



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

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Planning Commission Motion No. 19944

HEARING DATE: JUNE 15, 2017

Case No.: 2009.0159EGPAMAPDNXCUAVARK
Project Address: 1540 Market Street (a.k.a. One Oak)
Zoning: C-3-G (Downtown General)
 120/400-R-2, 120-R-2 Height and Bulk Districts
 Van Ness & Market Downtown Residential Special Use District
Block/Lot: 0836, Lots 001, 002, 003, 004 and 005
Project Sponsor: Steve Kuklin, 415.551.7627
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ADOPTING FINDINGS AUTHORIZING A CONDITIONAL USE AUTHORIZATION PURSUANT TO PLANNING CODE SECTIONS 303 AND 151.1 TO ALLOW ACCESSORY OFF-STREET PARKING EXCEEDING PRINCIPALLY PERMITTED AMOUNTS, IN CONNECTION WITH A PROPOSAL TO CONSTRUCT A 40-STORY, 400-FOOT-TALL RESIDENTIAL BUILDING OVER GROUND-FLOOR COMMERCIAL INCLUDING APPROXIMATELY 4,110 SQUARE FEET OF GROUND FLOOR RETAIL, APPROXIMATELY 11,056 SQUARE FEET OF PRIVATE COMMON OPEN SPACE AND PUBLIC OPEN SPACE; 366 BICYCLE PARKING SPACES (304 CLASS 1, 62 CLASS 2) AND UP TO 136 VEHICULAR PARKING SPACES WITHIN THE VAN NESS AND MARKET DOWNTOWN RESIDENTIAL SPECIAL USE DISTRICT, DOWNTOWN-GENERAL (C-3-G) ZONING DISTRICT AND 120/400-R-2 AND 120-R-2 HEIGHT AND BULK DISTRICTS AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On February 26, 2009, Stephen Miller of Reuben & Junius, LLP filed an Environmental Evaluation application on behalf of CMR Capital, LLC, the previous property owner for a previous iteration of the project that occupied Assessor's Block 0836, Lots 002, 003, 004, and 005, but did not include the easternmost lot on the block (Lot 1) within the project site, and on August 27, 2012, John Kevlin of Reuben & Junius, LLP filed a revision to the Environmental Evaluation application on behalf of CMR Capital, LLC. The current project sponsor, One Oak Owner, LLC, submitted updated project information to the Planning Department to add Lot 001 and to address changes in the project under the same Planning Department Case Number (Case No. 2009.0159E) after acquiring the site in 2014.

On November 18, 2015 and December 9, 2016 Steve Kuklin of Build, Inc., on behalf of One Oak Owner, LLC ("Project Sponsor") filed applications that added Block 0836 Lot 001 into the project area, and requested approval of a.) a Downtown Project Authorization pursuant to Section 309 of the San Francisco Planning Code; b.) a Zoning Map Amendment; c.) a General Plan Amendment to change 668 square feet of the eastern 15 feet of Assessor's Block 0836, Lot 001 from 120/400-R-2 to 120-R-2, and an equivalent 668 square feet, 4'-7.5" wide area located 28'-3" from the western edge of Assessor's Block 0836, Lot 005 from 120-R-2 to 120/ 400-R-2; d.) a Conditional Use Authorization for on-site parking in excess of the amount principally permitted pursuant to Planning Code Section 303; e.) Variances for Dwelling Unit Exposure and Maximum Parking/Loading Entrance Width pursuant to Planning Code Sections 140 and 145.1(c)(2); f.) an Exemption for Elevator Penthouse Height, pursuant to 260(b)(1)(B); and h.) an In-Kind Fee Waiver Agreement for public realm improvements pursuant to Planning Code Sections 421.3(d) and 424.3(c). These approvals are necessary to facilitate the construction of a mixed-use project located at 1540 Market Street, Assessor Block 0836, Lots 001, 002, 003, 004 and 005, (hereinafter "Project"). The Project proposes to build an approximately 400-foot tall building containing approximately 304 dwelling units with a directed in-lieu contribution to facilitate the development of approximately 72 Below Market Rate dwellings units (the "Octavia BMR Project") within 0.3 miles of the project site, amounting to 24 percent of the 304-unit Project, subject to a letter and the conditions set forth therein from the Mayor's Office of Housing and Community Development, including the requirement for an independent environmental review of the Octavia BMR Project under CEQA.

On November 1, 2016, in accordance with the Entertainment Commission's guidelines for review of residential development proposals under Administrative Code Chapter 116, a hearing was held for the Project, and the Entertainment Commission made a motion to recommend the standard "Recommended Noise Attenuation Conditions for Chapter 116 Projects." The Entertainment Commission recommended that the Planning Department and/or Department of Building Inspection adopt these standard recommendations into the development permit(s) for this Project.

On January 5, 2017, the Commission held a duly advertised public hearing on the DEIR, at which opportunity for public comment was given, and public comment was received on the DEIR. The period for commenting on the EIR ended on January 10, 2017. The Department prepared responses to comments on environmental issues received during the 45-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected clerical errors in the DEIR.

On February 23, 2017, the Planning Commission adopted Resolutions 19860 and 19861 to initiate legislation entitled, (1) "Ordinance amending the General Plan by revising the height designation for the One Oak Street Project, at the Van Ness / Oak Street / Market Street intersection, Assessor's Block 0836 Lots 001 and 005 on Map 3 of the Market and Octavia Area Plan and on Map 5 of the Downtown Area Plan; adopting findings under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1;" and (2) Ordinance amending the Planning Code to change the height and bulk district classification of Block 0836, portions of Lots 001 and 005 for the One Oak Project, at the Van Ness / Oak Street / Market Street Intersection, as follows: rezoning the eastern portion of the property, along Van Ness Avenue, located at Assessor's Block 0836, Lot 001 (1500 Market Street) from 120/400-R-2 to 120-R-2; and rezoning the central portion of the property, located at Assessor's Block 0836, Lot 005 (1540 Market Street) from 120-R-2 to 120/400-R-2; affirming the Planning Commission's determination under the California Environmental Quality Act; and making findings, including findings of public necessity, convenience and welfare under Planning Code Section 302, and findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1," respectively.

On June 1, 2017, the Planning Department published a Responses to Comments document. A Final Environmental Impact Report (hereinafter "FEIR") has been prepared by the Department, consisting of the DEIR, any consultations and comments received during the public review process, any additional information that became available, and the Responses to Comments document all as required by law.

On June 15, 2017, the Commission reviewed and considered the FEIR and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code. The FEIR was certified by the Commission on June 15, 2017 by adoption of its Motion No. 19938.

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

On June 15, 2017, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting regarding (1) the General Plan Amendment amending Map 3 of the Market and Octavia Area Plan and on Map 5 of the Downtown Area Plan; and (2) the ordinance amending the Zoning Map HT07 to rezone portions of Lots 001 and 005 on Assessor's Block 0836. At that meeting the Commission Adopted (1) Resolution No. 19941 recommending that the Board of Supervisors approve the requested General Plan Amendment; and (2) Resolution No. 19942 recommending that the Board of Supervisors approve the requested Planning Code Map Amendments.

On June 15, 2017, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting regarding the Downtown Project Authorization application, Conditional Use application, and Variance and Elevator Exemption application 2009.0159EGPAMAPDNXCUAVARK. At the same hearing the Commission determined that the shadow cast by the Project would not have any adverse effect on Parks within the jurisdiction of the Recreation and Parks Department. The Commission heard and considered the testimony presented to it at the public hearing and further considered written materials and oral testimony presented on behalf of the applicant, Department staff and other interested parties, and the record as a whole.

The Planning Department, Jonas P. Ionin, is the custodian of records; all pertinent documents are located in the File for Case No. 2009.0159GPAMAPDNXCUAVARK, at 1650 Mission Street, Fourth Floor, San Francisco, California.

MOVED, that the Commission hereby approves the Conditional Use Authorization requested in Application No. 2009.0159GPAMAPDNXCUAVARK, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The Project site is located at 1500-1540 Market Street at the northwest corner of the intersection of Market Street, Oak Street, and Van Ness Avenue in the southwestern portion of San Francisco's Downtown/Civic Center neighborhood, within the Market and Octavia Plan Area.

The Project's building site is made up of five contiguous privately owned lots within Assessor's Block 0836, Lots 001, 002, 003, 004, and 005), an 18,219-square-foot (sf) trapezoid, bounded by Oak Street to the north, Van Ness Avenue to the east, Market Street to the south, and the interior property line shared with the neighboring property to the west at 1546-1564 Market Street. The building site measures about 177 feet along its Oak Street frontage, 39 feet along Van Ness Avenue, 218 feet along Market Street, and 167 feet along its western interior property line. The existing street address of the project parcels is referred to as 1500-1540 Market Street. The easternmost portion of the building site, 1500 Market Street (Lot 001), is currently occupied by an existing three-story, 2,750 square foot commercial building, built in 1980. This building is partially occupied by a limited-restaurant retail use doing business as "All Star Café" on the ground floor and also contains an elevator entrance to the Muni Van Ness station that opens onto Van Ness Avenue. Immediately west of the 1500 Market Street building is an existing 47-car surface commercial parking lot, on Lots 002, 003, and 004. The parking lot is fenced along its Market Street and Oak Street frontages and is entered from Oak Street. The westernmost portion

of the building site at 1540 Market Street, Lot 005, is occupied by a four-story, 48,225 square foot commercial office building, built in 1920. As of June 2017, this building is partially occupied.

In addition to the building site, the Project site also includes surrounding areas within the adjacent public rights-of-way in which streetscape improvements including the public plaza would be constructed as part of the proposed Project.

- 3. Surrounding Properties and Neighborhood.** The Project site occupies a central and prominent position at the intersection of Market Street and Van Ness Avenue, two of the City's widest and most recognizable thoroughfares. The Project Site is located at an important transit node: rail service is provided underground at the Van Ness Muni Metro Station as well as via historic streetcars that travel along Market Street. Bus and electric trolley service is provided on Van Ness Avenue and Market Street. The Project is located in an urban, mixed-use area that includes a diverse range of residential, commercial, institutional, office, and light industrial uses. Offices are located along Market Street and Van Ness Avenue, while most government and public uses are located to the north in the Civic Center.

The Project is located within the southwestern edge of downtown in the C-3-G (Downtown Commercial, General) District, characterized by a variety of retail, office, hotel, entertainment, and institutional uses, and high-density residential. West of Franklin Street, a block from the Project Site, is an NC-3 Moderate-Scale Neighborhood Commercial District that comprises a diverse mix of residential, commercial, and institutional uses. South of Market Street, and west of 12th Street, are the WSOMA Mixed Use, General and Production, Distribution and Repair (PDR) Districts.

The adjacent building immediately to the west of the Project Site along Market Street is 1546 Market Street, a three-story office over a ground-floor retail building built in 1912. Further west along Market Street is 1554 Market Street, a one-story retail building built in 1907. 55 Oak Street, a one-story automotive repair building built in 1929, is at the rear of the same lot. These three buildings were recently demolished and are currently being developed as a 120-foot, 12-story building, 110 dwelling unit building with ground floor retail. The southwestern corner of the Project block is occupied by a six-story apartment building over ground-floor retail at 1582 Market Street, built in 1917. The northwestern corner of the project block is occupied by a surface parking lot. However, a Preliminary Project Assessment application and associated letter has been issued for a proposed 31-story, 320-foot tall mixed-use project containing Institutional and Residential uses. At the western edge of the Project block, 22 Franklin Street, located mid-block between Oak and Market Streets, another new residential project is currently under construction.

To the northwest of the project site along the north side of Oak Street is the Conservatory of Music at 50 Oak Street, a five-story Neoclassical building built in 1914. Immediately to the west of that building is a modern addition to 50 Oak Street. The Conservatory building houses studio, classroom, office, and performance space. Immediately to the north of the project site is 25 Van Ness Avenue, an eight-story Renaissance Revival building built in 1910. The building currently has ground-floor research and development space and offices on the upper floors. The building also houses the San Francisco New Conservatory Theater. Further north along the west side of

Van Ness Avenue is 77 Van Ness Avenue, an eight-story residential building with ground-floor retail, built in 2008.

Immediately to the east of the Project Site is Van Ness Avenue, the major north-south arterial in the central section of San Francisco that runs between North Point and Market Streets. Between Market and Cesar Chavez Streets, Van Ness Avenue continues as South Van Ness Avenue. Van Ness Avenue is part of U.S. 101 between Lombard Street and the Central Freeway (via South Van Ness Avenue). In the vicinity of the Project, Van Ness Avenue has three travel lanes in each direction separated by a center median, and parking on both sides of the street. However, most of the center medians have been removed as part of the Van Ness Bus Rapid Transit (BRT) project and Van Ness Avenue will be reduced to two travel lanes in each direction. Along the east side of Van Ness Avenue, across from the Project Site to the northeast, is 30 Van Ness Avenue (also known as 1484-1496 Market Street), a five-story office over ground-floor retail building. The building was originally built in 1908, but its façade was extensively remodeled around 1960.

Market Street, a roadway that includes two travel lanes and a bicycle lane in each direction, serves as the Project's southern boundary. Historic streetcars use the center-running tracks and transit stops within the Market Street roadway. On the south side of Market Street at the southeast corner of Market Street and 11th Street (due east of the Project Site) is 1455 Market Street, a 22-story office building over ground-floor commercial, built in 1979. This building terminates eastward views along Oak Street. At the southeast corner of Market Street and Van Ness Avenue, diagonally across the intersection of Market Street and Van Ness Avenue, is One South Van Ness Avenue, an eight-story office building over ground-floor commercial (Bank of America), built in 1959. At the southwest corner of Market Street, across Market Street from the project site, is 10 South Van Ness Avenue, a one-story car dealership. The Property Owners of the 10 South Van Ness Avenue site have submitted development applications proposing the construction of a mixed-use project containing two 400-foot residential towers and ground floor retail space.

- 4. Project Description.** The proposed One Oak Street Project would demolish all existing structures on the Project Site at 1500-1540 Market Street including 47 existing valet-operated on-site parking spaces and construct a new 304-unit, 40-story residential tower (400 feet tall, plus a 20-foot-tall parapet, and a 26-foot-tall elevator penthouse measured from roof level) with approximately 4,110 square feet ground-floor commercial space, one off-street loading space, two off-street service vehicle spaces, and a subsurface valet-operated parking garage containing 136 spaces for residents. Bicycle parking accommodating 304 Class 1 and 62 Class 2 spaces would be provided for residents on the second-floor mezzanine and for visitors in bicycle racks on adjacent sidewalks. The Project would also include the following: construction of a public plaza and shared public way within the Oak Street right-of-way (Oak Plaza); construction of several wind canopies within the proposed plaza and one wind canopy within the sidewalk at the northeast corner of Market Street and Polk Street to reduce pedestrian-level winds. In addition, the existing on-site Muni elevator will remain in its current location, and a new weather protective enclosure will be constructed around it. Some of the streetscape improvements for Oak Plaza are included within the Project being approved pursuant to Motion No. 19940, 19943, and 19944. At a later date, the Project Sponsor will additionally seek approval of an In-Kind Fee Waiver

Agreement pursuant to Planning Code Sections 421.3(d) and 424.3(c), to provide certain additional public realm improvements within Oak Plaza. Additional improvements subject to the In-Kind Fee Waiver Agreement include: (a) improvements within the existing Oak Street sidewalk along the northern side, including retail kiosks, above ground planters, street lighting, movable seating, waterproofing at the 25 Van Ness basement, and new sidewalk paving; (b) pavers and improvements within the Oak Street roadway; and (c) specialty electrical connections and fixtures for the theatrical lighting, audio/visual, and power for the performance area and the public wireless services in the Plaza. These additional public realm improvements are subject to the Planning Commission's separate and future approval of the Project Sponsor's In-Kind Fee Waiver Agreement.

The Project would necessitate approval of Planning Code Map amendment to shift the existing Height and Bulk District 120/400-R-2 designation at the eastern end of the Project Site (a portion of Assessor Block 0836/001) to the western portion of the Project Site (a portion of Assessor Block 0836/005), which would not result in any increased development potential.

5. **Community Outreach and Public Comment.** To date, the Department has received 21 letters of support for the Project from organizations and individuals. The San Francisco Housing Action Coalition, ArtSpan, New Conservatory Theatre Center, San Francisco Opera, San Francisco Symphony, San Francisco Unified School District Arts Center, Bo's Flowers, trustee for property at 110 Franklin Street, project sponsor for the property at 22-24 Franklin Street, project sponsor for the property at 10 South Van Ness, project sponsor for the property at 45 Franklin Street, project sponsor for the property at 1554 Market Street, and property owners for the commercial and residential portions of Fox Plaza have submitted letters expressing support for the Project and associated improvements. The Civic Center Community Benefit District, the Department of Real Estate, Walk SF, and SF Parks Alliance expressed support specifically for the proposed public realm improvements proposed via an In-Kind Agreement with the Project Sponsor. Comments received as part of the environmental review process will be incorporated into the Environmental Impact Report.

According to the Project Sponsor, extensive and lengthy community engagement has been conducted for the Project and the associated Oak Plaza public improvements. The Project Sponsor team has held over 88 meetings and outreach discussions, including roughly 340 participants, between January 2015 and June 2017. Given the important civic location of the Project, which includes transforming the southern end of Oak Street into a new public plaza and shared public way, outreach activities have included a wide range of institutional, arts and cultural stakeholders, in addition to neighborhood groups, neighboring property owners and businesses.

General Community Engagement: The Project team has solicited public input through a series of meetings including a public pre-application meeting, small group meetings, and individual meetings with various residents, property owners and business owners. In addition to design presentations, the Project Sponsor team distributed Project Fact Sheets outlining the Project's program, circulation, residential unit counts, parking ratio, public realm improvements, Zoning Map revisions, and affordable housing commitments, etc. The design and program evolved over

time based on specific stakeholder feedback over the course of the project sponsor's extensive community outreach.

In response to early feedback from the Hayes Valley Neighborhood Association (HVNA), the Project Sponsor proposed to develop 72 units of 100% affordable housing at Parcels R, S & U, including 16 very low-income, service-supported, Transitional Aged Youth ("TAY") housing units on one of the sites, all within 1/3 mile of the proposed Project (collectively, the "Octavia BMR Project") through a nonprofit affiliate of the Project Sponsor or as a turn-key residential development for an affordable housing developer with the Project Sponsor retaining ownership of the ground floor commercial space.

After extensive negotiations, the Mayor's Office of Housing and Community Development (MOHCD) requested that both the residential and commercial components of the Octavia BMR Project be retained by the affordable housing owner/operator to maintain the project's financial feasibility and procurement of the developer of MOHCD's Parcel U be handled through its traditional non-profit developer RFP process. To facilitate this arrangement, the Project Sponsor voluntarily terminated its exclusive negotiating rights to Parcels R & S, and offered MOHCD its preliminary designs, so that MOHCD could prepare an RFP for circulation in 2017. In exchange, MOHCD agreed to "direct" the Project's Section 415 affordable housing in-lieu fee toward the development of the Octavia BMR Project, subject to the satisfaction of certain conditions, including compliance with CEQA and certain future discretionary approvals for both the One Oak Project and the Octavia BMR Project. The Octavia BMR Project RFP is expected to be released by MOHCD on June 15, 2017. MOHCD estimates that a non-profit developer will be selected by early 2018, and that the Octavia BMR Project could commence construction as early as mid to late 2019, which means that the Octavia BMR units could be delivered during the same period that One Oak's market rate units are occupied by new residents.

Additionally, the Project Sponsor recently revised their project description to eliminate the use of the existing Market Street freight loading area as part of the Project, based on concerns voiced by the SFBC and other cycling advocates. In addition, the Project Sponsor has agreed to implement new improvement measures included in the attached MMRP that would actively discourage use of the existing loading zone. The Project Sponsor has also reduced the proposed parking from 155 spaces to 136 spaces, in response to public comments. In addition, if the 136 spaces are approved and constructed, the Project Sponsor will nearly double the TDM measures required by law by achieving 100 percent of the target points, rather than the currently required 50 percent. The Project Sponsor's outreach often included detailed discussions regarding the long-term stewardship of the proposed plaza, daytime activation, nighttime public safety, public market kiosks, and physical changes proposed for streets, Muni access, public parking and loading spaces in the area, as well as the voluntary formation of a Community Facilities District (CFD), into which the owners at One Oak will contribute approximately \$300,000 annually dedicated to operations and maintenance of the Plaza for 100 years, conditioned upon final approval of an In-Kind Agreement fee waiver.

Arts and Culture Stakeholder Engagement: In addition to outreach to the general community, the Project team has been working with numerous arts, cultural, and educational institutions of

the neighborhood with the intent to activate the proposed public plaza & shared public way with small and large performing arts events. The design intent is for Oak Plaza to serve as a public "front porch" for both Hayes Valley and the Civic Center/performing arts district, inviting and exposing residents, daytime workers, students, and visitors to the district's cultural richness through public performances and potential ticket sales at a box office kiosk. Through one-on-one meetings and a brain-storming workshop, Build Public, an independent, non-profit organization focused on creating and maintaining new public spaces, has been working closely with representatives of these institutions to design the plaza in such a way that caters to their specific needs for public performing space. Feedback from this engagement addressed potential stage and seating capacity and configuration, sound amplification, adjacent traffic noise mitigation, lighting, audio and electrical hookup locations, permitting of events, and parking and loading.

A partial list of the outreach conducted between January 26, 2015 and May 15, 2017 is provided as an enclosure to this case report.

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. **Parking.** Pursuant to Section 151.1, residential uses in the Van Ness and Market Special Use District may provide up to 0.25 spaces per dwelling unit as a principally permitted accessory use, and up to 0.5 spaces per dwelling unit with a Conditional Use authorization. In addition, under Section 151.1, commercial parking is principally permitted in an area equivalent to 7% of the gross floor area of the Project's non-residential uses.

The Project contains 304 dwelling units. Thus, a total of 76 spaces would be principally permitted and up to 152 spaces may be permitted with Conditional Use Authorization. The Project proposes 136 parking spaces (which equates to a 0.45 parking ratio) for the residential use which exceeds the principally permitted amount. The Project would not provide any parking for the proposed 4,110-sf retail/restaurant use. Therefore, a Conditional Use Authorization would be required to provide the 60 parking spaces in excess of the 76 spaces principally permitted for the Project, if the Project is developed as a for-sale condominium project after final entitlements. In the event the Project Sponsor elects to construct a condominium project utilizing the additional spaces authorized by this Conditional Use Authorization, the Project Sponsor will voluntarily provide an additional 12 TDM points in its TDM program, as set forth in the Project Section 309 Authorization pursuant to Motion No. 19943. If the proposed Project is developed as a multi-family rental project after entitlements, the maximum parking in the project will be provided at a ratio of 0.25 spaces per dwelling unit, and the Project shall only be required to provide TDM measures consistent with applicable law.

7. **Planning Code Section 303(c)** establishes criteria for the Planning Commission to consider 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 replace an existing 47-space commercial surface parking lot and 19 publicly owned on-street parking spaces (a total of 66 existing surface parking spaces) with a residential high rise tower with 3 underground levels of residential parking for 136 cars and 2 van loading spaces.

Accordingly, if the Project is approved, there would be a net increase of 70 new parking spaces within the Project area, equivalent to a 0.23 "net" parking ratio, well within the 0.25 ratio otherwise principally permitted for new residential uses. The replacement of 66 surface level parking spaces available to general users with 136 underground residential parking spaces limited solely to project residents will bring the site into greater conformity with the Planning Code and would greatly reduce or eliminate traffic hazards, pedestrian conflicts, and unnecessary vehicular circulation in the neighborhood. In addition, because the proposed 136 spaces would be located on three underground levels and only be accessed by valet operators using two car elevators, retrieval times will be substantially longer than valet operations at a conventional ramped garage, effectively discouraging daily use. Since future residents will have extraordinary walking, bicycling and high-frequency public transit access to local, Central Business District and regional jobs and services, there is reason to assume that residents will not use cars for daily commuting purposes.

The Project Sponsor has stated that it is requesting this Conditional Use Authorization to provide up to 136 spaces in order to ensure the Project's financial viability as a for-sale, high-rise condominium with over 50% two-, three-, and four bedroom units. The Project's 0.45 parking ratio would be the lowest ratio ever proposed or built for a high-rise condominium project greater than 25 stories in San Francisco, with almost half as much parking as the lowest comparable condominium tower. According to a survey prepared by the Mark Company, a leading condominium market research company, of all San Francisco residential high-rise condominium developments greater than 25-floors in height (built or approved over the past ten years) provide an average 1.04 parking ratio. Shorter condominium buildings including 13 to 25 story high-rises and under 13 story low-rise and mid-rise buildings have average parking ratios of 0.92 and 0.78, respectively. Institutional real estate investors and commercial lenders for condominium projects of this size require detailed, independent and professional market studies to substantiate a developer's financial underwriting and ultimately, their own decision whether to invest in a high-rise condominium project. They rely on these studies as part of their fiduciary obligations to their own investors. As described in a letter from the Mark Company, the lowest parking ratio that the current market can support for high-rise condominium projects in San Francisco is not less than one space for every 2-bedroom or larger unit. Anything lower than this ratio could adversely impact sales and absorption rates, undermining the financial returns necessary to attract private capital for this project. The proposed 0.45 ratio only provides parking for 88% of the 2-, 3- and 4-bedroom units included in the Project. According to the Project Sponsor, they are willing to accept this risk, but they cannot reduce the ratio further without jeopardizing their ability to attract the investors and lenders necessary to provide capital and construction loans for the proposed condominium Project, thereby making the Project infeasible to build.

Since this market constraint is limited to the financing of high-rise condominiums, the Project Sponsor has agreed to restrict the Project's parking ratio to no more than 0.25 spaces per dwelling unit in the event the Project is financed and built as a high-rise rental project. For this reason, the Planning Department's support for this Conditional Use Authorization to provide parking more than the principally permitted 0.25 ratio would not set a precedent for other high-rise rental towers within the Van Ness and Market SUD to receive similar increases above the 0.25 ratio.

In further support of the Project Sponsor's concerns regarding the financial viability of its high-rise condominium project, the Project is targeted in part to families, with over 50% two bedroom, three bedroom and four bedroom units, and includes a children's playroom, among many other family-friendly amenities. Families with children generally have a greater need for parking because they require flexibility due to dual commutes, school, child care, urgent care, grocery shopping and other trips with small children, babies and their attendant equipment (required car seats, strollers, diaper bags, and the like). Marketing data for condominiums support a minimum parking ratio of 1 parking space for each 2 bedroom or larger unit due to family needs. As noted above, the requested 136 parking spaces could serve, at most, only 88% of the large units (2+ bedrooms), below the likely demand from families residing within the Project. Thus, the requested 136 parking spaces do not represent an excessive amount of off-street parking necessary to support the Project's family-oriented residential units.

The provision of adequate on-site parking is consistent with the concerns of neighboring businesses and institutions. Adjacent arts and educational institutions, such as the French American International School, Conservatory of Music, and the New Conservatory Theater, have all expressed concern that an under-supply of on-site resident parking at the Project will force residents to compete with their patrons, staff and students for a dwindling supply of publicly accessible parking in the immediate vicinity, thereby threatening the operation and survival of their institutions.

The Project as a whole is desirable because it would replace the existing 47 space surface parking lot and underdeveloped commercial structures on the site with a residential high-rise tower, ground floor retail, and a public plaza that are more consistent and compatible with the intended uses of the zoning district, the Market and Octavia Plan and the Van Ness and Market Residential Special Use District. This new development will greatly enhance the character of the existing neighborhood. By developing and maintaining space dedicated to retail use within the building, the Project will continue the pattern of active ground floor retail along the Market and Van Ness frontages. The Project will also include substantial public realm improvements via a public plaza (Oak Plaza), further activating the ground floor and greatly enhancing the pedestrian environment at the Project site and its surrounding neighborhood. The Project would also visually enhance the immediate neighborhood and the surrounding Downtown area by removing the existing surface parking lot and commercial buildings and replacing them with a beautifully designed residential building.

Thus, the proposed uses are desirable and compatible with the neighborhood, and strongly encouraged by the Market and Octavia Area Plan. Accordingly, parking in excess of principally permitted amounts would be compatible with the existing zoning of the Project, as well as the character of the neighborhood, because, unlike the existing surface parking lot on the Project site, it would be located entirely underground, freeing the ground floor of the building for occupation by active uses. All parking and loading would be accessed by a single service entrance from Oak Street. The amount of parking being requested, in and of itself, would not degrade the overall urban design quality or quality of streetscape improvements of the Project, and to the contrary, the Project will include substantial streetscape improvements including a public plaza.

- B. The proposed project 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:

Other than passenger drop-offs at the Conservatory of Music, the only reason for passenger vehicles to drive down this section of Oak Street today is to access the abundant commercial surface parking currently available on this block, which currently includes 40 metered public street spaces and 3 commercial parking lots providing 183 spaces. The nature of this type of commercial parking is generally short-term occupancy with high turnover rates. However, future residential projects such as 1554 Market Street (currently under construction), the proposed Project, and the French American School's proposed project at 98 Franklin are likely to remove most, if not all, of the existing commercial parking lot spaces on this block of Oak Street and replace them with hundreds of new residences, and additional retail and institutional uses. Furthermore, the Planning and Public Works Departments are proposing additional street parking reductions on this block as part of the HUB Area Plan. The transition from commercial surface parking lots and public metered spaces to underground residential parking on this stretch of Oak Street will greatly reduce or eliminate traffic hazards, pedestrian conflicts, and unnecessary vehicular circulation in the neighborhood. The Project Sponsor commissioned Fehr & Peers to perform a parking count analysis that found the existing metered spaces average 3.5 vehicle trips per space during the active hours between 7am and 9pm. In comparison, the proposed Project is expected to generate an average of 1.7 to 2.4 vehicle trips per unit during the same active hours – this estimated trip generation is irrespective of the amount of parking provided on-site. Moreover, the CEQA Transportation Analysis for the proposed Project concluded that on-site parking of up to 155 spaces would have no significant environmental impact. The proposed parking has since been reduced to 136 spaces.

Notably, permanent residents are also more likely to know the roadways and efficient vehicular routes to and from their building, and are generally more safety conscious when driving through their neighborhood, whereas visitors seeking public parking in the neighborhood often circulate around multiple blocks due to unfamiliarity with the one-way street patterns, and/or the absence of available parking at or near their destination.

Lastly, but perhaps most importantly, the One Oak Project has proposed pro-active measures to calm traffic, improve walkability and pedestrian safety in the neighborhood, consistent with and in support of the City's Vision Zero policy. The Project includes slow street improvements, a raised table crosswalk at the Van Ness Avenue entrance to Oak Street, widened sidewalks on both the south and north sides of Oak Street, enhanced shared-public-way surface treatments to identify the street as part of the pedestrian realm, additional plaza and street lighting, 62 public Class-2 bike parking spaces, a proposed widening of the crosswalk from the new BRT Platform to the site, and a new Muni elevator enclosure. As a result, the proposed Project has earned conditional GreenTRIP Platinum Certification from TransForm – a California 501(c)(3) public interest organization (www.transformca.org) – for the Project's safety improvements and transportation amenities. The proposed Project will be the first condominium project in San Francisco to meet GreenTRIP Platinum requirements.

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

Planning and SFMTA restrictions prohibit curb cuts or parking along the Van Ness Avenue and Market Street frontages. Therefore, all parking, passenger loading, move-ins, freight loading and deliveries are required to be located on or accessed from Oak Street. Due to the awkward size and shape of the site, it is impractical to provide a ramp to access below-grade parking without eliminating most of the ground floor lobby and retail space. Therefore, the 136 underground parking spaces proposed by the Project Sponsor would be accessed via two car elevators, which would be the only access points for vehicle storage. Safety and insurance requirements dictate that the car elevators be operated solely by trained valet personnel. Wait times for valet service, particularly during peak hours, will be inconvenient. This inconvenience will serve as a strong disincentive for residents to frequently use private vehicles. Furthermore, the location of the proposed parking underground would further allow the Project to provide an active pedestrian ground floor with significant streetscape improvements which would calm traffic and minimize conflicts with pedestrians in the surrounding area.

Additionally, the proposed size, shape and arrangement of the Project is consistent with the existing site-layout and the character of the surrounding neighborhood. The Project site is trapezoidal in shape and relatively small (18,219 square feet), with only 39 feet of frontage on Van Ness Avenue. By design, the building has been shifted roughly 28 feet west from the Van Ness Avenue property line to create a generous public plaza and pedestrian thoroughfare fronting the building at this important transit-rich corner. Accordingly, the proposed Project would likely promote, rather than impede, development potential in the vicinity by increasing the housing supply and customer base, and creating an attractive residential tower with neighborhood-serving public plaza and ground floor retail uses which would continue the pattern of active ground floor retail along the Market and Van Ness Street frontages.

- D. 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;

In general, the Project would provide a sufficient, but not excessive, amount of off-street parking. The Project would provide 136 off-street parking spaces in an underground garage, which exceeds the number of spaces principally permitted and therefore is the subject of this Conditional Use authorization. Because all of the Project's on-site parking is accessible exclusively by valet (other than one space for vehicles designed exclusively for use by disabled drivers which a valet cannot operate), the Project will provide 2 required car-share spaces, pursuant to Planning Code Section 166, at an off-site publicly accessible lot at 110 Franklin Street. The off-site location is within 180 feet of the One Oak site and will provide car-share members with convenient, independent access to the vehicles. The proposed on-site parking will not generate substantial traffic that would adversely impact pedestrian, transit, or bicycle movement. Given the proximity of the Project Site to employment opportunities and retail services in the immediate vicinity and the Downtown Core, it is expected that residents will prioritize walking, bicycle travel, or transit use over private automobile travel.

Oak Street is a unique roadway on the Project block, running one-way westbound for only one block between Van Ness Avenue and Franklin Street. Inbound vehicular traffic can only enter Oak Street from southbound Van Ness Avenue. Outbound trips must travel westbound on Oak Street, with a forced right turn at Franklin Street heading northbound. Buyers who intend to regularly commute by car to and from the South Bay would be better served by alternative residential choices in SOMA, Transbay or other freeway accessible areas with more convenient vehicular access and greater parking

supply. In addition, the vehicles will only be accessible by valet via two car elevators, which will further discourage frequent use of vehicles for shorter trips. However, the amount of parking proposed by the Project would support the economic viability of the Project and ensure that the neighborhood parking will not be overburdened by the addition of new residents. Thus, the Project would provide an adequate, but not excessive amount of parking to accommodate the parking needs of the future residents of the Project and the neighborhood, while still supporting and encouraging walking, bicycle travel and public transit use.

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

The additional parking requested pursuant to this Conditional Use request will not generate noxious or offensive noise, glare, or dust. Since all of the Project's parking is below grade, it will have no effect on glare or other visual qualities above grade. As required by building, health and safety codes, the underground parking garage area will include a Carbon Monoxide exhaust system to expel potentially noxious vehicle emissions from the building. Garage exhaust would be discharged in compliance with all Building Code requirements and will meet or exceed all code required separation clearances between garage exhaust and exterior and interior uses. 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 would include air cleaning or odor control equipment details and manufacturer specifications on the plans. Additionally, plans submitted with the building permit application for the approved project would incorporate acoustical insulation and other sound proofing measures to control noise.

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

All parking for the Project is located within a subterranean garage and would not be visible from the public right-of-way. The amount of parking being requested, in and of itself, would not degrade the overall urban design quality or quality of streetscape improvements of the Project. All parking and loading would be accessed by a single service entrance from Oak Street. To create more pedestrian interest in the surrounding vicinity and therefore calm traffic along the street, the Project will include a publicly accessible open space plaza with planters, street trees, art canopies, movable seating (subject to the approval of an In-Kind Fee Waiver Agreement), performance spaces, and quality materials. Up-lights would highlight the art canopies and street trees, and foot-lighting would surround the base of the precast planters. The landscaping would consist of decorative, drought and wind-tolerant, native trees and shrubs.

With respect to the design of the proposed garage, substantial effort has been expended to ensure that the parking entrance and the valet reception area are as attractive as the main residential lobby. In-lieu of a typical roll-down utility/security door, a decorative custom steel lattice screen is proposed to enclose and secure the parking entrance. The decorative screen would secure the garage, while maintaining the valet staff's 24-hour surveillance of the public realm. At the rear of the Valet reception area, matching door enclosures at the two car elevators and the on-site freight loading bay would conceal those elements and reduce noise emanating from the Valet reception area. Signage would be tasteful and attractive, and would be subject to the review and approval of the Planning Department pursuant to the provisions of Article 6 of the Planning Code.

- G. Such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the General Plan.

The additional 60 underground parking spaces proposed under this Conditional Use would comply with the applicable provisions of the Planning Code and would not adversely affect the General Plan. The Project Site is well-served by transit and commercial services, allowing residents to commute, shop, and easily reach amenities and jobs by walking, transit, and bicycling. The Project would provide a merely sufficient, rather than excessive, amount of parking to accommodate the parking needs of the future residents of the Project, without unduly burdening the neighborhood parking supply, while still supporting and encouraging walking, bicycle travel and public transit use. Overall, the proposed Project will promote many General Plan objectives, as described in further detail below.

8. **Planning Code Section 151.1** establishes criteria for the Commission to consider when reviewing any request for accessory parking in excess of what is permitted by right. On balance, the Project complies with the criteria of Section 151.1, in that:

- a. For projects with 50 units or more, all residential accessory parking in excess of 0.5 parking spaces for each dwelling unit shall be stored and accessed by mechanical stackers or lifts, valet, or other space-efficient means that allows more space above-ground for housing, maximizes space efficiency and discourages use of vehicles for commuting or daily errands;

The residential parking proposed does not exceed 0.5 space per unit, thus this requirement is not applicable. Nonetheless, all parking is below grade (with the exception of one van-accessible space for persons with disabilities) and accessed by mandatory valet via two car elevators to discourage use of vehicles for commuting or daily errands and one level will have mechanical stackers.

- b. Vehicle movement on or around the project site associated with the excess accessory parking does not unduly impact pedestrian spaces or movement, transit service, bicycle movement, or the overall traffic movement in the district.

The requested parking will not generate substantial traffic that would adversely impact pedestrian, transit, or bicycle movement. The parking spaces will be accessed from a single curb cut on Oak Street and vehicle movement associated with the underground garage will not unduly impact pedestrians, transit service, bicycle movement or the overall traffic movement in the vicinity. The CEQA transportation analysis completed for the Project confirmed that the proposed on-site parking would have no significant environmental impact. Furthermore, in order to create more pedestrian interest in the surrounding vicinity and therefore calm traffic along Oak Street, the Project will include a publicly accessible open space plaza with planters, street trees, art canopies, movable seating (subject to the approval of an In-Kind Fee Waiver Agreement), performance spaces, and quality materials. Given the proximity of the Project site to employment opportunities and retail services in the immediate vicinity and the Downtown Core, it is expected that residents will opt to prioritize walking, bicycle travel, or transit use over private automobile travel. In addition, the parking will be accessible only by valet via two car elevators, thus discouraging frequent use of vehicles for shorter trips. Furthermore, Oak Street is a lightly travelled local service street and there are no transit routes or bicycles routes on this block of Oak

Street. The Project will also eliminate a 47-space surface commercial parking lot and 19 public street parking spaces. The transition from public parking to residential parking on this stretch of Oak Street will greatly reduce or eliminate traffic hazards, pedestrian conflicts, and unnecessary vehicular circulation in the neighborhood. The Project Sponsor commissioned Fehr & Peers to perform a parking count analysis at the existing Oak Street metered parking spaces and found that they average 3.5 vehicle trips per space during the active hours between 7am and 9pm. In comparison, the proposed Project is expected to generate an average of 1.7 to 2.4 vehicle trips per unit during the same active hours, irrespective of the amount of parking provided on-site.

- c. Accommodating excess accessory parking does not degrade the overall urban design quality of the project proposal.

The Project design is not degraded by the proposed parking because all parking is below grade (with the exception of one van-accessible space for persons with disabilities), the single parking entrance is integrated into the architectural design of the Project, and the more prominent Market Street and Van Ness Avenue frontages have no curb cuts or parking entrances. Thus, the ground floor will be occupied by active uses, as anticipated by the Code. The amount of parking being requested, in and of itself, would not degrade the overall urban design quality or quality of streetscape improvements of the Project.

- d. Excess accessory parking does not diminish the quality and viability of existing or planned streetscape enhancements.

All proposed parking will be below grade, thus permitting active uses and streetscape improvements to be located on the ground floor. Furthermore, the planned streetscape enhancements are primarily located on Market Street and in Oak Plaza, which is located to the east of the garage entrance, such that the parking does not diminish the quality and viability of the planned streetscape enhancements.

- e. All parking meets the active use and architectural screening requirements in Section 145.1 and the project sponsor is not requesting any exceptions or variances requiring such treatments elsewhere in the Code.

All parking for the Project will meet the active use and architectural screening requirements in Section 145.1.

- f. In granting approval for such accessory parking above that permitted by right, the Commission may require the property owner to pay the annual membership fee to a certified car-share organization, as defined in Section 166(b)(2), for any resident of the project who so requests and who otherwise qualifies for such membership, provided that such requirement shall be limited to one membership per dwelling unit, when the following findings are made by the Commission:

- i. That the project encourages additional private-automobile use, thereby creating localized transportation impacts for the neighborhood.

- ii. That these localized transportation impacts may be lessened for the neighborhood by the provision of car-share memberships to residents.

The Project includes the construction of residential condominiums and includes the provision of 2 car-share spaces, pursuant to Planning Code Section 166, at an off-site publicly accessible lot located at 110 Franklin Street. The off-site location is within 180 feet of the One Oak site and will provide car-share members with convenient, independent access to the vehicles. Should this off-site location no longer be available, the Project Sponsor shall relocate the car-share spaces on-site or at an off-site location within 800 feet of the Project Site, pursuant to Section 166 of the Planning Code. The Project would not encourage additional private automobile use, nor create localized transportation impacts for the neighborhood, given that 66 existing high-trip-generating publicly accessible parking spaces are being removed from the block by the Project. Moreover, the Project Sponsor has proposed voluntary TDM measures to be implemented if the Project Sponsor elects to construct the additional spaces authorized by this Conditional Use Authorization, exceeding Planning Code requirements, that would include payment of annual membership fees to a certified car-share organization, as defined in Section 166(b)(2), for any resident of the Project who so requests and who otherwise qualifies for such membership, provided that such requirement shall be limited to one membership per dwelling unit.

9. **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.

Policy 1.8

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

The Project supports this Policy. The proposed Project would construct a significant amount of new housing units within an existing urban environment that is in need of more access to housing. The Project would replace the existing 47 space surface public parking lot and underdeveloped commercial structures on the site with a [304] unit residential high-rise tower with ground floor retail that is more consistent and compatible with the intended uses of the zoning district, the Market and Octavia Plan and the Van Ness and Market Residential Special Use District. This new development will greatly enhance the character of the existing neighborhood. By developing and maintaining space dedicated to retail use within the building, the Project will continue the pattern of active ground floor retail along the Market and Van Ness frontages. The Project will also include substantial public realm improvements via a public plaza (Oak Plaza), further activating the ground floor and greatly enhancing the pedestrian environment at the Project site and its surrounding neighborhood.

The Property is an ideal site for new housing due to its central, Downtown/Civic Center location, and proximity to public transportation. Additionally, the Project is subject to the City's Inclusionary Affordable Housing Program (Planning Code Section 415), the Market-Octavia Affordable Housing Fee (Planning Code Section 416) and the Van Ness & Market Special Use District Affordable Housing Fee (Planning Code Section 249.33), and thus will be providing substantial funds towards the development of permanently affordable housing within the City. Working together with the MOHCD, the Project Sponsor voluntarily relinquished valuable development rights at Parcels R and S on Octavia Boulevard and assigned them, along with preliminary designs and entitlement applications, to MOHCD to allow the future production of 100% below market rate (BMR) housing, including approximately 16 BMR units of transitional aged youth ("TAY") housing, within a 1/3 mile of the Project. In exchange, MOHCD agreed to "direct" the Project's Section 415 in-lieu fee toward the production of housing on three Octavia Boulevard Parcels (R, S & U) (collectively, "the Octavia BMR Project"), subject to the satisfaction of certain conditions, including compliance with CEQA and certain future discretionary approvals for both the One Oak Project and the Octavia BMR Project. Accordingly, although the Octavia BMR Project is a separate project requiring further approvals including independent environmental review under CEQA, its proximity to the project site and the conveyance of the development rights to MOHCD for use as affordable housing sites represents a significant contribution to the development of affordable housing in the Project's immediate neighborhood. In addition to the Planning Code Section 415 affordable housing fees "directed" to the Octavia BMR Project, the Project will also pay Market-Octavia Affordable Housing Fees and Van Ness & Market SUD Affordable Housing Fees. These additional affordable housing fees, in turn, will fund additional BMR housing.

Policy 1.10

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

The Project supports this Policy. It is anticipated that because of the central location of the Project, most residents would either walk, bike, or use public transportation for daily travel. The Project has frontage on Market Street and Van Ness Avenue directly on top of the Van Ness MUNI metro station and adjacent to the Van Ness Bus Rapid Transit Stop. The Project is less than half a mile from the Civic Center BART Station, allowing connections to neighborhoods throughout the City, the East Bay, and the Peninsula. Additionally, the Project provides 366 bicycle parking spaces (304 Class 1, 62 Class 2) with a convenient, safe bike storage room on the second level [with both independent and valet access via a dedicated bike elevator], encouraging bicycles as a mode of transportation. As discussed above, the Project will be providing a significant amount of new market rate housing, and funding the construction of permanently affordable housing within 1/3 mile of the Project site via a directed in lieu fee subject to a letter and the conditions set forth therein from the Mayor's Office of Housing and Community Development, including the requirement for an independent environmental review of the Octavia BMR Project under the CEQA. Because the proposed Project is located at one of the most transit-rich intersections in San Francisco, providing connections to all areas of the City and to the larger regional transportation network (MUNI, BART, Golden Gate Transit and SamTrans), is adjacent to the Market Street bikeway, and within a short walking distance of the Central Market, SOMA and Downtown employment centers, a substantial majority of trips generated by the proposed project should be by transit, bicycle or foot, reducing the impact of automobile traffic on MUNI transit service. In addition, a wide range of neighborhood services are located within a short walking distance of the Project site, further reducing the need for private

automobile trips. Additionally, the Project's parking will only be accessible by valet via two car elevators, further discouraging daily use.

OBJECTIVE 5:

ENSURE THAT ALL RESIDENTS HAVE EQUAL ACCESS TO AVAILABLE UNITS.

Policy 5.4

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

The Project supports this Policy. The Project would create 304 dwelling units, of which 54 (18%) are studios, 96 (32%) are one bedrooms, 135 (44%) are two bedrooms, 16 (5%) are three bedrooms and 3 (1%) are four-bedroom units.

OBJECTIVE 7:

SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING, INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON TRADITIONAL MECHANISMS OR CAPITAL.

In compliance with this policy, the Project would secure funding for permanently affordable housing by paying a "directed" in-lieu fee under the City's Affordable Inclusionary Housing Ordinance, pursuant to a letter with MOHCD, which, subject to the satisfaction of certain conditions, including independent environmental review under CEQA, will be used to fund the future production of approximately 72 100% below market rate (BMR) housing units, including approximately 16 BMR units of TAY housing, within a 1/3 mile of the Project. This represents approximately 24% of the total market-rate units at the proposed Project. In addition to the Planning Code Section 415 affordable housing fees "directed" to the Octavia BMR Project, the Project will also pay project would pay approximately an additional \$6.1 million in Market-Octavia Affordable Housing Fees and Van Ness & Market Affordable Housing Fees. These additional affordable housing fees, in turn, will fund the construction of new, permanently affordable BMR housing elsewhere in the City.

OBJECTIVE 11:

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

Policy 11.1

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

Policy 11.2

Ensure implementation of accepted design standards in project approvals

Policy 11.3

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

Policy 11.4

Continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan.

Policy 11.6

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

The Project supports these policies. The Project would create 304 dwelling units in the immediate vicinity of existing residential and office buildings. The Project's design upholds the Planning Department's storefront transparency guidelines by ensuring that at least 60 percent of the non-residential active frontages are transparent (meeting Planning Code requirements), better activating Van Ness Avenue, Market Street and Oak Street. Additionally, the Project provides publicly accessible open space in the form of improved streetscape improvements beyond the existing sidewalk and within the private property line directly adjacent to the proposed Project, which will be activated with the 304 residential units, ground-floor retail space, and kiosks within the Plaza (subject to the approval of an In-Kind Fee Waiver Agreement). The Project would also visually enhance the immediate neighborhood and the surrounding Downtown area by removing the existing surface parking lot and underutilized commercial buildings and replacing them with a beautifully designed residential building. In addition, the replacement of a surface public parking lot with below grade private accessory parking spaces will bring the site into greater conformity with current Planning Code and urban design principles.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 1:

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

Policy 1.3

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

OBJECTIVE 3:

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

Policy 3.1

Promote harmony in the visual relationships and transitions between new and older buildings.

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 meets the aforementioned objectives and policies by employing design that both relates to existing development in the neighborhood while also emphasizing a pattern that gives its neighborhoods an image and means of orientation. The Project Site is located in a neighborhood of mid- to high-rise, mixed-use buildings both residential and commercial in nature. A cohesive design or pattern does not exist; however, the Project is located at the heart of the Hub, which harkens back to a well-known neighborhood near the intersections of Market Street with Valencia, Haight and Gough Streets. This Project is consistent with the design and land use goals of those proposed in the Hub Area Plan as well as those articulated in the Market and Octavia Area Plan.

The building's form is characterized by a 120-foot podium and tower portion above that rises to 400-feet tall, excluding the parapet and elevator shaft. The tower form has been shaped by wind mitigation efforts in addition to zoning requirements and a desire for an iconic sculptural, yet simple curved form. The focus of the tower is on the diagonal "cuts" at the base, amenity, and parapet levels. These cuts are designed to expose the residential character of the tower both in scale and materiality. The façades provide an elegant "tapestry" with recessed windows, subtle faceting, materiality, and scale reminiscent of older residential towers and the historic white masonry buildings of the Civic Center district, particularly the adjacent 25 Van Ness building (a historic former Masonic Temple). The size and location of the openings vary in relation to site factors (wind, sun, and views) and the interior layout to reflect the natural rhythms of a residential neighborhood.

The Plaza, created by pulling the tower away from Van Ness Avenue, will be both an important public space along the Market St. corridor, and a neighborhood and building amenity. It is conceived as an outdoor living room with formal and informal events, cafe dining, and retail kiosks (subject to the approval of an In-Kind Fee Waiver Agreement). The raised planters and seating elements create cues for pedestrian circulation and programmatic zoning. The plantings draw from California's rich flora with a few, non-native additions proven to thrive in urban conditions. Led by artists Dan Goods and David Delgado, the overhead wind mitigating element has evolved into a kinetic art sculpture that celebrates the "Invisible River" of wind flowing around the tower and through the plaza.

The scale of the building is consistent with heights permitted by the zoning district in which the Project is located and with other buildings proposed in the vicinity, including the project at 1500 Mission Street, which will include a residential tower that also rises to 400- feet tall.

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 Project Supports these Objectives and Policies. The Project would add up to 4,110 square feet of new commercial space intended to serve residents in the building and surrounding neighborhood, and would also include retail kiosks within the proposed Oak plaza (subject to the approval of an In-Kind Fee Waiver Agreement). Retail is encouraged and principally permitted on the ground floor of buildings in the Downtown –General District, and is thus consistent with activities in the commercial land use plan.

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 1.2:

Ensure the safety and comfort of pedestrians throughout the city.

A primary objective of the proposed Project is to create a pedestrian-oriented environment at the Project Site that greatly enhances the pedestrian experience and encourages walking as a principal means of transportation. Proposed improvements to the sidewalks would improve pedestrian safety, including the construction of a public plaza, generous sidewalks and other traffic calming measures to reduce vehicular speed. In addition to the creation of a public plaza, the Project would redesign the streetscapes throughout the site in an aesthetically pleasing, unified manner, featuring the placement of public amenities such as seating for comfort, bicycle racks, light fixtures and street trees to enhance the pedestrian experience. The Project tower is set back approximately 17'-8" and the ground floor is set back approximately 28'-0" from the Van Ness property line, providing a generous 43'-10" wide open space. Wind canopies will be placed around the base of the building tower, providing protection to pedestrians against the neighborhood's windy conditions. A wind canopy will also be constructed in Fox Plaza to protect pedestrians against ground level wind conditions. A Traffic Impact Study projected that at peak hours, up to approximately 1,200 pedestrians would pass through the intersection of Van Ness and Market Street. The proposed open space provided by the Project directly across the Van Ness Bus Rapid Transit boarding island will help

create a pedestrian-friendly environment for the significant increase in pedestrians, particularly during peak hours.

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.

Policy 1. 6:

Ensure choices among modes of travel and accommodate each mode when and where it is most appropriate.

The Project would promote Objective 1 and its associated policies by providing for an amount of parking which is sufficient to meet the needs of the future residents so as to not overburden the surrounding neighborhood parking. However, the parking that is being provided will not generate substantial traffic that would adversely impact pedestrian, transit, or bicycle movement. Because the proposed Project is located at one of the most transit-rich intersections in San Francisco, providing connections to all areas of the City and to the larger regional transportation network, is adjacent to the Market Street bikeway, and within a short walking distance of the Central Market, SOMA and Downtown employment centers, a substantial majority of trips generated by the proposed project should be by transit, bicycle or foot, reducing the impact of automobile traffic on MUNI transit service. In addition, a wide range of neighborhood services are located within a short walking distance of the Project site, further reducing the need for private automobile trips. Additionally, the Project's parking will only be accessible by valet via two car elevators, further discouraging daily use. Thus, the Project would provide a merely sufficient rather than excessive amount of parking in order to accommodate the parking needs of the future residents of the Project and the neighborhood, while still supporting and encouraging walking, bicycle travel and public transit use.

OBJECTIVE 2:

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

Policy 2.1:

Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

Policy 2.2:

Reduce pollution, noise and energy consumption.

The Project would promote Objective 2 and its associated policies by constructing a residential building with ground floor retail in the Downtown Core, which is among the most transit rich areas of the City. The Project would provide 0.45 parking spaces per dwelling, a lower ratio than the maximum amount conditionally permitted under the Code, and will not provide any parking for the proposed retail uses, and all of these parking spaces would be located underground, with the exception of one van-accessible space for persons with disabilities, and thus would be less intrusive from an urban design standpoint.

OBJECTIVE 11:

ESTABLISH PUBLIC TRANSIT AS THE PRIMARY MODE OF TRANSPORTATION IN SAN FRANCISCO AND AS A MEANS THROUGH WHICH TO GUIDE FUTURE DEVELOPMENT AND IMPROVE REGIONAL MOBILITY AND AIR QUALITY.

Policy 11.3:

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

The Project is located within a neighborhood rich with public transportation and the people occupying the building are expected to rely heavily on public transit, bicycling, or walking for the majority of their daily trips. The project includes bicycle parking for 366 bicycles (304 Class 1, 62 Class 2). Within a few blocks of the Project Site, there is an abundance of local and regional transit lines, including MUNI bus lines, MUNI Metro rail lines and BART, Golden Gate Transit and SamTrans. Additionally, such transit lines provide access to AC Transit (Transbay Terminal) and CalTrain.

DOWNTOWN AREA PLAN

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 produces substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences which cannot be mitigated.

The Project would bring additional housing into a neighborhood that is well served by public transit in a central Downtown/Civic Center location. The Project would not displace any housing because the existing uses at the Project Site are a surface public parking lot and two commercial buildings. The Project would improve the existing character of the neighborhood by removing the existing surface public parking lot and provide substantial public realm benefits with the development of a public plaza and related streetscape improvements that would enhance the pedestrian experience both at the Project site and the surrounding neighborhood. The proposed retail space is consistent and compatible with the existing retail uses in the neighborhood and is also consistent with the pedestrian-friendly uses in the immediate neighborhood and the downtown core. Additionally, the Project would create a more pedestrian-friendly environment in the immediate neighborhood by providing publicly accessible open space improvements directly fronting the Van Ness Bus Rapid Transit boarding platform. The Project therefore creates substantial net benefits for the City with minimal undesirable consequences.

OBJECTIVE 7:

EXPAND THE SUPPLY OF HOUSING IN AND ADJACENT TO DOWNTOWN.

Policy 7.1

Promote the inclusion of housing in downtown commercial developments.

Policy 7.2

Facilitate conversion of underused industrial and commercial areas to residential use.

The Project would demolish a surface parking lot and two commercial buildings and construct a 304-unit residential building within a transit rich neighborhood and easy commuting distance of downtown jobs. The Project would also include approximately 4,110 square feet of ground floor retail space as well as retail kiosks within the proposed plaza (subject to the approval of an In-Kind Fee Waiver Agreement), which would provide services to the immediate neighborhood, and would create pedestrian-oriented, active uses on Market and Van Ness Streets. The Project would further greatly enhance the public realm by including a public plaza and significant streetscape improvements.

OBJECTIVE 16:

CREATE AND MAINTAIN ATTRACTIVE, INTERESTING URBAN STREETSCAPES.

Policy 16.4

Use designs and materials and include amenities at the ground floor to create pedestrian interest.

The Project would promote Objective 16 by including a ground floor retail use and a public plaza which would promote pedestrian traffic in the vicinity. The retail space and the public plaza would increase the usefulness of the vicinity surrounding the Project Site to pedestrians and serve to calm the speed of traffic on the street. The Project would provide floor-to-ceiling, transparent windows in the proposed retail space, along with outdoor seating associated with the retail, inviting pedestrians. The sidewalk area surrounding the Project Site would be improved with bicycle racks, landscaping, seating, high quality materials and protective wind canopies that will be artfully sculpted. In general, the Project would increase the usefulness of the area surrounding the Project Site to pedestrians and bicyclists by creating an area of respite for those waiting for transit and / or are passing through.

OBJECTIVE 18:

ENSURE THAT THE NUMBER OF AUTO TRIPS TO AND FROM DOWNTOWN WILL NOT BE DETRIMENTAL TO THE GROWTH OR AMENITY OF DOWNTOWN

Policy 18.3:

Discourage new long-term commuter parking spaces in and around downtown. Limit long-term parking spaces serving downtown to the number that already exists.

Policy 18.5:

Discourage proliferation of surface parking as an interim use; particularly where sound residential, commercial, or industrial buildings would be demolished.

The Project would not conflict with Objective 18 of the Downtown Plan, because it does not propose any new long-term commuter parking, or any new long-term parking. Instead, the Project would serve the needs of future residents at the Project. In addition, the Project will bring the site into greater conformity with the Downtown Plan by removing surface parking lot and replacing it with a high rise residential building with ground floor retail and a public plaza.

MARKET AND OCTAVIA PLAN

Objectives and Policies

OBJECTIVE 1.1:

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

Policy 1.1.2:

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

Policy 1.1.5:

Reinforce the importance of Market Street as the city's cultural and ceremonial spine.

The Project will reinforce the importance of Market Street as the City's cultural and ceremonial spine, as well as its position as the front porch to the Civic Center Performing and Cultural Arts District, by including approximately 4,110 square feet of active ground floor retail uses, and creating approximately 16,050 square feet of enhanced public realm improvements, including a publicly accessible pedestrian plaza that would activate the public realm along Market Street and Van Ness Avenue. The proposed streetscape improvements would include a shared-public-way along Oak Street, and new widened sidewalks on both sides of Oak Street, with new bike racks, public seating, planters and street trees, public art, and performance areas. Additionally, subject to the approval of an In-Kind Fee Waiver Agreement, the proposed streetscape improvements would also include several retail kiosks on the north side of Oak Street, as well as movable seating and sidewalk replacement along Van Ness Avenue. Thus, the Project will provide ground-floor activities that are public in nature and contribute to the life of the street.

OBJECTIVE 1.2:

ENCOURAGE URBAN FORM THAT REINFORCES THE PLAN AREA'S UNIQUE PLACE IN THE CITY'S LARGER URBAN FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER.

Policy 1.2.2:

Maximize housing opportunities and encourage high- quality commercial spaces on the ground floor.

Policy 1.2.5:

Mark the intersection of Van Ness Avenue and Market Street as a visual landmark.

The Project is located within an existing high - density urban context and would transform underutilized retail/ office buildings and parking lot into high- density housing and ground-floor retail that has a multitude of transportation options. The Project includes a mix of one-, two-, three- and four- bedroom units, and approximately 4,110 square feet of ground floor retail.

OBJECTIVE 2.2:

ENCOURAGE CONSTRUCTION OF RESIDENTIAL INFILL THROUGHOUT THE PLAN AREA.

Policy 2.2.2:

Ensure a mix of unit sizes is built in new development and is maintained in existing housing stock.

Policy 2.2.4:

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

The proposed Project includes 304 dwelling units and approximately 4,110 square feet of ground floor retail that wraps around the ground floor along Market Street, Van Ness Avenue and Oak Street. The Project includes a mix of one-, two-, three-, and 4-bedroom units, which helps maintain the diversity of the City's housing stock. The Project would demolish a surface parking lot and two underutilized commercial buildings and construct a beautifully designed 304-unit residential building at the intersection of Market and Van Ness Streets within a transit rich neighborhood and easy commuting distance of downtown jobs. The Project would also include approximately 4,110 sq. ft. of ground floor retail space, which would provide services to the immediate neighborhood, and would create pedestrian-oriented, active uses on Market and Van Ness Streets. By adding a high-quality public plaza and streetscape improvements in accordance with the Market and Octavia Area Plan Design Standards, the proposed Project would build on the positive traits of the Hayes Valley neighborhood, extending its walkable scale outward toward the Van Ness and Market intersection.

OBJECTIVE 2.3:

PRESERVE AND ENHANCE EXISTING SOUND HOUSING STOCK.

The Project would not conflict with Objective 2.3 because no housing currently exists at the Project site; therefore, development of the Project will not displace any existing housing.

OBJECTIVE 4.1:

PROVIDE SAFE AND COMFORTABLE PUBLIC RIGHTS OF WAY FOR PEDESTRIAN USE AND IMPROVE THE PUBLIC LIFE OF THE NEIGHBORHOOD.

Policy 4.1.1:

Widen sidewalks and shorten pedestrian crossings with corner plazas and boldly marked crosswalks where possible without affecting traffic lanes. Where such improvements may reduce lanes, the improvements should first be studied.

The One Oak Project has proposed pro-active measures to calm traffic, improve walkability and pedestrian safety in the neighborhood, consistent with and in support of the City's Vision Zero policy. The Project includes slow street improvements, a raised table crosswalk at the Van Ness Avenue entrance to Oak Street, widened sidewalks on both the south and north sides of Oak Street, enhanced shared-public-way surface treatments to identify the street as part of the pedestrian realm, additional plaza and street lighting, 62 public Class-2 bike parking spaces, widening the crosswalk from the new BRT Platform to the site, and a new Muni elevator enclosure. The proposed Project has earned conditional GreenTRIP Platinum Certification from Transform – a California 501(c)(3) public interest organization (www.transformca.org) – for the Project's safety improvements and transportation amenities. The proposed Project will be the first condominium project in San Francisco to meet GreenTRIP Platinum requirements.

OBJECTIVE 5.1:

IMPROVE PUBLIC TRANSIT TO MAKE IT MORE RELIABLE, ATTRACTIVE, CONVENIENT, AND RESPONSIVE TO INCREASING DEMAND.

Policy 5.1.2:

Restrict curb cuts on transit- preferential streets.

OBJECTIVE 5.2:

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

Policy 5.2.3:

Minimize the negative impacts of parking on neighborhood quality.

OBJECTIVE 5.3:

ELIMINATE OR REDUCE THE NEGATIVE IMPACT OF PARKING ON THE PHYSICAL CHARACTER AND QUALITY OF THE NEIGHBORHOOD.

Policy 5.3.1:

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

Market Street and Van Ness Avenue are considered transit- preferential streets. Accordingly, all off-street parking and loading access is being directed to Oak Street. All parking will be located below grade, with the exception of one van-accessible space for persons with disabilities, improving the Project's urban design by minimizing street frontages devoted to vehicular uses and also bringing the site into greater conformity with the Market and Octavia Plan by removing the surface parking lot. The street - level design of the Project provides mostly active uses including 4,110 square feet of retail along Market Street, Van Ness Avenue and Oak Street.

10. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the Project complies with said policies in that:

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

The Project supports this policy. The proposed 304 residential units will house approximately 550 to 700 new residents that will patronize new and existing neighborhood-serving retail uses. In addition, the proposed project would add approximately 3,210-sf of net-new retail/restaurant space, replacing the existing 900-sf donut shop with a 4,110-sf restaurant/retail space, increasing future opportunities for resident employment in the service sector. The Project would further enhance neighborhood-serving retail by adding an approximately 16,050 square foot public pedestrian plaza which could strengthen nearby neighborhood retail uses by attracting pedestrians and passersby and broadening the consumer base and demand for existing neighborhood-serving retail services.

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

The Project would improve the existing character of the neighborhood by providing more pedestrian-friendly uses, including publicly accessible open space immediately adjacent to the site and across from the Van Ness Bus Rapid Transit platform. No housing would be displaced because the existing structures contain offices and retail uses. The proposed retail space presents an opportunity for small business owners, helping to preserve the cultural and economic diversity of our neighborhoods. The Market and Van Ness intersection is generally characterized as an area lacking positive neighborhood character, whereas the nearby Hayes Valley neighborhood is generally recognized as a desirable neighborhood, characterized by a mix of residential, cultural, and retail uses. By adding new housing, neighborhood-serving retail space, and a high-quality public plaza in accordance with the Market and Octavia Area Plan Design Standards, the proposed project would build on the positive traits of the Hayes Valley neighborhood, extending its walkable scale outward toward the Van Ness and Market intersection. The Project would further improve the existing character of the neighborhood by removing the surface public parking lot.

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

There is currently no housing on the site, therefore, no affordable housing would be lost as part of this Project. The Project enhances the City's supply of affordable housing by contributing to the Inclusionary Housing Fund and directing the contribution to the development of 72 permanently Below Market Rate units on Octavia Boulevard Parcels "R", "S" and "U", subject to a letter agreement and the conditions set forth therein from the MOH, including independent environmental review under CEQA. This represents approximately 24% of the total market-rate units at the proposed Project. Accordingly, although the Octavia BMR Project is a separate project requiring further approvals, its proximity to the project site and the conveyance of the development rights to MOHCD for use as affordable housing sites represents a significant contribution to the development of affordable housing in the Project's immediate neighborhood. In addition to the Planning Code Section 415 affordable housing fees "directed" to the Octavia BMR Project, the Project will also pay project would pay an additional approximately \$6.1 million in Market-Octavia Affordable Housing Fees and Van Ness & Market SUD Affordable Housing Fees. These additional affordable housing fees, in turn, will fund the construction of new, permanently affordable BMR housing elsewhere in the City.

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

The Project would not impede MUNI transit service or overburden local streets or parking. The Project is located along a major transit corridor that would promote rather than impede the use of MUNI transit service. Future residents and employees of the Project could access both the existing MUNI rail and bus services as well as the BART system. The Project also provides a sufficient amount off-street parking for future residents so that neighborhood parking will not be overburdened by the addition of new residents and building users. The project would also eliminate an existing 47-space surface commercial parking lot, reducing a potential source of vehicle trips to and from the site. The entrance to the proposed automobile and bicycle drop-off area would be located on Oak Street where no transit lines exist. The proposed project would also provide enhanced pedestrian access to the MUNI Metro Van Ness Station and the new Van Ness BRT Station to be located at the intersection of Van Ness and Market by constructing a high-quality pedestrian plaza and a new weather protected enclosure for the MUNI Metro Station elevator.

- 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 would not displace any industrial or service sectors and does not include commercial office development. Further, the proposed ground-floor retail space provides future opportunities for resident employment and ownership.

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

The Project will be consistent with the City's goal to achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake. The building will be constructed in compliance with all current building codes to ensure a high level of seismic safety. In addition, the proposed Project would replace two older buildings, built in 1920 and 1980, that do not comply with current seismic safety standards.

- G. That landmarks and historic buildings be preserved.

There are no landmarks or historic buildings on-site.

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

The Project would cast approximately 23 minutes of shadow onto Patricia's Green during the dates of maximum shading, particularly during morning hours. It was observed that the park is most intensely used during lunch hours. Accordingly, the additional shading on Patricia's Green was determined not to create a significant and unavoidable impact, nor adversely impact the use of the park. The Project would cast approximately 22 minutes of shadow onto Page and Laguna Mini Park during the dates of maximum shading, particularly during morning hours. It was observed that the intensity of the park usage was very low. Accordingly, the additional shading on Page and Laguna Mini Park was determined not to create a significant and unavoidable impact, nor adversely impact the use of the Park.

In addition, the proposed project will create a new publicly accessible open space on Oak Street and on a portion of the project site, substantially enhancing public open space. The requested shift of designated height zones due to the shift of the tower to the west is to allow greater open space and access to sunlight at this important civic intersection fronting Van Ness Avenue and Market Street.

11. The Commission made and adopted environmental findings by its Motion No. 19939, which are incorporated by reference as though fully set forth herein, regarding the Project description and objectives, significant impacts, significant and unavoidable impacts, mitigation measures and alternatives, and a statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to the California Environmental Quality Act, Section 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Commission adopted these findings as required by CEQA, separate and apart from the Commission's certification of the Project's Final EIR, which the Commission certified prior to adopting the CEQA findings.

12. 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.

Motion No. 19944
Hearing Date: June 15, 2017

CASE NO. 2009.0159EGPAMAPDNXCUAVARK
1540 Market Street

13. The Commission hereby finds that approval of Conditional Use Authorization would promote the health, safety and welfare of the City.

DECISION

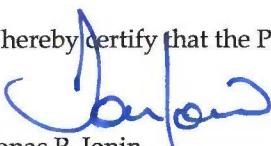
That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Authorization Application No. 2009.0159EGPAMAPDNXCUAVARK** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated May 15, 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. The effective 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 constitutes 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 15, 2017.


Jonas P. Ionin
Commission Secretary

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

NAYS: Commissioner Koppel

ABSENT: Commissioner Fong

ADOPTED: June 15, 2017

EXHIBIT A

AUTHORIZATION

This authorization is for a **Conditional Use Authorization** relating to a Project that would demolish an existing four-story office building at 1540 Market Street, a three-story retail building at 1500 Market Street (d.b.a. All Star Cafe) and an approximately 47-space commercial surface parking lot to construct a 40-story, 400-foot tall, 304-unit residential building containing approximately 4,110 square feet of ground floor retail pursuant to **Planning Code Sections 303 and 151.1** on Assessor's Block 0836, Lots 001, 002, 003, 004, and 005 within the C-3-G, Downtown-General Zoning District and the proposed 120-R-2 and 120/400-R-2 Height and Bulk Districts; in general conformance with plans dated May 15, 2017, and stamped "EXHIBIT B" included in the docket for Case no. **2009-0159EGPAMAPDNXCUAVARK** and subject to conditions of approval reviewed and approved by the Commission on **June 15, 2017** under Motion No. 19944. The proposed Project includes a proposed Zoning Map amendment to allow for a height swap between parcels 001 and 005, and a General Plan Amendment amending Map 3 of the Market and Octavia Area Plan and Map 5 of the Downtown Area Plan to ensure consistency with the proposed Zoning Map amendment. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

COMPLIANCE WITH OTHER REQUIREMENTS

The Conditions of Approval set forth in Exhibit A of Motion No. 19943, Case No. **2009-0159EGPAMAPDNXCUAVARK** (Downtown Project Authorization under Planning Code Section 309) apply to this approval, and are incorporated herein as though fully set forth, except as modified herein. Further the Project requires variances that require approval from the Zoning Administrator from Sections 140, for units that do not meet exposure requirements, and Section 145.1, for a combined parking / loading entrance exceeding 20-feet in width.

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 15, 2017 under Motion No. 19944.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 19944 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 Downtown Project 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 Downtown Project Authorization.

PARKING MAXIMUM

Pursuant to Planning Code Section 151.1, the Project shall provide no more than a ratio of 0.25 parking spaces per dwelling unit, as principally permitted parking. With 304 dwelling units, a maximum of 76 spaces is principally permitted per Planning Code Section 151. An additional 76 parking spaces (for a total of up to 152 parking spaces) may be permitted with a Conditional Use Authorization. The Project Sponsor may provide up to 136 off-street parking spaces, as authorized under Motion No. 19944. However, if the Project changes from an ownership project to a rental project, the Project shall reduce the accessory parking amount to no more than the 0.25 ratio to dwelling units, which is principally permitted. The Project must also comply with Building Department requirements with respect to parking spaces for persons with disabilities.

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