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August 14, 2014

Mr. Steve Kuklin
Group I
100 Bush Street, Suite 1650
San Francisco, CA 94104

Ref: 950-974 Market Street – Mixed-Use Development

Dear Mr. Kuklin,

Thank you for bringing your proposed project at 950-974 Market Street to the San Francisco Housing Action Coalition (SFHAC) Project Review Committee. Upon review and discussion, we believe your project has many merits and will contribute to the SFHAC's mission of increasing the supply of well-designed, well-located housing at all levels of affordability in San Francisco. Please review our letter, which explains how your project meets our guidelines and areas where improvements are suggested. Please pay attention to the Parking and Alternative Transportation section. We have attached a copy of our guidelines to the end of this letter for your reference. Also see our report card, which grades your project according to each guideline.

Project Description

Your project proposes the demolition of several underutilized commercial and vacant retail spaces and the construction of a large, mixed-use development that includes 312 new homes, as well as large amounts of retail, commercial, entertainment and hotel space.

Land Use

Your proposed development will essentially transform this neighborhood in a beneficial way. It would not only enliven the neighborhood, but would connect the lively downtown district with the evolving Mid-Market area. The SFHAC commends you for pursuing this ambitious project, which would provide a significant amount of badly needed housing at a transit-rich site. We support the new arts and commercial spaces on the site, amenities that the neighborhood currently lacks.

Density

The proposal calls for 312 new condo homes, which exceeds the zoning limit of 272 units. The units are relatively small, averaging about 570 square feet. As a result, the project requires exceptions for residential density and the height limit. The SFHAC supports this proposal, as it allows the project to deliver a larger number of housing units.

Affordability

The SFHAC commends your decision to provide the below-market-rate (BMR) units on-site. This would equate to 37 homes, or 12 percent of the total units. You also suggested that some of the market-rate units, because of their small size, could serve residents within the 120 to 150 percent Area Median Income (AMI) range. While it is difficult to know this with certainty at this stage, we strongly support the concept of producing housing for this income level.



The San Francisco Housing Action Coalition advocates for the creation of well-designed, well-located housing, at ALL levels of affordability, to meet the needs of San Franciscans, present and future.

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After your presentation, there was discussion among our members regarding the concern that some of these homes might become non-primary residences. While there doesn't appear to be anything that can be done to address this issue, we want this comment on record.

Parking and Alternative Transportation

The SFHAC noted several improvements that could be made in this area. The project proposes 99 total parking spaces, 78 of which would be for building residents and the rest devoted to other uses within the development. Although this is a low parking ratio, about 0.3:1, the SFHAC believes you might consider reducing the number of parking spaces. Because the site is well served by the Powell Street BART Station, several Muni rail and bus lines and the busy Market Street bicycle corridor, we believe the need for parking is low. One of our members even noted that this project could be car free.

We do not support a cutout along the Market Street sidewalk even though we understand it's designed to be a drop-off zone. We believe your development would be improved by adhering to the City's plan to deemphasize Market Street for private auto use. To this end, we strongly suggest that you designate Turk Street as the primary drop-off zone and lengthen the proposed cutout. In order to compensate for the loss of landscaping and sidewalk area from the extended cutout along Turk Street, we suggest adding a landscaped bulb-out at the corner of Turk Street and Taylor Street.

Finally, we urge you to consider increasing the amount of bike parking to a 1:1 bike space per unit ratio.

Preservation

There are no structures of significant historic merit on the site. However, the site is the location of "The Old Crow" bar, the longest operating gay bar in San Francisco from 1934 to 1980. We support your proposal to memorialize this culturally historic use by displaying a plaque in the public lobby. Your team engaged Page & Turnbull to prepare a formal Historic Resource Evaluation as part of the environmental review process. The SFHAC supports this effort.

Urban Design

Many of the comments on this section were addressed under Parking and Alternative Transportation. However, we would like to express our support for the overall programming mix and design of the project, which will bring new functional and visual life to the neighborhood. The site is nicely broken up into three separate structures. At your presentation to our Committee, you mentioned that this is the second rendering of your project, reflecting a change in relative sizes and positions of the massing. One of the primary changes between the first and second renderings was to have the two towers slope inward towards one another, as opposed to facing away. The committee generally preferred this direction in your design development. You indicated your team is working on animating the Market Street presence of the arts portion of the project and we encourage that effort.

The transparent ground floor façade will help connect pedestrians to the inside of the building by showing the activity taking place inside. You propose several areas for exterior open space to serve the residents and visitors within the project. The residential open space will be located on the 8th, 18th and 19th floors, totaling over 15,000 square feet. There will also be a public plaza

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and open space located on the ground floor, as well as semi-public space above the hotel. We understand you are still working out how some of these spaces will be shared between the residents and hotel visitors. But overall, we are in full support of your plans and encourage you to move forward with the design.

Environmental Features

We understand you are still in the early stages with this project, so the environmental features you plan to implement are not finalized. But you indicated an interest to pursue LEED Gold Level in addition to incorporating low-flow and grey water systems. You also mentioned your interest in extracting heat from the building's waste system. One of our members suggested utilizing steam from the NRG loop. The SFHAC applauds your efforts to further green the development.

Community Input

The SFHAC is impressed that you have made an extensive effort to engage the community on this project. You have involved a variety of stakeholders in your outreach process and we encourage you to continue these efforts as you finalize the project's design.

Thank you for bringing your proposed project at 950-974 Market Street to the San Francisco Housing Action Coalition's (SFHAC) Project Review Committee. We are pleased to endorse this excellent project, which we believe will provide tremendous benefits to current and future San Francisco residents. Let us know how we may be of assistance moving forward.

Sincerely,



Tim Colen, Executive Director

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.