[Findings Reversing the Categorical Exemption Determination - 1151 Washington Street Project]

Motion adopting findings to reverse the Planning Department's determination that the proposed project located at 1151 Washington Street is categorically exempt from environmental review.

WHEREAS, On April 7, 2023, the Planning Department issued a CEQA Categorical Exemption Determination for the proposed project located at 1115 Washington Street ("Project") under the California Environmental Quality Act (Pub. Resources Code, Section 21000 *et seq.*, "CEQA"), the CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15300-15387), and San Francisco Administrative Code, Chapter 31; and

WHEREAS, The project site is a 3,571-square-foot parcel in the Nob Hill neighborhood, occupied by an existing 30-foot-tall, three-story, single-family residence that is approximately 3,050 square feet in size with two off-street parking spaces; and

WHEREAS, The project sponsor proposes the demolition of the existing single-family residence and construction of a 40-foot-tall (50-foot-tall with penthouses), four-story over basement residential building containing 10 for-sale townhouses and one off-street van parking space, access to the proposed units would be from a 5-foot-wide pathway that would step up along the eastern edge of the property, from Washington Street, the proposed pathway would include a bicycle ramp, the proposed building would be approximately 12,300 square feet in size, and would utilize the state density bonus program; and

WHEREAS, On November 1, 2022, Dana Manea (representing the project sponsor) filed a project application with the department for the Project; and

WHEREAS, Pursuant to CEQA, on April 7, 2023, the department determined that the Project was categorically exempt from CEQA, under CEQA Class 32 - Infill Development (CEQA Guidelines Section 15332, "Exemption Determination"), and that no environmental review was required; and

WHEREAS, On April 20, 2023, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled commission meeting and approved the Conditional Use Authorization for the proposed Project; and

WHEREAS, On May 17, 2023, Richard Drury of Lozeau Drury, LLP, on behalf of Clayton Timbrell ("Appellant"), filed an appeal of the Categorical Exemption determination; and

WHEREAS, On May 19, 2023, Hanmin Liu, on behalf of the Upper Chinatown Neighborhood Association ("UCNA"), filed a memorandum indicating that UCNA joined the appeal of the exemption determination filed by Richard Drury (on May 17, 2023), and noting that UCNA was not raising any new issues or enlarging the scope of the appeal; and

WHEREAS, By memorandum to the Clerk of the Board dated May 22, 2023, the department determined that the appeal was timely filed; and

WHEREAS, On June 27, 2023, this Board held a duly noticed public hearing to consider the appeal of the exemption determination filed by Appellant; and

WHEREAS, At the hearing, Appellant and members of the public presented evidence and testimony that the Project does not meet the requirements for a Class 32 Categorical Exemption; specifically, the testimony highlighted the fact that the Project site is adjacent to the Betty Ann Ong Recreation Area and playground, and upslope from such park; that the site contains several hazardous contaminants and will require environmental remediation in close proximity to park users, including children; and that the Project configuration, containing a

total of 10 units in a narrow lot, with many of the units only accessible by a narrow alley, is unusual; and

WHEREAS, Under Section 15300.2 of the CEQA Guidelines, "[a] categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances;" and

WHEREAS, In *Berkeley Hillside Preservation v City of Berkeley* ("*Berkeley Hillside*") (2015) 60 C4th 1086, the California Supreme Court considered the "unusual circumstances" exception to CEQA's categorical exemptions; and

WHEREAS, In *Berkeley Hillside*, the Court explained that lead agencies can approach the question as to whether a project presents "unusual circumstances" in two ways, under the first approach, agencies consider two distinct questions: 1) whether the project presents unusual circumstances; and 2) whether there is a reasonable possibility that a significant environmental impact will result from those unusual circumstances, an agency need not address the second prong of this test unless it first finds that some circumstance of the project is unusual, under the second approach, if an agency finds the project will have a significant impact, that finding necessarily establishes that some circumstance of the project is unusual, and the exception applies; and

WHEREAS, The Court explained that an agency's determination whether the circumstances are unusual is a factual inquiry subject to the substantial evidence standard of review, under which the agency weighs the evidence to decide if the circumstances presented by the project are unusual; and

WHEREAS, If the agency finds that the project presents unusual circumstances, the second question it must address is whether there is "a reasonable possibility of a significant effect on the environment due to" those circumstances, the agency answers this question by

determining if there is *any* substantial evidence before it that would support a *fair argument* that a significant impact on the environment may occur; and

WHEREAS, The Planning Department found that the Project is subject to a Class 32 Categorical Exemption for Infill Projects, and that there are no unusual circumstances that would preclude reliance on that Categorical Exemption; and

WHEREAS, This Board finds that substantial evidence in the record suggests that this case does present unusual circumstances, on two distinct grounds – first, the location of the Project vis a vis the Betty Ann Ong Recreation Center, and second, the configuration of the Project on a narrow upslope lot, which presents unique access challenges to fire-fighters and first responders in case of emergency, the location and configuration of the Project are unusual, in that:

- When the Department conducted its evaluation of the Project under CEQA, the
 department did not require an analysis of the Project's shading on the adjacent
 recreation center, because "[t]he City does not regulate shadows cast by
 projects that are less than 40-feet in height." Planning Code section 295 only
 regulates shadow of buildings that are 40 feet or higher;
- However, the record shows that because of the topography of the area, the
 Project is upslope from the Betty Ong Recreation Center, and hence the
 Project's height, when viewed from the recreation center, significantly exceeds
 40 feet;
- The fact that the Project's height as viewed from the recreation center significantly exceeds the 40-feet height threshold that governs shadow analysis under Section 295 of the Planning Code is an unusual circumstance that makes this Project unique, compared to other projects of less than 40-feet;

- Regarding the Project configuration, the Planning Department acknowledged in
 its Response to the Appeal dated June 16 that "fire department access to 9 of
 10 units at 1151 Washington Street might be somewhat atypical for newer
 development projects," yet the department concluded that the Fire Department
 had confirmed that there was adequate access;
- However, evidence in the record shows that this site and Project configuration is
 indeed unusual in San Francisco. For instance, Appellant submitted testimony
 from Burtt Engineering and Construction and from architect Robert Baum, which
 explain why the "project represents a very unique and unusual construction
 development" and that "[t]he proposed design is quite unusual," particularly as it
 relates to the means of ingress, egress, firefighter ladder access, and
 emergency access; and

WHEREAS, Under *Berkeley Hillside*, when there is substantial evidence of unusual circumstances in the record, as here, the next step is for the lead agency to consider whether there is "a reasonable possibility of a significant effect on the environment due to" those circumstances, this prong is satisfied if there is a *fair argument* that these unusual circumstances may result in an environmental impact, here, there is enough evidence in the record to meet this low threshold, for instance:

- The Project's plans show the Project would significantly shade the recreation center's basketball courts and playground area. Evidence in the record includes a shadow analysis which shows that the Project would significantly shade the playground and courts during peak times of use.
- There was ample testimony from members of the public that Betty Ann Ong
 Recreation Area represents a unique and very valuable open space resource for
 members of the adjacent community, many of whom live in dense apartment

buildings and lack access to comparable open space, recreational opportunities and sunshine.

- The proximity of the Project to the recreational area and the playground also poses a fair argument of environmental risk to the park's users, given that the Project site is contaminated and located uphill from the park and its users. There was ample testimony and discussion of the nature of the contaminants and their potential health effects. The Planning Department relied on the Maher Ordinance (codified in Article 22A of the San Francisco Health Code and Section 106.3.2.4 of the San Francisco Building Code) for its conclusions that site will be remediated to meet protective health and safety standards, but the Department did not explain whether the proximity of the Project to the playground may expose park users, particularly children, to the contaminants present at the site while the remediation is ongoing, and whether that potential for exposure would be an environmental impact.
- The record also contains evidence supporting a fair argument that the Project
 may result in impacts to the environment related to safety and emergency
 access due to its unusual configuration, as explained in the testimony of Burtt
 Engineering and Construction and Robert Baum, referenced above; and

WHEREAS, In reviewing the appeal of the exemption determination, this Board reviewed and considered the exemption determination, the appeal letters, the responses to the appeal documents that the Planning Department and the project sponsor prepared, the supplemental responses filed by the Appellant and the Planning Department, and the other written records before the Board of Supervisors and all of the public testimony made in support of and opposition to the exemption determination appeal; and

WHEREAS, Following the public hearing, in Board of Supervisors Motion No. M23-098, the Board of Supervisors conditionally reversed the Categorical Exemption determination, subject to the adoption of written findings in support of such determination based on the written record before the Board of Supervisors as well as all of the testimony at the public hearing in support of and opposition to the appeal; and

WHEREAS, The written record and oral testimony in support of and opposition to the appeal and the oral and written testimony at the public hearing before the Board of Supervisors by all parties and the public in support of and opposition to the appeal of the exemption determination, including the deliberations by the members of the Board, is in the Clerk of the Board of Supervisors File No. 230592, and is incorporated in this Motion as though set forth in its entirety; now, therefore, be it

MOVED, That based on the above findings, this Board reverses the Categorical Exemption determination issued by the Planning Department, and finds that the Categorical Exemption determination does not comply with CEQA, because the Project presents unusual circumstances that may cause a significant impact on the environment, as explained above; and, be it

FURTHER MOVED, That this Board finds that as to all other topics analyzed in the Categorical Exemption, that document complies with CEQA; is adequate, accurate and objective; is sufficient as an informational document; its conclusions are correct; and it reflects the independent judgment of the City; and, be it

FURTHER MOVED, That this Board remands Categorical Exemption to the Planning Department to undertake further environmental review of the Project consistent with this Motion, before further consideration of any Project approvals; and, be it

FURTHER MOVED, This Board's action upholding this appeal voids the Planning Commission's Conditional Use Authorization approval identified in Planning Case No. 2022-

010833CUA, issued by the Planning Commission by Motion No. 21310; however, in upholding the appeal the Board does not take any position on the merits of the Project, and is not disapproving the Project, but rather remanding the CEQA determination to the Department for further environmental review consistent with this Motion.

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City and County of San Francisco Tails

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Motion: M23-121

File Number: 230848

Date Passed: July 25, 2023

Motion adopting findings to reverse the Planning Department's determination that the proposed project located at 1151 Washington Street is categorically exempt from environmental review.

July 25, 2023 Board of Supervisors - APPROVED

Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen,

Safai and Stefani Absent: 1 - Walton

File No. 230848

I hereby certify that the foregoing Motion was APPROVED on 7/25/2023 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board