



Mr. Tim Vrabel
Chief Financial Officer
Emerald Fund
532 Folsom Street, #400
San Francisco, CA 94105

July 18, 2014

Ref: 150 Van Ness Avenue – Mixed-Use Development

Dear Mr. Vrabel,

Thank you for bringing Emerald Fund's proposal for 150 Van Ness Avenue to the San Francisco Housing Action Coalition's (SFHAC) Project Review Committee. Upon review, we believe your project has many merits and will contribute to SFHAC's mission of increasing the supply of well-designed, well-located housing in San Francisco. Please review this letter, which explains how your project meets our guidelines as well as areas in which improvements are suggested. Also see our report card, which grades the proposed project according to each guideline. We have attached a copy of our project review guidelines for your reference.

We will forward this letter to the Planning Commission leading up to your approval hearing.

Project Description

You plan to build 429 rental homes with ground-floor retail on what is currently a surface parking lot, elevated parking lot and vacant office building.

Land Use

This is an entirely appropriate location for new housing. The development of 150 Van Ness Avenue, along with the adjacent 100 Van Ness Avenue and 101 Polk Street, promises to transform the area into an active, residential community with a strong street life.

Density

You plan to provide 429 rental homes on a site that spans an entire block, with a 120-foot height limit. The unit mix includes two-bedrooms, one-bedrooms and studio units. This is an appropriate density for the area and is comparable to similar new developments being built in the neighborhood. There is no maximum allowable density at this site.

Affordability

You plan to provide your Inclusionary below-market-rate (BMR) units on-site. This equates to 12 percent of the total unit account, or 50 BMRs.

At your presentation to our Project Review Committee, you mentioned that Emerald Fund is exploring ways to partner with a nonprofit developer to build an off-site project with the goal of building more affordable housing. An off-site project could deliver over 80 BMRs. You discussed with us in follow-up messages that this would only be feasible

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if the economics worked for both the principal project as well as the non-profit partner and if the necessary legislative changes were made to this section of the Inclusionary Housing Ordinance.

The SFHAC commends you for exploring ways to make a greater impact on housing affordability and supports either route you choose.

Parking and Alternative Transportation

The SFHAC supports the measures Emerald Fund is taking to make 150 Van Ness Avenue a transit-first, pedestrian-friendly, mixed-use development.

Your project is located on, or very near, several transit lines. Muni bus stops are located on both Van Ness Avenue and Market Street, the Muni rail stations are located within walking distance. This area is also bicycle friendly, with the busy Market Street bike lane and newly designed Polk Street contra-flow both within one block from the project.

With these issues factored in, you proposed 219 car parking spaces, a 0.51:1 parking ratio. The project will also have four CarShare spaces on site. Finally, you plan to provide at least 211 bicycle parking spaces, a 0.49:1 ratio.

Preservation

Several studies were conducted on the existing office building that would be demolished and each one determined that the overall building does not merit historic status. There was support for possible reuse of the valuable interior historic fabric within your project voiced by some SFHAC members during the committee's deliberations. We would support Emerald Fund finding ways to incorporate elements of the CSAA service lobby within your project.

Urban Design

Your project will help transform this neighborhood as well as connect with the adjacent 100 Van Ness Avenue and 101 Polk Street projects, creating an attractive residential neighborhood.

The project includes several areas for open space and tenant community gathering, including two courtyards, a pool deck and roof deck. Members expressed concern about the wind impacts on your open spaces and encourage you to analyze the wind on them as part of the required EIR analyses. We're especially pleased that your design has reduced the total number of curb cuts for vehicles from five to two.

The SFHAC would like to see more landscaping on the sidewalks to reduce wind velocity and help ensure the streets are activated. There was discussion at your presentation about including retail at the corner of Hayes Street and Polk Streets, instead of housing with walk-up stoops. However, you voiced the concern of having the retail space sit vacant. While we would prefer street level retail at that corner location, the SFHAC can support your decision to provide housing at this intersection. That area will be activated with the presence of over 1,500 new residences from these three new projects.

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Environmental Features

You expressed to our Committee that the project is still in early design stages for this category, but you would achieve applicable the Green Point standard.

There was discussion at your presentation of adding solar collectors to the roof of the project. However, that might not be feasible because of the taller buildings surrounding the project. A member of the Committee suggested you consider wind power generation, since the site experiences strong winds, which you agreed to examine.

Community Input

You have been diligent in reaching out to various community groups and stakeholders to get feedback on the development, totaling 30 groups or individuals. A representative from Hayes Valley Neighborhood Association, to whom Emerald Fund had already presented, mentioned that they were pleased with many of the improvements you had made to the project.

Thank you for bringing 150 Van Ness Avenue to the SFHAC for review. We are pleased to endorse this project. Please keep us abreast of any changes and let us know how we may be of assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Colen", written over a light blue background.

Tim Colen

CC: Planning Commission

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.

