

3333 CALIFORNIA STREET MIXED-USE PROJECT

SUPPLEMENTAL CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS: FINDINGS OF FACT, EVALUATION OF MITIGATION MEASURES AND ALTERNATIVES, AND STATEMENT OF OVERRIDING CONSIDERATIONS

SAN FRANCISCO BOARD OF SUPERVISORS

November 12, 2019

In determining to approve the 3333 California Street Mixed-Use Project ("Project"), the San Francisco Planning Commission adopted the findings of fact and decisions regarding mitigation measures and alternatives and the statement of overriding considerations under CEQA on September 5, 2019, for the project described in those findings in Section I.A. Project Description. Such findings are found in Planning Commission Motion No. 20513, and Board of Supervisors File 190844.

The Board of Supervisors supplements those findings to discuss, and reject as infeasible, alternatives proposed after the public comment period on the Draft EIR had closed, to discuss and reject as infeasible individual design modifications as mitigation measures also proposed after the public comment period had closed, and to find that such design modifications would not substantially or clearly lessen the Project's significant impacts.

These supplemental findings are based upon substantial evidence in the entire record that was before the San Francisco Planning Commission (the "Commission") and is now before the Board of Supervisors including the expert opinions of preservation planners at the Planning Department. The San Francisco Planning Department is a Certified Local Government under the California Office of Historic Preservation, and qualified to provide expert opinions on matters involving historic preservation. The references set forth in these findings to certain pages or sections of the Draft Environmental Impact Report ("Draft EIR" or "DEIR"), the Responses to Comments document ("RTC") in the Final EIR, or to the letters submitted by the San Francisco Planning Department on September 4, 2019 to the Planning Commission and on November 4, 2019 to the Board of Supervisors, are for ease of reference and are not intended to provide an exhaustive list of the evidence relied upon for these findings.

Laurel Heights Improvement Association of San Francisco Inc. (LHIA) submitted additional alternatives and/or suggested individual design modifications as mitigation measures in letters to the Planning Commission and to this Board of Supervisors dated August 28, 2019, September 5, 2019, October 7, 2019 and November 7, 2019. These supplemental findings describe the reasons for rejecting those late-submitted alternatives and so-called mitigation measures as infeasible, and for finding that the design modifications would not substantially or clearly lessen the Project's significant impacts.

"Community Preservation Lookalike Variant"

The Board of Supervisors specifically rejects as infeasible the Community Preservation Lookalike Variant (Lookalike Variant), as described in LHIA's August 28, 2019 Supplemental EIR Comment and in the October 7 CEQA Appeal letter, based upon substantial evidence in the record, including evidence of economic, legal, social, technological, and other considerations described in these supplemental findings, in addition to those reasons described in Section VII of the CEQA Findings adopted in Planning Commission Motion 20513, which are hereby incorporated by reference.

LHIA claims that the Lookalike Variant would provide the same number of new residential units as the Project (744 units) and approximately 20,000 more gross square footage than the project. According to LHIA, the Lookalike Variant would be constructed in less than four years. LHIA also claims that the Lookalike Variant utilizes approximately 90 percent of the project sponsor's proposed buildings, designs, and locations. As described by LHIA, the Lookalike Variant would: 1) convert the interior of the main building to residential use and retain the existing 1,500-gross-square-foot (gsf) café, 11,500-gsf childcare center, and 5,000-gsf office space; and 2) construct three new residential buildings (Plaza A, Plaza B, and Walnut buildings) along California Street, the new Mayfair building near the intersection of Mayfair Drive and Laurel Street, five new townhomes along Laurel Street, and the new Euclid building along Euclid Avenue. The proposed Masonic Building included in the Project would not be constructed in the Lookalike Variant. The Walnut Building would be 7-stories-tall and its footprint would be expanded to include a triangular area next to the SF Fire Credit Union. The Euclid Building would be 35,000 gsf smaller than what is proposed under the project, and it would be configured differently in that it would include a 30-foot setback from Euclid Green compared to the project. Under the Lookalike Variant, the childcare facility would be located in Center Building B instead of in the Walnut Building, as proposed in the project, with an outdoor play area directly south of the existing structure. The Lookalike Variant would not include retail uses.

LHIA states that the Lookalike Variant would include approximately two levels of parking in a single new underground parking garage. LHIA letter does not specify the number of parking spaces that would be provided in the Lookalike Variant. The Lookalike Variant would include a new first-floor-level, 15-foot-tall (at level one), 20-foot-wide Walnut passage, which would run through the first floor of the main building, opening up into a 35-foot-wide, 75-foot-long landscaped center court mid-building (approximately at 35 feet into the building) and leading onto the Walnut Walk alongside Eckbo Terrace and onto Masonic Avenue.

The Board of Supervisors finds that the Lookalike Variant is considerably similar to Alternative E: Partial Preservation – Residential Alternative analyzed in the EIR, as is shown in attachment A to the Planning Department's September 4, 2019 letter to the Planning Commission, which is part of the whole record before this Board. Specifically, both the Lookalike Variant and Alternative E would: 1) modify the existing main building by removing the south wing and the northern extension of the east wing and convert it to residential use; 2) construct three buildings along California Street; 3) reduce the size of Euclid building by removing the south side of the building (reduction of approximately 35,000 gross square feet compared to the Project) to retain the landscape features located at the southeast portion of the site; and 4) construct the five Laurel Duplexes, similar to the Project and Alternative E, which would construct seven duplexes on Laurel Street. Two fewer duplexes would enable a larger Euclid Green under the Lookalike Variant. As stated, the Masonic Building would not be constructed under either Alternative E or the Lookalike Variant.

The Board further finds that the Lookalike Variant would not reduce the historic resource impact to a less-than-significant level; like Alternative E, the Lookalike Variant would be a partial preservation alternative. Similar to Alternative E, the Lookalike Variant would not fully conform to the Secretary of the Interior's Standards, and it would materially impair the physical characteristics of the historic resource that justify the resource's inclusion in the California Register of Historical Resources. Similar to Alternative E, the Lookalike Variant would alter the existing office building and result in loss of the historic landscaped open space on the project site. In addition, similar to Alternative E, the Lookalike Variant would alter the most prominent views of the project site from the east on Pine Street and from the south on Masonic Avenue. The minor modifications proposed in the Lookalike Variant, such as the removal of two Laurel Duplexes closest to Euclid Green or the additional size added to the Walnut

building, would not make it considerably different from Alternative E, and would not clearly lessen the significant impacts to the historic resource as compared to Alternative E.

As discussed on EIR pp. 6.148-6.151, the EIR concludes that Alternative E would reduce the magnitude of the historic resources impact compared to the Project, but not to a less-than-significant level. This is because Alternative E would, on balance, materially alter the physical characteristics of the project site that convey its historic significance. For the reasons above, the Lookalike Variant would reduce but not eliminate the significant and unavoidable historic resource impact.

Further, the Board rejects the Lookalike Variant as infeasible because, although it would reduce the significant and unavoidable historic architectural resources impact identified for the project, it would not eliminate it, and it would fail to meet several of the project objectives to the same extent as the Project. First, due to the size and location of the uses presented in the Lookalike Variant, the alternative would not satisfy the primary objectives of the Project to create a “high quality, walkable, mixed-use community within the project site that connects with and complements the existing neighborhood commercial uses.” The Lookalike Variant would contain only a very small amount of non-residential uses, and those uses would be “hidden” within the main building and not be visible from the nearby streets. Therefore, the Lookalike Variant would not be considered truly “mixed use.” Unlike the Lookalike Variant, Alternative E would meet this objective by providing a mix of uses (except for the office use) similar to that of the Project, and would provide retail uses along California Street, where they would be accessible to the general public and visually connected to the retail uses on California Street on either side of the project site. In addition, the Lookalike Variant would only partially meet the objective of opening and connecting the site to the surrounding community by extending the neighborhood urban pattern because it would not provide a north-south connection similar to Walnut Walk as proposed under the Project, which is a fully open connection, and would only provide an east-west connection (the Mayfair Walk). With only a 15-foot-tall and 20-foot-wide opening at level one (15 feet high), the main building would still create a visual barrier in the north-south direction. Extension of the neighborhood urban pattern and street grid into the site is a key urban design principle consistent with the Planning Department's early input on the Project. Finally, unlike the Project, the Lookalike Variant would not help turn Masonic Avenue into a neighborhood street, as opposed to an arterial street, because the Lookalike Variant would not construct the Masonic building which would contribute to the creation of neighborhood-friendly space by providing stoops for residential units along its building frontage that meets with the sidewalk on Masonic Avenue; accordingly it fails to meet the objective of providing activated neighborhood-friendly spaces along adjacent streets to the same extent as the Project.

For these reasons, the Board of Supervisors finds that the Lookalike Variant is not considerably different from alternatives already contained in the FEIR and is not a feasible alternative. Further, the Board finds that Community Variant 2 would not eliminate the significant and unavoidable historic resource impact, and would not meet the project objectives or the City's general plan policies regarding urban design to the same extent as the Project. It was not required to be included in the Final EIR, and is hereby rejected as infeasible for the reasons set forth above, and for the same reasons set forth in the CEQA findings related to Alternative E.

“Community Full Preservation Alternative Variant 2”

In addition, the Board of Supervisors specifically rejects as infeasible the Community Full Preservation Alternative Variant 2 (Community Variant 2), as described in LHIA's August 28, 2019 Supplemental EIR Comment and again in the October 7 CEQA Appeal letter, based upon substantial evidence in the record, including evidence of economic, legal, social, technological, and other considerations described in these

supplemental findings, in addition to those reasons described in Section VII of the CEQA Findings adopted in Planning Commission Motion 20513, which are hereby incorporated by reference.

LHIA claims that the Community Variant 2 would provide the same number of new residential units as the project (744 units) and would be constructed in less than four years. According to LHIA, the Community Variant 2 would: 1) convert the interior of the main building to residential use and retain the existing 1,500-gsf café, 11,500-gsf childcare center, and 5,000-gsf office space; and 2) construct three new residential buildings (California Front, California Back, and Walnut buildings) along California Street, the new Mayfair building near the intersection of Mayfair Drive and Laurel Street, five new townhomes along Laurel Street, and the new Euclid building along Euclid Avenue. The proposed Masonic Building included in the Project would not be constructed in the Community Variant 2. The Community Variant 2 would not include retail uses.

According to LHIA, the Community Variant 2 would include an approximately two-level, underground parking garage along California Street and a total of approximately 558 on-site parking spaces. The Community Variant 2 would include a new first-floor-level, 15-foot-tall (at level one), 20-foot-wide Walnut passage, which would run through the first floor of the main building, opening up into a 35-foot-wide, 75-foot-long landscaped center court mid-building (approximately at 35 feet into the building) and leading onto the Walnut Walk alongside Eckbo Terrace and onto Masonic Avenue.

The Board finds that the Community Variant 2 is considerably similar to Alternative D: Partial Preservation – Office Alternative that is analyzed in the EIR to address the Project’s significant historic resource impacts, as can be seen in Exhibit B to the Planning Department’s September 4, 2019 letter to the Planning Commission, which is in the record before this Board. That Exhibit B compares the site plans for Alternative D and Community Variant 2. Specifically, like Alternative D, the Community Variant 2 would: 1) modify the existing building by demolishing the northerly extension of the east wing and adding a one-story addition; and 2) allow for the construction of buildings along California Street including a larger Walnut building (larger than under the Project or Alternative D), a Mayfair building, and five Laurel Duplexes along Laurel Street. Community Variant 2 would not include construction of a Masonic building. Unlike Alternative D which would retain office use in the existing office building, the Community Variant 2 would convert the remaining building to residential use. However, the massing and footprint of the structures on site under the Community Variant 2 would be physically similar to those under Alternative D.

As discussed on EIR pp. 6.113-6.115, the EIR concludes that Alternative D would reduce the magnitude of the historic resource impact compared to the Project, but not to a less-than-significant level. While Alternative D would retain most of the office building’s character-defining features, it would demolish elements of the historic landscape on the northern and western areas of the site as well as portions of the brick perimeter wall and integrated planters along California and Laurel Streets. Prominent views of the site from east on Pine Street and from the south on Masonic and Presidio avenues would be preserved, but the view through the project site from Laurel Street would be altered with new development. Therefore, Alternative D would, on balance, materially alter the physical characteristics of the project site that convey its historic and architectural significance and is considered a partial preservation alternative.

The Board finds that the Community Variant 2 also would not reduce the historic resource impact to a less-than-significant level, similar to Alternative D for several reasons. Like Alternative D, the Community Variant 2 would minimally alter the existing office building, but the construction of the additional buildings would result in loss of elements of the historic landscape on the project site that convey its historic and architectural significance and that justify its inclusion in the California Register,

and would not fully conform to the Secretary of the Interior's Standards. In addition, similar to Alternative D, the Community Variant 2 would alter one prominent view of the project site from the west on Laurel Street, while maintaining two other views, from the east on Pine Street and from the south on Masonic Avenue. Given the physical similarities between Alternative D and the Community Variant 2, the impacts to historic architectural resources from the Community Variant 2 would be the same and as stated in the EIR on p. 6.115. The historic resource impact, although reduced, would remain significant and unavoidable in the Community Variant 2.

Further, the Board rejects the Community Variant 2 as infeasible because, although it would reduce the significant and unavoidable historic architectural resources impact identified for the project, it would not eliminate it, and it would fail to meet several of the project objectives to the same extent as the Project. First, due to the size and location of the uses presented in the Community Variant 2, the alternative would not satisfy the primary objectives of the Project to create a "high quality, walkable, mixed-use community within the project site that connects with and complements the existing neighborhood commercial uses." Alternative D would partially meet this objective by redeveloping the project site to a lesser degree than the Project. Similarly, Community Variant 2 would contain only a very small amount of non-residential uses, and those uses would be "hidden" within the main building and would not be visible from the nearby streets. In addition, the Community Variant 2 would only partially meet the objective of opening and connecting the site to the surrounding community by extending the neighborhood urban pattern, because it would not provide a north-south connection similar to Walnut Walk as proposed under the Project, which is a fully open connection between California Street and Euclid Avenue, and would only provide an east-west connection (the Mayfair Walk). With only a 15-foot-tall and 20-foot-wide opening at level one (15 feet high), the Community Variant 2 would continue to create a visual barrier in the north-south direction. Extension of the neighborhood urban pattern and street grid into the site is a key urban design principle consistent with the Planning Department's early input on the Project. Finally, unlike the Project, the Community Variant 2 would not help turn Masonic Avenue into a neighborhood street, as opposed to an arterial street, because the Community Variant 2 would not construct the Masonic building which would contribute to the creation of neighborhood-friendly space by providing stoops for residential units along its building frontage; accordingly it fails to meet the objective of providing activated neighborhood-friendly spaces along adjacent streets to the same extent as the Project.

Thus, the Board finds that Community Variant 2 is not considerably different from Alternative D included in the EIR, and thus does not need to be included in the EIR. Further, the Board finds that Community Variant 2 would not eliminate the significant and unavoidable historic resource impact, and would not meet the project objectives or the City's general plan policies regarding urban design to the same extent as the Project. For these reasons, and for the same reasons set forth in the CEQA Findings related to Alternative D, incorporated here by reference, the Board rejects the Community Variant 2 as infeasible.

Individual Design Modifications as Mitigation Measures.

In its October 7, 2019 appeal of the certification of the EIR, Appellant LHIA suggests that certain individual aspects of some of the alternatives, if implemented individually, could mitigate the significant impact to historic resources, and attempts to cite to and incorporate similar suggestions from its other materials submitted after both the close of the Draft EIR comment period and publication of the FEIR. For the reasons set forth below, and as articulated in the Planning Department's November 4, 2019 response to the CEQA appeal filed by Appellant, incorporated herein by reference, the Board finds and determines that implementation of any of these so-called "mitigation measures" would not be sufficient to clearly or

substantially lessen the Project's significant historic resources impact, and rejects them as infeasible to be implemented as individual mitigation measures for the Project. The historic resource is the existing building and the integrated landscape. Individual design changes would not be effective in mitigating the historic resource impact. The Board accepts the expert opinions of the preservation staff at the Planning Department and finds that none of these design modifications, if implemented individually as "mitigation measures," (and not collectively, as in the alternatives) would substantially or clearly eliminate the project's historic resource impact, and rejects them for the reasons set forth below and for the reasons described in Section VII of the CEQA Findings adopted in Planning Commission Motion 20513, and hereby incorporated by reference. To the extent that the individual design modifications make up portions of the EIR preservation alternatives and/or the alternatives proposed by LHIA, they have also been rejected as infeasible in the CEQA Findings and this Supplemental CEQA Findings document, and were adequately presented to both the Planning Commission and the Board as alternatives. The Board finds that application of the Secretary of the Interior's Standards as mitigation measures, as suggested in LHIA's November 7, 2019 submittal, is neither a procedural nor a substantive requirement under CEQA. The Secretary of the Interior's Standards were appropriately used in the Planning Department's historic resources evaluation and in the EIR to evaluate the historic resources impacts of both the Project and the project alternatives.

The Board finds that reducing the height and adding upper floor setbacks to the proposed Laurel Duplexes would not substantially or clearly reduce the impact to historic resources. This is because reducing the height and adding a setback would not result in the retention of any character-defining features of the resource. Reduction of the duplexes' height to match the height of the homes across Laurel Street, while keeping the remaining portions of the Project (such as the demolition and reconstruction of the existing building and the construction of the additional buildings within the historic landscape) does nothing meaningful to substantially or clearly lessen impacts to the historic resource. Accordingly, this design modification was not required to be included in the EIR as mitigation, and the Board therefore rejects this design modification as infeasible.

In addition, a reduction in the proposed Euclid Building footprint (by setting back approximately 30 feet from the south side), or elimination of the two proposed Laurel Duplexes closest to Euclid Avenue would also not clearly or substantially lessen the significant historic resource. Similar to the above explanation regarding the height of the Laurel Duplexes, the reductions in proposed building footprint or removal of two proposed buildings would not substantially or clearly lessen impacts on character-defining features of the larger site, which includes the existing building and integrated designed landscape. Construction of the Euclid building, even at a smaller footprint, would still result in the demolition of the existing office building, and all of the surrounding character-defining landscape features of the site would all but be eliminated through construction of the six new buildings (in addition to the Laurel duplexes) on the site. Accordingly, these design modifications were not required to be included in the EIR as mitigation, and the Board therefore rejects these individual design modifications as infeasible.

Similarly, neither a ground-level passageway through the existing office building instead of a full passageway, or a single-story vertical addition to the existing office building, instead of the 2 to 3 stories in the Project, would substantially or clearly lessen the significant historic resource impact in a way that would allow the resource to continue to convey its historic character. Either of these design modifications would still require removal of the L-shaped wing of existing office building to allow for construction of the Euclid Building and the surrounding site would still be developed with six new buildings on the site (in addition to the Laurel duplexes), thereby impacting the landscape features that convey its historic and architectural significance and that justify its inclusion in the California Register. Similar to the design modifications noted above, reducing the height of the addition or incorporating a ground level

passageway would not substantially or clearly lessen impacts to the historic resource in any meaningful manner. Accordingly, these design modifications were not required to be included in the EIR as mitigation, and the Board therefore rejects these individual design modifications as infeasible.

Other individual elements of alternatives proposed by LHIA or other members of the public, would not substantially or clearly lessen impacts to the historic resource in any meaningful manner given the nature of the historic resource, including the size of the site, and the size of the existing building and its integration with the landscaping, and have been considered by the Board and rejected as infeasible as components of the alternatives, including those alternatives included in the EIR or suggested by the public. These individual elements also were not required to be included in the EIR as mitigation, and the Board therefore rejects these as infeasible.