



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Planning Code Text and Zoning Map Amendment Resolution No. 19942

HEARING DATE: JUNE 15, 2017

Project Name: 1540 Market Street (a.k.a One Oak)
Case Number: 2009.0159EGPAMAPDNXCUIAVARK
Project Sponsor: Steve Kuklin, 415.551.7627
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RESOLUTION RECOMMENDING TO THE BOARD OF SUPERVISORS THE APPROVAL OF AN AMENDMENT TO THE PLANNING CODE TO FACILITATE THE CONSTRUCTION OF A MIXED-USE BUILDING CONTAINING APPROXIMATELY 304 DWELLING UNITS AND GROUND FLOOR RETAIL AND AMEND HEIGHT AND BULK MAP HT07 TO REDESIGNATE A PORTION OF THE HEIGHT AND BULK OF ASSESSOR'S BLOCK 0836, LOTS 001 AND 005; MAKE AND ADOPT FINDINGS, INCLUDING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1 AND FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

WHEREAS, Section 4.105 of the Charter of the City and County of San Francisco authorizes the Planning Commission to propose ordinances regulating or controlling the height, area, bulk, set-back, location, use or related aspects of any building, structure or land for Board of Supervisors' consideration and periodically recommend to the Board of Supervisors for approval or rejection proposed amendments to the General Plan; and

WHEREAS, the Planning Code and associated zoning maps implement goals, policies, and programs of the General Plan for the future physical development of the City and County of San Francisco that take into consideration social, economic and environmental factors; and

WHEREAS, the Planning Code and associated zoning maps shall be periodically amended in response to changing physical, social, economic, environmental or legislative conditions; and

WHEREAS, on February 26, 2009, Stephen Miller of Reuben & Junius, LLP filed an Environmental Evaluation application on behalf of CMR Capital, LLC, the previous property owner, for a previous

Hearing Date: June 15, 2017

iteration of the project that occupied Lots 2, 3, 4, and 5 of Assessor's Block 0836 but did not include the easternmost lot on the block (Lot 1) within the project site. On August 27, 2012, John Kevlin of Reuben & Junius, LLP filed a revision to the Environmental Evaluation application on behalf of CMR Capital, LLC. The current project sponsor, One Oak Owner, LLC, submitted updated project information to the Planning Department to add Lot 1 and to address changes in the project under the same Planning Department Case Number (Case No. 2009.0159E).

WHEREAS, On November 18, 2015 and December 9, 2016 Steve Kuklin of Build, Inc., on behalf of One Oak Owner, LLC ("Project Sponsor") filed applications requesting approval of a.) a Downtown Project Authorization pursuant to Section 309 of the San Francisco Planning Code; b.) a Zoning Map Amendment; c.) a General Plan Amendment to change 668 square feet of the eastern 15 feet of Assessor's Block 0836, Lot 001 from 120/400-R-2 to 120-R-2, and an equivalent 668 square feet, 4'-7.5" wide area located 28'-3" from the western edge of Assessor's Block 0836, Lot 005 from 120-R-2 to 120/ 400-R-2; d.) a Conditional Use Authorization for on-site parking in excess of the amount principally permitted pursuant to Planning Code Section 303; e.) Variances for Dwelling Unit Exposure and Maximum Parking/Loading Entrance Width pursuant to Planning Code Sections 140 and 145.1(c)(2); f.) an Elevator Penthouse Height Exemption, pursuant to 260(b)(1)(B); h.) an In-Kind Fee Waiver Agreement for public realm improvements pursuant to Planning Code Sections 421.3(d) and 424.3(c). These approvals are necessary to facilitate the construction of a mixed-use project located at 1540 Market Street, Assessor Block 0836, Lots 1, 2, 3, 4 and 5, ("Project"). The Project proposes to build an approximately 400-foot tall building containing approximately 304 dwelling units with a directed in-lieu contribution to facilitate the development of approximately 72 Below Market Rate dwellings units within 0.3 miles of the project site (the "Octavia BMR Project"), amounting to 24 percent of the 304-unit Project, subject to a letter and the conditions set forth therein from the Mayor's Office of Housing and Community Development, including the requirement for an independent environmental review of the Octavia BMR Project under the CEQA ;

WHEREAS, the Project is located on the Market Street transit corridor, and responds to the transit-rich location by proposing increased housing and employment on the Project site; and

WHEREAS, the project site is located within the Hub Plan Area currently being studied by the Planning Department and is consistent with the proposed heights and bulks associated with the Market and Octavia Plan Area, as well as those currently envisioned for the Hub Project; and

WHEREAS, the Project would address the City's severe need for additional housing for low income households, by providing a directed in-lieu contribution to facilitate the development of approximately 72 Below Market Rate dwellings units within 0.3 miles of the project site, amounting to 24 percent of the 304 unit Project; subject to a letter and the conditions set forth therein from the Mayor's Office of Housing and Community Development, including the requirement for an independent environmental review of the Octavia BMR Project under the CEQA; and

WHEREAS, the proposed Zoning Map Amendment would not result in increased development potential from what is permitted under the existing height and bulk district; and

WHEREAS, the Project proposes neighborhood-serving amenities, such as new ground floor retail and proposes new publicly accessible open space; and

WHEREAS, the City Attorney's Office drafted a Proposed Ordinance, attached hereto as Exhibit [] to make the necessary amendments to Zoning Map HT07 to implement the Project. The Office of the City Attorney approved the Proposed Ordinance as to form; and

WHEREAS, on November 16, 2016, the Planning Department published a Draft Environmental Impact Report ("DEIR") for public review (Case No. 2009.0159E). The DEIR was available for public comment until January 10, 2017. On January 5, 2017, the Commission conducted a duly noticed public hearing to solicit comments regarding the DEIR. On June 1, 2017, the Department published a Comments and Responses document, responding to comments made regarding the DEIR prepared for the Project. Together, the Comments and Responses document and DEIR comprise the Final EIR ("FEIR"). On June 15, 2017, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to certify the FEIR through Motion No. 19938; and

WHEREAS, on June 15, 2017, the Commission adopted the FEIR and the mitigation and improvement measures contained in the Mitigation Monitoring and Reporting Program ("MMRP"), attached as Attachment B of the CEQA Findings Motion No. 19939; and

WHEREAS, on June 15, 2017, the Commission made and adopted findings of fact and decisions regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, California Public Resources Code Section 21000 et seq. ("CEQA"), particularly Section 21081 and 21081.5, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Section 15000 et seq. ("CEQA Guidelines"), Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31") by its Motion No. 19939. The Commission adopted these findings as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting these CEQA findings.

WHEREAS, 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 Planning Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Planning Department, Jonas Ionin (Commission Secretary) as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

RESOLVED, that pursuant to Planning Code Section 302, the Commission hereby recommends approval of the amendment to the Zoning Map, and adopts this resolution to that effect;

AND BE IT FURTHER RESOLVED, that the findings set forth in the Downtown Project Authorization, Motion No. 19943 adopted by the Commission on this date are hereby incorporated by reference.

I hereby certify that the foregoing RESOLUTION was ADOPTED by the San Francisco Planning Commission on June 15, 2017.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments and the record as a whole, including all information pertaining to the Project in the Planning Department's case files, this Commission finds, concludes, and determines as follows:

1. The Commission finds that the Project at 1540 Market Street to be a beneficial development to the City that could not be accommodated without the actions requested.

2. The Commission made and adopted environmental findings by its Motion No. 19939, which are incorporated by reference as though fully set forth herein, regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, the Guidelines for Implementation of CEQA, 14 California Code of Regulations Section 15000 et seq. ("CEQA Guidelines"), Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Commission adopted these findings as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting the CEQA findings.
3. The Project would add up to 304 dwelling units (54 studio units (18%), 96 one-bedroom units (32%); 135 two-bedroom units (44%); 16 three-bedroom units (5%) and 3 four-bedroom units (1%)), to the City's housing stock on a currently underutilized site. The City's important policy objective as expressed in Policy 1.1 of the Housing Element of the General Plan is to increase the housing stock whenever possible to address a shortage of housing in the City. Additionally, the Project promotes the objectives and policies of the General Plan by providing a range of unit types to serve a variety of needs. The Project would bring additional housing into a neighborhood that is well served by public transit on the edge of Downtown. The Project would not displace any housing because the existing structures on the project site are commercial buildings and a surface parking lot.
4. The Project would address the City's severe need for additional housing for low income households, by providing a directed in-lieu contribution to facilitate the development of approximately 72 Below Market Rate dwellings units within 0.3 miles of the project site, amounting to 24 percent of the 304 unit Project, subject to a letter and the conditions set forth therein from the Mayor's Office of Housing and Community Development, including the requirement for an independent environmental review of the Octavia BMR Project under the CEQA.
5. The Project proposes neighborhood-serving amenities, such as new ground floor retail, and pedestrian safety improvements to surrounding streets; proposes new publicly accessible open space; and would incorporate sustainability features into the Project.
6. The Project would revitalize the Project Site and the surrounding neighborhood.
7. The Project would create temporary construction jobs and permanent jobs in the retail sector and for building operations. These jobs would provide employment opportunities for San Francisco residents, promote the City's role as a commercial center, and provide additional payroll tax revenue to the City, providing direct and indirect economic benefits to the City.
8. The Zoning Map Amendment is necessary in order to approve the Project;

9. **General Plan Compliance.** The Project is, on balance, consistent with the Objectives and Policies of the General Plan, for the reasons set forth in the findings in the Downtown Project Authorization, Motion No. 19943, which are incorporated by reference as though fully set forth herein.
10. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the Project complies with said policies, for the reasons set forth in the Downtown Project Authorization, Motion No. 19943 which are incorporated by reference as though fully set forth herein.
11. 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.
12. Based on the foregoing and in accordance with Section 302, the public necessity, convenience and general welfare require the proposed Zoning Map Amendment.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on June 15, 2017.



Jonas P. Ionin
Commission Secretary

AYES: Commissioners Hillis, Johnson, Melgar, Moore, Richards

NOES: Commissioner Koppel

ABSENT: Commissioner Fong

ADOPTED: June 15, 2017

