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Mr. Steve O'Connell  
Grosvenor  
1 California Street, Suite 2500  
San Francisco, CA 94111

May 5, 2015

**Ref: 240 Pacific Avenue – Mixed-Use Development**

Dear Mr. O'Connell,

Thank you for bringing your proposed project for 240 Pacific Avenue to the San Francisco Housing Action Coalition's (SFHAC) Project Review Committee on February 11, 2015. Following review and further deliberation with your team after your presentation, we are pleased to endorse the project. We believe the project has merit and will contribute to our mission of increasing the supply of well-designed, well-located housing in San Francisco. Please review our letter, which reflects these views and includes other recommendations made by our members for modest improvements.

Please see our report card, which grades your proposal according to our guidelines. We have attached a copy of our project review guidelines for your reference.

**Land Use:** You propose building 33 for-sale homes above ground-floor retail on what are now two parking lots and a restaurant. The SFHAC believes that housing is a much better use of the site, especially considering its location in the City's core and proximity to jobs and many amenities.

**Density:** The site permits up to 55 dwelling units. However, your plans maximize the allowable floor-area-ratio (FAR). Although our members would prefer a higher number of homes and see this as somewhat of a missed opportunity, we fully understand the circumstances, given what is allowed on the site.

**Affordability:** You indicated that payment of a \$2.25 million dollar *in-lieu* fee to the Mayor's Office of Housing is your preferred alternative. However, you mentioned that you explored the option of building the below-market-rate (BMR) units off-site, but were unable to find a feasible site within the one-mile radius. While we generally support on-site BMR units, we understand that there are other legal options.

**Parking and Alternative Transportation:** The project was improved significantly as a result of the changes made to the car and bike parking spaces. At the time of your presentation, you proposed 42 car parking spaces and 33 bicycle parking spaces. Our members strongly urged you to reduce the number of spaces for cars and increase those for bikes so the project would more closely align with the City's transit-first policies. Since then, you reduced the number of car parking spaces to 35 and increased the number of bicycle parking spaces to 50, a ratio of 1.5 bike spaces per home. We applaud these improvements.

Mr. Steve O'Connel  
May 5, 2015  
Page Two

Additionally, the site is located in pedestrian-friendly neighborhood, within walking distance to numerous neighborhood amenities and transportation options.

We are pleased to learn that your street parking will be dedicated for City CarShare spaces, in accordance with the SFMTA's program. This program is currently only a pilot project, but will hopefully be ready by the time your project is completed.

**Preservation:** There are no structures of significant historic or cultural merit on the site. Your project wraps around the historic Old Ship Saloon. Our members believe this very effectively addresses the historic context of the building by setting your project back from the Saloon.

**Urban Design:** The SFHAC commends your building's design and layout. We believe your project is contextually compatible with the surrounding neighborhood. In addition, the project's design effectively breaks up the massing and sets it back from the adjacent buildings.

Public open space would be provided in two spaces that are accessible to all residents. Private open space would be distributed in eight spaces throughout the building, totaling over 4,200 square feet. Our members believe that the ground floor would be further improved with the addition of street trees and active retail.

**Environmental Features:** There don't currently appear to be any concrete plans to incorporate green features into the project. A member of your team mentioned that the building's design allows cross-circulation to ventilate the units. We encourage you to explore ways to further green the project. We also urge you to consider incorporating individual water sub-metering into the units since it is likely there will be a local or statewide initiative mandating this before long.

**Community Input:** You have appropriately engaged the surrounding community and responded to their concerns. The primary concern came from an adjacent condo building regarding your proposal's fronting their property line. You commendably responded by stepping back the project to create more space between the buildings. You've also incorporated our Committee's feedback into the project by reducing the project's car parking and increasing the amount of bike parking.

Thank you for bringing your proposed at 240 Pacific Avenue to our Project Review Committee. We are pleased to endorse this project. Kindly 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.

Mr. Steve O'Connel  
May 5, 2015  
Page Four

**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.