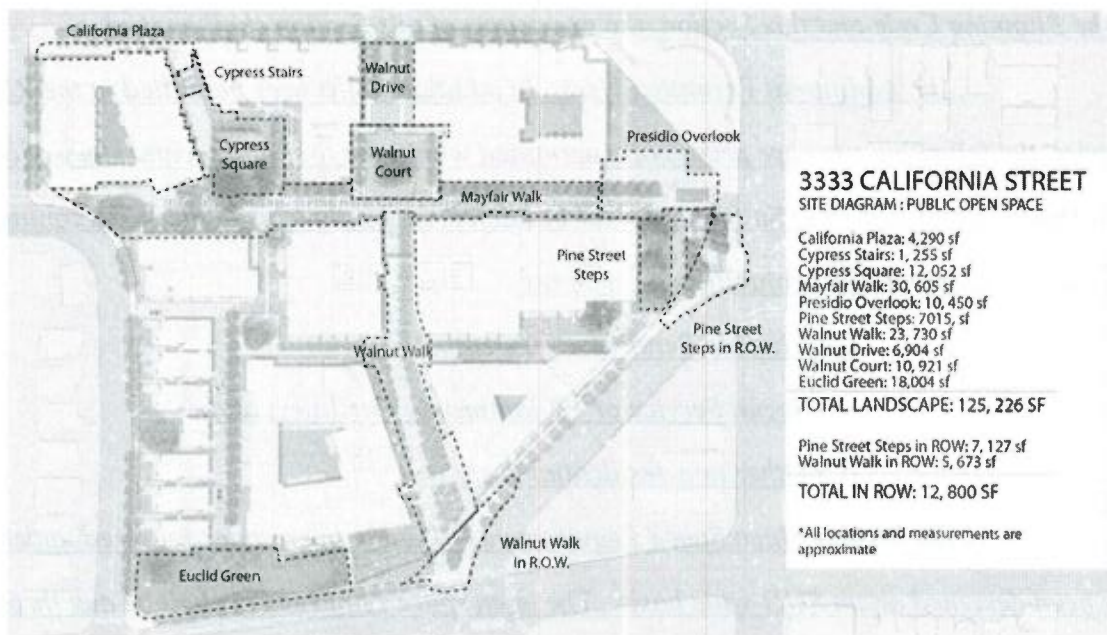
21 (A) Flexible Retail Uses;

22 (B) Social Service or Philanthropic Facilities; and,

23 (C) Other non-residential uses.

24 (2) Usable Open Space Requirements. Usable open space required under Section 135  
25 has been designed on an SUD-wide basis. The open space requirement shall be met through a

1 combination of private and common usable open spaces, as defined in Section 135, that will be  
2 associated with individual buildings as well as approximately 56,000 square feet of privately owned,  
3 publicly accessible parks and plazas that will be counted as common usable open space, provided such  
4 space is otherwise compliant with Section 135(g) and developed in accordance with the Development  
5 Agreement for the project, including without limitation, Schedule 1 (Community Benefits Linkages and  
6 impact Fee Schedule) thereof. The open space plan depicted below in this subsection (c)(2) generally  
7 sets forth the approximate location and size of such privately owned, publicly accessible open space.  
8 Accordingly, compliance with usable open space requirements for any building in the SUD shall be  
9 evaluated on a project-wide basis and for consistency with the terms of the Development Agreement.  
10 Upon expiration or termination of the Development Agreement, the then-applicable open space  
11 requirements of the Planning Code shall apply to any future development, provided however, that any  
12 building which has satisfied its open space requirements in accordance with this subsection (c)(2) prior  
13 to the expiration of the Development Agreement shall be deemed to be Code-conforming as to open  
14 space requirements and shall not constitute a noncomplying structure or nonconforming use under the  
15 provisions of Article 1.7, notwithstanding the expiration of the Development Agreement.



1                   (3) Child Care Facility Parking. Off-street parking spaces for any child care facility  
2                   shall be permitted at a rate of 1.5 parking spaces for each nine children who could be accommodated  
3                   in the child care facility under the applicable child care licensing requirements.

4                   (4) Inclusionary Housing. For so long as the Development Agreement is in effect, the  
5                   affordable housing requirements of the Development Agreement shall govern. Upon expiration or  
6                   termination of the Development Agreement, the then-applicable Inclusionary Affordable Housing  
7                   requirements set forth in Planning Code Sections 415 et seq., as amended from time to time, shall apply  
8                   to any future development, without reference to the date of any earlier development application.

9                   (5) Child Care Requirements. For so long as the Development Agreement is in effect,  
10                  the Child Care requirements of the Development Agreement shall govern. Upon expiration or  
11                  termination of the Development Agreement, the then-applicable Child Care requirements set forth in  
12                  Planning Code Sections 414 and 414A et seq., as amended from time to time, shall apply to any future  
13                  development, without reference to the date of any earlier development application.

14                  (6) Director Determination. During the term of the Development Agreement, all site  
15                  and/or building permit applications for construction of new buildings or alterations of, or additions to  
16                  existing structures ("Applications") submitted to the Department of Building Inspection shall be  
17                  forwarded to the Planning Department for consistency review. For purposes of this subsection (c)(6),  
18                  Applications do not include any interior modifications or alterations, provided however, that any such  
19                  modification or alteration shall otherwise comply with the applicable requirements of the Planning  
20                  Code. In no event may the Planning Director or Planning Commission approve an Application that is  
21                  not in substantial conformance with this Section 249.86, the Development Agreement, or any  
22                  conditional use authorization and planned unit development authorization.

23                  (7) Discretionary Review. No requests for discretionary review shall be accepted or  
24                  heard for projects within the SUD.

Section 3. City Planning Commission Resolution 4109, November 13, 1952. Effective as of the effective date of this ordinance, City Planning Commission Resolution No. 4109, and all related conditions, stipulations, special restrictions, and other limitations imposed in connection with the 1952 re-classification of the property (Assessor's Block 1032, Lot A) (the "Property") from a First Residential District to a Commercial District shall no longer apply to the Property and is hereby extinguished.

Section 4. The Planning Code is hereby amended by revising Special Use District Map SU03 of the Zoning Map of the City and County of San Francisco, as follows:

Description of Property	Special Use District Hereby Approved
Assessor's Block/Lot 1032/033	3333 California Street Special Use District

Section 5. The San Francisco Planning Code is hereby amended by revising Sectional Map HT03 of the Zoning Map of the City and County of San Francisco, based on Assessor's Parcel Maps on the effective date of this ordinance, as follows:

Description of Property	Height and Bulk Districts to be Superseded	Height and Bulk Districts Hereby Approved
Assessor's Parcel Block No. 1032, Lot 003 (an approximately 2.13 acre area of the northwestern portion of Lot 003 from California Street south	40-X	45-X

1	approximately 215' and from Laurel		
2	Street east approximately 451.75')		
3	Assessor's Parcel Block No. 1032,	40-X	67-X
4	Lot 003 (an approximately 1.64 acre		
5	area of the northeastern portion of		
6	Lot 003 from California Street south		
7	approximately 197' and		
8	approximately 270.63' west of the		
9	northeastern most property corner		
10	along the California Street frontage)		
11	Assessor's Parcel Block No. 1032,	40-X	80-X
12	Lot 003 (an approximately 0.69 acre		
13	area measuring approximately		
14	190.25' by 158.39' centrally located		
15	within Lot 003 197' south of		
16	California Street)		
17	Assessor's Parcel Block No. 1032,	40-X	92-X
18	Lot 003 (an approximately 1.54 acre		
19	area measuring approximately		
20	190.25' by 182.72' centrally located		
21	on the eastern side of Lot 003 197'		
22	south of California Street)		

23  
24 A pictorial representation of the above height and bulk districts on Assessor's Parcel  
25 Block 1032, Lot 3 is contained in Board of Supervisors File No. \_\_\_\_\_.

1  
2 Section 6. Effective Date and Operative Date.

3 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
4 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
5 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
6 Mayor's veto of the ordinance.

7 (b) This ordinance shall become operative only on (and no rights or duties are affected  
8 until) the later of (1) its effective date, as stated in subsection (a) above, or (2) the effective  
9 date of the ordinance approving the Development Agreement for the Project. A copy of said  
10 ordinance is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

11  
12 APPROVED AS TO FORM:  
13 DENNIS J. HERRERA, City Attorney

14 By: \_\_\_\_\_  
15 AUDREY WILLIAMS PEARSON  
Deputy City Attorney

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25

1 [Development Agreement - Laurel Heights Partners, LLC - 3333 California Street Project -  
2 California Street at Presidio Avenue]

3 **Ordinance approving a Development Agreement between the City and County of San**  
4 **Francisco and Laurel Heights Partners, LLC, a Delaware limited liability company, for**  
5 **the development of an approximately 10.25-acre site located at California Street at**  
6 **Presidio Avenue, with various public benefits, including 25% affordable housing, a**  
7 **child care center comprised of approximately 14,665 square feet, and approximately**  
8 **2.87 acres of privately owned, publicly accessible open space; making findings under**  
9 **the California Environmental Quality Act, and findings of conformity with the General**  
10 **Plan and the eight priority policies of Planning Code, Section 101.1(b); approving**  
11 **certain development impact fees for the project, and waiving certain Planning Code**  
12 **fees and requirements; and confirming compliance with or waiving certain provisions**  
13 **of Administrative Code, Chapter 56; ratifying certain actions taken in connection with**  
14 **the Development Agreement, as described herein; and authorizing certain actions to be**  
15 **taken under the Development Agreement, as described herein.**

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

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

22 Section 1. Project Findings.

23 The Board of Supervisors makes the following findings:

24 (a) California Government Code Sections 65864 et seq. authorizes any city, county,  
25 or city and county to enter into an agreement for the development of real property within the

1 jurisdiction of the city, county, or city and county.

2 (b) Chapter 56 of the Administrative Code ("Chapter 56") sets forth certain  
3 procedures for the processing and approval of development agreements in the City and  
4 County of San Francisco (the "City").

5 (c) Laurel Heights Partners, LLC, a Delaware limited liability company (the  
6 "Developer"), owns and operates an approximately 10.25-acre site bounded by California  
7 Street to the north, Presidio Avenue to the east, Masonic Avenue to the southeast, Euclid  
8 Avenue to the south, and Laurel Street and Mayfair Drive to the west, currently comprised of  
9 an approximately 455,000 gross square foot office building, an approximately 14,000 gross  
10 square foot annex building, surface and subsurface parking areas, and approximately 165,200  
11 square feet of landscaping or landscaped open space (the "Project Site").

12 (d) On \_\_\_\_\_, 2019, the Developer filed an application with the  
13 Planning Department for approval of a development agreement relating to the Project Site  
14 (the "Development Agreement") under Chapter 56. A copy of the Development Agreement is  
15 on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

16 (e) The Developer proposes a mixed use development that will include residential,  
17 non-residential, open space, child care, and related uses (the "Project"). Specifically, the  
18 Project includes (1) approximately 744 residential units, including not less than 185 on-site  
19 affordable senior residential units, (2) approximately 34,496 square feet of  
20 retail/restaurant/commercial use in buildings along California Street, (3) 10 below-grade  
21 parking garages with approximately 847 parking spaces, (4) an approximately 14,665 gross  
22 square foot space for child care use, and (5) 125,226 square feet of privately owned, publicly  
23 accessible open space and 86,570 square feet of other open space, including private open  
24 space for residents, all as more particularly described in the Development Agreement.

1 (f) While the Development Agreement is between the City, acting primarily through  
2 the Planning Department, and the Developer, other City agencies retain a role in reviewing  
3 and issuing certain later approvals for the Project, including approval of final maps and street  
4 improvement permits. As a result, affected City agencies have consented to the Development  
5 Agreement.

6 (g) The Project is anticipated to generate an annual average of approximately 675  
7 construction jobs, and on completion, an approximate \$10 million annual increase in property  
8 taxes and approximately \$15 million in development impact fees (including transportation,  
9 housing linkages, and school fees). In addition to the significant housing, jobs, urban  
10 revitalization, and economic benefits to the City from the Project, the Office of Economic and  
11 Workforce Development has determined that development of the Project under the  
12 Development Agreement will provide additional benefits to the public that could not be  
13 obtained through application of existing City ordinances, regulations, and policies. Additional  
14 public benefits to the City from the Project include (1) on-site affordable housing that exceeds  
15 the amount otherwise required and will equal 25% of the total number of proposed housing  
16 units for the Project; (2) workforce obligations, including significant training, employment, and  
17 economic development opportunities as part of the development and operation of the Project;  
18 (3) construction and maintenance of the privately owned, publicly accessible open space,  
19 totaling approximately 2.87 acres; (4) street improvements, some of which will be maintained  
20 by the Developer at no cost to the City; (5) an approximately 14,665 square foot child care  
21 center, including an outdoor activity area, capable of accommodating at least 175 children,  
22 with 10% of the maximum number of permitted slots to be provided to children in low-income  
23 households; (6) a Transportation Demand Plan under Planning Code Section 169.3(e)(2) that  
24 implements 75% of applicable target points rather than the 50% standard otherwise required  
25 for the Project; and (7) a \$1,055,000 payment towards an auxiliary water supply system that

1 will service the Project (the "AWSS Community Benefit Fee").

2 (h) Concurrently with this ordinance, the Board is taking a number of actions in  
3 furtherance of the Project, as generally described in the Development Agreement, including  
4 Exhibit E to the Development Agreement.

5 Section 2. CEQA Findings.

6 On \_\_\_\_\_, by Motion No. \_\_\_\_\_, the Planning Commission certified as  
7 adequate, accurate, and complete the Final Environmental Impact Report ("FEIR") for the  
8 Project pursuant to the California Environmental Quality Act (California Public Resources  
9 Code Sections 21000 et seq.) ("CEQA"). A copy of Planning Commission Motion No.  
10 \_\_\_\_\_ is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

11 Also on \_\_\_\_\_, by Motion No. \_\_\_\_\_, the Planning Commission adopted findings,  
12 including a rejection of alternatives and a statement of overriding considerations (the "CEQA  
13 Findings") and a Mitigation Monitoring and Reporting Program ("MMRP"). These Motions are  
14 on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_. In accordance with  
15 the actions contemplated in this ordinance, the Board of Supervisors has reviewed the FEIR  
16 and related documents, and adopts as its own and incorporates by reference as though fully  
17 set forth herein the CEQA Findings, including the statement of overriding considerations, and  
18 the MMRP.

19 Section 3. General Plan and Planning Code Section 101.1(b) Findings.

20 (a) The Board of Supervisors finds that the Development Agreement will serve the  
21 public necessity, convenience, and general welfare for the reasons set forth in Planning  
22 Commission Resolution No. \_\_\_\_\_ and incorporates those reasons herein by reference.

23 (b) The Board of Supervisors finds that the Development Agreement is in conformity  
24 with the General Plan and the eight priority policies of Planning Code Section 101.1 for the  
25 reasons set forth in Planning Commission Resolution No. \_\_\_\_\_. The Board hereby adopts

1 the findings set forth in Planning Commission Resolution No. \_\_\_\_\_ and incorporates those  
2 findings herein by reference.

3 Section 4. Development Agreement.

4 (a) The Board of Supervisors approves all of the terms and conditions of the  
5 Development Agreement in substantially the form on file with the Clerk of the Board of  
6 Supervisors in File No. \_\_\_\_\_.

7 (b) The Board of Supervisors approves and authorizes the execution, delivery, and  
8 performance by the City of the Development Agreement as follows: (1) the Director of  
9 Planning and (other City officials listed thereon) are authorized to execute and deliver the  
10 Development Agreement and consents thereto, and (2) the Director of Planning and other  
11 applicable City officials are authorized to take all actions reasonably necessary or prudent to  
12 perform the City's obligations under the Development Agreement in accordance with the  
13 terms of the Development Agreement. The Director of Planning, at his or her discretion and in  
14 consultation with the City Attorney, is authorized to enter into any additions, amendments, or  
15 other modifications to the Development Agreement that the Director of Planning determines  
16 are in the best interests of the City and that do not materially increase the obligations or  
17 liabilities of the City or materially decrease the benefits to the City as provided in the  
18 Development Agreement.

19 (c) The Board of Supervisors authorizes the Controller to accept any payments  
20 made by the Developer under the Development Agreement.

21 Section 5. Development Impact Fees and Planning Code Conformity.

22 (a) For the Project, the Board of Supervisors approves the development impact fees  
23 as set forth in the Development Agreement and waives any inconsistent provision in Planning  
24 Code Article 4.

1 (b) For the Project, the Board of Supervisors approves the child care facility and  
2 affordable housing requirements as set forth in the Development Agreement and waives the  
3 requirements of Planning Code Sections 414A, 415.5, 415.6(e), 415.6(f), and 415.7.

4 Section 6. Administrative Code Conformity.

5 The Development Agreement shall prevail if there is any conflict between the  
6 Development Agreement and Chapter 56, and without limiting the generality of the foregoing  
7 clause, for purposes of the Development Agreement only, the provisions of Chapter 56 are  
8 waived or its provisions deemed satisfied as follows:

9 (a) Laurel Heights Partners, LLC shall constitute a permitted "Applicant/Developer"  
10 for purposes of Chapter 56, Section 56.3(b).

11 (b) The Project comprises approximately 10.25 acres and is the type of large multi-  
12 phase and/or mixed-use development contemplated by the Administrative Code and therefore  
13 it satisfies the provisions of Chapter 56, Section 56.3(g).

14 (c) The provisions of the Development Agreement, including its attached Workforce  
15 Agreement, apply and satisfy the requirements of Administrative Code Chapter 14B, Section  
16 14B.20, and Chapter 56, Section 56.7(c).

17 (d) The provisions of the Development Agreement regarding any amendment or  
18 termination, including those relating to "Material Change," shall apply in lieu of the provisions  
19 of Chapter 56, Section 56.15.

20 (e) The provisions of Chapter 56, Section 56.20 have been satisfied by the  
21 Memorandum of Understanding between the Developer and the Office of Economic and  
22 Workforce Development for the reimbursement of City costs, a copy of which is on file with the  
23 Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

24 Section 7. Chapter 56 Waiver; Ratification.  
25

1 (a) In connection with the Development Agreement, the Board of Supervisors finds  
2 that the requirements of Chapter 56, as modified hereby, have been substantially complied  
3 with and waives any procedural or other requirements of Chapter 56 if and to the extent to  
4 which they have not been strictly complied.

5 (b) All actions taken by City officials in preparing and submitting the Development  
6 Agreement to the Board of Supervisors for review and consideration are hereby ratified and  
7 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken  
8 by City officials consistent with this ordinance.

9 Section 8. Effective and Operative Date.

10 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
11 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
12 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
13 Mayor's veto of the ordinance.

14 (b) This ordinance shall become operative only on (and no rights or duties are affected  
15 until) the later of (1) its effective date, as stated in subsection (a), or (b) the date that  
16 Ordinance \_\_\_\_\_, and Ordinance \_\_\_\_\_, have become effective. Copies of said ordinances  
17 are on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_ and File No. \_\_\_\_\_.  
18

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

21  
22 By:

23 Carol Wong  
24 Deputy City Attorney

25 n:\legana\as2019\2000037\01389290.docx



# SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: August 29, 2019

TO: Members of the Planning Commission

FROM: Kei Zushi, Environmental Planning

Re: **Errata to the Responses to Comments on the Draft Environmental  
Impact Report for the 3333 California Street Mixed-Use Project  
Planning Department Case No. 2015-014028ENV**

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Following publication of the Responses to Comments (RTC) document for the 3333 California Street Mixed-Use Project Draft Environmental Impact Report (Draft EIR), the Planning Department determined it was necessary to update the open space numbers in RTC Section 2, Revisions and Clarifications to the Project Description.

This erratum addresses this issue. Staff-initiated EIR text changes will be incorporated into the Final EIR. New revisions are noted in red with additions noted with double underline and deletions noted in ~~double strikethrough~~.

The revisions below are intended to accurately represent the on-site open space distinguishing the common open space that would be available for use by the public from the private open space that would be provided for the exclusive use of residents and tenants of the proposed buildings on the project site.

RTC Tables 2.4a and Table 2.4b on RTC pp. 2.21 and 2.22, respectively, have been modified as shown on pp. 2 and 3 of this Errata Memo.

The partial paragraph on RTC p. 2.43 under the subsection "Recreation" has been modified as follows:

Changes to the open space network under the revised project or revised variant are described on RTC p. 2.14, listed in RTC Tables 2.4a and 2.4b on RTC pp. 2.21-2.22, and shown on RTC Figure 2.29 on RTC p. 2.23. The revised project or revised variant would include minor modifications to the sizes of some of the proposed open spaces, including some that would be publicly accessible. There would be a minor increase in the total amount of open space on the project site that would be common open space, for both the revised project (an increase from 103,000 square feet to 127,126 square feet) and the revised variant (an increase from 103,000 square feet to 125,226 square feet), ~~and a~~ There would be a minor decrease in the total amount of private open space (from 85,000 square feet to ~~81,618~~ 81,200 square feet) for ~~both~~ the revised project and an increase for the revised variant (from 85,000 square feet to 86,570 square feet). The demand for recreational resources would not change noticeably, because the revised project or revised variant would not alter the residential component of the land use program and would only slightly reduce the amount of retail space and its related employment. Thus, with no changes in demand for recreational resources, or in the construction program, and minor increases in the total amount of open space, recreational resources impacts under the revised project or revised variant would be similar to those under the proposed project or project variant, and would be less than significant. Similarly, contributions to any significant cumulative recreational resources impacts would not be cumulatively considerable.

**RTC Table 2.4a: Proposed Open Space for Revised Project**

Open Space	Approximate Size (Square Feet)	Location
<b>Common Open Space</b> <sup>NOTE A</sup>		
California Plaza	<del>3,300</del> <u>4,290</u>	Within the setback of the proposed Plaza A Building along California Street, extending east from the Laurel Street/California Street intersection to the proposed Cypress Stairs
Cypress Square and western Mayfair Walk	<del>28,150</del> <u>24,780</u>	Between the Plaza A and B buildings and the portion of the east-west walkway between the Plaza B Building and Laurel Street
<u>Lower</u> Walnut Walk	<del>16,760</del> <u>16,850</u>	The portion of the north-south walkway between Center Buildings A and B to Masonic and Euclid avenues at Corner Plaza
Euclid Green	<del>18,760</del> <u>18,004</u>	Extending from the intersection of Euclid Avenue and Laurel Street at the southwest corner of the site toward the corner of Masonic and Euclid avenues
Presidio Overlook <u>and part of Mayfair Walk</u>	<del>3,800</del> <u>10,450</u>	At the eastern terminus of Mayfair Walk, accessed from Mayfair Walk or the Pine Street Steps and Plaza
Cypress Stairs	<del>32,230</del> <u>52,752</u>	Between the Plaza A and B buildings
Walnut Extension and Roundabout		Between Plaza B and Walnut buildings
Eastern Mayfair Walk		Between Center Building B and the Walnut Building east of Walnut Extension and Roundabout
Pine Street Steps and Plaza		On east side of Walnut Building and Center Building B near intersection of Masonic and Presidio avenues
Masonic Plaza		Between Center Building B and the Masonic Building along Masonic Avenue
<i>Subtotal</i>	<del>103,000</del> <u>127,126</u>	
<b>Private Open Space</b> <sup>NOTE B</sup>		
Ground-level terraces, interior courtyards and private internal walkways	<del>85,000</del> <u>81,618</u> <u>81,200</u>	Throughout the project site including the Cypress Square residential open space, <u>and the Euclid Residential Terrace, and site area that is not counted towards the public open space</u>

*Notes:*

<sup>A</sup> ~~A portion of~~ The common open space would be open to the public.

<sup>B</sup> The private open space ~~does include~~s rooftop decks.

Source: Laurel Heights Partners, LLC; Meyer Studio Land Architects; James Corner Field Operations; BAR Architects; Jensen Architects; Solomon Cordwell Buenz; BKF Engineers; and ARUP (February 2019), 2017, Sheet G-0.01 ~~2-02~~ dated ~~7/3/19~~ 8/26/19

**RTC Table 2.4b: Proposed Open Space for Revised Variant**

Open Space	Approximate Size (Square Feet)	Location
<b>Common Open Space</b> <sup>NOTE A</sup>		
California Plaza	<del>3,300</del> <u>4,290</u>	Within the setback of the proposed Plaza A Building along California Street, extending east from the Laurel Street/California Street intersection to the proposed Cypress Stairs
Cypress Square and western Mayfair Walk	<del>28,150</del> <u>24,780</u>	Between the Plaza A and B buildings and the portion of the east-west walkway between the Plaza B Building and Laurel Street
<u>Lower</u> Walnut Walk	<del>16,760</del> <u>16,850</u>	The portion of the north-south walkway between Center Buildings A and B to Masonic and Euclid avenues at Corner Plaza
Euclid Green	<del>18,760</del> <u>18,004</u>	Extending from the intersection of Euclid Avenue and Laurel Street at the southwest corner of the site toward the corner of Masonic and Euclid avenues
Presidio Overlook and part of <u>Mayfair Walk</u>	<del>3,800</del> <u>10,450</u>	At the eastern terminus of Mayfair Walk, accessed from Mayfair Walk or the Pine Street Steps and Plaza
Cypress Stairs	<del>32,230</del> <u>50,852</u>	Between the Plaza A and B buildings
Walnut Extension and Roundabout		Between Plaza B and Walnut buildings
Eastern Mayfair Walk		Between Center Building B and the Walnut Building east of Walnut Extension and Roundabout
Pine Street Steps and Plaza		On east side of Walnut Building and Center Building B near intersection of Masonic and Presidio avenues
Masonic Plaza		Between Center Building B and the Masonic Building along Masonic Avenue
<i>Subtotal</i>	<del>103,000</del> <u>125,226</u>	
<b>Private Open Space</b> <sup>NOTE B</sup>		
Ground-level terraces, interior courtyards and private internal walkways	<del>85,000</del> <del>81,618</del> <u>86,570</u>	Throughout the project site including the Cypress Square residential open space, and the Euclid Residential Terrace, <u>and site area that is not counted towards the public open space</u>

*Notes:*

<sup>A</sup> ~~A portion of~~ The common open space would be open to the public.

<sup>B</sup> The private open space ~~does include~~ rooftop decks.

*Source:* Laurel Heights Partners, LLC; Meyer Studio Land Architects; James Corner Field Operations; BAR Architects; Jensen Architects; Solomon Cordwell Buenz; BKF Engineers; and ARUP (February 2019), 2017, Sheet G0.01v, dated 8/26/19



# SAN FRANCISCO PLANNING DEPARTMENT

**MEMO**

**DATE:** September 4, 2019

**TO:** President Melgar and Members of the Planning Commission

**FROM:** Kei Zushi, Wade Wietgreffe, and Justin Greving, Environmental Planning

**RE:** 3333 California Street Mixed Use Project (Case No. 2015-014028ENV)  
Responses to Issues Raised in August 28, 2019 Letters Submitted by The  
Laurel Heights Improvement Association of San Francisco, Inc.

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After the Responses to Comments document (RTC) was published on August 22, 2019, the Laurel Heights Improvement Association of San Francisco, Inc. (LHIA) submitted two additional and late comment letters regarding the 3333 California Street Mixed-Use Project. Under CEQA Guidelines section 15207, the department need not respond to late comments. Nevertheless, the department provides the following information related to the late comments.

Both letters are dated August 28, 2019. In this memorandum, the department refers to the letter containing ten identified issues with exhibits A through EE as "Letter 1." "Letter 2" with exhibits A through C5 clarifies, supplements, and modifies the discussion of an alternative previously submitted by LHIA on January 8, 2019.

Letter 1 raises some issues which are not related to CEQA or the certification of the EIR, and this memorandum does not respond to those issues.<sup>1</sup> As noted more particularly below, many of the environmental issues in Letter 1 were previously addressed in the EIR or in the Responses to Comments. LHIA has not presented any new information that would alter the department's conclusions in the EIR as explained in more detail below. Where new environmental issues are raised, LHIA's comments are summarized with a brief response by the department.

In this memorandum, the term "proposed project" refers to the revised project variant analyzed in the EIR and under consideration for approval on September 5, 2019, unless otherwise noted.

## Alternatives

CEQA Guidelines section 15126.6(a) requires that lead agencies consider a reasonable range of potentially feasible alternatives to the project that feasibly attain most of the basic objectives of the project while avoiding or substantially lessening any of the identified significant impacts of the project. CEQA does not require that an EIR consider every conceivable alternative or permutation or combination of alternatives. As discussed in Response AL-1 on RTC pages 5.H.6 to 5.H.17, the 3333 California Street Mixed-Use Project EIR includes a reasonable range of alternatives. In addition to the No Project Alternative, the EIR presents five alternatives. The supplemental comment letters request consideration of two additional alternatives, and the Planning Department, Environmental Planning's responses are below.

---

<sup>1</sup> Specifically, this memorandum does not address issues related to the proposed development agreement (Letter 1, item 4); application of the Residential Design Guidelines (Letter 1, item 7); or Planning Commission authorization regarding heights and setbacks (Letter 1, item 8).

1. In Letter 1, item 1: LHIA presents a new alternative called the Community Preservation Lookalike Variant (Lookalike Variant), and requests consideration of this alternative by the Planning Commission. However, this alternative is considerably similar to Alternative E: Partial Preservation – Residential Alternative analyzed in the EIR.

LHIA states that the Lookalike Variant would provide the same number of new residential units as the proposed project (744 units) and approximately 20,000 more gross square footage than the project. According to LHIA, the Lookalike Variant would be constructed in less than four years. LHIA also states that the Lookalike Variant utilizes approximately 90 percent of the project sponsor's proposed buildings, designs, and locations. As described, the Lookalike Variant would: 1) convert the interior of the main building to residential use and retain the existing 1,500-gross-square-foot (gsf) café, 11,500-gsf childcare center, and 5,000-gsf office space; and 2) construct three new residential buildings (Plaza A, Plaza B, and Walnut buildings) along California Street, the new Mayfair building near the intersection of Mayfair Drive and Laurel Street, five new townhomes along Laurel Street, and the new Euclid building along Euclid Avenue. The proposed Masonic Building included in the proposed project would not be constructed in the Lookalike Variant. The Walnut Building would be 7-stories-tall and its footprint would be expanded to include a triangular area next to the SF Fire Credit Union, whereas the Walnut Building would be 6-stories-tall in the proposed project. The Euclid Building would be 35,000 gsf smaller than what is proposed under the project, and it would be configured differently in that it would include a 30-foot setback from Euclid Green compared to the project. Under the Lookalike Variant, the childcare facility would be located in Center Building B instead of in the Walnut Building, as proposed in the project, with an outdoor play area directly south of the existing structure. The Lookalike Variant would not include retail uses.

LHIA states that the Lookalike Variant would include approximately two levels of parking in a single new underground parking garage. LHIA letter does not specify the number of parking spaces that would be provided in the Lookalike Variant. The Lookalike Variant would include a new first-floor-level, 15-foot-tall (at level one), 20-foot-wide Walnut passage, which would run through the first floor of the main building, opening up into a 35-foot-wide, 75-foot-long landscaped center court mid-building (approximately at 35 feet into the building) and leading onto the Walnut Walk alongside Eckbo Terrace and onto Masonic Avenue.

The Lookalike Variant is considerably similar to Alternative E: Partial Preservation – Residential Alternative analyzed in the EIR. See Exhibit A attached, which provides the site plans for Alternative E and the LHIA Lookalike Variant for comparison. Specifically, the Lookalike Variant and Alternative E would: 1) modify the existing main building by removing the south wing and the northern extension of the east wing and convert it to residential use; 2) construct three buildings along California Street; 3) reduce the size of Euclid building by removing the south side of the building (reduction of approximately 35,000 gross square feet compared to the proposed project) to retain the landscape features located at the southeast portion of the site; and 4) construct the five Laurel Duplexes, similar to the proposed project and Alternative E, which would construct seven duplexes on Laurel Street. Two fewer duplexes would enable a larger Euclid Green under the Lookalike Variant. As stated, the Masonic Building would not be constructed under either Alternative E or the Lookalike Variant.

The Lookalike Variant would not reduce the historic resource impact to a less-than-significant level; like Alternative E, the Lookalike Variant would be a partial preservation alternative. Similar to Alternative E, the Lookalike Variant would not fully conform to the Secretary of the Interior's Standards, and it would materially impair the physical characteristics of the historic resource that justify the resource's inclusion in the California Register of Historical Resources. Similar to Alternative E, the Lookalike Variant would alter the existing office building and result in loss of the historic landscaped open space on the project site. In addition, similar to Alternative E, the Lookalike Variant would alter the most prominent views of the project site from the east on Pine Street and from the south on Masonic Avenue. The minor modifications proposed in the Lookalike Variant, such as the removal of two Laurel Duplexes closest to Euclid Green or the additional size added to the Walnut building, would not make it considerably different from Alternative E.

As discussed on EIR pp. 6.148-6.151, the EIR concludes that Alternative E would reduce the magnitude of the historic resources impact compared to the proposed project or project variant, but not to a less-than-significant level. This is because Alternative E would, on balance, materially alter the physical characteristics of the project site that convey its historic significance. For the reasons above, the Lookalike Variant would reduce but not eliminate the significant and unavoidable historic resource impact.

Further, the Lookalike Variant would not achieve some of the key project objectives. First, due to the size and location of the uses presented in the Lookalike Variant, the alternative would not satisfy the primary objectives of the proposed project or project variant to create a "high quality, walkable, mixed-use community within the project site that connects with and complements the existing neighborhood commercial uses." The Lookalike Variant would contain only a very small amount of non-residential uses, and those uses would be "hidden" within the main building and not be visible from the nearby streets. Unlike the Lookalike Variant, Alternative E would meet this objective by providing a mix of uses (except for the office use) similar to that of the proposed project, and would provide retail uses along California Street, where they would be accessible to the general public and visually connected to the retail uses on California Street on either side of the project site. In addition, the Lookalike Variant would only partially meet the objective of opening and connecting the site to the surrounding community by extending the neighborhood urban pattern because it would not provide a north-south connection similar to Walnut Walk as proposed under the proposed project, which is a fully open connection. With only a 15-foot-tall and 20-foot-wide opening at level one (15 feet high), the main building would still create a visual barrier in the north-south direction. Finally, unlike the proposed project, the Lookalike Variant would not help turn Masonic Avenue into a neighborhood street, as opposed to an arterial street, because the Lookalike Variant would not construct the Masonic building which would contribute to the creation of neighborhood-friendly space by providing stoops for residential units along its building frontage.

Thus, the Lookalike Variant is not considerably different from Alternative E included in the EIR and would not eliminate the project's significant and unavoidable historic resource impact.

2. In Letter 1, item 1: LHIA requests the Commission consider a variant to alternatives previously submitted on January 8, 2019, the Community Full Preservation Alternative Variant 2 (Community Variant 2). However, this alternative is considerably similar to Alternative D: Partial Preservation – Office Alternative analyzed in the EIR, except for the proposed use in the main office building.

LHIA states that the Community Variant 2 would provide the same number of new residential units as the project (744 units) and would be constructed in less than four years. According to LHIA, the Community Variant 2 would: 1) convert the interior of the main building to residential use and retain the existing 1,500-gsf café, 11,500-gsf childcare center, and 5,000-gsf office space; and 2) construct three new residential buildings (California Front, California Back, and Walnut buildings) along California Street, the new Mayfair building near the intersection of Mayfair Drive and Laurel Street, five new townhomes along Laurel Street, and the new Euclid building along Euclid Avenue. The proposed Masonic Building included in the proposed project would not be constructed in the Community Variant 2. The Community Variant 2 would not include retail uses.

The Community Variant 2 would include an approximately two-level, underground parking garage along California Street and a total of approximately 558 on-site parking spaces. The Community Variant 2 would include a new first-floor-level, 15-foot-tall (at level one), 20-foot-wide Walnut passage, which would run through the first floor of the main building, opening up into a 35-foot-wide, 75-foot-long landscaped center court mid-building (approximately at 35 feet into the building) and leading onto the Walnut Walk alongside Eckbo Terrace and onto Masonic Avenue.

The Community Variant 2 is physically similar to Alternative D: Partial Preservation – Office Alternative that is analyzed in the EIR to address the proposed project's significant historic resource impacts. See Exhibit B attached, which compares the site plans for Alternative D and Community Variant 2. Specifically, like Alternative D, the Community Variant 2 would: 1) modify the existing building by demolishing the northerly extension of the east wing and adding a one-story addition; and 2) allow for the construction of buildings along California Street including a larger Walnut building (larger than under the proposed project or Alternative D), a Mayfair building, and five Laurel Duplexes along Laurel Street. Community Variant 2 would not include construction of a Masonic building. Unlike Alternative D which would retain office use in the existing office building, the Community Variant 2 would convert the remaining building to residential use. However, the massing and footprint of the structures on site under the Community Variant 2 would be physically similar to those under Alternative D.

As discussed on EIR pp. 6.113-6.115, the EIR concludes that Alternative D would reduce the magnitude of the historic resource impact compared to the proposed project or project variant, but not to a less-than-significant level. While Alternative D would retain most of the office building's character-defining features, it would demolish elements of the historic landscape on the northern and western areas of the site as well as portions of the brick perimeter wall and integrated planters along California and Laurel Streets. Prominent views of the site from east on Pine Street and from the south on Masonic and Presidio avenues would be preserved, but the

view through the project site from Laurel Street would be altered with new development. Therefore, Alternative D would, on balance, materially alter the physical characteristics of the project site that convey its historic and architectural significance and is considered a partial preservation alternative.

Similar to Alternative D, the Community Variant 2 would not reduce the project or project variant's historic resources impacts to a less-than-significant level for several reasons. Like Alternative D, the Community Variant 2 would minimally alter the existing office building, but it would result in loss of elements of the historic landscape on the project site that convey its historic and architectural significance and that justify its inclusion in the California Register. In addition, similar to Alternative D, the Community Variant 2 would alter one prominent view of the project site from the west on Laurel Street, while maintaining two other views, from the east on Pine Street and from the south on Masonic Avenue. Given the physical similarities between Alternative D and the Community Variant 2, the impacts to historic architectural resources from the Community Variant 2 would be the same and as stated in the EIR on p. 6.115. The historic resource impact, although reduced, would remain significant and unavoidable.

Further, the Community Variant 2 would not achieve some of the key project objectives. First, due to the size and location of the uses presented in the Community Variant 2, the alternative would not satisfy the primary objectives of the proposed project or project variant to create a "high quality, walkable, mixed-use community within the project site that connects with and complements the existing neighborhood commercial uses." Alternative D would partially meet this objective by redeveloping the project site to a lesser degree than the proposed project. Similarly, Community Variant 2 would contain only a very small amount of non-residential uses, and those uses would be "hidden" within the main building and not be visible from the nearby streets. In addition, the Community Variant 2 would only partially meet the objective of opening and connecting the site to the surrounding community by extending the neighborhood urban pattern, because it would not provide a north-south connection similar to Walnut Walk as proposed under the proposed project, which is a fully open connection. With only a 15-foot-tall and 20-foot-wide opening at level one (15 feet high), the Community Variant 2 would continue to create a visual barrier in the north-south direction. Alternative D would partially meet this objective because it would provide only Mayfair Walk and not Walnut Walk, which is an open, north-south connection on the project site. Finally, unlike the proposed project, the Community Variant 2 would not help turn Masonic Avenue into a neighborhood street, as opposed to an arterial street, because the Community Variant 2 would not construct the Masonic building which would contribute to the creation of neighborhood-friendly space by providing stoops for residential units along its building frontage.

Thus, the Community Variant 2 is not considerably different from Alternative D included in the EIR and would not eliminate the significant and unavoidable historic resource impact.

**3. In Letter 1, item 3, LHIA states the EIR is inadequate because it does not include an alternative with 744 units.**

As discussed on pages 5.H.54 through 5.H.67 of the Responses to Comments document, the department has determined that the LHIA's Community Full Preservation Alternative Variant (referred to as the LHIA Variant in the EIR) submitted on January 8, 2019 is not required to be included as an alternative in the EIR for several reasons. First, the LHIA Variant is considerably similar to Alternative C in the EIR in that the LHIA Variant would avoid the proposed project's significant impacts on the historic architectural character of the existing office building and loss of prominent primary views of character-defining features of the site from Presidio Avenue, Masonic Avenue, and Pine Street that would occur with the proposed project. Second, the LHIA Variant would not attain several of the objectives of the proposed project, including that the project proposes to create a mixed-use development that encourages walkability and convenience by providing a substantial mix of uses. Finally, licensed architects at the department of public works, bureau of architecture, determined that the LHIA Variant could not be constructed as described in the LHIA's January 8, 2019 letter. The public works' analysis concluded that the LHIA Variant could provide only up to approximately 576 residential units, and 323 parking spaces without additional excavation. In addition, the LHIA Variant would not be able to meet the unit mix requirements in the Planning Code section 207.7. Therefore, the department determined that the LHIA Variant is considerably similar to Alternative C. In addition, the public works review and analysis further support not including the alternative as an EIR alternative, although it is discussed in the RTC.

With Letter 2, the LHIA has supplemented and clarified information regarding the LHIA Variant. This information does not alter the overall conclusion the department reached as discussed in more detail in item 4 below.

As discussed in items 1 and 2 above, even if it were possible for the Lookalike Variant and Community Variant 2 to include 744 residential units, neither one of these alternatives would reduce the project's significant historic resource impacts to a less-than-significant level. This is because these alternatives would alter the existing on-site structure and landscape in a manner that would impair the property's ability to convey its historic significance as a Mid-Century Modern corporate campus, similar to Alternatives D and E.

CEQA does not require that an EIR analyze an alternative that would provide exactly the same number of units as the project, and does not require that an EIR analyze every conceivable alternative. The EIR analyzed six alternatives including the No Project alternative. The alternatives studied in the EIR were developed to reduce or avoid significant and unavoidable impacts of the project, particularly the project's historic resource impact, while achieving most of the basic project objectives. Thus, the EIR includes a reasonable range of alternatives, is adequate, and is not required to analyze an alternative that would provide 744 residential units under CEQA.

## San Francisco Public Works Analysis

4. In Letter 2, LHIA clarifies, supplements, and modifies its discussion of the LHIA Alternative and its variant submitted January 8, 2019. However, the supplemental information does not alter the department's determination that these community-proposed alternatives are considerably similar to Alternative C in the EIR. In addition, Public Works' analysis finds these alternatives are not physically feasible.

As discussed in Response AL-2 on Responses to Comments (RTC) pages 5.H.54 to 5.H.69, the department reviewed and considered the LHIA Alternative and its variant. Most attachments to supplemental Letter 2 consist of information previously submitted by LHIA and already considered and analyzed by San Francisco Public Works as part of the RTC analysis. New information provided in the August 28, 2019 letters includes Exhibit F to Letter 1, Preservation Alternative – Feasibility Evaluation prepared by TreanorHL and dated August 20, 2019 and Exhibit 4 to Letter 2, Calculation of Residential Square Footage. Public Works has preliminarily reviewed the supplemental information and determined that it does not alter the prior conclusion summarized in Response AL-2 in the RTC. In addition, Public Works offers the following comments.<sup>2</sup>

- a) The passageway proposed to be constructed through the existing main building may require stairs and an elevator due to an existing two-story grade difference from the north side of the building to the terrace. If this passageway were located further east, then the one-story grade difference would still require stairs and an elevator.
- b) The Feasibility Evaluation (Exhibit F to Letter 1) shows that the existing main building includes 362,300 gross square feet and 253,610 net square feet at 70-percent efficiency. As discussed in the August 15, 2019 Public Works letter, the existing office building includes 458,259 gross square feet. After subtracting areas for parking, the auditorium, childcare, café and elevator shafts, there is 271,154 usable square feet for residential use, which is the amount that the efficiency percentage should have applied to and not 362,300. Rather than using an efficiency factor, Public Works analyzed the CAD<sup>3</sup> files for more accurate estimates and subtracted 91,090 square feet for corridors and all areas more than 50 feet from windows, resulting in 180,064 square feet for residential units based on analysis of the CAD files for the building. At 798 square foot average unit size per community alternative, there would be 226 units.
- c) In calculating the unit breakdown in the existing main building, TreanorHL appears to have used only square footage available in the building without accounting for unit

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<sup>2</sup> San Francisco Public Works, *Email from Vito Vanoni, AIA, Senior Architect & Technical Manager, to Kei Zushi, San Francisco Planning Department, Comments on TreanorHL's August 20, 2019 Preservation Alternatives - Feasibility Evaluation, September 4, 2019.*

<sup>3</sup> CAD stands for computer-aided design and refers to software used in art and architecture and engineering and manufacturing to assist in precision drawing.

configuration. The depth of the building is an important factor in the analysis that TreanorHL did not appear to consider. Due to the 144-foot depth of the main portion of the building, an overwhelming majority of units would be too narrow for 1-bedroom, 2-bedroom or 3-bedroom units; most units would be studios or junior 1-bedrooms.

- d) Adding two lightwells at all floors in the existing main building may not be feasible due to conflicts with existing structural shear elements. The western light court proposed by LHIA in the main building may not be possible because the area appears to have shear walls at all four sides on all floor levels. The eastern light court proposed in the main building may be possible only at top two floors because there appear to be structural shear elements on all four sides at the lower levels.
- e) Richard Frisbie states in Exhibit O to Letter 1 that two adjacent flats in the California Front and Back buildings would share one elevator, one mechanical shaft, and one common stairway. The 6 California Back buildings less than 55 feet deep would still have efficiencies less than 50% which may not be feasible. In addition, there would still be 14 elevators and 14 stairs extending into parking which reduces the efficiency of the single-story parking.
- f) In calculating the number of residential units that can be provided in the California Front and Back buildings, TreanorHL uses 85-percent efficiency. The 85-percent efficiency is unrealistic because it may account for horizontal circulation but it would not account for the thickness of exterior walls, stairways, elevators, elevator control rooms, mechanical shafts, corridors, trash rooms, and ground floor entry lobbies, which under industry standards should not be included in calculating the usable residential space.

The clarification and supplemental information provided in the August 28, 2019 letters regarding the number of elevators and stairs in the California Front and Back buildings in the LHIA Alternative would increase the available space for residential units and for parking spaces in the underground garage, but not such that the number of units or parking spaces provided would vary substantially from the Public Works' conclusion in its August 15, 2019 letter. Public Works found that the largest shortfall in LHIA Alternative's estimated number of units would be within the existing main building due primarily to portions of the first and second floor being below grade and thus unable to accommodate residential units. With respect to LHIA's assertions regarding efficiency metrics used, Public Works' use of 70- to 74-percent efficiency is based on industry standards, and the sources of the expertise cited in Exhibit O to Letter 1 are unclear. For these reasons, the Public Works' analysis constitutes substantial evidence to support a conclusion that the LHIA Alternative and its variant are not physically feasible, and the August 28, 2019 commenter letters do not change this conclusion.<sup>4</sup>

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<sup>4</sup> San Francisco Public Works, *Email from Vito Vanoni, AIA, Senior Architect & Technical Manager, to Kei Zushi, San Francisco Planning Department, Comments on TreanorHL's August 20, 2019 Preservation Alternatives - Feasibility Evaluation, September 4, 2019.*

## Transportation, Air Quality, and Noise

5. Letter 1, item 2: The EIR adequately analyzes the physical environmental effects of the proposed project including transportation, air quality, and noise impacts associated with flexible retail use under CEQA. The EIR analysis covers the zoning provisions in the Special Use District (SUD), including the allowable flexible retail and social service or philanthropic facility uses.

### Transportation

The EIR assesses the impacts from a range of uses. The commenter does not provide any evidence that flexible retail and social service or philanthropic facilities uses would likely result in an increase in vehicle trips than the proposed uses described in the EIR.

When discussing retail uses for projects generally, including the proposed project, at the time environmental review begins the project sponsor typically does not know all future retail tenants who would occupy the proposed buildings. Therefore, the department provides different trip generation rates for different types of retail to capture the potential impacts of projects. This approach yields conservative (more impactful) trip generation rates. The rates are based on empirical data collection.

The draft EIR analyzed 54,117 square feet of retail for the proposed project, consisting of three different types: retail, sit-down restaurant, and composite restaurant. Table 1 shows the size of retail and associated rates and person trips used in the draft EIR.

**Table 1**

Retail Type	Size (square feet)	Person Trip Generation Rate per 1,000 square feet	Total Person Trips
Retail	40,004	150	6,000
Sit-down restaurant	4,287	200	857
Composite restaurant	9,826	600	5,896
<b>TOTAL</b>	<b>54,117</b>	<b>n/a</b>	<b>12,753</b>

Source: Draft EIR, Appendix D, Travel Demand Memorandum, Tables 4 and 5

The rates are per 1,000 square feet of space. They are not calculated based on the number of businesses within the space as suggested by the commenter. As a space becomes larger, it can accommodate more employees and visitors. Therefore, a 1,000-square-foot space with one business would be estimated to have the same number of person trips as a 1,000-square-foot space with two businesses, like in a flexible retail use setting.

Second, no substantial evidence exists that a social service or philanthropic community use would generate more trips per square foot than the retail types listed in the EIR. The planning code

defines this type of use as an “Institutional Community Use providing assistance of a charitable or public service nature, and not of a profit-making or commercial nature.” The planning code defines an Institutional Community Use as a “subcategory of Institutional Uses that includes Child Care Facility, Community Facility, Private Community Facility, Job Training, Philanthropic Administrative Services, Religious Institution, Social Service or Philanthropic Facility, and Public Facility.” Table 2 lists the person trip generation rates that the department used in environmental review documents for types of uses within this category. All rates are well below the lowest retail person trip generation rates shown in Table 1.

**Table 2**

<b>Retail Type</b>	<b>Person Trip Generation Rate per 1,000 square feet</b>	<b>Source</b>
Child Care Facility	67	3333 California Draft EIR, Appendix D, Travel Demand Memorandum, Table 4 for Daycare Center
Community Facility	23	Potrero Hope SF EIR, Appendix 4.7A, Table 3-1 <sup>5</sup>
Religious Institution	34	950 Gough Street TIS, Table 10 <sup>6</sup>

Lastly, the project sponsor seeks approval for approximately 35,000 square feet or approximately 19,000 square feet less than that studied in the draft EIR. Thus, even if flexible retail and social service or philanthropic community uses would have a higher trip generation *rate* than the retail types listed in the EIR, which is speculative, the total person trips generated from these retail types would not be higher than the person trip amounts studied in the EIR.<sup>7</sup>

All other transportation-related comments are summaries of prior comments and are addressed in the Responses to Comments document.

### **Noise and Air Quality**

The estimated trip generation informs the analysis of a project’s operational air quality and noise impacts. As discussed above, the transportation impact analysis for the proposed project used appropriate transportation generation rates. Thus, the EIR adequately analyzes the project’s operational impacts with respect to noise and air quality.

<sup>5</sup> CDM Smith, Potrero HOPE Transportation Study, Draft #4, Case No. 2010.0515!, October 11, 2012, <http://sfmea.sfplanning.org/Potrero%20Hill%20FEIR%20-%20Appendix%204.7.pdf>, accessed September 4, 2019.

<sup>6</sup> CHS Consulting Group, Transportation Impact Study – Final Report for 950 Gough Street Project, Prepared for City and County of San Francisco Planning Department, Case No. 2012.0506!, April 25, 2014.

<sup>7</sup> The remaining 35,000 square feet of retail would need an average generation rate of approximately 364 person trips per 1,000 square feet to exceed the total number of retail person trips studied in the EIR. This is over 2 times the general retail rate. 35,000 square feet/12,753 person trips = 364 person trips per 1,000 square feet.

## Other CEQA Issues

6. **Letter 1, item 5: The comment states the EIR failed to describe the project's inconsistency with San Francisco General Plan as to preservation of historical resources and neighborhood character.**

An EIR is required to discuss inconsistencies between the project and applicable general plan, specific plan, and regional plans. The project or variant's potential inconsistencies are described in Chapter 3 of the EIR, starting on page 3.1.

7. **Letter 1, item 6: The Planning Department correctly applied the Secretary of the Interior's Standards to the project under CEQA.**

The comment states that the department failed to appropriately apply Planning Department's Bulletin No. 21 and the Secretary of the Interior's Standards to the project during project design. The comment is incorrect. The department determined the project site is a historic resource and conducted CEQA as required given the historic resource determination. Department preservation staff directed that an analysis of project impacts to historic resources should be evaluated, determined that there would be a significant unavoidable impact, and oversaw development and analysis of full and partial preservation alternatives which were fully disclosed in the EIR.

8. **Letter 1, item 9: The EIR adequately analyzes the project's impacts with respect to greenhouse gas emissions under CEQA.**

The EIR adequately analyzes the project's impacts with respect to greenhouse gas emissions under CEQA as provided in the initial study attached as Exhibit B to the EIR. The City's use of a qualitative threshold for greenhouse gas analysis for CEQA is supported by substantial evidence and was upheld *Mission Bay Alliance v. Office of Community Investment & Infrastructure* (2016) 6 Cal.App.5th 150. Certification of a project as an Environmental Leadership Development Project (or an AB 900 project) pursuant to Chapter 6.5 of CEQA requires that the project not result in net new greenhouse gas emissions. The state has determined that this requirement will be met for this project.<sup>8</sup> The greenhouse gas emissions analysis pursuant to AB 900 certification is a separate analysis from that conducted for CEQA. The comments in the August 28, 2019 letter do not raise different issues from those addressed in Responses GHG-1 Methodology, GHG-2 Accuracy of GHG Calculations, or GHG-3 General GHG Concerns on pages 5.J.7 to 5.J.43.

9. **Letter 1, item 10: The EIR accurately analyzes the project's and project variant's inconsistencies with current zoning controls.**

The EIR analyzes the physical environmental effects of the project and/or its variant. To the extent that the project or variant is inconsistent with current zoning controls, those inconsistencies are

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<sup>8</sup> On January 30, 2019, the California Air Resources Board (CARB) issued Executive Order G-18-101 determining that the proposed project or project variant would not result in any net additional GHGs with payment of offsets for purposes of certification under AB 900.

identified in Chapter 3 of the EIR, and public comments received on that chapter are address in the RTC on pages 5.C.1 to 5.C.27.

### **Other Issues**

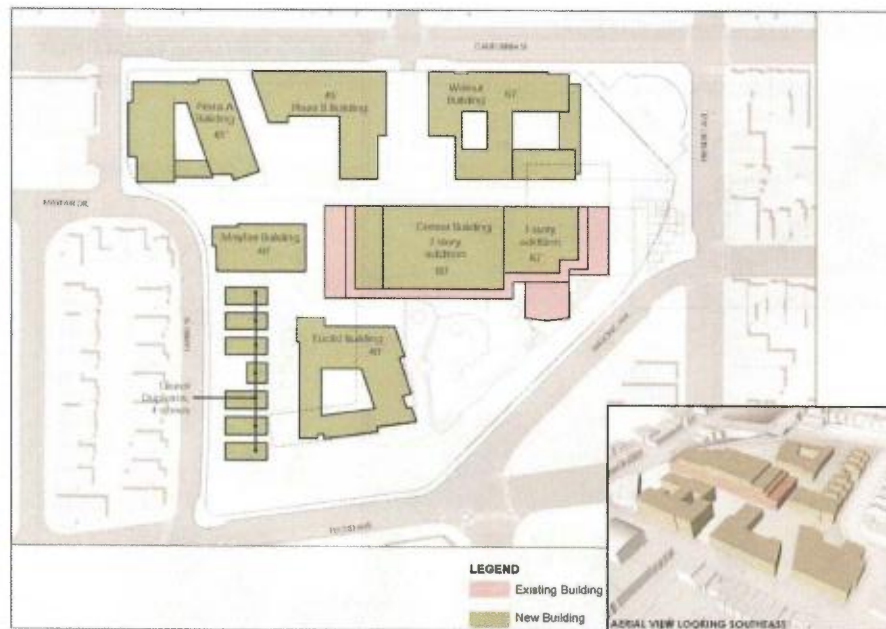
The EIR analyzes the physical environmental effects of the project and/or its variant in compliance with CEQA, the CEQA Guidelines, and Chapter 31 of the Administrative Code. The construction phasing and duration were accounted for in background technical reports prepared for the environmental review of this project.

### **Conclusion**

As stated above under CEQA Guidelines section 15207, the department need not respond to late comments on an EIR. Nevertheless, the department responded to the comments submitted one week ago. Based on the above information, the letters submitted by LHIA on August 28, 2019 do not raise any issues that have not been analyzed in the Final EIR, nor would they require consideration of additional alternatives to the project.

## Exhibit A: Comparison of Alternative E and LHIA Lookalike Variant

### Alternative E: Partial Preservation – Residential Alternative



3333 CALIFORNIA STREET MIXED-USE PROJECT  
2015-014028ENV

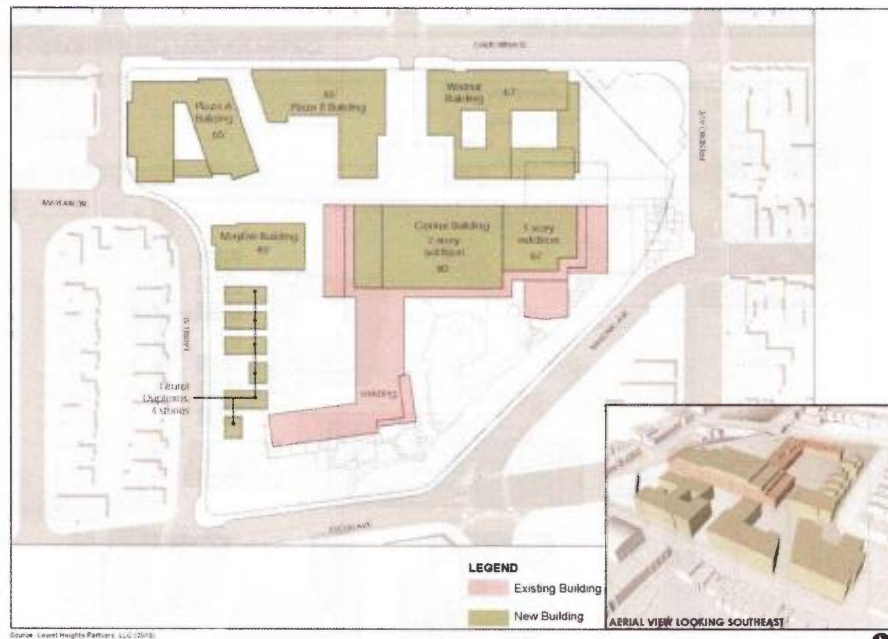
FIGURE 6.11: ALTERNATIVE E: PARTIAL PRESERVATION -  
RESIDENTIAL ALTERNATIVE SITE PLAN

### LHIA Lookalike Variant



## Exhibit B: Comparison of Alternative D and LHIA Variant 2

### Alternative D: Partial Preservation – Office Alternative



**3333 CALIFORNIA STREET MIXED-USE PROJECT**  
2015-07-02/RENV

FIGURE 6.8: ALTERNATIVE D: PARTIAL PRESERVATION - OFFICE ALTERNATIVE SITE PLAN

### LHIA Variant 2



Received at CPC Hearing 9/5/11  
D. Winslow

----- Forwarded message -----

From: **Frank DeRosa**<frank.derosa415@gmail.com>  
Date: Thu, Aug 22, 2013 at 9:30 PM  
Subject: Re: Rescheduling Request  
To: Peter Smathers Carter <peter@smathersandbranson.com>  
Cc: Michelle Guest Carter <michelleguest@gmail.com>, Janice  
Roudebush [janice.roudebush@gmail.com](mailto:janice.roudebush@gmail.com)

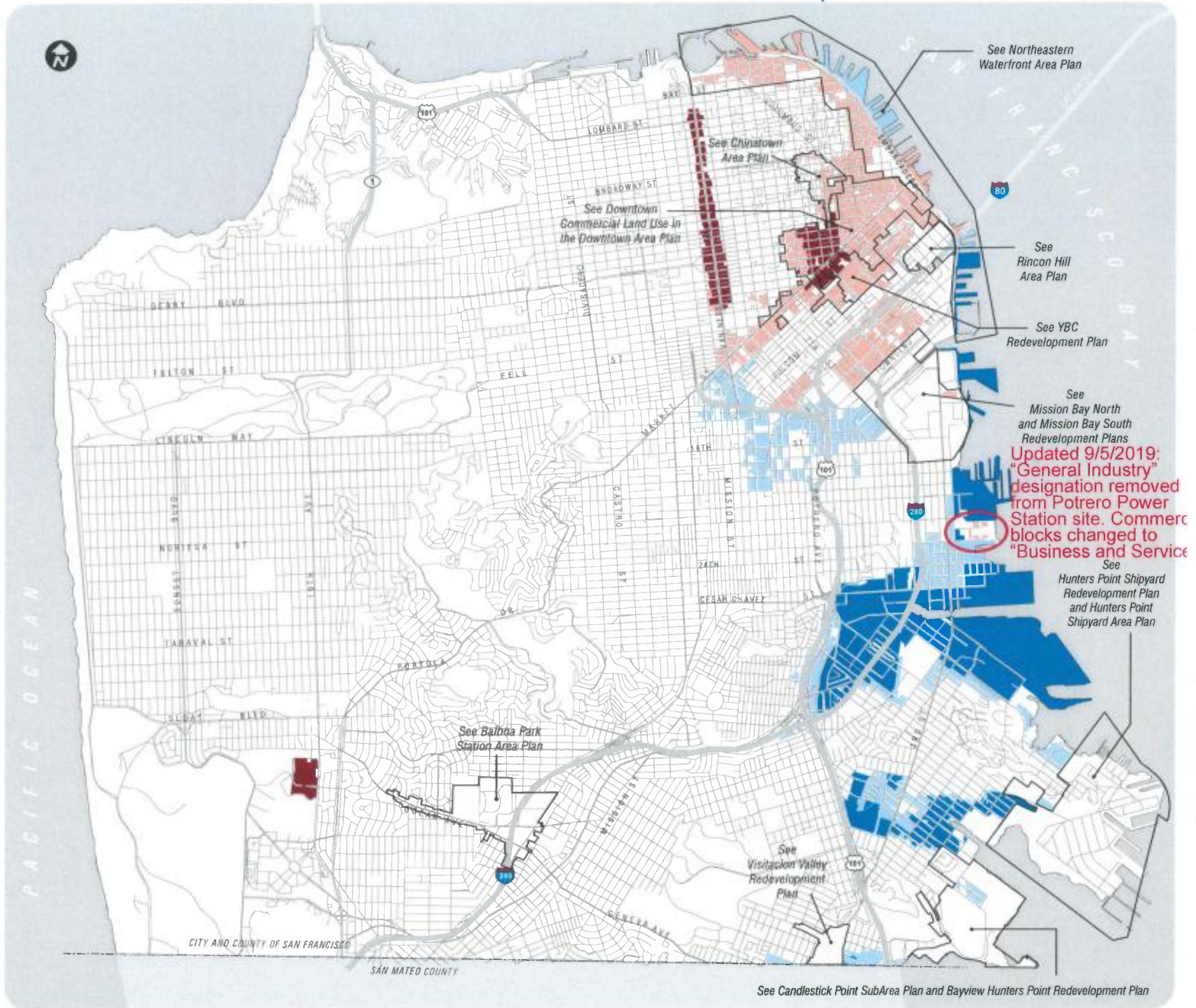
Peter, Michelle,

We just spoke with Delcey, who is coming around, but she raised a good point.

I think all of us intend this agreement to apply to this permit proceeding. If 5 years from now you are a glutton for punishment and want to remodel again, you are not constrained by this agreement in what you can propose.

Likewise, the neighbors are not waiving their rights to appeal or oppose future permit applications; they are waiving their rights to appeal or oppose any permits related to *this* proceeding. To be clear on this point, we suggest adding the following highlighted phrase to the two new provisions (Permit is a defined term referring to this permit). I think this is the intent, and will get Delcey comfortable.

Frank



## Generalized Commercial and Industrial Land Use Plan

0 Miles 1  
**MAP 01**

- Major Shopping
- Business and Services
- Light Industry
- General Industry

Note:  
 For Neighborhood Commercial Areas, see Map 5: Generalized Neighborhoods Commercial Land Use and Density Plan.

Note:  
 This map does not illustrate mixed-use areas, which may also contain elements of commerce and industry.

[General Plan - Potrero Power Station Mixed-Use Project]

Ordinance amending the General Plan to revise the Central Waterfront Plan, the Commerce and Industry Element, the Recreation and Open Space Element, the Transportation Element, the Urban Design Element, and the Land Use Index, to reflect the Potrero Power Station Mixed-Use Project; adopting findings under the California Environmental Quality Act and Planning Code Section 340, and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

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. Environmental and Planning Code Findings.

(a) California Environmental Quality Act.

(1) At its hearing on \_\_\_\_\_, and prior to recommending the proposed General Plan Amendments for approval, by Motion No. \_\_\_\_\_ the Planning Commission certified a Final Environmental Impact Report (FEIR) for the Potrero Power Station Mixed-Use Project (Project) pursuant to the California Environmental Quality Act (CEQA) (California Public Resources Code Section 21000 et seq.), the CEQA Guidelines (Cal. Code Reg. Section 15000 et seq.), and Chapter 31 of the Administrative Code. A copy of said Motion is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference. In accordance with the actions contemplated herein, this Board has

1 reviewed the FEIR, concurs with its conclusions, affirms the Planning Commission's  
2 certification of the FEIR, and finds that the actions contemplated herein are within the scope  
3 of the Project described and analyzed in the FEIR.

4 (2) In approving the Project at its hearing on \_\_\_\_\_, by Resolution No.  
5 \_\_\_\_\_, the Planning Commission also adopted findings under CEQA, including a  
6 statement of overriding considerations, and a Mitigation Monitoring and Reporting Program  
7 (MMRP). Copies of said Motion and MMRP are on file with the Clerk of the Board of  
8 Supervisors in File No. \_\_\_\_\_, and are incorporated herein by reference. The Board  
9 hereby adopts and incorporates by reference as though fully set forth herein the Planning  
10 Commission's CEQA approval findings, including the statement of overriding considerations.  
11 The Board also adopts and incorporates by reference as though fully set forth herein the  
12 Project's MMRP, dated \_\_\_\_\_ and on file with the Clerk of the Board in File No.  
13 \_\_\_\_\_.

14 (b) Planning Code Findings.

15 (1) Under Charter Section 4.105 and Planning Code Section 340, any  
16 amendments to the General Plan shall first be considered by the Planning Commission and  
17 thereafter recommended for approval or rejection by the Board of Supervisors. On  
18 \_\_\_\_\_, by Resolution No. \_\_\_\_\_, the Planning Commission conducted a duly  
19 noticed public hearing on the General Plan Amendments pursuant to Planning Code Section  
20 340, and found that the public necessity, convenience and general welfare require the  
21 proposed General Plan Amendments, adopted General Plan Amendments, and  
22 recommended them for approval to the Board of Supervisors. A copy of the Planning  
23 Commission Resolution No. \_\_\_\_\_, is on file with the Clerk of the Board of Supervisors  
24 in File. No. \_\_\_\_\_, and incorporated by reference herein.

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

6 Section 2. The General Plan is hereby amended by revising the Central Waterfront  
7 Plan, as follows:

8 OBJECTIVE 1.1

9 ENCOURAGE THE TRANSITION OF PORTIONS OF THE CENTRAL WATERFRONT  
10 TO A MORE MIXED-USE CHARACTER, WHILE PROTECTING THE NEIGHBORHOOD'S  
11 CORE OF PDR USES AS WELL AS THE HISTORIC DOGPATCH NEIGHBORHOOD

12 \* \* \* \*

13 Adjacent to the Pier 70 area, the Potrero power plant ~~is expected to ceased~~ operations  
14 ~~sometime in 2011 subject to a Settlement Agreement between the City and the previous owner, Mirant~~  
15 ~~Potrero LLC the future. While contamination of the soil here will preclude housing development on~~  
16 ~~the Settlement Agreement provided Mirant or a future property owner the opportunity to work with~~  
17 ~~the City and community on a reuse plan for the site that could achieve community benefits and~~  
18 ~~objectives. The power plant site is, it will be an opportunity, similar to Pier 70, for residential and~~  
19 mixed-use development ~~in the future~~ that could also include larger activities such as  
20 commercial as well as research and development uses. ~~A future community planning process for~~  
21 ~~this site will help determine exactly what should occur on the site.~~

22 \* \* \* \*

23 In areas controlled by the Port ~~as well as the Potrero Power Plant site~~, maintain existing  
24 industrial zoning pending the outcome of ~~separate~~ planning processes for these areas.

25 \* \* \* \*

1 POLICY 1.1.8

2 Consider the Potrero power plant site as an opportunity ~~for reuse~~ for larger-scale  
3 commercial and research establishments as part of a mixed use development.

4 \* \* \* \*

5 Map 2: ("Generalized Zoning Districts"), update Pier 70 and the Potrero Power plant  
6 site description as follows: Maintain existing manufacturing zoning here. After Pier 70 and plant  
7 site planning processes are complete, consider changing zoning to reflect the development plans  
8 for the Pier 70 and Potrero power plant site the outcome of the processes.

9 \* \* \* \*

10 OBJECTIVE 5.1

11 PROVIDE PUBLIC PARKS AND OPEN SPACES THAT MEET THE NEEDS OF  
12 RESIDENTS, WORKERS AND VISITORS

13 In a built-out neighborhood such as this, finding sites for sizeable new parks is difficult.  
14 However, it is critical that at least one new substantial open space be provided as part of this  
15 Plan. This Plan identifies a number of potential park sites: the area behind the IM Scott School  
16 site, which is currently used for parking, expansion of Warm Water Cove and the development  
17 of Crane Cove Park on Pier 70. ~~Additionally, as part of the~~ long-term planning process ~~for of~~  
18 ~~the Potrero Power Plant site and the Pier 70 site planning process~~, the area surrounding Irish Hill is  
19 ~~also~~ identified as a potential park site. Additionally, any development on the Potrero power plant  
20 site should include public open space. Finally, an improved waterfront at the end of 22nd Street  
21 would provide a much needed bayfront park site and should be considered as part of any  
22 long-term plans for Pier 70.

23 Section 3. The General Plan is hereby amended by revising the Commerce and  
24 Industry Element, as follows:  
25

1 Map 1 ("Generalized Commercial and Industrial Land Use Plan"), remove General  
2 Industry designation from Potrero Power Station site and designate commercial blocks  
3 (Blocks 2, 3, 11, 12, 15) as Business and Services, as shown in the Potrero Power Station  
4 Special Use District, Planning Code Section 249.87.

5 Map 2 ("Generalized Commercial and Industrial Density Plan"), reclassify the Potrero  
6 Power Station site from Industrial to Residential/Commercial 5.0:1 FAR."

7 \* \* \* \*

8 OBJECTIVE 4: IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY,  
9 THE EQUITABLE DISTRIBUTION OF INFRASTRUCTURE, AND THE ATTRACTIVENESS OF  
10 THE CITY AS A LOCATION FOR NEW INDUSTRY.

11 \* \* \* \*

12 Policy 4.12: As obsolete or underutilized infrastructure and heavy industrial uses are  
13 decommissioned, consolidated or relocated, ensure that new uses on such sites complement the  
14 adjacent neighborhood and address environmental justice considerations while also reflecting  
15 broader contemporary City priorities.

16 Occasionally the opportunity arises to rethink the use and design of large sites occupied by a  
17 large heavy industry, utility or infrastructure use, many of which are legacies of investments,  
18 development patterns, and decisions from past eras, as these sites are shuttered, downsized or  
19 relocated due to economic, regulatory or technological changes. Planning for these sites should  
20 carefully consider the needs of adjacent neighborhoods, particularly where former industrial and  
21 infrastructure uses, such as fossil fuel-powered power plants, historically created environmental justice  
22 burdens for area residents, while balancing the larger policy goals of the City applicable to the site,  
23 such as the development of community-serving facilities, public space, housing, economic development,  
24 and modern, clean infrastructure or industry, to advance sustainability, resiliency and economic  
25 diversity goals.

1 Section 4. The General Plan is hereby amended by revising Map 3 of the Recreation  
2 and Urban Space Element ("Existing & Proposed Open Space"), as follows:

3 Add proposed open space depicted in the "Potrero Power Station Mixed-Use Project  
4 Special Use District, Section 249.87 of the Planning Code."

5 Section 5. The General Plan is hereby amended by revising Map 11 of the  
6 Transportation Element ("Citywide Pedestrian Network"), as follows:

7 Add proposed Bay Trail Recreational Loop to map through the Potrero Power Station  
8 and Pier 70 project sites.

9 Add "Proposed Bay Trail Recreational Loop" route to legend.

10 Section 6. The General Plan is hereby amended by revising of the Urban Design  
11 Element, as follows:

12 Map 4 ("Urban Design Guidelines for Height of Buildings"), add to the map notes: "Add  
13 a shaded area with a new height designation with a range between 65-240 feet in the location  
14 of the former Potrero Power Plant, as shown in the Potrero Power Station Special Use  
15 District, Planning Code Section 249.87.

16 Map 5 ("Urban Design Guidelines for Bulk of Buildings Map") add following language to  
17 map notes: "Add asterisk and add: 'See Potrero Power Station Special Use District, Planning  
18 Code Section 249.87.'"

19 Section 7. The Land Use Index shall be updated as necessary to reflect the  
20 amendments set forth in Sections 2, 3, 4, 5, and 6, above.

21 ///

22 ///

23 ///

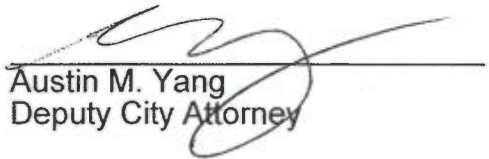
24 ///

25 ///

1           Section 8. Effective Date. This ordinance shall become effective 30 days after  
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
3 ordinance unsigned or does not sign the ordinance within then days of receiving it, or the  
4 Board of Supervisors overrides the Mayor's veto of the ordinance.

5  
6 APPROVED AS TO FORM:  
7 DENNIS J. HERRERA, City Attorney

8 By:

  
Austin M. Yang  
Deputy City Attorney

9  
10 n:\legan\as2019\2000059\01386426.docx



# THE POWER STATION

CPC GPA Initiation + Informational Hearing 9.05.19

# Southern Bayfront



**20,000** New Households

**Over 40,000** new residents



**6,700** Affordable Units

**33%** of new households to be affordable



**38,000** New Jobs

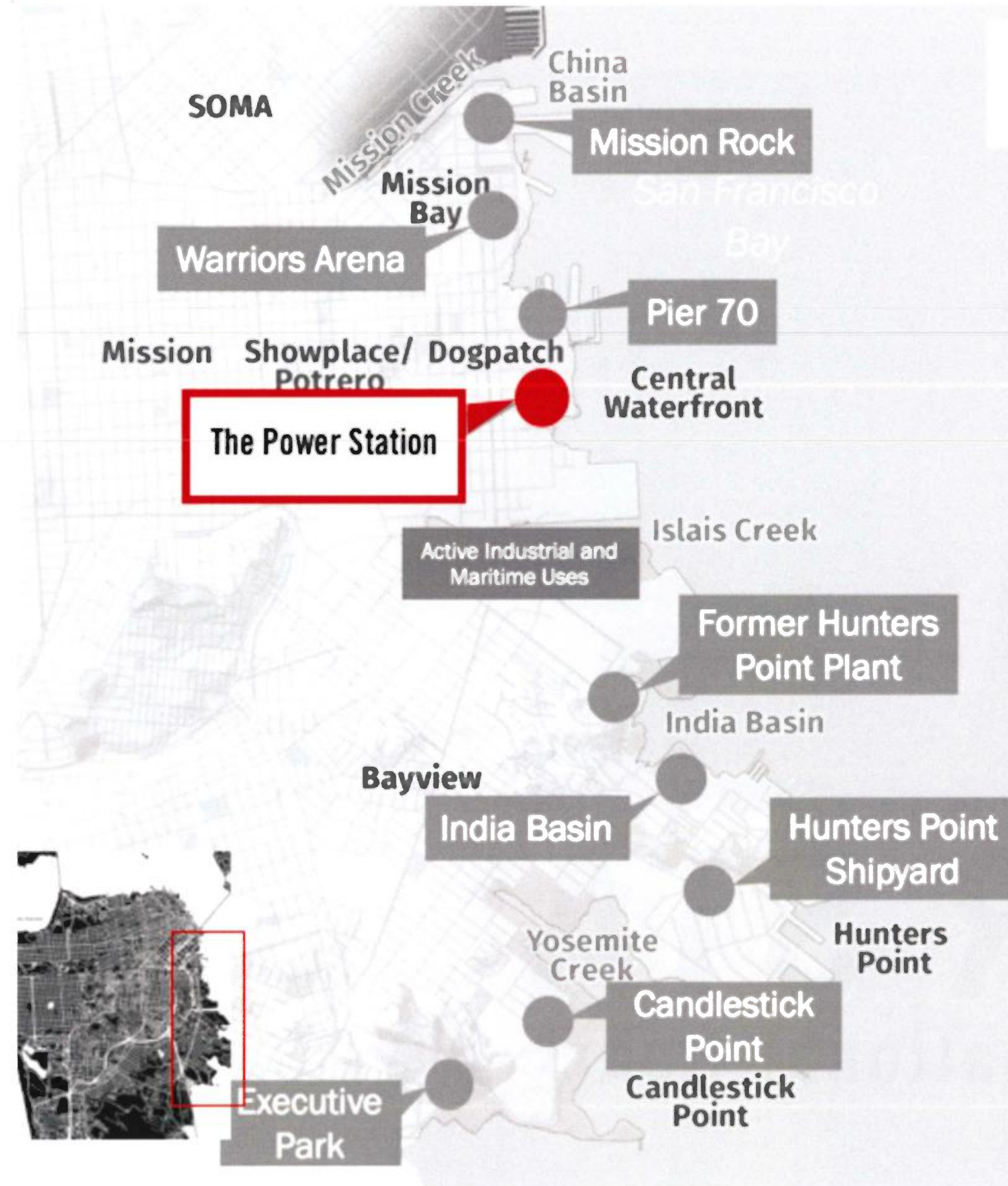
**Office, PDR and retail**



**520+** New and Renovated  
Acres of Open Space

**Half the size of Golden Gate Park. Nearly  
all of new public open space in the City**

Southern Bayfront Strategy



# DEVELOPMENT AGREEMENT

“Public benefits package” memorialized in Development Agreement

- Contract negotiated between City and Sponsor
- Informed by economic analysis and sensitive to project feasibility
- Balances multiple neighborhood and citywide objectives

Ensures Project performs well in areas of:

- Housing
- Transportation
- Community Facilities
- Infrastructure
- Sea Level Rise
- Open Space
- Workforce Development
- Other City objectives – e.g. PDR

# Affordable Housing

Thirty percent (30%) of all residential units will be Below Market Rate (BMR)

- Inclusionary Units
- Conveyance of Development Parcels
- In-Lieu Fee

Two-thirds of affordable housing units provided onsite

Levels of affordability consistent with Planning Code Section 415

# Workforce Development

Construction and “end user”-focused programs

Tech and Life Science opportunities

Ongoing partnership with City’s Workforce System

# Open Space

Construct and maintain in perpetuity 7 acres of new open space

- Waterfront Park, Blue Greenway/Bay Trail
- Central Green
- Port-owned waterfront areas never before accessible to the public

# Facilities and Community Amenities

Construction of on-site community center (YMCA)

Child Care

Space for full-service grocery store

# Transportation

Better Streets Plan-consistent multi-modal street network

Extension of nearby MUNI bus service

\$64M in Transportation Sustainability Fees (TSF)

# Historic Preservation

“Station A” walls to be retained and integrated into new commercial development

Boiler Stack to be rehabilitated per Secretary of the Interior’s Standards

## Other

Sea Level Rise adaptation

- Community Facility District

Term/Fees

Design and Process

# AGENDA

- 4.25.19 INFORMATIONAL HEARING RECAP
- COMMUNITY BENEFITS
- CONTINUED OUTREACH
- GENERAL PLAN AMENDMENTS FOR INITIATION

San Francisco

The  
Power  
Station







# COMMUNITY ENGAGEMENT



10 Public Workshops

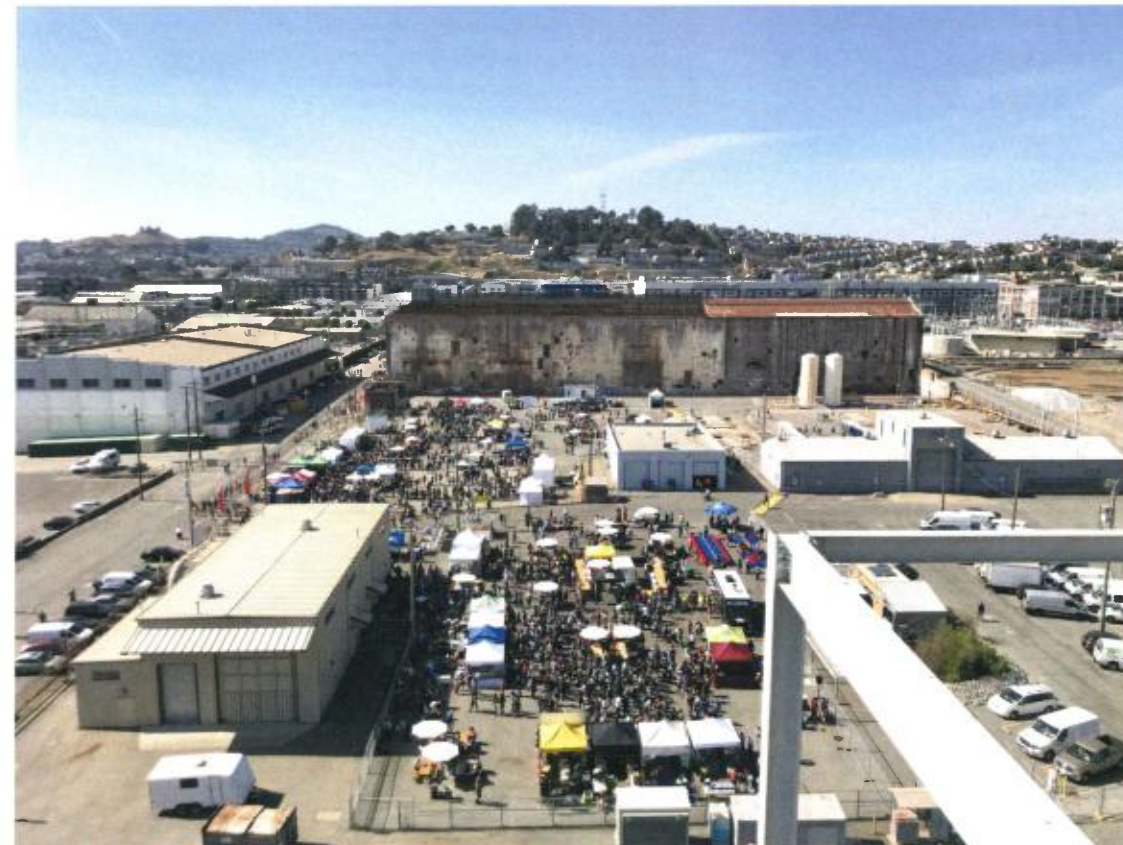
169 EVENTS  
82,354 PEOPLE



Weekly Developer Office Hours



62 Public Site Tours



Events Hosting 60,000+ People



57 Neighborhood Group Presentations

# WHAT WE HEARD OVER THE PAST YEAR

**30%  
Affordable  
Housing**

**Keep TSF  
funds in  
D10**

**Heights  
deferential  
to the  
Stack**

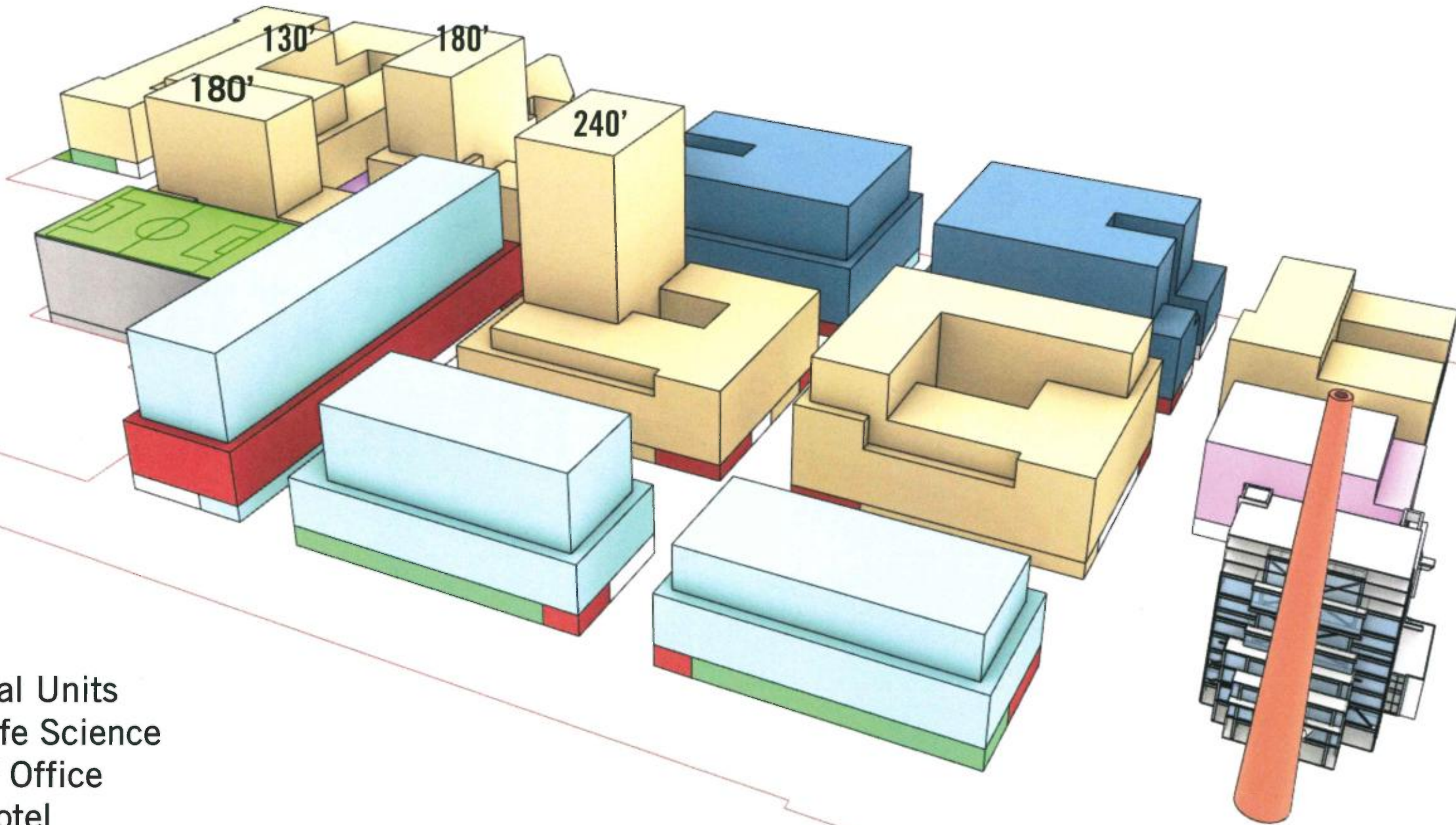
**Save  
Station A!**

**Explore  
Water  
Transit?**

**Community  
Center**

# PROPOSED PLAN IN RESPONSE TO FEEDBACK

(4.25.19)



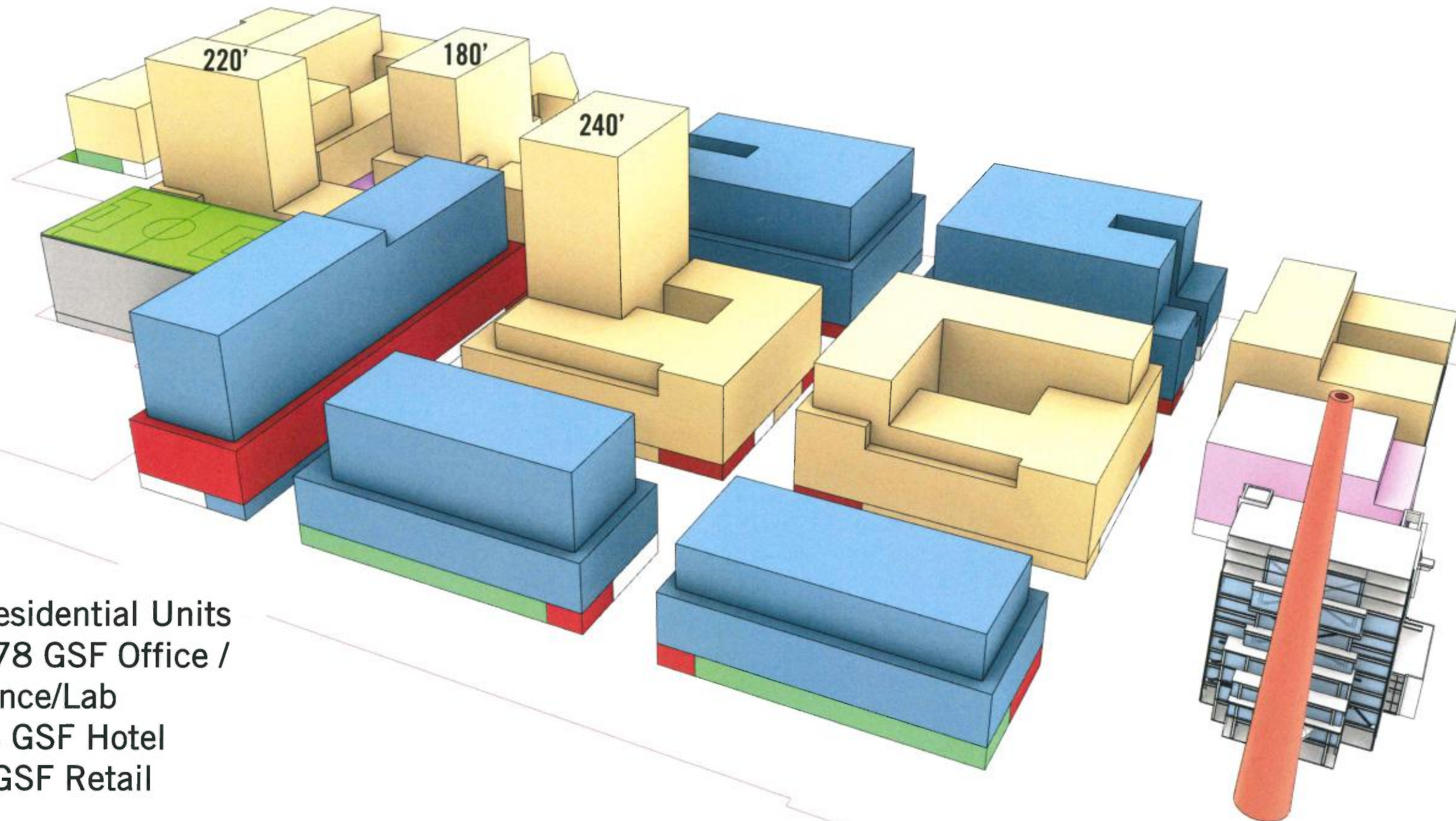
- 2,441 Residential Units
- 645,738 GSF Life Science
- 814,240 GSF of Office
- 241,574 GSF Hotel
- 107,000 GSF Retail

## WHAT WE HEARD AT COMMISSION



**”PRESERVATION SHOULD  
NOT COME AT THE COST  
OF RESIDENTIAL UNITS.”**

# CURRENT PROPOSAL



- 2,601 Residential Units
- 1,459,978 GSF Office / Life Science/Lab
- 241,574 GSF Hotel
- 99,464 GSF Retail

A low-angle photograph looking up at two large industrial smokestacks against a clear blue sky. The stack on the left is dark brown and partially cut off. The stack on the right is bright yellow and extends from the bottom right towards the top center. A metal walkway with railings spirals around the yellow stack. A yellow structural beam is visible in the foreground between the two stacks.

# **POWER STATION COMMUNITY BENEFITS OVERVIEW**



**OPENING UP THE WATERFRONT FOR THE FIRST TIME IN 163 YEARS**

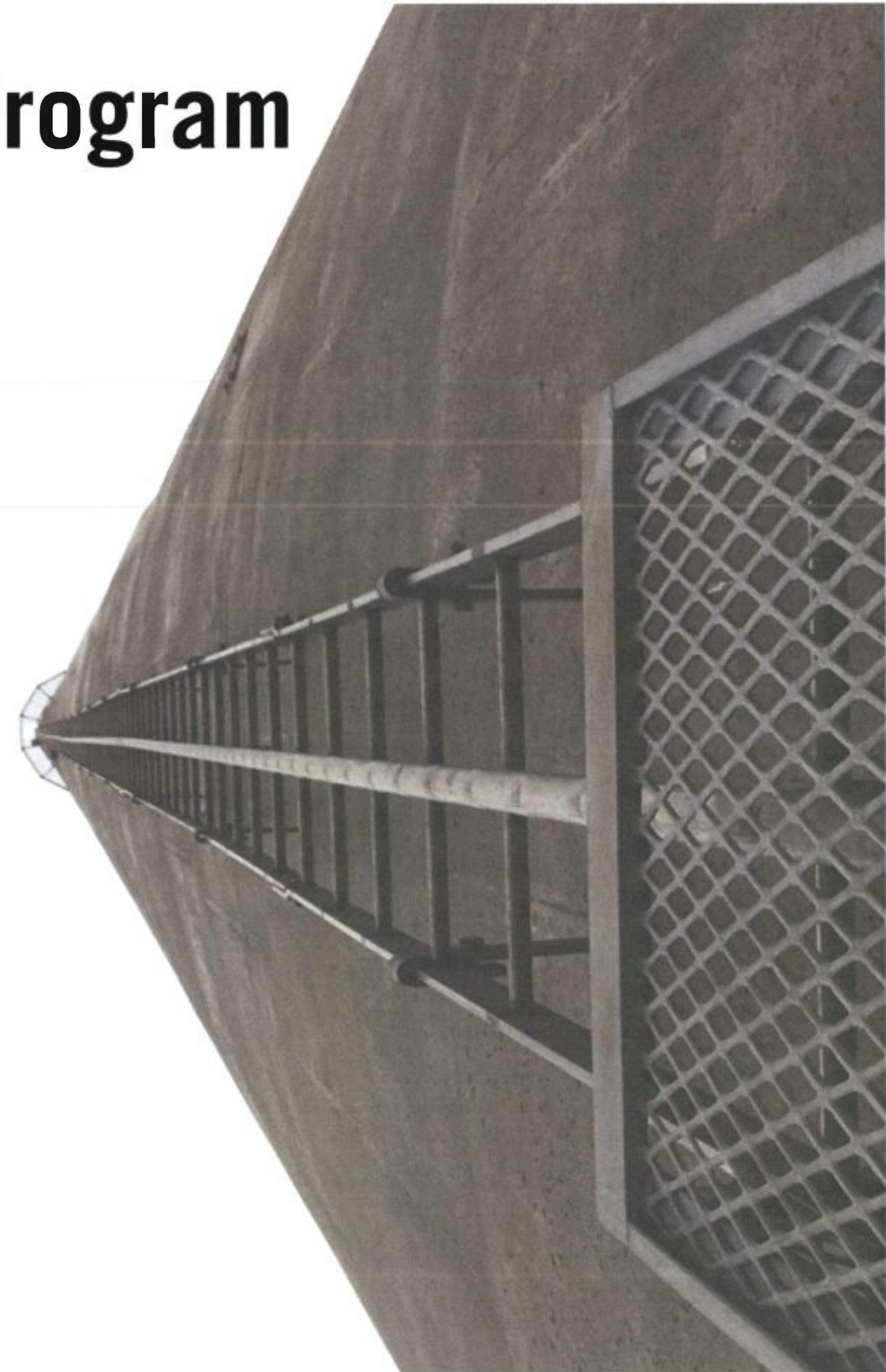
# Power Station Affordable Housing Program

- **30% Affordable Housing in every phase – without public subsidy**

- **AMI averages consistent with**

## **Section 415 of the Planning Code**

- **72% for Rental Housing**
- **99% for Ownership**
- **Affordable Housing in every phase**
- **District 10 Preference / Marketing Program**
- **Over \$45m in Affordable Housing Fees**



# Housing for Essential Members of our Community



Retail Clerk  
\$24,000/year  
30% AMI



Restaurant Staff  
\$30,000/year  
40% AMI



Healthcare Assistant  
\$40,000/year  
50% AMI



Teacher  
\$60,000/year  
75% AMI

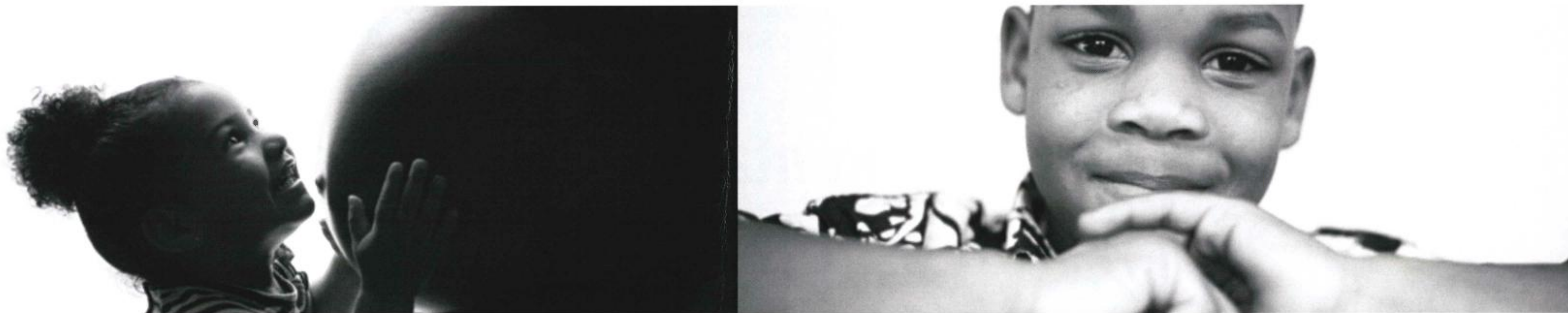


Emergency Responders  
\$95,000/Year  
120% AMI

**Power Station's Rental Affordable Housing  
will average 72% AMI**

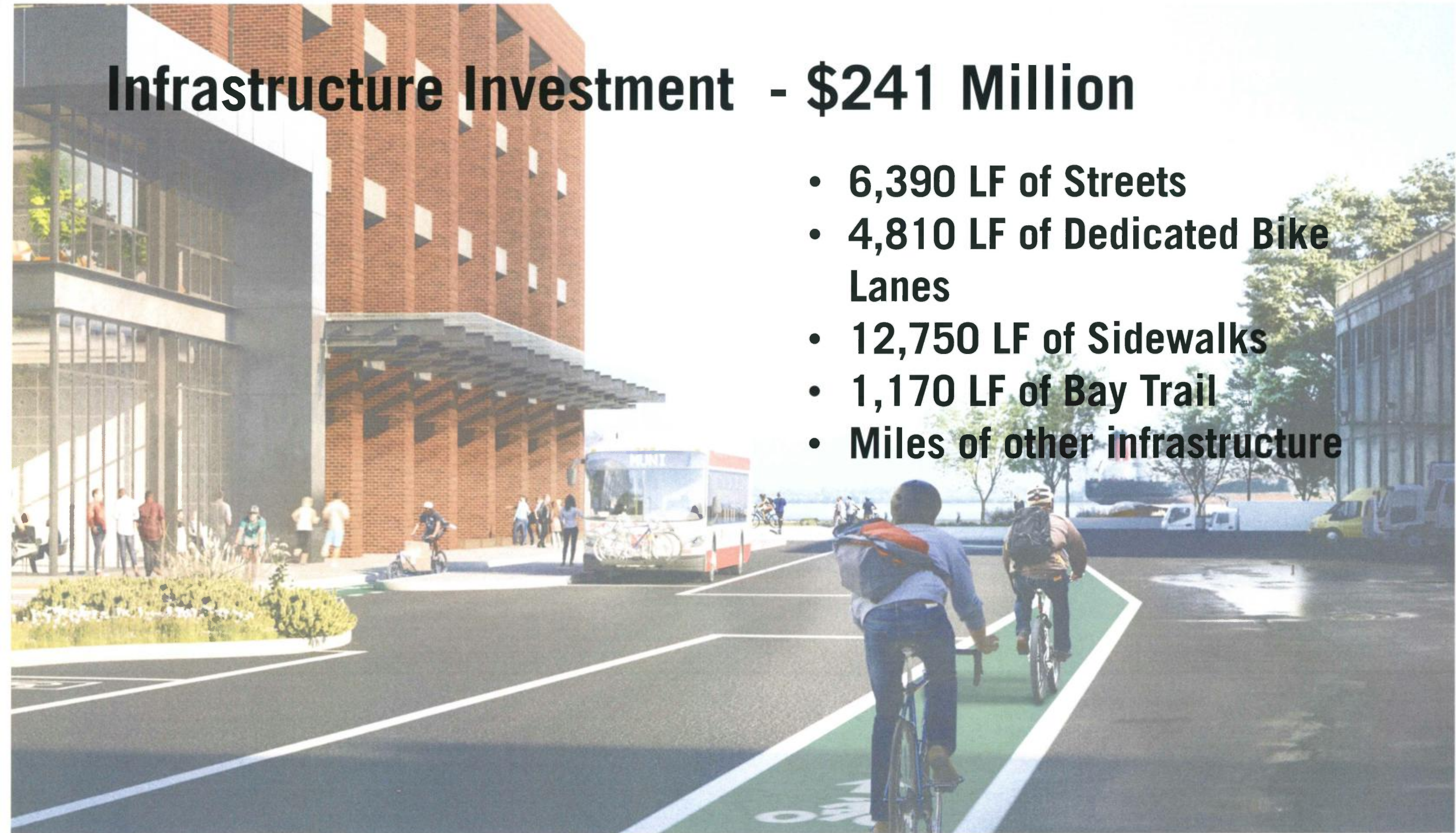


- Up to 36 dwelling units across 4 phases
- Houses women and their families while in pursuit of higher education or workforce training
- AMIs (Deeply affordable)



# Infrastructure Investment - \$241 Million

- 6,390 LF of Streets
- 4,810 LF of Dedicated Bike Lanes
- 12,750 LF of Sidewalks
- 1,170 LF of Bay Trail
- Miles of other infrastructure



# Workforce Development



- **Workforce Development programs during construction and end use phases of the project**
- **LBE requirements**
- **Funding for Training and Internship Programs such as STEM**

# Community Center - 25K GSF



# Grocery Store – Neighborhood Serving Retail



# On-Site Child Care - Two 6,000 SF Facilities



# PDR – Required on Ground floor of 23<sup>rd</sup> + Illinois Street Frontages



# Seven Acres of Public Open Space

- Four Acres of Waterfront Park
- Extension of the Blue Greenway
- Power Station Park
- Rooftop Soccer Field
- Playgrounds



# Over \$64 Million in Transportation Impact Fees

- Millions in fees to improve the MUNI system and facilitate neighborhood and district wide transit improvements
- Developer & Neighbors working to direct fees to the district



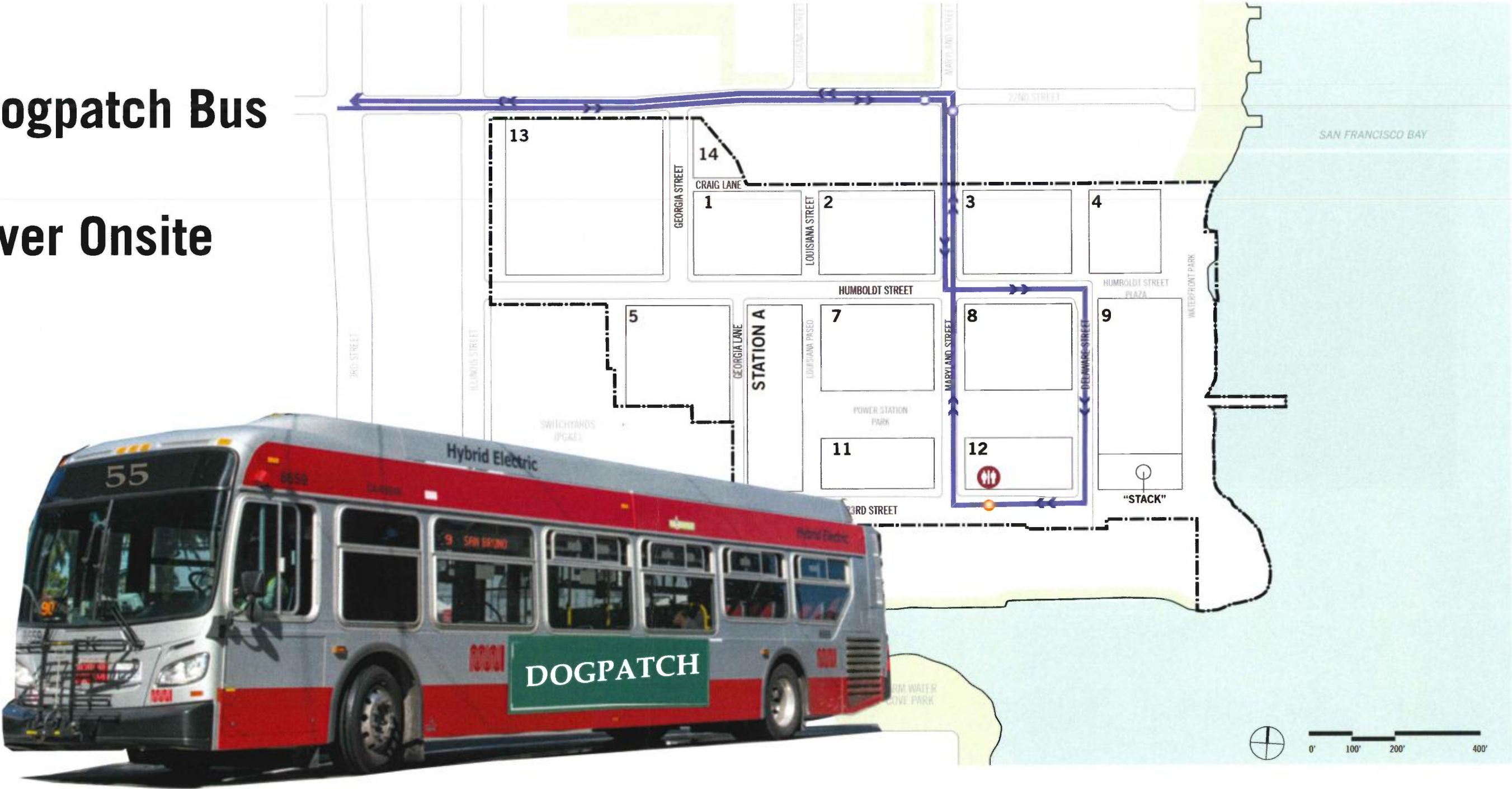
# Transportation Demand Management



# On-site Public Transit

55 Dogpatch Bus

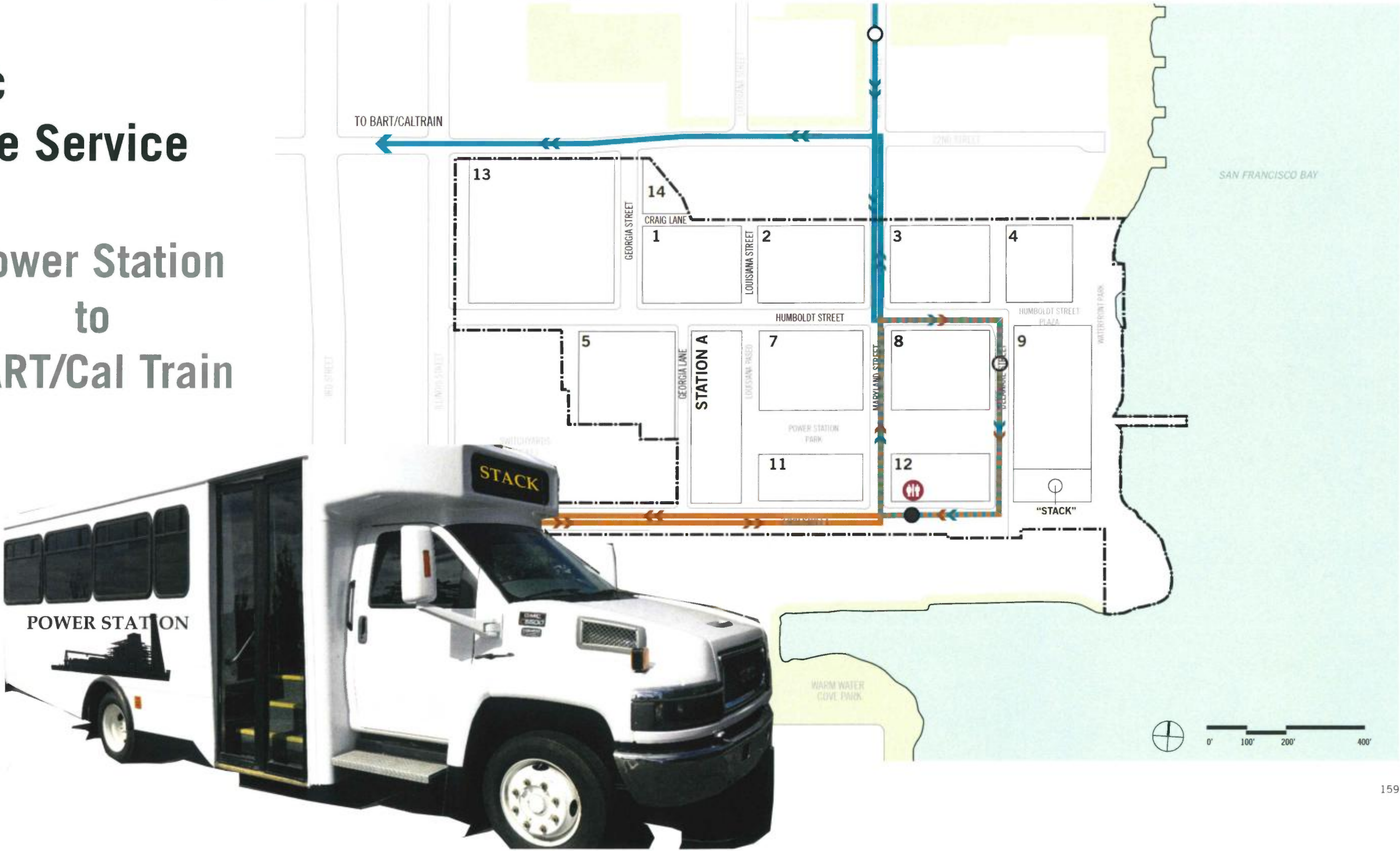
Layover Onsite



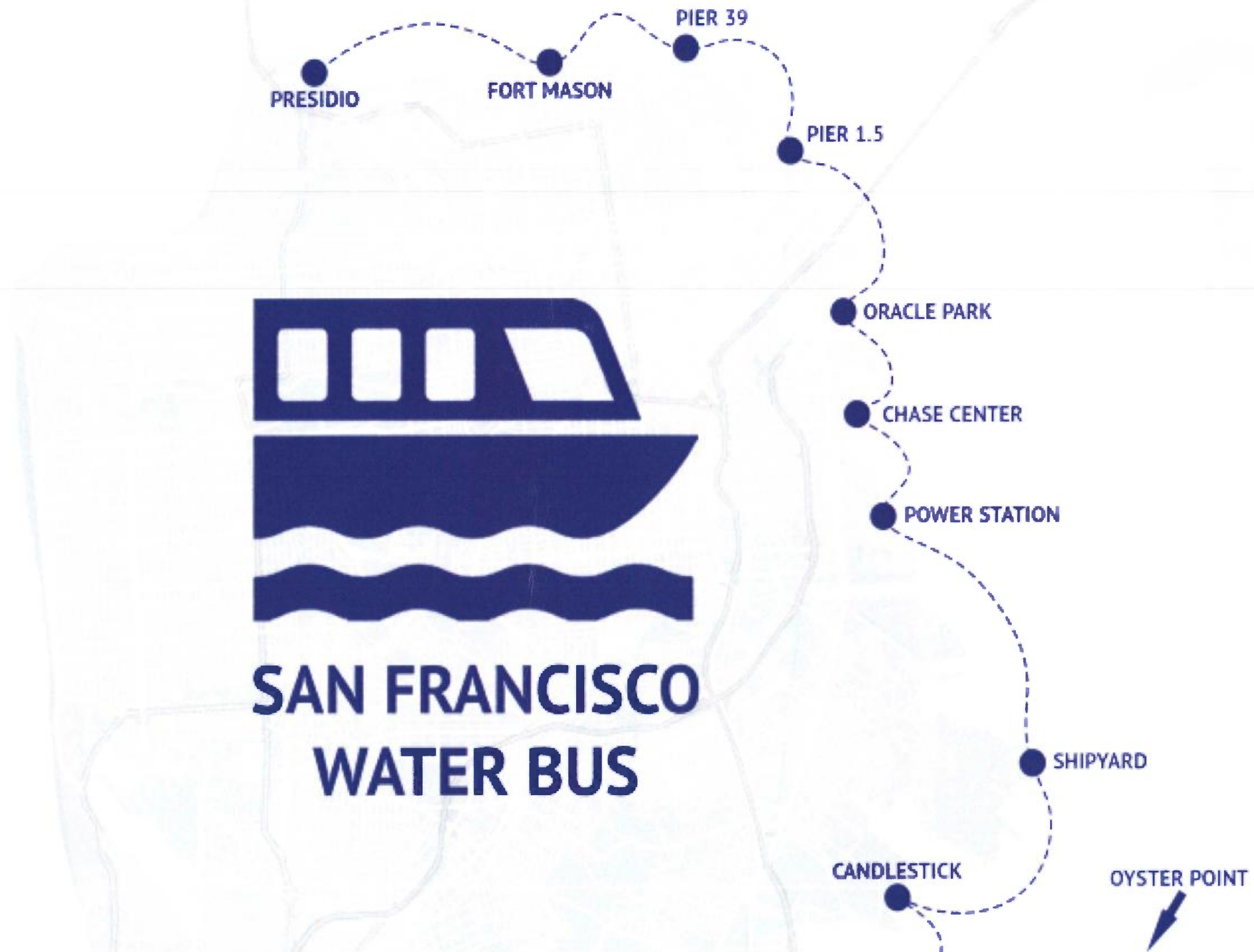
# Local Transportation Improvements

## Public Shuttle Service

Power Station  
to  
BART/Cal Train



# LET'S PILOT WATER TRANSIT IN SAN FRANCISCO



# Sustainable Neighborhood Framework Pilot at the Power Station

## OPERATIONAL GHG EMISSIONS REDUCTION

Target 30% reduction in operational GHG

## WATER: 100% non-potable demands met

On-site water treatment systems provide recycled water to meet all non-potable demands

## RESILIENT BUILDINGS & PUBLIC REALM

100% site resilience to sea level rise up to 66-inches above current 100-year coastal flood

## TRANSPORTATION GHG EMISSIONS

Transportation demand measures including bicycle/pedestrian-friendly streets and EV charging

## PUBLIC REALM STORMWATER

100% managed using green infrastructure

## San Francisco Sustainable Neighborhood Framework

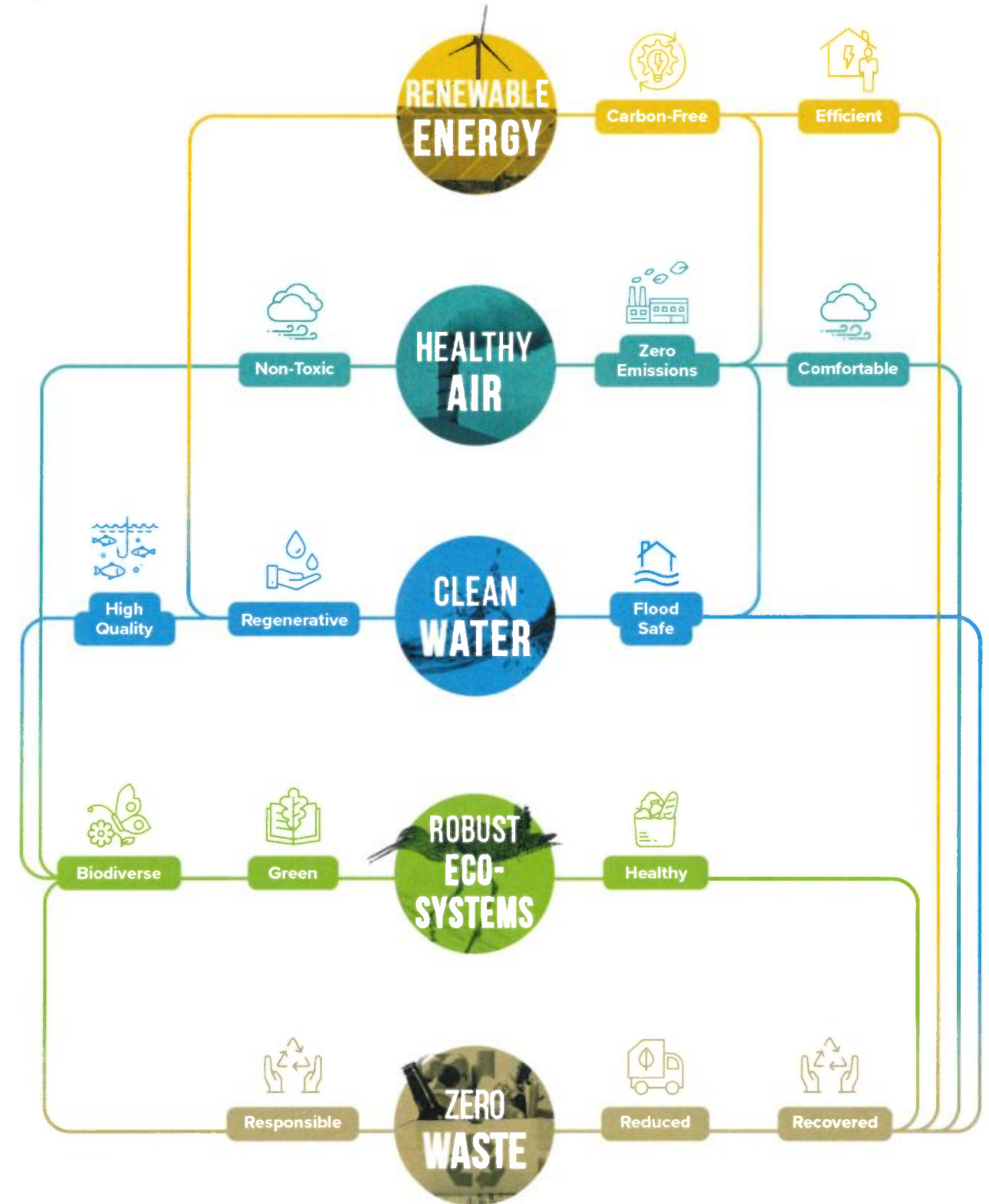
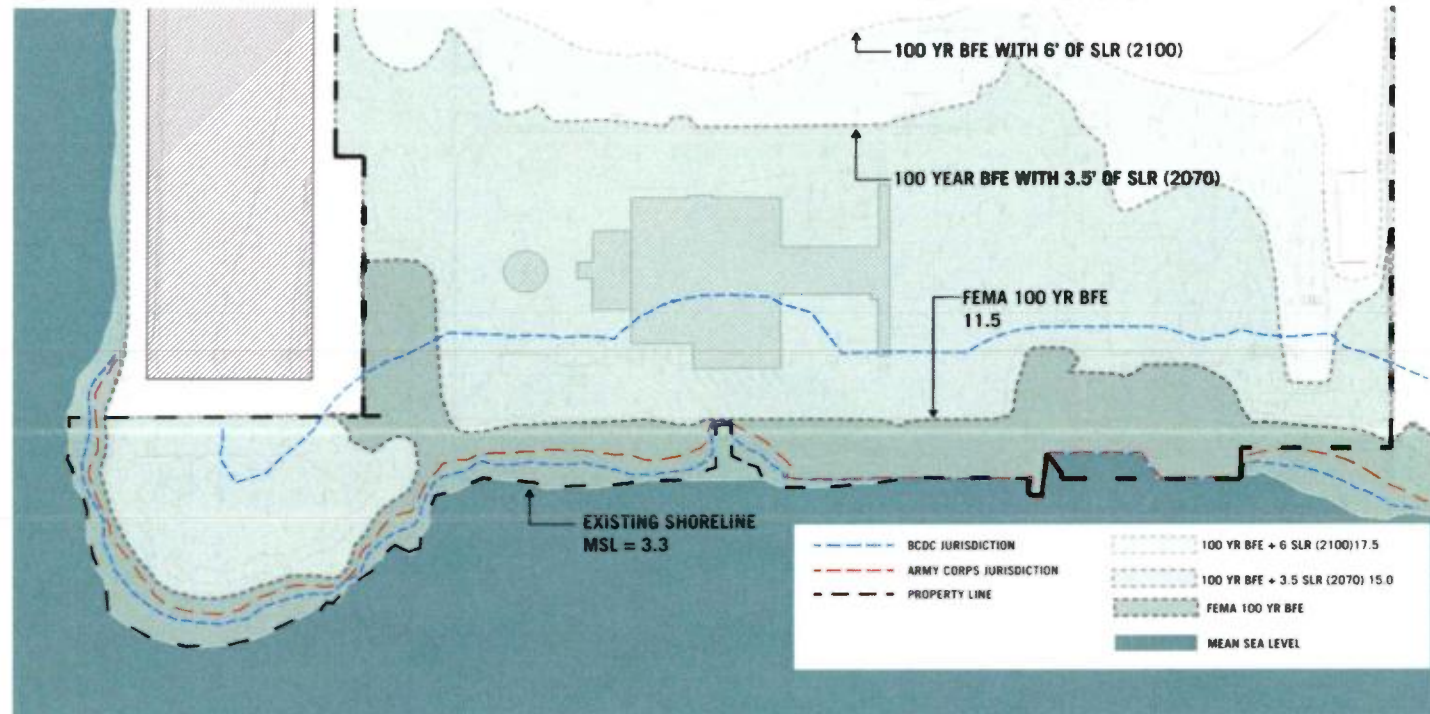


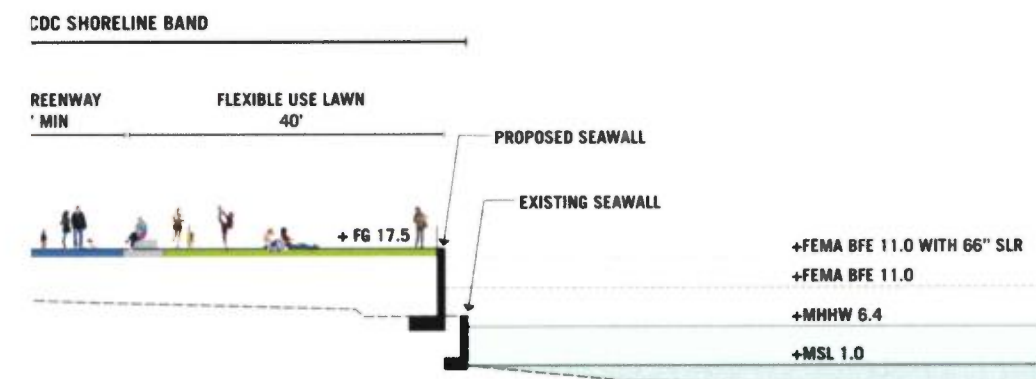
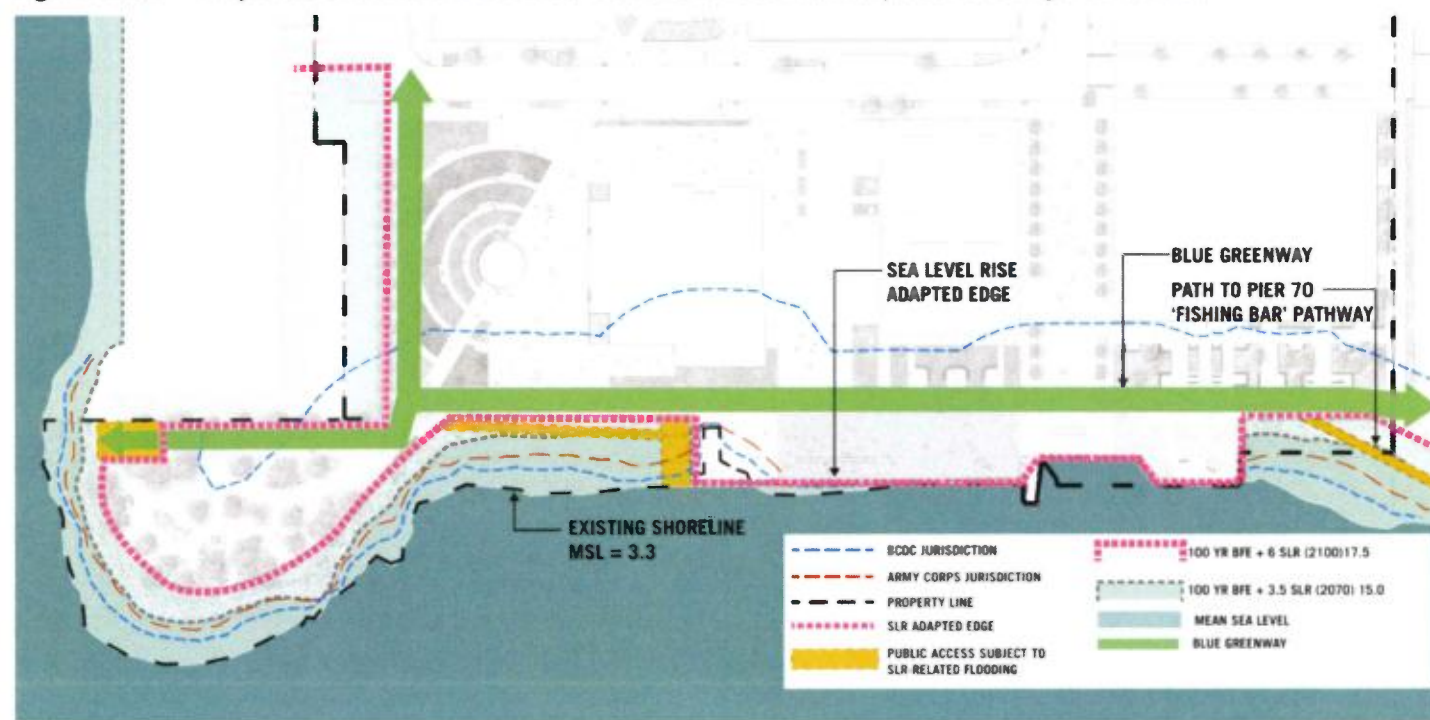
Figure 4.3.1 Projected Sea Level Rise of 3.5 feet and 6 feet with Existing Site Topography



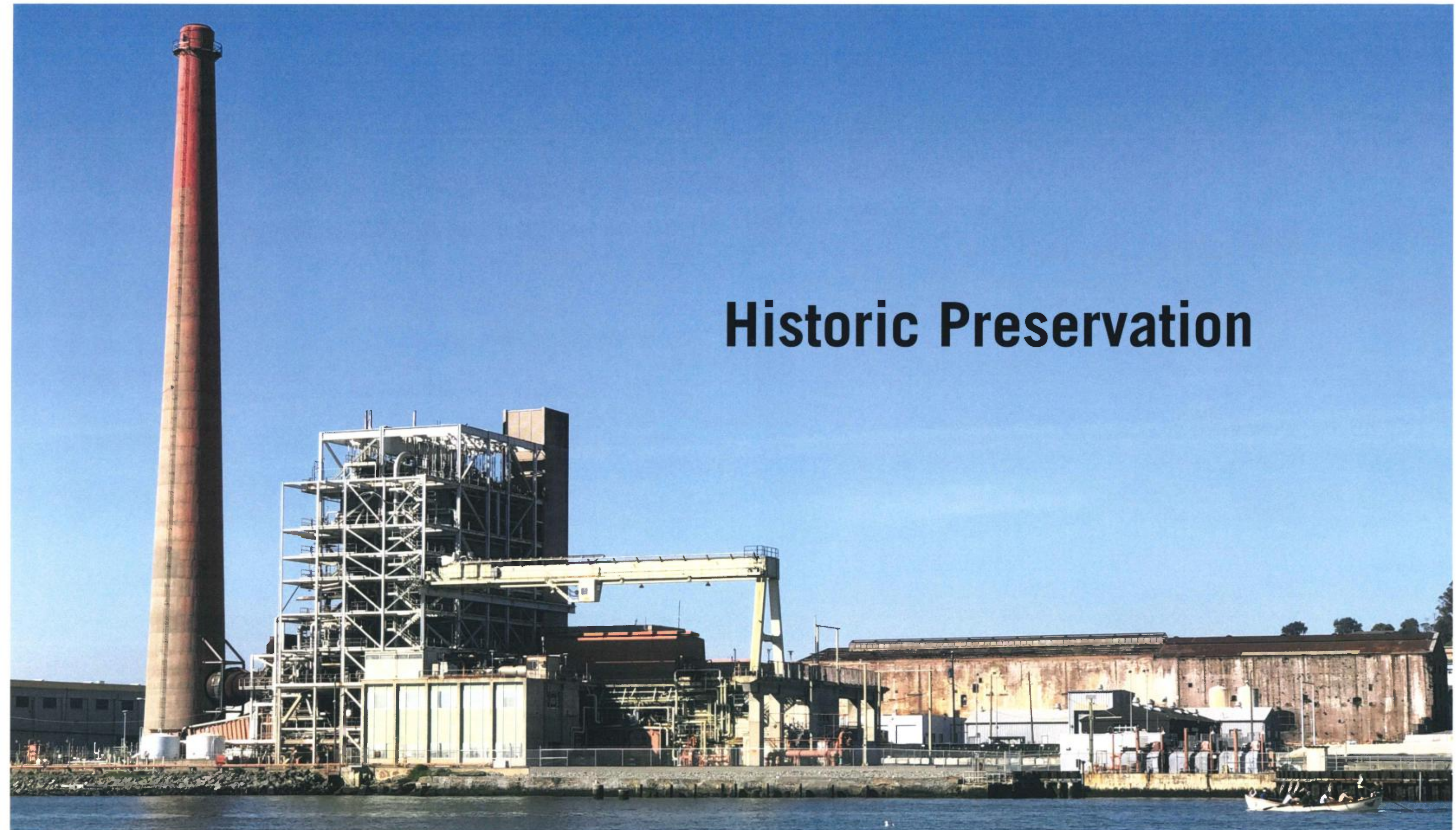
# Power Station Sea Level Resilience Strategies

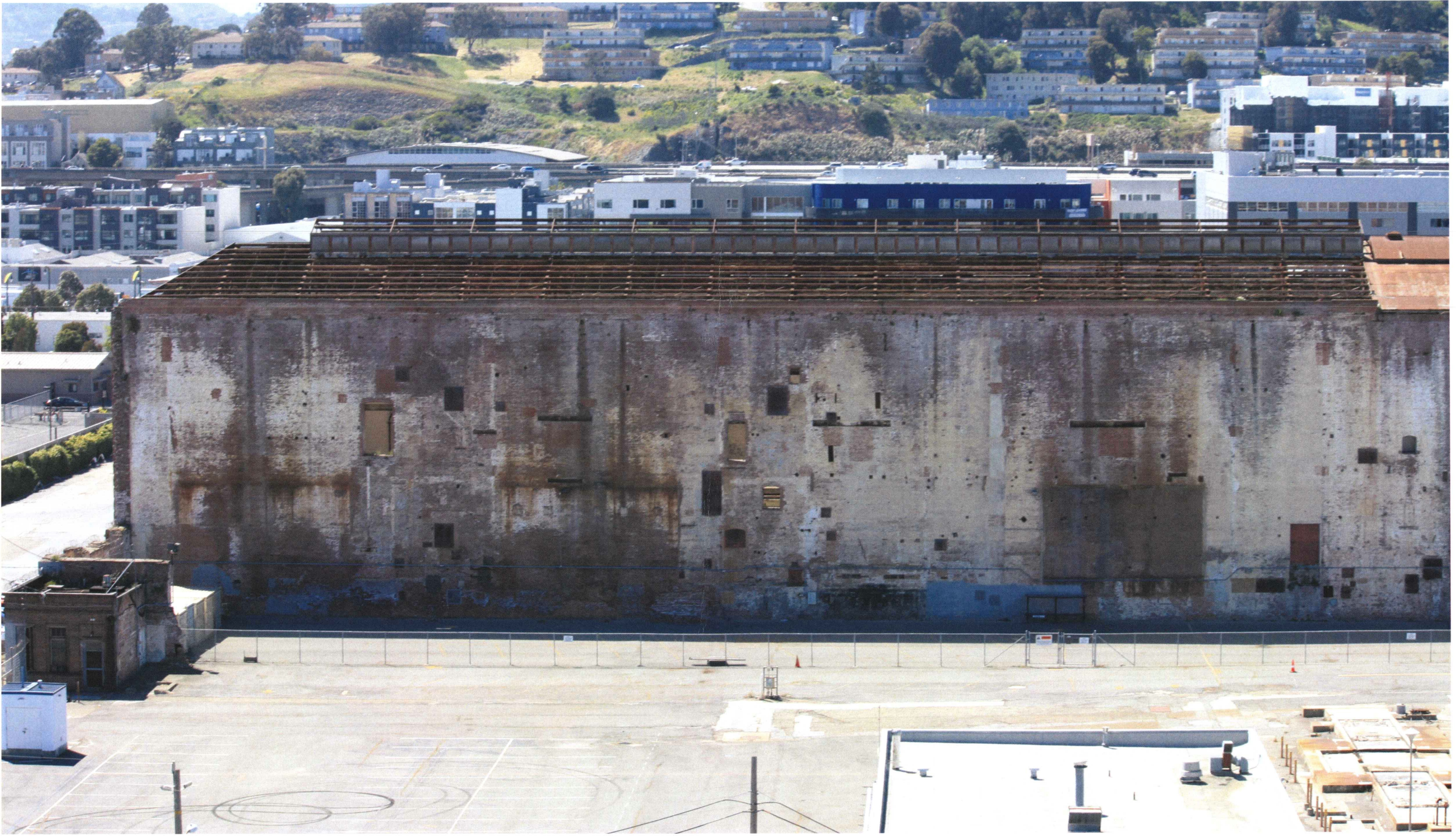
- Sea Level Rise Protection
- Sea Wall Improvements
- Ongoing Investments beyond the site

Figure 4.3.2 Projected Sea Level Rise of 3.5 feet and 6 feet with Proposed Grading and Seawall



# Historic Preservation













# Over \$880 Million in Community Benefits

Affordable Housing:	\$378m
Infrastructure:	\$242m
Historic Preservation:	\$102m
Other Fees:	\$67m
Open Space + Community Facilities:	\$91m

# ONGOING OUTREACH & COMMUNITY EVENTS



Developer Fireside Chats



La Cocina Street Food Festival



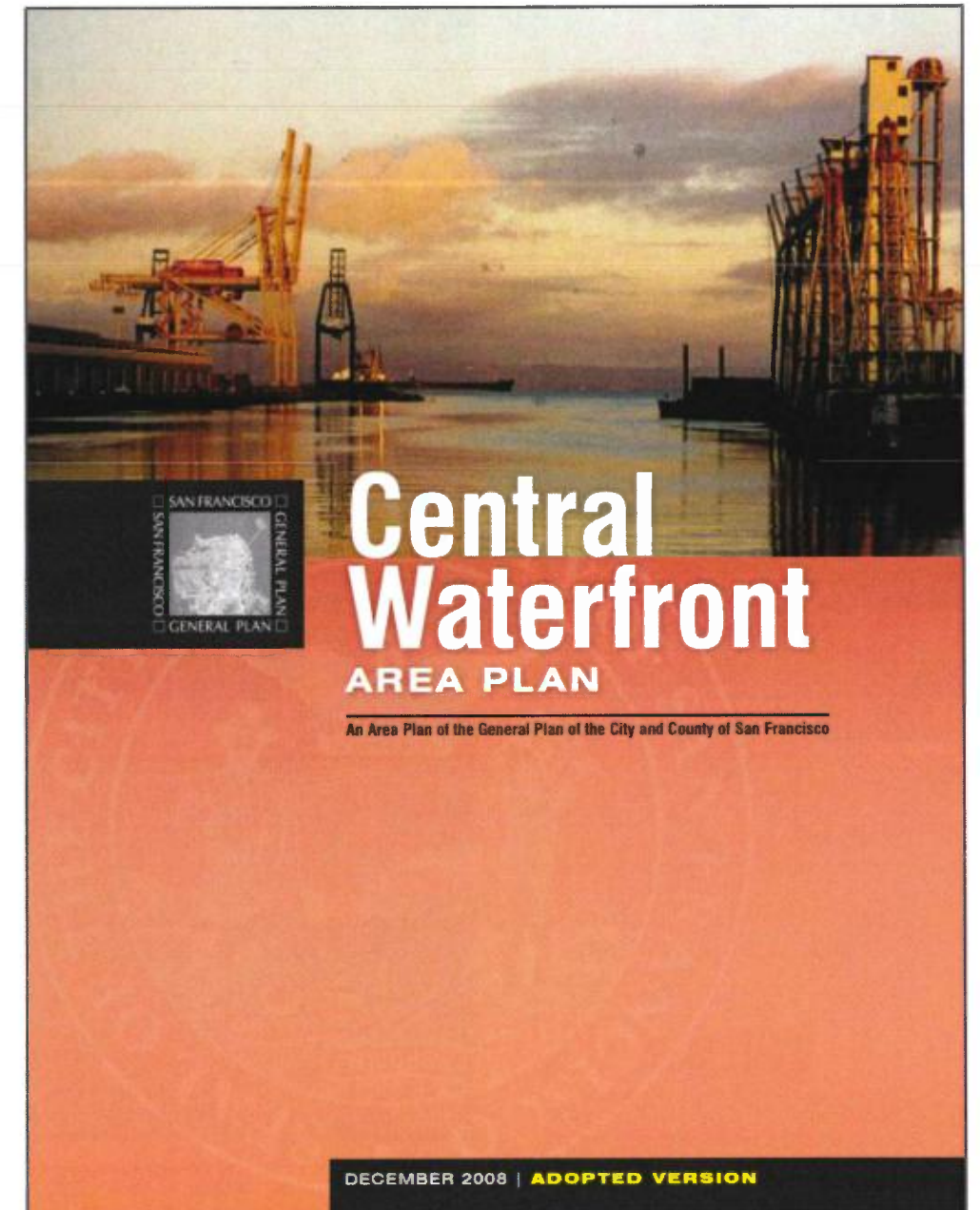
Burning Man Decompression



Monthly Site Tours

# General Plan Amendments for Initiation

- **Update General Plan and Align with Project**
- **Reflect new community resources proposed for the Project**
- **Provide planning guidance for similar obsolete/underutilized industrial sites**



# General Plan Amendments for Initiation

## Alignment and Updates

- **Central Waterfront Area Plan: *Objective 1.1, Policy 1.1.8, Map 2 (“Generalized Zoning Districts”), Objective 5.1***
- **Commerce & Industry Element**
  - ***Map 1 (“Generalized Commercial and Industrial Land Use Plan”)***
  - ***Map 2 (“Generalized Commercial and Industrial Density Plan”)***
- **Urban Design Element**
  - ***Map 4 (“Urban Design Guidelines for Height of Buildings”)***
  - ***Map 5 (“Urban Design Guidelines for Bulk of Buildings”)***
- **Land Use Index**

# **General Plan Amendments for Initiation**

## **New Community Resources**

- **Recreation & Open Space Element:**  
*Map 3 (“Existing and Proposed Open Space”)*
- **Transportation Element:**  
*Map 11 (“Citywide Pedestrian Network”)*
- **Land Use Index**

# General Plan Amendments for Initiation

## Planning Guidance for former industrial sites

- **Commerce and Industry Element**
  - Amend Objective 4: *“Improve the viability of existing industry in the City, **the equitable distribution of industry**, and the attractiveness of the city as a location for new industry.”*
  - **New Policy 4.12:** *“As obsolete or underutilized infrastructure and heavy industrial uses are decommissioned, consolidated or relocated, ensure that new uses on such sites complement the adjacent neighborhood and address environmental justice considerations while also reflecting broader contemporary City priorities”*

# NEXT STEPS

- BOS Introduction of SUD & Zoning Amendments 9.17.19
- EIR Certification / Approvals: 10.10.19
- BOS Approval Hearings: Fall / Winter 2019



# THANK YOU!

Learn more:

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- [@iamthestack](#)