ADOPTING FINDINGS RELATING TO LARGE PROJECT AUTHORIZATION PURSUANT TO PLANNING CODE SECTION 329 TO ALLOW THE CONSTRUCTION OF TWO NEW SIX-STORY, 68-FOOT BUILDINGS CONSISTING OF UP TO 239 DWELLING UNITS, TO ALLOW EXCEPTIONS INCLUDING (1) REAR YARD PURSUANT TO PLANNING CODE SECTION 134, (2) STREET FRONTAGE REQUIREMENTS PURSUANT TO PLANNING CODE SECTION 145.1, (3) OFF-STREET LOADING PURSUANT TO PLANNING CODE SECTION 152.1, (4) HORIZONTAL MASS REDUCTION PURSUANT TO PLANNING CODE SECTION 270.1, AND TO ADOPT FINDINGS AND MITIGATION MONITORING AND REPORTING PROGRAM UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT. THE SUBJECT PROPERTY IS LOCATED WITHIN THE UMU (URBAN MIXED USE) ZONING DISTRICT AND A 68-X HEIGHT AND BULK DESIGNATION.

PREAMBLE

On May 31, 2012, Archstone (Project Sponsor) filed an application with the Planning Department (hereinafter “Department”) for Large Project Authorization under Planning Code Section 329 to allow construction of two new six-story, 68-foot tall buildings consisting of up to 239 dwelling units, approximately 11,770 square feet of ground floor retail, and parking for up to 164 spaces, and exceptions including rear yard, street frontage, off-street freight loading, and horizontal mass reduction within the UMU (Urban Mixed Use) Zoning District and within a 68-X Height and Bulk Designation.
On January 24, 2013, the Planning Commission reviewed and considered the Final Environmental Impact Report (FEIR) in Planning Department File No. 2000.618E consisting of the Draft EIR and the Comments and Responses document, and found that the contents of said report and the procedures through which the FEIR was prepared, publicized and reviewed complied with the provisions of the California Environmental Quality Act (CEQA), the CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code and found further that the FEIR reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Comments and Responses document contains no significant revisions to the Draft EIR, and certified the completion of said FEIR in compliance with CEQA and the CEQA Guidelines.

The Commission has reviewed and considered the information contained in the FEIR, all written and oral information provided by the Planning Department, the public, relevant public agencies, and other experts and the administrative files for the Project and the EIR. The Project and EIR files have been made available for review by the Planning Commission and the public, and those files are part of the record before this Commission.

Planning Department staff prepared proposed findings, as required by CEQA, (CEQA Findings) and a proposed Mitigation, Monitoring and Reporting Program (MMRP), which material was made available to the public and the Commission for the Commission’s review, consideration and action.

This Commission has reviewed and considered the FEIR and hereby adopts the CEQA Findings, including the statement of overriding considerations, attached hereto as Exhibit B and incorporated herein as part of this Motion by this reference thereto, and adopts the MMRP attached to this Motion as Exhibit C and incorporated herein as part of this Motion by this reference thereto.

On January 24, 2013, the Commission adopted findings pursuant to CEQA as set forth in Motion No. 18794, which findings are incorporated herein by this reference thereto as if fully set forth in this Motion.

The Planning Department, Jonas P. Ionin, is the custodian of records, located in the File for Case No. 2012.0701X at 1650 Mission Street, Fourth Floor, San Francisco, California.

On January 24, 2013, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2012.0701X.

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

MOVED, that the Commission hereby authorizes the Large Project Authorization requested in Application No. 2012.0701X, subject to the conditions contained in “EXHIBIT A” of this motion, based on the following findings:
FINDINGS

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

1. The above recitals are accurate and constitute findings of this Commission.

2. **Site Description and Present Use.** The 1 Henry Adams Street site is bounded by 358-foot long Rhode Island Street to the north and Henry Adams Street to the south, and 200-foot frontage at Alameda Street to the east and Division Street to the west, for a total lot size of approximately 71,600 square feet. The 1 Henry Adams Street project site contains three existing buildings: 3 and 5 Henry Adams Street, a one-story metal shed structure constructed in 1970, 55 Division Street, a two-story reinforced concrete building constructed in 1944, and 40 Rhode Island Street, a one-story, reinforced concrete building constructed in 1937. The project site is located in an UMU (Urban Mixed Use) Zoning District and within a 68-X Height and Bulk District.

   The proposed project is identified as Variant Three in the FEIR and is associated with the development at 801 Brannan Street. The 801 Brannan project proposes demolition of existing structures and the construction of a new six-story, 68-foot tall building with up to 432 dwelling units, approximately 19,650 square feet of ground floor retail, and parking for up to 422 spaces, and Planning Code exceptions for rear yard, off-street freight loading, and horizontal mass reduction. 1 Henry Adams Street is combining its affordability requirement with the proposal at 801 Brannan Street and has elected to satisfy the requirement for the Project through a combination of land dedication and on-site alternatives. Both the land dedication and on-site affordable units will be provided at the 801 Brannan site.

3. **Surrounding Properties and Neighborhood.** The 1 Henry Adams Street project site occupies the entire block bounded by Division, Alameda, Rhode Island, and Henry Adams Streets. The blocks south and west of the project site have been identified as a potential historic district significant as an important collection of heavy-timber and steel-frame brick warehouse and factory buildings constructed between 1893 and 1929. In the vicinity of the project site, contributors to this potential district include 2 Henry Adams Street, a four-story, brick building constructed in 1915, and 101 Henry Adams Street, a four-story, brick building constructed in 1906; these buildings are on the opposite sides of Henry Adams Street and Alameda Street, respectively, from the subject project site. Other properties in the vicinity contain one- to five-story industrial/commercial buildings and design-related uses or surface parking lots. Majority of the surrounding blocks south of Division Street are zoned PDR-1-D. Majority of blocks north of Division Street are zoned UMU.

4. **Project Description.** The project proposes the construction of two new six-story, 68-foot building consisting of up to 239 dwelling units, approximately 11,770 square feet of ground floor retail, and parking for up to 164 spaces, and Planning Code exceptions including (1) rear yard from Planning Code Section 134, (2) open space from Planning Code Section 135, (3) dwelling unit exposure from Planning Code Section 140, (4) off-street loading from Planning Code Section 152.1, (5) horizontal mass reduction from Planning Code Section 270.1.
The proposed project is identified as Variance Three in the FEIR and is associated with the development at 801 Brannan Street. The project proposes demolition of existing structures and the construction of a new six-story, 68-foot building consisting of up to 432 dwelling units, approximately 19,650 square feet of ground floor retail, and parking for up to 422 spaces, and Planning Code exceptions for rear yard, off-street freight loading, and horizontal mass reduction.

5. **Public Comment.** The Department has received general inquiries on the proposed project from members of the public expressing concerns on the timing of construction and the accommodation of tenants in the existing buildings.

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

   A. **Zoning District.** The project site is located within Urban Mixed Use (UMU) District in the South of Market neighborhood. The UMU District is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area. It is also intended to serve as a buffer between residential districts and PDR districts in the Eastern Neighborhoods. Within the UMU, allowed uses include production, distribution, and repair uses such as light manufacturing, home and business services, arts activities, warehouse, and wholesaling. Additional permitted uses include retail, educational facilities, and nighttime entertainment. Housing is also permitted, but is subject to higher affordability requirements. Family-sized dwelling units are encouraged. The project proposes retail and residential uses that include 40 percent two-bedroom unit, or family-sized units in the UMU Zoning District.

   B. **Use.** Planning Code Section 843 identifies residential use and various nonresidential uses as principally permitted uses in the UMU Zoning District. In general, the principally permitted uses are industrial and business service, assembly and social service, retail, recreation and arts, and residential.

   The proposed residential and retail uses are compatible and consistent with the zoning designation. The exceptions sought after are necessary to allow maximum number of units and to provide a desirable design.

   C. **Rear Yard.** Planning Code Section 134 requires a minimum rear yard equal to 25 percent of the total lot depth beginning at the lowest story containing a dwelling unit.

   *The Project does not comply with the rear yard requirement and is seeking an exception as part of the Large Project Authorization (See discussion below).*

   D. **Residential Open Space.** Planning Code Section 135 requires that usable open space be located on the same lot as the dwelling units it serves. At least 80 square feet of usable open space per dwelling unit, or 54 square feet per dwelling unit of publicly accessible open space, is required. Up to 50 percent of the publicly accessible open space may be provided off-site.
The Project has a residential open space requirement of up to 19,120 square feet of usable open space if private, or 12,906 square feet of publically accessible open space.

The Project includes two podium courtyards and a roof garden that total of approximately 11,600 square feet. The Project also includes public accessible open space for approximately 10,200 square feet. The combination of the open spaces and mews total approximately 21,800 square feet, satisfying the minimum open space requirements.

E. **Commercial Open Space.** Planning Code Section 135.3 requires usable open space for uses other than dwelling units. For retail use, one square foot per 250 square feet of occupied floor area of usable open space is required. In Eastern Neighborhoods Mixed Use Districts, this open space requirement may be satisfied through payment of a fee of $76 for each square foot of usable square footage not provided pursuant to this Code section.

The Project is required to provide at least 53 square feet of commercial open space. The proposed open space satisfies the square footage and dimensional requirements.

F. **Streetscape and Pedestrian Improvements.** Planning Code Section 138.1 requires improvement of the public right-of-way associated with development projects. The owner or developer of a new building in this District must install street trees. Each street tree must be a minimum of 24-inch box for every 20 feet of frontage of the property along each street or public alley with any remaining fraction of 10 feet or more of frontage requiring an additional tree. Planning Code Section 138.1 also requires streetscape and pedestrian elements in conformance with the Better Streets Plan when a project is on a lot that is greater than ½-acre in total area and the project includes new construction.

The project has a tree requirement of 18 at both the Rhode Island and Henry Adams Street frontages, and 10 at both Division and Alameda Streets. The project proposes 18 street trees at both the Rhode Island Street and the Henry Adams Street frontages, nine trees at the Division Street frontage, and ten trees at the Alameda Street frontage. The project sponsor will pay an in-lieu fee for one tree at the Division Street frontage pursuant to Planning Code Section 428 prior to the issuance of a certificate of occupancy for the project.

G. **Bird-Safe Standards.** Planning Code Section 139 outlines bird-safe standards for new construction to reduce bird mortality from circumstances that are known to pose a high risk to birds and are considered to be "bird hazards." Feature-related hazards may create increased risk to birds and need to be mitigated. The project site is not located within an urban bird refuge.

The Project meets the requirements of Planning Code Section 139, and does not contain any feature-related hazards, such as free-standing glass walls, wind barriers, or balconies that have unbroken glazed segments 24 square feet or larger in size.
H. **Dwelling Unit Exposure.** Planning Code Section 140 requires dwelling units to have at least one window facing a street, alley, or a Code-complying rear yard. All 239 proposed dwelling units will meet the requirement.

I. **Street Frontages.** Planning Code Section 145.1 requires the following for street frontages in Eastern Neighborhood Mixed Use Districts: (1) not more than 1/3 the width of the building facing the street may be devoted to ingress/egress to parking; (2) off-street parking at street grade must be set back at least 25 feet; (3) “active” use shall be provided within the first 25 feet of building depth at the ground floor; (4) ground floor non-residential uses in UMU zoning districts shall have a floor-to-floor height of 17-feet; (5) frontages with active uses shall be fenestrated with transparent windows; and, (6) decorative railings or grillwork placed in front of or behind ground floor windows, shall be at least 75 percent open to perpendicular views.

The project meets the requirements of Section 145.1 as follows: (1) providing two 14-foot wide garage openings, which total less than 1/3 the width of the approximately 216-foot wide building; and (2) providing transparent windows at the ground floor active use. The project requests exceptions for (1) all off-street parking spaces are set back less than 25 feet at Rhode Island and Alameda Streets; (2) incorporating active uses on all street frontages, including commercial, dwellings with stoops and flex units within the first 16 feet of the building depth at ground floor; (3) providing a floor-to-floor ground floor height of 16 to 17 feet for the non-residential frontages.

J. **Residential Off-Street Parking.** Planning Section 151.1 allows for provision of up to three parking spaces for each four dwelling units. Additionally, up to one parking space is permitted for each dwelling unit that is two or more bedrooms and at least 1,000 square feet of occupied floor area, subject to the requirements of Sections 151.1. No additional parking is permitted above these amounts.

Based on the proposed dwelling unit mix, the maximum parking ratio permitted is .76 space per dwelling unit, or a total of 182 spaces, which reflects two-bedroom-plus units that meet the square footage requirement. The project proposes a parking ratio of approximately .69 spaces per dwelling unit, or 164 spaces. The project complies with maximum parking requirement mandated by the Planning Code.

K. **Off-Street Loading.** Planning Code Section 152.1 requires two off-street freight loading spaces for a residential use in UMU Districts when the gross floor area is between 200,001 and 500,000 square feet, and one space for a commercial use between 10,001 and 30,000 square feet. The project has a three-space requirement.

The project proposes four loading spaces at curbside, with two on Rhode Island Street and one each on Alameda and Division Streets. Therefore, an exception has been requested as part of the Large Project Authorization (See discussion below).

L. **Bicycle parking.** Planning Code Section 155.4 requires commercial and industrial projects where the gross square footage of the floor area exceeds 25,000 square feet but is no greater than 50,000 feet, 3 bicycle spaces are required. Planning Code Section 155.5 requires projects
over 50 dwelling units to provide 25 Class 1 spaces plus one Class 1 space for every 4 dwelling units over 50.

The project proposes an approximately 11,770 square feet of retail and industrial spaces, less than the square footage trigger of 25,000 square feet. Therefore, no bicycle parking is provided for commercial uses as it is not required. The proposed 239 dwelling units require 72 bicycle parking spaces. The project complies with this requirement by providing up to 240 bicycle parking spaces.

M. Car Share. Planning Code Section 166 requires two spaces plus 1 for every 200 dwelling units over 200.

The project meets the minimum requirement by providing two car share spaces.

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

The off-street parking spaces provided for the dwelling units will be unbundled and sold and/or leased separately from the dwelling units. Therefore, the Project meets this requirement.

O. Shadow. Planning Code Section 147 requires reduction of substantial shadow impacts on public plazas and other publicly accessible spaces other than those protected under Planning Code Section 295. Section 295 restricts new shadow, cast by structures exceeding a height of 40 feet, upon property under the jurisdiction of the Recreation and Park Commission.

The Shadow Analysis conducted for the Project indicates that the Project will not cast shadow upon Public, Publicly Accessible or Publicly Financed or Subsidized Open Space.

P. Dwelling unit mix. Planning Code Section 207.6 requires at least 40 percent of the total number of proposed dwelling units to contain two or more bedrooms. Any fraction resulting from this calculation shall be rounded to the nearest whole number of dwelling units.

The Project will provide 41 percent of the dwelling units as 2-bedroom units or larger (100 units).

Q. Height Limit. Planning Code Section 260 requires that the height of buildings not exceed the limits specified in the Zoning Map and defines rules for the measurement of height. The Project Site is within a 68-foot Height District.

The Project complies. The height of the roof is no higher than 68 feet.

R. Horizontal Mass Reduction. Planning Code Section 270.1 requires any project with a frontage of more than 200 feet to incorporate one or more mass reduction breaks in the building that reduce the horizontal scale of the building into discrete sections not more than 200 feet in length. The minimum dimensions required for such a break are 30 feet of width and 60 feet of depth above 25 feet.
5. **Inclusionary Affordable Housing Program.** Planning Code Section 419 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 419.3, these requirements would apply to projects that consist of five or more units, where the first application was applied for on or after July 18, 2006. Under Planning Code Section 419.6, the Land Dedication Alternative may be elected as an alternative to the inclusionary housing component. As further described in Planning Code Section 419.5(a)(2), an Applicant may dedicate a portion of the total development area of the principal site to the City and County of San Francisco for the purpose of constructing units affordable to qualifying households. To meet this requirement, the developer must convey title to land in fee simple absolute to the Mayor’s Office of Housing (MOH). The dedicated site must result in a total amount of inclusionary units not less than 40 units; however, MOH may conditionally approve and accept dedicated sites which result in no less than 25 units at their discretion. Per Planning Code Section 419.2, all sites within the UMU Zoning District electing to utilize the land dedication alternative would be subject to the “Tier A” requirements. 1 Henry Adams Street is combing its requirement with the proposal at 801 Brannan Street.

The Project Sponsor has elected to pursue a combination of the land dedication and on-site alternatives to meet the inclusionary affordable housing program requirements. The Project Sponsor has demonstrated that it is eligible for the On-Site and Land Dedication Affordable Housing Alternative under Planning Code Section 419.5, and has submitted a ‘Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 419,’ to satisfy the requirements of the Inclusionary Affordable Housing Program by providing the affordable housing through on-site and land dedication instead of through payment of the Affordable Housing Fee. In the event the land dedication process is not completed, the developer will have to satisfy the requirements under Planning Code Section 419 through on-site, off-site, in-lieu fee or a combination thereof. In order for the Project Sponsor to be eligible for the On-Site Affordable Housing Alternative, the Project Sponsor must submit an ‘Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 419,’ to the Planning Department stating that any affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the project or submit to the Department a contract demonstrating that the project’s on- or off-site units are not subject to the Costa Hawkins Rental Housing Act, California Civil Code Section 1954.50 because, under Section 1954.52(b), the Project Sponsor has entered into an agreement with a public entity in consideration for a direct financial contribution or any other form of assistance specified in California Government Code Sections 65915 et seq. All such contracts entered into with the City and County of San Francisco must be reviewed and approved by the Mayor’s Office Housing and the City Attorney’s Office. The Project Sponsor has indicated intent in writing to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions provided by the City and approved herein. The Project Sponsor submitted such Affidavit on December 17, 2012. In the event the land dedication process is not completed, and the developer elects to satisfy the requirements under Planning Code Section 419 through on-site, the following conditions will apply to on-site below market rate affordable housing units: The Project contains 6 flexible-occupancy, 32 studios, 103 one-bedroom, 90 two-bedroom, and 10 three-bedroom
units; therefore, the required affordable unit mix is 5 studios, 17 one-bedroom, 15 two-bedroom, and 1 three-bedroom units. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative, it must pay the Affordable Housing Fee with interest, if applicable. The Project must execute the agreement documenting the exception to Costa Hawkins prior to Planning Commission approval or must revert to payment of the Affordable Housing Fee.

T. Eastern Neighborhoods Public Benefit Fund. The project shall comply with the provisions of Planning Code Section 423, including payment of the Eastern Neighborhoods Impact Fee, or execution of an In-Kind Agreement with the Planning Department prior to issuance of the first site or building permit.

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

A. Overall building massing and scale;
   The Project conforms to the applicable height and bulk requirements. The community in the vicinity of the Project is constantly evolving with development in the region and the recent Eastern Neighborhoods Area Plans, and contains a range of building masses. The project, with residential and retail, will be consistent with the existing and evolving character of the area. The Project massing will improve the character of the neighborhood and general pedestrian accessibility by providing a midblock mews that allows pedestrian access from Rhode Island Street to Henry Adams Street, breaking up the 358-foot continuous block layout that is not conducive to pedestrian walkability. The project also provides interior courtyards which serve to divide the mass of the buildings into more distinct elements.

B. Architectural treatments, facade design and building materials;
   The architecture of this Project responds to the site’s transitional location by combining elements of industrial and residential. The Project’s facades all present fenestration patterns and scale similar to the expressed frame of residential and industrial uses common in the area. The exterior is designed with modern materials including metal panel cladding, cement plaster, metal/wood/brick storefronts and windows. The metal punched window openings with cement plaster recesses on the aluminum framed building provide a stimulating and visually interesting buffer between the I-80 and 101 Freeway split and Potrero Hill to the south. Variations in fenestration and treatment of the building facades allow the architecture to read as distinct pieces of a whole.

C. The design of lower floors, including building setback areas, commercial space, townhouses, entries, utilities, and the design and siting of rear yards, parking and loading access;
   The ground floor of the building is active with retail oriented and viable spaces along all four frontages, which interact and lead to the active residential spaces with transparent storefront along the mews. Exposed residential entries are on every façade as expressed by the architecture of the building via stoops, recessed entries and landscaped metal screens. The Project’s retail spaces are located at Division
“Flexible-Occupancy” units are also proposed at Rhode Island and Alameda Streets, and at the publicly accessible mews. A publicly accessible mews provides public seating, shade, trees, green space, and serve as a pedestrian connection between Rhode Island and Henry Adams Streets. The retail facades are carved out at the ground floor, inviting pedestrians, and providing an opportunity for outdoor seating. Retail spaces have an average between 16- and 18-foot floor-to-floor heights at the ground floor. Curb cuts are minimized to two parking access points along Rhode Island Street for entire project. Street trees along all street frontages are proposed per the Planning Code, with the exception of building entries and at the vehicular access points.

D. The provision of required open space, both on- and off-site. In the case of off-site publicly accessible open space, the design, location, access, size, and equivalence in quality with that otherwise required on-site;

The Project provides adequate open space, all on-site. The open spaces are provided in the form of courtyards and accessible mews, and private roof deck and podium courtyards. The total open spaces provided exceed the total square footage required.

E. The provision of mid-block alleys and pathways on frontages as required by the criteria set forth in Section 270, and the design of mid-block alleys and pathways as required by and pursuant to the criteria set forth in Section 270.2, as follows;

1. Generally be located as close to the middle portion of the subject block face as possible, perpendicular to the subject frontage and connect to existing adjacent streets and alleys;

The proposed mid-block pathway is perpendicular to and provides access to Rhode Island and Henry Adams Streets. The proposed mews also provides a visual connection through the property and to both streets. The location of the mews is as close to the middle portion of the subject block as possible, to allow interior exposure for dwelling units to light and air and to provide more than double the required width.

2. Provide pedestrian access;

The proposed mid-block pathways will provide direct pedestrian access from Rhode Island to Henry Adams, and will provide direct access to ground floor Flexible-Occupancy units and the residential lobby. The flex units can be residential or principally permitted non-residential uses such as retail, arts activities, trade shops, or catering services.

3. Provide no, limited or full vehicular access, as specific conditions warrant;

The proposed mid-block pathway will provide no vehicular access.

4. Have a minimum width of 20 feet from building face to building face, exclusive of those obstructions allowed pursuant to Section 136, and a minimum clearance height from grade of 15 feet at all points;
The proposed mid-block pathway has a width of 39 feet at the ground level and expands to 72 feet toward the center of the property. The pathway is completely open, with no obstructions pursuant to Section 136 or otherwise. The proposed private balconies do not extend into the pathway.

5. Have a minimum clear walking width of 10 feet free of any obstructions in the case of a pedestrian-only right-of-way, and dual sidewalks each of not less than 6 feet in width with not less than 4 feet minimum clear walking width in the case of an alley with vehicular access;

The proposed mid-block pathway will act as a park and will include a cleared walking width in excess of 10 feet.

6. In the Eastern Neighborhoods Mixed Use Districts, be at least 60% open to the sky, including those encroachments permitted in front setbacks by Section 136 of this Code;

The proposed mid-block pathway will be 100 percent open to the sky.

7. Provide such ingress and egress as will make the area easily accessible to the general public;

The proposed mid-block pathways will have a minimum frontage of 39 feet along both Rhode Island and Henry Adams Streets.

8. Be protected from uncomfortable wind, as called for elsewhere in this Code;

The proposed mid-block pathway will not be significantly impacted by uncomfortable wind.

9. Be ungated and publicly accessible 24 hours per day, as defined elsewhere in this Section;

The proposed mid-block pathway will not be gated and will be publicly accessible 24 hours per day.

10. Be provided with appropriate paving, furniture, and other amenities that encourage pedestrian use, and be landscaped to greatest extent feasible;

A line of trees will buffer the pathways. The pathway offers connection from Rhode Island Street to Henry Adams Streets.

11. Be provided with ample pedestrian lighting to ensure pedestrian comfort and safety;

The proposed mid-block pathway will have ample lighting to ensure comfort and safety for the users.

12. Be free of any changes in grade or steps not required by the underlying natural topography and average grade;
The proposed mid-block pathway will be designed to accommodate the existing grade change.

13. Be fronted by active ground floor uses, as defined in Section 145.1, to the extent feasible;

The proposed mid-block pathways will be fronted by ground floor Flexible-Occupancy units and commercial uses and a residential lobby.

14. New buildings abutting mid-block alleys provided pursuant to this Section 270.2 shall feature upper story setbacks according to the provisions of Section 261.1.

The proposed mid-block pathway is over 39 feet wide at grade and expands to approximately 72 feet towards the center of the property. The Project effectively provides a 10-foot setback.

F. Streetscape and other public improvements, including tree planting, street furniture, and lighting;

The Project proposes the installation of street trees along all frontages and open spaces, sidewalk improvements, and publicly accessible mews connecting Rhode Island and Henry Adams Streets.

G. Circulation, including streets, alleys and mid-block pedestrian pathways;

The Project provides appropriate ingress/egress to the proposed alley. The project is not anticipated to create traffic problems. Ingress/egress is proposed on only one street frontage, to minimize possible circulation conflicts and congestion. Additionally, the proposed mid-block pedestrian pathway will improve circulation on a 358-foot block.

H. Bulk limits;

The Project site is located in an X Bulk District, which provides no bulk restrictions.

I. Other changes necessary to bring a project into conformance with any relevant design guidelines, Area Plan or Element of the General Plan.

The Project generally meets the Objectives and Policies of the General Plan.


A. Planning Code Section 134 requires a minimum rear yard equal to 25 percent of the total lot depth beginning at the lowest story containing a dwelling unit. The subject property is a rectangular lot with four frontages and a publicly accessible mews. Planning Code Section 329(d) allows an exception for the rear yard requirement pursuant to requirements of Planning Code Section 134(f).

1. Residential uses are included in the new or expanding development and a comparable amount of readily accessible usable open space is provided elsewhere on the lot:
The Project is occupied by residential uses, ground floor retail, flex units, and a comparable amount of readily accessible open space. Per the Planning Code, the required rear yard should equal 25 percent of the lot area, which is approximately 17,680 square feet for this property. The proposed mid-block pathways, inner courtyard and public open spaces combine to provide approximately 21,800 square feet.

2. The proposed new or expanding structure will not significantly impede the access to light and air from adjacent properties:

The Project will occupy an independent rectangular lot bounded by Rhode Island, Alameda, Henry Adams, and Division Streets, with plenty of open space in the form of a public mews, roof deck, and courtyards. The mews has a minimum width of 39 feet that increases to 72 feet toward the center of the property. The Project will result in no significant impediment to light and air from adjacent properties.

3. The proposed new or expanding structure will not adversely affect the interior block open space formed by the rear yards of adjacent properties:

The project is located on its own block with no adjacent buildings. Therefore, the project itself defines the open space for the block. No adjacent projects exist on this block.

B. Planning Code Section 145.1 requires active uses on the ground floor. The project requests exceptions for (1) all off-street parking spaces are set back less than 25 feet at Rhode Island and Alameda Streets; (2) incorporating active uses on all street frontages, including commercial, dwellings with stoops and flex units within the first 16 feet of the building depth at ground floor; (3) providing a floor-to-floor ground floor height of 16 to 17 feet for the non-residential frontages.

This deviation is needed to ensure adequate vehicular maneuverability in the ground floor parking area. This exception will not be visible from the street, and the overall intent of the Section 145.1 will still be met as active uses mostly frame the ground floor. Due to the existing two-foot grade differential at sidewalks, having a flush grade is not possible if the commercial space were to remain level.

C. Planning Code Section 152.1 requires two off-street freight loading spaces for a residential use in UMU Districts when the gross floor area is between 200,001 and 500,000 square feet, and one space for a commercial use between 10,001 and 30,000 square feet. The project has a three-space requirement. The project proposes four loading spaces at curbside, with two on Rhode Island Street and one each on Alameda and Division Streets.

Providing interior loading areas would significantly alter the building configuration and coverage, resulting in larger or more curb cuts and reduce active ground floor uses. The on-street loading zones are in close proximity to building entrances and will likely be more utilized and provide easier access.

D. Planning Code Section 270.1 requires any project with a frontage of more than 200 feet to incorporate one or more mass reduction breaks in the building that reduce the horizontal
scale of the building into discrete sections not more than 200 feet in length. The minimum dimensions required for such a break are 30 feet of width and 60 feet of depth above 25 feet. Although a 76-foot wide break is provided at the Rhode Island Street frontage, the proposed 38-foot depth does not meet the minimum depth of 60 feet. Although the courtyard at Henry Adams Street meets both the width and depth requirements, it begins at 28 feet above grade rather than the required 25 feet.

In granting an exception for horizontal mass reductions, the Planning Commission shall consider the following criteria per Planning Code Section 270.1(d).

1. No more than 50 percent of the required mass is reduced unless special circumstances are evident;

   Although it does not have the minimum depth, the proposed reduction is 1.6 times larger in square footage (2,888) than the requirement (1,800). The mass reduction provided at the Rhode Island Street façade for the South Building sufficiently divides the building mass. The special circumstance for the Project is that the vast majority of developments large enough to trigger this requirement will include double-loaded corridors to access its dwelling units, as it is the most efficient means of doing so. A mass reduction break that is 60 feet deep makes this extremely difficult, and would effectively reduce the Project into multiple smaller buildings. This in turn could result in fewer units, thus significantly impacting the creation and affordability of new units in the City. Additionally, providing a wider mass reduction, at grade and above, on a large frontage is an effective alternative to separating the building mass. The proposed 10,200-square-foot mews provides a break through the property and connects Rhode Island Street with Henry Adams Streets.

2. The depth of any mass reduction breaks provided is not less than 15 feet from the front facade, unless special circumstances are evident;

   One of the proposed building breaks is 76 feet wide and 38 feet deep, while the other is 76 feet wide and 80 feet deep. Both well exceeds the 15-foot dimension. The sizes of proposed mass reductions are larger than the requirement.

3. The proposed building envelope can be demonstrated to achieve a distinctly superior effect of reducing the apparent horizontal dimension of the building; and

   As discussed above, although the proposed larger mass reduction does not meet the depth requirement, it does exceed the overall square footage and is an effective alternative to separate the building mass.

4. The proposed building achieves unique and superior architectural design.

   The building achieves unique and superior architectural design by including a publicly accessible mews of approximately 10,200 square feet and two podium courtyards totaling approximately 8,000 square feet. Additionally, the building proposes modular articulations and notches, as opposed to the code-required single break. Further, the building contains varied building materials,
colors, and recesses at the façade to create a unique and vibrant architectural rhythm through juxtaposition of these materials. The unique design of the Project is emphasized through the horizontal breakdown, the depth and hierarchy of the design elements, the overlying organization of the frames, and the recessed punched windows. Finally, the mews functions as an interior park angled at the southwest direction for maximum sun exposure.

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

### HOUSING

**Objectives and Policies**

**OBJECTIVE 1**
IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY’S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

**Policy 1.1**
Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

**Policy 1.8**
Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

*The Project is a high density mixed-use development in an underutilized, transitioning industrial area. The Project site is a large opportunity site that is currently underdeveloped. The area around the Project site was recently rezoned to UMU as part of a long range planning goal to create a cohesive, high density residential and mixed-use neighborhood. The project will provide affordable housing as mandated by the Planning Code.*

**OBJECTIVE 11**
SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO’S NEIGHBORHOODS.

**Policy 11.1**
Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.

**Policy 11.2**
Ensure implementation of accepted design standards in project approvals.

**Policy 11.3**
Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.
Policy 11.4
Continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan.

Policy 11.5
Ensure densities in established residential areas promote compatibility with prevailing neighborhood character.

Policy 11.6
Foster a sense of community through architectural design, using features that promote community interaction.

Policy 11.8
Consider a neighborhood’s character when integrating new uses, and minimize disruption caused by expansion of institutions into residential areas.

The architecture of this Project responds to the site’s location and provides a design that blends industrial elements and the contemporary architecture styles of the residential. The Project’s facades all present fenestration patterns and scale similar to the expressed frame of residential and industrial uses common in the area. The exterior is designed with modern materials including metal panel cladding, cement plaster, metal/wood/brick storefronts and windows. The metal punched window openings with cement plaster recesses on the aluminum framed building provide a stimulating and visually interesting buffer between the I-80 and 101 Freeway split and Potrero Hill to the south. Variations in fenestration and treatment of the building facades allow the architecture to read as distinct pieces of a whole. Ground floor commercial spaces and the interior mews allow for areas for community interaction.

OBJECTIVE 12
BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY’S GROWING POPULATION.

Policy 12.2
Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

The Project provides adequate open space, all on-site. The open spaces are provided in the form of a private court, a publicly accessible courtyard and mews. The open space areas are tentatively designed to include a play area, built-in seating and ample landscaping. The mews will function as a mid-block park.

RECREATION AND OPEN SPACE ELEMENT

Objectives and Policies

OBJECTIVE 4:
PROVIDE OPPORTUNITIES FOR RECREATION AND THE ENJOYMENT OF OPEN SPACE IN EVERY SAN FRANCISCO NEIGHBORHOOD.
Policy 4.5:
Require private usable outdoor open space in new residential development.

Policy 4.6:
Assure the provision of adequate public open space to serve new residential development.

The Project will create private and public outdoor open space areas in a new residential mixed-use development through private balconies, podium courtyard, and ground floor open spaces. It will not cast shadows over any open spaces under the jurisdiction of the Recreation and Park Department. Additionally, a new pedestrian pathway will be created to connect Rhode Island Street with Henry Adams Street.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 24:
IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

Policy 24.2:
Maintain and expand the planting of street trees and the infrastructure to support them.

Policy 24.3:
Install pedestrian-serving street furniture where appropriate.

Policy 24.4:
Preserve pedestrian-oriented building frontages.

The Project will install street trees at approximately 20 foot intervals along all four frontages. Frontages are designed with active spaces oriented at the pedestrian level. The proposed mid-block mews provides pedestrian connection through the site.

OBJECTIVE 28:
PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.

Policy 28.1:
Provide secure bicycle parking in new governmental, commercial, and residential developments.

Policy 28.3:
Provide parking facilities which are safe, secure, and convenient.

The Project includes 150 bicycle parking spaces in secure, convenient locations on the ground floor.

OBJECTIVE 34:
RELATE THE AMOUNT OF PARKING IN RESIDENTIAL AREAS AND NEIGHBORHOOD COMMERCIAL DISTRICTS TO THE CAPACITY OF THE CITY’S STREET SYSTEM AND LAND USE PATTERNS.

Policy 34.1:
Regulate off-street parking in new housing so as to guarantee needed spaces without requiring excesses and to encourage low auto ownership in neighborhoods that are well served by transit and are convenient to neighborhood shopping.

Policy 34.3:
Permit minimal or reduced off-street parking supply for new buildings in residential and commercial areas adjacent to transit centers and along transit preferential streets.

Policy 34.5:
Minimize the construction of new curb cuts in areas where on-street parking is in short supply and locate them in a manner such that they retain or minimally diminish the number of existing on-street parking spaces.

The Project has a parking to dwelling unit ratio of .69 spaces per unit. The parking spaces are accessed by two ingress/egress points at Rhode Island Street. Parking complies with efforts to reduce off-street parking in Eastern Neighborhoods.

URBAN DESIGN ELEMENT
Objectives and Policies

OBJECTIVE 1:
EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.7:
Recognize the natural boundaries of districts, and promote connections between districts.

OBJECTIVE 2:
CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

Policy 2.6:
Respect the character of older development nearby in the design of new buildings.

The Project is located within the South of Market/Showplace area that is transitioning from industrial uses to a mid- to high-density residential mixed-use neighborhood. As such, the proposed building provides more intricate street façades that respond to the existing industrial built environment, while respecting the residential influences of the buildings.
OBJECTIVE 4:
IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.5:
Design walkways and parking facilities to minimize danger to pedestrians.

Policy 4.13:
Improve pedestrian areas by providing human scale and interest.

While the rectangular lot has four street frontages, it only provides two vehicular access points for the entire project, limiting conflicts with pedestrians and bicyclists. Numerous street trees will be planted on each façade, ample public and private open spaces, ground floor active uses, and ground floor flexible occupancy units directly accessing the street. The pedestrian experience along the Project site will be improved.

SHOWPLACE SQUARE/POTRERO AREA PLAN
Objectives and Policies

OBJECTIVE 1.2
IN AREAS OF SHOWPLACE/POTRERO WHERE HOUSING AND MIXED USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER

The project maximizes its development potential while remaining in keeping with the neighborhood character.

OBJECTIVE 1.7
RETAIN THE ROLE OF SHOWPLACE SQUARE AS AN IMPORTANT LOCATION FOR PRODUCTION, DISTRIBUTION, AND REPAIR (PDR) ACTIVITIES, FOCUSING IN PARTICULAR ON DESIGN RELATED ACTIVITIES.

Policy 1.7.3
Require development of flexible buildings with generous floor-to-ceiling heights, large floor plates, and other features that will allow the structure to support various businesses.

The Project includes nonresidential spaces on the ground floor with large ground floor ceiling heights and adequate area for a range of uses, including PDR.

OBJECTIVE 2.1
ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE SHOWPLACE / POTRERO IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES
Policy 2.1.1
Require developers in some formally industrial areas to contribute towards the City’s very low, low, moderate and middle income needs as identified in the Housing Element of the General Plan.

The project includes on-site lower income affordable units and a portion of the land to qualify for the land dedication alternative, and the remainder of the units are contemplated to be held as rental housing, which is generally more affordable to moderate and middle income households than ownership housing.

**OBJECTIVE 2.3**
REQUIRE THAT A SIGNIFICANT NUMBER OF UNITS IN NEW DEVELOPMENTS HAVE TWO OR MORE BEDROOMS EXCEPT SENIOR HOUSING AND SRO DEVELOPMENTS UNLESS ALL BELOW MARKET RATE UNITS ARE TWO OR MORE BEDROOM UNITS

Policy 2.3.3
Require that a significant number of units in new developments have two or more bedrooms, except Senior Housing and SRO developments.

The project contains approximately 41% two-bedroom units.

**OBJECTIVE 2.4**
LOWER THE COST OF THE PRODUCTION OF HOUSING

Policy 2.4.1
Require developers to separate the cost of parking from the cost of housing in both for sale and rental developments.

Policy 2.4.2
Revise residential parking requirements so that structured or off-street parking is permitted up to specified maximum amounts in certain districts, but is not required.

The project has unbundled parking at a ratio of approximately 0.69 space per unit.

**OBJECTIVE 3.2**
PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM.

Policy 3.2.1
Require high quality design of street-facing building exteriors.

Policy 3.2.2
Make ground floor retail and PDR uses as tall, roomy and permeable as possible.
Policy 3.2.3
Minimize the visual impact of parking.

Policy 3.2.4
Strengthen the relationship between a building and its fronting sidewalk.

Policy 3.2.5
Building form should celebrate corner locations.

Policy 3.2.7
Strengthen the pedestrian network by extending alleyways to adjacent streets or alleyways wherever possible, or by providing new publicly accessible mid-block rights of way.

The Project’s facades are of high quality materials. The ground floor will be tall enough to create attractive storefronts for pedestrians and viable space for a variety of uses, including PDR. The parking, although at grade, are only accessible by two garage doors and are only visible at the rear where the proposed alley is located. The buildings also include appropriate modulation of the facades to break them into distinct sections.

OBJECTIVE 5.2
ENSURE THAT NEW DEVELOPMENT INCLUDES HIGH QUALITY PRIVATE OPEN SPACE

Policy 5.2.1
Require new residential and mixed-use residential development to provide on-site private open space designed to meet the needs of residents.

Policy 5.2.2
Establish requirements for commercial development to provide on-site open space.

Policy 5.2.3
Encourage private open space to be provided as common spaces for residents and workers of the building wherever possible.

Policy 5.2.4
Encourage publicly accessible open space as part of new residential and commercial development.

The project includes high quality private and common open space in balconies, decks, courtyards, and two mews, as well as publicly accessible open space.

10. Planning Code Section 101.1(b) establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:
A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

There are no existing neighborhood-serving retail uses on the site. The Project will provide approximately 11,700 square feet of ground floor space adequate for various retail uses, including neighborhood serving retail, which will create opportunities for local resident employment and ownership opportunities.

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

No housing exists on the project site. The project will provide up to 239 new dwelling units, significantly increasing the neighborhood housing stock. The design of the Project is compatible with the surrounding neighborhood. For these reasons, the proposed project would protect and preserve the cultural, economic and historic significance of the neighborhood.

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

The Project will not displace any affordable housing because there is currently no housing on the site. The Project will comply with the City’s Inclusionary Housing Program, therefore increasing the stock of affordable housing units in the City.

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

The project site is within walking distance of a number of MUNI stops which connect to various points in the City. The majority of future residents are expected to use alternative methods of transportation other than private automobiles, and the small number of vehicle trips generated by this project would not impede MUNI transit service or overburden streets.

E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The Project does not include any commercial office development. The proposal will provide potential neighborhood-serving uses and opportunities for employment.

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

The project will be designed and will be constructed to conform to the structural and seismic safety requirements of the Building Code. This proposal will not impact the property’s ability to withstand an earthquake.
G. That landmarks and historic buildings be preserved.

A landmark or historic building does not occupy the Project site.

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

The Project will not affect the City’s parks or open space or their access to sunlight and vistas. A shadow study was completed and concluded that the Project will not cast shadows on any property under the jurisdiction of, or designated for acquisition by, the Recreation and Park Commission.

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

The Project Sponsor submitted a First Source Hiring Affidavit and prior to issuance of a building permit, will executed a First Source Hiring Memorandum of Understanding and a First Source Hiring Agreement with the City’s First Source Hiring Administration.

12. **CEQA Findings.** Findings under the California Environmental Quality Act (CEQA) and statement of overriding considerations are incorporated by reference and as Exhibit B.

13. **Mitigation.** Pursuant to CEQA, the Commission has considered the mitigation measures as described in the FEIR and will include these measures and the mitigation monitoring program (MMRP) as conditions of Project approval and incorporated by reference and as Exhibit C.

14. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.

15. The Commission hereby finds that approval of the Large Project authorization would promote the health, safety and welfare of the City.
DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby APPROVES Large Project Authorization Application No. 2012.0701X under Planning Code Section 329 to allow the proposed construction of two new six-story, 68-foot tall buildings consisting of up to 239 dwelling units, approximately 11,700 square feet of ground floor retail, and parking for up to 164 spaces, and exceptions including rear yard, street frontage, off-street freight loading and horizontal mass reduction, within the UMU (Urban Mixed Use) Zoning District and within a 68-X Height and Bulk Designation. The project is subject to the following conditions attached hereto as “EXHIBIT A” in general conformance with plans on file, dated June 18, 2011, and stamped “EXHIBIT D”, which is incorporated herein by reference as though fully set forth.

The Planning Commission hereby adopts the MMRP attached hereto as Exhibit C and incorporated herein as part of this Resolution/Motion by this reference thereto. All required mitigation measures identified in the IS/MND and contained in the MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Large Project Authorization to the Board of Appeals within fifteen (15) days after the date of this Motion No. 18794. The effective date of this Motion shall be the date of this Motion if not appealed (After the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals at (415) 575-6880, 1650 Mission Street, Room 304, San Francisco, CA 94102.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on January 24, 2013.

Jonas P. Ionin
Acting Commission Secretary

AYES: Commissioners Sugaya, Fong, Antonini, Moore, Borden, and Wu

NAYES: None

RECUSED: Commissioner Hillis

ADOPTED: January 31, 2013
AUTHORIZATION

This authorization is to allow a Large Project Authorization and exceptions including (1) rear yard pursuant to Planning Code Section 134, (2) street frontage pursuant to Planning Code Section 145.1, (3) off-street freight loading pursuant to Planning Code Section 152, and (4) horizontal mass reduction pursuant to Planning Code Section 270.1, for the proposed construction of two new six-story, 68-foot buildings consisting of up to 239 dwelling units, approximately 11,700 square feet of ground floor retail, and parking for up to 164 spaces; in general conformance with plans, dated December 17, 2012, and stamped “EXHIBIT D” included in the docket for Case No. 2012.0701X and subject to conditions of approval reviewed and approved by the Commission on January 24, 2013, under Motion No. 18794. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on January 24, 2013, under Motion No. 18794.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the ‘Exhibit A’ of this Planning Commission Motion No. 18794 shall be reproduced on the Index Sheet of construction plans submitted with the Site or Building permit application for the Project. The Index Sheet of the construction plans shall reference to the Large Project Authorization and any subsequent amendments or modifications.

SEVERABILITY

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

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Large Project Authorization.
Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

1. **Validity and Expiration.** The authorization and right vested by virtue of this action is valid for three years from the effective date of the Motion. A building permit from the Department of Building Inspection to construct the project and/or commence the approved use must be issued as this Large Project Authorization is only an approval of the proposed project and conveys no independent right to construct the project or to commence the approved use. The Planning Commission may, in a public hearing, consider the revocation of the approvals granted if a site or building permit has not been obtained within three (3) years of the date of the Motion approving the Project. Once a site or building permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. The Commission may also consider revoking the approvals if a permit for the Project has been issued but is allowed to expire and more than three (3) years have passed since the Motion was approved. *For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org.*

2. **Extension.** This authorization may be extended at the discretion of the Zoning Administrator only where failure to issue a permit by the Department of Building Inspection to perform said tenant improvements is caused by a delay by a local, State or Federal agency or by any appeal of the issuance of such permit(s). *For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org.*

DESIGN

3. **Final Materials.** The Project Sponsor shall continue to work with Planning Department on the building design and the design and development of the streetscape and pedestrian elements in conformance with the Better Streets Plan. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance. *For information about compliance, contact the Case Planner, Planning Department at 415-558-6613, www.sf-planning.org.*

4. **Flexible-Occupancy Units.** The ground floor dwelling units in the North Building are designated as Flexible-Occupancy Units and are subject to the following conditions:

   a. The units are considered dwelling units and are subject to the affordability controls of Planning Code Section 415. The total gross floor area of each unit is subject to the residential rate of Eastern Neighborhood Impact Fee per Planning Code Section 427.3.

   b. The ground floor of these units may be occupied by the following non-residential uses:

      i. All retail sales and services permitted as of right in the UMU Zoning District (Sec. 843.45);

      ii. All arts activities permitted as of right in the UMU Zoning District (Sec. 843.55);
iii. Trade shops (Sec. 843.80); and
iv. Catering services (Sec. 843.81).

v. Other uses not specified herein that are permitted as of right in the UMU Zoning District and deemed appropriate by the Zoning Administrator.

c. Changes of non-residential uses are subject to the notification requirements of Planning Code Section 312.

d. Permitted non-residential uses may occupy the ground floor only. Any conversion of residential space on the 2nd floor shall be tantamount to the removal of a dwelling unit and be subject to the controls of Planning Code Section 317.

e. Non-residential uses permitted on the ground floor are subject to all applicable requirements of the Building and Fire Codes.

5. The Mid-block Pedestrian Pathway. Planning Code Section 270.2, the project shall meet all design criteria of Subsection (e). It shall also meet the following criteria:

a. Maintenance. The mid-block pedestrian pathway shall be maintained at no public expense. The owner of the property on which the alley is located shall maintain it by keeping the area clean and free of litter and by keeping it in an acceptable state of repair. Conditions intended to assure continued maintenance of the right-of-way for the actual lifetime of the building giving rise to the open space requirement may be imposed in accordance with the provisions of Section 329 for Eastern Neighborhoods Mixed Use Districts.

b. Informational Plaque. Prior to issuance of a permit of occupancy, a plaque shall be placed in a publicly conspicuous location for pedestrian viewing. The plaque shall state the right of the public to pass through the alley and stating the name and address of the owner or owner’s agent responsible for maintenance. The plaque shall be of no less than 24 inches by 36 inches in size.

c. Property owners providing a pathway or alley under this section will hold harmless the City and County of San Francisco, its officers, agents and employees, from any damage or injury caused by the design, construction or maintenance of the right-of-way, and are solely liable for any damage or loss occasioned by any act or neglect in respect to the design, construction or maintenance of the right-of-way.

6. Garbage, composting and recycling storage. Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the building permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings. For information about compliance, contact the Case Planner, Planning Department at 415-558-6613, www.sf-planning.org

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

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

Unless otherwise specified by the Planning Department, Department of Public Work’s Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests. For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, http://sfdpw.org

AFFORDABLE HOUSING

8. **Land Dedication Alternative.** The Project Sponsor has chosen to satisfy the affordability requirement for the Project through a combination of land dedication and on-site pursuant to Planning Code Section 419.5. A portion of 801 Brannan Street is dedicated to the Mayor’s Office of Housing (MOH) for the purpose of developing affordable housing units. The land dedication would satisfy the entire affordability requirement for 1 Henry Adams, which would have been 38 units. The land dedication also partially satisfies the affordability requirement for 801 Brannan Street, which would have been 69 units.

The Project Sponsor has been in discussions with the Mayor’s Office of Housing (MOH) and the Planning Department. On January 9, 2013, MOH provided a letter to the Planning Department that confirmed that the site that the Project Sponsor has selected, a portion of 801 Brannan [Block 3783 / Lot 001], is acceptable under Planning Code Section 419.5(2), subject to the following conditions precedent:

- Developer must demolish the existing improvements on the Dedication Site in a manner equivalent to the extent of the demolition on the Brannan Principal Site, including the removal of the railroad platforms and other concealed conditions.

- After demolition Developer must cap the site to prevent the off-site migration of contaminated soils and shall, at its sole expense, maintain the Dedication Site in good order, condition and repair, reasonable wear and tear excepted, and otherwise operate the Dedication Site in the same manner as if Developer were retaining the Dedication Site, until the date fee title to the Dedication Site is transferred to the City.
• Developer to deposit in escrow $706,250 required for the full remediation of ubiquitous contaminants at the Dedication Site as established in that certain letter from Stellar Environmental Solutions, Inc., dated August 1, 2012, and attached as Exhibit A to this letter. Funds will be released from escrow to cover any and all costs for the excavation and offsite disposal of approximately 4,306 tons of Class 1 lead-contaminated soil at the Dedication Site.

• Developer to subdivide the property to create the Dedication Site as a separate legal parcel, to be evidenced by a completed ALTA Survey to be approved by the City.

• Where the Environmental Impact Report (EIR) requires mitigations and improvement measures affecting the Brannan Principal Site in its entirety or the Henry Adams Principal Site, Developer to complete the measures for the Dedication Site as well as the Principal Sites. Mitigations and improvements to include C-TR-38 (signalization for problem intersection of Division/Rhode Island), M-HZ-1 (EN-K-1) (hazardous building materials such as fluorescent lights and PCBs to be surveyed and abated), I-TR-5 (striping on 7th at Brannan), I-TR-22a (pedestrian crosswalk striping), I-TR-22b (corner bulbout at NW corner of Alameda/Rhode Island), Hazards 3(a) (Site Mitigation Plan for soil to the Department of Public Health, either as part of such Plan for the Brannan Principal Site or as a separate plan for the Dedication Site), and 3(b) (potential Underground Storage Tanks at Brannan Street). This condition may be addressed by the Planning Commission’s Conditions of Approval, to require the mitigation work to occur over the course of the development of the Brannan Principal Site.

• Developer to perform necessary utility infrastructure planning and design for a total of 158 units (the proposed 150 affordable units plus 5%) to be developed at the Dedication Site, in conjunction with total infrastructure calculations for wet and dry utilities services for the Principal Site. Developer to include MOH in efforts to coordinate joint trench design and in outreach to utility service providers.

• Developer to deliver marketable and insurable fee simple title to the Dedication Site, the Improvements and the Appurtenances, by duly executed and acknowledged grant deed, free of the liens of any and all deeds of trust, mortgages, assignments of rents, financing statements, creditors’ claims, rights of tenants or other occupants, and all other exceptions, liens and encumbrances, other than those exceptions approved by MOH. At a minimum, Developer must either remove or mitigate to MOH’s satisfaction the following exceptions on the title report dated August 21, 2012:

Exception 5 – encroachment of Lot 7 improvements
Exception 9 – obligations related to the Lot 8 easement
Exception 10 – responsibility for maintaining vehicular access area
Exception 15 – Agreement Imposing Restrictions

Satisfaction of the requirements under Planning Code Section 419 for the project through the land dedication alternative and the transfer of the site are subject to the approval of the Board of Supervisors.
In order to qualify for the land dedication alternative, all of the conditions precedent must be satisfied, and the fee title transferred to the City. In the event the land dedication process is not completed, the developer will have to satisfy the requirements under Planning Code Section 419 through on-site, off-site, or in-lieu fee.


9. On-Site Alternative. The Project contains a total of 671 units (432 units at 801 Brannan Street and 239 units at 1 Henry Adams Street); therefore, 55 affordable units are required. The Project Sponsor will fulfill this requirement by providing the 55 affordable units on-site at 801 Brannan Street and 37,800 square feet of area for land dedication. If the number of market-rate units change, or in the event the land dedication process is not completed, the developer will have to satisfy the requirements under Planning Code Section 419 through on-site, off-site, or in-lieu fee, and the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor’s Office of Housing (“MOH”).


10. Unit Mix. In the event the land dedication process is not completed, the developer will have to satisfy the requirements under Planning Code Section 419 through on-site, off-site, or in-lieu fee. The following conditions will apply to on-site below market rate affordable housing units: The Project contains 6 flexible-occupancy, 32 studios, 103 one-bedroom, 90 two-bedroom, and 10 three-bedroom units; therefore, the required affordable unit mix is 5 studios, 17 one-bedroom, 15 two-bedroom, and 1 three-bedroom units. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOH.


11. Unit Location. The affordable units shall be designated on a reduced set of plans recorded as a Notice of Special Restrictions on the property prior to the issuance of the first construction permit.


12. Phasing. If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than 12 percent (12%) of the each phase’s total number of dwelling units as on-site affordable units.

13. **Duration.** Under Planning Code Section 419.8, all units constructed pursuant to Section 419.6, must remain affordable to qualifying households for the life of the project.


14. **Other Conditions.** The Project is subject to the requirements of the Inclusionary Affordable Housing Program under Section 419 et seq. of the Planning Code and City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual"). The Procedures Manual, as amended from time to time, is incorporated herein by reference, as published and adopted by the Planning Commission, and as required by Planning Code Section 419. Terms used in these conditions of approval and not otherwise defined shall have the meanings set forth in the Procedures Manual. A copy of the Procedures Manual can be obtained at the MOH at 1 South Van Ness Avenue or on the Planning Department or Mayor's Office of Housing's websites, including on the internet at: http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451.

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


   a. The affordable unit(s) shall be designated on the building plans prior to the issuance of the first construction permit by the Department of Building Inspection ("DBI"). The affordable unit(s) shall (1) reflect the unit size mix in number of bedrooms of the market rate units, (2) be constructed, completed, ready for occupancy and marketed no later than the market rate units, and (3) be evenly distributed throughout the building; and (4) be of comparable overall quality, construction and exterior appearance as the market rate units in the principal project. The interior features in affordable units should be generally the same as those of the market units in the principal project, but need not be the same make, model or type of such item as long they are of good and new quality and are consistent with then-current standards for new housing. Other specific standards for on-site units are outlined in the Procedures Manual.

   b. If the units in the building are offered for sale, the affordable unit(s) shall be sold to first time home buyer households, as defined in the Procedures Manual, whose gross annual income, adjusted for household size, does not exceed an average of one hundred (100) percent of the median income for the City and County of San Francisco as defined in the Inclusionary Affordable Housing Program, an amount that translates to ninety (90) percent of Area Median Income under the income table called "Maximum Income by Household Size" derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that contains San Francisco. The initial sales price of such units shall be calculated according to the Procedures Manual. Limitations on (i) reselling; (ii) renting; (iii) recouping capital
improvements; (iv) refinancing; and (v) procedures for inheritance apply and are set forth in the Inclusionary Affordable Housing Program and the Procedures Manual.

c. The Project Sponsor is responsible for following the marketing, reporting, and monitoring requirements and procedures as set forth in the Procedures Manual. MOH shall be responsible for overseeing and monitoring the marketing of affordable units. The Project Sponsor must contact MOH at least six months prior to the beginning of marketing for any unit in the building.

d. Required parking spaces shall be made available to initial buyers or renters of affordable units according to the Procedures Manual.

e. Prior to the issuance of the first construction permit by DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that contains these conditions of approval and a reduced set of plans that identify the affordable units satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOH or its successor.

f. The Project Sponsor has demonstrated that it is eligible for the On-site Affordable Housing Alternative under Planning Code Section 415.6 instead of payment of the Affordable Housing Fee, and has submitted the Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415 to the Planning Department stating the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions provided by the City provided herein. The Project must execute the Costa Hawkins agreement prior to Planning Commission approval or must revert to payment of the Affordable Housing Fee.

g. If the Project Sponsor fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor’s failure to comply with the requirements of Planning Code Section 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all available remedies at law.

h. If the Project becomes ineligible at any time for the On-site Affordable Housing Alternative, the Project Sponsor or its successor shall pay the Affordable Housing Fee prior to issuance of the first construction permit or may seek a fee deferral as permitted under Ordinances 0107-10 and 0108-10. If the Project becomes ineligible after issuance of its first construction permit, the Project Sponsor shall notify the Department and MOH and pay interest on the Affordable Housing Fee at a rate equal to the Development Fee Deferral Surcharge Rate in Section 107A.13.3.2 of the San Francisco Building Code and penalties, if applicable.
PARKING AND TRAFFIC

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

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

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

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

EASTERN NEIGHBORHOODS INFRASTRUCTURE IMPACT FEE

17. Impact Fees. The Eastern Neighborhoods Public Benefits Fund is implemented in part through district-specific Eastern Neighborhoods Impact Fee which applies to the Project Area. Fees shall be charged on net additions of gross square feet which result in a net new residential unit, contribute to a 20 percent increase of non-residential space in an existing structure, or create non-residential space in a new structure. Fees shall be assessed on residential use, and on non-residential use within each use category of Cultural/Institution/Education; Management, Information & Professional Service; Medical & Health Service; Retail/Entertainment; and Visitor Services; with no substitutions across uses. Fees shall be assessed on mixed use projects according to the gross square feet of each use in the project. The project is within the Impact Fee Tier 1 for residential, which requires $8 per gross square-foot of residential space, and Tier 2 for non-residential, which requires $10 per gross square-foot of non-residential space.

Prior to the issuance by the Department of Building Inspection (DBI) of the first site or building permit, the sponsor of any project subject to the Eastern Neighborhoods Impact Fee shall pay to the Treasurer according to the schedule in Table 423.3. Planning Code Section 423.3 also provides alternatives satisfying this requirement.

PROVISIONS

18. First Source Hiring. The Project shall adhere to the requirements of the First Source Hiring Construction and Employment Program approved by the First Source Hiring Administrator,
pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project. For information about compliance, contact the First Source Hiring Manager at 415-401-4960, www.onestopSF.org

MONITORING

19. Enforcement. Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction. For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

20. Revocation due to Violation of Conditions. Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization. For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

21. Sidewalk Maintenance. The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards. For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, http://sfdpw.org/

22. Community Liaison. Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor. For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
23. **Mitigation Measures**

Mitigation measures described in the MMRP attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor. Their implementation is a condition of project approval. In addition, implementation of mitigation measures on the Dedication Site, as detailed in Condition 8 above, is required should the land transfer occur. Some of these measures will be implemented after the land transfer occurs.