



# SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

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- Jobs Housing Linkage Program (Sec. 413)
- Downtown Park Fee (Sec. 412)
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## Planning Commission Motion No. 19568

HEARING DATE: FEBRUARY 11, 2016

*Date:* February 11, 2016  
*Case No.:* 2014.1510CUA  
*Project Address:* 2238-2254 MARKET STREET, 2153 -2157 15<sup>th</sup> STREET  
*Zoning:* Upper Market NCT (Neighborhood Commercial Transit)  
 40-50-X Height and Bulk Districts  
 RH-2 (Residential House, Two-Family)  
 40-X Height and Bulk Districts  
*Block/Lot:* 3560/005,006,007,008, 025,026  
*Project Sponsor:* PF 2254 Market LP  
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ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION FOR A PLANNED UNIT DEVELOPMENT, TO ALLOW DEVELOPMENT ON A LOT EXCEEDING 9,999 SQUARE FEET, AND TO ALLOW COMMERCIAL USE SIZE IN EXCESS OF 2,999 SQUARE FEET PURSUANT TO SECTIONS 121.1, 121.2, 303, AND 304 OF THE PLANNING CODE, WITH SPECIFIC MODIFICATIONS TO PLANNING CODE REGULATIONS RELATED TO REAR YARD, DWELLING UNIT EXPOSURE AND BAY WINDOW SEPARATION REQUIREMENTS, WITH RESPECT TO A PROPOSAL TO DEMOLISH SURFACE PARKING LOTS, TO RETAIN AND INCORPORATE A COMMERCIAL BUILDING (AN HISTORIC RESOURCE PER CEQA) AND A THREE-RESIDENTIAL UNIT BUILDING, AND TO CONSTRUCT ADDITIONS AND NEW MIXED-USE RESIDENTIAL AND COMMERCIAL BUILDING AT MARKET STREET WITH MAXIMUM HEIGHT OF FIVE STORIES, CONSTRUCT NEW THREE-STORY RESIDENTIAL TOWNHOME AT 15<sup>TH</sup> STREET, IN TOTAL CONTAINING APPROXIMATELY 45 NEW RESIDENTIAL UNITS, RETENTION OF THREE RENT-CONTROLLED RESIDENTIAL UNITS, 5,217 SQUARE FEET GROUND FLOOR COMMERCIAL USES, UP TO 24 OFF-STREET PARKING SPACES, 60 CLASS 1 AND 6 CLASS 2 BICYCLE PARKING SPACES, LOCATED ON A SITE PROPOSING TO MERGE SIX PARCELS WITH FRONTAGE ON MARKET AND 15<sup>TH</sup> STREETS WITHIN THE UPPER MARKET NCT (NEIGHBORHOOD COMMERCIAL TRANSIT) DISTRICT AND 40-50-X HEIGHT AND BULK DISTRICT, AND RH-2 (RESIDENTIAL HOUSE, TWO FAMILY)

AND A 40-X HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

**PREAMBLE**

On February 26, 2015, Don Bragg, Prado Group, (hereinafter "Project Sponsor") filed an application with the Planning Department (hereinafter "Department") for Conditional Use Authorization under Planning Code Section(s) 121.1, 121.2, 303, and 304 to allow Planned Unit Development, to allow development on a lot exceeding 9,999 square feet, and to allow commercial use size in excess of 2,999 square feet pursuant to Sections 121.1, 121.2, 303, and 304 of the Planning Code, with respect to a proposal to demolish surface parking lots, to retain and incorporate a commercial building at 2248-2254 Market Street, an historic resource per CEQA, and a three-residential unit building at 2153-2155 15<sup>th</sup> Street, and to construct additions and a new mixed-use building at Market Street with maximum height of five stories, and construct a new three-story residential townhome at 15<sup>th</sup> Street, in total containing approximately 45 new residential units, retention of three rent-controlled units, approximately 5,217 square feet ground floor commercial uses, up to 24 off-street parking spaces, 60 Class 1 and 6 Class 2 bicycle parking spaces, located on a property with frontage on Market and 15th Streets, Lots 005,006,007,008,025,026, in Assessor's Block 3560, within the Upper Market NCT (Neighborhood Commercial Transit) District and a 40-50-X Height and Bulk District, and RH-2 (Residential House, Two Family) and a 40-X Height and Bulk Districts. The project requests specific modifications of Planning Code regulations related to rear yard, dwelling unit exposure and bay window separation requirements, through the Planned Unit Development process specified in Section 304 (collectively, "Project", Case No. 2014.1510CUA).

The environmental effects of the Project were determined by the San Francisco Planning Department to have been fully reviewed under the Market and Octavia Area Plan Environmental Impact Report (hereinafter "EIR"). The EIR was prepared, circulated for public review and comment, and, at a public hearing on April 5, 2007, by Motion No. 17406, certified by the Commission as complying with the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., hereinafter "CEQA"). The certification of the EIR was upheld on appeal to the Board of Supervisors at a public hearing on June 19, 2007. The Commission has reviewed the Final EIR, which has been available for this Commission's review as well as public review.

The EIR is a Program EIR. Pursuant to CEQA Guideline 15168(c)(2), if the lead agency finds that no new effects could occur or no new mitigation measures would be required, the agency may approve the project as being within the scope of the project covered by the program EIR, and no additional or new environmental review is required. In approving the Market and Octavia Area Plan, the Commission adopted CEQA Findings in its Motion No. 17406 and hereby incorporates such Findings by reference.

Additionally, State CEQA Guidelines Section 15183 provides a streamlined environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that (a) are peculiar to the project or parcel on which the project would be located, (b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent, (c)

are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR, or (d) are previously identified in the EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for that project solely on the basis of that impact.

On February 4, 2016, the Planning Department of the City and County of San Francisco determined that the proposed application did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Market and Octavia Area Plan and was encompassed within the analysis contained in the Final EIR. Since the Final EIR was finalized, there have been no substantial changes to the Market and Octavia Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Market and Octavia Area Final EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

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

On April 9, 2015, Department staff received a request for review of a development exceeding 40 feet in height (Case No. 2014.1510SHD), pursuant to Section 295, analyzing the potential impacts of the development to properties under the jurisdiction of the Department of Recreation and Parks. Department staff prepared a preliminary shadow fan analysis depicting the potential shadow cast by the development and concluded that the Project could potentially cast shadow on Noe-Beaver Mini Park. After reviewing and analyzing a secondary analysis submitted by the Project Sponsor, dated July 7, 2015, the Planning Department concluded that no new, net potential shadow will be cast upon Noe-Beaver Mini Park, because at their maximum length, the shadows cast by the project would not reach Noe-Beaver Mini Park. Therefore, the Project would have no impact to properties subject to Section 295.

On February 11, 2016 the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2014.1510CUA.

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. 2014.1510CUA, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

## FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The Project is located Block 3560, Lots 5, 6, 7, 8, 25 and 26. The property is located within the Upper Market NCT (Neighborhood Commercial Transit) District with a 40-50-X Height and Bulk district, and within the RH-2 (Residential House, Two-Family) District with a 40-X Height and Bulk District. The subject property comprises six lots on the block bounded by Market Street, Noe Street, and 15th Street. Three lots are used for surface parking with frontage on Market Street and on 15<sup>th</sup> Street. Two curb cuts exist on Market Street, and one curb cut exists on 15<sup>th</sup> Street to access the parking lot. Two lots are improved with a commercial building (2248-2254 Market Street) on Market Street. One lot is improved with a three-unit apartment building, over garage, at 2153-2155 15<sup>th</sup> Street.
3. **Surrounding Properties and Neighborhood.** The Upper Market Street Neighborhood Commercial Transit District is located on Market Street from Church to Noe Streets, and on side streets off Market. Upper Market Street is a multi-purpose commercial district that provides limited convenience goods to adjacent neighborhoods, but also serves as a shopping street for a broader trade area. A large number of offices are located on Market Street within easy transit access to downtown. The width of Market Street and its use as a major arterial diminish the perception of the Upper Market Street Transit District as a single commercial district. The street appears as a collection of dispersed centers of commercial activity, concentrated at the intersections of Market Street with secondary streets.

The Upper Market Street district controls are designed to promote moderate-scale development which contributes to the definition of Market Street's design and character. They are also intended to preserve the existing mix of commercial uses and maintain the livability of the district and its surrounding residential areas. Large-lot and use development is reviewed for consistency with existing development patterns. Rear yards are protected at all levels. To promote mixed-use buildings, most commercial uses are permitted with some limitations above the second story. In order to maintain continuous retail frontage and preserve a balanced mix of commercial uses, ground-story neighborhood-serving uses are encouraged, and eating and drinking, entertainment, and financial service uses are limited. Ground floor-commercial space is required along Market and Church Streets. Most automobile and drive-up uses are prohibited or conditional.

The properties to the southwest of the subject site on Market Street are characteristically mixed-use buildings with residential at the upper floors and commercial at the ground floor. Immediately adjacent to the existing historic resource per CEQA (2248-2254 Market Street) is a three-story building, which is adjacent to a four-story mixed-use residential over commercial. The property immediately adjacent to the subject site to the northeast on Market Street is the three-story Beck's Motor Lodge. At the corner of Market Street and Sanchez Street is a recently

constructed five-story mixed-use residential over commercial building. Across Market Street, a row of four mixed-use residential over commercial buildings define the middle of the block; these are three-story buildings, with dormers at the attic/fourth level and tall gable roof shapes.

The new 15<sup>th</sup> Street townhomes and existing three-unit residential building are located within the RH-2 Zoning District. This District is devoted to one-family and two-family houses, with the latter commonly consisting of two large flats, one occupied by the owner and the other available for rental. Structures are finely scaled and usually do not exceed 25 feet in width or 40 feet in height. Building styles are often more varied than in single-family areas, but certain streets and tracts are quite uniform. Considerable ground-level open space is available, and it frequently is private for each unit. The Districts may have easy access to shopping facilities and transit lines.

Just off Market Street, there are small-scale residential streets that support the district. The residential character of the residences northwest of the subject site on 15<sup>th</sup> Street generally range from one- to three-story over garage single and two-family buildings, articulated with bay windows and recessed entries.

4. **Project Description.** The project consists of several components. Surface parking lots will be demolished on Market and 15<sup>th</sup> Streets. A mixed-use residential and retail building at 2238-2254 Market Street (Lots 005-008) ranging from two to five stories is proposed. The Market Street component will retain and incorporate the historic resource per CEQA, a commercial building currently known as Sullivan's Funeral Home, located on the west side of the site by adding a vertical addition. A new five-story mixed use building is proposed, at the site of surface parking, with a gracious offset from the existing resource on Market Street. Maximum proposed building height of the Market Street buildings is approximately 55 feet, stepping down to 45 feet in the rear, with a ground floor commercial floor to ceiling height approximately 15 feet.

A three-story, two-unit residential townhome building at 2157 15th Street (Lot 025) is proposed to be constructed, with a maximum height of 40 feet. An existing two-story residential building with three rent-controlled units at 2153-55 15th Street (Lot 026) is proposed to be retained and integrated into the Project. The existing 15th Street residential building will undergo exterior renovations, including new exterior cladding, window and trim elements. In addition, a few interior property line windows will be abandoned or relocated from where the proposed townhouse abuts the existing apartment building to a newly created light bay.

The Project also includes a shared, underground garage with up to 24 automobile parking spaces, constructed under the Market Street building and the Townhomes. The sole ingress and egress to the parking garage would be from one driveway at 15th Street, accessed at the Townhomes. Sixty Class 1 bicycle parking spaces are proposed in secured space at the ground floor level of the Market Street building, accessed from the residential lobby. Six required Class 2 bicycle parking spaces are proposed at the sidewalk area adjacent to the building frontage on Market Street.

The Project proposes up to 45 new dwelling units, five of which are proposed affordable on-site rental units, and the Project proposes retention of three existing rent-controlled residential units. Approximately 5,217 square feet of commercial retail space is proposed at the ground floor of the

Market Street building. In addition to private open space for dwelling units at various levels, approximately 2,890 square feet common open space for the Market Street building is provided at level 5. For the Townhomes, private open space is provided for the lower unit on the ground floor in the rear of the project, and on the roof deck for the upper unit.

The project involves rehabilitation and additions to an historic resource per CEQA and new construction within an historic district per CEQA. This includes incorporation of the historic resource (currently the commercial building known as Sullivan's Funeral Home) into the project, and the new construction within the Upper Market Commercial Historic District. As proposed, the project is in conformance with the *Secretary of the Interior's Standards*. The new addition and related construction are differentiated from yet compatible with the existing resource through use of setbacks, materials, fenestration design, and ground floor commercial storefront design.

5. **Public Comment/Community Outreach.** The Department has received three letters in support during the notice period from the Castro Merchants, the Castro CBD, and the Eureka Valley Neighborhood Association (EVNA), copies of which are included. During the project review period, an adjacent neighbor to the southwest objected to the lack of matching lightwell at the west elevation massing; with input from this neighbor and the Department, the project now includes matching lightwell(s) at the southwest. Department staff has received one phone call in objection to the project, from a homeowner on the block. The comments focused on disruption due to current and future construction projects, traffic and parking impacts due to construction and due to the new projects, rats due to construction, impacts to privacy and light, and disturbance to the mid-block open space from shading. The Duboce Triangle Neighborhood Association (DTNA) has expressed interest in project providing greater than 12% of on-site below market units.

The Sponsor has conducted outreach to the adjacent neighbors, interested community groups and their leadership including: the Castro Merchants, the Castro CBD (Community Benefit District), Eureka Valley Neighborhood Association, Duboce Triangle Neighborhood Association, SPUR, the San Francisco Housing Action Coalition, San Francisco Architectural Heritage, San Francisco Bicycle Coalition, Brittney Beck, owner of Beck's Motor Lodge at 2222 Market (eastern neighbor of subject project), Tom Iveli, owner of 2256 Market Street (western neighbor of subject project), and additional neighbors as required under the Pre-Application Meeting process. Additional letters in support of the project or its suitability for the proposed site have been obtained by the Sponsor from SF Housing Action Coalition and SPUR, respectively, and copies are included.

The Sponsors have indicated they have hosted or attended a total of 15 official stakeholder group meetings, including two general community meetings, and many informal meetings with neighbors and community groups. The sponsor has indicated they have had extensive one-on-one communication with neighbors and other interested parties.

According to the Sponsor, these were the major outcomes of the above meetings: a) Preservation of the existing Market Street building, b) Reduction in size of the expansion of the Market Street

building; b) Provision of limited landscaping between the proposed project and adjacent neighbors to the northwest to preserve sun & light into their rear yards, c) Provision of a reciprocal light well on the western property line with 2256 Market Street, d) Provision of a light well on the eastern property line of the proposed 2157 15th Street townhomes to maintain light and air into the existing 2153-55 15th Street units, e) Incorporation of upgraded exterior finishes on both the Market Street and 15th Street façades f) Preparation of a shadow study to satisfy neighbor shadow concerns, g) Addition of a second bicycle parking room at the ground parking level floor of building in lieu of retail space, bringing the bicycle ratio to nearly one/bedroom vs the City's requirement of one/unit (33% in excess of requirements), and h) Provision of affordable housing on site instead of payment of the prescribed BMR in-lieu fee.

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

- A. **Use and Density.** Per Section 733.91, dwelling units within the Upper Market NCT are principally permitted without specific density limits, allowing physical controls such as height, bulk, and setbacks to define an allowable building envelope. Per Section 733.40, retail uses are principally permitted at the ground floor within the Upper Market NCT. Per 209.1, within RH-2 Zoning District, two residential units are principally permitted per lot, with one unit per 1,500 square feet of lot area by conditional use authorization.

*The Market Street building is within the Upper Market NCT allowing physical controls to define number of dwelling units to be created on site, therefore, the portion of the project within the NCT complies with the Planning Code for dwelling unit density notwithstanding Section 207.6. The proposed ground-floor retail uses are situated entirely within the portion of the site zoned as Upper Market NCT, and therefore comply with the Planning Code.*

*For the portion of the Project zoned as RH-2, Section 209.1 states that up to one unit per 1,500 square feet of lot area is conditionally permitted. However, because the Project requests a PUD, it would be permitted to use the density of the RH-3 zoning district, which conditionally permits one unit per 1,000 square feet, minus one. The RH-2 units combined total 6,934 square feet. Therefore, six units may be approved through the PUD process if lots 25 and 26 are merged. The Project currently proposes five units – three existing units and two new townhouse units. As proposed, the density within the RH-2 District complies with the Planning Code.*

- B. **Dwelling Unit Density.** Per Section 207.6 within in NCT districts, no less than 40 percent of the total number of dwelling units on site shall contain at least two bedrooms.

*Within Upper Market NCT District, the 43-unit Market Street building is required to contain no less than 40% of dwelling units with at least two bedrooms. The proposal is 20 two-bedroom units and 1 three-bedroom unit, which is approximately 48.8% of dwelling units with two bedrooms or greater in the Market Street building.*

- C. **Height and Bulk.** The subject project is located within the UM-NCT zoning district, with a 40-50-X Height and Bulk District, and within a RH-2 Zoning District with a 40-X Height and Bulk District. Pursuant to Section 270, projects within "-X" Bulk Districts are not subject to specific bulk controls. Pursuant to Section 263.20, projects within UM-NCT Districts and within 40-X or 50-X Height and Bulk Districts are allowed an additional five feet of height if the project includes active ground floor commercial uses with elevated ceilings taller than 10 feet.

*Within the Upper Market NCT Zoning and 40-50-X Height and Bulk Districts, the proposed mixed-use project, at a height of 55 feet at Market Street, stepping down to 45 feet at the rear of the building where the roof deck is located, with permitted exceptions such as stair and elevator penthouses, is consistent with the Height and Zoning. In order to encourage generous ground floor ceiling heights for commercial and other active uses up to an additional 5 feet of height is allowed in certain NCT and NCD areas. At the new portion of the Market Street building, the ground level floor to ceiling height measures approximately 15 feet, which is consistent with the Code. The existing resource exhibits ground level floor to ceiling heights approximately 15 feet clearance. Within the RH-2 Zoning and 40-X Height and Bulk District, the Townhomes are proposed at a maximum of 40 feet in height, with permitted exceptions such as stair and elevator penthouses, and is consistent with Height and Zoning.*

- D. **Floor Area Ratio.** Planning Code Section 124 states in R, RC, NC, and Mixed Use Districts, floor area ratio limits shall not apply to dwellings or to other residential uses. The maximum floor area ratio for non-residential uses in the Upper Market NCT is 3.0 to 1.0.

*The lot size in the Upper Market NCT zoning district is approximately 15,814 square feet, which allows for 47,442 square feet non-residential use. The sponsor proposes approximately 5,217 square feet commercial retail at the ground floor of the Market Street mixed use buildings, and complies with the Planning Code.*

- E. **Rear Yard Requirement.** Planning Code Section 134 states that the minimum rear yard depth shall be equal to 25 percent of the total depth of a lot in which it is situated at grade level and above in the Upper Market NCT, and 45% lot depth or the extent to that a reduction in this requirement is permitted by 134(c), in the RH-2 zoning district.

*Currently, the lots proposed for merger in this project are not contributing to the pattern of mid-block open space. The site is currently improved with buildings and a paved surface parking lot devoid of landscaping with some trees at side property lines. The surrounding lot configuration is odd, and adjacent properties exhibit almost full or full lot coverage. The Project proposes two independent building structures – one fronting Market Street (zoning district Upper Market NCT) and one fronting 15th Street (zoning district RH-2) – with rear yard area and open space areas designed to connect to the existing mid-block open space to the northwest. The landscaping improvements proposed include trees, shrubs and drought-tolerant plantings and ground cover. Additional open space provided at upper level private and common roof decks propose this sustainable planting palette, and would further contribute to the benefits of a mid-block open space. The configuration of the Project's rear yards does not fully meet the requirements for a rear yard, and thus requires modifications through the PUD process, discussed in detail below.*



*The rear yard requirement for the Townhomes at 15<sup>th</sup> Street is reduced according to adjacent properties' rear building wall and lot coverage, and the rear yard requirement is approximately 22 feet of average lot depth. The Townhomes portion of the Project proposes a code-compliant rear yard approximately 39 feet of average lot depth, at grade level and above. Dedicated private open space in the form of decks is proposed for each of the townhomes at 15<sup>th</sup> Street. The subterranean parking garage, accessible from 15<sup>th</sup> Street and serving the entire project, encroaches into the last 15 feet of the required rear yard within the RH-2 zoning district and thus requires a modification of the rear yard requirement through the PUD process. Compliance with the PUD criteria is discussed under Item #10.*

*Section 134(e)(1) identifies a process whereby the Zoning Administrator may reduce the rear yard requirements for a project within NC Districts. Because the Project is seeking a rear yard modification through the PUD, the process described by Section 134(e)(1) does not apply. It should be noted, however, that the project complies with the specified criteria of Section 134(e)(1), as follows:*

- i. Residential uses are included in the new or expanding development and a comparable amount of usable open space is provided elsewhere on the lot or within the development where it is more accessible to the residents of the development.*
- ii. The proposed new or expanding structure will not significantly impede the access of light and air to and views from adjacent properties.*
- iii. The proposed new or expanding structure will not adversely affect the interior block open space formed by the rear yards of adjacent properties.*

*Proportionately applying the required rear yard percentages to the Market Street building portion of the Project would provide an open area of approximately 4,598 square feet. The Market Street building would provide approximately 5,690 square feet of open space in the form of private and common roof decks at all five levels. The adjacent properties consist of buildings covering almost the entire lot. A code-compliant rear yard for the Market Street building would be located at the northern portion of the site. Additionally, the block slopes down from 15<sup>th</sup> Street to Market Street. Locating open space at roof decks will provide a more usable, and sunny, open space for residents.*

*Due to odd lot configuration and adjacent properties exhibiting full lot coverage, the proposed design has sought to limit light and air impacts at the rear yard area through stepping the building at the rear of Market Street building and limiting the projection of the building in the RH-2 district into the rear yard. Proposed building massing does match existing adjacent lightwells so as to not significantly impede access to light and air in through lightwells.*

*The proposed rear yard is consistent with the pattern of development in the area, and the provision of greater amounts of open space in the form of private and common roof decks meets the intent of the Code. At both buildings, rear yard and open space will contribute to the mid-block open space, whereas currently, the lots do not contribute to this pattern. Project requires a modification of the rear yard requirement through the PUD process. Compliance with the PUD criteria is discussed under Item #10.*

- F. **Usable Open Space.** Section 135 requires that a minimum of 60 square feet of private usable open space or 80 square feet of common usable open space be provided for dwelling units within the Upper Market NCT Zoning District, and that a minimum of 125 square feet of private usable open space or 166 square feet of common usable open space be provided for dwelling units within the RH-2 Zoning District.

*At the Market Street building, ten dwelling units are proposed with private decks to meet the private open space standard, ranging from 144– 520 square feet. Approximately 2,890 square feet common open space is provided in the form of a roof deck on the fifth level; the requirement is 2,640 square feet of common open space. At the new 15<sup>th</sup> Street townhome, private open space is provided in the form of decks ranging from 513 – 787 square feet – far exceeding the required 125 square feet minimum.*

- G. **Bay Window Separation.** Section 136(c)(2) permits bay windows to project over the public right-of-way, provided that the bays meet specified limitations for dimensions and separation.

*Planning Code section 136(c)(2)(D) establishes maximum width and depth for bay windows. The Project's proposed bay windows at the Market Street building are compliant with this requirement. The Project seeks a modification to the separation requirements for the Market Street building of Section 136(c)(2)(G). The sum of the minimum and maximum requirements of the two Planning Code sections results in a 17' center to center module. The Project's dwelling units on the subject façade follow a 14'8" center to center module thus creating a small encroachment at the corner of each bay beyond the plane defined by the Planning Code. The proportion of the proposed bays is complimentary to the Project, and the bay windows, as designed, enhance the livability of the dwelling units. Thus the Project requires a modification of the bay window separation requirement for the Market Street building through the PUD process. Compliance with the PUD criteria is discussed under Item #10.*

- H. **Better Streets Plan.** Section 138.1 requires projects that are half acre or greater to include improvement of the public right-of-way associated with development projects. Development projects that propose or are required through this Section to make pedestrian and streetscape improvements to the public right-of-way shall conform with the principles and guidelines for those elements as set forth in the Better Streets Plan to the maximum extent feasible.

*The Better Streets Plan (BSP) adopted by the city in December 2010, provides a comprehensive set of guidelines for the design of San Francisco's pedestrian realm. The Plan seeks to balance the needs of all street users, with a particular focus on the pedestrian environment and how streets can be used as public space. Nine street trees are required due to the Project, five trees exist, and four additional trees will be planted or the project will pay the required in-lieu fee. Class 2 bicycle parking will be incorporated at the Market Street public right of way.*

*Two existing curb cuts will be removed from Market Street in the implementation of the project. This important design change will prioritize pedestrian safety on Market Street, and help minimize private vehicles on Market. The existing curb cut for access to the surface parking lot at 15<sup>th</sup> Street will be reduced to maximum 10 foot width and relocated for ingress and egress to the new underground parking garage. The existing 15<sup>th</sup> Street residential building contains a garage with off-street parking*

*and a curb cut. After review, it was determined that the creation of one driveway access from the existing driveway to the new underground parking was infeasible. Additionally, creation of an additional dwelling unit was deemed infeasible in the garage due to light and air requirements. Both curb cuts on 15<sup>th</sup> Street will remain, reduced to Code compliant size, and located so as to not remove additional street parking spaces.*

- I. **Dwelling Unit Exposure.** Section 140 requires that each dwelling unit shall face directly a public street, public alley at least 20 feet in width, side yard at least 25 feet in width, or rear code-compliant rear yard; or open area/court with minimum horizontal dimension of 25 feet in every horizontal dimension for the floor at which the Dwelling Unit in question is located and the floor immediately above it, with an increase of five feet at every subsequent floor.

*In total, 12 new dwelling units of 45 new dwelling units do not fully meet the requirements for dwelling unit exposure. Ten dwelling units at the rear of the Market Street building do not face onto a code-compliant rear yard nor face onto an open area with the required minimum horizontal dimensions. The angular lot configuration creates a building geometry where the ground floor and upper level units require a modification, however, these ten units do face onto an open area, partially including the open space of the Townhomes. In addition, the buildings to the north of the yard are smaller residential buildings of only three stories. Therefore, the yard and the units that open onto the rear yard will receive ample light and air, and the intent of the exposure requirement of the Code is met. Two dwelling units at the front, which face onto Market Street above the existing historic resource per CEQA, do not meet the un-obstructed clearance requirements per Section 140. These two units are each proposed with private open space in the form of decks, however, there are obstructions of existing roof configuration due to the incorporation of the existing historic resource per CEQA. Thus the Project requires a modification of the dwelling unit exposure requirement through the PUD process. Compliance with the PUD criteria is discussed under Item #10.*

- J. **Ground Floor Ceiling Height.** Pursuant to Section 145.1 of the Planning Code, ground floor non-residential uses shall have a minimum floor-to-floor height of 14 feet, as measured from grade.

*See item #6C*

- K. **Street Frontage in Neighborhood Commercial Districts.** Section 145.1 of the Planning Code requires that within NC Districts space for active uses shall be provided within the first 25 feet of building depth on the ground floor and 15 feet on floors above from any facade facing a street at least 30 feet in width. In addition, the floors of street-fronting interior spaces housing non-residential active uses and lobbies shall be as close as possible to the level of the adjacent sidewalk at the principal entrance to these spaces. Frontages with active uses that must be fenestrated with transparent windows and doorways for no less than 60 percent of the street frontage at the ground level and allow visibility to the inside of the building.

*The entire Market Street frontage for the Project following the proposed merger of Lots 005-008 would measure approximately 125 feet. For the entire street frontage, active uses are proposed for the first 25 feet of building depth on the ground floor, and are programmed as ground floor retail or residential*

*lobby. No less than 60 percent of the street frontage at the ground level would be fenestrated with transparent windows to allow visibility to the inside of the building. At the new retail space on Market Street, proposed linear frontage is approximately 60 feet in total with 43 feet of storefront windows and entry. The windows are proposed with bulkhead and storefront casework, otherwise as clear and unobstructed. An entry court open from grade to sky, with landscaping and transparent fence, provides access to the recessed residential lobby and separates the new construction from the historic commercial building (per CEQA). The existing commercial building at 2248-2254 Market Street will be retained and incorporated into the project, and a commercial use is proposed at the ground floor. With 50 feet of existing street frontage, the front façade of the existing retail is detailed with retail entries or windows as an existing commercial use. Minor changes proposed to the frontage, such as lowering the window sill, will increase the existing building's compliance with Section 145.1 at the ground floor.*

- L. Required Ground Floor Commercial Uses – Linear Street Frontage.** Section 145.4(d) of the Planning Code requires that on Market Street, for the entirety of the NCT-3, Upper Market NCD, and Upper Market NCT Districts, an individual ground floor nonresidential use may not occupy more than 75 contiguous linear feet for the first 25 feet of depth along a street-facing facade.

*Market Street frontage for the Project following the proposed merger of Lots 005-008 would measure approximately 125 feet. The existing historic building street frontage measures approximately 50 feet. The street frontage of the proposed new building on Market Street building, including the frontage of recessed entry, measures approximately 75 feet. The two retail storefronts are non-contiguous and separated by an entry court which is open from grade to sky, and leads to a recessed residential lobby.*

- M. Off-Street Parking, Residential.** For Residential uses, Section 151 of the Planning Code does not require off-street automobile parking in the Upper Market NCT. Up to .5 spaces per one dwelling unit is permitted. Up to .75 spaces per one dwelling unit requires conditional use authorization, and within this NCT is not permitted beyond .75 spaces per dwelling unit. In the RH-2 zoning district, one parking space per dwelling is required. For Retail uses at the sizes proposed, Section 151 of the Planning Code does not require off-street parking. Per Section 167, all off-street parking spaces accessory to residential uses in new structures of 10 dwelling units or more, or in new conversions of non-residential buildings to residential use of 10 dwelling units or more, shall be leased or sold separately from the rental or purchase fees for dwelling units for the life of the dwelling units, such that potential renters or buyers have the option of renting or buying a residential unit at a price lower than would be the case if there were a single price for both the residential unit and the parking space. In cases where there are fewer parking spaces than dwelling units, the parking spaces shall be offered first to the potential owners or renters of three-bedroom or more units, second to the owners or renters of two bedroom units, and then to the owners or renters of other units. Renters or buyers of on-site inclusionary affordable units provided pursuant to Section 415 shall have an equal opportunity to rent or buy a parking space on the same terms and conditions as offered to renters or buyers of other dwelling units, and at a price determined by the Mayor's Office of Housing, subject to procedures adopted by the Planning Commission notwithstanding any other provision of Section 415et seq.

*Up to 24 off-street parking spaces are provided in the underground parking garage. Two are dedicated to Townhomes (one per dwelling unit). The remaining 22 spaces (including accessible) are being provided at a rate of 1 parking space per 2 dwelling units (rounded down), which is the permitted .5 spaces per dwelling unit. Section 167 requires unbundled parking spaces because the Project proposes more than 10 dwelling units.*

- N. **Off-Street Parking, Commercial.** Sections 151 of the Planning Code requires no off-street parking for retail uses that are less than 5,000 square-feet of occupied floor area.

*The project proposes a total of 5,217 square feet of retail uses, divided at minimum into two discrete retail spaces approximately 2,120 square feet and 3,097 square feet, thus, no individual use exhibits 5,000 square feet of occupied floor area.*

- O. **Car Share.** Section 166 of the Planning Code requires one car share space for 50 – 200 dwellings.

*The project contains 45 new dwelling units, and 48 total dwelling units. No car share space is required or provided.*

- P. **Off-Street Loading (Commercial).** Sections 152 and 733.23 of the Planning Code requires off-street loading be provided in the Upper Market NCT for retail uses exceeding 9,999 square feet in area.

*The project contains approximately 5,217 square feet of retail space, therefore is not required to provide off-street loading and does not provide off-street loading.*

- Q. **Bicycle Parking.** Planning Section 155.1-155.2 of the Planning Code requires bicycle parking spaces for residential and non-residential uses. One Class 1 bicycle parking space is required for each dwelling unit. Class 2 bicycle parking spaces are required for every 20 dwelling units. Additionally, for each Retail use at the size proposed, a minimum of two Class 2 bicycle parking spaces are required.

*A secure bicycle parking room for 60 bicycles is proposed at the ground-floor of the Market Street building. Vertical bicycle parking will be utilized for half of the spaces. Six Class 2 spaces (two spaces required for residential and 4 spaces required for retail use) are proposed to be located at the Market Street sidewalk area, in front of the development.*

- R. **Inclusionary Affordable Housing Program.** Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 415.3, these requirements would apply to projects that consist of 10 or more units, where the first application (EE or BPA) was applied for on or after July 18, 2006. Pursuant to Planning Code Section 415.5 and 415.6, the Inclusionary Affordable Housing Program requirement for the On-site Affordable Housing Alternative is to provide 12% of the proposed dwelling units as affordable.

*The Project Sponsor has demonstrated that it is eligible for the On-Site Affordable Housing Alternative under Planning Code Section 415.5 and 415.6, and has submitted a 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to satisfy the requirements of the Inclusionary Affordable Housing Program by providing the affordable housing on-site instead of through payment of the Affordable Housing Fee. In order for the Project Sponsor to be eligible for the On-Site Affordable Housing Alternative, the Project Sponsor must submit an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to the Planning Department stating that any affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the project or submit to the Department a contract demonstrating that the project's on- or off-site units are not subject to the Costa Hawkins Rental Housing Act, California Civil Code Section 1954.50 because, under Section 1954.52(b), the Project Sponsor has entered into an agreement with a public entity in consideration for a direct financial contribution or any other form of assistance specified in California Government Code Sections 65915 et seq. and submits an Affidavit of such to the Department. All such contracts entered into with the City and County of San Francisco must be reviewed and approved by the Mayor's Office Housing and the City Attorney's Office. The Project Sponsor has indicated the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions provided by the City and approved herein. The Project Sponsor submitted such Affidavit on December 18, 2015 and a draft of the Costa Hawkins agreement on December 28, 2015. The EE application was submitted on February 12, 2015. Pursuant to Planning Code Section 415.3 and 415.6 the on-site requirement is 12%. Five units (2 studio units; 1 one-bedroom units, and 2 two-bedroom units) of the 45 units provided will be affordable rental units. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative, it must pay the Affordable Housing Fee with interest, if applicable. The Project must execute the Costa Hawkins agreement prior to Planning Commission approval or must revert to payment of the Affordable Housing Fee.*

- S. **Market and Octavia Community Infrastructure Impact Fee.** Per Section 421 of the Code, the project requires payment per gross new square foot of residential and commercial development for the Market and Octavia Community Improvements Fund.
- T. **Market and Octavia Plan Area Affordable Housing Fee.** Per Section 416 of the Code, the project requires payment per gross square foot of new residential development, exclusive of any square footage designated as below market rate under Section 415.1 et seq., or any other residential unit that is designated as an affordable housing unit under a Federal, State, or local restriction in a manner that maintains affordability for a term no less than 50 years pursuant to Section 416.3(c), as part of the Market and Octavia Affordable Housing Fee.
- U. **Transportation Sustainability Fee.** Per Section 411A, effective December 25, 2015, the Transportation Sustainability Fee is in effect for this project because it includes more than 20 new dwelling units.
- V. **Signage.** Currently, there is not a proposed sign program on file with the Planning Department.

*The proposed commercial uses do not have a name as of this writing. Any proposed signage will be subject to the review and approval of the Planning Department pursuant to Article 6 of the Planning Code.*

7. **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 is desirable as mixed-use infill development, compatible with the scale and character of the Neighborhood Commercial district, and is targeted to achieve LEED (Platinum) designation. It proposes ground-floor retail and housing to underutilized lots that currently contain surface parking, while retaining and incorporating an existing historic resource per CEQA at 2248-2254 Market Street and retaining a three-residential unit building at 2153-55 15th Street. The Project will retain the three existing rent-controlled units and add up to 45 dwelling units to the City's housing stock. Specifically, the Project will add 20 two-bedroom and one three-bedroom unit at the Market Street building, with five units dedicated as on-site affordable units, as well as a three-bedroom and four-bedroom townhouse. In addition, the Project will provide 5,217 square feet of retail space, providing new opportunities for neighborhood-serving businesses to area residents, and new residents of the Project with neighborhood-serving retail uses. The project will provide a development that is desirable for and compatible with the neighborhood and community because it proposes a density and mix of uses consistent with the Market and Octavia Plan that will activate this portion of Market Street.*

- 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 Project involves the retention of an existing two-story historic resource per CEQA with vertical addition, a two-unit townhouse building on 15th Street, retention and exterior renovation of an existing three-unit residential building at 2153-55 15th Street, and new construction on Market Street - will blend well with the varied scale of the neighborhood. The 40-foot height of the townhouse building on 15th Street is consistent with the adjoining three and four-story buildings and the range of heights (two to five stories) on the block. The scale of the existing building at 2248-2254 Market Street will be preserved by setting the new construction back from the front façade. The five-story new construction is consistent with the range of heights found in the immediate neighborhood, where buildings range from one to five stories in height.*

*Furthermore, the use of glazing, bay windows, and rhythm of ground floor storefronts give the building articulation and verticality breaking up the massing. Also, the massing of the two new structures is independent to reflect the pattern of mid-block open space, and the elevation at 15<sup>th</sup> Street townhomes will be treated architecturally like a separate building to reflect the character of the block.*

- 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;

*The Project Site is very well served by public transit. The Castro MUNI station is one block away and is served by K-Ingleside, L-Taraval, M-Oceanview, and S-Castro Shuttle lines. The F Streetcar runs on Market Street next to the Project, the N-Judah light rail line is .3 miles away, and the 16th and Mission Bart station is .8 miles away. In addition, the 22 and 37 Muni buses run next to the Project, and the 24 bus line is a block away. Market Street's bike lanes are among the City's most heavily used. Residential off-street parking is provided at the permitted 1 space per 2 dwelling units. Forty-five Class 1 bicycle parking spaces are required, however, 60 parking spaces are proposed in a secure room at ground level in the Market Street building. No parking is provided for the proposed retail uses, and a majority of customers and tenants are expected to walk, bike or take public transportation.*

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

*The Project proposes a mixed-use residential and retail building that will not emit noxious or offensive emissions. Construction will comply with the Dust Control Ordinance and Noise Ordinance.*

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

*The project would include a landscaped entry court at the Market Street and 15<sup>th</sup> Street entry areas. The project would include required street trees along the Market and 15th Street frontages. Parking would be provided in an underground parking garage. The garage entrance is located at the 15th Street frontage near another driveway on the adjacent property in order to minimize interference with pedestrian activity. The project will be required to meet all applicable lighting and signage restrictions.*

- 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 generally complies with the applicable sections of the Code, with certain exceptions. The Residential uses contemplated for the Project within the Upper Market NCT and the RH-2 Zoning Districts, and the proposed commercial uses are permitted within the Upper Market NCT District. The Project seeks several modifications to the requirements of the Planning Code through the PUD*



*process. The purpose of the PUD process is to allow a well-designed development on larger sites to request modifications from the strict requirements of the Planning Code, provided that the Project generally meets the intent of these Planning Code requirements and will not adversely affect the General Plan. The requested modifications and compliance with the PUD criteria are discussed under Item #11.*

*Considered as a whole, the Project would add housing and commercial goods and services to add to and to support the mixed-use District. The Project site is well-served by transit and existing commercial services, with amenities accessible by foot, bike or transit. The Project includes a mix of unit types, including 12 studios, 10 one-bedroom units, 20 two-bedroom units, 2 three-bedroom units and 1 four-bedroom unit. This mix of units can serve diverse housing sizes. The Project conforms with multiple goals and policies of the General Plan, as described in further detail in Item #12.*

- 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 purposes of Upper Market Neighborhood Commercial Transit District in that the project is a mixed-use development that will contribute to the definition of Market Street's design and character, will maintain and promote the mix of commercial uses and livability of the district and its surrounding residential areas, and includes residential units on the upper floors, and space for neighborhood-serving commercial uses on the ground floor, which would provide compatible convenience service for the immediately surrounding neighborhoods.*

8. **Planning Code Section 121.1** establishes criteria for the Planning Commission to consider when reviewing applications for projects within the Upper Market NCT on lots exceeding 9,999 square feet, through the Conditional Use process. On balance, the project complies with said criteria in that:
- a. The mass and façade of the proposed structure are compatible with the existing scale of the district.

*The proposed mixed-use project, at a height of 55 feet at Market Street, stepping down to 45 feet at the rear of the building where the roof deck is located, is consistent with the zoning and compatible with the scale of development in the district, which consists of buildings of varied heights. In addition, the mass of the building is broken up by street-facing bay windows, varied glazing patterns, and upper level balconies. The retention and incorporation of the existing two-story historic resource, per CEQA, maintains the existing low scale. An open entry court, with recessed access to the residential lobby, separates the existing historic building from the new five-story mass, in effect dividing the building into discrete modules. The combined effect is to create a development that is compatible with the varied scale of the district.*

- b. The façade of the proposed structure is compatible with design features of the adjacent facades that contribute to the positive visual quality of the district.

*Existing buildings in the area exhibit an eclectic architectural character, with no prevailing style establishing a dominant visual pattern for the neighborhood. Mixed-use residential over ground*

*floor commercial, or commercial buildings, are the dominant use type. The scale of development varies somewhat in the vicinity from fine-grained, to larger building with several storefronts, and due to the design of Market Street and cross-streets, numerous gore lots with significant street frontage. Existing development is constructed in the late 19th and mid- 20th Century. There are also examples of recent in-fill construction in the block, such as two projects at Market and Sanchez Streets -- 2200 Market and 2198 Market (currently under construction) and in the next block, south side of Market Street, 2175 Market Street at 15<sup>th</sup> Street. While no single architectural style or development pattern predominates, the Project reflects the disparate elements of this context while establishing its own contemporary language. Although the Project occupies a relatively large lot, the taller mixed-use building is separate from the existing two-story massing by an entry court open from ground to sky. The facades proposed as part of the Project contain design elements to break up the massing of the buildings and make them contribute to the positive visual quality of the district.*

9. **Planning Code Section 121.2** establishes criteria for the Planning Commission to consider when reviewing applications for projects in the Upper Market NCT proposing commercial uses greater than 2,999 square feet, through the Conditional Use process. On balance, the project complies with said criteria in that:
- a. The intensity of activity in the district is not such that allowing the larger use will be likely to foreclose the location of other needed neighborhood-serving uses in the area.
  - b. The proposed use will serve the neighborhood, in whole or in significant part, and the nature of the use requires a larger size in order to function.
  - c. The building in which the use is to be located is designed in discrete elements which respect the scale of development in the district.

*The project proposes 5,217 square feet of retail space designed and functioning as two discrete retail spaces at the site: 2,120 square feet of retail to remain in the existing building and 3,097 square feet of new construction. The Conditional Use authorization request is to allow a retail space greater than 2,999 square feet, thus only the new commercial retail space requires authorization for a minimal amount of square footage beyond permitted size. The use size CU will allow the retail space in the new construction, which has approximately 60 feet of linear frontage on Market Street, to have the flexibility to be demised into multiple retail spaces or a single space. The project will not foreclose the location of other neighborhood-serving retail uses, because it is adding new retail space in an area now used for surface parking. This Conditional Use authorization request seeks approval for Other Retail per Section ### of the Planning Code. If future uses are proposed that do not meet this definition or include Formula Retail, a separate Conditional Use Authorization request is required.*

10. **Planned Unit Development.** Section 304 establishes criteria and limitations for the authorization of PUD's over and above those applicable to Conditional Uses in general and contained in Section 303 and elsewhere in the Code. In cases of projects that exhibit outstanding overall design and are complementary to the design and values of the surrounding area, such projects may merit modification of certain Code requirements. On balance, the Project complies with said criteria in that it:
- a. Affirmatively promotes applicable objectives and policies of the General Plan.

*See discussion under item #12*

- b. Provides off-street parking adequate for the occupancy proposed.

*The Project would provide up to 24 off-street parking spaces. Under Planning Code Section 151, the two townhouses in the RH-2 zoning district are required to have one parking space per townhouse and two are provided. Under Planning Code Section 151.1, the dwelling units in the NCT district are principally permitted up to one car for every two of the 43 dwelling units, and up to 22 are proposed. Therefore, the parking proposed is consistent with the maximum amount of parking permitted for the project under the Planning Code. This amount of parking is anticipated to be more than adequate to serve the proposed use, especially considering the Project's proximity to ample public transit along Market Street and easy access to job centers by foot and bicycle.*

- c. Provides open space usable by the occupants and, where appropriate, by the general public, at least equal to the open spaces required by the Code.

*The Market Street portion of the Project provides ten dwelling units with code-compliant private open space by way of large decks and balconies for a total of 2,800 square feet of private open space. It also contains a common 2,890 square foot roof deck on the 5th floor. In total, the Market Street portion requires 3,240 square feet of open space and provides 5,690 square feet of open space. The townhouse units are required to provide a total of 250 square feet of private open space and exceed that at 1,300 square feet.*

- d. Will be limited in dwelling unit density to less than the density that would normally be allowed under the Code for a district permitting a greater density, so that the PUD will not be substantially equivalent to a reclassification of property.

*Under Planning Code Section 733.91, the lots zoned NCT are not subject to a density limit by lot size as noted in item #7A. Per Section 209.1, lots zoned RH-2, up to one unit per 1,500 square feet of lot area is conditionally permitted. However, because the Project requests a PUD, it would be permitted to use the density of the RH-3 zoning district, which conditionally permits one unit per 1,000 square feet, minus one. The RH-2 zoned lots combine to total 6,934 square feet. Therefore, six units may be approved through the PUD process if lots 25 and 26 are merged. The Project currently proposes five units – three existing units and two new townhouse units. Granting of the PUD would not be substantially equivalent to a reclassification of property.*

- e. In R Districts, includes commercial uses only to the extent that such uses are necessary to serve residents of the immediate vicinity.

*The portion of the Project in the RH-2 zoning district does not contain commercial uses. The commercial portion of the project is located in the NCT zoning district.*

- f. Under no circumstances be exempted from the height limit set by Article 2.5 of the Code, unless such exception is explicitly authorized by the Code.

*The project is within code-required height limits.*

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

*The project proposes 5,217 square feet of nonresidential space and complies with the FAR limit in the Upper Market NCT District.*

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

*The uses proposed by the Project are principally permitted within the Upper Market Street NCT zoning district.*

- i. In RTO and NC Districts, include the extension of adjacent alleys or streets onto or through the site, and/or the creation of new publicly-accessible streets or alleys through the site as appropriate, in order to break down the scale of the site, continue the surrounding existing pattern of block size, streets and alleys, and foster beneficial pedestrian and vehicular circulation.

*Because of the size and shape of the site, the irregular block configuration, and the angle of the buildings on 15th Street, the site is not conducive to creation of publicly-accessible streets or alleys. Instead, the scale of the site is broken down through moderation of the façade and street-fronting uses in the Project.*

- j. Provide Street trees as per requirements of the Code.

*The Project will provide street trees as required by the Code. There are currently five trees and nine are required. Therefore, the Project will add four trees or pay the required in-lieu fee.*

- k. Provide landscaping and permeable surface in any required setbacks in accordance with the requirements of the Code.

*The Project would comply with all applicable landscaping requirements under the Code. The Project will increase the street trees to a total of nine, from five already present. The Project will include a landscaped entry court for the Market Street component that will improve the pedestrian and resident experience. Plant materials for rear yards and open space will be drought tolerant and paving will be wood decking and unit pavers. The proposed townhouses on 15th Street will have a landscaped setback consisting of drought tolerant plant materials. Planters on grade will be designed to function as part of the Project's storm-water control plan.*

11. **Planned Unit Development Modification.** The Project Sponsor requests a number of modifications from the requirements of the Planning Code. These modifications are listed below, along with reference to the relevant discussion for each modification.

- a. *Rear Yard Configuration: Item #6E*  
b. *Bay Window Separation: Item #6G*  
c. *Dwelling Unit Exposure: Item #6I*

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

**MARKET AND OCTAVIA AREA PLAN**  
**Objectives and Policies**

**OBJECTIVE 1.1:**

CREATE A LAND USE PLAN THAT EMBRACES THE MARKET AND OCTAVIA NEIGHBORHOOD'S POTENTIAL AS A MIXED-USE URBAN NEIGHBORHOOD.

**Policy 1.1.2:**

Concentrate more intense uses and activities in those areas best served by transit and most accessible on foot

**Policy 1.1.3**

Encourage housing and retail infill to support the vitality of the Hayes-Gough, Upper Market, and Valencia Neighborhood Commercial Districts.

**Policy 1.1.5**

Reinforce continuous retail activities on Market, Church, and Hayes Streets, as well as on Van Ness Avenue.

*The Project proposes housing and retail infill, building a mixed-use Project on underutilized surface parking lots in the Upper Market. The Project provides density on Market Street, adding 45 total new housing units and ground floor retail on the Market Street frontage, and a smaller scale portion of the development that includes two townhomes on 15th Street. The new Market Street retail fills in a gap of activity currently created by a surface parking lot. This pattern of development is consistent with the Market and Octavia Area Plan, which encourages more intense development on Market Street because it is a commercial center and is highly accessible by public transit and walking.*

**OBJECTIVE 2.2:**

ENCOURAGE CONSTRUCTION OF RESIDENTIAL INFILL THROUGHOUT THE PLAN AREA.

**Policy 2.2.4:**

Encourage new housing above ground-floor commercial uses in new development and in expansion of existing commercial buildings.

*The Project provides residential over commercial infill development compatible with the goals of the Area Plan.*

**Policy 2.3:**

Preserve and enhance existing housing stock.

*The Project supports this goal by preserving the three residential-unit building at 2153-55 15th Street and making updates to the exterior.*

**OBJECTIVE 3.1:**

ENCOURAGE NEW BUILDINGS THAT CONTRIBUTE TO THE BEAUTY OF THE BUILT ENVIRONMENT AND THE QUALITY OF STREETS AS PUBLIC SPACE.

**Policy 3.1.1:**

Ensure that new development adheres to principles of good urban design.

*The Project meets these goals by combining the new construction of the Project with the existing commercial building on the site, providing a high quality mixed-use building in an area for which additional density is sought.*

**OBJECTIVE 3.2.2:**

ENCOURAGE REHABILITATION AND ADAPTIVE REUSE OF HISTORIC BUILDINGS AND RESOURCES.

**Policy 3.2.2:**

Encourage rehabilitation and adaptive reuse of historic buildings and resources.

*The Market Street component will retain and incorporate the historic resource per CEQA located at 2248-2254 Market Street into the new project.*

**Policy 3.2.8:**

Encourage new building design that respects the character of nearby older development.

*The Project proposes an overall massing, scale, articulation and fenestration that both incorporates existing resource at 2248-2254 Market Street and respects the general character of nearby development, which includes a mix of retail and residential buildings of varying styles.*

**OBJECTIVE 5.2:**

DEVELOP AND IMPLEMENT PARKING POLICES FOR AREAS WELL SERVED BY PUBLIC TRANSIT THAT ENCOURAGE TRAVEL BY PUBLIC TRANSIT AND ALTERNATIVE TRANSPORTATION MODES AND REDUCES TRAFFIC CONGESTION.

**Policy 5.2.3:**

Minimize the negative impacts of parking on neighborhood quality.

**OBJECTIVE 5.3:**

DEVELOP AND IMPLEMENT PARKING POLICES FOR AREAS WELL SERVED BY PUBLIC TRANSIT THAT ENCOURAGE TRAVEL BY PUBLIC TRANSIT AND ALTERNATIVE TRANSPORTATION MODES AND REDUCES TRAFFIC CONGESTION.

**Policy 5.3.1:**

Encourage the fronts of buildings to be lined with active uses, and where parking is provided, require that it be setback and screened from the street.

*The Project achieves these goals by removing a surface parking lot, removing two curb cuts on Market Street, and removing 35 surface parking spaces. The new off-street parking will be located below grade, properly screened, accessible from one code-compliant driveway on 15<sup>th</sup> Street. The Project fills in a gap in the streetface with new active uses, including retail space in the existing and proposed buildings on Market Street and a residential lobby on Market Street.*

## HOUSING ELEMENT

**OBJECTIVE 1**

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

**Policy 1.8:**

Promote mixed-use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

**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 proposes to add up to 45 dwelling units to help meet the City's housing needs and preserve a three-unit rent controlled building. It will also participate in the City's affordable housing program providing on-site affordable units, thereby contributing to permanently affordable housing. It also will add mixed-use development ideally situated for use of public transportation, walking and bicycling, as encouraged by the General Plan.*

**OBJECTIVE 2**

RETAIN EXISTING HOUSING UNITS, AND PROMOTE SAFETY AND MAINTENANCE STANDARDS, WITHOUT JEOPARDIZING AFFORDABILITY.

*The Project will retain the three existing rent-controlled residential units at 2153-55 15th Street. Improvements proposed as required by Code.*

**OBJECTIVE 11**

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

**Policy 11.1:**

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

**Policy 11.2:**

Ensure implementation of accepted design standards in project approvals.

**Policy 11.3:**

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

**Policy 11.5:**

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.

*The proposed project will add well-designed housing, using Department design standards, to lots that are currently underutilized surface parking areas. It will benefit both the commercial businesses and properties on Market Street and residential properties on 15th Street by filling in breaks in the block-face with an active and well-designed new development. The proposed mixed-use development is compatible with the existing neighborhood character in use and scale.*

**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 13.3:**

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

*The Project is targeting LEED Platinum certification. It is a transit-oriented housing development that adds density to an area that is ideally situated for public transit use, walking, and bicycling and is also close to the financial district and other major job centers reachable by transit, pedestrian and bicycle mode share.*

**URBAN DESIGN ELEMENT**

**OBJECTIVE 1**

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

**Policy 1.3:**

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

*The Project would fill in existing gaps in the streetwall along Market Street and along 15<sup>th</sup> Street, better aligning these sites with the character of the Districts.*

**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 substantial undesirable consequences that cannot be mitigated.

**Policy 1.2:**

Assure that all commercial and industrial uses meet minimum, reasonable performance standards.

**Policy 1.3:**

Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

*The proposed development would provide desirable goods and services to the neighborhood and would provide resident employment opportunities to those in the community. The project would replace a unattractive surface parking lots, retain and incorporate existing buildings, with essential housing and neighborhood serving commercial uses. The project would not result in any undesirable consequences. Further, the Project Site is located within a neighborhood commercial district and is thus consistent with activities in the commercial land use plan.*

**NEIGHBORHOOD COMMERCE**

**OBJECTIVE 6**



MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

**Policy 6.7:**

Promote high quality urban design on commercial streets.

*The Project proposes a mixed-use residential over ground-floor commercial building with frontage on Market Street. An existing historic resource will be incorporated and the ground floor commercial space will be retained. A new ground floor retail space, with option for demising into two spaces, is proposed.*

13. **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 Project improves the quality of neighborhood-serving retail. It retains 3,720 square feet of the existing retail space and adds 1,497 square feet of new retail space. Moreover, adding residents to the area will contribute to the growth of nearby retail uses.*

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

*The Project adds retail and housing to underutilized lots that currently contain only surface parking, and maintains the existing building at 2248-2254 Market Street. It also preserves three residential units at 2153-55 15th Street. Therefore, housing and the economic diversity of the neighborhood will be expanded, while the cultural diversity and neighborhood character of the area will be preserved.*

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

*No housing is removed for this Project. The Project maintains a three unit rent-controlled rental building, thereby preserving affordable housing. It will further enhance the City's supply of affordable housing by participating in the affordable housing program.*

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

*The Project Site is very well served by public transit. The Castro MUNI station is one block away and is served by K-Ingleside, L-Taraval, M-Oceanview, and S-Castro Shuttle lines. The F Streetcar runs on Market Street next to the Project, the N-Judah light rail line is .3 miles away, and the 16th and Mission Bart station is .8 miles away. In addition, the 22 and 37 Muni buses run next to the Project, and the 24 bus line is a block away. Market Street's bike lanes are among the City's most heavily used. The Project will add 65 bicycle parking spaces, and the majority of tenants and customers are expected to walk, bike or take public transportation. Only 24 parking spaces will be added, which will have a*

*negligible impact on traffic in the area. An existing curb cut on Market will be eliminated, which will facilitate the flow of vehicles and bicyclists on Market Street.*

- E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

*The Project utilizes lots containing only surface parking and does not displace industrial or service sectors. The Project maintains retail space and adds additional retail to the City, providing future opportunities for resident employment and ownership in the service sector.*

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

*The Project will meet all current structural and seismic requirements under the San Francisco Building Code excluding the existing building at 2153-55 15<sup>th</sup> Street.*

- G. That landmarks and historic buildings be preserved.

*The Project maintains the existing resource per CEQA at 2248-2254 Market Street and incorporates the building into the project in conformance with the Secretary of Interior's Standards.*

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

*The Project has completed a shadow analysis and determined that there is no impact. Therefore, parks and open space and their access to sunlight and vistas are protected by the Project.*

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. 2014.1510CUA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated December 16, 2015, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

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

**APPEAL AND EFFECTIVE DATE OF MOTION:** Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 19568. 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.

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

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

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on February 11, 2016.

  
Jonas P. Iorini  
Commission Secretary

AYES: Fong, Antonini, Hillis, Moore  
NAYS: None  
ABSENT: Johnson, Wu  
RECUSED: Richards  
ADOPTED: February 11, 2016

## EXHIBIT A

### AUTHORIZATION

This authorization is for Conditional Use Authorization to allow Planned Unit Development, to allow development on a lot exceeding 9,999 square feet, and to allow commercial use size in excess of 2,999 square feet pursuant to Planning Code Sections 121.1, 121.2, 303, and 304, with respect to a proposal to demolish surface parking lots, retain and incorporate an existing commercial building and a three-residential unit building, and construct additions and new mixed-use building at Market Street with maximum height of five stories, new three-story residential townhome at 15<sup>th</sup> Street, in total containing approximately 45 new residential units, approximately 5,217 square feet ground floor commercial uses, up to 24 off-street parking spaces, 60 Class 1 and 6 Class 2 bicycle parking spaces, located on a property with frontage on Market and 15th Streets, Lots 005,006,007,008,025,026, in Assessor's Block 3560, within the Upper Market NCT (Neighborhood Commercial Transit) District, in a 40-50-X Height and Bulk District, and within RH-2 (Residential House, Two Family) and a 40-X Height and Bulk Districts; in general conformance with plans, dated **December 16, 2015**, and stamped "EXHIBIT B" included in the docket for Case No. **2014.1510CUA** and subject to conditions of approval reviewed and approved by the Commission on **February 11, 2016** under Motion No 19568. 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 **February 11, 2016** under Motion No 19568.

### PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 19568 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 PERFORMANCE

1. **Validity.** The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.  
*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org).*
2. **Expiration and Renewal.** Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.  
*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org).*
3. **Diligent pursuit.** Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.  
*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org).*
4. **Extension.** All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.  
*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org).*
5. **Conformity with Current Law.** No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.  
*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org).*

6. **Mitigation Measures.** Mitigation measures described in the MMRP for the Market and Octavia Area Plan EIR (Case No. 2003.0347E) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor.  
*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org)*

## DESIGN – COMPLIANCE AT PLAN STAGE

7. **Final Materials.** The Project Sponsor shall continue to work with Planning Department on the building design. 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](http://www.sf-planning.org)*
8. **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](http://www.sf-planning.org).*
9. **Rooftop Mechanical Equipment.** Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.  
*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org)*
10. **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 information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org)*
11. **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:

- 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;
- On-site, in a driveway, underground;
- On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
- 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;
- Public right-of-way, underground; and based on Better Streets Plan guidelines;
- Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
- 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>*

## PARKING AND TRAFFIC

12. **Parking Maximum.** Pursuant to Planning Code Section 151.1, the Project shall provide no more than **twenty-two (22)** off-street parking spaces for the multi-family Market Street building, zoned NCT.

*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org)*

13. **Parking Requirement.** Pursuant to Planning Code Section 151, the Project shall provide **two (2)** independently accessible off-street parking spaces, one for each of the two townhome units proposed at the new 15<sup>th</sup> Street townhome building at 2157 15<sup>th</sup> Street, zoned RH-2.

*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org)*

14. **Bicycle Parking.** Pursuant to Planning Code Sections 155.1 and 155.2, the Project shall provide no fewer than **66** bicycle parking spaces (**60** Class 1 and **2** Class 2 spaces for the residential portion of the Project and **4** Class 2 spaces for the commercial portion of the Project).

*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org)*

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

*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org).*

## PROVISIONS

16. **Number of Required Units.** Pursuant to Planning Code Section 415.6, the Project is required to provide 12% of the proposed dwelling units as affordable to qualifying households. The Project contains 45 units; therefore, 5 affordable units are required. The Project Sponsor will fulfill this requirement by providing the 5 affordable units on-site. If the number of market-rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing ("MOH").

*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org) or the Mayor's Office of Housing and Community Development at 415-701-5500, [www.sf-moh.org](http://www.sf-moh.org).*

17. **Unit Mix.** The Project contains 12 studios, 10 one-bedroom, 20 two-bedroom, 2 three-bedroom units, and 1 four-bedroom unit; therefore, the required affordable unit mix is 2 studios, 1 one-bedroom, 2 two-bedroom, 0 three-bedroom units and 0 four-bedroom units. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOH.

*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org) or the Mayor's Office of Housing and Community Development at 415-701-5500, [www.sf-moh.org](http://www.sf-moh.org).*

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

*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org) or the Mayor's Office of Housing and Community Development at 415-701-5500, [www.sf-moh.org](http://www.sf-moh.org).*

19. **Phasing.** If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than twelve percent (12%) of the each phase's total number of dwelling units as on-site affordable units.

*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org) or the Mayor's Office of Housing and Community Development at 415-701-5500, [www.sf-moh.org](http://www.sf-moh.org).*

20. **Duration.** Under Planning Code Section 415.8, all units constructed pursuant to Section 415.6, must remain affordable to qualifying households for the life of the project.

*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org) or the Mayor's Office of Housing and Community Development at 415-701-5500, [www.sf-moh.org](http://www.sf-moh.org).*

21. **Other Conditions.** The Project is subject to the requirements of the Inclusionary Affordable Housing Program under Section 415 et seq. of the Planning Code and City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual"). The Procedures Manual, as amended from time to time, is incorporated herein by reference, as published and adopted by the Planning Commission, and as required by



Planning Code Section 415. Terms used in these conditions of approval and not otherwise defined shall have the meanings set forth in the Procedures Manual. A copy of the Procedures Manual can be obtained at the MOHCD at 1 South Van Ness Avenue or on the Planning Department or Mayor's Office of Housing's websites, including on the internet at: <http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451>.

As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale.

*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org) or the Mayor's Office of Housing and Community Development at 415-701-5500, [www.sf-moh.org](http://www.sf-moh.org).*

- a. The affordable unit(s) shall be designated on the building plans prior to the issuance of the first construction permit by the Department of Building Inspection ("DBI"). The affordable unit(s) shall (1) reflect the unit size mix in number of bedrooms of the market rate units, (2) be constructed, completed, ready for occupancy and marketed no later than the market rate units, and (3) be evenly distributed throughout the building; and (4) be of comparable overall quality, construction and exterior appearance as the market rate units in the principal project. The interior features in affordable units should be generally the same as those of the market units in the principal project, but need not be the same make, model or type of such item as long they are of good and new quality and are consistent with then-current standards for new housing. Other specific standards for on-site units are outlined in the Procedures Manual.
- b. If the units in the building are offered for rent, the affordable unit(s) shall be rented to qualifying households, as defined in the Procedures Manual, whose gross annual income, adjusted for household size, does not exceed an average fifty-five (55) percent of Area Median Income under the income table called "Maximum Income by Household Size derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that contains San Francisco." The initial and subsequent rent level of such units shall be calculated according to the Procedures Manual. Limitations on (i) occupancy; (ii) lease changes; (iii) subleasing, and; are set forth in the Inclusionary Affordable Housing Program and the Procedures Manual.
- c. The Project Sponsor is responsible for following the marketing, reporting, and monitoring requirements and procedures as set forth in the Procedures Manual. MOHCD shall be responsible for overseeing and monitoring the marketing of affordable units. The Project Sponsor must contact MOHCD at least six months prior to the beginning of marketing for any unit in the building.
- d. Required parking spaces shall be made available to renters of affordable units according to the Procedures Manual.
- e. Prior to the issuance of the first construction permit by DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that contains these conditions of approval and a reduced set of plans that identify the affordable units satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOHCD or its successor.
- f. The Project Sponsor has demonstrated that it is eligible for the On-site Affordable Housing Alternative under Planning Code Section 415.6 instead of payment of the

Affordable Housing Fee, and has submitted the Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415 to the Planning Department stating the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions (as defined in California Government Code Section 65915 et seq.) provided herein. The Project Sponsor has executed the Costa Hawkins agreement and will record a Memorandum of Agreement prior to issuance of the first construction document or must revert payment of the Affordable Housing Fee.

- g. If the Project Sponsor fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Section 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all available remedies at law.
  - h. If the Project becomes ineligible at any time for the On-site Affordable Housing Alternative, the Project Sponsor or its successor shall pay the Affordable Housing Fee prior to issuance of the first construction permit. If the Project becomes ineligible after issuance of its first construction permit, the Project Sponsor shall notify the Department and MOHCD and pay interest on the Affordable Housing Fee and penalties, if applicable.
22. **Market Octavia Affordable Housing Fee.** Market Octavia Affordable Housing Fee. Pursuant to Planning Code Section 416, the Project Sponsor shall comply with the Market Octavia Affordable Housing requirements through payment of the Market Octavia Affordable Housing Fee in full to the Treasurer, prior to the issuance by Department of Building Inspection of the first certificate of occupancy for the development project.  
*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org)*
23. **Market Octavia Community Improvements Fund.** Pursuant to Planning Code Section 421, 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, or 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 construction document for the development project.  
*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org)*
24. **Transportation Sustainability Fee.** The project is subject to the Transportation Sustainability Fee (TSF), as applicable, pursuant to Planning Code Section 411A.  
*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org)*
25. **First Source Hiring.** The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor

shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.

*For information about compliance, contact the First Source Hiring Manager at 415-581-2335, [www.onestopSF.org](http://www.onestopSF.org)*

## MONITORING

26. **Enforcement.** Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org)*

27. **Priority Processing.** The Project Sponsor shall, within six months of a first Certificate of Occupancy, provide the Zoning Administrator verification that the project has achieved a Gold Rating plus fifteen percent using the LEED Building Rating System® adopted under the Leadership in Energy and Environmental Design program of the U.S. Green Building Council (or that achieve equivalent high sustainability standards under other "green building" rating systems approved by the Director), as approved by the Director of the Department of Building Inspection. Failure to achieve sustainability standards will result in a hearing before the Planning Commission to assess offsets that will ameliorate the sustainability shortfalls caused by noncompliance with this condition.

*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org)*

## OPERATION

28. **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>*

29. **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](http://www.sf-planning.org)*

30. **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/>*