



PLANNING APPROVAL LETTER

Date: 4/19/2024
BPA No.: 202306059259
Planning Record No. 2023-003263PRJ
Project Address: 1515 SOUTH VAN NESS AVENUE
Zoning: NCT (MISSION STREET NEIGHBORHOOD COMMERCIAL TRANSIT) District
 Calle 24 Special Use District
 55-X,65-X Height and Bulk District
Block/Lot: 6571 /001, 001A, 008
Project Sponsor: Laura Daza-Garcia
 Mission Economic Development Agency
 2301 Mission Street, Suite 303
 San Francisco, CA 94110
Staff Contact: Gabriela Pantoja– 628-652-7380
 Gabriela.Pantoja@sfgov.org

Project Description

This proposal is for the lot merger of three lots into an approximately 34,886 square foot development lot, the demolition of a two-story commercial building, and the construction of a nine-story, mixed use building with 168 dwelling units, approximately 5,601 square feet of Child Care (Early Learning Center (ELC)), and approximately 2,545 square feet of Community Serving Non-Profit space.

Project Approval

This project is approved pursuant to Government Code Section 65650, commonly known as **AB 2162**. AB 2162 requires the ministerial approval of eligible supportive housing projects. For additional details on AB 2162, please see Government Code section 65650, or Director’s Bulletin 5.

Project Timeline

Action	Date
Applicant submitted an AB-2162 Application	4/13/2023
Department staff deemed application complete and eligible for AB-2162	7/5/2023
Department staff issued Plan Check Letter No. 1 (PCL)	6/16/2023
Applicant responded to PCL No. 1	1/8/2024

Compliance with the State Density Bonus Law

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 five 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, and unlimited waivers from development standards that might otherwise preclude the construction of the project are permitted under this subsection of the State Law.

The Project Sponsor is providing 168 dwelling 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 and unlimited waivers. The project sponsor is requesting a concession/incentive from the development standards for active uses (Planning Code Section 145.1(c)(3)), ground floor ceiling heights (Planning Code Section 145.1(c)(4), and bay projections (Planning Code Section 136 (c)(2)). The project has requested waivers from the development standards for rear yard (Planning Code Section 134), usable open space (Planning Code Section 135), and dwelling unit exposure (Planning Code Section 140).

Planning Code Findings

Planning Code Section 206.6

The Department finds that the project is consistent with the findings set forth in 206.6 as further described below.

Concessions and Incentives

The project has requested concessions/incentives from the development standards for active uses (Planning Code Section 145.1(c)(3), ground floor ceiling heights (Planning Code Section 145.1(c)(4) and bay projections (Planning Code Section 136 (c)(2)). Pursuant to Planning Code Section 206.6, the Department shall grant the concession or incentive requested by the applicant 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).

Active Uses. The requested incentives result in actual cost and identifiable cost reductions. The requested incentive from the Planning Code Section 145.1(c)(3), Active Uses, allows the Project to locate dwelling units and a child care center within the ground floor without having to increase the height of the building to accommodate raised dwelling unit entries and a completely above grade child care center. Increasing the overall height of the building will bump the classification of the building into a high-rise development and incur additional cost, approximately \$6,000,00.00 to 12,000,000.00 dollars, in order to accommodate the Building Code, Fire Code, etc. requirements of a high-rise development.

Ground Floor Ceiling Heights. The requested incentive from the Planning Code Section 145.1(c)(4), Ground Floor Ceiling Heights, allows the Project to remain under the height threshold of a high-rise development. Increasing the overall height of the building to accommodate the required at minimum 14 foot ceiling heights at the ground level would bump the classification of the building into a high-rise development and incur additional cost, approximately \$6,000,00.00 to 12,000,000.00 dollars, in order to accommodate the Building Code, Fire Code, etc. requirements of a high-rise development.

Bay Projections. The requested incentive from the Planning Code Section 136(c)(2), Bay Projections, allows the Project to be designed in a manner that best accommodates the irregular shape of the subject development lot. Reducing the proposed bay projections to meet Planning Code Section 136(c)(2) would result in the loss of overall volume of the building and an additional construction cost of approximately \$640,000.00 dollars.

- 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 development standards for active uses, ground floor ceiling heights, and bay projections 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 active uses, ground floor ceiling heights, and bay projections would not be contrary to state or federal law.

Waivers

The Planning Department shall waive 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.

The project has requested waivers from the development standards for rear yard (Planning Code Section 134), usable open space (Planning Code Section 135), and dwelling unit exposure (Planning Code Section 140).

- D. The waiver is not required to permit the construction of the project meeting the density permitted or with the Concessions and Incentives permitted under Planning Code Section 206.6.

***Rear Yard.** The requested waivers result in increased residential density. The subject development lot is an approximately 34,886 square-foot, irregular shaped lot that is required to provide a rear yard equal to 25 percent of the lot's depth, which results in an area that is approximately 8,721.5 square feet in size and parallel to the rear property lines of the subject property. The Project will locate the proposed residential building within the subject property's required rear yard and provide a yard area that is approximately 10,336 square feet in size but is not parallel to the rear property lines. Rendering the proposed building complaint with regard to rear yard requirement would require the reduction of building volume and/or reduction in the number of units proposed.*

***Open Space.** The requested waiver from usable open space further allows the project to add dwelling units at the project site. The Project will provide approximately 8,842 square feet of common usable open space in the form of a roof deck and rear yard. The Project is required to provide at minimum 16,800 square feet of common usable open space for the proposed 168 dwelling units, and thus does not fully comply with this requirement. Rendering the proposed building complaint with regard to usable open space requirement would require the reduction of building volume and/or reduction in the number of units proposed.*

***Exposure.** The requested waiver from dwelling unit exposure allows the project to add dwelling units at the project site. 153 of the proposed 168 dwelling units meet the dwelling unit exposure requirement pursuant to Planning Code Section 140 and will contain a room measuring at minimum 120 square feet in area with required windows or doors facing onto a public street or an open area of at minimum 25 feet in each horizontal direction. The fifteen units will contain a room measuring at minimum 120 square feet in area that face directly onto an open area within the rear yard. However, such an open area does not measure at minimum 25 feet in each horizontal direction. Rendering the proposed building complaint with regard to dwelling unit exposure requirement would require the reduction of building volume and/or reduction in the number of units proposed.*

- E. The waiver 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 waivers from the development standards for rear yard (Planning Code Section 134), usable open space (Planning Code Section 135), and dwelling unit exposure (Planning Code Section 140) 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.

- F. The waiver would be contrary to state or federal law.

The requested waivers from the development standards for rear yard (Planning Code Section 134), usable open space (Planning Code Section 135), and dwelling unit exposure (Planning Code Section 140) would not be contrary to state or federal law.

General Plan Findings

HOUSING ELEMENT

POLICY 15

EXPAND PERMANENTLY AFFORDABLE HOUSING INVESTMENTS IN PRIORITY EQUITY GEOGRAPHIES TO BETTER SERVE AMERICAN INDIAN, BLACK, AND OTHER PEOPLE OF COLOR WITHIN INCOME RANGES UNDERSERVED, INCLUDING EXTREMELY-, VERY LOW-, AND MODERATE-INCOME HOUSEHOLDS.

Objective 4.A

Substantially expand the amount of permanently affordable housing for extremely low- to moderate-income households.

POLICY 26

STREAMLINE AND SIMPLIFY PERMIT PROCESSES TO PROVIDE MORE EQUITABLE ACCESS TO THE APPLICATION PROCESS, IMPROVE CERTAINTY OF OUTCOMES, AND ENSURE MEETING STATE- AND LOCAL-REQUIRED TIMELINES, ESPECIALLY FOR 100% AFFORDABLE HOUSING AND SHELTER PROJECTS.

POLICY 32

PROMOTE AND FACILITATE AGING IN PLACE FOR SENIORS AND MULTI-GENERATIONAL LIVING THAT SUPPORTS EXTENDED FAMILIES AND COMMUNAL HOUSEHOLDS.

Objective 4.C

Diversify housing types for all cultures, family structures, and abilities.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 1

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.3

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

OBJECTIVE 4

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.5

Design walkways and parking facilities to minimize danger to pedestrians.

Policy 4.13

Improve pedestrian areas by providing human scale and interest.

MISSION AREA PLAN: HOUSING

Objectives and Policies

Policy 2.3.3

Require that a significant number of units in new developments have two or more bedrooms, except Senior Housing and SRO developments unless all Below Market Rate units are two or more bedrooms.

Policy 2.3.5

Explore a range of revenue-generating tools including impact fees, public funds and grants, assessment districts, and other private funding sources, to fund community and neighborhood improvements.

Policy 2.3.6

Establish an impact fee to be allocated towards an Eastern Neighborhoods Public Benefit Fund to mitigate the impacts of new development on transit, pedestrian, bicycle, and street improvements, park and recreational facilities, and community facilities such as libraries, child care and other neighborhood services in the area.

The Project will demolish an existing commercial building and construct a new nine-story mixed-use building within a close proximity to public transportation, public open spaces, commercial corridors, and jobs. Additionally, the Project will increase the City's housing stock by providing a total of 168 new dwelling units, all of which will be on-site rental affordable dwelling units (100% of the Project's total units). Of the proposed 168 dwelling units, 121 dwelling units will be family friendly units in that they will contain two bedrooms or more. Additional family orientated amenities will also be made available to the future residential tenants of the subject building including bicycle parking spaces, community spaces, and usable open space. The Project site is well served by public transportation. The subject property is less than a block from the 12 and 27 bus lines and is located less than a mile from the 24th St. Mission BART station.

Furthermore, the Project will provide a development that is compatible with the immediate neighborhood and embodies design principles that guide building massing and articulation. The Project will design a ground floor that enhances the existing pedestrian environment of the immediate neighborhood and provides a transition between the public and private realms. The development will respect the existing building massing and articulation of the immediate neighborhood by incorporating three-dimensional building features (i.e. bay windows, recessed windows and doors, entries) and reflect the immediate neighborhood by complying with the Calle 24 Special Area Design Guidelines.

Planning Code Section 101.1(b) establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project complies with said policies in that:

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

The project site doesn't contain a neighborhood-serving retail use. The subject property is developed with a commercial building formerly DBA "McMillan Electric Company," an electrical contractor, and associated parking lot. The Project will provide approximately 5,601 square feet of Child Care Facility, 2,545 square feet of Community Facility, and 168 additional dwelling units to the City's housing stock which will enhance the nearby retail uses by providing new residents and patrons to the area, and therefore, strengthen the customer base of existing retail uses and contribute to the demand for new retail uses serving the area.

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

The Project will conserve and protect the existing housing and neighborhood character, including the cultural and economic diversity of the neighborhood. The Project will demolish an existing commercial building and construct a new mixed-use building that will contain 168 new dwelling units, all of which will be affordable units, approximately 5,601 square feet of Child Care Facility, and 2,545 square feet of Community Facility. Additionally, of the proposed 168 dwelling units, 121 dwelling units will be family friendly dwelling units with two or more bedrooms and located in close proximity to amenities (i.e. usable open space, laundry room, bicycle parking).

- C. That the City's supply of affordable housing be preserved and enhanced,

The Project will not negatively affect the City's supply of affordable housing as no affordable housing units will be removed. Rather, the Project will enhance the City's supply of affordable housing by constructing 168 on-site rental affordable dwelling units.

- D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The Project is not expected to impede public transportation, vehicle traffic patterns, or overburden the immediate neighborhood's existing on-street parking availability; the Project site is well served by public transportation. The subject property is located less than a block from the 12 and 27 bus lines and is located less than a mile from the 24th St. Mission BART station. Additionally, the number of available on-street

parking spaces is expected to increase by one with the elimination of an existing curb cut.

- E. 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 Project will not displace any service or industry sectors due to commercial office and will not affect residents' employment and ownership opportunities of industrial and service sector.

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

The Project will be designed and constructed to conform to the structural and seismic safety requirements of the Building Code. As such, this Project will improve the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

Currently, the Project Site does not contain any City Landmarks or historic buildings.

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

The Project will not impact parks and open spaces access to sunlight and vistas.

Attachments:

Exhibit A – Conditions of Approval

Exhibit B – Approved Plans

Exhibit A – Conditions of Approval for a 100% Affordable AB 2162 Projects

Authorization

This authorization is to allow the demolition of a two-story commercial building and the construction of a nine-story, mixed use building with 168 dwelling units, approximately 5,601 square feet of Child Care (Early Learning Center (ELC)), and approximately 2,545 square feet of Community Serving Non-Profit space located at 1515 South Van Ness Ave., Block 6571, Lots 001, 001A, 008 within the Mission Street Neighborhood Commercial (NCT) Zoning District and 55-X and 65-X Height and Bulk District; in general conformance with plans, dated March 8, 2024, and stamped "EXHIBIT B" included in the docket for Record No. 2023-003263PRJ. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

Recordation of Conditions of Approval

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County

of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein.

Severability

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

Changes and Modifications

Changes to the approved plans may be approved administratively by Planning Staff if the modifications to the Project are compliant with the objective provisions of the Planning Code in effect at the time of the original Planning approval.

Performance

1. **Expiration.** The authorization and right vested by virtue of this action does not expire.

Provisions

2. **Anti-Discriminatory Housing.** The Project shall adhere to the requirements of the Anti-Discriminatory Housing policy, pursuant to Administrative Code Section 1.61.
3. **First Source Hiring.** The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.

For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org.

4. **Affordable Housing.** One hundred percent of the units, excluding managers' units, within the development are restricted to lower income households, as defined in CA Health and Safety Code Section 50079.5, and are or will be receiving public funding to ensure affordability of the housing to lower income Californians. The rents in the development shall be set at an amount consistent with the rent limits stipulated by the public program providing financing for the development. All units within the development are subject to a recorded affordability restriction for 55 years.
5. **Regulatory Agreement.** The Project was approved ministerially in accordance with the provisions of California Government Code Section 65650, since one hundred percent of the units, excluding managers' units, within the project are restricted to lower income households for a period of at least fifty-five years, are or will be receiving public funding to ensure affordability of the housing to lower income Californians, and provides a minimum number of Supportive Housing units. In addition, the Project was approved in accordance with the provisions of California Government Code Section 65915

("State Density Bonus Law"). The Project is eligible for decontrolled density, three stories above the zoned height limit, up to four incentives and concessions, and unlimited waivers from development standards. The Department has granted incentives/concessions from the development standards for active uses (Planning Code Section 145.1(c)(3)), ground floor ceiling heights (Planning Code Section 145.1(c)(4), and bay projections (Planning Code Section 136 (c)(2)), and Waivers from the development standards for rear yard (Planning Code Section 134), usable open space (Planning Code Section 135), and dwelling unit exposure (Planning Code Section 140). Prior to the issuance of the first construction document for the Project, the property owner must enter into a regulatory agreement with the City pursuant to the provisions of Planning Code Section 206.6(f).

6. **Inclusionary Affordable Housing Program.** As currently proposed, the Project is exempt from the Inclusionary Affordable Housing Program under Section 415.3(f) because it is a 100% affordable housing project in which rents are controlled or regulated by a government unit, agency or authority, excepting those unsubsidized and/or unassisted units which are insured by the United States Department of Housing and Urban Development.

In the event of foreclosure or for any other reason the Project no longer qualifies as a 100% affordable housing project meeting the requirements under Section 415.3(f), the Project shall comply with the inclusionary housing requirements set forth in Section 415 of the Code, or any successor provision, and the requirements of the then-applicable Inclusionary Affordable Housing Program Monitoring and Procedures Manual, as amended from time to time, published by MOHCD. To comply with Section 415 of the Planning Code, the owner shall execute a new notice of special restrictions or any amendment to this NSR, as well as any related regulatory agreement, in form and substance approved in writing by the Planning Department and MOHCD. This condition of approval shall constitute the written determination and notice of the inclusionary housing requirement pursuant to the procedures set forth in Code Section 415.

Design

7. **Amenities.** Pursuant to California Government Code Section 65651(a)(7), units within the development, excluding managers' units, shall include at least at least one bathroom and a kitchen or other cooking facilities, including, at minimum, a stovetop, a sink, and a refrigerator.
8. **Supportive Services.** Pursuant to California Government Code Section 65651(a)(5), at least three percent of the total nonresidential floor area shall be provided for on-site supportive services as defined in California Government Code Section 65582, that are limited to tenant use, including, but not limited to, community rooms, case management offices, computer rooms, and community kitchens.

Operation

9. **Supportive Housing.** Pursuant to California Government Code Section 65651(a)(3), at least 25 percent of the units in the development or 12 units, whichever is greater, are restricted to residents in supportive housing who meet criteria of the target population. If the development consists of fewer than 12 units, then 100 percent of the units, excluding managers' units, in the development shall be restricted to residents in supportive housing.

Pursuant to California Government Code Section 65651(c), the local government shall, at the request of the project owner, may reduce the number of residents required to live in supportive housing if the project-based rental assistance or operating subsidy for a supportive housing project is terminated through no fault of the project owner, but only if all of the following conditions have been met:

- (1) The owner demonstrates that it has made good faith efforts to find other sources of financial support.
- (2) Any change in the number of supportive housing units is restricted to the minimum necessary to maintain the project's financial feasibility.
- (3) Any change to the occupancy of the supportive housing units is made in a manner that minimizes tenant disruption and only upon the vacancy of any supportive housing units.