



# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary 1629 Market Street Mixed-Use Project EIR Certification CEQA Findings General Plan Amendment Planning Code Text Amendment Zoning Map Amendment Development Agreement Conditional Use Authorization & Planned Unit Development

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HEARING DATE: OCTOBER 19, 2017

UPDATED: OCTOBER 12, 2017

*Date:* October 12, 2017  
*Case No.:* **2015-005848CUA**  
*Project Address:* **1601-1629 Market Street (aka 1629 Market St Mixed-Use Project)**  
*Existing Zoning:* NCT-3 (Neighborhood Commercial, Moderate Scale) Zoning District;  
P (Public) Zoning District  
OS, 40-X and 85-X Height and Bulk Districts  
*Proposed 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:* Linda Ajello Hoagland – (415) 575-6823  
[linda.ajellohoagland@sfgov.org](mailto:linda.ajellohoagland@sfgov.org)  
*Recommendation:* **Approval with Conditions**

### SUMMARY

On October 19, 2017, the Planning Commission (“Commission”) will consider a series of approval actions related to the 1629 Market Street Mixed-Use Project (“Project”).

The Commission has previously reviewed the Project as part of: 1) informational hearing on May 4, 2017; 2) the Draft Environmental Impact Report (“DEIR”) on June 15, 2017; and, 3) Initiation of the General Plan Amendments on September 14, 2017. The following is a summary of actions that the Commission must consider at this public hearing, which are required to implement the Project:

1. Approval of the Amendments to the General Plan;

2. Approval of the Zoning Map Amendments;
3. Approval of the Planning Code Text Amendments to establish the 1629 Market Street Special Use District ("1629 Market St SUD");
4. Approval of the Conditional Use Authorization and Planned Unit Development ("CUA/PUD"); and,
5. Approval of the Development Agreement ("DA").

Staff from the Planning Department, the Mayor's Office of Economic and Workforce Development (MOEWD), Mayor's Office of Housing and Community Development (MOHCD) and other agencies have worked extensively with the developer, Strada Brady, LLC ("Strada"), to formulate a comprehensive planning approach and development for the project site.

## PROJECT DESCRIPTION

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 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.

## SITE DESCRIPTION AND PRESENT USE

The project site occupies approximately 97,617 square feet, or 2.2 acres, on the block bounded by Market, 12th, Otis, and Brady Streets located within the boundaries of Market & Octavia Area Plan. Most of the site is located within the NCT-3 (Moderate-Scale Neighborhood Commercial Transit) Zoning District, while the southwestern portion of the site, occupying approximately 20,119 square feet is in a P (Public) Zoning District. The portions of the project site north of Stevenson Street and east of Colusa Place are located within an 85-X height and bulk district, while the portion of the project site south of Colton Street is in a 40-X height and bulk district, and the portion of the project site in the P (Public) Zoning District is in an Open Space (OS) height and bulk district.

The project site is currently occupied by four surface parking lots containing 242 parking spaces, an approximately 15-foot-tall Bay Area Rapid Transit (BART) ventilation structure for the below-grade BART tunnel,<sup>1</sup> as well as three buildings: the Civic Center Hotel at 1601 Market Street, the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry (UA) Local 38 Building at 1621 Market Street, and the Lesser Brothers Building at 1629-1645 Market Street, which is currently occupied by a variety of retail tenants.

## **SURROUNDING PROPERTIES AND NEIGHBORHOOD**

The area surrounding the project site is mixed-use in character, including a variety of residential uses and commercial establishments. Said uses include automobile-oriented businesses, urgent care medical services, and residential buildings with ground-floor, neighborhood-serving retail. Several community facilities, including the San Francisco Conservatory of Music, the International High School and the Chinese American International School, and the San Francisco Law School are located north of the project site near Market Street, and the City College of San Francisco has an auditorium and administrative offices along Gough Street, west of the project site.

On the north side of Market Street across from the UA Local 38 building and the Lesser Brothers Building on the project site is a recently constructed five-story (approximately 60 feet tall) building with residential uses above a Golden Gate Urgent Care facility located on the ground floor, and a three-story (approximately 45 feet tall), masonry-clad residential building with a Pilates studio on the ground-floor. On the north side of Market Street across from the Civic Center Hotel is a six-story (approximately 75 feet tall), brick-clad residential building with ground-floor retail, including two cafes, a bicycle shop, and a small workout/training facility. An approximately 30-foot-tall Honda Dealership and Service Center is located east of the Civic Center Hotel across 12th Street at 10 South Van Ness Avenue. The Ashbury General Contracting & Engineering business is located in a two-story (approximately 35 feet tall) stucco building located south of the Civic Center Hotel across Stevenson Street. A one-story rear portion (approximately 20 feet tall) of a three-story, masonry-clad vacant building forms the southern boundary of the parking lot south of Stevenson Street on the project site, as well as the western boundary of the parking lot bounded by Colton Street to the north, Colusa Place to the east, and Chase Court to the south. The southern boundary of this parking lot is formed by two one-story masonry (approximately 20 feet tall) buildings containing the City Ballet School, LLC and an auto service center. A two-story, wood shingle-clad residence forms the eastern boundary of this parking lot and is located south of Colton Street across from the project site. A one-story (approximately 20 feet tall), wood-clad building containing a full-service sign shop is also located south of Colton Street across from the project site. A five-story (approximately 60 feet tall), brick-clad building containing a hair salon and a clothing and accessories shop on the ground floor and residential uses above is located west of the project site across Brady Street.

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<sup>1</sup> The BART ventilation structure is located on a separate lot (3505/034), which is owned by BART.

## ENVIRONMENTAL REVIEW

On May 10, 2017, the Department published the 1629 Market Street Mixed-Use District Project Draft Environmental Impact Report (DEIR) for public review (Case No. 2015-005848ENV). The DEIR was available for public comment until June 26, 2017.

On June 15, 2017, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to solicit comments regarding the DEIR.

On October 4, 2017, the Department published a Comments and Responses to Comments ("RTC") document, responding to comments made regarding the DEIR prepared for the Project.

On October 19, 2017 the Commission will consider certification of the Final Environmental Impact Report ("FEIR") for the Project, and will determine if it is adequate, accurate and complete.

In addition, on October 19, 2017, the Commission must adopt the CEQA Findings for the FEIR, prior to the approval of the Project (See Case No. 2015-005848ENV/GPA/PCA/MAP/DVA/CUA).

## HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	September 29, 2017	September 27, 2017	22 days
Posted Notice	20 days	September 29, 2017	September 29, 2017	20 days
Mailed Notice	20 days	September 29, 2017	September 29, 2017	20 days

## PUBLIC COMMENT

As of October 5, 2017, the Department has not received any public correspondence expressing either support or opposition to the Project.

## ISSUES AND OTHER CONSIDERATIONS

- General Plan Amendments. On September 14, 2017, the Commission adopted Resolution No. 19994 to initiate the General Plan Amendments for the Project. These amendments would: 1) amend Map No. 1, Map No. 3 and Policy 7.2.5 of the Market & Octavia Area Plan to reflect and permit implementation of the 1629 Market Street Mixed-Use Project.
- Planning Code Text Amendments. On September 5, 2017, Mayor Edwin Lee and Supervisor Jane Kim initiated the ordinance that would amend the Planning Code to establish the 1629 Market Street SUD, to realign the zoning and height and bulk districts to the updated block/lot pattern, to increase the height and bulk of Block 3505 Lots 027 and 028 from 40-X to 68-X, and to amend the Special Use District zoning map to include the 1629 Market Street SUD. The 1629 Market Street SUD modifies the Planning Code requirements for usable open space and bulk controls along narrow streets and alleys.

- Development Agreement (DA). The DA between the City of San Francisco and the developer, Strada Brady, LLC, will establish a set of committed public benefits for the Project. The Project's commitments to public benefits include:
  - *Open Space*: The Project would build and maintain a publicly-accessible private open space (to be known as the Mazzola Gardens Open Space), which will be used to satisfy the Market and Octavia Community Improvement Impact Fee through in-kind credit, as well as a mid-block open space passageway between Buildings A and B.
  - *Affordable Housing*: The Project would create a significant amount of affordable housing units, including approximately 100 dwelling units in the Colton Street Affordable Housing Building. This building will serve to replace the single-room occupancy (SRO) dwelling units currently located in the Civic Center Hotel, and would also serve as supportive housing for formerly homeless individuals. In addition, the Project is required to provide on-site affordable housing within the other four residential buildings (Building A, B, C and D) at a rate of twelve percent (12%). Overall, the Project will result in on-site affordable housing at 26-28% of total units.
- Conditional Use Authorization. Per Planning Code Sections 121.1, 121.2, 207.6 and 303, the Project is required to obtain Conditional Use Authorization for: 1) new development on a lot larger than 10,000 square feet in the NCT-3 Zoning District; 2) a non-residential use greater than 4,000 square feet (Plumbers' Hall); and, 3) dwelling unit mix for the new dwelling units in the Civic Center Hotel.
- Planned Unit Development Modifications: Since the project site is larger than a half-acre, the project is seeking approval as a Planned Unit Development (PUD), per Planning Code Section 304. Under the PUD, the Commission may grant modifications from certain Planning Code requirements for projects that produce an environment of stable and desirable character which will benefit the occupants, the neighborhood and the City as a whole. The project requests modifications from the Planning Code requirements for:
  - 1) **Rear Yard (Planning Code Section 134)** - The Project does not meet the rear yard requirement, though it does appear to provide open space similar to the amount of square footage associated with the rear yard requirement.
  - 2) **Permitted Obstructions (Planning Code Section 136)** – The Project includes permitted obstructions over the street and useable open space in Building B, which do not meet the dimensional requirements of Planning Code Section 136. Specifically, the project includes bay windows over the street and useable open space, both of which do not meet the dimensions specified in Planning Code Section 136.
  - 3) **Dwelling Unit Exposure (Planning Code Section 140)**. In order to meet exposure requirements, residential units must face a public street or alley at least 20 feet in width, side yard at least 25 feet in width, or rear yard meeting the requirements of this Code; provided, that if such windows are on an outer court whose width is less than 25 feet, the depth of such court shall be no greater than its width. As proposed, approximately five percent of the units (or 36 dwelling units) do not meet the dwelling unit exposure requirements.
  - 4) **Street Frontage (Planning Code Section 145.1)** – The Project includes a garage entrance off of Stevenson Street, which measures more than 20-ft wide. Planning Code Section 145.1 limits garage entrances to a maximum of 20-ft wide.

- 5) **Off-Street Loading (Planning Code Section 152)** – The Project is requesting a modification to the dimension and size of off-street loading spaces.
- 6) **Measurement of Height (Planning Code Section 260)**. Given the site conditions and unique grade of the project site, the Project includes a modification to the measurement of height for Buildings A and B. This modification maintains the project within the 85-X Height and Bulk District, and does not result in a building height within the next class of height and bulk.

Since publication of the neighborhood notice, Department staff has determined that a modification to the open space requirements is not required. The Project meets the required amount of open space and the configuration, as outlined in the 1629 Market Street SUD. Overall, Department staff is generally in agreement with the proposed modifications given the overall project, its unique and superior design, and the large amount of public benefits.

- Open Space/Recreation and Parks Commission: The Project Sponsor would maintain ownership of the publicly-accessible open space. Therefore, Planning Code Section 295 (Height Restrictions on Structures Shadowing Property under the Jurisdiction of the Recreation and Park Commission) is not applicable to the project site. Further, the new development does not cast any shadow on properties owned and operated by the San Francisco Recreation and Park Commission.
- Development Impact Fees: The Project will be subject to development impact fees, including the Market & Octavia Community Improvement Impact Fee, Market & Octavia Inclusionary Affordable Housing Fee, Transportation Sustainability Fee, and Residential Child Care Impact Fee.
- October 12, 2017 Updates: Department staff has updated the draft motions and resolutions for the 1629 Market Street Project. These draft motions and resolutions should supplement the motions and resolutions provided to the Commission on October 5, 2017.

## REQUIRED COMMISSION ACTION

In order for the Project to proceed, the Commission must:

- 1) Certify the 1629 Market Street Mixed-Use Project Final Environmental Impact Report (FEIR) pursuant to the California Environmental Quality Act (CEQA);
- 2) Adopt findings under the California Environmental Quality Act (CEQA), including findings rejecting alternatives as infeasible and adopting a Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program (MMRP);
- 3) Recommend that the Board of Supervisors approval the General Plan Amendments pursuant to Planning Code Section 340 and adopt the findings of consistency with the General Plan and Priority Policies of Planning Code Section 101.1;
- 4) Recommend that the Board of Supervisors approval the Planning Code Text Amendments to establish the 1629 Market Street Special Use District, and the associated Zoning Map Amendments;
- 5) Recommend that the Board of Supervisors approve the Development Agreement (DA) for the Project; and,

- 6) Approve a Conditional Use Authorization and Planned Unit Development (PUD), pursuant to Planning Code Section 121.1, 121.2, 207.6, 303, 304 and 752, for: 1) development on a lot larger than 10,000 square feet; 2) modification of the dwelling unit mix requirement; and, 3) establishment of a non-residential use larger than 4,000 square feet in the NCT-3 Zoning District, for the 1629 Market Street Mixed-Use Project. Under the PUD, the Commission must also grant modifications from the Planning Code requirements for: 1) rear yard (Planning Code Section 134); 2) permitted obstructions (Planning Code Section 136); 3) dwelling unit exposure (Planning Code Section 140); 4) street frontage (Planning Code Section 145.1); 5) off-street loading (Planning Code Section 152); and, 6) measurement of height (Planning Code Section 260).

## **BASIS FOR RECOMMENDATION**

- 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 Project will add an expanded institutional space, as well as residential and retail uses that will contribute to the employment base of the City and bolster the viability of the Market & Octavia Area.
- The Project will adaptively reuse a notable historic resource, Civic Center Hotel, and will add new housing opportunities within the Market & Octavia Area Plan.
- The site is currently underutilized, and the addition of new ground-floor retail spaces and publicly-accessibly open spaces will enliven the streetscape.
- The project is, on balance, consistent with the Goals, Policies, and Objectives of the General Plan.
- The Project complies with the First Source Hiring Program, as set forth in the Development Agreement.
- The Project will pay applicable development impact fees as set forth in the Development Agreement.
- The Project is desirable for, and compatible with the surrounding neighborhood.

<b>RECOMMENDATION:</b> <b>Approval with Conditions</b>
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### **Attachments:**

- Draft Motion-Certification of Final EIR
  - Included in the Planning Commission Packet for the Response to Comments for the DEIR
- Draft Motion-CEQA Findings & MMRP
- Draft Resolution-General Plan Amendment
- Draft Resolution-Planning Code Text Amendment & Zoning Map Amendments
- Draft Resolution-Development Agreement
- Draft Motion-Conditional Use Authorization & Planned Unit Development
- Draft Ordinances initiated by Board of Supervisors (File No. 170938 & 170939)
- Exhibits:
  - Parcel Map

- Sanborn Fire Insurance Map
- Zoning Map
- Height & Bulk Map
- Aerial Photograph
- Site Photographs

Project Sponsor Submittal

- First Source Hiring Affidavit
- Anti-Discriminatory Housing Policy Affidavit
- Inclusionary Housing Program Affidavit
- Project Plans & Renderings

Zoning Use District Map No. 07

Height & Bulk District Map No. 07

Special Use District Map No. 07

Development Agreement between City and County of San Francisco & Strada Brady, LLC

Letter to John Rahaim, Development Agreement

Letter to Planning Commission, Development Agreement Meeting Summary

Planning Commission Resolution No. 19994

Public Correspondence (if any)



Attachment Checklist

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Executive Summary                     | <input checked="" type="checkbox"/> Project Sponsor Submittal:  |
| <input checked="" type="checkbox"/> Draft Motion                          | Drawings: <u>Existing Conditions</u>  |
| <input checked="" type="checkbox"/> Zoning District Map                   | <input checked="" type="checkbox"/> Check for Legibility  |
| <input checked="" type="checkbox"/> Height & Bulk Map                     | Drawings: <u>Proposed Project</u>   |
| <input checked="" type="checkbox"/> Parcel Map                            | <input checked="" type="checkbox"/> Check for Legibility  |
| <input checked="" type="checkbox"/> Sanborn Map                           | <input checked="" type="checkbox"/> 3-D Renderings:   |
| <input checked="" type="checkbox"/> Aerial Photo                          | (New Construction or Significant Addition)  |
| <input checked="" type="checkbox"/> Site Photos                           | <input type="checkbox"/> Wireless Telecommunications Materials  |
| <input type="checkbox"/> Environmental Determination                      | <input type="checkbox"/> Health Dept. Review of RF levels   |
| <input checked="" type="checkbox"/> First Source Hiring Affidavit         | <input type="checkbox"/> RF Report  |
| <input checked="" type="checkbox"/> Anti-Discriminatory Housing Affidavit | <input type="checkbox"/> Community Meeting Notice   |
|   | <input checked="" type="checkbox"/> Housing Documents   |
|   | <input checked="" type="checkbox"/> Inclusionary Affordable Housing Program: Affidavit for Compliance |
|   | <input checked="" type="checkbox"/> Anti-Discriminatory Housing Affidavit                             |

Exhibits above marked with an "X" are included in this packet

RS  
Planner's Initials

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