



June 4, 2013

Mr. Mark MacDonald
DM Development
448 Linden Street
San Francisco, CA 94102

Re: 450 Hayes Street Project

Dear Mr. MacDonald,

On behalf of the San Francisco Housing Action Coalition (SFHAC), I am pleased to inform you of our enthusiastic endorsement of your 450 Hayes Street project. Following review and discussion, our Endorsement Committee believes the project has many merits and will make a substantial contribution to SFHAC's mission of increasing the supply of well-designed, well-located housing in San Francisco. We believe that it embodies appropriate urban design principles and meets the needs of both present and future San Franciscans.

A copy of the endorsement guidelines we applied in reviewing your project is attached. The proposed project meets our guidelines in the following ways:

Project Description:

Your project proposes a four-story, mixed-use development comprised of a total of 41 units with a ground-level mix of retail and residential.

Land Use:

Your project embodies the SFHAC's endorsement guidelines. The project consists of housing above ground-floor retail along Hayes Street. This concept is consistent with the Market-Octavia Area Plan as well with the overall neighborhood pattern.

Density:

The SFHAC applauds your efforts to utilize the entirety of the available space while respecting the adjacent neighborhood scale. The project occupies essentially the entire site and its height reaches the maximum allowed on the Hayes and Ivy Street frontages. Overall, the project's floor area is at or near the maximum achievable that provides a good unit mix of one-bedroom, two-bedroom and three-bedroom residential units.

Affordability:

You indicated that the project does not plan to include on-site inclusionary housing. Rather, you plan to pay the *in lieu* fee or provide six off-site affordable units within a one-mile radius from the project, consistent with ordinance.

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We understand that the project will, in addition, be responsible for payment of the supplementary Market-Octavia affordable housing fee.

Alternative Transportation and Parking:

The project will provide 20 unbundled, on-site parking spaces for 41 units (less than a ratio of 0.5 to 1), which is permissible as-of right under the Code. Garage access from Ivy Street is our preference, given Hayes Street being a major retail street. The project is adjacent to several bicycle routes and the SFHAC is excited to see that it will provide at least 48 bicycle spaces, which exceeds the Code requirements.

The Project will be richly served to transit, particularly along Market Street. However, Grove, McAllister, Haight Streets and Van Ness Avenue also contain major bus routes. In addition, the project is within easy walking distance of many employers and services, which should further encourage a large percentage of non-vehicular trips.

Historic Preservation:

There are no structures of significant or cultural merit on the site and the Project respects the presence of existing historical resources in the vicinity.

Urban Design:

This project promotes the principles of good urban design and will enhance the rapidly evolving Hayes Valley neighborhood. The size and scale of the design is compatible with many nearby comparably scaled buildings, including at 300 Ivy, 300 Linden, 280 Fell, 333 Fell, 525 Gough, 440 Grove Street, 365 Fulton Street.

The project offers a beautiful modern design, which features a modern expression of the traditional “bay window” on both the Hayes and Ivy Street frontages. The building incorporates scattered angled bay windows designed to mirror the uniquely angled site geometry rather than the more traditional squared bays. Matching this unique approach, the overall cladding is primarily vertical wood planks arranged in a scattered pattern in reaction to the scattered bay windows. A residential entry is located on Hayes Street and two commercial tenant spaces with 15 ft. ceiling heights are set on both sides of the residential entry. Commercial storefront glazing system is set back from the street in an undulating wave-like pattern to mirror the site geometry. Open space is provided, both on the roof, where it will provide residents access to light and views, as well as the easily accessible podium-level central courtyard. Access to the garage is provided through a single curb cut on Ivy Street.

Environmental Features:

The SFHAC commends the architect for implementing creative design to minimize energy use. The project features a landscaped courtyard at center of a double bar building layout. The double bar layout creates southern exposure for units located on Hayes Street as well as along the interior courtyard, which helps provide light and air into the units. The project also features planters containing a storm water management filtration system.

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Community Input:

The SFHAC commends you for having conducted numerous meetings with neighborhood representatives, both with groups as well as one-on-one meetings with individuals as necessary, including residents from neighboring buildings. You indicated that you held a pre-application meeting on July 2, 2012. At that meeting, attended by a representative of the Hayes Valley Neighborhood Association and a number of nearby residents, there was no opposition expressed and many positive comments were made about the proposed design.

Thank you for submitting this project to the SFHAC Endorsements Committee for our review. Please keep us abreast of any changes or updates with this project. We are pleased to support your excellent project as it moves forward. Let us know how we may be of assistance.

Sincerely,

Tim Colen, Executive Director

ENDORSEMENT GUIDELINES

Adopted January 2010

The SFHAC will consider endorsing housing developments and mixed-use projects with a housing component. The following guidelines will be used to evaluate the project:

Land Use: Housing should be an appropriate use of the site given the context of the adjacent properties and the surrounding neighborhood and should enhance neighborhood livability.

Density: The project should take full advantage of the maximum unit density and/or building envelope, allowable under the zoning rules.

Affordability: The need for affordable housing, including middle income (120-150 of median) housing, is a critical problem and SFHAC gives special support to projects that propose creative ways to expand or improve unit affordability beyond the legally mandated requirements.

Parking and Alternative Transportation: SFHAC expects the projects it endorses to include creative strategies to reduce the need for parking, such as ample bicycle storage, provision of space for car-share vehicles on-site or nearby, un-bundling parking cost from residential unit cost, and measures to incentivize transit use. Proximity to transit should result in less need for parking.

In districts with an as-of-right maximum and discretionary approval up to an absolute maximum, SFHAC will support parking exceeding the as-of-right maximum only to the extent the Code criteria for doing so are clearly met. In districts where the minimum parking requirement is one parking space per residential unit (1:1), the SFHAC will not, except in extraordinary circumstances, support a project with parking in excess of that amount.

Preservation: If there are structures of significant historic or cultural merit on the site, their retention and/ or incorporation into the project is encouraged. If such structures are to be demolished, there should be compelling reasons for doing so.

Urban Design: The project should promote principles of good urban design: Where appropriate, contextual design that is compatible with the adjacent

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streetscape and existing neighborhood character while at the same time utilizing allowable unit density: pleasant and functional private and/or common open space; pedestrian, bicycle and transit friendly site planning; and design treatments that protect and enhance the pedestrian realm, with curb cuts minimized and active ground floor uses provided. Projects with a substantial number of multiple bedroom units should consider including features that will make the project friendly to families with children.

Environmental Features: SFHAC is particularly supportive of projects that employ substantial and/or innovative measures that will enhance their sustainability and reduce their carbon footprint.

Community Input: Projects for which the developer has made a good faith effort to communicate to the community and to address legitimate neighborhood concerns, without sacrificing SFHAC's objectives, will receive more SFHAC support.