



GENERAL PLAN REFERRAL

April 28, 2022

Case No.: 2022-003402GPR
Address: 600 7th Street
Block/Lot No.: 3783 / 010
Project Sponsor: Mercy Housing California 97, L.P.
Applicant: William Ho, Mercy Housing – 415.355.7134
william.ho@mercyhousing.org
1256 Market Street
San Francisco, CA 94102
Staff Contact: Mathew Snyder – 628.652.7460
mathew.snyder@sfgov.org

Recommended By: _____
Daniel A. Sider, AICP for Rich Hillis, Director of Planning

Recommendation: Finding the project, on balance, is **in conformity** with the General Plan

Project Description

600 7th Street ("the Project") located on a corner parcel at the intersection of 7th and Brannan Streets, will provide 221 affordable housing units in 8-stories, including 120 units set-aside for formerly homeless adults and families. A General Plan Referral is required due to the proposed Ground Lease between the City and the Project developer/owner.

This Project has a proposed mix of units including 100 studios and 120 family units (one- to three-bedroom units), and one manager's unit. These units will be made available to households with incomes ranging between 50%-80% Area Median Income ("San Francisco AMI"), averaging to no more than 60% San Francisco AMI. All 100 studio units and 20 family units set-aside for formerly homeless adults and families will be subsidized by the City's Local Operating Subsidy Program ("LOSP"). The Project also submitted an application for the 2021 California Tax Credit Allocation Committee (CTCAC), and received a final recommendation for reservation for 9% and state low-income housing tax credits on Dec 31, 2021. The project must close construction financing and

start construction by mid-July 2022 to meet the tax credit award requirements. The ground lease transaction is part of this package of construction financing.

Environmental Review

The Project is not considered to be a project under the California Environmental Quality Act (“CEQA”).

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 November 24, 2020, Mercy Housing submitted an SB-35 Application for the Project. Department staff determined that the SB-35 Application was complete and that the Project was eligible for SB-35 on December 3, 2020. The Notice of Final Approval of an SB35 Project was issued by the Planning Department on January 26th, 2021.

On May 24, 2021 Mercy Housing submitted a modification to the previous SB-35 application. This modification was found to be compliant with applicable criteria and a Notice of Final Approval was issued on July 7, 2021.

General Plan Compliance and Basis for Recommendation

As described below, the Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with the Objectives and Policies of the General Plan.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

HOUSING ELEMENT

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY’S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING

POLICY 1.3

Work proactively to identify and secure opportunity sites for permanently affordable housing.

POLICY 7.5

Encourage the production of affordable housing through process and zoning accommodations and prioritize affordable housing in the review and approval processes.

OBJECTIVE 6

REDUCE HOMELESSNESS AND THE RISK OF HOMELESSNESS

POLICY 6.1

Prioritize permanent housing and service enriched solutions while pursuing both short- and long-term strategies to eliminate homelessness.

The project proposes 221 units of affordable and/or supportive housing, including 120 units available to formerly homeless adults and families. The ground lease transaction helps facilitate the production of permanently affordable housing, adding to the City’s affordable housing stock.

OBJECTIVE 11

SUPPORT AND RESPECT THE DISTINCT CHARACTER OF SAN FRANCISCO’S NEIGHBORHOODS

POLICY 11.7

Respect San Francisco’s historic fabric, by preserving landmark buildings and ensuring consistency with historic districts.

The ground lease does not negatively impact landmark buildings or historic resources; Project design and historic character will be preserved.

Planning Code Section 101 Findings

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

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 Project will create local construction jobs as well as permanent positions in property management, and social services. Existing neighborhood-serving retail uses will not be adversely affected.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The ground lease will not adversely affect existing housing and neighborhood character.

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

The ground lease will help preserve the long-term viability and feasibility of the Project and other MOHCD-sponsored affordable housing properties to prevent future displacement of low-income residents.

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

parking;

The ground lease will not adversely impact public transit or burden the existing supply of parking in the neighborhood.

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 ground lease will not displace any industrial, commercial, or service sector uses. The goal of the Project is to prevent displacement of future residents.

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

The Project meets current seismic safety requirements for the proposed use.

7. That the landmarks and historic buildings be preserved;

The Project does not involve and would not have an adverse effect on the City's Landmarks or historic buildings.

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

The Project does not have any adverse impact on the City's public parks, open space, or vistas.

Recommendation: Finding the project, on balance, is in conformity with the General Plan