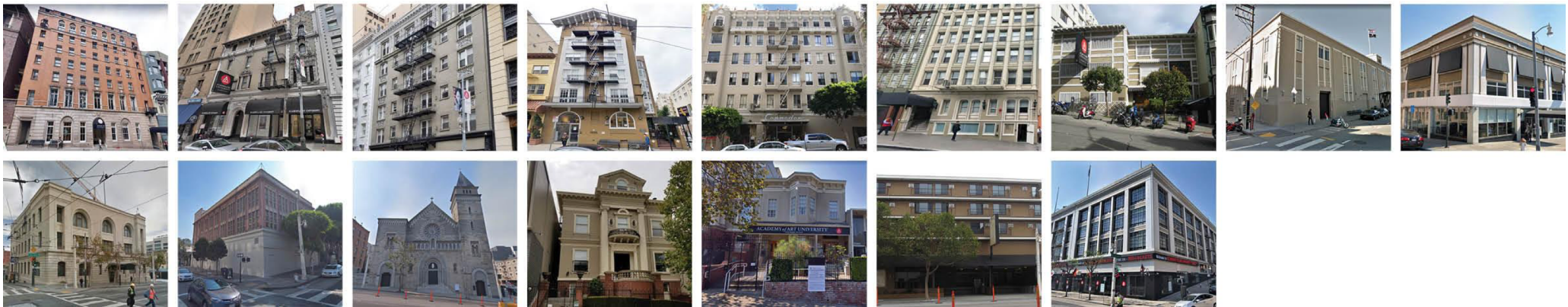




Academy of Art University Planning Commission Hearing

November 21, 2019



Global Resolution

Through Court-supervised settlement efforts, the Academy and City have come to terms on a settlement to resolve the 2016 litigation. The settlement includes 4 main components:

- **Settlement Agreement** resolving litigation
- **Development Agreement** bringing a 34-site AAU campus into compliance with the Planning Code
- **Stipulated Injunction** giving City heightened rights to timely enforce Academy's obligations
- **Guaranty** ensuring Academy's performance of certain financial obligations

Before the Commission

- **Development Agreement** - Resolution recommending the Board of Supervisors approve the Development Agreement
- **Master Conditional Use Authorization** - Planning Commission approval of Master Conditional Use Authorization permits 34-site Academy campus and allows building modifications and permit work to bring all Academy buildings into conformance with the Planning Code

34 Building-Specific Plan Sets

- The result of **five years** of work and negotiation
- Prepared in dialogue with the **Academy's architect, the City Attorney, the Planning Department, and the Court**
- All buildings permits must meet ADA requirements and all building code requirements
- AAU to file building permits within 60 days of the approval of the DA, and to **complete the work within a specific time period**

34 Building-Specific Plan Sets

- Reflects building modifications and permit work required to bring all Academy buildings into conformance with the Planning Code, including:
 - Installation of approximately **500 bike racks**
 - Approximately **28% reduction in off-street parking** at Academy properties
 - **Façade alterations** to address historic preservation review by City and active use issues
 - Addition/improvement of Academy **recreation facilities** (1727 Lombard, 1142 Van Ness, 2225 Jerrold, 601 Brannan)
 - **Code-compliant signage** programs for each property

Development Agreement Benefits to City

Monetary Payments

- **\$58,052,436** payment by Academy affiliates to the City, which includes:
 - **\$37,600,000** affordable housing payment
 - **\$7,000,000** in penalties under the Planning Code and Unfair Competition Law
 - Payment of all City time and materials, including City Attorney time
 - Payment of all impact fees
 - **\$8,200,000 to \$8,400,000** payment to small sites fund

Development Agreement Benefits to City

Housing Benefits

- **\$37,600,000** affordable housing payment
- **\$8,200,000 to \$8,400,000** payment to small sites fund
- **83 rooms at 1055 Pine** remain SRO-designated for **non-Academy use**
- 31 SRO-designated rooms contained in 1080 and 1153 Bush consolidated into existing tourist hotel rooms 860 Sutter (39 rooms) resulting in a **net addition of 8 SRO-designated rooms**

Development Agreement Benefits to City

Housing Benefits

- “**Housing Metering**” will ensure:
 - Academy must house **28%** of its on-site, fulltime students
 - Depending on occupancy rates, percentage increases to as high as **38%**
 - AAU must file an **Annual Monitoring Report**
- **AAU-specific prohibition** on conversion of existing housing or PDR space to new student housing

Development Agreement Benefits to City

AAU Performance Schedule

- AAU must submit building permits within **60 days** of approval of DA
- **Completion**, within **8 months** of City approvals, of all interior improvements, signage removals/installations, and streetscape improvements
- **Completion**, within **14 months** of City approvals, of all exterior improvements, including all historic improvements required through Articles 10 and 11 of the Planning Code
- **Completion**, within **20 months** of City approvals, of the extensive rehabilitation of 58 Federal

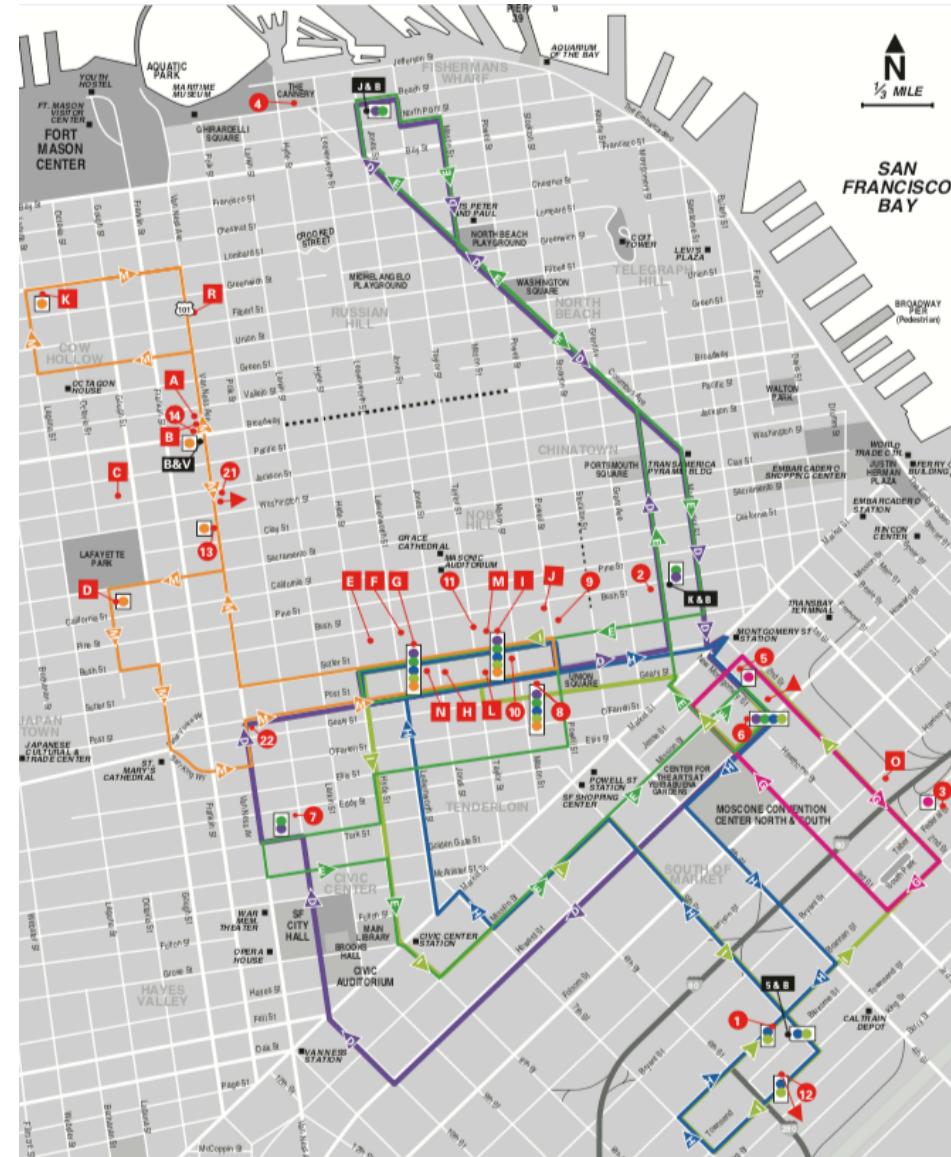
Development Agreement Benefits to City

AAU-Specific Procedural Requirements and Moratoria

- **Moratorium** on new development applications not related to DA-work for 1 year after final approval of DA
- **Moratorium** on new signage for Academy's approved campus until 2 years after Academy completes all work required under DA
- **30-day notice** to Planning before filing new development applications

Shuttle Program Improvements

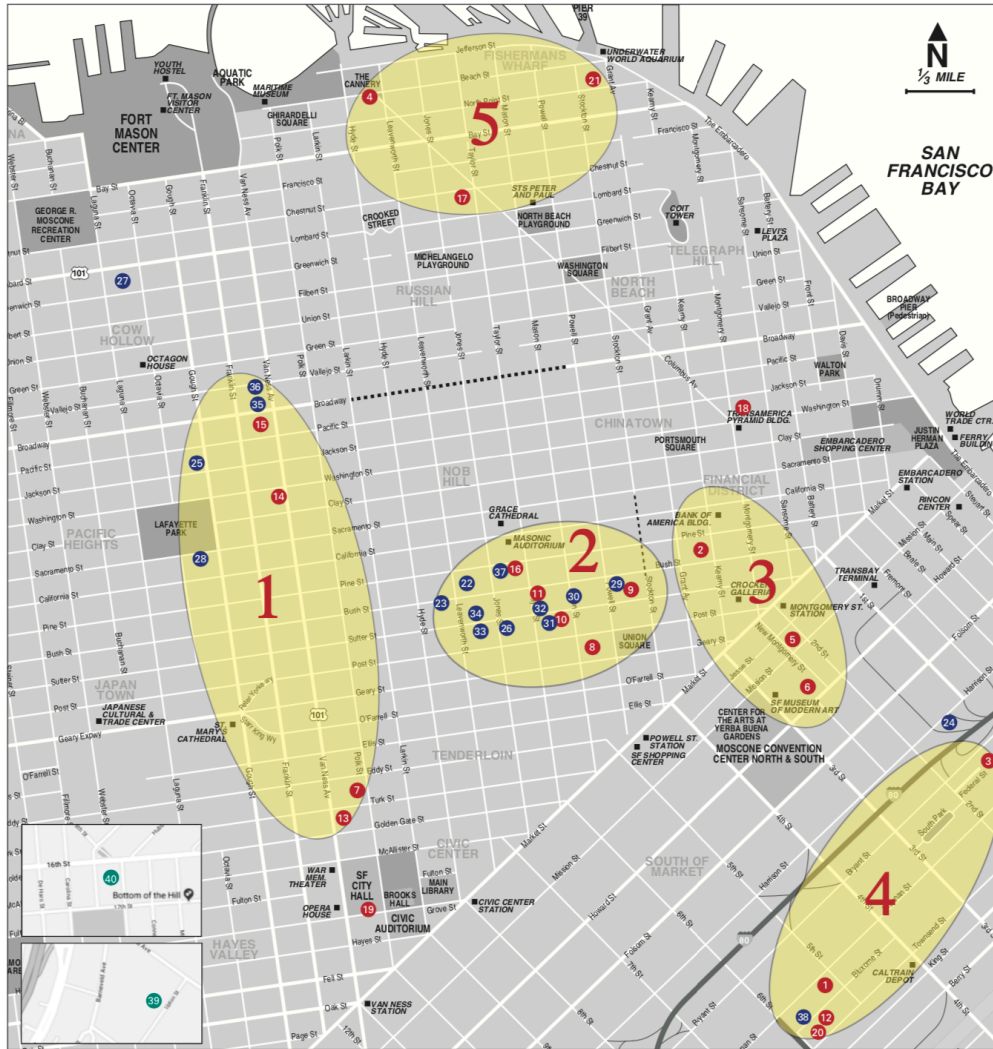
- Increased efficiency by consolidation of shuttle stop locations and modification of shuttle routes and schedules
- Replacement of diesel shuttle vehicles with less polluting vehicles
- Payment of a ~\$1.5 million-dollar transit mitigation fair share fee
- Academy shuttle service will not use Muni or regional transit stops unless previously approved by SFMTA
- On-going reporting by the Academy and monitoring by the City for life of DA



Academy's Campus

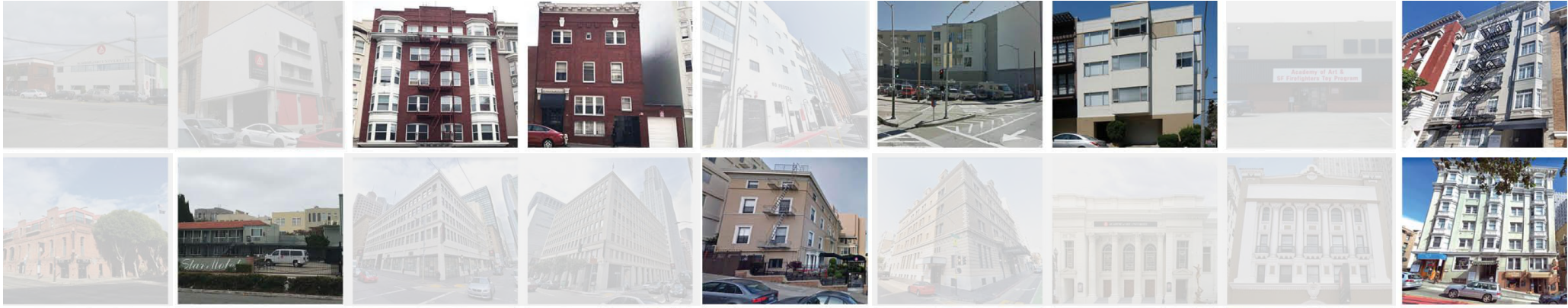
- AAU **consolidating** campus from 40 to 34 sites in three primary clusters
- AAU **vacating** 9 existing Academy sites
- AAU **converting** 3 underutilized Van Ness sites for Academy use, including extensive rehabilitation of 1946 Van Ness (the “Bakery”) and the Concordia Club
- AAU **must complete work** per Schedule of Performance

Academy of Art University – Existing Campus



Academy of Art University – Proposed Campus

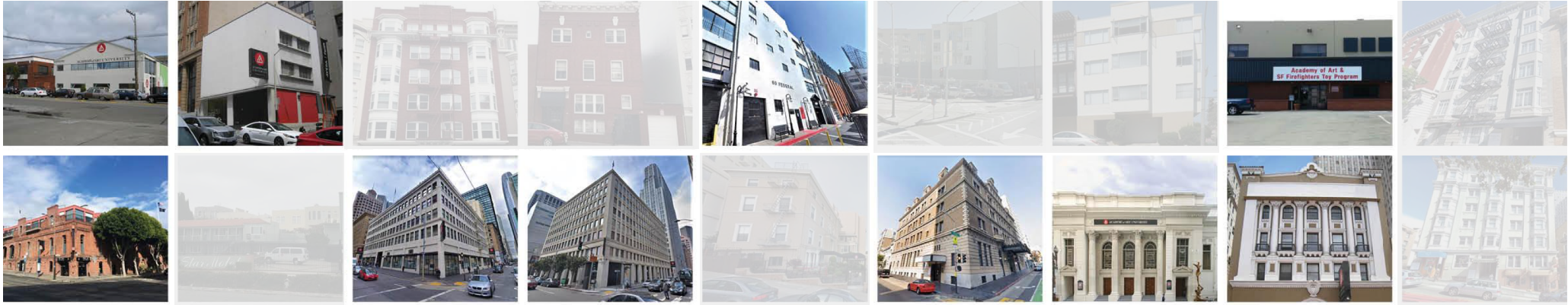




Academy of Art University

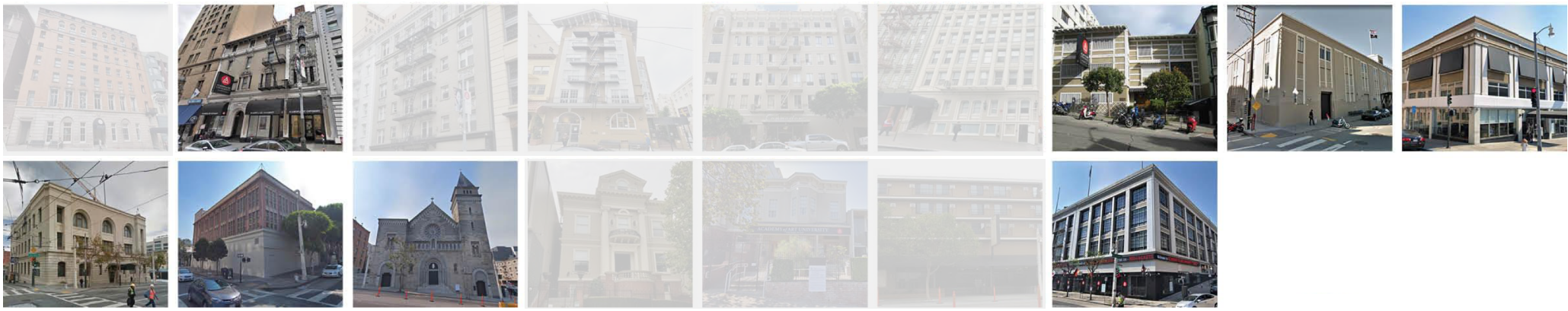
Residential Properties
16 Properties





Academy of Art University

Institutional / Non-Residential Properties
18 Properties



Plan Sets

- Proposed plan sets are the result of extensive diligence and dialogue between the Academy's architect and City. Each plan sets represents:
 - Iterative, detailed review of each property by Department staff spanning the past 5 years
 - Reflects building modifications and permit work required to bring all Academy buildings into conformance with the Planning Code, including
 - Installation of approximately 500 Class 1 and 250 Class II spaces
 - Approximately 28% reduction in off-street parking at Academy properties
- Academy required to submit additional plan sets within 60 days of DA approval showing all work required to bring all Academy buildings into conformance with the Building Code, including all necessary ADA improvements

