

File No. 170 943

Committee Item No. 4
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date December 7, 2017

Board of Supervisors Meeting Date _____

Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Planning Commission Motion 18693 and 18706</u> |
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Completed by: Victor Young Date December 1, 2017
Completed by: _____ Date _____

1 [Accept Gift - Alta Laguna, LLC - 55 Laguna Street; In-Kind Agreement]

2
3 **Ordinance accepting as a gift to the City from Alta Laguna, LLC certain costs of**
4 **constructing public open space and community facility improvements at 55 Laguna**
5 **Street, pursuant to an In-Kind Agreement with the City; accepting as a gift the costs**
6 **associated with maintaining the improvements; and making findings under the**
7 **California Environmental Quality Act.**

8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.
10 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.
11 **Board amendment additions** are in double-underlined Arial font.
12 **Board amendment deletions** are in ~~Arial font~~.
13 **Asterisks (* * * *)** indicate the omission of unchanged Code
14 subsections or parts of tables.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. **Background.**

17 (a) **Project Approval Actions.**

18 (1) On January 17, 2008 (in Motion No. 17532), the Planning Commission
19 ("Commission") certified the Final Environmental Impact Report ("FEIR") and in Motion Nos.
20 17533 to 17537, inclusive, the Commission took various approval actions that authorized the
21 construction at 218-220 Buchanan Street (also known as 55 Laguna Street) of approximately
22 330 dwelling units, approximately 110 additional affordable senior dwelling units, community
23 facility space, and neighborhood-serving retail, parking, and two separate publicly-accessible
24 open spaces.

25 (2) On March 4, 2008, the Board of Supervisors upheld on appeal the
Commission's certification of the FEIR. In 2009, the San Francisco Superior Court upheld the
adequacy of the FEIR in *Save the Laguna Street Campus v. City and County of San*

1 *Francisco, et al.* (Case No. CPF 08 508277) and the Court of Appeal affirmed that decision in
2 2010.

3 (3) In April 2008, the Board of Supervisors approved an amendment to the
4 General Plan, Zoning Map amendments, and an ordinance establishing (in Section 249.32 of
5 the Planning Code) the Laguna, Haight, Buchanan and Hermann Streets Special Use District.
6 (See Ordinance Nos. 66-08, 67-08, and 68-08.) Planning Code Section 249.32(b)(5) required
7 the Commission to consider imposition of a community infrastructure impact fee or to accept
8 in lieu thereof the in-kind provision of community infrastructure improvements (including
9 additional publicly accessible open space and an in-door community facility) generally
10 consistent with the priorities set forth in the Market and Octavia Area Plan.

11 (4) On July 28, 2011 (in Motion No. 18427), the Commission approved
12 modification of the Conditions of Approval relating to the Project's compliance with the
13 Inclusionary Housing Program. On August 16, 2012 (in Motion No. 18693), the Commission
14 approved modification of the original site plan and granted certain authorized exceptions to
15 Code requirements. On May 8, 2012, the Planning Department had issued an Addendum to
16 the Project's FEIR, which concluded that the analyses conducted and the conclusions
17 reached in the FEIR remained valid for the modified project and that no supplemental
18 environmental review was required. A copy of Commission Motion No. 18693 is on file with
19 the Clerk of the Board in File No. 170943.

20 (b) **55 Laguna Street In-Kind Agreement.**

21 (1) In May 2010, the City enacted Article 4 of the Planning Code and re-
22 located into that Article the City's existing development impact and in-lieu fees. Section 421 et
23 seq. established the Market and Octavia Community Improvements Fund, into which the
24 Market and Octavia Community Impact Fees were to be deposited, and included the option of
25 directly providing community improvements to the City in return for a waiver of all or a portion

1 of the Fee. (See Ordinance No. 108-10.) Alta Laguna, LLC, et al., the project sponsors,
2 subsequently submitted a request for waiver of the Market and Octavia Community Impact
3 Fee in return for providing the open space and community facility improvements that were
4 included in the Project ("In-Kind Improvements").

5 (2) On September 20, 2012 (in Motion No. 18706), the Commission
6 approved the waiver of the Project's Market and Octavia Community Improvements Impact
7 Fee and a draft form of the related In-Kind Agreement pursuant to Planning Code Section
8 421.3(d) et seq. In the Motion's Executive Summary of the proposal and the required
9 Commission action, Planning Department staff informed the Commission that the draft
10 Agreement was consistent with the Project's 2008 in-kind proposal. In its action, the
11 Commission expressly found that although the In-Kind Improvements would be privately
12 maintained and operated, the relevant public agencies would review the operations plans for
13 each amenity to insure that each improvement is fully publicly accessible. A copy of
14 Commission Motion No. 18706 is on file with the Clerk of the Board in File No. 170943.

15 (3) Subsequently, Alta Laguna, LLC. entered into an In-Kind Agreement with
16 the City dated December 14, 2012. A copy of the executed In-Kind Agreement is on file with
17 the Clerk of the Board in File No. 170943.

18 (c) **Waller Street Open Space.** In Motion No. 18706, the Commission noted in its
19 Findings that since the City retained ownership of Waller Street, the Project Sponsor needed
20 to obtain approval from the City in the City's proprietary capacity prior to issuance of any
21 building permit for the Project to develop Waller Park. Subsequently, on July 17, 2013, the
22 City quitclaimed to The Regents of the University of California that portion of Waller Street that
23 had been closed and abandoned as a public street in the early 1900s, reserving a Restrictive
24 Easement. The Restrictive Easement requires that the surface of the former Waller Street
25 right-of-way be used only as publicly accessible open space in accordance with the Project's

1 2008 Conditions of Approval, as modified in 2012, and the final Project plans approved by the
2 City. The Regents will assume, or cause to be assumed by the ground lessee, maintenance
3 and liability responsibilities for the surface of the property and the improvements thereon in
4 accordance with the Conditions of Approval and the Operations Plans approved by the City;
5 the City retains an exclusive, perpetual easement for the purpose of using, maintaining, and
6 repairing the surface of the former Waller Street right-of-way as publicly accessible open
7 space effective at such time as The Regents' obligation to do so ceases.
8

9 Section 2. **Gift Acceptance of a Portion of the Costs of Constructing Open Space**
10 **and Community Facility Improvements at 55 Laguna Street and the Costs of**
11 **Maintenance.**

12 (a) Pursuant to Article 3 of the 55 Laguna Street In-Kind Agreement, the Director of
13 Planning calculated the amount of the Market and Octavia Community Impact Fee to be paid
14 by the Project to be \$4,237,047. The Director also determined, based on two independent
15 sources, that the value of the proposed In-Kind Improvements to be credited against the Fee
16 was approximately \$4,952,484, which figure was subject to modification depending on the
17 actual construction and development costs at final completion.

18 (b) Alta Laguna, LLC has completed construction of the In-Kind Improvements and
19 estimates that its actual costs of construction and development of the In-Kind Improvements
20 exceed the amount of the Octavia and Market Community Impact Fee owed. In addition,
21 under its ground lease with The Regents of the University of California, Alta Laguna is
22 obligated to maintain the In-Kind Improvements.

23 (c) Alta Laguna, LLC has offered to the City and County of San Francisco as a gift
24 the excess cost of construction and development of the In-Kind Improvements, which is
25 estimated to be approximately \$582,676. The gift also includes the costs of permanent

1 maintenance of the In-Kind Improvements. A copy of the gift offer is on file with the Clerk of
2 the Board of Supervisors in File No. ✓170943.

3 (d) The Board of Supervisors, on behalf of the City and County of San Francisco,
4 graciously accepts the gift offer from Alta Laguna, LLC for the excess cost of construction and
5 development of the In-Kind Improvements and their permanent maintenance.
6

7 **Section 3. Findings Under the California Environmental Quality Act (Public**
8 **Resources Code Sections 21000 et seq.)**

9 (a) As set forth in Section 1(a)(2) above, the Board of Supervisors affirmed
10 certification of the Final Environmental Impact Report ("FEIR") for the Project on March 4,
11 2008 and the Superior Court and Court of Appeal subsequently upheld its adequacy. Further,
12 as set forth in Section 1(a)(4) above, on May 8, 2012, the Planning Department issued an
13 Addendum to the FEIR, which concluded that the analyses conducted and the conclusions
14 reached in the FEIR remained valid for the modified project and that no supplemental
15 environmental review was required.

16 (b) For the actions taken in this ordinance, the Board relies on the 2008 FEIR and
17 hereby incorporates its earlier findings thereon in adopting the General Plan, Zoning Map, and
18 Planning Code amendments described in Section 1(a)(3) above. (See Board File Nos.
19 080319, 071001, and 071002.) The Board finds that no changes in circumstances have
20 occurred that would result in either new impacts not previously identified in the FEIR or an
21 increase in the severity of the impacts identified, and that no new information has been put
22 forward showing that the actions authorized by this ordinance would cause any additional
23 environmental impacts.
24
25

1 Section 4. **Effective Date.** This ordinance shall become effective 30 days after
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
4 of Supervisors overrides the Mayor's veto of the ordinance.

5
6 APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

7
8 By:


JUDITH A. BOYAJIAN
Deputy City Attorney

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LEGISLATIVE DIGEST

[Accept Gift - Alta Laguna, LLC - 55 Laguna Street; In-Kind Agreement]

Ordinance accepting as a gift to the City from Alta Laguna, LLC certain costs of constructing public open space and community facility improvements at 55 Laguna Street, pursuant to an In-Kind Agreement with the City; accepting as a gift the costs associated with maintaining the improvements; and making findings under the California Environmental Quality Act.

Existing Law

Planning Code Section 421.3(d) allows the sponsors of development projects located within the Market and Octavia Area Plan area to provide community improvements to the City in lieu of paying all or a portion of the Market and Octavia Community Improvements Impact Fee. In order to obtain the Fee waiver, the project sponsor must enter into an In-Kind Agreement with the City that has been approved by the Planning Commission.

Amendments to Current Law

This ordinance does not make any amendments to current law. Alta Laguna, LLC, the sponsor of the development project located at 55 Laguna Street, entered into an In-Kind Agreement with the City pursuant to Planning Code Section 421.3 and obtained a waiver of the Market and Octavia Community Improvements Impact Fee. The actual costs of constructing and developing the community improvements provided under the In-Kind Agreement exceed the amount of the impact fee owed. By adopting this ordinance, the Board of Supervisors accepts as a gift to the City the excess costs of constructing and developing the community improvements. The Board also accepts as a gift to the City Alta Laguna, LLC's costs of permanent maintenance of the improvements.

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9/25/17

San Francisco Board of Supervisors
City Hall Room 244
1 Dr Carlton B Goodlett Place
San Francisco, CA 94102

Re: 55 Laguna In-Kind Improvements (Board File No. 170943)

Dear Board of Supervisors,

Alta Laguna, LLC is hereby offering to the City and County of San Francisco as a gift the excess cost of construction and development of the In-Kind Improvements, which is estimated to be approximately \$582,676. The gift also includes the costs of permanent maintenance of the In-Kind Improvements.

Kindly please accept this gift.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Pianca". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brian Pianca
Vice President
Alta Laguna, LLC

Wood Partners is a Group of Limited Liability Companies
20 Sunnyside Avenue, Suite B, Mill Valley, California 94941
(415) 888-8075

**55 LAGUNA STREET IN-KIND AGREEMENT
(PER PLANNING CODE SECTION 421)**

THIS IN-KIND AGREEMENT (the "Agreement") is entered into as of December 14, 2012, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through the Planning Commission (the "City"), and ALTA LAGUNA, LLC, a Delaware limited liability company ("Project Sponsor"), with respect to the project approved for 55 Laguna Street (aka 218-220 Buchanan Street), San Francisco, California 94102 (the "Project").

RECITALS

A. On December 19, 2008, the San Francisco Board of Supervisors enacted Ordinance No. 298-08 (File No. 081153) (the "Ordinance"), adding Section 326-326.8 to the San Francisco Planning Code (now Sections 421-421.7). Any undefined term used herein shall have the meaning given to such term in Article 4 of the Planning Code, and all references to Sections 421-421.7 shall mean Sections 421-421.7 of the San Francisco Planning Code.

B. In order to mitigate the impacts from the new residential and commercial development permitted under the Market and Octavia Area Plan, the Ordinance imposed an Impact Fee on new residential and commercial development (the "Fee"). Under Section 421.3(f), the Fee is required to be paid to the City before issuance of the first construction document for a development project. As an alternative to payment of the Fee, the Ordinance provides that the City may reduce the Fee obligation at that time if the project sponsor agrees to provide specified community improvements. In order for the project sponsor to satisfy its Fee obligation by providing such in-kind improvements, the Ordinance requires the City and the Project Sponsor to enter into an "In-Kind Agreement" described in Section 421.3(d).

C. The property described in Exhibit A attached hereto (the "Land") and generally known as 55 Laguna Street (Lots 1 and 1A in Assessor's Block 857 and Lots 1, 2; and a portion of Lot 3 in Assessor's Block 870) is owned by the Regents of the University of California ("UC Regents") and is ground leased to the Project Sponsor and 55 Laguna, L.P., the sponsor of the affordable senior element of the project. The Project Sponsor and 55 Laguna, L.P. have submitted applications for the development of a mixed residential and commercial development on the Land. The Planning Commission originally approved a Planned Unit Development for the Project on January 17, 2008 (Motion No. 17537), prior to the enactment of Section 421-421.7. In Motion No. 17537, the Commission approved in-kind improvements in lieu of the future Fee. On August 16, 2012, the Planning Commission approved Motion No. 18693 modifying certain elements of the Planning Unit Development (the "Planning Approval"), and on September 20, 2012, the Planning Commission approved Motion No. 18706 formally approving this In-Kind Agreement.

D. The Market and Octavia Area Plan contains objectives and policies for creating a complete mixed-use transit oriented neighborhood, including developing public open space, park improvements, and community/recreational facilities in the Plan Area to support new residents.

E. The Project Sponsor has requested that the City enter into an In-Kind Agreement associated with development of community infrastructure improvements consistent with the objectives and policies of the Market and Octavia Area Plan on a portion of the Land that would generally be comprised of the approximately 28,000 square foot public open space referred to as Waller Park, the approximately 10,600 square foot community garden located behind Woods Hall Annex and the approximately 12,600 square foot rent-free community facility in Woods

Hall Annex (collectively, "In-Kind Improvements") in order to satisfy its Fee obligation per the terms of the Ordinance.

F. The In-Kind Improvements meet an identified community need as analyzed in the Plan and as identified in Planning Code Section 421.1 and are not a physical improvement or provision of space otherwise required by the Planning Code or any other City Code.

G. The City is willing to enter into an In-Kind Agreement, on the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following words and phrases have the following meanings.

"**Agreement**" shall mean this Agreement.

"**City**" shall have the meaning set forth in the preamble to this Agreement.

"**Date of Satisfaction**" shall have the meaning set forth in Section 4.8 below.

"**DBI**" shall have the meaning set forth in Section 3.3 below.

"**Effective Date**" shall have the meaning set forth in Section 5.1 below.

"**Final Inspection Notice**" shall have the meaning set forth in Section 4.6 below.

"**First Certificate of Occupancy**" shall have the meaning set forth in Section 4.4 below.

"**First Construction Document**" shall have the meaning set forth in Section 401 of the Planning Code.

"**Impact Fee**" or "**Fee**" shall mean the fee charged to all residential and commercial development projects in the Market and Octavia Plan Areas under Section 421.3 of the Ordinance.

"**In-Kind Improvements**" shall have the meaning set forth in Recital E.

"**In-Kind Value**" shall have the meaning set forth in Section 3.2 below.

"**Initial Amount**" shall have the meaning set forth in Section 3.3 below.

"**Inspection Notice**" shall have the meaning set forth in Section 4.6 below.

"**Land**" shall have the meaning set forth in Recital C.

"**Memorandum of Agreement**" shall have the meaning set forth in Section 7.1 below.

“Ordinance” shall have the meaning designated in Recital A.

“Payment Analysis” shall have the meaning set forth in Section 5.2 below.

“Payment Documentation” shall have the meaning set forth in Section 4.7 below.

“Planning Approval” shall have the meaning set forth in Recital C.

“Plans” shall have the meaning set forth in Section 4.2 below.

“Project” shall have the meaning set forth in the preamble to this Agreement.

“Project Sponsor” shall have the meaning set forth in the preamble to this Agreement.

“Project Sponsor Fee” shall mean the Project Sponsor’s share of the Fee, as calculated pursuant to Section 3.1 hereof.

ARTICLE 2 PROJECT SPONSOR REPRESENTATIONS AND COVENANTS

The Project Sponsor hereby represents, warrants, agrees and covenants to the City as follows:

2.1 The above recitals relating to the Project are true and correct.

2.2 Project Sponsor: (1) is a limited liability company duly organized and existing under the laws of the State of Delaware, (2) has the power and authority to own and lease its properties and assets and to carry on its business as now being conducted and as now contemplated to be conducted, (3) has the power to execute and perform all the undertakings of this Agreement, and (4) is the ground lessee of the real property on which the Project is located.

2.3 To the knowledge of Project Sponsor, the execution and delivery of this Agreement and other instruments required to be executed and delivered by the Project Sponsor pursuant to this Agreement: (1) have not violated and will not violate any provision of law, rule or regulation, any order of court or other agency or government, and (2) have not violated and will not violate any provision of any agreement or instrument to which the Project Sponsor is bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.

2.4 To the knowledge of Project Sponsor, no document furnished or to be furnished by the Project Sponsor to the City in connection with this Agreement contains or will contain any untrue statement of material fact, or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

2.5 Neither the Project Sponsor, nor any of its principals or members, have been suspended, disciplined or debarred by, or prohibited from contracting with, the U.S. General Services Administration or any federal, state or local governmental agency during the past five (5) years.

2.6 Pursuant to Section 421.3(d)(5), the Project Sponsor shall reimburse all City agencies for their administrative and staff costs in negotiating, drafting, and monitoring compliance with this Agreement.

**ARTICLE 3
CALCULATION OF FEE AND IN-KIND CREDIT**

3.1 The Project Sponsor Fee shall be calculated in accordance with Section 421.3(c) of the Ordinance. Based on the project entitled by the Planning Commission, the Fee is estimated at \$4,237,047 (for the fee calculations, see Exhibit B). The final Fee shall be calculated based on the project entitled by its First Construction Document. Should the project Sponsor elect to pursue the Project in phases, the Project Sponsor Fee and related In-Kind Improvement expenditures obligations shall be proportional to each phase.

3.2 Based on two estimates provided by independent sources, the Director of Planning determines that the In-Kind Improvements have a value of approximately \$ 4,952,484 (the "In-Kind Value"); provided, however, if upon final completion the actual construction and development costs to the Project Sponsor of providing the In-Kind Improvements are lower than this amount, the provisions of Section 5.2 shall apply. Documentation establishing the estimated third-party eligible costs of providing the In-Kind Improvements in compliance with applicable City standards is attached hereto as Exhibit C (the "Cost Documentation").

3.3 The Project Sponsor shall pay to the Development Fee Collection Unit at the Department of Building Inspection ("DBI") \$0 (the "Initial Amount"), which is an amount equal to the Project Sponsor Fee (see Exhibit B) minus the In-Kind Value (see Exhibit C), prior to issuance of the Project's First Construction Document, pursuant to Section 421.3 of the Planning Code and Section 107A.13.3 of the San Francisco Building Code. On the Date of Satisfaction, the Project Sponsor shall receive a credit against the Project Sponsor Fee in the amount of the In-Kind Value, subject to Section 5.2 below.

**ARTICLE 4
IN-KIND IMPROVEMENTS**

4.1 The Project Sponsor agrees to take all steps necessary to construct and provide, at the Project Sponsor's sole cost, the following three In-Kind Improvements for the benefit of the City and the public. Upon issuance of the Final Inspection Notice for each of the following In-Kind Improvements, the City shall accept the In-Kind Improvement in lieu of the applicable Project Sponsor Fee if this Agreement is still in effect and each of the conditions described herein are met.

4.1.1 Waller Park: Pursuant to the Planning Approval, the Project Sponsor shall improve approximately 28,000 square feet of the former Waller Street right-of-way as publicly accessible open space, to maintain public access to those open space improvements, to assume maintenance and liability responsibilities, and not to permit any above-ground structures to be built on the land other than a small number of encroaching stoops leading to individual unit entrances and landscape and hardscape open space improvements. Below-grade improvements for underground parking shall be permitted in the former Waller Street right-of-way. There shall be no gates, or similar feature(s) serving to regulate pedestrians, located at either end of Waller Park. There shall be no transformers or utilities located in Waller Park. The Planning Director must approve the final plan for Waller Park before the first construction permit is issued for this project. The Project Sponsor shall prepare an operations plan providing maintenance services for the life of Waller Park, including, but not limited to, gardening, maintenance, and security services for Waller Park. The Director of Planning shall review and approve the proposed operations plan prior to issuance of the first temporary certificate of occupancy for the Project, and shall review and approve any material modifications to such operations plan prior to adoption to such modifications. Such operations plan must ensure that Waller Park functions as

a public open space including equal access for all members of the public similar publicly owned and operated open spaces, other rules of operation similar to other publicly owned and operated public open spaces, including allowable activities. The operations plan must discuss strategies to conform with Planning Codes Section 138 (i) as they pertain to signage, including any revisions to this section of the Planning Code effective before issuance of first certificate of occupancy. Currently this Section of the code requires:

“Informational Plaque. Prior to issuance of a permit of occupancy, a plaque shall be placed in a publicly conspicuous location outside the building at street level, or at the site of an outdoor open space, identifying the open space feature and its location, stating the right of the public to use the space and the hours of use, describing its principal required features (e.g., number of seats, availability of food service) and stating the name and address of the owner or owner's agent responsible for maintenance.”

The Project Sponsor shall provide maintenance services for Waller Park for the life of the Project in accordance with the approved operations plan and shall assume all liability with respect thereto.

4.1.2 Community Garden: Pursuant to the Planning Approval, the Project Sponsor shall improve approximately 10,600 square feet of the site in the area to the west of Woods Hall Annex as a publicly accessible community garden and to assume maintenance and liability responsibilities for the common areas of the garden. Garden plots shall be made available at no fee to members of the public, including Project residents, for gardening purposes on a non-discriminatory manner providing all interested gardeners an equal opportunity to be selected for a garden plot. Public access to the garden shall be provided via Haight Street and Laguna Street. Members of the public maintaining garden plots shall be afforded the same gardening hours and access regardless of whether they are Project residents. The Planning Director must approve the final plan for the community garden before the first construction permit is issued for the Project. The Project Sponsor shall prepare an operations plan providing management services for the life of the Community Garden. The Director of Planning shall review and approve the proposed operations plan prior to issuance of the first temporary certificate of occupancy for the Project, and shall review and approve any material modifications to such operations plan prior to adoption to such modifications. Such operations plan must ensure that the Community Garden functions as a public allotment garden including equal access for all members of the public, including Project residents, with operating hours and rules of operation similar to other publicly owned and operated allotment gardens, including allowable activities. The Project Sponsor shall provide maintenance services in accordance with the approved operations plan and shall assume all liability with respect thereto.

4.1.3 Community Facility: Pursuant to the Planning Approval, the Project Sponsor shall undertake seismic and accessibility building shell improvements to Woods Hall Annex to enable the building to be used as a rent-free community center/facility. Prior to issuance of a site permit or building permit for shell improvements to Woods Hall Annex, the Project Sponsor shall engage community stakeholders, the Planning Department and others in a process to be determined to develop a range of program options for the community center and identify a potential operator of the facility. The Project Sponsor shall prepare an operations plan for the Community Facility which will summarize the range of programmatic options developed through the public process, identify an operator and term of operations, and provide additional detail on how a change of operator will be handled. The Director of Planning shall review and approve the proposed operations plan prior to issuance of the first temporary certificate of occupancy for Woods Hall Annex, and shall review and approve any material modifications to such operations plan prior to adoption to such modifications. Such operations plan must ensure that the community center/facility functions as a community facility including equal access for

all members of the public similar to other publicly owned and operated community center/facility, including allowable activities.

4.2 The Project Sponsor shall cause its architect and landscape architect to prepare detailed plans and specifications for the In-Kind Improvements, which plans and specifications shall be submitted for review of DBI in the ordinary course of the process of obtaining a building permit for the Project (upon such approval, the "Plans"). Such review and approval of the Plans by DBI shall not be unreasonably withheld, delayed or conditioned. The Project Sponsor shall be responsible, at no cost to the City, for completing the In-Kind Improvements strictly in accordance with the approved Plans and shall not make any material change to the approved Plans during the course of construction without first obtaining the Director of Planning's written approval. Upon completion of the In-Kind Improvements, the Project Sponsor shall furnish the City with a copy of the final approved Plans and documentation of any approved material changes or deviations therefrom that may occur during construction of the In-Kind Improvements.

4.3 Phasing of Construction of Project and In-Kind Improvements. It is contemplated that the Project will be constructed in four phases as follows and as shown graphically in Exhibit D, with the In-Kind Improvements constructed during Phases 1 and 2:

4.3.1 Phase 1: Demolition of Middle Hall and the Administration Wing of Richardson Hall; construction of Garage 1, Residential Building 1A, Residential Building 1B and Building 3; rehabilitation of Woods Hall (Building 4A); construction of the pedestrian mews. Phase 1 In-Kind Improvements: Seismic upgrade of Woods Hall Annex (Building 4B) and construction of Upper Waller Park, comprising all Waller Park improvements including and westward of the pedestrian mews.

4.3.2 Phase 2: Demolition of Haight Street and Laguna Street retaining walls; construction of Garage 2, Residential Building 2C, 2D and 2E. Phase 2 In-Kind Improvements: Construction of Lower Waller Park, comprising all Waller Park improvements eastward of the pedestrian mews, and the Community Garden.

4.3.3 Phase 3: Rehabilitation of Richardson Hall (Building 6).

4.3.4 Phase 4: Construction of Building 5.

4.3.5 The above-referenced phasing schedule for the construction of the Project may be adjusted by the Project Sponsor in its sole discretion; provided however that the schedule for the phasing of the In-Kind Improvements may only be adjusted by the Planning Director in his sole discretion.

4.4 The In-Kind Improvements applicable to each phase of construction as listed above shall be constructed in conjunction with that phase and shall be completed prior to issuance of the first certificate of occupancy (including a temporary certificate of occupancy)(the "First Certificate of Occupancy") for the applicable phase. The improvements shall be accomplished and in accordance with good construction and engineering practices and applicable laws. The Project Sponsor, while performing any construction relating to the In-Kind Improvements, shall undertake commercially reasonable measures in accordance with good construction practices to minimize the risk of injury or damage to the surrounding property, and the risk of injury to members of the public, caused by or resulting from the performance of such construction. All construction relating to the In-Kind Improvements shall be performed by licensed, insured and bonded contractors, and pursuant to a contract that includes a release and indemnification for the benefit of the City.

4.5 If the Final Inspection Notice has not been completed prior to issuance of the First Certificate of Occupancy for a phase as described in Section 4.4, the Project Sponsor shall provide a letter of credit, surety bond, escrow account, or other security reasonably satisfactory to the Planning Director in the amount of one hundred percent (100%) of the Cost Documentation applicable to the uncompleted In-Kind Improvement(s) to be constructed during the applicable phase of construction (the "Security"), to be held by the City until issuance of the Final Inspection Notice, at which date it shall be returned to the Project Sponsor.

4.6 Upon final completion of the In-Kind Improvement(s) during a phase of construction and the Project Sponsor's receipt of all final permit sign-offs, the Project Sponsor shall notify the Director of Planning that the In-Kind Improvements have been completed. The Director of Planning, or his or her agent, shall inspect the site to confirm compliance with this Agreement and the Planning Approval, and shall promptly thereafter notify the Project Sponsor that the In-Kind Improvements have been completed in accordance with the requirements of this Agreement and the Planning Approval, or, if there are any problems or deficiencies, shall notify the Project Sponsor of any such problems or deficiencies (the "Inspection Notice"). The Project Sponsor shall correct any such problems or deficiencies set forth in the Inspection Notice and then request another inspection, repeating this process until the Director of Planning approves the In-Kind Improvements as satisfactory. Such approval shall be based on the requirements of this Agreement and shall not be unreasonably withheld. This condition will not be satisfied until the Director of Planning delivers an Inspection Notice that certifies that the In-Kind Improvements are ready for use by the public, as determined by the Director of Planning based on current City standards, and constitute the full satisfaction of the obligation to provide the particular In-Kind Improvement in the form required hereunder (the "Final Inspection Notice"). The City may, in its sole discretion, waive the requirements of this Section 4.6.

4.7 For each phase, the Project Sponsor shall provide the Planning Department with documentation substantiating payment by the Project Sponsor of the cost of providing the In-Kind Improvements in the form of third-party checks and invoices and its or its general contractor's standard general conditions allocation (the "Payment Documentation"). The Payment Documentation shall include information necessary and customary in the construction industry to verify the Project Sponsor's costs and payments for the applicable phase. For each phase, the cost of providing the In-Kind Improvements shall be substantially similar to the average capital costs for the City to provide the same square feet of public open space and community facilities, based on current value of recently completed projects.

4.8 For each phase, the Project Sponsor shall not receive final credit for the In-Kind Improvements until the Final Inspection Notice is delivered, the Memorandum of Agreement is recorded and the City receives any additional payments as may be required under Articles 4 and 5 below, and all other obligations of the Project Sponsor under this Agreement have been satisfied (the "Date of Satisfaction"). The Project Sponsor assumes all risk of loss during construction, and shall not receive final credit for the In-Kind Improvements until the Date of Satisfaction. Notwithstanding the foregoing, on and after the Effective Date (as defined in Section 5.1 below), for so long as this Agreement remains in effect and the Project Sponsor is not in breach of this Agreement the City shall not withhold the issuance of any additional building or other permits necessary for the Project due to the Project Sponsor's payment of less than the full Project Sponsor Fee amount in anticipation of the In Kind Improvements ultimately being accepted and credited against the Project Sponsor Fee under the terms and conditions set forth in this Agreement.

ARTICLE 5 PAYMENT AND SECURITY

5.1 This Agreement shall not be effective until this Agreement is signed by both the Project Sponsor and the City, is consented to by the UC Regents pursuant to that certain written consent attached hereto as Exhibit E, is approved as to form by the City Attorney, and is approved by the Planning Commission. The date upon which the foregoing requirements have been satisfied shall be the "Effective Date".

5.2 For each phase, the City shall provide the Project Sponsor with a written report of its review of the Payment Documentation ("Payment Analysis") within ten (10) business days of its receipt thereof, which review shall be conducted for the exclusive purpose of determining whether the Payment Documentation substantially and reasonably document that the cost of providing the In-Kind Improvements shall be substantially similar to the average capital costs for the City to provide the same type of public open space and community facilities, with comparable improvements, based on current value of recently completed projects, as selected by the City in its sole discretion. If the Payment Analysis reasonably substantiates that the Project Sponsor made payments in respect of the In-Kind Improvements in an amount less than the Fee, the Project Sponsor shall, within sixty (60) days of the date of the Payment Analysis, pay the City in an amount equal to the difference between the actual amount paid in respect of the In-Kind Improvements by the Project Sponsor and the Fee. If the Payment Analysis reasonably substantiates that the Project Sponsor made payments in respect of the improvements in an amount equal to or greater than the Fee or the In-Kind Value, the Project Sponsor shall not be entitled to a refund of such overpayments and the City shall not be entitled to any additional funds related to the In-Kind Value.

5.3 The City and Project Sponsor shall endeavor to agree upon the Payment Analysis. If they are unable to so agree within thirty (30) days after receipt by Project Sponsor of the City's Payment Analysis, Project Sponsor and the City shall mutually select a third-party engineer/cost consultant. The City shall submit its Payment Analysis and Project Sponsor shall submit the Payment Documentation to such engineer/cost consultant, at such time or times and in such manner as the City and Project Sponsor shall agree (or as directed by the engineer/cost consultant if the City and Project Sponsor do not promptly agree). The engineer/cost consultant shall select either the City's Payment Analysis or Project Sponsor's determination pursuant to the Payment Documentation, and such determination shall be binding on the City and Project Sponsor.

5.4 Notwithstanding anything in this Agreement to the contrary:

5.4.1 The City shall not issue or renew any further certificates of occupancy to the Project Sponsor until the City receives payment of the full Project Sponsor Fee (in some combination of the payment of the Initial Amount, the acceptance of In-Kind Improvements having the value described under this Agreement and other cash payments received by the City directly from Project Sponsor) before issuance of the First Certificate of Occupancy for the Project.

5.4.2 The City's issuance of a certificate of final completion or any other permit or approval for the Project shall not release the Project Sponsor of its obligation to pay the full Project Sponsor Fee (with interest, if applicable), if such payment has not been made at the time the City issues such certificate of final completion.

5.4.3 If the In-Kind Improvements for any reason prove to be insufficient to provide payment for sums due from the Project Sponsor as and when required, and after demand by the City the Project Sponsor fails to pay such amount, such amount shall accrue interest from the date of such demand at the rate of one-half percent per month, or fraction thereof, compounded monthly, until the date of payment. If such nonpayment continues for a period of six (6) months, the City's Treasurer shall initiate proceedings in accordance with Article XX of

Chapter 10 of the San Francisco Administrative Code to make the entire unpaid balance of the Project Sponsor Fee, including interest, a lien against all parcels used for the housing in the Project and shall send all notices required by that Article.

5.5 The Project Sponsor understands and agrees that any payments to be credited against the Project Sponsor Fee shall be subject to the provisions set forth in San Francisco Administrative Code Sections 6.80-6.83 relating to false claims. Pursuant to San Francisco Administrative Code Sections 6.80-6.83, a party who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A party who submits a false claim shall also be liable to the City for the cost, including attorney's fees, of a civil action brought to recover any of those penalties or damages and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A party will be deemed to have submitted a false claim to the City if the party: (a) knowingly presents or causes to be presented to any officer or employee of the City a false claim; (b) knowingly makes, uses or causes to be made or used a false record or statement to get a false claim approved by the City; (c) conspires to defraud the City by getting a false claim allowed by the City; (d) knowingly makes, uses or causes to be made or used a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the City; or (e) is beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim. The Project Sponsor shall include this provision in all contracts and subcontracts relating to the In-Kind Improvements, and shall take all necessary and appropriate steps to verify the accuracy of all payments made to any such contractors and subcontractors.

ARTICLE 6 NOTICES

Any notice given under this Agreement shall be effective only if in writing and given by delivering the notice in person or by sending it first-class mail or certified mail with a return receipt requested or by overnight courier, return receipt requested, addressed as follows:

CITY:

Director of Planning
City and County of San Francisco
1660 Mission St.
San Francisco, CA 94103

with a copy to:

Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Susan Cleveland-Knowles

PROJECT SPONSOR:

Alta Laguna, LLC
20 Sunnyside Avenue, Suite B
Mill Valley, CA 94607
Attn: Brian Pianca

with a copy to:

Farella Braun + Martel LLP
235 Montgomery Street
San Francisco, CA 94104
Attn: Steven L. Vettel, Esq.

or to such other address as either party may from time to time specify in writing to the other party. Any notice shall be deemed given when actually delivered if such delivery is in person, two (2) days after deposit with the U.S. Postal Service if such delivery is by certified or registered mail, and the next business day after deposit with the U.S. Postal Service or with the commercial overnight courier service if such delivery is by overnight mail.

**ARTICLE 7
RUN WITH THE LAND**

7.1 The parties understand and agree that this Agreement shall run with the Project Sponsor's land, and shall burden and benefit every successor owner of the Land. The City would not be willing to enter into this Agreement without this provision, and the parties agree to record a Memorandum of Agreement in the form attached hereto as Exhibit F (the "Memorandum of Agreement"). On the Date of Satisfaction or if this Agreement is terminated pursuant to Section 8.4, this Agreement shall terminate and the City shall execute and deliver to the Project Sponsor a release of the Memorandum of Agreement, which the Project Sponsor may record.

**ARTICLE 8
ADDITIONAL TERMS**

8.1 This Agreement contemplates the construction of privately owned publicly accessible In-Kind Improvements as authorized under the Ordinance and is not a public works contract. The City and the Project Sponsor agree that the In-Kind Improvements are of local and not state-wide concern, and that the provisions of the California Public Contracts Code shall not apply to the construction of the In-Kind Improvements.

8.2 The City shall have the right, during normal business hours and upon reasonable notice, to review all books and records of the Project Sponsor pertaining to the costs and expenses of providing the In-Kind Improvements.

8.3 This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

8.4 This Agreement may be effectively amended, changed, modified, altered or terminated only by written instrument executed by the parties hereto except that the Project Sponsor may terminate this Agreement by written notice to the City at any time prior to issuance of the Project's first construction document, in which event the Project Sponsor shall have no obligations or liabilities under this Agreement and the City would have no obligation to issue the first construction document unless and until this Agreement is reinstated, another agreement is executed by the parties, or the Project Sponsor's obligations under the Ordinance are satisfied in another manner. Any material amendment shall require the approval of the City's Planning Commission, in its sole discretion.

8.5 No failure by the City to insist upon the strict performance of any obligation of Project Sponsor under this Agreement or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, and no acceptance of payments during the continuance of any such breach, shall constitute a waiver of such breach or of the City's right to demand strict compliance with such term, covenant or condition. Any waiver must be in writing, and shall be limited to the terms or matters contained in such writing. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. In the event of any breach of this Agreement by the Project Sponsor, the City shall have all rights and remedies available at law or in equity.

8.6 This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of California.

8.7 The section and other headings of this Agreement are for convenience of reference only and shall be disregarded in the interpretation of this Agreement. Time is of the essence in all matters relating to this Agreement.

8.8 This Agreement does not create a partnership or joint venture between the City and the Project Sponsor as to any activity conducted by the Project Sponsor relating to this Agreement or otherwise. The Project Sponsor is not a state or governmental actor with respect to any activity conducted by the Project Sponsor hereunder. This Agreement does not constitute authorization or approval by the City of any activity conducted by the Project Sponsor. This Agreement does not create any rights in or for any member of the public, and there are no third party beneficiaries.

8.9 Notwithstanding anything to the contrary contained in this Agreement, the Project Sponsor acknowledges and agrees that no officer or employee of the City has authority to commit the City to this Agreement unless and until the Planning Commission adopts a resolution approving this Agreement, and it has been duly executed by the Director of Planning and approved as to form by City Attorney.

8.10 The Project Sponsor, on behalf of itself and its successors, shall indemnify, defend, reimburse and hold the City harmless from and against any and all claims, demands, losses, liabilities, damages, injuries, penalties, lawsuits and other proceedings, judgments and awards and costs by or in favor of a third party, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any accident, injury to or death of a person, or loss of or damage to property occurring in, on or about the In-Kind Improvements, provided that such accident, injury, death, loss or damage does not result from the gross negligence of the City; (b) any default by the Project Sponsor under this Agreement, (c) the condition of the In-Kind Improvements constructed by or on behalf of the Project Sponsor; and (d) any acts, omissions, or negligence of the Project Sponsor or its agents in or about In-Kind Improvements. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigation. The Project Sponsor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the Project Sponsor by City and continues at all times thereafter. The Project Sponsor's obligations under this Section shall survive the expiration or sooner termination of this Agreement.

ARTICLE 9 CITY CONTRACTING PROVISIONS

9.1 The Project Sponsor 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 are public records subject to public disclosure. The Project Sponsor hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

9.2 In the performance of this Agreement, the Project Sponsor covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee or any City employee working with or applicant for employment with the Project Sponsor, in any of the Project Sponsor's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges,

services, or membership in all business, social, or other establishments or organizations operated by the Project Sponsor.

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

9.4 Through execution of this Agreement, the Project Sponsor 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.

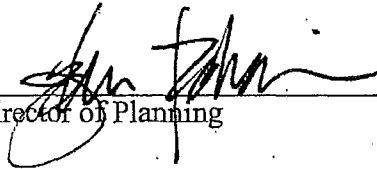
9.5 The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 et seq. The City also urges San Francisco companies to do business with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

9.6 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.

NOW THEREFORE, the parties hereto have executed this In-Kind Agreement as of the date set forth above.


CITY AND COUNTY OF SAN FRANCISCO,
acting by and through its Planning Commission

By:


Director of Planning

ALTA LAGUNA, LLC,
a Delaware limited liability company

By:


Name: Frank Middleton
Title: Vice President

**CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGEMENT**

State of California

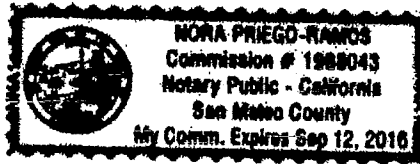
County of San Francisco

On December 14, 2012 before me, Nora Priego-Ramos, Notary Public

Personally appeared John Samuel Rahaim

Who provided to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledge 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 OR 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

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

55 Laguna Street In-Kind Agreement (Per Planning Code Section 421)

(Title or description of attached document)

(Title or description of attached document continued) 100 Van Ness Avenue

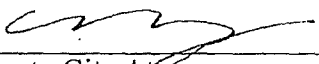
Number of Pages 22 Document Date December 14, 2012

None

(Additional Information)

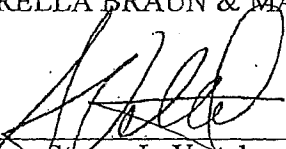
APPROVED:

DENNIS J. HERRERA
City Attorney

By: 
Deputy City Attorney

APPROVED AS TO FORM:

FARELLA BRAUN & MARTEL, LLP

By: 
Steven L. Vettel

ACKNOWLEDGED:

Department of Building Inspection

By: _____
Authorized Representative

Exhibit A

Legal Description of Land

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, and is described as follows:

Lots 1 and 1A in Assessor's Block 857 and Lots 1 and 2 and a portion of Lot 3 in Assessor's Block 870.

Exhibit B
Calculation of Impact Fees

2011.0033C - 55 Laguna Infrastructure Fees - 8.2.12

Building	Existing Non-R	New R	New Non-R	Other Use	Notes
1A	0	57,433		0	
1B	0	58,644		0	
2C	0	73,231		0	
2D	0	67,794		0	
2E	0	79,469		0	
3	0	6,445			Resident Lounge
4A - WH	24,790	24,790		0	
4B - WHA	12,641	0		12,641	Community center for NGO/public
5 - OH	0	54,983		0	
5 - SC	0	0	8,615	8,615	Community center for NGO/public
6 - Richardson	54,983	54,983	5,200	0	Retail
Admin Bldg	5682	0		0	Demo/Bldg. 5
Middle Hall	8069	0		0	Demo/Bldg. 1B
Total	106165	477,772	13,815	21256	

Existing Use	GFA	New Use	GFA	CoU GFA	CoU Fee	New GFA	New GFA Fee	Total Fees
Non-Residential	106165	Non-Res	13,815	NA	NA		NA	\$ -
PDR	0	Residential	477,772	92350 From NR	\$ 548,559.00	385422	\$3,688,488.54	\$ 4,237,047.54
Residential	0	PDR		0 From PDR	\$ -			\$ -
					\$ 548,559.00		\$ 3,688,488.54	\$ 4,237,047.54

CoU/Replacement for Non-Res to Res 5.94 Net New Residential 9.57

Exhibit C

Cost Documentation

The estimated value for the proposed community improvements is \$4,952,484. The actual expenditures associated with the construction of the proposed improvements should be validated upon final construction per Section 5.3 of this agreement.

The Project Sponsor provided two initial cost estimates for the proposed community improvements: \$6,776,000 from BuildGroup, and \$7,076,000 from Pacific Structures. Per the Planning Departments request, Build Contractors provided a revised cost estimate for a total of \$4,952,484 (attached). The revised cost estimate isolates additional costs affiliated with the construction of the community amenities and accounts for efficiencies gained through coordination with the development project. That is to say additional costs that are incurred by the Project Sponsor that are greater than the basic costs attributable to the completion of the development project without the community improvement amenities.

The SEPARATE PROJECT column (in the middle) represents the cost of improvements to Waller Park (WP), Community Garden (CG) and Community Center (CC) absent any other activity on the site.

The COMBINED column represents the cost of improvements to WP, CG, and CC assuming other activity of the site and reflects some general savings based on economies of scale.
\$6,724,323

The BASE column represents the cost of improvements to the site (the base improvement condition) absent any obligation to improve WP, CG, and CC.
\$1,771,839

The ENHANCEMENT column (shaded column to far right) represents only the cost of enhancements to the site to satisfy the obligation to improve WP, CG, and CC. This is calculated by considering the COMBINED costs less the BASE costs the Project Sponsor would otherwise incur to complete the development project.
\$ 4,952,484

A similar methodology should be utilized when validating actual costs.

BUILDGROUP INC.

Project: Waller Park, Community Garden & Community Building Improvement
 Estimate Type: Budget Date: 8/20/12
 Estimator: Nathan Runda Site: Park
 Estimator Tel: 415.531.8135 Schedule: 6 months
 Owner: Laguna Alta LLC Site Area: 44,050

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	SEPARATE PROJECT ISOLATED TOTAL		COMBINED NON-ISOLATED Efficiency % TOTAL		BASE NON-ISOLATED POW TOTAL		COST OF IMPROVEMENTS ABSENT REQUIREMENTS TO IMPROVE WALLER PARK, COMMUNITY GARDEN, WOODS HALL ANNEX		COST OF ENHANCEMENT TO SATISFY OBLIGATION TO IMPROVE WALLER PARK, COMMUNITY GARDEN, AND WOODS HALL ANNEX		NOTES		
					ISOLATED TOTAL	NON-ISOLATED TOTAL	ISOLATED TOTAL	NON-ISOLATED TOTAL	ISOLATED TOTAL	NON-ISOLATED TOTAL	ISOLATED TOTAL	NON-ISOLATED TOTAL					
09900	SOFT COSTS																
1.	Design - Civil	1	1a	\$ 60,000	\$ 60,000	100%	\$ 60,000	80%	\$ 48,000								
2.	Design - Landscape	1	1a	\$ 90,000	\$ 90,000	100%	\$ 90,000	20%	\$ 18,000							additional drainage	
3.	Design - Architecture	1	1a	\$ 30,000	\$ 30,000	80%	\$ 24,000	30%	\$ 7,200							enhancement drives scope	
4.	Design - Structural	1	1a	\$ 30,000	\$ 30,000	80%	\$ 24,000	70%	\$ 16,800							relating wall scope vs garage structure	
5.	Design - Misc Waterproofing, Utility, etc	1	1a	\$ 50,000	\$ 50,000	80%	\$ 40,000	50%	\$ 20,000								
					SUBTOTAL GENERAL CONDITIONS:		\$ 265,000		\$ 236,000								
		Phase I	15,418	sf	\$ 6		\$ 91,000	\$ 5.40	\$ 83,300	\$ 2.50	\$ 38,500						
		Phase II	28,633	sf	\$ 8		\$ 169,000	\$ 5.40	\$ 154,700	\$ 2.50	\$ 71,500						
01000	GENERAL CONDITIONS																
1.	Waller Park, Community Garden & Community Building (Woods Annex) General Conditions	6	Months	\$ 90,000	\$ 540,000	100%	\$ 540,000	30%	\$ 162,000								GC's include field and office labor, temporary office equip, and supplies
					SUBTOTAL GENERAL CONDITIONS:		\$ 540,000		\$ 340,000								
		Phase I	2	Months	\$ 90,000		\$ 180,000	\$ 90,000.00	\$ 180,000	\$ 46,000.00	\$ 60,000						
		Phase II	4	Months	\$ 90,000		\$ 360,000	\$ 90,000.00	\$ 360,000	\$ 46,000.00	\$ 180,000						
02115	SITINGWORK																
1.	Erosion/Settlement Control	1	1a	\$ 87,500	\$ 87,500	90%	\$ 78,750	25%	\$ 19,688								Require additional maintenance
2.	Allowance for Unknown soil conditions	1	1a	\$ 87,500	\$ 87,500	90%	\$ 78,750	25%	\$ 19,688								Greater risk for additional planning
3.	Rough Grading	1	1a	\$ 87,500	\$ 87,500	90%	\$ 78,750	80%	\$ 69,000								majority of rough in base scope
4.	Final Grading	1	1a	\$ 87,500	\$ 87,500	90%	\$ 78,750	25%	\$ 19,688								fine grade important for hardscape
					SUBTOTAL SITINGWORK:		\$ 350,000		\$ 316,000								
		Phase I	15,418	sf	\$ 8		\$ 122,500	\$ 7.15	\$ 110,250	\$ 2.77	\$ 42,722						
		Phase II	28,633	sf	\$ 8		\$ 227,500	\$ 7.15	\$ 204,750	\$ 2.77	\$ 78,341						
02580	UTILITIES																
1.	Electrical Distribution - offsite	1	1a	\$ 87,500	\$ 87,500	90%	\$ 78,750	65%	\$ 51,188								
2.	Storm Drains	1	1a	\$ 43,750	\$ 43,750	90%	\$ 39,375	65%	\$ 25,594								
3.	Drainage System	1	1a	\$ 43,750	\$ 43,750	80%	\$ 35,000	65%	\$ 23,594								
					SUBTOTAL UTILITIES:		\$ 175,000		\$ 157,500								
		Phase I	15,418	sf	\$ 4		\$ 61,250	\$ 3.58	\$ 55,125	\$ 2.32	\$ 35,831						
		Phase II	28,633	sf	\$ 4		\$ 113,750	\$ 3.66	\$ 102,375	\$ 2.32	\$ 69,544						
02750	LANDSCAPING & IRRIGATION																
1.	Park Landscaping	1	1a	\$ 643,500	\$ 643,500	90%	\$ 579,150	10%	\$ 57,915								
2.	Tree Transplanting	1	1a	\$ 33,500	\$ 33,500	90%	\$ 30,150	0%	\$ -								base would be basic, minimal 'scaping
1.	Park Hardscaping	1	1a	\$ 402,100	\$ 1,330,850	90%	\$ 1,197,765	0%	\$ 35,516								would not do in base
2.	Precast Concrete	1	1a	\$ 451,000	\$ 402,100	90%	\$ 361,890	0%	\$ -								would not do in base
3.	Concrete Pavers	1	1a	\$ 155,750	\$ 451,000	90%	\$ 405,900	0%	\$ -								
4.	Site Concrete/Sidewalk	1	1a	\$ 155,750	\$ 155,750	90%	\$ 140,175	15%	\$ 21,026								
					SUBTOTAL LANDSCAPE & IRRIGATION:		\$ 2,027,450		\$ 1,825,066								
		Phase I	15,418	sf	\$ 46		\$ 708,748	\$ 41.43	\$ 538,773	\$ 2.12	\$ 32,701						
		Phase II	28,633	sf	\$ 46		\$ 1,318,703	\$ 41.43	\$ 1,286,292	\$ 2.12	\$ 60,730						
03300	CONCRETE																
1.	Structural Concrete	1	1a	\$ 1,590,000	\$ 1,590,000	100%	\$ 1,590,000	65%	\$ 1,033,500								
					SUBTOTAL CONCRETE:		\$ 1,590,000		\$ 1,033,500								
		Phase I	8,078	sf	\$ 73		\$ 588,777	\$ 72.81	\$ 568,177	\$ 47.33	\$ 362,319						
		Phase II	13,759	sf	\$ 73		\$ 1,001,223	\$ 72.81	\$ 1,001,823	\$ 47.33	\$ 671,181						
05500	METALS																
1.	Structural Steel Framing	1	1a	\$ 14,850	\$ 14,850	90%	\$ 14,850	0%	\$ -								
					SUBTOTAL METALS:		\$ 14,850		\$ 14,850								
		Phase I	15,418	sf	\$ 0		\$ 5,775	\$ 0.34	\$ 5,198	\$ -	\$ -						
		Phase II	28,633	sf	\$ 0		\$ 9,075	\$ 0.34	\$ 9,652	\$ -	\$ -						
07000	THERMAL/MOISTURE																
1.	Waterproofing	1	1a	\$ 87,000	\$ 87,000	80%	\$ 78,300	10%	\$ 7,830								
					SUBTOTAL THERMAL/MOISTURE:		\$ 87,000		\$ 78,300								
		Phase I	15,418	sf	\$ 2		\$ 30,450	\$ 1.78	\$ 27,405	\$ 0.18	\$ 2,741						
		Phase II	28,633	sf	\$ 2		\$ 56,550	\$ 1.78	\$ 50,895	\$ 0.18	\$ 5,089						
09000	COMMUNITY BUILDING																
1.	Woods Hall Annex	1	1a	\$ 1,158,000	\$ 1,158,000	100%	\$ 1,158,000	0%	\$ -								
					SUBTOTAL COMMUNITY BLDG:		\$ 1,158,000		\$ 1,158,000								
		Phase I	44,050	sf	\$ 26		\$ 1,158,000	\$ 26.28	\$ 1,158,000	\$ -	\$ -						
12000	WATER FEATURES																
1.	Water Features	1	1a	\$ 225,000	\$ 225,000	100%	\$ 225,000	0%	\$ -								
					SUBTOTAL WATER FEATURE:		\$ 225,000		\$ -								
		Phase I	15,418	sf	\$ 8		\$ 78,750	\$ 5.11	\$ 78,750	\$ -	\$ -						
		Phase II	28,633	sf	\$ 8		\$ 146,250	\$ 5.11	\$ 146,250	\$ -	\$ -						
16000	ELECTRICAL																
1.	Site Lighting	1	1a	\$ 87,500	\$ 87,500	80%	\$ 78,750	10%	\$ 7,875								
					SUBTOTAL ELECTRICAL:		\$ 87,500		\$ 78,750								
		Phase I	15,418	sf	\$ 2		\$ 30,825	\$ 1.78	\$ 27,583	\$ 0.18	\$ 2,758						
		Phase II	28,633	sf	\$ 2		\$ 56,675	\$ 1.78	\$ 51,167	\$ 0.18	\$ 5,117						
	SUBTOTAL		44,050	sf	\$ 148		\$ 6,518,450		\$ 6,220,468								
		Phase I					\$ 3,056,274		\$ 2,852,640		\$ 627,266						
		Phase II					\$ 3,462,176		\$ 3,367,828		\$ 1,199,508						
	Contractor's Construction Contingency			4.00%	\$ 260,874				\$ 248,819		\$ 65,563						
	Contract Document Development Contingency			0.20%	\$ -				\$ -		\$ -						
	General Liability			1.10%	\$ 74,553				\$ 61,425		\$ 18,030						
	General Contractor Fee			3.00%	\$ 205,582				\$ 188,814		\$ 48,772						
					\$ 540,799		\$ 503,858		\$ 132,766		\$ 37,442						
		Phase I	15,418	sf	\$ 12		\$ 189,278	\$ 11.44	\$ 176,350	\$ 3.01	\$ 45,468						
		Phase II	28,633	sf	\$ 12		\$ 351,521	\$ 11.44	\$ 327,507	\$ 3.01	\$ 85,297						
	Grand Total				3160.22	sf	\$ 7,057,619		\$ 6,724,322		\$ 1,771,838						
		Phase I					\$ 3,245,561		\$ 3,128,890		\$ 674,034						
		Phase II					\$ 3,812,058		\$ 3,595,432		\$ 1,205,805						

Exhibit D
Site Design and Phasing Plan

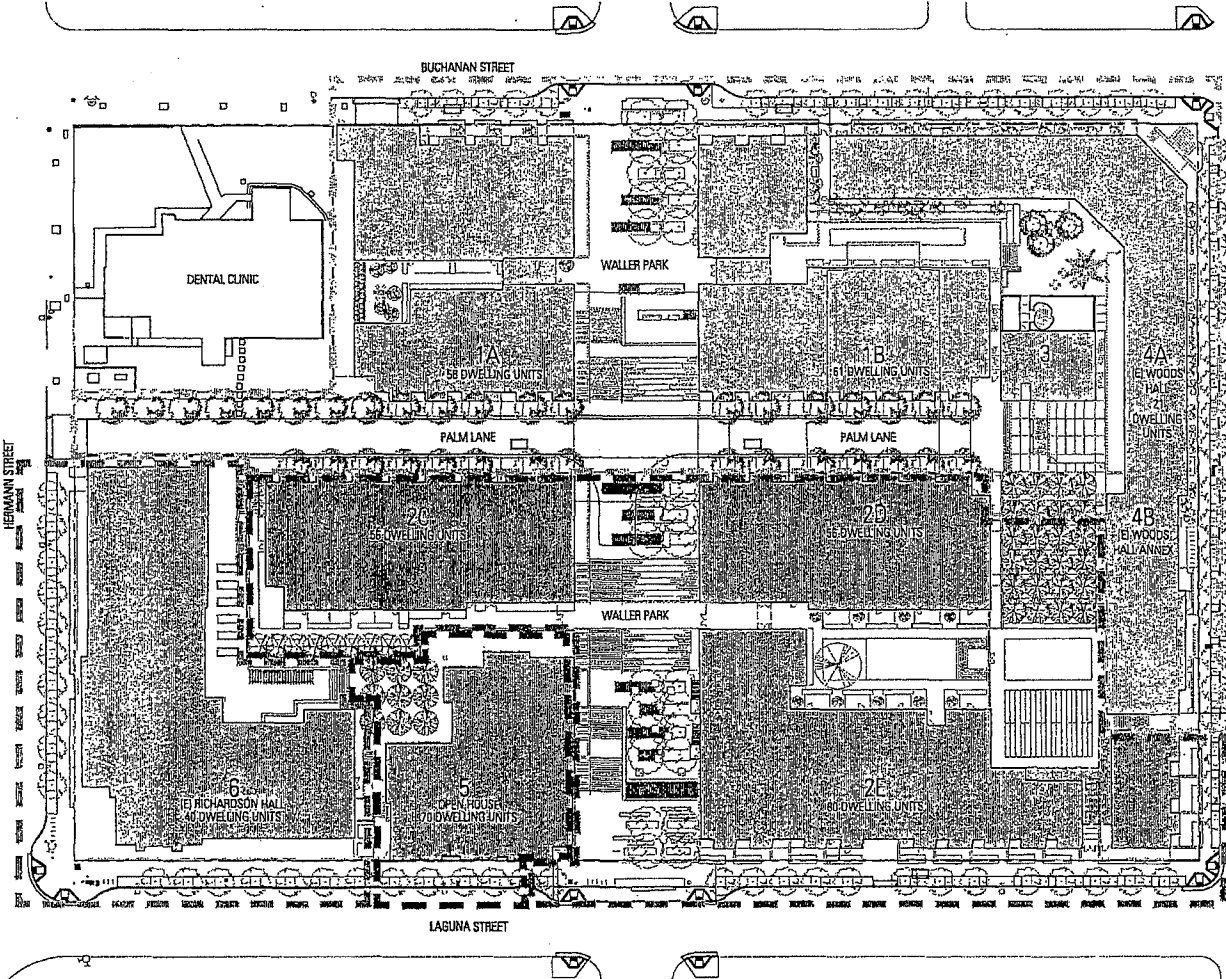






EXHIBIT D
PHASING DIAGRAM LEGEND

-  **PHASE 1:**
138 RESIDENTIAL UNITS, WEST WALLER PARK,
COMMUNITY CENTER
-  **PHASE 2:**
192 RESIDENTIAL UNITS, EAST WALLER PARK,
COMMUNITY GARDEN
-  **PHASE 3:**
40 SENIOR RESIDENTIAL UNITS
-  **PHASE 4:**
70 SENIOR RESIDENTIAL UNITS

55 LAGUNA

SAN FRANCISCO, CA

PHASING DIAGRAM

BARARCHITECTS

543 Howard Street, San Francisco, CA 94105, T. 415 293 5700, F. 415 293 5701 WWW.BARARCH.COM



10070

09.11.2012

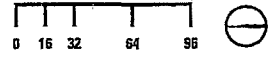


Exhibit E

CONSENT OF UC REGENTS

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, the undersigned owner of record of the fee interest in the property known as 55 Laguna Street, San Francisco, CA 94102 and identified as Lots 1 and 1A in Assessor's Block 857 and Lots 1, 2, and a portion of Lot 3 in Assessor's Block 870 for which the 55 Laguna Street In-Kind Agreement (the "In-Kind Agreement") is being entered into, do hereby consent to the execution of the In-Kind Agreement and recordation of a Memorandum of In-Kind Agreement and agree that we have authorized ALTA Laguna, LLC, a Delaware limited liability company, to act as our agent in all contacts with the City and County of San Francisco and to sign all necessary documents and forms in connection with this matter.

OWNER:

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By: _____

Its: _____

Memorandum of Agreement

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

City and County of San Francisco
Planning Department
1650 Mission St., Suite 400
San Francisco, CA 94103
Attn: Director

(Free Recording Requested Pursuant to
Government Code Section 27383)

Memorandum of In-Kind Agreement

This Memorandum of In-Kind Agreement (this "Memorandum"), is dated as of 12/14/12, 2012, and is by and between the City and County of San Francisco, a municipal corporation, acting and through the Planning Commission (the "City"), and Alta Laguna, LLC (the "Project Sponsor").

1. The property described in Exhibit A attached hereto (the "Land"), excluding the land underlying the UC Dental Clinic as shown on Exhibit B, and generally known as 55 Laguna Street, San Francisco, California 94102 is ground leased by Project Sponsor.

2. Under San Francisco Planning Code Section 421.3 ("Section 421.3"), the Project Sponsor must pay to the City an Impact Fee (the "Fee") on or before the issuance of the first construction document for the Land; provided, however, the City can reduce such payment under Section 421.3(d) if the Project Sponsor enters into an agreement with the City to provide in-kind improvements.

3. In accordance with Section 421.3(d), the City and the Project Sponsor have entered into an in-kind agreement (the "In-Kind Agreement"), which permits the Project Sponsor to receive construction documents with the satisfaction of certain conditions in return for the Project Sponsor's agreement to provide certain in-kind improvements under the terms and conditions set forth therein.

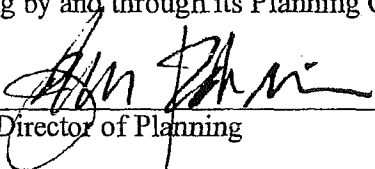
4. Upon the Project Sponsor's satisfaction of the terms of the In-Kind Agreement, the In-Kind Agreement shall terminate and the City will execute and deliver to the Project Sponsor a termination of this Memorandum in recordable form.

5. The Project Sponsor and the City have executed and recorded this Memorandum to give notice of the In-Kind Agreement, and all of the terms and conditions of the In-Kind Agreement are incorporated herein by reference as if they were fully set forth herein. Reference is made to the In-Kind Agreement itself for a complete and definitive statement of the rights and obligations of the Project Sponsor and the City thereunder.

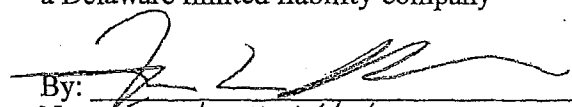
6. This Memorandum shall not be deemed to modify, alter or amend in any way the provisions of the In-Kind Agreement. In the event any conflict exists between the terms of the In-Kind Agreement and this Memorandum, the terms of the In-Kind Agreement shall govern.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum as of the date first written above.

CITY AND COUNTY OF SAN FRANCISCO,
acting by and through its Planning Commission

By: 
Director of Planning

ALTA LAGUNA, LLC
a Delaware limited liability company

By: 
Name: Frank Middleton
Its: Vice President

CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGEMENT

State of California
County of MARIN

On OCT 31st 2012 before me, ALAN COWAN, NOTARY PUBLIC

(here insert name and title of the officer)
personally appeared

FRANK MIDDLETON

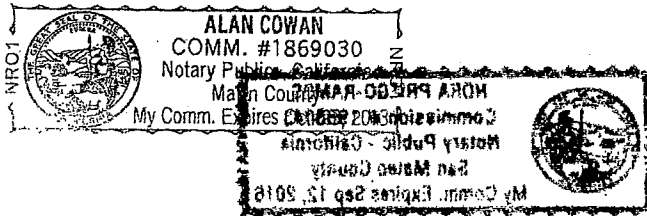
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), 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.

Alan Cowan

Signature of Notary Public

(Notary Seal)



CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGEMENT

State of California
County of San Francisco

On Dec. 14, 2012 before me,
Nora Priego Ramos, Notary Public
(here insert name and title of the officer)
personally appeared

John Samuel Rahaim

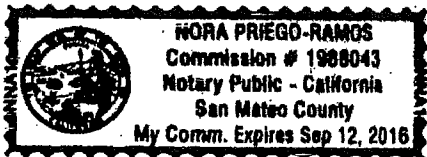
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ is are subscribed to the within instrument and acknowledged to me that ~~he~~ she / ~~they~~ executed the same in ~~his~~ her / their authorized capacity(ies), and that by ~~his~~ her / their signature(s) 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.

Nora Priego Ramos

Signature of Notary Public

(Notary Seal)





SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Motion No. 18706

HEARING DATE: SEPTEMBER 20, 2012

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

Reception:
415.558.6376

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date: September 20, 2012
Case No.: 2012.0033 ACFEU
Project Address: 218 – 220 BUCHANAN STREET
(aka – 55 Laguna Street)
Zoning: NC-3 (Neighborhood Commercial, Moderate Scale)
RM-3 (Residential, Mixed, Medium Density)
Laguna, Haight, Buchanan and Hermann Streets Special Use District
40-X, 50-X, 85 X Height and Bulk Districts
Block/Lot: 870/001, 002 and portions of Lot 003
0857/001,001A

Project Representative:

Steve Vettel, Farela, Braun + Martel
Russ Building, 235 Montgomery, 14th Floor
San Francisco, CA 94104

Project Sponsors:

Alta Laguna, LLC
c/o Brian Pianca, Alta Laguna, LLC
20 Sunnyside Avenue, Suite B
Mill Valley, CA 94941

55 Laguna, LP
c/o Seth Kilbourn, Openhouse
870 Market Street, Suite 458
San Francisco, CA 94102

c/o Ramie Dare, Mercy Housing California
1360 Mission Street, #300
San Francisco, CA 94103

Staff Contact:

Kearstin Dischinger (415) 558-6284
kearstin@sfgov.org
Sara Vellve – (415) 558-6263
sara.vellve@sfgov.org

APPROVING AN IMPACT FEE WAIVER FOR 55 LAGUNA STREET IN THE AMOUNT OF \$4,237,047 FOR THE PROVISION NO LESS THAN 12,000 SQUARE FEET OF COMMUNITY FACILITY SPACE, NO LESS THAN 28,000 SQUARE FEET OF OPEN SPACE (THE PROPOSED WALLER PARK) AND NO LESS THAN 10,000 SQUARE FEET OF COMMUNITY GARDENING SPACE.

PREAMBLE

- On January 17, 2008, under Case No. 2004.0770E/MZTC and Motion 17537, the San Francisco Planning Commission approved the Conditional Use Authorization/Planned Unit Development pursuant to Planning Code Sections 303 and 304 allowing construction of a moderate density mixed use development of approximately 330 dwelling units, approximately 110 affordable senior dwelling units, with community facility space, neighborhood-serving retail, parking and two separate publicly-accessible open spaces. The CU/PUD was upheld on appeal by the Board of Supervisors (Motion M08-0040) on March 4, 2008 (“the original project”).
- On April 15, 2008, the Board of Supervisors amended the General Plan, approved ordinances to amend the use districts and height/bulk districts, and create Planning Code Section 249.32, the Laguna, Haight, Buchanan and Hermann Streets Special Use District.
- On May 30, 2008 the Market and Octavia Plan became effective, including now Section 421 of the San Francisco Planning Code, The Market and Octavia Community Improvements Impact Fee applicable to all projects in the plan area, including the subject property.
- On January 13, 2012, Steve Vettel filed an application (in Conditional Use Application No. 2012.0033C) on behalf of Alta Laguna, LLC and 55 Laguna, LP (hereinafter “Project Sponsor”) with the Planning Department (hereinafter “Department”) for Conditional Use Authorization under Planning Code Sections 303 and 304 to modify the previously approved Planned Unit Development (“the modified project”).
- On August 16, 2012, the San Francisco Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting and approved Conditional Use Application No. 2012.0033C in its Motion No. _____ modifying certain elements of the 2008 Planned Unit Development (the “Planning Approval”).
- The original project reviewed in the 55 Laguna Mixed Use Project Final Environment Impact Report (FEIR) was certified by the Planning Commission on January 17, 2008. An Addendum to the 55 Laguna Mixed Use Project Final Environmental Impact Report (FEIR) was prepared and issued May 8, 2012. The Addendum concluded that the analyses conducted and the conclusions reached in the FEIR remain valid for the modified project, and that no supplemental environmental review is required for the proposed project modifications. The modified project would neither cause new significant impacts not identified in the FEIR, or result in a substantial increase in the severity of previously identified significant impacts. No changes have occurred with respect to circumstances surrounding the original project that would cause significant environmental impacts to which the modified project would contribute significantly, and no new information has been put forward which shows that the modified project would cause significant environmental impacts. Therefore, no supplemental environmental review was required beyond this addendum.

- The Board of Supervisors affirmed the FEIR certification on April 8, 2008, and the San Francisco Superior Court and California Court of Appeal upheld the adequacy of the FEIR in the case entitled *Save the Laguna Street Campus v. City and County of San Francisco*.
- 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.
- In order to address the impacts from the new mixed residential and commercial development permitted under the Market and Octavia Plan, the implementing Planning Code amendments also imposed an Impact Fee on new residential and non-residential development (the "Fee"). Under Section 421.3, the Fee is required to be paid to the City before issuance of the first site or building permit for a development project is issued. As an alternative to payment of the Fee, the Ordinance provides that the City may waive or reduce the Fee obligation at that time if the Project Sponsor agrees to provide specified community improvements. In order for the Project Sponsor to satisfy its Fee obligation by providing such in-kind improvements, the Planning Code requires the City and the Project Sponsor to enter into an "In-Kind Agreement".
- The Project Sponsor has requested that the City enter into an In-Kind Agreement relating to 55 Laguna Street for the provision of no less than 12,000 square feet of community facility space, no less than 28,000 square feet of open space (the proposed Waller Park) and no less than 10,000 square feet of community gardening space ("In-Kind Improvements"), located at 55 Laguna Street (described in the In-kind agreement). Specifically the Project Sponsor seeks a \$4,237,047 waiver for 218 Buchanan Street.

MOVED, that the Commission hereby authorizes the Market and Octavia Impact Fee Waiver for 55 Laguna Street 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:

- The above recitals are accurate and constitute findings of this Commission.
- The following improvements respond to the community improvements needs identified in the Market and Octavia Plan and analyzed in the establishment of the Market and Octavia Community Improvements Development Impact Fee.

Publicly Accessible Open Space: two new publicly accessible open spaces, Waller Park and a community garden, would be created and maintained by Alta Laguna, LLC. Waller Park would extend from the intersection of Waller and Buchanan Streets through the site to the corner of Waller and Laguna Streets, effectively re-introducing Waller Street through the site as a public amenity. Waller Park would provide approximately 28,000 square feet of publicly accessible

open space and passive recreational uses. Upper Waller Park would include benches, and trees and would take advantage of the steep slope of the project site by providing a scenic overlook with views of the East Bay and downtown San Francisco. Lower Waller Park would include hard and softscape areas with trees, benches, and built-in seating on the slope, overlooking the end of Waller Park. Street trees would be planted along all four exterior streets as well as along all internal pedestrian ways.

A no-fee community garden of no less than 10,600 square feet would be developed and made available to the public and development residents by Alta Laguna LLC. The garden would be located behind Woods Hall Annex at the northeast corner of the site. Access to the garden would be through a stairway and accessible ramp fronting Laguna Street, as well as a stair and gate leading from Haight Street.

At this time the City retains ownership of Waller Street. The Project Sponsor must obtain approval from the City in its proprietary capacity prior to issuance of any building permit for the Project to develop Waller Park.

Community Facility Space: As part of the development's public benefits, Alta Laguna, LLC will undertake seismic and accessibility building shell improvements to Woods Hall Annex to be used as a rent-free community center/facility of no less than 12,000 square feet. The use will be determined in consultation with the community. Alta Laguna, LLC will work with the City to determine if ongoing funding dedicated to operation of the center can be leveraged through the Mills Act.

Public Access: Pedestrians could transverse the site from east to west through Waller Park (the former Waller Street right-of-way) between Laguna and Buchanan Streets. Through creation of Palm Lane, which provides access north to south, pedestrians could transverse the site from Hermann Street to Haight Street through Woods Hall Annex or the garden entry on Haight Street. Waller Park and Palm Lane intersect at approximately midway through the site. At-grade bicycle access to the site would be from Palm Lane at Hermann Street.

- **Identified Plan Need.** The Market and Octavia need analysis identified Open Space and Recreational facilities as needed infrastructure to support new development. Planning Code Section 421 designates impact fee revenue to these types of infrastructure.
- **Interagency Support.** These improvements will be publicly accessible and privately maintained and operated. The relevant public agencies will review operations plans for each amenity to insure that each improvement is fully publicly accessible.
- **In-Kind Improvement Valuation.** The Department determines the final value of the proposed improvements to be equivalent to the fee amount based on 2012 cost estimates provided by the project sponsor.

Motion No. 18706
September 20, 2012

CASE NO. 2012.0033 ACEF
218 – 220 BUCHANAN STREET
(aka – 55 Laguna Street)

DECISION

The Commission, after carefully balancing the competing public and private interests, and based upon the Recitals and Findings set forth above, in accordance with the standards specified in the Code, hereby approves an impact fee waiver .

The Commission approves an in-kind agreement that substantially conforms to the attached drafts and authorizes the Director and City Attorneys' office to make changes as necessary to finalize the agreement.

I hereby certify that the foregoing Motion was adopted by the Planning Commission on September 20, 2012.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on September 20, 2012.

Linda D. Avery
Commission Secretary

AYES: Fong, Wu, Antonini, Borden, Hillis, Sugaya

NAYS: None

ABSENT: Moore

ADOPTED: September 20, 2012

**Motion No. 18706
September 20, 2012**

**CASE NO. 2012.0033 ACEF
218 – 220 BUCHANAN STREET
(aka – 55 Laguna Street)**

Attachment 2. Draft In-Kind Agreement

**55 LAGUNA STREET IN-KIND AGREEMENT
(PER PLANNING CODE SECTION 421)**

THIS IN-KIND AGREEMENT (the "Agreement") is entered into as of _____, 2012, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through the Planning Commission (the "City"), and ALTA LAGUNA, LLC, a Delaware limited liability company ("Project Sponsor"), with respect to the project approved for 55 Laguna Street (aka 218-220 Buchanan Street), San Francisco, California 94102 (the "Project").

RECITALS

A. On December 19, 2008, the San Francisco Board of Supervisors enacted Ordinance No. 298-08 (File No. 081153) (the "Ordinance"), adding Section 326-326.8 to the San Francisco Planning Code (now Sections 421-421.7). Any undefined term used herein shall have the meaning given to such term in Article 4 of the Planning Code, and all references to Sections 421-421.7 shall mean Sections 421-421.7 of the San Francisco Planning Code.

B. In order to mitigate the impacts from the new residential and commercial development permitted under the Market and Octavia Area Plan, the Ordinance imposed an Impact Fee on new residential and commercial development (the "Fee"). Under Section 421.3(f), the Fee is required to be paid to the City before issuance of the first construction document for a development project. As an alternative to payment of the Fee, the Ordinance provides that the City may reduce the Fee obligation at that time if the project sponsor agrees to provide specified community improvements. In order for the project sponsor to satisfy its Fee obligation by providing such in-kind improvements, the Ordinance requires the City and the Project Sponsor to enter into an "In-Kind Agreement" described in Section 421.3(d).

C. The property described in Exhibit A attached hereto (the "Land") and generally known as 55 Laguna Street (Lots 1 and 1A in Assessor's Block 857 and Lots 1, 2, and a portion of Lot 3 in Assessor's Block 870) is owned by the Regents of the University of California ("UC Regents") and is ground leased to the Project Sponsor and 55 Laguna, L.P., the sponsor of the affordable senior element of the project. The Project Sponsor and 55 Laguna, L.P. have submitted applications for the development of a mixed residential and commercial development on the Land. The Planning Commission originally approved a Planned Unit Development for the Project on January 17, 2008 (Motion No. 17537), prior to the enactment of Section 421-421.7. In Motion No. 17537, the Commission approved in-kind improvements in lieu of the future Fee. On August 16, 2012, the Planning Commission approved Motion No. _____ modifying certain elements of the Planning Unit Development and Motion No. _____ formally approving this In-Kind Agreement.

D. The Market and Octavia Area Plan contains objectives and policies for creating a complete mixed-use transit oriented neighborhood, including developing public open space, park improvements, and community/recreational facilities in the Plan Area to support new residents.

E. The Project Sponsor has requested that the City enter into an In-Kind Agreement associated with development of community infrastructure improvements consistent with the objectives and policies of the Market and Octavia Area Plan on a portion of the Land that would generally be comprised of the approximately 28,000 square foot public open space referred to as Waller Park, the approximately 10,600 square foot community garden located behind Woods Hall Annex and the approximately 12,600 square foot rent-free community facility in Woods

Hall Annex (collectively, "In-Kind Improvements") in order to satisfy its Fee obligation per the terms of the Ordinance.

F. The In-Kind Improvements meet an identified community need as analyzed in the Plan and as identified in Planning Code Section 421.1 and are not a physical improvement or provision of space otherwise required by the Planning Code or any other City Code.

G. The City is willing to enter into an In-Kind Agreement, on the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following words and phrases have the following meanings.

"**Agreement**" shall mean this Agreement.

"**City**" shall have the meaning set forth in the preamble to this Agreement.

"**Date of Satisfaction**" shall have the meaning set forth in Section 4.8 below.

"**DBI**" shall have the meaning set forth in Section 3.3 below.

"**Effective Date**" shall have the meaning set forth in Section 5.1 below.

"**Final Inspection Notice**" shall have the meaning set forth in Section 4.6 below.

"**First Certificate of Occupancy**" shall have the meaning set forth in Section 4.4 below.

"**First Construction Document**" shall have the meaning set forth in Section 401 of the Planning Code.

"**Impact Fee**" or "**Fee**" shall mean the fee charged to all residential and commercial development projects in the Market and Octavia Plan Areas under Section 421.3 of the Ordinance.

"**In-Kind Improvements**" shall have the meaning set forth in Recital E.

"**In-Kind Value**" shall have the meaning set forth in Section 3.2 below.

"**Initial Amount**" shall have the meaning set forth in Section 3.3 below.

"**Inspection Notice**" shall have the meaning set forth in Section 4.6 below.

"**Land**" shall have the meaning set forth in Recital C.

“**Memorandum of Agreement**” shall have the meaning set forth in Section 7.1 below.

“**Ordinance**” shall have the meaning designated in Recital A.

“**Payment Analysis**” shall have the meaning set forth in Section 5.2 below.

“**Payment Documentation**” shall have the meaning set forth in Section 4.7 below.

“**Plans**” shall have the meaning set forth in Section 4.2 below.

“**Project**” shall have the meaning set forth in the preamble to this Agreement.

“**Project Sponsor**” shall have the meaning set forth in the preamble to this Agreement.

“**Project Sponsor Fee**” shall mean the Project Sponsor’s share of the Fee, as calculated pursuant to Section 3.1 hereof.

ARTICLE 2 PROJECT SPONSOR REPRESENTATIONS AND COVENANTS

The Project Sponsor hereby represents, warrants, agrees and covenants to the City as follows:

2.1 The above recitals relating to the Project are true and correct.

2.2 Project Sponsor: (1) is a limited liability company duly organized and existing under the laws of the State of Delaware, (2) has the power and authority to own and lease its properties and assets and to carry on its business as now being conducted and as now contemplated to be conducted, (3) has the power to execute and perform all the undertakings of this Agreement, and (4) is the ground lessee of the real property on which the Project is located.

2.3 To the knowledge of Project Sponsor the execution and delivery of this Agreement and other instruments required to be executed and delivered by the Project Sponsor pursuant to this Agreement: (1) have not violated and will not violate any provision of law, rule or regulation, any order of court or other agency or government, and (2) have not violated and will not violate any provision of any agreement or instrument to which the Project Sponsor is bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.

2.4 To the knowledge of Project Sponsor, no document furnished or to be furnished by the Project Sponsor to the City in connection with this Agreement contains or will contain any untrue statement of material fact, or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

2.5 Neither the Project Sponsor, nor any of its principals or members, have been suspended, disciplined or debarred by, or prohibited from contracting with, the U.S. General Services Administration or any federal, state or local governmental agency during the past five (5) years.

2.6 Pursuant to Section 421.3(d)(5), the Project Sponsor shall reimburse all City agencies for their administrative and staff costs in negotiating, drafting, and monitoring compliance with this Agreement.

**ARTICLE 3
CALCULATION OF FEE AND IN-KIND CREDIT**

3.1 The Project Sponsor Fee shall be calculated in accordance with Section 421.3(c) of the Ordinance. Based on the project entitled by the Planning Commission, the Fee is estimated at \$4,237,047 (for the fee calculations, see Exhibit B). The final Fee shall be calculated based on the project entitled by its First Construction Document. Should the project Sponsor elect to pursue the Project in phases, the Project Sponsor Fee and related In-Kind Improvement expenditures obligations shall be proportional to each phase.

3.2 Based on two estimates provided by independent sources, the Director of Planning determines that the In-Kind Improvements have a value of approximately \$6,776,000 (the "In-Kind Value"); provided, however, if upon final completion the actual construction and development costs to the Project Sponsor of providing the In-Kind Improvements are lower than this amount, the provisions of Section 5.2 shall apply. Documentation establishing the estimated third-party eligible costs of providing the In-Kind Improvements in compliance with applicable City standards is attached hereto as Exhibit C (the "Cost Documentation").

3.3 The Project Sponsor shall pay to the Development Fee Collection Unit at the Department of Building Inspection ("DBI") \$0 (the "Initial Amount"), which is an amount equal to the Project Sponsor Fee (see Exhibit B) minus the In-Kind Value (see Exhibit C), prior to issuance of the Project's First Construction Document, pursuant to Section 421.3 of the Planning Code and Section 107A.13.3 of the San Francisco Building Code. On the Date of Satisfaction, the Project Sponsor shall receive a credit against the Project Sponsor Fee in the amount of the In-Kind Value, subject to Section 5.2 below.

**ARTICLE 4
IN-KIND IMPROVEMENTS**

4.1 The Project Sponsor agrees to take all steps necessary to construct and provide, at the Project Sponsor's sole cost, the following three In-Kind Improvements for the benefit of the City and the public. Upon issuance of the Final Inspection Notice for each of the following In-Kind Improvements, the City shall accept the In-Kind Improvement in lieu of the applicable Project Sponsor Fee if this Agreement is still in effect and each of the conditions described herein are met.

4.1.1 Waller Park: The Project Sponsor shall improve approximately 28,000 square feet of the former Waller Street right-of-way as publicly accessible open space, to maintain public access to those open space improvements, to assume maintenance and liability responsibilities, and not to permit any above-ground structures to be built on the land other than a small number of encroaching stoops leading to individual unit entrances and landscape and hardscape open space improvements. Below-grade improvements for underground parking shall be permitted in the former Waller Street right-of-way. There shall be no gates, or similar feature(s) serving to regulate pedestrians, located at either end of Waller Park. There shall be no transformers or utilities located in Waller Park. The Project Sponsor shall prepare an operations plan providing maintenance services for the life of Waller Park, including, but not limited to, gardening, maintenance, and security services for Waller Park. The Director of Planning shall review and approve the proposed operations plan prior to issuance of the first temporary certificate of occupancy for the Project. Such operations plan must ensure that Waller Park functions as a public open space including equal access for all members of the public with operating hours similar to similar publicly owned and operated open spaces, other rules of operation similar to other publicly owned and operated public open spaces, including allowable

activities. The operations plan must discuss strategies to conform with Planning Codes section 138 and 135.1 as they pertain to operations and maintenance, particularly signage.

4.1.2 Community Garden: The Project Sponsor shall improve approximately 10,600 square feet of the site in the area to the west of Woods Hall Annex as a publicly accessible community garden and to assume maintenance and liability responsibilities for the common areas of the garden. Garden plots shall be made available at no fee to members of the public, for gardening purposes on a non-discriminatory manner providing all interested gardeners an equal opportunity to be selected for a garden plot. Public access to the garden shall be provided via Haight Street and Laguna Street. Members of the public maintaining garden plots shall be afforded the same gardening hours and access regardless of whether they are Project residents. The Project Sponsor shall prepare an operations plan providing management services for the life of the Community Garden. The Director of Planning shall review and approve the proposed operations plan prior to issuance of the first temporary certificate of occupancy for the Project. Such operations plan must ensure that the Community Garden functions as a public allotment garden including equal access for all members of the public, including Project residents, with operating hours and rules of operation similar to other publicly owned and operated allotment gardens, including allowable activities.

4.1.3 Community Facility: The Project Sponsor shall undertake seismic and accessibility building shell improvements to Woods Hall Annex to enable the building to be used as a rent-free community center/facility. Prior to issuance of a site permit or building permit for shell improvements to Woods Hall Annex, the Project Sponsor shall engage community stakeholders, the Planning Department and others in a process to be determined to develop a range of program options for the community center and identify a potential operator of the facility. The Project Sponsor shall prepare an operations plan for the Community Facility which will summarize the range of programmatic options developed through the public process, identify an operator and term of operations, and provide additional detail on how a change of operator will be handled. The Director of Planning shall review and approve the proposed operations plan prior to issuance of the first temporary certificate of occupancy for Woods Hall Annex. Such operations plan must ensure that the community center/facility functions as a community facility including equal access for all members of the public with operating hours and rules of operation similar to other publicly owned and operated community center/facility, including allowable activities.

4.2 The Project Sponsor shall cause its architect and landscape architect to prepare detailed plans and specifications for the In-Kind Improvements, which plans and specifications shall be submitted for review of DBI in the ordinary course of the process of obtaining a building permit for the Project (upon such approval, the "Plans"). Such review and approval of the Plans by DBI shall not be unreasonably withheld, delayed or conditioned. The Project Sponsor shall be responsible, at no cost to the City, for completing the In-Kind Improvements strictly in accordance with the approved Plans and shall not make any material change to the approved Plans during the course of construction without first obtaining the Director of Planning's written approval. Upon completion of the In-Kind Improvements, the Project Sponsor shall furnish the City with a copy of the final approved Plans and documentation of any approved material changes or deviations therefrom that may occur during construction of the In-Kind Improvements.

4.3 Phasing of Construction of Project and In-Kind Improvements. It is contemplated that the Project will be constructed in four phases as follows and as shown graphically in Exhibit D, with the In-Kind Improvements constructed during Phases 1 and 2, subject to change at the Project Sponsor's election and Planning Director approval:

4.3.1 Phase 1: Demolition of Middle Hall and the Administration Wing of Richardson Hall; construction of Garage 1, Residential Building 1A, Residential Building 1B and Building 3; rehabilitation of Woods Hall (Building 4A); construction of the pedestrian mews. Phase 1 In-Kind Improvements: Seismic upgrade of Woods Hall Annex (Building 4B) and construction of Upper Waller Park, comprising all Waller Park improvements including and westward of the pedestrian mews.

4.3.2 Phase 2: Demolition of Haight Street and Laguna Street retaining walls; construction of Garage 2, Residential Building 2C, 2D and 2E. Phase 2 In-Kind Improvements: Construction of Lower Waller Park, comprising all Waller Park improvements eastward of the pedestrian mews, and the Community Garden.

4.3.3 Phase 3: Rehabilitation of Richardson Hall (Building 6).

4.3.4 Phase 4: Construction of Building 5.

4.4 The In-Kind Improvements applicable to each phase of construction as listed above shall be constructed in conjunction with that phase and shall be completed prior to issuance of the first certificate of occupancy (including a temporary certificate of occupancy)(the "First Certificate of Occupancy") for the applicable phase. The improvements shall be accomplished and in accordance with good construction and engineering practices and applicable laws. The Project Sponsor, while performing any construction relating to the In-Kind Improvements, shall undertake commercially reasonable measures in accordance with good construction practices to minimize the risk of injury or damage to the surrounding property, and the risk of injury to members of the public, caused by or resulting from the performance of such construction. All construction relating to the In-Kind Improvements shall be performed by licensed, insured and bonded contractors, and pursuant to a contract that includes a release and indemnification for the benefit of the City.

4.5 If the Final Inspection Notice has not been completed prior to issuance of the First Certificate of Occupancy for a phase as described in Section 4.4, the Project Sponsor shall provide a letter of credit, surety bond, escrow account, or other security reasonably satisfactory to the Planning Director in the amount of one hundred percent (100%) of the Cost Documentation applicable to the uncompleted In-Kind Improvement(s) to be constructed during the applicable phase of construction (the "Security"), to be held by the City until issuance of the Final Inspection Notice, at which date it shall be returned to the Project Sponsor.

4.6 Upon final completion of the In-Kind Improvement(s) during a phase of construction and the Project Sponsor's receipt of all final permit sign-offs, the Project Sponsor shall notify the Director of Planning that the In-Kind Improvements have been completed. The Director of Planning, or his or her agent, shall inspect the site to confirm compliance with this Agreement, and shall promptly thereafter notify the Project Sponsor that the In-Kind Improvements have been completed in accordance with the requirements of this Agreement, or, if there are any problems or deficiencies, shall notify the Project Sponsor of any such problems or deficiencies (the "Inspection Notice"). The Project Sponsor shall correct any such problems or deficiencies set forth in the Inspection Notice and then request another inspection, repeating this process until the Director of Planning approves the In-Kind Improvements as satisfactory. Such approval shall be based on the requirements of this Agreement and shall not be unreasonably withheld. This condition will not be satisfied until the Director of Planning delivers an Inspection Notice that certifies that the In-Kind Improvements are ready for use by the public, as determined by the Director of Planning based on current City standards, and constitute the full satisfaction of the obligation to provide the particular In-Kind Improvement in

the form required hereunder (the "Final Inspection Notice"). The City may, in its sole discretion, waive the requirements of this Section 4.6.

4.7 For each phase, the Project Sponsor shall provide the Planning Department with documentation substantiating payment by the Project Sponsor of the cost of providing the In-Kind Improvements in the form of third-party checks and invoices and its or its general contractor's standard general conditions allocation (the "Payment Documentation"). The Payment Documentation shall include information necessary and customary in the construction industry to verify the Project Sponsor's costs and payments for the applicable phase. For each phase, the cost of providing the In-Kind Improvements shall be substantially similar to the average capital costs for the City to provide the same square feet of public open space and community facilities, based on current value of recently completed projects.

4.8 For each phase, the Project Sponsor shall not receive final credit for the In-Kind Improvements until the Final Inspection Notice is delivered, the Memorandum of Agreement is recorded and the City receives any additional payments as may be required under Articles 4 and 5 below, and all other obligations of the Project Sponsor under this Agreement have been satisfied (the "Date of Satisfaction"). The Project Sponsor assumes all risk of loss during construction, and shall not receive final credit for the In-Kind Improvements until the Date of Satisfaction. Notwithstanding the foregoing, on and after the Effective Date (as defined in Section 5.1 below), for so long as this Agreement remains in effect and the Project Sponsor is not in breach of this Agreement the City shall not withhold the issuance of any additional building or other permits necessary for the Project due to the Project Sponsor's payment of less than the full Project Sponsor Fee amount in anticipation of the In Kind Improvements ultimately being accepted and credited against the Project Sponsor Fee under the terms and conditions set forth in this Agreement.

ARTICLE 5 PAYMENT AND SECURITY

5.1 This Agreement shall not be effective until this Agreement is signed by both the Project Sponsor and the City, is consented to by the UC Regents pursuant to that certain written consent attached hereto as Exhibit E, is approved as to form by the City Attorney, and is approved by the Planning Commission. The date upon which the foregoing requirements have been satisfied shall be the "Effective Date".

5.2 For each phase, the City shall provide the Project Sponsor with a written report of its review of the Payment Documentation ("Payment Analysis") within ten (10) business days of its receipt thereof, which review shall be conducted for the exclusive purpose of determining whether the Payment Documentation substantially and reasonably document that the cost of providing the In-Kind Improvements shall be substantially similar to the average capital costs for the City to provide the same type of public open space and community facilities, with comparable improvements, based on current value of recently completed projects, as selected by the City in its sole discretion. If the Payment Analysis reasonably substantiates that the Project Sponsor made payments in respect of the In-Kind Improvements in an amount less than the Fee, the Project Sponsor shall, within sixty (60) days of the date of the Payment Analysis, pay the City in an amount equal to the difference between the actual amount paid in respect of the In-Kind Improvements by the Project Sponsor and the Fee. If the Payment Analysis reasonably substantiates that the Project Sponsor made payments in respect of the improvements in an amount equal to or greater than the Fee or the In-Kind Value, the Project Sponsor shall not be entitled to a refund of such overpayments and the City shall not be entitled to any additional funds related to the In-Kind Value.

5.3 The City and Project Sponsor shall endeavor to agree upon the Payment Analysis. If they are unable to so agree within thirty (30) days after receipt by Project Sponsor of the City's Payment Analysis, Project Sponsor and the City shall mutually select a third-party engineer/cost consultant. The City shall submit its Payment Analysis and Project Sponsor shall submit the Payment Documentation to such engineer/cost consultant, at such time or times and in such manner as the City and Project Sponsor shall agree (or as directed by the engineer/cost consultant if the City and Project Sponsor do not promptly agree). The engineer/cost consultant shall select either the City's Payment Analysis or Project Sponsor's determination pursuant to the Payment Documentation, and such determination shall be binding on the City and Project Sponsor.

5.4 Notwithstanding anything in this Agreement to the contrary:

5.4.1 The City shall not issue or renew any further certificates of occupancy to the Project Sponsor until the City receives payment of the full Project Sponsor Fee (in some combination of the payment of the Initial Amount, the acceptance of In-Kind Improvements having the value described under this Agreement and other cash payments received by the City directly from Project Sponsor) before issuance of the First Certificate of Occupancy for the Project.

5.4.2 The City's issuance of a certificate of final completion or any other permit or approval for the Project shall not release the Project Sponsor of its obligation to pay the full Project Sponsor Fee (with interest, if applicable), if such payment has not been made at the time the City issues such certificate of final completion.

5.4.3 If the In-Kind Improvements for any reason prove to be insufficient to provide payment for sums due from the Project Sponsor as and when required, and after demand by the City the Project Sponsor fails to pay such amount, such amount shall accrue interest from the date of such demand at the rate of one-half percent per month, or fraction thereof, compounded monthly, until the date of payment. If such nonpayment continues for a period of six (6) months, the City's Treasurer shall initiate proceedings in accordance with Article XX of Chapter 10 of the San Francisco Administrative Code to make the entire unpaid balance of the Project Sponsor Fee, including interest, a lien against all parcels used for the housing in the Project and shall send all notices required by that Article.

5.5 The Project Sponsor understands and agrees that any payments to be credited against the Project Sponsor Fee shall be subject to the provisions set forth in San Francisco Administrative Code Sections 6.80-6.83 relating to false claims. Pursuant to San Francisco Administrative Code Sections 6.80-6.83, a party who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A party who submits a false claim shall also be liable to the City for the cost, including attorney's fees, of a civil action brought to recover any of those penalties or damages and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A party will be deemed to have submitted a false claim to the City if the party: (a) knowingly presents or causes to be presented to any officer or employee of the City a false claim; (b) knowingly makes, uses or causes to be made or used a false record or statement to get a false claim approved by the City; (c) conspires to defraud the City by getting a false claim allowed by the City; (d) knowingly makes, uses or causes to be made or used a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the City; or (e) is beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim. The Project Sponsor shall include this provision in all contracts and subcontracts relating to the

In-Kind Improvements, and shall take all necessary and appropriate steps to verify the accuracy of all payments made to any such contractors and subcontractors.

ARTICLE 6 NOTICES

Any notice given under this Agreement shall be effective only if in writing and given by delivering the notice in person or by sending it first-class mail or certified mail with a return receipt requested or by overnight courier, return receipt requested, addressed as follows:

CITY:

Director of Planning
City and County of San Francisco
1660 Mission St.
San Francisco, CA 94103

with a copy to:

Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Susan Cleveland-Knowles

PROJECT SPONSOR:

Alta Laguna, LLC
20 Sunnyside Avenue, Suite B
Mill Valley, CA 94607
Attn: Brian Pianca

with a copy to:

Farella Braun + Martel LLP
235 Montgomery Street
San Francisco, CA 94104
Attn: Steven L. Vettel, Esq.

or to such other address as either party may from time to time specify in writing to the other party. Any notice shall be deemed given when actually delivered if such delivery is in person, two (2) days after deposit with the U.S. Postal Service if such delivery is by certified or registered mail, and the next business day after deposit with the U.S. Postal Service or with the commercial overnight courier service if such delivery is by overnight mail.

ARTICLE 7 RUN WITH THE LAND

7.1 The parties understand and agree that this Agreement shall run with the Project Sponsor's land, and shall burden and benefit every successor owner of the Land. The City would not be willing to enter into this Agreement without this provision, and the parties agree to record a Memorandum of Agreement in the form attached hereto as Exhibit F (the "Memorandum of Agreement"). On the Date of Satisfaction or if this Agreement is terminated pursuant to Section 8.4, this Agreement shall terminate and the City shall execute and deliver to the Project Sponsor a release of the Memorandum of Agreement, which the Project Sponsor may record.

ARTICLE 8 ADDITIONAL TERMS

8.1 This Agreement contemplates the construction of privately owned publicly accessible In-Kind Improvements as authorized under the Ordinance and is not a public works contract. The City and the Project Sponsor agree that the In-Kind Improvements are of local and not state-wide concern, and that the provisions of the California Public Contracts Code shall not apply to the construction of the In-Kind Improvements.

8.2 The City shall have the right, during normal business hours and upon reasonable notice, to review all books and records of the Project Sponsor pertaining to the costs and expenses of providing the In-Kind Improvements.

8.3 This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

8.4 This Agreement may be effectively amended, changed, modified, altered or terminated only by written instrument executed by the parties hereto except that the Project Sponsor may terminate this Agreement by written notice to the City at any time prior to issuance of the Project's first construction document, in which event the Project Sponsor shall have no obligations or liabilities under this Agreement and the City would have no obligation to issue the first construction document unless and until this Agreement is reinstated, another agreement is executed by the parties, or the Project Sponsor's obligations under the Ordinance are satisfied in another manner. Any material amendment shall require the approval of the City's Planning Commission, in its sole discretion.

8.5 No failure by the City to insist upon the strict performance of any obligation of Project Sponsor under this Agreement or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, and no acceptance of payments during the continuance of any such breach, shall constitute a waiver of such breach or of the City's right to demand strict compliance with such term, covenant or condition. Any waiver must be in writing, and shall be limited to the terms or matters contained in such writing. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. In the event of any breach of this Agreement by the Project Sponsor, the City shall have all rights and remedies available at law or in equity.

8.6 This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of California.

8.7 The section and other headings of this Agreement are for convenience of reference only and shall be disregarded in the interpretation of this Agreement. Time is of the essence in all matters relating to this Agreement.

8.8 This Agreement does not create a partnership or joint venture between the City and the Project Sponsor as to any activity conducted by the Project Sponsor relating to this Agreement or otherwise. The Project Sponsor is not a state or governmental actor with respect to any activity conducted by the Project Sponsor hereunder. This Agreement does not constitute authorization or approval by the City of any activity conducted by the Project Sponsor. This Agreement does not create any rights in or for any member of the public, and there are no third party beneficiaries.

8.9 Notwithstanding anything to the contrary contained in this Agreement, the Project Sponsor acknowledges and agrees that no officer or employee of the City has authority to commit the City to this Agreement unless and until the Planning Commission adopts a resolution approving this Agreement, and it has been duly executed by the Director of Planning and approved as to form by City Attorney.

8.10 The Project Sponsor, on behalf of itself and its successors, shall indemnify, defend, reimburse and hold the City harmless from and against any and all claims, demands, losses, liabilities, damages, injuries, penalties, lawsuits and other proceedings, judgments and awards and costs by or in favor of a third party, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any accident, injury to or death of a person, or loss of or damage to property occurring in, on or about the Land, provided that such accident, injury, death, loss or damage does not result from the gross negligence of the City; (b) any default by the Project Sponsor under this Agreement, (c) the condition of the In-Kind Improvements constructed by or on behalf of the Project Sponsor; and (d) any acts, omissions, or negligence of the Project Sponsor or its agents in or about the Land. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigation. The Project Sponsor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the Project Sponsor by City and continues at all times thereafter. The Project Sponsor's obligations under this Section shall survive the expiration or sooner termination of this Agreement.

ARTICLE 9 CITY CONTRACTING PROVISIONS

9.1 The Project Sponsor 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 are public records subject to public disclosure. The Project Sponsor hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

9.2 In the performance of this Agreement, the Project Sponsor covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee or any City employee working with or applicant for employment with the Project Sponsor, in any of the Project Sponsor's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by the Project Sponsor.

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

9.4 Through execution of this Agreement, the Project Sponsor 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.

9.5 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. The Project Sponsor acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

9.6 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.

NOW THEREFORE, the parties hereto have executed this In-Kind Agreement as of the date set forth above.

CITY AND COUNTY OF SAN FRANCISCO,
acting by and through its Planning Commission

ALTA LAGUNA, LLC,
a Delaware limited liability company

By: _____
Director of Planning

By: _____
Name: _____
Title: _____

APPROVED:

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

FARELLA BRAUN & MARTEL, LLP

By: _____
Deputy City Attorney

By: _____
Steven L. Vettel

ACKNOWLEDGED:

Department of Building Inspection

By: _____
Authorized Representative

Exhibit A

Legal Description of Land

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, and is described as follows:

Lots 1 and 1A in Assessor's Block 857 and Lots 1 and 2 and a portion of Lot 3 in Assessor's Block 870.

Exhibit B
Calculation of Impact Fees

Exhibit C
Cost Documentation

Building	Existing Non-R	New R	New Non-R	Other Use	Notes
1A	0	57,433			0
1B	0	58,644			0
2C	0	73,231			0
2D	0	67,794			0
2E	0	79,469			0
3	0	6445			Resident
4A - WH	24,790	24790			0
4B - WHA	12,641	0	12641	12,641	Community
5 - OH	0	54,983			0
5 - SC	0	0	8615	8,615	Community
6 - Richardson	54,983	54,983	5,200		0 Retail
Admin Bldg	5682	0			0 Demo/Bl dg. 5
Middle Hall	8069	0			0 Demo/Bl dg. 1B
Total	106165	477,772	26,456	21256	

Existing Use	GFA	New Use	GFA	CoU GFA	CoU Fee	New GFA	New GFA Fee	Total Fees
Non-Residential	106165	Non-Res	26,456	NA	NA			\$ -
PDR	0	Residential	477,772	79709 From NR	\$ 473,471.46	398063	\$ 3,809,462.91	\$ 4,282,934.37
Residential	0	PDR		0 From PDR	\$ -			\$ -
								\$ -
					\$ 473,471.46		\$ 3,809,462.91	\$ 4,282,934.37
					CoU/Replac ement for Non-Res to Res		Net New Residential	
					5.94		9.57	

Exhibit D
Phasing Plan

Exhibit E

CONSENT OF UC REGENTS

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, the undersigned owner of record of the fee interest in the property known as 55 Laguna Street, San Francisco, CA 94102 and identified as Lots 1 and 1A in Assessor's Block 857 and Lots 1, 2, and a portion of Lot 3 in Assessor's Block 870 for which the 55 Laguna Street In-Kind Agreement (the "In-Kind Agreement") is being entered into, do hereby certify that the In-Kind Agreement may be executed and a Memorandum of In-Kind Agreement may be recorded with our full consent, and that we have authorized ALTA Laguna, LLC, a Delaware limited liability company, to act as our agent in all contacts with the City and County of San Francisco and to sign for all necessary documents and forms in connection with this matter.

OWNER:

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By: _____

Its: _____

Exhibit F

Memorandum of Agreement

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

City and County of San Francisco
Department of Planning
1660 Mission St.
San Francisco, CA 94103
Attn: Director

(Free Recording Requested Pursuant to
Government Code Section 27383)

Memorandum of In-Kind Agreement

This Memorandum of In-Kind Agreement (this "Memorandum"), is dated as of _____, 2012, and is by and between the City and County of San Francisco, a municipal corporation, acting and through the Planning Commission (the "City"), and Alta Laguna, LLC (the "Project Sponsor").

1. The property described in Exhibit A attached hereto (the "Land") and generally known as 55 Laguna Street, San Francisco, California 94102 is owned by Project Sponsor.
2. Under San Francisco Planning Code Section 421.3 ("Section 421.3"), the Project Sponsor must pay to the City an Impact Fee (the "Fee") on or before the issuance of the first construction document for the Land; provided, however, the City can reduce such payment under Section 421.3(d) if the Project Sponsor enters into an agreement with the City to provide in-kind improvements.
3. In accordance with Section 421.3(d), the City and the Project Sponsor have entered into an in-kind agreement (the "In-Kind Agreement"), which permits the Project Sponsor to receive construction documents with the satisfaction of certain conditions in return for the Project Sponsor's agreement to provide certain in-kind improvements under the terms and conditions set forth therein.
4. Upon the Project Sponsor's satisfaction of the terms of the In-Kind Agreement, the In-Kind Agreement shall terminate and the City will execute and deliver to the Project Sponsor a termination of this Memorandum in recordable form.
5. The Project Sponsor and the City have executed and recorded this Memorandum to give notice of the In-Kind Agreement, and all of the terms and conditions of the In-Kind Agreement are incorporated herein by reference as if they were fully set forth herein. Reference is made to the In-Kind Agreement itself for a complete and definitive statement of the rights and obligations of the Project Sponsor and the City thereunder.

6. This Memorandum shall not be deemed to modify, alter or amend in any way the provisions of the In-Kind Agreement. In the event any conflict exists between the terms of the In-Kind Agreement and this Memorandum, the terms of the In-Kind Agreement shall govern.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum as of the date first written above.

CITY AND COUNTY OF SAN FRANCISCO,
acting by and through its Planning Commission

By: _____
Director of Planning

ALTA LAGUNA, LLC
a Delaware limited liability company

By: _____
Name:
Its:

CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGEMENT

State of California

County of _____

On _____ before me,

(here insert name and title of the officer)
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)

CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGEMENT

State of California
County of _____

On _____ before me,

(here insert name and title of the officer)
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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)



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|---|---|
| <input checked="" type="checkbox"/> Affordable Housing (Sec. 415) | <input checked="" type="checkbox"/> First Source Hiring (Admin. Code) |
| <input type="checkbox"/> Jobs Housing Linkage Program (Sec. 413) | <input type="checkbox"/> Child Care Requirement (Sec. 414) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 412) | <input checked="" type="checkbox"/> Other (In-lieu Fee Agreement) |

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Planning Commission Motion 18693

HEARING DATE: AUGUST 16, 2012

Date: August 2, 2012
Case No.: 2012.0033 ACFEU
Project Address: 218 – 220 BUCHANAN STREET
(aka – 55 Laguna Street)
Zoning: NC-3 (Neighborhood Commercial, Moderate Scale)
RM-3 (Residential, Mixed, Medium Density)
Laguna, Haight, Buchanan and Hermann Streets Special Use District
40-X, 50-X, 85 X Height and Bulk Districts
Block/Lot: 870/001, 002 and portions of Lot 003
0857/001,001A
Project Representative:
Steve Vettel, Farel1a, Braun + Martel
Russ Building, 235 Montgomery, 14th Floor
San Francisco, CA 94104
Project Sponsors: Alta Laguna, LLC
c/o Brian Pianca, Alta Laguna, LLC
20 Sunnyside Avenue, Suite B
Mill Valley, CA 94941

55 Laguna, LP
c/o Seth Kilbourn, Openhouse
870 Market Street, Suite 458
San Francisco, CA 94102

c/o Ramie Dare, Mercy Housing California
1360 Mission Street, #300
San Francisco, CA 94103
Staff Contact: Sara Vellve – (415) 558-6263
sara.vellve@sfgov.org

ADOPTING FINDINGS RELATING TO THE APPROVAL OF A MODIFICATION FOR A PREVIOUSLY APPROVED PLANNED UNIT DEVELOPMENT (CASE No. 2004.07703C) FOR A MIXED-USE PROJECT OF TEN ABOVE-GRADE STRUCTURES (SEVEN NEWLY-CONSTRUCTED BUILDINGS AND THREE TO BE ADAPTIVELY REUSED) CONTAINING UP TO 330 MARKET-RATE RENTAL UNITS (INCLUDING 32 – 50 AFFORDABLE UNITS) AND UP TO 110 SENIOR AFFORDABLE RENTAL DWELLING UNITS, APPROXIMATELY 310 OFF-STREET PARKING SPACES, UP TO 2,500 SQUARE FEET OF RETAIL SPACE, APPROXIMATELY 2,700 SQUARE FEET OF OFFICE SPACE, NO LESS THAN 12,000 SQUARE FEET OF COMMUNITY FACILITY SPACE, NO LESS THAN 28,000 SQUARE FEET OF OPEN SPACE (THE PROPOSED WALLER PARK) AND NO LESS THAN 10,600 SQUARE FEET OF COMMUNITY GARDENING SPACE PURSUANT TO PLANNING CODE SECTIONS 303 AND 304 FOR A PLANNED UNIT DEVELOPMENT TO ALLOW MODIFICATIONS TO THE LOCATION OF THE REAR YARD (SECTION 134), TRANSPARENCY AND ACTIVE USES FOR STREET FRONTAGES IN NC DISTRICTS (SECTION 145.1), AND THE DWELLING UNIT EXPOSURE REQUIREMENT (SECTION 140) FOR PROPERTY LOCATED IN THE NC-3 (MODERATE-SCALE NEIGHBORHOOD COMMERCIAL), RM-3 (MIXED RESIDENTIAL, MIXED, MEDIUM-DENSITY) DISTRICTS, AND THE LAGUNA, HAIGHT, BUCHANAN AND HERMANN STREETS SPECIAL USE DISTRICT WITHIN THE 40-X, 50-X AND 85-X HEIGHT AND BULK DISTRICTS, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND PLANNING CODE SECTION 101.1.

PREAMBLE

On January 17, 2008, under Case No. 2004.0770EIMZTC and Motion 17537, the San Francisco Planning Commission approved the Conditional Use Authorization/Planned Unit Development pursuant to Planning Code Sections 303 and 304 allowing construction of a moderate density mixed use development of approximately 330 dwelling units, approximately 110 affordable senior dwelling units, with community facility space, neighborhood-serving retail, parking and two separate publicly-accessible open spaces. The Planning Commission also approved modifications of Planning Code requirements related to location of the required rear yard, dwelling unit exposure, the open space dimensional requirements; made CEQA findings; and forwarded resolutions that the Board of Supervisors approve a General Map Amendment, Special Use District, and change the Zoning Map to reflect new use districts and height/bulk districts. The CU/PUD was upheld on appeal by the Board of Supervisors (Motion M08-0040) on March 4, 2008 (“the original project”).

On April 15, 2008, the Board of Supervisors amended the General Plan, approved ordinances to amend the use districts and height/bulk districts, and create Planning Code Section 249.32, the Laguna, Haight, Buchanan and Hermann Streets Special Use District.

On July 28, 2011, the San Francisco Planning Commission approved a Conditional Use Authorization to modify Conditions of Approval relating to the project’s compliance with the Inclusionary Affordable Housing Program pursuant to Case No. 2011.0450C and Motion No. 18427.

On January 13, 2012, Steve Vettel filed an application (in Conditional Use Application No. 2012.0033C) on behalf of Alta Laguna, LLC and 55 Laguna, LP (hereinafter “Project Sponsors”) with the Planning Department (hereinafter “Department”) for Conditional Use Authorization under Planning Code Sections

303 and 304 to modify the previously approved Planned Unit Development to change the project's site plan, request exceptions to the rear yard location, transparency and active uses for street frontages in NC Districts, and dwelling unit exposure for property located in the NC-3 (Moderate-Scale Neighborhood Commercial), RM-3 (Residential, Mixed, Medium-Density) Districts, and the Laguna, Haight, Buchanan and Hermann Streets Special Use District within the 40-X, 50-X AND 85-X Height and Bulk Districts ("the modified project").

On July 18, 2012, the San Francisco Historic Preservation Commission reviewed the revised development per the Mitigation Monitoring and Reporting Program (MMRP) of Case No. 2004.0770E, and adopted Resolution No. 0686 to be forwarded to the Planning Commission.

On August 16, 2012, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.0033ACEF.

The original project reviewed in the 55 Laguna Mixed Use Project Final Environment Impact Report (FEIR) was certified by the Planning Commission on January 17, 2008. An Addendum to the 55 Laguna Mixed Use Project Final Environmental Impact Report (FEIR) was prepared and issued May 8, 2012. The Addendum concluded that the analyses conducted and the conclusions reached in the FEIR remain valid for the modified project, and that no supplemental environmental review is required for the proposed project modifications. The modified project would neither cause new significant impacts not identified in the FEIR, or result in a substantial increase in the severity of previously identified significant impacts. No changes have occurred with respect to circumstances surrounding the original project that would cause significant environmental impacts to which the modified project would contribute significantly, and no new information has been put forward which shows that the modified project would cause significant environmental impacts. Therefore, no supplemental environmental review was required beyond this addendum.

The Board of Supervisors affirmed the FEIR certification on April 8, 2012, and the San Francisco Superior Court and California Court of Appeal upheld the adequacy of the FEIR in the case entitled *Save the Laguna Street Campus v. City and County of San Francisco*.

To provide current project information to the Planning Commission and the public, this motion contains a full description of the development (the original project as modified) and its compliance with the Planning Code and General Plan.

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 Conditional Use requested in Application No. 2012.0033ACEF, subject to the conditions of Motion Nos. 17537 and 18427, except as specifically modified herein, 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 5.4-acre (236,113 square feet) project site is located in the Hayes Valley neighborhood north of Market Street on two city blocks (Block 857, Lots 001 and 001A; and Block 870, Lots 001, 002, and a portion of Lot 003) bounded by Haight Street to the north, Laguna Street to the east, Hermann Street to the south, and Buchanan Street to the west at the former University of California Berkeley Extension Campus. The project site was rezoned under the previous entitlement from the P (Public) Zoning District within the 80-B and 40-X Height and Bulk Districts, to NC-3 (Moderate-Scale Neighborhood Commercial) and RM-3 (Residential, Mixed, Medium-Density) Districts, the Laguna, Haight, Buchanan and Hermann Streets Special Use District and the 40-X, 50-X and 85-X Height and Bulk Districts.

The 236,113 square-foot project site (not including the dental clinic) contains five buildings totaling 119,910 square feet, which were used until 2003 by the University of California (UC)-Berkeley as an extension campus and by the French-American International School (FAIS). These now-unoccupied buildings include Woods Hall, Woods Hall Annex, Richardson Hall and its Administration Building, and Middle Hall.

A sixth building, located on the southwestern corner of Block 870, Lot 003 at the intersection of Hermann and Buchanan Streets, is a two-story dental clinic of approximately 18,000 square feet in size that is currently occupied by the University of California San Francisco (UCSF) Dental School. The Dental Clinic is not part of the project site and is not proposed to be altered, closed or relocated as part of this Project.

The project site slopes steeply downward from northwest to southeast and is divided into two terraces. The majority of the existing buildings occupy the periphery of the site on the upper and lower terraces, with surface parking generally in the center of the site. The five existing buildings on the site were constructed between 1924 and 1935 as the campus of the San Francisco State Teachers College (now San Francisco State University), which traded the property to the University of California when it relocated to its current campus on 19th Avenue in the 1950s.

The five project-related buildings generally exhibit the Spanish Colonial Revival style of architecture with red tile roofs and stucco siding. Woods Hall, constructed in 1926, is a two-story, L-shaped building located at the northwestern corner on the upper terrace of the site along Buchanan and Haight Streets. Attached to Woods Hall is Woods Hall Annex, a two-story building constructed in 1935, located along Haight Street and positioned on the lower terrace. Richardson Hall, constructed in 1924 and 1930, is a one- and two-story, L-shaped building located at the corner of Hermann and Laguna Streets. Woods Hall, Woods Hall Annex and Richardson Hall (except its Administration building) are designated landmarks pursuant to Article 10 of the Planning Code.

Along the Laguna Street side of Richardson Hall is a two-story auditorium and an attached single story Administration Building. Middle Hall, originally built as a gymnasium in 1924 with classroom and office space added later, is a one-and-a-half- to two-and-a-half-story building located behind the west wing of Woods Hall. The Administration Wing of Richardson Hall, Middle Hall, and the remainder of the Site are not designated landmarks pursuant to Article 10.

The remainder of the site is occupied by 278 off-street parking spaces contained in three lots. One parking lot is on the upper terrace between the dental clinic and Woods and Middle Halls, accessed from Buchanan Street. This lot has about 50 spaces, which are currently used primarily by the dental clinic. The remaining 228 parking spaces are contained within two lots on the lower terrace accessed from Laguna Street; one lot is behind Richardson Hall and the other is located at the corner of Haight and Laguna Streets. These lots currently provide daytime commuter parking for University of California San Francisco employees who work at other UCSF locations off-site and to employees of California Pacific Medical Center.

There are approximately 111 trees on site, 27 of which are "significant" trees pursuant to Public Works Code Section 810A. There are no "landmark" trees as defined by Public Works Code Section 810 on the site. All of the significant trees are proposed for removal and replacement. One existing tree, the "Sacred Palm" which was included in the landmark designation of Woods Hall, and one other palm tree, will be temporarily removed and relocated on the site. Removal and replacement of the significant trees will require a permit from the Department of Public Works. Up to 36 existing street trees are proposed to be replaced.

3. **Surrounding Properties and Neighborhood.** The project site is surrounded primarily by residential and institutional land uses. Multi-family residential buildings ranging from two to seven stories in height and single-family attached row houses ranging from two to three stories in height are the predominant uses on the streets immediately surrounding the project site. Institutional uses in the immediate vicinity include the Walden House Adolescent Facility, located along Haight Street across from Woods Hall Annex, the University of California San Francisco AIDS Health Project building, located on Hermann Street across from Richardson Hall, and the U.S. Mint, which sits atop a rocky promontory at the intersection of Buchanan and Hermann Streets to the northwest of the project site. Commercial uses in the project vicinity primarily occur along Market Street, about half a block from the site.
4. **Modified Project Description.**

Site Control

The land will remain under the ownership of the Regents of the University of California, which will enter into long-term ground-leases to the project sponsors for site development. Alta Laguna LLC, an affiliate of Wood Partners (who purchased the original project sponsor, AF Evans, Inc's interest in the project), will develop market rate and inclusionary affordable family housing subject to Planning Code Section 415, Waller Park, a community garden and center, the

pedestrian mews, street improvements and off-street parking. 55 Laguna LP will develop the affordable senior housing, a senior community center, retail space and office space.

Site Layout

The project site would be divided into two separate areas north to south with the proposed Waller Park (located in the former Waller Street right-of-way) bisecting the two distinct areas. The proposed buildings would also be oriented north to south and “read” as ten separate structures; however, one below grade parking garage, accessed from Laguna Street, would connect buildings 2C, D and E (as well as some above-grade enclosed corridors) and one below-grade parking garage, accessed from Buchanan Street, would connect buildings 1A and B (also with above-grade enclosed corridors). The community garden would be located behind Woods Hall Annex and accessed from Laguna and Haight Streets. The project layout has been modified from the layout approved in 2008 to eliminate an “L” shaped street configuration that previously bisected the site. The north - south portion of the former Lindhardt Lane has been modified into the pedestrian/bicycle only Palm Lane and provides access to the interior of the site from Hermann Street. Micah Way, an east-west street, has been eliminated. Buildings are now oriented north to south and step down the site from west to east with the slope of the site.

Urban Design

The proposed development would transform the site from an unmaintained and underutilized site that is cut off from the surrounding neighborhood to an active, pedestrian friendly and vibrant amenity that knits the site into the neighborhood. This would be accomplished by: the demolition of retaining walls that limit visual and physical penetration into the site; the introduction of public pedestrian thoroughfares (Waller Park, and Palm Lane) that will permit pedestrians to transverse the site from the east, west and south; and by creating numerous unit and building entrances around the site’s perimeter.

Three existing buildings would remain. Woods Hall would be adaptively reused as 21 dwelling units. Woods Hall Annex would be adaptively reused as a community center. Richardson Hall (except the Administration Building to be demolished) would be adaptively reused as 40 senior affordable dwelling units, retail space and offices for Openhouse. Middle Hall and the retaining walls on Haight and Laguna Streets would be demolished.

The proposed new buildings would be designed to complement the architectural character of the remaining Landmark buildings, and the surrounding neighborhood. The overall variation of building heights is intended to relate to the size and scale of buildings across Buchanan and Laguna Streets while accounting for the site’s topography.

The proposed new buildings would range in height between four and seven stories. Building 1A and 1B, on the north and south sides of the proposed Waller Park at Buchanan Street would be four stories in height at Buchanan Street, and generally reflect the height of buildings on the opposite blockface. These buildings would replace a chain-link fence and surface parking lot with two volumes and seven new unit entrances and a garage opening on Buchanan Street. Buildings 1A and 1B, and their unit entrances, would also front Waller Park and Palm Lane. Building 2E, at

three stories on Haight Street and seven stories at the corner of Laguna and Waller Streets, would front Waller Park, Palm Lane, and Laguna and Haight Streets. On Laguna Street, the existing retaining wall would be replaced with one building of approximately 275 feet in length that has been separated into at least three different volumes through altering window openings, building detail, fenestration and material changes along the facade. Building 2E would introduce entrances to dwelling units, a single garage entrance and the community garden on Laguna Street, and unit and garden entrances on Haight Street. Dwelling unit entrances would be created on Waller Park. Buildings 2C and 2D are five stories in height, fronts on and would have unit entrances on Waller Park and Palm Lane. At seven stories, the new Openhouse building (Building 5) would be constructed where the existing Administration Wing of Richardson Hall now stands. This building would introduce transparent windows facing the sidewalk at Laguna Street with the main entrance at the corner of Laguna Street and the proposed Waller Park. The windows and entrance would replace an existing retaining wall with no openings. Building 3, a gym and clubroom, would be located between the west end of Building 1B and Woods Hall.

Through the introduction of individual lobbies, stoops, porches and/or bay windows along the street frontages, Waller Park and Palm Lane, an active pedestrian environment would be created. These features facilitate pedestrian access and use, landscaping, street furniture and a sense of place. The result is a design that integrates the private residential units directly into the vitality of the street level, and introduces a neighborhood where none currently exists.

Dwelling Units

Up to 440 rental units would be constructed and located in eleven of the thirteen buildings on the site. Alta Laguna LLC would develop and manage up to 330 market-rate rental units in Buildings 1 (new), 2 (new), and 4 (adaptive reuse of Woods Hall). Of these units, approximately 76 would be studio/junior on-bedroom units, 150 would contain one bedroom, 102 would contain two bedrooms and two would contain three bedrooms. Unit size ranges from 650 to 1,541 square feet. The Alta Laguna LLC project would include 50 inclusionary below market rate rental units. 55 Laguna LP, a partnership of Openhouse, a non-profit developer serving the LGBT senior community, and Mercy Housing of California would develop and manage up to 110 senior affordable rental units in buildings 5 (new) and 6 (adaptive reuse of Richardson Hall). Of these units, approximately 11 would be studios, 95 would contain one bedroom and four would contain two bedrooms. Unit size ranges from 325 to 840 square feet. The senior affordable units are subject to Planning Code Section 102.6.1, requiring specific physical attributes of senior housing, minimum number of units, minimum age and occupancy.

The only buildings not containing dwelling units would be Woods Hall Annex (community center) and the amenity building proposed to contain a clubhouse and gym.

As a result of the ownership and development structure, all dwelling units, including those fulfilling the inclusionary affordable housing requirement, would be available only for rent. On August 4, 2011, the City of San Francisco and Alta Laguna, LLC entered into a Costa-Hawkins agreement to provide for an exception to the rent restrictions of the Costa-Hawkins Act for the development's inclusionary units.

Vehicular and Bicycle Parking: The project will replace three existing parking lots with approximately 310 off-street parking spaces in two underground garages. As part of the lease agreement with UC, project sponsor(s) must replace up to 51 existing off-street parking spaces for the dental clinic. Dental clinic parking would be accessed from Buchanan Street and located under Building 1. No less than 10 car share spaces would be located in the garage below Building 2 with access to Laguna Street. Up to 249 off-street parking spaces would be dedicated to all the development's rental dwelling units constructed and managed by all project sponsors. Planning Code Section 249.32, the Laguna, Haight, Buchanan and Hermann Streets Special Use District (SUD), restricts residential off-street parking to .75 spaces for each dwelling unit, including senior dwelling units. As there would be no more than 249 off-street parking spaces for 440 dwelling units, the parking ratio for the development would be .57 parking spaces for each dwelling unit. It should be noted that Planning Code Section 151(b) does not require off-street parking for senior affordable housing (the 55 Laguna, LP development). Of the 249 off-street parking spaces provided, no less than 154 of those spaces will be space efficient. Per Exhibit "B", the development meets this standard through the use of parking "stackers." No less than 8 handicapped spaces would be provided. No Less than 126 secure, on-site bicycle parking spaces would be located in four different rooms throughout the site and accessed from both garages and Palm Lane.

Parking fees would be "unbundled." Residents who choose to store their car on site would be offered parking for a fee. Those who do not wish to pay for off-street parking would not be charged a fee for off-street parking. Consistent with the Market and Octavia Area Plan's reliance on "unbundling" of parking from housing costs, parking fees would not be included in the residents' base housing payments.

The dental clinic parking would be made available to the public and residents for a fee outside of its dental clinic business hours.

The project is not required to, and does not provide any off-street loading. The project sponsors will apply for white zones on Laguna and Buchanan Streets to accommodate loading needs.

Publicly Accessible Open Space

As part of the development's public benefits, two new publicly accessible open spaces, Waller Park and a community garden, would be created and maintained by Alta Laguna, LLC. Waller Park would extend from the intersection of Waller and Buchanan Streets through the site to the corner of Waller and Laguna Streets, effectively re-introducing Waller Street through the site as a public amenity. Waller Park would provide approximately 28,000 square feet of publicly accessible open space and passive recreational uses. Upper Waller Park would include benches, and trees and would take advantage of the steep slope of the project site by providing a scenic overlook with views of the East Bay and downtown San Francisco. Lower Waller Park would include hard and softscape areas with trees, benches, and built-in seating on the slope, overlooking the end of Waller Park. Street trees would be planted along all four exterior streets as well as along all internal pedestrian ways. A turf/lawn area will be included.

A no-fee community garden of no less than 10,600 square feet would be developed and made available to the public and development residents by Alta Laguna LLC. The garden would be located behind Woods Hall Annex at the northwest corner of the site. Access to the garden would be through a stairway and accessible ramp fronting Laguna Street, as well as a stair and gate leading from Haight Street.

Private open space would be provided, respectively, through patios and decks for individual units. Common open space would be provided in the large courtyards between buildings and Palm Lane. It is not necessary to count the area of Waller Park or the community garden to satisfy open space requirements of the dwelling units.

At this time the City retains ownership of Waller Street. The Project Sponsor must obtain approval from the City in its proprietary capacity prior to issuance of any building permit for the Project to develop Waller Park. Any such approval by the Board should be contingent on the Waller Street right-of-way, whether or not improved as a park, remaining open and accessible to the public. If required by the Board, such requirement shall be recorded as a Notice of Special restriction.

The project would include landscaping throughout the Project area in the form of trees, shrubs and native plantings based on the Landscaping plan contained in Exhibit B.

Community Facility Space

As part of the development's public benefits, Alta Laguna, LLC will undertake seismic and accessibility building shell improvements to Woods Hall Annex to be used as a rent-free community center/facility of no less than 12,000 square feet. The use will be determined in consultation with the community. Alta Laguna, LLC will work with the City to determine if ongoing funding dedicated to operation of the center can be leveraged through the Mills Act.

Pedestrian, Bicycle and Vehicular Circulation

Pedestrians could transverse the site from east to west through Waller Park (the former Waller Street right-of-way) between Laguna and Buchanan Streets. Through creation of Palm Lane, which provides access north to south, pedestrians could transverse the site from Hermann Street to Haight Street through Woods Hall Annex or the garden entry on Haight Street. Waller Park and Palm Lane intersect at approximately midway through the site. Vehicular ingress and egress would be limited to the garage entrances on Buchanan and Laguna Streets. There would be no at-grade vehicular penetration into the site. At-grade bicycle access to the site would be from Palm Lane at Hermann Street. Palm Lane would be used for emergency vehicle access as necessary.

Rehabilitation and Demolition of Landmark Buildings

On April 18, 2007 the Board of Supervisors designated Richardson Hall (except its Administration Wing), Woods Hall and Woods Hall Annex as local landmarks pursuant to Article 10 of the Planning Code under Ordinance 216-07. Buildings and features to be retained are identified in the Ordinance.

Rehabilitation of Woods Hall, Woods Hall Annex, and most of Richardson Hall would be primarily restricted to the interior of these buildings, without substantial alterations to their exterior facades or rooflines, with the exception of new windows on the interior courtyards and window and door openings on street frontages. The ground floor of Richardson Hall would be altered to accommodate the proposed ground-floor retail space, Openhouse office space, and/or three senior affordable units at the corner of Laguna and Hermann Streets. The sidewalk at the intersection of Laguna and Hermann Streets would also be widened in this location. Along the south wall of the auditorium in Richardson Hall, original window openings that were filled in during an earlier renovation would be opened up as well as the addition of new window openings. There may be new entrances along Laguna and Hermann Streets at the second level of Richardson Hall to allow resident only access to the existing roof deck.

The portion of Richardson Hall to be demolished would be the single-story Administration Wing which sits atop the retaining wall facing Laguna Street near Waller Street and a small one story connecting structure adjacent to the Administration Wing. The proposed new Openhouse building would be constructed in the general location of the Administration Wing of Richardson Hall, and would be separated from the remaining portions of Richardson Hall by a new wall. In addition, Middle Hall would be demolished to accommodate construction of Building 1B, dwelling units and site improvements. The retaining wall along Laguna Street between Waller and Haight Streets and extending westward on Haight Street would also be demolished.

In accordance with the Mitigation Monitoring and Reporting Program of Case 2004.0770E, the Historic Preservation Commission approved a Certificate of Appropriateness for alterations to the landmark buildings on May 16, 2012, Case No. 2012.0033A, Motion 0157. The Board of Supervisors voted to uphold the Certificate of Appropriateness under an appeal heard on July 31, 2012.

Retail and Office Space in Richardson Hall

At the time of Planning Commission review, there are two scenarios for the adaptive reuse of Richardson Hall's ground floor at the corner of Hermann and Laguna Streets, which is currently a solid retaining wall. Under Variant A, up to 2,500 square feet of retail space would occupy the ground floor of Richardson Hall at corner of Hermann and Laguna Streets with approximately 2,700 square feet of office space to be occupied by operational offices for Openhouse immediately north of the retail space and fronting Laguna Street. Under Variant B, up to 2,500 square feet of space at the corner would be occupied by operational offices for Openhouse and up to three dwelling units, a residential lobby, storage space and building systems would be located immediately north of the office space and fronting Laguna Street.

Senior Community Center in Newly Constructed Openhouse Building

Openhouse will include in its new residential building a senior center of approximately 7,500 square feet. The center would provide senior programming in the activity areas and dining in the larger activity room on the second floor. It is expected that transportation for residents will be provided by van service. It is anticipated that 100-150 people will use the facility each day.

Green Building Features

This project is a nationally recognized LEED ND (leadership in energy and environmental design for neighborhood developments) project. LEED ND is a program for certifying outstanding neighborhood scale developments currently being implemented by the United States Green Building Council. It is anticipated that the project is certifiable at the GOLD level. This is primarily due to excellence in site planning, the mix of uses, the transit emphasis, and innovative environmental measure incorporated into the project. These measures include:

Sustainable Site

- Urban Infill Site utilizing existing infrastructure
- Transit Oriented Development: Direct access to Haight and Market Street Transit lines
- Secure Bicycle Storage
- Reduced parking ratio
- Proposed largest City Car Share pod in the City
- High density mixed use development

Water Efficiency

- Water Efficient Landscaping components
- Seasonal water collection and filtration at Waller Park
- Permeable paving at internal lanes

Energy and Atmosphere

- Energy efficient heating system
- 100% fluorescent lighting
- Cat-V cabling to all units
- Energy Star appliances
- Insulated Windows with low E coating
- Proposed photovoltaic solar electric and solar thermal hot water systems

Materials & Resources

- Storage and collection of Recyclables for residents
- Re-use Existing Buildings
- Divert at least 50% of construction waste from landfills
- High fly-ash concrete mix
- Recycled content carpet and/or natural linoleum flooring

Indoor Environmental Quality

- Natural through ventilation in many units
- Daylight at least 75% of all interior spaces
- Paint, adhesives and sealants with low VOC contents

Phasing

Construction of the project elements may be phased, with demolition of Middle Hall and the Administration Wing of Richardson Hall and construction of the family dwelling units, Waller

Park, Palm Lane, the community garden, and the community facility developed in two initial phases by Alta Laguna, LLC; and the two affordable senior buildings (rehabilitation of Richardson Hall and Building 5) developed in two subsequent phases when adequate public subsidies are available to 55 Laguna, L.P. for each building. A graphic showing the phasing plan can be found in the records of Case No. 2012.0033U.

5. **Public Comment.** As of August 2, the Department has received two letters expressing concern about the revised project. On April 30, 2012, The Hayes Valley Neighborhood Association (HVNA) submitted a letter to the Department expressing concerns that include: that the amount of off-street parking is excessive; the design of garage entrances, newly constructed buildings, and Waller Park are not satisfactory; improved safety and activation of Haight Street; and in support of a retail occupant at the corner of Hermann and Laguna Streets. A second letter from a member of the public expressed concerns about traffic patterns created by the garage on Laguna street and the width of garage entries.
6. **Entitlements Required:** This Conditional Use application is to modify the project known as the "55 Laguna Project", which was approved as a Conditional Use (Planned Unit Development) in January, 2008. Modifications to the original project's site plan through the rearrangement of building footprints, changes in building architecture and massing; locations of courtyards and open space; and the elimination of interior streets that provided vehicular access have altered how the project meets, or does not meet, various Planning Code requirements. In addition, a number of Planning Code requirements have been adopted since the original Conditional Use/Planned Unit Development entitlement was approved in January, 2008. These project changes require additional Planning Commission review and approval for changes to a previously-approved Conditional Use authorization as a Planned Unit development for modifications to the location of the required rear yard throughout the development, dwelling unit exposure for 53 dwelling units, and transparency and active uses for street frontages in a Neighborhood Commercial District for uses in Richardson Hall fronting Laguna Street.
7. **Planning Code Compliance:** The Commission finds that the modified Project is consistent with the relevant provisions of the Planning Code in the following manners:

Planning Code requirements for which modifications through a Planned Unit Development are requested.

- A. **Rear Yard.** Planning Code Section 134(a)(1) requires that a rear yard equal to 25 percent of the lot depth be provided for the lot on which each building is situated. Further, Section 134(a)(1)(A) requires that in RM-3 districts, rear yards be provided at grade level and at each succeeding level or story of the building. Section 134(a)(1)(C) requires that in NC-3 Districts, rear yards must be provided at the lowest story containing a dwelling unit, and at each succeeding story of the building. For the subject site, a required rear yard would need to be approximately 59,029 square feet and located at the opposite end of the site's frontage.

Proposed Parcel A, which will contain the family rental units, is approximately 162,700 square feet (not including Waller Park) with buildings covering approximately 94,700 square feet for an

overall lot coverage of 58%, or 42% of undeveloped area that could be considered a rear yard. It should be noted that the lot area below at least four proposed above-grade “bridges” connecting Buildings 2E and D, 1B, and 1A have not been subtracted from the overall square footage of Parcel A. However, the rear yard area of Parcel A far exceeds the rear yard requirement so that the area not subtracted from the overall totals would not change the development’s compliance with the rear yard requirement. The lot proposed to be Parcel B.1 is approximately 14,800 square feet with a building coverage of approximately 9,600 square feet for an overall lot coverage of 64% or 36% of undeveloped area that could be considered a rear yard. Proposed Parcel B.2 is approximately 28,400 square feet with a building covering approximately 19,000 square feet for an overall lot coverage of approximately 66%, or 44% of undeveloped area that could be considered a rear yard. Not including Waller Park, the development includes approximately 82,600 square feet of at-grade undeveloped land that could be counted towards the rear yard requirement or 40% of the entire development area. Although the development exceeds the amount of undeveloped land to be counted towards the rear yard requirement, it will not be provided in a single rear yard configuration. Therefore, this Conditional Use/PUD authorization includes a modification to the rear yard requirement so that the open space can be provided throughout the site instead of in one continuous space on the lot that is opposite the site’s frontage.

- B. Dwelling Unit Exposure. Planning Code Section 140 requires that all dwelling units face a public street or side yard at least 25 feet in width, a required rear yard, or an open area of 25 feet in width. Though most units in the development will meet this requirement, a PUD modification is required for 53 units in the development that do meet this requirement.

Bldg. No.	# of units	Issue
1	8	Face courtyard of 16’.
2	7	Face courtyard of lot of 11’ on lot A. Requirement is met if shared courtyard dimension of lot A and B.1 (15 feet) is counted.
4	1	Face courtyard of 16’.
5	23	On property line with Waller Park (more than 25’ wide).
6	14	Face courtyards of less than 25’.
Total	53	

- C. Street Frontages in NC Districts: Planning Code Section 145.1(a)(2)(A), as it relates to the subject development, requires active uses at the street, controls the amount of linear feet that must be dedicated to residential entrances, and provides an exception for historic buildings. The proposal contains two variants (A and B) for the ground-floor façade design and use of Richardson Hall. At a Historic Preservation Commission (HPC) hearing on May 16, 2012, the HPC voted to limit the number of openings on the ground floor of Richardson Hall fronting Laguna Street to one at the main Openhouse lobby per Variant A. Variant A complies with Section 145.1 because the retail and office uses are “actives uses.” However, under Variant B, the ground floor would contain three dwelling units (an active use) that face Laguna Street, but do

not provide direct access to the street as required by Section 145.1. Therefore, if dwelling units are proposed for the ground floor in the future, the requirements of Section 145.1 would not be met. To avoid additional Planning Commission review in the future, a modification for dwelling unit entrances on Laguna Street is included in the PUD request.

The proposed Openhouse building at the corner of Waller Park and Laguna Street is not subject to Section 145.1, as under the Building Code the occupied area accessible from the street is defined as a basement and not a ground floor.

- D. Transparency on Street Frontage in NC District: Planning Code Section 145(c)(6) requires non-active street frontages to provide a minimum transparency of no less than 60 percent of the street frontage.

Modifications to the ground floor of Richardson Hall (Level 1) include new openings in the retaining wall fronting Richardson Hall, a designated City Landmark. In its approval of a Certificate of Appropriateness for Richardson Hall on May 16, 2012, the Historic Preservation Commission limited the number and size of openings on the ground floor of Richardson Hall to preserve the character defining solidarity of the ground floor. This limitation does not meet the 60 percent transparency requirement. A historic building modification from this Code requirement is necessary.

The Development complies with the following Planning Code requirements.

- E. Use. The development includes residential, institutional, community facility, retail, office and accessory uses in the Laguna, Haight, Buchanan and Hermann Streets Special Use District, and RM-3 and NC-3 Districts.

The RM-3 District would include up to 218 market-rate and inclusionary family dwelling units, a community center and garden, an amenity building containing a gym, clubroom and lounge for project residents and accessory uses such as a bicycle maintenance, music and storage rooms. Per Planning Code Section 209.1, the residential use is a principally permitted use in the RM-3 District. The community center requires Conditional Use authorization; however, this use was entitled through Case No. 2004.0773C and Motion 17537. The remaining gym, bicycle and music and storage rooms would be considered accessory uses to the residential use per Planning Code Section 204.1, and are thus permitted. The NC-3 District would include up to 222 senior affordable and market rate and inclusionary family dwelling units, an institutional use of up to 7,500 square feet (senior community center operated by Openhouse), retail space up to 2,500 square feet, approximately 2,700 square feet of Openhouse office space, and tenant storage. Per Planning Code Section 712.90 residential uses are principally permitted uses in the NC-3 District. Planning Code Section 790.50, a large institutional use, the Openhouse community center is permitted in the NC-3 District. Planning Code Sections 712.40 and 712.21 principally permit retail uses up to 5,999 square feet; and Section 712.53 and 712.21 principally permit offices uses up to 5,999 square feet; therefore the retail and office use in Richardson Hall would be permitted. The project complies with use limitations.

- F. Density. Planning Code Sections 209.1 and 712 establish density restrictions for dwelling units in Residential and Neighborhood Commercial districts, respectively. The proposed residential density is within the limits of these sections. No increase in density is sought by the PUD.

Section 207.4 allows density in NC-3 districts to be equal to that permitted in the nearest Residential District, provided that the maximum density is no less than 1:600. Here, the nearest R zone to the NC-3 district is RM-3, which has a density ratio of 1:400 and 1:200 for senior units. There are 268 units permitted in the project's NC-3 district where 222 units are proposed. The 1:400 density in the site's RM-3 zone permits up to 319 units where 218 units are proposed. The project complies with density limitations.

- G. Floor Area Ratio (FAR). Planning Code Section 124 limits the building square footage in both RM-3 and NC-3 districts to 3.6 square feet of building area for every 1 square foot of lot area. In the NC-3 and RM-3 Districts, FAR limits do not apply to dwellings or to other residential uses, nor do they apply to accessory off-street parking per Planning Code Section 124(b).

The development site would be split into three lots. Parcel A, of approximately 162,700 square feet (not including Waller Park of approximately 28,000 square feet), would contain the Alta Laguna, LLC, residential development, an approximately 12,000 gross square foot community center where FAR limits applicable development to approximately 585,600 square feet. Parcel B.1, of approximately 14,800 square feet, would contain the new Openhouse residential building and community center of approximately 7,500 square feet where FAR limits applicable development to 53,244 square feet. Parcel B.2, of approximately 28,400 square feet, would contain the Openhouse/Richardson Hall residential units and approximately 2,500 square feet of retail space and 2,700 square feet of office space where FAR limits applicable development to approximately 102,240 square feet. UC has required the garage containing the 51 dental school parking spaces to be a separate lot, proposed Parcel D, of approximately 21,400 square feet to support the 18,000 square foot dental clinic on proposed Parcel C. Under Section 249.32(b)(1), the 51 parking spaces in Parcel D are permitted as accessory parking for the Parcel C dental clinic. The project complies with the FAR limits in both use districts.

- H. Open Space. Planning Code Section 135 requires that 80 square feet of private usable open space be provided for every dwelling unit in NC-3; in RM-3 districts, 60 square feet of private usable open space is required to be provided for every dwelling unit. The open space requirement must be multiplied by 1.33 when provided as common open space. For senior housing, the amount of required open space is ½ the amount otherwise required.

- *NC-3 District – 17 of the family dwelling in the NC-3 district have private open space meeting the minimum requirements of the Planning Code, leaving 95 family units (a requirement of approximately 10,010 square feet) and 110 senior units (a requirement of approximately 5,852 square feet) requiring common open space, for a total of approximately 15,960 square feet of required common open space. The NC-3 district provides approximately 16,000 square feet of common open space.*

- RM-3 District – 24 of the family dwelling in the RM-3 district have private open space meeting the minimum requirements of the Planning Code, leaving 194 family units (a requirement of approximately 15,481 square feet) requiring common open space. The RM-3 District provides more than 17,000 square feet of common open space.

Collectively, the project provides a minimum of 33,740 square feet of common open space meeting the dimensional requirements of Section 135, and thus satisfies open space requirements. Neither Waller Park nor the community garden is included in this calculation of common open space.

- I. Height. Planning Code Section 260 requires that all structures be no taller than the height prescribed in the subject height and bulk district. The development approved in 2008 required legislation to change the height and bulk districts from 40-X and 80-X to 40-X, 50-X and 85-X.

Height of the development has been measured at four points around the site. The project sponsor has chosen to measure the height of Buildings 1A and 1B from Buchanan Street. Building 1A is located in the 50-X District and is approximately 42 feet in height to the roof top measured from the curb on Buchanan Street. Building 1B is primarily located in the 50-X District and is approximately 42 feet in height to the roof top measured from the curb on Buchanan Street, with the portion of the building located in the 40-X District less than 40 feet in height as measured from Buchanan Street. Stair and mechanical penthouses would project slightly above 50 feet, but are exempt per Section 260(b). The project sponsor has chosen to measure the height of Building 2C from Hermann Street. Building 2C is located in the 85-X District and is approximately 63 feet in height measured to the roof top from the curb on Hermann Street. Proposed penthouses would not exceed the height limit. The project sponsor has chosen to measure the height of Buildings 2E and 2D from Haight Street. Building 2E is located in both the 40-X and 50-X Districts, is approximately 260 feet long from Haight Street to Waller Park, is three stories at Haight Street and seven stories at Waller Park, and on a down-sloping lot from Haight Street. At Haight Street, the building is approximately 33 feet in height and complies with the 40-X District. Although the building is seven stories at Waller Park, it complies with the 50-X District as the measurement is taken from Haight Street. Per Planning Code Section 102.12.(b), the measurement of height for this building can exceed a depth of 100 feet because the building does not extend beyond a line that is equidistant between Haight and Hermann Streets. Penthouses for this building extend above the 50-foot height limit, but are exempt per Planning Code Section 260(b). Building 2E is subject to Planning Code Section 260 for buildings on a lateral slope where the height limit is 65 feet or less. The building complies with this requirement as the slope of Haight Street is approximately 12% and no portion of the building exceeds a width of approximately 65 feet. Building 2D is located in both the 40-X and 50-X District, is 33 feet in height as measured from Haight Street. The project sponsor has chosen to measure the height of Building 3 from Haight Street. Building 3 is located in the 40-X District and is approximately 10 feet in height to the roof top measured from the curb on Haight Street. The project sponsor has chosen to measure the height of Building 5 from Laguna Street. Building 5 is located in the 85-X District and is approximately 76 feet in height to the roof top measured from the curb on Laguna Street. The building includes a penthouse of which only a small portion exceeds the height limit.

Buildings 4A (Woods Hall), 4A (Woods Hall Annex) and 6 (Richardson Hall) are existing buildings with no proposed vertical additions.

- H. Bulk. Planning Code Section 270 limits the bulk of buildings and structures, and assigns maximum plan dimensions.

The site's height and bulk districts are 40-X, 50-X and 85-X. The "X" bulk control has no specific limitations on building bulk. The proposed buildings comply with the bulk requirements.

- I. Off-Street Parking. Planning Code Section 249.32(i-xi), the Laguna, Haight, Buchanan and Hermann Streets Special Use District (SUD), establishes specific off-street parking requirements for any development within the SUD.

No change in the number of parking spaces from that approved by Motion No. 17537 is proposed (310 spaces, including 51 replacement spaces for the UC Dental Clinic and 10 car share spaces) and the parking complies with the requirements of Section 249.32.

The development (senior affordable units and market-rate units) meets the off-street parking standards of the SUD in the following manners. (i) Ingress and egress for the parking garages do not exceed a width of 20 feet on either Buchanan or Laguna Streets. Haight Street is a Transit Preferential Street; however, there are no curb cuts or garage entries on this street. (ii) Off-street parking is located more than 25 feet from Laguna Street and wrapped with dwelling units. Off-street parking along Buchanan is below the street level. (iii) At-grade vehicular access within the development has been eliminated which will improve pedestrian movement and safety through Waller Park and Palm Lane. The development relocates two existing curb cuts and driveways, ingress and egress improvements through streetscape design will increase pedestrian safety. (iv) Off-street parking will not be visible from any public right-of-way or Waller Park. Off-street parking would be located in two garages, one accessible from Buchanan Street and one accessible from Laguna Street. (v) Off-street parking will be enclosed and entrances, curb cuts and driveways will be no wider than 20 feet. (vi) The project would contain up to 440 dwelling units and no more than 249 off-street parking spaces for a ratio of .57:1, less than the .75:1 ratio permitted. Of the 249 off-street parking spaces no fewer than 154 spaces or 62% of all off-street residential parking, would be accommodated in 2 and 3 car "stackers," in excess of percentage required. (vii) The development provides up to 51 off-street parking spaces for use by UC's dental clinic. The development would provide up to 10 car share spaces where three would be required. (viii) The development does not include a retail use larger than 20,000 square feet. (ix) The development proposes 10 car share spaces where three are required. (x) This requirement is fulfilled through the development's conditions of approval. (xi) Parking will be unbundled and available to all development residents.

- J. Car Share Parking. Planning Code Section 166 requires two car share parking space be provided for up to 201 dwelling units and 1 more space for each additional 200 units, or three spaces for the Project. Section 249.32 requires 5% of the 51 non-residential spaces to be for vanpool, car share other joint use spaces, or three spaces for the Project.

The Project would provide 10 car share parking spaces, seven more than required by the Planning Code, to be located in the garage with egress to Laguna Street.

- K. Off-Street Loading. Planning Code Section 249.32 provides that no off-street loading is required and a maximum of two off-street loading spaces could be provided for residential projects that have between 100,001 and 200,000 square feet of floor area.
The project sponsor has elected not to provide off-street loading on the site and will apply for on-street "white" loading zones on the Laguna and Buchanan Street frontages.
- L. Street Trees. Planning Code Section 138.1 requires street trees and other streetscape improvements to be installed by a project sponsor constructing a new building in an RM-3 or NC-3 District at the rate of one tree for each 20 feet of frontage of the property along each street.
Up to 36 existing trees within the public right-of-way and in front setback areas along Haight and Buchanan Streets are proposed to be removed. As required, the development would provide a minimum of 55 street trees; although, the plans for the development's Better Streets requirement indicates that up to 80 new street trees are proposed.
- M. Shadows. Planning Code Section 295 generally does not permit new buildings over 40-feet in height to cast new shadows on a property owned and operated by the Recreation and Park Commission.
A shadow fan analysis conducted for the Environmental Impact Report per Case 2004.0770E concluded that the Project would not create any new shade on any Department of Recreation and Park properties protected under Planning Code Section 295. An addendum to address revisions to the project was issued per Case 2012.0033E, and the conclusion regarding shadow had not changed.
- O. Street Frontages: Planning Code Section 144 promotes visually interesting and attractive street frontages in relation to the pattern of the neighborhood in R districts so that adequate areas are provided for front landscaping, street trees and on-street parking between driveways. Planning Code Section 145.1 promotes visually interesting and attractive street frontages in relation to the pattern of the neighborhood in NC districts so that adequate areas are provided for front landscaping, street trees and on-street parking between driveways. Specifically, entrances to off-street parking may not exceed one-third of any ground-story frontage, any parking entrance may not exceed 20 feet in width, and entrances to parking shall be at least six feet from a lot corner located at an intersection.
The 55 Laguna development would relocate two existing curb cuts and driveways, each approximately 30 feet wide on Buchanan and Laguna Streets, both at the Waller Street right-of-way. The curb cut on Buchanan Street would be relocated approximately 100 feet south of its current location and provide access to up to 51 off-street parking spaces for use by the UC Dental Clinic and 70 residential parking spaces. The garage openings for this entry would be no more than 20 feet wide on a building frontage that is approximately 110 feet long. The curb cut on Laguna Street would be relocated approximately 100 feet north of its current location and provide access to up to 189 off-street parking spaces for use by residents of the market rate and all affordable dwellings and car share spaces. The garage openings for this entry would be no more than 18 feet wide on a building frontage that is approximately 260 feet long. The relocation of both

curb cuts from either end of the Waller Street right-of-way will help to create Waller Park, a publicly-used park. On-street parking will continue to be provided on all street frontages.

Overall, all four street frontages will be improved by the proposal through the creation of new plantings in the front setback areas, street trees, street pavers and bulb outs at three intersections and the top and bottom of Waller Park. The development will bring pedestrian interest to all frontages through the introduction of dwelling unit stoops and entries, building lobbies, a retail use, lobbies of up to two community centers and the community garden.

- P. Bird-Safe Standards: Planning Code Section 139 creates standards for new building construction and replacement facades by regulating building siting and certain building features, such as the square footage of uninterrupted glazing.
The development site is not immediately adjacent to, or within 300 feet of, an open space of at least two acres. As proposed, Waller Park is approximately 28,000 square feet, about ¼ of an acre. The proposed development is located in an R (Residential) zoning district, and exceeds a height of 45 feet in places; therefore, the project will comply with the feature-related glazing treatments required by Planning Code Section 139.
- Q. Streetscape and Pedestrian Improvements: Planning Code Section 138.1 implements the Better Streets Plan to improve the public rights-of-way so they are safe, accessible, convenient and attractive to pedestrians and all modes of travel.
The development will greatly improve an existing site that is primarily used as off-street parking and is visually cut off at the pedestrian level with tall retaining walls and chain link fences. Streetscape Plans in Exhibit B show that the sidewalks of all four street frontages will be resurfaced and will include street trees in basins with a permeable material, landscaping in front setback areas, bulb outs, and permeable pavers between street trees.
- S. Market and Octavia Area Plan Fees: Under Article 4 of the Planning Code, certain housing and community impact fees are required for developments within the Market and Octavia Area Plan.
Between 2004 and 2008, when the initial 55 Laguna project sponsored by AF Evans was under review, the Market and Octavia Area Plan was being developed and reviewed by the Planning Commission and Board of Supervisors. At that time, rather than pay the fees, the project sponsor wished to provide public amenities such as Waller Park, the community garden, the community center, greening, and pedestrian and bicycle improvements worth approximately \$6,371,000. Language that allows these amenities to be provided rather than pay the fees is incorporated into the Laguna, Haight, Buchanan and Hermann Streets Special Use District, Section 249.32. An In-Kind Agreement for the amenities will be required to ensure they are constructed at the cost not less than the otherwise applicable Market and Octavia Community Infrastructure Impact Fee.

Community Infrastructure Improvement	2008 Estimated Value	2012 Value included for In-Kind Agreement
Waller Park Improvements (25,000 sf)	\$4,050,000	\$6,776,000
Community Garden (10,600 sf)	\$575,000	
Wood Hall Annex Community Center (12,000 sf)	\$1,200,000	
Sub Total	\$5,825,000	\$6,776,000
Community Center Rent Subsidy	\$400,000	None.
Pedestrian Improvements (Laguna-Hermann, Laguna-Waller and Waller Buchanan bulb-outs)	\$140,000	None. Required by Planning Code.
On Street Bicycle Racks (7 racks)	\$6,000	None. Required by Planning Code.
Total	\$6,371,000	\$6,776,000

Based on 2012 fee rates the proposed project would be required to contribute \$4,237,047 to the Market and Octavia Community Improvements Fund. The project sponsor proposes to provide in-kind improvements with an estimated value of \$6,776,000.

T. Bicycle Parking: Planning Code Section 155.5 requires bicycle parking for residential uses. Housing dedicated to seniors is exempt from this requirement.

For projects of over 50 dwelling units, 25 Class 1 spaces are required, plus one space for every four units over 50. The development would construct up to 330 non-senior units for an overall requirement of 70 Class 1 spaces. The proposal includes up to 125 Class 1 bicycle parking spaces located in at least three separate buildings throughout the site. The Better Streets plan includes five parking racks at the base of Waller Park at Laguna Street and eight parking racks on Haight Street close to the community center entrance.

U. Inclusionary Affordable Housing: Planning Code Section 415 requires housing project that consists of five or more units where an individual project or a phased project is to be undertaken and where the total undertaking comprises a project with five or more units, even if the development is on separate but adjacent lots to comply with the Inclusionary Affordable Housing Program.

Relevant to the Inclusionary Affordable Housing Program, the 55 Laguna project proposes two types of housing: up to 330 market-rate family housing units to be developed by Alta Laguna, LLC and up to 110 senior affordable housing units to be developed by 55 Laguna, LP.

On August 4, 2011, the Planning Commission approved Motion 18427 under Case No. 2011.0450C, modifying the inclusionary affordable housing component of the project entitled in 2008. Under Motion 18427, Wood Development would satisfy the requirements of Planning Code Section 415 through Alternative #3 in Section 415.5(g) – a combination of on-site units and payment of a fee – to provide a minimum of 10% of the requirement as on-site units and up to the

required 15% in the market rate housing development. This equates to approximately between 32 and 50 BMR on-site units within the market rate housing development and payment of an Affordable Housing Fee of up to approximately \$6.3 million to comply with Planning Code Section 415. This modification from the definitive 50 on-site BMR units included in the original Conditional Use Authorization has been necessitated by the Mayor's Office of Housing's inability to immediately fund the full subsidy for the 55 Laguna, LP project that it committed to in the original entitlement process. However, with that "hybrid" inclusionary program proposed by the market rate project sponsor, the Mayor's Office of Housing had a year to attempt to secure the additional funds to meet its subsidy commitment to the Openhouse project and then provide some or all of the remaining 18 units to achieve the original BMR commitment. The senior housing development would remain 100% affordable. The modified project does not alter the overall number of market rate or affordable senior housing units to be provided within the overall development previously approved.

On August 10, 2012, the Mayor's Office of Housing (MOH) confirmed that a financing plan is in place for the acquisition of the affordable housing parcel which does not rely on payment of an Affordable Housing Fee by Alta Laguna, LLC. Therefore, Alta Laguna, LLC, will fulfill its inclusionary housing obligation by providing the full 50 BMR units on site, which would fulfill the goal identified during the Stakeholder meeting process in 2011 and described above.

- V. Lot Size: Planning Code Section 712.11 requires Conditional Use Authorization for lots over 10,000 square feet within the NC-3 (Moderate-Scale Neighborhood Commercial) District.

The current proposal includes three separate lots within the NC-3 District that each exceed 10,000 square feet in area. Parcel A, to be developed by Alta Laguna, LLC, would span both the RH-3 and NC-3 zoning district, with approximately 63,200 square feet of Parcel Area located in the NC-3 District. Parcel B.1, which would contain the newly constructed Openhouse building, would be approximately 14,800 square feet. Parcel B2, containing Richardson Hall, would be approximately 28,400 square feet. Although each of these lots would exceed the principally permitted lot size, the development approved under Case No. 2004.07703, Motion 17537 included conditional use approval and findings for one lot for the entire development site of more than 109,000 square feet.

8. **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

- A. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The project proposes to convert the vacant 236,113 sq. ft. (5.4 acre) UC Extension campus to a moderate density mixed use development of up to 330 market-rate and inclusionary family dwelling units, no less than 12,000 square feet of community space, Waller Park of no less than 28,000 square feet, and a community garden of no less than 10,600 square feet developed by Alta

Laguna, LLC, and up to 110 senior affordable dwelling units, no more than 2,500 square feet of neighborhood-serving retail space, approximately 2,700 square feet of office space for Openhouse, and a senior center of up to 7,500 square feet developed by 55 Laguna, L.P. In doing so, the project will result in the adaptive reuse of two and most of a third historically significant buildings, the demolition of the heavily altered Middle Hall and the one-story Administration Wing of Richardson Hall, and the construction of seven new building volumes, two of which would front Buchanan Street, two along Laguna Street, one fronting Haight Street, with the remaining buildings fronting either Waller Park on the former Waller Street right-of-way or Palm Lane. There would be a total of 10 buildings on the project site. Pedestrian access would be provided at the east and west ends of Waller Park, and to Palm Lane/Palm Alley from Hermann Street.

The proposed mixed use project provides: 1. Up to 440 family and senior dwelling units; 2. A pedestrian scale, neighborhood-serving retail use at the corner of Hermann and Laguna Streets; 3. An internal open space system (some of which would be publicly accessible) and a landscaped, attractive internal pedestrian and bicycle circulation system; 4. 12,000 square feet of community facility space in an adaptively reused Woods Hall Annex facing Haight Street; and 5. A community center for seniors residing in the project and throughout the City.

The project's use, size, density and height are compatible with the surrounding community. The mixed use character of the project is compatible with adjacent and nearby land uses. The surrounding neighborhoods include a wide range of residential, commercial, institutional and mixed uses and varying building heights, including mid-rise apartment buildings located primarily on corner lots, with smaller low-rise residential buildings located toward the center of the peripheral blocks.

Similar to the existing pattern of built forms, the project would locate the single taller building (Openhouse) nearer Market Street and shorter residential buildings closer to the lower-scale residential uses along the site's Haight and Buchanan Street frontages. Project buildings would be three to seven stories in height. New buildings along Buchanan Street would be four stories in height, while new buildings along Laguna Street would range from four to seven stories. New buildings on the interior of the site would be four to six stories in height. The proposed four story buildings on the project site would be approximately one story higher than the predominantly three-story residential buildings along the site's perimeter streets, such as Buchanan, Haight, and Laguna Streets. For example, diagonally across the intersection of Buchanan and Haight Streets, to the project site's northwest, are 195 units in three-story, buildings that comprise the HOPE VI Western Addition housing development. Immediately west of the project site along Laguna Street and south of the project site along Hermann Street are mid-rise apartment buildings which range in height from four to seven stories. The recently-constructed 93 units at three and four stories located at Church and Hermann Streets are about one block southwest of the project site.

The project building heights reflect nearby building heights and those set forth in the Market and Octavia Area Plan Element of the San Francisco General Plan, adopted by the Board of Supervisors on October 24, 2007 in Ordinance 24607 ("Area Plan"). The Area Plan created 85-

foot height limits along Market Street, as well as on Hermann and Laguna Streets across the street from the single proposed mid-rise element of the project. Diagonally across the intersection of Hermann and Buchanan Streets to the site's southwest, is the approximately 60-foot-tall United States Mint. The tallest project buildings, the two 7-story buildings at the intersection of Waller and Laguna Streets (north and south of the proposed Waller Park), would be generally similar in height to existing residential buildings that surround the site, such as the seven-story (80 foot) apartment buildings at 1900 Market Street, 78 and 300 Buchanan Street, 50 Waller Street, and 16 and 50 Laguna Street. Thoughtful use of the site's topography and the surrounding neighborhood streetscape enables the project to be integrated into the surrounding neighborhood and prevents it from appearing walled-off, as it currently exists.

The density of the project is consistent with the surrounding area. As stated above, there are numerous high-density apartment buildings near the site that would be mirrored in the placement of the site's higher density buildings. Similarly, the lower density buildings along the Haight and Buchanan boundaries, and part of Laguna Street, would be consistent with the residential uses on those perimeter streets. The site's overall density reflects the surrounding neighborhood as a result of the reestablishment of the Waller Street right-of-way as a publicly accessible pedestrian street (Waller Park) in two ways. First, inserting such a wide interior thoroughway into the center of the project site allows the buildings to be dispersed on the site with adequate pedestrian access to each. Second, Waller Park would create distinct northern and southern blocks on the project site, making the project's blocks similar in size to the blocks surrounding the project. The additional internal Palm Alley would further break down the project site. Lastly, to further enhance the site's moderate density, most of the residential buildings will have stoops and individual entries at the street. This feature is consistent with the residential character of the surrounding neighborhood. All of these features contribute to the moderate scale density and character of the project.

The project provides multiple community benefits. Waller Park would transverse the site from east to west in the former Waller Street right-of-way, with new public plazas at each end. A new ground-level retail use along the site's southeastern corner at Laguna and Hermann Streets in the existing Richardson Hall is proposed. Woods Hall Annex would be adaptively reused as a rent-free community center. A community center would be provided in the new Openhouse building to provide social services to development residents and seniors throughout the City. The project would thus integrate the site's proposed new uses into the surrounding neighborhood, adding numerous heretofore unavailable community benefits, while enhancing pedestrian connectivity to (and through) a site that in the past was effectively walled off from the surrounding neighborhood.

This development is a nationally recognized LEED ND (leadership in energy and environmental design for neighborhood developments) project. LEED ND is a program for certifying outstanding neighborhood scale developments currently being implemented by the United States Green Building Council. It is anticipated that the project is certifiable at the GOLD level. This is primarily due to excellence in site planning, the mix of uses, the transit emphasis, and innovative environmental measure incorporated into the project.

Lastly, the project will provide affordable and high-quality dwelling units with numerous amenities for residents and the public. The development's inclusionary affordable housing component was addressed per Motion 18427 and Case No. 2011.0450C

B. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:

i. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The site is rectangular in size, occupying 5.4 acres in the Hayes Valley neighborhood bordering Market Street. It occupies most of two city blocks surrounded by Hermann, Buchanan, Laguna and Haight Streets. The site's educational uses relocated in 2002 and 2003. The majority of the existing buildings occupy the periphery of the site with surface parking clustered toward the center of the site. The east side of the site is surrounded by a retaining wall that runs the length of Laguna Street and westward up Haight Street. The site's topography is extreme: The project site slopes steeply downward from its highest elevation at the corner of Buchanan and Haight Streets (170 feet above sea level), to its lowest elevation at the corner of Hermann and Laguna Streets (90 feet above sea level), in a northwest to southeast direction.

The ten new buildings are configured to enhance the site's natural topography, public accessibility and integration into the residential fabric of the neighborhood while still maximizing habitable space and availability of space for ground floor mixed uses. To be consistent with surrounding building heights, the two tallest two buildings would be constructed along Laguna Street at Waller Park in close proximity to buildings of similar heights on Laguna and Hermann Streets. The rest of the buildings are generally 3 to 5 stories, consistent with the prevailing building heights along the site's Buchanan and Haight Street frontages. The reintroduction of Waller Street as a publicly accessible park creates a block pattern that is more consistent with that of the surrounding neighborhood than the current lot configuration. The proposed Palm Alley will provide an internal, and also publicly accessible, north – south break to the block pattern. The new buildings are thus able to be sited around an internal circulation system that mirrors more closely the prevailing neighborhood pattern. Residents and visitors could traverse the site that more closely resembles a typical block size. The massing and scale of the new buildings is further broken down with the use of materials, colors and architectural features, including stoops, bay windows and building articulation.

ii. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

Currently there are 278 off-street surface parking spaces contained in three lots. One lot containing approximately 50 spaces and used primarily by the dental clinic is located on the upper terrace between the dental clinic and Woods and Middle Halls. The remaining 228 parking spaces

are contained within two lots on the lower terrace accessed from Laguna Street; one lot is behind Richardson Hall and the other is located at the corner of Haight and Laguna Streets. The lots are currently used by UCSF and California Pacific Medical Center employees for commuter parking.

The project will replace these lots with up to 310 off-street spaces in two below-grade parking garages, one accessible from Buchanan Street and one accessible from Laguna Street. The development complies with the off-street parking requirements for the Laguna, Haight, Buchanan and Hermann Streets Special Use District. The proposed number of space efficient parking spaces exceeds the SUD requirement. Approximately 125 secure, on-site bicycle parking spaces would be available in at least four different locations throughout the development.

A traffic study completed for the project's EIR (assuming 450 dwelling and residential care units, rather than the currently proposed 440 dwelling units) found that the project will generate about 260 new p.m. peak hour auto trips. The project would also generate an increase of about 280 transit trips and 112 "other" trips in the weekday p.m. peak hour. Based on the expected number of vehicle trips, the reduced availability of on-site parking, and the 10 on-site car share parking spaces, the parking ratio of roughly .60 space per unit furthers the Area Plan's objective of lessening parking availability to increase use of transit and alternative modes of travel.

Pedestrians would be able to walk the length of the former Waller Street right-of-way between Laguna and Buchanan Streets via the proposed Waller Park. To help facilitate pedestrian and bicycle circulation throughout the site, the project proposes to add Palm Alley off of Hermann Street to facilitate north-south access through the site.

- iii. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

Since this will primarily be a residential project, unusual noise, odor, dust and glare as a result of its operations will generally not occur. The buildings will comply with Title 24 standards for noise insulation. The materials for the facades of the buildings will not result in glare. The project would generate additional night lighting, but not in amounts unusual for an urbanized area. Design of exterior lighting will ensure that off-site glare and lighting spillover are minimized.

Construction noise impacts would be less than significant because all construction activities would be conducted in compliance with the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code, as amended November 2008). The SF Board of Supervisors approved the Construction Dust Control Ordinance (Ordinance 176-08, effective July 30, 2008) with the intent of reducing the quantity of dust generated during site preparation, demolition and construction work in order to protect the health of the general public and of on-site workers, minimize public nuisance complaints, and to avoid orders to stop work by the Department of Building Inspection. Therefore, the project sponsor and construction contractor would be required to follow specified practices to control construction dust and compliance with this new ordinance.

2,500 square feet of retail space will be provided at the corner of Laguna and Hermann Streets that may contain a food service use. The proposed food uses are subject to the standard conditions of approval for restaurants and outlined in Exhibit A. Conditions 5 and 6 specifically obligates the project sponsor to mitigate odor and noise generated by the restaurant use.

- iv. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The project's open space plan is unique for a private development. The project would construct Waller Park, of approximately 28,000 square feet, in the former Waller Street right-of-way, a publicly accessible open space that would provide various landscaped seating and passive recreational areas its entire length between Buchanan and Laguna Streets. The upper park area at Buchanan Street would take advantage of the steep slope of the project site by providing a scenic overlook with views of downtown San Francisco and the East Bay. A plaza is proposed at the parks lower end at Laguna Street. Waller Park would include numerous benches and trees, a bioswale for water collection.

Palm Alley would be landscaped with trees on either side, planter boxes and street furniture for seating.

Other privately owned though publicly accessible open spaces would include a 10,600 square foot community garden behind Woods Hall Annex.

Private open spaces for many units would be in the form of balconies and stoops and semi-private courtyards. Common open space in an amount in excess of Planning Code requirements is also provided, in addition to Waller Park and the community garden.

As required by the Planning Code, the development complies with the Better Streets Plan and proposes up to 80 new street trees on all four street frontages, in tree basins that meet minimum standards with permeable paving between the trees. Front setback areas on Buchanan and Haight Street would be landscaped as well. Dwelling unit entrances on Buchanan, Haight and Laguna Streets include planter boxes in the entry areas.

Parking will be appropriately screened from view. Site lighting will be a combination of pole, building mounted and low level lighting to provide necessary illumination levels, while complementing the site design. The lighting will be designed to support the security of the site and the surrounding neighborhood. The project sponsor intends to utilize full cut off light shields to limit light pollution and to investigate the use of solar powered lighting to mitigate energy consumption.

- C. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The Project complies with all relevant requirements and standards of the Planning Code and is consistent with objectives and policies of the General Plan as detailed below.

- D. That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

The proposed project is consistent with the stated purposed of NC-3 Districts in that the intended retail use at the corner of Hermann and Laguna Street use is located at the ground floor, will provide a compatible convenience service for the immediately surrounding neighborhoods during daytime hours.

9. **Planning Code Section 304** establishes criteria and limitations for the Planning Commission to consider when reviewing applications for the authorization of PUD's over and above those applicable to Conditional Uses. On balance, the project does comply with said criteria and limitations in that:

- a. Affirmatively promote applicable objectives and policies of the Master Plan;

This project furthers multiple existing General Plan and proposed Area Plan policies relating to housing, transportation and circulation, recreation and open space, urban design and historic resources. They are listed in their entirety in Finding 10 below.

Specifically this mixed use project will create approximately 440 dwelling units of varying sizes, types and affordability levels in 11 moderately dense buildings in the highly urbanized neighborhood of Hayes Valley bordering Market Street. The project will provide affordable and high quality living units, some of which will be family-sized. In addition, the project will include a community center welcoming to LGBT seniors and their friends.

The project is adaptively reusing a vacant educational site that contains some historic buildings. In reusing some of these buildings, the applicant has hired a qualified preservation architect to adaptively reuse these historic properties.

The project is also reintegrating the site back into the immediate neighborhood. It is doing so by reintroducing Waller Street, which was vacated in 1922, back into the site as a publicly-accessible park that will bisect the site into east-west portions. The site is further bisected by a new Mews (Palm Alley) which will enhance internal access and circulation to the interior of the site.

Creation of this block pattern at the site results in buildings of thoughtful and sensitive design particularly as concerns the existing topography of the site and the prevailing height patterns along the site's perimeter. The project sites the tallest buildings within close proximity to neighboring buildings of similar heights. Similarly, the lower (e.g., 3-4 story) residential buildings will face streets where the predominant heights are also 3-4 story buildings.

The project's novel approach to public open space is in the use of the former Waller Street right-of-way as a publicly accessible park. Waller Park will consist of both multiple open space

opportunities and also serve as pedestrian access through the site. A community garden is also proposed behind Woods Hall Annex.

The new buildings do not mimic the historic Spanish Colonial Revival buildings stylistically, but sympathetically respond to them in terms of scale, massing, proportion, fenestration, color and materials. This way of distinguishing new construction from historic buildings is in keeping with the Secretary of the Interior's Standards and creates a dynamic site that allows for a clear record of its development history. The architecture will be generally modest in character with an emphasis on a timeless, simple and modern aesthetic. The detailing and ornamentation will be restrained, but elegant and appropriate with an emphasis on how the buildings meet the ground.

The richness and variety of architecture emanates from the spaces between the buildings – a response to the characteristics of each street, courtyard, mews and park including its scale, fabric and sun orientation. The architecture along Palm Lane is finer grain and more simple and calm. It emphasizes a 20-foot vertical proportion with continuous front stoops leading to two story townhouses with the building mass above stepping back. The building material is a combination of horizontal cementitious siding and cement plaster. The Waller Park elevations have more variation in scale and height. Bay windows and numerous projecting terraces help take advantage of views up and down the park with most of the terraces on the sunny south facing facades. A leasing office and unit entries face onto the park creating additional activity. Buchanan and Haight Street elevations are lower in scale, also with 20-foot townhouses all with street facing front stoops. The scale and cadence will be very similar to the existing architectural character on these streets. Laguna Street also has front stoops and an entrance to one of the building lobbies as well as the entry into one of the garages. There is a strong rhythm of vertical articulation to help break down the scale of the facade. The overall palette of colors across the site will include subtle variations of white and grey cement plaster with the horizontal siding a darker warm gray. The windows will be aluminum and set back from the building face several inches to create a rich shadow line.

In terms of promoting the City's transportation policies, the project provides on-site parking of up to 310 spaces, including replacement of the dental clinic parking. The cost of the parking space will be unbundled from the housing costs borne by the residents. Consistent with the City's Transit First policy, the uses that are neighborhood oriented (e.g., retail and community facility) are located closest to Market Street's multiple transit lines. Pedestrian circulation through the site is encouraged by Waller Park, Palm Lane, and by the wide sidewalks and bulb-outs that occur at the site's corners.

B. Provide off street parking adequate for the occupancy proposed;

The project will provide 310 off-street parking spaces in two underground garages. The garage accessed from Laguna Street would include approximately 10 car share spaces, 94 single-car parking spaces, 85 space efficient parking spaces. The garage accessed from Buchanan Street would contain up to 51 single-car replacement spaces for the exclusive use of the dental clinic during business hours, and 69 space efficient parking spaces. Of the total amount of off-street parking,

approximately 12 spaces will be handicapped accessible, 6 in each garage. Approximately 125 secure, on-site bike parking spaces would be available, in four locations throughout the development.

The project would provide adequate on-site parking under the Area Plan and the SUD and be consistent with the parking generated by the site's proposed uses. With 10 on-site car share spaces, the parking ratio of approximately .60 spaces per dwelling unit furthers the Plan's objective of reducing parking availability to increase transit and alternative modes of travel and will provide adequate parking for the proposed occupancies.

- C. Provide open space usable by the occupants and, where appropriate, by the general public, at least equal to the open spaces required by this Code;

The private, common and public open space provided on site totals approximately 80,000 square feet. The requirements for residential private and common open space under the RM-3 zoning is 60 square feet of private open space per dwelling unit or 80 square feet of common open space per dwelling unit. The requirements for residential private and common open space for NC-3 zoning districts are 80 square feet of private open space per dwelling unit or 106.4 square feet of common open space per dwelling unit. The open space requirement for senior housing is one half of the amount required for family housing. Including Waller Park and Palm Alley there is a surplus of approximately 41,000 square feet of usable open space on the site.

- D. Be limited in dwelling unit density to less than the density that would be allowed by Article 2 of this Code for a district permitting a greater density, so that the PUD will not be substantially equivalent to a reclassification of property;

The project does not seek any density increase. Under the RM-3 zoning for the northern portion of the site, up to 319 units would be permitted (1:400). There are 268 units permitted in the project's NC-3 district where 222 units are proposed. The 1:400 density in the site's RM-3 zone permits up to 319 units where 218 units are proposed. The project complies with density limitations.

- E. In R Districts, include commercial uses only to the extent that such uses are necessary to serve residents of the immediate vicinity, subject to the limitations for NC-1 (Neighborhood Commercial Cluster) districts under the Code;

This criterion is applicable only for the portion of the site that is zoned RM-3. The development does not include any commercial/retail activities in the RM-3 District.

- F. Under no circumstances be excepted from any height limit established by Article 2.5 of this Code, unless such exception is explicitly authorized by the terms of this Code. In the absence of such an explicit authorization, exceptions from the provisions of this Code with respect to height shall be confined to minor deviations from the provisions for

measurement of height in Sections 260 and 261 of this Code, and no such deviation shall depart from the purposes or intent of those sections;

Planning Code Section 260 requires that all structures be no taller than the height of the applicable height and bulk district. The Project site has height limits of 40-X, 50-X and 85-X. Per the Planning Code analysis above, the Project will comply with the proposed height limits, and thus no exception to height limit is sought.

- G. In NC Districts, be limited in gross floor area to that allowed under the Floor Area Ratio limit permitted for the district in Section 124 and Article 7 of this Code.

The 2,500 gross square feet of retail area and 2,700 square feet of office space fall below the allowable gross floor area ratio (3.6:1) of up to 386,471 square feet allowed in the NC-3 district. This standard is met.

- H. In NC Districts, not violate the use limitations by story set forth in Article 7 of this Code.

All retail, and office, uses are restricted to the first floor of Richardson Hall, in compliance with the proposed NC-3 controls. The dwelling units and Openhouse institutional uses are permitted uses on all floors in an NC-3 district.

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

Housing Element

OBJECTIVE 1: Identify and make available for development adequate sites to meet the City's housing needs, especially permanently affordable housing.

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

Policy 1.10: Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The project provides a range of rental housing types and sizes, affordable family housing and affordable senior housing in an area where households can easily rely on public transportation on Haight and Market Streets, walking and bicycling for many of their daily trips.

OBJECTIVE 4: Foster a housing stock that meets the needs of all residents across lifecycles.

Policy 4.2 Provide a range of housing options for residents with special needs for housing support and services.

Policy 4.3 Create housing for people with disabilities and aging adults by including universal design principles in new and rehabilitated housing units.

Policy 4.4: Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

Policy 4.5 Ensure that new permanently affordable housing is located in all of the City's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

The project provides housing for LGBT and other senior and includes universal design principals in the senior units. The project also provides rental apartments with a permanent affordable housing component integrated into an established mixed-income neighborhood.

OBJECTIVE 5: Ensure that all residents have equal access to available units.

Policy 5.1 Ensure all residents of San Francisco have equal access to subsidized housing units.

Policy 5.4: Provide a range of unit types for all segments of need, and work to move residents between unit types as their needs change.

Residents of all income levels will have access to the 330 family dwelling units developed by Alta Laguna, LLC. All lower income seniors will have equal access to the affordable senior units developed by 55 Laguna, L.P. The project provides a range of unit types that would enable residents to move throughout the development as their needs change.

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

Policy 11.5: Ensure densities in established residential areas promote compatibility with prevailing neighborhood character.

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

Policy 11.7 Respect San Francisco's historic fabric, by preserving landmark buildings and ensuring consistency with historic districts.

The development is well designed, respects the neighborhood character through building height and design, and does not substantially and adversely affect the character of the existing Hayes Valley neighborhood, and is compatible with the three Landmark buildings on-site, which will be preserved and adaptively reused. The project fosters community interaction by including publicly accessible open space, multiple entrances and townhouse units along Laguna, Haight and Buchanan Streets.

OBJECTIVE 12: Balance housing growth with adequate infrastructure that serves the City's growing population.

Policy 12.2: Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

Policy 12.3: Ensure new housing is sustainably supported by the City's public infrastructure systems.

The development is sited in an area that currently provides adequate access to infrastructure. As part of the development, new public open space, street improvements, a community center, senior services and a community garden will be constructed. As set forth in the Market and Octavia Area Plan (which the development is located within), the project site is well served by infrastructure and other quality of life elements, including open space and neighborhood services. In addition, the project incorporates significant new open space, community facilities, neighborhood retail and senior services.

OBJECTIVE 13: Prioritize sustainable development in planning for and constructing new housing.

Policy 13.1: Support "smart" regional growth that locates new housing close to jobs and transit.

Policy 13.2: Promote sustainable land use patterns that integrate housing with transportation in order to increase transit, pedestrian, and bicycle mode share.

The project incorporates sustainable development elements to qualify for LEED-ND certification, is located in close proximity to jobs in downtown San Francisco, and has easy access to public transportation, pedestrian and bicycle routes.

Transportation Element

Objective 1 Meet the needs of all residents and visitors for safe, convenient, and inexpensive travel within San Francisco and between the city and other parts of the region while maintaining the high quality living environment of the Bay Area.

Policy 1.2 Ensure the safety and comfort of pedestrians throughout the city.

Pedestrians would be able to walk the length of the former Waller Street right-of-way, east to west, between Laguna and Buchanan Streets via the proposed Waller Park. To help facilitate pedestrian and bicycle circulation throughout the site, the project will add a Mews to bisect the site from north to south with an entrance from Hermann Street and termination at Woods Hall. Vehicular entrances to parking garages would be on Laguna and Waller Streets with minimal curb cuts. At least three bulb-outs around the site, and at the top and bottom of Waller Park, will enhance pedestrian safety at most frontages. The only corner without a bulb out will be at the dental school, the intersection of Hermann and Buchanan Streets.

Policy 1.3 Give priority to public transit and other alternatives to the private automobile as the means of meeting San Francisco's transportation needs, particularly those of commuters.

The project meets this policy through a number of methods. First, the project complies with the Area Plan's discouragement of on-site parking through a parking ratio of approximately 0.60 space per unit and approximately 159 space-efficient parking stackers. No less than 10 car share parking spaces are provided to decrease the need for residents to own their own vehicles. No less than 126 Class I bicycle storage spaces will be provided in four areas throughout the development. Fourth, the project's location furthers the City's Transit First policy. There are numerous MUNI lines within easy walking distance of the project. For example, 12 MUNI bus lines (6-Parnassus, 7-Haight, 14-Mission, 14L-Mission Limited, 16AX-Noriega "A" Express, 16BX-Noriega "B" Express, 22-Fillmore, 26-Valencia, 47-Van Ness, 49-Van Ness/Mission, the 71-L Haight/Noriega Limited and 71-Haight/Noriega) run near the project site. MUNI light rail lines J, K, L, M, and N and the F-Market line run on or under Market Street. Due to the frequency and number of MUNI routes near the site, the site should have the high rate of ridership similar to the rest of the neighborhood.

Objective 11 Establish public transit as the primary mode of transportation in San Francisco and as a means through which to guide future development and improve regional mobility and air quality.

Policy 11.3 Encourage development that efficiently coordinates land use with transit service, requiring that developers address transit concerns as well as mitigate traffic problems.

The project's location furthers the City's Transit First policy. There are numerous MUNI lines within easy walking distance of the project. For example, 12 MUNI bus lines (6-Parnassus, 7-Haight, 14-Mission, 14L-Mission Limited, 16AX-Noriega "A" Express, 16BX-Noriega "B" Express, 22-Fillmore, 26-Valencia, 47-Van Ness, 49-Van Ness/Mission, the 71-L Haight/Noriega Limited and 71-Haight/Noriega) run near the project site. MUNI light rail lines J, K, L, M, and N and the F-Market line run on or under Market Street. Due to the frequency and number of MUNI routes near the site, the site should have the high rate of ridership similar to the rest of the neighborhood. The Final EIR determined that the Project will have no significant transportation impacts, including traffic, transit, pedestrian or bicycle impacts.

Objective 34 Relate the amount of parking in residential 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.

The development complies with this policy by limiting parking to .75 spaces/unit. The project's 310 on-site spaces is below that ratio, resulting in approximately .60 spaces per unit. The project further satisfies this policy by its transit-rich location. There are numerous MUNI lines within easy walking distance of the project. For example, 12 MUNI bus lines (6-Parnassus, 7-Haight, 14-Mission, 14L-Mission Limited, 16AX-Noriega "A" Express, 16BX-Noriega "B" Express, 22-Fillmore, 26-Valencia, 47-Van Ness, 49-Van Ness/Mission, the 71-L Haight/Noriega Limited and 71-Haight/Noriega) run near the project site. MUNI

light rail lines J, K, L, M, and N and the F-Market line run on or under Market Street. Due to the frequency and number of MUNI routes near the site, the site should have the high rate of ridership similar to the rest of the neighborhood.

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

The project is adjacent to transit preferential streets (Haight Street and Market Street). The SUD complies with this policy by limiting parking to .75 spaces per unit. The project's approximately 310 on-site parking spaces are below that ratio, resulting in less in approximately .60 spaces per unit.. By placing a maximum on the overall permitted project parking, the project satisfies this policy.

Commerce and Industry Element

Objective 1 Manage economic growth and change to ensure enhancement of the total city living and working environment.

Policy 1.1 Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has undesirable consequences which cannot be mitigated.

This project provides substantial net benefits in the form of adaptively reusing a vacant and underutilized site in the Hayes Valley neighborhood. It provides approximately 440 dwelling units in 11 buildings, including the preservation of three City landmarks on this site. There are 41,000 square feet of publicly accessible open space, including the passive recreation uses provided by Waller Park and Palm Lane. There will be a 12,000 square foot community center for social and cultural use by the neighborhood residents and no more than 2,500 square feet of neighborhood serving retail uses.

All of the new buildings would feature lobbies, and those along public streets and Palm Lane would include individual stoops, porches and/or bay windows to promote an active pedestrian environment. These features facilitate pedestrian access, landscaping and street furniture. The presence of this expanded public use area complements the stoops, porches and bay windows present on many of the ground floor units. The result is a design that integrates the private residential units directly into the vitality of the street level.

The Project complies with the Area Plan' reliance on transit and limited parking by being subject to a maximum residential parking limit of .75 spaces/unit. It is also located close to numerous MUNI lines which are expected to have the high rates of ridership seen elsewhere in this neighborhood.

Objective 6 Maintain and strengthen viable neighborhood commercial areas easily accessible to City Residents.

Policy 6.1 Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity of those districts.

The existing educational site is unused (except for the dental clinic). No existing neighborhood-serving retail business will be displaced. The proposed project will provide up to 2,500 square feet of ground floor, neighborhood serving retail uses. This retail space will provide opportunities for on-site resident employment as well as employment opportunities for residents in the surrounding neighborhoods.

Urban Design Element

- 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 1.2: Recognize, protect and reinforce the existing street pattern, especially as it is related to topography.

The project site slopes steeply downward from northwest to southeast and is divided into two terraces. The majority of the existing buildings occupy the periphery of the site on the upper and lower terraces, with surface parking generally in the center of the site. The new buildings would be designed to complement the architectural character of the existing buildings that will remain and the surrounding neighborhood.

The proposed new buildings would be compatible with its surrounding street pattern by being three to seven stories in height. New buildings along Buchanan Street would be four stories while new buildings along Laguna Street would be between four and seven stories. The tallest buildings would be on the north and south sides of Waller Park at Laguna Street. This variation of building heights is intended to relate to the size and scale of other buildings in the Hayes Valley neighborhood and to take into consideration the existing topography.

- Policy 1.3 Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

The new buildings along with the three preserved landmarks are reflective of the architectural character of the surrounding neighborhood. The buildings' heights will generally reflect those of buildings that front the surrounding streets. All the buildings feature elements that create an active pedestrian environment (e.g., stoops and porches at ground floor residential units) and elements that minimize the massing of the buildings by use of breaking up facades at upper building levels.

The adaptive reuse of the vacant educational site with new and rehabilitated buildings carefully designed and sited will result in a site design and architectural character unique to the site. The building's designs take into account the site's topography and extreme grades as well as its Hayes Valley location. The resulting effect will reflect Hayes Valley's varied architecture and highlight the site's prominence in both size and location to the overall neighborhood character.

- Objective 3 Moderation of major new development to complement the City pattern, the resources to be conserved, and the neighborhood environment.
- Policy 3.1 Promote harmony in the visual relationships and transitions between new and older buildings.

The new buildings are designed to be compatible in massing, materials and color with the three landmark structures to be preserved, as well as the predominant urban design of the surrounding neighborhood.

Policy 3.2 Avoid extreme contrast in color, shape and other characteristics which will cause new buildings to stand out in excess of their public importance

The massing, materials and color of proposed buildings are consistent with the existing landmark buildings already constructed on the site. The proposed buildings will be consistent with the surrounding neighborhoods in terms of height and unit stoops and entrances.

Policy 3.5 Relate the height of buildings to important attributes of the city pattern and to the height and character of existing development.

Similar to the existing land use pattern, the project would locate the taller residential buildings closer to Market Street and shorter residential buildings closer to the lower-scale residential uses along the site's Haight and Buchanan Street frontages. Project buildings would be three to seven stories in height. New buildings along Buchanan Street would be four stories in height, while new buildings along Laguna Street would range from four to seven stories. New buildings on the interior of the site would be four to six stories in height. The proposed four story buildings on the project site would be approximately one story higher than the predominantly three-story residential buildings along the site's perimeter streets, such as Buchanan, Haight, and Laguna Streets.

The tallest project buildings, the 7-story buildings on either side of Waller Park at Laguna Street, would be generally similar in height to existing residential buildings that surround the site, such as the seven-story (80 foot) apartment buildings at 1900 Market Street, 78 and 300 Buchanan Street, 50 Waller Street, and 16 and 50 Laguna Street.

Recreation and Open Space Element

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 acreage of new neighborhood serving parkland and open space should be related to the size of the potential population and the availability of other nearby open space. Major new residential development should be required to provide open space accessible to the general public. This will compensate for the pressure the increased population will put on existing public facilities.

The requirement of providing publicly accessible open space could be satisfied in a number of ways. Land on a site that is suitable for recreation purposes could be

improved and maintained by the developer and made available to the general public.

The Project would provide open space to serve project residents at least equal to the requirements of the Planning Code. In addition, it would provide approximately 41,000 square feet of publicly accessible open space. Waller Park would be privately built and maintained but publicly accessible open space. It would provide 28,000 square feet of open space for passive recreational uses. Upper Waller Park would include benches and trees and would take advantage of the steep slope of the project site by providing a scenic overlook with views of the Bay and downtown San Francisco. Lower Waller Park would include hard and softscape areas with trees, benches, and potentially built-in seating on the slope, overlooking the end of Waller Park. Street trees would be planted along all four exterior streets as well as along all internal streets. A new alley ("Palm Lane") would also be privately owned though publicly accessible through the site. These open spaces would also serve for pedestrian access and circulation.

Other privately built and maintained though publicly accessible open spaces include a 10,600 square feet community garden behind Woods Hall. In total, there would be approximately 41,000 square feet of publicly accessible open space provided, all in excess of the open space requirements necessary to serve the approximately 440 proposed dwelling units.

Air Quality Element

Objective 3 Decrease the air quality impacts of development by coordination of land use and transportation decisions.

Policy 3.1 Take advantage of the high density development in San Francisco to improve the transit infrastructure and also encourage high density and compact development where an extensive transportation infrastructure exists.

The project satisfies this policy by its location near numerous MUNI lines located on Haight and Market Streets.

Policy 3.2 Encourage mixed land use development near transit lines and provide retail and other types of service oriented uses within walking distance to minimize automobile dependent development.

The project satisfies this policy by its location near numerous MUNI lines. It is also within walking distance of the retail opportunities on Haight and Market Streets. In addition, reliance on private cars is minimized by the SUD's cap on parking to .75 spaces/unit.

Policy 3.4 Continue past efforts and existing policies to promote new residential development in and close to the downtown area and other centers of employment, to reduce the number of auto commute trips to the city and to improve the housing/job balance within the city.

The project satisfies this policy by maximizing its reliance on transit and limited parking by being subject to a maximum residential parking limit of .75 space per unit. The project's approximately 310 on-site parking spaces are below that ratio, resulting in approximately .60 spaces per unit. There may be even fewer cars to and from the site due to the project's proximity to numerous MUNI lines. For example, 12 MUNI bus lines (6-Parnassus, 7-Haight, 14-Mission, 14L-Mission Limited, 16AX-Noriega "A" Express, 16BX-Noriega "B" Express, 22-Fillmore, 26-Valencia, 47-Van Ness, 49-Van Ness/Mission, the 71-L Haight/Noriega Limited and 71-Haight/Noriega) run near the project site. MUNI light rail lines J, K, L, M, and N and the F-Market line run on Market Street. Due to the frequency and number of MUNI routes near the site, the site should have the high rate of ridership similar to the rest of the neighborhood.

Policy 3.6 Link land use decision making policies to the availability of transit and consider the impacts of these policies on the local and regional transportation system.

The site-specific SUD ensures this policy is met by imposing a maximum of .75 spaces/unit. This policy is also furthered by the project's transit-rich location.

11. **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.

The existing educational site is unused (except for the dental clinic). No existing neighborhood serving retail business will be displaced. The proposed project will provide up to 2,500 square feet of ground floor, neighborhood serving retail uses. Those businesses will provide opportunities for on-site resident employment as well as employment opportunities for residents in the surrounding neighborhoods.

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

The almost vacant site (except for the dental clinic) was used throughout its life as an educational facility. It has never provided housing. The four institutional buildings on the site are being maintained by the property owner, UC Regents, but in their current unused condition, do not enhance or augment the neighborhood's cultural or economic diversity.

The project proposes to revitalize the site and the neighborhood in the following ways. First, the project will provide approximately 440 dwelling units and a community center serving seniors living on site and throughout the City. In addition, the project provides approximately 41,000 square feet of publicly accessible open space. Some of that open space will double as internal pedestrian circulation, as the project will reintroduce the former Waller Street right-of-way as a throughway. The project further enhances site accessibility and circulation by creating a Mews. By doing so, the block pattern of the project site more closely resembles the block pattern in the neighborhood. To further enhance the site's character and make it more closely resemble the surrounding neighborhood, some of the buildings

feature stoops and porches, directly integrating the new housing units into the existing residential fabric of the surrounding neighborhood.

Lastly, the site includes up to 2,500 square feet of ground floor, neighborhood serving retail space and 12,000 square feet of community center space. This active, pedestrian oriented space will enhance the livability and activities of the project site itself, being a destination for both residents of the project and the surrounding neighborhoods.

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

There is currently no housing on the site. The project will include 110 affordable senior housing units and the family rental project will comply with the Inclusionary Affordable Housing Program per Motion 18427 and Case No. 2011.0450C.

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

Neither existing on-street parking supply nor MUNI will be detrimentally affected by the project. First, the project complies with the Market and Octavia Area Plan's discouragement of on-site parking through a variety of mechanisms (e.g., parking ratio of in approximately .60 spaces per unit. and space efficient parking stackers). Second, the project provides adequate on-site parking for residents via two underground parking garages thus minimizing competition for on-street parking resources in the surrounding neighborhood. 10 carshare parking spaces are provided to decrease the need for residents to own their own vehicles.

Third, the project's location furthers the City's Transit First policy. There are numerous MUNI lines within easy walking distance of the project. For example, 12 MUNI bus lines (6 Parnassus, 7-Haight, 14-Mission, 14L-Mission Limited, 16AX-Noriega "A" Express, 16BX Noriega "B" Express, 22 Fillmore, 26-Valencia, 47-Van Ness, 49-Van Ness/Mission, the 71 L Haight/Noriega Limited and 71-Haight/Noriega) run right near the project site. MUNI light rail lines J, K, L, M, and N and the F Market line run on Market Street. Due to the frequency and number of MUNI routes near the site, the site should have the high rate of ridership similar to the rest of the neighborhood. Even with a high rate of ridership, there would be no significant effect on MUNI operations.

Fourth, the development proposes up to 125 Class I bicycle spaces in at least four different locations throughout the site.

- 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 largely vacant and underused UC Extension campus is not and has never been used for industrial or service oriented functions. Moreover, the project does not propose any commercial office development that will displace any industrial or service sector uses or employment. The dental clinic

at the site's southwestern corner will remain in its current location and continue to provide dental services to the broader community.

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

The adaptive reuse of the largely vacant UC Extension campus will result in three of the existing buildings being seismically retrofitted in compliance with current Building Codes and engineering/excavation practices for enhanced seismic safety. The new construction will also comply with current Building Codes and engineering/excavation practices for enhanced seismic safety. The regrading of the site will also enhance the site's ability to withstand life and property damage from an earthquake by eliminating steep areas of the site that can contribute to instability during a seismic event.

- G. That landmarks and historic buildings be preserved.

Woods Hall, Woods Hall Annex and Richardson Hall (except for its one-story Administration Wing) are designated as landmarks pursuant to Article 10 of the Planning Code. The Project will result in the adaptive reuse of these three City landmark buildings, the demolition of the heavily altered Middle Hall and the one-story Administration Wing of Richardson Hall, and the construction of proposed infill buildings.

The project would demolish Middle Hall and the Administration Wing of Richardson Hall, as well as the retaining wall along Laguna and Haight Streets. Woods Hall, and Richardson Hall would be rehabilitated to provide residential units, plus retail space in the first floor of Richardson Hall. Woods Hall Annex would be converted into community facility space. The proposed retail space located at the basement level of Richardson Hall near the intersection of Hermann and Laguna Streets would necessitate new openings in the retaining wall to access this new use.

On May 16, 2012, the Historic Preservation Commission approved Certificates of Appropriateness for new façade modifications to Richardson Hall, Woods Hall and Woods Hall Annex. At an appeal hearing on July 31, 2012, the Board of Supervisors upheld the Certificates of Appropriateness.

The project would cause demolition and/or alteration of individually eligible historic resources. To minimize the impact to historic resources, the project sponsor has hired a qualified preservation architect to be involved in the design process to ensure the compatibility and differentiation of the new structures with the existing buildings and neighboring buildings. The preservation architect is also involved in the rehabilitation process and has provided guidance to the project architects. As a result, renovations to Richardson Hall, Woods Hall, and Woods Hall Annex would result in preservation of their historic character-defining features, consistent with their landmark status. However, the project would result in the loss of the historic character-defining features of Middle Hall, and the Administration Wing of Richardson Hall, as well as the retaining wall. Those elements of the site were not designated as landmarks by the Board of Supervisors.

Page & Turnbull independently evaluated the eligibility of the project site buildings and the site as a whole for the National Register of Historic Places, the California Register of Historic Resources, and as a San Francisco landmark or historic district. Consistent with California Office of Historic Preservation findings, this evaluation found that three of the four buildings—Richardson Hall, Woods Hall, and Woods Hall Annex – are potentially eligible for National Register, which renders them potentially eligible for the California Register. Page & Turnbull did not find that the campus as whole had sufficient integrity and character-defining features to be eligible as an historic district.

The Planning Department, in contrast to Page & Turnbull’s findings, determined that Middle Hall, while not individually eligible, would contribute to a potential campus historic district, as would the other three buildings described above, landscape features dating from 1921 – 1955, and the retaining wall along Laguna and Haight Street. The Planning Department additionally found that, “The new construction would not comply with four out of ten of the Secretary of the Interior’s Standards for Rehabilitation (Standards 1, 2, 9, and 10) because the new structures may impact the spatial relationships, including the internally-focused ‘quadrangle’ design that characterizes the existing campus.”

Thus, for purposes of this Priority Policy finding, consistent with the EIR findings based on the Page & Turnbull and Planning Department’s reports, all buildings on the project site (Richardson Hall, Woods Hall, Woods Hall Annex, and Middle Hall) qualify as “historical resources”.

EIR Alternatives B (Preservation Alternative) and C (New College/Global Citizen Center Alternative) and a Modified Preservation Alternative, each of which would include the rehabilitation of Middle Hall and the Administration Wing of Richardson Hall and retention of the Laguna and Haight Street retaining walls are not feasible for the reasons set forth in the CEQA Findings, Exhibit C of Motion 17537, Case No. 2004.0773E. On balance, the project would meet the City’s preservation goals.

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

A shadow fan analysis conducted for the Environmental Impact Report per Case 2004.0770E concluded that the Project would not create any new shade on any Department of Recreation and Park properties protected under Planning Code Section 295. An addendum to address revisions to the project was issued per Case 2012.0033E, and the conclusion regarding shadow had not changed.

12. **California Environmental Quality Act (CEQA) Findings Regarding Alternatives and Overriding Considerations.** The Commission hereby incorporates and restates the CEQA Findings, Exhibit C of Motion 17537, Case No. 2004.0773E in their entirety. The CEQA Findings determined that FEIR Alternatives A, B and C and the Modified Preservation Alternative are each infeasible and that there are overriding benefits of the project that outweigh the unavoidable adverse environmental effects to historic resources. The CEQA Findings apply equally to the project as modified by this approval, and there is no evidence that the financial analyses and conclusions by the prior project sponsor and by Seifel Associates concerning the feasibility of the proposed project and the alternatives have changed since 2008.

13. **Ordinance 66-08.** In its 2008 ordinance amending the General Plan, the Board of Supervisors required (1) that the Planning Commission review the design of the new buildings to assure they are compatible with the existing historic and landmark structures; (2) that the Director consult with the Historic Preservation Commission to ensure the compatibility of the seven newly constructed buildings with the three existing landmark buildings (Woods Hall, Woods Hall Annex and portions of Richardson Hall not to be demolished); and (3) that the Historic Preservation Commission adopt a motion setting forth its recommendation on the compatibility of the new buildings.

On July 18, 2012, at a regularly scheduled hearing of the Historic Preservation Commission (HPC), the Director consulted with the HPC on the compatibility of the seven new buildings and the HPC adopted a motion setting forth three compatibility recommendations. The recommendations are set forth in HPC Resolution No. 0686. The project design has been refined since the July 18, 2012, HPC hearing to respond to the HPC's first two compatibility comments on the amenities building (Building 3) and circular stairway structure. Condition of Approval No. 4 requires the project sponsor to work with Department staff to refine the design of Building 5/Openhouse to respond to the HPC's third compatibility comment. The Commission finds that with these refinements and Condition of Approval, the designs of the new buildings are compatible with the existing historic and landmark structures and the project complies with Ordinance 66-08.

14. 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.
15. The Commission hereby finds that approval of the Conditional Use 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 Conditional Use Application No. 2012.0033C** for modification of a project approved under Case No. 2004.0773C and Motion 17537, subject to the following conditions attached hereto as "EXHIBIT A" and subject to the Conditions of Approval for Planning Commission Motions 17537 and 18427 in general conformance with plans on file, dated July 10, 2012 (subject to all Conditions, particularly Condition No. 4), and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 18693. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Motion 18693
August 16, 2012

CASE NO. 2012.0033 ACEF
218 – 220 BUCHANAN STREET
(aka – 55 Laguna Street)

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on August 16, 2012.

Linda D. Avery
Commission Secretary

AYES: Fong, Wu, Antonini, Hillis, Sugaya

NAYS:

ABSENT: Borden, Moore

ADOPTED: August 16, 2012

EXHIBIT A

AUTHORIZATION

This authorization is to modify a previously approved Conditional Use Authorization/Planned Unit Development (Case No. 2004.0773EIMTZC) to allow a mixed-use development of up to 330 family rental units, 110 senior affordable rental units, an approximately 28,000 square foot public park (Waller Park), an approximately 12,000 square foot community center, an approximately 10,600 square foot community garden, an approximately 7,500 square foot senior center, approximately 2,500 square foot retail space, approximately 2,700 square feet of office space, approximately 310 off-street parking spaces, known as the "55 Laguna" development located at 218 – 220 Buchanan Street, Blocks and Lots 870/001, 002 and portions of Lot 003, 0857/001,001A, pursuant to Planning Code Section(s) 303 and 304 within the NC-3 (Neighborhood Commercial, Moderate Scale) District, RM-3 (Residential, Mixed, Medium Density) District, and Laguna, Haight, Buchanan and Hermann Streets Special Use District and the 40-X, 50-X, 85X Height and Bulk Districts; in general conformance with plans, dated August 16, 2012, and stamped "EXHIBIT B" included in the docket for Case No. 2012.0033ACEF and subject to conditions of approval reviewed and approved by the Commission on August 16, 2012 under Motion No 18693. 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 August 16, 2012 under Motion No 18693.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 18693 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 Conditional Use 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 Conditional Use authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting for Motion 17537

The following Conditions contained in Motion 17537 are to be rescinded as the Department has either modified the format of Exhibit A, modified standard language, or modified the condition based on the revised project.

No.	Topic	No.	Topic
1	Format & Language Change	17	Format & Language Change
2	Format & Language Change	20	Subject to Motion No. 18427
3	Format & Language Change	21	Subject to Motion No. 18427
5	Format & Language Change	29	Subject to Motion No. 18427
6	Language Change & Proj. Specific Condition	43	Language Change
9	Format Change & Project Specific Condition	44	Duplicate
11	Format & Language Change	45	Language Change
12	Format & Language Change	51	Format Change & Project Specific Condition
13	Format & Language Change	52	Format Change
15	Format & Language Change	53	Project Specific Condition
16	Project Specific Condition	54	Format Change
		55, 56 ,57	Format Change
		33	Format Change/Language

Conditions of Approval, Compliance, Monitoring, and Reporting for Motion 18427

The following Conditions contained in Motion 18427 are to be rescinded as the Department has either modified the format of Exhibit A, modified standard language, or modified the condition based on the revised project.

No.	Topic
11	Language Change & Proj. Specific Condition

Conditions of Approval, Compliance, Monitoring, and Reporting PERFORMANCE

1a. Validity and Expiration (Excluding Building 5). The authorization and right vested by virtue of this action is valid for three years from the effective date of this Motion 18693 for all permits excluding Building 5 (newly constructed Openhouse senior affordable housing). A building permit from the Department of Building Inspection to construct the project and/or commence the approved use must

be issued as this Conditional Use authorization is only an approval of the proposed project and conveys no independent right to construct the project or to commence the approved use. The Planning Commission may, in a public hearing, consider the revocation of the approvals granted if a site or building permit has not been obtained within three (3) years of the date of this Motion 18693 approving the Project. 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. The Commission may also consider revoking the approvals if a permit for the Project has been issued but is allowed to expire and more than three (3) years have passed since the Motion was approved.

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

1b. Validity and Expiration of Building 5. The authorization and right vested by virtue of this action is valid for five years from the effective date of the Motion for all permits relating to Building 5 (newly constructed Openhouse/senior affordable housing). A building permit from the Department of Building Inspection to construct the project and/or commence the approved use must be issued as this Conditional Use authorization is only an approval of the proposed project and conveys no independent right to construct the project or to commence the approved use. The Planning Commission may, in a public hearing, consider the revocation of the approvals granted if a site or building permit has not been obtained within five (5) years of the date of the Motion approving the Project. 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. The Commission may also consider revoking the approvals if a permit for the Project has been issued but is allowed to expire and more than three (3) years have passed since the Motion was approved.

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

2. Extension. This authorization may be extended at the discretion of the Zoning Administrator only where failure to issue a permit by the Department of Building Inspection to perform said tenant improvements is caused by a delay by a local, State or Federal agency or by any appeal of the issuance of such permit(s).

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

3. Mitigation Measures. Mitigation measures described in the MMRP attached as Exhibit C of Motion 17537 are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor. Their implementation is a condition of project approval.

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

DESIGN

4. Architecture. The sponsors will continue to work with Planning Department staff on building and site design relating, but not limited to:

- o the Laguna Street frontage of Building 2E;
- o Building 3/Amenity Building, adjacent courtyard and circular stairway;
- o Waller Park including the wall and courtyard at Laguna Street, creation of lawn(s) for passive recreation, create entrances that are welcoming to the public;
- o window and building details;
- o the massing and architectural details of Building 5/Openhouse to address the scale of the building at upper floors;
- o creation of public access from Haight Street through Woods Hall.

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 415-558-6378, www.sf-planning.org

5. **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 for each building. 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

6. **Lighting Plan.** The Project Sponsor shall submit an exterior lighting plan to the Planning Department prior to Planning Department approval of the building / site permit application for each building.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

7. **Streetscape Plan.** Pursuant to Planning Code Section 138.1, the Project Sponsor shall continue to work with Planning Department staff, in consultation with other City agencies, to refine the design and programming of the Streetscape Plan so that the plan generally meets the standards of the Better Streets Plan and all applicable City standards. The Project Sponsor shall complete final design of all required street improvements, including procurement of relevant City permits, prior to issuance of first architectural addenda, and shall complete construction of all required street improvements prior to issuance of first temporary certificate of occupancy for the adjacent buildings. The sponsor will provide bulb outs at the corners of Hermann/Laguna, Haight /Buchanan and Haight/Laguna unless it is clearly demonstrated by another City department that they are unable to be constructed. Bulb outs at the top and bottom of Waller Park shall be configured so that the curb cuts and crosswalks align with those on the facing street.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

8. **Transformer Vault.** The location of individual project PG&E Transformer Vault installations has significant effects 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 effects 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>

9. **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

10. **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 for each building 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, such as street lights, do not permit or public safety could be improved. 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.sfplanning.org

11. **Landscaping.** Pursuant to Planning Code Section 132, the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application for each building indicating that 50% of the front setback areas shall be surfaced in permeable materials and further, that 20% of the front setback areas shall be landscaped with approved plant species. The size

and specie of plant materials and the nature of the permeable surface shall be as approved by the Department of Public Works.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

12. **Screening.** Pursuant to Planning Code Section 132, the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application indicating that the area of land dedicated to the construction of Building 5 shall be attractively screened from view around its perimeter while construction of that building is pending.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

13. **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 architectural addenda. 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 415-558-6378, www.sf-planning.org.

14. **Public Access to Waller Park and Palm Alley.** There shall be no gates, chains, signage, medallions or similar feature(s) serving to regulate pedestrians or bicycles at the entrances, exits or thoroughfares of Waller Park or Palm Alley at any time. To prevent vehicles from entering Palm Lane, up to three narrow removable bollards (or similar feature) may be located at the entrance to Palm Lane at Hermann Street.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org.

PARKING AND TRAFFIC

15. **Parking for Affordable Units.** All off-street parking spaces shall be made available to all Project residents (including Openhouse 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 inclusionary affordable family 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

16. **Parking Maximum.** Pursuant to Planning Code Section 249.32, the Laguna, Haight, Buchanan and Hermann Streets Special Use District the Project shall provide no more than 310 off-street parking spaces.

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

17. **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 effects during construction of the Project.

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

PROVISIONS

18. **Market and Octavia Community Improvements Fund.** Pursuant to Planning Code Section 421 (formerly 326), and Planning Code Section 249.32, the Project Sponsor shall comply with the Market Octavia Community Improvements Fund provisions through payment of an Impact Fee in full to the Treasurer, or the execution of a Waiver Agreement, and an In-Kind Agreement approved as described per Planning Code Section 421 (formerly 326) prior to the issuance by Department of Building Inspection of the first construction document for the development project. The project sponsor has requested from the Commission an In-Kind Agreement and fee waiver for the following improvements: 1) improvements to Waller Street; 2) creation of a community garden, and 3) provision of a community center. These improvements are described in the conditions below.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

19. **Waller Park:** Pursuant to the Planning Approval, the Project Sponsor shall improve approximately 28,000 square feet of the former Waller Street right-of-way as publicly accessible open space, to maintain public access to those open space improvements, to assume maintenance and liability responsibilities, and not to permit any above-ground structures to be built on the land other than a small number of encroaching stoops leading to individual unit entrances and landscape and hardscape open space improvements. Below-grade improvements for underground parking shall be permitted in the former Waller Street right-of-way. There shall be no gates, or similar feature(s) serving to regulate pedestrians, located at either end of Waller Park. There shall be no transformers or utilities located in Waller Park. The Planning Director must approve the final plan for Waller Park before the first construction permit is issued for this project. The Project Sponsor shall prepare an operations plan providing maintenance services for the life of Waller Park, including, but not limited to, gardening, maintenance, and security services for Waller Park. The Director of Planning shall review and approve the proposed operations plan prior to issuance of the first temporary certificate of occupancy for the Project, and shall review and approve any material modifications to such operations plan prior to adoption of such modifications. Such operations plan must ensure that Waller Park functions as a public open space including equal access for all members of the public

similar publicly owned and operated open spaces, other rules of operation similar to other publicly owned and operated public open spaces, including allowable activities. The operations plan must discuss strategies to conform with Planning Codes Section 138 (i) as they pertain to signage, including any revisions to this section of the Planning Code effective before issuance of first certificate of occupancy. Currently this Section of the code requires:

“Informational Plaque. Prior to issuance of a permit of occupancy, a plaque shall be placed in a publicly conspicuous location outside the building at street level, or at the site of an outdoor open space, identifying the open space feature and its location, stating the right of the public to use the space and the hours of use, describing its principal required features (e.g., number of seats, availability of food service) and stating the name and address of the owner or owner's agent responsible for maintenance.”

The Project Sponsor shall provide maintenance services for Waller Park for the life of the Project in accordance with the approved operations plan and shall assume all liability with respect thereto.

20. **Community Garden:** Pursuant to the Planning Approval, the Project Sponsor shall improve approximately 10,600 square feet of the site in the area to the west of Woods Hall Annex as a publicly accessible community garden and to assume maintenance and liability responsibilities for the common areas of the garden. Garden plots shall be made available at no fee to members of the public, including Project residents, for gardening purposes on a non-discriminatory manner providing all interested gardeners an equal opportunity to be selected for a garden plot. Public access to the garden shall be provided via Haight Street and Laguna Street. Members of the public maintaining garden plots shall be afforded the same gardening hours and access regardless of whether they are Project residents. The Planning Director must approve the final plan for the community garden before the first construction permit is issued for the Project. The Project Sponsor shall prepare an operations plan providing management services for the life of the Community Garden. The Director of Planning shall review and approve the proposed operations plan prior to issuance of the first temporary certificate of occupancy for the Project, and shall review and approve any material modifications to such operations plan prior to adoption of such modifications. Such operations plan must ensure that the Community Garden functions as a public allotment garden including equal access for all members of the public, including Project residents, with operating hours and rules of operation similar to other publicly owned and operated allotment gardens, including allowable activities. The Project Sponsor shall provide maintenance services in accordance with the approved operations plan and shall assume all liability with respect thereto.
21. **Community Center/Facility.** Pursuant to the Planning Approval, the Project Sponsor shall undertake seismic and accessibility building shell improvements to Woods Hall Annex to enable the building to be used as a rent-free community center/facility. Prior to issuance of a site permit or building permit for shell improvements to Woods Hall Annex, the Project Sponsor shall engage community stakeholders, the Planning Department and others in a process to be determined to develop a range of program options for the community center and identify a potential operator of the facility. The Project Sponsor shall prepare an operations plan for the Community Facility which will summarize the range of programmatic options developed through the public process, identify an operator and term of operations, and provide additional detail on how a change of operator will be handled. The Director of Planning shall review and approve the proposed operations plan prior to issuance of the

first temporary certificate of occupancy for Woods Hall Annex, and shall review and approve any material modifications to such operations plan prior to adoption of such modifications. Such operations plan must ensure that the community center/facility functions as a community facility including equal access for all members of the public similar to other publicly owned and operated community center/facility, including allowable activities.

MONITORING - AFTER ENTITLEMENT

22. **Enforcement.** Violation of any of the Planning Department conditions of approval contained in this Motion 18693 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

23. **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 18693, 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

24. **Garbage, Recycling, and Composting Receptacles.** Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, <http://sfdpw.org>

25. **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>

26. **Noise Control.** The retail premises shall be adequately soundproofed or insulated for noise and operated so that incidental noise shall not be audible beyond the premises or in other sections of the building and fixed-source equipment noise shall not exceed the decibel levels specified in the San Francisco Noise Control Ordinance.

For information about compliance with the fixed mechanical objects such as rooftop air conditioning, restaurant ventilation systems, and motors and compressors with acceptable noise levels, contact the Environmental Health Section, Department of Public Health at (415) 252-3800, www.sfdph.org

For information about compliance with the construction noise, contact the Department of Building Inspection, 415-558-6570, www.sfdbi.org

For information about compliance with the amplified sound including music and television contact the Police Department at 415-553-0123, www.sf-police.org

27. **Odor Control. Odor Control.** While it is inevitable that some low level of odor may be detectable to nearby residents and passersby, appropriate odor control equipment shall be installed in any food service use in conformance with the approved plans and maintained to prevent any significant noxious or offensive odors from escaping the premises.

For information about compliance with odor or other chemical air pollutants standards, contact the Bay Area Air Quality Management District, (BAAQMD), 1-800-334-ODOR (6367), www.baaqmd.gov and Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

28. **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

29. **Lighting.** All Project lighting shall be directed onto the Project site and immediately surrounding sidewalk area only, and designed and managed so as not to be a nuisance to adjacent residents. Nighttime lighting shall be the minimum necessary to ensure safety, but shall in no case be directed so as to constitute a nuisance to any surrounding property.

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

INCLUSIONARY HOUSING

30. **On-Site BMR Units.** The project sponsor of the market rate housing element of the project shall satisfy the requirements of the Inclusionary Affordable Housing Program set forth in Planning Code Section 415 et seq. by providing on-site BMR units affordable to households earning 55% of Area Median Income, consistent with and pursuant to Planning Code Section 415, in the market rate housing element of the project. All senior dwelling units will be affordable to households earning up to a maximum of 50% of Area Median Income, such that the senior affordable units are not subject to Planning Code Section 415, pursuant to Planning Code Section 415.3(c)(4)(A)(ii).

Motion 18693
August 16, 2012

CASE NO. 2012.0033 ACEF
218 – 220 BUCHANAN STREET
(aka – 55 Laguna Street)

Print Form

Introduction Form

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

By a Member of the Board of Supervisors or Mayor

2017 SEP -5 PM 4:52

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 [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. 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 the Imperative Form.

Sponsor(s):

Sheehy

Subject:

Gift Acceptance-55 Laguna Street; In-Kind Agreement

The text is listed:

[]

Signature of Sponsoring Supervisor:

For Clerk's Use Only