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Jon Yolles, Senior Project Manager
Prado Group
150 Post Street, #320
San Francisco, CA 94108

September 28, 2015

Re: 2240 Market Street – Mixed-Use Development

Dear Mr. Yolles,

Thank you for presenting your plans for 2240 Market Street to the San Francisco Housing Action Coalition's (SFHAC) Project Review Committee on August 26, 2015. After thorough review and discussion, we are pleased to endorse the project. We believe it has merit and aligns with our goals of increasing the supply of well-designed, well-located housing for residents of all income levels in San Francisco. Please review our letter, which explains how your project meets our guidelines, as well as areas in which improvements are suggested. Also, please review our report card, which grades your project according to each guideline. We have attached a copy of our project review guidelines for your reference.

Project Description: The project proposes to build 45 residences, including two townhomes, while retaining the existing commercial space and three rent-controlled units. Car parking will be built underground.

Land Use: A surface parking lot, a building occupied by a funeral home and three apartments currently occupy the site. Housing is a much better use of the area, as it is well served by transit and is within proximity to numerous job centers and neighborhood amenities. The funeral home will be renovated and repurposed for other uses and the apartments will all be preserved.

Density: The project takes advantages of the building envelope and proposes a wide range of unit types, ranging from studios to townhomes.

Affordability: The project will include the below-market-rate (BMR) homes on site. Twelve percent of the homes will be priced at 55 percent of the Area-Median-Income (AMI), per the Inclusionary Housing Ordinance. Our members encourage you to consider incorporating the "Dial" as a way to include more BMRs that would serve "middle-income" residents, if financially feasible. The three rent-controlled apartments at the rear of the site will be preserved and no displacement of residents will occur as a result of the project.

Parking and Alternative Transportation: The site is located in a transit-rich neighborhood. Two Muni rail stations are located close by and several Muni bus lines as well as the busy Market Street bicycle corridor run in front of your site. The neighborhood is also very pedestrian friendly.

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We support your car and bike parking plans. Your proposal to provide 24 subterranean car parking spaces actually results in a net loss of 11 spaces from what is currently on site. Your plans include 60 Class I bicycle parking spaces and 6 class II spaces, which bring the project closer to a ratio of one bike space per bedroom. We consistently hear from our members that project sponsors overestimate the need for car parking and underestimate the need for bike parking in their projects.

You anticipate the project will include electric car charging stations and car share parking along 15th Street. We strongly encourage you to pursue those plans.

Preservation: We commend you for preserving the funeral home and the three rent controlled units. Our members believe you have worked diligently with the Historic Preservation Committee and local community to design a project that respects the character and significance of the older building. We're also very pleased that you will retain and renovate the existing three rent controlled units.

Urban Design: Our members noted that is a challenging site, but we feel you have done an excellent job in designing a project that respects the eclectic character of the neighborhood and integrates well with the existing structure. We also commend your team's efforts to adhere to the Better Streets Plan and create a safer and livelier pedestrian experience. This includes eliminating two curb cuts on Market Street and creating engaging retail frontages.

Open space will be provided in the form of a roof deck, balconies and rear yard.

Environmental Features: We strongly support your initiative to achieve LEED Platinum for the building. Some of the measures you plan to incorporate include solar thermal hot water, electric car charging stations and on-site water filtration. We encourage you to continue pursuing solutions that will help green your project as well as increase water conservation and recycling.

Community Input: You have thoroughly engaged the surrounding community, having met with local neighbors, neighborhood associations, merchant groups and the San Francisco Bicycle Coalition. We urge you to also meet with SFHAC's trade union members and discuss ways you might work together on the project.

Thank you for presenting your plans for 2240 Market Street. We endorse the project without reservation. Please keep us abreast of any changes and let us know how we may be of assistance moving forward.

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.