



Mr. Cameron Falconer
Hines Interests
101 California Street, Suite 1000
San Francisco, CA 94111

June 15, 2015 (Revised from April 10, 2014)

Ref: 525 Harrison Street – Mixed-Use Development

Dear Mr. Falconer,

On behalf of the San Francisco Housing Action Coalition (SFHAC), I am pleased to inform you of our firm endorsement of your 525 Harrison Street proposal. Following our review and discussion, our Project Review Committee believes the project has merit and will make a substantial contribution to SFHAC's mission of increasing the supply of well-designed, well-located housing in San Francisco. This letter reflects how your proposed project meets our guidelines and can also be improved. We believe that this project embodies the principals of good quality urban design and, with the implementation of our suggestions, will meet the needs of both present and future San Franciscans. We have attached a copy of our project review guidelines for your reference.

Project Description:

You propose to demolish the existing building at the site, which is used as a nightclub and auto detailer, and replace it with a 179-unit residential building with ground-floor retail.

Land Use:

SFHAC believes this is an appropriate location for new housing considering its proximity to jobs and transit. The current nightclub and auto-detailer are no longer consistent with the site's zoning, as the Rincon Hill Area Plan is designated as a high-density residential neighborhood.

Density:

The proposed project is 58 percent lower than the maximum allowable height and takes up 35 percent less volume than allowed by zoning. As a result, there will be fewer homes built than if the height and bulk were maximized. Normally, we prefer projects that provide the highest reasonable density on the site. In this case, however, our Committee felt the proposed design is appropriate, as it fits an elegant building into the context of the existing much taller Rincon Hill towers.

Affordability:

At the time of your presentation, you had not yet decided on whether you will provide the below-market-rate (BMR) units on site or if you will pay the *in lieu* fee. We are pleased to be informed you have decided to include the BMR units on-site, equating to 22 homes, or 12 percent of the total units.



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Parking and Alternative Transportation:

The proposed project is located in a transit-rich neighborhood and is within walking distance of BART stations and MUNI stations, bus stops, Golden Gate Transit and SamsTrans. Your plan provides 97 car parking spaces (a relatively low parking ratio), two CarShare spaces and 140 bicycle parking spots, 120 Class I and 20 Class II. Since we first reviewed the project, you have reduced the car parking by 14 spaces, from your original count of 111. We feel this is an improvement. The SFHAC urges you to consider increasing the amount of bike parking to a 1:1 ratio by using new bike storage technology.

Preservation:

There are no structures of significant historical or cultural merit on or next to the site.

Urban Design:

SFHAC commends you for the steps you are taking to create a pedestrian-friendly environment in a difficult location. You are proposing several design features that will activate the streetscape. These features include widening the existing sidewalks, creating bulb-outs on the street corners, adding street trees between Essex Street and 1st Street, and streetscape enhancements on Harrison Street and Essex Street. These improvements will also improve the connection of your project to the Embarcadero.

Given the site's tight space limitations, you have creatively planned several gathering spaces for the residents within the building. These include a café on the ground floor lobby, a gym on the ground floor more amenity space on the 7th floor that connects to outdoor space.

Environmental Features:

You are targeting LEED Silver for the proposed project. At the time of your presentation, you had not yet hired a sustainability consultant and had not formalized several decisions regarding which environmental features the project would provide. We encourage you to strive for LEED Silver.

Community Input:

SFHAC commends you for the efforts you have made to engage community stakeholders. You have reached out to numerous community groups and neighborhood organizations to get their input on the proposed project. You expressed to us that the surrounding community supports the demolition of the existing building and wants the site put to better use.

Thank you for submitting this project to the SFHAC Project Review 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

SFHAC Project Review Criteria

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 Area Median Income) 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 consistent with historic preservation standards 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 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.

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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.