



Ross Stackhouse, Vice President
Tidewater Capital
25 Taylor Street
San Francisco, CA 94102

December 9, 2015

Ref: 1028 Market Street – Mixed-Use Development

Dear Mr. Stackhouse,

Thank you for bringing your proposal for 1028 Market Street to the San Francisco Housing Action Coalition's (SFHAC's) Project Review Committee on October 8th, 2014 and November 11th, 2015. After thorough review and discussion, we are pleased to endorse the project. 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 suggested improvements. We have attached a copy of our project review guidelines for your reference.

Project Description: The proposed project would replace the long-vacant Hollywood Billiards site with 186 apartments in a 120-foot height district, with about 10,000 square feet of ground floor, neighborhood-serving retail and subsurface parking for 44 cars.

Land Use: The SFHAC believes this is an excellent location for new housing. In an effort to draw residents to your site, you have transformed the building into a very well received, temporary food hall. Our members believe the food court is a creative community outreach gesture that will help jump-start the activation of the neighborhood. The project site is located in the rapidly evolving Mid-Market neighborhood and is within walking distance of many of the City's jobs. We strongly support new housing here as a means to activate an area that would greatly benefit from it.

Density: The SFHAC strongly supports your approach to maximize the site's density, including buying transferable development rights (TDRs) from the neighboring historic building.

Affordability: We support your decision to provide the below-market-rate (BMR) housing on site, which equates to 22 BMRs priced at 55 percent of the area median income. We encourage you to examine the Inclusionary Dial that might allow your project to include a higher percentage of BMRs for a wider range of incomes.

Parking and Alternative Transportation: We believe the low car-parking ratio of 0:25:1 is entirely appropriate for this site considering its proximity to jobs and transit. We urge you to consider a bike-parking ratio of one space per bedroom. We consistently hear from project sponsors that they've overestimated their need for car parking while underestimating it for bike parking.

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Preservation: There are no structures of significant cultural or historic merit on site that would be impacted by the proposed project. The design is respectful of the adjacent historic building to the east and helps support its preservation through the purchase of TDRs.

Urban Design: The retail and ground floor along Golden Gate Avenue has been improved significantly since your first presentation to us. Our members believe the project could be improved if more detail was added to the Market Street façade to achieve greater depth. Additionally, we encourage your team to more strongly reflect the horizontality of the adjacent historic building along Golden Gate Avenue without duplicating it.

Environmental Features: The project would achieve the basic environmental standards for new buildings in San Francisco. However, we recognize the City's requirements are far higher than most others. We therefore encourage you to explore more options that further green the building and reduce water use.

Community Input: Our members believe your team has done a terrific job of engaging the community on the proposed project. You've used the venue at The Hall to host regular presentations and events. We hope your new project could keep the spirit of The Hall alive and also encourage you to work with the community on an art piece that would compliment the project.

Thank you for presenting your plans for 1028 Market Street to our Project Review Committee a second time. We believe the project has undergone significant improvement and we are pleased to endorse it. Please keep us abreast of any changes and let us know how we may be of assistance.

Sincerely,



Tim Colen
Executive Director

SFHAC Project Review Guidelines

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.