



95 Brady Street
San Francisco, CA 94103
415 541 9001
info@sfhac.org
www.sfhac.org

Mr. Tim Dunn
Mercy Housing
1360 Mission Street, Suite 300
San Francisco, CA 94103

May 15, 2015

Ref: Parcel O – 100-Percent Affordable, Mixed-Use Development

Dear Mr. Dunn,

Thank you for bringing Mercy Housing's proposed project for Parcel O to the San Francisco Housing Action Coalition's (SFHAC) Project Review Committee on April 22, 2015. Following review, we endorse your project without condition. We believe it has significant merit and will contribute to SFHAC's mission of increasing the supply of well-designed, well-located housing that meets the needs of both present and future San Franciscans. This letter reflects our endorsement of your project. We believe it will make a badly needed contribution to the City's affordable housing stock. 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.

Project Description: This project proposes the construction of 112 permanently affordable homes, 20 percent for formerly homeless residents. It includes no car parking.

Land Use: This is an excellent location, specifically planned for new housing. We are pleased to see one of the last Central Freeway Parcels finally come to productive use, especially for affordable housing.

Density: The project actually exceeds the number of homes the City initially targeted for this site. We fully support your decision to increase the number of homes provided. The plans also propose a good unit mix, ranging from studios to three-bedrooms.

Affordability: This rental project will be 100 percent affordable. Twenty percent of the homes will serve the formerly homeless and the remainder will serve residents earning up to 60 percent of the area median income. Our members are enthusiastic that this project is finally moving forward.

Although these concepts do not necessarily fall in line with this guideline, we would like to express our heartfelt support for the on-site resident services you will to provide. Two of the units will be dedicated to daycare use as well as a local organization – Community Grows – to create a community garden for the residents. A resident services coordinator will live on site and, in addition, 1.5 staff will work with the formerly homeless residents.

Parking and Alternative Transportation: The plans for this development are completely in line with the City's transit-first policies. The project will be car free and provide at least one bicycle parking space per residential units. We encourage you to continue exploring

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opportunities for increasing the number of bike parking spaces. You mentioned the possibility of installing car share spaces. This is something we would support.

We applaud your working with the San Francisco Bicycle Coalition to create a bike education program for the building's residents. You also mentioned including two bike repair stations. This goes beyond of what is required.

In addition to these benefits, the site is located in a pedestrian-friendly neighborhood with numerous amenities. Various transit options, including Muni rail and bus lines as well the Civic Center BART Station, are within walking distance.

Preservation: There are no structures of significant cultural or historic merit on or near the site that would be affected by the project.

Urban Design: The plan fits well the neighborhood context and includes a varied façade that is broken up with an interior courtyard and mid-block passage. The project includes two-story townhomes along Hickory Street and a five-story building along Fell Street. Along Laguna Street, the building steps down from Hickory to Fell. By keeping the heights lower along Hickory Street, the interior courtyard will be exposed to more sunlight. The mid-block passage will also align with Parcel P's mid-block passage, located next door. We believe this was very well conceived.

More open space will be provided in the form of a courtyard on a parcel of the building along Fell.

The corner of Fell and Laguna includes about 1,200 square feet of retail. You mentioned that you considered using it for a grocery store, but our members thought this space is too small for that use.

Environmental Features: The plans are still in the somewhat early stages, so any specific environmental measures have not been finalized. Because the majority of the rooftop of the building along Fell is not yet programmed, we believe this would be an excellent opportunity to install solar panels.

We strongly encourage you to consider installing individual water sub-metering, since it is likely there will legislation at the state or local level mandating this before long.

Community Input: Despite just having released your Preliminary Project Assessment (PPA), you have already met with the Hayes Valley Neighborhood Association (HVNA), as well as some immediate neighbors, to discuss the plans for the project. You mentioned they have all be supportive of the plans. We encourage you to continue to engage the surrounding community as the plans for the project evolve.

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Thank you for presenting your plans for Parcel O to our Project Review Committee. We endorse the project without reservation. Please let us know how we may be of assistance moving forward.

Best,

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