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BY 

November 7, 2019

Board President Norman Yee and
Members of the Board of Supervisors
c/o Ms. Angela Calvillo, Clerk of the Board
of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689

**Re: 3333 California Street Project - Laurel Heights Partners LLC Response to
Conditional Use Authorization/Planned Unit Development and Tentative
Subdivision Map Approvals (File Nos. 191039 (CU/PUD) and 191043 (T-Map))**

Dear Board President Yee and Members of the Board of Supervisors:

We respond on behalf of our client, Laurel Heights Partners LLC ("Project Sponsor"), to the appeal filed by the Laurel Heights Improvement Association ("LHIA") challenging (i) the San Francisco Planning Commission's grant of Conditional Use Authorization and approval of a Planned Unit Development and (ii) the San Francisco Department of Public Works' approval of a Tentative Map for subdivision of the proposed project at 3333 California Street (the "Project"), described below. The appeal is scheduled for consideration by the Board of Supervisors on November 12, 2019 (following a continuance from the originally scheduled hearing date of November 5, 2019), along with an appeal of the certification of the Project's EIR (please see our November 1, 2019 letter in response to the EIR appeal).

LHIA's appeals of the Project's CU/PUD and T-Map are without merit and should be denied. We respectfully request that the Board of Supervisors affirm (i) the Planning Commission's decision to grant Conditional Use Authorization and a Planned Unit Development, and (ii) the Department of Public Works' decision to approve the Tentative Map. We note that a significant portion of LHIA's appeals of the CU/PUD and T-Map pertain to the Project's CEQA analysis and are a rehash of LHIA's EIR certification appeal arguments. Therefore, we do not address those in any detail here, as they have already been addressed in detail in the City's and our response to LHIA's appeal of the Project's EIR.

I. The 3333 California Street Project Provides Critically Needed Residential Units and Substantial Community Benefits, and Is the Culmination of Five Years of Collaboration with the Community and the City.

As noted in our November 1, 2019 letter in response to LHIA's appeal of the EIR certification, the Project Sponsor proposes to redevelop an underutilized 10.25-acre site with up

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to 744 residential units, including 185 on-site senior affordable housing units (and one manager's unit), approximately 34,500 square feet of neighborhood-serving retail/commercial uses located along California Street in alignment with the existing Laurel Village Shopping Center ("Laurel Village") on California Street, a child care facility that could accommodate up to 175 children, and approximately 5.3 acres of open or landscaped space, of which approximately 2.9 acres would be publicly accessible.

The Project will include (i) publicly accessible pathways running north-south and east-west that weave the site back into the neighborhood's urban fabric and street grid, encouraging walkability, and conforming to key urban design principles; (ii) hundreds of new trees; (ii) retention of certain existing trees; and (iii) substantial streetscape improvements.

The Project is anticipated to generate up to 675 construction-related jobs, and upon completion, approximately 206 net new permanent jobs to support Project operations. It will add approximately \$10 million annually in property taxes, and will provide substantial community benefits and pay significant development impact fees.

Over the past five years, the Project Sponsor has worked closely with the City and the community to refine and improve the Project, participating in more than 170 meetings with individual neighbors, other stakeholders and community groups. Many key features of the Project are directly responsive to feedback received from the community and the City.

II. LHIA's Arguments Against the CU/PUD Approvals Are Without Merit and Should Be Rejected

a. The Non-Residential and Retail Uses in the Project are Necessary, Desirable and Compatible with the Surrounding Neighborhood.

LHIA argues that the Project's non-residential uses are unnecessary – that there is already sufficient retail space at the neighboring Laurel Village. However, based on the evidence presented, the Planning Commission determined that the non-residential uses proposed with the Project are necessary, desirable and compatible with the surrounding neighborhood and made appropriate findings in support of its determination. The presence of retail/commercial uses in the Project will enhance the livability of the Project by providing on-site amenities (e.g., childcare, restaurants/cafes) and will reduce the need for auto travel.

b. The Project's Reduced retail parking (from 188 to 74 spaces) will not adversely impact Laurel Village; the Project's non-residential uses will not create significant new traffic.

LHIA argues that reducing the Project's retail parking will result in shoppers taking parking spots elsewhere in the neighborhood, including at Laurel Village, and more traffic in the neighborhood as shoppers look for parking. The Planning Department undertook a detailed analysis of the

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proposed parking and potential traffic and concluded that 74 parking spaces would be consistent with retail parking ratios in the neighborhood and that non-residential uses in the Project would not generate significant amounts of traffic. In fact, reducing the number of retail parking spaces is likely to result in less neighborhood traffic than more spaces—fewer spaces make it more likely that shoppers will use alternative travel methods, such as walking or public transit to visit the Project's retailers.

c. The Proposed NC-S Zoning along California Street is appropriate.

LHIA argues that the NC-1 zoning controls should apply to the Project's non-residential uses, not the NC-S zoning that is proposed to apply. The NC-S zoning is the same zoning as applies to Laurel Village. The NC-S zoning controls allow for the continuation of uses along California Street similar to those in Laurel Village. While the Planning Code describes the NC-S zoning, in part, as zoning for a regional shopping center, at an approximate total of merely 35,000 sq. ft., the Project's retail/non-residential space will not be a regional shopping center.

d. Non-Residential Hours of Operation should be limited.

LHIA argues that the Project's non-residential uses should be limited to hours of operation from 6 a.m. to 11 p.m. The NC-S zoning allows hours of operation from 6 a.m. to 2 a.m. These are the same hours of operation for Laurel Village, which is also zoned NC-S. The Planning Commission could have considered, as a condition of approval, that hours of operation be modified. It chose not to do so based on the evidence presented at the Planning Commission hearing.

e. Including Flexible Retail and Social Service/Philanthropic Facilities as allowed uses will help to assure active, vibrant uses along California Street.

LHIA argues that Flexible Retail and Social Service/Philanthropic Facilities uses should not be allowed in the Project, citing concerns about parking and neighborhood notice. However, inclusion of Flexible Retail will allow the Project to lease a single retail space to multiple retailers with different but compatible users—a current and successful trend in bricks and mortar retailing. Any retail use that requires conditional use would still have to get conditional use authorization, even though it is an allowed Flex Retail use. The Social/Philanthropic Facilities use would allow the Project to lease space to non-profits. As noted in the press, non-profits have struggled to find space in the City.

f. Modifications to the Project's Design would result in significant loss of dwelling units.

LHIA argues that the proposed additions to Center Buildings A and B should not be allowed, that the Project should be capped at a 40' height limit, that two duplexes should be eliminated, and that the Euclid Building should be further set back. Reducing the addition to one floor (from

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two on Center Bldg A and three on Center Bldg B) would result in a significant loss of dwelling units (the additions accommodate 41 units, many of them family sized). Capping the Project at a 40' height limit would result in the loss of even more units. (Nor would such height limit avoid shadowing any public parks because none of the Project's buildings at the proposed heights shadow any public parks). Moreover, the increased heights do not conflict with the Residential Design Guidelines— in fact the Project was designed carefully in coordination with the Guidelines. Setting the Euclid Building farther back and removing two duplexes would result in the loss of approximately 30 dwelling units.

III. LHIA's Arguments Against the Map Approval Is Without Merit and Should Be Rejected.

a. Approval of the T-Map was appropriate.

LHIA argues that DPW should not have approved the T-Map until all of the other Project approvals are final, including the EIR, the CU/PUD and the Project's special use district (SUD). While the T-Map approval is reliant on these other approvals, there is no requirement that DPW delay its approval of the T-Map until all the other approvals are final.

b. The Tentative Map does not contain inaccuracies.

LHIA argues that the T-Map shows commercial units in Lot 1, whereas Lot 1 is supposed to contain only residential units. The units labeled "commercial" in Lot 1 are a parking area and a drive aisle. These are shown as commercial because, in the City's subdivision map parlance, a unit can be only either residential or commercial. Since these units will be used for parking and a drive aisle, they are labeled commercial.

IV. The Board of Supervisors Should Reject the CU/PUD and T-Map Appeals, Uphold and Affirm the Planning Commission's and Department of Public Works' Decisions, and Approve the Project.

For all the foregoing reasons and based on the thorough and extensive record before you, we urge the Board of Supervisors to reject LHIA's appeals and to approve the 3333 California Street Project. This unique project would transform an underutilized site into a vibrant mixed-use community with 744 new homes, including 185 affordable units for seniors, at a time when San Francisco and the region desperately need new housing. Thank you for your careful consideration of this timely and important project.

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Respectfully submitted,

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