



November 13, 2024

Ms. Angela Calvillo, Clerk
Honorable Mayor Breed
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 Number 2024-008290PCA:**
30 VAN NESS AVE
Board File No. 240872

Planning Commission Recommendation: Approval

Dear Ms. Calvillo and Mayor Breed,

On November 7, 2024, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Dorsey. The proposed ordinance would establish Planning Code Section 249.99 as the 30 Van Ness Special Use District and amending the Agreement for Sale of Real Estate for the 30 Van Ness project. At the hearing, the Planning Commission adopted a recommendation for approval.

The Planning Department analyzed the project and found that no additional environmental review was necessary beyond the environmental review conducted under an Environmental Impact Analysis completed in 2020 for the same project. On October 8, 2024, the Planning Department published a memorandum to file.

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: Audrey Pearson, Deputy City Attorney
Madison Tam, Aide to Supervisor Dorsey
Lisa Gluckstein, Aide to Mayor Breed
John Carroll, Office of the Clerk of the Board

ATTACHMENTS :

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21642

HEARING DATE: NOVEMBER 7, 2024

Project Name: 30 Van Ness Avenue Special Use District; Amendment of Agreement for Sale of Real Estate
Case Number: 2024-008290PCA/MAP [Board File No. 240872]
Initiated by: Mayor Breed and Supervisor Dorsey / Introduced September 10, 2024
Staff Contact: Monica Giacomucci, District 6 Team
monica.giacomucci@sfgov.org, 628-652-7414
Reviewed by: Aaron D Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL OF A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE AND ZONING MAP TO CREATE THE 30 VAN NESS AVENUE SPECIAL USE DISTRICT, IN THE AREA GENERALLY BOUND BY FELL STREET TO THE NORTH, MARKET STREET TO THE EAST AND SOUTH, AND VAN NESS AVENUE TO THE WEST; MODIFYING THE NOTICE OF SPECIAL RESTRICTIONS RELATED TO INCLUSIONARY HOUSING OBLIGATIONS UNDER THE AGREEMENT FOR SALE OF REAL ESTATE BETWEEN THE CITY AND 30 VAN NESS DEVELOPMENT LLC; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; ADOPTING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1; AND ADOPTING PUBLIC NECESSITY, CONVENIENCE, AND WELFARE FINDINGS UNDER PLANNING CODE SECTION 302.

WHEREAS, on September 10, 2024, Supervisor Dorsey introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 240872, which would amend the Planning Code to create the 30 Van Ness Avenue Special Use District (hereinafter the "30 Van Ness SUD"), amend Zoning Map SU01 to add the 30 Van Ness SUD, and modify the Notice of Special Restrictions related to inclusionary housing obligations under the Agreement for Sale of Real Estate between the City and 30 Van Ness Development LLC;

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on November 7, 2024; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15378 and 15060(c); and

WHEREAS, the Planning 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 Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby adopts a **recommendation for approval** of the proposed ordinance. The Commission's proposed recommendation(s) is/are as follows:

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:

The proposed Ordinance will facilitate the redevelopment of a keystone parcel located at the prominent crossroads of two of the City's most important streets (Market Street and Van Ness Avenue), building on numerous polices that support a vision for the area as a vibrant, new mixed-use neighborhood. The proposed ordinance will further one of the overarching goals of the Market and Octavia Area Plan Amendment by generating dense housing near public transit service.

General Plan Compliance

The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

The proposed Ordinance will support development of a project that has already paid significant impact fees to the City and that provides other benefits to the City through the generation of dense housing near public

transit service and the creation of significant employment opportunities with the addition of office space and various ground-floor retail uses. The Project will not have substantial undesirable consequences that cannot be mitigated.

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

The proposed Ordinance will support development of a project that expands existing commercial uses with the addition of office space and ground-floor retail uses. Such Project will also bring additional residents to the neighborhood, thus increasing the customer base of existing commercial uses in the area. The Project would not displace any existing industrial uses.

HOUSING ELEMENT

OBJECTIVE 4.C

**DIVERSIFY HOUSING TYPES FOR ALL CULTURES, FAMILY STRUCTURES, AND ABILITIES
POLICY 27**

Policy 30

Improve coordination, alignment, shared mission, and functionality of post-entitlement permit processes across agencies and jurisdictions to speed housing construction starts after approvals, especially for 100% affordable housing and development agreements.

The proposed Ordinance will support development of a mixed-use residential project that received post-entitlement permits, commenced construction, and subsequently halted construction due to feasibility concerns.

Planning Code Section 101 Findings

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve

the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

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

The proposed Ordinance would increase the overall supply of housing in the City and would support development of a project that paid significant impact fees in support of affordable housing development in the City. Thus, the proposed Ordinance would not have an adverse effect on the City's existing supply of affordable housing.

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

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. 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 proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

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

The proposed Ordinance would not have an adverse effect on the City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

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

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby ADOPTS A RECOMMENDATION FOR APPROVAL the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on November 7, 2024.



Jonas P Ionin Digitally signed by Jonas P Ionin
Date: 2024.11.12 12:31:02 -08'00'

Jonas P. Ionin
Commission Secretary

AYES: Braun, McGarry, Williams, Moore, So
NOES: Imperial
RECUSED: Campbell
ADOPTED: November 7, 2024



EXECUTIVE SUMMARY

DOWNTOWN PROJECT AUTHORIZATION

OFFICE DEVELOPMENT AUTHORIZATION

PLANNING CODE AND MAP AMENDMENT

HEARING DATE: NOVEMBER 7, 2024

Record No.: **2024-008290DNX/OFA/MAP/PCA**
Project Address: **30 Van Ness Avenue**
Zoning: C-3-G (Downtown General Commercial) Zoning District
120/400-R-2 // 140/520-R-2 Height and Bulk District
Van Ness & Market Residential Special Use District
Priority Equity Geographies Special Use District
Downtown and Market & Octavia Plan Areas
Block/Lot: 0835/004
Project Sponsor: 30 Van Ness Development, LLC
c/o Pat Hanlon
111 Sutter Street, 18th Floor
San Francisco, CA 94104
Property Owner: 30 Van Ness Development, LLC
111 Sutter Street, 18th Floor
San Francisco, CA 94104
Staff Contact: Monica Giacomucci – (628) 652-7414
monica.giacomucci@sfgov.org
Environmental Review: Memorandum to File – [Final Environmental Impact Report](#)

RECOMMENDATION: Approval with Conditions

Project Description

The proposed project (“Project” or “Modified Project”) represents modifications to a previously approved mixed-use development project (“Initial Project”) that was approved by the Planning Commission on May 21,

2020, through Downtown Project Authorization Motion No. 20717, Conditional Use Authorization Motion No. 20718, and Office Development Authorization No. 20719. The Project Sponsor obtained a site permit in August of 2021 and commenced construction of the Initial Project in July 2022, but halted construction approximately sixteen months later due to feasibility concerns.

The Project's modifications include: (1) removing the requirement to provide on-site inclusionary affordable units pursuant to a proposed "30 Van Ness Avenue Special Use District"; and 2) adding 18,805 square feet of additional office space located on a portion of the second floor previously approved as retail and building support/mechanical space. The removal of the retail area on the second floor eliminates the requirement for Conditional Use Authorization. No other changes to the approved building's bulk, setbacks, parking, number of dwelling units, or open space program are proposed.

As modified, the Project would include a total gross floor area of approximately 722,000 square feet, with 467,107 gross square feet of Residential use (333 dwelling units) within a tower situated atop a 9-story podium containing 252,905 gross square feet of General Office Use, 6,414 gross square feet of retail uses, 300 Class 1 and 72 Class 2 bicycle parking spaces, and three below-grade levels that would accommodate up to 146 vehicle parking and five car-share spaces provided for the Residential and Office uses. The Project includes 1,555 square feet of privately-owned public open space (POPOS), and a publicly-accessible ground-floor lobby, with Micro Retail spaces to help activate the overall ground-floor space. The Project would contain a mix of 21 studio units, 104 one-bedroom units, 161 two-bedroom units, and 47 three-bedroom units.

Required Commission Action

In order for the Project to proceed, the Commission must approve a Downtown Project Authorization, pursuant to Planning Code Section 309, to modify conditions of a previously-approved project and approve change in Gross Floor Area totals for the Office and Retail uses proposed.

The Commission must also grant an Office Development Authorization, pursuant to Planning Code Sections 320 through 325, to authorize up to 70,000 gross square feet of general office use for the modified Project.

The Commission must also approve Planning Code and Map Amendments to establish the 30 Van Ness Avenue Special Use District, which would waive the requirements of Planning Code Section 415 for the Project.

Issues and Other Considerations

- **Public Comment & Outreach.**

Support/Opposition: The Department has received correspondence from one community organization, the Civic Center Community Business District (CCCBD), and one local business, Mr. Tipple's Jazz Club, expressing support for the Modified Project. Both correspondents cite the Modified Project's potential to bring new users to the surrounding area as a significant benefit, especially given the challenging post-pandemic economic environment. Further, CCBD stated that the Project supports the organization's mission, and would enhance public safety on the Van

Ness corridor.

- **Outreach:** As part of the overall outreach program of the Initial Project, the Project Sponsor coordinated with individual stakeholders and local community groups. Various organizations and businesses shared letters of support with the Planning Commission prior to their approval of the Initial Project, including but not limited to: Bo’s Flowers; Civic Center Community Benefit District; Corridor Restaurant; International Association of Sheet Metal, Air, Rail and Transportation Workers (Sheet Metal Workers’ Local Union No. 104); Intersection for the Arts; United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry (Local Union No. 38); Sprinkler Fitters and Apprentices (Local No. Union 483); San Francisco Bicycle Coalition; United Brotherhood of Carpenters and Joiners of America (Local Union No. 22); and Walk San Francisco.

In pursuit of the Modified Project, the Project Sponsor has reached out to stakeholders that participated in the approval process for the Initial Project and updated them on the proposed changes to the Project.

- **Project Updates.** The Modified Project would preserve the height, bulk, and massing of the Initial Project, and would adjust the total office and retail square footages within the same building envelope. The following table details modifications to the Initial Project approved by the Commission in May 2020:

Table 1: Comparison of Project Characteristics (initial and modified Projects)

Building Areas	Initial Project (2020)	Modified Project (2024)	Net Change
	Gross Square Feet		
Residential	467,107	467,107	No change
Office	234,100	252,905	+18,805
Retail	21,000	6,414	-14,586
Public Open Space (POPOS)	1,555	1,555	No change
Dwelling Units	Units		
Studio	28	21	-7
One Bedroom	97	104	+7
Two Bedroom	161	161	No change
Three Bedroom	47	47	No change
Total Dwelling Units	333	333	No change
Project Features	Amounts		
Number of Buildings	1	1	No change
Height (roof)	520'	520'	No change
Number of Stories	47	47	No change
Off-Street Vehicular Parking Spaces	146	146	No change

Carshare Spaces	5	5	No change
Off-Street Loading Spaces	6	6	No change
Class 1 Bicycle Spaces	300	300	No change
Class 2 Bicycle Spaces	72	72	No change
Total Bicycle Spaces	372	372	No change

- 30 Van Ness Avenue Special Use District.** The Initial Project contained a total of 333 dwelling units. Compliance with the Inclusionary Affordable Housing Program (Planning Code Section 415) for the Initial Project was dictated by terms stipulated within a Purchase and Sale Agreement executed on February 21, 2017. The Agreement required the Initial Project to provide either: (1) a minimum 25% affordable on-site units; (2) a minimum 33% affordable off-site units; or (3) a combination of the other two options. The Initial Project satisfied the requirement through the on-site alternative option, with a total of 83 affordable units provided.

Based on recommendations from the Controller and the Affordable Technical Advisory Committee (TAC), on September 5, 2023, the Board of Supervisors approved legislation to temporarily reduce the Inclusionary Affordable Housing requirements for certain residential projects to improve the feasibility of residential development. These “Pipeline Projects” are defined as residential projects that have been finally approved by November 1, 2023, and have not been issued a first construction document or paid impact fees prior to November 1, 2023. Pipeline Projects are also eligible for a 33% reduction of most development impact fees. However, because the Initial Project had paid over \$41 million in development impact fees, secured an issued first construction document, and already commenced construction in July of 2022, it was not eligible for the inclusionary housing or development impact fee reductions as a Pipeline Project.

The proposed 30 Van Ness Special Use District (SUD) (Board File No. 240872; future Planning Code Section 249.99) was introduced by Supervisor Dorsey and Mayor Breed on September 10, 2024, and is intended to improve the financial feasibility of the Initial Project and provide parity with similar projects which benefit from Pipeline Project status.

Under the proposed legislation, the current Project would be allowed to recommence construction under the already-approved site permit, but would not be required to comply with the Inclusionary Affordable Housing Program, provided that the Project would be ineligible for any refund of any portion of the \$41 million in already-paid development impact fees.

The fees paid to date have already been accepted by the City and disbursed as required. Several of the development impact fees paid by the Initial Project fund affordable housing in the immediate vicinity of the Project Site, including the Market and Octavia Area Plan Affordable Housing Fee and the Jobs-Housing Linkage Fee, and the City has already allocated monies from the Project Sponsor’s \$41M payment into these funds. Because the Initial Project complied with the Inclusionary Affordable Housing Program through the provision of on-site affordable units, no fee payment was required for compliance with Planning Code Section 415 at the time of site permit issuance. Therefore, since the Project Sponsor has already paid all other development impact fees, the removal of the requirement to comply with the Inclusionary Affordable Housing Program is an exclusive means of providing financial parity with the

Pipeline discounts available to other, comparable projects.

The proposed SUD applies only to the current Project. Only the current Project, which relies upon the issued site permit for the Initial Project, is eligible for the proposed waiver of the requirements of the Inclusionary Affordable Housing Program. Should another developer propose a different project at the Project Site, that project would be subject to the applicable requirements of the Inclusionary Affordable Housing Program. In either case, the requirement in the Notice of Special Restrictions related to the Initial Project's 25% on-site inclusionary housing obligations under the Agreement for Sale of Real Estate between the City and Project Sponsor would be removed.

Therefore, the modified Project requires an amendment to the Planning Code and Zoning Map to create the 30 Van Ness Avenue Special Use District. The findings for the proposed ordinance summarizes the Project's history, including the substantial impact fees the Project Sponsor has already paid to the City beyond what it otherwise would have paid if it had deferred commencement of construction.

- **Downtown Project Authorization.** The modifications to the Project require approval of a new Downtown Project Authorization, because a new DNX entitlement is the only mechanism available to modify the conditions of approval for a previously-approved DNX, as well as the approved square footage of uses. The current proposal would not modify any of the four exceptions previously approved by the Commission under Motion No. 20717. Because the height, bulk, and massing of the Project have not changed.
- **Office Development Authorization.** In May of 2020, the Initial Project received a "Small Project Allocation" authorizing up to 49,999 gross square feet of office space through Office Development Authorization Motion No. 20719. Because the modified Project would add 18,805 gross square feet of additional office space, the Project now requires a "Large Project Allocation" (*i.e.*, an authorization for more than 49,999 square feet of office space) that would authorize up to 70,000 gross square feet of general office use for the Project.

As of October 31, 2024, 2,531,963 square feet of office space is available for allocation within the Large Cap during this Approval Period. With the allocation of up to 70,000 square feet of net new office space to the Project, 2,461,963 square feet would be available for allocation. The proposal therefore represents an allocation of approximately 3% percent of the Large Cap office space currently available. Should the Commission approve the requested Large Project Allocation, the approval motion would return the previously granted 49,999 gross square foot Small Project Allocation to the Small Cap, which currently contains 480,693 gross square feet. If the Office Development Authorization is approved and the 49,999 gross square feet returned, the Small Cap would contain 530,692 gross square feet of office use, representing an increase of approximately 10%.

- **Additional Environmental Review.** Department staff have issued a Memorandum to File to the Final Environmental Impact Report certified on May 21, 2020. Included below are links to the previously-issued

and current environmental determinations.

Environmental Review

The Project has undergone environmental review pursuant to the California Environmental Quality Act (“CEQA”) and Chapter 31 of the San Francisco Administrative Code. On May 21, 2020, the Commission reviewed and considered the FEIR for Project Sponsor’s initial proposal and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code. The FEIR was certified by the Commission on May 21, 2020 by adoption of its Motion No. 20707. On May 21, 2020, the Commission made and adopted findings of fact and decisions regarding the initial proposal’s description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, including adoption of a Mitigation Monitoring and Reporting Program (“MMRP”) based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, California Public Resources Code Sections 21000 et seq. (“CEQA”), particularly Section 21081 and 21081.5, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Sections 15000 et seq. (“CEQA Guidelines”), Sections 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code (“Chapter 31”) by its Motion No. 20708. The Commission adopted these findings as required by CEQA, separate and apart from the Commission’s certification of the FEIR, which the Commission certified prior to adopting these CEQA findings. On October 15, 2024, the Department issued a Memorandum to File regarding the Project and determined that the Project’s modifications to the initial proposal do not warrant additional environmental review.

A link to the CEQA records for the Project is included here: [Final Environmental Impact Report](#).

Basis for Recommendation

The Department finds that the modified Project is, on balance, consistent with the Market and Octavia Area Plan and the Objectives and Policies of the General Plan. The Project would redevelop a keystone parcel located at the prominent crossroads of two of the City’s most important streets (Market Street and Van Ness Avenue), building on numerous policies that support a vision for the Market and Octavia Area Plan as a vibrant, new mixed-use neighborhood. In so doing, the Project would add a significant amount of housing (333 dwelling units) to a site that is currently undeveloped, well-served by existing and future transit, and is within walking distance of substantial goods and services, while also providing approximately 252,905 gross square feet of office use and ground floor retail. These office and retail uses will provide new employment opportunities within an intense, walkable urban context. The Project itself is designed to contribute an complementary massing to the City’s skyline as shaped by the cluster of new and proposed high-rise buildings anticipated in the Market and Octavia Area Plan. Given the benefits described above, the Department further finds that the proposed Planning Code and Zoning Map Amendment to create the 30 Van Ness Avenue Special Use District would be made in furtherance of the public necessity, convenience and general welfare.

Attachments:

- Draft Motion – Downtown Project Authorization with Conditions of Approval
- Draft Motion – Office Development Authorization with Conditions of Approval
- Draft Resolution – Planning Code and Zoning Map Amendment
- Exhibit A – Plans and Renderings
- Exhibit B – Planning Commission Motion No. 20717 for Downtown Project Authorization (approved May 21, 2020)
- Exhibit C - 30 Van Ness Avenue Special Use District (Board File 240872) Draft Legislation
- Exhibit D – Environmental Determination (Memorandum to File dated October 8, 2024)
- Exhibit E – Project MMRP from FEIR approved May 21, 2020
- Exhibit F – Land Use Data
- Exhibit G – Maps and Context Photos
- Exhibit H – Project Sponsor Brief
- Exhibit I – Anti-Discriminatory Housing Affidavit
- Exhibit J – First Source Hiring Affidavit