



July 10, 2023

Ms. Angela Calvillo, Clerk
Honorable Supervisor Preston
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 2016-014802DNX-02/DVA/PCA/MAP/SHD:
98 FRANKLIN ST
Board File Nos. 221163 & 221164

Planning Commission Recommendation: Approval

Dear Ms. Calvillo and Supervisor Preston,

On March 30, 2023, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider two Ordinances, introduced by Supervisor Preston. The Planning Commission recommended to:

1. Approve a proposed ordinance (Board File No. 221164) that would (1) revise the Van Ness & Market Residential Special Use District to update the Option for Dedication of Land for development projects to fulfill their inclusionary housing obligations; (2) revise Planning Code Section 260(b)(1)(o); and (3) amend the Zoning Map to revise Height Map HT07 to change the maximum height at Assessor's Block 0836, Lot Nos. 008, 009, and 013, from 85-X // 120/365-R-2 to 85-X// 120/400-R2.
2. Approve a proposed ordinance (Board File No. 221163) for a Development Agreement.

At the hearing the Planning Commission recommended approval to both ordinances. 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: Keith Nagayama, Deputy City Attorney
Kyle Smeallie, Aide to Supervisor Preston
Erica Major, Office of the Clerk of the Board

Attachments:

Planning Commission Resolution R-21297
Planning Commission Resolution R-21299
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21297

HEARING DATE: MARCH 30, 2023

Project Name: 98 Franklin Street Development Project
Case Number: 2016-014802PCAMAP [Board File No. 221163 & 221164]
Initiated by: Supervisors Preston, Dorsey, Walton, Ronen, Peskin, Safai, & Mar
Staff Contact: Christy Alexander, AICP
Christy.alexander@sfgov.org, (628) 652-7334
Reviewed by: Nicholas Foster, AICP, LEED GA, Principal Planner
Nicholas.foster@sfgov.org, (628) 652-7330

RESOLUTION RECOMMENDING THAT THE BOARD OF SUPERVISORS APPROVE A PROPOSED ORDINANCE TO (1) REVISE THE VAN NESS AND MARKET RESIDENTIAL SPECIAL USE DISTRICT, (2) REVISE PLANNING CODE SECTION 260(B)(1)(O); AND (3) REVISE HEIGHT MAP HT07 TO CHANGE THE MAXIMUM HEIGHT AT ASSESSOR'S BLOCK No. 008, 009, AND 013, FROM 85-X // 120/365-R-2 TO 85-X // 120/400-R-2; ADOPTING FINDINGS INCLUDING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on May 21, 2020, the Planning Commission approved Resolutions 20709 through 20712 and 20614, and Motion 20707; and on May 28, 2020, the Planning Commission approved Motions 20726 through 20728 (collectively, the "Approvals"). The Approvals approved a project at 98 Franklin Street (Assessor's Parcel Block No. 0836, Lots 008, 009, and 013; the "Project Site") that would construct a new 36-story mixed use building reaching a height of approximately 365 feet (approximately 397 feet including rooftop screen/mechanical equipment), and including at 345 dwelling units, approximately 84,815 gross square feet of school use floor area, approximately 3,229 gross square feet of retail space, 306 Class 1 and 57 Class 2 bicycle parking spaces, and three below-grade levels to accommodate up to 111 vehicle parking spaces for the residential and school uses (the "Project"). The Approvals require the Project to restrict 20% of the Project's Dwelling Units as affordable. The Approvals included certification of a Final EIR (hereinafter "FEIR") and findings that 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 Approvals are on file with the Planning Department, located at 49 South Van Ness, Suite 1400, San Francisco, CA 94103.

WHEREAS, on November, 15, 2022, Supervisors Preston, Dorsey, Walton, Ronen, Peskin, Safai, and Mar introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 221164, which would amend Section 249.33, the Van Ness & Market Special Use District, to update the option for dedication for land development projects to fulfill inclusionary housing requirements and revise Height Map HT07 to reflect a new maximum height for the Assessor’s Blocks listed above; and

WHEREAS, the proposed Ordinance would amend the Van Ness & Market Special Use District option for dedication for land development projects to fulfill inclusionary housing requirements and amend the Height Map to redesignate the height and bulk district for Assessor’s Block No. 008, 009, and 013 from 85-X // 120/365-R-2 to 85-X // 120/400-R-2; and

WHEREAS, on March 9, 2023, the Department staff issued an EIR Addendum for the Modified Project. The Final EIR and Addendum are available online:
<https://sfplanning.org/environmental-review-documents>.

WHEREAS, the City and County of San Francisco, acting through the Department, fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code section 21000 et seq., hereinafter “CEQA”), the State CEQA Guidelines (Cal. Code. Regs. Title 14, section 15000 et seq., (hereinafter “CEQA Guidelines”), and Chapter 31 of the San Francisco Administrative Code (hereinafter “Chapter 31”); and

WHEREAS, During the 20-day public review period, the Department received zero comments or appeals; and

WHEREAS, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on March 30 2023; 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 in the form attached hereto as Exhibit A that would establish the Amendments discussed above; 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 **approves with modifications** the proposed ordinance. The Commission’s proposed recommendation(s) is/are as follows:

- Add a new section amending Planning Code Section 260(b)(1)(O) to read as follows (additions are underlined, deletions in ~~striketrough~~ text):
 - In the Van Ness & Market Residential Special Use District and only in the block/lot districts ~~85-~~

~~X//120/365 R-285-X//120/400-R-2~~, additional building volume used to enclose or screen from view the features listed in subsections (b)(1)(A) and (b)(1)(B) above. The rooftop form created by the added volume shall not be subject to the percentage coverage limitations otherwise applicable to the building, but shall meet the requirements of Section 141; shall not exceed 10 percent of the total height of any building taller than 200 feet; shall have a horizontal area not more than 100 percent of the total area of the highest occupied floor; and shall contain no space for human occupancy that is enclosed or otherwise not open to the sky. The features described in subsection (b)(1)(B) shall not be limited to 16 feet for buildings taller than 200 feet but shall be limited by the permissible height of any additional rooftop volume allowed by this subsection (O).

NOW THEREFORE BE IT RESOLVED that the Commission hereby **approves with modifications and recommends** the proposed Ordinance as described in this Resolution, that the Commission hereby finds that the Planning Code Text Amendments and Height Map Amendments promote the public welfare, convenience, and necessity for the following reasons:

1. The proposed amendments to the Planning Code and Height Map would enable the Project, thereby evolving currently under-utilized land for needed housing and other institutional uses.
2. The proposed amendments to the Planning Code and Height Map would help implement the Project, which in turn will provide employment opportunities for local residents during construction and occupancy.
3. The proposed amendments to the Planning Code and Height Map would help implement the construction of a new, vibrant, safe, and connected neighborhood.
4. The proposed amendments to the Planning Code and Height Map would enable the provision of land to the City for construction of a 100% affordable housing development.

AND BE IT FURTHER RESOLVED that the Commission finds the proposed amendments to the Planning Code and Height Map are in conformity with the General Plan, as it is proposed to be amended, and Planning Code Section 101.1 as set forth in Motion No. 21300.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on March 30, 2023.



Jonas P. Ionin
Commission Secretary

AYES: Braun, Diamond, Imperial, Koppel, Moore, Tanner
NOES: None
ABSENT: Ruiz
ADOPTED: March 30, 2023



PLANNING COMMISSION RESOLUTION NO. 21299

HEARING DATE: MARCH 30, 2023

Project Name: 98 Franklin Street Development Project
Case Number: 2016-014802DVA [Board File No. 221163]
Initiated by: Supervisors Preston, Dorsey, Walton, Ronen, Peskin, Safai, & Mar
Staff Contact: Christy Alexander, AICP
Christy.alexander@sfgov.org, (628) 652-7334
Reviewed by: Nicholas Foster, AICP, LEED GA, Principal Planner
Nicholas.foster@sfgov.org, (628) 652-7330

RESOLUTION RECOMMENDING THAT THE BOARD OF SUPERVISORS APPROVE A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND 98 FRANKLIN STREET, LLC, FOR CERTAIN REAL PROPERTY CONSISTING OF THREE PARCELS LOCATED IN THE VAN NESS & MARKET RESIDENTIAL SPECIAL USE DISTRICT ON THE EAST SIDE OF FRANKLIN STREET, BETWEEN OAK AND MARKET STREETS (ASSESSOR'S BLOCK 0836, LOTS 008, 009, AND 013); ADOPTING FINDINGS INCLUDING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, Chapter 56 of the San Francisco Administrative Code sets forth the procedure by which a request for a development agreement will be processed and approved in the City and County of San Francisco; and

WHEREAS, on May 21, 2020, the Planning Commission approved Resolutions 20709 through 20712 and 20614, and Motion 20707; and on May 28, 2020, the Planning Commission approved Motions 20726 through 20728 (collectively, the "Approvals"). The Approvals approved a project at 98 Franklin Street (Assessor's Parcel Block No. 0836, Lots 008, 009, and 013; the "Project Site") that would construct a new 36-story mixed use building reaching a height of approximately 365 feet (approximately 397 feet including rooftop screen/mechanical equipment), and including at 345 dwelling units, approximately 84,815 gross square feet of school use floor area, approximately 3,229 gross square feet of retail space, 306 Class 1 and 57 Class 2 bicycle parking spaces, and three below-grade levels to accommodate up to 111 vehicle parking spaces for the residential and school uses (the "Project"). The Approvals require the Project to restrict 20% of the Project's Dwelling Units as affordable. The Approvals included certification of a Final EIR (hereinafter "FEIR") and findings that 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

Approvals are on file with the Planning Department, located at 49 South Van Ness, Suite 1400, San Francisco, CA 94103.

WHEREAS, on November, 15, 2022, Supervisors Preston, Dorsey, Walton, Ronen, Peskin, Safai, and Mar introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 221163, which would approve a development agreement (the “Development Agreement”) to enable certain modifications to the Project; and

WHEREAS, the Development Agreement would enable the modification of the Project to (1) increase the Project’s height limit to 400 feet (excluding permitted rooftop screen/mechanical equipment), (2) increase the number of dwelling units to 385, (3) permit a land dedication to the City of real property at 600 Van Ness Avenue (Block 0763, Lots 006 through 009; the “Affordable Housing Site”), or other real property acceptable to the Mayor’s Office of Housing and Community Development (“MOHCD”), exceeding the dwelling unit requirements of Planning Code Section 249.33(b)(16), at no cost to the City, (4) waive all but one million dollars (\$1,000,000) of the Project’s applicable Market and Octavia Affordable Housing fee under Planning Code Section 416 and waive all of the Project’s applicable Van Ness Residential Special Use District Affordable Housing fee pursuant to Planning Code Section 424, with the intent that these funds be dedicated to Parcel K (located at the southeast corner of the intersection of Hayes Street and Octavia Boulevard, as described in the Market & Octavia Neighborhood Plan), and (5) vest the Project’s Approvals for five years following the effective date of the Development Agreement (collectively, the “Approval Modifications”).

WHEREAS, on March 9, 2023, the Department staff issued an EIR Addendum for the Modified Project. The Final EIR and Addendum are available online:

<https://sfplanning.org/environmental-review-documents>.

WHEREAS, the Board of Supervisors (hereinafter “Board”) will be taking separate action in furtherance of the Approval Modifications to adopt Planning Code amendments to update the option for dedication for land development projects to fulfill inclusionary housing requirements, and to revise Height Map HT07 and make ancillary amendments to Section 260(b)(1)(O) to reflect a new maximum height for the Project Site; and

WHEREAS, in furtherance of the Project and the City’s role in subsequent approval actions relating to the Project, the City and 98 Franklin Street, LLC (hereinafter “Project Sponsor”) negotiated a development agreement for development of the Project Site, a copy of which is attached as Exhibit A (the “Development Agreement”); and

WHEREAS, the City and County of San Francisco, acting through the Department, fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code section 21000 et seq., hereinafter “CEQA”), the State CEQA Guidelines (Cal. Code. Regs. Title 14, section 15000 et seq.,) (hereinafter “CEQA Guidelines”), and Chapter 31 of the San Francisco Administrative Code (hereinafter “Chapter 31”); and

WHEREAS, the City has determined that as a result of the development of the Project Site in accordance with the Development Agreement, clear benefits to the public will accrue that could not be obtained through application of existing City ordinances, regulations, and policies, as more particularly described in the Development Agreement. The Development Agreement will eliminate uncertainty in the City’s land use

planning for the Project Site and secure orderly development of the Project Site consistent with the plans on file; and

WHEREAS, the Development Agreement shall be executed by the Director of Planning, and City Attorney subject to prior approval of the Board of Supervisors; and

WHEREAS, during the 20-day public review period, the Department received zero comments or appeals; and

WHEREAS, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on March 30, 2023; 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 Development Agreement in the form attached hereto as Exhibit A that would enable the Approval Modifications; and

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

NOW THEREFORE BE IT RESOLVED, that the Planning Commission hereby **recommends** that the Board of Supervisors approve the Development Agreement, in substantially the form attached hereto as Exhibit A.

AND BE IT FURTHER RESOLVED, that the Commission finds that the application, public notice, Planning Commission hearing, and Planning Director reporting requirements regarding the Development Agreement negotiations contained in Administrative Code Chapter 56 required of the Planning Commission and the Planning Director have been substantially satisfied.

AND BE IT FURTHER RESOLVED, that the Commission authorizes the Planning Director to take such actions and make such changes as deemed necessary and appropriate to implement this Commission's recommendation of approval and to incorporate recommendations or changes from the MOHCD and/or Board, provided that such changes taken as a whole do not materially increase any obligations of the City or materially decrease any benefits to the City contained in the Development Agreement attached as Exhibit A.

AND BE IT FURTHER RESOLVED, that the Commission finds the Development Agreement is in conformity with the General Plan and Planning Code Section 101.1 as set forth in Motion No. 21300.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on March 30, 2023.



Jonas P. Ionin
Commission Secretary

AYES: Braun, Diamond, Imperial, Koppel, Moore, Tanner

NOES: None

ABSENT: Ruiz

ADOPTED: March 30, 2023



EXECUTIVE SUMMARY DOWNTOWN PROJECT AUTHORIZATION/ PLANNING CODE TEXT AND MAP AMENDMENTS/ DEVELOPMENT AGREEMENT/ SHADOW FINDINGS

HEARING DATE: MARCH 30, 2023

Record No.: 2016-014802DNX-02/DVA/PCA/MAP/SHD
Project Address: 98 Franklin Street
Zoning: C-3-G (Downtown General Commercial) Zoning District
85-X // 120/365-R-2 Height and Bulk District
(Proposed 85-X // 120/400-R-2 Height and Bulk District)
Van Ness & Market Residential Special Use District
Downtown and Market & Octavia Plan Areas
Block/Lots: 0836 / 008, 009 & 013
Project Sponsor: Jim Abrams
J. Abrams Law, P.C.
538 Hayes Street
San Francisco, CA 94102
Property Owner: 98 Franklin Street, LLC
150 Oak Street, 4th Floor
San Francisco, CA 94102
Staff Contact: Christy Alexander, AICP – (628) 652-7334
christy.alexander@sfgov.org
Environmental Review: Addendum to FEIR - On May 21, 2020 the Planning Commission certified Case No. 2016-014802ENV - [Final Environmental Impact Report](#)

Recommendation: Approval with Conditions

Project Description

The Modified Project includes the construction of a new 38-story mixed-use building reaching a roof height up to 400 feet tall (431'6" inclusive of rooftop screening/mechanical equipment). The Project includes a total of approximately 560,543 gross square feet of uses, with approximately 416,286 gross square feet of residential use (385 dwelling units situated on floors 6 through 38) situated atop a 5-story podium containing approximately 84,991 square feet of school use (French American International High School) and approximately 2,978 square feet of retail, 316 Class 1 and 60 Class 2 bicycle parking spaces, and three below-grade levels that would accommodate up to 110 vehicle parking and 3 car share spaces provided for the residential and school uses. The Project would contain a mix of 275 studio or one-bedroom units, 78 two-bedroom units, and 38 three-bedroom units.

Required Commission Actions

The following is a summary of actions that the Commission will consider at the hearing, which are required to implement the Project:

1. Recommend that the Board of Supervisors approve an ordinance for Planning Code Text and Map Amendments that would primarily: amend the Van Ness & Market Special Use District option for dedication for land development projects to fulfill inclusionary housing requirements and amend the Height Map to redesignate the height and bulk district for Assessor's Block No. 008, 009, and 013 from 85-X // 120/365-R-2 to 85-X // 120/400-R-2; and
2. Recommend that the Board of Supervisors approve a Development Agreement ("DA"); and
3. Approve a request for a Downtown Project Authorization to increase the previous project's height by 35 feet and its unit count by approximately 40 units, pursuant to Planning Code Section 309, with exceptions to the following Planning Code Sections: 1) useable open space (Section 135); 2) permitted obstructions (decorative architectural features) over sidewalks (Section 136.1); 3) dwelling unit exposure (Section 140); 4) reduction of ground-level wind currents in C-3 Districts (Section 148); 5) dwelling unit mix (Sections 207.6 and 249.33); 6) height (Sections 260 and 263.19); 7) bulk (Section 270); and
4. Adopt findings with the recommendation from the General Manager of the Recreation and Parks Department, in consultation with the Recreation and Park Commission, that net new shadow cast by the Modified Project will not be adverse to the use of five (5) properties under the jurisdiction of the Recreation & Parks Department (Koshland Community Park; Patricia's Green; Page & Laguna Mini Park; future 11th/Natoma park site; or Hayes Valley Playground.

Issues and Other Considerations

• Public Comment & Outreach:

- **Support/Opposition:** The Department has received zero letters in support and zero letters in opposition to the modified Project.
- **Outreach:** The Sponsor has prefaced the modified project with the District Supervisor and surrounding District Supervisors. Previous project outreach included outreach to the Civic Center CBD, SPUR, SF Housing Action Coalition, SF Chamber of Commerce, local business owner/merchant

community and the Hayes Valley Merchant Association who expressed support. Previous outreach also included support from SFJazz, SF Ballet, Church of the Advent of Christ the King.

- **Design Review:** The project has changed in the following ways since the original submittal to the Department:
 - footprint, massing, and general articulation of the previous and modified Project are substantially similar with the most notable difference being that the modified Project's roofline is four stories taller than the previous project iteration and has a more pronounced sloping V-shaped parapet on all four sides. The modified Project provides four levels more of housing with the increased height.
- **Affordable Housing:** The proposed Development Agreement requires that the modified Project dedicate land to the City for a 100% affordable housing project, with the City paying no money for the dedicated parcel. The dedication site is currently contemplated to be 600 Van Ness Avenue, which has been entitled for a 165-unit housing project.

Environmental Review

The Hub Plan, 30 Van Ness Ave project, 98 Franklin St project and Hub Housing Sustainability District were collectively analyzed in a previously certified Environmental Impact Report (EIR). The Final EIR is available online: <https://sfplanning.org/environmental-review-documents>. Department staff issued an EIR Addendum for the modified Project on March 9, 2023.

Basis for Recommendation

The Department finds that the Project is, on balance, consistent with the Downtown Area Plan, Market and Octavia Area Plan, and the Objectives and Policies of the General Plan.

Attachments:

- Draft Motion – Downtown Project Authorization with Conditions of Approval
- Draft Resolution – Planning Code Text and Maps
- Draft Resolution - Development Agreement with accompanying Development Agreement, Directors Report, and Land Dedication Letter Executed
- Draft Motion – Section 295 with accompanying Recreation and Park Commission Resolution No. 2303-008
- Exhibit B – Plans and Renderings
- Exhibit C – Project MMRP
- Exhibit D – Land Use Data
- Exhibit E – Maps and Context Photos
- Exhibit F – Environmental Determination
- Exhibit G - Project Sponsor Brief
- Exhibit H – Inclusionary Affordable Housing Affidavit
- Exhibit I – Anti-Discriminatory Housing Affidavit
- Exhibit J – First Source Hiring Affidavit