File No. 150122 Committee Item No. 3
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use & Transportation **Date** Mar. 2, 2015

Board of Supervisors Meeting **Date** _____

Cmte	Board	
☐	☐	Motion
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☐	☐	Introduction Form
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☒	☐	Contract/Agreement
☐	☐	Form 126 – Ethics Commission
☐	☐	Award Letter
☐	☐	Application
☐	☐	Public Correspondence

OTHER **(Use back side if additional space is needed)**

☐	☐	_____
☐	☐	_____
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☐	☐	_____

Completed by: Andrea Ausberry **Date** Feb. 25, 2015
Completed by: _____ **Date** _____

FILE NO. 150122 RESOLUTION NO.

[Agreement to Rent Units - Raintree 2051 Third Street, LLC - Eastern Neighborhoods Rental Incentive Option - 2051 Third Street]

Resolution approving an Agreement to Rent Units with Raintree 2051 Third Street, LLC, and authorizing the Director of Planning to execute the Agreement on behalf of the City and County of San Francisco, in order to implement the Eastern Neighborhoods Rental Incentive Option under Planning Code, Section 419.5(b), for the residential development proposed at 2051 Third Street (Assessor's Block No. 3994, Lot Nos. 001B, 001C, and 006), for a period of 30 years, to commence following Board approval, as defined within the agreement.

WHEREAS, San Francisco Planning Code, Section 419.5(b) provides procedures and requirements for the City to enter into an agreement with a private developer to reduce a project's inclusionary housing requirement by 3% and to provide a $1.00 per gross square foot fee waiver from the applicable Eastern Neighborhoods Public Benefit Fee in exchange for the developer providing the project's dwelling units as rental units for 30 years; and

WHEREAS, City and Developer negotiated an agreement consistent with San Francisco Planning Code, Section 419.5(b) (the "Agreement"); and

WHEREAS, A copy of the Agreement is on file with the Clerk of the Board of Supervisors in File No. 150122, which is hereby declared to be a part of this resolution as if set forth fully herein; and

WHEREAS, The Planning Department has reviewed the Agreement and recommends its approval consistent with Planning Commission Motion No. 19165 approved on June 5, 2014; and

WHEREAS, Raintree 2051 Third Street LLC, the developer of 2051 Third Street has agreed to the terms and conditions of the Agreement in File No. 150122 and to provide all

dwelling units at the 2051 Third Street residential development as rental units for not less than 30 years; and

WHEREAS, The Board of Supervisors has reviewed the Agreement and finds that it is consistent with and furthers the purpose of the San Francisco Planning Code; and

WHEREAS, The Board of Supervisors finds that the City would not be willing to enter into the Agreement, waive 3% of the on-site inclusionary housing requirement and $1 per gross square foot of the Eastern Neighborhoods Public Benefit Fee without the understanding and agreement that the Ellis Act does not apply to the Units as a result of the exemption set forth in Government Code, Section. 7060.1(a); and

WHEREAS, Pursuant to CEQA, the CEQA Guidelines, and Administrative Code, Chapter 31, the significant environmental impacts associated with the Eastern Neighborhoods Area Plan (on a program level) and with the Project in particular were described and analyzed, and alternatives and mitigation measures that could avoid or reduce those impacts were discussed in the Final Environmental Impact Report certified by the Planning Commission on August 7, 2008, in Motion No. 17659 (the "FEIR"); and

WHEREAS, The Planning Commission adopted a statement of overriding considerations for approval of the Eastern Neighborhoods Area Plan on August 7, 2008, in Motion No. 17661, and the Planning Commission adopted additional CEQA findings specific to the Project on June 5, 2014, in Motion No. 19165; and

WHEREAS, The information in the FEIR was considered by all entities with review and approval authority over the Project prior to the approval of the Project, including by this Board of Supervisors in approving this Agreement; and

WHEREAS The relevant CEQA documents, including the findings in Motions No. 17659 and 17661 can be found in Board of Supervisors File No. 150122, and are incorporated herein by reference; and

WHEREAS, The Planning Director has the authority to enforce and implement the Planning Code, which includes but is not limited to Section 419, et seq. (Housing Requirements for Residential Development Projects in the UMU Zoning Districts of the Eastern Neighborhoods and the Land Dedication Alternative in the Mission NCT District); now, therefore, be it

RESOLVED, That the Board of Supervisors hereby approves the Agreement for 2051 Third Street on file with the Clerk of the Board of Supervisors in File No. 150122 and authorizes the Planning Director to execute the Agreement on behalf of the City and County of San Francisco.

SAN FRANCISCO
PLANNING DEPARTMENT

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

January 29, 2015

Ms. Angela Calvillo, Clerk
Honorable Supervisor Cohen
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 Resolutions for Rental Incentive Agreements pertaining to 2051 3rd Street (Case Number 2010.0726X) and 1201 Tennessee Street (2012.0493X)
Board File No. TBD
Planning Commission Recommendation: ***Approval***

Dear Ms. Calvillo and Supervisor Cohen

The Planning Department is transmitting two resolutions to enter into Rental Incentive Agreements with the developers at 2051 3rd Street (Case No. 2010.0726X) and 1201 Tennessee Street (Case No. 2012.0493X). Both projects are located in the Urban Mixed Use (UMU) District and are seeking to take advantage of the Rental Incentive Alternative outlined in Planning Code Section 419. The resolutions are documenting that the City is entering into these agreement.

Pursuant to Planning Code Section 419, within the UMU District, if the developer restricts the units as rental for a period 30 years, they can reduce the inclusionary housing percentage by 3% and the amount of Eastern Neighborhoods Impact Fee by $1.00 per gross square foot. The units shall be rental housing for not less than 30 years from the issuance of the certificate of occupancy pursuant to an agreement between the developer and the City. The agreements for both projects are attached. There has only been one project located at 2121 3rd Street that has utilized the rental incentive alternative.

On June 5, 2014, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting and voted unanimously to approve the project located at 2051 3rd Street (Case No. 2010.0726X; Motion 19165) with the Rental Incentive Alternative.

On May 1, 2014, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting and voted unanimously to approve the project located at 1201 Tennessee Street (Case No. 2012.0493X; Motion 19138) with the Rental Incentive Alternative.

The proposed amendments are not defined as a project under CEQA Guidelines Sections 15378 and 1506(c)(2) because it does not result in a physical change in the environment.

The Department understands that Supervisor Cohen would like to take over sponsorship of this Resolution. Supervisor, please advise the Clerk of the Board at your earliest convenience if you wish to take over sponsorship.

Please find attached documents relating to the actions of the Commission. The Resolutions to enter into the Rental Incentive Agreements, the Rental Incentive Agreements, the related motions for the projects, and a copy of this transmittal will be delivered to the Office of the Clerk of the Board's later today. 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:
Evan Gross, Deputy City Attorney
Andrea Bruss, Aide to Supervisor Cohen
Andrea Ausberry, Office of the Clerk of the Board

Attachments :
Proposed Rental Incentive Resolution for 2051 Third Street
Rental Incentive Agreement for 2051 Third Street
Motion 19165 for 2051 3rd Street (Case No. 2010.0726X)

Proposed Rental Incentive Resolution for 1201 Tennessee Street
Rental Incentive Agreement for 1201 Tennessee Street
Motion 19138 for 1201 Tennessee Street (Case No. 2012.0493X)

FREE RECORDING REQUESTED
PURSUANT TOGOVERNMENT CODE
SECTION 27383

WHEN RECORDED, MAIL TO:

San Francisco Planning Department
1650 Mission Street, Room 400
San Francisco, California 94103
Attn: Director

SPACE ABOVE FOR RECORDER'S USE ONLY

AGREEMENT TO RENT UNITS

by and amongst

Raintree 2051 Third Street LLC, a Delaware limited liability company

and

The City and County of San Francisco, a municipal corporation, acting by and through its Planning Department

AGREEMENT TO RENT UNITS

THIS AGREEMENT TO RENT UNITS ("Agreement") dated for reference purposes only as of this _____ day of _____, 2014, is by and among the CITY AND COUNTY OF SAN FRANCISCO, a political subdivision of the State of California, acting by and through its Planning Department (the "City"), and RAINTREE 2051 THIRD STREET LLC, a Delaware limited liability company ("Developer") with respect to the approved project at 2051 Third Street. City and Developer are also sometimes referred to individually as "Party" and together as "Parties."

RECITALS

This Agreement is made with reference to the following facts:

A. Code Authorization. The Ellis Act (California Government Code Sections 7060 et. seq., hereinafter "Ellis Act") prohibits public entities from compelling owners of real property to lease their property or continue to offer it for lease, with exception, including an exception for dwelling units where the public entity enters into an agreement with the developer to provide rental housing in exchange for a direct financial contribution (Gov't. Code Sec. 7060.1(a)). Pursuant to Government Code Section 7060.1(a), the City's Board of Supervisors has enacted as part of the Planning Code Housing Requirements for Residential Development Projects in the Urban Mixed Use ("UMU") Zoning Districts of the Eastern Neighborhoods, Sections 419 et. seq. procedures and requirements for entering into an agreement with a private developer to provide an exception to the Ellis Act in order to require the provision of rental housing for continuous 30 year period for all units included in the developer's project in exchange for certain financial contributions.

B. Property Subject to this Agreement. The property that is the subject of this Agreement consists of the real property in the City and County of San Francisco, California, at 2051 Third Street, Lots 001B, 001C and 006 in Assessor's Block 3994 and located on a through lot with frontage on Third and Illinois Streets between Mariposa and 18th Street (hereinafter "Property"). The Property is located in the UMU Zoning District of the Eastern Neighborhoods District. The Property is more particularly described in Exhibit A attached hereto. The Property is owned in fee by Developer.

C. Development Proposal; Intent of the Parties. The Developer proposes to construct a residential project on the Property. The San Francisco Planning Commission approved a Large Project Authorization for the project in its Motion No. _____ dated _____ ___, 2014 (the "Project Approval"), authorizing the development of approximately 94 residential dwelling units (the "Units") within a six story building (the "Project"). The Units will consist of on-site inclusionary units representing thirteen percent (13%) of the Project's total dwelling units, which based on the current Project, would be 12 dwelling units (the "Inclusionary Units"), and market rate units representing eighty-seven percent (87%) of the Project's dwelling units (the "Market Rate Units"). This Agreement is intended to impose restrictions on all of the Units in the Project, and shall have no legal effect in the event that the Project is not constructed. The Parties acknowledge that this Agreement is entered into in consideration of the respective

burdens and benefits of the Parties contained in this Agreement and in reliance on their agreements, representations and warranties.

D. Inclusionary Affordable Housing Program. The Inclusionary Affordable Housing Program, San Francisco Planning Code Section 415 et seq. (the "Affordable Housing Program") provides that developers of any housing project consisting of ten or more units to pay an Affordable Housing Fee, as defined therein. The Affordable Housing Program provides that developers may be eligible to meet the requirements of the program through the alternative means of entering into an agreement with the City and County of San Francisco pursuant to Chapter 4.3 of the California Government Code for concessions and incentives, pursuant to which the developer covenants to provide affordable on-site units as an alternative to payment of the Affordable Housing Fee to satisfy the requirements of the Affordable Housing Program and in consideration of the City's concessions and incentives. In addition, under Planning Code Section 419.5(b), for projects within the UMU Zoning District of the Eastern Neighborhoods Plan area, developers are provided certain financial benefits in exchange for an agreement to provide all units as rental housing for not less than thirty (30) years from the issuance of a project's first certificate of occupancy.

E. Developer's Election to Provide On-Site Units as Rental Housing. As part of the Project Approval, the Developer agreed to comply with the Affordable Housing Program by providing units on-site and to provide the Inclusionary Units in lieu of payment of the Affordable Housing Fee. Accordingly, Developer and the City entered into that certain Agreement to provide On-Site Affordable Housing Units, dated _____, 2014. Pursuant to Planning Code Section 419.5(b), Developer has also voluntarily elected to enter into this Agreement to provide all of the Units as rental housing for not less than 30 years from the issuance of the first certificate of occupancy for the Project in exchange for the financial incentives contained herein.

F. Compliance with All legal Requirements. It is the intent of the Parties that all acts referred to in this Agreement shall be accomplished in such a way as to fully comply with the California Environmental Quality Act (Public Resources Code Section 21000 et seq., "CEQA"), the Ellis Act, the San Francisco Planning Code, and all other applicable laws and regulations.

G. Project's Compliance with CEQA. Pursuant to section 15183 of the CEQA Guidelines, California Public Resources Section 21083.3, and Chapter 31 of the San Francisco Administrative Code, the Planning Department published a Certificate of Exemption ("CPE") from Environmental Review for the Project on December 3, 2013. The Planning Commission subsequently reviewed and concurred with the information contained in the CPE at a noticed public hearing on March 6th, 2014 (Motion No. _____).

H. CEQA and General Plan Findings. There have been no substantial changes in the Project which make it ineligible for the CPE or that require additional environmental review. This Agreement is consistent with the objectives, policies, general land uses and programs specified in the General Plan and any applicable area or specific plan, and the Priority Policies enumerated in Planning Code Section 101.1, as set forth in Planning Commission Motion No. _____.

AGREEMENT

The Parties acknowledge the receipt and sufficiency of good and valuable consideration and agree as follows:

1. GENERAL PROVISIONS.

1.1 Incorporation of Recitals and Exhibits. The preamble paragraph, Recitals, and Exhibits, and all defined terms contained therein, are hereby incorporated into this Agreement as if set forth in full.

2. CITY'S FINANCIAL INCENTIVES FOR THE PROJECT.

2.1 Direct Financial Contribution. Pursuant to Planning Code Section 419.5(b), and subject to the rescission provisions in Section 3.4 below, the City agrees to provide the following direct financial contributions to Developer for the Developer's voluntary agreement to provide all of the Units as rental housing for not less than the Required Rental Term (as defined herein):

i. a three percent (3%) reduction in the Project's on-site inclusionary housing requirement from 16% to 13%, which based on the current Project, would result in a total of 12 Inclusionary Units rather than 15 Inclusionary Units. Using the City's current Affordable Housing Fee calculations, the reduction of the three Inclusionary Units represents a cost savings to the Project of approximately $739,732; and

ii. a $1 per gross square foot reduction in the Eastern Neighborhoods Public Benefit Fee that must be paid by the Developer pursuant to the Planning Code, which based on the current Project, represents a cost savings to the Project of approximately $106,960, which portion of the fee shall be waived by City.

2.2 Rescission of Project Approval. The Developer has secured an entitlement for the Project. In the event the City rescinds the Project Approval prior to commencement of construction for the Project, Developer may terminate this Agreement, and, if the Agreement has been recorded against Developer's fee interest in the Property, the City agrees to take any action required of it to remove the Agreement from the title of the Property.

3. COVENANTS OF DEVELOPER IN EXCHANGE FOR CITY'S FINANCIAL CONTRIBUTIONS TO THE PROJECT.

3.1 Rental Units. In consideration of the City's financial contributions set forth in Section 2.1 and in accordance with the terms and conditions set forth in the Affordable Housing Program and the Project Approval, upon Developer obtaining its first certificate of occupancy of the residential component of the Project, Developer shall provide all of the Units on-site as rental units for a period of thirty (30) years following the issuance of said certificate of occupancy (the "Required Rental Term"). The Project Approval does not address whether the Project may be constructed in phases, and at this point Developer does not anticipate phasing the Project development. If in the future Developer seeks to develop the Project in phases, and the Planning Department determines that development of the Project in phases is in general conformance with

the Project Approval, then nothing in this Agreement shall prevent Developer from developing the Project, and providing the Units, in phases, provided the requisite percentage of Inclusionary Units must be developed in each phase and provided that all Units be rental units.

3.2 Ellis Act Does Not Apply to the Project. Through this Agreement, Developer hereby enters into an agreement with a public entity in consideration for the direct financial contributions set forth in Section 2.1 above. Developer agrees and acknowledges that the contributions set forth in Section 2.1 of this Agreement result in identifiable and actual cost reductions to the Project, in the form of reduced Project development costs and increased Project revenues. Accordingly, the Parties acknowledge that, under Section 7060.1(a) of the Ellis Act, the Units are not subject to the Ellis Act during the Required Rental Term. City would not be willing to enter into this Agreement and waive 3% of the on-site Affordable Housing Requirement and $1 per gross square foot of the Eastern Neighborhoods Public Benefit Fee without the understanding and agreement that the Ellis Act does not apply to the Units as a result of the exemption set forth in Gov't Code Sec. 7060.1(a).

3.3 Developer's Waiver of Rights Under the Ellis Act. The Parties acknowledge that the Ellis Act prohibits public entities from compelling owners of real property to lease their property or continue to offer it for lease. The Parties also understand and agree that the Ellis Act does not and in no way shall limit or otherwise affect the rental requirement set forth herein because this Agreement falls within an express exception to the Ellis Act as a contract with a public entity in consideration for a direct financial contribution. However, should the exception be deemed to not apply to the Project and as a result the Project is deemed to be subject to the Ellis Act, then as a material part of the consideration for this Agreement, Developer, on behalf of itself and all successors and assigns to this Agreement, hereby expressly waives, now and forever, any and all rights it may have under the Ellis Act with respect to the Units consistent with Section 3.1 of this Agreement and during the Required Rental Term. Without limiting the foregoing, Developer, on behalf of itself and all successors and assigns to this Agreement, agrees not to bring any legal or other action against City seeking application of the Ellis Act to the Units for so long as the Units are subject to the rental requirement under this Agreement and Planning Code Section 419.5(b). The Parties understand and agree that the City would not be willing to enter into this Agreement without the waivers and agreements set forth in this Section 3.3. The Parties also acknowledge and agree that in the event the waiver set forth in this Section 3.3 is deemed invalid, the severability provision set forth in Section 9.8 below shall apply to this Section and the remaining provisions of this Agreement shall continue in full force and effect.

3.4 Rescission of Financial Contributions. In the event that at any time during the Required Rental Term, the Project is deemed subject to the Ellis Act despite the financial contributions and voluntary waivers set forth herein, the financial contributions set forth in Section 2.1 of this Agreement shall no longer apply to the Project, and the Project shall automatically be subject to the 16% inclusionary on-site percentage requirements (instead of 13%) and the full fee amounts for the Eastern Neighborhoods Public Benefit Fee. In such an event, Developer shall be required to take all acts necessary to promptly come into compliance with such requirements.

3.5 Project CC&R's. In the event that Developer creates Covenants, Conditions and Restrictions ("CC&R's") for the Project, Developer shall include a provision in such CC&R's requiring that all Units remain rental for the Required Rental Term.

3.6 No Obligation to Construct. By entering into this Agreement, Developer is not assuming any obligation to construct the Project, and the covenants of Developer hereunder become operative only in the event Developer elects to proceed with construction of the Project.

4. MUTUAL OBLIGATIONS.

4.1 Good Faith and Fair Dealing. The Parties shall cooperate with each other and act in good faith in complying with the provisions of this Agreement and implementing the Project Approval.

4.2 Other Necessary Acts. Each Party shall execute and deliver to the other all further instruments and documents as may be reasonably necessary to carry out this Agreement, the Project Approval, the Affordable Housing Program and applicable law in order to provide and secure to each Party the full and complete enjoyment of its rights and privileges hereunder.

4.3 Effect of Future Changes to Affordable Housing Program. The City hereby acknowledges and agrees that, in the event that the City adopts changes to the Affordable Housing Program after the date this Agreement is executed by both Parties, nothing in this Agreement shall be construed to limit or prohibit any rights Developer may have to modify Project requirements with respect to the Inclusionary Units to the extent permitted by such changes to the Affordable Housing Program.

5. DEVELOPER REPRESENTATIONS, WARRANTIES AND COVENANTS.

5.1 Interest of Developer. Developer represents that it is the legal and equitable fee owner of the Property, that it has the power and authority to bind the Property to the terms of this Agreement, and that all other persons holding legal or equitable interest in the Units are to be bound by this Agreement. Developer is a limited liability company, duly organized and validly existing in the state of Delaware and authorized to do business and in good standing under the laws of the State of California. Developer has all requisite power and authority to own property and conduct business as presently conducted. Developer has made all filings and is in good standing in the State of California. Developer hereby agrees that in the event Developer sells, assigns, transfers or otherwise conveys its interest in the Project Approval, Developer will only do so after execution of an assignment and assumption of its rights, duties and obligations under this Agreement to such person or entity in the form attached hereto as **Exhibit B**. Without limiting the provisions set forth in Sections 7.1 and 9.2, the Parties understand and agree that the Project Approval is dependent on this Agreement, and any person or entity that wishes to rely on the Project Approval to develop some or all of the Project on the Property shall assume Developer's rights and obligations under this Agreement, either pursuant to an assignment and assumption as set forth in this Section or as a successor owner of the Property under Sections 7.1 and 9.2.

5.2 No Conflict With Other Agreements; No Further Approvals; No Suits. Developer warrants and represents that it is not a party to any other agreement that would conflict with the

Developer's obligations under this Agreement. Neither Developer's articles of organization, bylaws, or operating agreement, as applicable, nor any other agreement which Developer is a party to in any way prohibits, limits or otherwise affects the right or power of Developer to enter into and perform all of the terms and covenants of this Agreement. To the best of Developer's knowledge, no consent, authorization or approval of, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other person is required for the due execution, delivery and performance by Developer of this Agreement or any of the terms and covenants contained in this Agreement. To Developer's knowledge, there are no pending or threatened suits or proceedings or undischarged judgments affecting Developer or any of its members before any court, governmental agency, or arbitrator which might materially adversely affect Developer's business, operations, or assets or Developer's ability to perform under this Agreement.

5.3 Priority of Agreement: Developer warrants and represents that there is no prior lien or encumbrance against the Property which, upon foreclosure, would be free and clear of the obligations set forth in this Agreement.

5.4 No Inability to Perform; Valid Execution. Developer warrants and represents that it has no knowledge of any inability to perform its obligations under this Agreement. The execution and delivery of this Agreement and the agreements contemplated hereby by Developer have been duly and validly authorized by all necessary action. This Agreement will be a legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms.

5.5 Conflict of Interest. Through its execution of this Agreement, the Developer acknowledges that it is familiar with the provisions of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the California Government Code, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

5.6 Notification of Limitations on Contributions. Through execution of this Agreement, the Developer acknowledges that it is familiar with Section 1.126 of City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City, whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until three (3) months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

5.7 Nondiscrimination. In the performance of this Agreement, Developer agrees not to discriminate on the basis of the fact or perception of a person's, race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes, against any City employee, employee of or applicant for employment with the Developer, or against any bidder or contractor for public works or improvements, or for a franchise, concession or lease of property, or for goods or services or supplies to be purchased by the Developer. A similar provision shall be included in all subordinate agreements let, awarded, negotiated or entered into by the Developer for the purpose of implementing this Agreement.

6. AMENDMENT; TERMINATION.

6.0 Amendment or Termination. Except as provided in Sections 6.2 (Automatic Termination) and 8.3 (Remedies for Default), this Agreement may only be amended or terminated with the mutual written consent of the Parties.

6.1 Amendment Exemptions. No amendment of a Project Approval or subsequent Project approval, or the approval of a subsequent Project approval, shall require an amendment to this Agreement. Upon approval, any such matter shall be deemed to be incorporated automatically into the Project and this Agreement (subject to any conditions set forth in the amendment or subsequent Project approval). Notwithstanding the foregoing, in the event of any direct conflict between the terms of this Agreement and a subsequent Project approval, or between this Agreement and any amendment to the Project Approval or subsequent Project approval, then the terms of this Agreement shall prevail and any amendment to this Agreement shall be accomplished as set forth in Section 6.1 above.

6.2 Automatic Termination. This Agreement shall automatically terminate upon expiration of the Required Rental Term.

7. TRANSFER OR ASSIGNMENT; RELEASE; RIGHTS OF MORTGAGEES; CONSTRUCTIVE NOTICE.

7.1 Agreement Runs With The Land. City acknowledges that Developer may assign or transfer its rights, duties and obligations under the Project Approval and this Agreement and/or convey any interest it owns in the Property to another person or entity without City consent. Developer hereby agrees that in the event Developer sells, assigns, transfers or otherwise conveys its interest in the Project Approval, Developer will only do so after execution of an assignment and assumption of its rights, duties and obligations under this Agreement to such person or entity in the form attached hereto as **Exhibit B**. Any assignee or successor to Developer's rights to the Project Approval and/or Property shall be referred to herein as a "Transferee". Any Transferee may also subsequently assign or transfer its rights, duties and obligations under this Agreement and/or convey any interest it owns in the Property to another person or entity, subject to the provisions herein. As provided in Section 9.2, this Agreement runs with the land and any Transferee will be bound by all of the terms and conditions of this Agreement.

7.2 Rights of Developer. The provisions in this Section 7 shall not be deemed to prohibit or otherwise restrict Developer from (i) granting easements or licenses or similar agreements to facilitate development of the Property, (ii) encumbering the Property or any portion of the improvements thereon by any mortgage, deed of trust, or other device securing financing with respect to the Property or Project, (iii) granting one or more leasehold interests in all or any portion of the Property, or (iv) transferring all or a portion of the Property pursuant to a sale, transfer pursuant to foreclosure, conveyance in lieu of foreclosure, or other remedial action in connection with a mortgage. None of the terms, covenants, conditions, or restrictions of this Agreement or the Project Approval shall be deemed waived by City by reason of the rights given to the Developer pursuant to this Section 7.2. Furthermore, although the Developer voluntarily agrees to operate the Project on a rental basis through the Required Rental Term, nothing in this Agreement shall prevent Developer from later selling all or part of the Project as condominium units once the Required Rental Term expires, provided that such sale is permitted by, and complies with, all applicable City and State laws including, but not limited to that, with respect to the Inclusionary Units, those shall only be sold pursuant to the City Procedures for sale of inclusionary units under the Affordable Housing Program.

7.3 Developer's Responsibility for Performance. If Developer transfers or assigns its interests in all or any portion of the Property or this Agreement to a Transferee, Developer shall continue to be responsible for performing the obligations under this Agreement until the date of transfer but not thereafter. Following the date of transfer, the City shall have the right to enforce each and every such obligation of Developer under this Agreement directly against the Transferee as if the Transferee were an original signatory to this Agreement. A Transferee shall have no defense based upon Developer's prior breach of any duty or obligation under this Agreement, or based upon Developer's breach of under any other agreement between the Developer and the Transferee.

7.4 Release Upon Transfer or Assignment. Upon the Developer's transfer or assignment of its interests in the Property, including the Developer's rights and interests under this Agreement, the Developer shall be released from any future obligations under this Agreement, provided Developer shall not be released from any obligations that arose or accrued before the date of transfer.

7.5 Rights of Mortgagees; Not Obligated to Construct; Right to Cure Default.

7.5.1 Notwithstanding anything to the contrary contained in this Agreement (including without limitation those provisions that are or are intended to be covenants running with the land), a mortgagee or beneficiary under a deed to trust, including any mortgagee or beneficiary who obtains title to the Property or any portion thereof as a result of foreclosure proceedings or conveyance or other action in lieu thereof, or other remedial action ("Mortgagee"), shall not be obligated under this Agreement to construct or complete the Units required by this Agreement or to guarantee their construction or completion solely because the Mortgagee holds a mortgage or other interest in the Property or this Agreement. A breach of any obligation secured by any mortgage or other lien against the mortgaged interest or a foreclosure under any mortgage or other lien shall not by itself defeat, diminish, render invalid or unenforceable, or otherwise impair the obligations or rights of the Developer under this Agreement.

7.5.2 Subject to the provisions of Section 7.5.1, any person, including a Mortgagee, who acquires title to all or any portion of the mortgaged property by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise shall succeed to all of the rights and obligations of the Developer under this Agreement and shall take title subject to all of the terms and conditions of this Agreement. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote any portion of the Property to any uses, or to construct any improvements, other than the uses and improvements provided for or authorized by the Project Approval and this Agreement.

7.5.3 If City receives a written notice from a Mortgagee or from Developer requesting a copy of any Notice of Default delivered to Developer and specifying the address for service thereof, then City shall deliver to such Mortgagee at such Mortgagee's cost (or Developer's cost), concurrently with service thereon to Developer, any Notice of Default delivered to Developer under this Agreement. In accordance with Section 2924 of the California Civil Code, City hereby requests that a copy of any notice of default and a copy of any notice of sale under any mortgage or deed of trust be mailed to City at the address shown on the first page of this Agreement for recording, provided that no Mortgagee or trustee under a deed of trust shall incur any liability to the City for any failure to give any such notice of default or notice of sale except to the extent the City records a request for notice of default and notice of sale in compliance with Section 2924(b) of the California Civil Code (a "Request for Special Notice") with respect to a specific mortgage or deed of trust and the Mortgagee or trustee fails to give any notice required under Section 2924(b) of the California Civil Code as a result of the recordation of a Request for Special Notice.

7.5.4 A Mortgagee shall have the right, at its option, but no obligation, to cure any default or breach by the Developer under this Agreement within the same time period as Developer has to remedy or cause to be remedied any default or breach, plus an additional period of (i) thirty (30) calendar days to cure a default or breach by the Developer to pay any sum of money required to be paid hereunder and (ii) ninety (90) days to cure or commence to cure a non-monetary default or breach and thereafter to pursue such cure diligently to completion; provided that if the Mortgagee cannot cure a non-monetary default or breach without acquiring title to the Property, then so long as Mortgagee is diligently pursuing foreclosure of its mortgage or deed of trust, Mortgagee shall have until ninety (90) days after completion of such foreclosure to cure such non-monetary default or breach. Mortgagee may add the cost of such cure to the indebtedness or other obligation evidenced by its mortgage.

7.5.5 If at any time there is more than one mortgage constituting a lien on any portion of the Property, the lien of the Mortgagee prior in lien to all others on that portion of the mortgaged property shall be vested with the rights under this Section 7.5 to the exclusion of the holder of any junior mortgage; provided that if the holder of the senior mortgage notifies the City that it elects not to exercise the rights sets forth in this Section 7.5, then each holder of a mortgage junior in lien in the order of priority of their respective liens shall have the right to exercise those rights to the exclusion of junior lien holders. Neither any failure by the senior Mortgagee to exercise its rights under this Agreement nor any delay in the response of a Mortgagee to any notice by the City shall extend Developer's or any Mortgagee's rights under this Section 7.5. For purposes of this Section 7.5, in the absence of an order of a court of competent jurisdiction that is served on the City, a then current title report of a title company

licensed to do business in the State of California and having an office in the City setting forth the order of priority of lien of the mortgages shall be reasonably relied upon by the City as evidence of priority. Nothing in this Agreement shall impair the foreclosure rights of any mortgagee.

7.6 Constructive Notice. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project or the Property is and shall be constructively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project or the Property.

8. ENFORCEMENT OF AGREEMENT; REMEDIES FOR DEFAULT; DISPUTE RESOLUTION.

8.1 Enforcement. The only parties to this Agreement are the City and the Developer. This Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person or entity whatsoever.

8.2 Default. For purposes of this Agreement, the following shall constitute a default under this Agreement: the failure to perform or fulfill any material term, provision, obligation, or covenant hereunder and the continuation of such failure for a period of thirty (30) calendar days following a written notice of default and demand for compliance; provided, however, if a cure cannot reasonably be completed within thirty (30) days, then it shall not be considered a default if a cure is commenced within said 30-day period and diligently prosecuted to completion thereafter, but in no event later than one hundred twenty (120) days.

8.3 Remedies for Default. In the event of an uncured default under this Agreement, the remedies available to a Party shall include specific performance of the Agreement in addition to any other remedy available at law or in equity. In addition, the non-defaulting Party may terminate this Agreement subject to the provisions of this Section 8 by sending a Notice of Intent to Terminate to the other Party setting forth the basis for the termination. The Agreement will be considered terminated effective upon receipt of a Notice of Termination. The Party receiving the Notice of Termination may take legal action available at law or in equity if it believes the other Party's decision to terminate was not legally supportable.

8.4 No Waiver. Failure or delay in giving notice of default shall not constitute a waiver of default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failure or delay by a Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies; nor shall it deprive any such Party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert, or enforce any such rights or remedies.

9. MISCELLANEOUS PROVISIONS.

9.1 Entire Agreement. This Agreement, including the preamble paragraph, Recitals and Exhibits, constitute the entire understanding and agreement between the Parties with respect to the subject matter contained herein.

9.2 Binding Covenants; Run With the Land. From and after recordation of this Agreement, all of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the Parties, and their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, and all persons or entities acquiring the Property, any lot, parcel or any portion thereof, or any interest therein, whether by sale, operation of law, or in any manner whatsoever, and shall inure to the benefit of the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns. Regardless of whether the procedures in Section 7 are followed, all provisions of this Agreement shall be enforceable during the term hereof as equitable servitudes and constitute covenants and benefits running with the land pursuant to applicable law, including but not limited to California Civil Code Section 1468.

9.3 Applicable Law and Venue. This Agreement has been executed and delivered in and shall be interpreted, construed, and enforced in accordance with the laws of the State of California. All rights and obligations of the Parties under this Agreement are to be performed in the City and County of San Francisco, and such City and County shall be the venue for any legal action or proceeding that may be brought, or arise out of, in connection with or by reason of this Agreement.

9.4 Construction of Agreement. The Parties have mutually negotiated the terms and conditions of this Agreement and its terms and provisions have been reviewed and revised by legal counsel for both City and Developer. Accordingly, no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement. Language in this Agreement shall be construed as a whole and in accordance with its true meaning. The captions of the paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of construction. Each reference in this Agreement to this Agreement or the Project Approval shall be deemed to refer to the Agreement or the Project Approval as it may be amended from time to time pursuant to the provisions of the Agreement, whether or not the particular reference refers to such possible amendment.

9.5 Project Is a Private Undertaking; No Joint Venture or Partnership.

9.5.1 The development proposed to be undertaken by Developer on the Property is a private development. The City has no interest in, responsibility for, or duty to third persons concerning any of said improvements. The Developer shall exercise full dominion and control over the Property, subject only to the limitations and obligations of the Developer contained in this Agreement or in the Project Approval.

9.5.2 Nothing contained in this Agreement, or in any document executed in connection with this Agreement, shall be construed as creating a joint venture or partnership between the City and the Developer. Neither Party is acting as the agent of the other Party in any respect hereunder. The Developer is not a state or governmental actor with respect to any activity conducted by the Developer hereunder.

9.6 Signature in Counterparts. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

9.7 Time of the Essence. Time is of the essence in the performance of each and every covenant and obligation to be performed by the Parties under this Agreement.

9.8 Notices. Any notice or communication required or authorized by this Agreement shall be in writing and may be delivered personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or registered mail, shall be deemed to have been given and received upon the actual receipt by any of the addressees designated below as the person to whom notices are to be sent. Either Party to this Agreement may at any time, upon written notice to the other Party, designate any other person or address in substitution of the person and address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

To City:

John Rahaim
Director of Planning
San Francisco Planning Department
1650 Mission Street
San Francisco, California 94102

with a copy to:

Dennis J. Herrera, Esq.
City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Evan A. Gross, Dep. City Attorney

To Developer:

Raintree 2051 Third Street LLC
c/o Raintree Partners, LLC
Attn: Jason Check
2802 Cabot Road, Ste. 300
Laguna Niguel CA 92677

with a copy to:

Melinda A. Sarjapur, Esq.
Reuben, Junius & Rose, LLP
One Bush Street, Suite 600
San Francisco, CA 94104

9.9 Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect unless enforcement of the remaining portions of the Agreement would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

9.10 MacBride Principles. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 et seq. The City also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Developer acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

9.11 Tropical Hardwood and Virgin Redwood. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product.

9.12 Sunshine. The Developer understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov't Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder public records subject to public disclosure.

9.13 Effective Date. This Agreement will become effective on the date that the last Party duly executes and delivers this Agreement.

Exhibits

A. Description of Property
B. Assignment and Assumption Agreement

CITY

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
John Rahaim
Director of Planning

Approved as to form:
Dennis J. Herrera, City Attorney

By: _____
Evan A. Gross
Deputy City Attorney

DEVELOPER

RAINTREE 2051 THIRD STREET LLC,
a Delaware limited liability company

By: Raintree-Evergreen LLC
A Delaware limited liability company
its Sole Member

By: Raintree Partners Management LLC
A Delaware limited liability company
its Managing Member

By: _____

Name: Jeffrey B. Allen
Managing Member

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California

County of ORANGE

On 2/27/2014 before me, MATTHEW J. NOVOBILSKI, Notary Public, personally appeared JEFFREY B. ALLEN, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

MATTHEW J. NOVOBILSKI
COMM. # 2007398
NOTARY PUBLIC • CALIFORNIA
ORANGE COUNTY
Comm. Exp. FEB. 12, 2017

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California

County of _____

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____

Signature of Notary Public

(Notary Seal)

EXHIBIT A

Legal Description of Property

EXHIBIT A

TO GRANT DEED

LEGAL DESCRIPTION

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

PARCEL ONE:

BEGINNING AT A POINT ON THE EASTERLY LINE OF 3RD STREET, AS WIDENED, DISTANT THEREON 192.78 FEET NORTHERLY FROM THE NORTHERLY LINE OF 18TH STREET; THENCE DEFLECTING 90° 17. 48" TO THE RIGHT AND RUNNING EASTERLY 143.00 FEET; THENCE NORTHERLY PARALLEL TO SAID EASTERLY LINE OF 3RD STREET 68.42 FEET; THENCE DEFLECTING 90° 15' 33" TO THE LEFT AND RUNNING WESTERLY 143.00 FEET TO SAID EASTERLY LINE OF 3RD STREET; THENCE SOUTHERLY ALONG SAID LINE OF 3RD STREET 67.03 FEET TO THE POINT OF BEGINNING. BEING A PORTION OF POTRERO NUEVO BLOCK NO. 413

PARCEL TWO:

LOT 6, AS DELINEATED UPON THAT CERTAIN MAP ENTITLED "PARCEL MAP, BEING A SUBDIVISION OF ASSESSOR'S LOT 5, BLOCK 3994, ALSO BEING A PORTION OF POTRERO NUEVO BLOCK NO. 413, SAN FRANCISCO, CALIFORNIA" FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, ON AUGUST 21ST, 1985 IN BOOK 31 OF PARCEL MAPS, AT PAGE 40.

EXCEPTING THEREFROM:

ALL MINERALS AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UNDERLYING THE PROPERTY, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE AND DISPOSE OF SAID MINERALS BY ANY MEANS OR METHODS SUITABLE TO GRANTOR, ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE PROPERTY, AND IN SUCH A MANNER AS NOT TO DAMAGE THE SURFACE OF THE PROPERTY, OR TO INTERFERE WITH THE USE THEREOF BY GRANTEES, THEIR HEIRS AND ASSIGNS AS RESERVED BY UNION PACIFIC RAILROAD COMPANY, A DELAWARE CORPORATION BY INSTRUMENT RECORDED MAY 26, 2004, OFFICIAL RECORDS, RECORDERS SERIAL NUMBER 2004-H730520-00.

PARCEL THREE:

BEGINNING AT A POINT ON THE EASTERLY LINE OF 3RD STREET, AS WIDENED, DISTANT THEREON 152.80 FEET NORTHERLY FROM THE NORTHERLY LINE OF 18TH STREET, RUNNING THENCE NORTHERLY AND ALONG SAID LINE OF 3RD STREET 39.98 FEET; THENCE DEFLECTING TO THE RIGHT 90° 17' 48" AND RUNNING EASTERLY 143 FEET; THENCE SOUTHERLY PARALLEL WITH SAID LINE OF 3RD STREET 39.24 FEET TO A LINE DRAWN AT RIGHT ANGLES TO THE EASTERLY LINE OF 3RD STREET FROM THE POINT OF COMMENCEMENT; THENCE WESTERLY ALONG THE LINE SO DRAWN 143 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

BEING A PORTION OF POTRERO NUEVO BLOCK NO. 413.

Lot: 001C, Block: 3994 (Affects: Parcel One); Lot: 006, Block: 3994 (Affects: Parcel Two) and Lot: 001B, Block: 3994 (Affects: Parcel Three)

EXHIBIT B

Assignment and Assumption Agreement

FREE RECORDING REQUESTED
PURSUANT TOGOVERNMENT CODE
SECTION 27383

WHEN RECORDED, MAIL TO:

San Francisco Planning Department
1650 Mission Street, Room 400
San Francisco, California 94103
Attn: Director

SPACE ABOVE FOR RECORDER'S USE ONLY

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "Assignment"), is dated for reference purposes as of this___Day of _____, 20___, by and between Raintree 2051 Third Street LLC ("Assignor"), and _____ ("Assignee"), with reference to the following facts:

A. Under that Certain Agreement to Rent Units dated as of _____, 2014 (the "Agreement"), Developer voluntarily elected, pursuant to Planning Code Section 419.5(b), to provide all of the Units for the development located at 2051 Third Street and approved by the San Francisco Planning Commission pursuant to Motion No. _____ (the "Project") as rental housing for not less than 30 years from the issuance of the first certificate of occupancy for the Project in exchange for the financial incentives contained therein. As set forth in the Agreement, Developer, on behalf of itself and its successors and assigns, agreed that the provisions of the Ellis Act do not and will not apply to the Units.

B. Concurrently herewith, Developer is transferring its rights and obligations relative to the Project Approval to Assignee. In accordance with Section 5.1 of the Agreement, Developer is now assigning to Assignee all of Developer's rights, duties, and obligations with respect to the Agreement.

C. Definitions and rules of interpretation set forth in the Agreement apply to this Assignment.

NOW, THEREFORE, in consideration of the foregoing, and the mutual promises of the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

1. Assignment by Developer. Developer assigns to Assignee all of Developer's rights, interests, duties and obligations under the Agreement as of the date of the transfer of fee ownership of the Project from Assignor to Assignee (the "Effective Date").

2. Acceptance of Assignment. As of the Effective Date, Assignee accepts the above assignment and assumes all of Developer's rights, interests, duties and obligations under the Agreement and covenants and agrees to perform all of Developer's obligations under the Agreement arising or accruing after the Effective Date as if Assignee was an original party to the Agreement. Without limiting the foregoing, Assignee covenants and agrees, as set forth in Section 3.3 of the Agreement, that the Ellis Act does not and in no way shall limit or otherwise affect the rental requirement for the Units set forth in the Agreement, and further covenants and

agrees not to bring any legal or other action against the City and County of San Francisco ("City") seeking application of the Ellis Act to the Units for so long as the Units are subject to the rental requirement under the Agreement and Planning Code Section 419.5(b). From and after the Effective Date of this Assignment, any reference to Developer in the Agreement shall be deemed a reference to Assignee.

3. Release of Assignor. Assignee releases Developer from all future obligations imposed under the Agreement, provided that Developer shall not be released from any obligations that arose or accrued before the Effective Date of this Assignment.

4. Developer Representations. Developer represents and warrants that: (i) Developer has the power and authority to execute, deliver and perform its obligations under this Assignment; (ii) to the best of Developer's knowledge, the execution, delivery and performance of this Assignment do not violate any rule, regulation, statute, law, order, decree, judgment or the like, or any agreement or instrument to which Developer is a party, and Developer is not in breach or default under the Agreement; (iii) to the best of Developer's knowledge, Developer has no defenses, setoffs, claims, counterclaims or causes of action of any kind or nature against City relative to the Agreement; and (iv) Developer has not received any notice from any governmental agency relating to any alleged violation of law, ordinance, rule or regulation.

5. Assignee Representations. Assignee represents and warrants that: (i) Assignee is a duly organized, validly existing limited liability company in good standing under the laws of the State of California and is authorized to do business in the state of California, (ii) Assignee has the power and authority to execute, deliver and perform its obligations under the Agreement and this Assignment; (iii) to the best of Assignee's knowledge, the execution, delivery and performance of the Agreement and this Assignment do not violate any rule, regulation, statute, law, order, decree, judgment or the like, or any agreement or instrument to which Assignee is a party; (iv) to the best of Assignee's knowledge, Assignee has no defenses, setoffs, claims, counterclaims or causes of action of any kind or nature against City; (v) Assignee has not received any notice from any governmental agency relating to any alleged violation of law, ordinance, rule or regulation; (vi) Assignee shall comply with all of the terms and provisions of the Agreement; and (vii) Assignee has not filed, and currently has no intention to file, for any bankruptcy or debtor relief, and Assignee is not insolvent.

6. Reaffirmation of Agreement. Assignee hereby affirms and agrees that (i) the Agreement constitutes the valid, legally binding obligation of the Assignee as of the date of this Assignment, enforceable against Assignee in accordance with its terms, and (ii) City shall have the right to exercise any and all remedies against Assignee, including actions to realize or collect upon security, that City would have had against Developer but for this Assignment. Assignor and Assignee agree and acknowledge that the City is a third party beneficiary under this Assignment.

7. No Limitation of Remedies. Nothing in this Assignment is intended to limit any rights, powers or remedies of City in enforcing the Agreement. The Agreement is hereby confirmed and ratified in all respects.

8. Counterparts. This Assignment may be signed by different parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts shall be deemed an original of this Assignment.

9. Additional Documents. Developer and Assignee agree to execute or provide such documents and instruments, as may be necessary to effectuate the intent of this Assignment.

10. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

11. Effective Date. This Assignment shall become effective on the date that it is duly executed and delivered by Developer and Assignee (the "Effective" Date of this Assignment").

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first written above.

DEVELOPER:

RAINTREE 2051 THIRD STREET LLC,
a Delaware limited liability company

By: Raintree-Evergreen LLC
A Delaware limited liability company
its Sole Member

By: Raintree Partners Management LLC
A Delaware limited liability company
its Managing Member

By:_____
Name: Jeffrey B. Allen
Managing Member

ASSIGNEE:_____

By: _____

Its: _____

Date: _____

ALL SIGNATURES TO BE NOTARIZED

SAN FRANCISCO
PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- ■ Affordable Housing (Sec. 415)
- ■ Jobs Housing Linkage Program (Sec. 413)
- ☐ Downtown Park Fee (Sec. 412)
- ■ First Source Hiring (Admin. Code)
- ☐ Child Care Requirement (Sec. 414)
- ■ Other (EN Impact Fee – Sec. 423)

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Motion No. 19165

HEARING DATE: JUNE 5, 2014

Date:	May 29, 2014
Case No.:	**2010.0726X**
Project Address:	**2051 3rd Street**
Zoning:	UMU (Urban Mixed Use) Zoning District 68-X Height and Bulk District
Block/Lots:	3994/001B, 001C and 006
Project Sponsor:	Raintree Partners 28202 Cabot Road, Suite 300 Laguna Niguel, CA 92667
Staff Contact:	Doug Vu – (415) 575-9120 Doug.Vu@sfgov.org

ADOPTING FINDINGS RELATING TO A LARGE PROJECT AUTHORIZATION PURSUANT TO PLANNING CODE SECTION 329, TO ALLOW EXCEPTIONS TO (1) REAR YARD PURSUANT TO PLANNING CODE SECTION 134, (2) OPEN SPACE PURSUANT TO PLANNING CODE SECTION 135, (3) AND ACCESSORY USE PROVISIONS FOR DWELLING UNITS PURSUANT TO PLANNING CODE SECTIONS 329(D)(10) AND 803.3(B)(1)(C), TO ALLOW CONSTRUCTION OF A NEW SIX-STORY, 68-FOOT TALL 108,790 GSF RESIDENTIAL BUILDING WITH 93 DWELLING UNITS LOCATED AT 2051 3RD STREET, LOTS 001B, 001C AND 006 IN ASSESSOR'S BLOCK 3994, WITHIN THE UMU (URBAN MIXED-USE) ZONING DISTRICT AND A 68-X HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On June 14, 2012, Raintree Partners (Project Sponsor) filed an application with the Planning Department (hereinafter "Department") for Large Project Authorization under Planning Code Section 329 to allow construction of a new six-story, 68-foot tall residential building consisting of 94 dwelling units, parking for up to 74 spaces, and exceptions including rear yard, open space and street frontage within the UMU (Urban Mixed Use) Zoning District and within a 68-X Height and Bulk District.

The environmental effects of the Project were determined by the San Francisco Planning Department to have been fully reviewed under the Eastern Neighborhoods Area Plan Environmental Impact Report (hereinafter "EIR"). The EIR was prepared, circulated for public review and comment, and, at a public

hearing on August 7, 2008, by Motion No. 17661, certified by the Commission as complying with the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., (hereinafter "CEQA"). The Commission has reviewed the Final EIR, which has been available for this Commissions review as well as public review.

The Eastern Neighborhoods EIR is a Program EIR. Pursuant to CEQA Guideline 15168(c)(2), if the lead agency finds that no new effects could occur or no new mitigation measures would be required of a proposed project, the agency may approve the project as being within the scope of the project covered by the program EIR, and no additional or new environmental review is required. In approving the Eastern Neighborhoods Plan, the Commission adopted CEQA Findings in its Motion No. 17661 and hereby incorporates such Findings by reference.

Additionally, State CEQA Guidelines Section 15183 provides a streamlined environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that (a) are peculiar to the project or parcel on which the project would be located, (b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent, (c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR, or(d) are previously identified in the EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for that project solely on the basis of that impact.

On December 3, 2013, the Department determined that the proposed application did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Eastern Neighborhoods Area Plan and was encompassed within the analysis contained in the Eastern Neighborhoods Final EIR. Since the Eastern Neighborhoods Final EIR was finalized, there have been no substantial changes to the Eastern Neighborhoods Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Eastern Neighborhoods Final EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

Planning Department staff prepared a Mitigation Monitoring and Reporting Program (MMRP) setting forth mitigation measures that were identified in the Eastern Neighborhoods Plan EIR that are applicable to the project. These mitigation measures are set forth in their entirety in the MMRP attached to the draft Motion as Exhibit C.

The Planning Department, Jonas P. Ionin, is the custodian of records, located in the File for Case No. 2010.0726X at 1650 Mission Street, Fourth Floor, San Francisco, California.

On March 6, 2014, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Large Project Authorization Application No. 2010.0726X and continued the item to the June 5, 2014 public hearing at the request of the Project Sponsor.

On May 15, 2014, the Project Sponsor amended the application with the Planning Department for Large Project Authorization under Planning Code Section 329 to allow construction of a new six-story, 68-foot tall residential building consisting 93 dwelling units and parking for up to 74 spaces, and exceptions including rear yard and open space within the UMU (Urban Mixed Use) Zoning District and within a 68-X Height and Bulk District.

The 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 the applicant, Department staff, and other interested parties.

MOVED, that the Commission hereby authorizes the Large Project Authorization requested in Application No. 2010.0726X, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

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:

1. The above recitals are accurate and constitute findings of this Commission.

2. **Site Description and Present Use.** The proposed project is located mid-block on three adjoining lots (3994/001B, 001C, and 006) with a combined area of approximately 19,387 sq. ft. between Mariposa, Illinois, 18th and 3rd Streets in the City's Dogpatch neighborhood. The three lots would be merged as part of the project, and as a result will have 107-feet of frontages along both 3rd and Illinois Streets, with a depth of 180 feet. The two existing industrial buildings at 2051 and 2065 3rd Streets were constructed in 1927 and 1926, respectively, total 15,041 sq. ft. in area, and range in height from 12 to 25 feet. The site is also located within the Central Waterfront Subarea of the Eastern Neighborhoods Plan.

3. **Surrounding Properties and Neighborhood.** The blocks surrounding the project site include a wide range of building types, heights, and uses typically found in an Urban Mixed Use (UMU) zoning district, including residential uses. The wide 3rd Street median contains the light rail line for the Muni T train. The area east of Illinois Street consists of a Port of San Francisco shipyard where 19th and Illinois Streets intersect. A mixture of commercial, mixed residential/commercial, live/work, and industrial buildings on the adjacent block faces range from one to five stories, and approximately 15 to 65 feet in height. The topography in the area slopes downward from Potrero Hill on the west to the San Francisco Bay on the east. 3rd Street is at the bottom of Potrero Hill, although the topography continues to drop approximately twelve feet in elevation across the project site from 3rd Street to Illinois Street. The adjacent property to the south at 680 Illinois Street is a five-story, 35-dwelling Planned Unit Development approved by the Planning Commission in 2005 and completed in 2012. The other adjacent property to the north at 2011 3rd

Street is a 50-foot tall, twelve-unit live/work building that was completed in 1997. The San Francisco Carpenters Union office building is located two properties to the south at 2085 3rd Street.

4. **Project Description.** The proposed project includes the demolition of the existing structures on three separate lots, and new construction of a six-story, 68-foor tall residential building (approximately 108,790 square feet) with 93 dwelling units that include 2,165 sq. ft. of flex space, 74 off-street parking spaces, and 93 Class 1 bicycle parking spaces. The project includes a dwelling unit mix consisting of 33 studios, 22 one-bedroom units, 35 two-bedroom units, and three three-bedroom units. The proposed project includes common open space (approximately 7,939 sq. ft.), private open space for seven units via decks and balconies, and publicly accessible open space (approximately 962 sq. ft.) along the 3rd Street frontage.

5. **Public Comment.** The Department has received twelve letters of support for the project, including from the Dogpatch Neighborhood Association and the San Francisco Housing Action Coalition. The Department has also received two letters of opposition identifying concerns about the scale of the project in relation to neighboring properties that is inconsistent with the Industrial Area Design Guidelines, its shadow impacts to the anticipated Crane Cove Park, and the loss of property line windows to the adjacent building at 610 Illinois Street. The Department has also received general inquiries from members of the public expressing concerns regarding the timing of construction, views, light and air, and the justification for granting the proposed rear yard and open space exceptions.

6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:

   A. **Permitted Uses in UMU Zoning Districts.** Planning Code Section 843.20 states that residential uses are principally permitted within the UMU Zoning District.

   The Project would construct new residential uses within the UMU Zoning District, and therefore complies with Planning Code Sections 843.20.

   B. **Rear Yard.** Planning Code Section 134 requires a minimum rear yard equal to 25 percent of the total lot depth beginning at the lowest story containing a dwelling unit.

   The Project does not comply with the rear yard requirement and is seeking an exception as part of the Large Project Authorization (See discussion below).

   C. **Usable Open Space.** Planning Code Section 135 requires that usable open space be located on the same lot as the dwelling units it serves. At least 80 square feet of usable open space per dwelling unit, or 54 square feet per dwelling unit of publicly accessible open space, is required. Up to 50 percent of the publicly accessible open space may be provided off-site. The Project has a residential open space requirement of 7,440 square feet of usable open space if private, or 5,022 square feet of publicly accessible open space.

   Although the total proposed open space (11,578 square feet) exceeds the requirement, approximately 3,708 square feet of the open space does not meet the dimensional requirements for usable open space.

Therefore, the Project does not comply with the open space requirement and is seeking an exception as part of the Large Project Authorization (See discussion below).

D. **Streetscape and Pedestrian Improvements.** Planning Code Section 138.1 requires improvement of the public right-of-way associated with development projects. The owner or developer of a new building in this District must install street trees. Each street tree must be a minimum of 24-inch box for every 20 feet of frontage of the property along each street or public alley with any remaining fraction of ten feet or more of frontage requiring an additional tree. Planning Code Section 138.1 also requires streetscape and pedestrian elements in conformance with the Better Streets Plan when a project is on a lot that is greater than ½-acre in total area and the project includes new construction.

The project requires five street trees at each of the 3rd and Illinois Street frontages. The project proposes six street trees at each of the 3rd and Illinois Street frontages, which complies with this provision.

E. **Bird-Safe Standards.** Planning Code Section 139 outlines bird-safe standards for new construction to reduce bird mortality from circumstances that are known to pose a high risk to birds and are considered to be "bird hazards." Feature-related hazards may create increased risk to birds and need to be mitigated. The project site is not located within an urban bird refuge.

The Project meets the requirements of Planning Code Section 139 and does not contain any feature-related hazards such as free-standing glass walls, wind barriers, or balconies that have unbroken glazed segments 24 square feet or larger in size.

F. **Dwelling Unit Exposure.** Planning Code Section 140 requires dwelling units to have at least one window facing a street or alley, a Code-complying rear yard, open space or inner court.

All proposed dwelling units enjoy ample light and air with the proposed inner court yard, and 43 units face either 3rd or Illinois Streets, meeting the dimensional and square footage requirements for dwelling unit exposure.

G. **Street Frontages.** Planning Code Section 145.1 requires the following for street frontages in Eastern Neighborhood Mixed Use Districts: (1) not more than 1/3 the width of the building facing the street may be devoted to ingress/egress to parking; (2) off-street parking at street grade must be set back at least 25 feet; (3) "active" use shall be provided within the first 25 feet of building depth at the ground floor; (4) ground floor non-residential uses in UMU zoning district shall have a floor-to-floor height of 17-feet; (5) frontages with active uses shall be fenestrated with transparent windows; and, (6) decorative railings or grillwork placed in front of or behind ground floor windows, shall be at least 75 percent open to perpendicular views.

The project complies with the requirements of Section 145.1 as follows: (1) providing one 12-foot wide garage opening, which totals less than 1/3 the width of the approximately 105-foot wide building; (2) the off-street parking at street grade is set back at least 35 feet from Illinois Street; (3) incorporating active uses on all street frontages, including commercial, dwellings with stoops and flex units within the first 25 feet of the building depth at ground floor; (4) providing a floor-to-floor ground floor height of 18 feet for the commercial frontage; and, (5) providing transparent windows at the ground floor.

H. **Shadow.** Planning Code Section 147 requires reduction of substantial shadow impacts on public plazas and other publicly accessible spaces other than those protected under Planning Code Section 295. Section 295 restricts new shadow, cast by structures exceeding a height of 40 feet, upon property under the jurisdiction of the Recreation and Park Commission.

The Shadow Analysis conducted for the Project indicates that the Project will not cast shadow upon any existing Public, Publicly Accessible or Publicly Financed or Subsidized Open Space under Planning Code Section 147. Crane Cove Park is an approximately nine acre site that is identified for development as a future park within the Port of San Francisco's Pier 70 Area, the former Union Iron Works/Bethlehem Steel Shipyard. Although a Draft Master Plan and Conceptual Plans have been developed, the project has not been reviewed and adopted by the Port Commission and other stakeholders. Additionally, the Project will not cast any shadows upon property under the jurisdiction of the Recreation and Park Commission.

I. **Off-Street Parking.** Planning Section 151.1 allows for provision of up to three parking spaces for each four dwelling units. Additionally, up to one parking space is permitted for each dwelling unit that is two or more bedrooms and at least 1,000 square feet of occupied floor area, subject to the requirements of Sections 151.1(g) below. No additional parking is permitted above these amounts.

(1)(A) Parking for All Uses.

(i) Vehicle movement on or around the project does not unduly impact pedestrian spaces or movement, transit service, bicycle movement, or the overall traffic movement in the district;

(ii) Accommodating excess accessory parking does not degrade the overall urban design quality of the project proposal;

(iii) All above-grade parking is architecturally screened and lined with active uses according to the standards of Section 145.1, and the project sponsor is not requesting any exceptions or variances requiring such treatments elsewhere in this Code; and

(iv) Excess accessory parking does not diminish the quality and viability of existing or planned streetscape enhancements.

The project proposes one twelve-foot wide vehicular access to its subterranean parking garage, therefore minimizing any impact to pedestrian spaces or movement. All parking spaces are provided underground, not visible from the street and with mechanical stackers. The proposed bicycle parking is at the ground level and will be accessible through the building lobby. The project proposes ample quality street scape improvements and active uses on the ground floor to enhance the pedestrian space and experience.

(B) Parking for Residential Uses.

(i) For projects with 50 dwelling units or more, all residential accessory parking in excess of 0.5 spaces per unit shall be stored and accessed by mechanical stackers or lifts, valet, or other space-efficient means that reduces space used for parking and maneuvering, and maximizes other uses.

Based on the proposed dwelling unit mix, the maximum number of parking spaces permitted is 80, or a parking ratio of approximately .85 spaces per dwelling unit. The project proposes 74 parking spaces, or a parking ratio of approximately .80 spaces per dwelling unit, accessible with mechanical stackers. Therefore, the project complies with the principally permitted parking amounts.

J. **Off-Street Loading.** Planning Code Section 152.1 requires no off-street freight loading spaces for a residential use in UMU Districts when the gross floor area is less than 100,000 square feet, and no loading space for a commercial use less than 10,000 square feet.

With approximately 90,000 gross square feet of residential use, the project requires no off-street loading spaces. However, one loading space at curbside facing Illinois Street has been proposed.

K. **Bicycle Parking.** Planning Code Section 155.2 requires one Class One bicycle space for each dwelling unit and one Class Two space for every 20 dwelling units.

The proposed total number of 93 dwelling units requires a total of 93 Class One bicycle parking spaces and five Class Two spaces. The project complies with this requirement by providing up to 94 Class One bicycle parking spaces and eight Class Two spaces.

L. **Car Share.** Planning Code Section 166 requires one space for projects proposing dwelling units between 50 and 200.

One car share space is required for the proposed 93 dwelling units. The project exceeds the minimum requirement by providing three car share spaces.

M. **Unbundled Parking.** Planning Code Section 167 requires that all off-street parking spaces accessory to residential uses in new structures of 10 dwelling units or more be leased or sold separately from the rental or purchase fees for dwelling units for the life of the dwelling units.

The off-street parking spaces provided for the dwelling units will be unbundled and sold and/or leased separately from the dwelling units. Therefore, the Project meets this requirement.

N. **Dwelling Unit Mix.** Planning Code Section 207.6 requires at least 40 percent of the total number of proposed dwelling units to contain two or more bedrooms. Any fraction resulting from this calculation shall be rounded to the nearest whole number of dwelling units.

The Project will provide 41 percent of the dwelling units as 2-bedroom units or larger (38 units).

O. **Height Limit.** Planning Code Section 260 requires that the height of buildings not exceed the limits specified in the Zoning Map and defines rules for the measurement of height. The Project Site is within a 68-foot Height District.

The Project complies with this requirement as the height of the building does not exceed 68 feet.

P. **Inclusionary Affordable Housing Program.** Planning Code Section 419 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 419.3, these requirements would apply to projects that consist of ten or more units. The Project Sponsor has stated its intent to pursue the Rental Incentive alternative available to qualifying projects in the Urban Mixed Use District within Eastern Neighborhoods (UMU) under Planning Code Sections 415.5, 415.6 and 419.5(b). The Rental Incentive provides that projects which enter into an agreement with the City to provide all of the units in the Project as rental units for 30 years from the issuance of the certificate of occupancy shall receive two incentives: (1) a 3% reduction in its on-site inclusionary housing requirement (here from 16% to 13%) and (2) a $1 per gross square foot reduction in its Eastern Neighborhoods Public Benefit Fee. While the Department supports this concept in general, under the current Code, the project sponsor must have the agreement to provide rental housing for 30 years approved by the Board of Supervisors. Per Planning Code Section 419.3(b)(2), the project site is subject to the "Tier B" requirements.

The Project Sponsor has entered into an agreement with the City to provide rental housing for 30 years under Section 419.5(b) of the Planning Code. The Project Sponsor and the City have entered into such an agreement; therefore the applicable requirements are a 13% inclusionary housing requirement and there is a $1 per gross square foot reduction in the Eastern Neighborhood Public Benefit Fee. If the Agreement is terminated or the units otherwise sold prior to the expiration of the 30 year period, the inclusionary requirement will return to 16% and the Project Sponsor and its Successor must pay the $1 per square foot Eastern Neighborhoods Public Benefit Fee. Both requirements would be subject to interest and/or penalties as allowed by law. The Project contains 93 units; therefore the Project Sponsor will fulfill this requirement by providing twelve affordable units on site. If the number of market rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing and Community Development.

Q. **Eastern Neighborhoods Infrastructure Impact Fees.** The project shall comply with the provisions of Planning Code Section 423, including payment of the Eastern Neighborhoods Impact Fee, or execution of an In-Kind Agreement with the Planning Department prior to issuance of the first site or building permit.

The Project includes approximately 108,790 gross square feet of new development consisting of approximately 93,176 square feet of residential use. This use is subject to the Eastern Neighborhoods Infrastructure Impact Fees, as outlined in Planning Code Section 423. These fees must be paid by the Project Sponsor prior to the issuance of the building permit application.

7. **Large Project Authorization in Eastern Neighborhoods Mixed Use District.** Planning Code Section 329(c) lists nine aspects of design review in which a project must comply; the Planning Commission finds that the project is compliant with these nine aspects as follows:

A. Overall building massing and scale;

The Project conforms to the applicable height and bulk requirements. The community in the vicinity of the Project is constantly evolving with development in the Central Waterfront region and the recent Eastern Neighborhoods Area Plans, and contains a range of building masses. The project, with

residential and flex space will be consistent with the existing and evolving character of the area. The Project's massing will improve the character of the neighborhood and improve general pedestrian accessibility. Furthermore, from a visual perspective, the massing and scale are generally consistent with the neighboring buildings. Two recent developments at 680 Illinois and 740 Illinois Streets proposed similar building mass and scale.

B. Architectural treatments, façade design and building materials;

The architecture of this Project responds to the site's location between the industrial nature of the Central Waterfront and the contemporary architecture of the residential buildings and lofts toward the bottom of Potrero Hill. The Project's facades all present fenestration patterns and scale similar to the expressed frame of residential and industrial uses common in the area. The exterior is designed with modern materials including resin, cement, and metal panels, aluminum windows, and stone. Additionally, the metal punched window openings and balconies with cement plaster recesses provide a stimulating and visually interesting form from the public right-of-way. Variations in fenestration and treatment of the building facades allow the architecture to read as distinct pieces of a whole.

C. The design of lower floors, including building setback areas, commercial space, townhouses, entries, utilities, and the design and siting of rear yards, parking and loading access;

The ground floor character of the building is active with residential and retail oriented flex spaces along 3rd and Illinois Streets, and exposed residential entries along Illinois Street as expressed by the architecture of the building via recessed entries. The residential flex spaces, lobbies, and community spaces are carved out at the ground floor, inviting pedestrians and providing an opportunity for outdoor seating. The residential flex spaces have 17-foot clear ceiling heights at the ground floor, and curb cuts are minimized to one twelve-foot wide parking access point facing Illinois Street for the entire project. Street trees along all street frontages are proposed as required by the Planning Code, with the exception of areas adjacent to the building entries and the vehicular access point.

D. The provision of required open space, both on- and off-site. In the case of off-site publicly accessible open space, the design, location, access, size, and equivalence in quality with that otherwise required on-site;

The Project provides 1,972 square feet of private usable open space on the building's roof and courtyard for seven dwelling units. Approximately 5,898 square feet of usable common open space is provided on the building's roof deck, and an additional 2,934 square feet of private and common open space is provided on balconies and in the courtyard. Furthermore, 893 square feet of publicly accessible open space is provided at grade adjacent to 3rd Street. Although the additional 2,934 square feet of proposed open space on balconies and in the courtyard does not meet the literal dimensional requirements of the Planning Code, the total 11,578 square feet of open spaces provided on-site exceed the square footage required and are quality usable spaces.

E. Streetscape and other public improvements, including tree planting, street furniture, and lighting;

The Project proposes the installation of twelve street trees along both frontages and open spaces, and sidewalk improvements.

F. Circulation, including streets, alleys and mid-block pedestrian pathways;

The Project proposes only one twelve-foot wide ingress/egress access at Illinois Street and is not anticipated to create circulation problems. No other ingress/egress is proposed anywhere to prevent possible conflicts and congestion.

G. Bulk limits;

The Project site is located in an X Bulk District, which provides no bulk restrictions.

I. Other changes necessary to bring a project into conformance with any relevant design guidelines, Area Plan or Element of the General Plan.

The Project generally meets the Objectives and Policies of the General Plan and noted in Finding 9 below.

8. **Exceptions.** Proposed Planning Code Section 329 allows exceptions for Large Projects in the Eastern Neighborhoods Mixed Use Districts.

A. Planning Code Section 134 requires a minimum rear yard equal to 25 percent of the total lot depth beginning at the lowest story containing a dwelling unit. The subject property is a rectangular lot with two frontages and two publicly accessible mews. Planning Code Section 329(d) allows an exception for the rear yard requirement pursuant to requirements of Planning Code Section 134(f).

1. Residential uses are included in the new or expanding development and a comparable amount of readily accessible usable open space is provided elsewhere on the lot:

The Project is occupied by a residential uses including flex units, and a comparable amount of readily accessible open space. Per the Planning Code, the required rear yard should equal 25 percent of the lot area, which is approximately 4,725 square feet for this property. The proposed roof deck (6,725 s.f.) inner courtyard (3,186 s.f.), and private balconies (774 s.f.) combine to provide approximately 10,685 square feet of accessible open space.

2. The proposed new or expanding structure will not significantly impede the access to light and air from adjacent properties:

The Project will merge three underutilized lots and create a through lot fronting 3rd and Illinois Streets. The proposed inner court yard will connect with court yards from the adjacent residential buildings, will preserve access to light and air, and will result in no significant impediment on light and air to adjacent properties.

3. The proposed new or expanding structure will not adversely affect the interior block open space formed by the rear yards of adjacent properties:

The Project proposes an inner court yard that connects with and compliments the court yards from the adjacent residential buildings. The collective inner courtyards constitute a mid-block open space. The subject site currently provides no inner courtyard as the existing buildings have nearly full lot coverage.

B. Planning Code Section 135 requires that usable open space be located on the same lot as the dwelling units it serves. At least 80 square feet of usable open space per dwelling unit, or 54 square feet per dwelling unit of publicly accessible open space, is required. Up to 50 percent of the publicly accessible open space may be provided off-site. The Project has a residential open space requirement of up to 7,520 square feet of usable open space if private, or 5,076 square feet of publically accessible open space.

Although the total proposed open space (10,685 square feet) exceeds the requirement, the approximately 3,186 square feet of the open space (inner courtyard) does not meet the dimensional requirements. However, the inner court yard is of significant size and appropriate design to provide quality usable open space.

C. Modification of the accessory use provisions of Section 803.3(b)(1)(c) for dwelling units. Dwelling units modified under this Subsection shall continue to be considered dwelling units for the purposes of the Code and shall be subject to all such applicable controls and fees. Additionally, any building which receives a modification pursuant to this Subsection shall be subject to the following:

(i) A modification may only be granted for the ground floor portion of dwelling units that front on a street with a width equal to or greater than 40 feet.

The Project seeks modification for one two-bedroom, and two one-bedroom units on the ground floor fronting on 3rd and Illinois Streets, respectively.

(ii) The accessory use may only include those uses permitted as of right at the subject property. However, uses permitted in any unit obtaining an accessory use modification may be further limited by the Planning Commission.

The Project will only include accessory uses that are principally permitted uses in the UMU Zoning District. The anticipated uses will either be retail or home office.

(iii) The Planning Commission may grant exceptions to the size of the accessory use, type and number of employees, and signage restrictions of the applicable accessory use controls.

The Project is seeking modification to the accessory use provisions for dwelling units to allow for greater flexibility in the size of an accessory use on the ground floor level only, to provide for a limited number of employees, and to allow for public access.

9. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

HOUSING

Objectives and Policies

OBJECTIVE 1
IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.1
Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

The Project is a high density mixed-use development in an underutilized, transitioning industrial area. The Project site is a large opportunity site that is currently used as an exhibition space. The area around the Project site was recently rezoned to UMU as part of a long range planning goal to create a cohesive, high density residential and mixed-use neighborhood. The project includes twelve on-site affordable housing units and also provides residential flex units for commercial spaces.

OBJECTIVE 11
SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

Policy 11.1
Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.

Policy 11.2
Ensure implementation of accepted design standards in project approvals.

Policy 11.3
Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

Policy 11.4
Continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan.

Policy 11.6
Foster a sense of community through architectural design, using features that promote community interaction.

Policy 11.8
Consider a neighborhood's character when integrating new uses, and minimize disruption caused by expansion of institutions into residential areas.

The architecture of this Project responds to the site's location and provides a design that blends the industrial and the contemporary architecture of residential and loft buildings. The Project's facades all present fenestration patterns and scale similar to the expressed frame of residential and industrial uses common in the area. The exterior is designed with modern materials including resin, cement, and metal panels, aluminum windows, and stone. Additionally, the metal punched window openings and balconies

with cement plaster recesses provide a stimulating and visually interesting form from the public right of way. Variations in fenestration and treatment of the building facades allow the architecture to read as distinct pieces of a whole.

RECREATION AND OPEN SPACE ELEMENT

Objectives and Policies

OBJECTIVE 4:
PROVIDE OPPORTUNITIES FOR RECREATION AND THE ENJOYMENT OF OPEN SPACE IN EVERY SAN FRANCISCO NEIGHBORHOOD.

Policy 4.5:
Require private usable outdoor open space in new residential development.

Policy 4.6:
Assure the provision of adequate public open space to serve new residential development.

The Project will create private outdoor open spaces in a new residential mixed-use development through private balconies, a courtyard, roof deck, and ground floor open spaces. It will not cast shadows over any open spaces under the jurisdiction of the Recreation and Park Department.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 24:
IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

Policy 24.2:
Maintain and expand the planting of street trees and the infrastructure to support them.

Policy 24.3:
Install pedestrian-serving street furniture where appropriate.

Policy 24.4:
Preserve pedestrian-oriented building frontages.

The Project will install street trees at approximately 20 foot intervals along the frontages on 3rd and Illinois Streets. Frontages are designed with active spaces oriented at the pedestrian level that have a 17 foot clear ceiling height.

OBJECTIVE 28:
PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.

Policy 28.1:

Provide secure bicycle parking in new governmental, commercial, and residential developments.

Policy 28.3:
Provide parking facilities which are safe, secure, and convenient.

The Project includes 94 Class One bicycle parking spaces in secure, convenient locations on the ground floor and eight Class Two spaces in the public right of way.

OBJECTIVE 34:
RELATE THE AMOUNT OF PARKING IN RESIDENTIAL AREAS AND NEIGHBORHOOD COMMERCIAL DISTRICTS TO THE CAPACITY OF THE CITY'S STREET SYSTEM AND LAND USE PATTERNS.

Policy 34.1:
Regulate off-street parking in new housing so as to guarantee needed spaces without requiring excesses and to encourage low auto ownership in neighborhoods that are well served by transit and are convenient to neighborhood shopping.

Policy 34.3:
Permit minimal or reduced off-street parking supply for new buildings in residential and commercial areas adjacent to transit centers and along transit preferential streets.

Policy 34.5:
Minimize the construction of new curb cuts in areas where on-street parking is in short supply and locate them in a manner such that they retain or minimally diminish the number of existing on-street parking spaces.

The Project has a parking to dwelling unit ratio of .80 spaces per unit, below the maximum permitted ratio of 0.85. The parking spaces are accessed by one ingress/egress point at Illinois Street. Parking is adequate for the project and complies with maximum prescribed by the Planning Code.

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 1.7:
Recognize the natural boundaries of districts, and promote connections between districts.

OBJECTIVE 2:
CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

Policy 2.6:
Respect the character of older development nearby in the design of new buildings.

The existing industrial buildings are not compatible with the visual character of the neighborhood. The Project serves as a visual transition from the residential character to the west and the industrial uses to the east. The Proposal will bring the Subject Property into greater conformity with the existing neighborhood character, and is complementary to the massing and scale of the adjacent buildings. The 93 new units of housing will provide a greater housing choice for residents.

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.

While the subject lot has two 107-foot street frontages, it only proposes one vehicular access point for the entire project, limiting conflicts with pedestrians and bicyclists. A minimum of six street trees will be planted on each street frontage. Ample active frontages, public and private open spaces, ground floor active uses, and ground floor flexible occupancy units directly accessing the street will be provided. The pedestrian experience along the Project site will be improved with widening of the sidewalk along 3rd Street.

CENTRAL WATERFRONT AREA PLAN

Objectives and Policies

Land Use
OBJECTIVE 1.2:
IN AREAS OF THE CENTRAL WATERFRONT WHERE HOUSING AND MIXED USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER.

Policy 1.2.1:
Ensure that in-fill housing development is compatible with its surroundings.

Policy 1.2.4
In general, where residential development is permitted, control residential density through building height and bulk guidelines and bedroom mix requirements implementation.

The project proposes development on existing underutilized parcels by merging them and introducing new rental housing with affordable units. The proposed density is the maximum allowed in order to ensure

quality and livability of the units through controlled height and unit mix requirements, and 41% of the unit mix includes two and three-bedroom units..

Housing
OBJECTIVE 2.3
ENSURE THAT NEW RESIDENTIAL DEVELOPMENTS SATISFY AN ARRAY OF HOUSING NEEDS WITH RESPECT TO TENURE, UNIT MIX AND COMMUNITY SERVICES.

Policy 2.3.2
Prioritize the development of affordable family housing, both rental and ownership, particularly along transit corridors and adjacent to community amenities.

Policy 2.3.3
Require that 40 percent of all units in new developments have two or more bedrooms and encourage that at least 10 percent of all units in new development have three or more bedrooms, except Senior Housing and SRO developments.

The project proposes rental housing with a minimum of 41 percent of its total units containing two and three-bedroom units.

Built Form
OBJECTIVE 3.1
PROMOTE AN URBAN FORM THAT REINFORCES THE CENTRAL WATERFRONT'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER.

Policy 3.1.9
New development should respect existing patterns of rear yard open space. Where an existing pattern of rear yard open space does not exist, new development on mixed-use-zoned parcels should have greater flexibility as to where open space can be located.

Although there is no prevailing pattern of rear yard or open space on the subject block, the project proposes an 6,725 s.f. roof deck and an interior court that breaks up the building mass, continues the connection to adjacent inner courtyards, and provides quality light and air for the dwelling units.

OBJECTIVE 3.2
PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM.

Policy 3.2.1
Require high quality design of street-facing building exteriors.

The Project provides strong, repeating vertical articulation to achieve the visual presence necessary to sustain pedestrian interest and activity. Massing is differentiated with notches, recesses, projections and an interior court yard. The proposed fenestration represents the uses behind them, in this case, residential and commercial flex units, minimizes visual clutter, harmonizes with prevailing conditions, and provides

architectural interest. Proposed windows are recessed and are generally oriented vertically with metal frames.

OBJECTIVE 4.1
IMPROVE PUBLIC TRANSIT TO BETTER SERVE EXISTING AND NEW DEVELOPMENT IN CENTRAL WATERFRONT.

Policy 4.1.5
Reduce existing curb cuts where possible and restrict new curb cuts to prevent vehicular conflicts with transit on important transit and neighborhood commercial streets.

The proposed curb cut is not located along the 3rd Street façade, which is a pedestrian and transit oriented street. Ground floor residential units and flex units with recessed entries are proposed on both 3rd and Illinois Street façades, where it is important to maintain continuous active ground floor activity, protect pedestrian movement and retail viability, and reduce transit delay and variability.

OBJECTIVE 4.8
ENCOURAGE ALTERNATIVES TO CAR OWNERSHIP AND THE REDUCTION OF PRIVATE VEHICLE TRIPS.

Policy 4.8.1
Continue to require car-sharing arrangements in new residential and commercial developments, as well as any new parking garages.

The project provides three car share spaces, exceeding the Code's requirement for one car space.

Streets and Open Space
OBJECTIVE 5.2
ENSURE THAT NEW DEVELOPMENT INCLUDES HIGH QUALITY PRIVATE OPEN SPACE.

Policy 5.2.1
Require new residential and mixed-use residential development to provide on-site private open space designed to meet the needs of residents.

Policy 5.2.2
Encourage private open space to be provided as common spaces for residents and workers of the building wherever possible.

The Project includes a roof terrace of approximately 6,725 square feet. Although the proposed interior courtyard does not meet the minimum dimensional requirements, it provides a large and unobstructed quality usable open space of approximately 3,186 additional square feet,

10. **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 does comply 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.

There are no existing neighborhood-serving retail uses on the site. The Project will provide approximately 2,165 square feet of ground floor flex spaces adequate for various commercial uses, including neighborhood serving retail, which will create opportunities for local resident employment and ownership opportunities.

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

No housing exists on the project site. The project will provide up to 93 new dwelling units, which will significantly increase the neighborhood housing stock. The design of the Project is compatible with the surrounding neighborhood. For these reasons, the proposed project would protect and preserve the cultural and economic diversity of the neighborhood.

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

The Project will not displace any affordable housing because there is currently no housing on the site. The Project will comply with the City's Inclusionary Housing Program by providing twelve BMR units, therefore increasing the stock of affordable housing units in the City.

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

The project site is well-served by public transportation. The 3rd Street Light Rail is directly in front of the project site at the 3rd Street façade. The majority of future residents are expected to use alternative methods of transportation other than private automobiles, and the number of vehicle trips generated by this project would not impede MUNI transit service or overburden streets.

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 does not include any commercial office development as proposed. The proposal, with dwelling units and commercial flex spaces will increase the diversity of the City's housing supply, a top priority in the City, and will provide potential neighborhood-serving uses.

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. This proposal will not impact the property's ability to withstand an earthquake.

G. That landmarks and historic buildings be preserved.

A landmark or historic building does not occupy the Project site.

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

The Project will not affect the City's parks or open space or their access to sunlight and vistas. A shadow study was completed and concluded that the Project will not cast shadows on any property under the jurisdiction of, or designated for acquisition by, the Recreation and Park Commission.

11. **First Source Hiring.** The Project is subject to the requirements of the First Source Hiring Program as they apply to permits for residential development (Section 83.4(m) of the Administrative Code), and the Project Sponsor shall comply with the requirements of this Program as to all construction work and on-going employment required for the Project. Prior to the issuance of any building permit to construct or a First Addendum to the Site Permit, the Project Sponsor shall have a First Source Hiring Construction and Employment Program approved by the First Source Hiring Administrator, and evidenced in writing. In the event that both the Director of Planning and the First Source Hiring Administrator agree, the approval of the Employment Program may be delayed as needed.

The Project Sponsor submitted a First Source Hiring Affidavit and prior to issuance of a building permit, will execute a First Source Hiring Memorandum of Understanding and a First Source Hiring Agreement with the City's First Source Hiring Administration.

12. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.

13. The Commission hereby finds that approval of the Large Project authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Large Project Authorization Application No. 2010.0726X** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated May 15, 2014, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission hereby adopts the MMRP attached hereto as Exhibit C and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the Eastern Neighborhoods Plan EIR and contained in the MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: **Any aggrieved person may appeal this Large Project Authorization to the Board of Appeals within fifteen (15) days after the date of this Motion No. 19165. The effective date of this Motion shall be the date of this Motion if not appealed (After the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals at (415) 575-6880, 1650 Mission Street, Room 304, San Francisco, CA 94103.**

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on June 5, 2014.

Jonas P. Ionin
Acting Commission Secretary

AYES:	Commissioners Hillis, Sugaya, Fong, Antonini, Borden, Moore, and Wu
NAYES:	None
ABSENT:	None
ADOPTED:	June 5, 2014

EXHIBIT A

AUTHORIZATION

This authorization is for a Large Project Authorization to allow for the construction of a six-story residential building with 93 dwelling units with 94 off-street parking spaces, and a modification to the requirements for rear yard, open space, and accessory use provisions for dwelling units, located at 2051 3rd Street, Lots 001B, 001C and 006 in Assessor's Block 3994 pursuant to Planning Code Section 329 within the UMU (Urban Mixed Use) Zoning District, and a 68-X Height and Bulk District; in general conformance with plans, dated May 15, 2014, and stamped "EXHIBIT B" included in the docket for Case No. 2010.0726X and subject to conditions of approval reviewed and approved by the Commission on June 5, 2014, under Motion No. 19165. 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 and reviewed and approved by the Planning Commission on June 5, 2014, under Motion No. 19165.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'EXHIBIT A' of this Planning Commission Motion No. 19165 shall be reproduced on the Index Sheet of construction plans submitted with the Site or Building permit application for the Project. The Index Sheet of the construction plans shall reference to the Large Project Authorization and any subsequent amendments or modifications.

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 the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Large Project Authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

Validity. The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Expiration and Renewal. Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Diligent pursuit. Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Extension. All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Conformity with Current Law. No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

DESIGN

Final Materials. The Project Sponsor shall continue to work with the Planning Department on the building design and the design and development of the streetscape and pedestrian elements in conformance with the Better Streets Plan. Final materials, glazing, color, texture, landscaping, and

detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6613, www.sf-planning.org

Garbage, composting and recycling storage. Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the building permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6613, www.sf-planning.org

Rooftop Mechanical Equipment. Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Transformer Vault. The location of individual project PG&E Transformer Vault installations has significant impacts to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:

A. On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
B. On-site, in a driveway, underground;
C. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
D. Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding impacts on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
E. Public right-of-way, underground; and based on Better Streets Plan guidelines;
F. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
G. On-site, in a ground floor façade (the least desirable location).

Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.
For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, http://sfdpw.org

Overhead Wiring. The Property owner will allow MUNI to install eyebolts in the building adjacent to its electric streetcar line to support its overhead wire system if requested by MUNI or MTA.

For information about compliance, contact San Francisco Municipal Railway (Muni), San Francisco Municipal Transit Agency (SFMTA), at 415-701-4500, www.sfmta.org

Noise, Ambient. Interior occupiable spaces shall be insulated from ambient noise levels. Specifically, in areas identified by the Environmental Protection Element, Map1, "Background Noise Levels," of the General Plan that exceed the thresholds of Article 29 in the Police Code, new developments shall install and maintain glazing rated to a level that insulate interior occupiable areas from Background Noise and comply with Title 24.
For information about compliance, contact the Environmental Health Section, Department of Public Health at (415) 252-3800, www.sfdph.org

Noise. Plans submitted with the building permit application for the approved project shall incorporate acoustical insulation and other sound proofing measures to control noise.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Street Trees. Pursuant to Planning Code Section 138.1 (formerly 143), the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application indicating that street trees, at a ratio of one street tree of an approved species for every 20 feet of street frontage along public or private streets bounding the Project, with any remaining fraction of 10 feet or more of frontage requiring an extra tree, shall be provided. The street trees shall be evenly spaced along the street frontage except where proposed driveways or other street obstructions do not permit. The exact location, size and species of tree shall be as approved by the Department of Public Works (DPW). In any case in which DPW cannot grant approval for installation of a tree in the public right-of-way, on the basis of inadequate sidewalk width, interference with utilities or other reasons regarding the public welfare, and where installation of such tree on the lot itself is also impractical, the requirements of this Section 428 may be modified or waived by the Zoning Administrator to the extent necessary.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

AFFORDABLE HOUSING

Eastern Neighborhoods Affordable Housing Requirements for UMU. Pursuant to Planning Code Section 419.3 (formerly 319.3), Project Sponsor shall meet the requirements set forth in Planning Code Section 419.3 in addition to the requirements set forth in the Affordable Housing Program, per Planning Code Section 415. Prior to issuance of first construction document, the Project Sponsor shall select one of the options described in Section 419.3 or the alternatives described in Planning Code Section 419.5 to fulfill the affordable housing requirements and notify the Department of their choice. Any fee required by Section 419.1 et seq. shall be paid to the Development Fee Collection Unit at DBI prior to issuance of the first construction document an option for the project sponsor to defer payment to prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge in accordance with Section 107A.13.3 of the San Francisco Building Code.

Pursuant to Planning Code Section 419, the Project Sponsor has entered into an agreement with the City to provide rental housing for 30 years under Section 419.5(b) of the Planning Code. The Project Sponsor and the City have entered into such an agreement; therefore the applicable requirements are a 13%

inclusionary housing requirement and there is a $1 reduction per square foot of the Eastern Neighborhood Public Benefit Fee. If the Agreement is terminated or the units otherwise sold prior to the expiration of the 30 year period, the inclusionary requirement will return to 16% and the project sponsor and its successor must pay the $1 per square foot Eastern Neighborhoods Public Benefit Fee. Both requirements would be subject to interest and/or penalties as allowed by law. The Project contains 93 units; therefore the Project Sponsor will fulfill this requirement by providing the twelve (12) affordable units on site. If the number of market rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor s Office of Housing and Community Development.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, http://sf-moh.org/index.aspx?page=321

Unit Mix. The Project contains 33 studios, 22 one-bedroom, 35 two-bedroom, and 3 three-bedroom units; therefore, the required affordable unit mix is four studios, three one-bedroom, and five two-bedroom, for a total of twelve affordable units. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOH.

Unit Location. The BMR units shall be designated on a reduced set of plans recorded as a Notice of Special Restrictions on the property prior to the issuance of first construction permit.

Phasing. If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than sixteen percent (16%) of the each phase's total number of dwelling units as on-site BMR units. Alternatively, if the Project Sponsor has entered into an agreement with the City to provide rental housing for 30 years under Section 419.5(b) of the Planning Code, the Project shall have designated not less than thirteen percent (13%) of the each phase's total number of dwelling units as on-site BMR units.

Duration. Under Planning Code Section 419.8, all units constructed pursuant to Section 419.6, must remain affordable to qualifying households for the life of the project.

Other Conditions. The Project is subject to the requirements of the Inclusionary Affordable Housing Program under Section 419 et seq. of the Planning Code and City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual"). The Procedures Manual, as amended from time to time, is incorporated herein by reference, as published and adopted by the Planning Commission, and as required by Planning Code Section 419. Terms used in these conditions of approval and not otherwise defined shall have the meanings set forth in the Procedures Manual. A copy of the Procedures Manual can be obtained at the MOH at 1 South Van Ness Avenue or on the Planning Department or Mayor's Office of Housing's websites, including on the internet at: http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451. As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available.

a. The affordable unit(s) shall be designated on the building plans prior to the issuance of the first construction permit by the Department of Building Inspection ("DBI"). The affordable unit(s) shall (1) reflect the unit size mix in number of bedrooms of the market rate units, (2) be constructed, completed, ready for occupancy and marketed no later than the market rate

units, and (3) be evenly distributed throughout the building; and (4) be of comparable overall quality, construction and exterior appearance as the market rate units in the principal project. The interior features in affordable units should be generally the same as those of the market units in the principal project, but need not be the same make, model or type of such item as long they are of good and new quality and are consistent with then-current standards for new housing. Other specific standards for on-site units are outlined in the Procedures Manual.

b. If the units in the building are offered for rent, the affordable unit(s) shall be rented to qualifying households, as defined in the Procedures Manual, whose gross annual income, adjusted for household size, does not exceed an average fifty-five (55) percent of Area Median Income under the income table called "Maximum Income by Household Size derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that contains San Francisco." The initial and subsequent rent level of such units shall be calculated according to the Procedures Manual. Limitations on (i) occupancy; (ii) lease changes; (iii) subleasing, and; are set forth in the Inclusionary Affordable Housing Program and the Procedures Manual.

c. If the units in the building are offered for sale, the affordable unit(s) shall be sold to first time home buyer households, as defined in the Procedures Manual, whose gross annual income, adjusted for household size, does not exceed an average of one hundred (100) percent of the median income for the City and County of San Francisco as defined in the Inclusionary Affordable Housing Program, an amount that translates to ninety (90) percent of Area Median Income under the income table called "Maximum Income by Household Size" derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that contains San Francisco. The initial sales price of such units shall be calculated according to the Procedures Manual. Limitations on (i) reselling; (ii) renting; (iii) recouping capital improvements; (iv) refinancing; and (v) procedures for inheritance apply and are set forth in the Inclusionary Affordable Housing Program and the Procedures Manual.

d. The Project Sponsor is responsible for following the marketing, reporting, and monitoring requirements and procedures as set forth in the Procedures Manual. MOH shall be responsible for overseeing and monitoring the marketing of affordable units. The Project Sponsor must contact MOH at least six months prior to the beginning of marketing for any unit in the building.

e. Required parking spaces shall be made available to initial buyers or renters of affordable units according to the Procedures Manual.

f. Prior to the issuance of the first construction permit by DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that contains these conditions of approval and a reduced set of plans that identify the affordable units satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOHCD or its successor.

g. The Project Sponsor has demonstrated that it is eligible for the On-site Affordable Housing Alternative under Planning Code Section 415.6 instead of payment of the Affordable Housing Fee, and has submitted the Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415 to the Planning Department stating that any affordable units designated as on-site units shall be rental units for a minimum of 30 years pursuant to requirements in Planning Code Section 419.5(b)

h. If the Project Sponsor fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Section 419 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all available remedies at law.

i. If the Project becomes ineligible at any time for the On-site Affordable Housing Alternative, the Project Sponsor or its successor shall pay the Affordable Housing Fee prior to issuance of the first construction permit or may seek a fee deferral as permitted under Ordinances 0107-10 and 0108-10. If the Project becomes ineligible after issuance of its first construction permit, the Project Sponsor shall notify the Department and MOH and pay interest on the Affordable Housing Fee at a rate equal to the Development Fee Deferral Surcharge Rate in Section 107A.13.3.2 of the San Francisco Building Code and penalties, if applicable.

PARKING AND TRAFFIC

Unbundled Parking. All off-street parking spaces shall be made available to Project residents only as a separate "add-on" option for purchase or rent and shall not be bundled with any Project dwelling unit for the life of the dwelling units. The required parking spaces may be made available to residents within a quarter mile of the project. All affordable dwelling units pursuant to Planning Code Section 415 shall have equal access to use of the parking as the market rate units, with parking spaces priced commensurate with the affordability of the dwelling unit. Each unit within the Project shall have the first right of refusal to rent or purchase a parking space until the number of residential parking spaces are no longer available. No conditions may be placed on the purchase or rental of dwelling units, nor may homeowner's rules be established, which prevent or preclude the separation of parking spaces from dwelling units.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Car Share. Pursuant to Planning Code Section 166, at least one car share space shall be made available, at no cost, to a certified car share organization for the purposes of providing car share services for its service subscribers.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Bicycle Parking. Pursuant to Planning Code Sections 155.1, 155.4, and 155.5, the Project shall provide no fewer than 98 bicycle parking spaces (93 Class 1 spaces and 5 Class 2 spaces).

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Parking Maximum. Pursuant to Planning Code Section 151.1, the Project shall provide no more than 80 off-street parking spaces.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Managing Traffic During Construction. The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation impacts during construction of the Project.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

EASTERN NEIGHBORHOODS INFRASTRUCTURE IMPACT FEE

Impact Fees. Pursuant to Planning Code Section 423 (formerly 327), the Project Sponsor shall comply with the Eastern Neighborhoods Public Benefit Fund provisions through payment of an Impact Fee pursuant to Article 4.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

PROVISIONS

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

MONITORING

Enforcement. Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Revocation due to Violation of Conditions. Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints

to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

Sidewalk Maintenance. The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.
For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, http://sfdpw.org/

Community Liaison. Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Mitigation Measures. Mitigation measures described in the MMRP for the Eastern Neighborhoods Plan EIR (Case No. 2004.0160E) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

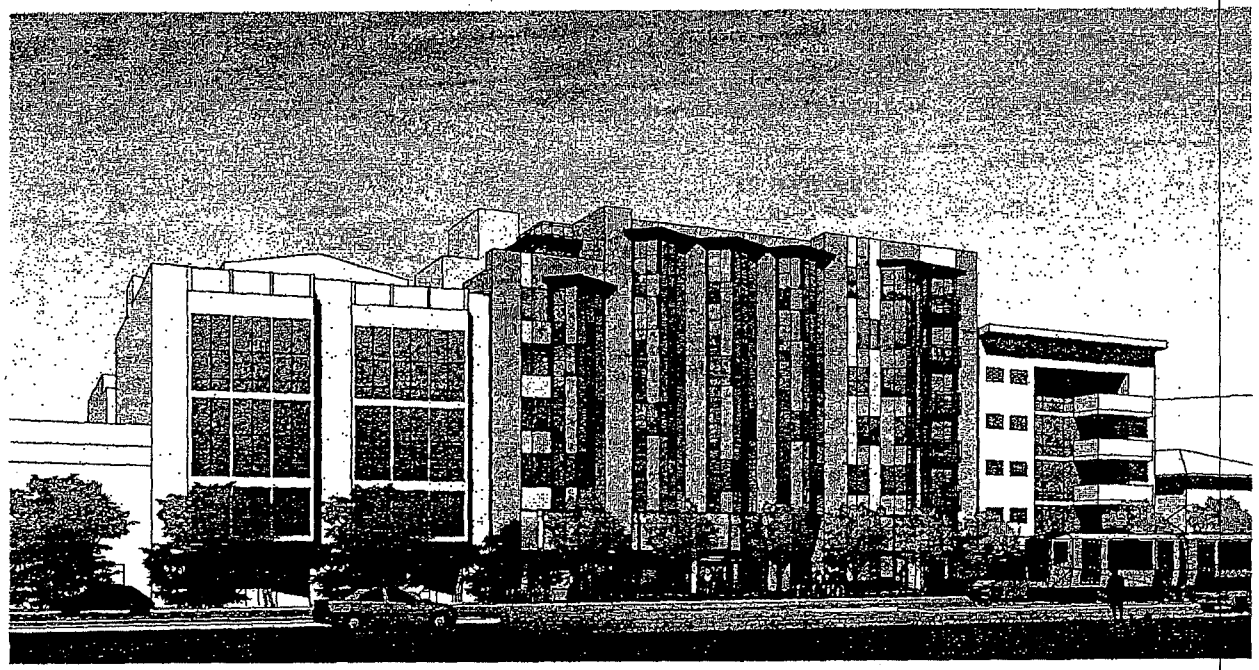
G:\Documents\X\2051 3rd Street_2010.0726X\Report\Final Motion.doc

EXHIBIT B

2051 THIRD STREET

SAN FRANCISCO, CA

PLANNING SUBMITTAL
MAY 15, 2014



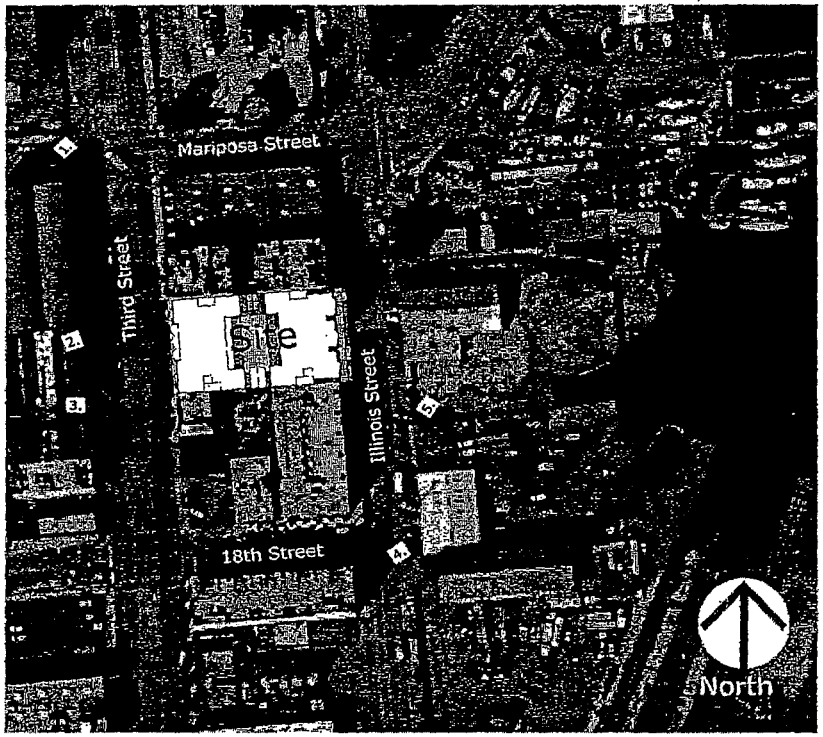
RAINTREE PARTNERS

ARCHITECT

BDE ARCHITECTURE

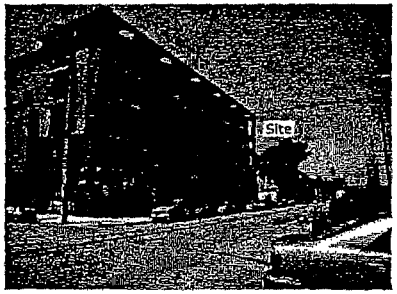
1. Looking Southeast from Mariposa & Third

1. Looking Southeast from Mariposa & Third



Site Aerial/ Context Plan

3. Looking East from Across Third Street



4. Looking Northwest from 18th & Illinois

5. Looking Northwest from Across 18th

PROJECT TEAM

OWNER:
RAINTREE PARTNERS
25 TAYLOR STREET
SAN FRANCISCO, CA 94102
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P: 415.677.0966
CONTACT: JON ENNIS / BRENNA WILLIAMS

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JON WORDEN ARCHITECT
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P: 707.239.9076
CONTACT: JON WORDEN

CIVIL:
BKF ENGINEERING
255 SHORELINE DRIVE, SUITE 200
REDWOOD SHORES, CA 94065
P: 650.482.6388
CONTACT: TODD ADAIR / EASTON C. MCALLISTER

LANDSCAPE:
GROUNDWORKS OFFICE
420 COLLINGWOOD STREET
SAN FRANCISCO, CA 94114
P: 415.845.8745
CONTACT: BRENNAN COX

STRUCTURAL:
KPFF CONSULTING ENGINEERS
221 MAIN STREET, SUITE 300
SAN FRANCISCO, CA 94105
P: 415.890.1004
CONTACT: MARC PRESS

MEP:
EMERALD CITY ENGINEERS, INC.
6505 216TH STREET SW, SUITE 200
MOUNTAINLAKE TERRACE, WA 98043
P: 425.741.1200
CONTACT: JOHN TOMAN / ADAM FRENCH

JOINT TRENCH:
RGA DESIGN
8400 VILLAGE PARKWAY, SUITE 204
DUBLIN, CA 94568
P: 408.878.7525
CONTACT: SCOTT HARDESTER

SECURITY:
MDE CONSULTANTS
3015 W. ORANGEWOOD AVENUE
PHOENIX, AZ 85051
P: 602.490.0013
CONTACT: MIKE DOLAN

WATERPROOFING:
CROSS 2 DESIGN GROUP
2476 WESTLAKE AVENUE N, SUITE 102
SEATTLE, WA 98109
P: 206.283.0099
CONTACT: BRAD MINOGUE

FIRE/LIFE SAFETY CONSULTANTS:
53 IDES, INC.
2940 MEADOW GLEN PLACE
SAN RAMON, CA 94583
P: 530.748.4305
CONTACT: CHERYL L. DONNITCH

EBMS:
SCAFFOLD INSPECTION AND TESTING CO.
183A BEACON STREET
SOUTH SAN FRANCISCO, CA 94080
P: 650.588.4826
CONTACT: JOAN PALILEO

PROJECT TEAM 3

PLANNING INFORMATION:

PROJECT LOCATION:	SAN FRANCISCO, CA
BLOCK/LOT:	3994/LB, 10 & 9
ZONING DISTRICT:	EASTERN NEIGHBORHOOD UMU
HEIGHT & BULK:	65-X
LOT AREA:	0.44 ACRES (19,095 SF)
PROJECT DESCRIPTION:	TWO (2) STORY TYPE IIIA RESIDENTIAL BUILDINGS OVER A MIXED-USE, TYPE IA CONCRETE PODIUM AND SUBTERRANEAN GARAGE. 93 RESIDENTIAL UNITS, COMMON FACILITIES AND 74 CAR GARAGE.

BUILDING CODE ANALYSIS:

CONSTRUCTION TYPE:	TYPE IIIA & 1A
OCCUPANCY CLASSIFICATION:	R-2, B-2, M, A-3, S
MAXIMUM BUILDING HEIGHT:	65'-0" (MEASURED FROM EACH STREET FRONTAGE)
MAXIMUM NUMBER OF STORIES:	6 STORIES: (5) STORIES 111A OVER (1) STORY TYPE 1A WITH LOFT & BASEMENT. PER CBC 501.1, 504.2 & 505.2

PARKING SUMMARY:

ALLOWABLE PARKING:	2-3 BDRM UNITS OVER 1000 SF: 37 UNITS X 1.0/UNIT = 37 SPACES STUDIO - 1 BDRM UNITS: 56 UNITS X 0.75/UNIT = 42 SPACES
MAXIMUM ALLOWABLE PARKING:	80 SPACES
PARKING PROVIDED:	74 SPACES (74 SPACES/93 UNITS = 80%) * INCLUDES 3 ADA SPACES, 3 CAR SHARE SPACES & 3 EV SPACES

BIKE PARKING:

REQUIRED BIKE PARKING:	1 BIKE / UNIT (CLASS 1) = 93 SPACES 1 BIKE / 20 UNITS (CLASS 2) = 5 SPACES
PROVIDED BIKE PARKING:	94 SPACES: CLASS 1 6 SPACES: CLASS 2

ACCESSIBILITY:

BATHING AND TOILET FACILITIES:	PER 2010 CBC CHAPTER 11A, ONE COMPLYING BATHROOM PER UNIT WILL BE IN ACCORDANCE WITH 1134A.2 OPTION 2.

PROJECT INFORMATION 2

SHEET INDEX

A1	PROJECT INFORMATION	A16	BUILDING SECTION - LOOKING NORTH
A2	AREA & OPEN SPACE CALCULATIONS	A16	BUILDING SECTION - LOOKING NORTH
A3	ALTA SURVEY	A17	BUILDING SECTION - LOOKING NORTH
A4	SITE PLAN	A18	TYPICAL UNIT PLANS
A5	BASEMENT PLAN	A19	THIRD STREET PERSPECTIVE
A6	FIRST FLOOR PLAN	A20	ILLINOIS STREET PERSPECTIVE
A7	MEZZANINE PLAN	A21	THIRD STREET PERSPECTIVES
A8	SECOND-FIFTH FLOOR PLAN	L1	THIRD STREET PLANS AND SECTIONS
A9	SIXTH FLOOR PLAN	L2	THIRD STREET PERSPECTIVE - LOBBY ENTRY
A10	ROOF PLAN	L3	THIRD STREET PERSPECTIVE - FLEX SPACE
A11	THIRD STREET ELEVATION	L4	ILLINOIS STREET PLAN AND SECTIONS
A12	ILLINOIS STREET ELEVATION	L5	ILLINOIS STREET PERSPECTIVE - LOBBY ENTRY AND DRIVEWAY
A13	NORTH AND SOUTH ELEVATIONS	L6	ILLINOIS STREET PERSPECTIVE - FLEX SPACE
A14	DIAGRAMMATIC SECTIONS THROUGH ROOF DECKS	L7	ROOF DECK AND COURTYARD PERSPECTIVES

SHEET INDEX 1

PROJECT INFORMATION

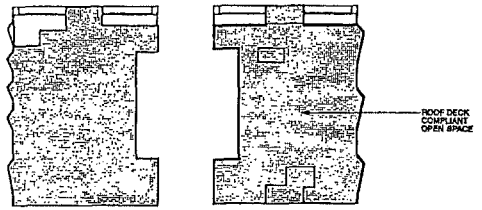
A1

ARCHITECTURE

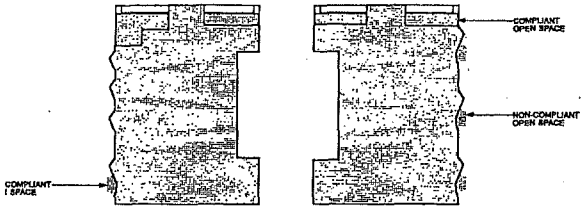
2051 THIRD STREET

SAN FRANCISCO, CA

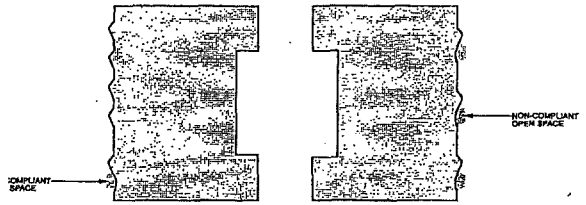
MAY 15, 2014



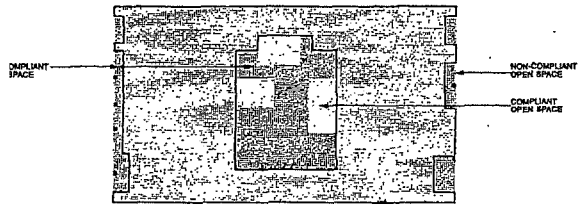
OPEN SPACE DIAGRAM - ROOF PLAN 6



OPEN SPACE DIAGRAM - SIXTH FLOOR 5



OPEN SPACE DIAGRAM - SECOND THROUGH FIFTH FLOORS 4



OPEN SPACE DIAGRAM - FIRST FLOOR 3

UNIT AREAS - REVISED	TYPE	VARIATION	AREA (NET SF)*	GARAGE	THIRD STREET BUILDING FLR 1	MEZZ	FLR 2	FLR 3	FLR 4	FLR 5	FLR 6	ILLINOIS STREET BUILDING FLR 1	FLR 2	FLR 3	FLR 4	FLR 5	FLR 6	UNIT TOTAL	AREA BY TYPE - NET (SF)	UNITS BY TYPE
STUDIOS	A1		463	-	-	-	3	3	3	3	2	-	-	-	-	-	-	14	6,482	
	A2		447	-	-	-	2	2	2	2	1	-	-	-	-	-	-	9	4,023	
	A3		473	-	-	-	2	2	2	3	2	-	-	-	-	-	-	10	4,730	
																				33
ONE BEDROOM UNITS	B1		872	-	-	-	1	1	1	1	-	-	-	-	-	-	-	4	3,488	
	B2		905	-	2	-	-	-	-	-	-	-	-	-	-	-	-	2	1,810	
	B3		637	-	2	-	-	-	-	-	-	-	-	-	-	-	-	2	1,274	
	B4		583	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	583	
	B5		654	-	-	-	3	3	2	2	1	-	-	-	-	-	-	9	5,886	
	B6		533	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	533	
	B7		808	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	808	
	B8		600	-	-	-	-	-	-	-	1	-	-	-	-	-	-	1	600	
	B9		683	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	683	
																				22
TWO BEDROOM UNITS	C1		1,045	-	-	-	1	1	1	1	1	-	-	-	-	-	-	5	5,225	
	C2		1,033	-	-	-	-	-	-	-	-	-	1	1	1	1	-	4	4,132	
		C2.1	1,015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
		C2.2	1,101	-	-	-	-	-	-	-	-	-	1	1	1	1	-	5	5,505	
	C3		994	-	-	-	-	-	-	-	-	-	1	1	1	1	-	5	4,970	
	C4		1,002	-	-	-	-	-	-	-	-	-	3	3	3	3	1	14	14,028	
	C5		997	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
	C6		1,039	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	1,039	
	C7		805	-	-	-	-	-	-	-	1	-	-	-	-	-	-	1	805	
																				35
THREE BEDROOM UNITS	D1		1,259	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	1,259	
	D2		1,274	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	1,274	
	D3		1,217	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	1,217	
																				3
	TOTAL AREA																		68,964	
	TOTAL UNITS				6		11	11	11	11	5	4	6	6	6	6	3	93		

GROSS BUILDING AREAS - REVISED PLAN		GARAGE	THIRD STREET BUILDING FLR 1	MEZZ	FLR 2	FLR 3	FLR 4	FLR 5	FLR 6	ILLINOIS STREET BUILDING FLR 1	FLR 2	FLR 3	FLR 4	FLR 5	FLR 6	AREA BY TYPE - GROSS (SF)
RESIDENTIAL		-	3,566	1,374	6,378	6,376	6,376	6,376	5,694	3,634	6,267	6,267	6,267	6,267	5,833	70,231
LOBBY / CORRIDORS / CIRC.		1,351	2,521	1,295	1,040	1,040	1,040	1,040	1,137	1,837	1,028	1,028	1,028	1,028	1,045	17,458
AMENITIES**		-	1,894	697	-	-	-	-	-	-	-	-	-	-	-	2,491
PARKING		15,614	-	-	-	-	-	-	-	-	-	-	-	-	-	15,614
FLEX / COMMERCIAL	NOTE: 2,166 SF OF FLEX UNIT SPACE IS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
	INCLUDED IN THE RESIDENTIAL SF TOTALS.															
UTILITIES / MEP		2,096	25	-	40	40	40	40	-	460	31	31	31	31	31	2,895
																TOTAL: 106,790

TOTAL UNITS PER BUILDING:
THIRD STREET BUILDING 59
ILLINOIS STREET BUILDING 34
TOTAL UNITS: 93

*NET AREA IS MEASURED TO EXTERIOR FACE OF STUD OF EXTERIOR WALLS, TO THE CENTERLINE OF THE CORRIDOR WALLS AND TO THE CENTERLINE OF THE PARTY WALLS

** INCLUDES BIKE STORAGE, COMMUNITY ROOM, MAIL ROOM AND FITNESS LOFT

UNIT AREA & GROSS AREA SUMMARY 2

COMPLIANT OPEN SPACE		
COMMON USABLE OPEN SPACE	ROOF DECK ON ILLINOIS ST BLDG	5,898 SF
PRIVATE USABLE OPEN SPACE	PRIVATE DECKS AT COURTYARD	1,145 SF
PRIVATE USABLE OPEN SPACE	PRIVATE ROOF DECKS AT 6TH FLR	827 SF
TOTAL COMPLIANT OPEN SPACE PROVIDED		7,870 SF
NON-COMPLIANT OPEN SPACE		
PUBLICLY ACCESSIBLE OPEN SPACE	STREET LEVEL	962 SF
COMMON USABLE OPEN SPACE	COURTYARD	2041 SF
PRIVATE USABLE OPEN SPACE	BALCONIES	774 SF
TOTAL NON-COMPLIANT OPEN SPACE PROVIDED		3,777 SF
TOTAL PROVIDED OPEN SPACE (COMPLIANT AND NON-COMPLIANT)		11,647 SF
TOTAL UNITS		93 UNITS
REQUIRED OPEN SPACE (COMMON OR PRIVATE USE)		93 UNITS X 80 SF / UNITS 7,440 SF
TOTAL OPEN SPACE REQUIRED		7,440 SF

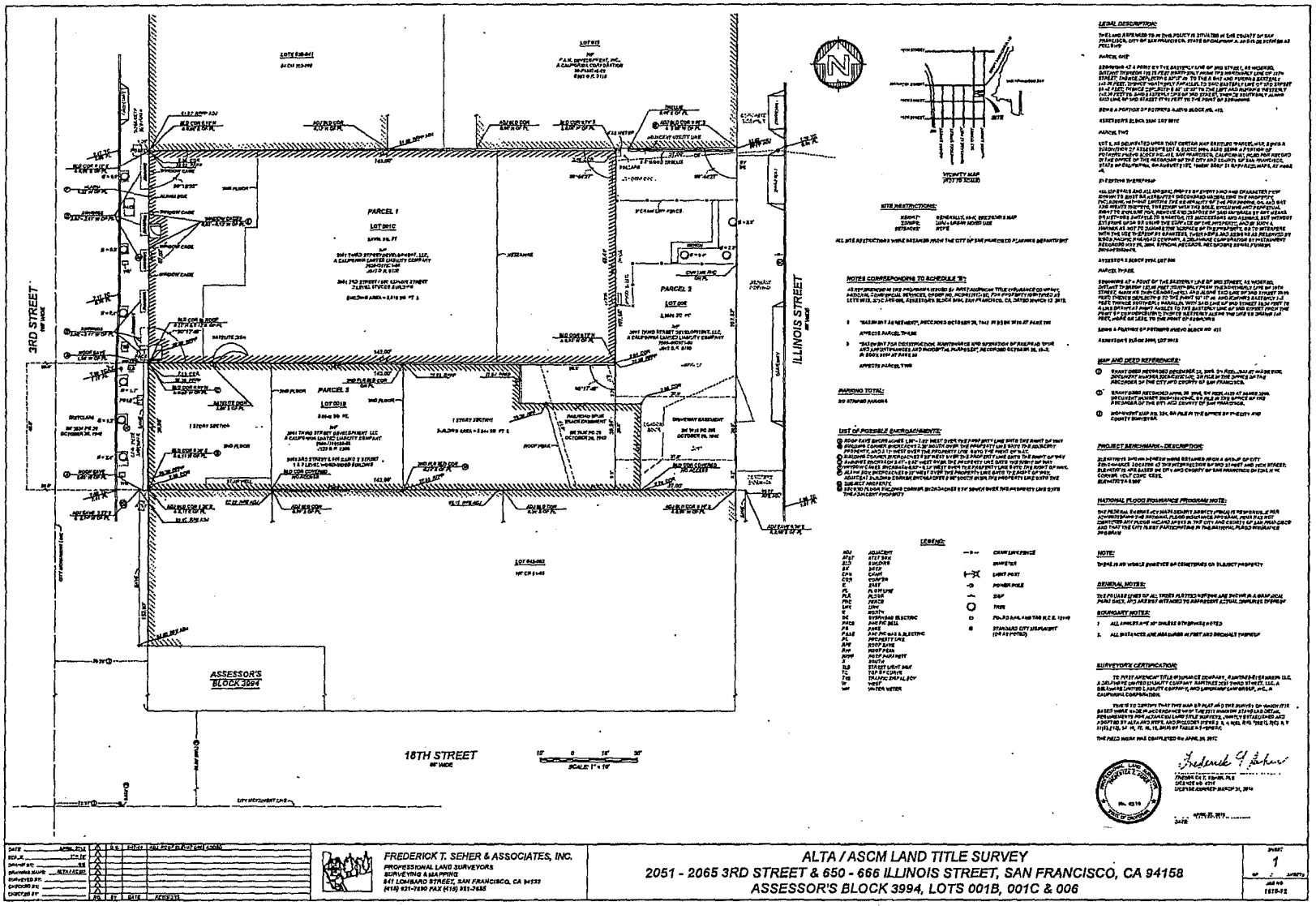
OPEN SPACE CALCULATION 1

AREA & OPEN SPACE CALCULATIONS

A2

3DE ARCHITECTURE

2051 THIRD STREET SAN FRANCISCO, CA MAY 15, 2014



DATE	APRIL 2014			
SCALE	1"=10'			
DRAWN BY	VB			
PLOTTED DATE	4/24/2014			
SURVEYED BY				
CHECKED BY				
CHECKED BY	NO.	BY	DATE	REVISIONS

FREDERICK T. SEHER & ASSOCIATES, INC.
PROFESSIONAL LAND SURVEYORS
SURVEYING & MAPPING
841 LOMBARD STREET, SAN FRANCISCO, CA 94133
(415) 921-7690 FAX (415) 921-7695

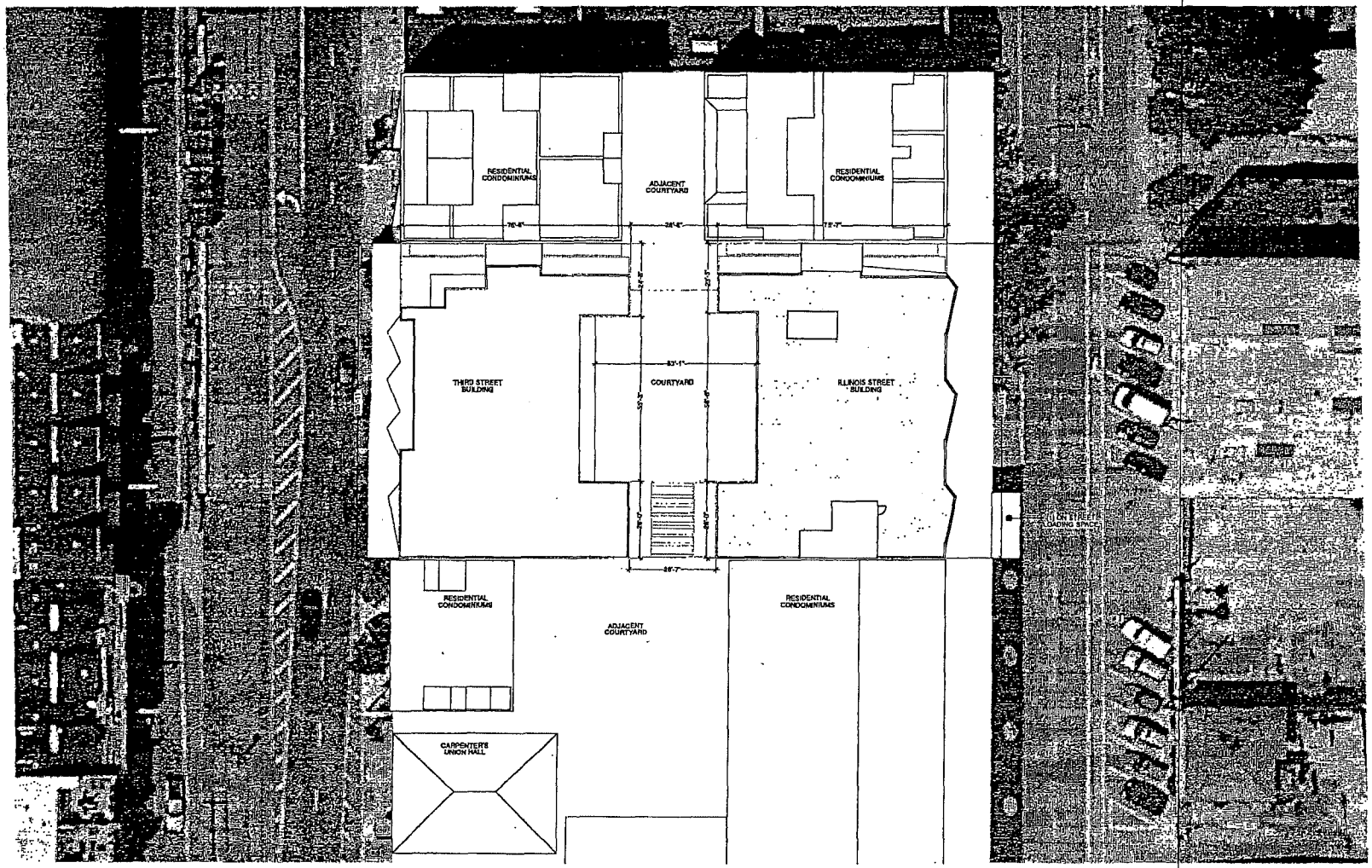
ALTA / ASCM LAND TITLE SURVEY
2051 - 2065 3RD STREET & 650 - 666 ILLINOIS STREET, SAN FRANCISCO, CA 94158
ASSESSOR'S BLOCK 3994, LOTS 001B, 001C & 006

SHEET 1 OF 1 SHEETS
JOB NO. 1515-12

ALTA SURVEY A3

2051 THIRD STREET SAN FRANCISCO, CA MAY 15, 2014

3DE ARCHITECTURE



NOTE: DETAILED INFORMATION ON ADJACENT BUILDINGS IS BASED ON THE OWNER'S FIELD DIMENSIONS, NOT SURVEY INFORMATION. ALL INFORMATION REGARDING THE ADJACENT BUIDINGS IS APPROXIMATE.

SITE PLAN 1/16"=1'-0"

A4

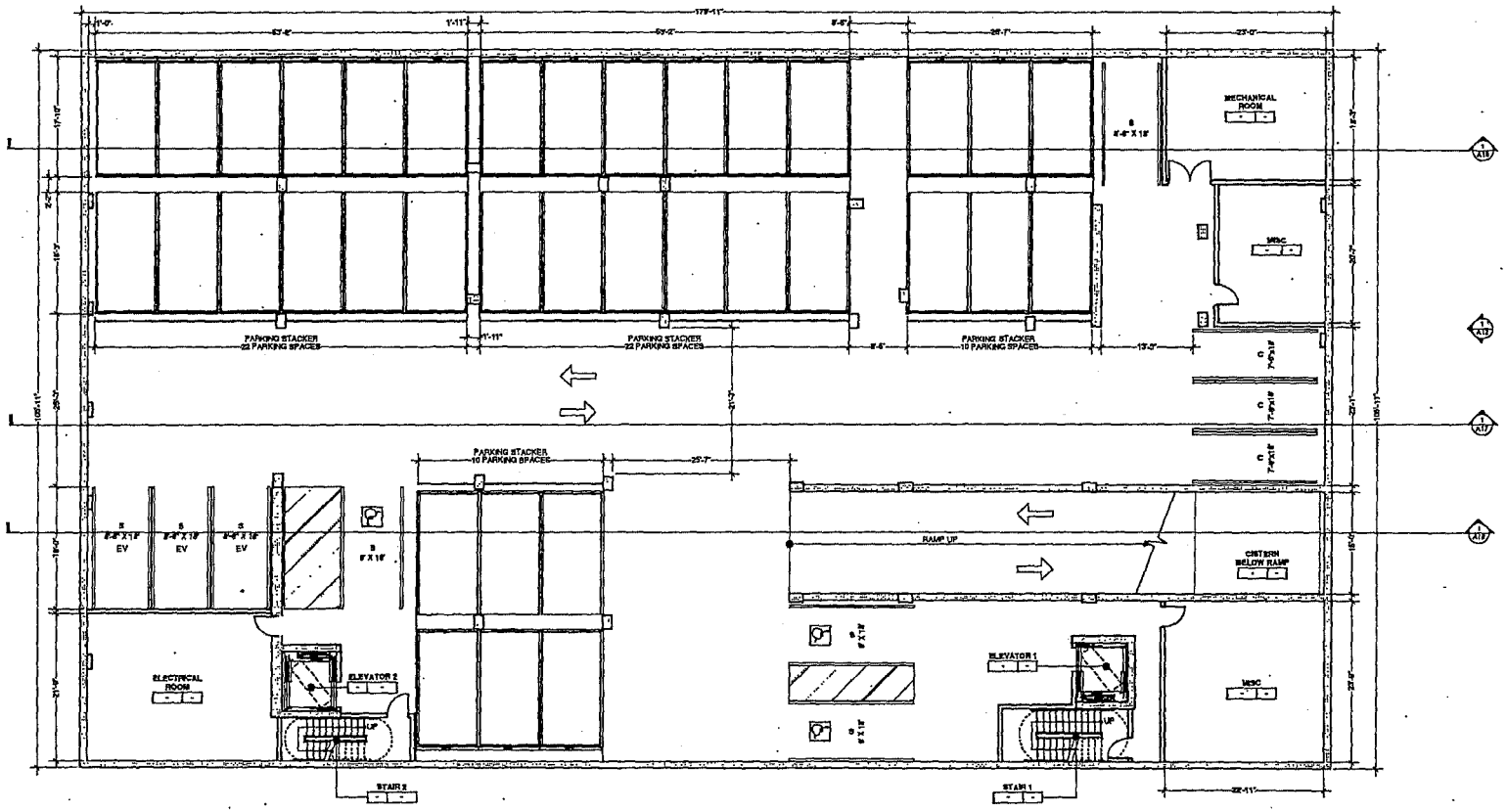
3DE ARCHITECTURE

2051 THIRD STREET SAN FRANCISCO, CA MAY 15, 2014

SHEET NOTES

1. APPROXIMATE LOCATION OF ADJACENT BUILDINGS
2. APPROXIMATE LOCATION OF ADJACENT BUILDINGS BELOW

THIRD STREET



ILLINOIS STREET

PARKING COUNT

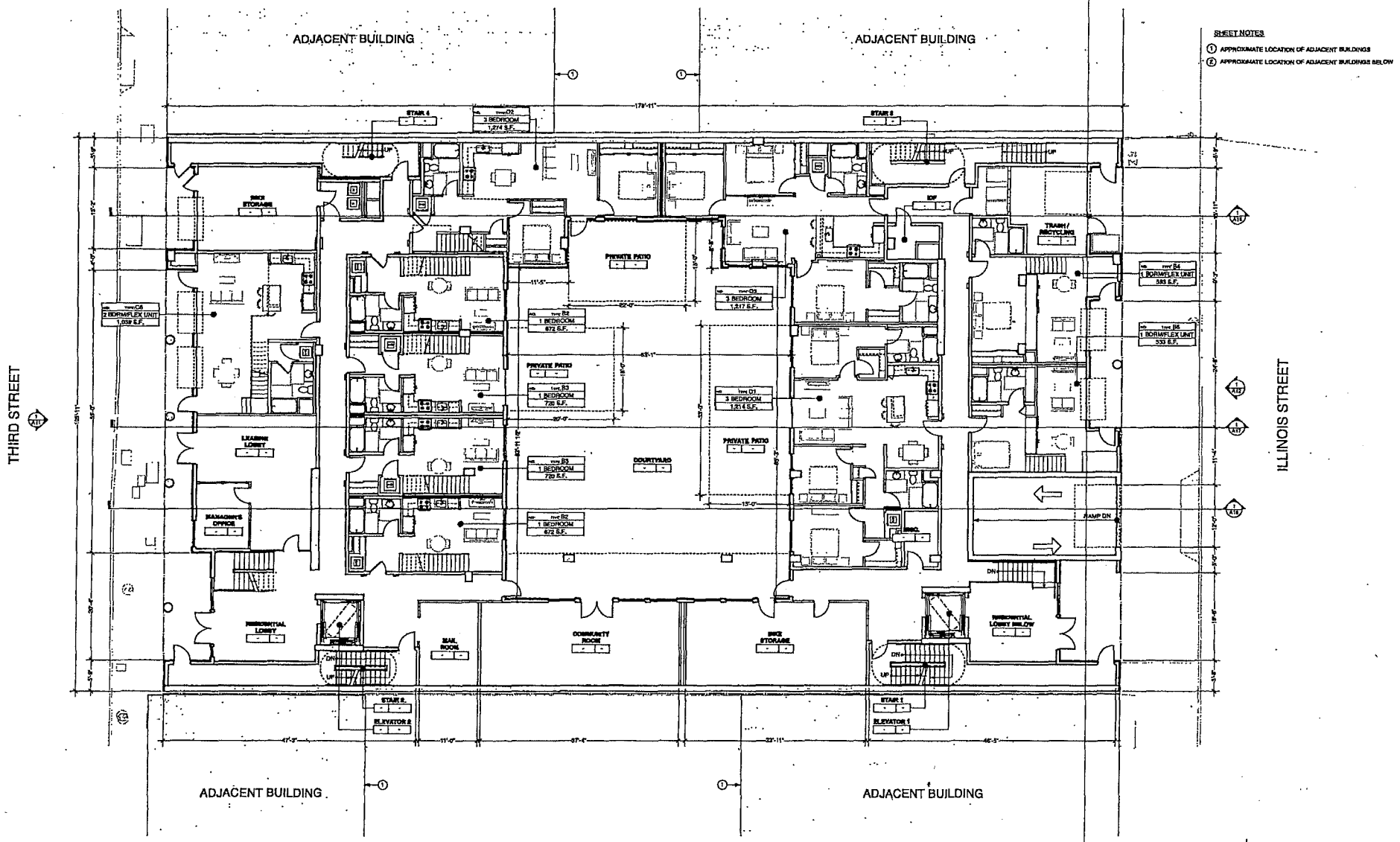
WITH STACKERS:
74 PARKING SPACES

WITHOUT STACKERS:
18 TANDEM STALLS (36 SPACES)
10 SINGLE SPACES
46 PARKING SPACES TOTAL

BASEMENT PLAN - 1/8"=1'-0" A5

3DE ARCHITECTURE

2051 THIRD STREET SAN FRANCISCO, CA MAY 15, 2014



FIRST FLOOR PLAN

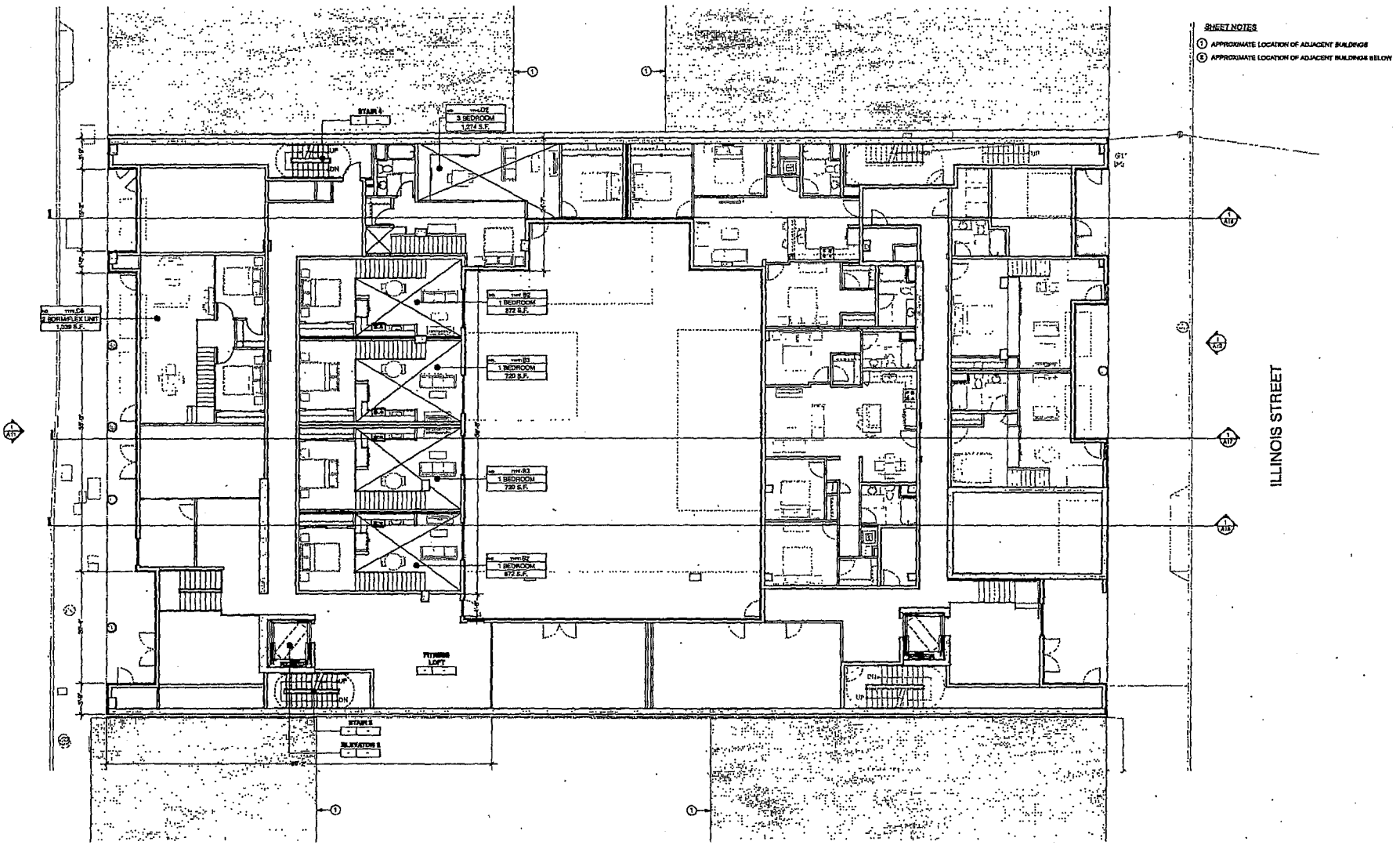
1/8"=1'-0"

A6

2051 THIRD STREET

SAN FRANCISCO, CA

MAY 15, 2014



MEZZANINE PLAN

1/8"=1'-0"

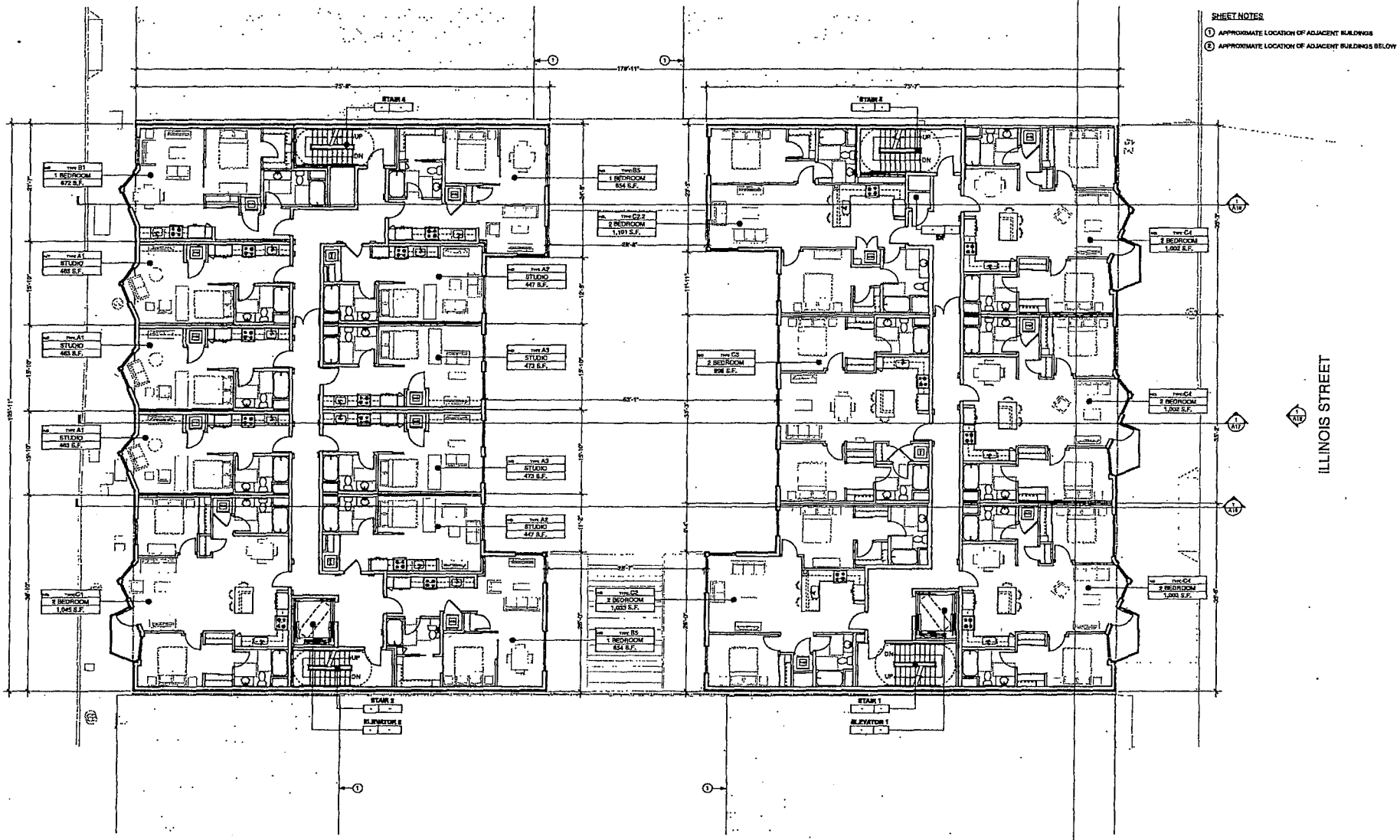
A7

2051 THIRD STREET

SAN FRANCISCO, CA

MAY 15, 2014

BDE ARCHITECTURE



SECOND - FIFTH FLOOR PLAN

1/8"=1'-0"

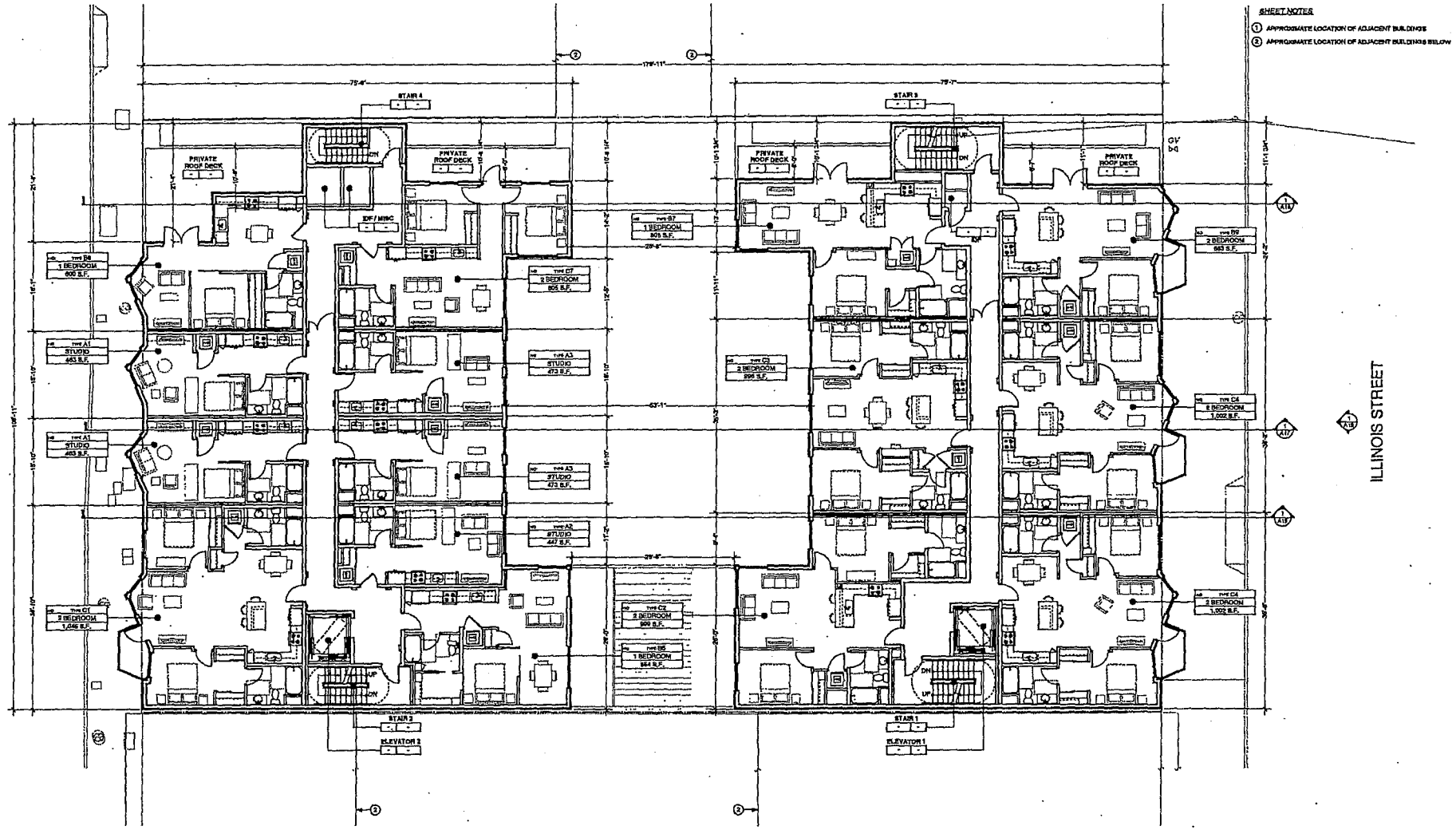
A8

2051 THIRD STREET

SAN FRANCISCO, CA

MAY 15, 2014

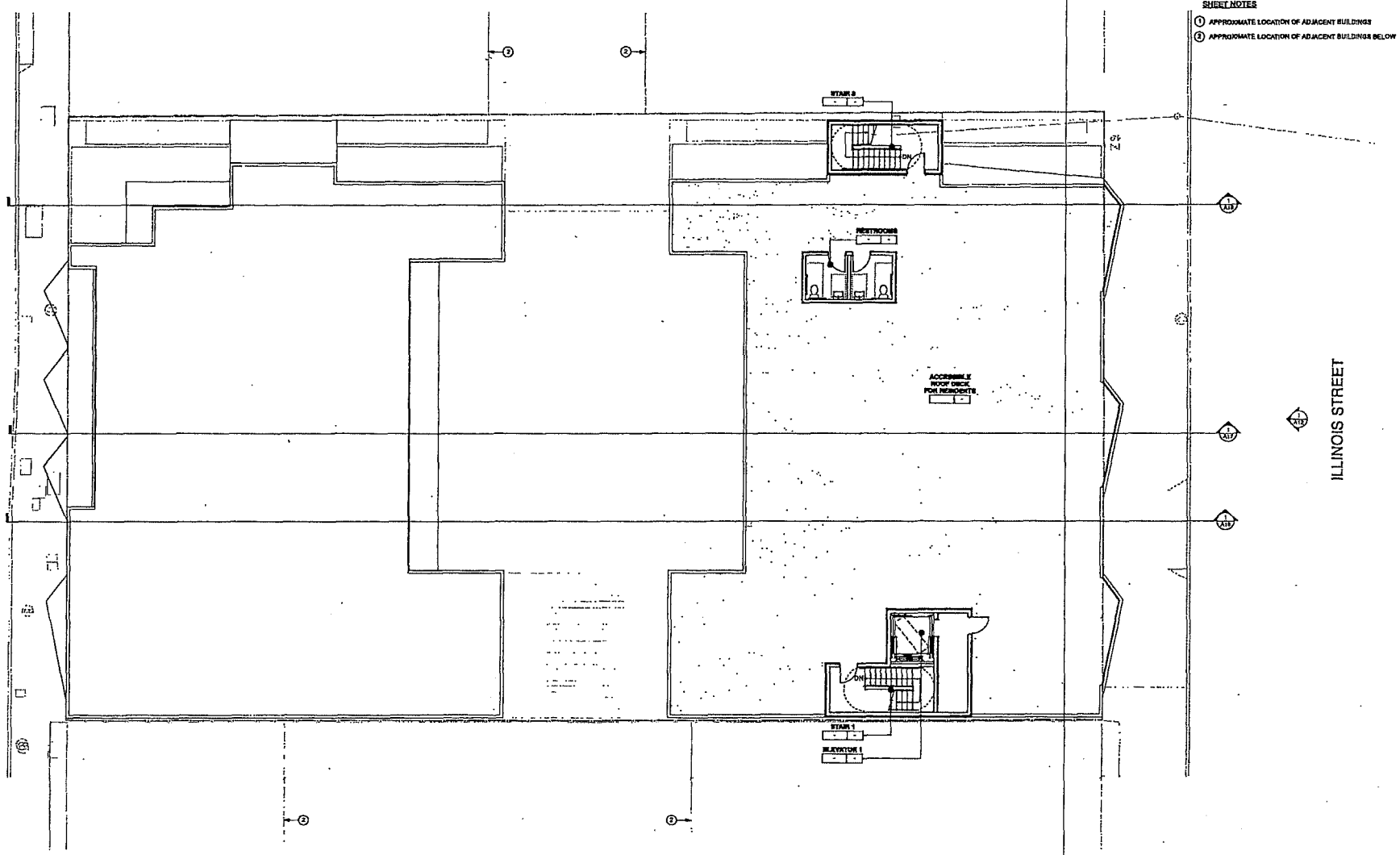
BDE ARCHITECTURE



SIXTH FLOOR PLAN 1/8"=1'-0" A9

3DE ARCHITECTURE

2051 THIRD STREET SAN FRANCISCO, CA MAY 15, 2014



ROOF PLAN 1/8"=1'-0" A10

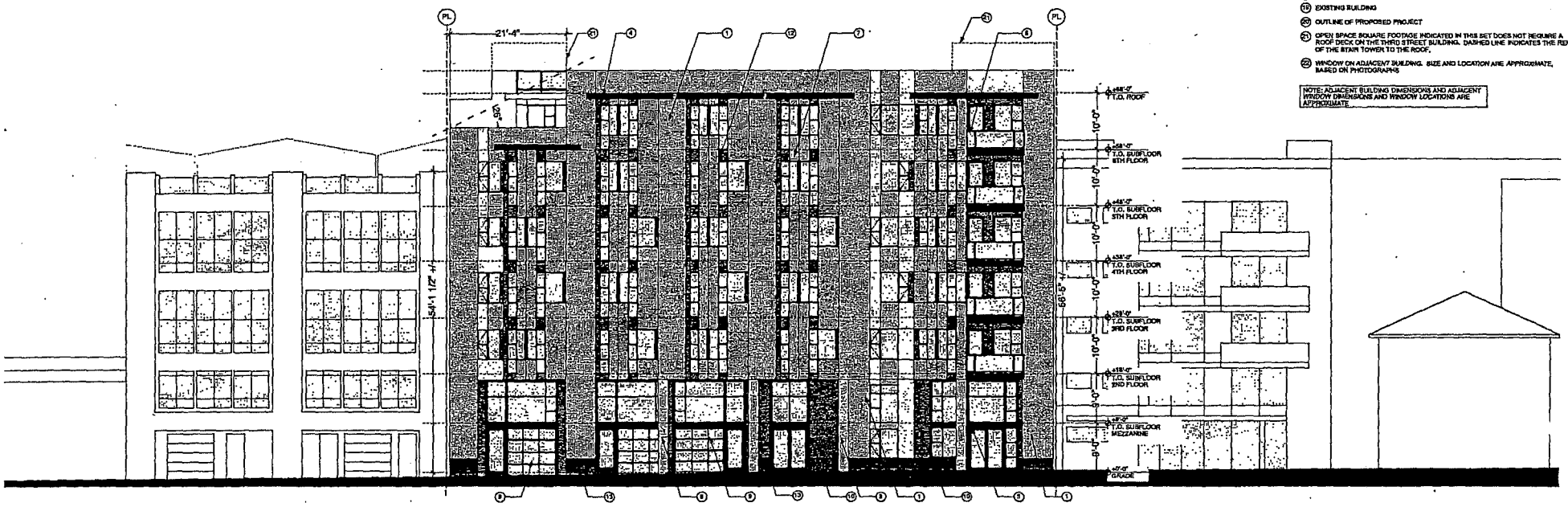
3DE ARCHITECTURE

2051 THIRD STREET SAN FRANCISCO, CA MAY 15, 2014

SHEET NOTES

1. TWO-TONE COLORED CEMENT PLASTER
2. METAL FRAME RAILING W/ HORIZONTAL BAR OR GLASS INFILL PANELS
3. STAIR TO ROOF BEYOND
4. PAINTED METAL FASCIA
5. ALUMINUM OR VINYL WINDOWS AND DOORS
6. METAL FRAME RAILING AND PERFORATED METAL INFILL PANELS
7. RESIN PANEL SIDING, OR PLASTER
8. 12" DIAMETER CONCRETE COLUMNS
9. FOLD-UP AWNING DOOR W/ OPTIONAL GLAZING
10. RECESSED ACCENT WALL PANELS: COLORED PLASTER OR WOOD SIDING
11. SERVICE DOOR: WOOD RESIN-FACED DOOR
12. PAINTED METAL PANEL, OR PLASTER
13. STONE BASE
14. GARAGE DOOR: WOOD RESIN-FACED DOOR OR METAL GRATE ROLL-UP DOOR
15. OUTLINE OF ADJACENT BUILDING
16. ROOF DECK OF ADJACENT BUILDING
17. PARAPET WALL
18. VINE SCREEN
19. EXISTING BUILDING
20. OUTLINE OF PROPOSED PROJECT
21. OPEN SPACE SQUARE FOOTAGE INDICATED IN THIS SET DOES NOT REQUIRE A ROOF DECK ON THE THIRD STREET BUILDING. DASHED LINE INDICATES THE REMOVAL OF THE STAIR TOWER TO THE ROOF.
22. WINDOW ON ADJACENT BUILDING. SIZE AND LOCATION ARE APPROXIMATE, BASED ON PHOTOGRAPHS

NOTE: ADJACENT BUILDING DIMENSIONS AND ADJACENT WINDOW DIMENSIONS AND WINDOW LOCATIONS ARE APPROXIMATE



RESIDENTIAL CONDOMINIUMS | PROPOSED SITE | RESIDENTIAL CONDOMINIUMS

THIRD STREET ELEVATION 1/8"=1'-0" A11

BDE ARCHITECTURE

2051 THIRD STREET SAN FRANCISCO, CA MAY 15, 2014

SHEET NOTES

1. TWO-TONE COLORED CEMENT PLASTER
2. METAL FRAME RAILING W/ HORIZONTAL BAR OR GLASS INFILL PANELS
3. STAIR TO ROOF BEYOND
4. PAINTED METAL FASCIA
5. ALUMINUM OR VINYL WINDOWS AND DOORS
6. METAL FRAME RAILING AND PERFORATED METAL INFILL PANELS
7. RESIN PANEL SIDING, OR PLASTER
8. 12" DIAMETER CONCRETE COLUMNS
9. FOLD-UP AWNING DOOR W/ OPTIONAL GLAZING
10. RECESSED ACCENT WALL PANELS; COLORED PLASTER OR WOOD SIDING
11. SERVICE DOOR: WOOD RESIN-FACED DOOR
12. PAINTED METAL PANEL, OR PLASTER
13. STONE BASE
14. GARAGE DOOR: WOOD RESIN-FACED DOOR OR METAL GRATE ROLL-UP DOOR
15. OUTLINE OF ADJACENT BUILDING
16. ROOF DECK OF ADJACENT BUILDING
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22. WINDOW ON ADJACENT BUILDING. SIZE AND LOCATION ARE APPROXIMATE, BASED ON PHOTOGRAPHS.

NOTE: ADJACENT BUILDING DIMENSIONS AND ADJACENT WINDOW DIMENSIONS AND WINDOW LOCATIONS ARE APPROXIMATE.

RESIDENTIAL CONDOMINIUMS | PROPOSED SITE | RESIDENTIAL CONDOMINIUMS

ILLINOIS STREET ELEVATION

1/8"=1'-0"

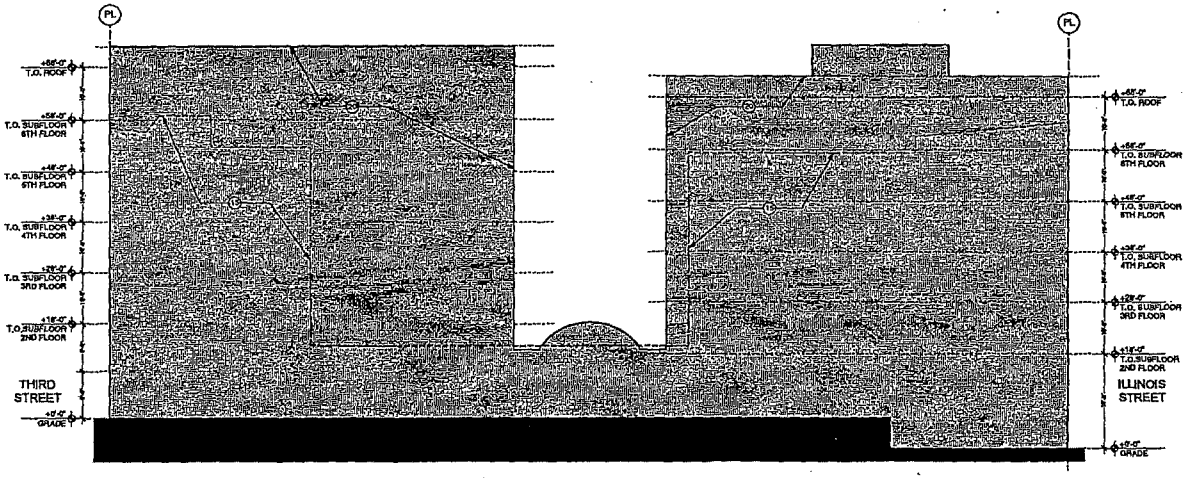
A12

3DE CHITECTURE

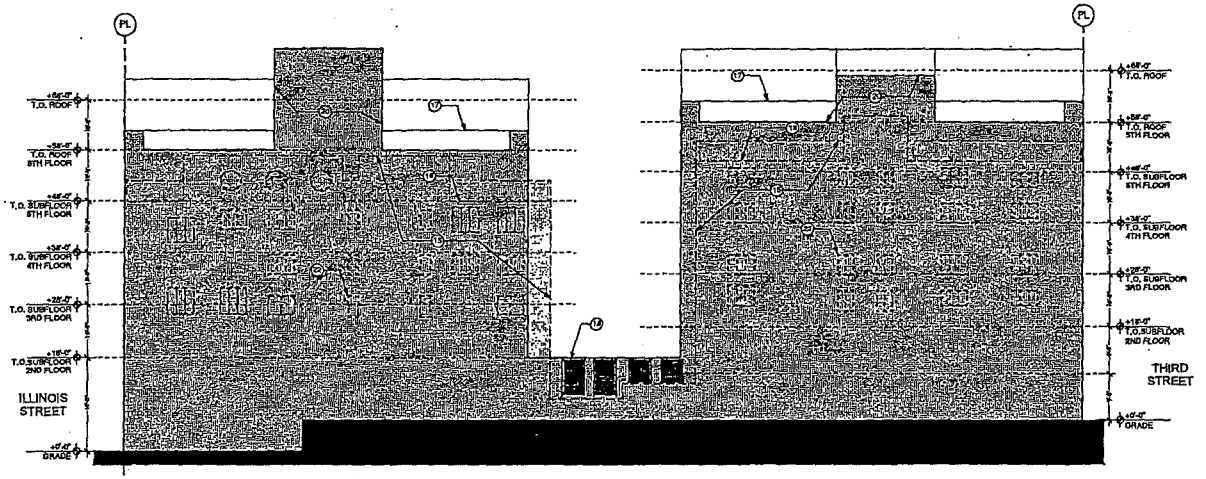
2051 THIRD STREET

SAN FRANCISCO, CA

MAY 15, 2014



SOUTH ELEVATION 2



NORTH ELEVATION 1

SHEET NOTES

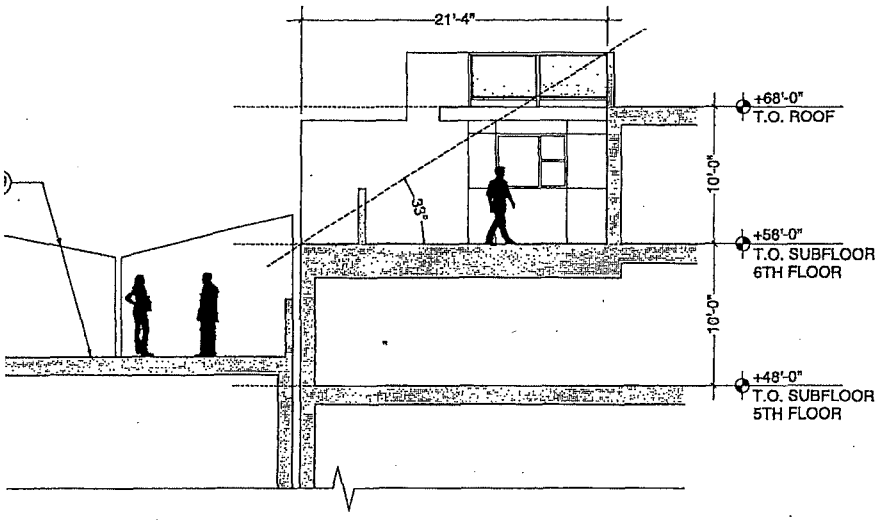
1. TWO-TONE COLORED CEMENT PLASTER
2. METAL FRAME RAILING W/ HORIZONTAL BAR OR GLASS INFILL PANELS
3. STAIR TO ROOF BEYOND
4. PAINTED METAL FASCIA
5. ALUMINUM OR VINYL WINDOWS AND DOORS
6. METAL FRAME RAILING AND PERFORATED METAL INFILL PANELS
7. RESIN PANEL SIDING, OR PLASTER
8. 12" DIAMETER CONCRETE COLUMNS
9. FOLD-UP AWNING DOOR W/ OPTIONAL GLAZING
10. RECESSED ACCENT WALL PANELS; COLORED PLASTER OR WOOD SIDING
11. SERVICE DOOR; WOOD RESIN-FACED DOOR
12. PAINTED METAL PANEL, OR PLASTER
13. STONE BASE
14. GARAGE DOOR; WOOD RESIN-FACED DOOR OR METAL GRATE ROLL-UP DOOR
15. OUTLINE OF ADJACENT BUILDING
16. ROOF DECK OF ADJACENT BUILDING
17. PARAPET WALL
18. VINE SCREEN
19. EXISTING BUILDING
20. OUTLINE OF PROPOSED PROJECT
21. OPEN SPACE SQUARE FOOTAGE INDICATED IN THIS SET DOES NOT REQUIRE A ROOF DECK ON THE THIRD STREET BUILDING. DASHED LINE INDICATES THE TOP OF THE STAIR TOWER TO THE ROOF.
22. WINDOW ON ADJACENT BUILDING. SIZE AND LOCATION ARE APPROXIMATE, BASED ON PHOTOGRAPHS

NOTE: ADJACENT BUILDING DIMENSIONS AND ADJACENT WINDOW DIMENSIONS AND WINDOW LOCATIONS ARE APPROXIMATE

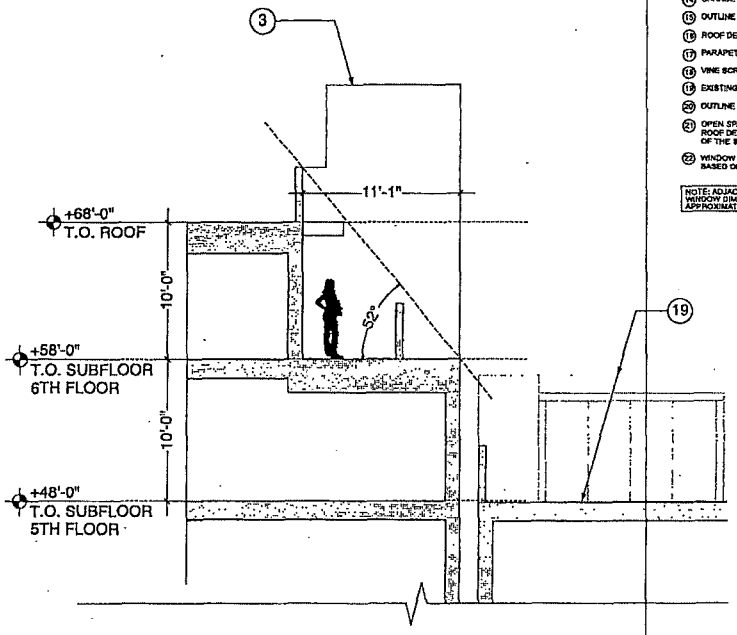
NORTH AND SOUTH ELEVATIONS 3/32"=1'-0" A13

BDE ARCHITECTURE

2051 THIRD STREET SAN FRANCISCO, CA MAY 15, 2014



SECTION THROUGH ROOF DECKS LOOKING EAST 2



SECTION THROUGH ROOF DECKS LOOKING WEST 1

SHEET NOTES

1. TWO-TONE COLORED CEMENT PLASTER
2. METAL FRAME RAILING W/ HORIZONTAL BAR OR GLASS INFILL PANELS
3. STAIR TO ROOF BEYOND
4. PAINTED METAL FASCIA
5. ALUMINUM OR VINYL WINDOWS AND DOORS
6. METAL FRAME RAILING AND PERFORATED METAL INFILL PANELS
7. RESIN PANEL SIDING, OR PLASTER
8. 12" DIAMETER CONCRETE COLUMNS
9. FOLD-UP AWNING DOOR W/ OPTIONAL GLAZING
10. RECESSED ACCENT WALL PANELS; COLORED PLASTER OR WOOD SIDING
11. SERVICE DOOR; WOOD RESIN-FACED DOOR
12. PAINTED METAL PANEL, OR PLASTER
13. STONE BASE
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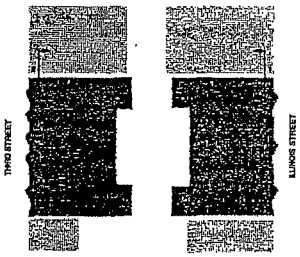
20. OUTLINE OF PROPOSED PROJECT
21. OPEN SPACE SQUARE FOOTAGE INDICATED IN THIS SET DOES NOT REQUIRE A ROOF DECK ON THE THIRD STREET BUILDING. DASHED LINE INDICATES THE REMOVAL OF THE STAIR TOWER TO THE ROOF.
22. WINDOW ON ADJACENT BUILDING, SIZE AND LOCATION ARE APPROXIMATE, BASED ON PHOTOGRAPHS

NOTE: ADJACENT BUILDING DIMENSIONS AND ADJACENT WINDOW DIMENSIONS AND WINDOW LOCATIONS ARE APPROXIMATE



DIAGRAMMATIC SECTIONS THROUGH ROOF DECKS

1/4"=1'-0"

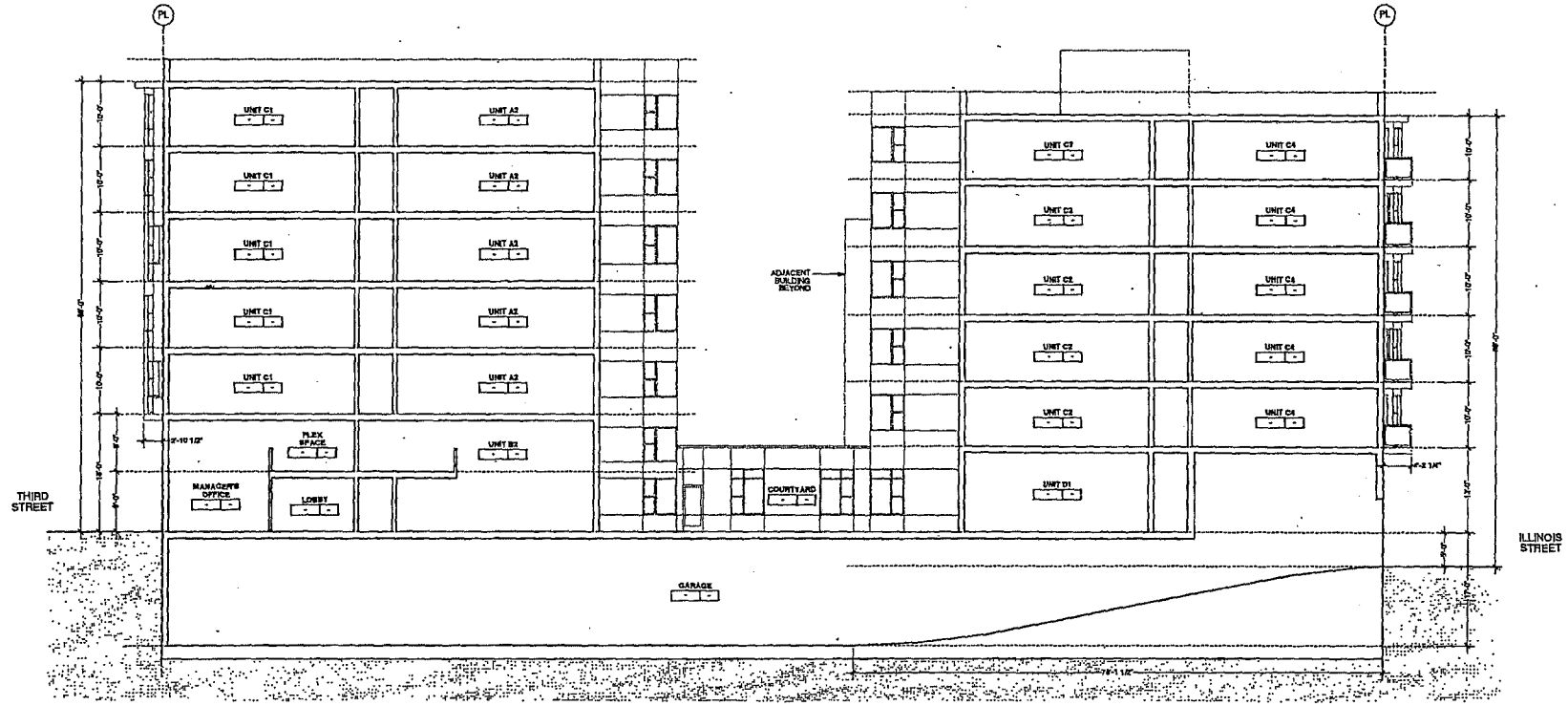
A14

3DE ARCHITECTURE

2051 THIRD STREET

SAN FRANCISCO, CA

MAY 15, 2014



BUILDING SECTION - LOOKING NORTH

1/8"=1'-0"

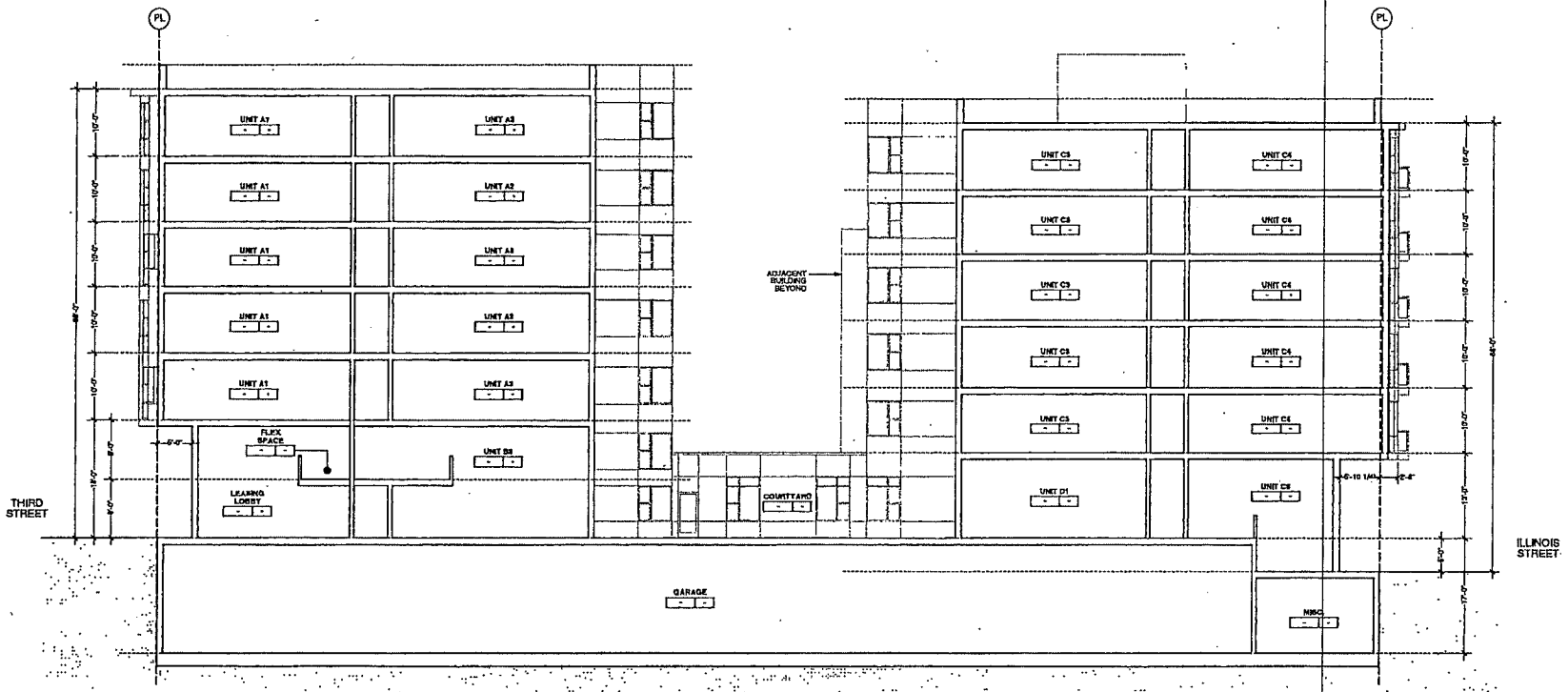
A15

BDE ARCHITECTURE

2051 THIRD STREET

SAN FRANCISCO, CA

MAY 15, 2014



BUILDING SECTION - LOOKING NORTH

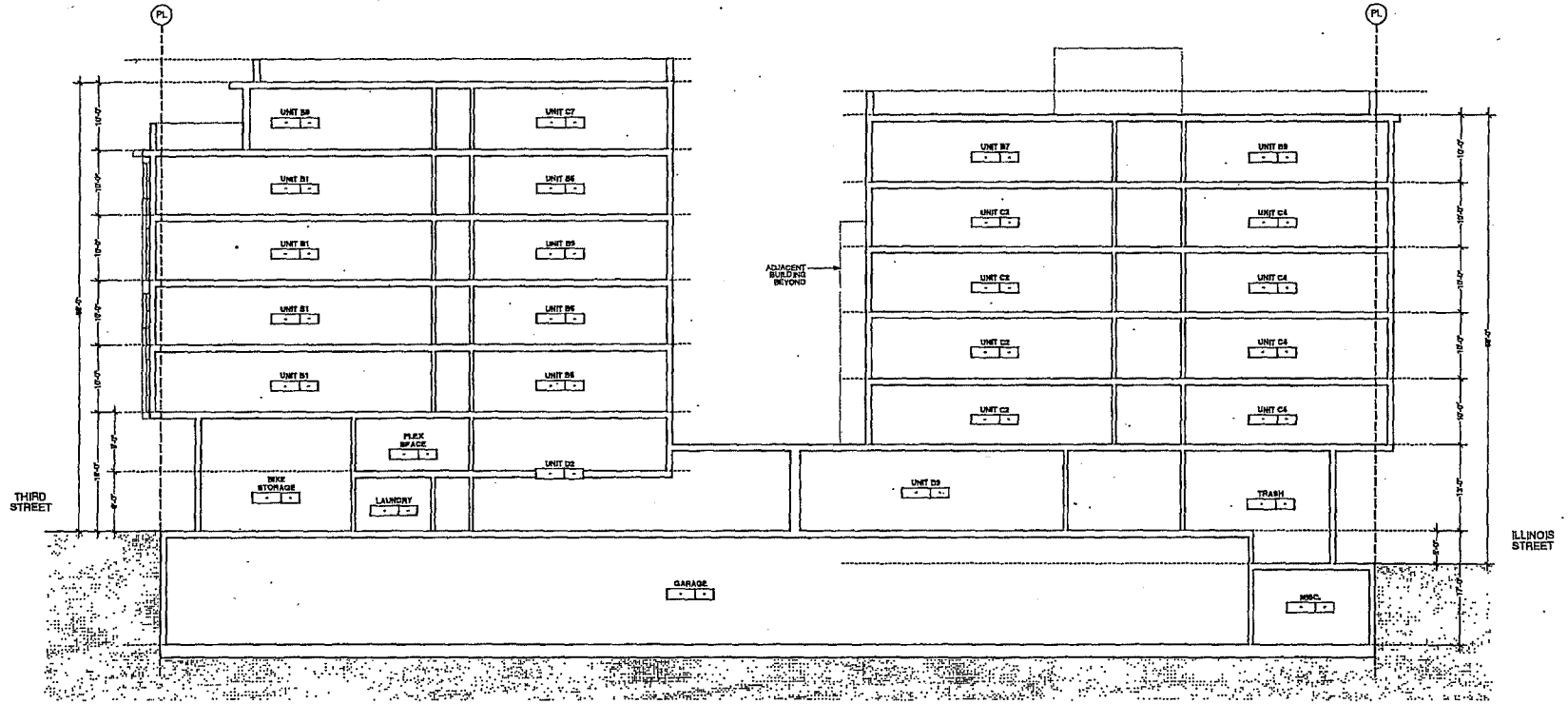
1/8"=1'-0"

A16

2051 THIRD STREET

SAN FRANCISCO, CA

MAY 15, 2014



BUILDING SECTION - LOOKING NORTH

1/8"=1'-0"

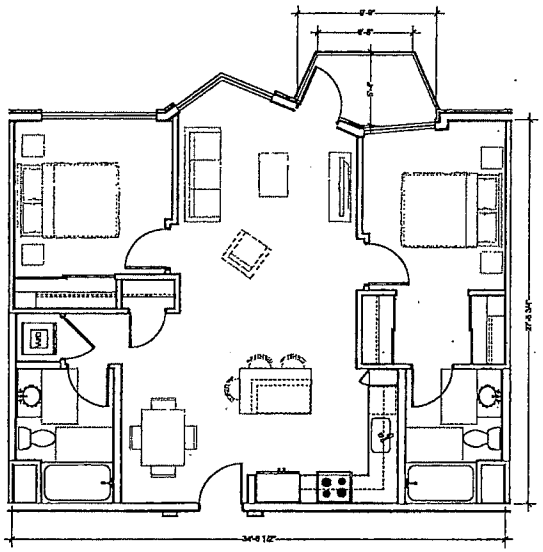
A17

3DE ARCHITECTURE

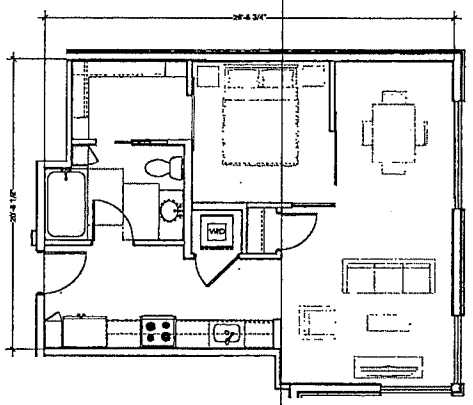
2051 THIRD STREET

SAN FRANCISCO, CA

MAY 15, 2014



UNIT C4 4
1/4" = 1'-0"



UNIT B5 2
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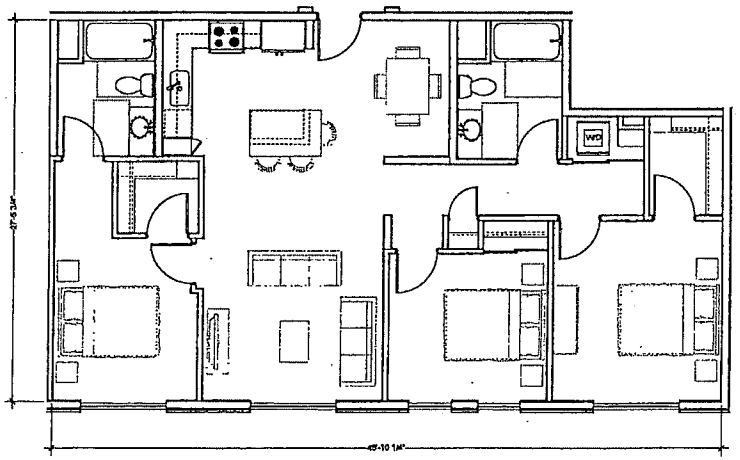
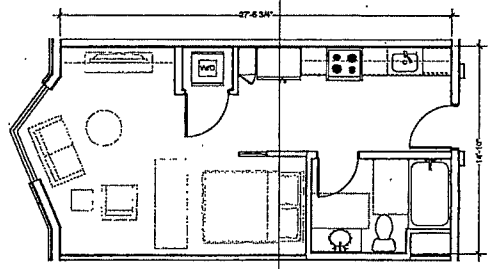


UNIT D1 3
1/4" = 1'-0"



UNIT A1 1
1/4" = 1'-0"

TYPICAL UNIT PLANS 1/4"=1'-0" A18

2051 THIRD STREET SAN FRANCISCO, CA MAY 15, 2014

BDE CHITECTURE

THIRD STREET PERSPECTIVE

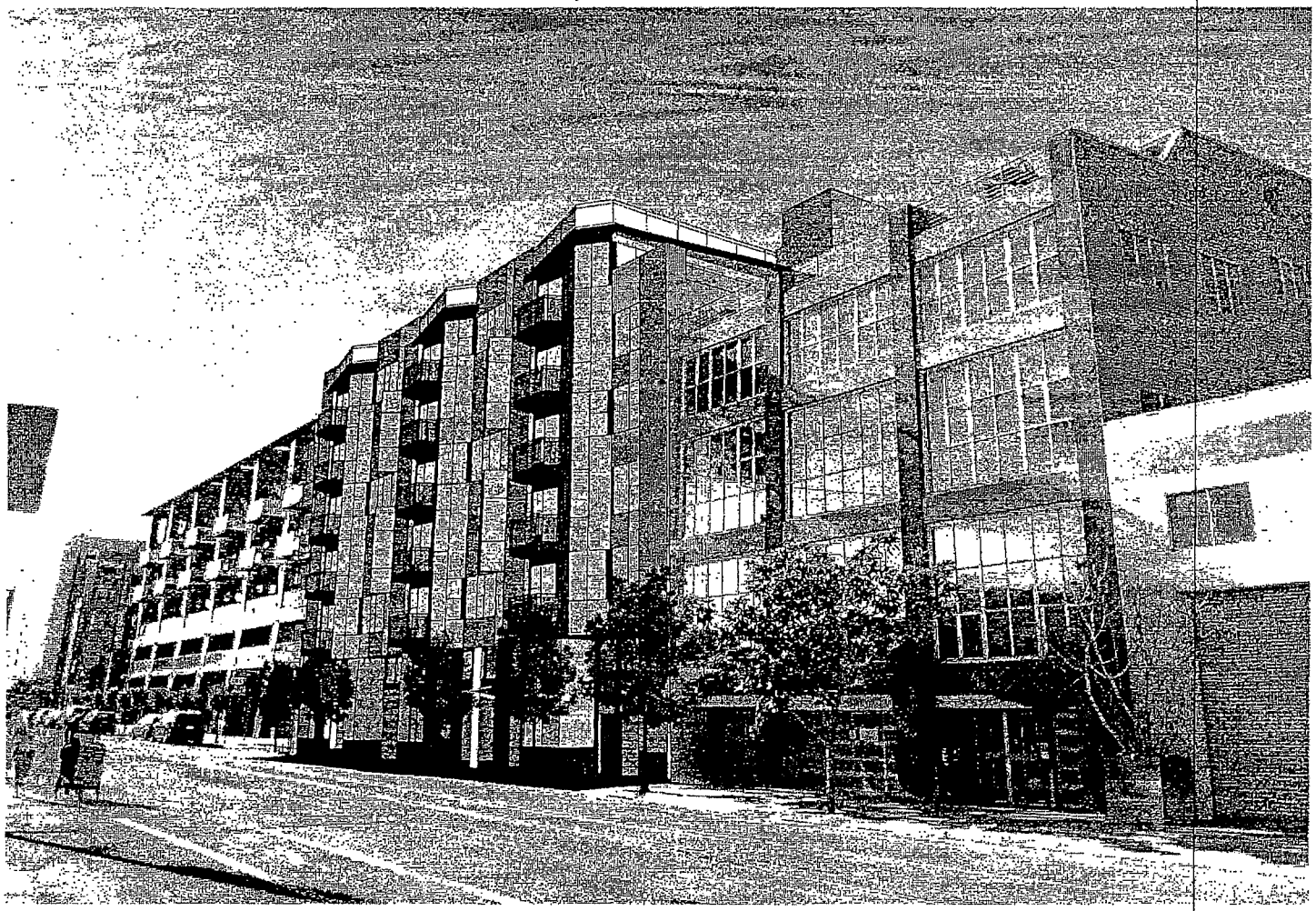
A19

BDE ARCHITECTURE

2051 THIRD STREET

SAN FRANCISCO, CA

MAY 15, 2014



ILLINOIS STREET PERSPECTIVE

A20

BDE ARCHITECTURE

2051 THIRD STREET

SAN FRANCISCO, CA

MAY 15, 2014

ILLINOIS STREET PARAPET

ACTIVE STREET FRONT AT FLEX SPACES ON ILLINOIS STREET

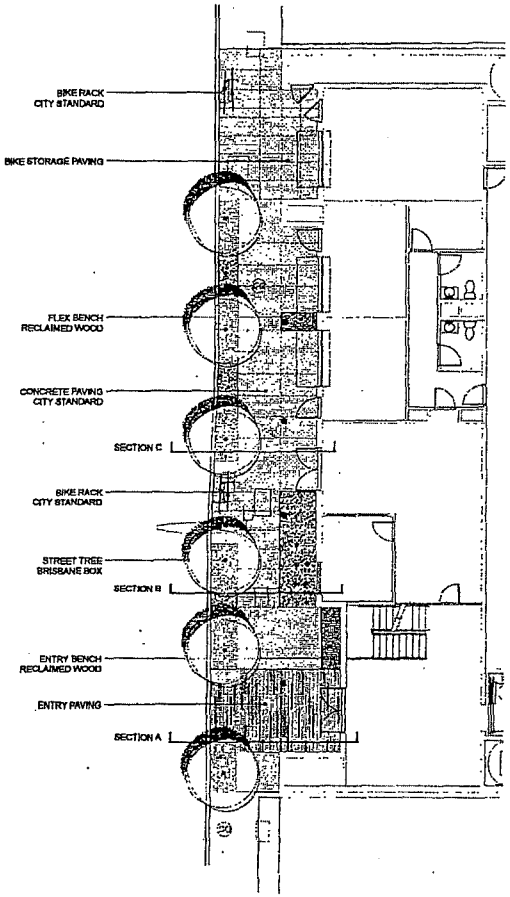
THIRD STREET RESIDENTIAL LOBBY ENTRANCE

THIRD STREET PARAPET

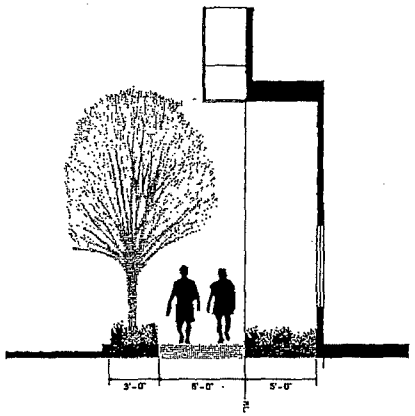
NOTE: THE SKETCHES DO NOT ACCURATELY DEPICT THE ADJACENT BUILDING HEIGHTS OR THE MODIFIED DESIGN. PLEASE REFER TO THE ELEVATIONS FOR THE CORRECT BUILDING HEIGHTS AND DESIGN.

THIRD STREET PERSPECTIVES

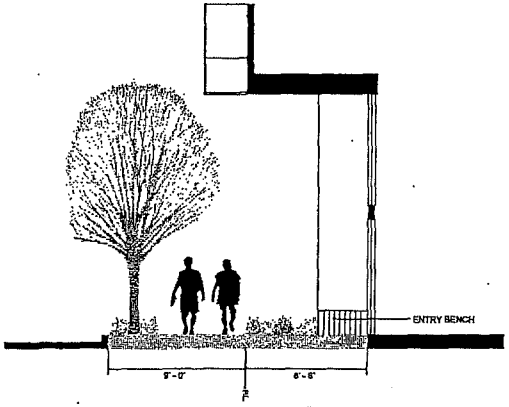
A21



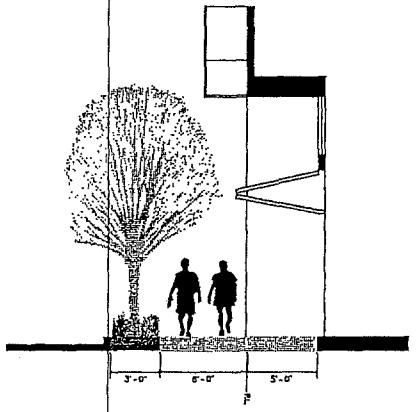
3RD STREET STREETSCAPE - PLAN
SCALE: 1/8" = 1'-0"



3RD STREET STREETSCAPE - SECTION B
SCALE: 1/4" = 1'-0"



3RD STREET STREETSCAPE - SECTION A
SCALE: 1/4" = 1'-0"



3RD STREET STREETSCAPE - SECTION C
SCALE: 1/4" = 1'-0"

THIRD STREET PLAN AND SECTIONS

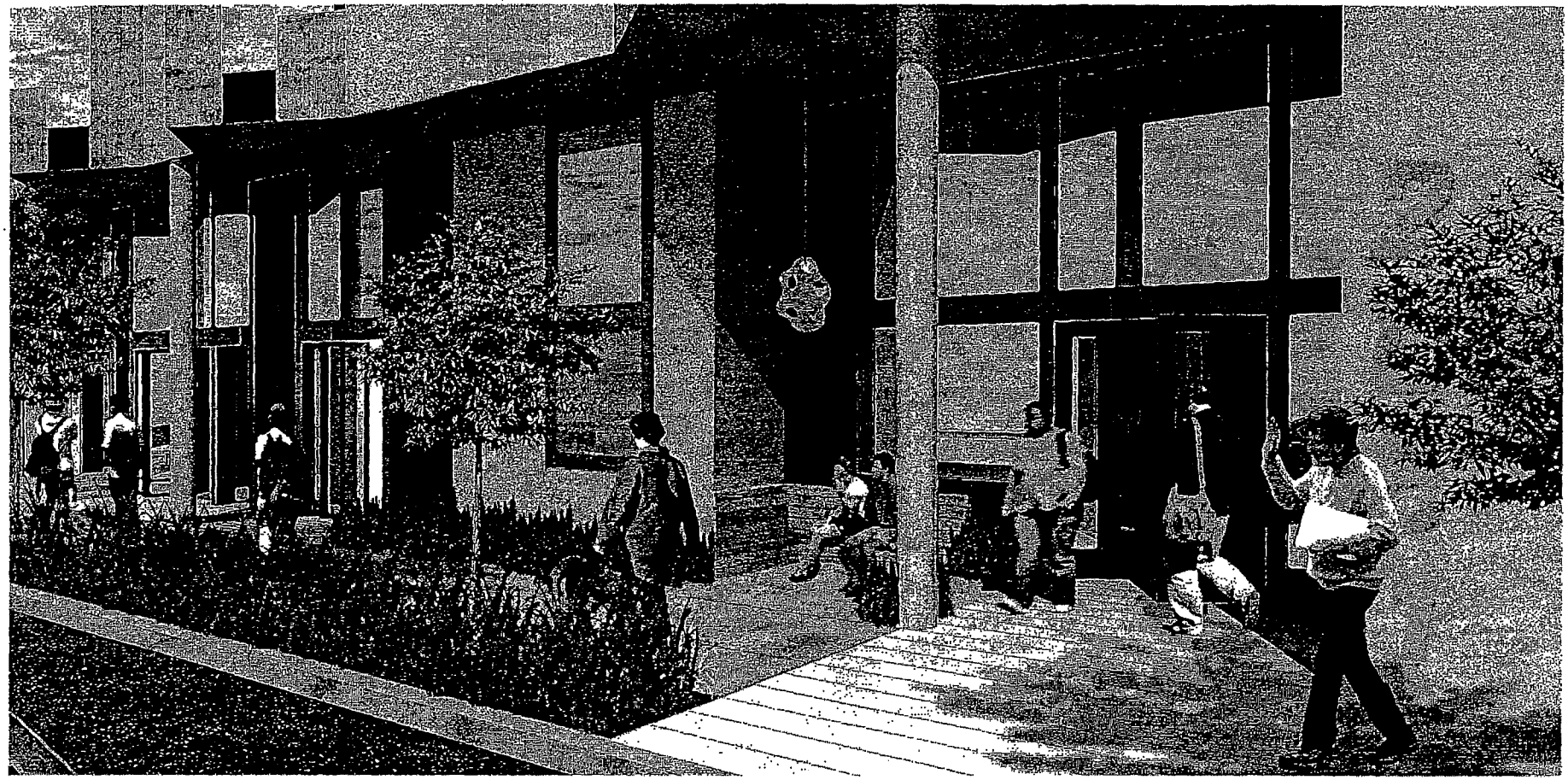
L1

BDE ARCHITECTURE

2051 THIRD STREET

SAN FRANCISCO, CA

MAY 15, 2014



THIRD STREET PERSPECTIVE - LOBBY ENTRY

L2

3DE ARCHITECTURE

2051 THIRD STREET

SAN FRANCISCO, CA

MAY 15, 2014

EXHIBIT
C

EXHIBIT C: MITIGATION MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM				
	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR					
Mitigation Measure 1 – Archeological Resources (Archeological Testing) Based on a reasonable presumption that archeological resources may be present within the project area, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried archeological resources. The project sponsor shall retain the services of an archaeological consultant from the rotational Department Qualified Archaeological Consultants List (QACL) maintained by the Planning Department archaeologist. The project sponsor shall contact the Department archeologist to obtain the names and contact information for the next three archeological consultants on the QACL. The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure at the direction of the ERO. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Section 15064.5 (a)(c).	Project sponsor/ archeological consultant at the direction of the Environmental Review Officer (ERO).	Prior to soil-disturbing activities.		Project sponsor to retain a qualified archeological consultant who shall report to the ERO.	Archeological consultant shall be retained prior to any soil disturbing activities. Date Archeological consultant retained: _____

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM				
	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
Consultation with Descendant Communities. On discovery of an archeological site an appropriate representative of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to consult with ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archeological Resources Report shall be provided to the representative of the descendant group.					
Archeological Testing Plan. The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing plan (ATP). The archeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the proposed project, the testing method to be used, and the locations recommended for testing. The purpose of the archeological testing program will be to determine to the extent possible the presence or absence of archeological resources and to identify and to evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.	Project sponsor/ archeological consultant at the direction of the ERO.	Prior to any soil-disturbing activities on the project site.		Archeologist shall prepare and submit draft ATP to the ERO. ATP to be submitted and reviewed by the ERO prior to any soils disturbing activities on the project site.	Date ATP submitted to the ERO:_____ Date ATP approved by the ERO:_____ Date of initial soil disturbing activities:_____
At the completion of the archeological testing program, the archeological consultant shall submit a written report of the findings to the ERO. If based on the archeological testing program the archeological consultant finds that significant archeological resources may be present, the ERO in consultation with the archeological consultant shall determine if additional measures are warranted. Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the	Project sponsor/ archeological consultant at the direction of the ERO.	After completion of the Archeological Testing Program		Archeological consultant shall submit report of the findings of the ATP to the ERO	Date archeological findings report submitted to the ERO:_____ ERO determination of significant archeological resource present? Y /N Would resource be adversely

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
discretion of the project sponsor either: A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or B) A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.					affected? Y/N Additional mitigation to be undertaken by project sponsor? Y/N
Archeological Monitoring Program. If the ERO in consultation with the archeological consultant determines that an archeological monitoring program shall be implemented the archeological monitoring program shall minimally include the following provisions: • The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the archeological consultant shall determine what project activities shall be archeologically monitored. In most cases, any soils- disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the risk these activities pose to potential archeological resources and to their depositional context; • The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource; • The archeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with project archeological consultant, determined that project construction activities could have no effects on significant archeological deposits;	Project sponsor/ archeological consultant/ archeological monitor/ contractor(s), at the direction of the ERO.	ERO & archeological consultant shall meet prior to commencement of soil-disturbing activity. If the ERO determines that an Archeological Monitoring Program is necessary, monitor throughout all soil-disturbing activities.		Project sponsor/ archeological consultant/ archeological monitor/ contractor(s) shall implement the AMP, if required by the ERO.	AMP required? Y/N Date:_____ Date AMP submitted to the ERO:_____ Date AMP approved by the ERO:_____ Date AMP implementation complete:_____ Date written report regarding findings of the AMP received:_____

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM				
	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
• The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis; • If an intact archeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction activities and equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, and present the findings of this assessment to the ERO. Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.					
Archeological Data Recovery Program. The archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the	Archeological consultant at the direction of the ERO	If there is a determination that an ADRP program is required		Project sponsor/ archeological consultant/ archeological monitor/ contractor(s) shall prepare an ADRP if required by the ERO.	ADRP required? Y/N Date:_____ Date of scoping meeting for ARDP:_____ Date Draft ARDP submitted to the ERO:_____

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical. The scope of the ADRP shall include the following elements: • Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations. • Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures. • Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies. • Interpretive Program. Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program. • Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. • Final Report. Description of proposed report format and distribution of results. • Curation. Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.					Date ARDP approved by the ERO:_____ Date ARDP implementation complete:_____
Final Archeological Resources Report. The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s)	Project sponsor/ archeological consultant at the direction of the ERO.	After completion of the archeological data recovery, inventorying, analysis and		Project sponsor/ archeological consultant	Following completion of soil disturbing activities. Considered complete upon distribution of

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.		interpretation.			final FARR. Date Draft FARR submitted to ERO:_____ Date FARR approved by ERO:_____ Date of distribution of Final FARR:_____ Date of submittal of Final FARR to information center:_____
NOISE					
Mitigation Measure 2 – Noise (Mitigation Measure F-4: Siting of Noise-Sensitive Uses in the Eastern Neighborhoods Area Plans EIR) New development with noise-sensitive uses require the preparation of an analysis that includes, at a minimum, a site survey to identify potential noise-generating uses within two blocks of the project site, and including at least one 24-hour noise measurement (with maximum noise level readings taken at least every 15 minutes), prior to the first project approval action. The analysis shall demonstrate with reasonable certainty that Title 24 standards, where applicable, can be met, and that there are no particular circumstances about the proposed project site that appear to warrant heightened concern about noise levels in the vicinity. The survey of the project vicinity did not identify any land uses	Project Sponsor	Prior to completion of the Community Plan Exemption		Project Sponsor	Considered complete upon finalization of the noise study and incorporation of acoustical requirements into Title 24 requirements.

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM				
	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/ Reporting Responsibility	Monitoring Schedule
that generate unusual noise within two blocks of the project site. Among the more prominent noise-generating uses in the vicinity are street traffic on Third and Illinois Streets, the Muni T-Third Street rail line operations, and nearby industrial uses. Given the noise environment at the project site, it would appear that conventional construction practices, which would likely include double-paned windows (which typically offer 25 to 30 dBA noise reduction), would be sufficient to ensure an interior noise environment in habitable rooms of 45 dBA, Ldn, as required by the San Francisco Building Code. Therefore, the noise study conducted at the project site has demonstrated that acceptable interior noise levels consistent with those in the Title 24 standards can be attained by the proposed project and no further acoustical analysis or engineering is required.					
HAZARDS AND HAZARDOUS MATERIALS *Mitigation Measure 4 – Hazardous Building Materials* The City shall condition future development approvals to require that the subsequent project sponsors ensure that any equipment containing PCBs or DEHP, such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to the applicable federal, state, and local laws.	Project sponsor, contractor(s)	Prior to demolition of structures	Ensure equipment containing PCBs or DEHP and other hazardous materials is properly disposed	Project sponsor, contractor(s), DPH, various federal and state agencies	Considered complete when equipment containing PCBs or DEHP or other hazardous materials is properly disposed

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SAN FRANCISCO

CITY PLANNING COMMISSION

MOTION NO. 17659

CERTIFYING A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED EASTERN NEIGHBORHOODS REZONING AND AREA PLANS PROJECT, AMENDMENTS TO THE SAN FRANCISCO PLANNING CODE AND ZONING MAPS, AMENDMENTS TO THE SAN FRANCISCO GENERAL PLAN, AND ADOPTION OF INTERIM HISTORIC PRESERVATION PROCEDURES. THE PLAN AREA GENERALLY INCLUDES THE EASTERN PORTION OF THE SOUTH OF MARKET AREA ("EAST SOMA"), THE MISSION, SHOWPLACE SQUARE/POTRERO HILL, AND THE CENTRAL WATERFRONT NEIGHBORHOODS OF SAN FRANCISCO AND MAKING OTHER RELATED FINDINGS.

MOVED, that the San Francisco Planning Commission (hereinafter "Commission") hereby CERTIFIES the Final Environmental Impact Report identified as Case File No. 2004.0160E – Eastern Neighborhoods Rezoning and Area Plans Project (hereinafter "Project") based upon the following findings:

1) The City and County of San Francisco, acting through the Planning Department (hereinafter "Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Sections 21000 et seq., hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Sections 15000 et. seq., (hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").

   a. The Citywide Group of the Department filed for environmental evaluation on February 19, 2004 and the Major Environmental Analysis section of the Department determined that an Environmental Impact Report (hereinafter "EIR") was required and provided public notice of that determination by publication in a newspaper of general circulation on March 9, 2005.

   b. Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on March 9, 2005.

   c. On June 30, 2007, the Department published the Draft Environmental Impact Report ("DEIR") and provided public notice in a newspaper of general circulation of the availability of the document for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice.

d. On June 30, 2007, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, and to government agencies, the latter both directly and through the State Clearinghouse.

e. Notices of Availability of the DEIR and of the date and time of the public hearings were posted on the Planning Department's website and also in various locations in the project area by Department staff on June 30, 2007.

2) The Commission held a duly advertised public hearing on the DEIR on August 9, 2007 at which time opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments ended on September 14, 2007.

3) The Department prepared responses to comments on environmental issues received at the public hearing and in writing on the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, corrected errors in the DEIR, and prepared impact analysis for proposed revisions to the Area Plans. This material was presented in a Comments and Responses document, published on May 29, 2008, was distributed to the Commission and to all parties who commented on the DEIR, and was available to others upon request at Department offices and web site.

4) A Final Environmental Impact Report has been prepared by the Department, consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the Summary of Comments and Responses all as required by law ("FEIR").

5) Project environmental files have been made available for review by the Commission and the public. These files are available for public review at the Department offices at 1650 Mission Street, Suite 400, and are part of the record before the Commission.

6) On August 7, 2008, the Commission reviewed and considered the FEIR and hereby does find 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.

7) The Planning Commission hereby does find that the FEIR concerning Case File No. 2004.0160E – Eastern Neighborhoods Rezoning and Area Plans Project reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective. The Commission also finds that since publication of the DEIR there has been no significant new information or

other factors that would require recirculation of the document pursuant to CEQA Guidelines Section 15088.5. Information to support this conclusion is found in the Final EIR document, which includes the Comments and Responses and in Department staff analysis. In furtherance of the above findings, the Planning Commission hereby does CERTIFY THE COMPLETION of said Final Environmental Impact Report in compliance with CEQA, the CEQA Guidelines, and Chapter 31.

The Commission, in certifying the completion of the FEIR, hereby does find that the proposed project described in the FEIR would have the following significant unavoidable environmental impacts, which could not be mitigated to a level of non-significance:

a. The Preferred Project would result in a potentially significant, adverse cumulative land use impact related to the loss of Production, Distribution and Repair land supply and building space as identified for EIR Option C.

b. The Preferred Project would result in a significant, adverse transit impact on Muni service affecting the following seven lines: 9-San Bruno, 22-Fillmore, 26-Valencia, 27-Bryant, 33-Stanyan, 48-Quintara, 49-Van Ness/Mission.

c. A significant, adverse transportation impact to the following intersections would occur under Preferred Project conditions: 13th/Bryant, South Van Ness/Howard/13th, Seventh/Brannan, Seventh/Townsend, Eight/Brannan, Eighth/Bryant, Eighth/Harrison, Third/César Chávez, and César Chávez/Evans.

d. A significant, adverse environmental impact related to historical architectural resources would occur under Preferred Project conditions. Demolition or significant alteration of buildings that are identified as historical resources, potential resources or age-eligible properties could be anticipated to occur as a result of development secondary to project implementation. The EIR also identifies a significant, adverse cumulative impact related to the demolition, alteration, or other changes to one or more resources (including historic districts), such that the historical significance of those resources would be "materially impaired."

e. A significant, adverse environmental impact related to potential shading of parks and public open spaces under the jurisdiction of the San Francisco Recreation and Parks Department would occur under Preferred Project conditions, because the feasibility of complete mitigation for potential new shadow impacts of currently unknown development proposals cannot be known at this time.

August 7, 2008
File No: 2004.0160E
Eastern Neighborhoods
Rezoning & Area Plans
Motion No. 17659

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission on August 7, 2008.

Linda Avery
Planning Commission Secretary

AYES:	Borden, More, Lee, Olague
NOES:	None
ABSENT:	None
EXCUSED:	Antonini, Miguel, Sugaya

ACTION: Certification of the Eastern Neighborhoods Rezoning and Area Plans FEIR

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SAN FRANCISCO

CITY PLANNING COMMISSION

MOTION NO. 17661

ADOPTING ENVIRONMENTAL FINDINGS (AND A STATEMENT OF OVERRIDING CONSIDERATIONS) UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND STATE GUIDELINES IN CONNECTION WITH THE ADOPTION OF THE EASTERN NEIGHBORHOODS REZONING AND AREA PLANS PROJECT AND RELATED ACTIONS NECESSARY TO IMPLEMENT SUCH PLANS. THE PLAN AREA GENERALLY INCLUDES THE EASTERN PORTION OF THE SOUTH OF MARKET AREA ("EAST SOMA"), THE MISSION, SHOWPLACE SQUARE/POTRERO HILL, AND THE CENTRAL WATERFRONT NEIGHBORHOODS OF SAN FRANCISCO.

Whereas, the Planning Department, the Lead Agency responsible for the implementation of the California Environmental Quality Act ("CEQA") has undertaken a planning and environmental review process for the proposed Eastern Neighborhoods Rezoning and Area Plans Project ("Project") and provided for appropriate public hearings before the Planning Commission.

Whereas, the Planning Department seeks to increase housing supply by identifying appropriate locations for residential use in the City's industrially zoned land to meet a citywide need for more housing, affordable housing in particular, in conjunction with retaining some industrial land supply to meet the current and future needs of the City's production, distribution and repair (PDR) businesses and the City's economy.

Whereas, the Planning Department facilitated a public planning process, which refined a series of proposals for land use, building heights, bulk and design, historic preservation, community facilities, streets (transportation, parking and loading), open space, public benefits, and other controls for the Eastern Neighborhoods Plan Area. The resulting Eastern Neighborhoods Area Plans Project is a comprehensive proposal for the area, including new Planning Code (zoning) controls, implementation strategy and a public improvements funding structure.

Whereas, the Eastern Neighborhoods Area Plan proposes nine new zoning districts in the area of San Francisco generally located on the eastern edge of the City as described in the preamble, including the following: Urban Mixed Use (UMU); Mixed-Use General (MUG); Mixed-Use Office (MUO); Mixed-Use Residential (MUR); Neighborhood Commercial Transit District-2 (NCT-2); Production, Distribution, Repair-1-General (PDR-1-G); Production, Distribution, Repair-1 Design (PDR-1-D); the Life

Sciences and Medical Special Use District (SUD); and the Innovative Industries Incubator SUD.

Whereas, the above mentioned use districts, depending on the District, would (1) permit only PDR uses; (2) permit at least some PDR uses in combination with commercial and/or residential uses; (3) permit a mix of residential and commercial uses; and (4) permit residential-only as described in detail in the *Materials for the Eastern Neighborhoods Initiation Hearing* (Volumes 1 through 3) transmitted to the City Planning Commission and made available to the general public on April 17, 2008. These use districts would replace existing industrial, commercial and residential single-use districts within the Project Area.

Whereas, the Planning Commission will consider— in conjunction with the proposed new use districts— adoption of General Plan amendments, including new and/or amended goals, objectives and policies as part of the East SoMa, Mission, Showplace Square/Potrero Hill and Central Waterfront Area Plans in addition to other Planning Code amendments and procedures articulated in the *Materials for the Eastern Neighborhoods Initiation Hearing*. These include, but are not limited to, zoning map amendments, a community benefits fee program, and other zoning changes applicable not only to the Eastern Neighborhoods but other zoning districts.

Whereas, the actions listed in Attachment A hereto ("Actions") are part of a series of considerations in connection with the adoption of the Eastern Neighborhoods Area Plans and various implementation actions ("Project"), as more particularly described in Attachment A hereto.

Whereas, the Planning Department determined that an Environmental Impact Report ("EIR") was required for the proposed Eastern Neighborhoods Rezoning and Area Plans, and provided public notice of that determination by publication in a newspaper of general circulation on December 17, 2005.

Whereas, the Planning Department on June 30, 2007, published the Draft Environmental Impact Report ("DEIR"). The DEIR was circulated for public review in accordance with the California Environmental Quality Act, California Public Resources Code section 21000 *et seq.* ("CEQA"), the State CEQA Guidelines, 14 California Code of Regulations, Section 15000 *et seq.*, ("CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Planning Commission held a public hearing on the DEIR on August 9, 2007.

Whereas, the Planning Department prepared responses to comments on the DEIR and published the Comments and Responses document on May 29, 2008, which together with the DEIR and additional information that became available, constitute the Final Environmental Impact Report ("FEIR").

Whereas, the Planning Commission, on August 7, 2008, by Motion No. 17659, reviewed and considered the FEIR and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed complied with the provisions of CEQA, the CEQA Guidelines, and Chapter 31.

Whereas, the Planning Commission by Motion No. 17659, also certified the FEIR and found that the FEIR was adequate, accurate, and objective, reflected the independent judgment of the Planning Commission and that the Comments and Responses document contains no significant revisions to the DEIR that would have required recirculation under CEQA Guidelines Section 15088.5, and adopted findings of significant impacts associated with the Project and certified the completion of the FEIR for the Project in compliance with CEQA and the CEQA Guidelines.

Whereas, the Planning Department prepared proposed Findings, as required by CEQA, regarding the alternatives, mitigation measures and significant environmental impacts analyzed in the FEIR and overriding considerations for approving the Preferred Project, including all of the actions listed in Attachment A hereto, and a proposed mitigation monitoring and reporting program, attached as Exhibit 1 to Attachment A, which material was made available to the public and this Planning Commission for the Planning Commission's review, consideration and actions.

THEREFORE BE IT RESOLVED, that the Planning Commission has reviewed and considered the FEIR and the actions associated with the Eastern Neighborhoods Area Plans Rezoning and hereby adopts the Project Findings attached hereto as Attachment A including a statement of overriding considerations, and including as Exhibit 1 the Mitigation Monitoring and Reporting Program.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of August 7, 2008.

Linda Avery
Commission Secretary

AYES:	Borden, More, Lee, Olague, Sugaya
NOES:	None
ABSENT:	None
EXCUSED:	Antonini, Miguel

ACTION: Adoption of CEQA Findings

ATTACHMENT A

EASTERN NEIGHBORHOODS REZONING AND AREA PLANS PROJECT

CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS: FINDINGS OF FACT, EVALUATION OF MITIGATION MEASURES AND ALTERNATIVES, AND STATEMENT OF OVERRIDING CONSIDERATIONS

SAN FRANCISCO PLANNING COMMISSION

In determining to approve the proposed Eastern Neighborhoods Rezoning and Area Plans Project and related approval actions (the "Preferred Project" or "Project"), the San Francisco Planning Commission ("Planning Commission" or "Commission") makes and adopts the following findings of fact and statement of overriding considerations and adopts the following recommendations regarding mitigation measures and alternatives based on substantial evidence in the whole record of this proceeding and under the California Environmental Quality Act, California Public Resources Code Sections 21000 et seq. ("CEQA"), particularly Sections 21081 and 21081.5, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Sections 15000 et seq. ("CEQA Guidelines"), particularly Sections 15091 through 15093, and Chapter 31 of the San Francisco Administration Code.

I. Introduction

This document is organized as follows:

Section I provides a description of the proposed Project, the environmental review process for the project, the Planning Commission actions to be taken, and the location of records;

Section II identifies the impacts found not to be significant that do not require mitigation;

Section III identifies potentially significant impacts that can be avoided or reduced to less-than-significant levels through mitigation;

Section IV identifies significant impacts that cannot be avoided or reduced to less-than significant levels;

Section V discusses why a subsequent or supplemental EIR is not required;

Section VI evaluates the different project alternatives and the economic, legal, social, technological, and other considerations that support the rejection of the alternatives and access options analyzed; and

Section VII presents a statement of overriding considerations setting forth specific reasons in support of the Planning Commission's actions and its rejection of the Alternatives not incorporated into the Project.

Attached to these findings as Exhibit 1 is the Mitigation Monitoring and Reporting Program ("MMRP") for the mitigation measures that have been proposed for adoption. The Mitigation Monitoring and Reporting Program is required by CEQA Section 21081.6 and CEQA Guidelines Section 15091. It provides a table setting forth each mitigation

measure listed in the Final EIR ("FEIR") that is required to reduce or avoid a significant adverse impact. Exhibit 1 also specifies the agency responsible for implementation of each measure and establishes monitoring actions and a monitoring schedule.

These findings are based upon substantial evidence in the entire record before the Planning Commission. The references set forth in these findings to certain pages or sections of the EIR or responses to comments in the Final EIR are for ease of reference and are not intended to provide an exhaustive list of the evidence relied upon for these findings.

a. Project Description

The subject of the proposed rezoning is an approximately 2,200-acre project area that includes four neighborhoods on the eastern side of San Francisco as illustrated on FEIR Figure 1: East SoMa, the Mission, Showplace Square/Potrero Hill and the Central Waterfront. The proposed rezoning would introduce new use (zoning) districts, including: (1) districts that would permit some production, distribution and repair (PDR) uses in combination with commercial uses; (2) districts mixing residential and commercial uses; (3) residential and PDR uses; and (4) new residential-only districts. The new districts would replace existing industrial, commercial and residential single-use districts. The Project would also include certain adjustments to height limits.

In conjunction with the proposed rezoning, the Planning Department has developed area plans for inclusion within the General Plan for the four neighborhoods in the project area. These plans address policy-level issues pertaining to historic resources, urban design (including building heights and urban form), transportation, open space, and community facilities. Adoption of the proposed area plans would necessitate amendments to the Planning Code, zoning maps, General Plan as well as adoption of interim historic preservation procedures.

b. Environmental Review

The Planning Department determined that an Environmental Impact Report ("EIR") was required for the Project. The Planning Department published the Draft EIR and provided public notice of the availability of the Draft EIR for public review and comment on June 30, 2007.

On June 30, 2007, a Notice of Completion and copies of the Draft EIR were distributed to the State Clearinghouse. Notices of availability for the Draft EIR of the date and time of the public hearings were posted on the Planning Department's website on June 30, 2007.

The Planning Commission held a duly noticed public hearing on the Draft EIR on August 9, 2007. At this hearing, opportunity for public comment was given, and public comment was received on the Draft EIR. The Planning Department accepted public comments on the Draft EIR from June 30, 2007 to September 14, 2007.

The Planning Department published the Comments and Responses on the Draft EIR on May 29, 2008. This document includes responses to environmental comments on the Draft EIR made at the public hearing on August 9, 2007 as well as written comments submitted on the Draft EIR from June 30, 2007 to September 14, 2007. The comments and responses document also contains text changes to the Draft EIR made by EIR prepares to correct or clarify information presented in the DEIR, including changes to the DEIR text made in response to comments.

c. Planning Commission Actions

The Planning Commission is being requested to take the following actions to approve and implement the Preferred Project.

- Certify the Final EIR.
- Adopt CEQA findings and a Mitigation Monitoring and Reporting Program.
- Determine consistency of the Eastern Neighborhoods Rezoning and Area Plans Project with the General Plan and Planning Code Section 101.1 Priority Policies, and recommend adoption to the Board of Supervisors.
- Approve adoption of amendments to the General Plan constituting the Eastern Neighborhoods Area Plans, pending approval by the Board of Supervisors.
- Approve and recommend to the Board of Supervisors related amendments to the San Francisco Planning Code and Zoning Maps.

d. Location of Records

The record upon which all findings and determinations related to the Project are based includes the following:

- The four Area Plans (East SoMa, Mission, Showplace Square/Potrero Hill and the Central Waterfront).
- The EIR, and all documents referenced in or relied upon by the EIR.
- All information (including written evidence and testimony) provided by City staff to the Planning Commission relating to the EIR, the proposed approvals and entitlements, the Project, and the alternatives ("Options") set forth in the EIR.
- All information (including written evidence and testimony) presented to the Planning Commission by the environmental consultant and subconsultants who prepared the EIR, or incorporated into reports presented to the Planning Commission.
- All information (including written evidence and testimony) presented to the City from other public agencies relating to the Project or the EIR.
- All applications, letters, testimony and presentations presented to the City by the project sponsor and its consultants in connection with the Project.
- All information (including written evidence and testimony) presented at any public hearing or workshop related to the Project and the EIR.
- For documentary and information purposes, all locally-adopted land use plans and ordinances, including, without limitation, general plans, specific plans and ordinances, together with environmental review documents, findings, mitigation monitoring programs and other documentation relevant to planned growth in the area.

- The MMRP.
- All other documents comprising the record pursuant to Public Resources Code Section 2116.76(e)

The public hearing transcript, a copy of all letters regarding the Final EIR received during the public review period, the administrative record, and background documentation for the Final EIR are located at the Planning Department, 1650 Mission Street, Suite 400, San Francisco. Linda Avery, Commission Secretary, is the custodian of these documents and materials.

II. Impacts Found Not To Be Significant, Thus Requiring No Mitigation

Finding: Based on substantial evidence in the whole record of this proceeding, the City finds that the implementation of the Preferred Project and associated Area Plans would not result any significant environmental impacts in the following areas: Visual Quality and Urban Design; Population, Housing, Business Activity and Employment (Growth Inducement); Parks, Recreation and Open Space; Mineral and Agricultural Resources; Wind; Utilities and Public Services; Biology; Geology/Topography; Water; and Energy and Natural Resources. Each of these topics is analyzed and discussed in detail including, but not limited to, in the EIR (and Initial Study or "IS") Chapters: 4.B; 4.C; 4.D; 4.H; 4.M; 6.D; 7.A-C (IS); 8.A-C (IS); 9.A, B (IS); 10.A-C (IS); 11.A-B (IS).

III. Findings of Potentially Significant Impacts That Can Be Avoided Or Reduced To A Less Than Significant Level

Finding: The California Environmental Quality Act (CEQA) requires agencies to adopt mitigation measures that would avoid or substantially lessen a project's identified significant impacts or potential significant impacts if such measures are feasible.

The findings in this Section III and in Section IV concern mitigation measures set forth in the FEIR. These findings discuss mitigation measures as proposed in the FEIR and recommended for adoption by the Board of Supervisors, which can be implemented by City agencies or departments. Except for minor revisions shown in double underline and ~~strike-through~~ text in the language of Mitigation Measures F-3, G-2, G-3, E-11, K-2 and K-3 in Response to Comments on the DEIR, the mitigation measures proposed for adoption in this section are identical to the mitigation measures identified in the FEIR.

As explained previously, **Exhibit 1**, attached, contains the Mitigation Monitoring and Reporting Program required by CEQA Section 21081.6 and CEQA Guidelines Section 15091. It provides a table setting forth each mitigation measure listed in Chapter V of the EIR that is required to reduce or avoid a significant adverse impact. **Exhibit 1** also specifies the agency responsible for implementation of each measure, establishes monitoring actions and a monitoring schedule.

The Planning Commission finds that, based on the record before it, the mitigation measures proposed for adoption in the FEIR are feasible, and that they can and should be carried out by the identified agencies at the designated time. This Planning Commission urges other agencies to adopt and implement applicable mitigation measures set forth in the FEIR that are within the jurisdiction and responsibility of such entities. The Planning Commission acknowledges that if such measures are not adopted

and implemented, the Project may result in additional significant unavoidable impacts. For this reason, and as discussed in Section VI, the Planning Commission is adopting a Statement of Overriding Considerations as set forth in Section VII.

All mitigation measures identified in the FEIR that would reduce or avoid significant adverse environmental impacts are proposed for adoption and are set forth in **Exhibit 1**, in the Mitigation Monitoring and Reporting Program. With the exception of Mitigation Measure A-1 which is rejected due to infeasibility, all mitigation measures set forth in the FEIR are agreed to and adopted by the Planning Commission.

A. Transportation

1. Impact - Delays at Unsignalized Intersections
   a) Potentially Significant Impact

      Implementation of the Preferred Project could result in degradation of service levels to unsignalized study intersections in the Eastern Neighborhoods, a significant, adverse environmental impact.

   b) Mitigation Measure E-1 and Conclusion

      The City finds the potentially significant impacts listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure E-1, which would require the installation of traffic signals at the following intersections: De Haro/Division/King; Rhode Island/16th Streets; Rhode Island/Division Streets; and, 25th/Indiana. EIR p. 502 indicates that a number of proposed developments in the immediate vicinity of these intersections would contribute to growth in future traffic volumes and increased delays, and that implementation of signalization at specific intersections could be linked to subsequent development projects.

B. Noise

1. Impact - Construction Noise, Pile-driving
   a) Potentially Significant Impact

      Subsequent development proposals under the Preferred Project in the Eastern Neighborhoods plan area could entail pile-driving activities as part of construction. Pile driving would generate noise and possibly vibrations that could be considered an annoyance by occupants of nearby properties. In general, pile-driving noise could be between about 90 and 105 dBA at 50 feet from pile-driving activity.

   b) Mitigation Measure F-1 and Conclusion

      The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure F-1, which would require that project sponsors ensure that piles be pre-drilled wherever feasible to reduce construction-related noise and vibration; no impact pile drivers shall be used unless absolutely necessary. Contractors would be required to use pile-driving equipment with state-of-the-art noise shielding and muffling devices. To reduce noise and vibration impacts, sonic or vibratory

sheetpile drivers, rather than impact drivers, shall be used wherever sheetpiles are needed. Individual project sponsors shall also require that contractors schedule pile-driving activity for times of the day that would minimize disturbance to neighbors.

2. Impact – Construction Noise, Site Specific Noise Reduction Measures
   a) Potentially Significant Impact

   Subsequent development proposals under the Preferred Project in the Eastern Neighborhoods plan area could generate intermittent and temporary noisy construction procedures in proximity to sensitive land uses.

   b) Mitigation Measure F-2 and Conclusion

   The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure F-2. This measure, as discussed in detail on EIR pp. 507-508, requires the sponsors of subsequent development projects to develop a set of site-specific noise attenuation measures under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved. Measures could include, but are not limited to: erecting temporary noise barriers, utilizing noise control blankets, monitoring noise attenuation measures and posting signs during construction with contractor contact information of who to notify of complaints.

3. Impact – Interior Noise Levels
   a) Potentially Significant Impact

   For subsequent residential development not subject to the California Noise Insulation Standards (e.g., single-family dwellings) that could be developed in the Eastern Neighborhoods plan area, traffic noise could potentially result in a significant effect if interior noise were not adequately reduced, consistent with the state standards for multi-family housing. Other noise-sensitive uses such as schools, libraries, churches, and hospitals, where General Plan-recommended threshold for detailed noise reduction analysis is 65 dBA (Ldn) would be subject to this measure at many locations in the plan area.

   b) Mitigation Measure F-3 and Conclusion

   The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure F-3. This measure, as described in detail on EIR p. 508, would require the project sponsors of subsequent development projects to conduct a detailed analysis of noise reduction requirements. Such analysis shall be conducted by person(s) qualified in acoustical analysis and/or engineering. Noise insulation features identified and recommended by the analysis shall be included in the design, as specified in the San Francisco General Plan Land Use Compatibility Guidelines for Community Noise to reduce potential interior noise levels to the maximum extent feasible.

4. Impact - Siting of Noise-Sensitive Uses

a) Potentially Significant Impact

The Preferred Project would facilitate some residential development in proximity to a mix of other uses including PDR uses that can generate operational noise, as well as other non-residential uses such as retail and entertainment, cultural/institutional/educational uses, and offices in the Eastern Neighborhoods plan area. Potential, short-term exceedences of ambient noise levels would result in a potentially significant effect on nearby sensitive receptors, if present in proximity to the noise sources.

b) Mitigation Measure F-4 and Conclusion

The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure F-4. This measure, as described in detail on EIR p. 508, would be implemented by the Planning Department, which would require the preparation of an analysis that includes a site survey to identify potential noise-generating uses within 900 feet of, and that have a direct line-of-sight to, the project site. The analysis shall be prepared by persons qualified in acoustical analysis and/or engineering and shall demonstrate with reasonable certainty that Title 24 standards, where applicable, can be met. Should such concerns be present, the Department may require the completion of a detailed noise assessment by person(s) qualified in acoustical analysis and/or engineering prior to the first project approval action, in order to demonstrate that acceptable interior noise levels consistent with those in the Title 24 standards can be attained.

5. Impact - Siting of Noise-Generating Uses

a) Potentially Significant Impact

Given that the Preferred Project proposes a mix of land use types existing and new use districts adjacent to one another, subsequent development proposals in the Eastern Neighborhoods plan area could generate noise from industrial, commercial or entertainment uses in proximity to sensitive land uses in excess of General Plan-recommended levels.

b) Mitigation Measure F-5 and Conclusion

The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure F-5. To reduce potential conflicts between existing sensitive receptors and new noise-generating uses, for new development including commercial, industrial or other uses that would be expected to generate noise levels in excess of ambient noise, either short-term, at nighttime, or as a 24-hour average, in the proposed project site vicinity, the Planning Department shall require the preparation of an analysis that includes, at a minimum, a site survey to identify potential noise-sensitive uses within 900 feet of, and that have a direct line-of-sight to, the project site, and including at least one 24-hour noise measurement (with maximum noise level readings taken at least every 15 minutes), prior to the first project approval action. The analysis shall be prepared by persons qualified in acoustical analysis and/or engineering and shall demonstrate with reasonable certainty that the

proposed use would comply with the use compatibility requirements in the General Plan and in Police Code Section 2909l, would not adversely affect nearby noise-sensitive uses.

6. Impact – Open Spaces in Noisy Environments
   a) Potentially Significant Impact

Depending on the type and design of residential development proposed, outdoor areas associated with subsequent residential uses that could be developed in the Eastern Neighborhoods plan area could also be exposed to noise levels above 60 dBA (Ldn). Residential developments often provide a roof deck or an interior courtyard that could create a noise-protected location for exterior recreation. Where such features are included, balconies associated with each residential unit are considered an architectural feature, not an outdoor recreational area that must comply with the San Francisco Land Use Compatibility Guidelines for Community Noise. However, these exterior features could be subject to potentially significant noise impacts if located in particularly noisy locations.

   b) Mitigation Measure F-6 and Conclusion

The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure F-6. The Planning Department shall, through its building permit review process, in conjunction with noise analysis required pursuant to Mitigation Measure F-4, require that open space required under the Planning Code for such uses be protected, to the maximum feasible extent, from existing ambient noise levels that could prove annoying or disruptive to users of the open space. Implementation of this measure could involve, among other things, site design that uses the building itself to shield on-site open space from the greatest noise sources, construction of noise barriers between noise sources and open space, and appropriate use of both common and private open space in multi-family dwellings, and implementation would also be undertaken consistent with other principles of urban design.

C. Air Quality

1. Impact – Construction Air Quality
   a) Potentially Significant Impact

Construction activities associated with subsequent development projects in the Eastern Neighborhoods plan area would occur intermittently at different sites in the project area as individual projects are proposed, approved, and implemented. Although the related impacts at any one location would be temporary, construction of these subsequent development projects could cause adverse effects on local air quality within the plan area. Construction activities could generate dust (including PM-10 and PM-2.5) primarily from fugitive sources (e.g., emissions released through means other than through a stack or tailpipe) and other criteria air pollutants primarily from operation of heavy construction equipment and machinery (primarily diesel operated) and construction worker trips.

b) Mitigation Measure G-1 and Conclusion

The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure G1 and shall condition approval of individual development proposals under the proposed project upon implementation of an appropriate dust abatement program, patterned after the Bay Area Air Quality Management District (BAAQMD) approach.

The BAAQMD approach to dust abatement, as put forth in the BAAQMD CEQA Guidelines, calls for "basic" control measures that should be implemented at all construction sites, "enhanced" control measures that should be implemented at construction sites greater than four acres in area, and "optional" control measures that should be implemented on a case-by-case basis at construction sites that are large in area, located near sensitive receptors or which, for any other reason, may warrant additional emissions reductions. Specific actions of the overall program as described in detail on EIR pp. 509-511 include, but are not limited to: watering active construction sites, covering trucks hauling soils and loose materials, applying soil stabilizers and sweeping streets, limiting traffic speeds, replanting vegetation, and installing wind breaks.

San Francisco Ordinance 175-91 requires that non-potable water be used for dust control activities. Therefore, project sponsors would require that construction contractors obtain reclaimed water from the Clean Water Program for this purpose. Each subsequent project sponsor/contractor would also be required to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants, by such means as a prohibition on idling motors when equipment is not in use or when trucks are waiting in queues, and implementation of specific maintenance programs to reduce emissions for equipment that would be in frequent use for much of the construction period.

2. Impact - Air Quality for Sensitive Land Uses

a) Potentially Significant Impact

Implementation of the Preferred Project would result in new use districts in the Eastern Neighborhoods plan area that could include housing and potentially other sensitive receptors within close proximity to high-volume roadways, as defined in the EIR, p. 511. This could result in potentially adverse affects health effects to sensitive receptors related to the exposure of PM2.5 (fine particulate matter of 2.5 microns or less, including diesel particulate matter, or DPM) and other pollutant emissions.

b) Mitigation Measure G-2 and Conclusion

The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure G-2. Within the Eastern Neighborhoods, new residential development that is proposed within 500 feet of the I-80, US 101, and I-280 freeways, or at any other location where total daily traffic volumes from all roadways within 500 feet of such location exceed 100,000 vehicles, shall, as part of its CEQA review, include

an analysis of PM2.5 and shall, if warranted based on the results, incorporate upgraded ventilation systems to minimize exposure of future residents to PM2.5 (which includes DPM) and other pollutant emissions, as well as odors. The analysis shall employ either site-specific modeling of PM2.5 concentrations or other acceptable methodology to determine whether the annual average concentration of PM2.5 from the roadway sources within 500 feet would exceed the threshold or action level of 0.2 micrograms per cubic meter.

If the incremental annual average concentration of PM2.5 concentration (from roadway sources only) were to exceed 0.2 micrograms per cubic meter at the project site, the project sponsor shall be required to install a filtered air supply system to maintain all residential units under positive pressure when windows are closed. The ventilation system, the specifics of which are described on EIR p. 511, shall be designed by an engineer certified by ASHRAE, who shall provide a written report documenting that the system offers the best available technology to minimize outdoor to indoor transmission of air pollution.

Sponsors of subsequent developments in the Eastern Neighborhoods shall also ensure the disclosure to buyers and renters regarding the findings of the analysis and consequent and inform occupant's proper use of any installed air filtration. If active recreation areas such as playgrounds are proposed as part of any future residential development, such areas shall be located at least 500 feet from freeways, if feasible.

Within the Eastern Neighborhoods, new residential development that is proposed within 1,000 feet of warehousing and distribution centers or other uses served by at least 100 trucks per day or 40 refrigerated trucks per day, or uses that generate toxic air contaminants (TACs) as part of everyday operations, the Planning Department shall require a screening-level health risk assessment or other comparable analysis prior to approval of such new residential development to ensure that the lifetime cancer risk from DPM or other TACs emitted from the uses described above is less than 10 in one million, or that the risk can be reduced to less than 10 in one million through mitigation, such as air filtration described above. The standard shall also apply to other sensitive uses such as schools, daycare facilities, and medical facilities.

3. Impact - Siting of Uses that Emit Diesel Particulate Matter (DPM)

a) Potentially Significant Impact

Implementation of the Preferred Project would result in new use districts in the Eastern Neighborhoods that could permit commercial, industrial, or other uses that could emit diesel particulate matter in proximity to sensitive receptors, as detailed below.

b) Mitigation Measure G-3 and Conclusion

The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure G-3. To minimize potential exposure of sensitive receptors to diesel particulate matter (DPM), for new development including warehousing and distribution centers, commercial, industrial, or other uses that would be expected to be served by at least 100 trucks per day or 40 refrigerated trucks per day, based on the ARB Air Quality and Land Use Handbook, the Planning Department shall require that

such uses generating substantial DPM emissions be located no less than 1,000 feet from residential units and other sensitive receptors, including schools, children's day care centers, parks and playgrounds, hospitals, nursing and convalescent homes, and like uses.

4. Impact - Siting of Uses that Emit Other Toxic Air Contaminants (TACs)
   a) Potentially Significant Impact

   Implementation of the Preferred Project would result in new use districts in the Eastern Neighborhoods that could permit commercial, industrial, or other uses that could emit toxic air contaminants in proximity to sensitive receptors, as detailed below.

   b) Mitigation Measure G-4 and Conclusion

   The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure G-4. For new development including commercial, industrial or other uses that would be expected to generate toxic air contaminants (TACs) as part of everyday operations, the Planning Department shall require the preparation of an analysis that includes, at a minimum, a site survey to identify residential or other sensitive uses within 1,000 feet of the project site, prior to the first project approval action. This measure shall be applicable, at a minimum, to the following uses: dry cleaners; drive-through restaurants; gas dispensing facilities; auto body shops; metal plating shops; photographic processing shops; textiles; apparel and furniture upholstery; leather and leather products; appliance repair shops; mechanical assembly cleaning; printing shops; hospitals and medical clinics; biotechnology research facilities; warehousing and distribution centers; and any use served by at least 100 trucks per day.

D. Archeological Resources

1. Impact - Soils Disturbing Activities on Properties with Previous Studies
   a) Potentially Significant Impact

   Construction of subsequent development projects in the Eastern Neighborhoods plan area on properties with previously conducted studies could result in soils disturbing construction activities, which would have the potential to adversely affect archeological resources.

   b) Mitigation Measure J-1 and Conclusion

   The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure J-1. This measure would apply to those properties within the project area for which a final archeological research design and treatment plan (ARDTP) is on file at the Northwest Information Center and the Planning Department (Archeological Mitigation Zone A as shown in Figure 29, Chapter IV of the EIR). Properties (listed by Assessor Block) within the project area subject to this measure include the following: 3749, 3762, 3763, 3764, 3765, 3766 in East SoMa; 3531 in the

Mission; 3780, 3781, 3782, 3783, 3910, 3915, and 3935 in Showplace Square/Portero Hill.

Any project resulting in soils-disturbance of 2.5 feet or greater below existing grade proposed within the AMM-A shall be required to submit to the Environmental Review Officer (ERO) for review and approval an addendum to the respective ARD/TP prepared by a qualified archeological consultant with expertise in California prehistoric and urban historical archeology and follow the reporting requirements as set forth on pp. 512-514 of the EIR.

2. Impact – Soils Disturbing Activities on Properties with No Previous Studies
   a) Potentially Significant Impact

Construction of subsequent development projects in the Eastern Neighborhoods plan area on properties with no previously conducted studies could result in soils disturbing construction activities, which would have the potential to adversely archeological resources.

   b) Mitigation Measure J-2 and Conclusion

The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure J-2. This measure would apply to those properties within the project area for which no archeological assessment report has been prepared or for which the archeological documentation is incomplete or inadequate to serve as an evaluation of potential effects on archeological resources under CEQA (CEQA Guidelines § 15064.5(a)(1)(3) and (c)(1)(2)), with the exception of those properties within Archeological Mitigation Zone B as shown in Figure 29 in Chapter IV, for which Mitigation Measure J-3, below, is applicable). That is, this measure would apply to the entirety of the study area outside of Archeological Mitigation Zones A and B.

For projects proposed outside Archeological Mitigation Zones A and B, a Preliminary Archeological Sensitivity Study must be prepared by an archeological consultant with expertise in California prehistoric and urban historical archeology and follow the reporting requirements as set forth on pp. 514-515 of the EIR.

Based on the Sensitivity Study, the Environmental Review Officer (ERO) shall determine if an Archeological Research Design/Treatment Plan (ARD/TP) shall be required to more definitively identify the potential for CRHP-eligible archeological resources to be present within the project site and determine the appropriate action necessary to reduce the potential effect of the project on archeological resources to a less-than-significant level.

3. Impact – Soils Disturbing Activities in the Mission Dolores Archeological District
   a) Potentially Significant Impact

Construction of subsequent development projects in the Mission Dolores Archeological Zones could result in soils disturbing construction activities, which would have the potential to adversely affect archeological resources.

b) Mitigation Measure J-3 and Conclusion

The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure J-3. This measure would apply to any project within the Mission Dolores Archeological District (Archeological Mitigation Zone B as shown in EIR Figure 29) involving installation of foundations, construction of a sub-grade or partial sub-grade structure including garage, basement, etc, grading, soils remediation, installation of utilities, or any other activities resulting in soils disturbance of 2.5 feet or greater below existing grade.

Based on the presence of archeological properties of a high level of historical, ethnic, and scientific significance within the Mission Dolores Archeological District, the following measure shall be undertaken to avoid any significant adverse effect from soils disturbing activities on buried archeological resources. The project sponsor shall retain the services of a qualified archeological consultant having expertise in California prehistoric and urban historical archeology. At the direction of the ERO, the archeology consultant may be required to have acceptable documented expertise in California Mission archeology. The scope of the archeological services to be provided may include preparation of an ARD/TP. The archeological consultant shall undertake an archeological testing and monitoring program, as specified in detail on EIR pp. 515-518.

In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure at the direction of the Environmental Review Officer (ERO). Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).

Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.

E. Hazardous Materials

1. Impact - Hazardous Materials during Construction
   a) Potentially Significant Impact

The Preferred Project could increase the potential for exposure to hazardous materials, through increased demolition and renovation activities at properties within the Eastern Neighborhoods plan area. To the extent that the Preferred Project would encourage construction activity, temporary impacts or risks would occur during subsequent development in the plan area.

b) Mitigation Measure L-1 and Conclusion

The City finds the potentially significant impact listed above would be reduced to a less-than-significant level with implementation of Mitigation Measure L-1. The City shall condition future development approvals to require that the subsequent project sponsors ensure that any equipment containing PCBs or DEPH, such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.

IV. Significant Impacts That Cannot Be Avoided or Reduced to a Less Than Significant Level

Finding: Based on substantial evidence in the whole record of these proceedings, the City finds that, where feasible, changes or alterations have been required, or incorporated into, the Plan to reduce the significant environmental impacts listed below as identified in the FEIR. The City determines that the following significant impacts on the environment, as reflected in the FEIR, are unavoidable, but under Public Resources Code Section 21081(a)(3) and (b), and CEQA Guidelines 15091(a)(3), 15092(b)(2)(B), and 15093, the City determines that the impacts are acceptable due to the overriding considerations described in Section VII below. This finding is supported by substantial evidence in the record of this proceeding.

A. Land Use

1. Impact - Loss of PDR land supply, building space, and jobs

a) Potentially Significant Impact

Implementation of the Eastern Neighborhoods Rezoning and Area Plan Project would result in a potentially significant, adverse impact in the cumulative supply of land for PDR uses and would not be mitigable without substantial change in use controls on land under Port of San Francisco jurisdiction.

b) Mitigation Measure and Conclusion

The EIR identifies Mitigation Measure A-1, which urges the the Planning Commission and Board of Supervisors to ensure that the community planning process currently under way in Western SoMa places a priority on the maintenance of land use to controls to accommodate PDR uses and restricts potentially incompatible uses, such as residential and office development, to minimize conflicts with existing and potential future PDR businesses. Specifically, the land use controls adopted for Western SoMa could incorporate, at a minimum, no net loss of land currently designated for PDR uses, restrict non-PDR uses on industrial (or other PDR-designated) land, and incorporate restrictions on potentially incompatible land uses proximate to PDR zones.

The above measure is judged to be infeasible, because the outcome of the community-based Western SoMa planning process cannot be known at this time. Moreover, the above measure could be seen to conflict with other City policy goals, including the provision of affordable housing.

B. Transportation

c) 1. Significant Impact - Intersection Level of Service (LOS) Failures

A significant, adverse level-of-service impact would occur to the following intersections under Preferred Project conditions: Seventh/Harrison, 13th/Bryant, 13th/Folsom, South Van Ness/Howard/13th, Seventh/Brannan, Seventh/Townsend, Eighth/Bryant, Eighth/Harrison, Third/César Chávez, Third/Evans, and César Chávez/Evans.

d) Mitigation Measure and Conclusion

The EIR identifies Mitigation Measures E-2 through E-4 to address level of service failures at study intersections within the Eastern Neighborhoods. These measures address congestion, primarily peak-period traffic congestion, in the project area by calling for implementation of Intelligent Traffic Management System (SFGo) strategies, which could include system prioritization in critical corridors, using smart parking technology to reduce excessive driving in search of parking, and progressive signal metering; enhanced funding for congestion management programs and alternate modes of transport; as well as measures to reduce the incentive to drive to destinations within the Eastern Neighborhoods, such as by implementing policies that favor short-term parking and progressive parking rate structures to discourage commuter and long-term parking, better management of the residential parking permit program and reductions in the provision of off-street parking for subsequent uses that could be developed in the project area.

In sum, while these measures may reduce traffic congestion and improve intersection levels of service and operational conditions across the Eastern Neighborhoods transportation network, the EIR judged that adverse effects at local intersections could not be fully mitigated. Also, given the inability to determine whether adequate funding would be available to implement the measures detailed above, the feasibility of these mitigation measures is deemed uncertain. Thus, the EIR finds that level of service impacts to Eastern Neighborhood study intersections is significant and unavoidable.

2. Impact - MUNI Service

a) Significant Impact

The Preferred Project would result in a significant, adverse transit impact on Muni service affecting the following seven lines: 9-San Bruno, 22-Fillmore, 26-Valencia, 27-Bryant, 33-Stanyan, 48-Quintara, 49-Van Ness/Mission.

b) Mitigation Measures and Conclusion

The EIR identifies Mitigation Measures E-5 through E-11 to address impacts to Muni service. These measures address increased transit demand through calling for sufficient funding of transit operations; by focusing on transit corridor improvements (e.g., along Mission Street between 14th and Cesar Chavez Streets, 16th Street between Mission and Third Streets, Bryant Street or other parallel corridor between Third and Cesar Chavez Streets, a north-south corridor through portions of SoMa west of Fifth Street, and service connecting Potrero Hill with SoMa and downtown) to reduce headways, so that capacity utilization factors meet Muni's capacity standard of 85 percent; implementing service recommendations from the Transit Effectiveness Project (TEP), Better Streets Plan and Bicycle Plan when available and as feasible; provide additional funding for MUNI maintenance and storage facilities; increase passenger amenities, such as expanded installation of the Next Bus service and new bus shelters; expand use of Transit Preferential Street technologies to prioritize transit circulation in the Eastern Neighborhoods; as well as expansion of the Transportation Demand Management program in the project area to promote the use of alternate modes of transportation.

While these measures may reduce operating impacts and improve transit service within the Eastern Neighborhoods, the EIR judged that adverse effects to the above transit lines could not be fully mitigated. Also, given the inability to determine the outcome of ongoing studies (e.g., TEP, Better Streets, etc.) and whether adequate funding would be available to implement the measures detailed above, the feasibility of these mitigation measures is deemed uncertain. Thus, the EIR finds that impacts to transit impacts in the Eastern Neighborhood study area are significant and unavoidable.

C. Historic Architectural Resources

1. Impact - Material Impairment to Historic Architectural Resources

a) Significant Impact

Implementation of the Preferred Project in the Eastern Neighborhoods plan area would result in a significant, adverse environmental impact related to historical resources. Demolition or significant alteration of buildings that are identified as historical resources, potential resources, or age-eligible properties could be anticipated to occur as a result of development subsequent to implementation of the Preferred Project. The EIR indicates that such impacts could occur individually (to single buildings) as well as cumulatively (to known or potential historic districts).

b) Mitigation Measures and Conclusion

The EIR identifies Mitigation Measures K-1 through K-3 to address impacts historic architectural resources. Measure K-1 entails specific interim actions that the Planning Department would take as part of its review of subsequent building applications for projects in the Eastern Neighborhoods. These actions would take effect upon adoption of the Preferred Project and would sunset when the Landmarks Preservation Advisory Board (LPAB) endorses the Project's

completed historic resource survey findings. Specific measures that could reduce adverse effects to historic resources, though not a level of insignificance, include: LPAB review of all new construction, demolition or major alteration within the entire Plan Area over 50 feet, or 10 feet taller than adjacent buildings, built before 1963; review by a historic technical specialist all permit applications that propose exterior modifications to the street facade(s) of historic resources (as defined in Preservation Bulletin 16); and registration of neighborhood associations in the Department's Block Book Notification program for permit activity on blocks and lots of particular interest.

The EIR also identifies Mitigation Measures K-2 and K-3, as detailed in EIR pp. 520-522 to address potentially significant impacts to the South End and the Dog Patch Historic Districts. These measures require rigorous review of building permit applications in both historic districts, to address potentially adverse changes to individual resources and the integrity of the overall district associated with increased building heights and alterations to the districts' character-defining features.

For purposes of a conservative analysis, and pending completion of historical resources surveys for the entire project area, the Preferred Project's indirect effect on historical resources is judged to be significant and unavoidable even with implementation of the above-cited mitigation, as it is unlikely that no future development proposal in the Eastern Neighborhoods could result in demolition, alteration, or other changes to one or more historical resources such that the historical significance of those resources would be "materially impaired."

D. Shadow

1. Impact - Shadow on Existing Parks and Open Spaces

a) Significant Impact

Implementation of the Preferred Project could result in significant, adverse shadow impacts on the following parks and open spaces in the Eastern Neighborhoods: Victoria Manalo Draves Park, South of Market Recreation Center/Eugene Friend Recreation Center, Alice Street Community Gardens, and South Park in East SoMa; KidPower Park, Franklin Square, Mission Playground, Alioto Mini-Park, 24th and York Mini Park and the James Rolph Playground in the Mission; Potrero del Sol Park and Jackson Playground in Showplace Square/Potrero Hill; and, Esprit Park, Warm Water Cove and Wood Yard Mini-Park in the Central Waterfront.

b) Mitigation Measure and Conclusion

Potential shadow impacts from future proposed development—including from buildings not subject to Section 295—would be evaluated on a project-specific basis, and shadow effects could be limited through design of individual projects, in accordance with existing Planning Department guidelines (e.g., Residential Design Guidelines, Industrial Design Guidelines, pertinent provisions of the Planning Code, etc.) that takes into consideration shading effects on nearby parks. However, because the feasibility of complete mitigation for potential new shadow impacts cannot be determined at this time, it cannot concluded that shadow effects of the Preferred Project would be less than significant, and therefore the impact is judged to be significant and unavoidable.

V. Why Subsequent Environmental Analysis or Recirculation is Not Required

Finding: For the reasons set forth below and elsewhere in the Administrative Record, none of the factors are present which would necessitate recirculation of the Final EIR under CEQA Guideline Section 15088.5 or the preparation of a subsequent or supplemental EIR under CEQA Guideline Section 15162. The Comments and Responses document thoroughly addressed all public comments that the Planning Department received on the Draft EIR. In response to these comments, the Department added new and clarifying text to the EIR and modified some mitigation measures. In addition, since publication of the Draft EIR, the staff, in response to public comments and additional staff evaluation of the Eastern Neighborhoods proposal, modified Option B and related Eastern Neighborhood documents in order to craft the Preferred Project as described more fully in the Eastern Neighborhood staff reports and attached materials.

The Comments and Responses document, which is incorporated herein by reference, analyzed all of these changes, including the Preferred Project, and determined that these changes did not constitute new information of significance that would alter any of the conclusions of the EIR. Further, additional changes to the Preferred Project have been incorporated into the project after publication of the Comments and Responses document. These changes have been addressed orally by staff or in staff reports, which statements and reports are incorporated herein by reference, and based on this information, the Planning Department has determined that these additional changes do not constitute new information of significance that would alter any of the conclusions of the EIR.

Based on the information set forth above and other substantial evidence in light of the whole record on the Final EIR, the Commission determines that the Preferred Project, is within the scope of project analyzed in the Final EIR; (2) approval of Preferred Project will not require important revisions to the Final EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (3) taking into account the Preferred Project and other changes analyzed in the Final EIR, no substantial changes have occurred with respect to the circumstances under which the Project are undertaken which would require major revisions to the Final EIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the Final EIR; and (4) no new information of substantial importance to the Project has become available which would indicate (a) the Preferred Project or the approval actions will have significant effects not discussed in the Final EIR, (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the Final EIR would substantially reduce one or more significant effects on the environment. Consequently, there is no need to recirculate the Final EIR under CEQA Guideline 15088.5 or to prepare a subsequent or supplemental EIR under CEQA Guideline Section 15162.

VI. Evaluation of Project Alternatives

This Section describes the EIR alternatives ("EIR Options") and the reasons for rejecting the Alternatives. This Article also outlines the Preferred Project's purposes and provides the rationale for selecting or rejecting alternatives, and describes the Preferred Project alternative components analyzed in the EIR.

CEQA mandates that an EIR evaluate a reasonable range of alternatives to the project, which would "feasibly attain most of the basic objectives of the project, but would avoid or substantially lessen effects of the project, and evaluate the comparative merits of the project." (CEQA Guidelines, Section 15126.6(a)). As discussed on EIR p. I-5:

> Unlike most EIRs, this EIR contains no separate chapter analyzing alternatives to the proposed project. This is because this EIR does not analyze a preferred project; instead, this EIR evaluates Rezoning Options A, B, and C, as well as a future No-Project scenario (i.e., the circumstance in which none of the rezoning options is adopted; also identified as the 2025 No-Project scenario), at an equal level of detail, as EIR alternatives, throughout this document.

CEQA requires that every EIR evaluate a "No Project" alternative as part of the range of alternatives analyzed in the EIR. The Eastern Neighborhoods Rezoning and Area Plans EIR's No Project analysis was prepared in accordance with CEQA Guidelines Sections 15126.6(e)(3)(A) and (C).

Alternatives provide a basis of comparison to the Preferred Project in terms of beneficial, significant, and unavoidable impacts. This comparative analysis is used to consider reasonable feasible options for minimizing environmental consequences of the Preferred Project.

A. Reasons for Selection of the Preferred Project

As discussed above, this EIR analyzes alternatives at an equal level of detail. Moreover, the EIR also analyzes two sub-area options developed by the community for the Northeast Mission Industrial Zone or the NEMIZ. Finally, as part of the Eastern Neighborhoods Initiation Packet (April 17, 2008), staff has submitted a "Preferred Project" to the Planning Commission, based on EIR Option B, as described in detail in the Comments and Responses on the DEIR.

The EIR analyzes the following scenarios:

- Rezoning Option A
- Rezoning Option B
- Rezoning Option C
- 2025 No-Project scenario
- NEMIZ Community Plan – The People's Plan variant
- NEMIZ Community Plan – Mission Coalition for Economic Justice and Jobs (MCCEJJ) variant
- Preferred Project

These scenarios are discussed in greater detail in Chapter III, Project Description, of the EIR and pp. C&R-5 through C&R-36 in the Comments and Responses on the DEIR.
In approving the Preferred Project, the Planning Commission has carefully considered the attributes and the environmental effects of the Preferred Project and the scenarios discussed in the FEIR. This consideration, along with reports from City staff, public testimony, and community workshops has resulted in the Preferred Project.

The following are the project sponsor's objectives presented in the EIR:

1. Reflect Local Values: To develop a rezoning proposal that reflects the land use needs and priorities of each neighborhood's stakeholders and that meets citywide goals for residential and industrial land use.

2. Increase Housing: To identify appropriate locations for housing in the City's industrially zoned land to meet a citywide need for more housing, and affordable housing in particular.

3. Maintain Some Industrial Land Supply: To retain an adequate supply of industrial land to meet the current and future needs of the City's production, distribution, and repair businesses and the city's economy.

4. Improve the Quality of All Existing Areas with Future Development: To improve the quality of the residential and nonresidential places that future development will create over that which would occur under the existing zoning.

The Preferred Project is selected because it would promote the greatest achievement of all of the following objectives, which would not be attained to the same extent by any of the other EIR alternatives. The Preferred Project achieves the project sponsor's objectives in the following way:

- Engage in a multi-stakeholder, interdepartmental planning effort to further the overarching goals of the City's General Plan by managing population and economic growth in light of specific conditions in the Eastern Neighborhoods. (In furtherance of the Objectives 1, 2 and 4 above)

The Preferred Project is the product of over eight years of study, planning and public participation. The Preferred Project's Area Plans and Planning Code amendments are informed by the following background studies and related planning efforts in the administrative record: Supply/Demand Study for Production, Distribution, and Repair (PDR) in San Francisco's Eastern Neighborhoods (Economic and Planning Systems, 20005); Community Planning in the Eastern Neighborhoods Rezoning Options Workbook Draft (2003); Profiles of Community Planning Areas (2002); Summit on Industrial Land (2002); and Industrial Land in San Francisco: Understanding Production, Distribution, and Repair (2002).

Other policy documents and reports apprise decisionmakers of the non-physical impacts associated with the Preferred Project, including a Department of Public Health-sponsored study, the Eastern Neighborhoods Community Health Impact Assessment (ENCHIA). This study has informed the Preferred Project through coordinated policy development (e.g., related to childcare, transportation, pedestrian circulation and safety), proposed zoning code changes (e.g., open space requirements), and incorporating mitigation measures (e.g., air quality and noise) in the Preferred Project.

The Department also considers socioeconomic effects in developing the Area Plans policies, informed by a Socioeconomic Impact Analysis, prepared independently of the CEQA review (Hausrath Economic Group, 2007). These studies indicate a need to connect the development to the neighborhood and ensure that community benefits are provided to outweigh some of the potential non-physical impacts from new development. The results led the department to conduct a Needs Assessment and Nexus study to determine the feasibility and legality of new impact fees. (San Francisco Eastern

Neighborhoods Nexus Study, Seifel Consulting, May 2008, and Eastern Neighborhoods Financial Analysis, Memorandum to Interested Parties from Sarah Dennis, February 27, 2008). These new fees would provide revenue essential to the development of the neighborhood infrastructure needs.

- Create a complete neighborhood with a balance of housing and jobs. (In furtherance of Objectives 1, 2, and 3 above)

The Preferred Project creates neighborhoods with a balance of space for housing and jobs. The Preferred Project forecasts a greater potential amount of residential development than would be encouraged under the continuation of current zoning controls in to the future. In order to balance housing growth with the retention of space for jobs and businesses, the Preferred Project retains more space for PDR jobs than under the No Project scenario, but less land than under Options A; PDR land supply is conservatively judged to be between Options B and C. About 431 acres of land are maintained for PDR jobs in the Preferred Project as compared to Option B, which maintains 451 acres of land. Because the amount of PDR lost as part of the project cannot be precisely gauged, the EIR finds that the Preferred Project would result in significant impact on the cumulative land supply of land for PDR uses. However, in recognition of providing for a diversity of future employment types, the Preferred Project also proposes two special use districts and controls (e.g., "UMU," "Hybrid Office/PDR District," Small Enterprise Workspace controls, etc) where office growth would be permitted as well as about 357 acres of land zoned for a mixed of uses where growth of other types of business activity in the commercial, retail and personal/business service sectors could also be accommodated within the Eastern Neighborhoods, in close proximity to housing.

The Preferred Project seeks to balance and accommodate residential growth in the Plan Area while minimizing land use conflicts. For example, by delineating PDR-only zones and designating new mixed use residential areas, the Preferred Project seeks to stabilize the market for PDR uses as well as to create opportunities to provide more housing than under a 2025 No Project scenario in places where it can best be accommodated in light of existing (and planned) infrastructure investment.

- Strengthen the community's supply of housing, especially affordable housing, by encouraging well-designed housing in previously industrial areas. (In furtherance of Objecitves1, 2, and 3 above)

The Preferred Project designates much of the previously industrially zoned land (e.g., the M-1, M-2 and C-M districts) for housing development, more than would be allowed under the No Project scenario and EIR Options A and B. The Preferred Project seeks to ensure that residential development is encouraged but that the benefits of the up-zoning (e.g., increases in height limits, relaxation of density requirements, etc.) are captured and returned to the community in the form of public benefits that could be funded by fees to address community services, parks, infrastructure and transit needs. The Preferred Project also introduces an "Urban Mixed Use" district, which proposes increased affordability requirements over current citywide inclusionary housing requirements set forth in Planning Code Section 315. Feasibility and nexus studies were conducted to ensure that the increased amount of affordable housing would be both legally permitted and economically viable.

- Strengthen the economic base of the Preferred Project Area and the community by retaining space for production, distribution and repair businesses, while still

allowing space for new and innovative industries in parts of the Eastern Neighborhoods Plan Area. (In furtherance of Objectives 1 and 3 above.)

Production, Distribution, and Repair uses, such as printing and publishing, arts activities, catering, wholesaling and automobile repair, are the most prevalent land uses in the Eastern Neighborhoods. In the Eastern Neighborhoods, 45 percent of the population, or 32,467 people are employed in PDR businesses. PDR uses in the Eastern Neighborhoods tend to be clustered to take advantage of agglomerative economies, proximity to transportation and/or customer base, and access to a particular labor pool and the appropriate industrial building stock prevalent in the Plan Area. Retention of these jobs and spaces is critical to the City's economy. As discussed above, although the EIR conservatively finds that the cumulative loss of PDR land supply may be potentially significant, the zoning and area plan proposals include a number of districts and provisions that could positively encourage development of future PDR and other commercial uses in flexible workspaces for innovative and emerging industries. Moreover, the EIR also found that the Preferred Project's population, job and housing growth would be less than significant.

- Revise the height districts and provide urban design guidelines and standards throughout the Eastern Neighborhoods Plan Area to sculpt an urban form that maximizes housing opportunities mediated by building type, street-level livability, views, and effects on the local skyline. (In furtherance of Objective 2 above.)

The Preferred Project increases existing height limits within portions of the Plan Area to accommodate new residential growth and space for future business activities. Subsequent projects in the Eastern Neighborhoods would generally be characterized as infill, and the proposed height districts take into account cumulative changes in the built environment with respect to existing neighborhood scale, character and views. The greatest heights would be permitted in East SoMa where the area's wide streets can accommodate a taller building stock; in most cases, heights at intersections taper mid-block. Height districts would be moderate in the mixed-use areas in Showplace Square, the Central Waterfront and the Mission to promote, among other things, the development of taller, spacious ground floor spaces for PDR and commercial uses, as called for by the Area Plans' policies. On smaller streets and alleys, new height controls would limit heights based on the width of the alley; developments on east-west alleys are subject to additional controls to ensure light and air reach the sidewalk by requiring subsequent developments to be set back with the sun angle. Area Plans also address the preservation and enhancement of existing view corridors through modulation of building heights and landscaping/streetscaping policies. New residential development in the Plan Area would further be controlled by the proposed Planning Code amendments that control building mass and articulation, transparency and activation of ground floor commercial spaces, curb cuts, alley frontages and supporting open space for residential units.

- Improve the city's open spaces and streets by renovating existing parks, providing new parks and open spaces and street tree plantings, implementing traffic calming strategies as well as other streetscape improvements. (In furtherance of Objective 4 above)

The Preferred Project's Area Pans establish policies that call for improvements to the public realm to foster increased pedestrian use and enjoyment of public streets by proposing streetscaping ("greening") and "living street" strategies, such as encouraging wider sidewalks, upgraded street furniture and street tree plantings. Such

improvements would provide ecological benefits, as well as new and enhanced open space opportunities for existing and future residents. The Area Plans call for creating new neighborhood- parks in each of the four Eastern Neighborhoods as well as improving existing parks. The Preferred Project also proposes an increased residential open space requirement that would be more than double what is required by current zoning controls. The Preferred Project's parks policies, open space requirements, and improvements to public rights-of-way in the Eastern Neighborhoods would improve the public realm enhance livability, ensuring that restorative spaces are neighborhood-serving, within a short walk from housing and other amenities.

- Improve the operation and convenience of all transportation modes, with a focus on transit, bicycle, and pedestrian movement. (In furtherance of Objective 4 above.)

In recognition of the City's Transit First Policy, the Preferred Project establishes a compendium of policies to balance transportation choices in the Plan Area. Such policies call for reducing dependence on private automobile use and infrastructure improvements to encourage increased use of transit, bicycle, and walking to reach destinations and meet daily needs. The Area Plans also include policy changes that would relieve neighborhoods of parking minimum requirements; off-street parking would instead be controlled through maximum caps based on use size and type to ensure some continued increment of car-free housing, similar to historic and existing development patterns.

- Undertake the public improvements proposed in the area plans by using innovatively the full range of public financing tools to support the City in meeting its share of the planning and development responsibility for the quality and character of the public realm. (In furtherance of Objective 4 above.)

The Preferred Project identifies community improvements necessary to accommodate projected growth of residential and commercial development in the Plan Area while maintaining and improving community character. The Preferred Project, through the Eastern Neighborhoods Implementation Program (Case 2004.0160UU dated April 17, 2008), incorporated herein by reference, also identifies a number of potential revenue sources to fund community improvements include:

- Public agency grants (federal and state funding as well as General Fund monies);
- Community benefit districts, parking benefit districts and other assessment districts;
- Parking and/or curb cut impact fees;
- Sale of Development Credits; and
- Development Fee Impact Program

B. Alternatives Rejected and Reasons for Rejection

The Planning Commission rejects the Options (CEQA alternatives) set forth in the FEIR and listed below because the Planning Commission finds that there is substantial evidence, including evidence of economic, legal, social, technological, and other considerations described in this Section in addition to those described in Section VII below under CEQA Guidelines 15091(a)(3), that make infeasible such alternatives.

No Project Scenario

The No Project scenario assumes that the Planning Commission would not adopt and implement the Preferred Project. Future development within the project area would take place under existing zoning controls. The No Project scenario would not be desirable nor meet the Preferred Project objectives for the following reasons.

Balanced Growth: Current zoning controls conditionally permit housing and office development in the existing M-1, M-2 and C-M use districts. The No Project scenario would represent an ongoing pattern of incremental, ad hoc residential development in primarily industrially zoned areas that would result in significant, adverse land use effects on PDR businesses and the City's cumulative supply of PDR land. In contrast to the Preferred Project, the No Project scenario would not comprehensively plan future growth in the Eastern Neighborhoods and would not establish a coordinated public benefits program to offset development impacts brought about by changes in and intensification of land uses.

Housing: Fewer housing units would be produced under a future No Project Scenario compared to the Preferred Project. The No Project scenario forecasts 2,870 units without amendments to current zoning controls. In contrast, the Preferred Project, through coordinated General Plan, Planning Code and map amendments, would produce about 6,910 more housing units (est. 9,780 units total). The Preferred Project would also increase the proportional production of below-market-rate dwellings compared to current Planning Code requirements through increased affordability and inclusionary requirements tied to certain use districts (e.g., UMU) as opposed to a No Project scenario, which would assume no change to the City's current Inclusionary Housing Ordinance.

Transit: Between 2000 and 2025, the growth in transit trips within the Eastern Neighborhoods and the remainder of San Francisco is anticipated to increase by about 254,000 trips, an increase of about 20 percent over baseline conditions. In the Eastern Neighborhoods, transit trips would make up about 38 percent of the growth in daily travel demand, an increase of almost 28,000 daily transit trips. A portion of this increase in transit demand would be accommodated within the existing service, however, as new development occurs, additional transit service in terms of greater frequency and line extensions and/or new bus lines would be required. Additional support facilities (bus yards) and equipment (buses and light rail vehicles) would also be required. The No Project scenario would allow for the continued development of residential and other uses in areas of the Eastern Neighborhood without an associated comprehensive neighborhood planning and policy framework to direct transit infrastructure and streetscape improvements to areas of existing and future need.

Historic Architectural Resources: The EIR finds that projected growth under the No Project scenario would result in adverse effects, though fewer resources would be at risk than under the Preferred Project because height and density provisions would be amended to stimulate additional growth. However, a No Project scenario would not lead to adoption of historic resources policies or Article 10 amendments to address future development standards in the South Beach or Dogpatch Historic Districts. While the Preferred Project would also result in significant impacts to historic resources (see Statement of Overriding Considerations, Section VII), the Preferred Project would implement robust set of preservation policies tailored to the Eastern Neighborhoods in the context of a comprehensive planning framework, not assumed under a No Project scenario.

Public Realm Improvements and Community Benefits Program: Under a No Project scenario, neighborhood-specific policies in the four Area Plans that pertain to streetscape and public realm improvements would not be adopted. Absent pertinent Area Plan policies, streetscape and public space planning would be guided by the provisions of the General Plan, the Board of Supervisor's Better Street's Policy (Ord. 33-06) and the Better Streets Plan. The No Project scenario is rejected because it would not meet the objective to "Improve the Quality of Existing Areas with Future Development." It would be less effective in advancing the general goals and objectives of the Better Streets Policy and Plan because no neighborhood-specific Area Plan policies would be adopted to guide subsequent streetscape improvements tailored to the Eastern Neighborhoods, as opposed to Preferred Project conditions. Moreover, a No Project scenario would not apply a public benefits program to subsequent projects, which, as described below, would result in lesser City revenue for investment in neighborhood infrastructure improvements.

For the reasons listed above and in Section VII, Statement of Overriding Considerations, the Commission hereby rejects the No Project scenario.

EIR Options A, B and C

EIR Options A, B and C vary in the aggregate amounts of land use types and locations within the Eastern Neighborhoods (see EIR Chapter III, Project Description, and pp. C&R-5 through C&R-36 for more information). EIR Options A, B and C would not be desirable nor meet the Preferred Project objectives for the following reasons.

Balanced Growth: Option A would retain the most land for PDR uses and convert the least amount of industrially zoned land to mixed-use/residential development. Conversely, Option C would retain the least amount of land for PDR uses and rezone a greater amount of land for a mixed of residential and commercial uses. Option B and the Preferred Project would fall within this range (see EIR, pp. 58-82). The amount of land available for land uses also affects business activity and economic growth. The EIR (Table 2) finds that between about 1,000 and 9,470 PDR jobs are forecast to be eliminated in the future associated with the rezoning options, with positive growth assumed in non-industrial employment sectors. The community has stated a preference for the retention of space for PDR jobs. On balance, the Preferred Project would result in less loss of PDR space and jobs than Option C and the No Project but would be similar to Options B.

Housing: Housing forecasts assume that 7,390 units would be produced under EIR Option A; 7,385 units under Option B; 9,780 units under the Preferred Project; and 9,860 units under Option C. Compared to the Preferred Project, Option A would result in 2,390 fewer units and Option B 2,395 fewer. Option C would result in about 90 units greater than Option C. Options A is rejected because it would establish more PDR zoning than assumed sufficient to meet the City's needs, while achieving lesser residential development than the Preferred Project. Option B is rejected because residential development forecast under this EIR Option would generate less marginal revenues that could be reinvested in community benefits compared to the Preferred Project. Option C is rejected because it is forecast to achieve a similar amount of housing production on a greater amount of land that would be rezoned from industrial to residential use, resulting in an adverse impact to the City's ability to meet its future industrial land supply needs; the Preferred Project, by upzoning heights along certain street corridors, would avoid such impacts.

Transit: Transit impacts of the Preferred Project are assumed to be comparable to those under Option C, meaning that the Preferred Project would result in significant, unavoidable impacts on seven Muni lines (lines 9, 22, 26, 27, 33, 48 and 49) as opposed to 10 lines under a No Project scenario, two lines under Option A and three lines under Option B. In recognition of the significant capacity exceedences to Muni, the MTA is preparing a Transportation Implementation Study (2008) that analyzes mobility needs and the transportation impacts of the Preferred Project. The study would focus on implementing transportation improvements related to impacts cited in the EIR. In East SoMa, such improvements may entail: providing better connections to Rincon Hill, Transbay and West SoMa; in Showplace Square/Potrero Hill: enhancing connectivity from Potrero Hill to downtown via Mission Bay by coordinating the proposed 30/45 trolley reroute with future land uses, in addition to strengthening transit linkages to downtown, Caltrain, and the Civic Center and 16th Street Bart stations; in the Mission: evaluating possible limited-stop service or bus bulbouts to increase operational efficiencies along Mission Street and future east-west bus rapid transit corridor on 16th Street; and in the Central Waterfront: undertaking improvements to east-west transit service including connections to the 22nd Street Caltrain station and Third Street Light Rail. While the Preferred Project would result in greater transit impacts than Options A, B and the No Project, it is judged to better achieve the project sponsor's goals and objectives than the other options. See Section VII, Statement of Overriding Considerations for more information.

Community Benefits Program: As described Exhibit VI-I, Implementation Document of the *Materials for Eastern Neighborhoods Area Plans Initiation Hearing*, the Preferred Project contains specific funding strategies and sources identified in the Improvements Plan, and matches these sources to estimated costs. The level and amount of fee applied to subsequent projects would depend on the 1) the use district in which the proposal is located (whether existing residential/commercial or formerly industrial) and 2) whether or not height increases are granted as part of the Preferred Project. As the Preferred Project would accommodate a greater amount of future residential growth than Options A, B or the No Project, potential revenues that could be used for neighborhood improvements would also be greater than those Options. While Option C would generate close to the same amount of housing (and fees), this Option is not desirable due the potential for this Option to result in significant adverse effects related to the City's ability to meet its future PDR land supply and building space needs.

These alternatives are rejected because the Commission finds that there is substantial evidence of specific economic, legal, social, technological and other considerations that make such Alternatives infeasible, as set forth above and as described in the EIR.

NEMIZ Community Plan—People's Plan Variant

The Preferred Project incorporates many of the recommendations from the People's Plan variant that applied to the Northeast Mission Industrial Zone. However, because this alternative designated additional large sites, such as the Potrero Center, for PDR and applied a PDR Auto-Service Overlay District on South Van Ness this alternative produces less housing than the Preferred Project. This variant is rejected because the Commission finds that there is substantial evidence of specific economic, legal, social, technological and other considerations that make such Alternatives infeasible, as set forth above and as described in the EIR.

NEMIZ Community Plan-MCEJJ Variant

The Preferred Project incorporates many of the elements of the MCEJJ variant that applied to the Northeast Mission Industrial Zone This zoning variant would open up much of the PDR areas in the Northeast Mission to allow for housing. This variant would result in fewer acres retained for PDR space and therefore result in a greater job loss than the Preferred Project. This variant is rejected because the Commission finds that there is substantial evidence of specific economic, legal, social, technological and other considerations that make such Alternatives infeasible, as set forth above and as described in the EIR.

Additional Alternatives Proposed by the Public

During the public comment period, various property owners, residents and commenters proposed alternative land use types to the Preferred Project. To the extent that these comments addressed the adequacy of the EIR analysis, they were described and analyzed in Responses to Public Comments pages C&R 37-C&R 146. Comments related to the merits of the project, including but not limited to specific Planning Code or map amendments divergent from the EIR Options, variants and Preferred Project are addressed in Exhibit I-2, Volume 1 of the *Materials for Eastern Neighborhoods Area Plans Initiation Hearing* submitted to the Planning Commission April 17, 20078.

For the reasons listed above and in Section VII, Statement of Overriding Considerations, the Commission hereby rejects EIR Options A, B and C.

C. Environmentally Superior Alternative

EIR Option A is the Environmentally Superior Alternative because it would result in the greatest supply of land retained for PDR uses. Option A would also result in significant traffic effects at fewer intersections than would Options B, C, the Preferred Project or the No Project scenario and would result in lesser transit impacts than would Options B, C, the Preferred Project or the No Project scenario. Option A would also result in comparatively fewer potentially significant impacts on historical resources than Options B and C and the Preferred Project. Otherwise, the three rezoning options and Preferred Project would have similar impacts. However, for the reasons stated above and in Section VII, this alternative is rejected as infeasible.

VII. Statement of Overriding Considerations

Notwithstanding the significant effects noted above, pursuant to Public Resources Code Section 21081(b), the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code, the Commission finds, after considering the FEIR, that specific overriding economic, legal, social, technical and other considerations, as set forth below, outweigh the identified significant effects on the environment. In addition, the Commission finds that the EIR Options described in the FEIR that have been either partially or totally rejected, are also rejected for the following specific economic, social or other considerations, in and of themselves, in addition to the specific reasons discussed in Section IV.A above:

1. The Preferred Project is the most consistent, comprehensive approach to balancing housing and the retention of industrial land and building supply in the Eastern Neighborhoods in light of the range of feasible rezoning options studied in the EIR. As discussed in Section VI.A above, the Preferred Project addresses

the project sponsor's objectives, in that it would reflect local values, increase housing, maintain and protect some industrial land supply to address the City's future needs, and improve the quality of all existing areas with future development.

2. The Preferred Project would provide new housing, especially affordable housing and accommodate space for PDR businesses as well as space for small offices and retail uses. In conjunction with the future growth and intensification of these uses in the Plan Area, the EIR finds that the Preferred Project would increase automobile traffic such that the level of service at certain intersections would degrade to unsatisfactory levels, but, on balance increases in traffic volumes would be offset by the benefits associated with increased housing production, particularly below market rate housing, as well as new PDR and office space that would generate economic activity in the Plan Area. In addition, the Preferred Project includes a fee program that would assist with the provision of improved public transit and other streetscape amenities.

3. The Preferred Project, through application of the Hybrid Office/PDR use district and Small Enterprise Workspaces controls could accommodate a flexible mix of future employment generating uses in non-traditional type workspaces.

4. The Preferred Project, by permitting student housing in the Eastern Neighborhoods Mixed Use and PDR-1-D Districts, could accommodate student housing needs related to the housing demands generated by higher-educational institutions located in the Plan Area.

5. The Preferred Project would create denser, more transit-oriented neighborhoods than currently exit in the Plan Area, which would intensify the use of transit (MUNI) services. The Preferred Project focuses the new housing and job growth in areas that are transit-oriented; consequently, the Project would reduce reliance on private automobile use. This approach is contrasted with haphazard and dispersed development patterns, characterized by the No Project scenario, that create the need for additional car trips. The Preferred Project would create a development pattern more in keeping with the City's Transit First policy. The Preferred Project would also increase funding for MUNI through the Community Infrastructure Improvements Fee and therefore the new development would offset some of the impacts to MUNI capacity associated with the Preferred Project.

6. The Preferred Project seeks to create a holistic urban form that would enhance neighborhood character and promote high-quality buildings that relate to existing historic and non-historic structures and districts alike. The Plan Area's urban design and historic preservation policies seek to relate subsequent development projects to the neighborhood setting, while also recognizing the unique characteristics of the Eastern Neighborhoods to the rest of the City. This would occur in the context of the proposed Area Plan's urban design and preservation policies, as well as residential and industrial design guidelines. However, in order to balance new residential development opportunities with the retention sufficient land for industrial activities, some historic architectural resources may be adversely affected. Therefore, the Commission finds that the foregoing benefits listed above outweigh potential historic resource impacts associated with the Preferred Project.

7. The Planning Department cannot predict with certainty whether proposals for subsequent development projects in the Plan Area pursuant to the Preferred Project would shade parks and open spaces; therefore a conservative estimate assumes that there would be shadow impacts to existing and proposed park sites. The Preferred Project seeks to create an urban form that would enhance the neighborhood and increase space for new housing, as well as other uses. Height limit increases would incentivize subsequent development that would provide housing opportunities for diverse populations in transit-rich locations. Therefore, the Commission finds that the foregoing benefits listed above outweigh potential shadow impacts associated with the Preferred Project.

8. The Preferred Project would generate substantial financial benefits for the City. For instance, the Preferred Project would provide direct funding to the City for development of community infrastructure in the Plan Area through a fee program. The Preferred Project would also indirectly benefit the City financially through increased tax revenues and receipt of additional grant funds for the specific projects within the Plan Area. These financial benefits and the resulting community infrastructure benefits are detailed in the Eastern Neighborhoods Public Benefits document, which is incorporated herein by reference. The Public Benefits document asserts that the projected costs for many of the planned improvements are covered by projected revenue opportunities, as shown in a summary of primary projected revenue sources below.

Summary Table of Projected Revenue, Preferred Project

Source	Funding
Secured Funding	$30-$50 m
Fee Revenue	$100 -$150 m
Potential Grants	$100-$125 m
Agency Funding	varies
Projected Revenue	$245 m
Tax Increment, Other	$100-$200 m
Total Revenue/Need	$400 m

Implementation of the Preferred Project would generate revenues that can be used to promote an enhanced quality of life in the Plan Area, such as by establishing new and enhanced open spaces (e.g., Brannan Street Wharf, Crane Cove Park, and the expansion of Warm Water Cove.), as well as converting existing surface parking lots and portions of public right-of-ways into a new public park in the Showplace Square Area. Additionally, the Preferred Project calls for providing funds to improve library services and incorporating public art in the design of streets, and for funding for childcare facilities and recreational facilities to achieve appropriate levels of service. As illustrated above, some of this funding would be generated by fees associated with approval of subsequent development projects that could occur under the project conditions.

All of the benefits associated with Preferred Project described above under individual headings are restated here in conjunction with other project benefits described elsewhere in the Administrative Record. Having considered these Preferred Project benefits, the Planning Commission finds that the Project's benefits outweigh the unavoidable adverse environmental effects, and that the adverse environmental effects that cannot be mitigated to insignificant levels are therefore acceptable in light of the information presented in the entire administrative record.

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DATE: August 7, 2008

TO: Honorable Members, Planning Commission

FROM: Michael Jacinto, Major Environmental Analysis

RE: Changes Proposed to the Eastern Neighborhoods Zoning Proposal since April 17, 2008 Initiation – CEQA Review

On July 30, the Planning Department's Citywide Group (hereafter "Project Sponsor") submitted a report that indicates proposed use district/height and bulk district changes to the Eastern Neighborhoods Rezoning Project since submittal of the April 17, 2008 Initiation Packet (Case No. 2004.0160EMTUZ) to the Planning Commission; those changes were accounted for and analyzed in the first chapter of the Comments and Responses on the DEIR. This memorandum responds to each change indicated on the attached report and discusses how the proposed zoning changes fall within the range of Alternatives ("Options") analyzed within the EIR and do not substantively alter the conclusions reached in the Eastern Neighborhoods Rezoning and Area Plans Final EIR.

It has always been the intention and expectation of the Planning Department that zoning changes would occur throughout the planning process and that the EIR would analyze a range of options and that the final proposal would fall within this range and hence be covered by the EIR (see EIR Introduction, p. I-1, second paragraph). This memorandum is intended to document and explain that the following changes do fit within the range of alternatives analyzed in the EIR.

Proposed Changes to PDR Districts

Integrated PDR District, Small Enterprise Workspaces (SEW) and Student Housing

Description

Below is a discussion of changes under consideration by the Commission that affect the EIR's land use analysis, particularly related to the displacement of Production, Distribution and Repair building space and land supply.

The Integrated PDR (Production, Distribution, and Repair) district is intended to support a business model that combines office and PDR use as a single integrated business enterprise. Its characteristics are defined as having at least 33 percent PDR space and 33 percent accessory office (with additional PDR-related quasi-office use comprising the remaining 33 percent). These uses must be interrelated and connected to the same business. Integrated PDR type uses would be permitted in pre-1950 buildings of three-or-more-stories in Eastern Neighborhoods Mixed-Use districts, PDR-1-D and PD1-G districts. Further these controls would be permitted in new buildings with a required 1:1 replacement of existing PDR space in those districts.

The proposed Small Enterprise Workspace (SEW) controls would "enable small business incubator buildings that contain a mix of uses that may not otherwise be permitted by zoning." Per staff's proposal, all active uses would be allowed but residential and heavy industrial and retail use would be restricted by underlying zoning controls. The entire building would be required to be SEW or accessory functions and 50 percent of the spaces may be up to 500 square feet and 50 percent may be up to 2,500 square feet. These proposed controls would apply in the PDR-1-G and PDR-1-D districts.

The most recent proposal before the Commission also proposes to allow student housing use in PDR zones. Student housing is defined as buildings wherein 100 percent of the residential use would be affiliated with and operated by an accredited post-secondary educational institution, with lodging provided by prearrangement for a week or more at a time. As proposed, student housing would be limited to the Eastern Neighborhood Mixed Use Districts (MUG, MUO, MUR, UMU, South Park) and PDR-1-D. In all districts, this use would be conditionally permitted.

Potential Effects

The PDR-1-D and PDR-1-G districts are located in the North East Mission Industrial Zone, the core area Showplace Square and the southern portion of the Central Waterfront, generally south of 23rd Street. These areas make up the lion's share of industrially-zoned land, accounting for roughly 30 percent of industrially-zoned land in the Eastern Neighborhoods project area (EIR Table 3, p. 36).

A fundamental assumption in the EIR related to PDR districts is that "Compared to existing zoning, this designation would be more restrictive because there would be more stringent controls on office, retail and housing development: housing would be prohibited, and only small office and retail uses would be allowed (EIR, p. 12)."

Page 57 of the EIR states that:

> The amount of PDR space is expected to decrease under each of the three rezoning options as well as a 2025 No-Project scenario, although the declines would be less under Options A and B than under projected 2025 No-Project conditions. Overall decreases are due to projected losses in East SoMa, the Mission, and Showplace Square/Potrero Hill combined with less growth of PDR space in the Central Waterfront. On a citywide basis, PDR uses are expected to concentrate in three main areas: Western SoMa, Hunters Point, and the NEMIZ.

Although the exact numbers cannot be predicted with precision, the cumulative effect of the Integrated PDR District, SEW and student housing controls would potentially result in a greater amount of future housing and office space, and a lesser amount of future PDR space than is described for Option B in the EIR in the land use, employment and population sections (see EIR Chapters IV.A and IV.D and C&R pp. 1-36). The resulting housing, employment and PDR numbers would fall between those shown in the EIR for

Options B and C, and therefore the potential impacts of these proposals are covered by the EIR. However, because the precise land use shift is not known at this time other than that it would be no greater than Option C; the Department has conservatively concluded that there is the potential for a loss of PDR space associated with the cumulative effect of these proposals.

This loss could potentially amount to a significant adverse land use impact. It is stressed that this is a conservative assessment, based in large part on the fact that the Department is not certain what the final PDR loss numbers may reasonably be given that individual property owners may or may not take advantage of these zoning changes. By deleting much of the Innovative Industries Special Use District with its associated office use (see below); limiting the types of buildings where Integrated PDR can occur, e.g., 3 story buildings or larger; adding PDR replacement requirements; and other limitations on these uses, these proposed zoning changes offset some of the potential PDR loss. However, it cannot be determined with certainty that these offsetting changes would have equivalent impacts to the zoning proposal that the Planning Commission initiated on April 17, 2008. Nevertheless, the Department finds that these offsetting changes would avoid the extent of cumulative PDR loss estimated under Option C. Therefore, the Department determines that these changes may result in cumulative loss of PDR at a level higher than Option B but not as extensive as Option C. Consequently, the Department finds a potentially significant and unavoidable impact to cumulative PDR loss from these recent zoning proposals.

Grocery Store Uses in PDR-1-D and PDR-1-G Districts

The PDR-1-G and PDR-1-D districts allow for small-scale retail uses (between 2,500 to 5,000 square feet per parcel.). The current proposal would exempt grocery store uses in these districts from the size restrictions with Conditional Use authorization. Assuming such uses could be proposed in these industrially-zoned areas in the future, the conservative conclusions reached above related to the potential loss of PDR loss would apply.

Transit-oriented Retail Special Use District (SUD)

This SUD, as described in the proposed Planning Code Section 249.38, is intended to support street activity along important transit routes, including 16th and 3rd Streets. The boundaries of the SUD would include all parcels in PDR districts that are along 16th St. from Mission St. to I-280, or along 3rd St. north Cesar Chavez St. All provisions of the Planning Code currently applicable would apply and the types of retail sales allowed on a parcel would be controlled in the same manner as in the UMU District. Land use effects associated with introducing this SUD were assessed in the EIR Comments & Responses document (Figure C&R-4, p. 8) and EIR Figure 3, and pp. 17 and 71-75. The proposed SUD mirrors the Preferred Option's base zoning of PDR-1-G, and retail controls would be similar to those analyzed for the UMU District, which for the NEMIZ was applied to

parcels on 16th Street from Shotwell to Bryant Streets. In the Central Waterfront, the proposed SUD would allow for slightly larger ground-floor retail spaces than initially assumed (up to 2,500 square feet in PDR-1-G, now larger uses permitted per UMU controls with Conditional Use authorization for spaces greater than 4,000 square feet.) Land use effects would generally be in line with those described for Option B, with larger ground-floor retail spaces permitted as analyzed and assumed for EIR Option C (see DEIR p. 15).

Enterprise Zones

Enterprise Zones encourage and stimulate growth, development and investment in designated areas. Taxpayers who invest, operate, or locate a trade or business within an Enterprise Zone may be eligible for special tax incentives. Enterprise Zones could be applied to all commercially-zoned areas in the Eastern Neighborhoods.

Section 15126 of the state CEQA Guidelines states that an EIR must discuss the "growth-inducing impact of the proposed project." This requirement is further explained in Section 15126.2(d), where it is stated that an EIR must evaluate how a project "could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment," including how a project could "remove obstacles to population growth." Potential indirect and cumulative effects of growth must also be evaluated. As stated in Section 15126(d), "It must not be assumed that growth in any area is necessarily beneficial, detrimental, or of little significance to the environment." Section D (p. 175) of the EIR contains an examination of direct growth-inducing impacts on population, housing, business activity, and employment. However, the entire Eastern Neighborhoods Rezoning project is potentially growth-inducing, in that it would remove barriers to housing and population growth throughout wide areas of the study area and would result in secondary, and cumulative effects due to that growth.

The introduction of this program to the Eastern Neighborhoods Plan Area would not alter the controls or assumed activities in the underlying use districts proposed by the Area Plans and analyzed in the EIR. As such, in accordance with CEQA Guidelines 15060(c)(2), Enterprise Zones in and of themselves are not expected to result in a direct or reasonably foreseeable indirect physical change in the environment or alter growth forecasts above and beyond what was analyzed to occur in the EIR.

Legitimization of Existing Uses

CEQA Guidelines Section 15125 states that: "An EIR must include a description of the physical environmental conditions in the vicinity of the project, as they exist at the time the notice of preparation is published, or if no notice of preparation is published, at the time environmental analysis is commenced, from both a local and regional perspective. This environmental setting will normally constitute the baseline physical conditions by which a lead agency determines whether an impact is significant."

The mapping and analysis of existing land uses (baseline physical conditions) in the EIR is based on the Planning Department's annual Land Use Database for 2004 (published in March 2005), which was the latest information available at the time the EIR was prepared. Therefore, "legitimization" of existing uses (e.g., office, housing, etc.) in the Eastern Neighborhoods' Mixed Use Districts, SLI and PDR Districts would not result in physical changes or create new adverse physical impacts, as these uses are assumed to be part of the baseline EIR conditions. Legitimization of these uses would thus represent a continuation of the baseline condition into the future.

Plan Area Boundary Adjustments

Remaining Valencia Street Neighborhood Commercial District (Valencia NCD) added to Plan Area as Neighborhood Commercial Transit (NCT) District

The boundary of Mission Plan Area is proposed to be extended about 650 feet to the west of Guerrero Street to include ten parcels on the south side of 16th Street. The underlying use district on these parcels would change from Valencia Street NCD to the Valencia Street NCT consistent with the application of this use district to other parcels along 16th Street (generally eastward to 16/Hoff Streets) and Valencia Street (generally from 14th Street at the northern boundary of the Plan Area to Cesar Chavez to the south). Land uses along these parcels include a gas station and mixed-use residential with commercial ground-floor uses (generally restaurant and other small retail use).

These lots would remain in neighborhood commercial use; the EIR assumed cumulative background growth from surrounding lots and the addition of these ten parcels would not substantially alter the EIR assumptions and/or conclusions and applicable Area Plan policies and EIR mitigation measure would apply, as applicable.

Parcel-specific Zoning Changes and Removal of Certain Parcels from Rezoning

Hearst Corporation (San Francisco Chronicle) parcels excluded from rezoning process

Assessor Block 3725, Lots 5, 6, 8, 9, 12 and 98 would retain the existing zoning of Residential Service District (RSD). The EIR (Figure 3, p. 15) shows these parcels as included within the East SoMa Plan Area, designated as "Mixed Use Residential" in the three EIR options. The change would exclude these parcels from rezoning. RSD is essentially residential/mixed-use zoning, hence for purposes of the Eastern

Neighborhoods EIR, leaving the site RSD would not substantially change the EIR's growth and development assumptions. Future land uses on these parcels would be guided by existing RSD zoning controls and existing height limits, however, East SoMa land use policies proposed as part of the Area Plan would apply.

Assessor Block 3763, Lots 1, 99, 100, 101, 105 parcels excluded from rezoning process

The aforementioned Assessor Block and lots would retain the existing zoning of Service Secondary Office (SSO). The EIR shows these parcels as included within the East SoMa Plan Area, designated as "Mixed Use Office (MUO)" in the three EIR options. Future land uses on these parcels would be guided by existing SSO zoning controls and existing height limits, however, East SoMa land use policies proposed as part of the Area Plan would apply.

PUC parcel (Assessor Block 3571/018) changed from proposed Urban Mixed Use back to existing "P", Public

No physical effects associated with this change are expected – localized effects would similar to the EIR's "No Project Option" for changes in the Mission, that is, it is expected that a continuation of existing conditions would occur at this location. The property's 50-X height limit would not be altered. Thus, future land uses on this site are assumed to represent a continuation of existing conditions and slightly less overall development in the Mission would occur than assumed for the EIR.

Innovative Industries SUD removed from the Showplace Square Plan Area

The Innovative Industries SUD, primarily located along 7th Street in the Showplace Square Plan Area (as shown on Figure C&R-3 in the Comments and Responses to the EIR) has been removed from Commission consideration. The underlying zoning districts revert back to UMU, PDR-1 and PDR-1-G, representing the analysis of both Options B and C as illustrated on DEIR Figure 3 (p. 15), described on DEIR pp. 60-68 and 75-78. Height limits would be 68-feet, unchanged from those presented on p. C&R-4.

Changes to Height Districts, Massing Controls, EIR Mitigation Measures

Folsom, Harrison and Bryant St. corners at 24th Street raised to 55-X from 45-X

The proposed height increase to 55 feet (10 feet higher than the previously proposed 45-foot limit and 15 feet above the existing 40-foot limit) would not result in any additional shadow on Garfield Square (south of 25th Street between Folsom and Harrison Streets), Rolph Playground (south of 25th Street at Potrero Avenue), or Parque Niños Unidos (north of 23rd Street between Folsom Street and Treat Avenue), because each of those parks are too far away to be affected. The closer two, Garfield Square and Parque Niños Unidos, are about 450 feet south and north, respectively, of the southern and northern property lines, respectively of any of the parcels proposed for a height limit of 55 feet. Because the maximum distance that shadow is cast during hours covered by Section 295

of the Planning Code (between one hour after sunrise and one hour before sunset) is approximately 6 times the height of the building casting the shadow, the maximum length of shadow towards the three parks noted above would be about 350 feet to the north and 320 feet to the south, not long enough to reach Garfield Square, Rolph Playground, or Parque Niños Unidos.

A fourth park could be affected by the proposed change, the 24th & York Mini-Park, located on the north side of 24th Street between Bryant and York Streets. The DEIR analyzed a height limit of 55 feet on the parcel immediately east of the 24th & York Mini-Park. The current height proposal would also increase the height limit to 55 feet on the parcel at the northeast corner of 24th and Bryant Street (but would retain the previously proposed 45-foot height limit on two intervening parcels). The parcel at 24th and Bryant is 50 feet west of the mini-park; thus, the 15-foot increase over the existing height limit could theoretically cause shadow to begin to fall on the mini-park up to about one hour earlier in spring and summer afternoons--if there were no existing buildings between the corner lot and the mini-park. However, because there is a three-story (approximately 35-foot-tall) building immediately west of the mini-park, there would be no change in existing afternoon shadow on the 24th & York Mini-Park even if a 55-foot-tall building were to be constructed on the corner lot, because shadow from the potential 55-foot building would not extend beyond shadow from the existing adjacent structure.

In light of the above, the proposed 55 foot height limit as proposed at three intersections on 24th Street would not result in significant impacts related to shadow, nor would the impacts be substantially greater than those identified in the EIR.

Visual effects of the proposed 55-foot height limit on the 24th Street corner parcels at Folsom, Harrison, and Bryant Streets would not be substantial, because the greatest potential change would result in development of one or more buildings that would be two stories taller than currently permitted (maximum of six stories, compared to four stories at present; if a new building were to include a high-ceiling ground-floor retail space, the tallest potential building would be five stories). Although the result could be taller buildings on the four corners of the three intersections in question, no other locations along 24th Street would be affected and the change would therefore be limited both as to physical dimensions on a given site and as to geographical extent. Moreover, the placement of taller buildings on corner lots is common throughout not only the Mission but San Francisco in general, and thus the perception of visual change would be somewhat reduced by the viewer's expectation of greater height on the corners. In light of the above, the proposed 55_foot height limit at these three intersections on 24th Street would not result in significant visual impacts, nor would the impacts be substantially greater than those identified in the EIR.

In terms of other effects, particularly those related to the intensity of development (e.g., population and housing, transportation, air quality, and noise), the small number of parcels that would be affected would not result in a meaningful increase in population,

traffic, or other related impacts, in the context of the overall Eastern Neighborhoods study area or even the Mission neighborhood, given the broad and programmatic nature of the EIR analyses.

15-foot setback above 65-feet along Mission St. where height districts increase to 85 feet

Inclusion of a 15-foot horizontal setback from the front property line at heights of 65 feet within the Mission Street corridor relates to Plan Area policies that call for:

- relat[ing] the prevailing heights of buildings to street and alley width throughout the Plan Area (Built Form Policy 3.1.3) and,
- reflect[ing] the importance of key streets in the city's overall urban pattern, such as Mission and Valencia Streets, while respecting the lower scale development that typifies much of the established residential areas throughout the Plan Area... (Built Form Policy 3.1.4)

The proposed setback would further reduce building massing at heights above 65 feet along the Mission Street corridor, which could have beneficial effects related to the preservation of view corridors.

In terms of historic resources, the analysis of the Preferred Project's 85-foot height limits was found to "not more severely affect the district or its resources," because "given the very small number of Mission Reconstruction resources on Mission Street as compared to the very large number of Mission Reconstruction resources that are not located within the corridor, and in conjunction with the Area Plan's preservation policies, proposed heights on Mission Street would not substantially increase the severity of the previously identified adverse impacts on the identified Mission Reconstruction historic district." Incorporating additional upper-level setbacks could also provide for more graceful transitions in height and building mass to adjacent off-site resources.

Revision to EIR Mitigation Measure K-1

In order to address the current height district proposal, EIR Mitigation Measure K-1 (Subsection A) is amended as follows (double-underlining indicates text additions, ~~strikethrough~~ indicates text deletions):

> All proposed new construction within the entire Plan Area over ~~50 feet~~ 55 feet, or 10 feet taller than adjacent buildings, built before 1963 shall be forwarded to the Landmarks Preservation Advisory Board for review and comment. This applies to all construction that will result in an increased building envelope with a height that is equal to or exceeds ~~50 feet~~ 55 feet or an increased building envelope with a height 10 feet taller than adjacent age-eligible buildings as measured by the Planning Code. The Landmarks Board will review proposals at their regularly scheduled public hearings occurring on the first and third Wednesday of every month. The Board's comments will be forwarded to Planning Department for incorporation into the project's final submittal and in advance of any required final hearing before the Planning Commission.

This change was made because height districts are no longer set at 50 feet but rather at 55 or 58 feet.

The Commission may consider additional zoning changes, such as what zoning controls and fees would apply to pending projects (the "pipeline") and technical changes to the Planning Code; however, none of theses zoning changes present new information of significance or raise new physical environmental impact that would alter the conclusions of the EIR.

BOARD of SUPERVISORS

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MEMORANDUM

TO: John Rahaim, Director, Planning Department
Jonas Ionin, Director of Commission Affairs, Planning Commission
Olson Lee, Director, Mayor's Office of Housing & Community Development
John Updike, Director, Real Estate Division

FROM: Andrea Ausberry, Assistant Clerk, Land Use and Economic Development Committee, Board of Supervisors

DATE: February 11, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Economic Development Committee has received the following substituted legislation, introduced by Supervisor Cohen on February 3, 2015:

File No. 150121

Resolution approving an Agreement to Rent Units with AGI-TMG Housing Partners I, LLC, and authorizing the Director of Planning to execute the Agreement on behalf of the City and County of San Francisco, in order to implement the Eastern Neighborhoods Rental Incentive Option under Planning Code, Section 419.5(b), for the residential development proposed at 1201-1225 Tennessee Street (Assessor's Block No. 4172, Lot No. 022), for a period of 30 years, to commence following Board approval, as defined within the agreement.

File No. 150122

Resolution approving an Agreement to Rent Units with Raintree 2051 Third Street, LLC, and authorizing the Director of Planning to execute the Agreement on behalf of the City and County of San Francisco, in order to implement the Eastern Neighborhoods Rental Incentive Option under Planning Code, Section 419.5(b), for the residential development proposed at 2051 Third Street (Assessor's Block No. 3994, Lot Nos. 001B, 001C, and 006), for a period of 30 years, to commence following Board approval, as defined within the agreement.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Aaron Starr, Manager of Legislative Affairs
AnMarie Rodgers, Senior Policy Advisor
Scott Sanchez, Zoning Administrator
Sarah Jones, Chief, Major Environmental Analysis
Jeanie Poling, Environmental Planning
Joy Navarrete, Environmental Planning
Sophie Hayward, Housing & Community Development

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

☑ 1. For reference to Committee.
An ordinance, resolution, motion, or charter amendment.

☐ 2. Request for next printed agenda without reference to Committee.

☐ 3. Request for hearing on a subject matter at Committee.

☐ 4. Request for letter beginning "Supervisor [ ] inquires"

☐ 5. City Attorney request.

☐ 6. Call File No. [ ] from Committee.

☐ 7. Budget Analyst request (attach written motion).

☐ 8. Substitute Legislation File No. [ ]

☐ 9. Request for Closed Session (attach written motion).

☐ 10. Board to Sit as A Committee of the Whole.

☐ 11. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission

☐ Planning Commission ☐ Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative

Sponsor(s):

COHEN

Subject:

EASTERN NEIGHBORHOODS RENTAL INCENTIVE OPTION- 2051 THIRD ST.

The text is listed below or attached:

ATTACHED

Signature of Sponsoring Supervisor: [signature]

For Clerk's Use Only:

150122