



SAN FRANCISCO PLANNING DEPARTMENT

October 12, 2018

Ms. Angela Calvillo, Clerk
Honorable Supervisor Kim
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

**Re: Transmittal of
Planning Department Case No. 2015-005848PCA-02 & 2015-005848DVA-05
Legislative Recommendations for the Strada Brady, LLC – Market and Colton
Streets Development Agreement Amendment & 1629 Market Street Special Use
District Amendment
Planning Commission Recommendation: *Approval***

Dear Ms. Calvillo and Supervisor Kim,

On October 11, 2018, the Planning Commission conducted duly noticed public hearings at regularly scheduled meetings to consider the amendment to the Development Agreement with Strada Brady LLC and the amendment to 1629 Market Street Special Use District (Planning Code Section 249.81), which included the following actions:

1. Approval the Planning Code Text Amendments to modify the 1629 Market Street Special Use District (Planning Code Section 249.81); and
2. Approval the amendment to the Development Agreement (DA) for the Project between Strada Brady LLC and the City and County of San Francisco.

At the hearing the Planning Commission approved all of the aforementioned actions.

Two of these actions (Development Agreement and Planning Code Text Amendments/Zoning Map Amendments) relate to the Ordinances introduced by Supervisor Jane Kim on September 11, 2018. These Ordinances include: Development Agreement - Strada Brady, LLC -Market and Colton Streets (File No. 180891) and Planning Code– 1629 Market Street Special Use District (File No. 180892).

At the public hearing on October 11, 2018, the Commission reviewed and approved the Ordinances for the amendments to the DA and the Planning Code Text Amendments, as noted in the adopted resolutions.

Previously, on October 19, 2017, the Planning Commission reviewed and considered the Final EIR for the 1629 Market Street Mixed Project (FEIR) and found the FEIR to be adequate, accurate and objective, thus reflecting the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to

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the Draft EIR, and approved the FEIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31. On October 19, 2017, by Motion No. 20033, the Commission certified the Final Environmental Impact Report for the 1629 Market Street Mixed-Use Project as accurate, complete and in compliance with the California Environmental Quality Act ("CEQA"). On October 19, 2017, the Commission by Motion No. 20034 approved California Environmental Quality Act (CEQA) Findings, including adoption of a Mitigation Monitoring and Reporting Program (MMRP), under Case No. 2015-005848ENV, for approval of the Project, which findings are incorporated by reference as though fully set forth herein. Since the FEIR was certified, the Planning Commission found that there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increased in the severity of previously identified significant impacts, and there is not new information of substantial importance that would change the conclusions set forth in the FEIR.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,



Aaron D. Starr
Manager of Legislative Affairs

cc:

Charles Sullivan, Deputy City Attorney
Erica Major, Office of the Clerk of the Board
Jon Jacobo, Aide to Supervisor Kim
Anne Taupier, Mayor's Office of Economic and Workforce Development

Attachments :

Planning Commission Resolution No. 20312 – Planning Code Text Amendments to 1629 Market Street Special Use District
Planning Commission Motion No. 20311 – Development Agreement Amendment
Planning Department Executive Summary-2015-005848PCA-02/2015-005848DVA-05



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 20311

HEARING DATE: OCTOBER 11, 2018

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Case No.: **2015-005848DVA-05**
Project Address: **1629 Market Street Mixed-Use Project**
Zoning: NCT-3 (Neighborhood Commercial, Moderate Scale) Zoning District;
P (Public) Zoning District
OS, 68-X and 85-X Height and Bulk Districts
Block/Lot: 3505/001, 007, 008, 027, 028, 029, 031, 031A, 032, 032A, 033, 033A, 035
Project Sponsor: Strada Brady, LLC
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org

RESOLUTION APPROVING A MODIFICATION TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND STRADA BRADY, LLC, FOR CERTAIN REAL PROPERTY LOCATED AT MARKET AND COLTON STREETS, COMPRISED OF ASSESSOR'S BLOCK 3505 AND LOTS 001, 007, 008, 027, 028, 029, 031, 031a, 032, 032a, 033, 033a AND 035, ALTOGETHER CONSISTING OF APPROXIMATELY 2.2 ACRES, AND ADOPTING VARIOUS FINDINGS, INCLUDING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, Chapter 56 of the San Francisco Administrative Code sets forth the procedure by which a request for a development agreement and amendments thereto will be processed and approved in the City and County of San Francisco.

WHEREAS, on December 15, 2017, the Board of Supervisors approved the Development Agreement, which would enable the 1629 Market Street Mixed-Use Project. The 1629 Market Street Mixed-Use Project ("Project") is a new mixed-use development with new residential, retail, and institutional uses, as well as a publicly-accessible open space. The Project includes the demolition of the existing UA Local 38 Building, demolition of the majority of the Lesser Brothers Building, and rehabilitation of the Civic Center Hotel, as well as the demolition of the 242-space surface parking lots on the project site. The Project would construct a total of five new building on the project site, including a new UA Local 38 building, and a 10-story addition to the Lesser Brothers Building with ground-floor retail/restaurant space at the corner of Brady and Market Streets ("Building A"). A new 10-story residential building with ground-floor retail/restaurant space ("Building B") would be constructed on Market Street between the new UA Local 38 building and Building A. A nine-story residential building would be constructed at the end of Colton Street and south of Stevenson Street ("Building D"). The five-story Civic Center Hotel would be rehabilitated to contain residential units and ground-floor retail/restaurant ("Building C"), and a new six-story Colton Street Affordable Housing Project would be constructed south of Colton Street as part of the Project. Overall, the Project will include construction of

455,900 square feet of residential use containing up to 484 residential units (including market rate and on-site affordable housing units) and up to 100 affordable units in the Colton Street Affordable Housing Building, for a total of up to 584 dwelling units. The residential unit breakdown for the 484 units would consist of approximately 129 studio units (26.7 percent), 189 one-bedroom units (39.0 percent), and 166 two-bedroom units (34.3 percent). In addition, the Project will include 32,100 square feet of union facility use, 13,000 square feet of ground-floor retail/restaurant use, and 33,500 square feet of publicly-accessible and residential open space. In addition, the Project would include construction of a two-level, below-grade garage with up to 316 parking spaces (some of which may include the use of stackers) accessible from Brady and Stevenson Streets. As part of the project, the Project Sponsor will develop a new privately-owned publicly-accessible open space at the northeast corner of Brady and Colton Streets.

WHEREAS, on September 11, 2018, Supervisor Jane Kim introduced an ordinance to amend the development agreement between Strada Brady LLC and the City and County of San Francisco (See Board of Supervisors File No. 180891) ("Development Agreement") to allow the application of affordable housing credits to meet a portion of the Project's affordable housing requirements.

WHEREAS, on September 17, 2018, the Director of Planning received an application from Strada Brady LLC to amend the Development Agreement, per Chapter 56 of the San Francisco Administrative Code, consistent with the terms of the ordinance introduced by Supervisor Kim

WHEREAS, the Board will be taking an additional action in furtherance of the Project, including the adoption of a modification to the 1629 Market Street Special Use District ("1629 Market Street SUD") to reflect the Development Agreement amendment.

WHEREAS, in furtherance of the Project and the City's role in subsequent approval actions relating to the Project, the City and Strada Brady, LLC negotiated an amendment to the Development Agreement for development of the Project site, a copy of which is attached as Exhibit A (the "Development Agreement").

WHEREAS, the City has determined that as a result of the development of the Project site in accordance with the Development Agreement and amendment thereto, clear benefits to the public will accrue that could not be obtained through application of existing City ordinances, regulations, and policies, as more particularly described in the Development Agreement and the Ordinance contained in Boar of Supervisors File No. 180891.

WHEREAS, the amendment to the Development Agreement shall be executed by the Director of Planning and City Attorney, subject to prior approval by the Board of Supervisors.

WHEREAS, on October 19, 2017, the Planning Commission ("Commission") reviewed and considered the Final EIR for the 1629 Market Street Mixed Project ("FEIR") and found the FEIR to be adequate, accurate and objective, thus reflecting the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and, by Motion No. 20033, certified the FEIR as accurate, complete and in compliance with the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

WHEREAS, on October 19, 2017, the Commission by Motion No. 20034 approved California Environmental Quality Act (CEQA) Findings, including adoption of a statement of overriding considerations, under Case No. 2015-005848ENV, for approval of the Project. Since the FEIR was certified,

the Planning Commission finds that there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR. The Planning Commission adopts and incorporates by reference such findings as though fully set forth herein.

WHEREAS, on October 19, 2017, by Motion Nos. 20035 and 20036, the Commission adopted findings in connection with its consideration of, among other things, the adoption of amendments to the General Plan and related zoning text and map amendments, under CEQA, the State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code and made certain findings in connection therewith, which findings are hereby incorporated herein by this reference as if fully set forth herein.

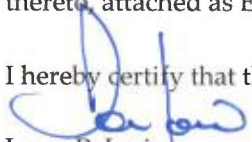
WHEREAS, on October 19, 2017, by Motion No. 20035, the Commission adopted findings regarding the Project's consistency with the General Plan, Planning Code Section 101.1, and all other approval actions associated with the SUD and development therein, which findings are hereby incorporated by this reference as if fully set forth herein.

NOW THEREFORE BE IT RESOLVED, that the Commission approves the amendment to the Development Agreement, in substantially the form attached hereto as Exhibit A.

AND BE IT FURTHER RESOLVED, that the Commission finds that the application, public notice, Planning Commission hearing, and Planning Director reporting requirements regarding the Development Agreement negotiations contained in Administrative Code Chapter 56 required of the Planning Commission and the Planning Director have been substantially satisfied in light of the regular monthly meetings held for the last two years, the public informational hearings provided by the Planning Department staff at the Planning Commission, and the information contained in the Director's Report.

AND BE IT FURTHER RESOLVED, that the Commission authorizes the Planning Director to take such actions and make such changes as deemed necessary and appropriate to implement this Commission's approval and to incorporate recommendations or changes from other City agencies and/or the Board, provided that such changes do not materially increase any obligations of the City or materially decrease any benefits to the City contained in the Development Agreement, including the amendment thereto, attached as Exhibit A.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on October 11, 2018.


Jonas P. Ionin
Commission Secretary

AYES: Fong, Hillis, Johnson, Koppel, Moore, Melgar, Richards

NAYS: None

ABSENT: None

ADOPTED: October 11, 2018



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 20312

HEARING DATE: OCTOBER 11, 2018

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Case No.: 2015-005848PCA-02
Project Name: 1629 Market Street Special Use District Planning Code Text Amendment
Zoning: NCT-3 (Neighborhood Commercial, Moderate Scale) Zoning District;
P (Public) Zoning District
OS, 68-X and 85-X Height and Bulk Districts
Block/Lot: 3505/001, 007, 008, 027, 028, 029, 031, 031A, 032, 032A, 033, 033A, 034, 035
Project Sponsor: Strada Brady, LLC
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org

RESOLUTION APPROVING AMENDMENTS TO PLANNING CODE SECTION 249.81 (BOARD OF SUPERVISORS FILE NO. 180892) TO MODIFY THE 1629 MARKET STREET SPECIAL USE DISTRICT, INCLUDING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, FINDINGS PURSUANT TO PLANNING CODE SECTION 302, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on September 11, 2018, Supervisor Jane Kim introduced an ordinance for a Planning Code Text Amendment to modify Planning Code Section 249.81, the 1629 Market Street Special Use District (herein "1629 Market Street SUD"), to allow the application of affordable housing credits to satisfy the affordable housing requirements of the 1629 Market Street Mixed-Use Project ("Project").

WHEREAS, pursuant to Planning Code Section 302(b), on September 11, 2018, the San Francisco Board of Supervisors initiated the aforementioned Planning Code Text Amendments.

WHEREAS, these Planning Code Text Amendments would modify the 1629 Market Street SUD to allow for the application of affordable housing credits as set forth in the modification to the Development Agreement (Board File No. 180891).

WHEREAS, on October 19, 2017, the Planning Commission approved the Project per Planning Commission Motion No. 20038. The Project is a new mixed-use development with new residential, retail, and institutional uses, as well as a publicly-accessible open space. The Project includes the demolition of the existing UA Local 38 Building, demolition of the majority of the Lesser Brothers Building, and rehabilitation of the Civic Center Hotel, as well as the demolition of the 242-space surface parking lots on the project site. The Project would construct a total of five new building on the project site, including a new UA Local 38 building, and a 10-story addition to the Lesser Brothers Building with ground-floor retail/restaurant space at the corner of Brady and Market Streets ("Building A"). A new 10-story residential building with ground-floor retail/restaurant space ("Building B") would be constructed on Market Street between the new UA Local 38 building and Building A. A nine-story residential building

would be constructed at the end of Colton Street and south of Stevenson Street ("Building D"). The five-story Civic Center Hotel would be rehabilitated to contain residential units and ground-floor retail/restaurant ("Building C"), and a new six-story Colton Street Affordable Housing Project would be constructed south of Colton Street as part of the Project. Overall, the Project will include construction of 455,900 square feet of residential use containing up to 484 residential units (including market rate and on-site affordable housing units) and up to 100 affordable units in the Colton Street Affordable Housing Building, for a total of up to 584 dwelling units. The residential unit breakdown for the 484 units would consist of approximately 129 studio units (26.7 percent), 189 one-bedroom units (39.0 percent), and 166 two-bedroom units (34.3 percent). In addition, the Project will include 32,100 square feet of union facility use, 13,000 square feet of ground-floor retail/restaurant use, and 33,500 square feet of publicly-accessible and residential open space. In addition, the Project would include construction of a two-level, below-grade garage with up to 316 parking spaces (some of which may include the use of stackers) accessible from Brady and Stevenson Streets. As part of the project, the Project Sponsor will develop a new privately-owned publicly-accessible open space at the northeast corner of Brady and Colton Streets.

WHEREAS, this Resolution approving this Planning Code Text Amendment is a companion to the approval of modification of the Development Agreement.

WHEREAS, on October 19, 2017, the Planning Commission reviewed and considered the Final EIR for the 1629 Market Street Mixed Project ("FEIR") and found the FEIR to be adequate, accurate and objective, thus reflecting the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and, by Motion No. 20033, certified the FEIR as accurate, complete and in compliance with the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

WHEREAS, on October 19, 2017, the Commission by Motion No. 20034 approved California Environmental Quality Act (CEQA) Findings, including adoption of a statement of overriding considerations, under Case No. 2015-005848ENV, for approval of the Project. Since the FEIR was certified, the Planning Commission finds that there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR. The Planning Commission hereby adopts and incorporates such findings by reference as though fully set forth herein.

WHEREAS, on October 11, 2018, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on the proposed Planning Code Text Amendments.

WHEREAS, a draft ordinance, substantially in the form attached hereto as Exhibit A, approved as to form, would modify the 1629 Market Street SUD.

NOW THEREFORE BE IT RESOLVED, that the Planning Commission hereby approves and finds that the Planning Code Text Amendments promote the public welfare, convenience and necessity for the following reasons:

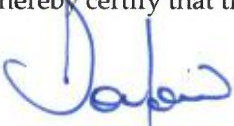
1. The Planning Code Text Amendment would help implement the 1629 Market Street Mixed-Use Project development, thereby evolving currently under-utilized land for needed housing, commercial space, and open space.

2. The Planning Code Text Amendment would help implement the 1629 Market Street Mixed-Use Project, which in turn will provide employment opportunities for local residents during construction and post-occupancy, as well as a new open space for new and existing residents.
3. The Planning Code Text Amendment would help implement the 1629 Market Street Mixed-Use Project by enabling the creation of a new mixed-use development. This new development would integrate with the surrounding City fabric and the existing neighborhood as outlined in the Market & Octavia Area Plan.
4. The Planning Code Text Amendments would enable the construction of a new vibrant, safe, and connected neighborhood, including a new publicly-accessible open space. The General Plan Amendments would help ensure a vibrant neighborhood with active streets and open spaces, high quality and well-designed buildings, and thoughtful relationships between buildings and the public realm.
5. The Planning Code Text Amendments would enable construction of new housing, including new on-site affordable housing and new supportive housing. These new uses would create a new mixed-use development that would strengthen and complement nearby neighborhoods.
6. The Planning Code Text Amendments would facilitate the preservation and rehabilitation of Civic Center Hotel--an important historic resource.

AND BE IT FURTHER RESOLVED, that the Commission finds the Planning Code Text Amendments are in general conformity with the General Plan as set forth in Planning Commission Resolution No. 20035.

AND BE IT FURTHER RESOLVED, that the Commission finds the Planning Code Text Amendments are in general conformity with Planning Code Section 101.1 as set forth in Planning Commission Resolution No. 20036.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on October 11, 2018.



Jonas P. Ionin
Commission Secretary

AYES: Fong, Hillis, Johnson, Koppel, Moore, Melgar, Richards

NAYS: None

ABSENT: None

ADOPTED: October 11, 2018



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text Amendment & Modification of Development Agreement

HEARING DATE: 10/11/2018

Record No.: 2015-005848PCA-02 & 2015-005848DVA-05
Project Address: 1629 Market Street
Zoning: NCT-3 (Neighborhood Commercial, Moderate Scale) Zoning District;
P (Public) Zoning District
OS, 68-X and 85-X Height and Bulk Districts
Block/Lot: 3505/001, 007, 008, 027, 028, 029, 031, 031A, 032, 032A, 033, 033A, 035
Project Sponsor: Strada Brady, LLC
101 Mission Street, Suite 420
San Francisco, CA 94105
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org
Recommendation: **Approval**

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PROJECT DESCRIPTION

The proposed project (Project) includes a modification to the Development Agreement between the City and County of San Francisco and “Strada Brady, LLC” in association with the 1629 Market Street Project. The proposed modifications will allow the use of affordable housing credits to satisfy part of the Project's on-site affordable housing obligation. In addition, the Project would amend Planning Code Section 249.81 (the 1629 Market Street Special Use District (SUD)) to reflect the terms of the Development Agreement amendment.

REQUIRED COMMISSION ACTION

In order for the Project to proceed, the Commission must provide a recommendation to the Board of Supervisors on the proposed legislation introduced by Supervisor Jane Kim (Board File Nos. 180891 & 180892), which involve modification to the 1629 Market Street Development Agreement to allow the use of affordable housing credits and modification to the 1629 Market Street Special Use District to reflect the terms of the Development Agreement amendment.

ISSUES AND OTHER CONSIDERATIONS

- **Public Comment & Outreach.** The Department has only received one public correspondence regarding the proposed project. This correspondence requested information on the modification to the Development Agreement, and did not request support or opposition to the Project.

- **Proposed Project.** The Project as approved by the Planning Commission and the Board of Supervisors includes demolition of the existing UA Local 38 building, demolition of the majority of the Lesser Brothers Building, and rehabilitation of the Civic Center Hotel, as well as the demolition of the 242-space surface parking lots on the project site. The Project would construct a total of five new buildings on the project site, including a new UA Local 38 building, and a 10-story addition to the Lesser Brothers Building with ground-floor retail/restaurant space at the corner of Brady and Market Streets (“Building A”). A new 10-story residential building with ground-floor retail/restaurant space (“Building B”) would be constructed on Market Street between the new UA Local 38 building and Building A. A nine-story residential building would be constructed at the end of Colton Street and south of Stevenson Street (“Building D”). The five-story Civic Center Hotel would be rehabilitated to contain residential units and ground-floor retail/restaurant space (“Building C”), and a new six-story Colton Street Affordable Housing Building would be constructed south of Colton Street as part of the Project. Overall, the Project will include construction of 455,900 square feet of residential use containing up to 484 residential units (including market rate and on-site affordable housing units) and up to 100 affordable units in the Colton Street Affordable Housing Building, for a total of up to 584 dwelling units. The residential unit breakdown for the 484 units would consist of approximately 131 studio units (27.1 percent), 185 one-bedroom units (38.2 percent), and 168 two-bedroom units (34.7 percent). In addition, the Project will include 32,100 square feet of union facility use, 13,000 square feet of ground-floor retail/restaurant use, and 33,500 square feet of publicly-accessible and residential open space. In addition, the Project would include construction of a two-level, below-grade garage with up to 316 parking spaces (some of which may include the use of stackers) accessible from Brady and Stevenson Streets. As part of the project, the Project Sponsor will develop a new privately-owned publicly-accessible open space at the northeast corner of Brady and Colton Streets.
- **Project History.** On October 19, 2017, the Planning Commission reviewed and approved the Project, including a Conditional Use Authorization and Planned Unit Development (See Planning Commission Motion No. 20038). The Board of Supervisors approved the Project, the associated legislative amendments and the Development Agreement on December 15, 2017.
- **Proposed Amendments.** The proposed amendments to the Development Agreement and 1629 Market Street Special Use District would allow use of affordable housing credits to satisfy a portion of the Project's on-site affordable housing obligations.

BASIS FOR RECOMMENDATION

The Department finds that the Project is, on balance, consistent with the Objectives and Policies of the General Plan and the Market & Octavia Area Plan. The Project will provide new market-rate housing and supportive affordable housing, thus contributing to the City’s housing goals—a top priority for the City of San Francisco. The Department also finds the modification to the Project to be necessary, desirable, and compatible with the surrounding neighborhood, and not to be detrimental to persons or adjacent properties in the vicinity.

ATTACHMENTS:

Draft Resolution – Planning Code Text Amendment

Draft Resolution – Modification to Development Agreement

Exhibit A – Board of Supervisors File No. 180891

Exhibit B – Board of Supervisors File No. 180892

Exhibit C – Development Agreement

Exhibit D – Maps and Context Photos