

File No. 170790

Committee Item No. _____
Board Item No. 37

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____
Board of Supervisors Meeting

Date: _____
Date: July 25, 2017

Cmte Board

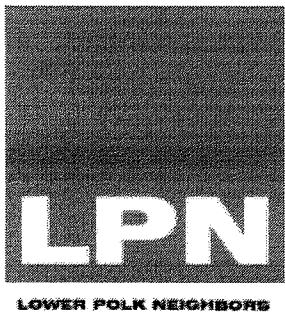
<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input type="checkbox"/>	<input type="checkbox"/>	Resolution
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<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Introduction Form
<input type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
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OTHER

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Appeal Letter - June 29, 2017</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Project Sponsor Appeal Response Letter - July 17, 2017</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Planning Department Appeal Response Letter - July 17, 2017</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Public Hearing Notice and Clerical Documents</u>
<input type="checkbox"/>	<input type="checkbox"/>	_____
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Prepared by: Brent Jalipa
Prepared by: _____

Date: July 20, 2017
Date: _____



RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2017 JUN 29 PM 4:32

BY BS

Lower Polk Neighbors
PO BOX 642428
San Francisco, Ca 94164-2428

Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

June 20, 2017

Dear Clerk of the Board and President Breed ,

In 2010 a fire destroyed a rent controlled housing building at 824 Hyde. In 2016, Lower Polk Neighbors (LPN) was pleased that housing was approved to replace this building. In May of 2017 LPN was disappointed to learn that a micro hotel was proposed at this location in lieu of housing. LPN finds that a hotel is neither necessary or desirable and petitioned the Planning Commission to disapprove this use. On June 1, 2017 the Planning Commission approved a Motion 4-3 to approve the micro hotel. LPN is appealing this decision to the Board of Supervisors.

While we recognize that rent controlled housing burned down with the fire in 2010, the previously approved project (2012.1445C) which proposed 14 residential units and a twenty percent in lieu affordable housing fee is a preferred alternative to the proposed hotel use. LPN finds that the hotel use is neither necessary or desirable and given the necessary and desirable need for housing, including the affordable housing component, we ask that you accept this appeal and reject the proposal before you, keeping the previously approved entitlements in effect. Setting a precedent for allowing a non-residential uses to replace rent controlled housing is not appropriate and can cause a dangerous trend. Soft sites and sites that previously did not have housing are more appropriate for hotel uses and we welcome proposals under these circumstances.

The previously approved project will dedicate nearly \$700,000 to affordable housing in lieu fees. This proposed project will pay approximately \$250,000 for transit fees, meaning that the developer saves \$450,000 on entitlement fees. While transit funds are needed, due again to the loss of rent controlled housing, LPN finds that the affordable housing fees are preferred.

Regarding the specific proposal for the micro hotel use, we find the hotel to be lacking an adequate parking and traffic study, the units are shockingly small and micro sized, and without any neighborhood outreach, we have seen no demonstrated necessary or desirable

benefit to the neighborhood. Conversely, housing, which is absolutely necessary and desirable has been previously approved and will be ready to construct without entitlement delays. The hotel units are extremely micro size (average 148 square feet.) This is approximately 20 percent smaller than even some of the smallest rooms of 170-180 square feet that have been recently proposed and or approved.

We recognize that hotel occupancies are at high levels, but at the same time there are dozens of larger hotel projects proposed, as well as thousands of Air BNB units on the market. This site has historically been used as housing, and there is no reason that this site, should not be used as housing as previously approved.

Regards,



Chris Schulman
Executive Committee Member
Lower Polk Neighbors

NOTICE TO BOARD OF SUPERVISORS OF APPEAL
FROM ACTION OF THE CITY PLANNING COMMISSION

Notice is hereby given of an appeal to the Board of Supervisors from the following action of the City Planning Commission.

The property is located at 824 HYDE STREET

6-1-17

Date of City Planning Commission Action
(Attach a Copy of Planning Commission's Decision)

6-29-17

Appeal Filing Date

The Planning Commission disapproved in whole or in part an application for reclassification of property, Case No. _____.

The Planning Commission disapproved in whole or in part an application for establishment, abolition or modification of a set-back line, Case No. _____.

The Planning Commission approved in whole or in part an application for conditional use authorization, Case No. 2016-010544CUA.

The Planning Commission disapproved in whole or in part an application for conditional use authorization, Case No. _____.

Statement of Appeal:

a) Set forth the part(s) of the decision the appeal is taken from:

THE ENTIRE DECISION

b) Set forth the reasons in support of your appeal:

SEE ATTACHED LETTER

Person to Whom
Notices Shall Be Mailed

Name and Address of Person Filing Appeal:

CHRIS SCHULMAN, BOARD MEMBER
LOWER POLK WEIGHT BOSS
Name

CHRIS SCHULMAN, BOARD MEMBER
LOWDR POLK NEIGHBORS
Name

Address

Address

415-927-0650

Telephone Number

415-827-0650

Telephone Number

Ch. Sme

Signature of Appellant or
Authorized Agent

City Planning Commission
Case No. _____

The undersigned declare that they are hereby subscribers to this Notice of Appeal and are owners of property affected by the proposed amendment or conditional use (that is, owners of property within the area that is the subject of the application for amendment or conditional use, or within a radius of 300 feet of the exterior boundaries of the property).

If ownership has changed and assessment roll has not been amended, we attach proof of ownership change. If signing for a firm or corporation, proof of authorization to sign on behalf of the organization is attached.

Street Address, property owned	Assessor's Block & Lot	Printed Name of Owner(s)	Original Signature of Owner(s)
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
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22. _____	_____	_____	_____

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2017 JUN 29 PM 4:32

Pursuant to Planning Code Section 308.1(b), the undersigned members of the Board of Supervisors believe that there is sufficient public interest and concern to warrant an appeal of the Planning Commission on Case No. BJ
2016-010544CUP conditional use authorization regarding (address) 824 HYDE
STREET, District 3. The undersigned members respectfully request the Clerk of the Board to calendar this item at the soonest possible date.

SIGNATURE

DATE

Janice H. Lee
Mark L. Spiegel
John F. Chiang
Dianne Rose
Sander Lee Fong

6-20-17
6-20-17
6-20-17
6-20-17
6-20-17

(Attach copy of Planning Commission's Decision)



**SAN FRANCISCO
PLANNING DEPARTMENT**

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

JUN 29 PM 4:32

BY
BJ

Subject to: (Select only if applicable)

- Affordable Housing (Sec. 415)
- Jobs Housing Linkage Program (Sec. 413)
- Downtown Park Fee (Sec. 412)

- First Source Hiring (Admin. Code)
- Child Care Requirement (Sec. 414)
- Other

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

Reception:
415.558.6378

Fax:
415.558.6408

Planning
Information:
415.558.6377

Planning Commission Motion No. 19926

HEARING DATE: JUNE 1, 2017

Case No.: 2016-010544CUA
Project Address: 824 Hyde Street
Zoning: RC-4 (Residential-Commercial, High Density) District
80-A Height and Bulk District
Block/Lot: 0280/017
Project Sponsor: Ilene Dick
Farella Braun + Martel, LLP
235 Montgomery Street
San Francisco, CA 94104
Staff Contact: Nicholas Foster – (415) 575-9167
nicholas.foster@sfgov.org

ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 209.3, 253, 303, 303(g) OF THE PLANNING CODE TO ALLOW A HOTEL USE IN A NEW CONSTRUCTION BUILDING EXCEEDING THE USE SIZE LIMITATIONS AND EXCEEDING 50 FEET IN HEIGHT WITHIN THE RC-4 (RESIDENTIAL-COMMERCIAL, HIGH DENSITY) ZONING DISTRICT AND A 80-A HEIGHT AND BULK DISTRICT.

PREAMBLE

On November 17, 2012, Brett Gladstone from Hanson Bridgett, LLP, the agent on behalf of Owen D. Conley and Thomas J. Conley ("Previous Project Sponsor"), submitted an application with the Planning Department (hereinafter "Department") for a Preliminary Project Assessment ("PPA") with Case No. 2012.1445U. The PPA letter was issued on January 28, 2013.

On May 8, 2013, the Previous Project Sponsor filed an application with the Department for Conditional Use Authorization pursuant to Section 303 to construct a 5-story over basement, residential building with 14 dwelling units, located in an RC-4 Zoning District. The Previous Project Sponsor also filed a Variance application, pursuant to Planning Code Section 145.1 to allow relief from the Code regarding required active street frontages for residential developments.

On August 1, 2013, the Previous Project Sponsor submitted an Environmental Evaluation Application. The application packet was accepted on August 8, 2013 and assigned Case No. 2012.1445E.

www.sfplanning.org

On December 24, 2013, the Department issued a Notification of Project Receiving Environmental Review to owners and occupants of properties within a 300 foot radius of the project site, and other interested parties. The notification period was open through January 7, 2014; however, public comments were accepted throughout the environmental review process.

On April 30, 2015, the Project was issued a Categorical Exemption, Class 32 (California Environmental Quality Act (CEQA) Guidelines Section 15322). Approval of the Conditional Use Authorization by the Planning Commission is the Approval Action for the project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

On September 2, 2015, Ilene Dick from Farella Braun + Martel, LLP, the agent on behalf of 824 Hyde Street Investments, LLC (hereinafter "Project Sponsor") filed an updated application with the Department for Conditional Use Authorization under Planning Code Section(s) 253 and 303 to permit a building exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District. The Project Sponsor also filed an updated Variance application, pursuant to Planning Code Sections 136 and 145.1 to allow for permitted obstructions (bay windows) and relief from the Code regarding required active street frontages for residential developments.

On January 14, 2016, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.1445CV.

On January 14, 2016, after closing public comment and holding a hearing on the item, the Commission voted (+6/-0) to continue the item to the March 3, 2016 Commission hearing date. The Commission instructed the Project Sponsor to refine the overall design of the primary building façade to allow the new building to better integrate within the existing, historic context of the subject site. In addition, the Commission asked the Project Sponsor to work with Planning Staff to determine the status of the property line windows and light wells on the abutting property to the north of the subject property (830 Hyde Street). Since the continuance, the Project Sponsor made modifications to the Project in response to the Commission's requests.

On March 3, 2016, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.1445CV. With a vote of (+6/-0; Wu absent) the Commission adopted findings relating to the approval of Conditional Use Authorization under Planning Code Section(s) 253 and 303 to permit a building with the chamfered bay alternative design exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District and adopting findings under the California Environmental Quality Act (Motion #19582). The Zoning Administrator approved the request for Variance, pursuant to Planning Code Sections 136 and 145.1, to allow for permitted obstructions (bay windows) and relief from the Code regarding required active street frontages for residential developments.

On July 21, 2016, Ilene Dick from Farella Braun + Martel, LLP, the agent on behalf of the Project Sponsor, filed an updated application with the Department for Conditional Use Authorization under Planning Code Section(s) 253, 303, and 303(g) to permit a Hotel Use in a new construction building

exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District.

On July 21, 2016, Ilene Dick from Farella Braun + Martel, LLP, the agent on behalf of the Project Sponsor, submitted an updated Environmental Evaluation Application. The application packet was accepted on September 15, 2016 and assigned Case No. 2016-010544ENV.

On February 15, 2017, the Department issued a Notification of Project Receiving Environmental Review to owners and occupants of properties within a 300 foot radius of the project site, and other interested parties. The notification period was open through March 1, 2017; however, public comments were accepted throughout the environmental review process.

On May 5, 2017, the Project was issued a Categorical Exemption, Class 32 (California Environmental Quality Act (CEQA) Guidelines Section 15322). Approval of the Conditional Use Authorization by the Planning Commission is the Approval Action for the project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

On May 18, 2017, after closing public comment and holding a hearing on the item, the Commission voted (+7/-0) to continue the item to the June 1, 2017 Commission hearing date. The Commission instructed the Department Staff to consult with both the staff of the Rent Stabilization and Arbitrations Board ("Rent Board") and the City Attorney's Office to determine whether, if a new residential building were constructed on the Property, tenants of the residential building that once occupied the Property would have any "right to return" to a new residential building on the Property. As directed by the Commission, Department Staff consulted with the Rent Board and the San Francisco City Attorney's Office on the matter, and determined that because no structure remains to be rehabilitated, no "right to return" exists for former tenants of the now-demolished building.

On June 1, 2017, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2016-010544CUA.

The Commission voted (+3/-4) on a motion of intent to disapprove the Project; that motion failed.

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. 2016-010544CUA, 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 approximately 2,815-square-foot project site (Assessors Block 0280, Lot 017) is located on the block bounded by Hyde Street to the west, Leavenworth Street to the east, Bush Street to the north, and Sutter Street to the south in the Downtown/Civic Center neighborhood and within the Lower Nob Hill Apartment Hotel Historic District. The subject lot has 25 feet of street frontage along Hyde Street and a depth of 112'-6". The project site was previously occupied by a four (4) story, eight (8) unit residential building that was designated a historic resource by the City and the CRHR, and in 1991 was listed in the National Register of Historic Places as a contributing resource to the Lower Nob Hill Apartment Hotel National Register Historic District (the "Lower Nob Hill Apartment Historic District" or "District"). The building, named "Chatom Apartments", was constructed in 1915. The building was destroyed by a fire in 2010 and the remnants of the damaged structure were removed in accordance with demolition Permit No. 201011084503 issued on November 8, 2010. The resulting vacant lot is considered a non-contributory property within the District. In March of 2016, the Planning Commission approved a Conditional Use Authorization (Case #2012.1445CV, Motion #19582) to permit an approximately 12,400 gross square foot residential building exceeding 50 feet within the RC-4 District, containing fourteen (14) dwelling units.
3. **Surrounding Properties and Neighborhood.** The Project Site is within the Downtown/Civic Center neighborhood, near the southern boundary of the Nob Hill neighborhood. The Project site is also located within the Lower Nob Hill Apartment Hotel Historic District. The District is comprised of 570 acres containing 295 contributing buildings and one contributing structure. The District consists of almost entirely of 3- to 8-story multi-unit residential buildings which fill their entire front lot lines and share a single stylistic orientation. The vast majority of the buildings were constructed between 1906 and 1925. Land uses in the surrounding area include a diverse mixture of residential, hotel, and ground-floor retail uses including shopping, grocery stores, bars and restaurants. St. Francis Medical Center is located one block to the north of the site at the corner of Hyde and Bush Streets.
4. **Project Description.** The proposed Project would involve the construction of an approximately 64-foot-tall (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run), six-story-over-basement, 13,367 gross square foot (gsf) building on a partially down-sloping vacant lot. The proposed building would contain a Hotel Use (A Retail Sales and Service Use), providing thirty (30) tourist guest rooms. The Project would provide six (6) Class I and two (2) Class II bicycle parking spaces; no off-street vehicular parking would be provided. Excavation, to a maximum depth of approximately ten (10) feet below grade, is proposed in order to accommodate the basement level containing storage and services necessary to the operation or maintenance of the building itself.
5. **Public Comment.** To date, the Department has received one (1) letter in opposition to the proposed Project; the letter calls into question the need for a Hotel Use at the subject property, in lieu of residential use.
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 (Sections 102, 209.3).** The Project Site is located in the RC-4 (Residential-Commercial, High Density) Zoning District wherein Hotel Use is permitted with Conditional Use Authorization. Within the RC-4 Zoning Districts, non-residential uses are principally permitted up to 6,000 square feet and a Conditional Use Authorization is required for uses between 6,000 and 120,000 square feet.

The proposed Hotel Use (a Retail Sales and Service Use) is permitted with Conditional Use Authorization in the RC-4 District. The proposed Project would include approximately 13,367 gross square foot (gsf) of non-residential use, which, triggers Conditional Use Authorization. Given that the proposed Project is within the Floor Area Ratio (FAR) limitations of the RC-4 District (4.8:1), the proposed use size is otherwise within the permitted use size limitations of the Code. Please see the specific 303(g) findings, which, are required for all proposed Hotel and Motel Uses, regardless of Zoning District.

B. **Floor Area Ratio.** Planning Code Sections 124 and 209.3 limits the Floor Area Ratio (FAR) for non-residential uses within the RC-4 Zoning District to 4.8:1.

The proposed Project has a gross floor area, as defined by the Code, of approximately 13,367 gsf on a lot size of 2,812.5, resulting in an FAR of approximately 4.75, which is below the FAR limit of 4.8 to 1. While the total gsf for the proposed building is approximately 15,484 gsf, the floor area within the basement necessary to the operation or maintenance of the building itself, the Class I bicycle parking, and the floor area within Code-compliant bay windows are exempt from the calculation of gross floor area, as allowed under Code Section 102. Therefore, the Project is in compliance with Code Sections 124 and 209.3, with respect to FAR limits.

C. **Rear Yard.** Planning Code Section 134 states that the minimum rear yard depth shall be equal to 25 percent of the total depth of the lot on which the building is situated, but in no case less than 15 feet. Rear yards shall be provided at the lowest story containing a dwelling unit, and at each succeeding level or story of the building.

The proposed Project contains a proposed Hotel Use (a non-residential use) and is therefore not subject to the rear yard requirements of the Code. Nevertheless, the Project provides a 15-foot rear yard to provide a physical buffer between the proposed new structure on the subject lot and the existing structures on the adjacent lots.

D. **Permitted Obstructions.** Planning Code Section 136 allows permitted obstructions (including bay windows) to extend over streets and alleys by three (3) feet for the subject property, provided that such projections meet certain dimensional and separation requirements.

The proposed Project includes bay windows at the second thru fifth floors fronting Hyde Street, and at the second thru sixth floors facing the rear of the property. All of the bay windows meet the dimensional requirements of the Code and therefore, the Project is in compliance with Code Section 136.

E. **Parking.** Planning Code Section 151.1 does not require off-street parking for projects located within RC Districts.

No off-street parking is proposed as part of the proposed Project.

F. **Loading.** Planning Code Section 152 requires off-street loading for Hotel Uses exceeding 100,000 gsf.

The proposed Project contains approximately 13,367 gsf of Hotel Use, which, is below the threshold for off-street loading requirements (100,000 gsf). Therefore, the Project is in compliance with Code Section 152. Nevertheless, the proposed Project would seek approval from the SFMTA for a 40-foot-long passenger loading zone on Hyde Street, directly in front of the subject property.

G. **Bicycle Parking.** Planning Code Section 155.2 requires bicycle parking for Hotel Uses in the following amounts: one Class I space for every 30 rooms, and one Class II space for every 30 rooms (minimum of 2 spaces required).

The Project will provide six (6) Class I bicycle parking spaces within the new building, and two (2) Class II bicycle parking spaces along the Hyde Street frontage, exceeding the Code requirements, and meeting the intent of the City's Transit First Policies.

H. **Street Frontages in Residential-Commercial Districts.** Planning Code Section 145.1 exists to preserve, enhance, and promote attractive, clearly defined street frontages that are pedestrian-oriented, fine-grained, and which are appropriate and compatible with the buildings and uses in certain commercial districts. Active uses, as defined by the Code, are required within the first 25 feet of the building depth at ground floor, and the ground floor ceiling height shall be at least 14 feet in height, as measure from grade.

The Project proposes a Hotel Use (a non-residential, Retail Sales and Service Use) on the subject property, with a ground floor height of 14 feet, as required by Code. Therefore the Project is in compliance with Code Section 145.1.

I. **Transportation Demand Management (TDM) Plan.** Pursuant to Planning Code Section 169 and the TDM Program Standards, the Project shall finalize a TDM Plan prior Planning Department approval of the first Building Permit or Site Permit. As currently proposed, the Project must achieve a target of 7 points.

The Project Sponsor submitted a completed Development Application or Environmental Evaluation Application prior to September 4, 2016. Therefore, the Project must only achieve 50% of the point target established in the TDM Program Standards, resulting in a required target of seven (7) points. As currently proposed, the Project will achieve its required seven (7) points through the following TDM measures:

- *Bicycle Parking (Option A)*
- *Real Time Transportation Displays*
- *Parking Supply (Option K)*

With no off-street parking provided, the Project's baseline actually exceeds the TDM requirements for the proposed project. By voluntarily providing two of the above-referenced TDM measures (additional Class I bicycle parking beyond the Code requirement; Real Time Transportation Displays), the Project would provide thirteen points (13), exceeding the required number of points (7). Therefore the Project is in compliance with Code Section 169.

J. **Height.** Planning Code Section 253 requires that wherever a height limit of more than 40 feet in a RH District, or more than 50 feet in a RM or RC District, is prescribed by the height and bulk district in which the property is located, any building or structure exceeding 40 feet in height in a RH District, or 50 feet in height in a RM or RC District, shall be permitted only upon approval by the Planning Commission according to the procedures for conditional use approval in Section 303 of the Code.

The proposed Project would reach a height of approximately 64 feet (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run). The proposed Project includes several rooftop features (elevator overrun, and mechanical equipment) that are all exempt from Section 260 since the total proposed height of the exempt features is 16'-0", as allowed by the Code. Given that the Project would exceed a height of 50 feet in the RC Zoning District, Conditional Use Authorization is required. Even though the underlying Bulk and Height District (80-A) would allow for a taller structure, the Code requires approval by the Planning Commission according to the procedures for conditional use approval in Section 303 of this Code.

K. **Bulk.** Planning Code establishes bulk controls by district. The Project Site is located within the 80-A Height and Bulk District. For buildings in the "A" Bulk District, bulk controls apply beginning at 40 feet, and the maximum length dimension is 110 feet, while the maximum diagonal dimension is 125 feet.

The proposed Project would reach a height of approximately 64 feet (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run). Beginning at the height of the bulk controls (40 feet) for the Project Site, the proposed Project would have a maximum length dimension of 102'-11" and a maximum diagonal dimension of 102'-6." Given that both dimensions are below the bulk limit thresholds, the Project is in compliance with Code Section 270.

L. **Shadows.** Planning Code Section 295 requires a shadow analysis for projects over 40 feet in height to ensure that new buildings do not cast new shadows on properties that are under the jurisdiction of the San Francisco Recreation and Park Department.

A shadow analysis was completed that examined the project as it is currently proposed. The analysis revealed that no net shadow would be added to any Recreation and Park Department properties and thus the project complies with Planning Code Section 295.

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 will construct a new building on a vacant lot containing 30 tourist hotel guest rooms. The Project will be consistent with the surrounding neighborhood, which is primarily comprised of multi-story, high-density, residential and commercial buildings (several of which contain Hotel Uses). There are numerous 6- to 8-story buildings on the blocks surrounding the Project on Bush, Sutter and Leavenworth. The Project preserves the streetscape and the existing neighborhood character and is compatible with the Lower Nob Hill Apartment Hotel Historic District. At six-stories, the Project is compatible with the immediately-adjacent residential buildings, which, are 5- and 6-stories, respectively. An eight-story residential building is located across the street on the corner of Hyde and Sutter Streets. The tourist guest rooms are designed for efficiency. All of the units will have access to light; those units fronting onto Hyde Street (or the rear yard) will benefit from large, Code-compliant bay windows, while those interior units will face an interior lightwell.

The Project site is within walking distance of Union Square and numerous MUNI bus stops. The Project site is located three buildings to the south of Saint Francis Memorial Hospital, and is within walking distance of the new CPMC Van Ness/Geary campus. The presence of these Institutional Uses combined with the proximity to Union Square will benefit future hotel patrons. The Project will provide community benefits in the form of affordable hotel rooms near the hospital and medical facilities for use by family and friends of patients as well as visiting medical professionals. It will also convert an underutilized site into a small and vibrant boutique hotel, within walking distance of public transit, commerce and services. It is anticipated that the new users (hotel patrons) will support the nearby neighborhood-serving retail uses, adding pedestrian-oriented activity to the immediate neighborhood.

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 is consistent with the surrounding neighborhood, which is primarily multi-story, high-density residential buildings. The Project will develop a vacant lot, thereby creating a more unified street wall. The Project's six-story height is consistent with the surrounding buildings, which range in height from four to eight stories. The Project has been designed to fit in with the character of the surrounding buildings by incorporating double bay windows, deep ground floor openings, and a projecting cornice. The Project provides an approximately seven-foot front setback at the top floor (6th floor) to allow for the perception of a stepping pattern along the subject frontage, as viewed from street level. While not required to provide a rear yard, the Project nevertheless provides a 15-foot rear yard to provide a physical buffer from adjacent structures.

- 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 will not provide any off-street parking. The high-density development and neighborhood-serving commercial uses that characterize the neighborhood will encourage hotel guests (users) to find alternatives to the use of private automobile, such as bicycles, public transportation, and taxis or ridesharing. The Project will generate less demand for private automobile use because the property is situated within a transit-rich area and does not provide parking. The property is located within a two-block radius of eight MUNI bus lines, within three blocks of the Van Ness Avenue line and eight blocks of the Market Street lines.

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

The Project proposes a Hotel Use without on-site vehicular parking and therefore will not produce noxious or offensive emissions, noise, glare, dust or odors associated with vehicles parking on-site. There is no commercial retail space, which, could generate the same. In order to ensure any significant noxious or offensive odors are prevented from escaping the premises once the Project is operational, the building permit application to implement the Project shall include air cleaning or odor control equipment details and manufacturer specifications on the plans. The Project will include lighting at the hotel entrance that focuses on the entrance area and does not create glare for neighbors. Any signage for the hotel would be on Hyde Street and would comply with applicable Planning Code requirements. Garbage and recycling facilities will remain inside the building and be contained within the ground level with a single access point.

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

The Project will provide one (1) street tree, two (2) Class II bicycle parking spaces, and will comply with all streetscape requirements. Parking is not proposed and therefore, the ground floor will consist of a hotel lobby that will contribute to the neighborhood character. The Project is not required to provide a rear yard given that no dwelling units are proposed; nevertheless, the Project provides a rear yard of fifteen feet in depth. The Project also will provide appropriate lighting for safety on the street side of the façade. The Project contains signage for identification purposes that is Code-compliant.

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

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

- D. **Hotels and Motels.** Planning Code Section 303(g) requires that, with respect to applications for development of tourist hotels and motels, the Planning Commission shall consider:

- i. The impact of the employees of the hotel or motel on the demand in the City for housing, public transit, child-care, and other social services. To the extent relevant, the Commission shall also consider the seasonal and part-time nature of employment in the hotel or motel;

The proposed Project would construct a new six-story, 30-room hotel, resulting in the creation of approximately 13 jobs. According to the Hotel Feasibility Study ("Study") produced by Hausrath Economics Group, the new Hotel Use would necessitate 8 full-time (FTE) positions (manager, front desk clerks, housekeeping, and maintenance) and 5 part-time (PTE) positions (desk clerks, and housekeeping). Generally, most San Francisco hotel employees live in San Francisco. According to the Economic Impact of San Francisco Hotels (2013), 57 percent of the people employed at San Francisco hotels also live in San Francisco, higher than the average of 54 percent for all business sectors in San Francisco. (The 2013 report prepared for the Hotel Council of San Francisco by the Bay Area Council Economic Institute is the most current available at the time of the preparation of the Study prepared for the proposed Project).

It is assumed that new employees would likely have relocated from other jobs already in San Francisco. Therefore, the potential increase in employment would be minimal compared to the total employment expected in San Francisco and the greater San Francisco Bay Area. This minor increase in employment is not expected to generate a significant increase in demand for housing, transit, child care and other social services. Furthermore, the location is well-served by transit and the secure bicycle parking spaces will help to minimize additional auto trips.

Overall, the increase in employment would be less than significant in the context of the expected increases in the employment and population of San Francisco. The proposed Project would not directly or indirectly induce substantial population growth in San Francisco and would result in a less-than-significant population impact.

- ii. The measures that will be taken by the project sponsor to employ residents of San Francisco in order to minimize increased demand for regional transportation;

The Project Sponsor plans to fill the job openings by hiring locally. The Project Sponsor will use the recruitment services offered by community-based agencies such as the Mission Hiring Hall and Chinese for Affirmative Action. This will supplement posting the job openings at HireSF.org, (an initiative of the Office of Economic and Workforce Development), advertising in local newspapers, and on Craigslist. Although the Project does not meet the minimum size threshold of 25,000 square feet of commercial development to take advantage of San Francisco's First Source Hiring Program, the Project Sponsor will nevertheless complete a First Source hiring agreement.

- iii. The market demand for a hotel or motel of the type proposed.

Based on data within the Study, San Francisco's visitor industry is thriving and the number of visitors to the City is at an all-time high. As a result, hotel occupancies also at record levels. San Francisco Travel (the private, not-for-profit organization that markets the city as a leisure, convention, and business destination) reports 24.6 million visitors to San Francisco in 2015 (18.9 million leisure travelers and 5.8 million business travelers). Counts for both visitor categories

were up 2.7 percent from the prior year. According to San Francisco Travel, just over 60 percent of all overnight visitors to San Francisco stayed in San Francisco hotels in 2015 (about 6.3 million visitors). Consistent occupancy rates between 80 and 90 percent since 2010 have led to significant increases in average daily room rates (average rental income paid per occupied room in one year). Citywide, the average daily room rate was \$268 in 2015, up almost 20 percent from an average of \$229 in 2013. San Francisco's climate and variety of local and regional destinations means that seasonality is not a big factor in the lodging market. This distinguishes San Francisco from many other visitor destinations. Occupancy rates are generally high year-round with peaks in the months of June through October.

According to the Study, there is evidence to suggest a near-term softening of occupancy rates and room rates as increased lodging supply responds to demand growth. While short-term home rental services such as Airbnb capture an increasing share of the overnight visitor market, for the first time since 2008 significant new hotel development is proposed in downtown San Francisco. The pipeline of more than 20 hotels and 4,000 rooms in projects under development or proposed is a direct response to sustained high occupancy rates and strong demand from tourism, business travel, and conventions. This new construction will be developed and absorbed over a period of years, but will moderate the upward trend of occupancy rates and likely reduce the rate of increase in room rates.

The Study suggests that the longer-term lodging market remains strong, assuming the supply of lodging types is diverse. The longer-term outlook for the tourist hotel market in San Francisco is strong. Tourism is one of the key sectors in the City's economy, supported by the strength of other economic activity in the City, growth in international travel, and the City's broad appeal to both convention and leisure travelers.

Overall, the Study concludes that: 1) numerous factors support a new Hotel Use at 824 Hyde Street, and 2) the positioning as a boutique hotel at the subject location is in-step with development trends in this part of the City. Specifically, the Study finds that:

- The site is centrally-located in San Francisco near major transportation corridors (the location is well-served by transit servicing Union Square, the Financial District, North Beach, and the Embarcadero);
- State and Federal government activity in nearby Civic Center provides a year-round source of demand for lodging in the Civic Center/Van Ness Corridor;
- The development of the 274-bed hospital at Van Ness and Geary represents an important near-future source of year-round demand for nearby lodging (the hospital project is stimulating a boom in real estate investment for housing, office, and hotel use near Van Ness and Geary);
- While projected room rates in the range of \$189 to \$379 per night are higher than the average for this location, they are consistent with rates at other boutique and small contemporary hotels in the vicinity; and
- As new construction, the Project will offer a distinctive product in San Francisco's boutique hotel market, where almost all such lodging is in renovated older buildings.

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

COMMERCE AND INDUSTRY ELEMENT

Objectives and Policies

OBJECTIVE 1:

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKINIG ENVIRONMENT.

Policy 1.1:

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development that 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 project would add thirty (30) tourist hotel guest rooms intended to serve visitors and business travelers of San Francisco, and as a result would create new jobs in a location that is easily accessible via transit. The project would result in increased tax revenue for the City—including Hotel Room Tax (transient occupancy tax or TOT) revenue for San Francisco's General Fund—and an increase in retail activity in the immediate neighborhood. A tourist hotel is permitted with a Conditional Use Authorization, and is thus consistent with activities in the commercial land use plan.

OBJECTIVE 2:

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1:

Seek to retain existing commercial and industrial activity and to attract new such activity to the City.

Due to the Project Site's proximity to Union Square and Civic Center, the Project is anticipated to easily attract hotel patrons. The Project Site is also centrally located, close to many jobs and services, as well as public transit.

OBJECTIVE 8:

ENHANCE SAN FRANCISCO'S POSITION AS A NATIONAL CENTER FOR CONVENTIONS AND VISITOR TRADE.

Policy 8.1:

Guide the location of additional tourist related activities to minimize their adverse impacts on existing residential, commercial, and industrial activities.

Policy 8.3:

Assure that areas of particular visitor attraction are provided with adequate public services for both residents and visitors.

The Project locates a new 30-room tourist hotel in a location that is geographically in close proximity to the attractions, conventions, entertainment, public transit, retail and food services frequented by tourists and business travelers.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 1:

MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA.

Policy 1.3:

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

The Project creates a new hotel use within a transit-rich area and within close proximity to the downtown where jobs are concentrated. By not including parking, the Project encourages the use of public transit as an alternative to automobiles.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 3:

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.2:

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

Policy 3.5:

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

Policy 3.6:

Relate the bulk of buildings to the prevailing scale of development to avoid an overwhelming or dominating appearance in new construction.

The Project site is located within the Lower Nob Hill Apartment Hotel Historic District (District). The surrounding area has a defined architectural character with the vast majority of the buildings having been constructed between 1906 and 1925. The District consists of almost entirely of 3- to 8-story multi-unit residential buildings which fill their entire front lot lines and share a single stylistic orientation. The Project site is located in an 80-A Height and Bulk District. The proposed new building is designed in a contemporary architectural style, including generous, modern glazing treatments, an organized fenestration pattern, and high-quality exterior finishes. The building would be approximately 64-foot-tall (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run); these features are exempt per Planning Code Section 260(b). Therefore, the Project's proposed height is consistent with the requirements of the 80' Height District and with similar sized buildings in the area, and meets the "A" Bulk Limits.

OBJECTIVE 4:

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENTAL TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.11:

Make use of street space and other unused public areas for recreation, particularly in dense neighborhoods, such as those close to downtown, where land for traditional open spaces is more difficult to assemble.

The Project will include streetscape improvements along its Hyde Street frontages, including the installation of one (1) new street tree, and a new, publically-accessible Class II bicycle rack along Hyde Street. The building's base has been detailed to provide an appropriate scale for pedestrians, and the Project would add an important aspect of activity by virtue of infilling a vacant lot. These improvements will provide much needed streetscape improvements thorough the well-designed ground-floor treatments that will help to improve pedestrian safety without the need for a curb cut for off-street parking.

Policy 4.13:

Improve pedestrian areas by providing human scale and interest.

The Project is designed to fit within the neighborhood characterized by high-density, residential buildings and hotels within the Lower Nob Hill National Register District. The Project contains thirty (30) tourist guest rooms that are efficiently designed with adequate storage and have large windows for light. The building will reflect the design of the surrounding buildings because it contains double bay windows, deep ground floor openings, and a projecting cornice. The building's base has been detailed to provide an appropriate scale for pedestrians, and the Project would add an important aspect of activity (hotel lobby), providing a much-needed human scale and interest on a lot that is currently vacant. The project sponsor modified the façade to respond to comments made by the Department's historic preservation technical specialist. These changes ensure the Project will be consistent with the façade element patterns of other buildings in the Lower Nob Hill National Register District.

9. Planning Code Section 101.1(b) establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The existing, neighborhood-serving retail will be preserved and enhanced through the construction of a new Hotel Use (Retail Sales and Service Use) on a vacant lot. While no ground floor, neighborhood-serving retail is proposed, the hotel provides opportunities for resident employment in the hotel.

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

The property is a vacant lot. The property contained an eight-unit residential building that was destroyed by a fire in October 2010. Consistent with the height and density of residential and mixed-use buildings near the Project Site, the Project will provide 30 hotel rooms in a 6-story-over-basement building. The prevailing development pattern in the neighborhood includes mid-rise buildings like that of the proposed Project which house hotels and residential uses with ground floor retail. The neighborhood is close to Union Square and reflects that area's mixture of restaurants, bars, housing and ground floor commercial uses, including hotels. The Project retains the prevailing neighborhood character by relating the height and bulk to be at or below that of the adjacent buildings and including design elements such as double bay windows, deep ground floor openings, and a projecting cornice.

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

The Project does not affect affordable housing as there is no housing currently on the subject lot (the Project Site is currently vacant).

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

The Project will not cause an undue burden on the surrounding street parking, nor will it impede MUNI service. The Project will not provide parking because the Project is well-served by public transportation and is located within close proximity San Francisco's most popular tourist destinations. Many of the available MUNI lines: 38-Geary; 19-Polk; 47-and 49-Van Ness; 1-California; and 2-Clement; 30-Stockton; and 45-Union bus lines are within walking distance. These bus lines include stops and/or connections to the MUNI Metro, BART and F-lines on Market Street and connections to popular tourist attractions. The Van Ness BRT line will soon be operational and will expedite travel by tourists to many City destinations as well as connections with City and regional transit lines. Tourists do not necessarily travel during peak hours so MUNI service should not be negatively impacted by the Project.

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

The Project does not eliminate any industrial or service sectors. The proposed Hotel Use is a commercial development that will replace a long-vacant and blighted lot with 30 tourist hotel guest rooms in a well-designed building compatible with the neighborhood and the Lower Nob Hill Apartment Hotel Historic District. By doing so, the Project provides the opportunity for resident employment at the hotel, and as a result of the increased demand generated by the tourists for neighborhood goods and services, at nearby retail businesses including bars and restaurants.

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

The new building will comply with present day seismic and life-safety codes for achievement of the greatest possible preparedness to protect against injury and loss of life in the event of an earthquake.

- G. That landmarks and historic buildings be preserved.

The property is located within the Lower Nob Hill Apartment Hotel Historic District (District). The new building is designed to fit within the District's context, including elements such as double bay windows, deep ground floor openings and a projecting cornice

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

The Project will have no negative impact on existing parks and open space. No existing park is observed within 300' radius of the property. The Project's height of 64'-0" (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run), will not have an impact on the surrounding parks and open space's access to sunlight and vistas. The height of the proposed structure is compatible with the established neighborhood development.

10. 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.
11. 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. 2016-010544CUA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated March 22, 2017, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 19926. 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 June 1, 2017.


Jonas P. Ionin
Commission Secretary

AYES: Fong, Hillis, Johnson, Koppel

NAYS: Melgar, Moore, Richards

ABSENT: None

ADOPTED: June 1, 2017

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to allow a Hotel Use within a new construction building located at 824 Hyde Street, Lot 017 in Assessor's Block 0280, to exceed the use size limitations and to exceed 50 feet in a RC Zoning District, pursuant to Planning Code Sections 209.3, 253, 303, 303(g) within the RC-4 Zoning District and a 80-A Height and Bulk District; in general conformance with plans, dated March 22, 2017, and stamped "EXHIBIT B" included in the docket for Case No. 2016-010544CUA and subject to conditions of approval reviewed and approved by the Commission on June 1, 2017 under Motion No. 19926. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on June 1, 2017 under Motion No. 19926.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 19926 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
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
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
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
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

DESIGN – COMPLIANCE AT PLAN STAGE

6. **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
7. **Garbage, composting and recycling storage.** Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the building permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
8. **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
9. **Transformer Vault.** The location of individual project PG&E Transformer Vault installations has significant effects to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:
 - a. On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
 - b. On-site, in a driveway, underground;
 - c. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
 - d. Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
 - e. Public right-of-way, underground; and based on Better Streets Plan guidelines;
 - f. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
 - g. On-site, in a ground floor façade (the least desirable location).

Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.

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

10. **Noise.** Plans submitted with the building permit application for the approved project shall incorporate acoustical insulation and other sound proofing measures to control noise.

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

11. **Odor Control Unit.** In order to ensure any significant noxious or offensive odors are prevented from escaping the premises once the project is operational, the building permit application to implement the project shall include air cleaning or odor control equipment details and manufacturer specifications on the plans. Odor control ducting shall not be applied to the primary façade of the building.

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

PARKING AND TRAFFIC

12. **Bicycle Parking.** Pursuant to Planning Code Sections 155.1 and 155.4, the Project shall provide no fewer than 1 (one) Class I or 2 (two) Class II bicycle parking spaces. SFMTA has final authority on the type, placement and number of Class 2 bicycle racks within the public ROW. Prior to issuance of first architectural addenda, the project sponsor shall contact the SFMTA Bike Parking Program at bikeparking@sfmta.com to coordinate the installation of on-street bicycle racks and ensure that the proposed bicycle racks meet the SFMTA's bicycle parking guidelines. Depending on local site conditions and anticipated demand, SFMTA may request the project sponsor pay an in-lieu fee for Class II bike racks required by the Planning Code.

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

13. **Managing Traffic During Construction.** The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.

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

14. **Transportation Demand Management (TDM) Program.** Pursuant to Planning Code Section 169, the Project shall finalize a TDM Plan prior to the issuance of the first Building Permit or Site Permit to construct the project and/or commence the approved uses. The Property Owner, and all successors, shall ensure ongoing compliance with the TDM Program for the life of the Project, which may include providing a TDM Coordinator, providing access to City staff for site inspections, submitting appropriate documentation, paying application fees associated with

required monitoring and reporting, and other actions. Prior to the issuance of the first Building Permit or Site Permit, 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 to document compliance with the TDM Program. This Notice shall provide the finalized TDM Plan for the Project, including the relevant details associated with each TDM measure included in the Plan, as well as associated monitoring, reporting, and compliance requirements.

PROVISIONS

15. **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

MONITORING - AFTER ENTITLEMENT

16. **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
17. **Revocation due to Violation of Conditions.** Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
18. **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>
19. **Noise Control.** The premises shall be adequately soundproofed or insulated for noise and operated so that incidental noise shall not be audible beyond the premises or in other sections of the building and fixed-source equipment noise shall not exceed the decibel levels specified in the San Francisco Noise Control Ordinance.

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

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

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

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

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

21. **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

OPERATION

22. **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>

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2017 JUN 29 PM 4:32

BY BJ

1447

Lower Polk Neighbors, Inc.
P.O. Box 642428
San Francisco, CA 94164-2428

90-7162/3222

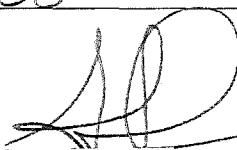
DATE

6-22-17

PAY TO THE ORDER OF SAN FRANCISCO PLANNING DEPARTMENT \$ 562.00
FIVE HUNDRED SIXTY TWO & ⁰⁰/₁₀₀ DOLLARS Society Features
Included
Details on Back

JPMorgan Chase Bank, N.A.

FOR APPEAL TO BOS/ 824 HYDE ST.



MP

Application to Request a Board of Supervisors Appeal Fee Waiver	
CASE NUMBER: For Staff Use only	

APPLICATION FOR Board of Supervisors Appeal Fee Waiver

1. Applicant and Project Information

APPLICANT NAME: Chris Schulman	
APPLICANT ADDRESS: 1156 Sutter Street #304 San Francisco, Ca 94109	TELEPHONE: (415) 827-0650
NEIGHBORHOOD ORGANIZATION NAME: Lower Polk Neighbors	
NEIGHBORHOOD ORGANIZATION ADDRESS: P.O. Box 642428 San Francisco, Ca 94164	TELEPHONE: ()
PROJECT ADDRESS: 824 Hyde Street	
PLANNING CASE NO.: 2016-010544CUA	BUILDING PERMIT APPLICATION NO.: N/A
DATE OF DECISION (IF ANY): 6/1/17	

2. Required Criteria for Granting Waiver

(All must be satisfied; please attach supporting materials)

- The appellant is a member of the stated neighborhood organization and is authorized to file the appeal on behalf of the organization. Authorization may take the form of a letter signed by the President or other officer of the organization.
- The appellant is appealing on behalf of an organization that is registered with the Planning Department and that appears on the Department's current list of neighborhood organizations.
- The appellant is appealing on behalf of an organization that has been in existence at least 24 months prior to the submittal of the fee waiver request. Existence may be established by evidence including that relating to the organization's activities at that time such as meeting minutes, resolutions, publications and rosters.
- The appellant is appealing on behalf of a neighborhood organization that is affected by the project and that is the subject of the appeal.

For Department Use Only

Application received by Planning Department:

By: _____

Date: _____

Submission Checklist:

- APPELLANT AUTHORIZATION
- CURRENT ORGANIZATION REGISTRATION
- MINIMUM ORGANIZATION AGE
- PROJECT IMPACT ON ORGANIZATION

- WAIVER APPROVED
- WAIVER DENIED



SAN FRANCISCO
PLANNING
DEPARTMENT

FOR MORE INFORMATION:
Call or visit the San Francisco Planning Department

Central Reception
1650 Mission Street, Suite 400
San Francisco CA 94103-2479

TEL: 415.558.6378
FAX: 415.558.6409
WEB: <http://www.sfplanning.org>

Planning Information Center (PIC)
1660 Mission Street, First Floor
San Francisco CA 94103-2479

TEL: 415.558.6377
Planning staff are available by phone and at the PIC counter.
No appointment is necessary.

LOWER POLK NEIGHBORS

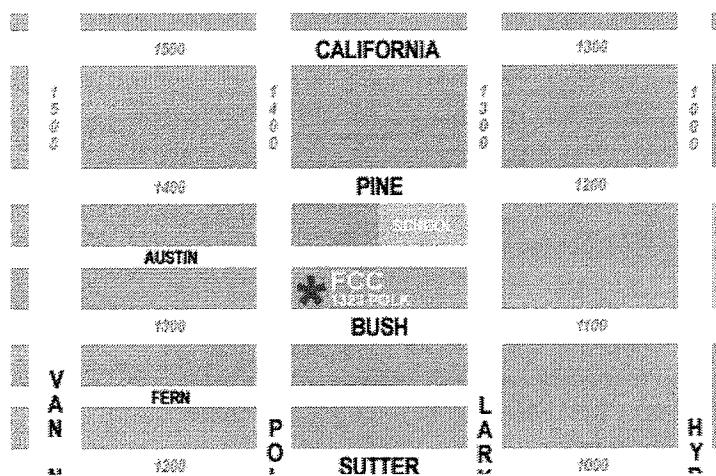
Dedicated to building a cleaner, safer, more beautiful
Lower Polk community

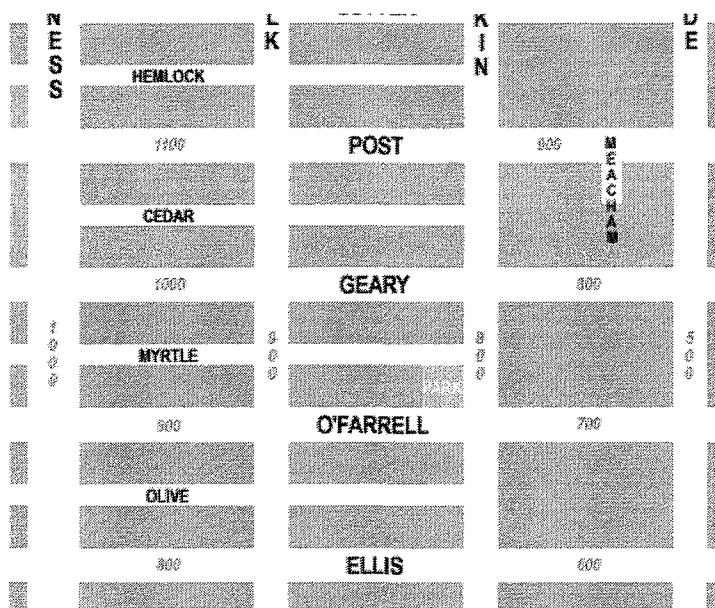
About LPN

Lower Polk Neighbors (LPN) is a neighborhood association, made up of both residents and merchants, located in the lower part of the Polk Gulch district in San Francisco, California.

We meet to discuss neighborhood issues and then follow up on those discussions with action. Our principal issues are crime, cleanliness, beautification, and strengthening of our community. Since we began meeting in late 2001, we have begun a Lower Polk tree planting program; we have worked with the Department of Public Works and others to address the grime, graffiti and garbage on our streets; and we have worked with the San Francisco Police Department on remaining quality-of-life issues. We have also met with business owners to address crime and cleanliness issues related to their businesses; we have met with nonprofit low-income housing developers to help plan their projects in the neighborhood; we have put together a community court whereby those who commit quality-of-life offenses are sentenced by a jury of their peers to pay a fine to or to do community service in the neighborhood; and we have organized neighborhood crime walks.

Map delineating borders of the LPN area:





(<https://lowerpolkneighbors.files.wordpress.com/2014/09/screen-shot-2015-06-10-at-11-04-43-am.png>)

We also invite elected and other high-ranking officials to speak at our general meetings. Guests have included:

- District 3 Supervisor Aaron Peskin (2016-present)
- District 3 Supervisor Julie Christensen (2015-2016)
- Mayor Gavin Newsom (2004-2011)
- District 3 Supervisor Aaron Peskin (2005-2009)
- District 3 Supervisor David Chiu (2009-2014)
- District 6 Supervisor Chris Daly (2001-2011)
- District 9 Supervisor Tom Ammiano (1994-2008)
- District 11 Supervisor Sophie Maxwell (2000-2011)
- District Attorney Kamala Harris (2004-2011)
- Chief of Police Heather Fong (1997-2009)
- Fire Chief Joanne Hayes-White (2004-current)

If you have questions about the group, please [get in touch](#) (<https://lowerpolkneighbors.wordpress.com/contact/>).

One comment

1. **A. Moy** says:

OCTOBER 11, 2015 AT 3:10 PM

I attended the LPN a meeting on Saturday, October 10 regarding the changes going on in our alleys. Supervisor Julie Christensen was there as well as the architect firm INTERSTICE. Zoe Astrachan presented a slide show detailing what some of the plans are. She showed examples of other things that have been done in alleys that the neighborhood might consider. This meeting was very organized: numerous colorful diagrams were set up showing all the alleys; stick ups and markers were provided for comments onto the diagrams; notes were taken regarding our comments, and architects were very accommodating and open to what people were saying. The architects assured us that they would present our issues to the city agencies involved. The LPN was GREAT in organizing this meeting! I am a supporter of the LPN. They have done a lot for our area.

From: BOS Legislation, (BOS)
To: chris.schulman@gmail.com; IDick@fbm.com
Cc: Givner, Jon (CAT); Stacy, Kate (CAT); Byrne, Marlena (CAT); Gibson, Lisa (CPC); Sanchez, Scott (CPC); Rodgers, AnMarie (CPC); Starr, Aaron (CPC); Foster, Nicholas (CPC); Ionin, Jonas (CPC); BOS-Supervisors; BOS-Legislative Aides; Calvillo, Angela (BOS); Somera, Alisa (BOS); BOS Legislation, (BOS)
Subject: APPEAL RESPONSES: Conditional Use Authorization Appeal - Proposed 824 Hyde Street Project - Appeal Hearing on July 25, 2017
Date: Monday, July 17, 2017 12:18:54 PM
Attachments: image001.png

Good afternoon,

Please find linked below appeal response letters received by the Office of the Clerk of the Board from the Planning Department, and Ilene Dick of Farella, Braun, and Martel LLP, representing the Project Sponsor, regarding the proposed project at 824 Hyde Street.

[Planning Appeal Response Letter - July 17, 2017](#)

[Project Sponsor Response Letter - July 17, 2017](#)

Please note that the appeal hearing for this matter is noticed and scheduled for a 3:00 p.m. special order before the Board on July 25, 2017.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

[Board of Supervisors File No. 170790](#)

Thank you,

Brent Jalipa

Legislative Clerk

Board of Supervisors - Clerk's Office
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-7712 | Fax: (415) 554-5163
brent.jalipa@sfgov.org | www.sfbos.org



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.

July 17, 2017

Via E-Mail: brent.jalipa@sfgov.org

London Breed, President
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
Room 244
San Francisco, CA 94102

Re: 824 Hyde Street: Appeal of Conditional Use Authorization
Hearing Date: July 25, 2017

Dear President Breed and Members of the Board:

We represent 824 Hyde Street Investments, LLC, the owner of the property at 824 Hyde Street and the project sponsor (“Sponsor”) for the 30-room tourist hotel (“Project”) approved by the Planning Commission on June 1, 2017 by a vote of 4-3.¹ The 824 Hyde Street lot was rendered vacant by a 2010 fire of a four-story, eight-unit residential building. As a result of the fire, the remnants of the building were demolished and the lot remains vacant. Based on the reasons below, we request that you reject the appeal.

A. FACTUAL BACKGROUND

1. Project Entitlement History

The chronology of the use of the property post-fire is described in Planning Commission Motion No 19926.² The prior owner of the site submitted a conditional use application (“CUA”) on May 8, 2013 to build a 5-story over basement, 14-unit residential building. A Class 32 Categorical Exemption was issued on April 30, 2015. On August 28, 2015, Sponsor bought the building from the prior owner. On March 3, 2016 the Planning Commission approved the CUA for a 14-unit residential building. The approved design required a variance from the active street frontage requirement under Planning Code Section 145.1. That variance was approved by the Zoning Administrator on March 31, 2016.

¹ Our reply to the appeal is based on the arguments in the Appeal Letter dated June 29, 2017 filed by Lower Polk Neighbors (“LPN”). LPN did not file any additional papers prior to July 17, 2017, the end of the filing period for Sponsor. In order to reduce the size of our response, we will refer to the documents submitted with the Planning Department’s reply to the appeal as applicable.

² See Planning Department response.

Sponsors' request for a CUA for a tourist hotel after approval of the residential building was motivated by several factors. First, their primary business is in the hotel/hospitality industry. They have been in the hotel business for 30 years and own and/or operate numerous other hotels in Marin County, San Jose, and the East Bay under the brand names Vagabond, Howard Johnsons, Travelodge, Super 8, Americas Best Value Inn, and Motel 6, as well as independent hotels. Second, during the time it took for the residential building to be entitled, market conditions had changed and concerns arose as to whether the proposed 14 "affordable by design" units would "pencil out" with all the construction costs and fees. After further evaluating the economic viability of these smaller units selling at the desired price, the Sponsors decided to return to the business model they know best. Thus, on August 3, 2016, a CUA application for the Project was filed.³

2. Project Description

The Project will activate the vacant 2,813 sf lot into a 6-story over basement 30-room tourist hotel. The site is located in the Lower Nob Hill Apartment-Hotel District ("Historic District"). As its name implies, the Historic District is comprised of a diverse mix of hotels and apartment buildings of various heights and architectural styles that together contribute to the area's vibrant and robust commercial and retail activity. The Historic District's prevalent historic features are reflected in the approved design for the Project. The surrounding neighborhood is dense and transit-rich, exemplifying a mixed-use character with which the proposed low-rise, boutique tourist hotel would be compatible.

There is no bar and/or restaurant proposed. Rather than setting aside the ground floor for those uses, the Project will have a 14' tall, 400 sf hotel lobby fronting on Hyde Street and 375 sf of open space accessible to the first floor rooms at the rear of the building. Because the hotel is a tourist destination in a high density, transit-rich neighborhood, it will also provide 6 Class-1 bicycle parking spaces in a secure and accessible location in the basement and 2 Class-2 bicycle parking spaces as an additional mode of transportation. Due to this location, no off-street parking is proposed and none is required under Planning Code Table 151.1. The project has submitted a request to MTA for a 40' white zone (passenger) in front of the hotel lobby. This 2-car short-term parking lane will facilitate drop-off/pick up and minimize traffic congestion on Hyde Street.

3. Planning Commission Approval of the Hotel

After initially hearing the Project on May 18, 2017, the Planning Commission continued the public hearing to June 1, 2017. A motion of intent to disapprove the Project was defeated by a vote of 3-4.⁴ During public comment on the item, Mr. Shulman and members of LPN testified in favor of denying the CUA for the hotel based on the primary issue before this Board: hotel use is improper at this site because the prior use was a residential building. Commissioners

³ Sponsors have agreed that this hotel will not be managed by a formula retail hotel operator.

⁴ See Planning Department reply, Motion No. 19926.

considered testimony on this issue from both project opponents and the Sponsors and after a lengthy debate, voted 4-3 to approve the CUA for the hotel.

B. ISSUES ON APPEAL

1. There Is No Policy Or Code Provision That Reflects LPN's Contention That A Previously (Now-Vacant) Residential Site Should Not Be Redeveloped For Non-Residential Uses.

The primary issue on appeal is whether a 30-room tourist hotel (or any non-residential use) at this site should be disallowed solely on the basis that the vacant site had contained a rent-controlled building that was destroyed through no fault of the Sponsors or the prior owners. LPN is asking you to “reject the [hotel] proposal before you, keeping the [entitlements for housing] in effect” simply because the prior use was residential. The reason for doing so, according to LPN, is that a “precedent” would be set for allowing a non-residential use to replace rent-controlled housing.

This “principle” is not codified in any applicable Planning Code provisions or General Plan policies and objectives for this neighborhood. To require that a vacant or under-utilized residential site can only be redeveloped as housing would limit the organic changes that occur in a dynamic City like San Francisco. It is those changes that result in the diverse economic and cultural vitality that has made San Francisco a desired location to live, work and visit. One of the reasons for allowing non-residential uses such as a hotel in R districts like the RC-4 is to maintain those diversity of uses, where a wide range of compatible commercial activities are found.⁵

C. THE HOTEL USE IS NECESSARY AND DESIRABLE

1. Comparative Fiscal Impacts And Benefits Of Hotel And Residential Use

LPN also argues that the appeal should be granted because Sponsors will get the benefit of reduced in-lieu fees as a result of voiding the residential development. The BMR fee for the 14 units, based on 20% of the unit distributions, is \$673,237. LPN notes that the Sponsors are liable for \$253,170.98 in Transit Sustainability Fees. Attached as Exhibit A is an analysis of the relative fiscal impacts between residential and tourist hotel use prepared by Hausrath Economics Group (“Hausrath”). This assessment concludes that tourist hotels generate substantially more revenue per square foot than residential buildings. That conclusion is based on the fact that residential use has only one revenue source for the City: Property Taxes. In contrast, a hotel is subject to multiple taxes and revenue sources, which according to the analysis, provides one-third of the General Fund. The Hotel Tax alone provides 10% of revenue to the local taxes supporting the General Fund in the current 2-year budget.

⁵ Planning Code Table 209.3 RC-4 Districts: High Density. These Districts provide for a mixture of high-density Dwellings similar to those in RM-4 Districts with supporting Commercial uses.

The one-time dedicated BMR fee is dwarfed by the amount of hotel tax revenue that would be generated from the Project over time. Hausrath found that the Project would generate between \$310,000-\$390,000 per year in hotel tax revenue. Just two years of hotel operation could exceed the one-time BMR fee. Moreover, since most of this revenue is not restricted to dedicated City functions and funds, it can be used for a variety of City activities that rely solely on the General Fund. The hotel tax revenues that are dedicated are used by and for the San Francisco Tourism Improvement District and the Moscone Expansion District. Both of these funds help generate the resources needed to sustain and expand the City's tourism sector, including a wide range of hotel types, which is a vital part of San Francisco's current and future economic health.

2. The City's Long-Term Economic Health Depends On A Vibrant And Diverse Hospitality And Tourism Sector. Even Though The Rooms Are Small, The Project Contributions To Sustaining That Thriving Sector In The Historic District.

LPN also asserts that the hotel CUA should not be upheld because of the "shockingly small and micro sized" rooms. This concern lacks relevance to whether the CUA was properly issued as there are no hotel room-size standards in the Planning Code. As illustrated in the articles and documents attached as Exhibit B, the long-term trend in hospitality is towards minimizing the amount of space of a room and providing the bare essentials. Not only does this promote sustainability, but it is consistent with what millennials – the travelers for whom such hotels are being built – look for when choosing their hospitality options.

(a) The Hotel Generates a Significant Amount of Revenue

The fiscal impact analysis in Exhibit A demonstrates how much more revenue will be generated for City coffers by the Project than by the residential use. This additional revenue will be deposited into the General Fund and will be used to enhance the two dedicated hotel-specific assessments. Doing so will support expansion and viability of the City's tourism and hospitality sectors. Given that this will be a new hotel in the Historic District, the expectation is that many travelers will want to stay there. The heightened demand by millennials for the newly popular micro-sized units will result in increased retail activity and spending in the immediate neighborhood by the tourists at this hotel. Many tourists choose a hotel so they can experience what it is like to "be a local;" this will result in increased spending at restaurants and bars located in the Historic District and in the surrounding neighborhoods such as on Polk Street and Van Ness Avenue.

The Project is near St. Francis' medical and hospital facilities at 900 Hyde Street. It is also near the CPMC facilities that are being constructed on Geary Street/Blvd. The presence of these institutional uses will contribute to steady business for the Project, providing affordable hotel rooms near the hospital and medical facilities for use by family and friends of patients as well as visiting medical professionals.

(b) Market Demand for this Hotel is Anticipated to be High

Exhibit C contains the Planning Code Section 303(g) Findings with respect to:

- (1) The impact of the employees of the hotel or motel on the demand in the City for housing, public transit, child-care, and other social services. To the extent relevant, the Commission shall also consider the seasonal and part-time nature of employment in the hotel or motel;
- (2) The measures that will be taken by the project sponsor to employ residents of San Francisco in order to minimize increased demand for regional transportation;
- (3) The market demand for a hotel or motel of the type proposed.

Hausrath's analysis includes documentation of the existing and likely occupancy and room rates in the City for hotels and specific analysis of the market demand for this Project.⁶ Given the range of room rates and its location, the hotel's anticipated success will be a boon to the neighborhood's small businesses. The neighborhood and the City's tourist destinations are likely to experience ongoing benefits of the economic multiplier effects of these tourists seeking out activities and places for food and drink in the larger neighborhood. Unlike a larger hotel that has a restaurant and bar, this small, no-frills hotel will be occupied by those who want to have a robust and inclusive San Francisco experience.

The hotel will also employ 8 full-time and 5 part-time employees. The Sponsors will work with community-based agencies such as Chinese for Affirmative Action and the Mission Hiring Hall to recruit employees. Although it is not subject to the First Source Hiring Requirements due to its size, the Sponsors have agreed to hire union labor for the hotel construction work.

D. CONCLUSION

After 2 hearings, the Planning Commission voted 4-3 to grant the CUA for the hotel. The Commissioners considered LPN's primary argument and determined that the site's location within the Historic District justified the approval of the hotel. Combined with the Sponsors' long-term business experience in the hospitality sector and the Project's financial contribution to tourism and the City's long-term financial health, we would request that the Board reject this appeal and allow the hotel use to proceed to construction.

The following reasons support denial of the appeal. The Project is located in a Historic District designated for its "Apartment and Hotel Uses." The Project use would be consistent with the uses in the neighborhood. LPN has not offered any legal basis for its request that the appeal be granted because the prior use was residential. In response to LPN's allegations that the loss of the BMR fee is a reason to deny the CUA, we have provided a relative fiscal impact

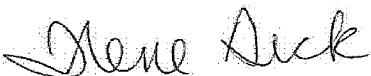
⁶ See Exhibit C, pp. 4-5.

analysis between the residential and hotel projects prepared by Hausrath. It concluded that the hotel would generate significantly more resources for the General Fund, and would exceed three times the property tax revenue generated by the residential use. The funds generated by the Project use are dedicated to only two uses: (1) San Francisco Tourism Improvement District and (2) the Moscone Expansion District. These funds are dedicated to improving and expanding tourism in the City. The remainder of the funds are not otherwise restricted and can be placed in the General Fund. As such, some of the revenues generated by the Project use could be used by the City and/or its non-profit partners to build or renovate affordable housing.

The Project will provide both hotel and construction jobs. Its guests will shop in the local neighborhood, and eat meals and have drinks there. There will be 30 affordable tourist hotel rooms in a part of the City that has numerous hotel options ranging in size, prices and amenities. These rooms will provide the type of "no frills, but quality" stay in an area of San Francisco that is close to numerous transit options to tourist destinations in and outside the City. Demand for these types of rooms is shared by a broad range of demographics, including singles, group travelers and families (and has shown in Exhibit B, millennials). At this location, the Project will also expand hotel options to tourists who seek an affordable "downtown" City location. Room rates will be attractive to many tourists who cannot afford nor wish to stay in more expensive hotels when they plan only to sleep in their hotel rooms and visit the Bay Area's many sites during the day and evening.

For these reasons, we request that the appeal be denied and the CUA for the hotel be approved.

Very truly yours,



Ilene Dick

ID:af

Attachments

EXHIBIT A



MEMORANDUM

Date: July 7, 2017

To: Ilene Dick, Farella Braun + Martel

From: Sally Nielsen

Subject: **Fiscal impact considerations with respect to potential hotel development at 824 Hyde Street**

The development of a 30-room tourist hotel on the currently vacant lot at 824 Hyde Street would have positive fiscal impacts for the City and County of San Francisco, compared to the alternative of residential development on the site. This conclusion is based on evaluation of the types and amounts of tax revenues generated by tourist hotel and residential development, as well as on an assessment of the relative demand of visitors and residents for local public services.

Tourism and hospitality are identified as key elements of San Francisco's economic base in large part due to the economic and fiscal benefits conferred by a vibrant and healthy visitor sector generating outside revenue into the City's economy. SF Travel estimates that visitor spending generates local taxes in the amount of \$2,025 per year per San Francisco household. Most of that local tax revenue is attributable to overnight visitors (*San Francisco Travel, 2016-2017 Strategic Business Plan*).

Tourist hotel development generates substantially more revenue per square foot than does residential development

Both types of development generate Property Tax revenue, which is the most important source of local tax revenue in San Francisco. However, tourist hotel development also generates Hotel Room Tax and Business Tax revenue for San Francisco. Combined, the Hotel Room Tax and Business Taxes provide one-third of the local tax revenue supporting San Francisco's General Fund in the City's recently adopted *Five-Year Financial Plan, Fiscal Years 2017-18 through 2021-22* (May 5, 2017). The Hotel Tax alone provides 10 percent of the revenue to the local taxes supporting the City's General Fund in the *Mayor's 2017-2018 and 2018 – 2019 Proposed Budget* (June 1, 2017).

1212 BROADWAY, SUITE 1500, OAKLAND, CA 94612-1817
T: 510.839.8383 F: 510.839.8415

Memorandum to Ilene Dick

Fiscal impact considerations with respect to potential hotel development at 824 Hyde Street

July 7, 2017

page 2

The proposed tourist hotel of 30 rooms would generate in the range of \$310,000 to \$390,000 per year in Hotel Tax revenue, based on assumptions presented in the Planning Code Section 303(g) Report for 824 Hyde Street (Update, February 13, 2017): projected room rates range from \$189 - \$379 per night and average annual occupancy comparable to hotels in this part of the city. The hotel room receipts would also be the basis for the additional annual business gross receipts tax that the hotel operator would pay with full phase-in of that tax expected in 2018, estimated at \$7,000 - \$9,000 per year based on the rate schedule for accommodation business activities in the Gross Receipts Tax Ordinance (San Francisco Business and Tax Regulations Code Sec. 953.3). In addition, the tourist hotel use would generate annual revenue for two hotel-oriented special assessments: the San Francisco Tourism Improvement District and the Moscone Expansion District. HEG estimates an additional \$50,000 to \$60,000 per year to the combined special assessments.

Hotel tax revenue is an important source of discretionary revenue and also supports arts and cultural activities, artists, and non-profit arts organizations in San Francisco. The special assessments fund promotion efforts and Moscone Center improvements.

Destination marketing efforts, Moscone Center maintenance, expansion and capital improvements, and non-profit arts and cultural organizations and artists benefit from the tax and assessments on hotel room rates. Beneficiaries of allocations from the Hotel Tax Fund include: the City's Arts Commission; the Cultural Equity Endowment Fund which provides grants to arts organizations and individuals that represent historically underserved communities, and non-profit organizations providing affordable facilities for artists and arts organizations; War Memorial and Performing Arts Center maintenance; and the Grants for the Arts Program providing general operating support funding to over 200 arts and cultural organizations annually. The balance of the Hotel Tax revenue flows to the City's General Fund, providing important discretionary funding to meet local public service demands.

Tourist hotel use places much less demand on local public services than does residential use.

As documented in the Section 303(g) report, the proposed hotel at 824 Hyde Street would employ eight full time staff and five part time staff in management, reception, housekeeping, and maintenance positions. It is likely that these individuals would already be San Francisco residents, so they would not add to demand for local public services. Tourists do place demand on local public services, but the demands (and therefore the costs) on a per-capita basis are not nearly as high as those of permanent City residents living in new residential development.

EXHIBIT B

SF's 9-year drought of new hotels finally ends

By J.K. Dineen | July 8, 2017 | Updated: July 12, 2017 12:57pm



Photo: Nicole Boliaux, The Chronicle



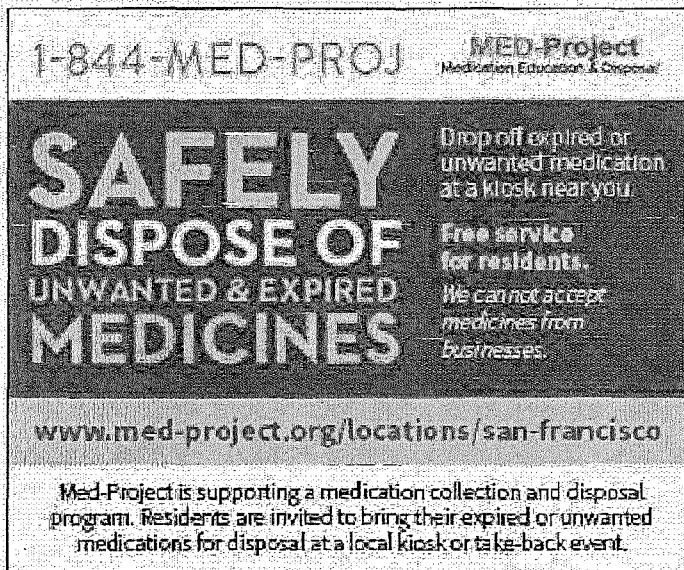
The Proper Hotel will open in San Francisco on Aug. 18.

Developer David O'Keefe expected a decent crowd last month when he held a soft opening reception for his new Hotel Via, across from AT&T Park. He just didn't anticipate people would start wandering in and booking rooms before the hotel's

online reservation system had even gone live.

“The response has been overwhelming,” he said. “We had 60 walk-ins that Saturday night.”

The 159-room Hotel Via, at 138 King St. in Mission Bay, is the first new full-service hotel to open in San Francisco since February 2008, when the 550-room Intercontinental opened next door to Moscone West. It’s the first boutique hotel to premiere since Hotel Vitale across from the Ferry Building was completed in 2005.



But it’s not going to be the last new hotel to open in 2017, or even this summer. After a long drought, San Francisco is in the midst of a mini-wave of five hotel openings.

On Aug. 14, Proper Hotels will open the 131-room San Francisco Proper at 45 McAllister St., the first in a chain that will include hotels in Los Angeles, Santa Monica and Austin, Texas. Toward the end of the year, two more hotels will open:

the 196-room Virgin Hotel at 250 Fourth St. and the 203-room Yotel at 1095 Market St. In early 2018, Mission Bay will get a second new hotel, a Marriott across Mission Creek from China Basin that will have 250 rooms.

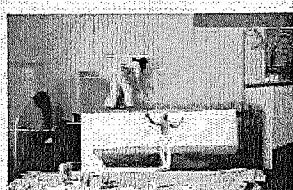
MORE BY J.K. DINEEN



Oakland blaze a setback for city plan to transform Auto Row



Julius' Castle restaurant gets the OK to reopen on Telegraph



SF supervisors to vote on fraudulent evictions bill

In contrast to the convention-oriented behemoths that opened in the 1980s and 1990s — the San Francisco Marriott Marquis, opened in 1989, has 1,362 rooms — the new hotels are smaller and focused on tapping into the neighborhood vibrancy that makes the city so popular with tech workers, rather than Moscone Convention Center business.

“If you look at the brands coming in, they weren’t around five years ago and they are locating in places where a lot of tech firms are located,” said John Reyes, chief sales officer for the San Francisco Travel Association. “These properties are all

about the next generation of traveler and really support what defines San Francisco as a center of innovation and tech.”

The San Francisco Proper, built in the historic flatiron shell of the old Shaw Hotel, will probably have the biggest neighborhood impact. With four eating and drinking venues, including a rooftop bar, the hotel could transform a stretch of Market Street that has long been a magnet for people selling drugs and stolen goods.

Hotel consultant Rick Swig predicted San Francisco Proper will be “the hippest and most happening place in town and the place where Millennials will want to stay.” The energy around the hotel will stimulate “more positive street life” and help “legitimize” the Mid-Market neighborhood, where several restaurants have failed even as it became a tech hub when companies like Twitter and Dolby moved in.

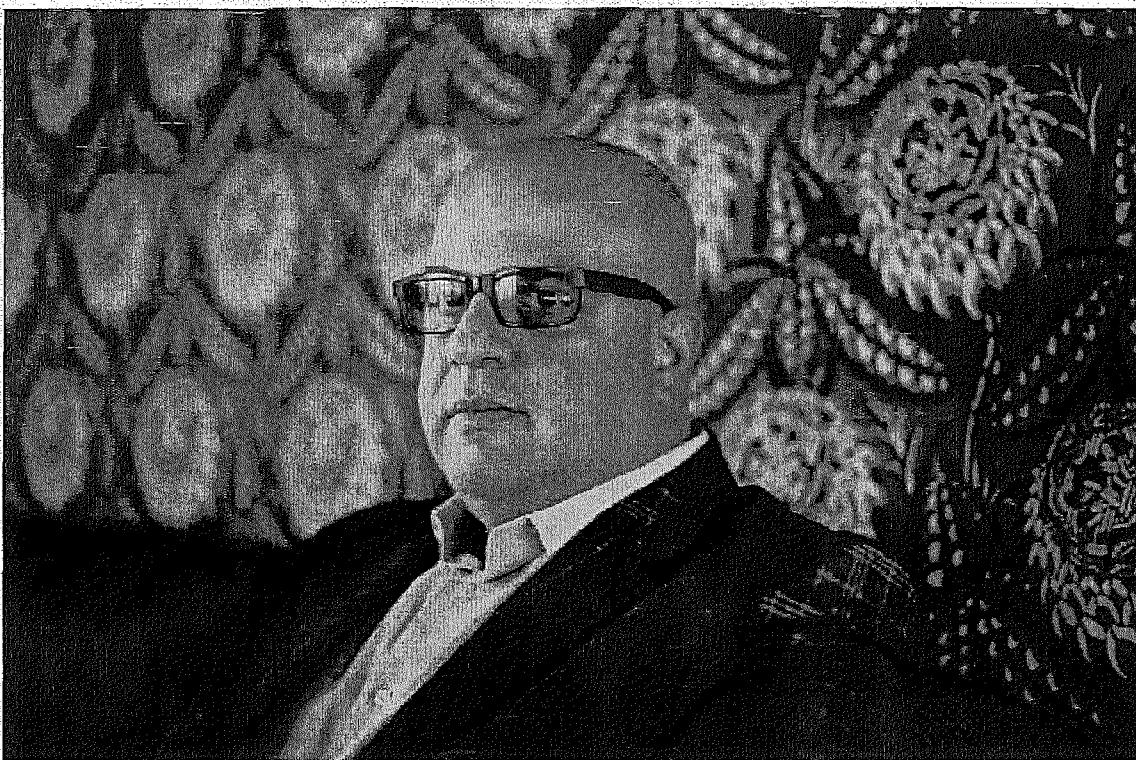


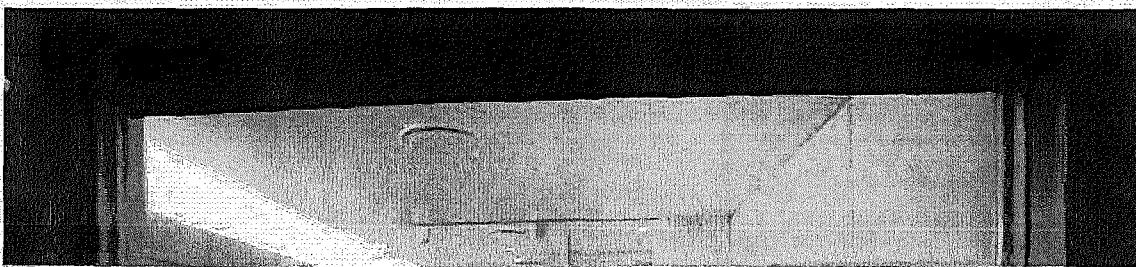
IMAGE 1 OF 3

Alex Samek, Proper Hotels partner, in a suite at the next hotel to open.

The average room rate will be about \$400, with suites going for more than \$800 and small bunkrooms for closer to \$250. Proper Hotels partner Alex Samek said tech firms in the neighborhood are already inquiring about booking rooms and space for events, but that the Proper is not going after any particular demographic.

“We are looking for people who appreciate style, who appreciate culture, who appreciate design,” Samek said, “the type of people who want to be culturally connected to the city and the neighborhood that they are visiting.”

Seventh and Market will get a second hotel when Yotel opens toward the end of the year. Yotel is heavy on technology — robotic concierges that will store luggage if a room isn’t available yet — and features pint-size rooms called “cabins.” Restaurateur Daniel Patterson will open a spinoff of his Alta CA on the ground floor.



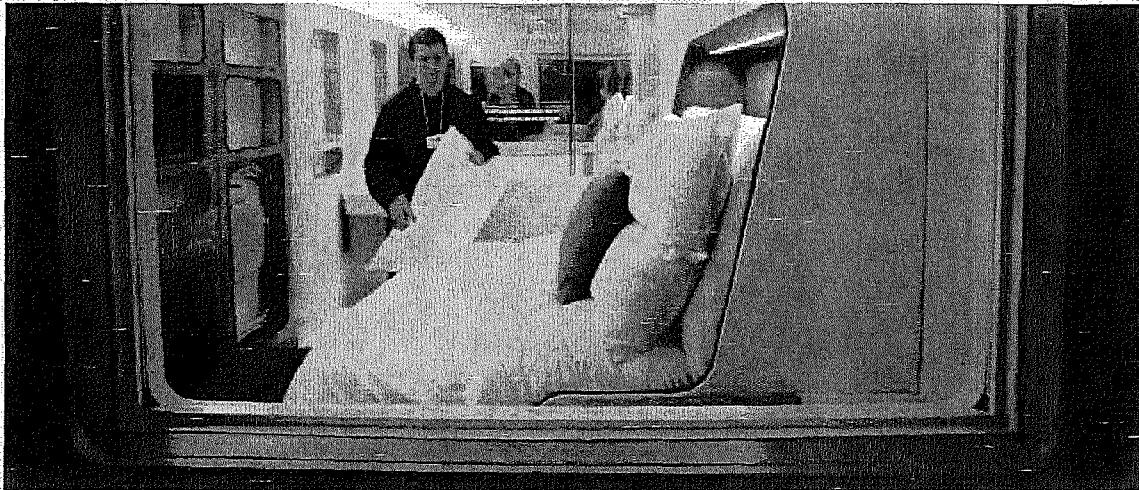


Photo: Jonathan Player, NYT



Pictured is a premium room in the Yotel at Gatwick Airport outside of London.

Swig said it's less clear how Yotel will do, although having the two hotels across the street from one another should help both properties.

"We don't know if it's going to be the budget traveler or the minimalist hipster," said Swig. "It's going to be one or the other. Not the traditional business traveler. Not the meeting or convention traveler."

The burst of proposed hotels is being motivated by a strong hospitality market combined with the political uncertainties of building housing and office structures. In 2016, the city posted an average hotel rate of more than \$276 per night, with occupancy at 87.6 percent, according to the San Francisco Center for Economic Development. The average rate has climbed steadily since 2010 when it was \$135 a night.

Meanwhile, the yearlong debate over affordable housing

requirements has put a cloud over residential building, while the city's cap on the amount of commercial space that can be approved in a given year makes office buildings an iffy alternative.

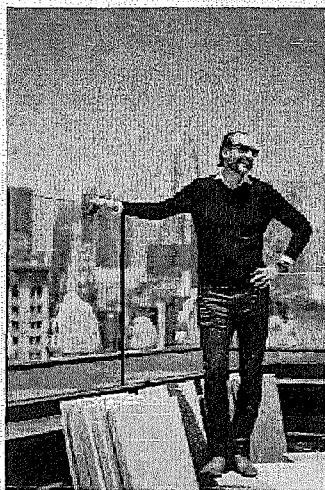


Photo: Nicole Boliaux, The Chronicle



Lorenz Maurer, general manager of San Francisco Proper, stands on the hotel's roof. It will open Aug. 14.

The opening of two Mid-Market hotels come as the city's development pipeline is full of proposed hotel projects. In the past 18 months applications have been filed for 11 hotels totaling 1,808 rooms — that's on top of the 12 hotels with more than 4,000 rooms already working their way through the city's approval process. Most of these projects are South of Market — along Fifth, Harrison, Howard and Townsend streets.

While some of the proposals call for jumbo hotels — 480 rooms at 350 Second St., for example — the ones most likely to actually get built are smaller niche products like the ones set to open in Mission Bay and Mid-Market, Swig said.

“There still is no financing for major new construction for hotels, and the big ones still don’t pencil out,” said Swig.

“Hotels are still the riskiest thing going in real estate development.”

But after a decade of nothing, those that can pull it off may be rewarded. San Francisco Proper General Manager Lorenz Maurer, a veteran of the boutique hotel pioneer Joie de Vivre, said that the rooms at the Proper are getting booked fast.

“All our clients have been waiting a long time for something new and exciting,” said hotel manager Lorenz Maurer. “In New York there is a hotel opening every three months and here, nothing whatsoever.”

Reyes at S.F. Travel said that Millennials will overtake Baby Boomers as the largest group of travelers.

“Everybody is trying to figure out what the new traveler is looking for,” Reyes said. “What we are finding is people are looking for an urban experience. They want to be in places where you can step outside and feel like part of the neighborhood.”

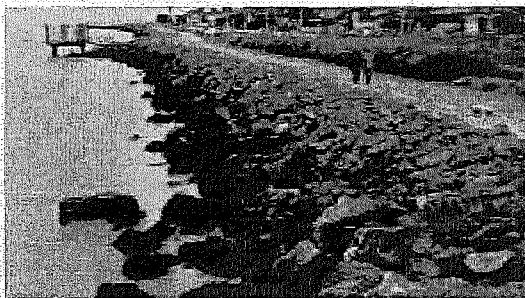
J.K. Dineen is a San Francisco Chronicle staff writer. Email: jdineen@sfchronicle.com Twitter: @sfjkdineen



J.K. Dineen

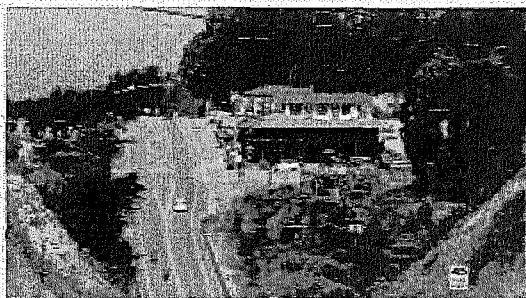
Reporter

Local



Scientists expect floods in Bay Area from rising seas in coming

Local



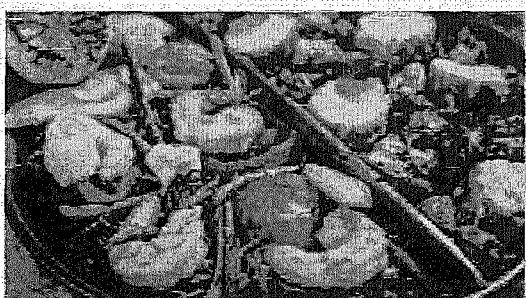
Without water lifeline, tiny town on Santa Cruz coast is running

Food



Ranchers allowed 5-year extension to graze cattle in Point Reyes

Top 100 Restaurants



Top 100 Restaurants 2017: Savor Bay Area's best

REAL ESTATE



Dramatic Sea Ranch homes have great ocean views



Zillow shares fall on hint Amazon could offer Realtor referrals



Larkspur retreat enjoys traditional, contemporary flavor

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Media contact: yotel@dkcnews.com

YOTEL TO OPEN ITS FIRST HOTEL IN SAN FRANCISCO

FIRST YOTEL CONVERSION UNDER DEVELOPMENT

January 13, 2015 (London) – YOTEL, the pioneering technology-focused hospitality brand, has announced plans to operate a hotel in the city of San Francisco, its first location on the West Coast of the US. Located in the historic Grant Building at 1095 Market Street, the property is also YOTEL's first adaptive re-use office conversion project.

Hubert Viriot, YOTEL's CEO, said 'YOTEL will provide a unique offering in San Francisco. Our affordable luxury product is a perfect fit for San Francisco's revitalised Mid-Market area, its growing tech community and residents alike.'

YOTEL San Francisco is set to open in 2017 and will feature 203 cabins with a mix of Premium cabin product along with a unique loft style room concept and larger First and VIP Suites. All cabins will house YOTEL's signature space-saving convertible bed, monsoon rain showers and techno-wall with flat screen TVs.

The hotel will also be home to YOTEL's signature Club Lounge concept including flexible meeting and co-working spaces as well as a signature ground-floor restaurant and truly unique roof top lounge with 360 degree views of the City.

YOTEL San Francisco is a joint venture between Synapse Development Group (SDG) and IFA HR (IFA Hotels & Resorts), Aqarat (Kuwait Real Estate Company K.P.S.C.) and United Investments Portugal SA (UIP), the owners of YOTEL New York.

Justin Palmer, CEO of Synapse Development Group, commented: 'The YOTEL brand is a natural extension of the creative forces that are revitalising Mid-Market and will meet the increasing demand for an innovative, affordable and engaging hotel guest experience. The Grant Building was once the anchor of San Francisco's Mid-Market neighbourhood, and we look forward to reestablishing this beautiful architectural landmark as a cultural flagship for YOTEL and simultaneously contributing to the revitalisation of one of the city's most important neighbourhoods.'

YOTEL's Chief Development Officer Jason Brown noted, 'We have worked closely with our investment and development partners to make YOTEL's first West Coast location a reality. YOTEL's digital brand and guest experience are well matched to San Francisco and the tech-centric mid-market area in particular, and our proven ability to fit double the amount of keys into the same square footage versus a traditional hotel is a win for all involved.'

In addition to the new project in San Francisco, YOTEL recently announced upcoming city centre projects in Miami and Brooklyn's Williamsburg. YOTEL is also in advanced negotiations to operate both airport and city centre properties in Boston, Atlanta, Austin, Chicago, Los Angeles, Seattle and Toronto. Outside North America, the company is actively pursuing opportunities in Europe and Asia Pacific, specifically in Dubai, London, Milan, Barcelona, Sydney and Hong Kong.

About YOTEL

YOTEL was created by YO! Founder Simon Woodroffe OBE. Inspired by first class travel, he translated the language of luxury airline travel into a small but luxurious cabin.

YOTEL's 'cabins' are uncompromisingly designed around guests, taking the essential elements of luxury hotels in smaller, smart spaces. Standard features include luxury bedding, rejuvenating monsoon rain showers, relaxing mood lighting and YOTEL's signature 'techno wall' with flat screen TVs, multi power points and easy connectivity.

Conceived for busy international travellers, YOTEL Airport hotels provide everything for a guest to relax, refresh, sleep and connect within global transportation hubs. Guests may choose exactly what time they would like to check in and out, giving total flexibility to travellers in transit, staying the night before an early departure or to freshen up on arrival before a meeting in the city.

Typically located in easily accessible, fast upcoming urban centres, YOTEL City hotels deliver more luxury with larger cabins as well as a sense of community with spaces for work, exercise and social gatherings. Guests can enjoy free WiFi throughout the hotel and complimentary hot drinks.

YOTEL currently operates three airport hotels in London Gatwick, London Heathrow and Amsterdam Schiphol airports; and one city hotel in the heart of Manhattan, New York. In addition, new YOTEL Airport hotels are set to open at Paris Charles de Gaulle Airport (2016) and Singapore Changi Airport (2018) and YOTEL City hotels are under development in Williamsburg, Brooklyn (2017) Singapore Orchard Road (2017), Miami (2017) and San Francisco (2017).

YOTEL has its headquarters in London and offices in Boston and Dubai. Its major partner and shareholder is IFA Hotels and Resorts KSCC based in Dubai.

<http://www.yotel.com/>

Twitter: @YOTELHQ

Facebook: [facebook.com/YOTELHO](https://www.facebook.com/YOTELHO)

About IFA Hotels & Resorts KSCC

Listed on the Kuwait Stock Exchange, IFA Hotels & Resorts KSCC (IFA HR) is a global investment firm focused on real estate and hospitality sectors.

<http://www.ifahotelsresorts.com/>

About Synapse Development Group

Synapse is real estate investment and development firm headquartered in New York City. The company focuses primarily on urban markets throughout the US, and seeks to develop to the highest building standards in terms of energy performance, aesthetic, and functionality. Synapse is currently developing two mixed-use projects with YOTEL as well as New York City's first market rate Passive House apartment building.

<http://synapses.com/>

About Aqarat (Kuwait Real Estate Company K.P.S.C.)

AQARAT is one of Kuwait's leading real estate companies. The company was the first real estate company to be listed on the Kuwait Stock Exchange, and has a forty year track record delivering value to its customers and stakeholders through integrity and innovation. The company pioneered a multitude of concepts in the local market which included Kuwait City's first mixed-use urban development, the country's first luxury seafront residential complex as well as its first public-private build-operate-transfer development with the Kuwaiti government. Today, AQARAT's global footprint spans throughout the Middle East, Africa, Europe and the United States.

<http://www.aqarat.com.kw>

About the Grant Building

The historic structure was constructed in 1904 and is one of only a handful of buildings from the era. Designed and engineered by Washington Roebling who oversaw the design of the Brooklyn Bridge, it is one of the first steel framed buildings in the city and one of the few buildings to withstand the 1906 earthquake and fire. The eight story building is located in the heart of the revitalized Mid-Market neighbourhood, which began to transform with the relocation of Twitter's HQ to the area in 2012 and has continued to attract companies such as Yammer, Zoosk, Spotify and Uber. Easily accessible via public transportation, the MUNI/BRARTY station and F-line streetcars are located across the street from the hotel in a six block stretch of Market Street.

YOTEL

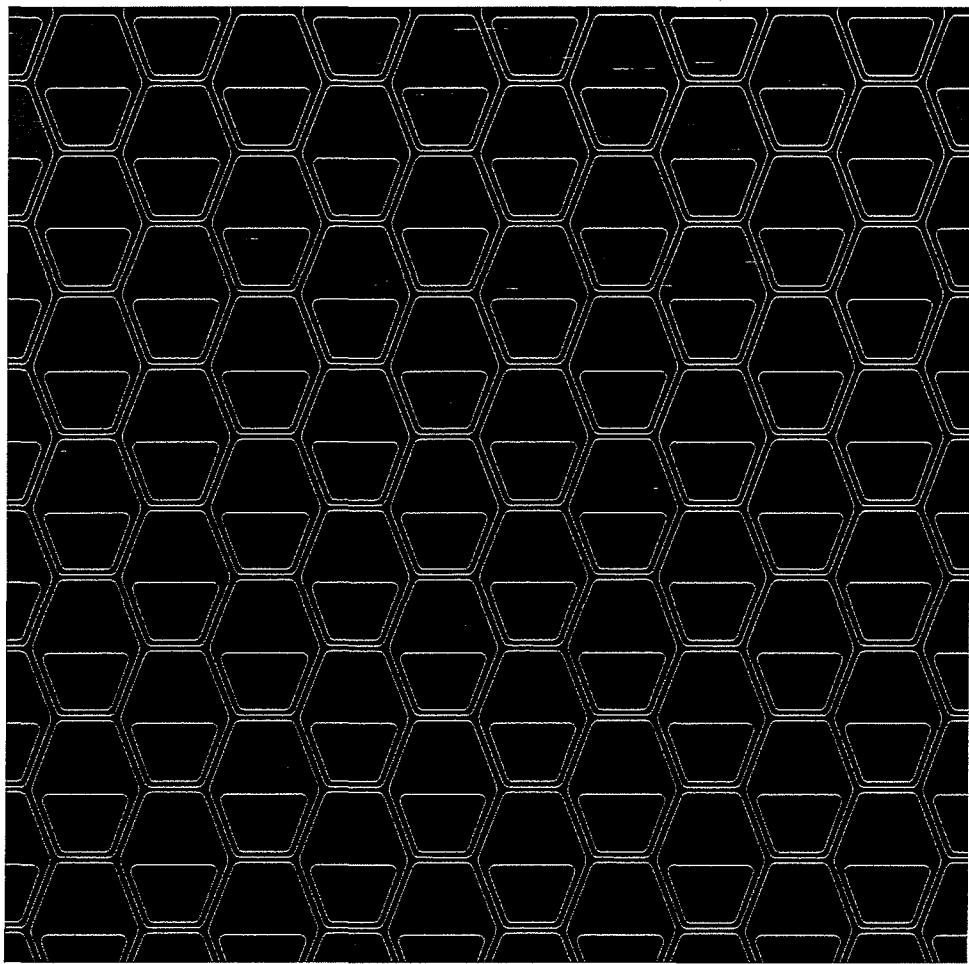
5 MINUTES WITH YOTEL

YOTEL

3 George Street
London, W1U 3DQ
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Industries include the hotel, airline, oil and gas, and pharmaceutical sectors.

INTRODUCING THE WORLDS MOST RADICAL HOTEL





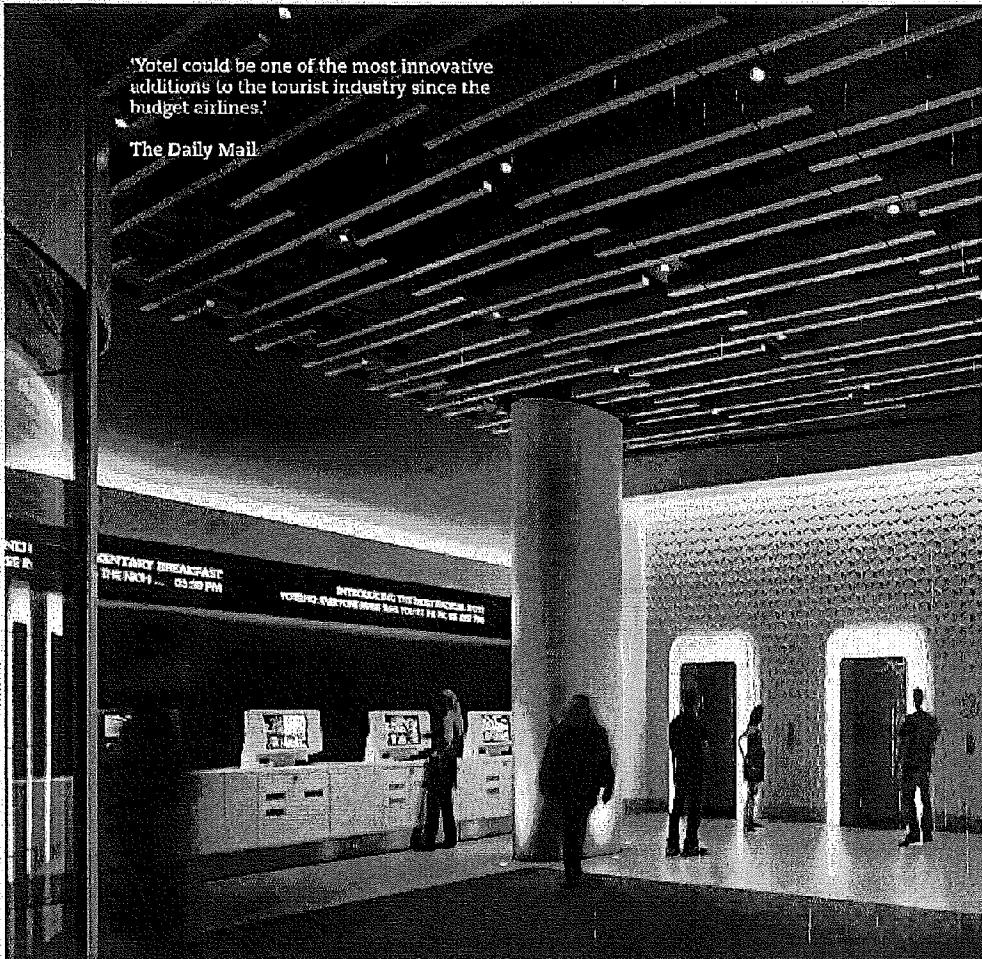
A FIRST CLASS HOTEL EXPERIENCE AT AN AFFORDABLE PRICE

YOTEL was created by YOTEL Founder Simon Woodroffe and YOTEL CEO Gerard Greene.

Translating the language of luxury airline travel and Japanese influence into a small but luxurious cabin, YOTEL's efficient design generates 30 to 50% more rooms in any given site and therefore more revenue compared to other hotels.

YOTEL opened its first two 'in-terminal' Airport hotels during 2007 at the UK's largest airports, Heathrow and Gatwick, followed in 2008 by Amsterdam Airport Schiphol.

YOTEL New York, its first 'city centre' hotel with 669 cabins and 20,000sqft of exciting and transformational public spaces opened in June 2011. Just two blocks west of Times Square at 30 12th and Tenth Avenue, the flagship YOTEL New York was the largest hotel to open in New York in 2011 and in 2012 achieved LEED Gold status. YOTEL worked with one of New York's largest developers, Related, as well as designer's Rockwell Group in collaboration with Soho Room of London to develop the New York project which was part of a \$1 billion mixed-use development. YOTEL New York continues to prove that affordable luxury is the future of the hotel industry.



'Yotel could be one of the most innovative additions to the tourist industry since the budget airlines.'

The Daily Mail

THE IPOD OF THE HOTEL INDUSTRY

Each new YOTEL, whether airport or city will push the core brand values further, being visionary, adaptable and unique from competitors in location and presentation.

We like to talk about using space smartly. YOTEL's cabins are beautifully designed, flexible spaces suited to individual needs in which guests can refresh, relax, connect and sleep.

The brand offers a range of cabin types to suit every space and every customer, whether city or airport.

YOTEL's public spaces are a series of optional inter-connecting spaces that are flexible and transformable to suit the mood, the occasion, the meeting or the event.

COOL, CALM AND CONNECTED

To get a flavor of what's new in the style of service, check in to a hotel that's built on a solid foundation.

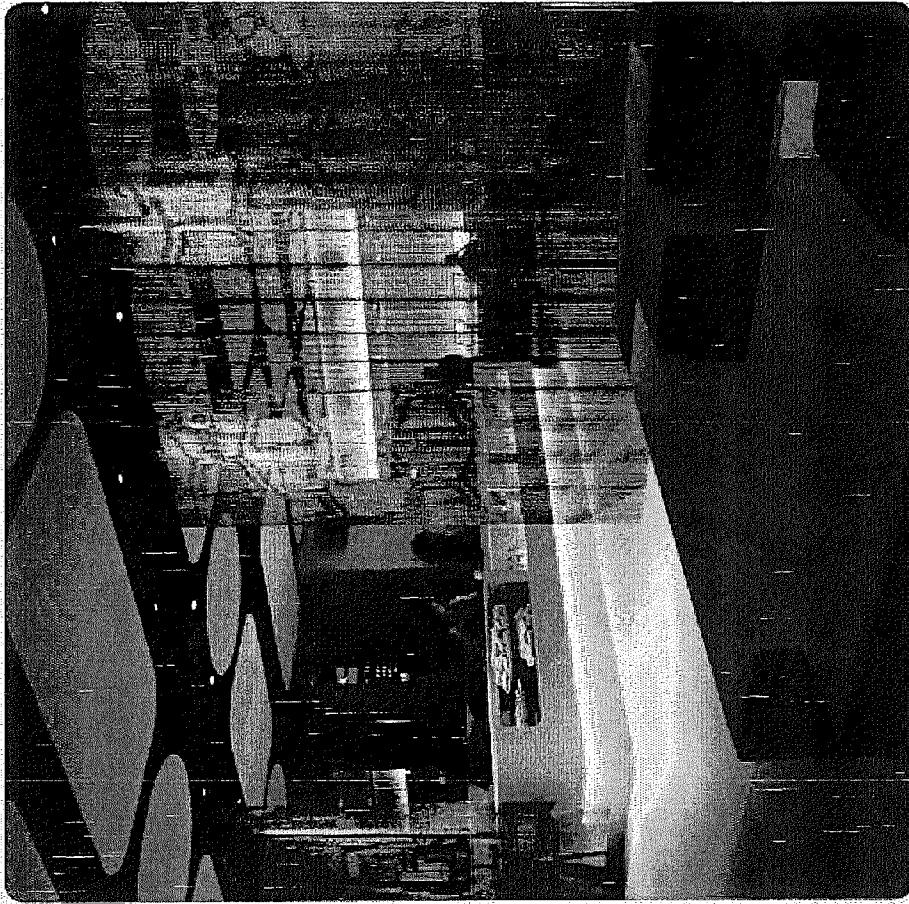
Mission Control, a futuristic version of a conference room, is a one-stop shop managed by YOTEE crew 24/7 and flexible, suitable for teamwork spaces, designated meeting rooms and social places to enhance guest experience.

Workstations are available for guests to catch up on email or surf the web and printing or boarding passes and tickets and small documents is free of charge.

YOTEE's answer to the traditional, expensive and poor hotel concierge is to have a "Galaxy" (the Concierge), with refrigerated and microwaved drink bar with complimentary hot drinks, filtered water and are. Enjoy a complimentary meal, coffee and breakfast.

No guest without paying, wait is superfast and free, lounge throughout all hotel areas.

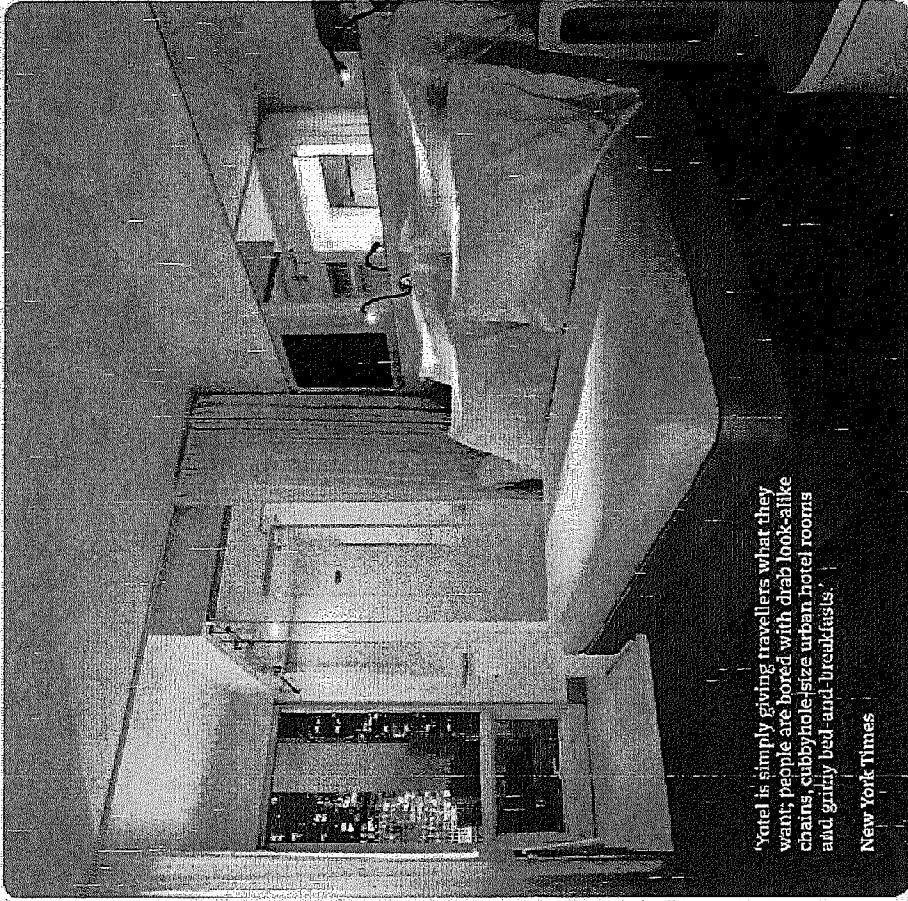
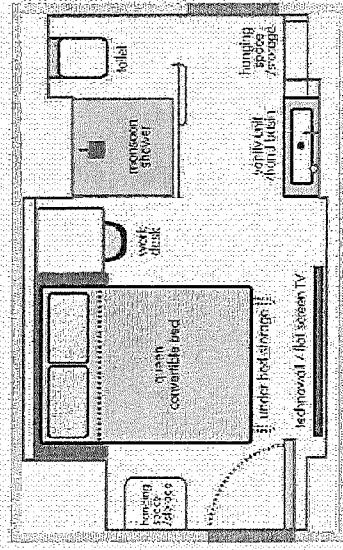
This unique developed property located in Lagos, YOTEE, to deliver first class service is built on a solid foundation to investing.



OUR CABINS CITY PREMIUM

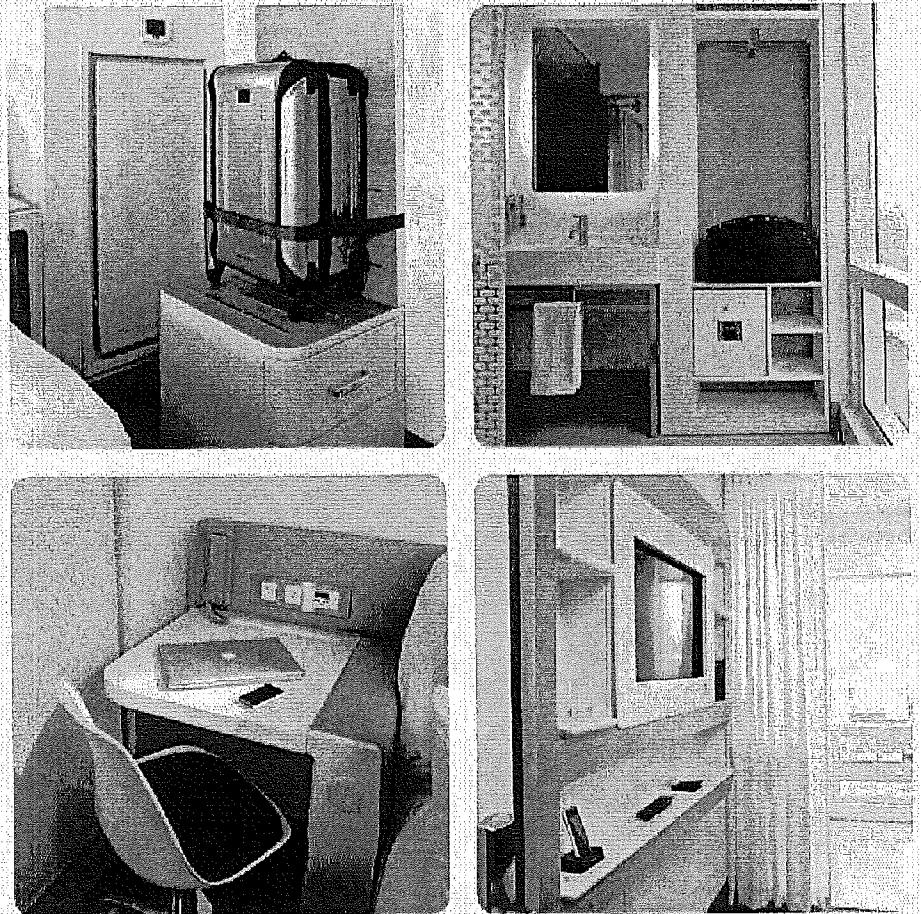
A modernly designed flexible space
170sqft/15.8sqm

- Moving bed that converts to a couch at the touch of a button with headboard or granite mattress
- En-suite bathroom with rain shower, fan shower, all over body wash, heated towel rail and de-adjusting mirror
- Television wall with flat screen TV, iPod/iPad/Mp3, corner TV and multi power points
- Work desk with multi power points
- Laptop safe
- Super silent heating and ventilating units
- Place to ceiling windows



“It is simply giving travellers what they want; people are bored with drab look-alike chains, cubbyhole-size urban hotel rooms and ganty bed-and-breakfasts.”

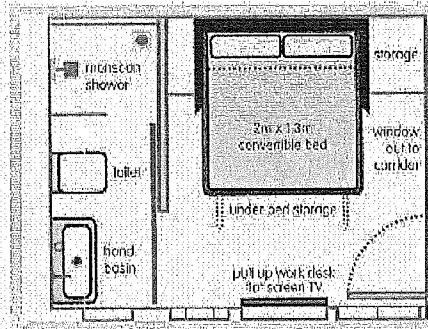
New York Times



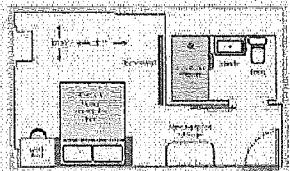
OUR CABINS AIRPORT PREMIUM

These cabins can come with or without windows, they are 100sqft/9.3sqm.

- Moving beds that convert to a couch at the touch of a button with handwoven organic mattresses
- Ensuite bathroom with monsoon rain shower and all over body wash and the missing minutes
- Techno wall with flat screen TV, iPod connectivity and multi power points
- Pull up work desk with multi power points
- Super silent heating and ventilating units



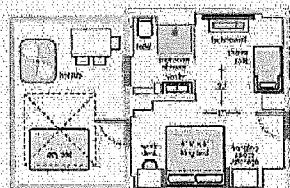
THE EXTRA FACTOR



AT VOTE "City" locations in addition to our Premium cabins we also have:

CORNER VIEW CABINS

With dual aspect floor to ceiling windows and extra floor space at 273sqft/25sqm.

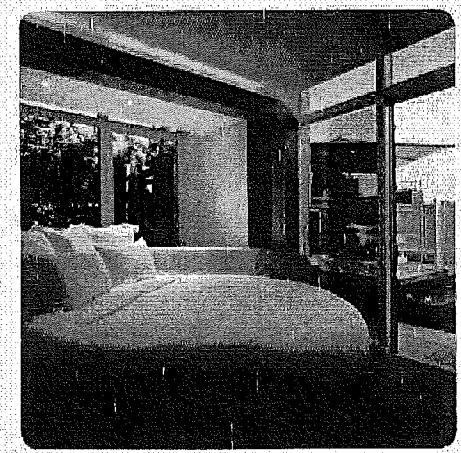
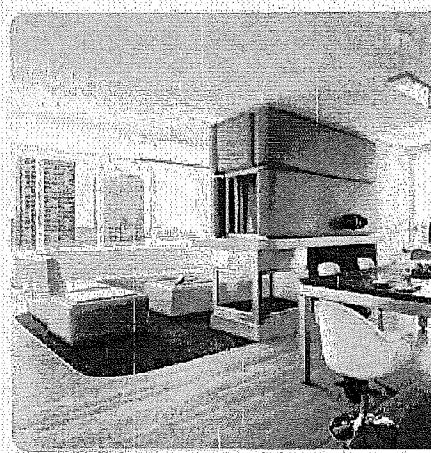
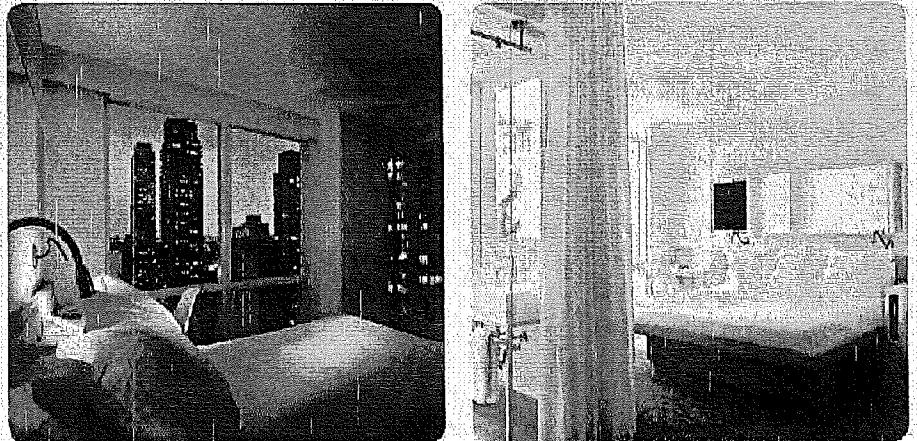
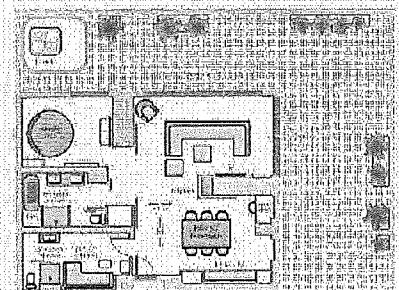


FIRST CABINS

300sqft/31sqm cabin with king beds and lounge seating areas, some have outside private terraces and hot tubs!

VIP 2-CABIN SUITES

Besides amazing 180 degree views from floor to ceiling windows our 1,102sqft/102sqm VIP's come with a cabin with rotating king sized bed, billiard/bowling table, kitchenette and indoor fireplace.



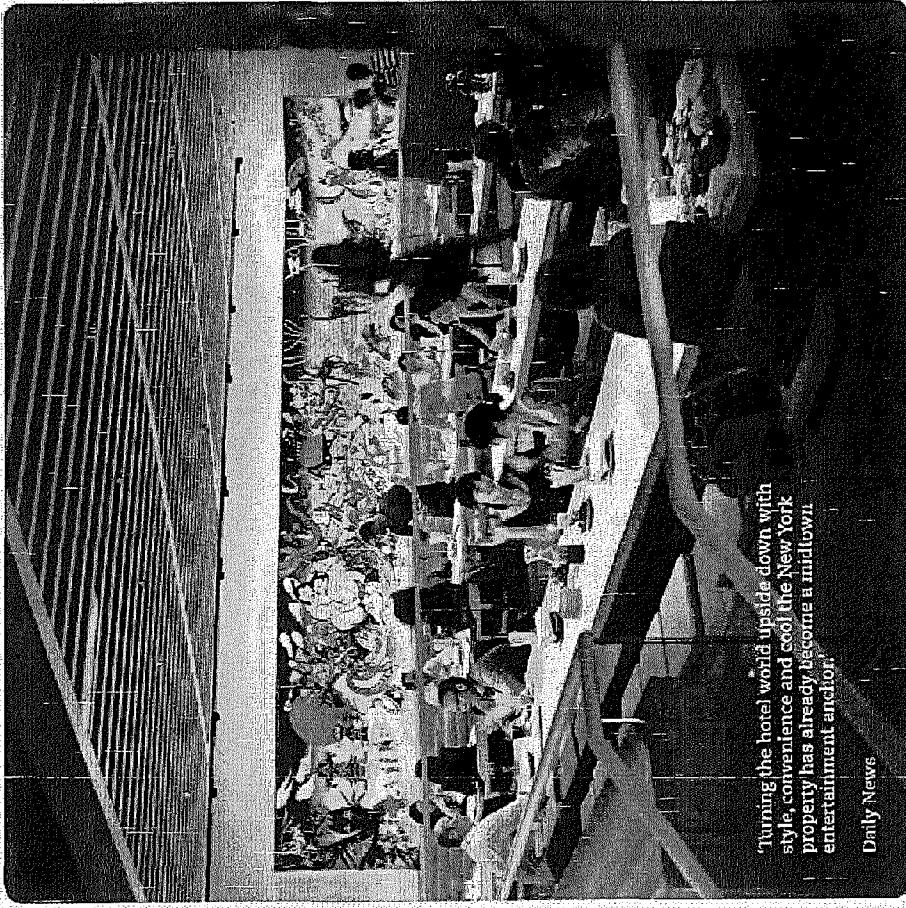
OUR SPACES

Our public spaces are a series of livable, grand-scale, public destinations that are "NOTCH" from a strict public "carrying all the load" approach. Tech-savvy, modern, friendable areas, enjoy indoor/outdoor experiences, measure over 60,000 sq. ft. in Manhattan. The spaces are a destination in its own right. It's a place to eat, work, live, and connect. But unique, unacceptable. NOTCH the place. Be the place.

Throughout the spaces we will be setting a new level and a standard on what the basic that creates buzz, an open atmosphere for all, as well as a rich connection to the arts, culture and social media dialogue. Our design and each platform's unique programming are based on function and feel, technology, art and efficiency that reflect the "NOTCH" brand.

Developing an space availability, location and demographic, new leases signed, 100% sold out. All of Past 2 years, a mixture of our public areas, club rooms and cabanas, a gym and an outdoor terrace.

NOTCH Times Square was the largest hotel opening in New York in 2011, a bold statement from a young brand. Before NOTCH, just 300 hotel rooms were planned for the city. Integrated together with the developer Related NOTCH designed to hotel with 1,000 rooms, a dramatically more efficient development.



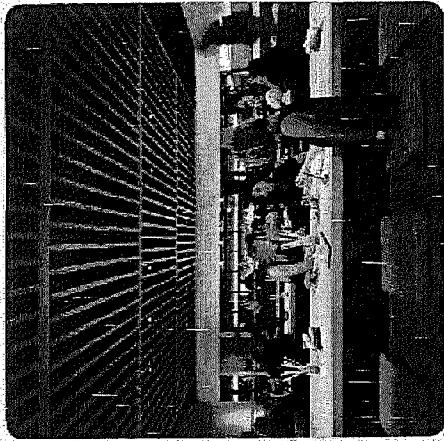
"Turning the hotel world upside down with style, convenience and cool, the New York property has already become a midtown entertainment anchor."

Daily News

WORK, REST & PLAY

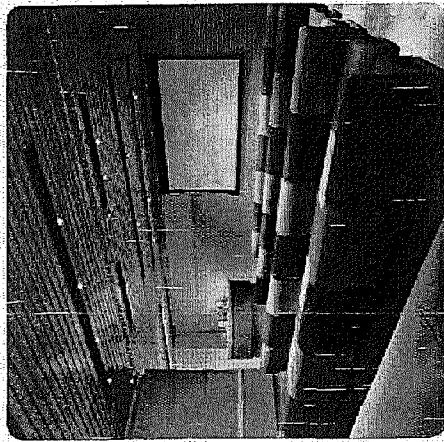
CLUB LOUNGE

After a long day early with breakfast, lunch and then need up private conference or dinner to have business over coffee or a light lunch. The lounge provides private and informal meeting space.



CLUB CABINS

These cabins surround the lounge and bar and are available 24/7/365 hours or until the night club are booked for business or leisure. They have a flat screen TV that can be connected for a presentation and a coffee table that converts to a worktable.



STUDIO & BOARDROOM

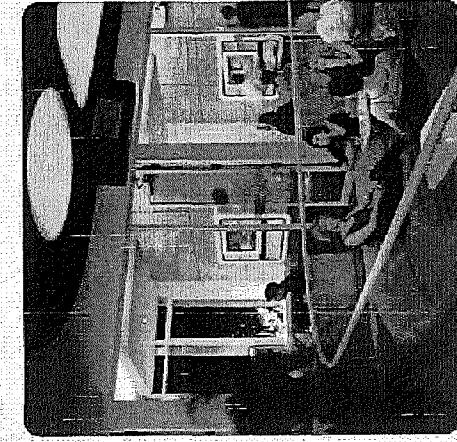
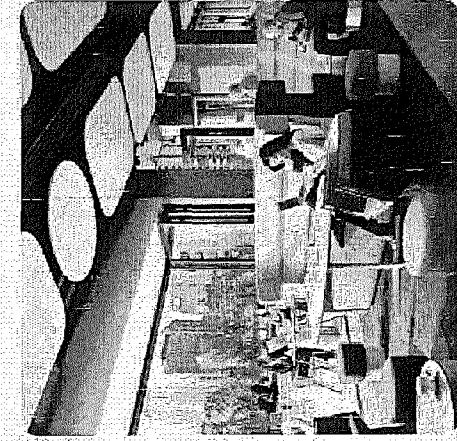
Studio is designed to be a fully flexible studio that can be used for a number of different purposes and events. Different meeting tables and chairs can be chosen the studio and of different sizes.

DOJO RESTAURANT

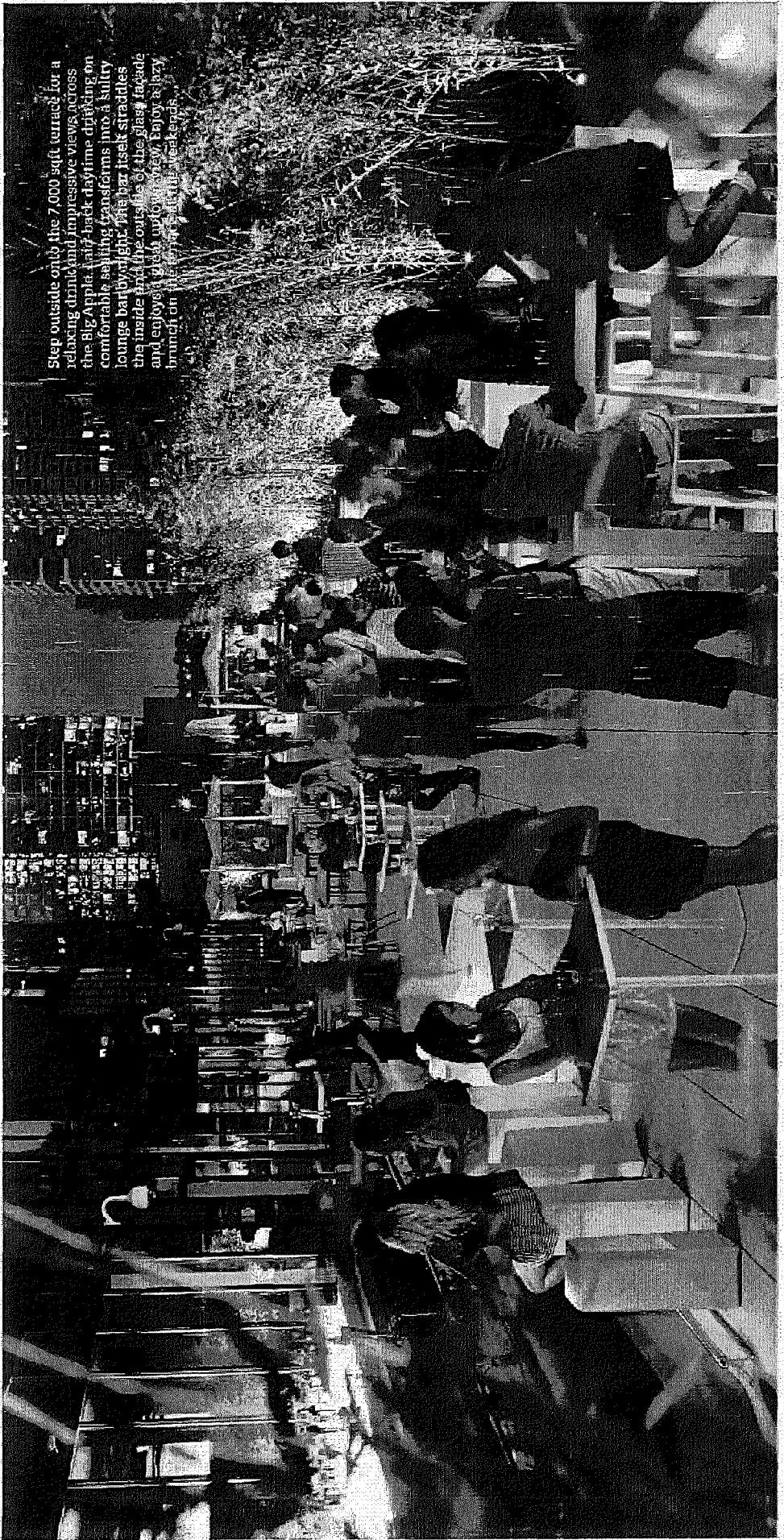
Dojo is the Japanese name for a performance space, this room has a high ceiling for stage and set with friends on the large表演舞台 or on the community created platform areas. Its unique design means the stage looks out into the three spaces individually to create a performance space.

GYM

Our 2000 sq ft of gym for all fitness, they are equipped with a range of ellipticals, treadmills, bikes, a rowing machine and weights.



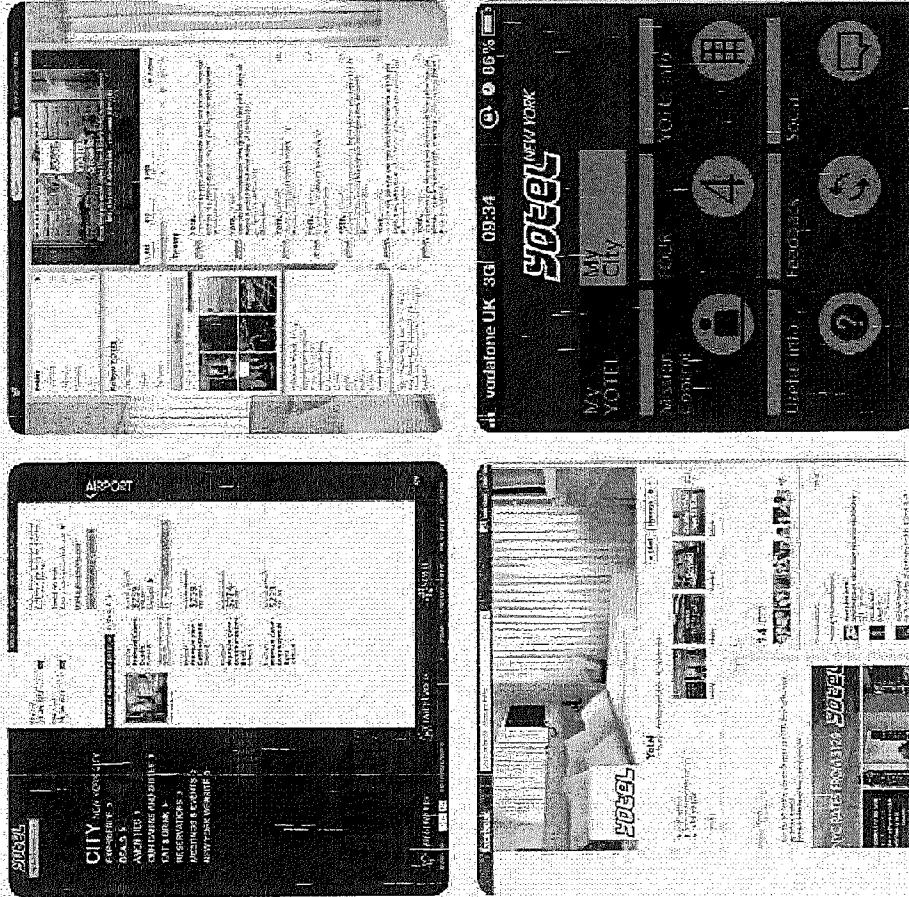
Step outside onto the 7,000' soft terrace for a relaxing diminich and impressive views across the Big Apple. Walk daytime drinking on comfortable seating transforms into a sultry lounge bar to night. The bar itself straddles the inside and the outside of the glass facade and enjoys a 360° unobstructed view. Enjoy aology brunch on the terrace on the weekends.



A DIGITAL BRAND UTILISING AN ONLINE BUSINESS MODEL

Encouraging the continued growth of direct business is a key part of our distribution strategy to include:

- Significant on-going investment into our physical and automated booking engine both for Airport Hotels and City Hotels with a high level of staff support and delivery.
- 40% of our revenue to be direct. It's currently over 30%.
- We are mobile, about 1/3rd of the time in our comp sell with mobile booking sites already launched and 3G/4G and iPhone apps available throughout Australia, UK, BlackBerry and android devices.
- Despite being a young brand, VOTEL New York features in the top 10% of all New York hotels on review sites.
- Strong social media presence with a very high engagement level.
- On going growth of offline bookings sustained through VOTEL's ability to access high profile media placements, editorial calendar of events and in-aid partnerships/ placements in opportunities in TV and print publications.
- VOTEL's customer and travel habits is heavily biased towards Generation X and Y. VOTEL is poised to become the world's biggest tourism and travel company targeting the tech savvy, new breed of independent, value conscious, no-fail travellers for the 21st century.

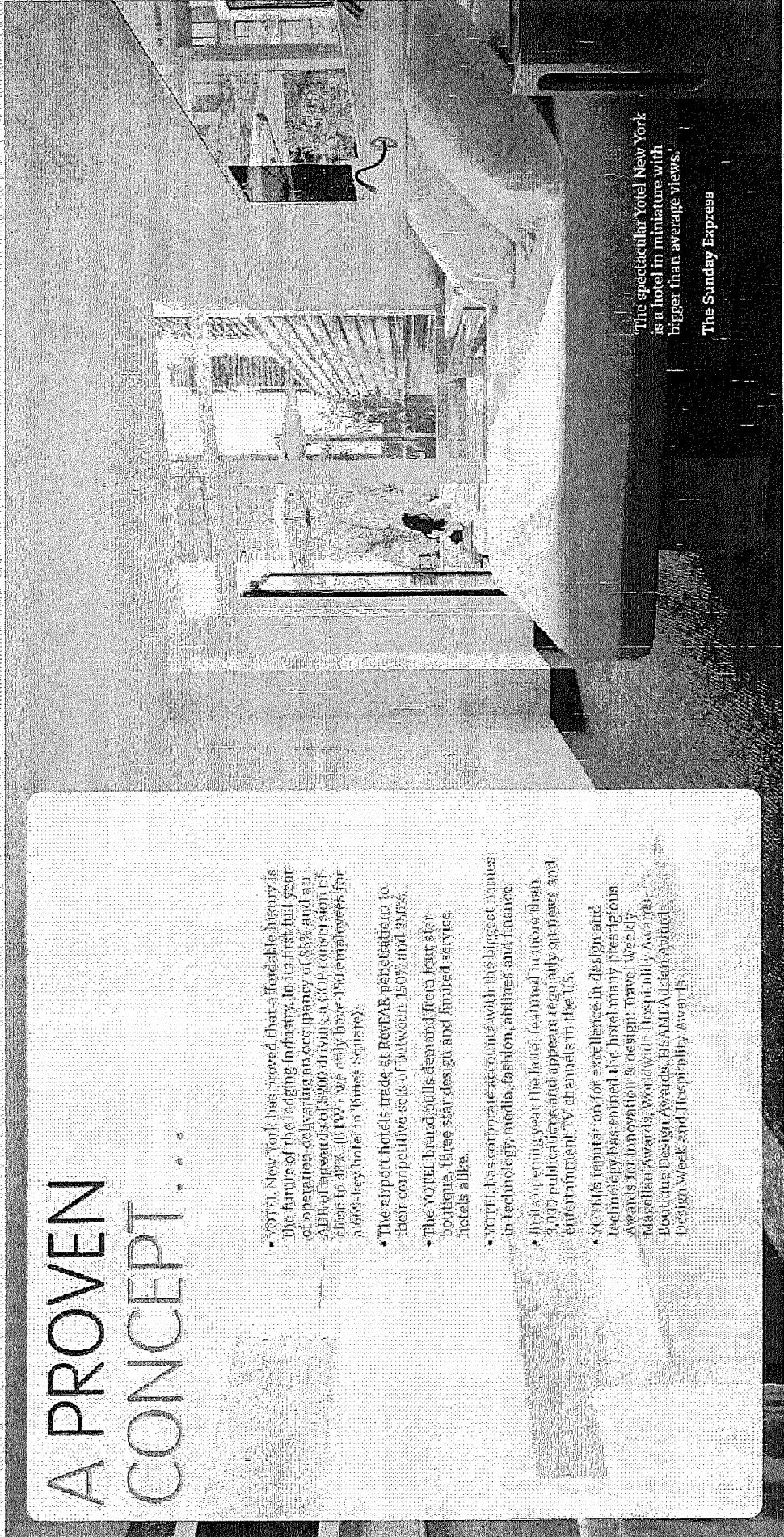


A PROVEN CONCEPT

- HOTEL New York has proved that a affordable luxury is the future of the leading industry. In its first full year of operation, delivering an occupancy of 85%, and an ADR of the awards of £1500, it is a 350+ collection of clients. (1100+ "we only have 150+ employees for a 650+ key hotel in times of stability")
- The airport hotel is made of BestAR properties and 100% competitive sets of hotelworld 15.0% and 21.75%.
- The O'HEI brand, built demand from four star boutique, three star design and limited service, hotels alike.
- HOTEL has corporate accounts with the biggest names in technology, media, fashion, airlines and finance.
- In its opening year the hotel featured in more than 3,000 publications and appears regularly on news and entertainment TV channels in the U.S.
- HOTEL's reputation for excellence in design and technology has earned the hotel many prestigious awards for innovation in design: Travel Weekly National Award, Worldwide Hospitality Awards, Building Design Awards, HFM/ADEN Awards, Design Week and Hospitality Awards.

The spectacular Hotel New York
is a hotel in miniature with
bigger than average views.

The Sunday Express

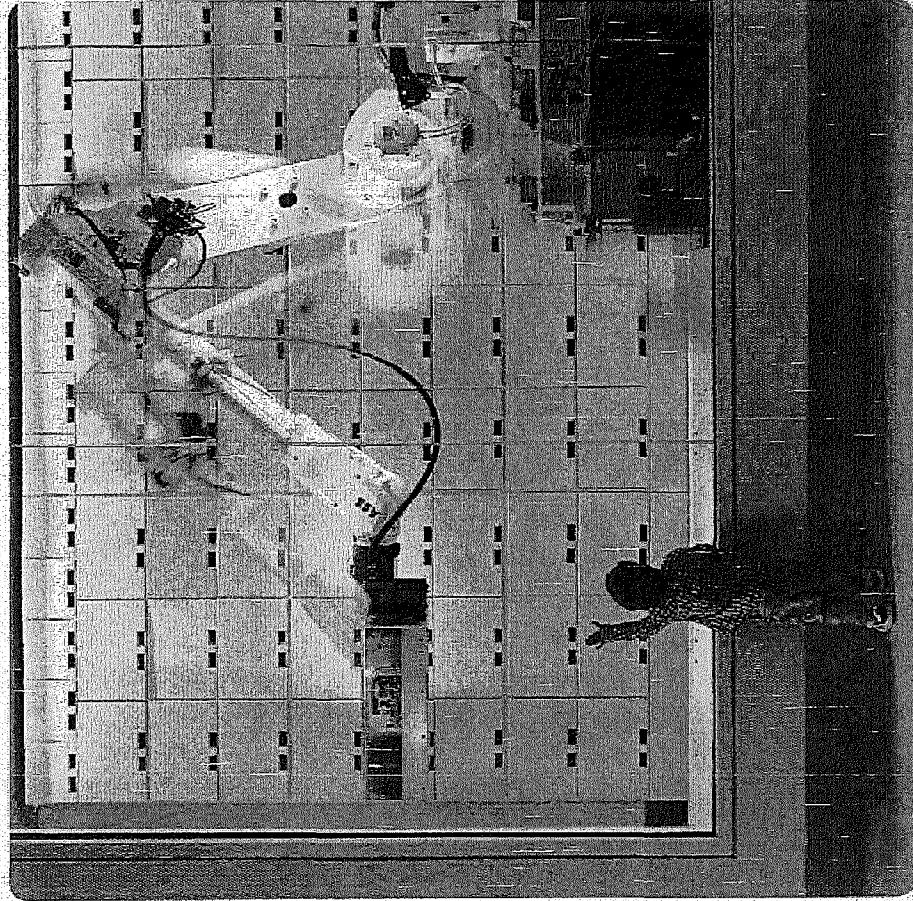


WE ARE 'GREEN' . . .

You simply want to do our bit in trying to make our business and the way we do business as sustainable and environmentally friendly as possible; while also giving a little bit back to our community and the people we share this planet with. We believe what is good for the planet also tends to be friendly good for people.

We are proud to say that in September 2012 we were awarded LEED® Gold certification by the U.S. Green Building Council for demonstrating remarkable green building leadership in conserving and creating our hotel in New York, i.e. the Hotel Indigo in New York, in our set to obtain the gold status.

It's fitting YOTEL continues to grow as a company that is considered an environmentally friendly business; we are making green and sustainable policies part of our brand standards. We have a new emphasis in all our hotels that encourage their teams to continue to improve our sustainability offering.



DEVELOPMENT CRITERIA

We are looking for sites across the globe which fulfil the following criteria:

LOCATION

- YOTEL is an urban brand and suited to densely populated central locations
- In major cities, areas of fashion, design, technology and creativity are preferable
- Areas of high animation (ie lots of activity from restaurants, bars, cafes, shops, etc) and close to major companies are ideal

SCALE

- The YOTEL city product has a GFA of 250-350 sqft (approx. 23-33 sqm) per key for a new build development project
- YOTEL is looking for sites from a minimum of approximately 30,000 to 150,000 sqft (2,650 to 13,950 sqm) and beyond

FACILITIES

- Our 'premium city' cabin, measuring just 170 sqft/15.8 sqm, is our core product and should be used wherever possible within new developments
- We have a range of room types we can deploy to maximise the use of challenging floor plates from a 100 sqft (9.3 sqm) windowless room to our 1,100 sqft (102 sqm) VIP room
- Our 170 sqft/15.8 sqm bunk room is interchangeable with the city premium cabin due to its size, but also achieves strong revenue levels through flexibility
- Our corner cabins achieve a strong revenue per sqm and should be maximised on sites where corner can be effectively engineered into the development
- Our developments will also include a range of non-signature public spaces, such as Ground Control, Mission Control and Club Lounge, with a 75%/25% (rent of £100k/£20k) of house split

DEVELOPMENT METHODS

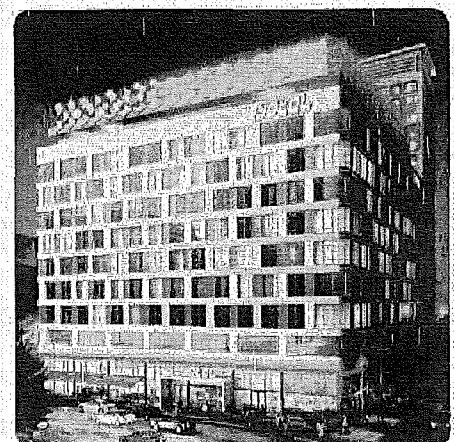
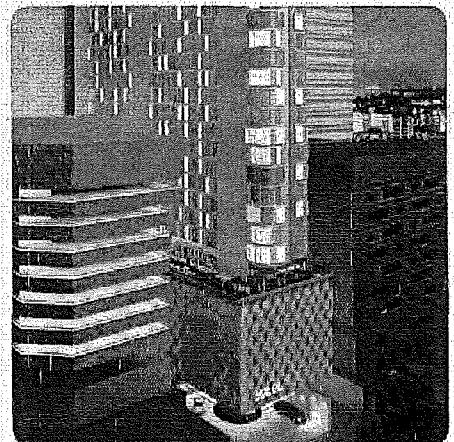
- New build or conversion

OPERATING AGREEMENTS

- The opportunity can be fee simple, lease/management contract or territorial franchise. The focus of our expansion plan is on securing management contracts worldwide

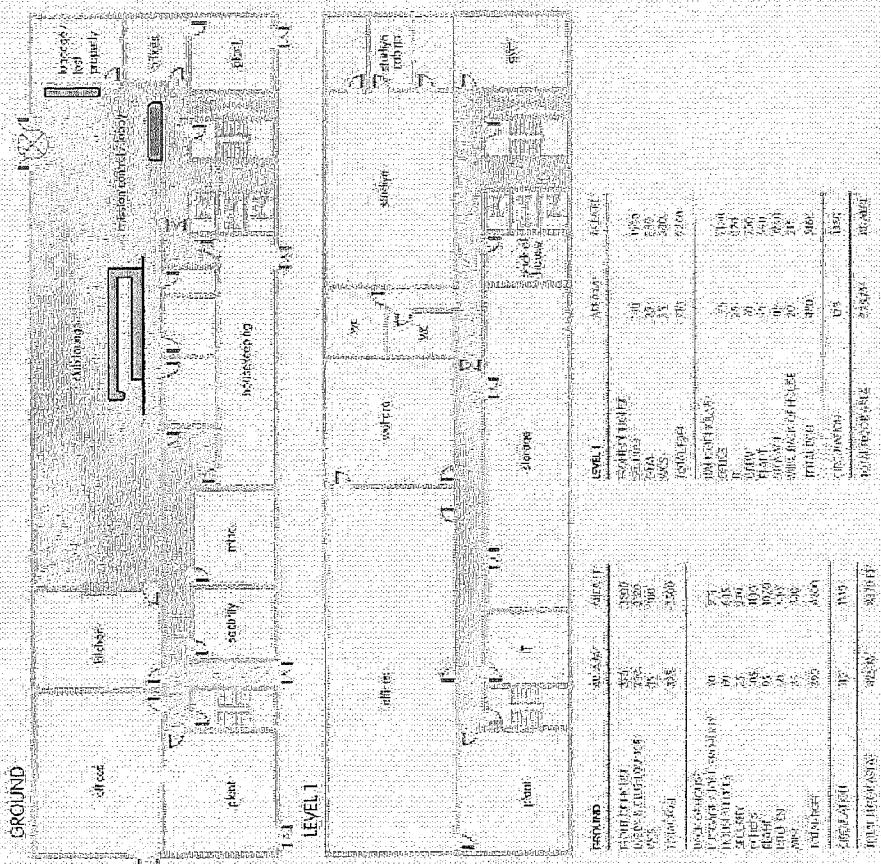
INDICATIVE DEVELOPMENT COST

- The cost will be dictated by the development method and location specifics. In the UK we are between £70k to £100k and in the US from \$120 to \$150K per key



FLEXIBLE BY DESIGN

Can indicate layouts of a typical 707ER. Illustrate the efficient use of space and well-considered operational flow. These plans illustrate an 1138 cabin scheme on 61 high seats of just 8.805 ft²/gross sqm.



TARGET CITIES

If you can fulfill all the development criteria in one of our target cities, as detailed below, then we would love to hear from you!



AWARDS

2012 AWARDS HOTEL NEW YORK CITY GOLD

CERTIFICATION

• Awarded under "Gold" classification by the U.S. Green Building Council and verified by the U.S. Green Building Certification Institute. U.S. LEED® is the nation's premier green rating system for the design, construction, and operation of high performance green buildings.

2013 HOTEL PROPERTY DESIGN AWARDS

• Honoring the most distinguished design and architecture in the hotel industry worldwide.

2013 HOTEL PROPERTY DESIGN AWARDS

• Honored by business travel and meetings.

2012 DESIGNWEEK AWARDS

• According to the quality of innovation in design.

2012 DESIGNWEEK AWARDS

• "Maison" (Hospitality and Travel) including hotel, spa, resort, hotel and hotel design.

2008 SCHAFFER CONSTRUCTION AWARDS

• Best innovative contribution to the airport sector.

2007 SLEEPER MAGAZINE

• Hotel design award - "SLEEP AWARDS"

2005 WORLDWIDE HOTELITY AWARDS

• "Excellence in hotel design - Hotel design of the year."

2011 HOTEL DESIGN AWARDS

• "Excellence in hotel design."

2011 HOTEL DESIGN AWARDS

• "Excellence in hotel design."

2011 HOTEL DESIGN AWARDS

• "Excellence in hotel design."

OUR PARTNERS

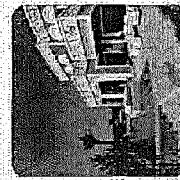
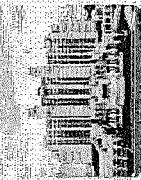


IFA HOTELS & RESORTS (IFA HR)

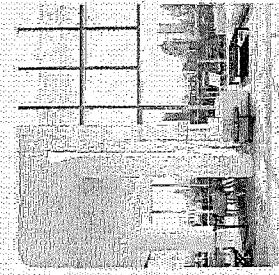
Renowned for pushing the boundaries within the hotel industry, IFA HR acquired a majority shareholding in November 2005 and is committed to growing YOTEL on a global scale.

listed for several years on both the Kuwait and Bahrain stock exchanges, IFA Holdings consists of three hotels along the coast and free holding, shopping and residential residential and resort developments across the world, from Portugal to Palestine, Italy, Italy, the publicly listed company has over 1000000 square feet of prime property in 13 years, the Middle East, Europe, Africa, the Indian Ocean, Asia and North America.

The corporate focus of IFA HR is two-fold. Firstly, to maintain its core businesses, its existing markets by developing superior products to customers and secondly to develop its portfolio of new developments by leveraging YOTEL. In addition, IFA HR will continue to explore emerging markets for strategic acquisitions and partnerships that diversify and expand its existing portfolio in the Middle East, Europe, Africa, the Indian Ocean, Asia and North America.



IFA HR continues to focus on growth opportunities on the market to offer high value to its clients and investors. The company's goal is to be the leader in developing specialised mixed-use hotel and tourism resort projects and luxury leisure services throughout the Middle East, Europe, Africa, the Indian Ocean, Asia and North America.



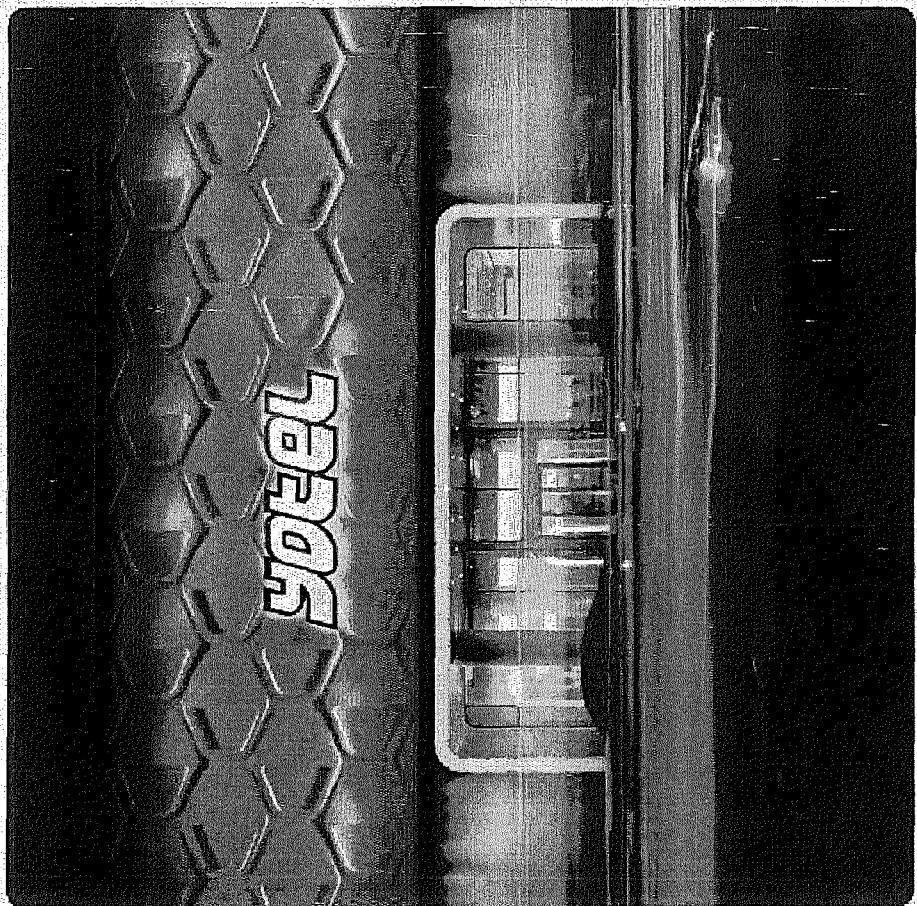
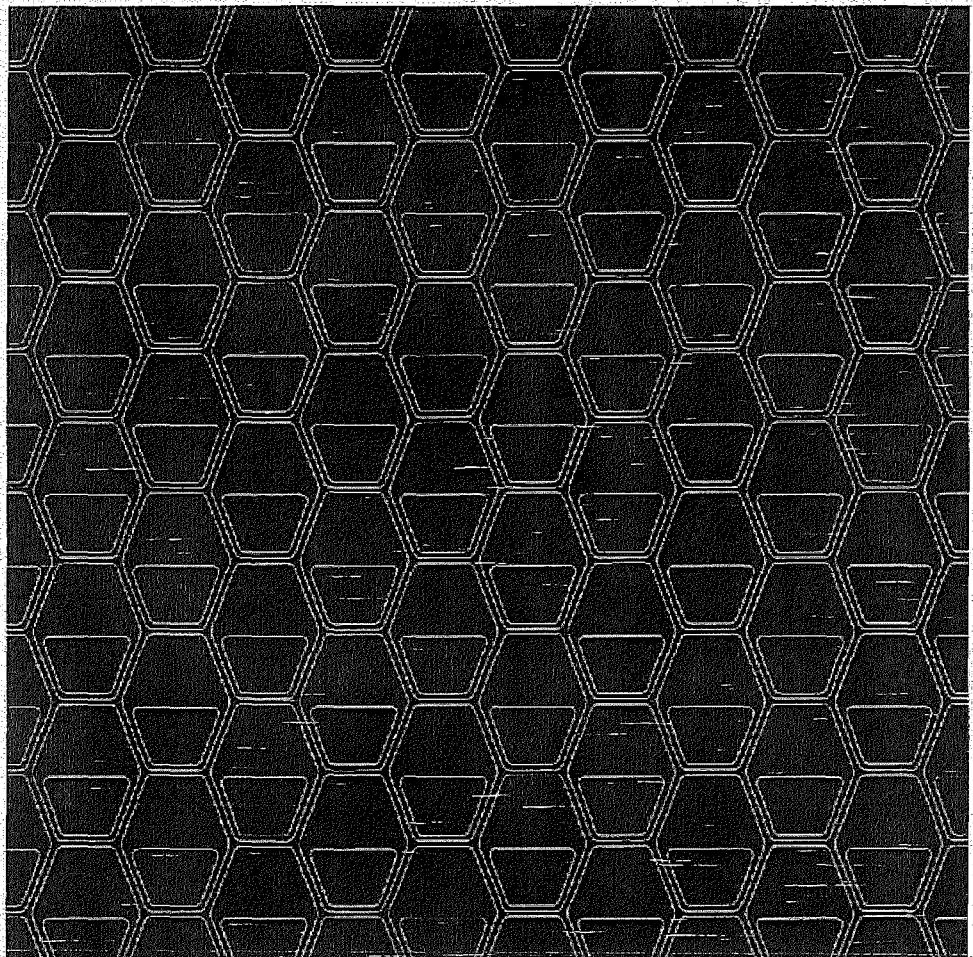
IFA Hotels & Resorts, and leads YOTEL's operational asset portfolio on a worldwide scale. The portfolio includes hotels, hotel condominiums, condominiums, residential and luxury residential. YOTEL's hotel assets also include its YOTEL collection, which includes the company's private residence clubs, as well as its additional ownership products.

Many of IFA HR's strategic partners are now involved in the development of the company's completed developments. Their strong financial and expertise continue to add value to IFA HR's portfolio by ensuring its customers enjoy truly unique & unique experiences - one which offers a unique choice of five star products, destinations of interest, as well as destinations the world over.

A summary of IFA HR's profile is as follows from a continuing to expand, the company is providing shareholder, director, or its shareholders assets and expanding its portfolio within the hospitality industry through IFA Hotels & Investments (IHI).

IFA Hotels & Resorts, and leads YOTEL's operational asset portfolio on a worldwide scale. The portfolio includes hotels, hotel condominiums, condominiums, residential and luxury residential. YOTEL's hotel assets also include its YOTEL collection, which includes the company's private residence clubs, as well as its additional ownership products.

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CNBC November 3, 2015

Tiny hotels: Check in, then squeeze in

Michelle Castillo | @mishcastillo

Tuesday, 3 Nov 2015 | 6:47 AM ETCNBC.com

Hotel chains think that today's travelers want a luxurious experience at their accommodations but that they won't necessarily mind if their actual room is micro-size.

The average size of a hotel room in the U.S. is about 330 square feet, but these new modern-style digs being offered come much smaller. Rooms at Marriott's Moxy Hotels begin at a "cozy" 183 square feet, while Best Western's Vib offers spaces "just a hair under 200." The rooms are priced aggressively for the three-star category to attract a younger generation, who might not mind the tighter fit versus the savings.

What these hotel rooms lack in size, the chains insist that they don't lack in substance, thanks to innovative designs and technology-focused amenities. While this style of hotel has existed in Europe and other international markets, it hasn't come stateside until now.

"It's this idea that we're giving our guests everything they want, and nothing they don't need," said Marriott's Moxy Hotels director, Vicki Poulos.

Moxy Hotels, owned by Marriott, is a three-star tier boutique-style hotel chain that operates on the smaller rooms, large public space concept. It currently has one location in Milan, Italy, but has 41 more hotels in development. Fourteen are scheduled for eight U.S. cities, expected to open by end of 2017.

Checking in at a Moxy Hotel? You can do so online at the hotel bar, where a bartender is on hand to make you a drink, or help you if you have any issues. Room service has been replaced by 24/7 "grab and go" technology-enabled vending machines. Instead of flipping through endless TV channels, you can screencast your Netflix using the hotels Wi-Fi. (They still have basic channels if you can't find anything to watch.)

Poulos said what Moxy Hotels focuses on is what the "next-gen" traveler really wants: active public space. Its large lobby areas are styled in raw, industrial chic — think concrete floors and purposefully exposed wires — and let people work in the communal areas, meet locals to get tips on the city, and chat with fellow travelers.

"The trend and behavior for millennials is a lot different to what historically travelers wanted," Poulos said. "Baby boomers back in the day wanted a comfortable bed, and they wanted a hot shower. Those elements of functionality were important to those kinds of travelers. Millennials and lifestyle travelers, it's more about experience."

Twenty years ago, the average hotel was a little over 350 square feet, said New York University Preston Robert Tisch Center for Hospitality and Tourism clinical professor Bjorn Hanson. New hotels are getting smaller because they don't need to be big, he said. Bulky TVs have been replaced for flat screens. Some hotels have even custom-made beds to be between the size of a twin and a full, a nod to the rise of the single traveler.

"Apparently we have no travelers other than millennials, based on the work that is being done," he said. "But it is true that millennials don't spend as much time in their room as boomers did."

While it is true the millennial lifestyle lends itself towards smaller spaces, he believes the entire industry was heading down this path because of cost-cutting measures.

"Millennials make a really good excuse for smaller rooms," Hanson said. "Every square foot taken out of a room makes it less expensive to build, maintain and air-condition. We can attribute it to millennials, but the millennials gave the industry a reason to downsize guestrooms."

What's more, *Lodging* magazine editor Megan Sullivan said that millennial travelers are looking for technology-connected hotels that give them opportunities to socialize. She credits the trend to the growth in popularity of coffee shop communal work spaces.

"Today's consumer is more savvy," said Sullivan. "It's just the changing times. People are just more interested in having that social experience where they can interact with other travelers and where they can meet the locals."

To get around the smaller rooms, Best Western's director of design, Amy Hulbert, said its urban Vib hotels and secondary market and college town-based GLō rooms are focused on letting light in. Instead of a wall separating the bathroom from the bedroom, a glazed-glass partition divides the two. Luggage can be stored under the bed or in a nook next to the bathroom. There are large windows to bring in natural light, and beds face the city to make the room feel less claustrophobic.

Best Western just broke ground on its first Vib hotel in Chicago, and has 15 more of the modern-style hotels in the pipeline. Rooms at GLō are slightly larger — starting at 249 square feet — but still operate on the modern small-room idea. Vib's Miami, Los Angeles and Chicago rates are expected to range from \$120 to \$200 a night. GLō will average in the mid-\$90s.

"That will help us get more guest rooms into a building and a greater payback," she said.

They'll both have large areas for socializing. One potential GLō hotel even has plans for a microbrewery. Hulbert is hoping that the new Best Western-owned hotels will become bring in young travelers who will want to Instagram and tweet about their stay, giving the brand an organic social media marketing boost.

"It has a tremendous impact on contemporizing the brand," she said. "More than anything, they're going to become billboard properties for us."

Another similar hotel chain, Yotel — which started out as sleeping pods in airports — has spacious areas with long tables for people to create their own workstations and enjoy meals. There's plenty of power sockets to plug laptops in without trailing wires across the corridor, and comfy chairs to lounge in. In eight new hotels currently under development, soundproof phone booths are being added so people can have private calls on their smartphones without having to travel back to their rooms.

"People who travel a lot like the flexibility of being able to work wherever," Yotel Vice President Jo Berrington said. "With laptops and mobile tablet devices, it doesn't make a difference if they are sitting at a desk or not."

Its New York rooms start at 170 square feet, and some of those rooms include bunk beds to stash extra travelers. The price will be around \$200 a night. Berrington said the chain realized that what travelers today wanted was a good shower, an excellent bed, free wi-fi and good things to watch on TV. While they are in the heart of the city, prices remain on the low-to-mid-range end.

"You don't need an extra 20, 30, 40 or 50 square feet of space to do that," Berrington said. "And, you pay more for space. We can fit 50 percent more rooms, and ultimately it's a better return for

While this can appeal to younger travelers and even those with a "millennial-mindset," *Lodging's* Sullivan pointed out that some customers might be shocked by the buzzing establishments that aren't geared towards tranquility. But since many of these chains have older established brands that still offer that style of hotel, Sullivan feels that those travelers still have places to go for now.

"(The major chains) still have so many different brands that they can give the consumers a choice," she said. "If you're of that (older) age set and the website looks geared toward a younger set, maybe you use one of their other brands. But, there could be a few (cases) where a customer doesn't do their research, and that customer could be surprised."

Best Western's Hulbert doesn't believe that older travelers will be turned away at this new style of accommodation. Times are changing, and these travelers want connectivity and a new experience.

"I asked my parents if they would feel comfortable in the room because the offering is so different, and the flow of the room feels different," said Hulbert. "But, guests are becoming more comfortable with that more contemporary style. They want something that's different than they wouldn't have at home, and we're starting to see hotels make that shift. I think the North American traveler will forgive the size."

November 09, 2015

From <http://www.hotelmarketing.com/>

Hotel room size is trending smaller

Smaller rooms make way for larger public spaces. Lobbies become co-working spaces and lively bar areas where guests and locals feel comfortable spending time. Room service is replaced by modern vending machines, just as likely to dole out Apple accessories as organic snacks.

Twenty years ago the average U.S. hotel room clocked in at just over 350 square feet. But today's newest hotel brands are selling rooms nearly half that size, with some chains averaging 200, 183, or even just 170 square feet. How did we get here?

First, let's get it out of the way that, yes, the average hotel room in America today is still a respectable 330 square feet. But, but, but, that's because the majority of existing hotel stock was built decades ago. You'd be hard pressed to find anything currently under construction with that large of a footprint.

New boutique brands springing up across the country under familiar brand umbrellas are tiny by comparison. Rooms in Marriott's Moxy Hotels average 183 square feet. The brand also lacks a traditional reservation desk, with guests instead checking in via the bar. Rooms in Best Western's new, ahem, Vib and GLō brands are just 200 and 249 square feet. And new hotel brand Yotel, formerly of airport sleeping pod notoriety, says its rooms average just 170 square feet.

Get the full story at [USA Today](#).

EXHIBIT C



MEMORANDUM

Date: February 13, 2017

To: Ilene Dick, Farella Braun + Martel

From: Sally Nielsen

Subject: San Francisco Planning Code Section 303(g) Report for
824 Hyde Street, Update

The project sponsor, 824 Hyde Street Investment, LLC., proposes to build a new boutique hotel building on a currently vacant lot at 824 Hyde Street. As part of the Conditional Use Authorization application, San Francisco Planning Code Section 303(g) requires that the Planning Commission consider three criteria: the impact of hotel employees on demand for housing, transit, child care and other social services; measures the project sponsor proposes to employ San Francisco residents; and hotel market demand. This memorandum provides the Section 303(g) assessment for 824 Hyde Street.

Project Characteristics

The proposed project is located on the east side of Hyde Street, mid-block between Bush and Sutter. The 33 tourist hotel rooms will occupy six floors plus the basement of a new building. Each suite will have individual bathrooms, king beds or two double beds and boutique style hotel furnishings. Two basement suites will have private patios, and all guests will have access to a roof top sundeck. The project will provide secure bicycle parking spaces in the basement.

The project, located on the southern slope of Nob Hill, is five blocks west of Union Square and three blocks east of Van Ness Avenue, within the Lower Nob Hill Apartment Hotel National Register Historic District. The project proposes a small number of visitor accommodations in a new building designed to be compatible in scale and texture with nearby structures. The projected room rates range from \$189 - \$379 per night, depending on the season and special event occurrences.

The proposed hotel would generate Hotel Room Tax (transient occupancy tax or TOT) revenue for San Francisco's General Fund and revenue for two hotel-oriented special assessments: the San Francisco Tourism Improvement District and the Moscone Expansion District. Assuming the room rates specified above and average annual occupancy comparable to hotels in this part of the

1212 BROADWAY, SUITE 1500, OAKLAND, CA 94612-1817
T: 510.839.8383 F: 510.839.8415

city, the proposed project at stabilized occupancy would generate in the range of \$400,000 to \$500,000 per year in revenue--\$340,000 - \$420,000 per year in Hotel Tax revenue and \$50,000 to \$70,000 per year to the combined special assessments. (See "Estimate of Hotel Room Tax and Hotel Special Assessment Revenue" in Attachment A.)

Impact of hotel employees on demand for housing and services in San Francisco

The table below summarizes the number of staff positions at the proposed hotel. There will be 8 full-time positions (manager, front desk clerks, housekeeping, and maintenance) and 5 part-time positions (desk clerks, and housekeeping). It is highly likely that the people filling these positions will already live in San Francisco, so there will be no significant increase in demand for housing, transit, child care and other social services. Furthermore, the location is well-served by transit and the secure bicycle parking spaces will help to minimize additional auto trips.

Position	Staff Count	
	Full Time	Part Time
Manager	1	-
Front Desk Clerks	3	3
Housekeeping	3	2
Maintenance	1	-
Total	8	5

Project construction will also generate jobs, including work for existing San Francisco residents. Over the course of a 12 – 18 month construction period, 15 to 20 people will be working on site. Any demands on City services will be minimal and temporary.

Measures to employ residents of San Francisco

The project sponsor plans to fill the job openings by hiring locally. The project sponsor will use the recruitment services offered by community-based agencies such as the Mission Hiring Hall and Chinese for Affirmative Action. This will supplement posting the job openings at HireSF.org, (an initiative of the Office of Economic and Workforce Development), advertising in local newspapers, and on Craigslist. Although the project does not meet the minimum size threshold of 25,000 square feet of commercial development to take advantage of San Francisco's First Source Hiring Program, the project sponsor will complete a First Source hiring agreement.

Generally, most San Francisco hotel employees live in San Francisco. According to the *Economic Impact of San Francisco Hotels* (2013), 57 percent of the people employed at San Francisco hotels also live in San Francisco, higher than the average of 54 percent for all business sectors in San Francisco. (The 2013 report prepared for the Hotel Council of San Francisco by the Bay Area Council Economic Institute is the most current available at the time of the preparation of this memorandum).

Market demand for visitor lodging

Trends in lodging demand in San Francisco

San Francisco's visitor industry is thriving; the number of visitors to the City is at an all-time high and hotel occupancies are at record levels. San Francisco Travel (the private, not-for-profit organization that markets the city as a leisure, convention, and business destination) reports 24.6 million visitors to San Francisco in 2015 (18.9 million leisure travelers and 5.8 million business travelers). Counts for both visitor categories were up 2.7 percent from the prior year. See "San Francisco Tourism Overview 2015" (San Francisco Center for Economic Development, June 2016), "San Francisco Travel Reports Record-Breaking Year for Tourism" (San Francisco Travel, March 29, 2016), and "S.F. had record-setting year for tourism" (*San Francisco Business Times*, March 29, 2016) in Attachment A.

According to San Francisco Travel, just over 60 percent of all overnight visitors to San Francisco stayed in San Francisco hotels in 2015 (about 6.3 million visitors). Consistent occupancy rates between 80 and 90 percent since 2010 have led to significant increases in average daily room rates (average rental income paid per occupied room in one year). Citywide, the average daily room rate was \$268 in 2015, up almost 20 percent from an average of \$229 in 2013. See "Hotel Occupancy Rate and Other Features 2015" (San Francisco Center for Economic Development, May 2016) in Attachment A.

San Francisco's Mediterranean climate and variety of local and regional destinations means that seasonality is not a big factor in the lodging market. This distinguishes San Francisco from many other visitor destinations. Occupancy rates are generally high year-round with peaks in the months of June through October.

Increased lodging supply responds to growth in demand—near term softening of occupancy rates and room rates

While short-term home rental services such as Airbnb capture an increasing share of the overnight visitor market, for the first time since 2008 significant new hotel development is proposed in downtown San Francisco. The pipeline of more than 20 hotels and 4,000 rooms in projects under development or proposed is a direct response to sustained high occupancy rates and strong demand from tourism, business travel, and conventions. This new construction will be developed and absorbed over a period of years, but will moderate the upward trend of occupancy rates and likely reduce the rate of increase in room rates. See "San Francisco Hotel Development Pipeline, Fourth Quarter 2016" in Attachment A.

Longer-term market prospects strong—lodging supply is diverse

The longer-term outlook for the tourist hotel market in San Francisco is strong. Tourism is one of the key sectors in the City's economy, supported by the strength of other economic activity in the City, growth in international travel ("SFO's international travel is growing faster than any other U.S. airport", *San Francisco Business Times*, March 8, 2016, in Attachment A), and the City's broad appeal to both convention and leisure travelers.

Market prospects for the proposed project

Characteristics of the lodging supply in the vicinity of the proposed project

The 824 Hyde Street location borders two San Francisco subareas used to report lodging data: Union/Nob/Moscone and Civic Center/Van Ness. Recent data for the month of May 2016 indicate occupancy of 90 percent for rooms in the Union/Nob/Moscone subarea (essentially unchanged from the same month in 2015) and average daily room rates of \$290 (five percent higher than the same month in 2015). The Civic Center / Van Ness subarea shows a stronger rising trend on these indicators—occupancy of 88 percent (2.6 percent higher than the same month in 2015) and average daily room rates of \$183 (18 percent higher than the same month in 2015). See “Statistics and Trends of Hotel-Motel Business, San Francisco Monthly Trends, Month of May” (San Francisco Travel and CBRE Hotels, May 2016) in Attachment A.

The many existing tourist lodging properties in the vicinity, representing the full range of lodging types, are evidence of the breadth of the market for additional visitor lodging in Lower Nob Hill. The list of representative nearby lodging includes: the 500-room Holiday Inn Golden Gateway on Van Ness and Pine, Hotel Vertigo (102 rooms) at Sutter and Leavenworth—“luxurious and elegant...boutique hotel showcas[ing] a baroque-modern style”, Hotel Carlton (161 rooms) on Sutter between Hyde and Larkin—boutique hotel with “eclectic décor and laid-back eco-friendly vibe”, the Nob Hill Hotel (55 rooms) across the street at 835 Hyde Street—European boutique hotel from 1906, “fully restored to its original grandeur”, and Motel 6 (72 rooms) at Geary and Larkin. See “Characteristics of Existing Hotels in the Vicinity of 824 Hyde Street” and Map 1 in Attachment A.

Conclusions about market prospects for proposed boutique hotel use at 824 Hyde Street

There are a number of factors that favor tourist hotel use at 824 Hyde Street and the positioning as a boutique hotel is in-step with development trends in this part of the City. See Map 2 824 Hyde Street Nearby Attractions in Attachment A.

- ◆ The site is centrally located in San Francisco near major transportation corridors. The location is well-served by transit heading into Union Square, the Financial District, North Beach, and the Embarcadero.
- ◆ Two and three blocks away on Polk and Van Ness, multiple transit lines and dedicated bike lanes head north to Fisherman’s Wharf, Aquatic Park, Ghirardelli Square, Fort Mason, the Presidio, and the Golden Gate Bridge and south to the Civic Center, South of Market, Hayes Valley, and the Mission.
- ◆ While only six blocks from Union Square proper (shopping, theatre, cable cars), the location in Lower Nob Hill on the edge of the Tenderloin is near some of the trendiest new restaurants, bars, and small boutique in the City and near nationally known and well-established entertainment venues.
- ◆ State and federal government activity in nearby Civic Center provides a year-round source of demand for lodging in the Civic Center/Van Ness Corridor.

- ◆ Development of the 274-bed hospital at Van Ness and Geary represents an important near-future source of year-round demand for nearby lodging. The hospital project is stimulating a boom in real estate investment for housing, office, and hotel use near Van Ness and Geary.
- ◆ While projected room rates in the range of \$189 to \$379 per night are higher than the average for this location, they are consistent with rates at other boutique and small contemporary hotels in the vicinity.
- ◆ As new construction, the project will offer a distinctive product in San Francisco's boutique hotel market, where almost all such lodging is in renovated older buildings.

Attachment A
Supporting Material

Estimate of Hotel Room Tax and Hotel Special Assessment Revenue

San Francisco levies a Hotel Room Tax (“transient occupancy tax”) on hotel room charges. The current tax rate is 14% and applies to gross room revenue.

In addition, there are two special assessment districts that apply to all hotels in San Francisco. The Tourism Improvement District special assessment was established in 2008 to provide stable funding for the San Francisco Travel Association and to fund capital improvements and upgrades of Moscone Center. The assessment applies to all hotels in the city and the rate varies by zone. Zone 1 consists of all hotels on or east of Van Ness Avenue and on or north of 16th Street. Zone 2 is all other hotels in the city. The current assessment for Zone 1 is 1 percent of gross room revenue while the assessment for Zone 2 is 0.75 percent of gross room revenue. The Moscone Expansion District was established in 2013 to fund the expansion of Moscone Center. The district uses the same two zones. The current rate for Zone 1 is 1.25 percent of gross room revenue while the assessment for Zone 2 is 0.3125 percent of gross room revenue.

The proposed project would be subject to the Hotel Room Tax and the Zone 1 special assessments. The table below presents estimates of revenue for these three sources, using a range of potential room rate and occupancy assumptions. The scenarios indicate roughly \$400,000 - \$500,000 in annual revenue to these sources from the proposed project.

Number of rooms	33
Transient Occupancy Tax Rate	14%
SF Tourism Improvement District (Zone 1)	1.0%
Moscone Expansion District (Zone 1)	1.25%

	Higher Scenario	Lower Scenario
Occupancy rate (annual average)	90%	80%
Room Rate (annual average; \$189 - \$379 per night)	\$280	\$250
Annual Average Gross Room Revenue	\$3,035,340	\$2,409,000
Transient Occupancy Tax Revenue, annual	\$424,900	\$337,300
SF Tourism Improvement District Revenue, annual	\$30,400	\$24,100
Moscone Expansion District Revenue, annual	\$37,900	\$30,100
Total Revenue, all sources	\$493,200	\$391,500

Source: Haurath Economics Groups based on information from the project sponsor and tax rates and special assessment rates from the Controller's Office, City and County of San Francisco and the San Francisco Office of Economic and Workforce Development.



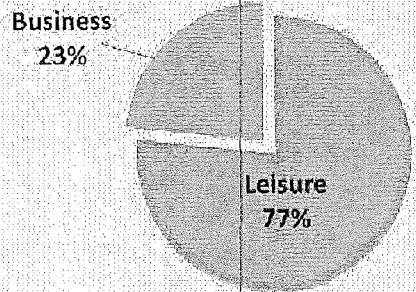
San Francisco Tourism

Overview 2015

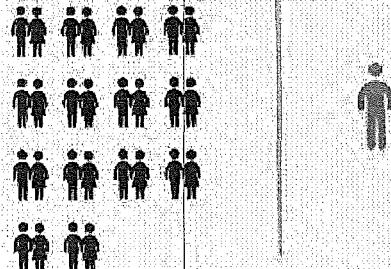
Visitor Volume

Total **24.6 million** visitor come to San Francisco every year

Included 18.9 million leisure visitors, 5.8 million business visitors



Visitors outnumber residents: **28 to 1**



Visitor Spending

\$9.3 Billion



Billion

\$1.1 Million



Million

PER CAPITA BASIS: \$10,951
PER SAN FRANCISCO RESIDENT

Jobs

The number of jobs supported by Tourism

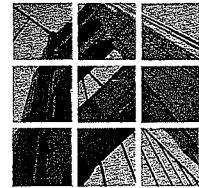


76,520
Jobs

2.3 Billion
IN
PAYROLL



Update: June 2016
Source: San Francisco Travel



Laurie Armstrong
Director, Media Relations – US & Canada
415.227.2615
Laurie@sfravel.com

Elisabeth Wieselthaler-Toelly
Director, Media Relations – International
415.227.2603
Elisabeth@sfravel.com

FOR IMMEDIATE RELEASE

San Francisco Travel Reports Record-Breaking Year for Tourism

Total Visitor Volume Tops 24.6 Million; Visitor Spending Exceeds \$9.3 Billion

March 29, 2016 – The San Francisco Travel Association reported today that San Francisco welcomed a total of 24.6 million visitors in 2015, an increase of 2.7 percent from 2014. This included 18.9 leisure visitors (up 2.7 percent from 2014) and 5.8 million business travelers in 2015 (also up 2.7% from 2014).

In 2015, the 24.6 million visitors brought \$9.3 billion in spending to San Francisco. Visitors directly spent \$8.5 billion in the city, up 3.4 percent from the previous year. An additional \$723 million was spent by meeting planners and exhibitors for goods and services for their meetings. For the year, total spending in San Francisco related to meetings and conventions reached \$2 billion.

The number of jobs supported by tourism rose 1 percent to 76,520 jobs in 2015, with an annual payroll of \$2.3 billion.

The tourism industry generated \$738 million in taxes and fees for the City of San Francisco, up 12.8 percent from the previous year. Major contributors to that figure include hotel tax (54.7 percent) and property tax (23.4 percent).

Visitor spending equated to \$25.4 million daily or \$1.1 million per hour.

On a per capita basis, visitors spent \$10,951 per San Franciscan. Visitors generated \$2,025 in taxes per San Francisco household.

Of the 24.6 million people who visited the city last year, 10.183 million were overnight visitors and spent \$7.4 billion dollars. International overnight visitors totaled 2.85 million and spent \$4.65 billion, which represented 63 percent of all overnight spending. Overnight visitors from the United States totaled 7.33 million and spent \$2.76 billion, representing 37 percent of all overnight guest spending. Sixty two percent of all overnight guests stayed in hotels in the San Francisco.

San Francisco Travel Association
One Front Street, Suite 2900 • San Francisco, CA 94111 • www.sanfrancisco.travel



SAN FRANCISCO TRAVEL ANNOUNCES RECORD BREAKING ECONOMIC IMPACT FOR 2015

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San Francisco Travel has developed a new research model using internal data and curated research in conjunction with Tourism Economics. Several years of lodging data was curated by San Francisco Travel using research from STR (formerly Smith Travel Research) and PKF Consulting. Data for flight volume was provided by OAG (formerly Official Aviation Guide) and San Francisco International Airport. Domestic visitor data was collected by Longwoods.

International visitor data by country came from Tourism Economics' Global City Travel database and global visitor surveys by Destination Analysts as well as tax and household data. Group sales statistics were drawn from USI, San Francisco Travel's CRM (customer relationship management) platform.

San Francisco Travel used their new model to revise data going back to 2008 to ensure consistency going forward.

The above data pertains only to visitors to San Francisco. For the first time, San Francisco Travel's research also includes the city of San Francisco and Bay Area regional markets including Marin County, the Peninsula and San Francisco International Airport.

The Port of San Francisco hosted 82 ship calls and 297,504 passengers in 2015. In addition to passengers, each ship has approximately 1,000 crew members. This is a record number of passengers, breaking the previous high mark of 256,410 set in 2014. Based on passenger, crew, and ship expenditures, the overall economic impact to the Bay Area of a cruise ship call in San Francisco is approximately \$1 million.

In 2015, San Francisco Travel booked 44 conventions at Moscone Center, which will fill 1,153,258 hotel room nights between 2015 and 2032. Their attendees and exhibitors will spend an estimated \$1,001,190,532.

"These record-breaking numbers once again prove that tourism is the most important industry in San Francisco. The 24.6 million visitors and \$9.3 billion in spending create jobs and support services for people throughout the city and the entire Bay Area," said Joe D'Alessandro, president and CEO of San Francisco Travel. "We are experiencing sustained growth in all market segments – domestic, international, leisure and business – as a result of our highly professional and sophisticated community of hotels, restaurants, cultural organizations and SFO, one of the finest airports in the world," he added.

The San Francisco Travel Association is a private, not-for-profit organization that markets the city as a leisure, convention and business travel destination. With more than 1,500 partner businesses, San Francisco Travel is one of the largest membership-based tourism promotion agencies in the country.

The San Francisco Travel business offices are located at One Front St., Suite 2900, San Francisco, CA 94111.



SAN FRANCISCO TRAVEL ANNOUNCES RECORD BREAKING ECONOMIC IMPACT FOR 2015

Page 3

San Francisco Travel also operates Visitor Information Centers at Hallidie Plaza, 900 Market Street at the corner of Powell and Market streets and on the lower level of Macy's Union Square. For more information, visit www.sanfrancisco.travel.

San Francisco International Airport (SFO) offers non-stop flights to more than 39 international cities on 33 international carriers. The Bay Area's largest airport connects non-stop with 77 cities in the U.S. on 14 domestic airlines. SFO offers upgraded free Wi-Fi with no advertising. For up-to-the-minute departure and arrival information, airport maps and details on shopping, dining, cultural exhibitions, ground transportation and more, visit www.flaysfo.com. Follow SFO on www.twitter.com/flaysfo and www.facebook.com/flaysfo.

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#

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From the San Francisco Business Times:

<http://www.bizjournals.com/sanfrancisco/blog/2016/03/sf-record-setting-year-for-tourism-new-report.html>

S.F. had record-setting year for tourism, new report shows

— SUBSCRIBER CONTENT: Mar 29, 2016, 1:55pm PDT

2015 turned out to be a record-breaking year for tourism in the city, with increases in the numbers of visitors, spending, jobs and tax revenue, according to a new report from the **San Francisco Travel Association** given to the Business Times on Tuesday.

San Francisco welcomed 24.6 million visitors in 2015, a 2.7 percent increase from the previous year. That included 18.9 million visitors who came for leisure, and 5.8 million business travelers.

Visitor spending brought in \$9.3 billion to the city — equating to around \$25.4 million daily or \$1.1 million per hour. Tourism also generated \$738 million in taxes and fees for San Francisco, up 12.8 percent from 2014.

“These record-breaking numbers once again prove that tourism is the most important industry in San Francisco,” said Joe D’Allessandro, president and CEO of San Francisco Travel, in a statement. D’Allessandro said that the numbers in the report are the highest numbers ever for tourism in the city.

Jobs supported by the tourism industry also saw a 1 percent increase to 76,520 in 2015, with an annual payroll of \$2.3 billion. The Port of San Francisco reached a record number of 297,504 passengers — breaking the previous high record of 256,410 in 2014.

The first quarter of this year also saw strong tourism numbers, which can be attributed largely to the area hosting Super Bowl 50. Although the game was held at Santa Clara’s Levi Stadium, about 40 miles southeast of San Francisco, a significant number of tourists who visited the Bay Area for Superbowl weekend opted to stay in the city, due to a limited number of vacancies around the stadium, according to a survey.



DAVID PAUL MORRIS/BLOOMBERG NEWS

Retail rents in San Francisco’s Union Square soared 30 percent over the last year, making it the fastest-rising shopping destination in the world.

"We are experiencing sustained growth in all market segments – domestic, international, leisure and business – as a result of our highly professional and sophisticated community of hotels, restaurants, cultural organizations and SFO, one of the finest airports in the world," D'Allessandro said.

D'Allessandro said a big factor for last year's tourism success was its international visitors; the city's international market share is growing, and international visitors tend to spend more money and stay longer. He told the Business Times there is more international service from San Francisco International Airport, with new flights to and from Asia and Europe.

SFO reached a record breaking 50 million annual passengers in 2015— with a 33 percent growth rate between 2007 and 2014, according to a report from the city. Efforts have been made in recent years to attract growth, such as taking on a 10-year improvement project to renovate terminals, add new amenities, and build a four-star hotel at the airport.

San Francisco's hotel market has seen significant success recently. After the last couple decades of averaging 72 percent hotel occupancy in the city, it reached 85 percent occupancy in 2015 — and experts expect it to increase in 2016.

However, D'Allessandro told the Business Times that there are signs from the global economy that indicate a potential tourism slowdown in the next couple years — but despite that, there are many things San Francisco has to look forward to this year, such as the opening of the SF MOMA.

"We are one of the most successful cities in the United States in terms of overall visitor growth," D'Allessandro told the Business Times.

Jean Lee

Researcher

San Francisco Business Times



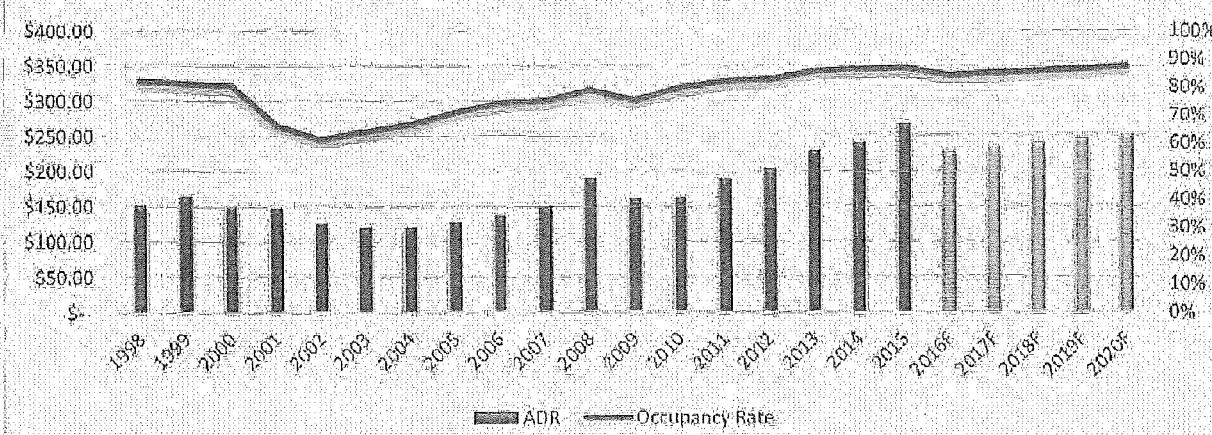


San Francisco Tourism

Hotel Occupancy Rate & Other Features (2015)

All Hotels	2013	2014	2015	% Change 13-15
Occupancy Rate	85.4%	86.3%	86.6%	1.41%
ADR*	\$228.97	\$253.84	\$268.17	17.12%
RevPAR**	\$195.56	\$219.18	\$232.22	18.75%

San Francisco Lodging Market



By Room Rate	Occupancy Rate				ADR				RevPAR			
	2013	2014	2015	VAR 13-15	2013	2014	2015	VAR 13-15	2013	2014	2015	VAR 13-15
Over \$175	82.3%	83.3%	82.9%	0.7%	\$235.04	\$256.91	\$273.52	16.37%	\$194.58	\$213.92	\$226.79	16.55%
\$125-\$175	80.0%	82.4%	83.6%	4.5%	\$148.68	\$162.79	\$177.98	19.71%	\$118.98	\$134.19	\$148.73	25.00%
\$75-\$125	73.0%	75.8%	77.9%	6.7%	\$101.80	\$105.30	\$114.37	12.35%	\$74.30	\$79.80	\$89.08	19.89%
Under \$75	64.4%	65.9%	68.4%	6.2%	\$51.00	\$54.40	\$59.55	16.76%	\$32.82	\$35.86	\$40.72	24.07%

*ADR: Average Daily Rate, average rental income per paid occupied room in one year. (Hotel revenue divided by the number of rooms sold.)

**RevPAR: Revenue Per Available Room.

Source: PPK Reports from Hotel Council of SF

Update: May 2016

San Francisco Hotel Development Pipeline, Fourth Quarter 2016

Project/Address	Number of Rooms	Status	Date of Most Recent Action	Date First Filed
250 4th Street	208	Under Construction	12/30/2016	1/14/2011
1095 Market Street	202	Under Construction	12/1/2016	9/11/2014
144 King Street	160	Under Construction	11/16/2016	6/21/2005
1100 Market Street - improvements to existing hotel	na	Under Construction	2/4/2016	8/29/2012
400 Bay Street	13	Building Permit Issued	12/30/2016	2/12/2016
Mission Bay Block 1	250	Building Permit Issued	10/5/2016	9/22/2015
701 3rd Street	230	Building Permit Issued	11/29/2016	11/24/2014
555 Howard Street	255	Building Permit Filed	12/27/2016	7/20/2015
744 Harrison	50	Building Permit Filed	11/7/2016	6/16/2016
950 - 974 Market Street	232	Building Permit Filed	2/8/2016	8/5/2013
72 Ellis Street	156	Building Permit Filed	8/3/2015	12/2/2009
Oceanwide (Mission Street Tower)	169	Planning Approved	6/30/2016	12/21/2006
Hunters Point Shipyard, Phase II	220	Planning Approved	4/10/2014	8/24/2007
Treasure Island/ Yerba Buena Island Area Plan	500	Planning Approved	3/15/2011	8/9/2007
425 Mason Street	77	Project Application Filed	11/30/2016	9/8/2016
447 Battery Street	144	Project Application Filed	6/23/2016	6/23/2016
996 Mission Street	105	Project Application Filed	6/9/2016	6/9/2016
48 Tehama Street	120	Project Application Filed	5/10/2016	3/13/2015
400 - 416 2nd Street	300	Project Application Filed	4/29/2016	10/31/2012
1196 Columbus Avenue	75	Project Application Filed	10/16/2015	12/17/2014
1025 Howard Street	181	Project Application Filed	4/24/2015	4/24/2015
1053 Market Street	155	Project Application Filed	6/16/2014	3/18/2014
350 Second Street	480	Preliminary Project Assessment	9/15/2016	9/15/2016
Total Rooms	4,282			

Source: San Francisco Planning Department

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From the San Francisco Business Times:

<http://www.bizjournals.com/sanfrancisco/blog/2016/03/sfo-international-travel-tourism-chinese-visitors.html>

SFO's international travel is growing faster than any other U.S. airport

Mar 8, 2016, 10:26am PST Updated: Mar 8, 2016, 10:40am PST

San Francisco International Airport is setting records this year.

Following recent news that the airport served a record 50 million total passengers in 2015, a new report from the International Trade Administration shows that SFO had the highest rate of international visitors of any American airport in 2015.

SFO had a 9 percent increase in international passengers, putting it above other major gateway airports like Los Angeles' LAX and New York's John F. Kennedy International airport.

The "report on international traffic growth further highlights the success of our efforts, which include improved facilities, a keen eye on cost control, and an unwavering commitment to the guest experience," Airport Director John Martin said in a statement.

Last year, SFO added new airlines and new international flights, including a nonstop flight to Istanbul from Turkish Airlines, a new nonstop service to Guangzhou, China, from China Southern Airline, and the launch of the first nonstop flight from the U.S. West Coast to Delhi, India, from Air India. In the last three years, 13 new airlines have started service to and from SFO. The airport will continue adding airlines and flights in 2016, including a nonstop service to Tel Aviv launching this month, and low-cost flights to Reykjavik, Iceland, on Wow Air.

Tourism overall is San Francisco's largest industry, sustaining roughly 87,000 jobs. International visits to San Francisco increased by 21 percent from 2010 to 2014, according to the **San Francisco Travel Association**. The number of visits is expected to grow another 19 percent from 2015 through 2018.

Leading that growth is the Chinese market. Here's how the numbers break down:



PAOLO VESCA

San Francisco International Airport has the fastest growing rate of international passengers of any airport in the United States.

Chinese visitors to San Francisco spent an \$813 million in 2015.

Visitors from the United Kingdom shell out \$465 million.

Indian visitors spent \$404 million.

Visitors from Germany, Scandinavia, South Korea and Japan also make up large portions of San Francisco's international visitors.

The International Trade Administration report showed that across the country, international traffic included 209.1 million passengers traveling to and from the United States in 2015, an increase of 6 percent over 2014's growth. Traffic between the United States and China increased by 25 percent in 2015.

California tourism bureaus are making a push to educate businesses about Chinese tourism as the number of Chinese visitors to California — and the Bay Area — continues to rise. Visit California, the state's tourism association, and SFTravel have hosted seminars called "China Ready" that are aimed at helping businesses prepare for the growing number of Chinese tourists visiting the state every year.

Those preparations include everything from having staff that speak Mandarin to offering certain foods and amenities to which Chinese visitors are accustomed, Antonette Eckert, the director of international tourism for the Asia-Pacific market at the San Francisco Travel Association, told the Business Times last year.

SFO, for its part, has undergone a 10-year capital improvement plan that includes terminal renovations, new amenities and even a new hotel. It recently snagged a large lease for some high-end restaurant offerings in its international terminal.

Annie Sciacca

Reporter

San Francisco Business Times

**STATISTICS AND TRENDS OF HOTEL-MOTEL BUSINESS
SAN FRANCISCO MONTHLY TRENDS
MONTH OF MAY**

REPORT OF ROOMS BUSINESS BY LOCATION

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
UNION/NOB/MOSCONE	\$290.31	\$276.63	4.9%	89.9%	89.9%	0.1%	\$261.12	\$248.62	5.0%
FINANCIAL DISTRICT	292.76	268.01	9.2%	93.2%	90.8%	2.6%	272.95	243.44	12.1%
FISHERMAN'S WHARF	243.34	220.38	10.4%	88.8%	87.6%	1.4%	216.12	193.05	12.0%
CIVIC CENTER/VAN NESS	182.96	154.49	18.4%	87.6%	85.3%	2.6%	160.23	131.83	21.5%
OVERALL AVERAGE	\$278.23	\$260.80	6.7%	90.0%	89.4%	0.7%	\$250.37	\$233.16	7.4%

REPORT OF ROOMS BUSINESS BY AVERAGE DAILY RATE

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
OVER \$200.00	\$285.33	\$268.46	6.3%	90.4%	89.7%	0.7%	\$257.81	\$240.94	7.0%
\$150.00 TO \$200.00	\$176.89	\$154.41	14.6%	85.1%	84.9%	0.2%	\$150.49	\$131.08	14.8%
OVERALL AVERAGE	\$278.23	\$260.80	6.7%	90.0%	89.4%	0.7%	\$250.37	\$233.16	7.4%

REPORT OF ROOMS BUSINESS BY SIZE OF PROPERTY

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
OVER 400 ROOMS	\$274.37	\$257.84	6.4%	91.0%	92.0%	-1.1%	\$249.68	\$237.19	5.3%
250 TO 400 ROOMS	299.08	279.01	7.2%	89.2%	85.9%	3.8%	266.64	239.58	11.3%
150 TO 250 ROOMS	248.93	208.80	19.2%	85.9%	76.5%	12.2%	213.77	159.75	33.8%
UNDER 150 ROOMS	241.16	221.71	8.8%	84.3%	78.9%	6.9%	203.32	174.84	16.3%
OVERALL AVERAGE	\$278.23	\$260.80	6.7%	90.0%	89.4%	0.7%	\$250.37	\$233.16	7.4%

SOURCE: CBRE HOTELS

From Trends in the Hotel Industry, Northern California, May 2016
Provided by San Francisco Travel

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Characteristics of Existing Hotels in the Vicinity of 824 Hyde Street as of February 2017, with focus on small - to mid-sized boutique hotels (see Map 1)

Name	Rooms	Rate range	Address	Description
Small Budget Hotels				
Embassy Hotel	18 rooms	winter low \$92/summer low \$169	610 Polk at Turk	simple budget digs in an art deco building
Layne Hotel	40 rooms	winter low \$62/summer low \$189	545 Jones Street	basic amenities
Mithila Hotel	40 rooms	winter low \$79/summer low \$109	972 Sutter Street	affordable downtown San Francisco hotel
Super 8 San Francisco Union Square	52 rooms	winter low \$191/summer low \$191	415 O'Farrell at Taylor	Contemporary budget hotel
Motel 6	72 rooms	winter low \$129/summer low \$209	895 Geary at Larkin	modern budget lodging with free parking
Beresford Arms	80 rooms	year-round low \$179	701 Post at Jones	spacious rooms and suites in historic building
Herbert Hotel	99 rooms	winter low \$89/summer low \$169	161 Powell at O'Farrell	newly-designed rooms in the heart of Union Square
Small Boutique Hotels (less than 100 rooms)				
Payne Mansion Hotel	10 rooms	winter low \$299/summer low \$319	1409 Sutter at Franklin	refined Victorian hotel (all private baths)
Andrews Hotel	48 rooms	year-round low \$209	624 Post at Shannon	warm-colored rooms
Queen Anne Hotel	48 rooms	winter low \$139/summer low \$219	1590 Sutter at Octavia	elegant lodging in a restored Victorian
Nob Hill Hotel	55 rooms	winter low \$140/summer low \$240	835 Hyde Street	ornate decor and period paintings grace the boutique hotel interior
Hotel Majestic	58 rooms	winter low \$118/summer low \$178	1500 Sutter at Gough	elegant boutique hotel with period décor
Warwick San Francisco	74 rooms	winter low \$260/summer low \$405	490 Geary at Taylor	Victorian décor and modern amenities
Hotel Epik	76 rooms	winter low \$100/summer low \$290	706 Polk at Eddy	brand-new, modern boutique
Hotel Beresford	90 rooms	winter low \$98/summer low \$169	635 Sutter at Mason	traditional British restaurant on-site and offers Victorian-style rooms
Hotel Abri	91 rooms	winter low \$280/summer low \$350	127 Ellis at Cyril Magnin	urban boutique hideaway with modern décor
Adante Hotel	92 rooms	winter low \$169/summer low \$309	610 Geary at Jones	classic cosmopolitan boutique, historic charm
The Alise	93 rooms	winter low \$180/summer low \$300	580 Geary at Jones	stately, classic hotel with bright rooms
Hotel Rex	94 rooms	winter low \$230/summer low \$340	562 Sutter at Mason	boutique hotel inspired by the 1920s and '30s
Cova Hotel	95 rooms	winter low \$119/summer low \$183	655 Ellis at Larkin	modern rooms & suites with free shuttle
Phoenix Hotel	99 rooms	winter low \$269/summer low \$309	601 Eddy Street	mid-century boutique hotel/chic motor lodge; retro style; pool
Mid-Sized Boutique Hotels (100 or more rooms)				
The Monarch Hotel	101 rooms	winter low \$107/summer low \$170	1015 Geary at Polk	no-frills rooms
Hotel Vertigo	102 rooms	winter low \$189/summer low \$220	940 Sutter	contemporary hotel occupying the site made famous in Hitchcock's 'Vertigo'
Hotel Diva	115 rooms	winter low \$199/summer low \$169	440 Geary	sleek property with ultramodern rooms
Hotel Fusion	118 rooms	winter low \$135/summer low \$200	140 Ellis	classic Asian design, modern creative energy
The Buchanan	130 rooms	winter low \$125/summer low \$205	1800 Sutter at Buchanan	hip lodging with anime themed rooms
Hotel Union Square	131 rooms	winter low \$220/summer low \$339	114 Powell	SF's first boutique hotel
Axiom Hotel	152 rooms	winter low \$169/summer low \$329	28 Cyril Magnin	tech-savvy amenities, pet-friendly rooms
Hotel Carlton	161 rooms	winter low \$199/summer low \$235	1075 Sutter at Larkin	laid-back Nob Hill hotel
The Opal	167 rooms	winter low \$104/summer low \$140	1050 Van Ness and Geary	budget lodging in historic 1908 Building
Villa Florence	189 rooms	winter low \$150/summer low \$310	225 Powell	elegant, contemporary Italian design
Hotel Zeppelin	196 rooms	winter low \$270/summer low \$325	545 Post Street	boutique modern
The Marker Hotel	208 rooms	winter low \$159/summer low \$332	501 Geary at Taylor	upscale boutique, spa amenities
Large/Middle-Market Hotels				
Holiday Inn San Francisco Golden Gate	499 rooms	winter low at \$199/summer low \$219	1500 Van Ness and Pine	modern hotel with on-site dining and pool

Source: Hausrath Economics Group, based on Google Search, Google Maps, Booking.com, SF Travel, Tripadvisor.com, field work, and the websites of and phone calls to various hotels

Note: "low" pricing represents generally mid-week availability for the smallest available room, in the months of February (winter) and June-September (summer)

Map 1 - 824 Hyde Street Nearby Hotels

- Adante Hotel
- The Allse San Francisco - A Staypineapple Hotel
- The Andrews Hotel
- Axiom Hotel San Francisco
- Beresford Arms Hotel
- Cova Hotel
- The Embassy Hotel

- The Herbert Hotel
- Holiday Inn San Francisco Golden Gateway
- Hotel Abri
- Hotel Beresford
- Hotel Carlton
- Hotel Diva
- HOTEL EPIK
- Hotel Fusion
- Hotel Majestic

- Hotel Rex
- Hotel Union Square
- Hotel Vertigo San Francisco
- Hotel Zeppelin San Francisco
- Kimpton Buchanan Hotel
- Layne Hotel
- The Marker San Francisco
- Mithila Hotel
- The Monarch Hotel

- Motel 6
- Nob Hill Hotel
- The Opal San Francisco
- Payne Mansion
- Phoenix Hotel
- Queen Anne Hotel
- Super 8 San Francisco/Union Square Area
- Warwick San Francisco
- Villa Florence Hotel



Map 2 - 824 Hyde Street Nearby Attractions

- 824 Hyde St
- Asian Art Museum
- Cable Car Museum
- Tenderloin Museum
- 825 Valencia Tenderloin Center
- Kayo Books
- PaniQ Escape Room San Francisco
- Onsen
- Float Matrix
- Nob Hill Spa at The Scarlet Huntington
- Encore Karaoke Lounge
- Gauntlet Gallery
- SMAart Gallery & Studio
- Father Alfred E. Boeddeker Park
- Tenderloin National Forest
- Black Cat
- Bill Graham Civic Auditorium
- Great American Music Hall
- SHN Orpheum Theatre
- Brenda's French Soul Food
- Common Sage
- Heart of the City Farmers Market
- Liholiho Yacht Club
- Mensho Tokyo SF
- Morty's Delicatessen
- Mymy
- The Saratoga
- Swan Oyster Depot
- Ales Unlimited: Beer Basement
- Nite Cap
- The Royale
- Edinburgh Castle Pub
- Huxley
- Grass Roots
- HYDE OUT
- Playland Bar
- The Wreck Room
- Upcider
- Hemlock Tavern
- Jackalope
- Zeki's Bar
- Hooker's Sweet Treats
- Jane
- Mr. Holmes Bakehouse
- ShakeDown
- milkbean
- Bayfilled
- The Family Room SF
- Fleet Wood
- Handsome Oxford
- Hero Shop
- Polk A Dot
- Grace Cathedral



Source: HEG research, February 2017



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APPEAL OF CONDITIONAL USE AUTHORIZATION 824 HYDE STREET

DATE: July 17, 2017

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: John Rahaim, Planning Director – Planning Department (415) 558-6411
Nicholas Foster, Case Planner – Planning Department (415) 575-9167

RE: File No. 170790, Planning Case No. 2016-010544CUA - Appeal of the approval of
Conditional Use Authorization for 824 Hyde Street

HEARING DATE: July 25, 2017

ATTACHMENTS:

- I. Materials Related to Project Under Appeal
 - A. Planning Commission Staff Report for Case No. 2016-010544CUA (Memo to the Planning Commission for June 1, 2017 hearing; Executive Summary, Exhibits, and Project Sponsor Submittal for May 18, 2017 hearing, including hotel market study.)
 - B. Environmental Determination (Case No. 2016-010544ENV)
 - C. Approved Plans (Current Hotel Project; Case No. 2016-010544CUA)
 - D. Final Motion No. 19926 (Current Hotel Project; Case No. 2016-010544CUA)
 - E. Community Outreach Letter from Project Sponsor, dated October 6, 2016
 - F. Appeal letter filed by Chris Schulman on June 29, 2017

- II. Materials Related to Previous Project
 - G. Approved Plans (Previous Residential Project; Case No. 2012.1445CV)
 - H. Final Motion No. 19582 (Previous Residential Project; Case No. 2012.1445CV)
 - I. Inclusionary Housing Fee Letter (Previous Residential Project; Case No. 2012.1445CV)

PROJECT SPONSOR: Ilene Dick, Farella + Braun + Martel, LLP
235 Montgomery Street, San Francisco, CA 94104

APPELLANT: Chris Schulman, on behalf of Lower Polk Neighbors
PO Box 642428, San Francisco, CA 94164-2428

INTRODUCTION:

This memorandum and the attached documents are in response to the letter of appeal to the Board of Supervisors ("Board") regarding the Planning Commission's ("Commission") approval of the application for Conditional Use Authorization under Planning Code Sections 303 (Conditional Use Authorization) to permit a Hotel Use within a proposed new building located at 824 Hyde Street, within the RC-4

Memo

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

(Residential-Commercial, High Density) Zoning District and 80-A Height and Bulk District ("the Project").

This response provides clarifications regarding the proposed Project and addresses the appeal ("Appeal Letter") to the Board filed on June 29, 2016 by Chris Schulman, on behalf of Lower Polk Neighbors, in opposition to the project. The Appeal Letter referenced the proposed project in Case No. 2016-010544CUA.

The decision before the Board is whether to uphold or overturn the Planning Commission's approval of Conditional Use Authorization to permit a Hotel Use within a proposed new building located at 824 Hyde Street.

SITE DESCRIPTION & PRESENT USE:

The Project is located on the block bounded by Hyde Street to the west, Leavenworth Street to the east, Bush Street to the north, and Sutter Street to the south in the Downtown/Civic Center neighborhood and within the Lower Nob Hill Apartment Hotel Historic District, Assessors Block 0280, Lot 017 (District 3). The approximately 2,815-square-foot subject lot has 25 feet of street frontage along Hyde Street and a depth of 112'-6". The project site was previously occupied by a four (4) story, eight (8) unit residential building that was designated a historic resource by the City and the CRHR, and in 1991 was listed in the National Register of Historic Places as a contributing resource to the Lower Nob Hill Apartment Hotel National Register Historic District (the "Lower Nob Hill Apartment Hotel Historic District" or "District"). The building, named "Chatom Apartments," was constructed in 1915. The building was destroyed by a fire in 2010 and the remnants of the damaged structure were removed in accordance with demolition Permit No. 201011084503 issued on November 8, 2010. The resulting vacant lot is considered a non-contributory property within the District. In March of 2016, the Planning Commission approved a Conditional Use Authorization (Case #2012.1445CV, Motion #19582) to permit an approximately 12,400 gross square foot residential building exceeding 50 feet within the RC-4 District, containing fourteen (14) dwelling units.

SURROUNDING PROPERTIES AND NEIGHBORHOOD:

The Project Site is within the Downtown/Civic Center neighborhood, near the southern boundary of the Nob Hill neighborhood. The Project site is also located within the Lower Nob Hill Apartment Hotel Historic District. The District is comprised of 570 acres containing 295 contributing buildings and one contributing structure. The District consists almost entirely of 3- to 8-story multi-unit residential buildings that fill their entire front lot lines and share a single stylistic orientation. The vast majority of the buildings were constructed between 1906 and 1925. Land uses in the surrounding area include a diverse mixture of residential, hotel, and ground-floor retail uses including shopping, grocery stores, bars and restaurants. St. Francis Medical Center is located one block to the north of the site at the corner of Hyde and Bush Streets.

PROJECT DESCRIPTION:

The proposed Project would involve the construction of an approximately 64-foot-tall (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run), six-story-over-basement, 13,367 gross square foot (gsf) building on a partially down-sloping vacant lot. The proposed building

would contain a Hotel Use (A Retail Sales and Service Use), providing thirty (30) tourist guest rooms. The Project would provide six (6) Class I and two (2) Class II bicycle parking spaces; no off-street vehicular parking would be provided. While no off-street parking is proposed, the Project Sponsor would seek approval by the SFMTA for a 40-foot-long passenger loading zone on Hyde Street, directly in front of the subject property. Excavation, to a maximum depth of approximately ten (10) feet below grade, is proposed in order to accommodate the basement level containing storage and services necessary to the operation or maintenance of the building itself.

BACKGROUND:

Background for the Previously-Approved Residential Project

On November 17, 2012, Brett Gladstone from Hanson Bridgett, LLP, the agent on behalf of Owen D. Conley and Thomas J. Conley ("Previous Project Sponsor"), submitted an application with the Planning Department (hereinafter "Department") for a Preliminary Project Assessment ("PPA") with Case No. 2012.1445U. The PPA letter was issued on January 28, 2013.

On May 8, 2013, the Previous Project Sponsor filed an application with the Department for Conditional Use Authorization pursuant to Section 303 to construct a 5-story over basement, residential building with 14 dwelling units, located in an RC-4 Zoning District. The Previous Project Sponsor also filed a Variance application, pursuant to Planning Code Section 145.1 to allow relief from the Code regarding required active street frontages for residential developments.

On April 30, 2015, the Project was issued a Categorical Exemption, Class 32 (California Environmental Quality Act (CEQA) Guidelines Section 15322).

On September 2, 2015, Ilene Dick from Farella Braun + Martel, LLP, the agent on behalf of 824 Hyde Street Investments, LLC (hereinafter "Project Sponsor") filed an updated application with the Department for Conditional Use Authorization under Planning Code Section(s) 253 and 303 to permit a building exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District. The Project Sponsor also filed an updated Variance application, pursuant to Planning Code Sections 136 and 145.1 to allow for permitted obstructions (bay windows) and relief from the Code regarding required active street frontages for residential developments.

On January 14, 2016 and again on March 3, 2016, the Commission conducted two duly noticed public hearings at regularly scheduled meetings on Conditional Use Application No. 2012.1445CV. With a vote of (+6/-0; Wu absent) the Commission adopted findings and approved the Conditional Use Authorization under Planning Code Section(s) 253 and 303 to permit a residential building with 14 dwelling units exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District (Planning Commission Motion No. 19582). The Zoning Administrator approved the request for Variance, pursuant to Planning Code Sections 136 and 145.1, to allow for permitted obstructions (bay windows) and relief from the Code regarding required active street frontages for residential developments. This approval is now final and not the subject of this appeal.

Background for the Hotel Project that is the Subject of this Appeal

On July 21, 2016, Ilene Dick from Farella Braun + Martel, LLP, the agent on behalf of the Project Sponsor, filed a new application with the Department for Conditional Use Authorization under Planning Code Section(s) 253, 303, and 303(g) to permit a Hotel Use in a new construction building exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District.

On May 5, 2017, the Project was issued a Categorical Exemption, Class 32 (California Environmental Quality Act (CEQA) Guidelines Section 15322).

On May 18, 2017, after closing public comment and holding a hearing on the item, the Commission voted (+7/-0) to continue the item to the June 1, 2017 Commission hearing date. The Commission instructed the Department Staff to consult with both the staff of the Rent Stabilization and Arbitrations Board ("Rent Board") and the City Attorney's Office to determine whether, if a new residential building were constructed on the Property, tenants of the residential building that once occupied the Property would have any "right to return" to a new residential building on the Property. As directed by the Commission, Department Staff consulted with the Rent Board and the San Francisco City Attorney's Office on the matter, and determined that because no structure remains to be rehabilitated, no "right to return" exists for former tenants of the now-demolished building.

On June 1, 2017, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2016-010544CUA. After the Commission heard and considered the testimony presented on behalf of the applicant, Department staff, and other interested parties, the Commission voted (+3/-4) on a motion of intent to disapprove the Project; that motion failed. The Commission then voted (+4/-3) on a motion to approve the Project with conditions, (Conditional Use Authorization under Motion No. 19926), to permit a Hotel Use in a new construction building exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District. This approval is now before the Board on appeal.

CONDITIONAL USE AUTHORIZATION REQUIREMENTS:

Planning Code Section 303 establishes criteria for the Commission to consider when reviewing all applications for Conditional Use approval. To approve the project, the Commission must find that these criteria have been met:

1. That the proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community; and
2. That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:
 - a. The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;
 - b. 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;

- c. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;
- d. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs; and
- 3. That such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the Master Plan;
- 4. That such use or feature as proposed will provide development that is in conformity with the stated purpose of the applicable Use District;

In addition, Planning Code Section 303(g) establishes criteria for the Commission to consider when reviewing applications for development of tourist hotels and motels, in addition to the criteria established by Section 303(c). Those additional findings include:

- 5. The impact of the employees of the hotel or motel on the demand in the City for housing, public transit, child-care, and other social services. To the extent relevant, the Commission shall also consider the seasonal and part-time nature of employment in the hotel or motel;
- 6. The measures that will be taken by the project sponsor to employ residents of San Francisco in order to minimize increased demand for regional transportation; and
- 7. The market demand for a hotel or motel of the type proposed.

APPELLANT ISSUES AND PLANNING DEPARTMENT RESPONSES:

The concerns raised in the Appeal Letter are cited in a summary below and are followed by the Department's response:

ISSUE #1: The appellant claims that the Hotel Use is neither necessary nor desirable, nor compatible with, the neighborhood or the community given the need for housing.

RESPONSE #1: In approving Planning Commission Motion No. 19926, the Commission granted Conditional Use Authorization to the Hotel Project, per Planning Code Sections 209.3, 253, 303, and 303(g). The Commission reviewed substantial information, including a thorough discussion of the value of the proposed hotel use compared to the previous entitlement for residential use and found the hotel project to be "necessary and desirable".

The Commission concluded that the Project was "necessary and desirable for, and compatible with, the neighborhood or the community," across a number of criteria as outlined in Planning Code Section 303. Under the Conditional Use Authorization for this Project, the Commission was required to find that the proposed "hotel" use was necessary or desirable and compatible with the surrounding neighborhood and community, considering the proposed size and intensity; health, safety, and convenience factors; the nature of the proposed site, including the project size, shape and arrangement; accessibility, traffic, and adequacy of off-street parking and loading; and any relevant design guidelines, Area Plans, or Elements of the General Plan.

Additionally, it should be noted that the entitlements related to the previously-approved residential project remain valid. If the approval of the Hotel Project (Case No. 2016-10544CUA) were overturned on this appeal, or if the Project Sponsor otherwise choose to revisit the prior project, the previously-

approved residential project (Case No. 2012.1445CV) could still be built without additional planning approvals. The Commission was aware of this fact during the hearing. Thus, given the validity of the past entitlements, the Commission also compared the public benefit of the previously-approved residential project to the public benefit of the newly-proposed hotel project.

During the hearing, the Commission discussed and considered the following factors. Just as the Commission considered these factors, the Board may now consider these factors as part of its deliberation on the Conditional Use appeal.

1. **Housing crisis.** During all hearings, the urgency of the housing crisis was on the minds of Commissioners and this hearing was no different. During the hearings Commissioners commented that the previously-approved residential project was a good fit as it produced much-needed dwelling units on a site that previously contained dwelling units. However, the Commissioners also commented on the need for hotels that provide much-needed tourist accommodations, given that hotel occupancy rates are at an all-time high.
2. **Impact on short term rental units.** At both the May 18, 2017 and June 1, 2017 Planning Commission hearings on the current hotel project, Commissioners deliberated over the merits of supporting a hotel use versus the previously-approved residential use. Much of the deliberation centered around whether the introduction of a new hotel use in the neighborhood would help relieve some of the economic pressures on residential uses which may also be serving as short-term rental units. Commissioners Johnson and Hillis both elaborated on their preference for the hotel project given that hotels and motels provide the much-needed tourist guest rooms the City. Given that demand for short-term accommodations is at an all-time high, and as such, there are demands on residential uses to serve as short-term rental hosting platforms, Commissioners Johnson and Hillis stated that a Hotel Use at the Project Site would relieve some of the pressures on Residential Uses through participation in the short-term rental hosting.
3. **The General Plan.** Both projects, the previously-approved residential project and the current hotel project, comply with all applicable requirements and standards of the Planning Code, and are consistent with the Objectives and Policies of the General Plan as detailed below.

General Plan Findings Summary for the Hotel Project that is the Subject of This Appeal. The General Plan policies encourage the retention of existing housing, but also encourage the production of new housing and commerce. Objective 8 of the General Plan, states "Enhance San Francisco's position as a national center for conventions and visitor trade." Visitor trade constitutes an important economic base and job source for San Franciscans. It generates substantial revenues in many related economic areas, including transportation, general merchandising, eating and drinking places, other retail trade, personal services, and entertainment and recreation. By far the largest expenditures by visitors are for hotels, followed by restaurants and retail purchases.

The attached Motions for both projects, the previously-approved residential project (Motion No. 19582, Page 3), and the current hotel project (Motion No. 19926, Page 3) include all of the approved findings and may be used as reference.

In supporting Finding 8 of Motion No. 19926, the Commission found that the hotel project would be consistent with the following General Plan policies in the Commerce & Industry, Transportation, and Urban Design Elements in the following in the following ways:

COMMERCE AND INDUSTRY ELEMENT
Objectives and Policies

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 that 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.

Planning Commission Findings: *The proposed project would add thirty (30) tourist hotel guest rooms intended to serve visitors and business travelers of San Francisco, and as a result would create new jobs in a location that is easily accessible via transit. The project would result in increased tax revenue for the City—including Hotel Room Tax (transient occupancy tax or TOT) revenue for San Francisco's General Fund—and an increase in retail activity in the immediate neighborhood. A tourist hotel is permitted with a Conditional Use Authorization, and is thus consistent with activities in the commercial land use plan.*

OBJECTIVE 2:

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1:

Seek to retain existing commercial and industrial activity and to attract new such activity to the City.

Planning Commission Findings: *Due to the Project Site's proximity to Union Square and Civic Center, the Project is anticipated to easily attract hotel patrons. The Project Site is also centrally located, close to many jobs and services, as well as public transit.*

OBJECTIVE 8:

ENHANCE SAN FRANCISCO'S POSITION AS A NATIONAL CENTER FOR CONVENTIONS AND VISITOR TRADE.

Policy 8.1:

Guide the location of additional tourist related activities to minimize their adverse impacts on existing residential, commercial, and industrial activities.

Policy 8.3:

Assure that areas of particular visitor attraction are provided with adequate public services for both residents and visitors.

Planning Commission Findings: *The Project locates a new 30-room tourist hotel in a location that is geographically in close proximity to the attractions, conventions, entertainment, public transit, retail and food services frequented by tourists and business travelers.*

ISSUE #2: The Appellant claims that the new hotel project will provide, on the whole, less financial benefit to the City by means of impact development fees as compared to the previously-approved residential project.

RESPONSE #2: While the Project may provide less financial benefit to the City by means of development impact fees (inclusive of the inclusionary affordable housing in-lieu fee), the amount of financial benefit to the City is not a criterion by which projects are evaluated by the Planning Commission and Hotel Tax revenue to the City should not be considered when evaluating the potential, aggregate financial contributions to the City.

Planning Department staff calculates estimated development impact fees and typically publishes those values in the case reports submitted to the Planning Commission for those projects subject to Planning Commission review. This is provided for both the Planning Commission and the general public solely for their information. Neither the Planning Code nor the General Plan requires the Commission or the Board to consider such information during the approval process of a Conditional Use Authorization. For informational purposes, the following financial information is provided.

Based upon the submitted Conditional Use Application materials for both the previous residential project and the current hotel project, the Project Sponsor would be responsible for impact development fees identified in Tables A and B (see below). Based on the previously approved residential project, the Project Sponsor would be responsible for paying a total of \$692,954.65 in impact fees (\$19,681.65 for Child Care Fee (Section 414A) and \$673,273.00 for Inclusionary Affordable Housing Fee (in-lieu fee) (Section 415) (see Exhibit I)¹. Based on the current hotel project, the Project Sponsor would be responsible for paying \$241,303.04 in impact fees (Transportation Sustainability Fee (Section 411A)). The difference in impact fees is \$451,651.61.

¹ Revised Affordable Housing Fee Determination Letter, Dated April 20, 2016, Mayor's Office of Housing and Community Development.

Table A: Development Impact Fees for Previously-Approved Residential Project.

Code Section	Code Section Name	Fee Calculation	Fee
414A	Child Care Fee for Residential Projects	\$1.83 sf x 10,755 sf	\$19,681.65
415	Inclusionary Affordable Housing Fee (in-lieu fee)	14 Dwelling Units: (<u>7</u> studios; <u>6</u> 1-bedroom; <u>1</u> 2-bedroom)	\$673,273.00
Total			\$692,954.65

Table B: Development Impact Fees for Hotel Project.

Code Section	Code Section Name	Fee Calculation	Fee
411A	Transportation Sustainability Fee (TSF)	\$18.04 sf x 13,376 sf	\$241,303.04
Total			\$241,303.04

Also, for informational purposes, it should be noted that the current hotel project would generate additional ongoing revenue to the City through the Hotel Tax. The Hotel Tax (or “transient occupancy tax”), currently 14 percent in San Francisco, is levied on hotel room charges. The tax is collected by hotel operators from guest and remitted to the San Francisco Office of Treasurer & Tax Collector. The Hotel Tax is not a development impact fee, and the Planning Department does not calculate the estimated tax revenue collected by the City.

ISSUE #3: The Appellant claims that the Project lacks an adequate parking and traffic study.

RESPONSE #3: The Environmental Determination for the proposed Project adequately reviewed potential traffic impacts and concluded that approval of the Project would not result in any significant effects relating to traffic. The Project was issued a Certificate of Determination (Class 32 Categorical Exemption (California Environmental Quality Act (CEQA)) on May 5, 2017 (See Exhibit B). CEQA Guidelines Section 15332, or Class 32, provides an exemption from environmental review for in-fill development projects that meet certain conditions. As discussed in the Certificate of Determination, the proposed Project satisfies the terms of the Class 32 exemption.

Within the Class 32 Categorical Exemption, Planning Department Staff evaluated whether or not the Project would have a significant effect on the environment if it would cause substantial additional Vehicle Miles Traveled (VMT) or Induced Miles Traveled (IMT). As detailed in the Class 32 Categorical Exemption, the Project was found to not to cause substantial additional Vehicle Miles Traveled (VMT) or Induced Miles Traveled (IMT) based on the following information:

"The Project Site is located within San Francisco Bay Area transportation analysis zone (TAZ) 322. Existing and future VMT values for the proposed hotel use are 2.8 and 2.5, respectively.²³ These values are approximately 80 percent below the corresponding existing and future thresholds (the regional average less 15 percent). Therefore, the proposed Project meets the Map-Based Screening criterion because the Project Site is located within an area that exhibits low levels of VMT for the proposed land use. The proposed Project also meets the Small Projects and Proximity to Transit Stations screening criteria, which further indicates that the proposed project would not cause substantial additional VMT 5." (Page 3; *Certificate of Determination, Exemption from Environmental Review, Case No. 2016-010544ENV.*)

"A project that would substantially induce additional automobile travel by increasing physical roadway capacity in congested areas (i.e., by adding new mixed-flow lanes) or by adding new roadways to the network would have a significant effect on the environment. The State Office of Planning and Research (OPR's) proposed transportation impact guidelines includes a list of transportation project types that would not likely lead to a substantial or measureable increase in VMT. If a project fits within the general types of projects (including combinations of types), then it is presumed that VMT impacts would be less than significant and a detailed VMT analysis is not required. The proposed project would not increase physical roadway capacity or add new roadways to the network. The proposed project would seek approval for a 40-foot-long passenger loading zone on Hyde Street. However, if approved, the loading zone would be considered a minor transportation project and would not lead to a substantial increase in VMT.⁴ Therefore, the proposed project would not substantially induce automobile travel and associated impacts would be less than significant." (Page 4; *Certificate of Determination, Exemption from Environmental Review, Case No. 2016-010544ENV.*)

The proposed Project contains approximately 13,367 gsf of Hotel Use, which, is below the threshold for off-street loading requirements (100,000 gsf). Therefore, the Project is in compliance with Code Section 152. Nevertheless, the proposed Project would seek approval from the SFMTA for a 40-foot-long passenger loading zone on Hyde Street, directly in front of the subject property. Given that the proposed loading zone on Hyde Street is considered a minor transportation project and would not lead to a substantial increase in VMT, the proposed Project would not substantially induce automobile travel and associated impacts would be less than significant.

In conclusion, as the Commission approved the hotel project—an Approval Action for the purposes of CEQA, pursuant to San Francisco Administrative Code Section 31.04(h)—Commission thereby reaffirms the adequacy of the analysis contained within the Certificate of Determination for the Project related to potential impacts on traffic. Given that the Project proposes no off-street parking, and provides six (6) Class I bicycle parking spaces within the new building, and two (2) Class II bicycle parking spaces along the Hyde Street frontage, thereby exceeding Code requirements, the Project meets the intent of the City's Transit First Policies.

ISSUE #4: The Appellant claims that the proposed tourist guest hotel rooms are small and "micro-sized".

² Tourist hotels are treated as residential uses for Vehicle Miles Traveled (VMT) screening and analysis.

³ San Francisco Planning Department, Eligibility Checklist: CEQA Section 21099—Modernization of Transportation Analysis, 824 Hyde Street, March 23, 2017.

⁴ *Ibid.*

RESPONSE #4: The Planning Code does not regulate the size of tourist hotel guest rooms. The Planning Code does not regulate the minimum or maximum size of tourist hotel guest rooms. Although Residential Uses (dwelling units) are evaluated for conformity with the Planning Code through numerous criteria (e.g. Dwelling Unit Exposure, Private and Common Useable Open Space, etc.) that allow the Planning Commission to assess the habitability of proposed dwelling units and the 120 square-foot minimum superficial floor area requirement of Section 503 of the Housing Code applies to dwelling units, these requirements do not apply to tourist hotel guest rooms.

Rather, Hotel Uses are evaluated for conformity with the Planning Code through the Conditional Use Authorization process, which does not specifically evaluate the size of or number of tourist hotel guest rooms. While Floor Area Ratio (FAR), use size limits, or height and bulk/mass limitations may otherwise limit the total gross floor area or height or bulk/mass of proposed Hotel Use, the actual number of tourist hotel guest rooms, including the size of those rooms is not otherwise regulated by the Planning Code.

ISSUE #5: The Appellant claims that the Project Sponsor did not perform adequate community outreach regarding the proposed project.

RESPONSE 5: The Project Sponsor performed the required neighborhood notification for the proposed Project. The Project Sponsor performed the required 20-day notification for Conditional Use Authorization hearings, which, includes the following: classified newspaper advertisement; posted notice on the site of the project; and mailed notice to property owners within 300 feet of the Subject Property. Beyond the required notification, the Project Sponsor held an additional community meeting on October 18, 2016, to inform community members of the proposed Project (See Attachment E). The Project Sponsor elected to hold this community meeting on a voluntary basis, as this is not required notification within the RC Zoning Districts.

In conclusion, because the Project Sponsor performed the required neighborhood notification for the proposed Project, adequate notification was completed. By completing community outreach above and beyond the requirements of the Planning Code, the project sponsor provided more than adequate notice.

CONCLUSION:

For the reasons stated above, the Department recommends that the Board uphold the Planning Commission's decision in approving the Conditional Use authorization to permit a Hotel Use within a new construction building located at 824 Hyde Street, within the RC-4 (Residential-Commercial, High Density) Zoning District and 80-A Height and Bulk District.



SAN FRANCISCO PLANNING DEPARTMENT

Memo to the Planning Commission

HEARING DATE: JUNE 1, 2017

Continued from the May 18, 2017 Hearing

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date: May 25, 2017
Case No.: 2016-010544CUA
Project Address: 824 Hyde Street
Zoning: RC-4 (Residential-Commercial, High Density) District
80-A Height and Bulk District
Block/Lot: 0280/017
Project Sponsor: Ilene Dick
Farella Braun + Martel, LLP
235 Montgomery Street
San Francisco, CA 94104
Staff Contact: Nicholas Foster – (415) 575-9167
nicholas.foster@sfgov.org
Recommendation: Approval with Conditions

BACKGROUND

The proposed project (“Project”) would involve the construction of an approximately 64-foot-tall (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run), six-story-over-basement, 13,367 gross square foot (gsf) building on a partially down-sloping vacant lot. The proposed building would contain a Hotel Use (A Retail Sales and Service Use), providing thirty (30) tourist guest rooms. The Project would provide six (6) Class I and two (2) Class II bicycle parking spaces. While no off-street parking is proposed, the Project Sponsor would seek approval by the SFMTA for a 40-foot-long passenger loading zone on Hyde Street, directly in front of the subject property. Excavation, to a maximum depth of approximately ten (10) feet below grade, is proposed in order to accommodate the basement level containing storage and services necessary to the operation or maintenance of the building itself.

The project site (“Property”) was previously occupied by a four (4) story residential building containing eight (8) dwelling units that was designated a contributing resource to the Lower Nob Hill Apartment Hotel National Register Historic District (the “Lower Nob Hill Apartment Historic District” or “District”). The building, named “Chatom Apartments,” was constructed in 1915. The building was destroyed by a fire on the morning of October 21, 2010 and the remnants of the damaged structure were removed in accordance with Emergency Demolition Order (Permit) #201011084503, issued on November 8, 2010. The resulting vacant lot is considered a non-contributory property within the District.

After closing public comment and holding a hearing on the item, the Planning Commission voted¹ to continue the item to the June 1, 2017 hearing date. The Commission instructed the Department Staff to

¹ The Commission’s vote on the continuance was 7-0.

consult with both the staff of the Rent Stabilization and Arbitrations Board ("Rent Board") and the City Attorney's Office to determine whether, if a new residential building were constructed on the Property, tenants of the residential building that once occupied the Property would have any "right to return" to a new residential building on the Property. As the Commission is aware, although the Property was formerly occupied by a residential building, that building was destroyed in a fire and subsequently demolished by an order of the Department of Building Inspection.

UPDATE

As directed by the Commission, Department Staff has consulted with the Rent Board and the San Francisco City Attorney's Office on the matter, and determined that because no structure remains to be rehabilitated, no "right to return" exists for former tenants of the now-demolished building. This is because the Rent Board Rules and Regulations requiring a landlord to offer "the same unit" to the former tenant "within 30 days of completion of repairs to the unit" do not apply because the "same unit" cannot be repaired as the building as a whole no longer exists, let alone "the same unit."² Thus, there is no "right to return" to a new building on the site, regardless if the new building contained a Residential Use, rather than Non-Residential Use (e.g. Retail Sales and Service Use).

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must grant Conditional Use Authorization to: 1) establish a Hotel Use; 2) allow a non-residential use size greater than 6,000 square feet; and 3) allow the building to exceed 50 feet in a RC Zoning District pursuant to Planning Code Section 209.3, 253, 303, and 303(g).

BASIS FOR RECOMMENDATION

- The Project adds 30 tourist guest rooms to the city's supply of tourist hotel guest rooms; with occupancy rates approaching 90 percent, this Project will help satisfy the demand for tourist hotel guest rooms in the city.
- The Project site is currently a vacant lot and has been since 2010—when the existing structure was destroyed in a fire—and the Project would construct a new building that would fit within the surrounding neighborhood character and the Lower Nob Hill Apartment Hotel Historic District.
- The Project has been designed to be compatible in scale and texture with nearby structures.
- The Project will include streetscape improvements along its Hyde Street frontages, including the installation of one (1) new street tree, and a new, publically-accessible Class II bicycle rack along the Hyde Street frontage.
- The Project site is well served by transit (MUNI lines 2, 3, and 27 are all within one block of the subject property).
- The Project has been found to be necessary and or desirable and compatible with the surrounding neighborhood.
- The Project meets all applicable requirements of the Planning Code.

RECOMMENDATION: Approval with Conditions

² Part XII-7, Section 12.19 "Other Displacements," San Francisco Residential Rent Stabilization and Arbitration Board Rules and Regulations; Amended July 12, 2016, Effective August 13, 2016.

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SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Conditional Use

HEARING DATE: MAY 18, 2017

Date: March 15, 2017
Case No.: 2016-010544CUA
Project Address: 824 Hyde Street
Zoning: RC-4 (Residential-Commercial, High Density) District
80-A Height and Bulk District
Block/Lot: 0280/017
Project Sponsor: Ilene Dick
Farella Braun + Martel, LLP
235 Montgomery Street
San Francisco, CA 94104
Staff Contact: Nicholas Foster – (415) 575-9167
nicholas.foster@sfgov.org
Recommendation: Approval with Conditions

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

Reception: 415.558.6378
Fax: 415.558.6409
Planning Information: 415.558.6377

PROJECT DESCRIPTION

The proposed project ("Project") would involve the construction of an approximately 64-foot-tall (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run), six-story-over-basement, 13,367 gross square foot (gsf) building on a partially down-sloping vacant lot. The proposed building would contain a Hotel Use (A Retail Sales and Service Use), providing thirty (30) tourist guest rooms. The Project would provide six (6) Class I and two (2) Class II bicycle parking spaces. While no off-street parking is proposed, the Project Sponsor would seek approval by the SFMTA for a 40-foot-long passenger loading zone on Hyde Street, directly in front of the subject property. Excavation, to a maximum depth of approximately ten (10) feet below grade, is proposed in order to accommodate the basement level containing storage and services necessary to the operation or maintenance of the building itself.

SITE DESCRIPTION AND PRESENT USE

The approximately 2,815-square-foot project site (Assessors Block 0280, Lot 017) is located on the block bounded by Hyde Street to the west, Leavenworth Street to the east, Bush Street to the north, and Sutter Street to the south in the Downtown/Civic Center neighborhood and within the Lower Nob Hill Apartment-Hotel Historic District. The subject lot has 25 feet of street frontage along Hyde Street and a depth of 112'-6".

The project site was previously occupied by a four (4) story, eight (8) unit residential building that was designated a contributing resource to the Lower Nob Hill Apartment Hotel National Register Historic District (the "Lower Nob Hill Apartment Historic District" or "District"). The building, named "Chatom Apartments", was constructed in 1915. The building was destroyed by a fire in 2010 and the remnants of

the damaged structure were removed in accordance with demolition Permit No. 201011084503 issued on November 8, 2010. The resulting vacant lot is considered a non-contributory property within the District.

In March of 2016, the Planning Commission approved a Conditional Use Authorization (Case #2012.1445CV, Motion #19582) to permit an approximately 12,400 gross square foot residential building exceeding 50 feet within the RC-4 District, containing fourteen (14) dwelling units.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The Project site is within the Downtown/Civic Center neighborhood, near the southern boundary of the Nob Hill neighborhood. The Project site is also located within the Lower Nob Hill Apartment Hotel Historic District. The District is comprised of 570 acres containing 295 contributing buildings and one contributing structure. The District consists of almost entirely of 3- to 8-story multi-unit residential buildings which fill their entire front lot lines and share a single stylistic orientation. The vast majority of the buildings were constructed between 1906 and 1925. Land uses in the surrounding area include a diverse mixture of residential, hotel, and ground-floor retail uses including shopping, grocery stores, bars and restaurants. St. Francis Medical Center is located one block to the north of the site at the corner of Hyde and Bush Streets.

ENVIRONMENTAL REVIEW

On May 5, 2017, the Project was issued a Categorical Exemption, Class 32 (California Environmental Quality Act (CEQA) Guidelines Section 15322). Approval of the Conditional Use Authorization by the Planning Commission is the Approval Action for the project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	April 29, 2017	April 26, 2017	23 days
Posted Notice	20 days	April 29, 2017	April 29, 2017	20 days
Mailed Notice	20 days	April 29, 2017	April 29, 2017	20 days

PUBLIC COMMENT

To date, the Department has received one (1) letter in opposition to the proposed Project; the letter calls into question the need for a Hotel Use at the subject property, in lieu of residential use.

ISSUES AND OTHER CONSIDERATIONS

- Hotel Use.** The Project proposes a 30-room "boutique" hotel situated between two neighborhoods: Lower Nob Hill and Downtown/Civic Center. The many existing tourist lodging properties in the vicinity—representing the full range of lodging types—are evidence of the breadth of the market for additional visitor lodging in Lower Nob Hill. Moreover, the site is well-

served by transit, providing access to popular San Francisco tourist destinations such as Union Square, the Financial District, North Beach, and the Embarcadero. While only six blocks from Union Square proper (shopping, theatre, cable cars), the project site is also located near State and Federal government offices (Civic Center), nationally-renown entertainment venues, and trendy new bars and restaurants (Polk Street Corridor and Mid-Market).

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must grant Conditional Use Authorization to: 1) establish a Hotel Use; 2) allow a non-residential use size greater than 6,000 square feet; and 3) allow the building to exceed 50 feet in a RC Zoning District pursuant to Planning Code Section 209.3, 253, 303, and 303(g).

BASIS FOR RECOMMENDATION

- The Project adds 30 tourist guest rooms to the city's supply of tourist hotel guest rooms; with occupancy rates approaching 90 percent, this Project will help satisfy the demand for tourist hotel guest rooms in the city.
- The Project site is currently a vacant lot and has been since 2010—when the existing structure was destroyed in a fire—and the Project would construct a new building that would fit within the surrounding neighborhood character and the Lower Nob Hill Apartment Hotel Historic District.
- The Project has been designed to be compatible in scale and texture with nearby structures.
- The Project will include streetscape improvements along its Hyde Street frontages, including the installation of one (1) new street tree, and a new, publically-accessible Class II bicycle rack along the Hyde Street frontage.
- The Project site is well served by transit (MUNI lines 2, 3, and 27 are all within one block of the subject property).
- The Project has been found to be necessary and or desirable and compatible with the surrounding neighborhood.
- The Project meets all applicable requirements of the Planning Code.

RECOMMENDATION: Approval with Conditions

Attachments:

Attachment Checklist

<input checked="" type="checkbox"/> Executive Summary	<input checked="" type="checkbox"/> Project sponsor submittal
<input checked="" type="checkbox"/> Draft Motion	Drawings: <u>Existing Conditions</u>
<input checked="" type="checkbox"/> Environmental Determination	<input checked="" type="checkbox"/> Check for legibility
<input checked="" type="checkbox"/> Zoning District Map	Drawings: <u>Proposed Project</u>
<input checked="" type="checkbox"/> Height & Bulk Map	<input checked="" type="checkbox"/> Check for legibility
<input checked="" type="checkbox"/> Parcel Map	3-D Renderings (new construction or significant addition)
<input checked="" type="checkbox"/> Sanborn Map	<input checked="" type="checkbox"/> Check for legibility
<input checked="" type="checkbox"/> Aerial Photo	<input type="checkbox"/> Wireless Telecommunications Materials
<input checked="" type="checkbox"/> Context Photos	<input type="checkbox"/> Health Dept. review of RF levels
<input checked="" type="checkbox"/> Site Photos	<input type="checkbox"/> RF Report
	<input type="checkbox"/> Community Meeting Notice
	<input checked="" type="checkbox"/> Housing Documents
	<input checked="" type="checkbox"/> Inclusionary Affordable Housing Program: Affidavit for Compliance

Exhibits above marked with an "X" are included in this packet

NF

Planner's Initials

Exhibits

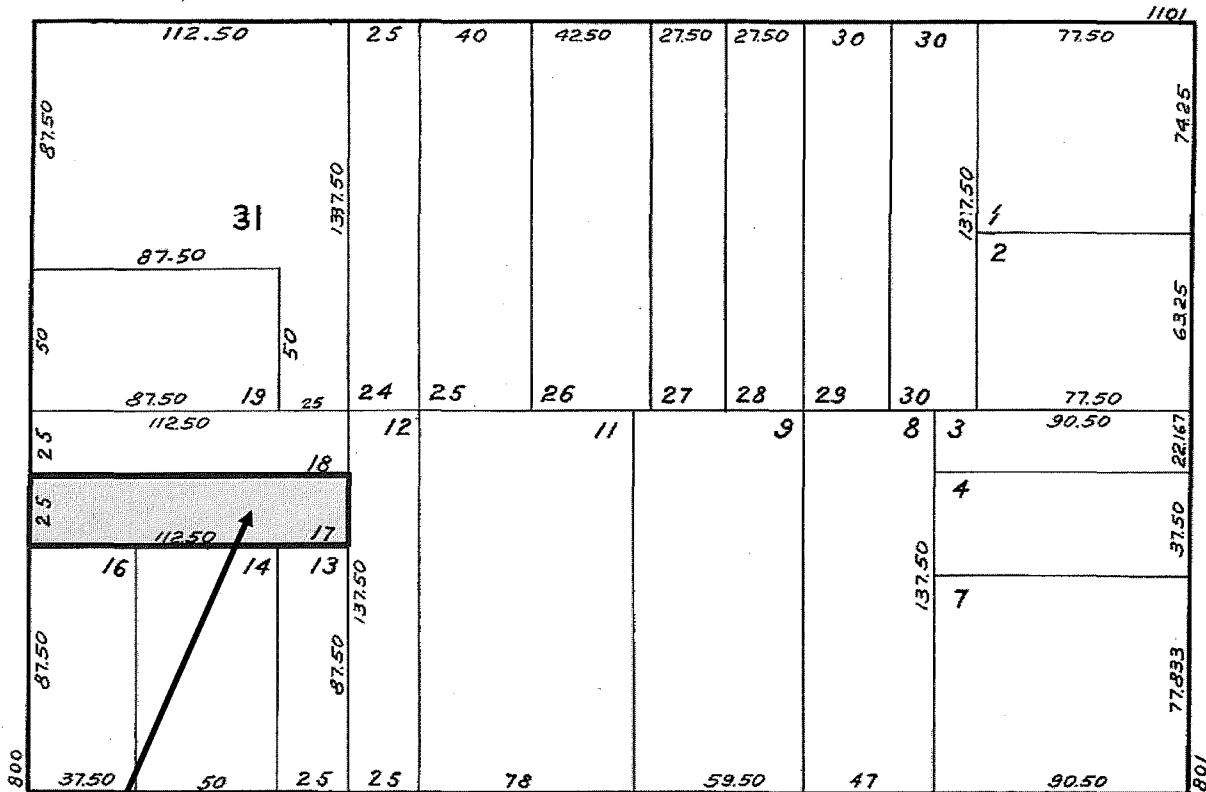
Conditional Use Authorization
Case Number 2016-010544CUA
824 Hyde Street

Parcel Map

BUSH

HYDE

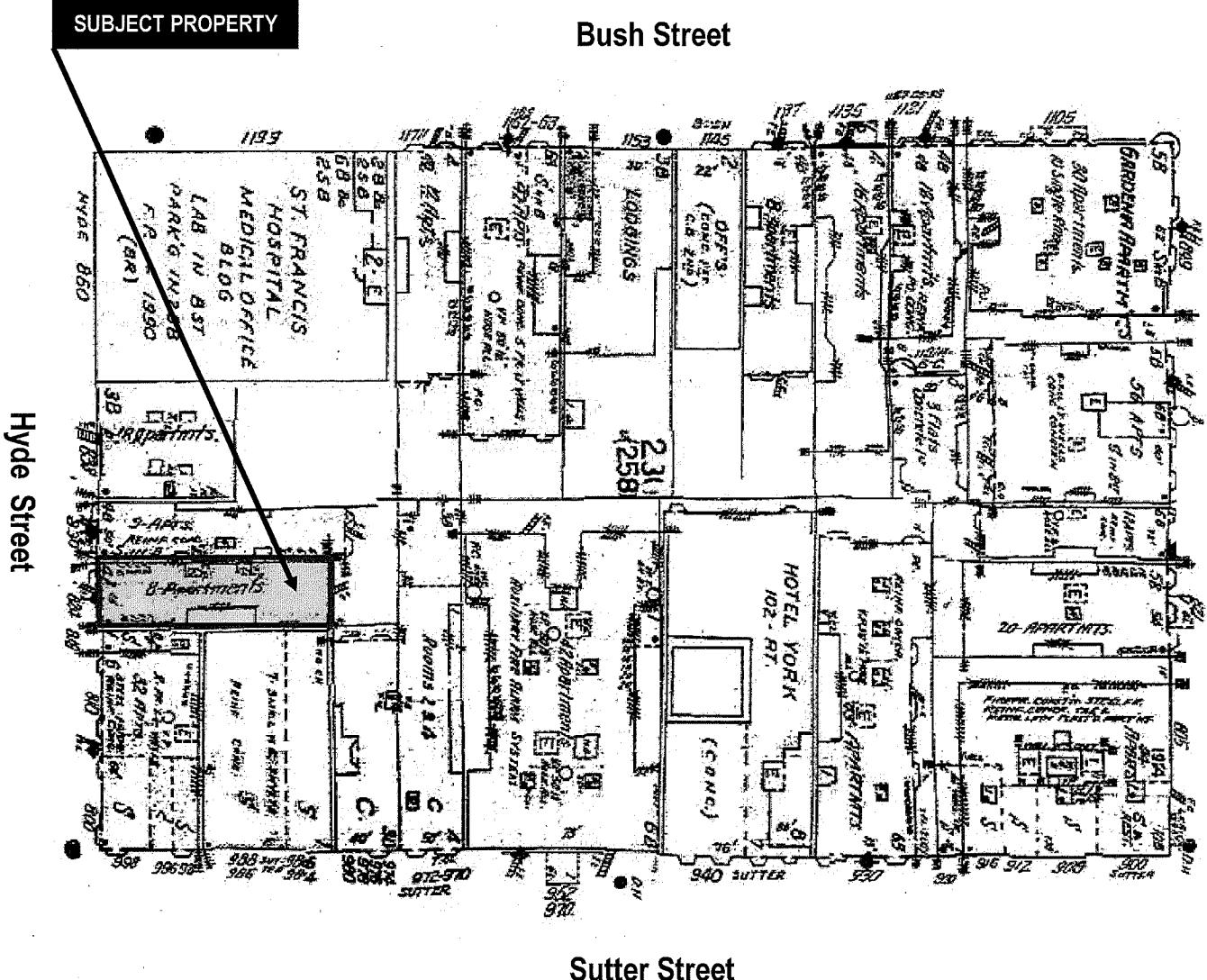
LEAVENWORTH



SUTTER

SUBJECT PROPERTY

Sanborn Map*



*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.



Conditional Use Authorization
Case Number 2016-010544CUA
824 Hyde Street

Zoning Map

SUBJECT PROPERTY



Conditional Use Authorization
Case Number 2016-010544CUA
824 Hyde Street

Aerial Photos



Conditional Use Authorization
Case Number 2016-010544CUA
824 Hyde Street

Site Photo



Street View of 824 Hyde Street.

Conditional Use Authorization
Case Number 2016-010544CUA
824 Hyde Street

Site Photo

SUBJECT PROPERTY



Street View of 824 Hyde Street.

Conditional Use Authorization
Case Number 2016-010544CUA
824 Hyde Street

Site Photo

SUBJECT PROPERTY



Street View of 824 Hyde Street.

Conditional Use Authorization
Case Number 2016-010544CUA
824 Hyde Street

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APPLICATION FOR Conditional Use Authorization

1. Owner/Applicant Information

PROPERTY OWNER'S NAME:

824 Hyde Street Investments, LLC

PROPERTY OWNER'S ADDRESS:

737 E. Francisco Blvd.
San Rafael, CA. 94901

TELEPHONE:

(415) 305-0421

EMAIL:

maheshp11@aol.com

APPLICANT'S NAME:

Same as Above

APPLICANT'S ADDRESS:

TELEPHONE:

()

EMAIL:

CONTACT FOR PROJECT INFORMATION:

Ilene Dick

Same as Above

ADDRESS:

TELEPHONE:

(415) 954-4958

EMAIL:

idick@fbm.com

COMMUNITY LIAISON FOR PROJECT (PLEASE REPORT CHANGES TO THE ZONING ADMINISTRATOR):

Same as Above

ADDRESS:

TELEPHONE:

()

EMAIL:

2. Location and Classification

STREET ADDRESS OF PROJECT:

ZIP CODE:

824 Hyde Street

94109

CROSS STREETS:

Bush and Sutter Streets

ASSESSOR'S BLOCK/LOT:

LOT DIMENSIONS:

LOT AREA (SQ FT):

ZONING DISTRICT:

HEIGHT/BULK DISTRICT:

280

/ 17

25' x 112.5'

2,813

RC-4

80-A

RECEIVED

AUG 03 2016

CITY & COUNTY OF S.F.
PLANNING DEPARTMENT
RECEPTION DESK

3. Project Description

(Please check all that apply)

- Change of Use
- Change of Hours
- New Construction
- Alterations
- Demolition
- Other Please clarify:

ADDITIONS TO BUILDING:

- Rear
- Front
- Height
- Side Yard

PRESENT OR PREVIOUS USE:

Vacant lot- prior residential building fire in 2010

PROPOSED USE:

33-room hotel

BUILDING APPLICATION PERMIT NO.:

DATE FILED:

4. Project Summary Table

If you are not sure of the eventual size of the project, provide the maximum estimates.

	EXISTING USES:	EXISTING USES TO BE RETAINED:	NET NEW CONSTRUCTION AND/OR ADDITION:	PROJECT TOTALS:
PROJECT FEATURES				
Dwelling Units				
Hotel Rooms			33	33
Parking Spaces				
Loading Spaces				
Number of Buildings			1	1
Height of Building(s)			69	69
Number of Stories			6	6
Bicycle Spaces			3	3
GROSS SQUARE FOOTAGE (GSF)				
Residential				
Retail				
Office				
Industrial/PDR <small>Production, Distribution, & Repair</small>				
Parking				
Other (Specify Use)			15,744 hotel	15,744 hotel
TOTAL GSF			15,744	15,744

Please describe any additional project features that are not included in this table:
(Attach a separate sheet if more space is needed)

The project provides usable open space for hotel guests as follows. There is a 375 sf rear yard creating a 15' rear setback at grade accessible only from the basement rooms. There is also a 324 sf sun deck on the roof at the 6th floor accessible by internal stairs and elevator. This creates a setback at the 6th floor level for light to the adjacent property to the south.

5. Action(s) Requested (Include Planning Code Section which authorizes action)

- A. Height exceeding 50' in an RC-4 zone. Section 253. The project will be 69' tall.
- B. Table 209.3 requires conditional use authorization for tourist hotels in RC-4 districts.
- C. Table 209.3 requires conditional use authorization for non-residential uses exceeding 6,000 sf.

Conditional Use Findings

Pursuant to Planning Code Section 303(c), before approving a conditional use authorization, the Planning Commission needs to find that the facts presented are such to establish the findings stated below. In the space below and on separate paper, if necessary, please present facts sufficient to establish each finding.

1. That the proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community; and
2. That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:
 - (a) The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;
 - (b) 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;
 - (c) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;
 - (d) Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs; and
3. That such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the Master Plan.

See attached.

Priority General Plan Policies Findings

Proposition M was adopted by the voters on November 4, 1986. It requires that the City shall find that proposed projects and demolitions are consistent with eight priority policies set forth in Section 101.1 of the City Planning Code. These eight policies are listed below. Please state how the project is consistent or inconsistent with each policy. Each statement should refer to specific circumstances or conditions applicable to the property. Each policy must have a response. IF A GIVEN POLICY DOES NOT APPLY TO YOUR PROJECT, EXPLAIN WHY IT DOES NOT.

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

See attached

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

See attached.

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

See attached.

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

See attached.

5. 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;

See attached.

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

See attached.

7. That landmarks and historic buildings be preserved; and

See attached.

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

See attached.

Estimated Construction Costs

TYPE OF APPLICATION:

CU

OCCUPANCY CLASSIFICATION:

R-2

BUILDING TYPE:

TOTAL GROSS SQUARE FEET OF CONSTRUCTION:

BY PROPOSED USES:

R-2: 15,744 gsf hotel

15,744

ESTIMATED CONSTRUCTION COST:

\$2.4M

ESTIMATE PREPARED BY:

Ilene Dick

FEES ESTABLISHED:

\$19,133

Applicant's Affidavit

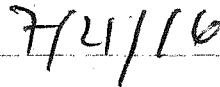
Under penalty of perjury the following declarations are made:

- a: The undersigned is the owner or authorized agent of the owner of this property.
- b: The information presented is true and correct to the best of my knowledge.
- c: The other information or applications may be required.

Signature:



Date:



Print name, and indicate whether owner, or authorized agent:



Owner / Authorized Agent (circle one)

Application Submittal Checklist

Applications listed below submitted to the Planning Department must be accompanied by this checklist and all required materials. The checklist is to be completed and **signed** by the applicant or authorized agent and a department staff person.

APPLICATION MATERIALS	CHECKLIST
Application, with all blanks completed	<input checked="" type="checkbox"/>
300-foot radius map, if applicable	<input type="checkbox"/>
Address labels (original), if applicable	<input type="checkbox"/>
Address labels (copy of the above), if applicable	<input type="checkbox"/>
Site Plan	<input checked="" type="checkbox"/>
Floor Plan	<input checked="" type="checkbox"/>
Elevations	<input checked="" type="checkbox"/>
Section 303 Requirements	<input checked="" type="checkbox"/>
Prop. M Findings	<input checked="" type="checkbox"/>
Historic photographs (if possible), and current photographs	<input checked="" type="checkbox"/>
Check payable to Planning Dept.	<input checked="" type="checkbox"/>
Original Application signed by owner or agent	<input checked="" type="checkbox"/>
Letter of authorization for agent	<input checked="" type="checkbox"/>
Other: Section Plan, Detail drawings (i.e. windows, door entries, trim), Specifications (for cleaning, repair, etc.) and/or Product cut sheets for new elements (i.e. windows, doors)	<input type="checkbox"/>

NOTES:

- Required Material. Write "N/A" if you believe the item is not applicable, (e.g. letter of authorization is not required if application is signed by property owner.)
- Typically would not apply. Nevertheless, in a specific case, staff may require the item.
- Two sets of original labels and one copy of addresses of adjacent property owners and owners of property across street.

After your case is assigned to a planner, you will be contacted and asked to provide an electronic version of this application including associated photos and drawings.

Some applications will require additional materials not listed above. The above checklist does not include material needed for Planning review of a building permit. The "Application Packet" for Building Permit Applications lists those materials.

No application will be accepted by the Department unless the appropriate column on this form is completed. Receipt of this checklist, the accompanying application, and required materials by the Department serves to open a Planning file for the proposed project. After the file is established it will be assigned to a planner. At that time, the planner assigned will review the application to determine whether it is complete or whether additional information is required in order for the Department to make a decision on the proposal.

For Department Use Only

Application received by Planning Department:

By:

Date:

July 12, 2016

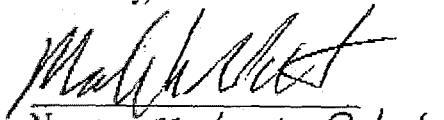
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

RE: 824 Hyde Street (Block 0280/Lot 017)

To Whom It May Concern:

On behalf of Hyde Street Investments, LLC, the owner of the above referenced property, I hereby authorize Ilene Dick, Farella Braun + Martel, LLP, to submit applications to the Planning Department for approval of a proposed 33-room tourist hotel at the above referenced property.

Sincerely,


Name Mahesh Patel

Managing member
Its

32127\5524530.1
7/7/16

**824 HYDE STREET
(BLOCK 0280, LOT 017)
(Mid-block on Hyde Street between Sutter and Bush Streets)**

**FINDINGS IN SUPPORT OF CONDITIONAL USE FOR TOURIST HOTEL
AND FOR A 69' TALL BUILDING IN AN RC-4 ZONING DISTRICT**

Project Description

The proposed Project at 824 Hyde Street will transform a vacant 2,813 sf lot into a 6-story over basement 33 room hotel. The site was rendered vacant as the result of a 2010 fire that destroyed the 4-story, 8-unit residential building. The site is located in the Lower Nob Hill Apartment-Hotel Historic District ("Lower Nob Hill Historic District"). The destroyed building was an historic resource and a contributor to the Lower Nob Hill Historic District.

On March 3, 2016, the Project Sponsors obtained conditional use authorization of a 14-unit residential building exceeding 50'. After assessing the current and future housing market, the project ownership decided to pursue a tourist hotel. Acknowledging that the narrow site would result in minimum residential unit size, they decided to adapt the approved project for 33 tourist hotel rooms averaging 148 sf. A hotel of this density and height is consistent with the prevailing neighborhood development pattern and character. The neighborhood consists of predominantly medium-to-high-density buildings, including numerous 4-8 story apartment buildings with ground floor commercial and small medical offices due to its proximity to St. Francis Memorial Hospital at 900 Hyde Street between Bush and Pine Streets.

The 2,813 sf Project site is zoned RC-4 and is in an 80-A height district. The site has the minimum 25' width on the Bush frontage. The Project proposes a 6-story over basement 33-room tourist hotel. Adjacent buildings are generally built to side lot lines. As a result of the approval of the prior project, the hotel will provide matching lightwells to 830 Hyde Street, the residential building to the north. The project also utilizes many of the design changes made and approved by the Planning Commission for the residential project, with particular emphasis on the materials and differentiation of the front façade, retaining the new building's compatibility with the Lower Nob Hill Historic District. Unlike many small hotels, the proposed Project will provide a 15' rear setback resulting in 375 sf of usable open space accessible only from the basement hotel rooms. Additional usable open space of 399 sf in the form of a sun deck is accessible from the stairs or elevator to the roof of the 6th floor, providing a setback at that level additionally benefiting the building to the north.

Each hotel room will have its own bathroom. The proposed ground floor lobby will serve as another amenity where guests may mingle. Continental breakfast will be served in an area adjacent to the lobby. A recreation room is also available for guests only. No alcoholic beverages are proposed to be sold in the hotel.

The hotel will be 15,744 gsf and will occupy the entire 25' frontage and 75' of the lot depth. No off-street parking or off-street loading is required and none is proposed. The project's is located in a transit-rich neighborhood, which is within walking distance of the 38 Geary, 19-Polk, 27-Folsom, 47-and 49-Van Ness, 1-California, 2-Clement, 3, 27-Bryant, 30-Stockton, and

45-Union bus lines. It is also within walking distance of the Civic Center for the MUNI Metro and BART lines. The Project will provide 3-bicycle parking spaces: The Code-required 1 Class-I space and the 2-Class II bicycle parking spaces will both be provided.

Conditional use authorization is required for 33 tourist hotel rooms in an RC-4 zoning district (Table 209.3). Findings analyzing the potential impacts of and demand for a tourist hotel of this size at this location under Section 303(g) have been prepared by Hausrath Economics Group, and are attached. Section 253 also requires conditional use authorization for a building exceeding 50 feet in height in a RC district. Section 253 requires specific findings to be made in support of the increased height. Additionally, Table 209.3 requires conditional use authorization for non-residential uses that exceed 6,000 sf in an RC-4 zoning district. As a non-residential use, the proposed tourist hotel is subject to this limitation. Since it will result in approximately 13,367 gsf, conditional use authorization is required for the proposed hotel size.

CONDITIONAL USE FINDINGS

Pursuant to Planning Code Section 303(c), before approving a conditional use authorization, the Planning Commission needs to find that the facts presented are such to establish the findings stated below.

1. That the proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community.

The proposed hotel building is located on a site that was made vacant in 2010 when the then-existing 4 story, 8 unit residential building was destroyed by fire. The Project will provide a 6 story over basement, 33 room tourist hotel. Consistent with many of the buildings in the surrounding neighborhood, the Project will continue the height and active ground floor commercial activity prevalent in the neighborhood in the form of the hotel lobby.

The Project is within walking distance of Union Square and numerous MUNI bus stops. It is also down the block from St. Francis Hospital and within walking distance of the new CPMC Van Ness/Geary campus. The presence of these institutional uses combined with the proximity to Union Square will benefit from the new hotel. The Project will provide community benefits in the form of affordable hotel rooms near the hospital and medical facilities for use by family and friends of patients as well as visiting medical professionals. It will also convert an underutilized site into a small and vibrant hotel, within walking distance of public transit, commerce and services. There are numerous 6- to 8-story buildings on the blocks surrounding the Project on Bush, Sutter and Leavenworth. The Project preserves the streetscape and the existing neighborhood character and is compatible with the Lower Nob Hill Historic District.

In addition, a relatively small hotel like this can provide affordable "stay" options compared to larger Union Square hotels. This will attract the demographic that seeks a hotel that is blended into and part of an existing vibrant neighborhood and that offers alternative travel options like numerous transit lines and on-site bicycle parking as primary modes of travel. The proximity to Union Square is an added benefit for those visitors that want to experience the world class shopping of Union Square and then follow up with the cultural, food and beverage offerings in North Beach, Chinatown and SOMA.

2. That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:
 - a. The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures:

The Project site occupies the 75% of the 2,813 square foot rectangular lot to a depth of 87.5'. That setback provides an open space area amenity for hotel guests in the basement

rooms. The Project reduces potential impacts to adjacent neighbors the buildings that face Sutter and Hyde Streets by providing for lightwells and by providing open use on the roof via a sun deck that will only be used during daylight hours.

- b. 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 not required to provide any off-street parking spaces pursuant to Planning Code Section 151 and none are proposed for the Project. The hotel is too small to trigger an off-street loading space under Table 152. The Project is located in such a transit-rich and "walkable" location that there is no need for off-street loading or parking for the hotel use.

The Project site is well served by transit and neighborhood services and is close to downtown and other tourist destinations, such that tourists will not need to be dependent on private automobiles for their City activities. The Project will provide 3-bicycle parking spaces accessible from Hyde Street. The total bike parking satisfies the spaces required by Section 155.2.

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

The Project, which is commercial in nature, will not emit any noxious odors or other offensive emissions. All window glazing will comply with the Planning Code and relevant design guidelines to eliminate or reduce glare. During construction, appropriate measures will be taken to minimize dust and noise as required by the Building Code.

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

All proposed exterior lighting will comply with the requirements of the Planning Code. All of the proposed private open space for the benefits of the hotel's guests will include appropriate landscaping and other amenities. The Project will include lighting at the hotel entrance that focuses on the entrance area and does not create glare for neighbors. Any signage for the hotel would be on Hyde Street and would comply with applicable Planning Code requirements. Garbage and recycling facilities will remain inside the building and be contained within the ground level with a single access point.

- e. That such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the Master Plan:

The Project complies with the Planning Code and furthers the following objectives and policies of the General Plan.

Commerce & 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

--

The Project reuses a vacant lot in an active block in the Tenderloin/Nob Hill neighborhood. The 33 hotel rooms will provide new options for a clientele that is not interested in or unable to afford a Union Square hotel address but provides the experience of living in a rich, vibrant and diverse San Francisco neighborhood. The Project embodies and reflects the existing neighborhood character and prevailing development pattern given its height and density. Because there was a prior approval for the site, the proposed design was vetted by both Environmental Planning staff and the Planning Commission as being compatible with the Lower Nob Hill Apartment-Hotel Historic District.

The Project eliminates a blighted vacant lot that has been in that condition for almost 6 years. The Project will remove the fencing locking the site and provide for an active, vibrant use that will minimize daytime activity since most tourists are away from the hotel during that time and result in limited commercial activity during the evening hours as no bar is provided in the hotel. With only 33 rooms, nighttime activity generated by the hotel will be limited to tourists returning to their rooms after a day of activity or family members returning from visiting loved ones at the nearby hospital facilities.

Objection 6:

Maintain and Strengthen Viable Neighborhood Commercial Area Easily Accessible to City Residents.

Policy 6.3:

Preserve and Promote the Mixed Commercial-Residential Character in Neighborhood Commercial Districts. Strike a Balance Between the Preservation of Existing Affordable Housing and Needed Expansion of Commercial Activity.

--

The Project will not negatively impact any market rate or affordable housing. It maintains the mixed use character of this portion of Hyde Street and the surrounding neighborhood by replacing a blighted and vacant site with 33 tourist hotel rooms. Many of the nearby neighborhood buildings are multiple story residential buildings over ground floor commercial. The Project reflects that pattern and returns activity to a long dormant site in the neighborhood.

Guidelines for Specific Uses: Hotel development should be compatible in scale and design with the overall district character and especially with buildings on the same block.

--

The Project is compatible with the scale and design of the district and especially with buildings on the block. Its design contains key elements in the prior design that were found to be compatible with the Lower Nob Hill Apartment Hotel Historic District by both Planning Department preservation planners and the Planning Commission. The proposed design, scale and massing reflect the key features of the Historic District through use of materials, massing and moderation of the building front.

Policy 6.2: Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society.

--

The Project is an entrepreneurial small business that is addressing the demand for small, affordable tourist hotel rooms that are near transit-rich locations. It is well documented that the City's hotel stock has not kept pace with tourist needs. While much of the hotel sector's focus is on large hotels for conventions and business gatherings, the many smaller, locally owned and operated hotels are favored by tourists, particularly if they are near and/or accessible to restaurants, nightlife and/or City tourist attractions. This site satisfies all of those criteria.

Policy 6.9: Regulate Uses so that Traffic Impacts and Parking Problems are minimized

--

The Project is not required to provide any off-street parking spaces in the RC-4 zone and none will be provided. Similarly, there is no requirement for off-street loading spaces for a tourist hotel of less than 100,000 sf under Table 152. The site is within walking distance of the 1, 2, 19, 38 47, and 49 MUNI lines, traversing Van Ness, Geary and Sacramento. These bus lines include stops and/or connections to the MUNI Metro, BART and F-lines on Market Street and connections to buses to tourist attractions like Chinatown, the Haight, the Bay and the Great Highway. The Van Ness BRT line will soon be operational and will expedite travel by tourists to many City destinations as well as connections with City and regional transit lines.

--

The Project's location in such a "hub" will eliminate the need for tourists to rely on private transportation to get from the hotel to tourist destinations in the City. The 3 bicycles that will be available on-site will also be an alternative to cars. The Polk Street bicycle lanes are near the Project site and will provide a safe option for bicycle rides to Crissy Field and the Marina neighborhood and across the Golden Gate Bridge into Marin County.

POLICY 6.10:

Promote neighborhood commercial revitalization, including community-based and other economic development efforts where feasible.

--

A tourist hotel will add an active and vibrant neighborhood commercial activity. It will also generate more economic multiplier effects than residential uses. Tourists will visit and spend their money in nearby neighborhood commercial districts such as the bars, restaurants and retail shops on nearby Van Ness and Polk Streets, which are not currently regular tourist destinations.

CONDITIONAL USE FINDINGS UNDER SECTION 253 IN SUPPORT OF GRANTING A HEIGHT LIMIT EXCEEDING 50 FEET.

In determining whether to grant conditional use authorization under Section 253, the Commission shall consider the expressed purposes of this Code, of the RC Districts, and of the height and bulk districts, set forth in Sections 101, 209.1, 209.2, 209.3, and 251 hereof, as well as the criteria stated in Section 303(c) of this Code and the objectives, policies and principles of the General Plan, and may permit a height of such building or structure up to but not exceeding the height limit prescribed by the height and bulk district in which the property is located.

The Project is located in an 80-A height district but proposes a height of 69 feet. Under Section 253, a conditional use authorization is required for a height that exceeds 50' in an RC zoning district. The criteria applied to the Commission's decision whether to grant the conditional use authorization for under Section 253 are the purposes of the RC-4 Districts and whether the proposed height limit furthers the General Plan.

Purpose/Intent of RC-4 zoning: RC-4 zoning is the most intense RC district under the Planning Code. It defines the RC-4 zone as

High Density. These Districts provide for a mixture of high-density dwellings similar to those in RM-4 Districts with supporting Commercial uses. Open spaces are required for dwellings in the same manner as in RM-4 Districts, except that rear yards need not be at ground level and front setback areas are not required.

Based on this scope, the RC-4 zone encourages taller buildings which in turn result in higher density uses, whether residential or commercial. Consistent with the prevailing development pattern that exists in the neighborhood surrounding the Project site, many of the buildings-new and old-are 6-8 stories over ground floor retail/commercial. That level of intensity and the inviting ground floor uses is emblematic of the neighborhood. The proposed Project contributes to that development pattern in building a 6-story over basement hotel building on a narrow lot, with a lobby entrance at grade so that the hotel and the sidewalk activity are interrelated.

The Project satisfies the criteria under Section 303(c) as follows:

(1) The proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community.

The height limit is consistent with the prevalent heights in the surrounding neighborhood. The project will replace a vacant and blighted lot resulting from a 6-year old fire with an active, well-designed 33 room tourist hotel. This use is compatible with the neighborhood as it matches the intensity, scale and design of the surrounding buildings, which are similarly tall and dense and are often built above active ground floor commercial or retail uses. The proposed height enables the hotel to achieve the number of tourist rooms proposed and to provide the open space and setbacks to enhance its' guests' enjoyment.

(2) Such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:

(A) The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The lot is the standard 25' wide and 100' deep. The hotel use is ideal at this location as it ideally fits its site and complements its surrounding neighbors which are multi-family buildings and some hotels.

(B) 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 and of proposed alternatives to off-street parking, including provisions of car-share parking spaces, as defined in Section 166 of this Code.

No off-street parking or loading is required for this use at this site and none is provided. The site has easy access to alternative transit options. The required 3 bicycle parking spaces will be provided.

(C) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

All construction will be done in compliance with applicable City and state standards for minimization of noise, dust and odor. The Project will comply with the City's glare requirements.

(D) Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs; and

The rear setback will provide an open area for hotel guests to enjoy the outdoors and there will be a sun deck for outdoor enjoyment on the roof during daylight hours as well.

(3) Such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the General Plan; and

See the Conditional Use Findings for the Tourist Hotel use for Project compliance with the General Plan.

(4) Such use or feature as proposed will provide development that is in conformity with the stated purpose of the applicable Use District; and

The RC-4 is the densest of all four RC zones. This use, at the proposed height and intensity, is consistent with and furthers the purpose of the RC-4 zone.

PRIORITY POLICY FINDINGS

Pursuant to Planning Code Section 101.1(e), the Planning Commission needs to find that the facts presented are such to establish the findings stated below.

Priority Policy 1 That existing neighborhood serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

--
The lot is currently vacant. The proposed hotel is considered a retail use under the Planning Code. While no ground floor, neighborhood serving retail is proposed, the hotel provides opportunities for resident employment in the hotel.

Priority Policy 2 That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods

--
Consistent with the height and density of residential and mixed use buildings near the Project site, the Project will provide 33 hotel rooms in a 6-story over basement building. The prevailing development pattern in the neighborhood includes mid-rise buildings like the Project that house hotels and residential uses with ground floor retail. The neighborhood is close to Union Square and reflects that area's mixture of restaurants, bars, housing and ground floor commercial uses, including hotels. The Project retains the prevailing neighborhood character by providing 6 stories over basement commercial activity.

In addition to providing 33 tourist rooms to meet the demand for small, affordable hotel rooms both in the immediate vicinity and in the City, the Project brings additional life and vitality to the neighborhood by eliminating a lot that has been vacant for 5 years and has resulted in blight and been an attractive nuisance. In addition to the hotel's positive impact on the neighborhood's economic diversity, the tourists staying in the hotel are more likely to spend money in nearby restaurants, bars and retail shops on nearby Van Ness Avenue and Polk Streets, thus strengthening the neighborhood's economic diversity.

Priority Policy 3 That the City's supply of affordable housing be preserved and enhanced.

--
The Project does not affect affordable housing as there is no housing currently on site.

Priority Policy 4 That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking.

--
The Project is not required to provide off-street parking or loading and none is provided. The Project site is in a transit-rich location and the

City's transit-first policy applies equally to tourists. Many of the available MUNI lines-38 Geary, 19-Polk, 47-and 49-Van Ness, 1-California, and 2-Clement, 30-Stockton, and 45-Union bus lines are within walking distance. These bus lines include stops and/or connections to the MUNI Metro, BART and F-lines on Market Street and connections to buses to tourist attractions like Chinatown, the Haight, the Bay and the Great Highway. The Van Ness BRT line will soon be operational and will expedite travel by tourists to many City destinations as well as connections with City and regional transit lines. Tourists do not necessarily travel during peak hours so MUNI service should not be negatively impacted by the Project.

--

The 33 tourist rooms will have a nominal impact on the availability of on-street parking resources. First, not every room's guests will have a rental car. Many tourists come to San Francisco with the desire to see the City by foot or transit. Second, even if tourists staying at the hotel have rental cars, because of the hotel's location, there may be on-street parking on the nearby smaller streets available especially during off-peak hours. Thus, while it is anticipated that some tourists will have rental vehicles which need to be parked on the street, it is also anticipated that some percentage of nearby residents who park on the street will drive their cars to work, leaving on-street parking available to tourists. These rental cars will have a minor impact on on-street neighborhood parking. In addition, there will be 3 bicycle parking spaces available for those tourists that are using bicycles to sightsee in San Francisco.

Priority Policy 5

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

--

The Project site is currently vacant. No industrial or service sector businesses will be displaced. The hotel is a commercial development that will replace a long-vacant and blighted lot with 33 tourist hotel rooms in a well-designed building compatible with the neighborhood and the Lower Nob Hill Historic District. By doing so, the Project provides the opportunity for resident employment at the hotel, and as a result of the increased demand generated by the tourists for neighborhood goods and services, at nearby retail businesses including bars and restaurants.

Priority Policy 6

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

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All construction will be done in compliance with applicable San Francisco Building and Fire Code fire and life safety standards. The new building will be built in compliance with the current Building Code requirements for seismic safety. The building plans will be reviewed by the Department of Building Inspection (DBI). Such review will ensure that the project is

built to protect against injury and loss of life in an earthquake.

Priority Policy 7 That landmarks and historic buildings be preserved.
-- *There are no landmarks or historic buildings on this vacant lot. Therefore, no such buildings will be affected by the Project.*
Priority Policy 8 That our parks and open space and their access to sunlight and vistas be protected from development.
-- *The Project is not located near any parks or open spaces.*

SECTION 303(g) FINDINGS

With respect to applications for development of tourist hotels and motels, the Planning Commission shall consider, in addition to the criteria above, the following criteria:

(1) The impact of the employees of the hotel or motel on the demand in the City for housing, public transit, child-care, and other social services. To the extent relevant, the Commission shall also consider the seasonal and part-time nature of employment in the hotel or motel;
Hotel operations will require 13 employees, broken down between roles and full-time or part-time as follows:

	FT:	PT:
Manager	1	
Desk Clerks	3	2
Housekeeping	3	2
<u>Janitorial</u>	1	1
<u>TOTAL:</u>	8	5

Consistent with this hotel's small business characterization, only 13 employees will be hired for this hotel's operations. Five of those employees will be part-time, spending part of the work week elsewhere. Given this level of employment, impacts on City services for housing, transit, childcare and social services will be nominal. Moreover, the ownership intends to use multiple sources to hire local residents. Since the hotel's employees will already be living and working in San Francisco, there will be no net new impacts on these City services.

(2) The measures that will be taken by the project sponsor to employ residents of San Francisco in order to minimize increased demand for regional transportation; and,
Due to the small number of new employees required for this hotel, the Project sponsor has committed to hiring San Francisco residents whenever

possible. The Project Sponsor will work with the Mayor's Office of Economic and Workforce Development to help with job placement for entry-level positions.

(3) The market demand for a hotel or motel of the type proposed.

Many factors favor a small budget hotel (\$90/night room rate) at this location. Amongst them are the CPMC medical facilities that, once operational, will create heightened demand for this product by patients, their families and visiting medical professionals. The proposed hotel is ideally located to CPMC, being within 6 blocks walking distance of the CPMC facilities. In addition to its proximity to a newly created demand for affordable hotel rooms, the tourist market in San Francisco remains robust.

This location provides direct transit access to numerous MUNI lines that serve tourist destinations in the City such as Chinatown, the Embarcadero/Fisherman's Wharf, and Golden Gate Park. Once the BRT is operational, travel north towards the Golden Gate Bridge and the waterfront will be expedited. Another attraction to this location is that the hotel will provide 6 bicycle spaces. Considering the hostel-like accommodations proposed, it is expected that many guests will be bringing or renting bicycles to get around. The site's is near the proposed Polk Street bike lanes that connect to bike lanes on Market and to the western side of the City. The needs of guests who wish to see the City by bicycle would be met by this location.

Based on the proposed nightly rate of \$90/room in a hotel of fewer than 150 rooms located in the Civic Center/Van Ness area, 2015 market demand for the proposed rooms reflected in occupancy rates is approximately 78%-80%.¹ Given the location, affordability and size of the hotel, is expected that the 30 rooms will be occupied year-round.

¹ See [Exhibit A](#) to Hausrath Economics Group report "Statistics and Trends of Motel-Hotel Business, San Francisco Monthly Trends, May 2015.



MEMORANDUM

Date: February 13, 2017

To: Ilene Dick, Farella Braun + Martel

From: Sally Nielsen

Subject: **San Francisco Planning Code Section 303(g) Report for 824 Hyde Street, Update**

The project sponsor, 824 Hyde Street Investment, LLC., proposes to build a new boutique hotel building on a currently vacant lot at 824 Hyde Street. As part of the Conditional Use Authorization application, San Francisco Planning Code Section 303(g) requires that the Planning Commission consider three criteria: the impact of hotel employees on demand for housing, transit, child care and other social services; measures the project sponsor proposes to employ San Francisco residents; and hotel market demand. This memorandum provides the Section 303(g) assessment for 824 Hyde Street.

Project Characteristics

The proposed project is located on the east side of Hyde Street, mid-block between Bush and Sutter. The 33 tourist hotel rooms will occupy six floors plus the basement of a new building. Each suite will have individual bathrooms, king beds or two double beds and boutique style hotel furnishings. Two basement suites will have private patios, and all guests will have access to a roof top sundeck. The project will provide secure bicycle parking spaces in the basement.

The project, located on the southern slope of Nob Hill, is five blocks west of Union Square and three blocks east of Van Ness Avenue, within the Lower Nob Hill Apartment Hotel National Register Historic District. The project proposes a small number of visitor accommodations in a new building designed to be compatible in scale and texture with nearby structures. The projected room rates range from \$189 - \$379 per night, depending on the season and special event occurrences.

The proposed hotel would generate Hotel Room Tax (transient occupancy tax or TOT) revenue for San Francisco's General Fund and revenue for two hotel-oriented special assessments: the San Francisco Tourism Improvement District and the Moscone Expansion District. Assuming the room rates specified above and average annual occupancy comparable to hotels in this part of the

city, the proposed project at stabilized occupancy would generate in the range of \$400,000 to \$500,000 per year in revenue--\$340,000 - \$420,000 per year in Hotel Tax revenue and \$50,000 to \$70,000 per year to the combined special assessments. (See “Estimate of Hotel Room Tax and Hotel Special Assessment Revenue” in Attachment A.)

Impact of hotel employees on demand for housing and services in San Francisco

The table below summarizes the number of staff positions at the proposed hotel. There will be 8 full-time positions (manager, front desk clerks, housekeeping, and maintenance) and 5 part-time positions (desk clerks, and housekeeping). It is highly likely that the people filling these positions will already live in San Francisco, so there will be no significant increase in demand for housing, transit, child care and other social services. Furthermore, the location is well-served by transit and the secure bicycle parking spaces will help to minimize additional auto trips.

Position	Staff Count	
	Full Time	Part Time
Manager	1	-
Front Desk Clerks	3	3
Housekeeping	3	2
Maintenance	1	-
Total	8	5

Project construction will also generate jobs, including work for existing San Francisco residents. Over the course of a 12 – 18 month construction period, 15 to 20 people will be working on site. Any demands on City services will be minimal and temporary.

Measures to employ residents of San Francisco

The project sponsor plans to fill the job openings by hiring locally. The project sponsor will use the recruitment services offered by community-based agencies such as the Mission Hiring Hall and Chinese for Affirmative Action. This will supplement posting the job openings at HireSF.org, (an initiative of the Office of Economic and Workforce Development), advertising in local newspapers, and on Craigslist. Although the project does not meet the minimum size threshold of 25,000 square feet of commercial development to take advantage of San Francisco’s First Source Hiring Program, the project sponsor will complete a First Source hiring agreement.

Generally, most San Francisco hotel employees live in San Francisco. According to the *Economic Impact of San Francisco Hotels* (2013), 57 percent of the people employed at San Francisco hotels also live in San Francisco, higher than the average of 54 percent for all business sectors in San Francisco. (The 2013 report prepared for the Hotel Council of San Francisco by the Bay Area Council Economic Institute is the most current available at the time of the preparation of this memorandum).

Market demand for visitor lodging

Trends in lodging demand in San Francisco

San Francisco's visitor industry is thriving; the number of visitors to the City is at an all-time high and hotel occupancies are at record levels. San Francisco Travel (the private, not-for-profit organization that markets the city as a leisure, convention, and business destination) reports 24.6 million visitors to San Francisco in 2015 (18.9 million leisure travelers and 5.8 million business travelers). Counts for both visitor categories were up 2.7 percent from the prior year. See "San Francisco Tourism Overview 2015" (San Francisco Center for Economic Development, June 2016), "San Francisco Travel Reports Record-Breaking Year for Tourism" (San Francisco Travel, March 29, 2016), and "S.F. had record-setting year for tourism" (*San Francisco Business Times*, March 29, 2016) in Attachment A.

According to San Francisco Travel, just over 60 percent of all overnight visitors to San Francisco stayed in San Francisco hotels in 2015 (about 6.3 million visitors). Consistent occupancy rates between 80 and 90 percent since 2010 have led to significant increases in average daily room rates (average rental income paid per occupied room in one year). Citywide, the average daily room rate was \$268 in 2015, up almost 20 percent from an average of \$229 in 2013. See "Hotel Occupancy Rate and Other Features 2015" (San Francisco Center for Economic Development, May 2016) in Attachment A.

San Francisco's Mediterranean climate and variety of local and regional destinations means that seasonality is not a big factor in the lodging market. This distinguishes San Francisco from many other visitor destinations. Occupancy rates are generally high year-round with peaks in the months of June through October.

Increased lodging supply responds to growth in demand—near term softening of occupancy rates and room rates

While short-term home rental services such as Airbnb capture an increasing share of the overnight visitor market, for the first time since 2008 significant new hotel development is proposed in downtown San Francisco. The pipeline of more than 20 hotels and 4,000 rooms in projects under development or proposed is a direct response to sustained high occupancy rates and strong demand from tourism, business travel, and conventions. This new construction will be developed and absorbed over a period of years, but will moderate the upward trend of occupancy rates and likely reduce the rate of increase in room rates. See "San Francisco Hotel Development Pipeline, Fourth Quarter 2016" in Attachment A.

Longer-term market prospects strong—lodging supply is diverse

The longer-term outlook for the tourist hotel market in San Francisco is strong. Tourism is one of the key sectors in the City's economy, supported by the strength of other economic activity in the City, growth in international travel ("SFO's international travel is growing faster than any other U.S. airport", *San Francisco Business Times*, March 8, 2016, in Attachment A), and the City's broad appeal to both convention and leisure travelers.

Market prospects for the proposed project

Characteristics of the lodging supply in the vicinity of the proposed project

The 824 Hyde Street location borders two San Francisco subareas used to report lodging data: Union/Nob/Moscone and Civic Center/Van Ness. Recent data for the month of May 2016 indicate occupancy of 90 percent for rooms in the Union/Nob/Moscone subarea (essentially unchanged from the same month in 2015) and average daily room rates of \$290 (five percent higher than the same month in 2015). The Civic Center / Van Ness subarea shows a stronger rising trend on these indicators—occupancy of 88 percent (2.6 percent higher than the same month in 2015) and average daily room rates of \$183 (18 percent higher than the same month in 2015). See “Statistics and Trends of Hotel-Motel Business, San Francisco Monthly Trends, Month of May” (San Francisco Travel and CBRE Hotels, May 2016) in Attachment A.

The many existing tourist lodging properties in the vicinity, representing the full range of lodging types, are evidence of the breadth of the market for additional visitor lodging in Lower Nob Hill. The list of representative nearby lodging includes: the 500-room Holiday Inn Golden Gateway on Van Ness and Pine, Hotel Vertigo (102 rooms) at Sutter and Leavenworth—“luxurious and elegant...boutique hotel showcas[ing] a baroque-modern style”, Hotel Carlton (161 rooms) on Sutter between Hyde and Larkin—boutique hotel with “eclectic décor and laid-back eco-friendly vibe”, the Nob Hill Hotel (55 rooms) across the street at 835 Hyde Street—European boutique hotel from 1906, “fully restored to its original grandeur”, and Motel 6 (72 rooms) at Geary and Larkin. See “Characteristics of Existing Hotels in the Vicinity of 824 Hyde Street” and Map 1 in Attachment A.

Conclusions about market prospects for proposed boutique hotel use at 824 Hyde Street

There are a number of factors that favor tourist hotel use at 824 Hyde Street and the positioning as a boutique hotel is in-step with development trends in this part of the City. See Map 2 824 Hyde Street Nearby Attractions in Attachment A.

- ◆ The site is centrally located in San Francisco near major transportation corridors. The location is well-served by transit heading into Union Square, the Financial District, North Beach, and the Embarcadero.
- ◆ Two and three blocks away on Polk and Van Ness, multiple transit lines and dedicated bike lanes head north to Fisherman’s Wharf, Aquatic Park, Ghirardelli Square, Fort Mason, the Presidio, and the Golden Gate Bridge and south to the Civic Center, South of Market, Hayes Valley, and the Mission.
- ◆ While only six blocks from Union Square proper (shopping, theatre, cable cars), the location in Lower Nob Hill on the edge of the Tenderloin is near some of the trendiest new restaurants, bars, and small boutique in the City and near nationally known and well-established entertainment venues.
- ◆ State and federal government activity in nearby Civic Center provides a year-round source of demand for lodging in the Civic Center/Van Ness Corridor.

- ◆ Development of the 274-bed hospital at Van Ness and Geary represents an important near-future source of year-round demand for nearby lodging. The hospital project is stimulating a boom in real estate investment for housing, office, and hotel use near Van Ness and Geary.
- ◆ While projected room rates in the range of \$189 to \$379 per night are higher than the average for this location, they are consistent with rates at other boutique and small contemporary hotels in the vicinity.
- ◆ As new construction, the project will offer a distinctive product in San Francisco's boutique hotel market, where almost all such lodging is in renovated older buildings.

Attachment A
Supporting Material

Estimate of Hotel Room Tax and Hotel Special Assessment Revenue

San Francisco levies a Hotel Room Tax (“transient occupancy tax”) on hotel room charges. The current tax rate is 14% and applies to gross room revenue.

In addition, there are two special assessment districts that apply to all hotels in San Francisco. The Tourism Improvement District special assessment was established in 2008 to provide stable funding for the San Francisco Travel Association and to fund capital improvements and upgrades of Moscone Center. The assessment applies to all hotels in the city and the rate varies by zone. Zone 1 consists of all hotels on or east of Van Ness Avenue and on or north of 16th Street. Zone 2 is all other hotels in the city. The current assessment for Zone 1 is 1 percent of gross room revenue while the assessment for Zone 2 is 0.75 percent of gross room revenue. The Moscone Expansion District was established in 2013 to fund the expansion of Moscone Center. The district uses the same two zones. The current rate for Zone 1 is 1.25 percent of gross room revenue while the assessment for Zone 2 is 0.3125 percent of gross room revenue.

The proposed project would be subject to the Hotel Room Tax and the Zone 1 special assessments. The table below presents estimates of revenue for these three sources, using a range of potential room rate and occupancy assumptions. The scenarios indicate roughly \$400,000 - \$500,000 in annual revenue to these sources from the proposed project.

Number of rooms	33
Transient Occupancy Tax Rate	14%
SF Tourism Improvement District (Zone 1)	1.0%
Moscone Expansion District (Zone 1)	1.25%

	Higher Scenario	Lower Scenario
Occupancy rate (annual average)	90%	80%
Room Rate (annual average; \$189 - \$379 per night)	\$280	\$250
Annual Average Gross Room Revenue	\$3,035,340	\$2,409,000
Transient Occupancy Tax Revenue, annual	\$424,900	\$337,300
SF Tourism Improvement District Revenue, annual	\$30,400	\$24,100
Moscone Expansion District Revenue, annual	\$37,900	\$30,100
Total Revenue, all sources	\$493,200	\$391,500

Source: Hausrath Economics Groups based on information from the project sponsor and tax rates and special assessment rates from the Controller’s Office, City and County of San Francisco and the San Francisco Office of Economic and Workforce Development.



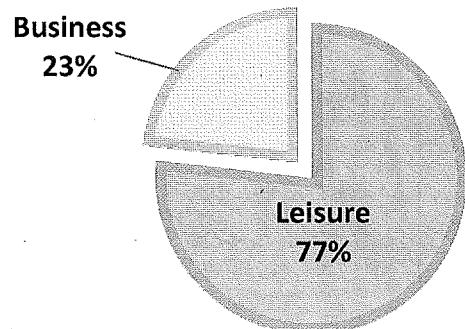
San Francisco Tourism

Overview 2015

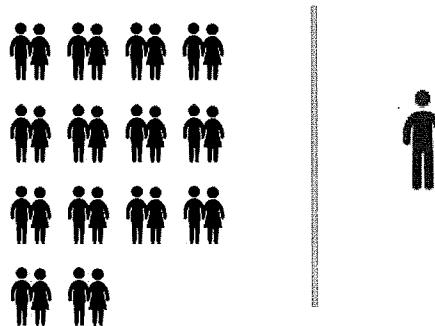
Visitor Volume

Total **24.6 million** visitors come to San Francisco every year

Included 18.9 million leisure visitors, 5.8 million business visitors



Visitors outnumber residents: **28 to 1**



Visitor Spending

Annual



Direct



PER CAPITA BASIS: \$10,951
PER SAN FRANCISCO RESIDENT

3410

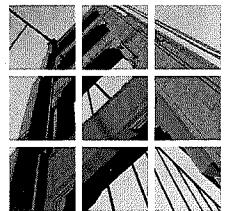
Jobs

The number of jobs supported by Tourism



2.3 Billion
IN
PAYROLL





Laurie Armstrong
Director, Media Relations – US & Canada
415.227.2615
Laurie@sfravel.com

Elisabeth Wieselthaler-Toelly
Director, Media Relations – International
415.227.2603
Elisabeth@sfravel.com

FOR IMMEDIATE RELEASE

San Francisco Travel Reports Record-Breaking Year for Tourism

Total Visitor Volume Tops 24.6 Million; Visitor Spending Exceeds \$9.3 Billion

March 29, 2016 – The San Francisco Travel Association reported today that San Francisco welcomed a total of 24.6 million visitors in 2015, an increase of 2.7 percent from 2014. This included 18.9 leisure visitors (up 2.7 percent from 2014) and 5.8 million business travelers in 2015 (also up 2.7% from 2014).

In 2015, the 24.6 million visitors brought \$9.3 billion in spending to San Francisco. Visitors directly spent \$8.5 billion in the city, up 3.4 percent from the previous year. An additional \$723 million was spent by meeting planners and exhibitors for goods and services for their meetings. For the year, total spending in San Francisco related to meetings and conventions reached \$2 billion.

The number of jobs supported by tourism rose 1 percent to 76,520 jobs in 2015, with an annual payroll of \$2.3 billion.

The tourism industry generated \$738 million in taxes and fees for the City of San Francisco, up 12.8 percent from the previous year. Major contributors to that figure include hotel tax (54.7 percent) and property tax (23.4 percent).

Visitor spending equated to \$25.4 million daily or \$1.1 million per hour.

On a per capita basis, visitors spent \$10,951 per San Franciscan. Visitors generated \$2,025 in taxes per San Francisco household.

Of the 24.6 million people who visited the city last year, 10.183 million were overnight visitors and spent \$7.4 billion dollars. International overnight visitors totaled 2.85 million and spent \$4.65 billion, which represented 63 percent of all overnight spending. Overnight visitors from the United States totaled 7.33 million and spent \$2.76 billion, representing 37 percent of all overnight guest spending. Sixty two percent of all overnight guests stayed in hotels in the San Francisco.



San Francisco Travel has developed a new research model using internal data and curated research in conjunction with Tourism Economics. Several years of lodging data was curated by San Francisco Travel using research from STR (formerly Smith Travel Research) and PKF Consulting. Data for flight volume was provided by OAG (formerly Official Aviation Guide) and San Francisco International Airport. Domestic visitor data was collected by Longwoods. International visitor data by country came from Tourism Economics' Global City Travel database and global visitor surveys by Destination Analysts as well as tax and household data. Group sales statistics were drawn from USI, San Francisco Travel's CRM (customer relationship management) platform.

San Francisco Travel used their new model to revise data going back to 2008 to ensure consistency going forward.

The above data pertains only to visitors to San Francisco. For the first time, San Francisco Travel's research also includes the city of San Francisco and Bay Area regional markets including Marin County, the Peninsula and San Francisco International Airport.

The Port of San Francisco hosted 82 ship calls and 297,504 passengers in 2015. In addition to passengers, each ship has approximately 1,000 crew members. This is a record number of passengers, breaking the previous high mark of 256,410 set in 2014. Based on passenger, crew, and ship expenditures, the overall economic impact to the Bay Area of a cruise ship call in San Francisco is approximately \$1 million.

In 2015, San Francisco Travel booked 44 conventions at Moscone Center, which will fill 1,153,258 hotel room nights between 2015 and 2032. Their attendees and exhibitors will spend an estimated \$1,001,190,532.

"These record-breaking numbers once again prove that tourism is the most important industry in San Francisco. The 24.6 million visitors and \$9.3 billion in spending create jobs and support services for people throughout the city and the entire Bay Area," said Joe D'Alessandro, president and CEO of San Francisco Travel. "We are experiencing sustained growth in all market segments – domestic, international, leisure and business – as a result of our highly professional and sophisticated community of hotels, restaurants, cultural organizations and SFO, one of the finest airports in the world," he added.

The San Francisco Travel Association is a private, not-for-profit organization that markets the city as a leisure, convention and business travel destination. With more than 1,500 partner businesses, San Francisco Travel is one of the largest membership-based tourism promotion agencies in the country.

The San Francisco Travel business offices are located at One Front St., Suite 2900, San Francisco, CA 94111.



SAN FRANCISCO TRAVEL ANNOUNCES RECORD BREAKING ECONOMIC IMPACT FOR 2015

Page 3

San Francisco Travel also operates Visitor Information Centers at Hallidie Plaza, 900 Market Street at the corner of Powell and Market streets and on the lower level of Macy's Union Square. For more information, visit www.sanfrancisco.travel.

San Francisco International Airport (SFO) offers non-stop flights to more than 39 international cities on 33 international carriers. The Bay Area's largest airport connects non-stop with 77 cities in the U.S. on 14 domestic airlines. SFO offers upgraded free Wi-Fi with no advertising. For up-to-the-minute departure and arrival information, airport maps and details on shopping, dining, cultural exhibitions, ground transportation and more, visit www.flaysfo.com. Follow SFO on www.twitter.com/flaysfo and www.facebook.com/flaysfo.

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From the San Francisco Business Times:

<http://www.bizjournals.com/sanfrancisco/blog/2016/03/sf-record-setting-year-for-tourism-new-report.html>

S.F. had record-setting year for tourism, new report shows

► **SUBSCRIBER CONTENT:** Mar 29, 2016, 1:55pm PDT

2015 turned out to be a record-breaking year for tourism in the city, with increases in the numbers of visitors, spending, jobs and tax revenue, according to a new report from the **San Francisco Travel Association** given to the Business Times on Tuesday.

San Francisco welcomed 24.6 million visitors in 2015, a 2.7 percent increase from the previous year. That included 18.9 million visitors who came for leisure, and 5.8 million business travelers.

Visitor spending brought in \$9.3 billion to the city — equating to around \$25.4 million daily or \$1.1 million per hour. Tourism also generated \$738 million in taxes and fees for San Francisco, up 12.8 percent from 2014.

"These record-breaking numbers once again prove that tourism is the most important industry in San Francisco," said Joe D'Allessandro, president and CEO of San Francisco Travel, in a statement. D'Allessandro said that the numbers in the report are the highest numbers ever for tourism in the city.

Jobs supported by the tourism industry also saw a 1 percent increase to 76,520 in 2015, with an annual payroll of \$2.3 billion. The Port of San Francisco reached a record number of 297,504 passengers — breaking the previous high record of 256,410 in 2014.

The first quarter of this year also saw strong tourism numbers, which can be attributed largely to the area hosting Super Bowl 50. Although the game was held at Santa Clara's Levi Stadium, about 40 miles southeast of San Francisco, a significant number of tourists who visited the Bay Area for Superbowl weekend opted to stay in the city, due to a limited number of vacancies around the stadium, according to a survey.



DAVID PAUL MORRIS/BLOOMBERG NEWS

Retail rents in San Francisco's Union Square soared 30 percent over the last year, making it the fastest-rising shopping destination in the world.

"We are experiencing sustained growth in all market segments – domestic, international, leisure and business – as a result of our highly professional and sophisticated community of hotels, restaurants, cultural organizations and SFO, one of the finest airports in the world," D'Allessandro said.

D'Allessandro said a big factor for last year's tourism success was its international visitors; the city's international market share is growing, and international visitors tend to spend more money and stay longer. He told the Business Times there is more international service from San Francisco International Airport, with new flights to and from Asia and Europe.

SFO reached a record breaking 50 million annual passengers in 2015— with a 33 percent growth rate between 2007 and 2014, according to a report from the city. Efforts have been made in recent years to attract growth, such as taking on a 10-year improvement project to renovate terminals, add new amenities, and build a four-star hotel at the airport.

San Francisco's hotel market has seen significant success recently. After the last couple decades of averaging 72 percent hotel occupancy in the city, it reached 85 percent occupancy in 2015 — and experts expect it to increase in 2016.

However, D'Allessandro told the Business Times that there are signs from the global economy that indicate a potential tourism slowdown in the next couple years — but despite that, there are many things San Francisco has to look forward to this year, such as the opening of the SF MOMA.

"We are one of the most successful cities in the United States in terms of overall visitor growth," D'Allessandro told the Business Times.

Jean Lee
Researcher
San Francisco Business Times

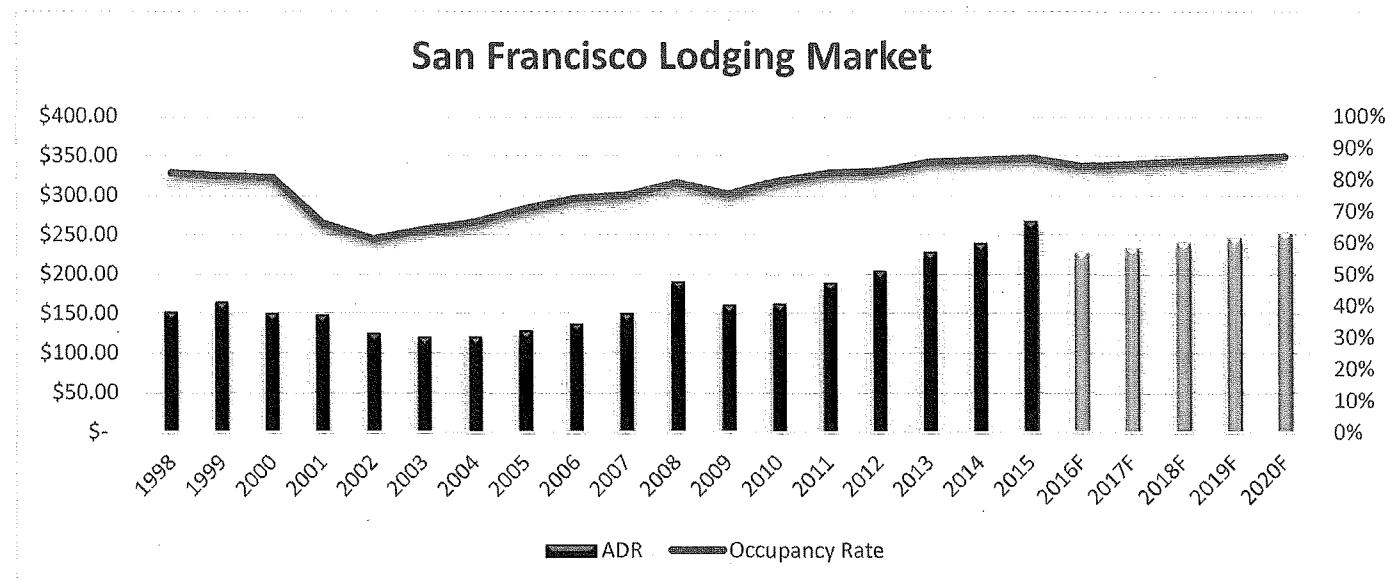




San Francisco Tourism

Hotel Occupancy Rate & Other Features (2015)

All Hotels	2013	2014	2015	% Change 13-15
Occupancy Rate	85.4%	86.3%	86.6%	1.41%
ADR*	\$228.97	\$253.84	\$268.17	17.12%
RevPAR**	\$195.56	\$219.18	\$232.22	18.75%



By Room Rate	Occupancy Rate			ADR			RevPAR					
	2013	2014	2015	VAR 13-15	2013	2014	2015	VAR 13-15	2013	2014	2015	VAR 13-15
Room Rate	2013	2014	2015	VAR 13-15	2013	2014	2015	VAR 13-15	2013	2014	2015	VAR 13-15
Over \$175	82.3%	83.3%	82.9%	0.7%	\$235.04	\$256.91	\$273.52	16.37%	\$194.58	\$213.92	\$226.79	16.55%
\$125-\$175	80.0%	82.4%	83.6%	4.5%	\$148.68	\$162.79	\$177.98	19.71%	\$118.98	\$134.19	\$148.73	25.00%
\$75-\$125	73.0%	75.8%	77.9%	6.7%	\$101.80	\$105.30	\$114.37	12.35%	\$74.30	\$79.80	\$89.08	19.89%
Under \$75	64.4%	65.9%	68.4%	6.2%	\$51.00	\$54.40	\$59.55	16.76%	\$32.82	\$35.86	\$40.72	24.07%

ADR: Average Daily Rate, average rental income per paid occupied room in one year. (Hotel revenue divided by the number of rooms sold.)

*RevPAR: Revenue Per Available Room.

Source: PKF Reports from Hotel Council of SF

San Francisco Hotel Development Pipeline, Fourth Quarter 2016

Project/Address	Number of Rooms	Status	Date of Most Recent Action	Date First Filed
250 4th Street	208	Under Construction	12/30/2016	1/14/2011
1095 Market Street	202	Under Construction	12/1/2016	9/11/2014
144 King Street	160	Under Construction	11/16/2016	6/21/2005
1100 Market Street - improvements to existing hotel	na	Under Construction	2/4/2016	8/29/2012
400 Bay Street	13	Building Permit Issued	12/30/2016	2/12/2016
Mission Bay Block 1	250	Building Permit Issued	10/5/2016	9/22/2015
701 3rd Street	230	Building Permit Issued	11/29/2016	11/24/2014
555 Howard Street	255	Building Permit Filed	12/27/2016	7/20/2015
744 Harrison	50	Building Permit Filed	11/7/2016	6/16/2016
950 - 974 Market Street	232	Building Permit Filed	2/8/2016	8/5/2013
72 Ellis Street	156	Building Permit Filed	8/3/2015	12/2/2009
Oceanwide (Mission Street Tower)	169	Planning Approved	6/30/2016	12/21/2006
Hunters Point Shipyard, Phase II	220	Planning Approved	4/10/2014	8/24/2007
Treasure Island/ Yerba Buena Island Area Plan	500	Planning Approved	3/15/2011	8/9/2007
425 Mason Street	77	Project Application Filed	11/30/2016	9/8/2016
447 Battery Street	144	Project Application Filed	6/23/2016	6/23/2016
996 Mission Street	105	Project Application Filed	6/9/2016	6/9/2016
48 Tehama Street	120	Project Application Filed	5/10/2016	3/13/2015
400 - 416 2nd Street	300	Project Application Filed	4/29/2016	10/31/2012
1196 Columbus Avenue	75	Project Application Filed	10/16/2015	12/17/2014
1025 Howard Street	181	Project Application Filed	4/24/2015	4/24/2015
1053 Market Street	155	Project Application Filed	6/16/2014	3/18/2014
350 Second Street	480	Preliminary Project Assessment	9/15/2016	9/15/2016
	Total Rooms	4,282		

Source: San Francisco Planning Department

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From the San Francisco Business Times:

<http://www.bizjournals.com/sanfrancisco/blog/2016/03/sfo-international-travel-tourism-chinese-visitors.html>

SFO's international travel is growing faster than any other U.S. airport

Mar 8, 2016, 10:26am PST Updated: Mar 8, 2016, 10:40am PST

San Francisco International Airport is setting records this year.

Following recent news that the airport served a record 50 million total passengers in 2015, a new report from the International Trade Administration shows that SFO had the highest rate of international visitors of any American airport in 2015.

SFO had a 9 percent increase in international passengers, putting it above other major gateway airports like Los Angeles' LAX and New York's John F. Kennedy International airport.

The "report on international traffic growth further highlights the success of our efforts, which include improved facilities, a keen eye on cost control, and an unwavering commitment to the guest experience," Airport Director John Martin said in a statement.

Last year, SFO added new airlines and new international flights, including a nonstop flight to Istanbul from Turkish Airlines, a new nonstop service to Guangzhou, China, from China Southern Airline, and the launch of the first nonstop flight from the U.S. West Coast to Delhi, India, from Air India. In the last three years, 13 new airlines have started service to and from SFO. The airport will continue adding airlines and flights in 2016, including a nonstop service to Tel Aviv launching this month, and low-cost flights to Reykjavik, Iceland, on Wow Air.

Tourism overall is San Francisco's largest industry, sustaining roughly 87,000 jobs. International visits to San Francisco increased by 21 percent from 2010 to 2014, according to the **San Francisco Travel Association**. The number of visits is expected to grow another 19 percent from 2015 through 2018.

Leading that growth is the Chinese market. Here's how the numbers break down:



PAOLO VESCA

San Francisco International Airport has the fastest growing rate of international passengers of any airport in the United States.

Chinese visitors to San Francisco spent an \$813 million in 2015.

Visitors from the United Kingdom shell out \$465 million.

Indian visitors spent \$404 million.

Visitors from Germany, Scandinavia, South Korea and Japan also make up large portions of San Francisco's international visitors.

The International Trade Administration report showed that across the country, international traffic included 209.1 million passengers traveling to and from the United States in 2015, an increase of 6 percent over 2014's growth. Traffic between the United States and China increased by 25 percent in 2015.

California tourism bureaus are making a push to educate businesses about Chinese tourism as the number of Chinese visitors to California — and the Bay Area — continues to rise. Visit California, the state's tourism association, and SFTravel have hosted seminars called "China Ready" that are aimed at helping businesses prepare for the growing number of Chinese tourists visiting the state every year.

Those preparations include everything from having staff that speak Mandarin to offering certain foods and amenities to which Chinese visitors are accustomed, Antonette Eckert, the director of international tourism for the Asia-Pacific market at the San Francisco Travel Association, told the Business Times last year.

SFO, for its part, has undergone a 10-year capital improvement plan that includes terminal renovations, new amenities and even a new hotel. It recently snagged a large lease for some high-end restaurant offerings in its international terminal.

Annie Sciacca

Reporter

San Francisco Business Times

STATISTICS AND TRENDS OF HOTEL-MOTEL BUSINESS
SAN FRANCISCO MONTHLY TRENDS
MONTH OF MAY

REPORT OF ROOMS BUSINESS BY LOCATION

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
UNION/NOB/MOSCONE	\$290.31	\$276.63	4.9%	89.9%	89.9%	0.1%	\$261.12	\$248.62	5.0%
FINANCIAL DISTRICT	292.76	268.01	9.2%	93.2%	90.8%	2.6%	272.95	243.44	12.1%
FISHERMAN'S WHARF	243.34	220.38	10.4%	88.8%	87.6%	1.4%	216.12	193.05	12.0%
CIVIC CENTER/VAN NESS	182.96	154.49	18.4%	87.6%	85.3%	2.6%	160.23	131.83	21.5%
OVERALL AVERAGE	<u>\$278.23</u>	<u>\$260.80</u>	<u>6.7%</u>	<u>90.0%</u>	<u>89.4%</u>	<u>0.7%</u>	<u>\$250.37</u>	<u>\$233.16</u>	<u>7.4%</u>

REPORT OF ROOMS BUSINESS BY AVERAGE DAILY RATE

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
OVER \$200.00	\$285.33	\$268.46	6.3%	90.4%	89.7%	0.7%	\$257.81	\$240.94	7.0%
\$150.00 TO \$200.00	\$176.89	\$154.41	14.6%	85.1%	84.9%	0.2%	\$150.49	\$131.08	14.8%
OVERALL AVERAGE	<u>\$278.23</u>	<u>\$260.80</u>	<u>6.7%</u>	<u>90.0%</u>	<u>89.4%</u>	<u>0.7%</u>	<u>\$250.37</u>	<u>\$233.16</u>	<u>7.4%</u>

REPORT OF ROOMS BUSINESS BY SIZE OF PROPERTY

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2016	2015	VAR	2016	2015	VAR	2016	2015	VAR
OVER 400 ROOMS	\$274.37	\$257.84	6.4%	91.0%	92.0%	-1.1%	\$249.68	\$237.19	5.3%
250 TO 400 ROOMS	299.08	279.01	7.2%	89.2%	85.9%	3.8%	266.64	239.58	11.3%
150 TO 250 ROOMS	248.93	208.80	19.2%	85.9%	76.5%	12.2%	213.77	159.75	33.8%
UNDER 150 ROOMS	241.16	221.71	8.8%	84.3%	78.9%	6.9%	203.32	174.84	16.3%
OVERALL AVERAGE	<u>\$278.23</u>	<u>\$260.80</u>	<u>6.7%</u>	<u>90.0%</u>	<u>89.4%</u>	<u>0.7%</u>	<u>\$250.37</u>	<u>\$233.16</u>	<u>7.4%</u>

SOURCE: CBRE HOTELS

From Trends in the Hotel Industry, Northern California, May 2016
Provided by San Francisco Travel

TRENDS® is compiled and produced by CBRE Hotels. Readers are advised that CBRE Hotels does not represent the data contained herein to be definitive. Neither should the contents of this publication be construed as a recommendation of policies or actions. Quotation and reproduction of this material are permitted with credit to CBRE Hotels.

Characteristics of Existing Hotels in the Vicinity of 824 Hyde Street as of February 2017, with focus on small - to mid-sized boutique hotels (see Map 1)

Name	Rooms	Rate range	Address	Description
Small Budget Hotels				
Embassy Hotel	18 rooms	winter low \$92/summer low \$169	610 Polk at Turk	simple budget digs in an art deco building
Layne Hotel	40 rooms	winter low \$62/summer low \$189	545 Jones Street	basic amenities
Mithila Hotel	40 rooms	winter low \$79/summer low \$109	972 Sutter Street	affordable downtown San Francisco hotel
Super 8 San Francisco Union Square	52 rooms	winter low \$191/summer low \$191	415 O'Farrell at Taylor	Contemporary budget hotel
Motel 6	72 rooms	winter low \$129/summer low \$209	895 Geary at Larkin	modern budget lodging with free parking
Beresford Arms	80 rooms	year-round low \$179	701 Post at Jones	spacious rooms and suites in historic building
Herbert Hotel	99 rooms	winter low \$89/summer low \$169	161 Powell at O'Farrell	newly-designed rooms in the heart of Union Square
Small Boutique Hotels (less than 100 rooms)				
Payne Mansion Hotel	10 rooms	winter low \$299/summer low \$319	1409 Sutter at Franklin	refined Victorian hotel (all private baths)
Andrews Hotel	48 rooms	year-round low \$209	624 Post at Shannon	warm-colored rooms
Queen Anne Hotel	48 rooms	winter low \$139/summer low \$219	1590 Sutter at Octavia	elegant lodging in a restored Victorian
Nob Hill Hotel	55 rooms	winter low \$140/summer low \$240	835 Hyde Street	ornate decor and period paintings grace the boutique hotel interior
Hotel Majestic	58 rooms	winter low \$118/summer low \$178	1500 Sutter at Gough	elegant boutique hotel with period décor
Warwick San Francisco	74 rooms	winter low \$260/summer low \$405	490 Geary at Taylor	Victorian décor and modern amenities
Hotel Epik	76 rooms	winter low \$100/summer low \$290	706 Polk at Eddy	brand-new, modern boutique
Hotel Beresford	90 rooms	winter low \$98/summer low \$169	635 Sutter at Mason	traditional British restaurant on-site and offers Victorian-style rooms
Hotel Abri	91 rooms	winter low \$280/summer low \$350	127 Ellis at Cyril Magnin	urban boutique hideaway with modern décor
Adante Hotel	92 rooms	winter low \$169/summer low \$309	610 Geary at Jones	classic cosmopolitan boutique, historic charm
The Alise	93 rooms	winter low \$180/summer low \$300	580 Geary at Jones	stately, classic hotel with bright rooms
Hotel Rex	94 rooms	winter low \$230/summer low \$340	562 Sutter at Mason	boutique hotel inspired by the 1920s and '30s
Cova Hotel	95 rooms	winter low \$119/summer low \$183	655 Ellis at Larkin	modern rooms & suites with free shuttle
Phoenix Hotel	99 rooms	winter low \$269/summer low \$309	601 Eddy Street	mid-century boutique hotel/chic motor lodge; retro style; pool
Mid-Sized Boutique Hotels (100 or more rooms)				
The Monarch Hotel	101 rooms	winter low \$107/summer low \$170	1015 Geary at Polk	no-frills rooms
Hotel Vertigo	102 rooms	winter low \$189/summer low \$220	940 Sutter	contemporary hotel occupying the site made famous in Hitchcock's 'Vertigo'
Hotel Diva	115 rooms	winter low \$199/summer low \$169	440 Geary	sleek property with ultramodern rooms
Hotel Fusion	118 rooms	winter low \$135/summer low \$200	140 Ellis	classic Asian design, modern creative energy
The Buchanan	130 rooms	winter low \$125/summer low \$205	1800 Sutter at Buchanan	hip lodging with anime themed rooms
Hotel Union Square	131 rooms	winter low \$220/summer low \$339	114 Powell	SF's first boutique hotel
Axiom Hotel	152 rooms	winter low \$169/summer low \$329	28 Cyril Magnin	tech-savvy amenities, pet-friendly rooms
Hotel Carlton	161 rooms	winter low \$199/summer low \$235	1075 Sutter at Larkin	laid-back Nob Hill hotel
The Opal	167 rooms	winter low \$104/summer low \$140	1050 Van Ness and Geary	budget lodging in historic 1908 Building
Villa Florence	189 rooms	winter low \$150/summer low \$310	225 Powell	elegant, contemporary Italian design
Hotel Zeppelin	196 rooms	winter low \$270/summer low \$325	545 Post Street	boutique modern
The Marker Hotel	208 rooms	winter low \$159/summer low \$332	501 Geary at Taylor	upscale boutique, spa amenities
Large Middle-Market Hotels				
Holiday Inn San Francisco Golden Gate	499 rooms	winter low at \$199/summer low \$219	1500 Van Ness and Pine	modern hotel with on-site dining and pool

Source: Hausrath Economics Group, based on Google Search, Google Maps, Booking.com, SF Travel, TripAdvisor.com, field work, and the websites of and phone calls to various hotels

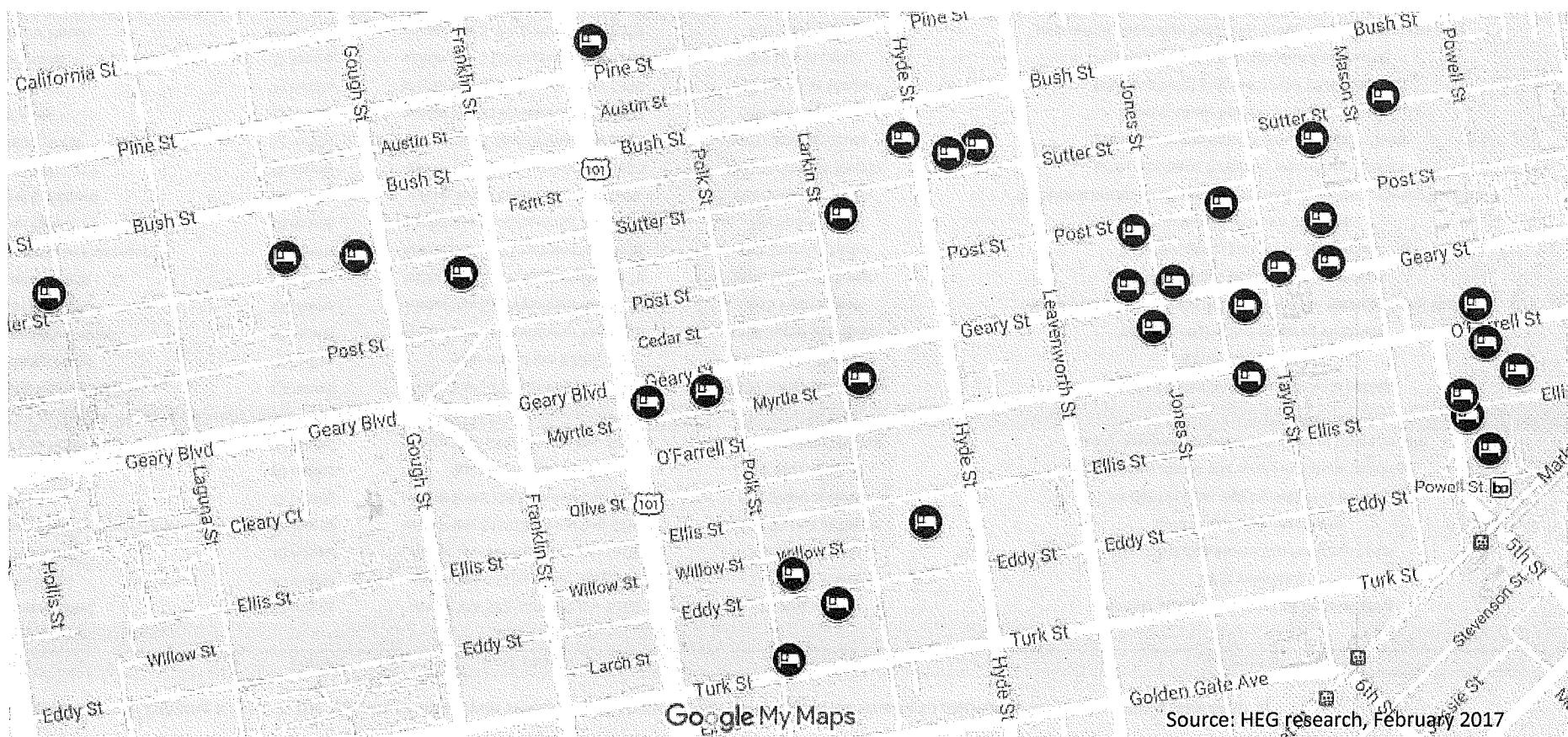
Note: "low" pricing represents generally mid-week availability for the smallest available room, in the months of February (winter) and June-September (summer)

Map 1 - 824 Hyde Street Nearby Hotels

-  Adante Hotel
-  The Alise San Francisco - A Staypineapple Hotel
-  The Andrews Hotel
-  Axiom Hotel San Francisco
-  Beresford Arms Hotel
-  Cova Hotel
-  The Embassy Hotel

-  The Herbert Hotel
-  Holiday Inn San Francisco Golden Gateway
-  Hotel Abri
-  Hotel Beresford
-  Hotel Carlton
-  Hotel Diva
-  HOTEL EPIK
-  Hotel Fusion
-  Hotel Majestic
-  Hotel Rex
-  Hotel Union Square
-  Hotel Vertigo San Francisco
-  Hotel Zeppelin San Francisco
-  Kimpton Buchanan Hotel
-  Layne Hotel
-  The Marker San Francisco
-  Mithila Hotel
-  The Monarch Hotel

-  Motel 6
-  Nob Hill Hotel
-  The Opal San Francisco
-  Payne Mansion
-  Phoenix Hotel
-  Queen Anne Hotel
-  Super 8 San Francisco/Union Square Area
-  Warwick San Francisco
-  Villa Florence Hotel



Map 2 - 824 Hyde Street Nearby Attractions

824 Hyde St	Brenda's French Soul Food
Asian Art Museum	Common Sage
Cable Car Museum	Heart of the City Farmers Market
Tenderloin Museum	Liholiho Yacht Club
826 Valencia Tenderloin Center	Menisho Tokyo SF
Kayo Books	Morty's Delicatessen
PanIQ Escape Room San Francisco	Mymy
Onsen	The Saratoga
Float Matrix	Swan Oyster Depot
Nob Hill Spa at The Scarlet Huntington	Ales Unlimited: Beer Basement
Encore Karaoke Lounge	Nite Cap
Gauntlet Gallery	The Royale
SMAart Gallery & Studio	Edinburgh Castle Pub
Father Alfred E. Boeddeker Park	Huxley
Tenderloin National Forest	Grass Roots
Black Cat	HYDE OUT
Bill Graham Civic Auditorium	Playland Bar
Great American Music Hall	The Wreck Room
SHN Orpheum Theatre	Upcider
	Hemlock Tavern
	Jackalope
	Zeki's Bar
	Hooker's Sweet Treats
	Jane
	Mr. Holmes Bakehouse
	ShakeDown
	milkbean
	Bayfitted
	The Family Room SF
	Fleet Wood
	Handsome Oxford
	Hero Shop
	Polk A Dot
	Grace Cathedral



Source: HEG research, February 2017

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TRANSPORTATION DEMAND MANAGEMENT (TDM) PLAN APPLICATION

Property Owner's Information

Name:	Mahesh Patel		
Address:	737 E. Francisco Blvd. San Rafael CA 94901	Email Address:	maheshp11@aol.com
		Telephone:	415-305-0421

Applicant Information (if applicable)

Name:	Same as above <input checked="" type="checkbox"/>	
Company/Organization:	824 Hyde Street Investments, LLC	
Address:	Email Address:	
	Telephone:	

Please Select Billing Contact: Owner Applicant Other (see below for details)

Name: _____ Email: _____ Phone: _____

Please Select Primary Project/TDM Contact: Owner Applicant Billing Other (see below for details)

Name: Mahesh Patel Email: MaheshP11 AT AOL.COM Phone: 415-305-0421

Property Information

Project Address: 824 Hyde Street Block/Lot(s): 280/17

Project Description:

Please provide a narrative project description that summarizes the project and its purpose. See Attachment

The project is for a 30-room, 6-story boutique hotel on a vacant site on Hyde Street between Sutter and Bush Street. Conditional use authorization is required for this project under Table 209.3 because 1. it is a tourist hotel; 2. it exceeds 6,000 gsf, and under Planning Code Section 253 because the building height exceeds 50' in an RC-4 zoning district.

APPLICANT'S AFFIDAVIT

Under penalty of perjury the following declarations are made:

- a) The undersigned is the owner or authorized agent of the owner of this property.
- b) The information presented is true and correct to the best of my knowledge.
- c) The TDM Program Standards included multiple options to meet the target, and of those options, the owner has selected the TDM measures included in the TDM Plan application.
- d) Other information or applications may be required.



Signature

Mahesh Patel

Name (Printed)

Owner

Relationship to Project
(i.e. Owner, Architect, etc.)

415-305-0421

Phone

Mahesh.P11 AT AOL.COM

Email

TDM PLAN WORKSHEET

Category	Measure	Points	Land Use Category			
			A Retail	B Office	C Residential	D Other
ACTIVE-1	Improve Walking Conditions: Option A; or	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Improve Walking Conditions: Option B	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ACTIVE-2	Bicycle Parking: Option A; or	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Bicycle Parking: Option B; or	2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Bicycle Parking: Option C; or	3	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Bicycle Parking: Option D	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ACTIVE-3	Showers and Lockers	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ACTIVE-4	Bike Share Membership: Location A; or	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Bike Share Membership: Location B	2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ACTIVE-5A	Bicycle Repair Station	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ACTIVE-5B	Bicycle Maintenance Services	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ACTIVE-6	Fleet of Bicycles	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ACTIVE-7	Bicycle Valet Parking	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CSHARE-1	Car-share Parking and Membership: Option A; or	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Car-share Parking and Membership: Option B; or	2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Car-share Parking and Membership: Option C; or	3	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Car-share Parking and Membership: Option D; or	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Car-share Parking and Membership: Option E	5	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DELIVERY-1	Delivery Supportive Amenities	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DELIVERY-2	Provide Delivery Services	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FAMILY-1	Family TDM Amenities: Option A; and/or	1	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Family TDM Amenities: Option B	1	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FAMILY-2	On-site Childcare	2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FAMILY-3	Family TDM Package	2	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOV-1	Contributions or Incentives for Sustainable Transportation: Option A; or	2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Contributions or Incentives for Sustainable Transportation: Option B; or	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Contributions or Incentives for Sustainable Transportation: Option C; or	6	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Contributions or Incentives for Sustainable Transportation: Option D	8	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOV-2	Shuttle Bus Service: Option A; or	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Shuttle Bus Service: Option B	14	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

= applicable to land use category.

NOTE: Please tally the points on the next page.

= applicable to land use category, see fact sheets for further details regarding project size and/or location.

= applicable to land use category only if project includes some parking.

= not applicable to land use category.

= project sponsor can select these measures for land use category D, but will not receive points.

NOTE: A project sponsor can only receive up to 14 points between HOV-2 and HOV-3.

Category	Measure	Points	Land Use Category			
			A Retail	B Office	C Residential	D Other
HOV-3	Vanpool Program: Option A; or	1	☒	☒	☒	○ —
	Vanpool Program: Option B; or	2	☒	☒	☒	○ —
	Vanpool Program: Option C; or	3	☒	☒	☒	○ —
	Vanpool Program: Option D; or	4	☒	☒	☒	○ —
	Vanpool Program: Option E; or	5	☒	☒	☒	○ —
	Vanpool Program: Option F; or	6	☒	☒	☒	○ —
	Vanpool Program: Option G	7	☒	☒	☒	○ —
INFO-1	Multimodal Wayfinding Signage	1	☒	☒	☒	☒
INFO-2	Real Time Transportation Information Displays	1	☒	☒	1	☒
INFO-3	Tailored Transportation Marketing Services: Option A; or	1	☒	☒	☒	○ —
	Tailored Transportation Marketing Services: Option B; or	2	☒	☒	☒	○ —
	Tailored Transportation Marketing Services: Option C; or	3	☒	☒	☒	○ —
	Tailored Transportation Marketing Services: Option D	4	☒	☒	☒	○ —
LU-1	Healthy Food Retail in Underserved Area	2	☒	○	○	○
LU-2	On-site Affordable Housing: Option A; or	1	○	○	☒	○
	On-site Affordable Housing: Option B; or	2	○	○	☒	○
	On-site Affordable Housing: Option C; or	3	○	○	☒	○
	On-site Affordable Housing: Option D	4	○	○	☒	○
PKG-1	Unbundle Parking: Location A; or	1	☒	☒	☒	○ —
	Unbundle Parking: Location B; or	2	☒	☒	☒	○ —
	Unbundle Parking: Location C; or	3	☒	☒	☒	○ —
	Unbundle Parking: Location D; or	4	☒	☒	☒	○ —
	Unbundle Parking: Location E	5	☒	☒	☒	○ —
PKG-2	Parking Pricing	2	☒	☒	○	○ —
PKG-3	Parking Cash Out: Non-residential Tenants	2	☒	☒	○	○ —
PKG-4	Parking Supply: Option A; or	1	☒	☒	☒	☒
	Parking Supply: Option B; or	2	☒	☒	☒	☒
	Parking Supply: Option C; or	3	☒	☒	☒	☒
	Parking Supply: Option D; or	4	☒	☒	☒	○ —
	Parking Supply: Option E; or	5	☒	☒	☒	○ —
	Parking Supply: Option F; or	6	☒	☒	☒	○ —
	Parking Supply: Option G; or	7	☒	☒	☒	○ —
	Parking Supply: Option H; or	8	☒	☒	☒	○ —
	Parking Supply: Option I; or	9	☒	☒	☒	○ —
	Parking Supply: Option J; or	10	☒	☒	☒	○ —
	Parking Supply: Option K	11	☒	☒	11	○ —

☒ = applicable to land use category.

☒ = applicable to land use category, see fact sheets for further details regarding project size and/or location.

☒ = applicable to land use category only if project includes some parking.

○ = not applicable to land use category.

○ = project sponsor can select these measures for land use category D, but will not receive points.

Land Use Category Totals

A Retail	B Office	C Residential	D Other
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Point Subtotal from Page 1:

1

Point Subtotal from Page 2:

12

Totals:

13

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SAN FRANCISCO
PLANNING
DEPARTMENT

AFFIDAVIT FOR FIRST SOURCE HIRING PROGRAM

Administrative Code

Chapter 83

1650 Mission Street, Suite 400 • San Francisco CA 94103-2479 • 415.558.6378 • <http://www.sfplanning.org>

Section 1: Project Information

PROJECT ADDRESS 824 HYDE ST-SF	BLOCK/LOT(S) LOT 017 BLOCK 0280		
BUILDING PERMIT APPLICATION NO.	CASE NO. (IF APPLICABLE)	MOTION NO. (IF APPLICABLE)	
PROJECT SPONSOR 824 HYDE ST INVESTMENTS, LLC	MAIN CONTACT KETAL PATEL	PHONE 415-837-8933	
ADDRESS 737 FRANCISCO BLVD E			
CITY, STATE, ZIP SAN RAFAEL, CA 94901	EMAIL KETAL@ME.COM		
ESTIMATED RESIDENTIAL UNITS	ESTIMATED SQ FT COMMERCIAL SPACE 13,376 SQ FT	ESTIMATED HEIGHT/FLOORS 6 FLOORS	ESTIMATED CONSTRUCTION COST 3,500,000
ANTICIPATED START DATE OCTOBER 2017			

Section 2: First Source Hiring Program Verification

CHECK ALL BOXES APPLICABLE TO THIS PROJECT	
<input type="checkbox"/>	Project is wholly Residential
<input checked="" type="checkbox"/>	Project is wholly Commercial
<input type="checkbox"/>	Project is Mixed Use
<input type="checkbox"/>	A: The project consists of ten (10) or more residential units;
<input type="checkbox"/>	B: The project consists of 25,000 square feet or more gross commercial floor area.
<input checked="" type="checkbox"/>	C: Neither 1A nor 1B apply.

NOTES:

- If you checked C, this project is NOT subject to the First Source Hiring Program. Sign Section 4: Declaration of Sponsor of Project and submit to the Planning Department.
- If you checked A or B, your project IS subject to the First Source Hiring Program. Please complete the reverse of this document, sign, and submit to the Planning Department prior to any Planning Commission hearing. If principally permitted, Planning Department approval of the Site Permit is required for all projects subject to Administrative Code Chapter 83.
- For questions, please contact OEWD's CityBuild program at CityBuild@sfgov.org or (415) 701-4848. For more information about the First Source Hiring Program visit www.workforcedevelopmentsf.org
- If the project is subject to the First Source Hiring Program, you are required to execute a Memorandum of Understanding (MOU) with OEWD's CityBuild program prior to receiving construction permits from Department of Building Inspection.

Continued...

Section 3: First Source Hiring Program – Workforce Projection

Per Section 83.11 of Administrative Code Chapter 83, it is the developer's responsibility to complete the following information to the best of their knowledge.

Provide the estimated number of employees from each construction trade to be used on the project, indicating how many are entry and/or apprentice level as well as the anticipated wage for these positions.

Check the anticipated trade(s) and provide accompanying information (Select all that apply):

TRADE/CRAFT	ANTICIPATED JOURNEYMAN WAGE	# APPRENTICE POSITIONS	# TOTAL POSITIONS	TRADE/CRAFT	ANTICIPATED JOURNEYMAN WAGE	# APPRENTICE POSITIONS	# TOTAL POSITIONS
Abatement Laborer				Laborer			
Boilermaker				Operating Engineer			
Bricklayer				Painter			
Carpenter				Pile Driver			
Cement Mason				Plasterer			
Drywaller/ Latherer				Plumber and Pipefitter			
Electrician				Roofer/Water proofer			
Elevator Constructor				Sheet Metal Worker			
Floor Coverer				Sprinkler Fitter			
Glazier				Taper			
Heat & Frost Insulator				Tile Layer/ Finisher			
Ironworker				Other:			
		TOTAL:				TOTAL:	

YES NO

1. Will the anticipated employee compensation by trade be consistent with area Prevailing Wage?
2. Will the awarded contractor(s) participate in an apprenticeship program approved by the State of California's Department of Industrial Relations?
3. Will hiring and retention goals for apprentices be established?
4. What is the estimated number of local residents to be hired? _____

Section 4: Declaration of Sponsor of Principal Project

PRINT NAME AND TITLE OF AUTHORIZED REPRESENTATIVE	EMAIL	PHONE NUMBER
KETAL PATEL/ PARTNER	KETAL@ME.COM	415.837.8933

I HEREBY DECLARE THAT THE INFORMATION PROVIDED HEREIN IS ACCURATE TO THE BEST OF MY KNOWLEDGE AND THAT I COORDINATED WITH OEWD'S CITYBUILD PROGRAM TO SATISFY THE REQUIREMENTS OF ADMINISTRATIVE CODE CHAPTER 83.

KETAL PATEL

3/29/2017

(SIGNATURE OF AUTHORIZED REPRESENTATIVE)

(DATE)

FOR PLANNING DEPARTMENT STAFF ONLY: PLEASE EMAIL AN ELECTRONIC COPY OF THE COMPLETED AFFIDAVIT FOR FIRST SOURCE HIRING PROGRAM TO OEWD'S CITYBUILD PROGRAM AT CITYBUILD@SFGOV.ORG

Cc: Office of Economic and Workforce Development, CityBuild
 Address: 1 South Van Ness 5th Floor San Francisco, CA 94103 Phone: 415-701-4848
 Website: www.workforcedevelopmentsf.org Email: CityBuild@sfgov.org

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February 17, 2017

Mr. N. Foster
S.F. Planning Dept.
1650 Mission St.
San Francisco, Ca

Dear Mr. Foster,

As per our conversation about the proposed hotel project at 824 Hyde St. I would like to state my objections.

First, there is already a 55 room hotel across the street. Is another one on the same block really needed? I don't believe this is a high traffic area for tourists.

The original project of a residential 15-unit property is much more needed than a "boutique" hotel.

Thanks you for considering my comments.

Joan Cooper



SAN FRANCISCO PLANNING DEPARTMENT

Certificate of Determination Exemption from Environmental Review

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Case No.: 2016-010544ENV
Project Title: 824 Hyde Street
Zoning: RC-4 (Residential-Commercial, High Density) Use District
80-A Height and Bulk District
Block/Lot: 0280/017
Lot Size: 2,812 square feet (0.06 acres)
Project Sponsor: Ilene Dick, Farella Braun + Martel
(415) 954-4958
Staff Contact: Jennifer McKellar – (415) 575-8754
Jennifer.Mckellar@sfgov.org

PROJECT DESCRIPTION:

The project site consists of a vacant 2,812-square-foot (sf) rectangular lot located within the block bounded by Hyde, Bush, Leavenworth and Sutter streets in the Downtown/Civic Center neighborhood and within the Lower Nob Hill Apartment Hotel Historic District. The project site was previously occupied by a four-story, eight-unit residential building, which was destroyed by fire in 2010; the remnants of the damaged structure were removed in accordance with San Francisco Department of Building Inspection (DBI) demolition permit number 201011084503, issued on November 8, 2010.

(Continued on next page)

EXEMPT STATUS:

Categorical Exemption, Class 32 (California Environmental Quality Act [CEQA] Guidelines Section 15332
See pages 2 to 9.

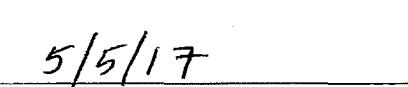
(Continued on next page)

DETERMINATION:

I do hereby certify that the above determination has been made pursuant to State and local requirements.


Lisa M. Gibson

Acting Environmental Review Officer


5/5/17

Date

cc: Ilene Dick, Project Sponsor
Nicholas Foster, Current Planner
Marcelle Boudreaux, Preservation Planner
Supervisor Aaron Peskin, District 3, (via Clerk of the Board)

Distribution List
Historic Preservation Distribution List
Virna Byrd, M.D.F.

PROJECT DESCRIPTION (continued):

The proposed project would construct a new 15,484-sf, 67-foot-tall, six-story-over-basement, 30-room tourist hotel on the sloping lot. Open space would be provided in the form of a rear yard and a sixth-floor sun deck. The project would provide one Class I bicycle parking space in the basement and two Class II bicycle parking spaces on Hyde Street. No off-street parking or off-street loading is proposed. However, the project would seek approval for a 40-foot-long passenger loading zone on Hyde Street in front of the proposed building. The project would require approximately 450 cubic yards of excavation over an area of 2,812 sf to a maximum depth of 10 feet.

Project Approvals

The proposed project would require the following approvals:

- **Conditional Use Authorization** (*Planning Commission*)
- **Site/Building Permit** (*Planning Department and Department of Building Inspection*)

Approval Action: Conditional Use Authorization by the Planning Commission would constitute the Approval Action for the project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

EXEMPT STATUS (continued):

CEQA Guidelines Section 15332, or Class 32, provides an exemption from environmental review for in-fill development projects that meet the following conditions. As discussed below, the proposed project satisfies the terms of the Class 32 exemption.

a) *The project is consistent with applicable general plan designations and policies as well as with applicable zoning designations.*

The *San Francisco General Plan* provides policies and objectives that guide land use decisions in San Francisco, some of which relate to physical environmental topics. The proposed project would not conflict with any applicable General Plan policies and objectives.

The project site is located within an RC-4 (Residential-Commercial, High Density) Zoning District. Pursuant to Planning Code Section 209.3, the proposed hotel use is conditionally permitted in an RC-4 Zoning District. The proposed project is seeking a Conditional Use Authorization from the Planning Commission for the hotel use; therefore, it would be consistent with the RC-4 zoning designation. The project site is also located in an 80-A Height and Bulk District, which limits the height of buildings to a maximum of 80 feet; the height of the proposed building (67 feet) complies with this limit. However, Planning Code Section 253 specifies that construction of a building exceeding 50 feet within an RC district requires Planning Commission approval. Since the proposed project is seeking a Conditional Use Authorization to construct a 67-foot-tall building, it would be consistent with the

requirements of Section 253. For these reasons, the proposed project is consistent with applicable zoning designations.

b) *The development occurs within city limits on a site of less than five acres surrounded by urban uses.*

The approximately 0.06-acre (2,812-square-foot) project site is located within a fully developed area of San Francisco. The surrounding properties include multi-story residential, commercial, office, and institutional (education, healthcare, philanthropic) uses. Therefore, the proposed project would qualify as an in-fill development occurring within city limits on a site of less than five acres surrounded by urban uses.

c) *The project site has no habitat for endangered, rare or threatened species.*

The project site consists of a previously developed vacant lot located within a fully developed urban area of San Francisco. The vacant lot is devoid of any landscaping or groundcover and therefore, provides no habitat for endangered, rare or threatened species.

d) *Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.*

Traffic

On March 3, 2016, in anticipation of the future certification of revised CEQA Guidelines pursuant to Senate Bill 743, the San Francisco Planning Commission adopted the State Office of Planning and Research (OPR) recommendation in the *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA*¹ to use the Vehicle Miles Traveled (VMT) metric instead of automobile delay to evaluate the transportation impacts of projects (Resolution 19579). (Note: the VMT metric does not apply to the analysis of impacts on non-automobile modes of travel such as riding transit, walking, and bicycling.) Accordingly, this categorical exemption does not contain a separate discussion of automobile delay (i.e., traffic) impacts. Instead, a VMT and induced automobile travel impact analysis is provided within.

Vehicle Miles Traveled (VMT)

Many factors affect travel behavior. These factors include density, diversity of land uses, transportation network design, access to regional destinations, distance to high-quality transit, development scale, demographics, and transportation demand management. Typically, low-density development at great distance from other land uses, located in areas with poor access to non-private vehicular modes of travel, generate more automobile travel compared to development located in urban areas, where a higher density, mix of land uses, and travel options other than private vehicles are available.

Given these travel behavior factors, San Francisco has a lower VMT ratio than the nine-county San Francisco Bay Area region. In addition, some areas of the City, expressed geographically through

¹ Governor's Office of Planning and Research, *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA*, January 20, 2016, accessed March 22, 2017 at https://www opr ca gov/docs/Revised_VMT_CEQA_Guidelines_Proposal_January_20_2016 pdf.

transportation analysis zones (TAZs), have lower VMT ratios than other areas of the City. The Planning Department has prepared a Geographic Information System database (the Transportation Information Map) with current and projected 2040 per capita VMT figures for all TAZs in the City, in addition to regional daily average figures.²

A project would have a significant effect on the environment if it would cause substantial additional VMT. The OPR's *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA* recommends screening criteria to identify types, characteristics, or locations of projects that would not result in significant impacts to VMT. If a project meets one of the three screening criteria provided (Map-Based Screening, Small Projects, and Proximity to Transit Stations), then it is presumed that VMT impacts would be less than significant for the project and a detailed VMT analysis is not required. Map-Based-Screening is used to determine if a project site is located within an area that exhibits low levels of VMT, defined as 15 percent or more below the regional average. Small Projects are projects that would generate fewer than 100 vehicle trips per day. The Proximity to Transit Stations criterion includes projects that are within a half mile of an existing major transit stop, have a floor area ratio (FAR) greater than or equal to 0.75, vehicle parking that is less than or equal to that required or allowed by the Planning Code without conditional use authorization, and are consistent with the applicable Sustainable Communities Strategy.

The project site is located within San Francisco Bay Area transportation analysis zone (TAZ) 322. As shown in Table 1, existing and future VMT values for the proposed hotel use are 2.8 and 2.5, respectively.^{3,4} These values are approximately 80 percent below the corresponding existing and future thresholds (the regional average less 15 percent). Therefore, the proposed project meets the Map-Based Screening criterion because the project site is located within an area that exhibits low levels of VMT for the proposed land use. The proposed project also meets the Small Projects and Proximity to Transit Stations screening criteria, which further indicates that the proposed project would not cause substantial additional VMT.⁵

Table 1. Map-Based Screening of Daily Vehicle Miles Traveled Per Capita

Land Use	Bay Area				TAZ 322	
	Existing VMT		Future (2040) VMT		Existing VMT	Future (2040) VMT
	Regional Average	Regional Average minus 15%	Regional Average	Regional Average minus 15%		
Residential	17.2	14.6	16.1	13.7	2.8	2.5

Source: San Francisco Transportation Information Map, accessed March 14, 2017 at <http://sftransportationmap.org>.

Induced Automobile Travel

A project that would substantially induce additional automobile travel by increasing physical roadway capacity in congested areas (i.e., by adding new mixed-flow lanes) or by adding new

² San Francisco Planning Department, *Transportation Information Map*, accessed March 22, 2017, Available online at <http://sftransportationmap.org>.

³ Tourist hotels are treated as residential uses for Vehicle Miles Traveled (VMT) screening and analysis.

⁴ San Francisco Planning Department, *Eligibility Checklist: CEQA Section 21099—Modernization of Transportation Analysis*, 824 Hyde Street, March 23, 2017.

⁵ *Ibid.*

roadways to the network would have a significant effect on the environment. OPR's proposed transportation impact guidelines includes a list of transportation project types that would not likely lead to a substantial or measureable increase in VMT. If a project fits within the general types of projects (including combinations of types), then it is presumed that VMT impacts would be less than significant and a detailed VMT analysis is not required. The proposed project would not increase physical roadway capacity or add new roadways to the network. The proposed project would seek approval for a 40-foot-long passenger loading zone on Hyde Street. However, if approved, the loading zone would be considered a minor transportation project and would not lead to a substantial increase in VMT.⁶ Therefore, the proposed project would not substantially induce automobile travel and associated impacts would be less than significant.

Construction Traffic

Construction of the proposed project would occur over approximately 12-15 months, which would increase automobile travel due to construction workers traveling to and from the site. However, this increase would be temporary, and therefore, any construction-related induced automobile travel impacts associated with the proposed project would be less than significant.

Noise

In a decision issued on December 17, 2015, the California Supreme Court held that CEQA does not generally require an agency to consider the effects of existing environmental conditions on a proposed project's future users or residents except where a project or its residents may exacerbate existing environmental hazards.⁷ Nonetheless, the proposed project would be subject to the California Building Standards Code (Title 24), which establishes uniform noise insulation standards. The Title 24 acoustical requirement for residential structures (including hotels) is incorporated into Section 1207 of the San Francisco Building Code and requires that these structures be designed to prevent the intrusion of exterior noise so that the noise level with windows closed, attributable to exterior sources, shall not exceed 45 A-weighted decibels (dBA),⁸ in any habitable room.

Potential noise impacts associated with the construction and operation of the proposed project are discussed below.

Construction Noise

Construction of the proposed project would occur over approximately 12-15 months. All construction activities for the proposed project would be subject to the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code). The Noise Ordinance requires construction work to be conducted in the following manner: (1) noise levels of construction equipment, other than impact tools, must not exceed 80 dBA at a distance of 100 feet from the source (the equipment generating the noise); (2) impact tools must have intake and exhaust mufflers that are approved by the Director of Public

⁶ *Ibid.*

⁷ *California Building Industry Association v. Bay Area Air Quality Management District*, December 17, 2015, Case No. S213478, available online at: <http://www.courts.ca.gov/opinions/documents/S213478.PDF>.

⁸ A decibel (dB) is a unit of measurement describing the amplitude of sound, equal to 20 times the logarithm to the base 10 of the ratio of the pressure of the sound measured to the reference pressure, which is 20 micropascals. The dBA, or A-weighted decibel, refers to a scale of noise measurement that approximates the range of sensitivity of the human ear to sounds of different frequencies. On this scale, the normal range of human hearing extends from about 0 dBA to about 140 dBA. A 10-dBA increase in the level of a continuous noise represents a perceived doubling of loudness.

Works (PW) or the Director of the Department of Building Inspection (DBI) to best accomplish maximum noise reduction; and (3) if the noise from the construction work would exceed the ambient noise levels at the site property line by 5 dBA, the work must not be conducted between 8:00 PM and 7:00 a.m. unless the Director of PW authorizes a special permit for conducting the work during that period.

DBI is responsible for enforcing the Noise Ordinance for private construction projects during normal business hours (8:00 AM to 5:00 PM). The Police Department is responsible for enforcing the Noise Ordinance during all other hours. Nonetheless, during the 12- to 15-month construction period for the proposed project, occupants of the nearby properties could be disturbed by construction noise. Times may occur when noise could interfere with indoor activities in nearby residences and other businesses near the project site. However, the increase in noise in the project area during project construction would not be considered a significant impact of the proposed project because the construction noise would be temporary, intermittent, and restricted in occurrence and level, as the contractor would be required to comply with the Noise Ordinance, which would reduce construction noise impacts to a less-than-significant level.

Operational Noise

The proposed project would construct a six-story, 30-room tourist hotel in a location where the existing Day-Night Average Sound Level (Ldn)⁹ ranges from approximately 65 Ldn to more than 70 Ldn along the Hyde Street property line to approximately 50 Ldn to 55 Ldn at the rear of the property.¹⁰ Ambient noise levels in the vicinity of the project site are typical of noise levels in neighborhoods in San Francisco, which are dominated by vehicular traffic, including trucks, cars, buses, emergency vehicles, and land use activities, such as commercial businesses and periodic temporary construction-related noise from nearby development, or street maintenance. The traffic volume in the vicinity would need to double in order to produce a 3-decibel increase in ambient noise levels, which would be barely perceptible to the human ear.¹¹ The proposed project would add approximately 28 daily vehicle trips to the local street network.¹² Existing traffic volume at the intersection of Hyde and Bush streets exceeds 45,000 vehicles per day.¹³ Therefore, vehicle trips generated by the proposed project would not result in a perceptible increase in ambient noise levels near the project site.

Noises generated by hotel uses are common and generally accepted in urban areas, including the tourist-oriented vicinity of the project site. The proposed project would include a ground-level rear patio, divided between two rear ground-floor hotel rooms, and a sixth-floor sundeck adjoining a hotel room facing Hyde Street that would produce intermittent operational noise on the project site attributed to the hotel guests occupying the associated hotel rooms. The proposed project would also

⁹ The Day-Night Average Sound Level (Ldn) is the A-weighted equivalent continuous sound exposure level for a 24-hour period with a 10 decibel (dB) adjustment added to the sound levels occurring during nighttime hours (10 PM to 7AM).

¹⁰ San Francisco Planning Department, *EP_ArcMap Traffic Noise Levels Layer*, accessed March 29 2017.

¹¹ United States Department of Transportation, Federal Highway Administration, *Highway Traffic Noise: Analysis and Abatement Guidance*, December 2011, accessed April 3, 2017. Available online at: http://www.fhwa.dot.gov/environment/noise/regulations_and_guidance/analysis_and_abatement_guidance/revguidance.pdf.

¹² San Francisco Planning Department, Transportation Calculations for 824 Hyde Street, March 14, 2017.

¹³ San Francisco Municipal Transportation Agency, *SFMTA Traffic Count Data 1995-2015*, accessed April 3, 2017. Available online at: <https://www.sfmta.com/about-sfmta/reports/sfmta-traffic-count-data-1995-2015>. Traffic data collected at the Hyde Street/ Bush Street intersection.

include new fixed noise sources on the rooftop that would produce operational noise on the project site, such as heating, ventilation, and air conditioning equipment. These sources of operational noise would be subject to Section 2909 (b) and (d) of the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code). Section 2909 (b) regulates noise from mechanical equipment and devices on commercial property; mechanical equipment and devices operating on commercial property must not produce a noise level more than 8 dBA above the ambient noise level at the property boundary. Section 2909 (d) states that no fixed noise source may cause the noise level measured inside any sleeping or living room in a dwelling unit on residential property to exceed 45 dBA between 10 PM and 7 AM or 55 dBA between 7 AM and 10 PM with windows open, except where building ventilation is achieved through mechanical systems that allow windows to remain closed. The proposed project would be subject to and required to comply with the Noise Ordinance.

For these reasons, operational noise impacts associated with the proposed project would be less than significant.

Air Quality

Criteria Air Pollutants

In accordance with the state and federal Clean Air Acts, air pollutant standards are identified for the following six criteria air pollutants: ozone, carbon monoxide (CO), particulate matter (PM), nitrogen dioxide (NO₂), sulfur dioxide (SO₂) and lead. These air pollutants are termed criteria air pollutants because they are regulated by developing specific public health- and welfare-based criteria as the basis for setting permissible levels. The Bay Area Air Quality Management District (BAAQMD), in their *CEQA Air Quality Guidelines* (May 2011), has developed screening criteria to determine if projects would violate an air quality standard, contribute substantially to an air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants within the San Francisco Bay Area Air Basin. If a proposed project meets the screening criteria, then the project would result in less-than-significant criteria air pollutant impacts. A project that exceeds the screening criteria may require a detailed air quality assessment to determine whether criteria air pollutant emissions would exceed significance thresholds. The proposed project, at 30 hotel rooms, would not exceed the criteria air pollutant screening levels for operation (489 rooms) or construction (554 rooms) of a hotel.¹⁴ Further, the proposed project would require excavation of approximately 450 cubic yards of soil, which falls below the threshold (10,000 cubic yards) that would trigger extensive material transport and the generation of potentially significant levels of construction-related criteria air pollutants. Therefore, the proposed project would result in less-than-significant air quality impacts resulting from criteria air pollutant emissions.

Health Risks

In addition to criteria air pollutants, individual projects may emit toxic air contaminants (TACs). TACs collectively refer to a diverse group of air pollutants that are capable of causing chronic (i.e., of long-duration) and acute (i.e., severe but short-term) adverse effects to human health, including carcinogenic effects. In response to growing concerns of TACs and their human health effects, the San Francisco Board of Supervisors approved a series of amendments to the San Francisco Building and Health Codes, generally referred to as the Enhanced Ventilation Required for Urban Infill Sensitive

¹⁴ Bay Area Air Quality Management District, *CEQA Air Quality Guidelines*, Updated May 2011. Table 3-1.

Use Developments or Health Code, Article 38 (Ordinance 224-14, effective December 8, 2014)(Article 38). The purpose of Article 38 is to protect the public health and welfare by establishing an Air Pollutant Exposure Zone and imposing an enhanced ventilation requirement for all urban infill sensitive use development within the Air Pollutant Exposure Zone. Projects within the Air Pollutant Exposure Zone require special consideration to determine whether the project's activities would expose sensitive receptors to substantial air pollutant concentrations or add emissions to areas already adversely affected by poor air quality.

The proposed project is not within an Air Pollutant Exposure Zone. Therefore, the proposed project would not result in a significant impact with respect to siting new sensitive receptors in areas with substantial levels of air pollution. The proposed project would require construction activities for the approximate 12- to 15-month construction phase. However, construction emissions would be temporary and variable in nature and would not be expected to expose sensitive receptors to substantial air pollutants. Furthermore, the proposed project would be subject to, and comply with, California regulations limiting idling to no more than five minutes,¹⁵ which would further reduce nearby sensitive receptors' exposure to temporary and variable TAC emissions. Therefore, construction period TAC emissions would not result in a significant impact with respect to exposing sensitive receptors to substantial levels of air pollution.

Water Quality

The project site consists of a vacant lot primarily covered with porous surfaces. While the proposed project would increase the impervious surface area on the project site, the proportion of impervious to porous surface cover would be similar to that found on adjacent and nearby lots and to the four-story, eight-unit residential building that previously occupied the project site. Project-related wastewater and stormwater would flow into the City's combined sewer system and would be treated to standards contained in the City's National Pollutant Discharge Elimination System (NPDES) Permit prior to discharge. Project construction activities must comply with the Construction Site Runoff Ordinance, which would reduce the discharge of pollution to the local storm drain system. In accordance with this requirement, the project sponsor or its construction contractor is required to prepare an Erosion and Sediment Control Plan (ESCP) that would be reviewed, approved, and enforced by the San Francisco Public Utilities Commission. The ESCP would specify construction best management practices and erosion and sedimentation control measures to prevent sediment from entering the City's combined stormwater/sewer system during project construction. Therefore, the proposed project would not result in significant water quality impacts.

e) *The site can be adequately served by all required utilities and public services.*

The project site is located within a dense urban area of San Francisco where all public services and utilities are available. The proposed project would be connected to the City's water, electricity and wastewater services. Prior to receiving a building permit, the project would be reviewed by the City to ensure compliance with City and State fire and building code regulations concerning building standards and fire protection. Previously, the project site was occupied by a 7,904-square-foot, four-story, eight-unit residential building; the maximum use intensity of the previous development and

¹⁵ California Code of Regulations, Title 13, Division 3, § 2485 (on-road) and § 2449(d)(2) (off-road).

the proposed project are 40 occupants and 79 occupants, respectively.¹⁶ Although the proposed project would nearly double the project site's intensity of use, this increase would not necessitate any expansion of public utilities or public service facilities.

DISCUSSION OF ENVIRONMENTAL ISSUES:

CEQA Guidelines Section 15300.2 establishes exceptions to the application of a categorical exemption for a project. None of the established exceptions applies to the proposed project.

Guidelines Section 15300.2, subdivision (b), provides that a categorical exemption shall not be used where the cumulative impact of successive projects of the same type in the same place, over time, is significant. As discussed below under "Cumulative Impacts," there is no possibility of a significant cumulative effect on the environment due to the proposed project.

Guidelines Section 15300.2, subdivision (c), provides that a categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. As discussed above, the proposed project would not have a significant effect on traffic, noise, air quality and water quality. In addition, the proposed project would not have a significant effect on the environment due to unusual circumstances for other environmental topics, including those discussed below.

CEQA Guidelines Section 15300.2, subdivision (e), provides that a categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. Although the project site is one of the sites included on such a list, for the reasons discussed below under "Hazardous Materials," there is no possibility that the proposed project would have a significant effect on the environment related to this circumstance.

CEQA Guidelines Section 15300.2, subdivision (f), provides that a categorical exemption shall not be used for a project that may cause a substantial adverse change in the significance of a historical resource. For the reasons discussed below under "Historic Architectural Resources," there is no possibility that the proposed project would have a significant effect on a historic resource.

Hazardous Materials

The proposed project would disturb more than 50 cubic yards of soil on a site located within approximately 100 feet of a former Leaking Underground Fuel Tank (LUFT) Cleanup site (952 Sutter Street). Therefore, the project is subject to Article 22A of the Health Code, also known as the Maher Ordinance, which is administered and overseen by the Department of Public Health (DPH). The Maher Ordinance requires the project sponsor to retain the services of a qualified professional to prepare a Phase I Environmental Site Assessment (ESA) that meets the requirements of Health Code Section 22.A.6. The Phase I ESA would determine the potential for site contamination and level of exposure risk associated with the project. Based on that information, the project sponsor may be required to conduct soil and/or groundwater sampling and analysis. Where such analysis reveals the presence of hazardous substances

¹⁶ Intensity of use was calculated by dividing the gross square footage (gsf) of the previous building or proposed building by the maximum occupant load (200 gsf/occupant in both cases) for each use. Occupancy loads determined from "Table 1004.1.2: Maximum Floor Area Allowances Per Occupant" of the 2016 *California Building Code*, accessed March 20, 2017. Available online at: <http://codes.iccsafe.org/app/book/content/2016CaliforniaCodes/BuildingVolume1/Chapter10MeansofEgress.pdf>.

in excess of state or federal standards, the project sponsor is required to submit a site mitigation plan (SMP) to DPH or other appropriate state or federal agencies, and to remediate any site contamination in accordance with an approved SMP prior to issuance of any building permit.

The project sponsor submitted a Maher Application^{17,18} to DPH with the following supporting documentation: Phase I ESA,¹⁹ geotechnical investigation with supplemental recommendations,^{20,21} Phase II Environmental Site Assessment (Workplan)²² and a site specific health and safety plan.²³ DPH reviewed the application and supporting materials and issued a response letter, which approved the project's proposed Phase II ESA (Workplan) and accepted the submitted geotechnical report and proposed site-specific health and safety plan.²⁴ In the response letter, DPH also requested that the project sponsor confirm the depth and volume of proposed soil excavation/disturbance, provide a complete description of the commercial property in the form of an executive summary, and submit a Phase 2 Site Characterization Report in accordance with Health Code Sections 22.A.7 and 22.A.8 and the details included in the letter.

The project sponsor would be required to comply with all Department of Public Health's requirements and to remediate any potential soil and/or groundwater contamination in accordance with Article 22A of the Health Code. Therefore, the proposed project would not result in a significant hazard to the public or the environment through the release of hazardous materials.

Historic Architectural Resources

The project site consists of a 2,812-square-foot vacant lot located within the Lower Nob Hill Apartment Hotel Historic District. The project site was previously occupied by an eight-unit residential building that was designated a District-contributing historic resource in 1991. However, the building was destroyed by fire in 2010 and the vacant lot is now considered a non-contributing property within the District.

Since the project site is located in the Lower Nob Hill Apartment Hotel Historic District, any proposed construction on the subject property must be assessed for its potential to result in a substantial adverse change to the significance of the District. Therefore, the proposal to construct a new commercial building on the project site is subject to the Planning Department's Historic Preservation Review. Planning staff reviewed the proposed project against the criteria set forth by the Secretary of Interior's Standards for the Treatment of Historic Properties using existing Planning Department records and research materials,

¹⁷ Patel, Ketal (Project Proponent), *Maher Ordinance Application: 824 Hyde Street*, submitted January 25, 2017.

¹⁸ Tabora, Czarina (DPH), Email correspondence with Peter Littman, Environmental Investigation Services, Inc.: RE: Receipt of Maher application for 824 Hyde Street, San Francisco, February 2, 2017.

¹⁹ Romig Engineers, Inc., *Phase I Preliminary Environmental Site Assessment*, 824 Hyde Street, San Francisco, California, April 2013.

²⁰ Romig Engineers, Inc., *Geotechnical Investigation for Conley Apartment Building*, 824 Hyde Street, San Francisco, California 94109, January 2013.

²¹ Romig Engineers, Inc., *Supplemental Recommendations*, Hyde St. Hotel Project, 824 Hyde Street, San Francisco, California, September 1, 2016.

²² Environmental Investigation Services, *EIS Project # 1704-2 Phase II Environmental Site Assessment for Maher Study for 824 Hyde Street, San Francisco, California* (APN 028-0017), January 25, 2017.

²³ Environmental Investigation Services, *Site Specific Health and Safety Plan*, 824 Hyde Street, San Francisco, California, EIS Project # 1704-2, January 25, 2017.

²⁴ Weden, Martita Lee M. and Mamdouh A. Awwad, *Phase 2 Subsurface Investigation Workplan Approval*, Commercial Development, 824 Hyde Street, San Francisco, CA 94109, EHB-SAM No.-SMED: 1521, March 2, 2017.

including a Historic Resource Evaluation (HRE)²⁵ and Historic Resource Evaluation Response (HRER)²⁶ previously completed for the subject property, and subsequently prepared a determination in a Preservation Team Review (PTR) Form.²⁷

The PTR concludes that the proposed project is sufficiently differentiated from the contributors to the District, but incorporates character-defining features of and appears to be compatible with the Lower Nob Hill National Register Historic District. It also determines that the replacement structure is in conformance with the Secretary of the Interior's Standards, including Use, Visibility and Spatial Relationship, Scale and Massing, and Materials, Ornament and Style, and therefore, would not materially impair the significance of the Historic District. Thus, the proposed project would not result in a significant impact to historic architectural resources.

Geology and Soils

The proposed project would construct a new building and excavate in excess of 50 cubic yards of soil on a lot with an average slope of 20 percent or greater.²⁸ Therefore, a geotechnical investigation of the project site was required. Since the project site had been recently evaluated for a previous project²⁹, the project sponsor submitted the associated geotechnical site investigation report³⁰ along with supplemental recommendations³¹ prepared by the original geotechnical consultant that revised the report to address the scope of the currently proposed project.

The geotechnical site investigation included a subsurface investigation, examination of surface soils, a review of pertinent geologic and geotechnical data and literature, laboratory testing of boring samples, and geotechnical analysis of all findings. The subsurface investigation consisted of two exploratory borings to depths of 16.2 and 18.3 feet. These borings generally encountered about eight to 18 feet of stiff to hard sandy lean clay of low to moderate plasticity underlain by severely weathered shale bedrock to the maximum depths explored (16.2 and 18.3 feet). Testing of a sample of surface soil obtained during the exploration revealed a Liquid Limit of 26 and a Plasticity Index of 13, indicating that the surface soils at the site have low plasticity and a relatively low potential for expansion.

The investigation also found no indication that the project site would be subject to a greater degree of geologic hazards than typically found in the San Francisco Bay Area. The subject property is not located in a Liquefaction Hazard Zone, nor is it located in an Earthquake Fault Zone. Surface soils, as previously discussed, range from stiff to hard, and bedrock was observed at relatively shallow, though varying, depths. Therefore, the potential risk of fault ruptures, liquefaction, and differential compaction is low.

²⁵ Knapp Architects, *Historic Resources Evaluation, Final*, 824 Hyde Street, San Francisco, CA, February 5, 2015.

²⁶ Hilyard, Gretchen, *Historic Resource Evaluation Response: Part II Analysis*, 824 Hyde Street, San Francisco, California, March 18, 2015.

²⁷ Boudreaux, Marcelle, *Preservation Team Review Form*, 824 Hyde Street, San Francisco, California, April 7, 2017.

²⁸ San Francisco Planning Department, *EP_ArcMap CEQA Catex Determination Layers: Topography*, accessed April 4, 2017.

²⁹ The previously proposed project consisted of a 12,430-square-foot, 55-foot-tall, five-story-over-basement, 15-unit residential building.

³⁰ Romig Engineers, Inc., *Geotechnical Investigation for Conley Apartment Building*, 824 Hyde Street, San Francisco, California 94109, January 2013.

³¹ Romig Engineers, Inc., *Supplemental Recommendations*, Hyde St. Hotel Project, 824 Hyde Street, San Francisco, California, September 1, 2016.

The geotechnical site investigation report concluded that the project site is suitable for construction of a 12,430-square-foot, 55-foot-tall, five-story-over-basement, 15-unit residential building (the previously proposed project) and made the following recommendations: (1) bedrock depth estimates must be used to inform engineering and design planning; (2) the proposed building should be constructed on a drilled pier and grade beam foundation system, with piers that extend 12 feet below the bottom of the grade beam or a minimum of five feet into weathered bedrock, whichever is deeper; (3) retaining walls installed on the eastern end of the property should be supported by continuous spread footing foundations that extend at least 18 inches below the lowest adjacent finished grade; (4) retaining walls for the basement level should be supported by drilled piers; (5) the basement slab should be at least six inches thick and installed with a subsurface drainage system; and (6) finished slopes should have maximum inclinations of 50 percent. The report also included additional specifications for site preparation and grading, foundation and slab-on-grade engineering and installation, drainage, and sloping.

The supplemental recommendations to the geotechnical site investigation report confirmed that the conclusions and recommendations presented in the original report may be applied to the currently proposed project with the following modifications: (1) due to the increased building loads, the drilled piers for the hotel building should increase embedment into weathered bedrock to at least 8 feet; (2) since approximately 18 to 20 feet of native soil is expected above the bedrock and below the basement excavation at the west side of the property, the piers constructed on the west side of the proposed hotel building may need to extend to a depth of about 28 feet below basement excavation, in order to extend at least 8 feet into weathered bedrock; (3) if different conditions than anticipated are exposed during construction, the recommendations for the project must be modified accordingly; (4) due to the close proximity of the adjacent buildings, temporary shoring and/or underpinning will likely be required during the proposed construction.

The proposed project would also be required to conform to the San Francisco Building Code, which ensures the safety of all new construction in the City. Decisions about appropriate foundation and structural design are considered as part of the Department of Building Inspection (DBI) permit review process. DBI would review background information including geotechnical and structural engineering reports to ensure that the security and stability of adjoining properties and the subject property is maintained during and following construction. Therefore, potential damage to structures from geologic hazards on the project site would be addressed through the DBI requirement for a geotechnical report and review of the building permit application pursuant to its implementation of the Building Code.

In light of the above, the proposed project would not result in a significant effect related to seismic and geologic hazards.

Cumulative Impacts

The proposed project would construct a new 15,484-sf, 67-foot-tall, six-story-over-basement, 30-room tourist hotel at 824 Hyde Street. Planning staff analyzed all active Planning applications within one quarter-mile mile of the proposed project site and determined that there are no new hotel developments

proposed within the project site vicinity.³² Therefore, the proposed project would not result in a significant effect related to cumulative impacts.

Public Notice and Comment. On February 15, 2017, the Planning Department mailed a "Notification of Project Receiving Environmental Review" to community organizations, tenants of the affected property and properties adjacent to the project site, and those persons who own property within 300 feet of the project site. The Planning Department received one comment and three requests for documents associated with the environmental case file from the public in response to the notice. The respondent's comments pertained to the impacts the proposed project would have on traffic congestion and parking shortages in the neighborhood. These concerns were taken into consideration during the review and incorporated into this Certificate of Determination, as appropriate for CEQA analysis.

Comments that do not pertain to physical environmental issues and comments on the merits of the proposed project will be considered in the context of project approval or disapproval, independent of the environmental review process. While local concerns or other planning considerations may be grounds for modifying or denying the proposed project, in the independent judgment of the Planning Department, there is no substantial evidence of unusual circumstances surrounding the proposed project or that the project would have a significant effect on the environment.

Conclusion. The proposed project satisfies the criteria for exemption under the above-cited classification(s). In addition, none of the CEQA Guidelines Section 15300.2 exceptions to the use of a categorical exemption applies to the proposed project. For the above reasons, the proposed project is appropriately exempt from environmental review.

³² San Francisco Planning Department, 824 Hyde Street_Active Planning Applications_Quarter-Mile Radius.xlsx, May 1, 2017.



SAN FRANCISCO
PLANNING DEPARTMENT

PRESERVATION TEAM REVIEW FORM

Preservation Team Meeting Date:	Date of Form Completion:	4/5/2017
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1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PROJECT INFORMATION		
Planner:	Address:	
Marcelle Boudreaux	824 Hyde Street	
Block/Lot:	Cross Streets:	
0280/017	Sutter Street	
CEQA Category:	Art 10/11	BPA/Case No.:
A - Contributor	N/A	2016-010544ENV

PURPOSE OF REVIEW:		PROJECT DESCRIPTION:	
<input checked="" type="radio"/> CEQA	<input type="radio"/> Article 10/11	<input type="radio"/> Preliminary/PIC	<input type="radio"/> Alteration <input checked="" type="radio"/> Demo/New Construction

DATE OF PLANS UNDER REVIEW:	
	03/17/17

PROJECT ISSUES:	
<input type="checkbox"/>	Is the subject Property an eligible historic resource?
<input checked="" type="checkbox"/>	If so, are the proposed changes a significant impact?
	Additional Notes:
	Submitted: Plans submitted by HRGA Architecture, dated 03/17/2017
	Proposed Project: (N) 6-story hotel on a vacant lot

PRESERVATION TEAM REVIEW:			
Category:		<input checked="" type="radio"/> A	<input type="radio"/> B
	Individual	Historic District/Context	
Property is individually eligible for inclusion in a California Register under one or more of the following Criteria:		Property is in an eligible California Register Historic District/Context under one or more of the following Criteria:	
Criterion 1 - Event:	<input type="radio"/> Yes <input checked="" type="radio"/> No	Criterion 1 - Event:	<input checked="" type="radio"/> Yes <input type="radio"/> No
Criterion 2 - Persons:	<input type="radio"/> Yes <input checked="" type="radio"/> No	Criterion 2 - Persons:	<input checked="" type="radio"/> Yes <input type="radio"/> No
Criterion 3 - Architecture:	<input type="radio"/> Yes <input checked="" type="radio"/> No	Criterion 3 - Architecture:	<input checked="" type="radio"/> Yes <input type="radio"/> No
Criterion 4 - Info. Potential:	<input type="radio"/> Yes <input checked="" type="radio"/> No	Criterion 4 - Info. Potential:	<input type="radio"/> Yes <input checked="" type="radio"/> No
Period of Significance:	<input type="text"/>	Period of Significance:	<input type="text"/> 1904-1936
		<input type="radio"/> Contributor	<input checked="" type="radio"/> Non-Contributor

Complies with the Secretary's Standards/Art 10/Art 11	<input checked="" type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
GEOA Material Impairment to the individual historic resource	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
GEOA Material Impairment to the historic district	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Requires Design Revisions	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Defer to Residential Design Team	<input type="radio"/> Yes	<input checked="" type="radio"/> No	

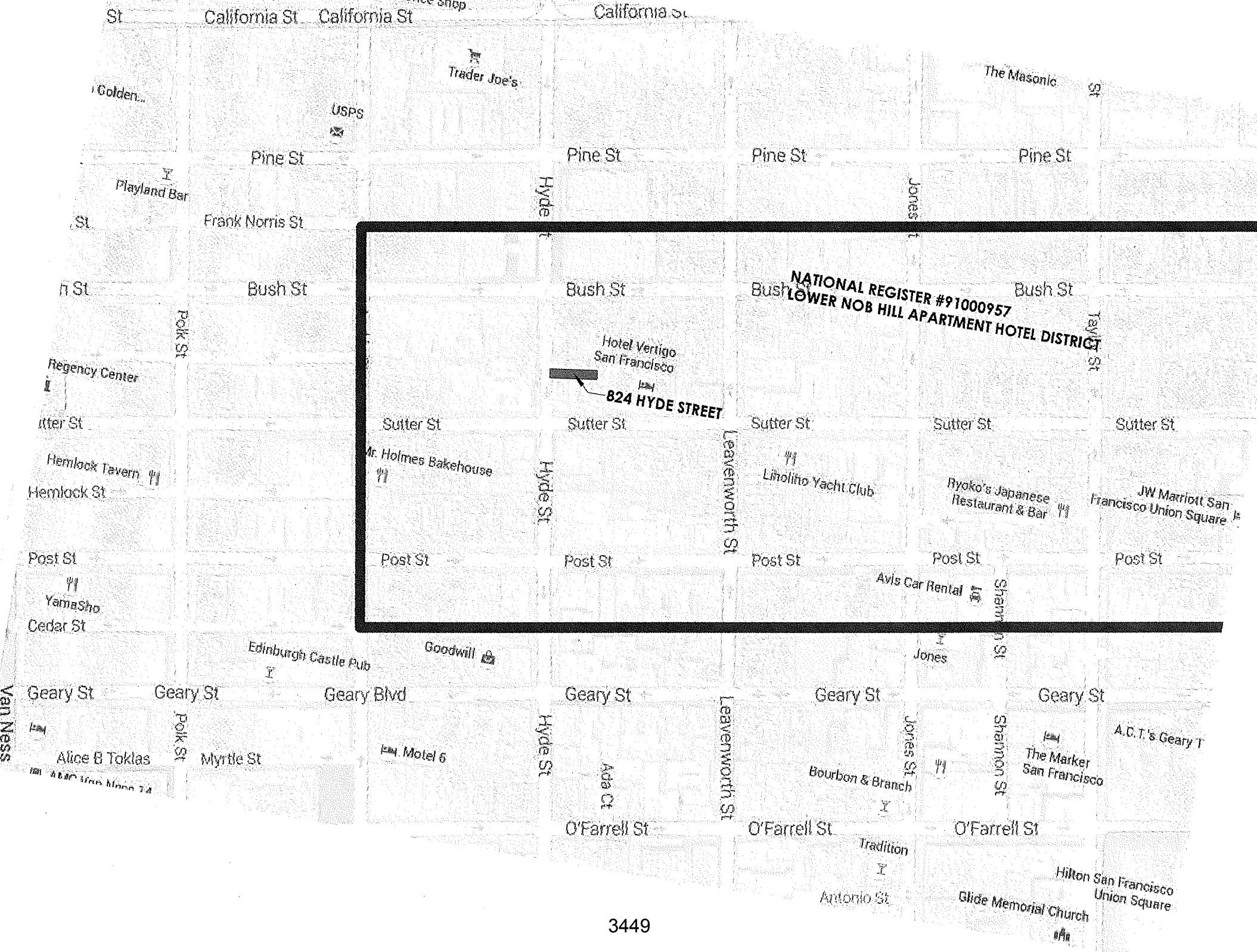
PRESERVATION TEAM COMMENTS

The project at 824 Hyde Street proposes new construction of a 6-story hotel commercial building at a vacant lot within the boundaries of the Lower Nob Hill Apartment Hotel National Register Historic District. This project would introduce a building which continues the streetwall of comparable height to its adjacent neighbor to the south (6-story) and one story taller than its neighbor to the north (5-story).

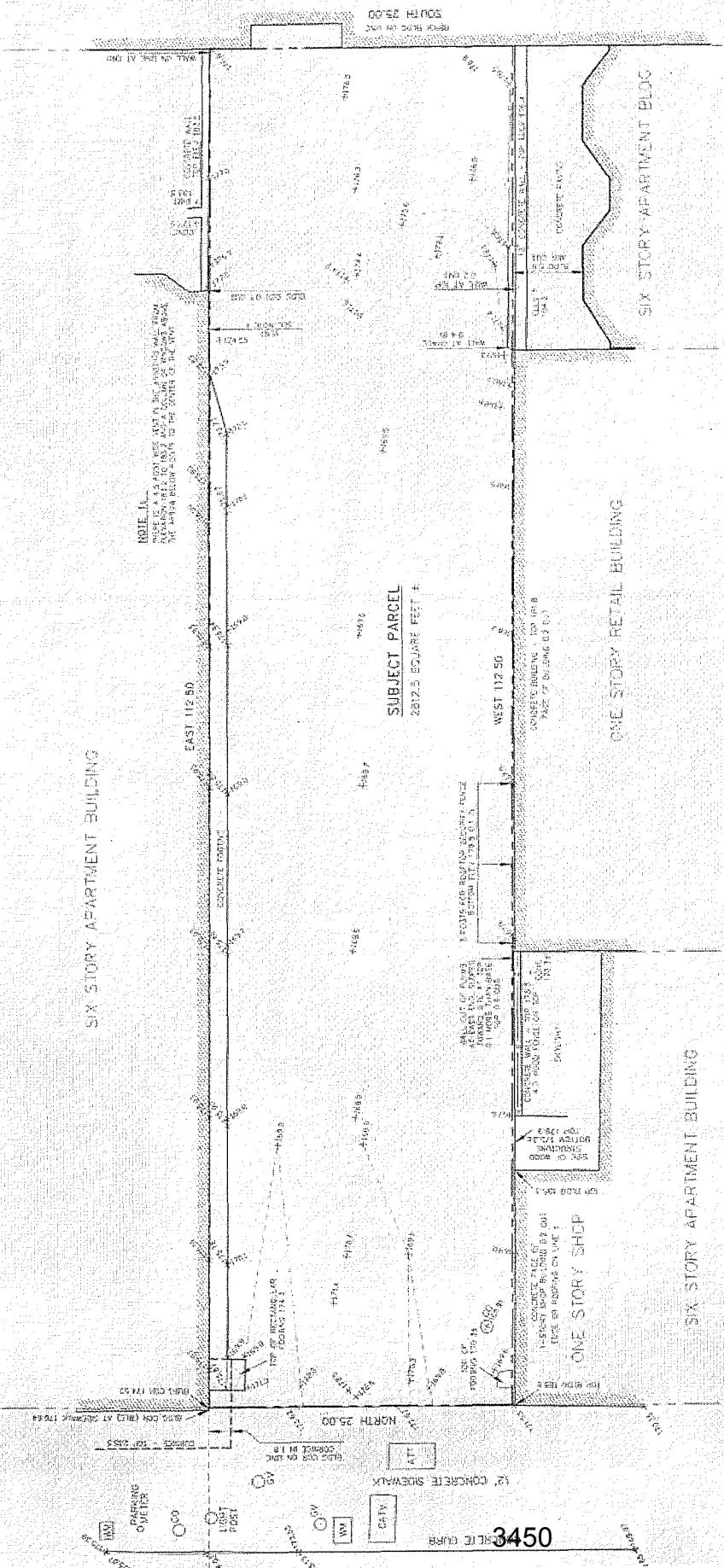
Organized in a two-part vertical composition, the new building is compatibly designed as follows: base is defined by an aluminum storefront system with storefront glazing and transom supported by bulkhead and clad in porcelain tile, with a prominently defined lobby entrance; the shaft is clad in thin brick and punctuated with two columns of symmetrical, angled bay windows, clad in non-reflective, coated aluminum decorative panels. The entire building terminates with a projecting cornice. Fenestration in the contemporary bay windows is vertically-oriented aluminum window systems, with a combination of single sash and double sash. A minimal setback from the front property line is provided at the sixth floor to allow for continuation of an existing historic cornice return at the adjacent neighbor to the north.

The proposed project is sufficiently differentiated from the contributors to the District, while incorporating character-defining features of and appears to be compatible with the Lower Nob Hill National Register Historic District. The replacement structure is in conformance with the Secretary of the Interior's Standards, including Use, Visibility and Spatial Relationship, Scale and Massing, and Materials, Ornament and Style. The replacement structure would not materially impair the historical resource, the Historic District.

Signature of a Senior Preservation Planner/ Preservation Coordinator	Date
	4-7-2017



STORY APARTMENT BUILDING



SUTTER STREET (67.21)

LEGAL DESCRIPT.

中華書局影印
卷之三

SECONDARY CONTROL DETAIL - 1" = 20'

16.6.2017 9:00 AM Page 1

shows the fort in the
center, with the government
and military buildings, a
factory, and a large
instance at a point angle western
end of the fort.

THE BEARING OF THE LINE STRETCHING FROM THE VILLAGE OF
ASARUD TO THE NORTH POINT MOUNTAIN, MAP 13
BEARINGS, NOTE:—
ALL POINTS ARE ANGLES FROM MOUNTAIN AS POINT
BUILDINGS, NOTE:—
THERE ARE NO BUILDINGS ON THE SLOPES OF MOUNTAIN

SUBJECT PARCEL
VICINITY MAP

EXISTING 5 STORY
APARTMENT BUILDING
830 HYDE STREET

SUBJECT PROPERTY 824 HYDE STREET
PROPOSED 6 STORY BOUTIQUE HOTEL
CURRENTLY A VACANT LOT

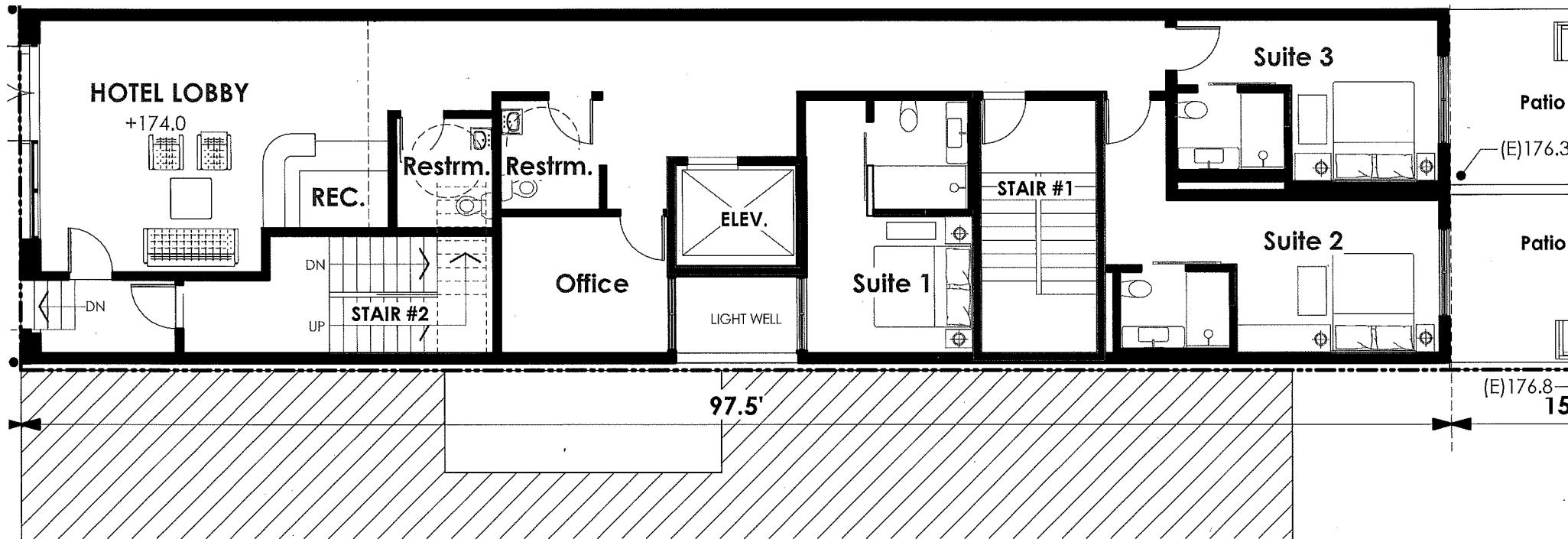
RY
G
IT

EXISTING 6 STORY
APARTMENT BUILDING
998 SUTTER STREET

EXISTING 1 STORY
RETAIL BUILDING
986 SUTTER STREET

EXISTING
6 STORY
APARTMENT
BUILDING
974, 976,
978 & 980
SUTTER STREET

EXISTING
5 STORY
APARTMENT
BUILDING
970-972
SUTTER STREET



PROJECT DATA

0280017

RC-4

30-A

2,812.5sf

DED 15ft min

DED 15ft.

4.8

4.75

2,812.5 Site Area

iss/2-Class 2 required (Provided in

6 STORY PLUS BASEMENT

BASEMENT GROSS AREA (FAR Calculated Area: 258sf)	2,273 sf
(FAR Not Calculated Area: 2,015sf)	
1st FLOOR GROSS AREA	2,288 sf
2nd FLOOR GROSS AREA	1,753 sf
3rd FLOOR GROSS AREA	2,355 sf
4th FLOOR GROSS AREA	2,355 sf
5th FLOOR GROSS AREA	2,355 sf
6th FLOOR GROSS AREA	2,105 sf

TOTAL BLDG. GROSS AREA (INCLUDES BAY WINDOW AREAS)	15,484 sf
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Floor Gross Area exception, PC 102, #12
BAY WINDOW AREA: 17sf
NUMBER OF BAY WINDOWS: 18
17sf x 18 = 306sf / 3 = 102sf

15,484 sf (total) - 2,015 sf(basement*) - 102 sf
(bay window reduction) = 13,367 sf

3452

* Basement is not included per PC102, #1 and 8
(Also see Basement floor plan)

HOTEL ROOM DATA

BASEMENT	0 rooms
1st FLOOR	3 rooms
2nd FLOOR	4 rooms
3rd FLOOR	6 rooms
4th FLOOR	6 rooms
5th FLOOR	6 rooms
6th FLOOR	5 rooms
TOTAL	30 rooms

Notes:
1. PC 102 Floor Gross
(b) "Gross Floor Area"

(1) Basement and necessary to the op-

(8) Bicycle parking through 155.4 of this

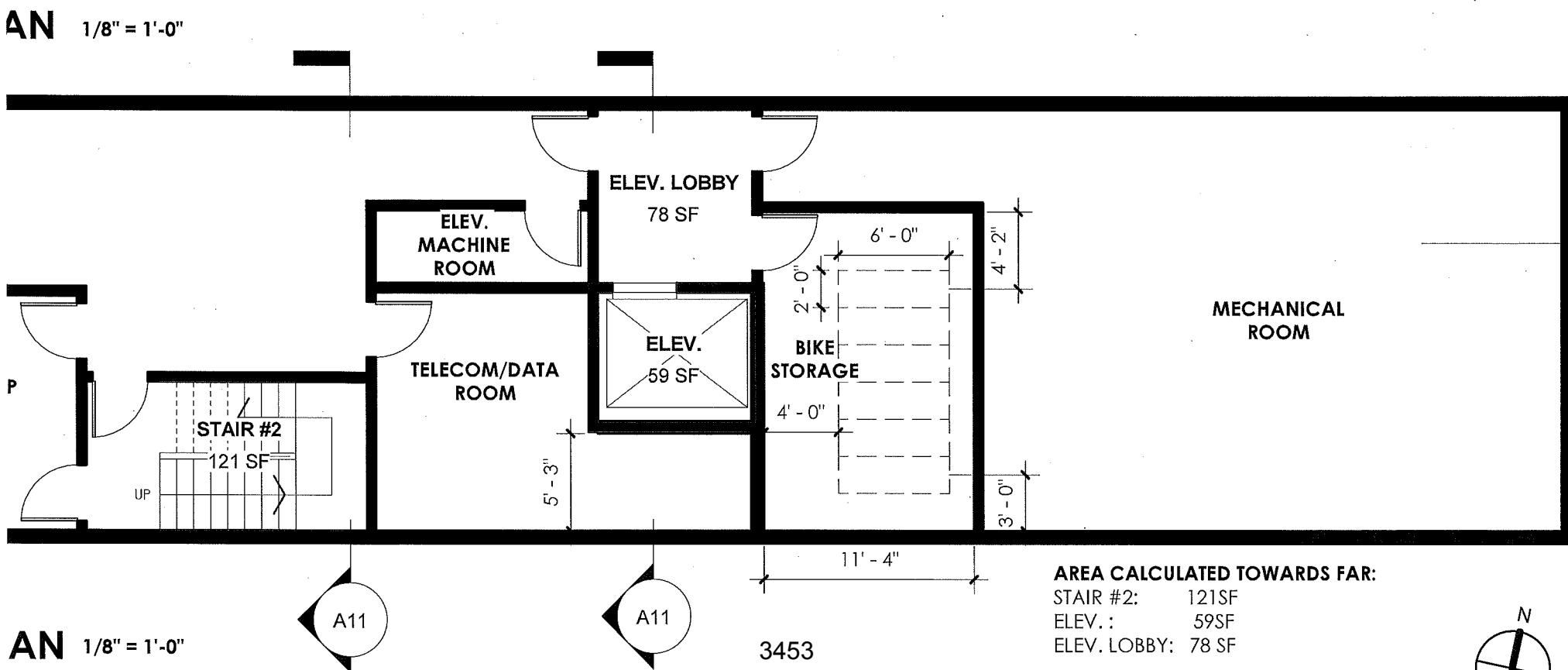
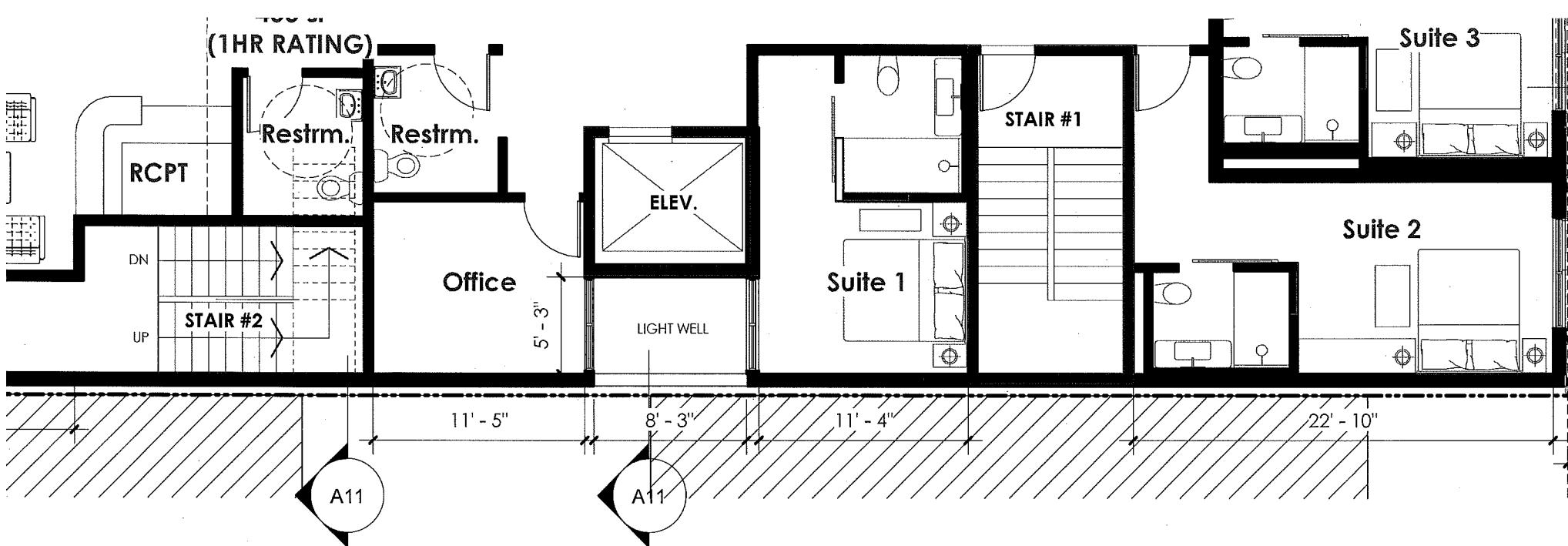
(12) One-third of the requirements of plane formed by the bay, but not to exceed measured at each

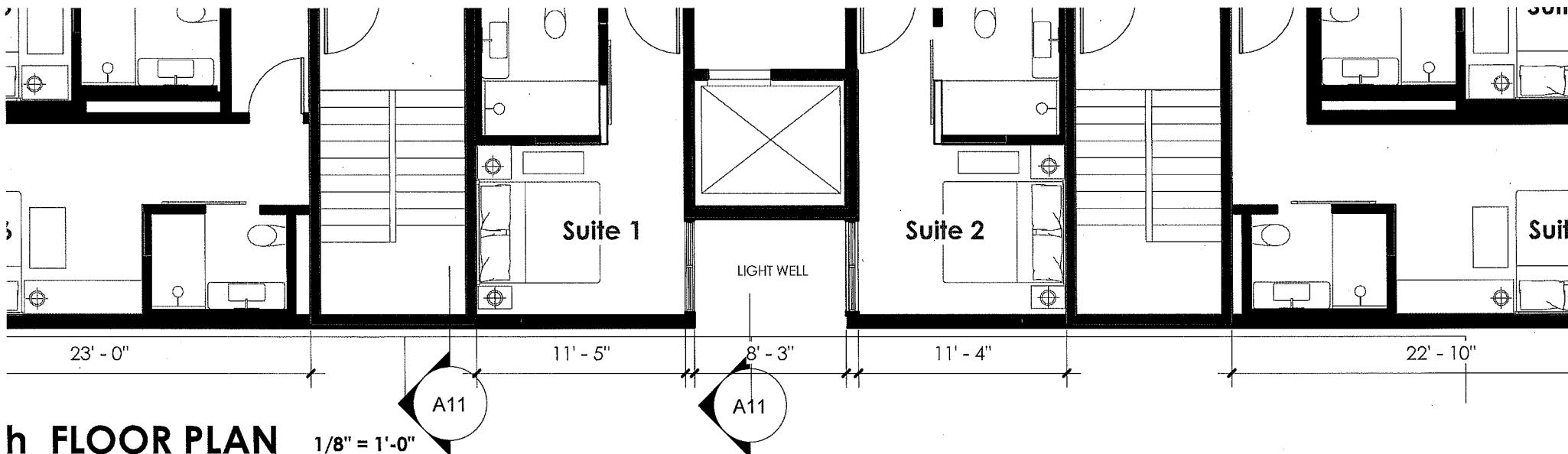
GROSS AREA:

TOTAL GROSS AREA:

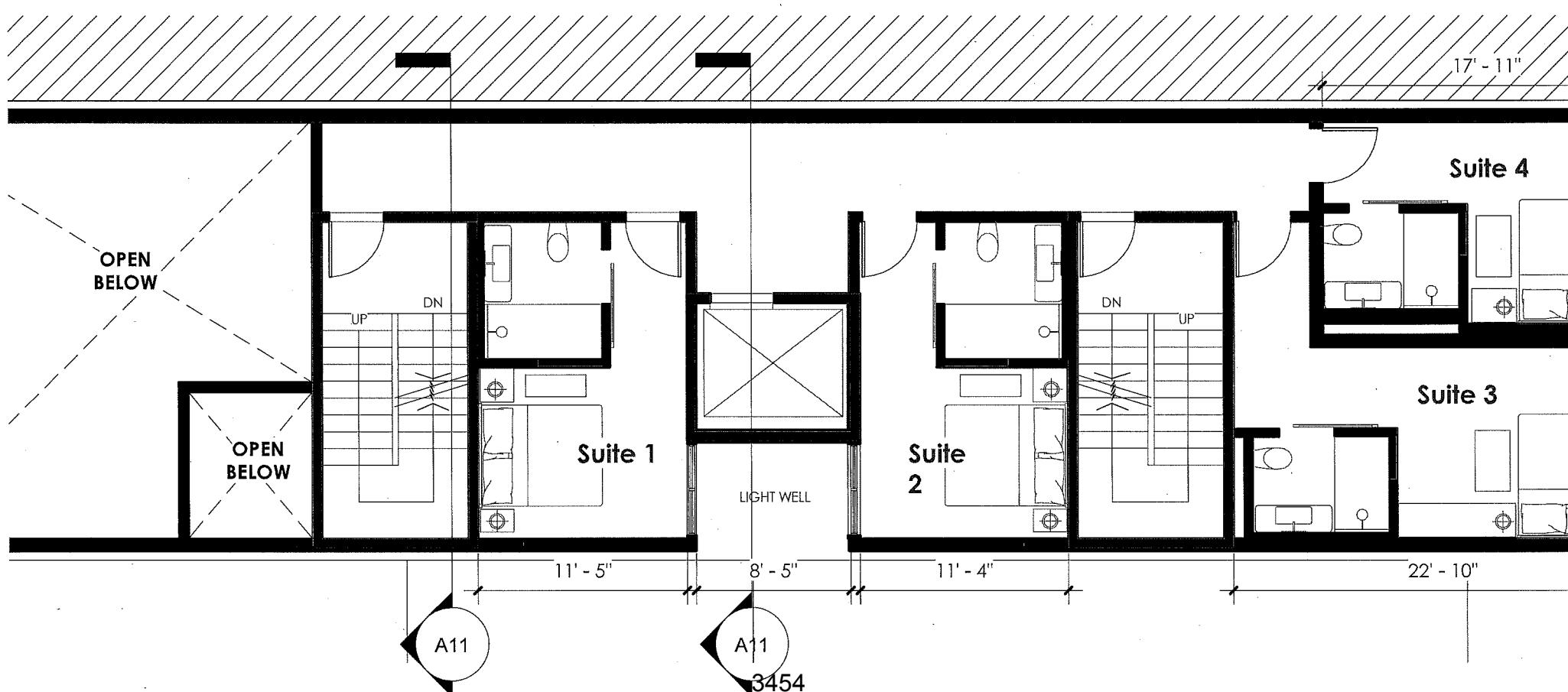
15,484SF

- 2,015SF BASEMENT (PER PC 102 (b)(1)&(8)) (Also See basement floor plan)
- 102SF BAY WINDOWS (PER PC 102 (b)(12))

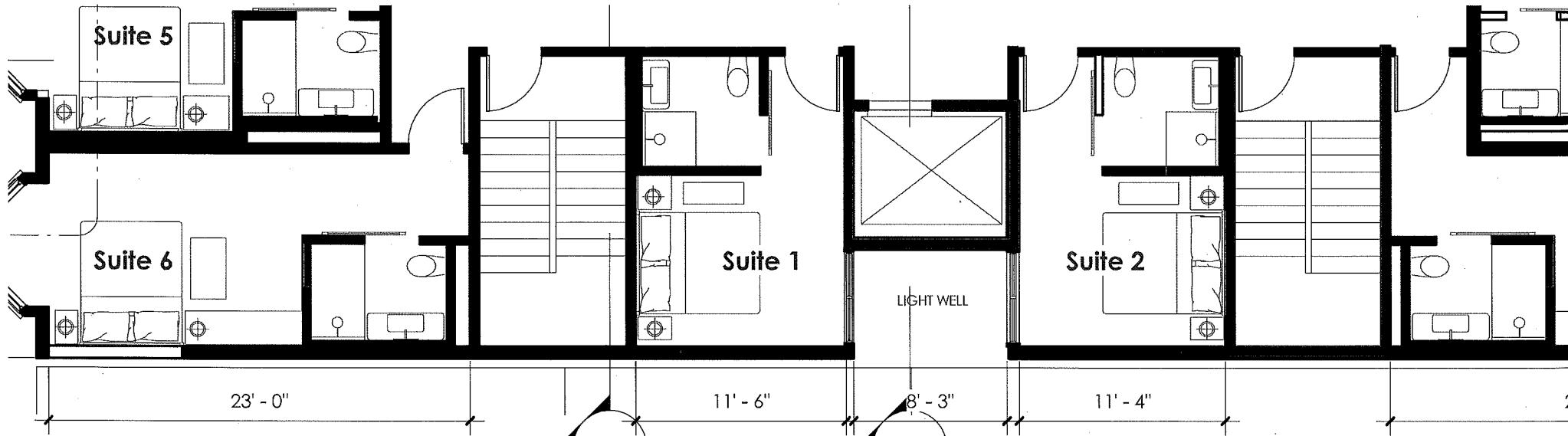




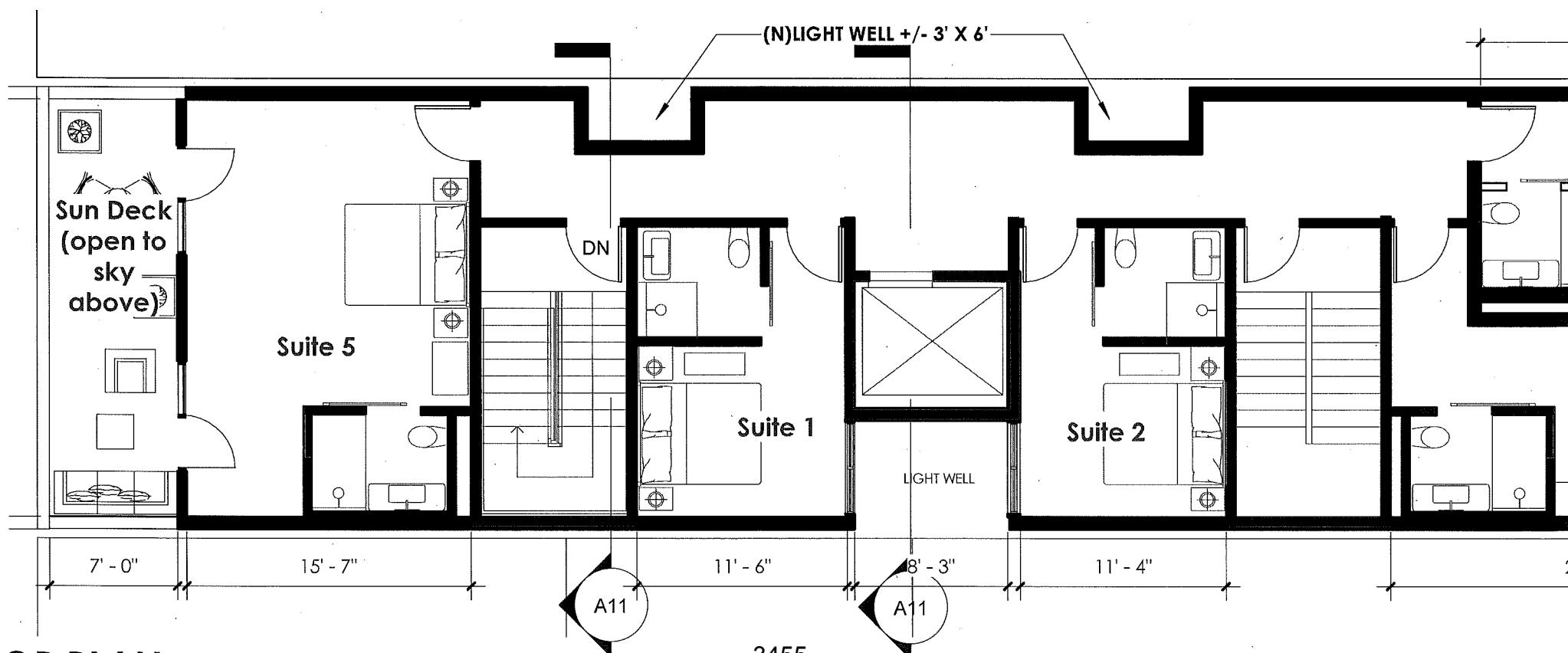
h FLOOR PLAN



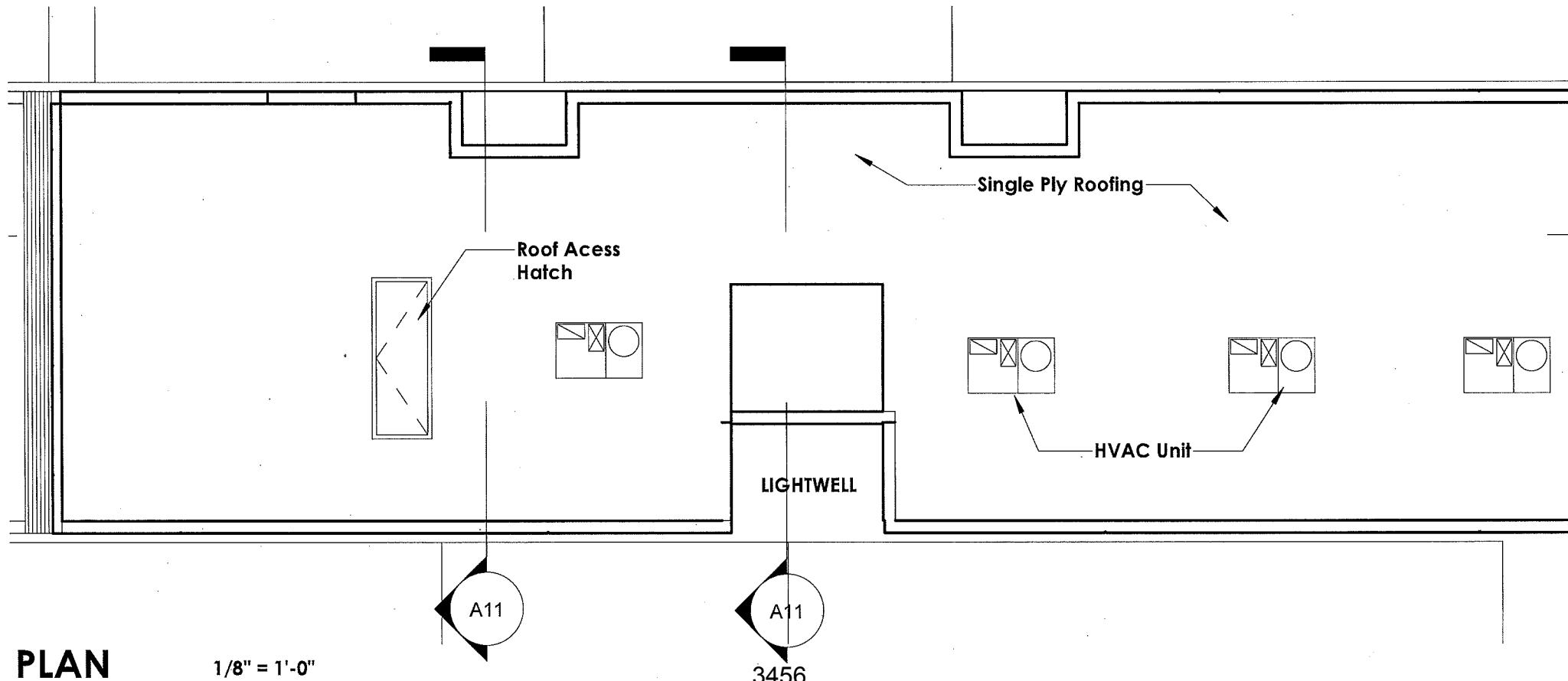
DOR PLAN

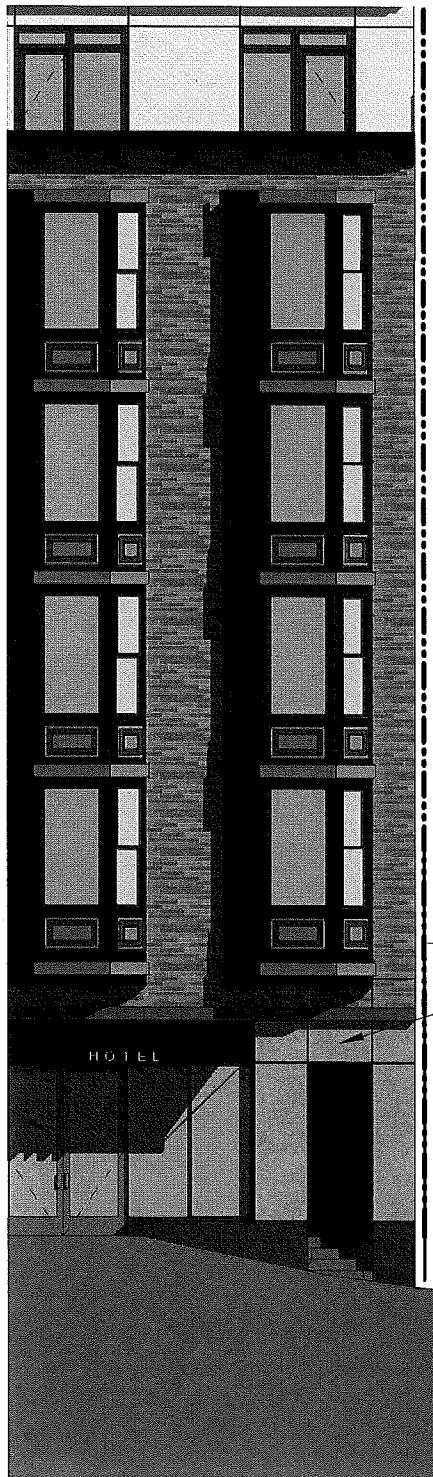


DR PLAN 1/8" = 1'-0"



DR PLAN 1/8" = 1'-0"





LEVEL 6
54' - 0"

LEVEL 5
44' - 0"

LEVEL 4
34' - 0"

LEVEL 3
24' - 0"

LEVEL 2
14' - 0"

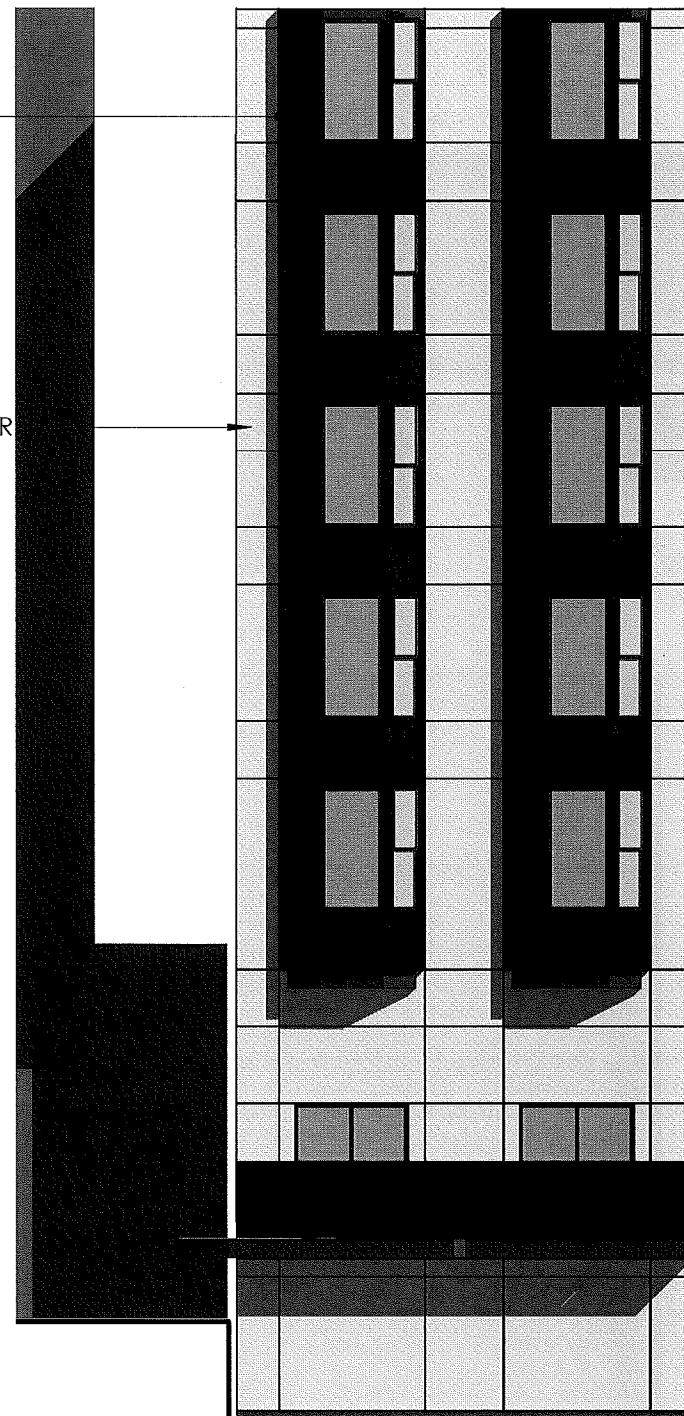
LARGE FORMAT
PORCELAIN TILE
(CONCRETE LOOK)

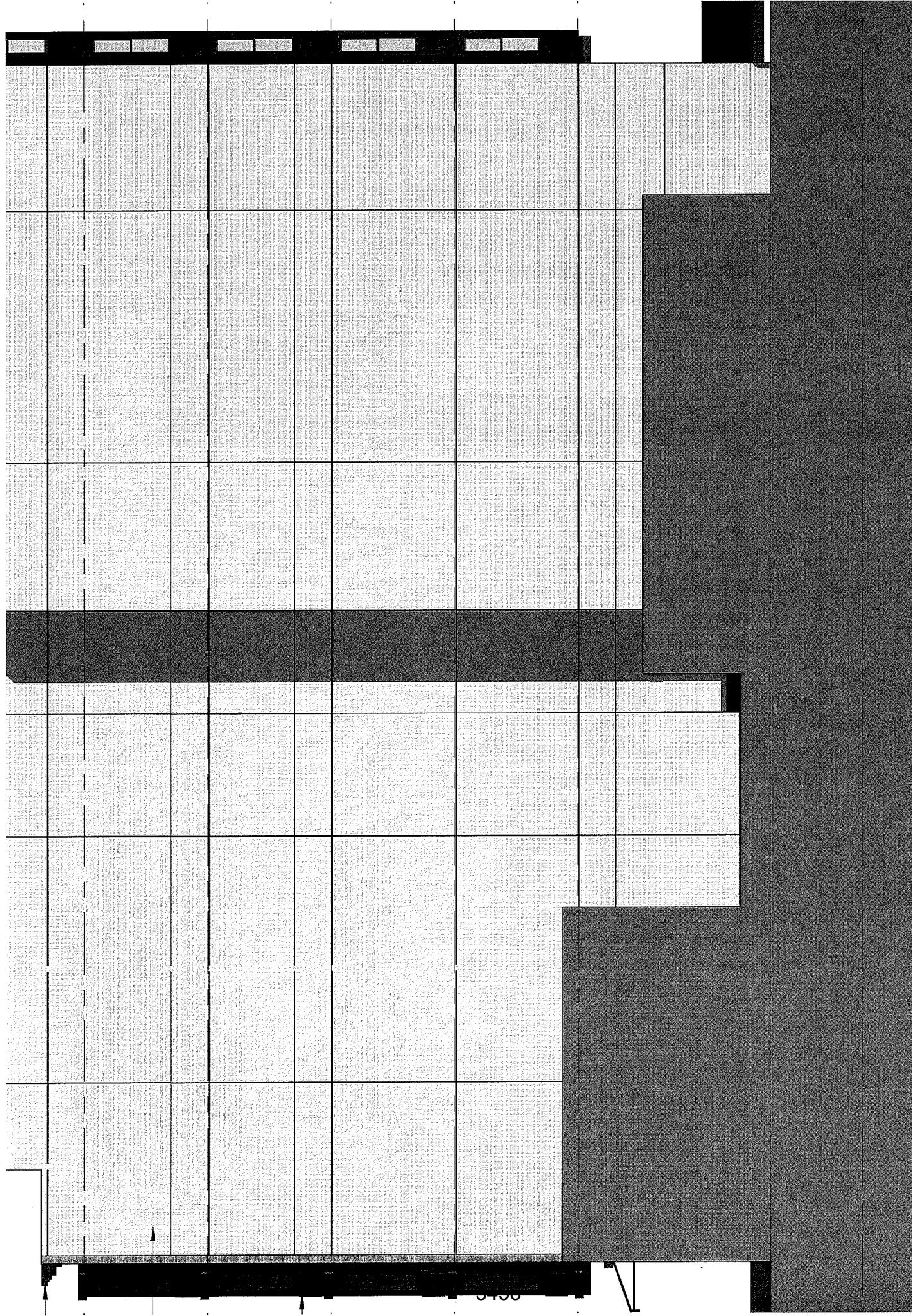
LEVEL 1
0' - 0"

Basement
-9' - 0"

DOUBLE HUNG
WINDOW

CEMENT PLASTER

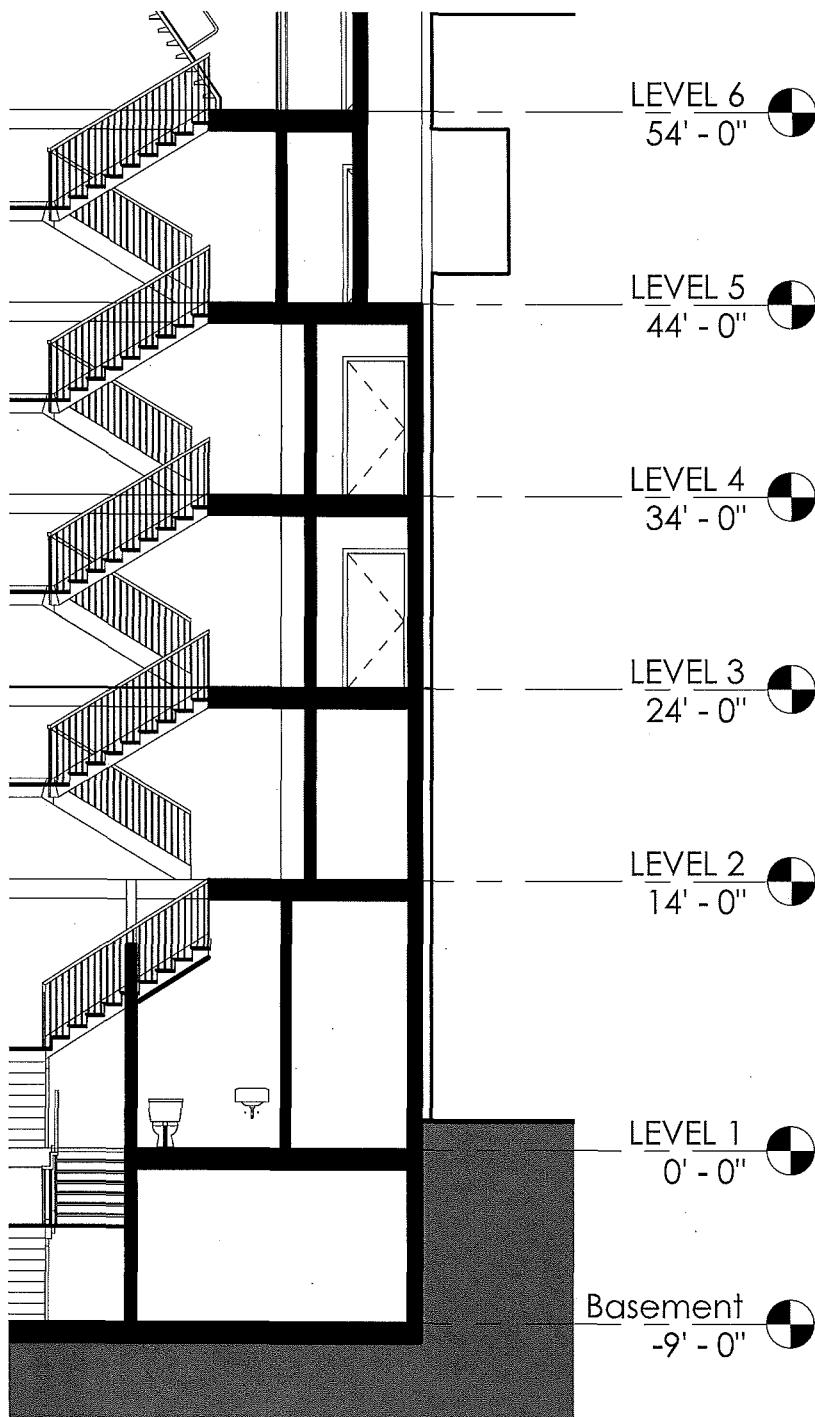




ADJACENT BUILDING

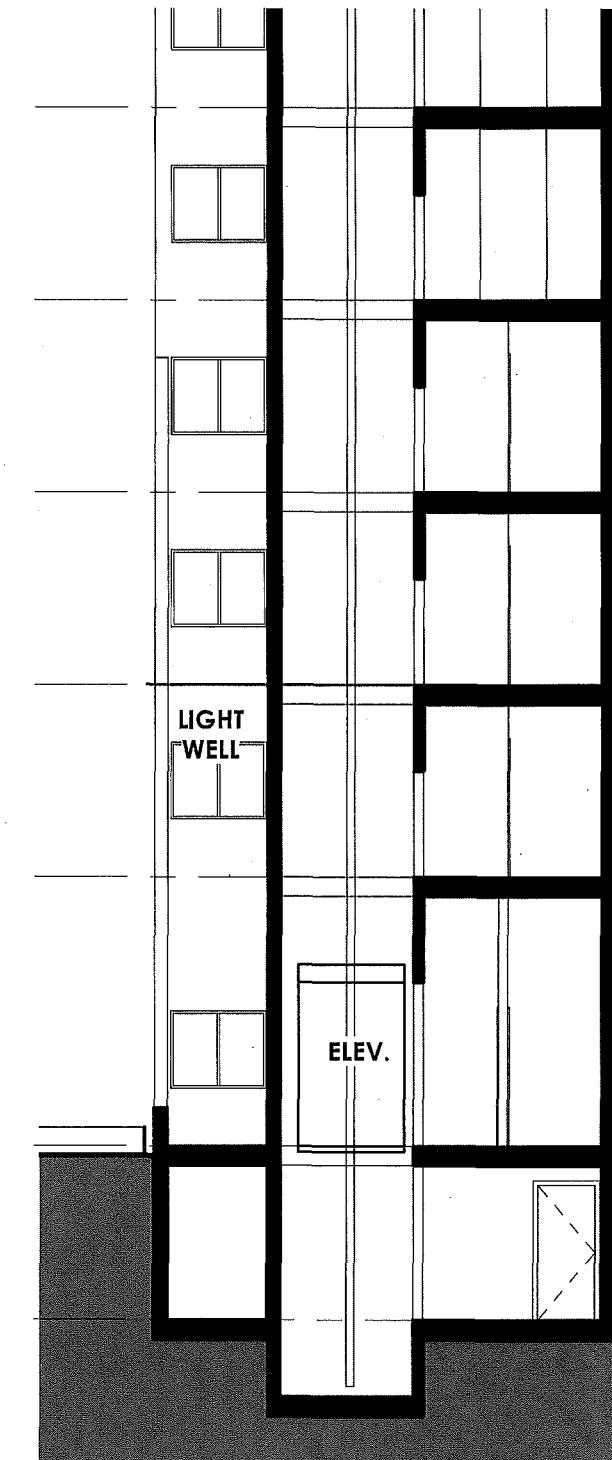
5459

1" = 10'-0"

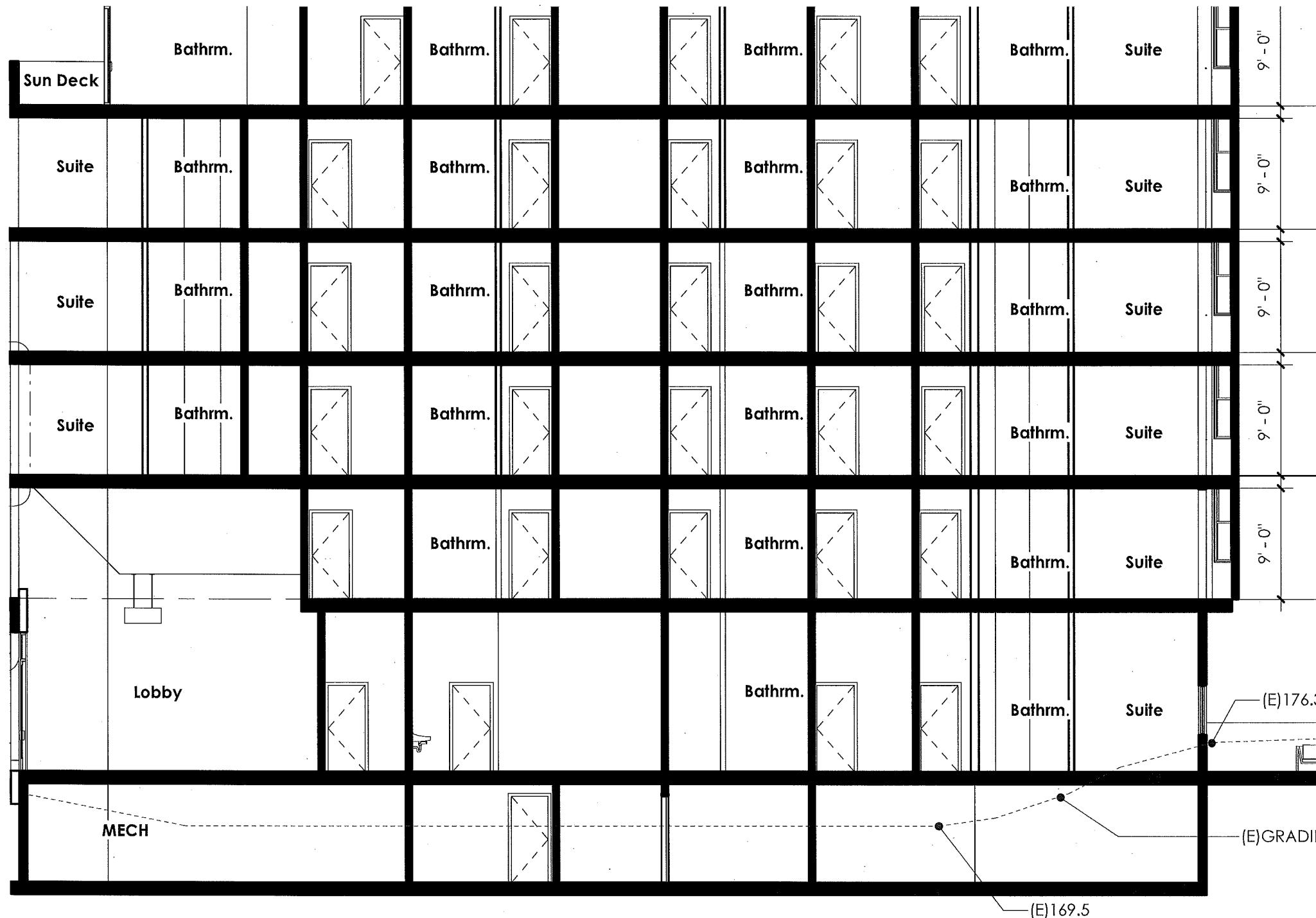


3460

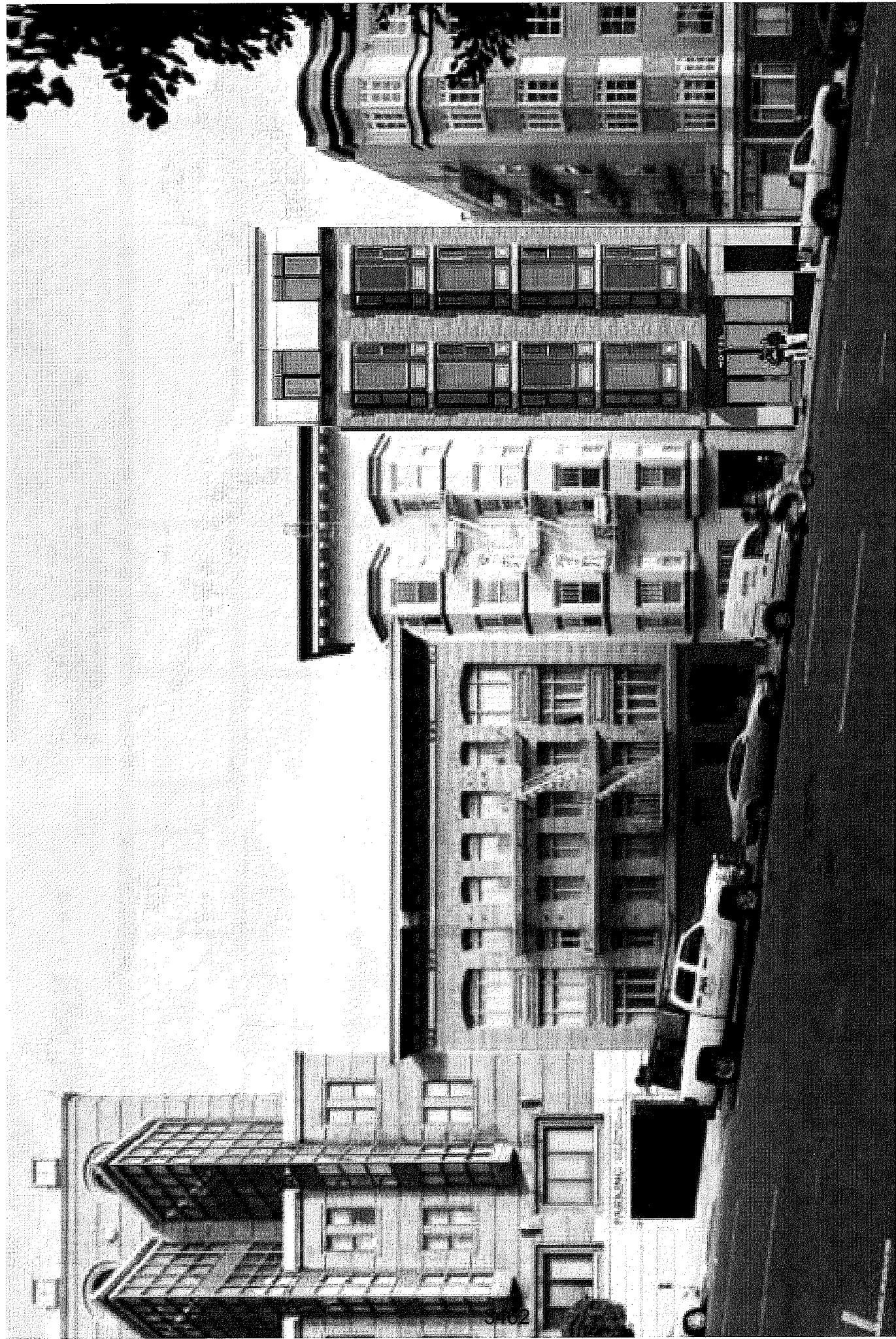
NG SECTION 1" = 10'-0"

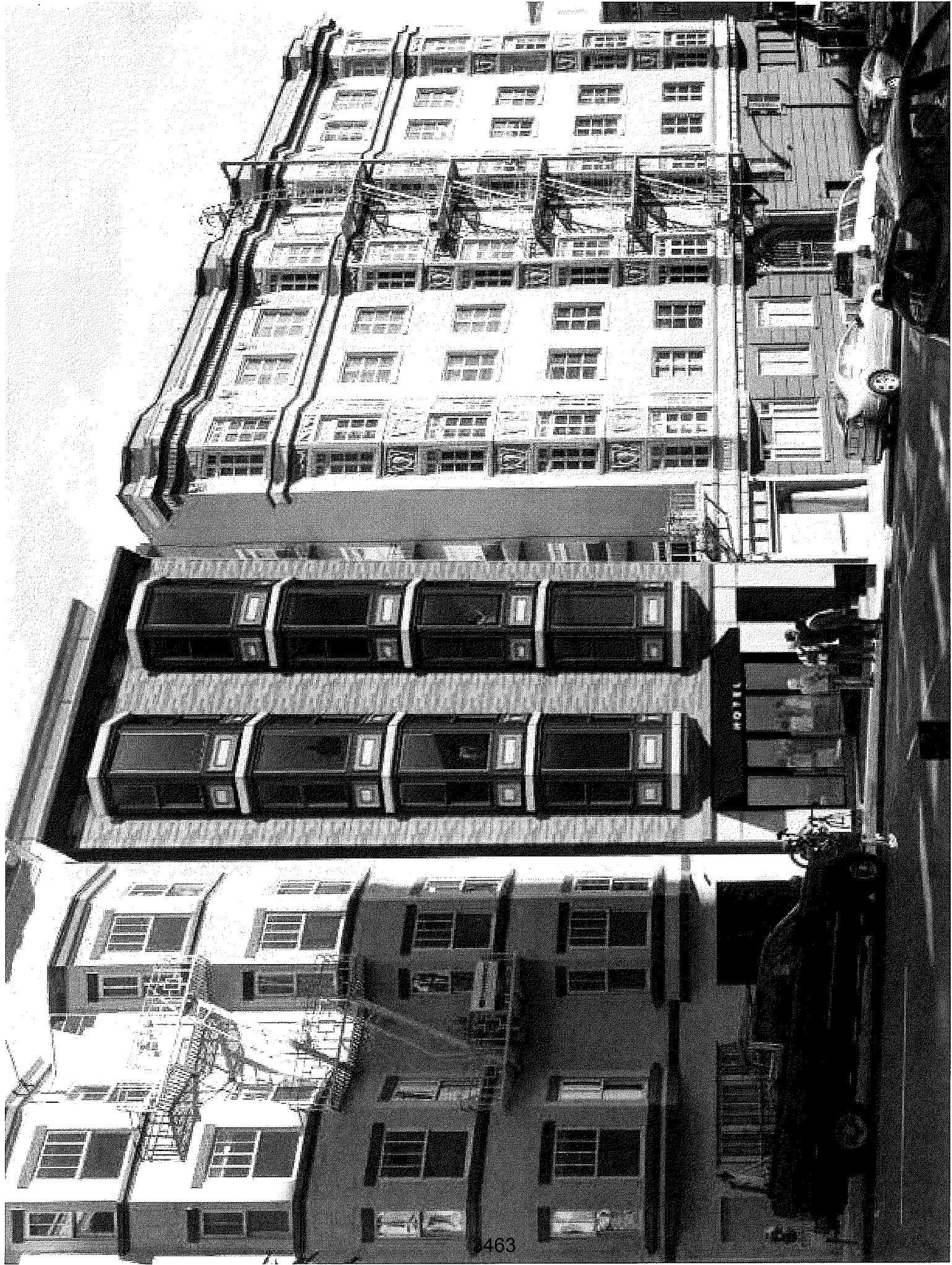


BUILDING SECTION 1" = 10'-0"



BUILDING SECTION 1" = 10'-0"

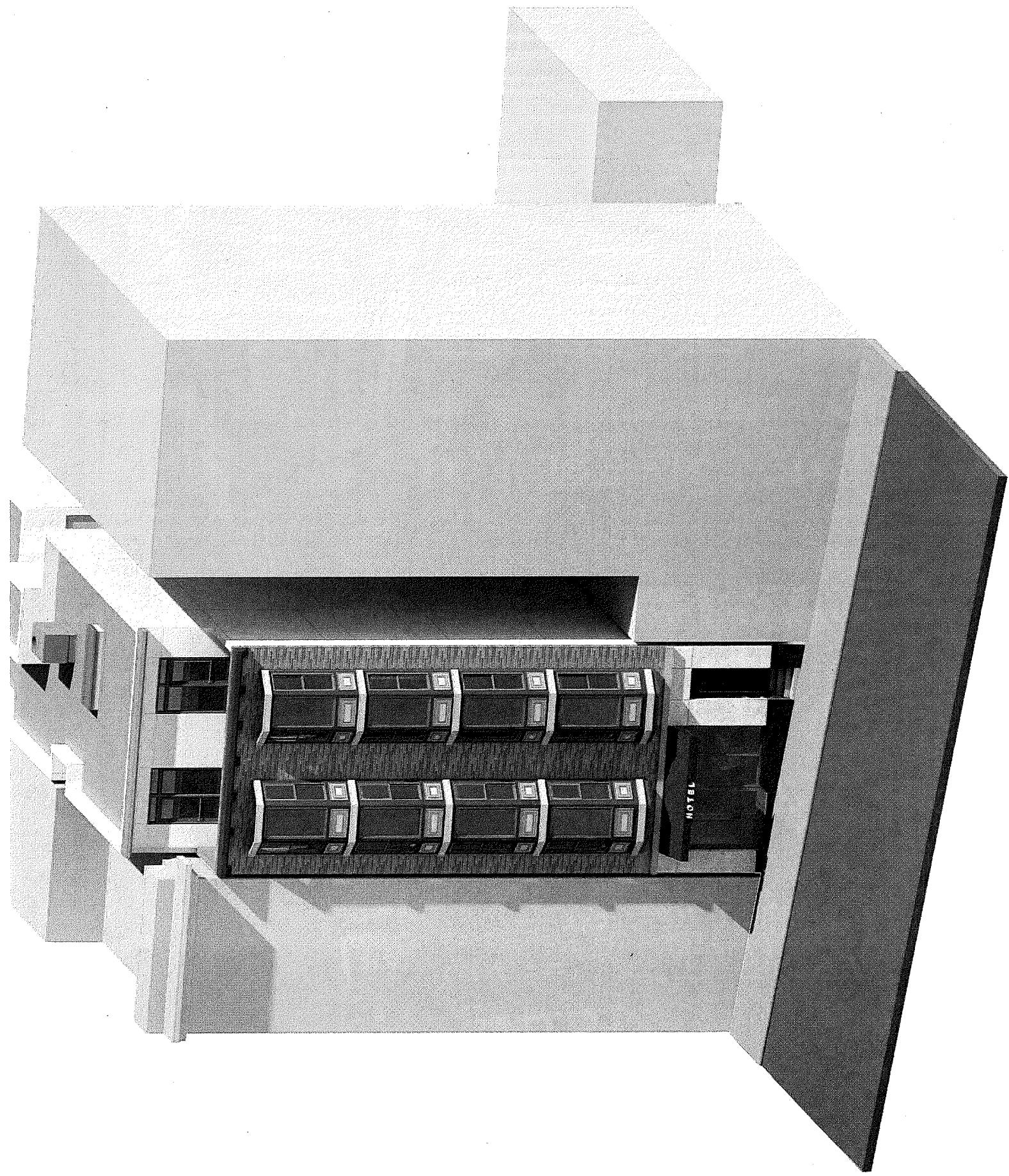




463





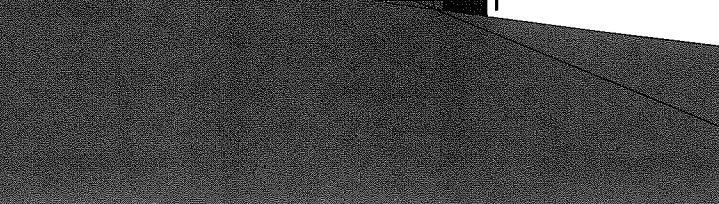
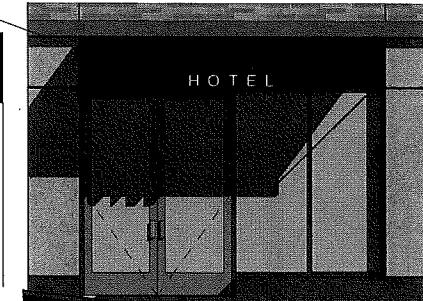


D COATING



2

1:100



PROJECTING
CORNICE

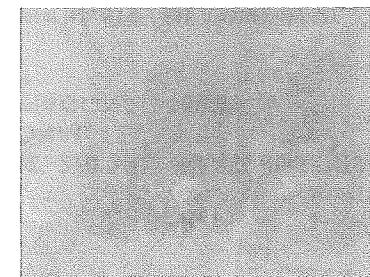
DOUBLE HUNG
WINDOW

ALUMINUM-NON-REFLECTIVE



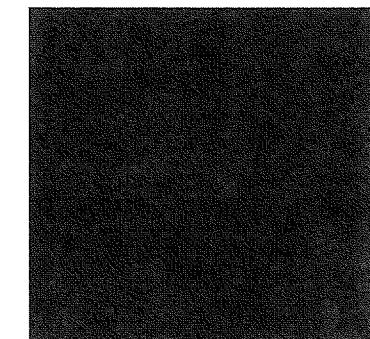
DOVE GREY

PORCELAIN TILE-NON REFLEC



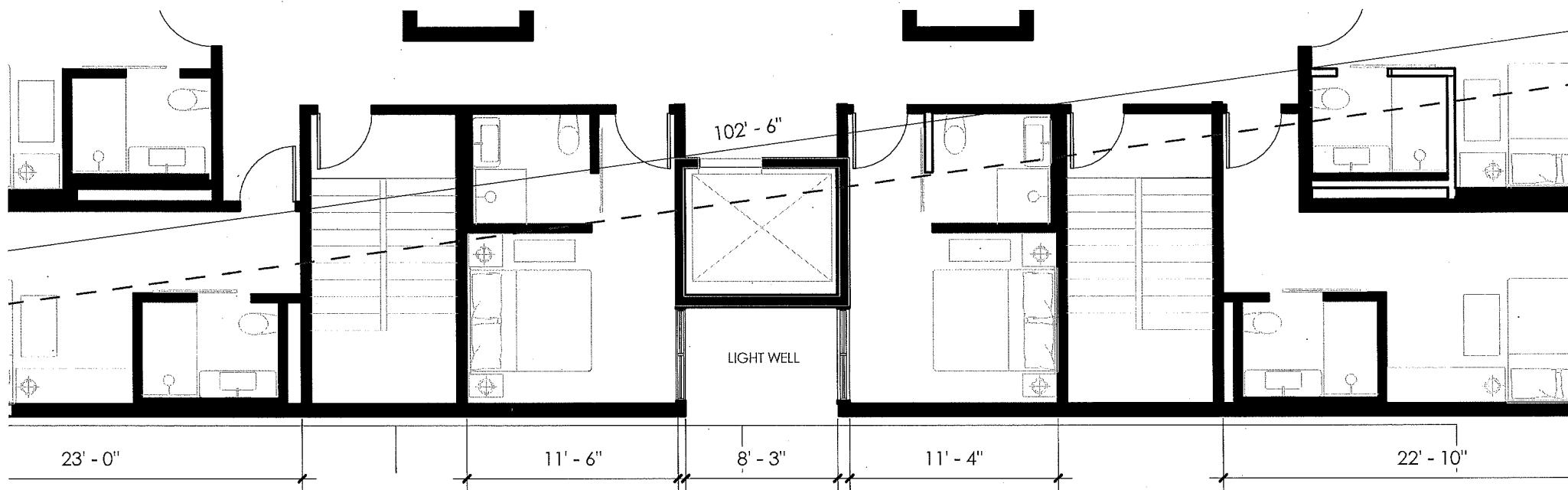
STONE PEAK
CEMENT
HONED
60"X120"

PORCELAIN TILE-NON REFLEC



STONE PEAK
USG1224108
NIGHTSKY
12"X24"

3467



LEVEL 5_Bulk Compliance

1/8" = 1'-0"

1

NOTES:

1. PER PC SEC. 270 BULK MEASUREMENTS.
- MAX. DIAGONAL: 125'
- PROPOSED DIAGONAL: 102'6"
- 102'6" < 125'

SEC. 270. BULK LIMITS: MEASUREMENT.

(a) The limits upon the bulk of buildings in this Section and in Sections 271 and 272, as defined in the following table, shall be determined by the maximum dimensions, "length" and "diagonal dimension," of the building, as defined in the Building Code. In each height and bulk district, the building shall be as specified in the following table, at the height indicated.

TABLE 2
BULK LIMITS

District Symbol on Zoning Map	Height Above Which Maximum Dimensions Apply (in feet)
A	40
B	50
C	80
D	40
E	65
F	80
G	80
H	100
I	150
J	40

HEIGHT) = 37.5'

HEIGHT) = 28.3'

EA:

(HEIGHT) = 22.75'

HEIGHT) = 13'

ASS AREA:

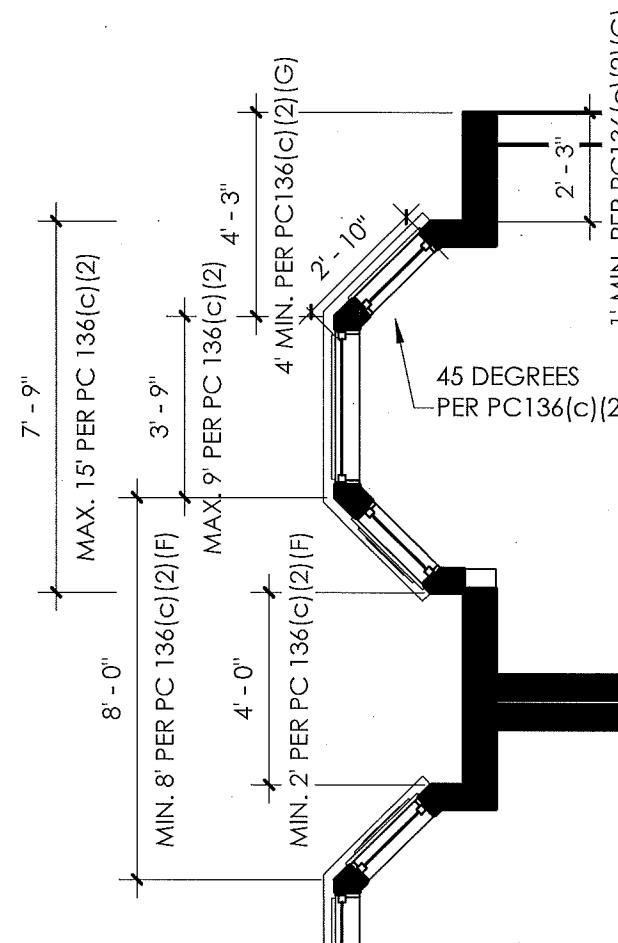
)
EA/2 < TOTAL BAY

as, balconies (other than balconies used for dwelling units or two or more bedrooms in features that increase either the floor area of the space enclosed by the building above grade, when respect to obstructions within yards and windows and balconies specified in Paragraph ed as an alternative to those specified in this

room shall be $7\frac{1}{2}$ feet.

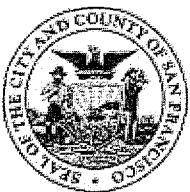
Required open area shall be limited to three feet, or streets and alleys shall be further limited to two feet nine inches or less, and the projection shall in no event to the centerline of any alley.

each bay window, and the open portions of less than 50 percent of the sum of the areas of the window or balcony above the required open wired glass area of such bay window, and open shall be on one or more vertical surfaces situated at degrees to the line establishing the required open of such required glass area or open portions shall parallel to, or most nearly parallel to, the line over which the bay window or balcony projects. width of each bay window or balcony shall be 15 percent of the required open area, and shall be reduced in proportion to the distance from the line by means of 45 degree angles of such 15-foot dimension, reaching a maximum width of two feet nine inches at a distance of three feet from the open area.



TYP. BAY WINDOW

1/4" = 1'-0"



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Affordable Housing (Sec. 415)
- Jobs Housing Linkage Program (Sec. 413)
- Downtown Park Fee (Sec. 412)

- First Source Hiring (Admin. Code)
- Child Care Requirement (Sec. 414)
- Other

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Motion No. 19926

HEARING DATE: JUNE 1, 2017

Case No.: 2016-010544CUA
Project Address: 824 Hyde Street
Zoning: RC-4 (Residential-Commercial, High Density) District
80-A Height and Bulk District
Block/Lot: 0280/017
Project Sponsor: Ilene Dick
Farella Braun + Martel, LLP
235 Montgomery Street
San Francisco, CA 94104
Staff Contact: Nicholas Foster – (415) 575-9167
nicholas.foster@sfgov.org

ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 209.3, 253, 303, 303(g) OF THE PLANNING CODE TO ALLOW A HOTEL USE IN A NEW CONSTRUCTION BUILDING EXCEEDING THE USE SIZE LIMITATIONS AND EXCEEDING 50 FEET IN HEIGHT WITHIN THE RC-4 (RESIDENTIAL-COMMERCIAL, HIGH DENSITY) ZONING DISTRICT AND A 80-A HEIGHT AND BULK DISTRICT.

PREAMBLE

On November 17, 2012, Brett Gladstone from Hanson Bridgett, LLP, the agent on behalf of Owen D. Conley and Thomas J. Conley (“Previous Project Sponsor”), submitted an application with the Planning Department (hereinafter “Department”) for a Preliminary Project Assessment (“PPA”) with Case No. 2012.1445U. The PPA letter was issued on January 28, 2013.

On May 8, 2013, the Previous Project Sponsor filed an application with the Department for Conditional Use Authorization pursuant to Section 303 to construct a 5-story over basement, residential building with 14 dwelling units, located in an RC-4 Zoning District. The Previous Project Sponsor also filed a Variance application, pursuant to Planning Code Section 145.1 to allow relief from the Code regarding required active street frontages for residential developments.

On August 1, 2013, the Previous Project Sponsor submitted an Environmental Evaluation Application. The application packet was accepted on August 8, 2013 and assigned Case No. 2012.1445E.

On December 24, 2013, the Department issued a Notification of Project Receiving Environmental Review to owners and occupants of properties within a 300 foot radius of the project site, and other interested parties. The notification period was open through January 7, 2014; however, public comments were accepted throughout the environmental review process.

On April 30, 2015, the Project was issued a Categorical Exemption, Class 32 (California Environmental Quality Act (CEQA) Guidelines Section 15322). Approval of the Conditional Use Authorization by the Planning Commission is the Approval Action for the project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

On September 2, 2015, Ilene Dick from Farella Braun + Martel, LLP, the agent on behalf of 824 Hyde Street Investments, LLC (hereinafter "Project Sponsor") filed an updated application with the Department for Conditional Use Authorization under Planning Code Section(s) 253 and 303 to permit a building exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District. The Project Sponsor also filed an updated Variance application, pursuant to Planning Code Sections 136 and 145.1 to allow for permitted obstructions (bay windows) and relief from the Code regarding required active street frontages for residential developments.

On January 14, 2016, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.1445CV.

On January 14, 2016, after closing public comment and holding a hearing on the item, the Commission voted (+6/-0) to continue the item to the March 3, 2016 Commission hearing date. The Commission instructed the Project Sponsor to refine the overall design of the primary building façade to allow the new building to better integrate within the existing, historic context of the subject site. In addition, the Commission asked the Project Sponsor to work with Planning Staff to determine the status of the property line windows and light wells on the abutting property to the north of the subject property (830 Hyde Street). Since the continuance, the Project Sponsor made modifications to the Project in response to the Commission's requests.

On March 3, 2016, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.1445CV. With a vote of (+6/-0; Wu absent) the Commission adopted findings relating to the approval of Conditional Use Authorization under Planning Code Section(s) 253 and 303 to permit a building with the chamfered bay alternative design exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District and adopting findings under the California Environmental Quality Act (Motion #19582). The Zoning Administrator approved the request for Variance, pursuant to Planning Code Sections 136 and 145.1, to allow for permitted obstructions (bay windows) and relief from the Code regarding required active street frontages for residential developments.

On July 21, 2016, Ilene Dick from Farella Braun + Martel, LLP, the agent on behalf of the Project Sponsor, filed an updated application with the Department for Conditional Use Authorization under Planning Code Section(s) 253, 303, and 303(g) to permit a Hotel Use in a new construction building

exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District.

On July 21, 2016, Ilene Dick from Farella Braun + Martel, LLP, the agent on behalf of the Project Sponsor, submitted an updated Environmental Evaluation Application. The application packet was accepted on September 15, 2016 and assigned Case No. 2016-010544ENV.

On February 15, 2017, the Department issued a Notification of Project Receiving Environmental Review to owners and occupants of properties within a 300 foot radius of the project site, and other interested parties. The notification period was open through March 1, 2017; however, public comments were accepted throughout the environmental review process.

On May 5, 2017, the Project was issued a Categorical Exemption, Class 32 (California Environmental Quality Act (CEQA) Guidelines Section 15322). Approval of the Conditional Use Authorization by the Planning Commission is the Approval Action for the project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

On May 18, 2017, after closing public comment and holding a hearing on the item, the Commission voted (+7/-0) to continue the item to the June 1, 2017 Commission hearing date. The Commission instructed the Department Staff to consult with both the staff of the Rent Stabilization and Arbitrations Board ("Rent Board") and the City Attorney's Office to determine whether, if a new residential building were constructed on the Property, tenants of the residential building that once occupied the Property would have any "right to return" to a new residential building on the Property. As directed by the Commission, Department Staff consulted with the Rent Board and the San Francisco City Attorney's Office on the matter, and determined that because no structure remains to be rehabilitated, no "right to return" exists for former tenants of the now-demolished building.

On June 1, 2017, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2016-010544CUA.

The Commission voted (+3/-4) on a motion of intent to disapprove the Project; that motion failed.

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. 2016-010544CUA, 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 approximately 2,815-square-foot project site (Assessors Block 0280, Lot 017) is located on the block bounded by Hyde Street to the west, Leavenworth Street to the east, Bush Street to the north, and Sutter Street to the south in the Downtown/Civic Center neighborhood and within the Lower Nob Hill Apartment Hotel Historic District. The subject lot has 25 feet of street frontage along Hyde Street and a depth of 112'-6". The project site was previously occupied by a four (4) story, eight (8) unit residential building that was designated a historic resource by the City and the CRHR, and in 1991 was listed in the National Register of Historic Places as a contributing resource to the Lower Nob Hill Apartment Hotel National Register Historic District (the "Lower Nob Hill Apartment Historic District" or "District"). The building, named "Chatom Apartments", was constructed in 1915. The building was destroyed by a fire in 2010 and the remnants of the damaged structure were removed in accordance with demolition Permit No. 201011084503 issued on November 8, 2010. The resulting vacant lot is considered a non-contributory property within the District. In March of 2016, the Planning Commission approved a Conditional Use Authorization (Case #2012.1445CV, Motion #19582) to permit an approximately 12,400 gross square foot residential building exceeding 50 feet within the RC-4 District, containing fourteen (14) dwelling units.
3. **Surrounding Properties and Neighborhood.** The Project Site is within the Downtown/Civic Center neighborhood, near the southern boundary of the Nob Hill neighborhood. The Project site is also located within the Lower Nob Hill Apartment Hotel Historic District. The District is comprised of 570 acres containing 295 contributing buildings and one contributing structure. The District consists of almost entirely of 3- to 8-story multi-unit residential buildings which fill their entire front lot lines and share a single stylistic orientation. The vast majority of the buildings were constructed between 1906 and 1925. Land uses in the surrounding area include a diverse mixture of residential, hotel, and ground-floor retail uses including shopping, grocery stores, bars and restaurants. St. Francis Medical Center is located one block to the north of the site at the corner of Hyde and Bush Streets.
4. **Project Description.** The proposed Project would involve the construction of an approximately 64-foot-tall (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run), six-story-over-basement, 13,367 gross square foot (gsf) building on a partially down-sloping vacant lot. The proposed building would contain a Hotel Use (A Retail Sales and Service Use), providing thirty (30) tourist guest rooms. The Project would provide six (6) Class I and two (2) Class II bicycle parking spaces; no off-street vehicular parking would be provided. Excavation, to a maximum depth of approximately ten (10) feet below grade, is proposed in order to accommodate the basement level containing storage and services necessary to the operation or maintenance of the building itself.
5. **Public Comment.** To date, the Department has received one (1) letter in opposition to the proposed Project; the letter calls into question the need for a Hotel Use at the subject property, in lieu of residential use.
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 (Sections 102, 209.3).** The Project Site is located in the RC-4 (Residential-Commercial, High Density) Zoning District wherein Hotel Use is permitted with Conditional Use Authorization. Within the RC-4 Zoning Districts, non-residential uses are principally permitted up to 6,000 square feet and a Conditional Use Authorization is required for uses between 6,000 and 120,000 square feet.

The proposed Hotel Use (a Retail Sales and Service Use) is permitted with Conditional Use Authorization in the RC-4 District. The proposed Project would include approximately 13,367 gross square foot (gsf) of non-residential use, which, triggers Conditional Use Authorization. Given that the proposed Project is within the Floor Area Ratio (FAR) limitations of the RC-4 District (4.8:1), the proposed use size is otherwise within the permitted use size limitations of the Code. Please see the specific 303(g) findings, which, are required for all proposed Hotel and Motel Uses, regardless of Zoning District.

B. **Floor Area Ratio.** Planning Code Sections 124 and 209.3 limits the Floor Area Ratio (FAR) for non-residential uses within the RC-4 Zoning District to 4.8:1.

The proposed Project has a gross floor area, as defined by the Code, of approximately 13,367 gsf on a lot size of 2,812.5, resulting in an FAR of approximately 4.75, which is below the FAR limit of 4.8 to 1. While the total gsf for the proposed building is approximately 15,484 gsf, the floor area within the basement necessary to the operation or maintenance of the building itself, the Class I bicycle parking, and the floor area within Code-compliant bay windows are exempt from the calculation of gross floor area, as allowed under Code Section 102. Therefore, the Project is in compliance with Code Sections 124 and 209.3, with respect to FAR limits.

C. **Rear Yard.** Planning Code Section 134 states that the minimum rear yard depth shall be equal to 25 percent of the total depth of the lot on which the building is situated, but in no case less than 15 feet. Rear yards shall be provided at the lowest story containing a dwelling unit, and at each succeeding level or story of the building.

The proposed Project contains a proposed Hotel Use (a non-residential use) and is therefore not subject to the rear yard requirements of the Code. Nevertheless, the Project provides a 15-foot rear yard to provide a physical buffer between the proposed new structure on the subject lot and the existing structures on the adjacent lots.

D. **Permitted Obstructions.** Planning Code Section 136 allows permitted obstructions (including bay windows) to extend over streets and alleys by three (3) feet for the subject property, provided that such projections meet certain dimensional and separation requirements.

The proposed Project includes bay windows at the second thru fifth floors fronting Hyde Street, and at the second thru sixth floors facing the rear of the property. All of the bay windows meet the dimensional requirements of the Code and therefore, the Project is in compliance with Code Section 136.

E. **Parking.** Planning Code Section 151.1 does not require off-street parking for projects located within RC Districts.

No off-street parking is proposed as part of the proposed Project.

F. **Loading.** Planning Code Section 152 requires off-street loading for Hotel Uses exceeding 100,000 gsf.

The proposed Project contains approximately 13,367 gsf of Hotel Use, which, is below the threshold for off-street loading requirements (100,000 gsf). Therefore, the Project is in compliance with Code Section 152. Nevertheless, the proposed Project would seek approval from the SFMTA for a 40-foot-long passenger loading zone on Hyde Street, directly in front of the subject property.

G. **Bicycle Parking.** Planning Code Section 155.2 requires bicycle parking for Hotel Uses in the following amounts: one Class I space for every 30 rooms, and one Class II space for every 30 rooms (minimum of 2 spaces required).

The Project will provide six (6) Class I bicycle parking spaces within the new building, and two (2) Class II bicycle parking spaces along the Hyde Street frontage, exceeding the Code requirements, and meeting the intent of the City's Transit First Policies.

H. **Street Frontages in Residential-Commercial Districts.** Planning Code Section 145.1 exists to preserve, enhance, and promote attractive, clearly defined street frontages that are pedestrian-oriented, fine-grained, and which are appropriate and compatible with the buildings and uses in certain commercial districts. Active uses, as defined by the Code, are required within the first 25 feet of the building depth at ground floor, and the ground floor ceiling height shall be at least 14 feet in height, as measured from grade.

The Project proposes a Hotel Use (a non-residential, Retail Sales and Service Use) on the subject property, with a ground floor height of 14 feet, as required by Code. Therefore the Project is in compliance with Code Section 145.1.

I. **Transportation Demand Management (TDM) Plan.** Pursuant to Planning Code Section 169 and the TDM Program Standards, the Project shall finalize a TDM Plan prior to Planning Department approval of the first Building Permit or Site Permit. As currently proposed, the Project must achieve a target of 7 points.

The Project Sponsor submitted a completed Development Application or Environmental Evaluation Application prior to September 4, 2016. Therefore, the Project must only achieve 50% of the point target established in the TDM Program Standards, resulting in a required target of seven (7) points. As currently proposed, the Project will achieve its required seven (7) points through the following TDM measures:

- *Bicycle Parking (Option A)*
- *Real Time Transportation Displays*
- *Parking Supply (Option K)*

With no off-street parking provided, the Project's baseline actually exceeds the TDM requirements for the proposed project. By voluntarily providing two of the above-referenced TDM measures (additional Class I bicycle parking beyond the Code requirement; Real Time Transportation Displays), the Project would provide thirteen points (13), exceeding the required number of points (7). Therefore the Project is in compliance with Code Section 169.

J. **Height.** Planning Code Section 253 requires that wherever a height limit of more than 40 feet in a RH District, or more than 50 feet in a RM or RC District, is prescribed by the height and bulk district in which the property is located, any building or structure exceeding 40 feet in height in a RH District, or 50 feet in height in a RM or RC District, shall be permitted only upon approval by the Planning Commission according to the procedures for conditional use approval in Section 303 of the Code.

The proposed Project would reach a height of approximately 64 feet (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run). The proposed Project includes several rooftop features (elevator overrun, and mechanical equipment) that are all exempt from Section 260 since the total proposed height of the exempt features is 16'-0", as allowed by the Code. Given that the Project would exceed a height of 50 feet in the RC Zoning District, Conditional Use Authorization is required. Even though the underlying Bulk and Height District (80-A) would allow for a taller structure, the Code requires approval by the Planning Commission according to the procedures for conditional use approval in Section 303 of this Code.

K. **Bulk.** Planning Code establishes bulk controls by district. The Project Site is located within the 80-A Height and Bulk District. For buildings in the "A" Bulk District, bulk controls apply beginning at 40 feet, and the maximum length dimension is 110 feet, while the maximum diagonal dimension is 125 feet.

The proposed Project would reach a height of approximately 64 feet (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run). Beginning at the height of the bulk controls (40 feet) for the Project Site, the proposed Project would have a maximum length dimension of 102'-11" and a maximum diagonal dimension of 102'-6." Given that both dimensions are below the bulk limit thresholds, the Project is in compliance with Code Section 270.

L. **Shadows.** Planning Code Section 295 requires a shadow analysis for projects over 40 feet in height to ensure that new buildings do not cast new shadows on properties that are under the jurisdiction of the San Francisco Recreation and Park Department.

A shadow analysis was completed that examined the project as it is currently proposed. The analysis revealed that no net shadow would be added to any Recreation and Park Department properties and thus the project complies with Planning Code Section 295.

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 will construct a new building on a vacant lot containing 30 tourist hotel guest rooms. The Project will be consistent with the surrounding neighborhood, which is primarily comprised of multi-story, high-density, residential and commercial buildings (several of which contain Hotel Uses). There are numerous 6- to 8-story buildings on the blocks surrounding the Project on Bush, Sutter and Leavenworth. The Project preserves the streetscape and the existing neighborhood character and is compatible with the Lower Nob Hill Apartment Hotel Historic District. At six-stories, the Project is compatible with the immediately-adjacent residential buildings, which, are 5- and 6-stories, respectively. An eight-story residential building is located across the street on the corner of Hyde and Sutter Streets. The tourist guest rooms are designed for efficiency. All of the units will have access to light; those units fronting onto Hyde Street (or the rear yard) will benefit from large, Code-compliant bay windows, while those interior units will face an interior lightwell.

The Project site is within walking distance of Union Square and numerous MUNI bus stops. The Project site is located three buildings to the south of Saint Francis Memorial Hospital, and is within walking distance of the new CPMC Van Ness/Geary campus. The presence of these Institutional Uses combined with the proximity to Union Square will benefit future hotel patrons. The Project will provide community benefits in the form of affordable hotel rooms near the hospital and medical facilities for use by family and friends of patients as well as visiting medical professionals. It will also convert an underutilized site into a small and vibrant boutique hotel, within walking distance of public transit, commerce and services. It is anticipated that the new users (hotel patrons) will support the nearby neighborhood-serving retail uses, adding pedestrian-oriented activity to the immediate neighborhood.

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 in 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 is consistent with the surrounding neighborhood, which is primarily multi-story, high-density residential buildings. The Project will develop a vacant lot, thereby creating a more unified street wall. The Project's six-story height is consistent with the surrounding buildings, which range in height from four to eight stories. The Project has been designed to fit in with the character of the surrounding buildings by incorporating double bay windows, deep ground floor openings, and a projecting cornice. The Project provides an approximately seven-foot front setback at the top floor (6th floor) to allow for the perception of a stepping pattern along the subject frontage, as viewed from street level. While not required to provide a rear yard, the Project nevertheless provides a 15-foot rear yard to provide a physical buffer from adjacent structures.

- 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 will not provide any off-street parking. The high-density development and neighborhood-serving commercial uses that characterize the neighborhood will encourage hotel guests (users) to find alternatives to the use of private automobile, such as bicycles, public transportation, and taxis or ridesharing. The Project will generate less demand for private automobile use because the property is situated within a transit-rich area and does not provide parking. The property is located within a two-block radius of eight MUNI bus lines, within three blocks of the Van Ness Avenue line and eight blocks of the Market Street lines.

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

The Project proposes a Hotel Use without on-site vehicular parking and therefore will not produce noxious or offensive emissions, noise, glare, dust or odors associated with vehicles parking on-site. There is no commercial retail space, which, could generate the same. In order to ensure any significant noxious or offensive odors are prevented from escaping the premises once the Project is operational, the building permit application to implement the Project shall include air cleaning or odor control equipment details and manufacturer specifications on the plans. The Project will include lighting at the hotel entrance that focuses on the entrance area and does not create glare for neighbors. Any signage for the hotel would be on Hyde Street and would comply with applicable Planning Code requirements. Garbage and recycling facilities will remain inside the building and be contained within the ground level with a single access point.

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

The Project will provide one (1) street tree, two (2) Class II bicycle parking spaces, and will comply with all streetscape requirements. Parking is not proposed and therefore, the ground floor will consist of a hotel lobby that will contribute to the neighborhood character. The Project is not required to provide a rear yard given that no dwelling units are proposed; nevertheless, the Project provides a rear yard of fifteen feet in depth. The Project also will provide appropriate lighting for safety on the street side of the façade. The Project contains signage for identification purposes that is Code-compliant.

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

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

- D. **Hotels and Motels.** Planning Code Section 303(g) requires that, with respect to applications for development of tourist hotels and motels, the Planning Commission shall consider:

- i. The impact of the employees of the hotel or motel on the demand in the City for housing, public transit, child-care, and other social services. To the extent relevant, the Commission shall also consider the seasonal and part-time nature of employment in the hotel or motel;

The proposed Project would construct a new six-story, 30-room hotel, resulting in the creation of approximately 13 jobs. According to the Hotel Feasibility Study ("Study") produced by Hausrath Economics Group, the new Hotel Use would necessitate 8 full-time (FTE) positions (manager, front desk clerks, housekeeping, and maintenance) and 5 part-time (PTE) positions (desk clerks, and housekeeping). Generally, most San Francisco hotel employees live in San Francisco. According to the Economic Impact of San Francisco Hotels (2013), 57 percent of the people employed at San Francisco hotels also live in San Francisco, higher than the average of 54 percent for all business sectors in San Francisco. (The 2013 report prepared for the Hotel Council of San Francisco by the Bay Area Council Economic Institute is the most current available at the time of the preparation of the Study prepared for the proposed Project).

It is assumed that new employees would likely have relocated from other jobs already in San Francisco. Therefore, the potential increase in employment would be minimal compared to the total employment expected in San Francisco and the greater San Francisco Bay Area. This minor increase in employment is not expected to generate a significant increase in demand for housing, transit, child care and other social services. Furthermore, the location is well-served by transit and the secure bicycle parking spaces will help to minimize additional auto trips.

Overall, the increase in employment would be less than significant in the context of the expected increases in the employment and population of San Francisco. The proposed Project would not directly or indirectly induce substantial population growth in San Francisco and would result in a less-than-significant population impact.

- ii. The measures that will be taken by the project sponsor to employ residents of San Francisco in order to minimize increased demand for regional transportation;

The Project Sponsor plans to fill the job openings by hiring locally. The Project Sponsor will use the recruitment services offered by community-based agencies such as the Mission Hiring Hall and Chinese for Affirmative Action. This will supplement posting the job openings at HireSF.org, (an initiative of the Office of Economic and Workforce Development), advertising in local newspapers, and on Craigslist. Although the Project does not meet the minimum size threshold of 25,000 square feet of commercial development to take advantage of San Francisco's First Source Hiring Program, the Project Sponsor will nevertheless complete a First Source hiring agreement.

- iii. The market demand for a hotel or motel of the type proposed.

Based on data within the Study, San Francisco's visitor industry is thriving and the number of visitors to the City is at an all-time high. As a result, hotel occupancies also at record levels. San Francisco Travel (the private, not-for-profit organization that markets the city as a leisure, convention, and business destination) reports 24.6 million visitors to San Francisco in 2015 (18.9 million leisure travelers and 5.8 million business travelers). Counts for both visitor categories

were up 2.7 percent from the prior year. According to San Francisco Travel, just over 60 percent of all overnight visitors to San Francisco stayed in San Francisco hotels in 2015 (about 6.3 million visitors). Consistent occupancy rates between 80 and 90 percent since 2010 have led to significant increases in average daily room rates (average rental income paid per occupied room in one year). Citywide, the average daily room rate was \$268 in 2015, up almost 20 percent from an average of \$229 in 2013. San Francisco's climate and variety of local and regional destinations means that seasonality is not a big factor in the lodging market. This distinguishes San Francisco from many other visitor destinations. Occupancy rates are generally high year-round with peaks in the months of June through October.

According to the Study, there is evidence to suggest a near-term softening of occupancy rates and room rates as increased lodging supply responds to demand growth. While short-term home rental services such as Airbnb capture an increasing share of the overnight visitor market, for the first time since 2008 significant new hotel development is proposed in downtown San Francisco. The pipeline of more than 20 hotels and 4,000 rooms in projects under development or proposed is a direct response to sustained high occupancy rates and strong demand from tourism, business travel, and conventions. This new construction will be developed and absorbed over a period of years, but will moderate the upward trend of occupancy rates and likely reduce the rate of increase in room rates.

The Study suggests that the longer-term lodging market remains strong, assuming the supply of lodging types is diverse. The longer-term outlook for the tourist hotel market in San Francisco is strong. Tourism is one of the key sectors in the City's economy, supported by the strength of other economic activity in the City, growth in international travel, and the City's broad appeal to both convention and leisure travelers.

Overall, the Study concludes that: 1) numerous factors support a new Hotel Use at 824 Hyde Street, and 2) the positioning as a boutique hotel at the subject location is in-step with development trends in this part of the City. Specifically, the Study finds that:

- The site is centrally-located in San Francisco near major transportation corridors (the location is well-served by transit servicing Union Square, the Financial District, North Beach, and the Embarcadero);
- State and Federal government activity in nearby Civic Center provides a year-round source of demand for lodging in the Civic Center/Van Ness Corridor;
- The development of the 274-bed hospital at Van Ness and Geary represents an important near-future source of year-round demand for nearby lodging (the hospital project is stimulating a boom in real estate investment for housing, office, and hotel use near Van Ness and Geary);
- While projected room rates in the range of \$189 to \$379 per night are higher than the average for this location, they are consistent with rates at other boutique and small contemporary hotels in the vicinity; and
- As new construction, the Project will offer a distinctive product in San Francisco's boutique hotel market, where almost all such lodging is in renovated older buildings.

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

COMMERCE AND INDUSTRY ELEMENT

Objectives and Policies

OBJECTIVE 1:

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKINIG ENVIRONMENT.

Policy 1.1:

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development that 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 project would add thirty (30) tourist hotel guest rooms intended to serve visitors and business travelers of San Francisco, and as a result would create new jobs in a location that is easily accessible via transit. The project would result in increased tax revenue for the City—including Hotel Room Tax (transient occupancy tax or TOT) revenue for San Francisco's General Fund—and an increase in retail activity in the immediate neighborhood. A tourist hotel is permitted with a Conditional Use Authorization, and is thus consistent with activities in the commercial land use plan.

OBJECTIVE 2:

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1:

Seek to retain existing commercial and industrial activity and to attract new such activity to the City.

Due to the Project Site's proximity to Union Square and Civic Center, the Project is anticipated to easily attract hotel patrons. The Project Site is also centrally located, close to many jobs and services, as well as public transit.

OBJECTIVE 8:

ENHANCE SAN FRANCISCO'S POSITION AS A NATIONAL CENTER FOR CONVENTIONS AND VISITOR TRADE.

Policy 8.1:

Guide the location of additional tourist related activities to minimize their adverse impacts on existing residential, commercial, and industrial activities.

Policy 8.3:

Assure that areas of particular visitor attraction are provided with adequate public services for both residents and visitors.

The Project locates a new 30-room tourist hotel in a location that is geographically in close proximity to the attractions, conventions, entertainment, public transit, retail and food services frequented by tourists and business travelers.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 1:

MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA.

Policy 1.3:

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

The Project creates a new hotel use within a transit-rich area and within close proximity to the downtown where jobs are concentrated. By not including parking, the Project encourages the use of public transit as an alternative to automobiles.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 3:

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.2:

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

Policy 3.5:

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

Policy 3.6:

Relate the bulk of buildings to the prevailing scale of development to avoid an overwhelming or dominating appearance in new construction.

The Project site is located within the Lower Nob Hill Apartment Hotel Historic District (District). The surrounding area has a defined architectural character with the vast majority of the buildings having been constructed between 1906 and 1925. The District consists of almost entirely of 3- to 8-story multi-unit residential buildings which fill their entire front lot lines and share a single stylistic orientation. The Project site is located in an 80-A Height and Bulk District. The proposed new building is designed in a contemporary architectural style, including generous, modern glazing treatments, an organized fenestration pattern, and high-quality exterior finishes. The building would be approximately 64-foot-tall (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run); these features are exempt per Planning Code Section 260(b). Therefore, the Project's proposed height is consistent with the requirements of the 80' Height District and with similar sized buildings in the area, and meets the "A" Bulk Limits.

OBJECTIVE 4:

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENTAL TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.11:

Make use of street space and other unused public areas for recreation, particularly in dense neighborhoods, such as those close to downtown, where land for traditional open spaces is more difficult to assemble.

The Project will include streetscape improvements along its Hyde Street frontages, including the installation of one (1) new street tree, and a new, publically-accessible Class II bicycle rack along Hyde Street. The building's base has been detailed to provide an appropriate scale for pedestrians, and the Project would add an important aspect of activity by virtue of infilling a vacant lot. These improvements will provide much needed streetscape improvements thorough the well-designed ground-floor treatments that will help to improve pedestrian safety without the need for a curb cut for off-street parking.

Policy 4.13:

Improve pedestrian areas by providing human scale and interest.

The Project is designed to fit within the neighborhood characterized by high-density, residential buildings and hotels within the Lower Nob Hill National Register District. The Project contains thirty (30) tourist guest rooms that are efficiently designed with adequate storage and have large windows for light. The building will reflect the design of the surrounding buildings because it contains double bay windows, deep ground floor openings, and a projecting cornice. The building's base has been detailed to provide an appropriate scale for pedestrians, and the Project would add an important aspect of activity (hotel lobby), providing a much-needed human scale and interest on a lot that is currently vacant. The project sponsor modified the façade to respond to comments made by the Department's historic preservation technical specialist. These changes ensure the Project will be consistent with the façade element patterns of other buildings in the Lower Nob Hill National Register District.

9. Planning Code Section 101.1(b) establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The existing, neighborhood-serving retail will be preserved and enhanced through the construction of a new Hotel Use (Retail Sales and Service Use) on a vacant lot. While no ground floor, neighborhood-serving retail is proposed, the hotel provides opportunities for resident employment in the hotel.

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

The property is a vacant lot. The property contained an eight-unit residential building that was destroyed by a fire in October 2010. Consistent with the height and density of residential and mixed-use buildings near the Project Site, the Project will provide 30 hotel rooms in a 6-story-over-basement building. The prevailing development pattern in the neighborhood includes mid-rise buildings like that of the proposed Project which house hotels and residential uses with ground floor retail. The neighborhood is close to Union Square and reflects that area's mixture of restaurants, bars, housing and ground floor commercial uses, including hotels. The Project retains the prevailing neighborhood character by relating the height and bulk to be at or below that of the adjacent buildings and including design elements such as double bay windows, deep ground floor openings, and a projecting cornice.

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

The Project does not affect affordable housing as there is no housing currently on the subject lot (the Project Site is currently vacant).

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

The Project will not cause an undue burden on the surrounding street parking, nor will it impede MUNI service. The Project will not provide parking because the Project is well-served by public transportation and is located within close proximity to San Francisco's most popular tourist destinations. Many of the available MUNI lines: 38-Geary; 19-Polk; 47-and 49-Van Ness; 1-California; and 2-Clement; 30-Stockton; and 45-Union bus lines are within walking distance. These bus lines include stops and/or connections to the MUNI Metro, BART and F-lines on Market Street and connections to popular tourist attractions. The Van Ness BRT line will soon be operational and will expedite travel by tourists to many City destinations as well as connections with City and regional transit lines. Tourists do not necessarily travel during peak hours so MUNI service should not be negatively impacted by the Project.

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

The Project does not eliminate any industrial or service sectors. The proposed Hotel Use is a commercial development that will replace a long-vacant and blighted lot with 30 tourist hotel guest rooms in a well-designed building compatible with the neighborhood and the Lower Nob Hill Apartment Hotel Historic District. By doing so, the Project provides the opportunity for resident employment at the hotel, and as a result of the increased demand generated by the tourists for neighborhood goods and services, at nearby retail businesses including bars and restaurants.

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

The new building will comply with present day seismic and life-safety codes for achievement of the greatest possible preparedness to protect against injury and loss of life in the event of an earthquake.

G. That landmarks and historic buildings be preserved.

The property is located within the Lower Nob Hill Apartment Hotel Historic District (District). The new building is designed to fit within the District's context, including elements such as double bay windows, deep ground floor openings and a projecting cornice

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

The Project will have no negative impact on existing parks and open space. No existing park is observed within 300' radius of the property. The Project's height of 64'-0" (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run), will not have an impact on the surrounding parks and open space's access to sunlight and vistas. The height of the proposed structure is compatible with the established neighborhood development.

10. 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.

11. The Commission hereby finds that approval of the Conditional Use authorization would promote the health, safety and welfare of the City.

DECISION

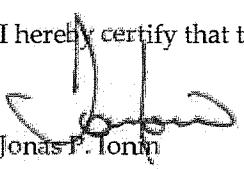
That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Application No. 2016-010544CUA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated March 22, 2017, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 19926. 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 June 1, 2017.



Jonas P. Ionin
Commission Secretary

AYES: Fong, Hillis, Johnson, Koppel

NAYS: Melgar, Moore, Richards

ABSENT: None

ADOPTED: June 1, 2017

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to allow a Hotel Use within a new construction building located at 824 Hyde Street, Lot 017 in Assessor's Block 0280, to exceed the use size limitations and to exceed 50 feet in a RC Zoning District, pursuant to Planning Code Sections 209.3, 253, 303, 303(g) within the RC-4 Zoning District and a 80-A Height and Bulk District; in general conformance with plans, dated **March 22, 2017**, and stamped "EXHIBIT B" included in the docket for Case No. 2016-010544CUA and subject to conditions of approval reviewed and approved by the Commission on **June 1 2017** under Motion No. 19926. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on **June 1, 2017** under Motion No. 19926.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 19926 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

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

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

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

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

DESIGN – COMPLIANCE AT PLAN STAGE

6. **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
7. **Garbage, composting and recycling storage.** Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the building permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
8. **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
9. **Transformer Vault.** The location of individual project PG&E Transformer Vault installations has significant effects to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:
 - a. On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
 - b. On-site, in a driveway, underground;
 - c. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
 - d. Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
 - e. Public right-of-way, underground; and based on Better Streets Plan guidelines;
 - f. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
 - g. On-site, in a ground floor façade (the least desirable location).

Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.

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

10. **Noise.** Plans submitted with the building permit application for the approved project shall incorporate acoustical insulation and other sound proofing measures to control noise.

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

11. **Odor Control Unit.** In order to ensure any significant noxious or offensive odors are prevented from escaping the premises once the project is operational, the building permit application to implement the project shall include air cleaning or odor control equipment details and manufacturer specifications on the plans. Odor control ducting shall not be applied to the primary façade of the building.

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

PARKING AND TRAFFIC

12. **Bicycle Parking.** Pursuant to Planning Code Sections 155.1 and 155.4, the Project shall provide no fewer than 1 (one) Class I or 2 (two) Class II bicycle parking spaces. SFMTA has final authority on the type, placement and number of Class 2 bicycle racks within the public ROW. Prior to issuance of first architectural addenda, the project sponsor shall contact the SFMTA Bike Parking Program at bikeparking@sfmta.com to coordinate the installation of on-street bicycle racks and ensure that the proposed bicycle racks meet the SFMTA's bicycle parking guidelines. Depending on local site conditions and anticipated demand, SFMTA may request the project sponsor pay an in-lieu fee for Class II bike racks required by the Planning Code.

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

13. **Managing Traffic During Construction.** The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.

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

14. **Transportation Demand Management (TDM) Program.** Pursuant to Planning Code Section 169, the Project shall finalize a TDM Plan prior to the issuance of the first Building Permit or Site Permit to construct the project and/or commence the approved uses. The Property Owner, and all successors, shall ensure ongoing compliance with the TDM Program for the life of the Project, which may include providing a TDM Coordinator, providing access to City staff for site inspections, submitting appropriate documentation, paying application fees associated with

required monitoring and reporting, and other actions. Prior to the issuance of the first Building Permit or Site Permit, 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 to document compliance with the TDM Program. This Notice shall provide the finalized TDM Plan for the Project, including the relevant details associated with each TDM measure included in the Plan, as well as associated monitoring, reporting, and compliance requirements.

PROVISIONS

15. **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

MONITORING - AFTER ENTITLEMENT

16. **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
17. **Revocation due to Violation of Conditions.** Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
18. **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>
19. **Noise Control.** The premises shall be adequately soundproofed or insulated for noise and operated so that incidental noise shall not be audible beyond the premises or in other sections of the building and fixed-source equipment noise shall not exceed the decibel levels specified in the San Francisco Noise Control Ordinance.

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

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

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

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

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

21. **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

OPERATION

22. **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>

NEIGHBORHOOD MEETING FOR NEW BUILDING AT 824 HYDE STREET

October 6, 2016

Dear 824 Hyde Street Neighbor,

We purchased the vacant site at 824 Hyde Street in 2015. The site is located in the Lower Nob Hill Apartment-Hotel Historic District. In 2013, the then-owner filed applications with the City's Planning Department to obtain approvals to build an approximately 55' tall building with 15 studio and 1-bedroom dwelling units. On March 3, 2016, the San Francisco Planning Commission granted conditional use authorization to build the residential project. The Conditional Use approval was needed so that the building could exceed 40' height limit in the RC-4 zoning district.

Since the approval of the residential building, we decided that a hotel use would better suit the site and benefit the neighborhood. A Conditional Use Application for a small, 33-room boutique hotel was submitted to the Planning Department on August 3, 2016. A Conditional Use authorization is required for tourist hotels and for a building exceeding the 40' height limit in the RC-4 zoning district.

This letter is an invitation for a neighborhood meeting to discuss the proposed hotel project. We want to invite those of you both old and new to the neighborhood to learn about this thoughtfully designed hotel that will replace the vacant lot. Members of the project team will be there to describe the building's features and amenities and to answer your questions.

MEETING INFORMATION:

WHEN: Tuesday, October 18, 2016

WHERE: Coldwell Banker, 1560 Van Ness Avenue (2nd Floor)

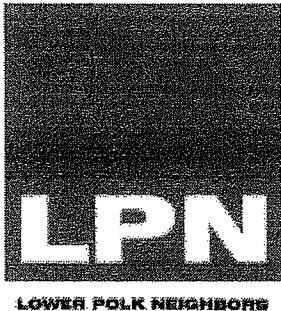
TIME: 6:30-7:30

If you have questions about the meeting, please call or email Ilene Dick, our land use attorney with Farella Braun + Martel. She can be reached at (415) 954-4958 or by email at idick@fbm.com. We hope to see you there!

Sincerely,



 Mike Kumar



RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2017 JUN 29 PM 4:32

BY BS

Lower Polk Neighbors
PO BOX 642428
San Francisco, Ca 94164-2428

Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

June 20, 2017

Dear Clerk of the Board and President Breed ,

In 2010 a fire destroyed a rent controlled housing building at 824 Hyde. In 2016, Lower Polk Neighbors (LPN) was pleased that housing was approved to replace this building. In May of 2017 LPN was disappointed to learn that a micro hotel was proposed at this location in lieu of housing. LPN finds that a hotel is neither necessary or desirable and petitioned the Planning Commission to disapprove this use. On June 1, 2017 the Planning Commission approved a Motion 4-3 to approve the micro hotel. LPN is appealing this decision to the Board of Supervisors.

While we recognize that rent controlled housing burned down with the fire in 2010, the previously approved project (2012.1445C) which proposed 14 residential units and a twenty percent in lieu affordable housing fee is a preferred alternative to the proposed hotel use. LPN finds that the hotel use is neither necessary or desirable and given the necessary and desirable need for housing, including the affordable housing component, we ask that you accept this appeal and reject the proposal before you, keeping the previously approved entitlements in effect. Setting a precedent for allowing a non-residential uses to replace rent controlled housing is not appropriate and can cause a dangerous trend. Soft sites and sites that previously did not have housing are more appropriate for hotel uses and we welcome proposals under these circumstances.

The previously approved project will dedicate nearly \$700,000 to affordable housing in lieu fees. This proposed project will pay approximately \$250,000 for transit fees, meaning that the developer saves \$450,000 on entitlement fees. While transit funds are needed, due again to the loss of rent controlled housing, LPN finds that the affordable housing fees are preferred.

Regarding the specific proposal for the micro hotel use, we find the hotel to be lacking an adequate parking and traffic study, the units are shockingly small and micro sized, and without any neighborhood outreach, we have seen no demonstrated necessary or desirable

benefit to the neighborhood. Conversely, housing, which is absolutely necessary and desirable has been previously approved and will be ready to construct without entitlement delays. The hotel units are extremely micro size (average 148 square feet.) This is approximately 20 percent smaller than even some of the smallest rooms of 170-180 square feet that have been recently proposed and or approved.

We recognize that hotel occupancies are at high levels, but at the same time there are dozens of larger hotel projects proposed, as well as thousands of Air BNB units on the market. This site has historically been used as housing, and there is no reason that this site, should not be used as housing as previously approved.

Regards,



Chris Schulman
Executive Committee Member
Lower Polk Neighbors

**NOTICE TO BOARD OF SUPERVISORS OF APPEAL
FROM ACTION OF THE CITY PLANNING COMMISSION**

Notice is hereby given of an appeal to the Board of Supervisors from the following action of the City Planning Commission.

The property is located at 824 Hyde Street

6-1-17

Date of City Planning Commission Action
(Attach a Copy of Planning Commission's Decision)

6-29-17

Appeal Filing Date

The Planning Commission disapproved in whole or in part an application for reclassification of property, Case No. _____

The Planning Commission disapproved in whole or in part an application for establishment, abolition or modification of a set-back line, Case No. _____

The Planning Commission approved in whole or in part an application for conditional use authorization, Case No. 2016-010544CUA

The Planning Commission disapproved in whole or in part an application for conditional use authorization, Case No. _____

Statement of Appeal:

a) Set forth the part(s) of the decision the appeal is taken from:

THE ENTIRE DECISION

b) Set forth the reasons in support of your appeal:

SEE ATTACHED LETTER

Person to Whom
Notices Shall Be Mailed

Name and Address of Person Filing Appeal:

CHRIS SCHULMAN, BOARD MEMBER
LOWER POLK NEIGHBORS
Name

CHRIS SCHULMAN, BOARD MEMBER
LOWER POLK NEIGHBORS
Name

PO Box 642428 SF CA 94164 PO Box 642428 SF CA 94164
Address Address

415-827-0650
Telephone Number

415-827-0650
Telephone Number

Chris
Signature of Appellant or
Authorized Agent

City Planning Commission
Case No. _____

The undersigned declare that they are hereby subscribers to this Notice of Appeal and are owners of property affected by the proposed amendment or conditional use (that is, owners of property within the area that is the subject of the application for amendment or conditional use, or within a radius of 300 feet of the exterior boundaries of the property).

If ownership has changed and assessment roll has not been amended, we attach proof of ownership change. If signing for a firm or corporation, proof of authorization to sign on behalf of the organization is attached.

Street Address, property owned	Assessor's Block & Lot	Printed Name of Owner(s)	Original Signature of Owner(s)
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____
7. _____	_____	_____	_____
8. _____	_____	_____	_____
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21. _____	_____	_____	_____
22. _____	_____	_____	_____

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BOARD OF SUPERVISORS
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2017 JUN 29 PM 4:32

Pursuant to Planning Code Section 308.1(b), the undersigned members of the Board of Supervisors believe that there is sufficient public interest and concern to warrant an appeal of the Planning Commission on Case No. 2016-010544CHB conditional use authorization regarding (address) 824 HYDE STREET, District 3. The undersigned members respectfully request the Clerk of the Board to calendar this item at the soonest possible date.

SIGNATURE

Janice H. Lee
Mark Aguiar
Mark Leno
Della Rose
Sandie Lee Gunn

DATE

6-20-17
6-20-17
6-20-17
6-20-17
6-20-17

(Attach copy of Planning Commission's Decision)



SAN FRANCISCO PLANNING DEPARTMENT

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BOARD OF SUPERVISORS
SAN FRANCISCO

2017 JUN 29 PM 4:32

Subject to: (Select only if applicable)

- Affordable Housing (Sec. 415)
- Jobs Housing Linkage Program (Sec. 413)
- Downtown Park Fee (Sec. 412)

- First Source Hiring (Admin. Code)
- Child Care Requirement (Sec. 414)
- Other

BY BJ

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Motion No. 19926

HEARING DATE: JUNE 1, 2017

Case No.: 2016-010544CUA
Project Address: 824 Hyde Street
Zoning: RC-4 (Residential-Commercial, High Density) District
80-A Height and Bulk District
Block/Lot: 0280/017
Project Sponsor: Ilene Dick
Farella Braun + Martel, LLP
235 Montgomery Street
San Francisco, CA 94104
Staff Contact: Nicholas Foster – (415) 575-9167
nicholas.foster@sfgov.org

ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 209.3, 253, 303, 303(g) OF THE PLANNING CODE TO ALLOW A HOTEL USE IN A NEW CONSTRUCTION BUILDING EXCEEDING THE USE SIZE LIMITATIONS AND EXCEEDING 50 FEET IN HEIGHT WITHIN THE RC-4 (RESIDENTIAL-COMMERCIAL, HIGH DENSITY) ZONING DISTRICT AND A 80-A HEIGHT AND BULK DISTRICT.

PREAMBLE

On November 17, 2012, Brett Gladstone from Hanson Bridgett, LLP, the agent on behalf of Owen D. Conley and Thomas J. Conley ("Previous Project Sponsor"), submitted an application with the Planning Department (hereinafter "Department") for a Preliminary Project Assessment ("PPA") with Case No. 2012.1445U. The PPA letter was issued on January 28, 2013.

On May 8, 2013, the Previous Project Sponsor filed an application with the Department for Conditional Use Authorization pursuant to Section 303 to construct a 5-story over basement, residential building with 14 dwelling units, located in an RC-4 Zoning District. The Previous Project Sponsor also filed a Variance application, pursuant to Planning Code Section 145.1 to allow relief from the Code regarding required active street frontages for residential developments.

On August 1, 2013, the Previous Project Sponsor submitted an Environmental Evaluation Application. The application packet was accepted on August 8, 2013 and assigned Case No. 2012.1445E.

www.sfplanning.org

On December 24, 2013, the Department issued a Notification of Project Receiving Environmental Review to owners and occupants of properties within a 300 foot radius of the project site, and other interested parties. The notification period was open through January 7, 2014; however, public comments were accepted throughout the environmental review process.

On April 30, 2015, the Project was issued a Categorical Exemption, Class 32 (California Environmental Quality Act (CEQA) Guidelines Section 15322). Approval of the Conditional Use Authorization by the Planning Commission is the Approval Action for the project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

On September 2, 2015, Ilene Dick from Farella Braun + Martel, LLP, the agent on behalf of 824 Hyde Street Investments, LLC (hereinafter "Project Sponsor") filed an updated application with the Department for Conditional Use Authorization under Planning Code Section(s) 253 and 303 to permit a building exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District. The Project Sponsor also filed an updated Variance application, pursuant to Planning Code Sections 136 and 145.1 to allow for permitted obstructions (bay windows) and relief from the Code regarding required active street frontages for residential developments.

On January 14, 2016, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.1445CV.

On January 14, 2016, after closing public comment and holding a hearing on the item, the Commission voted (+6/-0) to continue the item to the March 3, 2016 Commission hearing date. The Commission instructed the Project Sponsor to refine the overall design of the primary building façade to allow the new building to better integrate within the existing, historic context of the subject site. In addition, the Commission asked the Project Sponsor to work with Planning Staff to determine the status of the property line windows and light wells on the abutting property to the north of the subject property (830 Hyde Street). Since the continuance, the Project Sponsor made modifications to the Project in response to the Commission's requests.

On March 3, 2016, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.1445CV. With a vote of (+6/-0; Wu absent) the Commission adopted findings relating to the approval of Conditional Use Authorization under Planning Code Section(s) 253 and 303 to permit a building with the chamfered bay alternative design exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District and adopting findings under the California Environmental Quality Act (Motion #19582). The Zoning Administrator approved the request for Variance, pursuant to Planning Code Sections 136 and 145.1, to allow for permitted obstructions (bay windows) and relief from the Code regarding required active street frontages for residential developments.

On July 21, 2016, Ilene Dick from Farella Braun + Martel, LLP, the agent on behalf of the Project Sponsor, filed an updated application with the Department for Conditional Use Authorization under Planning Code Section(s) 253, 303, and 303(g) to permit a Hotel Use in a new construction building

exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District.

On July 21, 2016, Ilene Dick from Farella Braun + Martel, LLP, the agent on behalf of the Project Sponsor, submitted an updated Environmental Evaluation Application. The application packet was accepted on September 15, 2016 and assigned Case No. 2016-010544ENV.

On February 15, 2017, the Department issued a Notification of Project Receiving Environmental Review to owners and occupants of properties within a 300 foot radius of the project site, and other interested parties. The notification period was open through March 1, 2017; however, public comments were accepted throughout the environmental review process.

On May 5, 2017, the Project was issued a Categorical Exemption, Class 32 (California Environmental Quality Act (CEQA) Guidelines Section 15322). Approval of the Conditional Use Authorization by the Planning Commission is the Approval Action for the project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

On May 18, 2017, after closing public comment and holding a hearing on the item, the Commission voted (+7/-0) to continue the item to the June 1, 2017 Commission hearing date. The Commission instructed the Department Staff to consult with both the staff of the Rent Stabilization and Arbitrations Board ("Rent Board") and the City Attorney's Office to determine whether, if a new residential building were constructed on the Property, tenants of the residential building that once occupied the Property would have any "right to return" to a new residential building on the Property. As directed by the Commission, Department Staff consulted with the Rent Board and the San Francisco City Attorney's Office on the matter, and determined that because no structure remains to be rehabilitated, no "right to return" exists for former tenants of the now-demolished building.

On June 1, 2017, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2016-010544CUA.

The Commission voted (+3/-4) on a motion of intent to disapprove the Project; that motion failed.

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. 2016-010544CUA, 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 approximately 2,815-square-foot project site (Assessors Block 0280, Lot 017) is located on the block bounded by Hyde Street to the west, Leavenworth Street to the east, Bush Street to the north, and Sutter Street to the south in the Downtown/Civic Center neighborhood and within the Lower Nob Hill Apartment Hotel Historic District. The subject lot has 25 feet of street frontage along Hyde Street and a depth of 112'-6". The project site was previously occupied by a four (4) story, eight (8) unit residential building that was designated a historic resource by the City and the CRHR, and in 1991 was listed in the National Register of Historic Places as a contributing resource to the Lower Nob Hill Apartment Hotel National Register Historic District (the "Lower Nob Hill Apartment Hotel Historic District" or "District"). The building, named "Chatom Apartments", was constructed in 1915. The building was destroyed by a fire in 2010 and the remnants of the damaged structure were removed in accordance with demolition Permit No. 201011084503 issued on November 8, 2010. The resulting vacant lot is considered a non-contributory property within the District. In March of 2016, the Planning Commission approved a Conditional Use Authorization (Case #2012.1445CV, Motion #19582) to permit an approximately 12,400 gross square foot residential building exceeding 50 feet within the RC-4 District, containing fourteen (14) dwelling units.
3. **Surrounding Properties and Neighborhood.** The Project Site is within the Downtown/Civic Center neighborhood, near the southern boundary of the Nob Hill neighborhood. The Project site is also located within the Lower Nob Hill Apartment Hotel Historic District. The District is comprised of 570 acres containing 295 contributing buildings and one contributing structure. The District consists of almost entirely of 3- to 8-story multi-unit residential buildings which fill their entire front lot lines and share a single stylistic orientation. The vast majority of the buildings were constructed between 1906 and 1925. Land uses in the surrounding area include a diverse mixture of residential, hotel, and ground-floor retail uses including shopping, grocery stores, bars and restaurants. St. Francis Medical Center is located one block to the north of the site at the corner of Hyde and Bush Streets.
4. **Project Description.** The proposed Project would involve the construction of an approximately 64-foot-tall (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run), six-story-over-basement, 13,367 gross square foot (gsf) building on a partially down-sloping vacant lot. The proposed building would contain a Hotel Use (A Retail Sales and Service Use), providing thirty (30) tourist guest rooms. The Project would provide six (6) Class I and two (2) Class II bicycle parking spaces; no off-street vehicular parking would be provided. Excavation, to a maximum depth of approximately ten (10) feet below grade, is proposed in order to accommodate the basement level containing storage and services necessary to the operation or maintenance of the building itself.
5. **Public Comment.** To date, the Department has received one (1) letter in opposition to the proposed Project; the letter calls into question the need for a Hotel Use at the subject property, in lieu of residential use.
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 (Sections 102, 209.3).** The Project Site is located in the RC-4 (Residential-Commercial, High Density) Zoning District wherein Hotel Use is permitted with Conditional Use Authorization. Within the RC-4 Zoning Districts, non-residential uses are principally permitted up to 6,000 square feet and a Conditional Use Authorization is required for uses between 6,000 and 120,000 square feet.

The proposed Hotel Use (a Retail Sales and Service Use) is permitted with Conditional Use Authorization in the RC-4 District. The proposed Project would include approximately 13,367 gross square foot (gsf) of non-residential use, which, triggers Conditional Use Authorization. Given that the proposed Project is within the Floor Area Ratio (FAR) limitations of the RC-4 District (4.8:1), the proposed use size is otherwise within the permitted use size limitations of the Code. Please see the specific 303(g) findings, which, are required for all proposed Hotel and Motel Uses, regardless of Zoning District.

B. **Floor Area Ratio.** Planning Code Sections 124 and 209.3 limits the Floor Area Ratio (FAR) for non-residential uses within the RC-4 Zoning District to 4.8:1.

The proposed Project has a gross floor area, as defined by the Code, of approximately 13,367 gsf on a lot size of 2,812.5, resulting in an FAR of approximately 4.75, which is below the FAR limit of 4.8 to 1. While the total gsf for the proposed building is approximately 15,484 gsf, the floor area within the basement necessary to the operation or maintenance of the building itself, the Class I bicycle parking, and the floor area within Code-compliant bay windows are exempt from the calculation of gross floor area, as allowed under Code Section 102. Therefore, the Project is in compliance with Code Sections 124 and 209.3, with respect to FAR limits.

C. **Rear Yard.** Planning Code Section 134 states that the minimum rear yard depth shall be equal to 25 percent of the total depth of the lot on which the building is situated, but in no case less than 15 feet. Rear yards shall be provided at the lowest story containing a dwelling unit, and at each succeeding level or story of the building.

The proposed Project contains a proposed Hotel Use (a non-residential use) and is therefore not subject to the rear yard requirements of the Code. Nevertheless, the Project provides a 15-foot rear yard to provide a physical buffer between the proposed new structure on the subject lot and the existing structures on the adjacent lots.

D. **Permitted Obstructions.** Planning Code Section 136 allows permitted obstructions (including bay windows) to extend over streets and alleys by three (3) feet for the subject property, provided that such projections meet certain dimensional and separation requirements.

The proposed Project includes bay windows at the second thru fifth floors fronting Hyde Street, and at the second thru sixth floors facing the rear of the property. All of the bay windows meet the dimensional requirements of the Code and therefore, the Project is in compliance with Code Section 136.

E. **Parking.** Planning Code Section 151.1 does not require off-street parking for projects located within RC Districts.

No off-street parking is proposed as part of the proposed Project.

F. **Loading.** Planning Code Section 152 requires off-street loading for Hotel Uses exceeding 100,000 gsf.

The proposed Project contains approximately 13,367 gsf of Hotel Use, which, is below the threshold for off-street loading requirements (100,000 gsf). Therefore, the Project is in compliance with Code Section 152. Nevertheless, the proposed Project would seek approval from the SFMTA for a 40-foot-long passenger loading zone on Hyde Street, directly in front of the subject property.

G. **Bicycle Parking.** Planning Code Section 155.2 requires bicycle parking for Hotel Uses in the following amounts: one Class I space for every 30 rooms, and one Class II space for every 30 rooms (minimum of 2 spaces required).

The Project will provide six (6) Class I bicycle parking spaces within the new building, and two (2) Class II bicycle parking spaces along the Hyde Street frontage, exceeding the Code requirements, and meeting the intent of the City's Transit First Policies.

H. **Street Frontages in Residential-Commercial Districts.** Planning Code Section 145.1 exists to preserve, enhance, and promote attractive, clearly defined street frontages that are pedestrian-oriented, fine-grained, and which are appropriate and compatible with the buildings and uses in certain commercial districts. Active uses, as defined by the Code, are required within the first 25 feet of the building depth at ground floor, and the ground floor ceiling height shall be at least 14 feet in height, as measured from grade.

The Project proposes a Hotel Use (a non-residential, Retail Sales and Service Use) on the subject property, with a ground floor height of 14 feet, as required by Code. Therefore the Project is in compliance with Code Section 145.1.

I. **Transportation Demand Management (TDM) Plan.** Pursuant to Planning Code Section 169 and the TDM Program Standards, the Project shall finalize a TDM Plan prior Planning Department approval of the first Building Permit or Site Permit. As currently proposed, the Project must achieve a target of 7 points.

The Project Sponsor submitted a completed Development Application or Environmental Evaluation Application prior to September 4, 2016. Therefore, the Project must only achieve 50% of the point target established in the TDM Program Standards, resulting in a required target of seven (7) points. As currently proposed, the Project will achieve its required seven (7) points through the following TDM measures:

- *Bicycle Parking (Option A)*
- *Real Time Transportation Displays*
- *Parking Supply (Option K)*

With no off-street parking provided, the Project's baseline actually exceeds the TDM requirements for the proposed project. By voluntarily providing two of the above-referenced TDM measures (additional Class I bicycle parking beyond the Code requirement; Real Time Transportation Displays), the Project would provide thirteen points (13), exceeding the required number of points (7). Therefore the Project is in compliance with Code Section 169.

J. **Height.** Planning Code Section 253 requires that wherever a height limit of more than 40 feet in a RH District, or more than 50 feet in a RM or RC District, is prescribed by the height and bulk district in which the property is located, any building or structure exceeding 40 feet in height in a RH District, or 50 feet in height in a RM or RC District, shall be permitted only upon approval by the Planning Commission according to the procedures for conditional use approval in Section 303 of the Code.

The proposed Project would reach a height of approximately 64 feet (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run). The proposed Project includes several rooftop features (elevator overrun, and mechanical equipment) that are all exempt from Section 260 since the total proposed height of the exempt features is 16'-0", as allowed by the Code. Given that the Project would exceed a height of 50 feet in the RC Zoning District, Conditional Use Authorization is required. Even though the underlying Bulk and Height District (80-A) would allow for a taller structure, the Code requires approval by the Planning Commission according to the procedures for conditional use approval in Section 303 of this Code.

K. **Bulk.** Planning Code establishes bulk controls by district. The Project Site is located within the 80-A Height and Bulk District. For buildings in the "A" Bulk District, bulk controls apply beginning at 40 feet, and the maximum length dimension is 110 feet, while the maximum diagonal dimension is 125 feet.

The proposed Project would reach a height of approximately 64 feet (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run). Beginning at the height of the bulk controls (40 feet) for the Project Site, the proposed Project would have a maximum length dimension of 102'-11" and a maximum diagonal dimension of 102'-6." Given that both dimensions are below the bulk limit thresholds, the Project is in compliance with Code Section 270.

L. **Shadows.** Planning Code Section 295 requires a shadow analysis for projects over 40 feet in height to ensure that new buildings do not cast new shadows on properties that are under the jurisdiction of the San Francisco Recreation and Park Department.

A shadow analysis was completed that examined the project as it is currently proposed. The analysis revealed that no net shadow would be added to any Recreation and Park Department properties and thus the project complies with Planning Code Section 295.

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 will construct a new building on a vacant lot containing 30 tourist hotel guest rooms. The Project will be consistent with the surrounding neighborhood, which is primarily comprised of multi-story, high-density, residential and commercial buildings (several of which contain Hotel Uses). There are numerous 6- to 8-story buildings on the blocks surrounding the Project on Bush, Sutter and Leavenworth. The Project preserves the streetscape and the existing neighborhood character and is compatible with the Lower Nob Hill Apartment Hotel Historic District. At six-stories, the Project is compatible with the immediately-adjacent residential buildings, which are 5- and 6-stories, respectively. An eight-story residential building is located across the street on the corner of Hyde and Sutter Streets. The tourist guest rooms are designed for efficiency. All of the units will have access to light; those units fronting onto Hyde Street (or the rear yard) will benefit from large, Code-compliant bay windows, while those interior units will face an interior lightwell.

The Project site is within walking distance of Union Square and numerous MUNI bus stops. The Project site is located three buildings to the south of Saint Francis Memorial Hospital, and is within walking distance of the new CPMC Van Ness/Geary campus. The presence of these Institutional Uses combined with the proximity to Union Square will benefit future hotel patrons. The Project will provide community benefits in the form of affordable hotel rooms near the hospital and medical facilities for use by family and friends of patients as well as visiting medical professionals. It will also convert an underutilized site into a small and vibrant boutique hotel, within walking distance of public transit, commerce and services. It is anticipated that the new users (hotel patrons) will support the nearby neighborhood-serving retail uses, adding pedestrian-oriented activity to the immediate neighborhood.

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 in 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 is consistent with the surrounding neighborhood, which is primarily multi-story, high-density residential buildings. The Project will develop a vacant lot, thereby creating a more unified street wall. The Project's six-story height is consistent with the surrounding buildings, which range in height from four to eight stories. The Project has been designed to fit in with the character of the surrounding buildings by incorporating double bay windows, deep ground floor openings, and a projecting cornice. The Project provides an approximately seven-foot front setback at the top floor (6th floor) to allow for the perception of a stepping pattern along the subject frontage, as viewed from street level. While not required to provide a rear yard, the Project nevertheless provides a 15-foot rear yard to provide a physical buffer from adjacent structures.

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 will not provide any off-street parking. The high-density development and neighborhood-serving commercial uses that characterize the neighborhood will encourage hotel guests (users) to find alternatives to the use of private automobile, such as bicycles, public transportation, and taxis or ridesharing. The Project will generate less demand for private automobile use because the property is situated within a transit-rich area and does not provide parking. The property is located within a two-block radius of eight MUNI bus lines, within three blocks of the Van Ness Avenue line and eight blocks of the Market Street lines.

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

The Project proposes a Hotel Use without on-site vehicular parking and therefore will not produce noxious or offensive emissions, noise, glare, dust or odors associated with vehicles parking on-site. There is no commercial retail space, which, could generate the same. In order to ensure any significant noxious or offensive odors are prevented from escaping the premises once the Project is operational, the building permit application to implement the Project shall include air cleaning or odor control equipment details and manufacturer specifications on the plans. The Project will include lighting at the hotel entrance that focuses on the entrance area and does not create glare for neighbors. Any signage for the hotel would be on Hyde Street and would comply with applicable Planning Code requirements. Garbage and recycling facilities will remain inside the building and be contained within the ground level with a single access point.

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

The Project will provide one (1) street tree, two (2) Class II bicycle parking spaces, and will comply with all streetscape requirements. Parking is not proposed and therefore, the ground floor will consist of a hotel lobby that will contribute to the neighborhood character. The Project is not required to provide a rear yard given that no dwelling units are proposed; nevertheless, the Project provides a rear yard of fifteen feet in depth. The Project also will provide appropriate lighting for safety on the street side of the façade. The Project contains signage for identification purposes that is Code-compliant.

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

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

D. Hotels and Motels. Planning Code Section 303(g) requires that, with respect to applications for development of tourist hotels and motels, the Planning Commission shall consider:

- i. The impact of the employees of the hotel or motel on the demand in the City for housing, public transit, child-care, and other social services. To the extent relevant, the Commission shall also consider the seasonal and part-time nature of employment in the hotel or motel;

The proposed Project would construct a new six-story, 30-room hotel, resulting in the creation of approximately 13 jobs. According to the Hotel Feasibility Study ("Study") produced by Hausrath Economics Group, the new Hotel Use would necessitate 8 full-time (FTE) positions (manager, front desk clerks, housekeeping, and maintenance) and 5 part-time (PTE) positions (desk clerks, and housekeeping). Generally, most San Francisco hotel employees live in San Francisco. According to the Economic Impact of San Francisco Hotels (2013), 57 percent of the people employed at San Francisco hotels also live in San Francisco, higher than the average of 54 percent for all business sectors in San Francisco. (The 2013 report prepared for the Hotel Council of San Francisco by the Bay Area Council Economic Institute is the most current available at the time of the preparation of the Study prepared for the proposed Project).

It is assumed that new employees would likely have relocated from other jobs already in San Francisco. Therefore, the potential increase in employment would be minimal compared to the total employment expected in San Francisco and the greater San Francisco Bay Area. This minor increase in employment is not expected to generate a significant increase in demand for housing, transit, child care and other social services. Furthermore, the location is well-served by transit and the secure bicycle parking spaces will help to minimize additional auto trips.

Overall, the increase in employment would be less than significant in the context of the expected increases in the employment and population of San Francisco. The proposed Project would not directly or indirectly induce substantial population growth in San Francisco and would result in a less-than-significant population impact.

- ii. The measures that will be taken by the project sponsor to employ residents of San Francisco in order to minimize increased demand for regional transportation;

The Project Sponsor plans to fill the job openings by hiring locally. The Project Sponsor will use the recruitment services offered by community-based agencies such as the Mission Hiring Hall and Chinese for Affirmative Action. This will supplement posting the job openings at HireSF.org, (an initiative of the Office of Economic and Workforce Development), advertising in local newspapers, and on Craigslist. Although the Project does not meet the minimum size threshold of 25,000 square feet of commercial development to take advantage of San Francisco's First Source Hiring Program, the Project Sponsor will nevertheless complete a First Source hiring agreement.

- iii. The market demand for a hotel or motel of the type proposed.

Based on data within the Study, San Francisco's visitor industry is thriving and the number of visitors to the City is at an all-time high. As a result, hotel occupancies also at record levels. San Francisco Travel (the private, not-for-profit organization that markets the city as a leisure, convention, and business destination) reports 24.6 million visitors to San Francisco in 2015 (18.9 million leisure travelers and 5.8 million business travelers). Counts for both visitor categories

were up 2.7 percent from the prior year. According to San Francisco Travel, just over 60 percent of all overnight visitors to San Francisco stayed in San Francisco hotels in 2015 (about 6.3 million visitors). Consistent occupancy rates between 80 and 90 percent since 2010 have led to significant increases in average daily room rates (average rental income paid per occupied room in one year). Citywide, the average daily room rate was \$268 in 2015, up almost 20 percent from an average of \$229 in 2013. San Francisco's climate and variety of local and regional destinations means that seasonality is not a big factor in the lodging market. This distinguishes San Francisco from many other visitor destinations. Occupancy rates are generally high year-round with peaks in the months of June through October.

According to the Study, there is evidence to suggest a near-term softening of occupancy rates and room rates as increased lodging supply responds to demand growth. While short-term home rental services such as Airbnb capture an increasing share of the overnight visitor market, for the first time since 2008 significant new hotel development is proposed in downtown San Francisco. The pipeline of more than 20 hotels and 4,000 rooms in projects under development or proposed is a direct response to sustained high occupancy rates and strong demand from tourism, business travel, and conventions. This new construction will be developed and absorbed over a period of years, but will moderate the upward trend of occupancy rates and likely reduce the rate of increase in room rates.

The Study suggests that the longer-term lodging market remains strong, assuming the supply of lodging types is diverse. The longer-term outlook for the tourist hotel market in San Francisco is strong. Tourism is one of the key sectors in the City's economy, supported by the strength of other economic activity in the City, growth in international travel, and the City's broad appeal to both convention and leisure travelers.

Overall, the Study concludes that: 1) numerous factors support a new Hotel Use at 824 Hyde Street, and 2) the positioning as a boutique hotel at the subject location is in-step with development trends in this part of the City. Specifically, the Study finds that:

- The site is centrally-located in San Francisco near major transportation corridors (the location is well-served by transit servicing Union Square, the Financial District, North Beach, and the Embarcadero);
- State and Federal government activity in nearby Civic Center provides a year-round source of demand for lodging in the Civic Center/Van Ness Corridor;
- The development of the 274-bed hospital at Van Ness and Geary represents an important near-future source of year-round demand for nearby lodging (the hospital project is stimulating a boom in real estate investment for housing, office, and hotel use near Van Ness and Geary);
- While projected room rates in the range of \$189 to \$379 per night are higher than the average for this location, they are consistent with rates at other boutique and small contemporary hotels in the vicinity; and
- As new construction, the Project will offer a distinctive product in San Francisco's boutique hotel market, where almost all such lodging is in renovated older buildings.

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

COMMERCE AND INDUSTRY ELEMENT

Objectives and Policies

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 that 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 project would add thirty (30) tourist hotel guest rooms intended to serve visitors and business travelers of San Francisco, and as a result would create new jobs in a location that is easily accessible via transit. The project would result in increased tax revenue for the City—including Hotel Room Tax (transient occupancy tax or TOT) revenue for San Francisco’s General Fund—and an increase in retail activity in the immediate neighborhood. A tourist hotel is permitted with a Conditional Use Authorization, and is thus consistent with activities in the commercial land use plan.

OBJECTIVE 2:

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1:

Seek to retain existing commercial and industrial activity and to attract new such activity to the City.

Due to the Project Site’s proximity to Union Square and Civic Center, the Project is anticipated to easily attract hotel patrons. The Project Site is also centrally located, close to many jobs and services, as well as public transit.

OBJECTIVE 8:

ENHANCE SAN FRANCISCO’S POSITION AS A NATIONAL CENTER FOR CONVENTIONS AND VISITOR TRADE.

Policy 8.1:

Guide the location of additional tourist related activities to minimize their adverse impacts on existing residential, commercial, and industrial activities.

Policy 8.3:

Assure that areas of particular visitor attraction are provided with adequate public services for both residents and visitors.

The Project locates a new 30-room tourist hotel in a location that is geographically in close proximity to the attractions, conventions, entertainment, public transit, retail and food services frequented by tourists and business travelers.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 1:

MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA.

Policy 1.3:

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

The Project creates a new hotel use within a transit-rich area and within close proximity to the downtown where jobs are concentrated. By not including parking, the Project encourages the use of public transit as an alternative to automobiles.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 3:

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.2:

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

Policy 3.5:

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

Policy 3.6:

Relate the bulk of buildings to the prevailing scale of development to avoid an overwhelming or dominating appearance in new construction.

The Project site is located within the Lower Nob Hill Apartment Hotel Historic District (District). The surrounding area has a defined architectural character with the vast majority of the buildings having been constructed between 1906 and 1925. The District consists of almost entirely of 3- to 8-story multi-unit residential buildings which fill their entire front lot lines and share a single stylistic orientation. The Project site is located in an 80'-A Height and Bulk District. The proposed new building is designed in a contemporary architectural style, including generous, modern glazing treatments, an organized fenestration pattern, and high-quality exterior finishes. The building would be approximately 64-foot-tall (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run); these features are exempt per Planning Code Section 260(b). Therefore, the Project's proposed height is consistent with the requirements of the 80' Height District and with similar sized buildings in the area, and meets the "A" Bulk Limits.

OBJECTIVE 4:

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENTAL TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.11:

Make use of street space and other unused public areas for recreation, particularly in dense neighborhoods, such as those close to downtown, where land for traditional open spaces is more difficult to assemble.

The Project will include streetscape improvements along its Hyde Street frontages, including the installation of one (1) new street tree, and a new, publically-accessible Class II bicycle rack along Hyde Street. The building's base has been detailed to provide an appropriate scale for pedestrians, and the Project would add an important aspect of activity by virtue of infilling a vacant lot. These improvements will provide much needed streetscape improvements thorough the well-designed ground floor treatments that will help to improve pedestrian safety without the need for a curb cut for off-street parking.

Policy 4.13:

Improve pedestrian areas by providing human scale and interest.

The Project is designed to fit within the neighborhood characterized by high-density, residential buildings and hotels within the Lower Nob Hill National Register District. The Project contains thirty (30) tourist guest rooms that are efficiently designed with adequate storage and have large windows for light. The building will reflect the design of the surrounding buildings because it contains double bay windows, deep ground floor openings, and a projecting cornice. The building's base has been detailed to provide an appropriate scale for pedestrians, and the Project would add an important aspect of activity (hotel lobby), providing a much-needed human scale and interest on a lot that is currently vacant. The project sponsor modified the façade to respond to comments made by the Department's historic preservation technical specialist. These changes ensure the Project will be consistent with the façade element patterns of other buildings in the Lower Nob Hill National Register District.

9. Planning Code Section 101.1(b) establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The existing, neighborhood-serving retail will be preserved and enhanced through the construction of a new Hotel Use (Retail Sales and Service Use) on a vacant lot. While no ground floor, neighborhood-serving retail is proposed, the hotel provides opportunities for resident employment in the hotel.

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

The property is a vacant lot. The property contained an eight-unit residential building that was destroyed by a fire in October 2010. Consistent with the height and density of residential and mixed-use buildings near the Project Site, the Project will provide 30 hotel rooms in a 6-story-over-basement building. The prevailing development pattern in the neighborhood includes mid-rise buildings like that of the proposed Project which house hotels and residential uses with ground floor retail. The neighborhood is close to Union Square and reflects that area's mixture of restaurants, bars, housing and ground floor commercial uses, including hotels. The Project retains the prevailing neighborhood character by relating the height and bulk to be at or below that of the adjacent buildings and including design elements such as double bay windows, deep ground floor openings, and a projecting cornice.

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

The Project does not affect affordable housing as there is no housing currently on the subject lot (the Project Site is currently vacant).

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

The Project will not cause an undue burden on the surrounding street parking, nor will it impede MUNI service. The Project will not provide parking because the Project is well-served by public transportation and is located within close proximity San Francisco's most popular tourist destinations. Many of the available MUNI lines: 38-Geary; 19-Polk; 47-and 49-Van Ness; 1-California; and 2-Clement; 30-Stockton; and 45-Union bus lines are within walking distance. These bus lines include stops and/or connections to the MUNI Metro, BART and F-lines on Market Street and connections to popular tourist attractions. The Van Ness BRT line will soon be operational and will expedite travel by tourists to many City destinations as well as connections with City and regional transit lines. Tourists do not necessarily travel during peak hours so MUNI service should not be negatively impacted by the Project.

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

The Project does not eliminate any industrial or service-sectors. The proposed Hotel Use is a commercial development that will replace a long-vacant and blighted lot with 30 tourist hotel guest rooms in a well-designed building compatible with the neighborhood and the Lower Nob Hill Apartment Hotel Historic District. By doing so, the Project provides the opportunity for resident employment at the hotel, and as a result of the increased demand generated by the tourists for neighborhood goods and services, at nearby retail businesses including bars and restaurants.

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

The new building will comply with present day seismic and life-safety codes for achievement of the greatest possible preparedness to protect against injury and loss of life in the event of an earthquake.

G. That landmarks and historic buildings be preserved.

The property is located within the Lower Nob Hill Apartment Hotel Historic District (District). The new building is designed to fit within the District's context, including elements such as double bay windows, deep ground floor openings and a projecting cornice.

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

The Project will have no negative impact on existing parks and open space. No existing park is observed within 300' radius of the property. The Project's height of 64'-0" (up to maximum height of 69 feet, inclusive of mechanical equipment and elevator over-run), will not have an impact on the surrounding parks and open space's access to sunlight and vistas. The height of the proposed structure is compatible with the established neighborhood development.

10. 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.

11. 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. 2016-010544CUA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated March 22, 2017, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 19926. 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 June 1, 2017.



Jonas P. Tonin
Commission Secretary

AYES: Fong, Hillis, Johnson, Koppel.

NAYS: Melgar, Moore, Richards.

ABSENT: None

ADOPTED: June 1, 2017

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to allow a Hotel Use within a new construction building located at 824 Hyde Street, Lot 017 in Assessor's Block 0280, to exceed the use size limitations and to exceed 50 feet in a RC Zoning District, pursuant to Planning Code Sections 209.3, 253, 303, 303(g) within the RC-4 Zoning District and a 80-A Height and Bulk District; in general conformance with plans, dated March 22, 2017, and stamped "EXHIBIT B" included in the docket for Case No. 2016-010544CUA and subject to conditions of approval reviewed and approved by the Commission on June 1, 2017 under Motion No. 19926. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on June 1, 2017 under Motion No. 19926.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the "Exhibit A" of this Planning Commission Motion No. 19926 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
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
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
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
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

DESIGN – COMPLIANCE AT PLAN STAGE

6. **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.
7. **Garbage, composting and recycling storage.** Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the building permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org.
8. **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.
9. **Transformer Vault.** The location of individual project PG&E Transformer Vault installations has significant effects to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:
 - a. On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
 - b. On-site, in a driveway, underground;
 - c. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
 - d. Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
 - e. Public right-of-way, underground; and based on Better Streets Plan guidelines;
 - f. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
 - g. On-site, in a ground floor façade (the least desirable location).

Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.

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

10. **Noise.** Plans submitted with the building permit application for the approved project shall incorporate acoustical insulation and other sound proofing measures to control noise.

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

11. **Odor Control Unit.** In order to ensure any significant noxious or offensive odors are prevented from escaping the premises once the project is operational, the building permit application to implement the project shall include air cleaning or odor control equipment details and manufacturer specifications on the plans. Odor control ducting shall not be applied to the primary façade of the building.

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

PARKING AND TRAFFIC

12. **Bicycle Parking.** Pursuant to Planning Code Sections 155.1 and 155.4, the Project shall provide no fewer than 1 (one) Class I or 2 (two) Class II bicycle parking spaces. SFMTA has final authority on the type, placement and number of Class 2 bicycle racks within the public ROW. Prior to issuance of first architectural addenda, the project sponsor shall contact the SFMTA Bike Parking Program at bikeparking@sfmta.com to coordinate the installation of on-street bicycle racks and ensure that the proposed bicycle racks meet the SFMTA's bicycle parking guidelines. Depending on local site conditions and anticipated demand, SFMTA may request the project sponsor pay an in-lieu fee for Class II bike racks required by the Planning Code.

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

13. **Managing Traffic During Construction.** The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.

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

14. **Transportation Demand Management (TDM) Program.** Pursuant to Planning Code Section 169, the Project shall finalize a TDM Plan prior to the issuance of the first Building Permit or Site Permit to construct the project and/or commence the approved uses. The Property Owner, and all successors, shall ensure ongoing compliance with the TDM Program for the life of the Project, which may include providing a TDM Coordinator, providing access to City staff for site inspections, submitting appropriate documentation, paying application fees associated with

required monitoring and reporting, and other actions. Prior to the issuance of the first Building Permit or Site Permit, 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 to document compliance with the TDM Program. This Notice shall provide the finalized TDM Plan for the Project, including the relevant details associated with each TDM measure included in the Plan, as well as associated monitoring, reporting, and compliance requirements.

PROVISIONS

15. **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

MONITORING - AFTER ENTITLEMENT

16. **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

17. **Revocation due to Violation of Conditions.** Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

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

18. **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://sfpw.org>

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

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

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

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

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

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

21. **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

OPERATION

22. **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>

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2017 JUN 29, PM 4:32

BY BJ

1447

Lower Polk Neighbors, Inc.
P.O. Box 642428
San Francisco, CA 94164-2428

90-7162/3222

DATE

6-22-17

PAY TO THE ORDER OF SAN FRANCISCO PLANNING DEPARTMENT \$ 562.00
FIVE HUNDRED SIXTY TWO & ⁰⁰/₁₀₀ DOLLARS  AD

90-7162/3222
Social Features
Included
Details on Back

JPMorgan Chase Bank, N.A.

FOR APPEAL TO BOS/ 824 HYDE ST.

Application to Request a
Board of Supervisors Appeal Fee Waiver

CASE NUMBER:
For San Francisco

APPLICATION FOR **Board of Supervisors Appeal Fee Waiver**

1. Applicant and Project Information

APPLICANT NAME Chris Schulman	TELEPHONE (415) 827-0650		
APPLICANT ADDRESS 1156 Sutter Street #304 San Francisco, Ca 94109	EMAIL chris.schulman@gmail.com		
NEIGHBORHOOD ORGANIZATION NAME Lower Polk Neighbors	TELEPHONE ()		
NEIGHBORHOOD ORGANIZATION ADDRESS P.O. Box 642428 San Francisco, Ca 94164	EMAIL lowerpolkneighbors@gmail.com		
PROJECT ADDRESS 824 Hyde Street	PLANNING CASE NO. 2016-010544CUA	BUILDING PERMIT APPLICATION NO. N/A	DATE OF DECISION (IF ANY) 6/1/17

2. Required Criteria for Granting Waiver

(All must be satisfied; please attach supporting materials)

- The appellant is a member of the stated neighborhood organization and is authorized to file the appeal on behalf of the organization. Authorization may take the form of a letter signed by the President or other officer of the organization.
- The appellant is appealing on behalf of an organization that is registered with the Planning Department and that appears on the Department's current list of neighborhood organizations.
- The appellant is appealing on behalf of an organization that has been in existence at least 24 months prior to the submittal of the fee waiver request. Existence may be established by evidence including that relating to the organization's activities at that time such as meeting minutes, resolutions, publications and rosters.
- The appellant is appealing on behalf of a neighborhood organization that is affected by the project and that is the subject of the appeal.

For Department Use Only

Application received by Planning Department

By _____

Date: _____

Submission Checklist:

- APPELLANT AUTHORIZATION
- CURRENT ORGANIZATION REGISTRATION
- MINIMUM ORGANIZATION AGE
- PROJECT IMPACT ON ORGANIZATION

WAIVER APPROVED WAIVER DENIED

FOR MORE INFORMATION:
Call or visit the San Francisco Planning Department



**SAN FRANCISCO
PLANNING
DEPARTMENT**

Central Reception

1650 Mission Street, Suite 400
San Francisco CA 94103-2479

TEL: 415.558.6378
FAX: 415.558.6409
WEB: <http://www.sfplanning.org>

Planning Information Center (PIC)

1600 Mission Street, First Floor
San Francisco CA 94103-2479

TEL: 415.558.6377

*Planning staff are available by phone and at the PIC counter.
No appointment is necessary.*

LOWER POLK NEIGHBORS

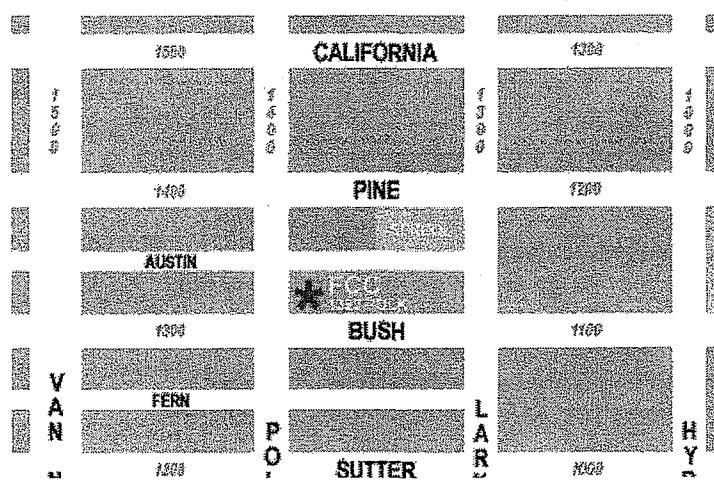
Dedicated to building a cleaner, safer, more beautiful
Lower Polk community

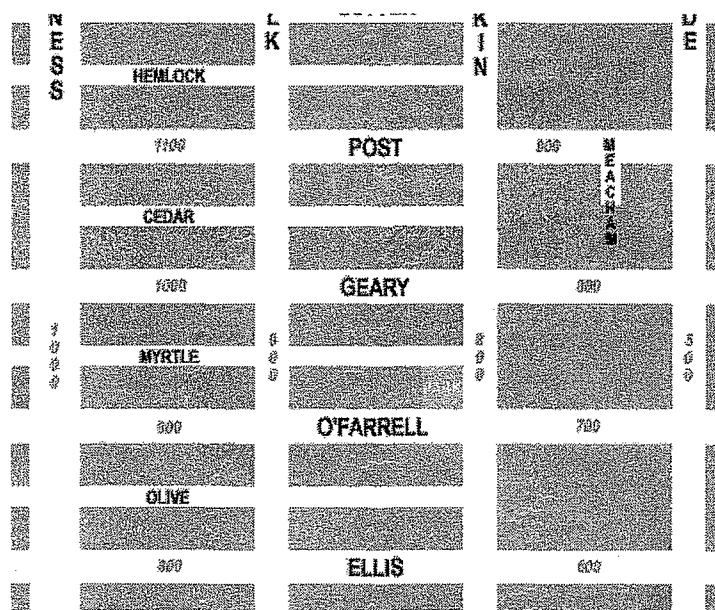
About LPN

Lower Polk Neighbors (LPN) is a neighborhood association, made up of both residents and merchants, located in the lower part of the Polk Gulch district in San Francisco, California.

We meet to discuss neighborhood issues and then follow up on those discussions with action. Our principal issues are crime, cleanliness, beautification, and strengthening of our community. Since we began meeting in late 2001, we have begun a Lower Polk tree planting program; we have worked with the Department of Public Works and others to address the grime, graffiti and garbage on our streets; and we have worked with the San Francisco Police Department on remaining quality-of-life issues. We have also met with business owners to address crime and cleanliness issues related to their businesses; we have met with nonprofit low-income housing developers to help plan their projects in the neighborhood; we have put together a community court whereby those who commit quality-of-life offenses are sentenced by a jury of their peers to pay a fine to or to do community service in the neighborhood; and we have organized neighborhood crime walks.

Map delineating borders of the LPN area:





(<https://lowerpolkneighbors.files.wordpress.com/2014/09/screen-shot-2015-06-10-at-11-04-43-am.png>)

We also invite elected and other high-ranking officials to speak at our general meetings. Guests have included:

- District 3 Supervisor Aaron Peskin (2016-present)
- District 3 Supervisor Julie Christensen (2015-2016)
- Mayor Gavin Newsom (2004-2011)
- District 3 Supervisor Aaron Peskin (2005-2009)
- District 3 Supervisor David Chiu (2009-2014)
- District 6 Supervisor Chris Daly (2001-2011)
- District 9 Supervisor Tom Ammiano (1994-2008)
- District 11 Supervisor Sophie Maxwell (2000-2011)
- District Attorney Kamala Harris (2004-2011)
- Chief of Police Heather Fong (1997-2009)
- Fire Chief Joanne Hayes-White (2004-current)

If you have questions about the group, please get in touch (<https://lowerpolkneighbors.wordpress.com/contact/>).

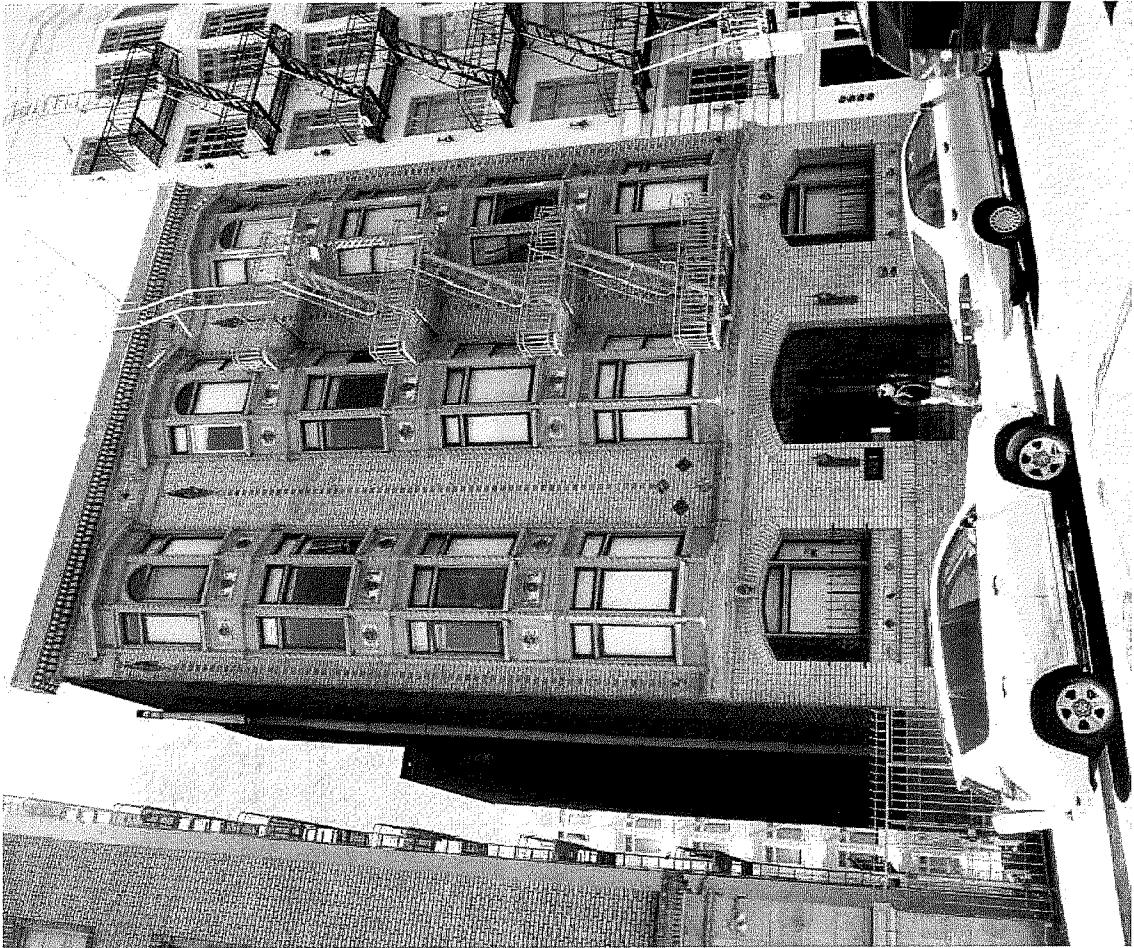
One comment

1. A. Moy says:

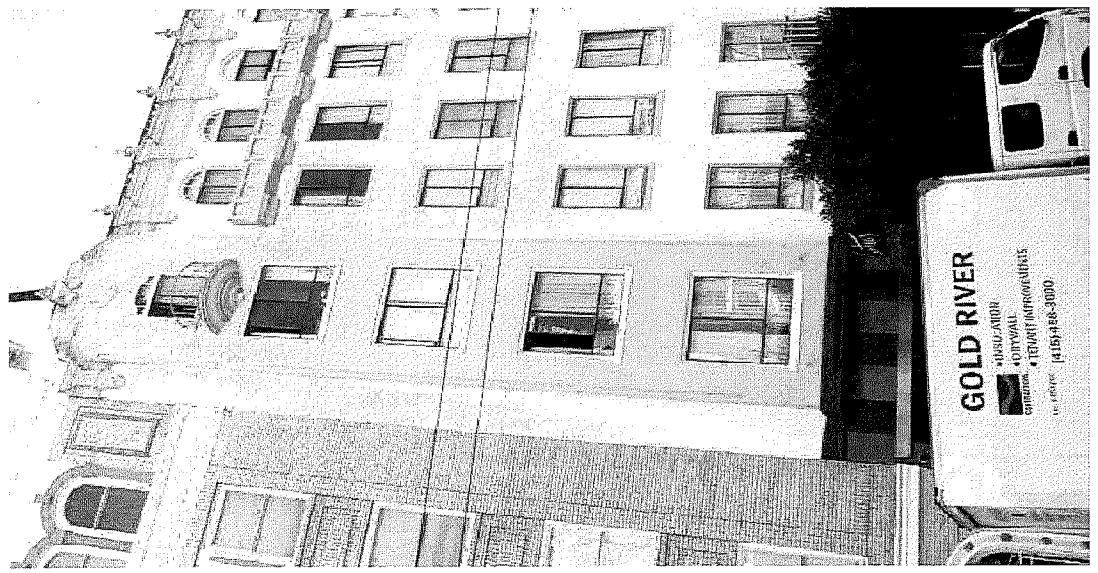
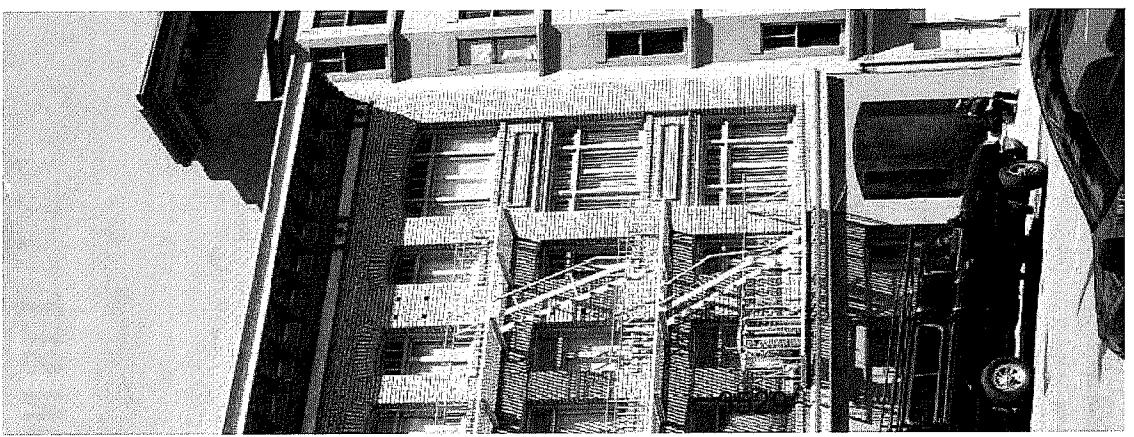
OCTOBER 11, 2015 AT 3:10 PM

I attended the LPN a meeting on Saturday, October 10 regarding the changes going on in our alleys. Supervisor Julie Christensen was there as well as the architect firm INTERSTICE. Zoe Astrachan presented a slide show detailing what some of the plans are. She showed examples of other things that have been done in alleys that the neighborhood might consider. This meeting was very organized: numerous colorful diagrams were set up showing all the alleys; stick ups and markers were provided for comments onto the diagrams; notes were taken regarding our comments, and architects were very accommodating and open to what people were saying. The architects assured us that they would present our issues to the city agencies involved. The LPN was GREAT in organizing this meeting! I am a supporter of the LPN. They have done a lot for our area.

821 LEAVENWORTH 1916



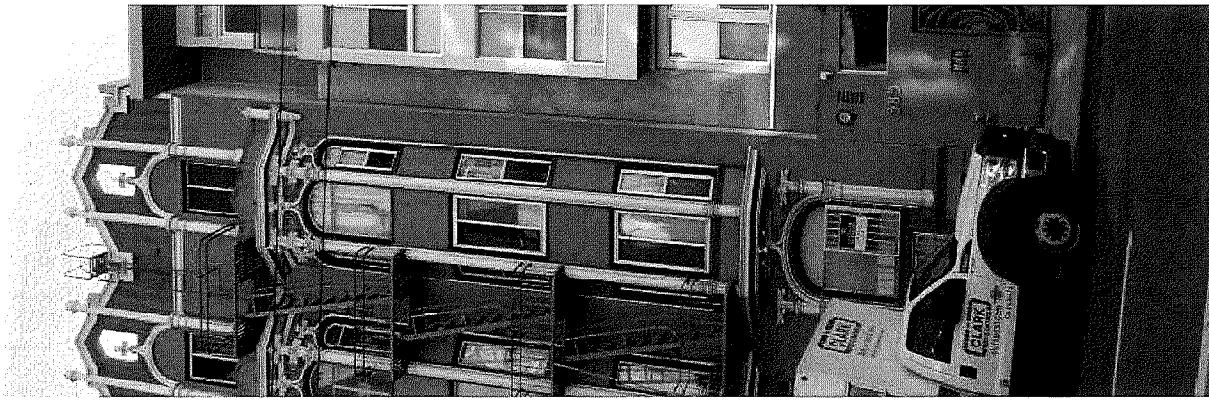
COMMODORE HOTEL 825 SL



EXAMPLES OF VARIOUS BAY SHAPES AND MATERIALS II

ON SET

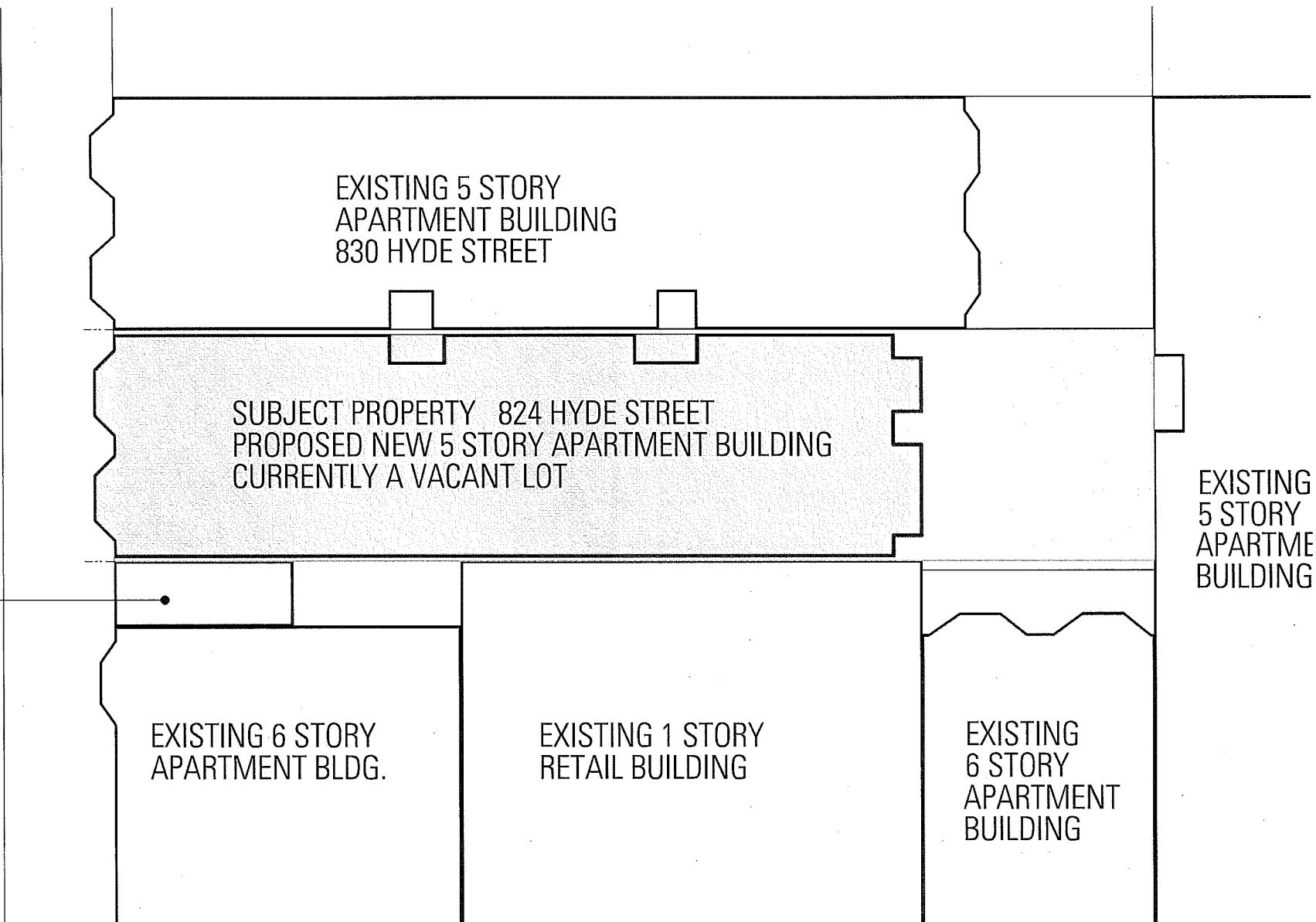
989 SUTTER STREET

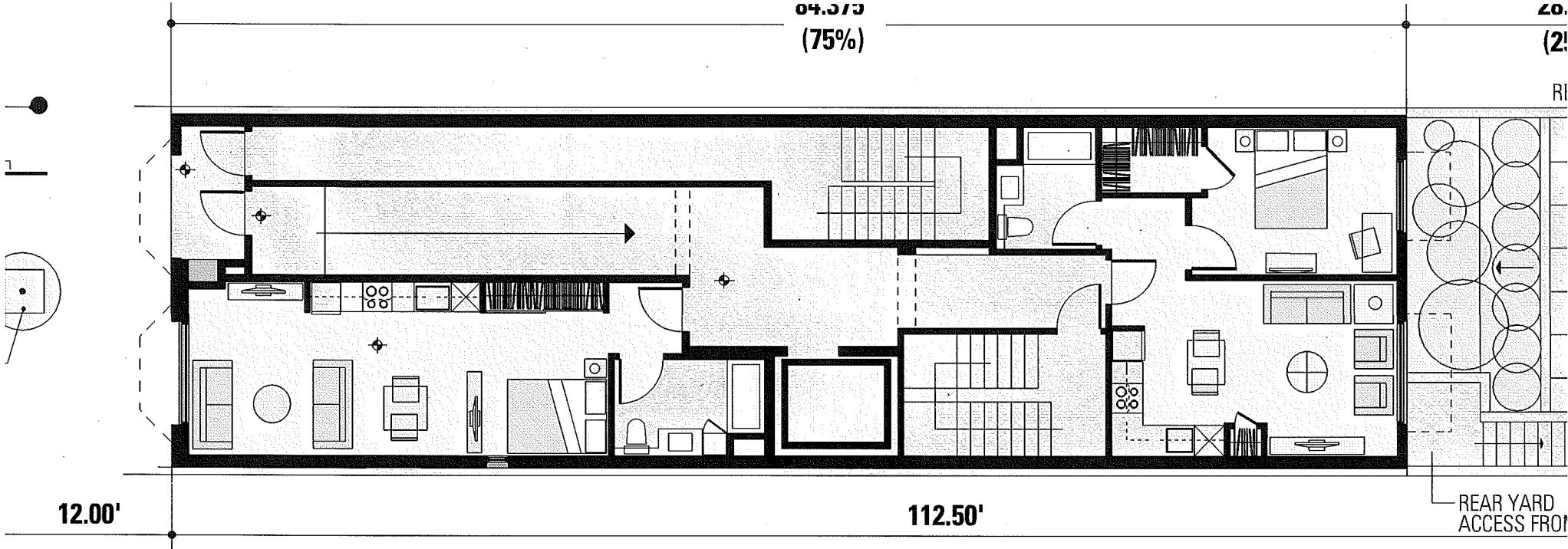


722 TAYLOR STREET 2010



11





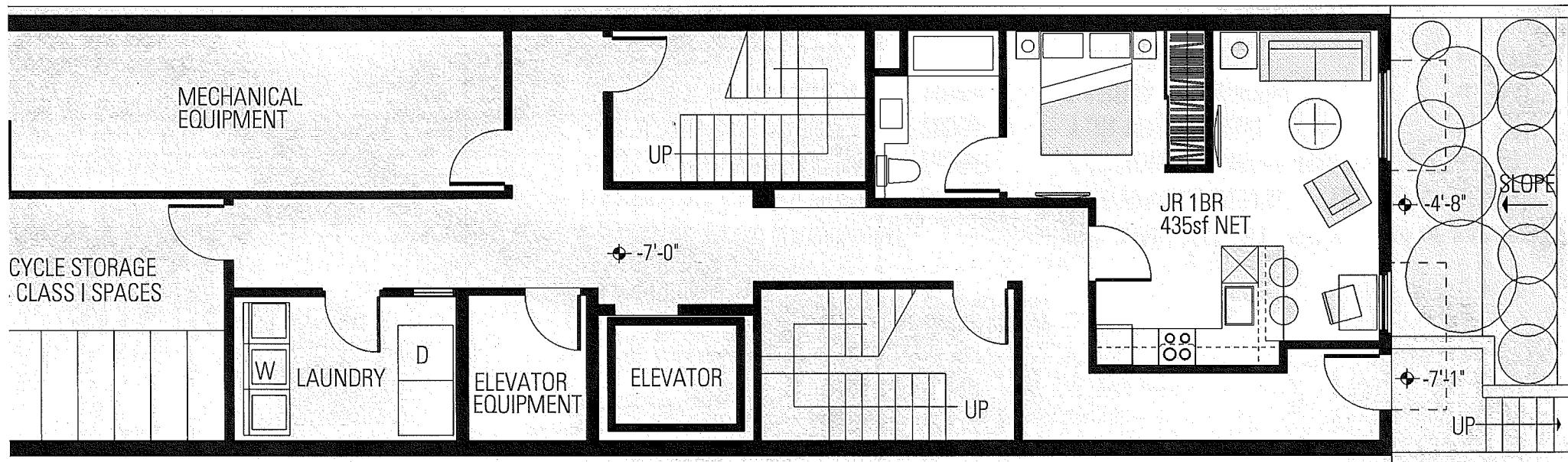
SITE DATA

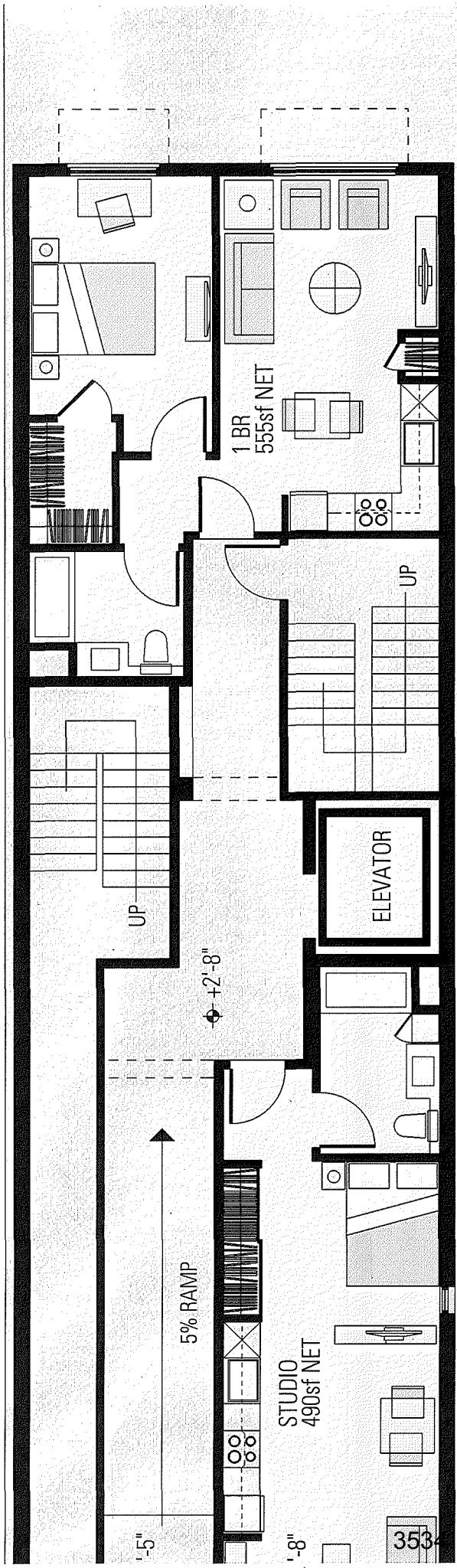
ZONING	RC-4
HEIGHT & BULK	80-A
SITE AREA	2812.5 sf
REAR YARD REQUIRED	25% 703sf
REAR YARD PROVIDED	25% 703sf
OPEN SPACE REQUIRED	720sf
OPEN SPACE PROVIDED	1115sf

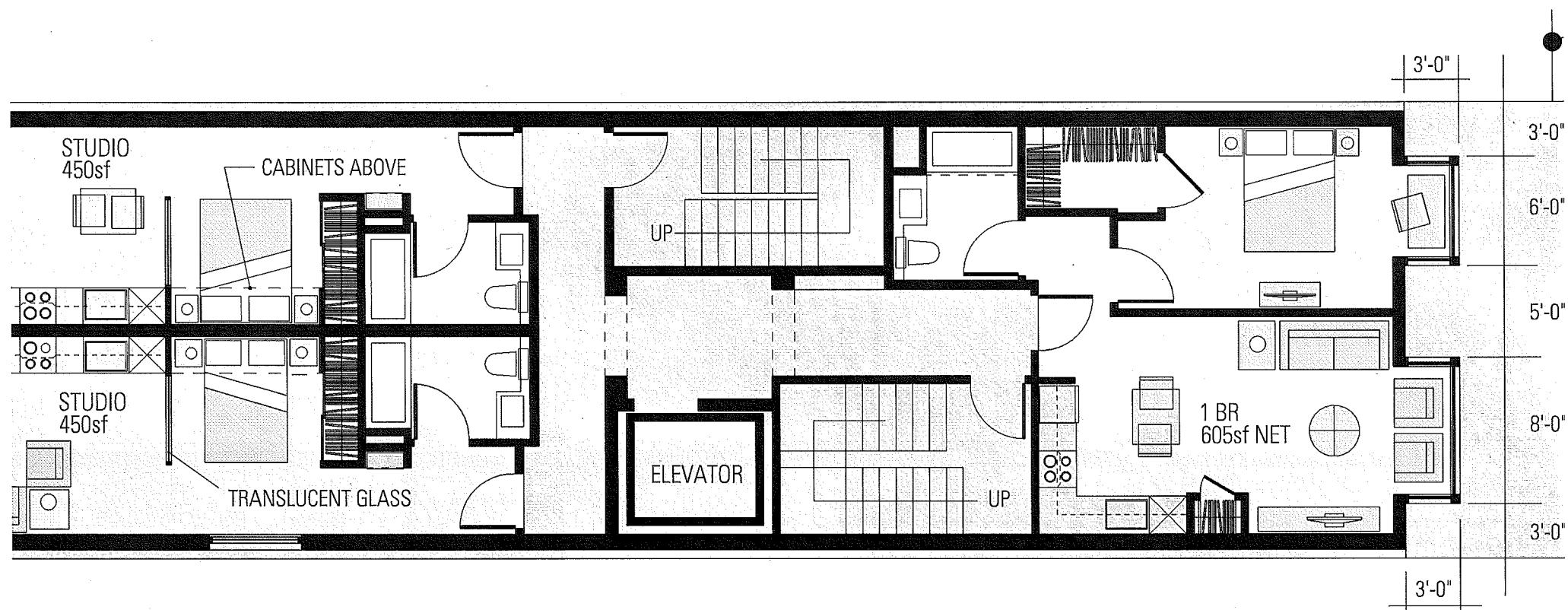
PROPOSED STRUCTURE

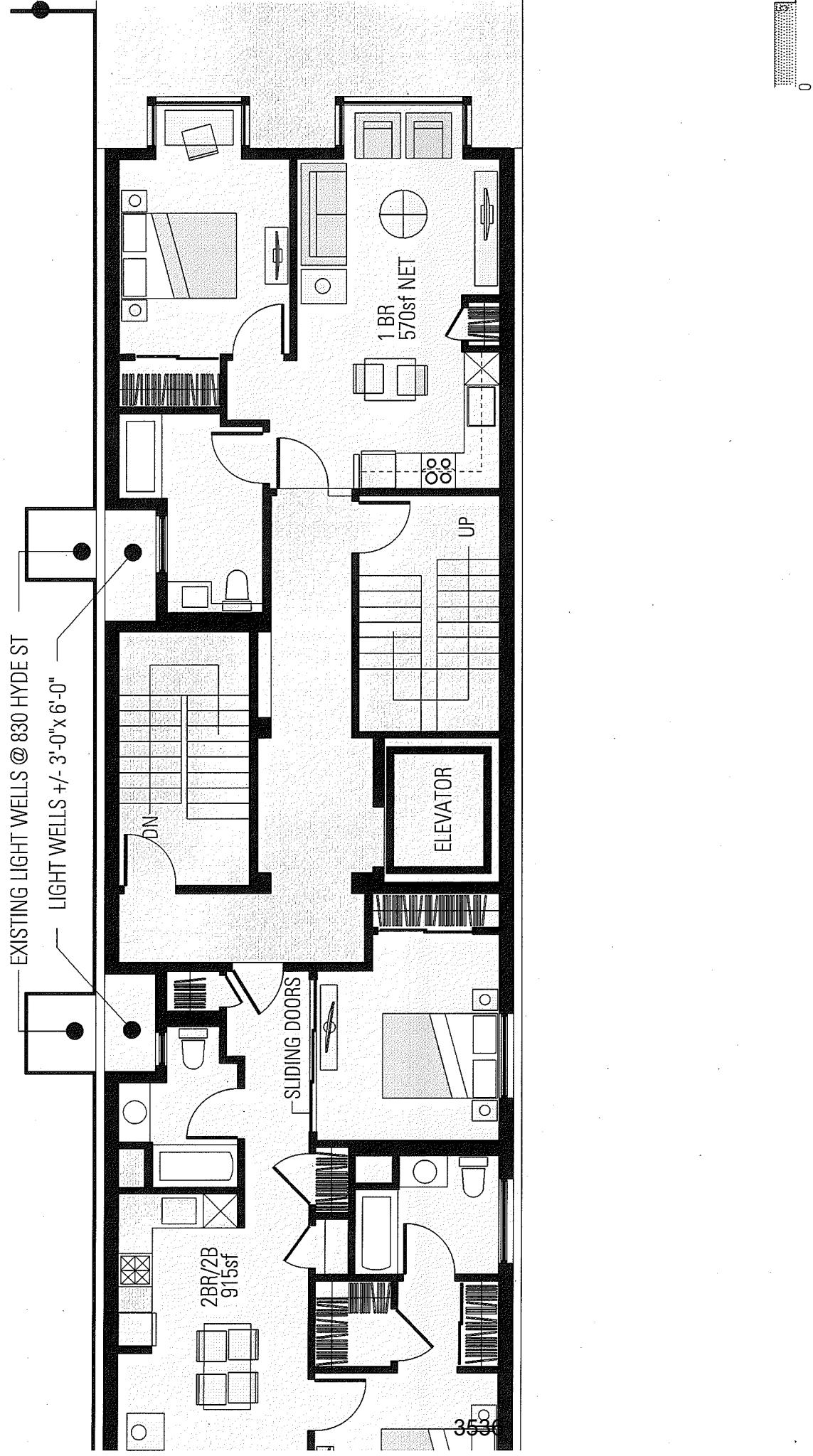
5 STORIES PLUS BASEMENT		
BASEMENT GROSS AREA	2020sf	
1st FLOOR GROSS AREA	1980sf	
2nd FLOOR GROSS AREA	2095sf	
3rd FLOOR GROSS AREA	2095sf	
4th FLOOR GROSS AREA	2095sf	
5th FLOOR GROSS AREA	2055sf	
TOTAL BLDG. GROSS AREA	12,340sf	

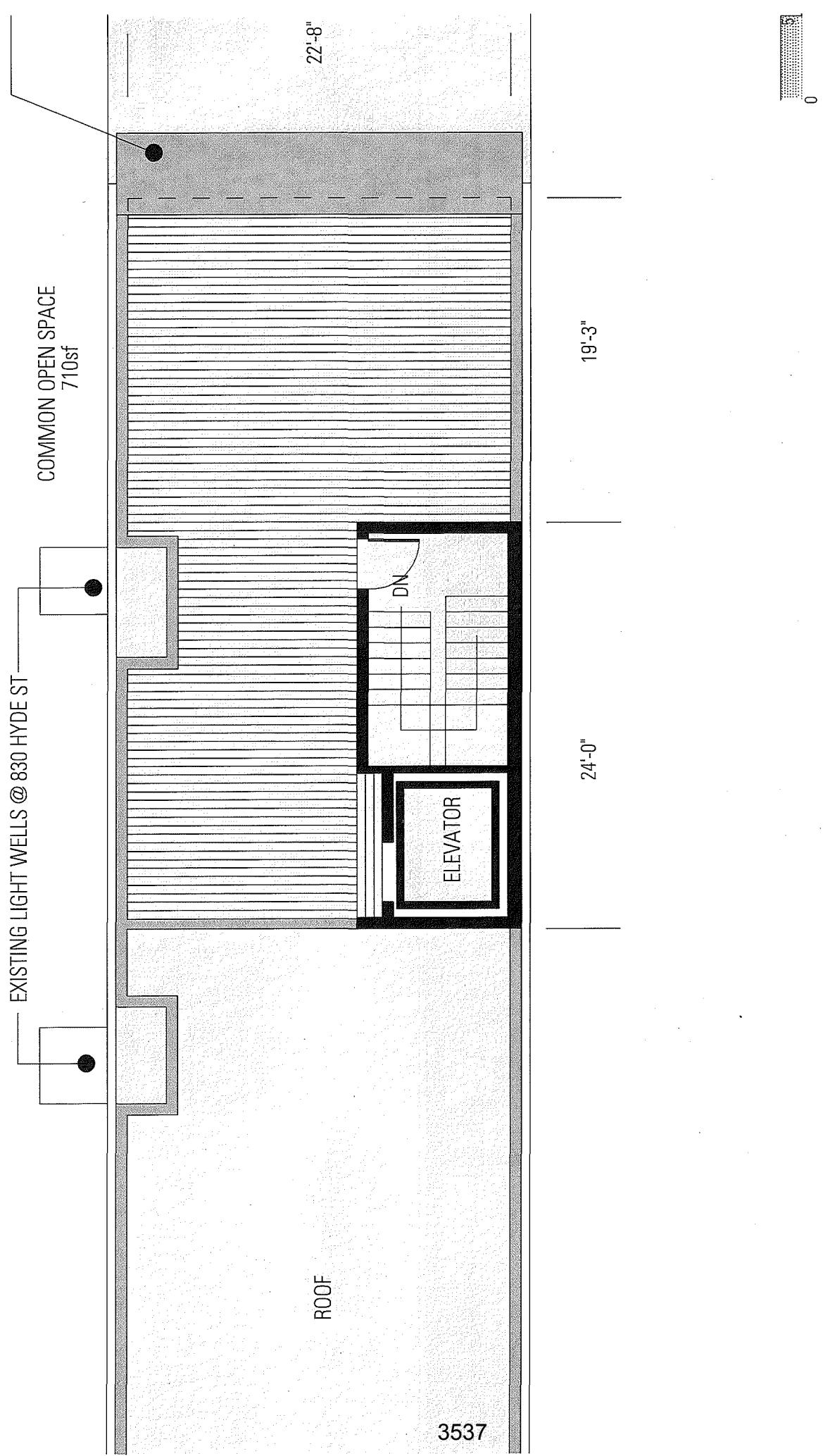
BUILDING HEIGHT	56'-9" (TOP OF PARAPET)
ALLOWABLE DENSITY	1DU/200sf = 14DU
7 STUDIOS @ 450sf-490sf x .75	= 7DU
1 JR 1BR @ 435sf	= 1DU
5 1BR @ 555sf-605sf	= 5DU
1 2BR @ 915sf	= 1DU
14 ACTUAL DU	= 13 ALLOCATED
12 MARKET RATE DU	
2 BMR DU	

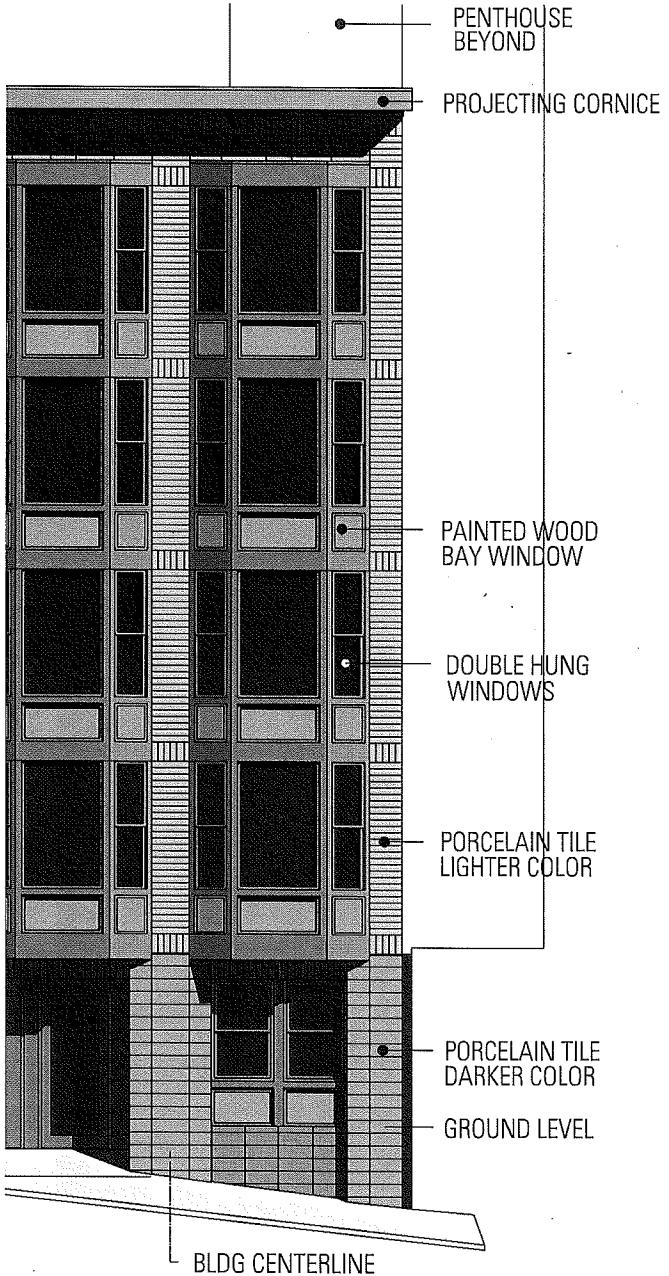






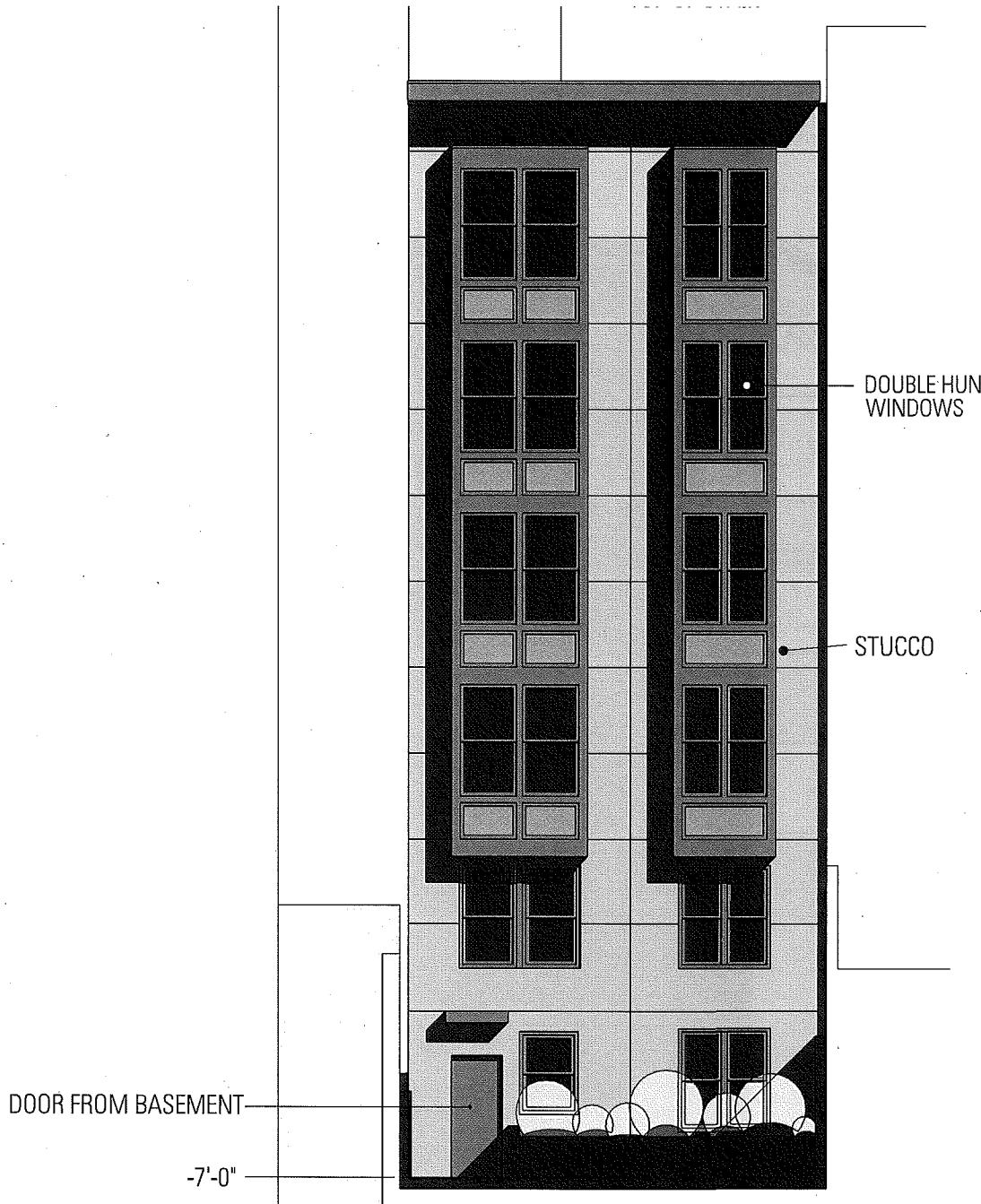






(WEST) ELEVATION

ON SET



REAR (EAST) ELEVATION

PROFI

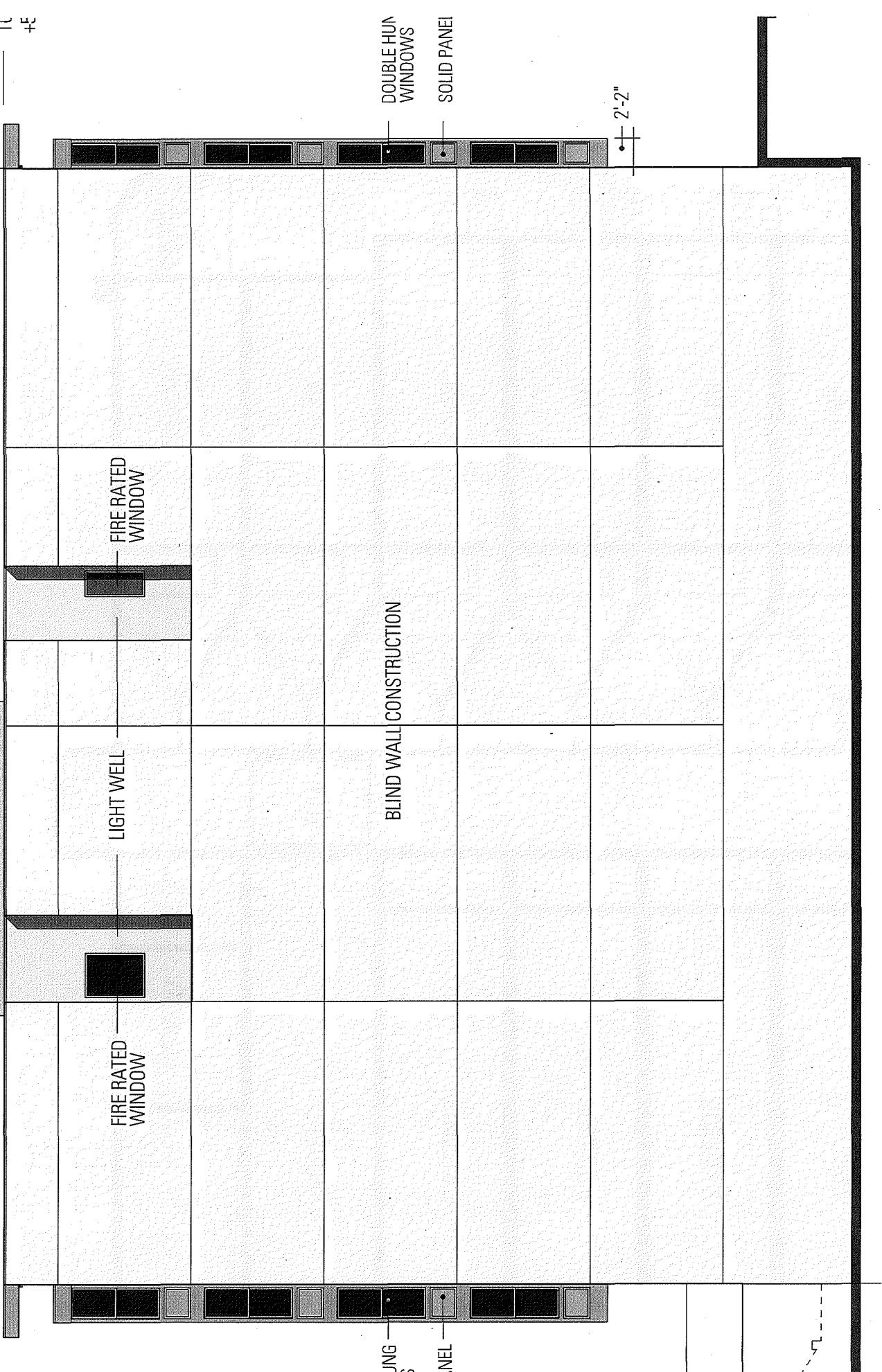
EXISTIN
@ BUIL

STUCCO

FIRE-RATED
PROPERTY LINE
WINDOWS

3539

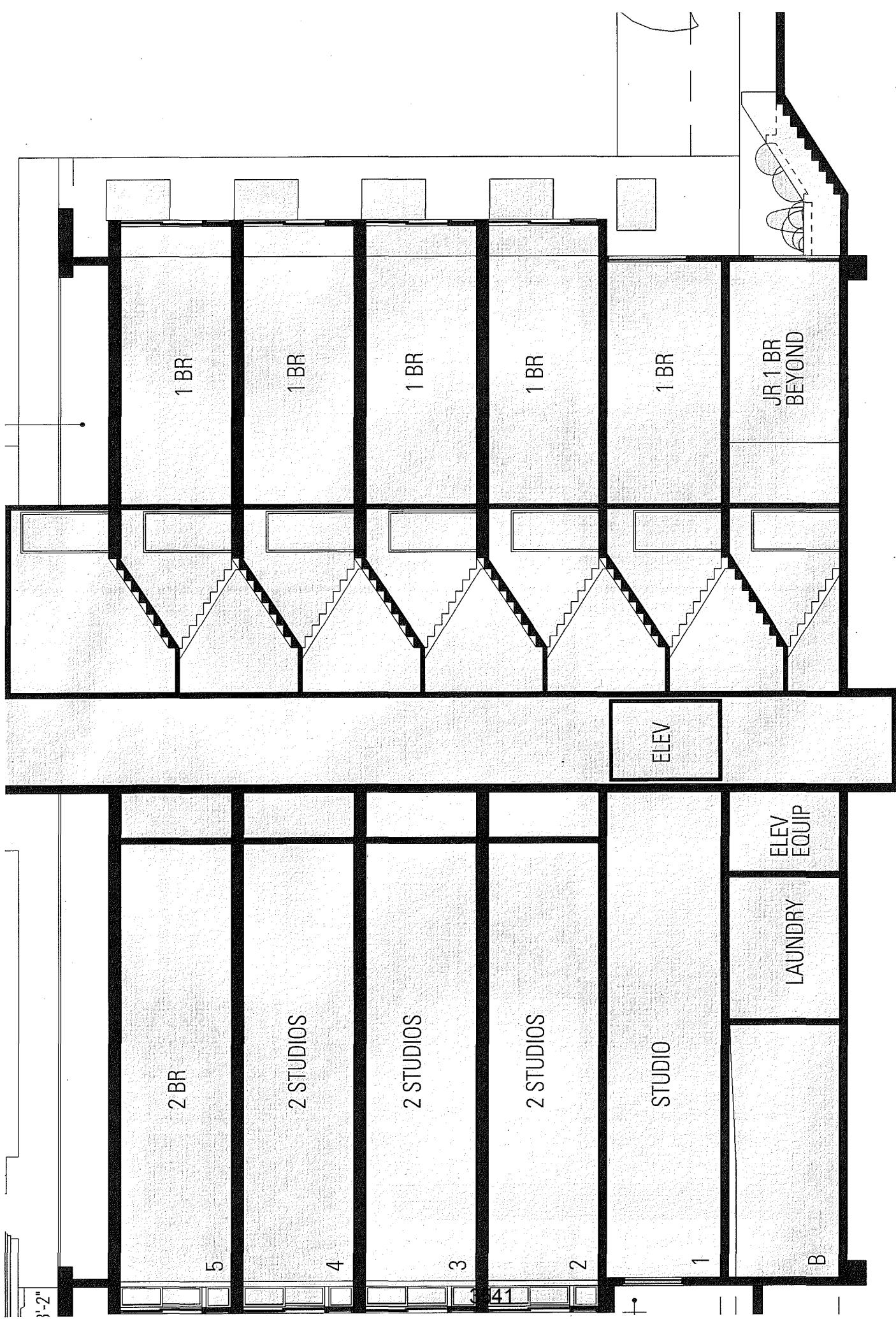
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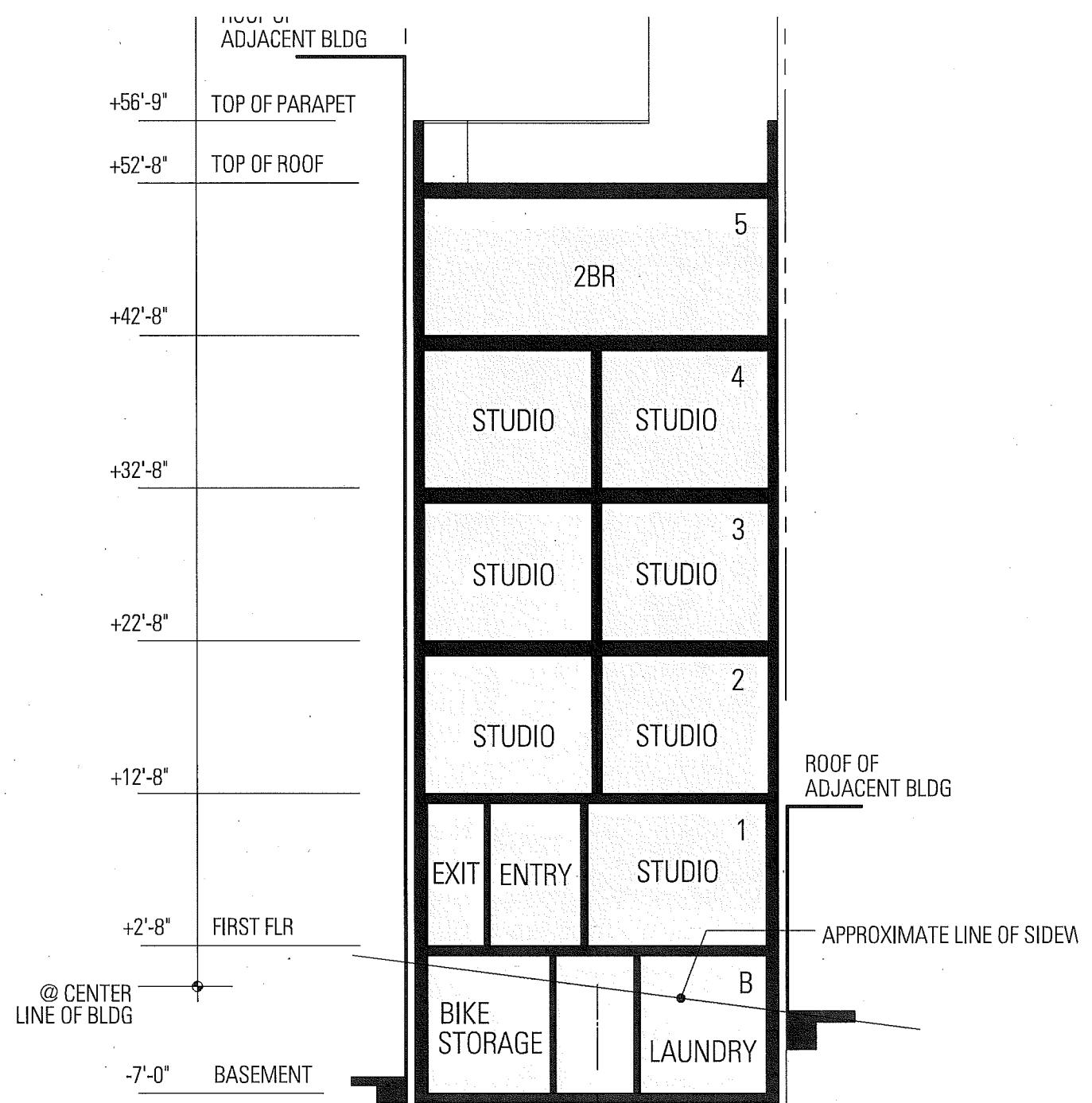


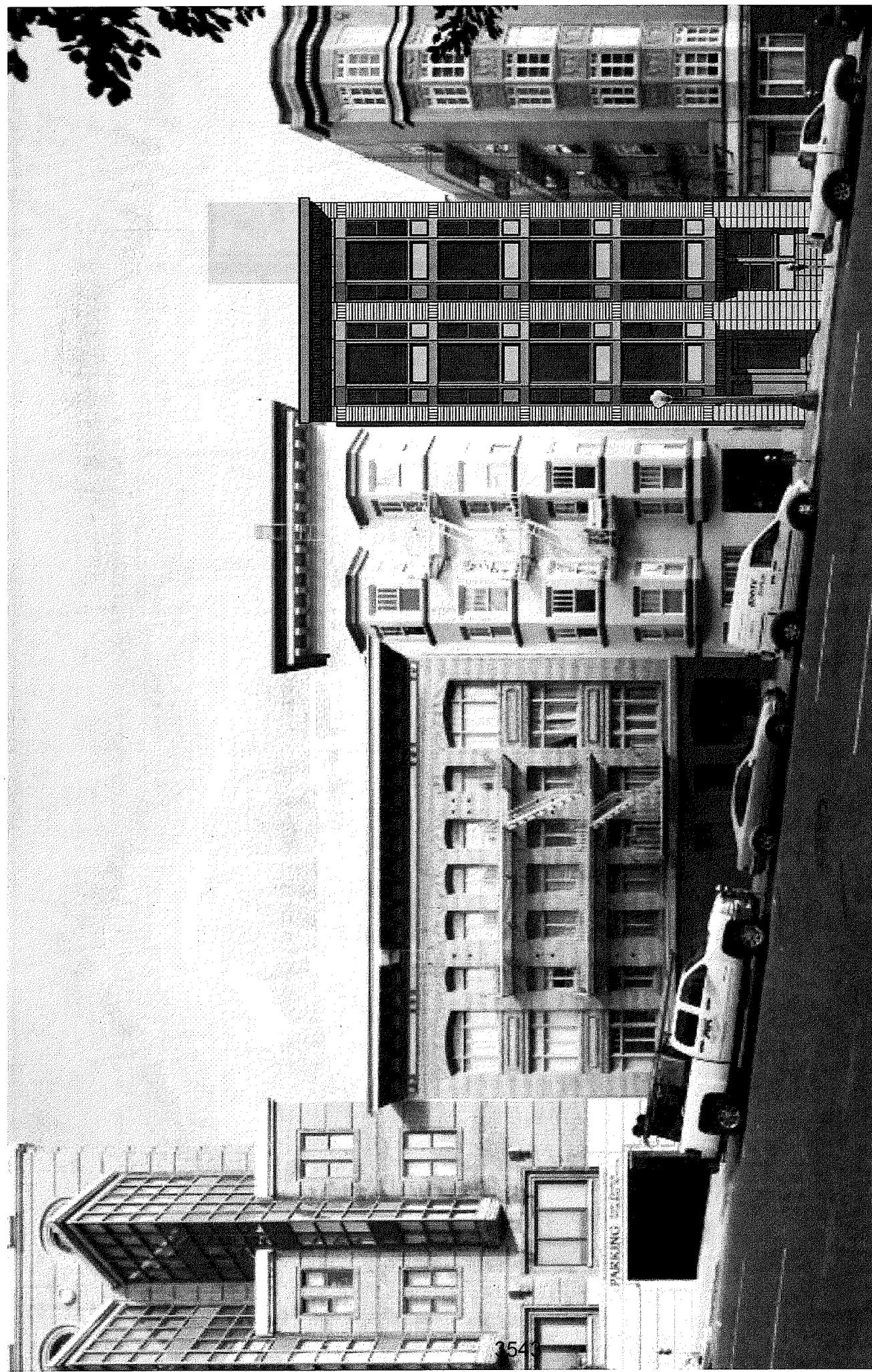
3540

LON

JN SET

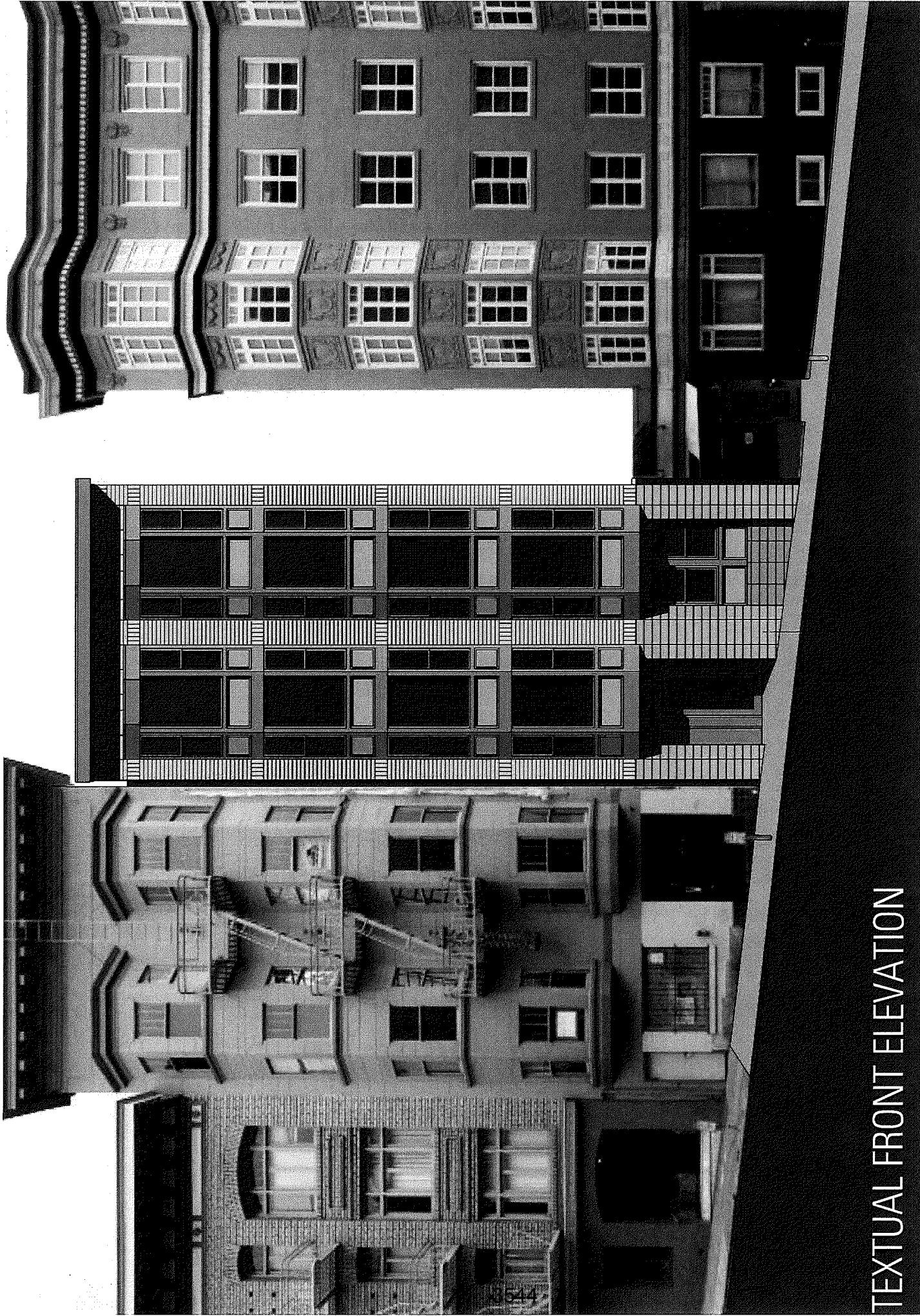






TEXTUAL FRONT ELEVATION

ON SET





3645

ON SET



3546

JN SET

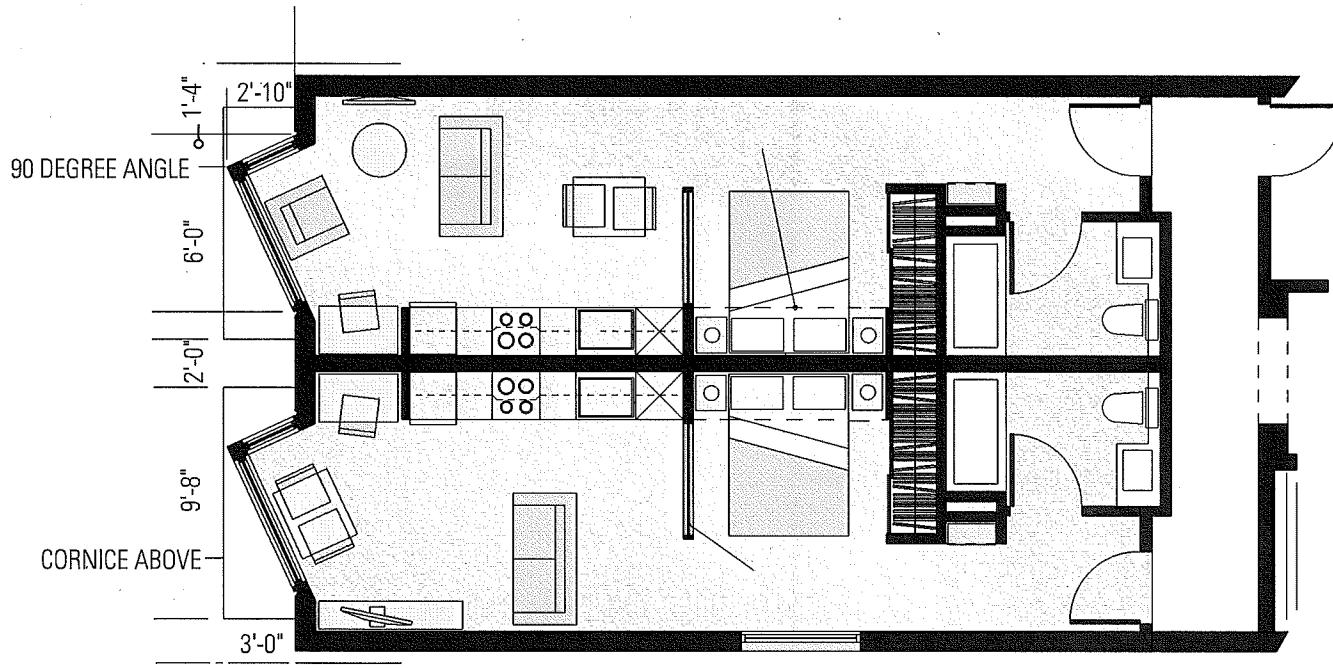


**S ARE ORIENTED TOWARD VIEW AND NOT DIRECTLY FACING WINDOWS ON OPPOSITE SIDE OF STREET
E IS A LESS LITERAL INTERPRETATION OF HISTORIC BUILDINGS MORE IN KEEPING WITH FEDERAL GUIDELINES**

ON SET

3547

MODERNIST ALTERNA



**EXCEPT FOR BAY WINDOWS THE FLOOR PLANS ARE THE SAME AS PRIMARY SCHEME
 THE CONFORMING BAY WINDOWS ARE ORIENTED TOWARD VIEW AND NOT DIRECTLY FACING WINDOWS ON OF
 WINDOWS CONTAIN MORE GLASS AREA IN ORDER TO INCREASE APPARENT SIZE OF UNIT
 THE FRONT FAÇADE IS A LESS LITERAL INTERPRETATION OF HISTORIC BUILDINGS MORE IN KEEPING WITH FEDE**

RENDERING OF MODERNIST A



3549

IN SET



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

Affordable Housing (Sec. 415)
 Jobs Housing Linkage Program (Sec. 413)
 Downtown Park Fee (Sec. 412)

First Source Hiring (Admin. Code)
 Child Care Requirement (Sec. 414)
 Other

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Motion No. 19582

HEARING DATE: MARCH 3, 2016

Case No.: **2012.1445CV**
Project Address: **824 Hyde Street**
Zoning: **RC-4 (Residential-Commercial, High Density) District**
80-A Height and Bulk District
Block/Lot: **0280/017**
Project Sponsor: **Ilene Dick**
Farella Braun + Martel, LLP
235 Montgomery Street
San Francisco, CA 94104
Staff Contact: **Nicholas Foster – (415) 575-9167**
nicholas.foster@sfgov.org

ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 253 and 303 OF THE PLANNING CODE TO PERMIT A BUILDING WITH THE CHAMFERED BAY ALTERNATIVE DESIGN WITH 14 DWELLING UNITS EXCEEDING 50 FEET WITHIN THE RC-4 (RESIDENTIAL-COMMERCIAL, HIGH DENSITY) USE DISTRICT AND A 80-A HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On November 17, 2012, Brett Gladstone from Hanson Bridgett, LLP, the agent on behalf of Owen D. Conley and Thomas J. Conley ("Previous Project Sponsor"), submitted an application with the Planning Department (hereinafter "Department") for a Preliminary Project Assessment ("PPA") with Case No. 2012.1445U. The PPA letter was issued on January 28, 2013.

On May 8, 2013, the Previous Project Sponsor filed an application with the Department for Conditional Use Authorization pursuant to Section 303 to construct a 5-story over basement, residential building with 14 dwelling units, located in an RC-4 Zoning District. The Previous Project Sponsor also filed a Variance application, pursuant to Planning Code Section 145.1 to allow relief from the Code regarding required active street frontages for residential developments.

On August 1, 2013, the Previous Project Sponsor submitted an Environmental Evaluation Application. The application packet was accepted on August 8, 2013 and assigned Case Number 2012.1445E.

On December 24, 2013, the Department issued a Notification of Project Receiving Environmental Review to owners and occupants of properties within a 300 foot radius of the project site, and other interested parties. The notification period was open through January 7, 2014; however, public comments were accepted throughout the environmental review process.

On April 30, 2015, the Project was issued a Categorical Exemption, Class 32 (California Environmental Quality Act (CEQA) Guidelines Section 15322). Approval of the Conditional Use Authorization by the Planning Commission is the Approval Action for the project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the *San Francisco Administrative Code*.

On September 2, 2015, Ilene Dick from Farella Braun + Martel, LLP, the agent on behalf of 824 Hyde Street Investments, LLC (hereinafter "Project Sponsor") filed an updated application with the Department for Conditional Use Authorization under Planning Code Section(s) 253 and 303 to permit a building exceeding 50 feet within a RC-4 (Residential-Commercial, High Density) Use District and 80-A Height and Bulk District. The Project Sponsor also filed an updated Variance application, pursuant to Planning Code Sections 136 and 145.1 to allow for permitted obstructions (bay windows) and relief from the Code regarding required active street frontages for residential developments.

On January 14, 2016, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.1445CV.

On January 14, 2016, after closing public comment and holding a hearing on the item, the Commission voted 6-0 to continue the item to the March 3, 2016 Commission hearing date. The Commission instructed the Project Sponsor to refine the overall design of the primary building façade to allow the new building to better integrate within the existing, historic context of the subject site. In addition, the Commission asked the Project Sponsor to work with Planning Staff to determine the status of the property line windows and light wells on the abutting property to the north of the subject property (830 Hyde Street). Since the continuance, the Project Sponsor made modifications to the Project in response to the Commission's requests.

On March 3, 2016, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.1445CV.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

MOVED, that the Commission hereby authorizes the Conditional Use requested in Application No. 2012.1445CV, 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 approximately 2,815-square-foot project site (Assessors Block 0280, Lot 017) is located on the block bounded by Hyde Street to the west, Leavenworth Street to the east, Bush Street to the north, and Sutter Street to the south in the Downtown/Civic Center neighborhood and within the Lower Nob Hill Apartment-Hotel Historic District. The subject lot has 25 feet of street frontage along Hyde Street and a depth of 112'-6". The project site was previously occupied by a four (4) story, eight (8) unit residential building that was designated a historic resource by the City and the CRHR, and in 1991 was listed in the National Register of Historic Places as a contributing resource to the Lower Nob Hill Apartment Hotel National Register Historic District (the "Lower Nob Hill Apartment Historic District" or "District"). The building, named "Chatom Apartments", was constructed in 1915. The building was destroyed by a fire in 2010 and the remnants of the damaged structure were removed in accordance with demolition Permit No. 201011084503 issued on November 8, 2010. The resulting vacant lot is considered a non-contributory property within the District.
3. **Surrounding Properties and Neighborhood.** The Project site is within the Downtown/Civic Center neighborhood, near the southern boundary of the Nob Hill neighborhood. The Project site is also located within the Lower Nob Hill Apartment Hotel Historic District. The District is comprised of 570 acres containing 295 contributing buildings and one contributing structure. The District consists of almost entirely of 3- to 8-story multi-unit residential buildings which fill their entire front lot lines and share a single stylistic orientation. The vast majority of the buildings were constructed between 1906 and 1925. Land uses in the surrounding area include a diverse mixture of residential, hotel, and ground-floor retail uses including shopping, grocery stores, bars and restaurants. St. Francis Medical Center is located one block to the north of the site at the corner of Hyde and Bush Streets.
4. **Project Description.** The proposed project would involve the construction of an approximately 52'-8" foot-tall (up to 66 feet tall with the staircase and elevator penthouses), five-story-over-basement, 12,390 gross square foot (gsf) residential building on a partially down-sloping vacant lot. The proposed building would provide: seven (7) studio units; one (1) junior one-bedroom unit; five (5) one-bedroom units; and one (1) two-bedroom unit for a total of fourteen (14) dwelling units. Excavation, to a maximum depth of approximately nine (9) feet below grade, is proposed in order to accommodate the basement level. No off-street parking would be provided as part of this project.
5. **Public Comment.** To date, the Department has received 2 inquiries about the Project, and 2 letters of opposition to the Project.
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. Rear Yard. Planning Code Section 134 states that the minimum rear yard depth shall be equal to 25 percent of the total depth of the lot on which the building is situated, but in no case less than 15 feet. Rear yards shall be provided at the lowest story containing a dwelling unit, and at each succeeding level or story of the building.

The project provides the required 25 percent rear yard (28'-1/8"), beginning at the ground floor, as measured from the Hyde Street frontage.

B. Useable Open Space. Planning Code Section 135 states 36 square feet of Usable Open Space is required per unit if such space is private, and each square foot of private open space may be substituted with 1.33 square foot of common open space. Planning Code Section 135(f)(2)(B) requires that the open space must face a street, face or be within a rear yard, or face some over space which meets the minimum dimension and area requirements of Planning Code Section 135(f)(1), or six feet in every horizontal direction and at least 36 feet in area on a deck.

The Project provides 1,115 sf of common useable open space, which, is more than the required amount of common useable open space (719 sf). The project provides 405 sf of common useable open space in the rear yard (at grade), and 710 sf of common useable open space on the roof deck atop the 5th floor.

C. Exposure. Planning Code Section 140 requires that at least one room of each dwelling unit must face onto a public street, a rear yard, or other open area that meets minimum requirements for area and horizontal dimensions.

All of the proposed dwelling units appear to face onto Hyde Street or the Code-complying rear yard. The project is consistent with the dwelling unit exposure requirements of the Code.

D. Parking. Planning Code Section 151.1 does not require off-street parking for projects located within RC Districts.

Off-street parking would not be provided for the proposed project.

E. Bicycle Parking. Planning Code Section 155.2 requires bicycle parking for residential development projects in the following amounts: one class I space for every dwelling unit, and one Class II space per 20 dwelling units.

The Project will provide fourteen (14) Class I bicycle parking spaces within the new building, and two (2) Class II bicycle parking spaces along the Hyde Street frontage, consistent with the City's Transit First Policies.

F. Street Frontages in Residential-Commercial Districts. Planning Code Section 145.1 exists to preserve, enhance, and promote attractive, clearly defined street frontages that are pedestrian-oriented, fine-grained, and which are appropriate and compatible with the buildings and uses in certain commercial districts.

The Project includes a request for Variances pursuant to Planning Code Sections 145.1(b)(2). Section 145.1(b)(2) of the Planning Code requires active street frontages for development lots, including residential uses. Residential uses are considered active uses only if more than 50 percent of the linear residential street frontage at the ground level features walk-up dwelling units that provide direct, individual pedestrian access to a public sidewalk. The subject lot is only 25' wide, and the project proposes residential uses on the ground floor that do not provide direct, individual pedestrian access to a public sidewalk; therefore, a variance is required.

G. Dwelling Unit Density. Planning Code Section 209.3 allows a residential density of one dwelling unit per 200 square feet of lot area within the RC-4 district. With approximately 2,815 square of lot area, 14 dwelling units could be developed on the lot. Furthermore, Code Section 209.3(8) allows a dwelling unit in the RC-4 District containing no more than 500 square feet of net floor area and consisting of not more than one habitable room in addition to a kitchen and a bathroom to be counted as equal to $\frac{3}{4}$ of a dwelling unit.

The project would contain a total of fourteen (14) dwelling units. Eight (8) of the dwelling units contain no more than 500 square feet of net floor area, which, would be counted as $\frac{3}{4}$ of a dwelling unit. Therefore, eight (8) of the units would calculate to six (6) dwelling units per Code Section 209.3(8). With a total of fourteen (14) dwelling units (as defined by the Code), the project would be consistent with the dwelling unit density provisions of the Code.

H. Height. Planning Code Section 253 requires that wherever a height limit of more than 40 feet in a RH District, or more than 50 feet in a RM or RC District, is prescribed by the height and bulk district in which the property is located, any building or structure exceeding 40 feet in height in a RH District, or 50 feet in height in a RM or RC District, shall be permitted only upon approval by the Planning Commission according to the procedures for conditional use approval in Section 303 of the Code.

The Project would exceed a height of 50 feet in the RC Zoning District, therefore requires Conditional Use Authorization. Even though the underlying Bulk and Height District (80-A) would allow for a taller structure, the Code requires approval by the Planning Commission according to the procedures for conditional use approval in Section 303 of this Code. In addition, the Project proposes several rooftop features (elevator, stairs, mechanical penthouses, and windscreens) that are all exempt from Section 260 since the total proposed height of the exempt features is 16'-0", as allowed by the Code.

I. Shadows. Planning Code Section 295 requires a shadow analysis for projects over 40 feet in height to ensure that new buildings do not cast new shadows on properties that are under the jurisdiction of the San Francisco Recreation and Park Department.

A shadow analysis was completed that examined the project as it is currently proposed. The analysis revealed that no net shadow would be added to any Recreation and Park Department properties and thus the project complies with Planning Code Section 295.

J. 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, the current percentage requirements apply to projects that

consist of ten 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, the Project must pay the Affordable Housing Fee ("Fee"). This Fee is made payable to the Department of Building Inspection ("DBI") for use by the Mayor's Office of Housing and Community Development for the purpose of increasing affordable housing citywide.

The Project Sponsor 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 through payment of the Fee, in an amount to be established by the Mayor's Office of Housing and Community Development at a rate equivalent to an off-site requirement of 20%. The project sponsor has not selected an alternative to payment of the Fee. The EE application was submitted on August 1, 2013.

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 will construct fourteen (14) new dwelling units on a vacant lot. The Project's development of in-fill housing and compliance with the affordable housing requirements under the Planning Code is consistent with the City's policies and goals toward the creation of market rate and affordable housing. The Project will be consistent with the surrounding neighborhood, which is primarily comprised of multi-story, high-density, residential buildings. Both of the immediately adjoining buildings are six stories tall; however, this building is proposed to be five stories tall. An eight-story residential building is located across the street on the corner of Hyde and Sutter Streets. Saint Francis Memorial Hospital is located three buildings to the north of the property. The units are designed for efficiency with adequate storage and have large windows for light. The new residents will support the nearby neighborhood serving retail uses and create pedestrian-oriented activity.

- 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 is consistent with the surrounding neighborhood, which is primarily multi-story, high-density residential buildings. The Project will fill-in a vacant lot creating a unified street wall. The Project's five-story height is consistent with the surrounding buildings, which range in height from four to eight stories. The Project has been designed to fit in with the character of the surrounding buildings by incorporating double bay windows, deep ground floor openings, and a projecting cornice. The Project meets the open space and rear yard requirements of the current

Planning Code. The rear yard and open space will be accessible to all residents. The new residents will serve the surrounding neighborhood retail stores and create pedestrian activity.

- 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 will not provide off-street parking, as allowed by Code Section 151.1. The high-density development and neighborhood-serving commercial uses that characterize the neighborhood will encourage residents to find alternatives to the use of private automobile, such as bicycles, public transportation, and taxi cabs. The Project will generate less demand for private automobile use because the property is situated within a transit-rich area and does not provide parking, which sometimes discourages occupants to own cars. The property is located within a two-block radius of eight MUNI bus lines, within three blocks of the Van Ness Avenue line and eight blocks of the Market Street lines.

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

The Project proposes residential use without parking and therefore will not produce noxious or offensive emissions, noise, glare, dust or odors. There is no commercial space, which could generate the same.

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

The Project will provide one (1) street tree and comply with all streetscape requirements. Parking is not proposed and therefore, the ground floor will consist of residential use that will contribute to the neighborhood character. Two residential units will be located on the ground floor, including one facing the street that otherwise would be occupied by a parking garage. The Project will provide common open space within the rear yard as well as on the roof. The open space and rear yard will be in compliance with the Planning Code's requirements. The rear yard will be landscaped. The Project also will provide appropriate lighting for safety on the street side of the façade. The Project does not contain signage other than an identification sign for the address.

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

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

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

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 1:

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

The Project's vacant site must be made available for development if the City's housing needs are to be met. The Project will lead to the supply of affordable housing in that the Project will comply with the City's inclusionary housing policy.

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 will create new housing within a transit-rich area and encourage public transportation use by not providing a parking garage. The Project contains small-sized units ranging in size from 445 square feet to 610 square feet. The unit mix consists of seven (7) studio units; one (1) junior one-bedroom unit; five (5) one-bedroom units; and one (1) two-bedroom unit. Even though the units are small, they have been efficiently designed with adequate storage and have large windows for light. These units are more affordable than larger units because of their small size and location within a transit-rich area, which does not require the residents to own a car.

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.

The Project is designed to fit within the neighborhood characterized by high-density, residential buildings within the Lower Nob Hill National Register District. The Project contains fourteen (14) units that are efficiently designed with adequate storage and have large windows for light. The building will reflect the design of the surrounding buildings because it contains double bay windows, deep ground floor openings, and a projecting cornice. The project sponsor modified the façade to respond to comments made by the Department's historic preservation technical specialist. These changes ensure the Project will be consistent with the façade element patterns of other buildings in the Lower Nob Hill National Register District.

Policy 11.6:

Foster a sense of community through architectural design using features that propose community interaction.

The Project is designed with units on the ground floor creating a close relationship between the residents and the community. The Project does not contain parking, which would interrupt the relationship between

the residents and the neighborhood by requiring the building to be broken up with a curb cut and entrance to the parking garage.

OBJECTIVE 12:

BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

Policy 12.1:

Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

The Project would create new housing within a transit-rich area without the parking that might discourage environmentally sustainable patterns of movement, and instead encourages public transit use.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 1:

MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA.

Policy 1.3:

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

The Project creates new housing within a transit-rich area and within close proximity to the downtown where jobs are concentrated. By not including parking, the Project encourages use of public transit as an alternative to automobiles.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 3:

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.2:

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

Policy 3.5:

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

Policy 3.6:

Relate the bulk of buildings to the prevailing scale of development to avoid an overwhelming or dominating appearance in new construction.

The Project site is located within the Lower Nob Hill Apartment Hotel Historic District (District). The surrounding area has a defined architectural character with the vast majority of the buildings having been constructed between 1906 and 1925. The District consists of almost entirely of 3- to 8-story multi-unit residential buildings which fill their entire front lot lines and share a single stylistic orientation. The Project site is located in an 80-A Height and Bulk District. The proposed new building is designed in a contemporary architectural style, including generous, modern glazing treatments, an organized fenestration pattern, and high-quality exterior finishes. The building would be approximately 52'-8" feet in height with an elevator penthouse extending above the roof slab an additional 16 feet (totaling approximately 66 feet in height). These features are exempt per Planning Code Section 260(b). Therefore, the Project's proposed height is consistent with the requirements of the 80' Height District and with similar sized buildings in the area, and meets the "A" Bulk Limits.

OBJECTIVE 4:

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENTAL TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.13:

Improve pedestrian areas by providing human scale and interest.

The Project will include streetscape improvements along its Hyde Street frontages, including the installation of one (1) new street tree, and a new, publically-accessible bicycle rack along Hyde Street. The building's base has been detailed to provide an appropriate scale for pedestrians, and the Project would add an important aspect of activity by virtue of infilling a vacant lot. These improvements will provide much needed streetscape improvements thorough the well-designed ground-floor treatments that will help to improve pedestrian safety without the need for a curb cut for off-street parking.

9. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The existing neighborhood-serving retail will be preserved and enhanced through the construction of new residential units. The residents will likely patronize the existing businesses in the community.

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

The property is a vacant lot. The property contained an eight-unit residential building that was destroyed by a fire in October 2010. The Project would construct a new building containing fourteen

(14) units that would fit within the surrounding neighborhood character by relating the height and bulk to be at or below that of the adjacent buildings and including design elements such as double bay windows, deep ground floor openings, and a projecting cornice.

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

The project sponsor will comply with all current affordable housing requirements. The Project will not remove existing housing because the property is vacant. Further, the Project will contain small-sized units which are by design more affordable than larger units.

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

The Project will not cause an undue burden on the surrounding street parking and will maintain a close connection to public transit ways. The Project will not provide parking because the Project is well-served by public transportation and is located within close proximity to downtown where jobs are concentrated. Residents will have many alternative forms of transportation, including public transit, bicycling and walking.

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

The Project does not eliminate any industrial or service sectors. The new residents will use nearby businesses and thereby promote business and economic development in the area.

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

The new building will comply with present day seismic and life-safety codes for achievement of the greatest possible preparedness to protect against injury and loss of life in the event of an earthquake.

G. That landmarks and historic buildings be preserved.

The property is located within the Lower Nob Hill Apartment Hotel Historic District (District). The new building is designed to fit within the District's context, including elements such as double bay windows, deep ground floor openings and a projecting cornice

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

The Project will have no negative impact on existing parks and open space. No existing park is observed within 300' radius of the property. The Project's height of only 52'-8" feet (up to 66 feet tall with the staircase and elevator penthouses), will not have an impact on the surrounding parks and open space's access to sunlight and vistas. The height of the proposed structure is compatible with the established neighborhood development.

10. 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.
11. The Commission hereby finds that approval of the Conditional Use authorization would promote the health, safety and welfare of the City.

DECISION

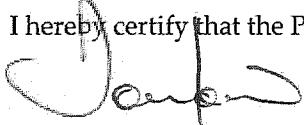
That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Application No. 2012.1445CV** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated February 22, 2016, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 19582. 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 March 3, 2016.



Jonas P. Ionin
Commission Secretary

AYES: Antonini, Fong, Hillis, Johnson, Moore, Richards

NAYS: None

ABSENT: Wu

ADOPTED: March 3, 2016

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to allow a new, five-story, approximately 55-foot tall, 12,460 gross square foot residential building 14 dwelling units located at 824 Hyde Street, Lot 017 in Assessor's Block 0280, to exceed 50 feet in a RC Zoning District, pursuant to Planning Code Section(s) 253 and 303 within the RC-4 District and a 80-A Height and Bulk District; in general conformance with plans, dated February 22, 2016, and stamped "EXHIBIT B" included in the docket for Case No. 2012.1445CV and subject to conditions of approval reviewed and approved by the Commission on March 3, 2016 under Motion No. 19582. 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 March 3, 2016 under Motion No. 19582.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 19582 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

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

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

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

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

6. **Additional Project Authorization.** The Project Sponsor must seek a Variance from the Planning Code under Section 145.1. Section 145.1 of the Code requires active street frontages for development lots, including residential uses. Residential uses are considered active uses only if more than 50 percent of the linear residential street frontage at the ground level features walk-up dwelling units

that provide direct, individual pedestrian access to a public sidewalk. The subject lot is only 20' wide, and the project proposes residential uses on the ground floor that do not provide direct, individual pedestrian access to a public sidewalk; therefore, a variance is required. The conditions set forth below are additional conditions required in connection with the Project. If these conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, 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

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 building permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, 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

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

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

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

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

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

13. **Landscaping, Permeability.** Pursuant to Planning Code Section 156, the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application indicating that 20% of the parking lot shall be surfaced with permeable materials and further indicating that parking lot landscaping, at a ratio of one tree, of a size comparable to that required for a street tree and of an approved species, for every 5 parking stalls, shall be provided. Permeable surfaces shall be graded with less than a 5% slope. The size and specie of plant materials and the nature of the permeable surface shall be as approved by the Department of Public Works.

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

PARKING AND TRAFFIC

14. **Bicycle Parking.** The Project shall provide no fewer than 14 Class 1 bicycle parking spaces and 2 Class II bicycle parking spaces as required by Planning Code Sections 155.1 and 155.5.

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

15. **Managing Traffic During Construction.** The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning

Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.

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

PROVISIONS

16. **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

17. **Child Care Fee - Residential.** The project is subject to the Residential Child Care Fee, as applicable, pursuant to Planning Code Section 414A.

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

Affordable Units

18. **Requirement.** Pursuant to Planning Code 415.5, the Project Sponsor must pay an Affordable Housing Fee at a rate equivalent to the applicable percentage of the number of units in an off-site project needed to satisfy the Inclusionary Affordable Housing Program Requirement for the principal project. The applicable percentage for this project is twenty percent (20%).

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

19. **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 the terms of the 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 Mayor's Office of Housing and Community Development ("MOHCD") at 1 South Van Ness Avenue or on the Planning Department or Mayor's Office of Housing and Community Development'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 or rent.

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

- a. The Project Sponsor must pay the Fee in full sum to the Development Fee Collection Unit at the DBI for use by MOHCD prior to the issuance of the first construction document.
- b. Prior to the issuance of the first construction permit by the DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that records a copy 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.
- c. If project applicant 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 Sections 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all other remedies at law.

MONITORING - AFTER ENTITLEMENT

20. **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.sfplanning.org

21. **Revocation due to Violation of Conditions.** Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

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

OPERATION

22. **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>

23. 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>

24. 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

**MAYOR'S OFFICE OF HOUSING AND COMMUNITY
DEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO**



EDWIN M. LEE
MAYOR

OLSON LEE
DIRECTOR

April 20, 2016

Mahesh Patel
824 Hyde Street Investments, LLC
737 East Francisco Blvd
San Rafael, CA 94901
maheshpil@aol.com

Re: San Francisco Planning Code Section 415 ("Inclusionary Housing Program")
Revised Affordable Housing Fee Determination for 824 Hyde Street
Planning Department Case No. 2012.1442

Dear Mahesh Patel:

Thank you for having provided a revised Affidavit for Compliance with the Inclusionary Affordable Housing Program for the above reference project at 824 Hyde Street. In response to your email request for a Fee Determination dated March 30, 2016, and with the new information provided via email on April 12, 2016, we are providing the following fee calculations:

1. The fee which is applicable per Planning Code Section 415.5; and,
2. The total number and size distribution of affordable housing units that are required by Planning Code Section 415.7 if the units are provided off-site in lieu of a fee payment.

The Planning Code specifies that the project sponsor shall pay a fee that is equivalent to the provision of 20% of the market rate units as off-site affordable housing units. Using the off-site calculation, you would be required to provide 20% of the 14 new dwelling units in the primary project to meet the off-site requirement, or a total of 2.8 units. As for the unit size, the Planning Code requires that the off-site housing be comparable to the unit mix (by number of bedrooms) reflected in the market rate units of the principal project.

According to your plans, the principal project will have a total of 14 units, including:

- 7 studio units;
- 6 one-bedroom units; and,
- 1 two-bedroom unit.

The following chart details the total fee required based on the total number of units and the unit mix of the principal project.

Inclusionary Housing Program Affordable Housing Fee Determination					
Address: 824 Hyde Street					
Unit Size	Market Rate Total	20% Off-site Requirement	Off-Site Unit Requirement	Fee By Unit Size*	Fee Payable
Studio	7	20%	1.4	\$198,008	\$277,211.20
1 bedroom	6	20%	1.2	\$268,960	\$322,752.00
2 bedroom	1	20%	0.2	\$366,369	\$73,273.80
3 bedroom	0	20%	0	\$417,799	\$0
4 bedroom	0	20%	0	\$521,431	\$0
Totals:	14		2.8		\$673,237

*2016 fee schedule in effect

The Department of Building Inspection (DBI) is responsible for issuing a report outlining preliminary estimates of all development impact and other fees owed for a development project. Prior to issuance of the first building permit or, in the case where a site permit is issued, the first addendum authorizing construction of the project, a final report will be issued. Please note that the Affordable Housing Fee, like other fees, is adjusted annually and revised fees are effective January 1 of each year. The adjusted fee rate applies to impact fees paid on or after the effective date of any such fee adjustments, regardless of the date of permit filing or the date of the issuance of the preliminary fee assessment rate as shown on DBI's Citywide Development Fee Register for the particular project.

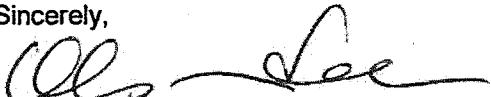
Payments for development impact and other fees must be made at the Permit Center, DBI, 1660 Mission, 6th floor, San Francisco, CA 94103. Questions should be directed to 558-6131. **Please contact DBI before paying the fee. DBI must issue you a report on all fees owed before you can pay this fee.**

If your development grows or shrinks in terms of total units, or if your unit mix changes from that stated on your fee request, you must contact our office with any adjustments to your planning approval so that we may issue a fee determination for any remaining or over-counted units.

If the City has not previously given notice under Government Code Section 66020 of an earlier discretionary approval of the project involving imposition of a fee or exaction as defined by Government Code Section 66020, 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 period has begun for the subject development, then this document does not recommence the 90-day protest period.

Please feel free to contact the Mayor's Office of Housing and Community Development at (415) 701-5500 if you have any questions about this letter.

Sincerely,



OLSON LEE
Director

cc: Nicholas Foster, Planner, San Francisco Planning Department
 Mark Luellen, Northwest Team Manager, San Francisco Planning Department
 Kate Conner, San Francisco Planning Department
 Taras Madison, San Francisco Department of Building Inspection
 John Blackshear, San Francisco Department of Building Inspection
 Sophie Hayward, San Francisco Mayor's Office of Housing and Community Development
 Mara Blitzer, San Francisco Mayor's Office of Housing and Community Development



UNITE HERE!

July 14, 2017

The Board of Supervisors
c/o Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Re: Appeal of Conditional Use for 824 Hyde Street (Case 2016-010544)
Hearing 7/25/17, 3:00pm

Dear Supervisors,

We write to ask you to uphold the appeal of the Conditional Use permit for a 30-room hotel at 824 Hyde Street. Our union represents 260 families who work in the hospitality industry, and who live within a three-block radius of the site in question. This site was previously rent-controlled housing, and following its destruction by fire, it was entitled for reconstruction as housing. We echo many of the concerns of the Lower Polk neighborhood association about the proposed hotel project.

Local 2 agrees that a hotel is neither necessary nor desirable for this neighborhood:

- 1) A hotel at this location would be completely out of character with the immediate surroundings;
- 2) The project would undermine the reconstruction of much-needed housing for working families;
- 3) To allow rent-controlled housing stock to turn into a more-profitable hotel after a fire would set a dangerous precedent.

Hyde street, and the Mid- and Lower-Polk neighborhoods in particular, are primarily residential in character. With the exception of the Nob Hill Hotel – which opened as a tourist hotel in 1908 – there are no other tourist hotels along Hyde Street anywhere between Fisherman's Wharf and Market Street. By contrast, the area is home to many hundreds of SRO residents. The developer has argued that locating a hotel project in a primarily residential neighborhood is appropriate as it meets the needs of tourists who may prefer to stay in residential neighborhoods.

Local 2 believes just the opposite. At a time when working families' housing, and especially SROs, are under intense pressure to convert to tourist accommodations, introducing hotels into residential communities threatens the viability of those neighborhoods as home for working people, and should only be done in the most exceptional of circumstances.

Anand Singh
President

Chito Cuéllar
Vice-President

Tina Chen
Secretary-Treasurer

209 Golden Gate Ave., San Francisco, CA, 94102 • phone: 415.864.8770 • fax: 415.864.4158

209 Highland Ave., Burlingame, CA, 943572 phone: 650.344.6827 • fax: 650.344.9406



Similarly, the Lower Polk Neighborhood Association points out in their appeal letter of June 29 that the previously-approved housing project would contribute much more in the form of affordable housing funds and replacement units. More importantly, though, replacement housing at this site *has already been approved*, and there are few barriers to commencing construction immediately. Far from being necessary to the improvement of this location, the proposed hotel development is only hindering the reconstruction of the site.

We are also troubled about the precedent set by this case given the disturbing number of fires in neighborhoods such as SOMA and the Mission. The aftermath of these fires, which largely affected rent-controlled buildings, suggests that all a property owner must do is wait out the rebuilding process until tenants lose their right to return or until they have settled into new housing elsewhere. This trend should be resisted, not encouraged.

Finally, we are concerned about the size of these proposed hotel rooms. They are very tight spaces, averaging just 140 square feet, leaving little room to maneuver. In the absence of guarantees that hotel housekeepers will have a meaningful voice in how the rooms are set up and cleaned, they are likely to exacerbate the rate of housekeeper injuries.

We urge you to support the appeal of this Conditional Use Authorization, and deny the construction of a hotel at 824 Hyde Street. A hotel is inappropriate for this site and it is time to clear the way for the previously-entitled housing project to be constructed without delay.

Sincerely,


Ian Lewis
Research Director

S A N • F R A N C I S C O T E N A N T S • U N I O N

558 Capp Street • San Francisco CA 94110 • (415)282-6543 • www.sftu.org

July 18, 2017

RE: 824 Hyde St - Conditional Use Case (2016-010544)

Dear Clerk and Supervisors:

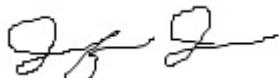
We write to ask you to uphold the appeal of the Conditional Use permit at 824 Hyde. By allowing this project to move forward, the Planning Commission failed in its obligation to uphold Objective 2 of the San Francisco General Plan to *retain the existing supply of housing*.

We agree with the Lower Polk Neighborhood Association and UNITE HERE Local 2. If the owner can ignore their obligation to replace fire-damaged housing and allow the tenants to return, it will encourage the further erosion of precious housing sites for more-profitable hotels and other uses. San Francisco is in dire need of affordable housing for residents not temporary space for tourists.

We do not consider fees for BMRs equivalent to preserving rent-controlled units as there are very different requirements to qualify. Too often, owners of fire-damaged properties simply stall until the tenants are long gone before rebuilding.

We imagine that all of you agree that housing is the city's main objective and you will not reward this owner for failing to replace the housing.

Thank you,



Jennifer Fieber
Political Campaign Director

V N C N C

V A N N E S S C O R R I D O R N E I G H B O R H O O D S C O U N C I L

July 18, 2017

To: President London Breed, SF Board of Supervisors

From: Marlayne Morgan and Jim Marshall, Co-Chairs, VNCNC

Re: 824 Hyde Street

Dear President Breed and Members of the Board:

The **VanNess Corridor Neighborhoods Coalition** supports production of new residential housing to be built at 824 Hyde Street, as originally approved in 2016, rather than the recent approval of a micro hotel for this site in 2017.

The site previously provided rent controlled housing, which as we all know, is a shrinking commodity in our city. While we recognize that this rent controlled housing was lost in a 2010 fire, the previously approved project (2012.1445C) which proposed 14 residential units and a twenty percent in lieu affordable housing fee is a preferred alternative to the proposed hotel use.

VNCNC does not find the hotel use neither necessary or desirable compared to the need for housing, including the affordable housing funding. The previously approved project would dedicate nearly \$700,000 to affordable housing in-lieu fees. This proposed project will pay approximately \$250,000 for transit fees. As there was no community outreach around this new proposal, it is difficult to determine the reasons for changing the use on this site; however, saving \$450,000 in entitlement fees may be a major reason to switch from housing to this micro hotel.

We recognize that hotel occupancies are at high levels, but at the same time there are dozens of larger hotel projects proposed, as well as thousands of short term rental units on the market.

Setting a precedent for allowing a non-residential use to replace rent controlled housing is not appropriate and can cause a dangerous trend. We ask that the Board uphold the

previous approval for housing on this site which has been previously approved and will be ready to construct without entitlement delays.

VNCNC Member Organizations

Cathedral Hill Neighbors Association

Golden Gate Valley Neighborhood Association

Hayes Valley Neighborhood Association

Lower Polk Neighbors

Middle Polk Neighborhood Association

Pacific Avenue Neighbors

Pacific Heights Residents Association

Russian Hill Community Association

Russian Hill Neighbors

Western SoMa Voice



July 19, 2017

To: President London Breed, Board of Supervisors

Re: 8264 Hyde Street

Dear President Breed and Supervisor members of the Board,

The Hayes Valley Neighborhood Association supports the original entitlement of rental housing. The current owner purchased the entitled property with full knowledge of the entitlements. The entitlement process involved much community engagement, with specific concerns that a rent-controlled building would be replaced. However, the developer received entitlement for a multiple rental residences, not a hotel.

HVNA is concerned that our Planning Department disregards properly vetted property entitlements, supporting instead a different use for this property. Neighbors' communications with the Planning were ignored and approval for a completely different use for this property, hotel micro-units, insures that the community of this neighborhood will be lessened, and, by allowing a change of use of this property after entitlement, makes it clear that other developers will also buy entitled properties and propose change of use without regard to the community in which the properties are located.

Housing for our city's workforce, not short term rental units, is the most critical need in our city. Please allow the original entitled property use, 14 units of residential housing and an in lieu affordable housing fee, move forward, and deny the non-residential property use as a hotel.

Sincerely,

Gail Baugh
President, Hayes Valley Neighborhood
Association

gailbaugh40@gmail.com
415-265-0546

From: BOS Legislation, (BOS)
To: chris.schulman@gmail.com; IDick@fbm.com
Cc: Givner, Jon (CAT); Stacy, Kate (CAT); Byrne, Marlena (CAT); Gibson, Lisa (CPC); Sanchez, Scott (CPC); Rodgers, AnMarie (CPC); Starr, Aaron (CPC); Foster, Nicholas (CPC); Ionin, Jonas (CPC); BOS-Supervisors; BOS-Legislative Aides; Calvillo, Angela (BOS); Somera, Alisa (BOS); BOS Legislation, (BOS)
Subject: HEARING NOTICE: Conditional Use Authorization Appeal - Proposed 824 Hyde Street Project - Appeal Hearing on July 25, 2017
Date: Tuesday, July 11, 2017 1:27:36 PM
Attachments: [image001.png](#)

Good morning,

The Office of the Clerk of the Board has scheduled an appeal hearing for Special Order before the Board of Supervisors on **July 25, 2017, at 3:00 p.m.**, to hear an appeal regarding the Exemption Determination for the proposed project at 824 Hyde Street.

Please find the following link to the hearing notice for the matter:

[Hearing Notice - July 25, 2017](#)

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

[Board of Supervisors File No. 170790](#)

Thank you,

Brent Jalipa

Legislative Clerk

Board of Supervisors - Clerk's Office
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-7712 | Fax: (415) 554-5163
brent.jalipa@sfgov.org | www.sfbos.org



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco will hold a public hearing to consider the following appeals and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

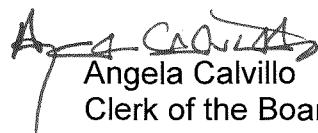
Date: **Tuesday, July 25, 2017**

Time: **3:00 p.m.**

Location: **Legislative Chamber, City Hall, Room 250**
1 Dr. Carlton B. Goodlett, Place, San Francisco, CA

Subject: **File No. 170790.** Hearing of persons interested in or objecting to the certification of a Conditional Use Authorization pursuant to Planning Code, Sections 209.3, 253, 303, and 303(g), for a proposed project located at 824 Hyde Street, Assessor's Parcel Block No. 0280, Lot No. 017, identified in Case No. 2016.010544CUA, issued by the Planning Commission by Motion No. 19926 dated June 1, 2017, to allow hotel use in a new construction building exceeding the use size limitations and exceeding 50 feet in height within the RC-4 (residential, commercial, high density) zoning district and a 80-A height and bulk district; and adopting findings under the California Environmental Quality Act. (District 3) (Appellant: Chris Schulman, on behalf of Lower Polk Neighbors) (Filed June 29, 2017).

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on these matters may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in these matters and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to these matters will be available for public review on Friday, July 21, 2017.



Angela Calvillo
Clerk of the Board



PROOF OF MAILING

Legislative File No. 170790

Description of Items: Public Hearing Notice - Hearing - Appeal of Conditional Use Authorization - Proposed Project at 824 Hyde Street

I, Brent Jalipa, an employee of the City and County of San Francisco, mailed the above described document(s) by depositing the sealed items with the United States Postal Service (USPS) with the postage fully prepaid as follows:

Date: July 11, 2017

Time: 8:45 a.m.

USPS Location: Repro Pick-up Box in the Clerk of the Board's Office (Rm 244)

Mailbox/Mailslot Pick-Up Times (if applicable): N/A

Signature: 

Instructions: Upon completion, original must be filed in the above referenced file.

BOARD of SUPERVISORS



City Hall

1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

July 5, 2017

**File Nos. 170790-170793
Planning Case No. 2016-010544CUA**

Received from the Board of Supervisors Clerk's Office one check, in the amount of Five Hundred Sixty Two Dollars (\$562) representing the filing fee paid by Chris Schulman, on behalf of the Lower Polk Neighbors, for the appeal of the Conditional Use Authorization for the proposed project at 824 Hyde Street.

Planning Department

By:

Tony Young
Print Name

7/6/17
Signature and Date

From: BOS Legislation, (BOS)
To: chris.schulman@gmail.com; IDick@fbm.com
Cc: Givner, Jon (CAT); Stacy, Kate (CAT); Byrne, Marlena (CAT); Gibson, Lisa (CPC); Sanchez, Scott (CPC); Rodgers, AnMarie (CPC); Starr, Aaron (CPC); Foster, Nicholas (CPC); Ionin, Jonas (CPC); BOS-Supervisors; BOS-Legislative Aides; Calvillo, Angela (BOS); Somera, Alisa (BOS); BOS Legislation, (BOS)
Subject: Conditional Use Authorization Appeal - Proposed 824 Hyde Street Project - Appeal Hearing on July 25, 2017
Date: Monday, July 03, 2017 1:42:09 PM
Attachments: [image001.png](#)

Good afternoon,

The Office of the Clerk of the Board has scheduled a hearing for Special Order before the Board of Supervisors on **July 25, 2017, at 3:00 p.m.** Please find linked below letters of appeal filed against the proposed project at 824 Hyde Street, and an informational letter from the Clerk of the Board.

[Conditional Use Authorization Appeal Letter - June 29, 2017](#)

[Clerk of the Board Letter - July 30, 2017](#)

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

[Board of Supervisors File No. 170790](#)

Please note that the hearing date is swiftly approaching. Our office must notice this appeal hearing on Tuesday, July 11, 2017. If you have any special recipients for the hearing notice, kindly provide a list of addresses for interested parties to us by close of business July 7, 2017.

Thank you,

Brent Jalipa

Board of Supervisors - Clerk's Office
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-7712 | Fax: (415) 554-5163
brent.jalipa@sfgov.org | www.sfbos.org



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

June 30, 2017

Chris Schulman
Executive Committee Member
Lower Polk Neighbors
P.O. Box 642428
San Francisco, CA 94164

Subject: Appeal of Conditional Use Authorization - 824 Hyde Street Project

Dear Mr. Schulman:

Thank you for your appeal filing regarding the proposed project at 824 Hyde Street. The filing period to appeal the conditional use authorization closes on Monday, July 3, 2017. The conditional use appeal was filed with the subscription of five members of the Board of Supervisors, and therefore meets the filing requirements of Planning Code, Section 308.1.

Pursuant to Planning Code, Section 308.1, a hearing date has been scheduled for **Tuesday, July 25, 2017, at 3:00 p.m.**, at the Board of Supervisors meeting to be held in City Hall, 1 Dr. Carlton B. Goodlett Place, Legislative Chamber, Room 250, San Francisco, CA 94102.

Please provide to the Clerk's Office by noon:

20 days prior to the hearing: names and addresses of interested parties to be notified of the hearing, in spreadsheet format; and

11 days prior to the hearing: any documentation which you may want available to the Board members prior to the hearing.

For the above, the Clerk's office requests one electronic file (sent to bos.legislation@sfgov.org) and two copies of the documentation for distribution.

Continues on next page

NOTE: If electronic versions of the documentation are not available, please submit 18 hard copies of the materials to the Clerk's Office for distribution. If you are unable to make the deadlines prescribed above, it is your responsibility to ensure that all parties receive copies of the materials.

If you have any questions, please feel free to contact Legislative Clerks Brent Jalipa at (415) 554-7712, or Lisa Lew at (415) 554-7718.

Very truly yours,



fr Angela Calvillo
Clerk of the Board

c: Ilene Dick, Farella Braun + Martel, LLP, Project Sponsor
Jon Givner, Deputy City Attorney
Kate Stacy, Deputy City Attorney
Marlena Byrne, Deputy City Attorney
John Rahaim, Planning Director
Scott Sanchez, Zoning Administrator, Planning Department
Lisa Gibson, Environmental Review Officer, Planning Department
Aaron Starr, Manager of Legislative Affairs, Planning Department
AnMarie Rodgers, Senior Policy Advisor, Planning Department
Nicholas Foster, Staff Contact, Planning Department
Jonas Ionin, Planning Commission Secretary

Jalipa, Brent (BOS)

From: Ko, Yvonne (CPC)
Sent: Thursday, June 29, 2017 4:19 PM
To: Hepner, Lee (BOS)
Cc: Lagunte, Richard (BOS); Jalipa, Brent (BOS)
Subject: RE: CUA Appeal Amount discrepancy

Hi Brent and Richard,

Please go ahead and accept the CUA appeal application from Lower Polk Neighbors today.

Thank you very much for your continuous support to the Planning Department,

Yvonne Ko, Revenue Team Supervisor

San Francisco Planning Department

Finance Division

1650 Mission Street, Suite 400

San Francisco, CA 94103

(W) 415-558-6386

(F) 415-558-6409

From: Hepner, Lee (BOS)

Sent: Thursday, June 29, 2017 4:13 PM

To: Ko, Yvonne (CPC)

Cc: Lagunte, Richard (BOS); Jalipa, Brent (BOS)

Subject: RE: CUA Appeal Amount discrepancy

Hi Yvonne – thanks for the quick chat. Can you please confirm to the Clerk's Office (copied here), that they can accept the application and accompanying \$562 check today, with the understanding that because Lower Polk Neighbors is among the neighborhood organizations entitled to a fee waiver, the check will be returned anyway?

Thanks for your assistance.

Best,
Lee

Lee Hepner
Legislative Aide
Supervisor Aaron Peskin
415.554.7450 office
415.554.7419 direct

From: Hepner, Lee (BOS)
Sent: Thursday, June 29, 2017 3:53 PM
To: Jalipa, Brent (BOS) <brent.jalipa@sfgov.org>; Lagunte, Richard (BOS) <richard.lagunte@sfgov.org>
Subject: CUA Appeal Amount discrepancy

\$562: <http://sfbos.org/sites/default/files/FileCenter/Documents/28246-WP01.%20Conditional%20Use%20Appeal%20Info%20Sheet.pdf>

Or

\$578: <http://sfbos.org/sites/default/files/Conditional%20Use%20Appeal%20Info%20Sheet.pdf>

Lee Hepner
Legislative Aide
Supervisor Aaron Peskin
415.554.7450 office
415.554.7419 direct

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

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

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor" [redacted] inquires"
- 5. City Attorney request.
- 6. Call File No. [redacted] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. [redacted]
- 9. Reactivate File No. [redacted]
- 10. Question(s) submitted for Mayoral Appearance before the BOS on [redacted]

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

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

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

Sponsor(s):

[redacted]

Subject:

Hearing - Appeal of Conditional Use Authorization - Proposed Project at 824 Hyde Street

The text is listed below or attached:

Hearing of persons interested in or objecting to the certification of a Conditional Use Authorization pursuant to Planning Code, Sections 209.3, 253, 303, and 303(g), for a proposed project located at 824 Hyde Street, Assessor's Parcel Block No. 0280, Lot No. 017, identified in Case No. 2016.010544CUA, issued by the Planning Commission by Motion No. 19926 dated June 1, 2017, to allow hotel use in a new construction building exceeding the use size limitations and exceeding 50 feet in height within the RC-4 (residential, commercial, high density) zoning district and a 80-A height and bulk district; and adopting findings under the California Environmental Quality Act. (District 3) (Appellant: Chris Schulman, on behalf of Lower Polk Neighbors) (Filed June 29, 2017).

170790

Signature of Sponsoring Supervisor: Olivia Gomez

For Clerk's Use Only: