



95 Brady Street
San Francisco, CA 94103
415 541 9001
info@sfhac.org
www.sfhac.org

July 30, 2014

Jack Sylvan, Vice President of Development
Forest City Enterprises
875 Howard Street, Suite 330
San Francisco, CA 94103

Ref: Pier 70 Development and Ballot Initiative

Dear Mr. Sylvan,

Thank you bringing your plans for Forest City's proposed Pier 70 project to the San Francisco Housing Action Coalition's (SFHAC) Project Review Committee. Upon review, we believe the project has many merits and will contribute to SFHAC's mission of increasing the supply of well-designed, well-located housing at all levels of affordability in San Francisco. Because Forest City is also introducing a ballot measure to go before the voters in November that will allow the Pier 70 development to exceed existing height limits, this letter also reflects our endorsement of this measure.

Please review this letter, which explains how your project meets our guidelines as well as areas in which improvements are suggested. We have attached a copy of our project review guidelines for your reference.

Project Description

Your plans propose an entire revitalization of the 28-acre Pier 70 site. The project would include a wide mix of new uses, with significant amounts of office, retail and open space, as well as a range of 1,000 to 2,000 homes.

Land Use

This is an excellent location for new housing. The SFHAC has long advocated for new housing at Pier 70 to help improve our jobs-housing imbalance in the southeastern City. As this area continues to evolve into a significant regional employment center, it is vital that we build much more housing and bring it into closer proximity to the jobs that are being created. If properly designed, we do not believe housing will conflict with the existing industrial uses such as ship repair.

The Pier 70 development would activate this derelict area with new residents and workers and would provide well-designed open space for them. This land is currently grossly underutilized and mostly walled off to the community. Your plans would create a new, lively and diverse neighborhood with abundant amenities and a strong sense of place.

Density

Forest City proposes to exceed the current height limit of 40 feet and build up to 90 feet in certain areas of the project. This height is both appropriate and necessary to make the

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project financially feasible. In order to exceed the current height limits, Forest City is asking the City's voters to approve a ballot measure for November 2014, known as *The Union Iron Works/Pier 70 Initiative*. The SFHAC supports the increase in height and has endorsed this ballot measure. It's worth noting that the height limit on Pier 70 was 90 feet until the 1970s when it was down-zoned to 40 feet in order to protect the existing industrial uses. In light of how the City has changed since then and the challenges we face, the lower height limit is no longer justifiable.

The proposed project design includes up to 2,000 new units of housing. While this is still in the conceptual stages for design and planning, we encourage you to find a healthy balance between the housing and commercial space. The goal is a project that will activate the site and become a livable neighborhood while remaining attractive to visitors and employees.

Affordability

Forest City deserves special praise for its plan to make 30 percent of the total unit count affordable at below-market rates. Your proposal goes above and beyond the current Inclusionary Housing requirements of new residential development. Roughly half of the affordable homes are intended to result from the Inclusionary Housing program, funded by the market-rate development, while the other half would result from land dedications administered by the Mayor's Office of Housing. We understand that the exact number of units cannot be determined at this time and will be established as the project is built over the coming years. Nevertheless, it is a commendably imaginative and flexible plan that promises to create a thriving, complete, mixed-income community.

Parking and Alternative Transportation

Because Forest City still in the conceptual stages of its design, it is too early to determine what car parking, bike parking or car share will be required or where it will be located. However, Pier 70 is close to the T-Third Street Muni rail line, as well as the 22nd Street Caltrain Station. You indicated that Forest City would work with the surrounding neighborhoods to develop new transit options and a trip demand management system for the residents. The SFHAC believes that for a project of this magnitude, it is important that the design explore ways to reduce emphasis on private auto use.

One concept expressed was to research shuttles that would run between the new Pier 70 neighborhood and nearby regional employment centers (Mission Bay) and transit nodes (CalTrain). The SFHAC strongly supports this effort and hopes you can formulate a plan that will both serve the Pier 70 neighborhood and benefit the surrounding communities.

Preservation

There are three structures of significant historic merit on the site that Forest City intends to rehabilitate and incorporate into the project design. Additionally, you indicated that the design would incorporate the stripped-down frame of a large older building of lesser value (and identified by the City as not historically significant) as a unique local landmark by incorporating it into the new passages and walkways to Third Street. The SFHAC believes your design for these structures is quite thoughtful and encourages you to move forward with these plans.

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Urban Design

Your proposal would essentially create a new neighborhood along the city's eastern waterfront. The SFHAC believes Forest City has done a tremendous job in designing a community that will encourage a range of uses and activities for residents and visitors, alike. Our Committee is pleased that the proposed buildings include a mix of heights, with significant amounts of open space strategically interspersed among them. This would provide light, air and outstanding views, and will connect people to the waterfront. We support the imaginative steps you proposed that reuse the historic structures and incorporate them into the project design.

Environmental Features

The SFHAC supports the measures Forest City has taken to make the project greener and more environmentally friendly. You stated in the presentation to our Committee that site's waterfront has been designed for a sea level rise of 55 inches – the new reality we face. You also mentioned Forest City would adhere to San Francisco's Green Building Ordinance and work on ways to exceed these requirements where possible. We urge your team to consider the exciting work that is being done on Zero Net Energy and Zero Net Water design. Please keep us abreast of how you intend to proceed.

Community Input

The level of effort, imagination and time Forest City put into engaging the surrounding communities exceeds that of any other community outreach process for new residential projects in San Francisco that we are aware of. To this point, your work encompasses three years of community outreach that has resulted in over 50 community meetings that has reached over 10,000 individuals. Forest City has also received project endorsements from your closest neighbors, the Dogpatch Neighborhood Association and Potrero Boosters Neighborhood Association.

Additional Comments

Several Committee members mentioned at the presentation that they are interested in tracking the financial feasibility of the project as the housing and office markets evolve. While there is no action you need to take on this, we wanted to have this comment on record.

Thank you for bringing the proposed Pier 70 project to the SFHAC's Project Review Committee. We are pleased to endorse the Pier 70 ballot measure and the excellent project it promotes. Please let us know how we can be of help in the future and keep us of abreast of any changes.

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.

