



SAN FRANCISCO PLANNING DEPARTMENT

Notice of Final Approval of an SB 35 Project

Date: July 17, 2020
BPA No.: 2020.0430.7276
Planning Record No. 2020-003840PRJ
Project Address: 180 Jones Street
Zoning: RC-4 (Residential-Commercial, High Density) District
North of Market Residential Special Use District
80-T-120-T Height and Bulk District
Block/Lot: 0343/014
Project Sponsor: Donald S. Falk
Tenderloin Neighborhood Development Corporation
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PROJECT DESCRIPTION

This project would construct a nine (9) story multi-family residential building with seventy (70) affordable studio apartments. Each studio apartment includes a full kitchen and bathroom. The building will also include resident support and management areas at the ground floor including offices, community room, and other support areas. The project is being developed under the auspices of California Senate Bill 35 and the City's Individually Requested State Density Bonus Program.

BACKGROUND

California Senate Bill 35 (SB-35) was signed by Governor Jerry Brown on September 29, 2017 and became effective January 1, 2018. SB-35 applies in cities that are not meeting their Regional Housing Need Allocation (RHNA) goal for construction of above-moderate income housing and/or housing for households below 80% area median income (AMI). SB-35 amends Government Code Section 65913.4 to require local entities to streamline the approval of certain housing projects by providing a ministerial approval process, removing the requirement for CEQA analysis, and removing the requirement for Conditional Use Authorization or other similar discretionary entitlements granted by a Planning Commission.

On March 23, 2020, Donald Falk submitted an SB-35 Application for the mixed-use project at 180 Jones Street. Department staff determined that the SB-35 Application was complete, and that the proposed project was eligible for SB-35 on May 18, 2020.

The Planning Director did not request a Planning Commission Hearing or Historic Preservation Commission Hearing for this project.

PROJECT APPROVAL

The Project Sponsor seeks to proceed pursuant to Planning Code Section 206.6, Individually Requested State Density Bonus Law, Government Code Section 65915 et seq (the “State Law”). Under subsection 65915(b)(1)(G) of the State Law, a housing development that provides 100 percent of the total units for lower income households, except that up to 20 percent of the total units in the development may be for moderate-income households and exclusive of a manager’s unit(s), is entitled to four concessions and incentives that result in identifiable and actual cost reductions to provide for affordable housing costs. Such project, when located within one-half mile of a major transit stop, shall be relieved of maximum density controls and shall also receive a height increase of up to three additional stories, or 33 feet; however, no other waivers from development standards that might otherwise preclude the construction of the project are permitted under this subsection of the State Law. Since the Project Sponsor is providing 70 units of housing affordable to low- and very low-income households, and the project is located within one-half mile of a major transit stop, the project is not subject to any maximum control on density, and is entitled to receive up to four concessions/incentives and an additional three stories, or 33 feet of height. The Project Sponsor has requested four concessions/incentives as outlined and analyzed below.

Concessions and Incentives

The Project Sponsor has requested a concession/incentive from the development standards for Planning Code requirements for: minimum rear yard (Planning Code Section 134), usable open space (Planning Code Section 135), dwelling unit exposure (Planning Code Section 140) and minimum ground-floor ceiling height (Planning Code Section 145.1(c)(4)). The project is in an 80-120-T Height and Bulk District and does not require additional height allowed by the Density Bonus Law. Pursuant to Planning Code Section 206.6, the Department shall grant the concession or incentive requested by the Project Sponsor unless the Department makes a written finding, based upon substantial evidence, of any of the following:

- (A) The concession or incentive does not result in identifiable and actual cost reductions, consistent with subdivision (k), to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

The requested incentives result in actual cost and identifiable cost reductions, as each of the incentives would allow the project to increase the number of units which may be constructed at the project site. Increasing the number of units on the site spreads the fixed costs of construction across more units, which reduces the cost-per-unit of development.

If the project did not receive an incentive from the minimum rear yard requirements, approximately eight (8) of the 70 units that are currently proposed at the southeast corner of the site would be eliminated. The requested incentive from usable open space would also allow the project to construct a greater number of units at the project site while also keeping the project in the mid-rise construction type. While usable open space may be provided as a roof deck, the installation and maintenance of the deck would add to the construction and operational costs of the project, and would also result in a high-rise building, further increasing the overall construction costs. There is no suitable alternative location on the site to add a comparable amount of usable open space without reducing the unit count. If the project did not receive an

incentive from dwelling unit exposure, the project would lose 16 studio units that are facing onto an exterior courtyard. Finally, the requested incentive from the minimum ground-floor ceiling height allows the project to add a ninth floor and stay within a mid-rise construction type instead of a high-rise construction type. The addition of a ninth floor allows the project to add nine (9) additional units. In combination, the incentives would allow the fixed costs of construction to spread across more units, which reduces the cost-per-unit of development.

(B) The concession or incentive would have a specific, adverse impact upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households.

The requested concessions/incentives from the Planning Code requirements for minimum rear yard, usable open space, dwelling unit exposure, and minimum ground-floor ceiling height would not result in a specific, adverse impact to public health and safety or the physical environment, or on any real property that is listed in the California Register of Historical Resources.

(C) The concession or incentive would be contrary to state or federal law.

The requested concessions/incentives from the development standards for minimum rear yard, usable open space, dwelling unit exposure, and minimum ground-floor ceiling height would not be contrary to state or federal law.

Waivers

In no case may the Department apply any development standard that will have the effect of physically precluding the construction of a development at the densities or with the concessions or incentives permitted by the State Density Bonus Law. The Department is not required to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. The Department is not required to waive or reduce development standards that would have an adverse impact on any real property that is listed in the California Register of Historical Resources, or to grant any waiver or reduction that would be contrary to state or federal law.

In accordance with the State Law, this housing development is not eligible for and is not seeking to receive a waiver or reduction of development standards, other than as expressly provided by Government Code Section 65915(d)(2)(D) and 65915(f)(3)(D)(ii). The project has requested four incentives and does not exceed three stories of additional height, as described above and in accordance with the State Law.

The Department has determined that the project meets all the objective standards of the Planning Code and has completed design review of the project. The project has been approved in accordance with the provisions of SB-35, as recorded in Building Permit Application No. 2020.0430.7276.