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Mr. Cyrus Sanandaji, Managing Director  
Presidio Bay Ventures  
185 Berry Street, Suite 1200  
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July 8, 2015 (revised from June 11, 2015)

**Re: 1567 California Street – Mixed-Use Development**

Dear Mr. Sanandaji,

Thank you for presenting your plans for 1567 California Street to our Project Review Committee on April 22, 2015. Upon thorough review and discussion, we endorse the project. Although we have some reservations, we feel the project has merit and aligns with our mission of increasing the supply of well-designed, well-located in San Francisco, at all levels of affordability. Please read our letter, which explains how your project meets our guidelines, as well as areas suggested for improvement. Please also see 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 61-65 homes in a seven-story building with over 9,000 square feet of ground floor retail, above one level of subterranean parking.

**Land Use:** The site is currently occupied by retail and a surface parking lot. This is an ideal location for new, higher density housing, as it is in the heart of a vibrant mixed-use commercial and transit corridor with numerous neighborhood amenities.

**Density:** At your presentation to our Committee, your plan was to build 51 units. But in follow-up conversation, you stated you would increase the number of homes to between 61 and 65 units. The site could accommodate up to 94 units under allowable zoning. We understand your current proposal is due to the somewhat unique rules governing local zoning; RM-3, the nearest adjacent residential zone, allows building 47 homes, while RM-4, still close your site, allows for 94. The current unit count is a compromise that has been worked out with the Planning Department. Although our members would have preferred a greater density, we understand the circumstances with which you must work.

We understand you are still in negotiations with Planning on increasing the density. We hope they will allow for the additional units, as we believe this site is an ideal location for greater density and the smaller units would make them affordable to more residents.

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**Affordability:** At the time of your presentation, it seemed you would pay the in-lieu fee to the Mayor's Office of Housing. We are pleased to hear you have now opted for putting the below-market-rate (BMR) units on site. This would equate to seven or eight BMR units, depending on the total unit count.

**Parking and Alternative Transportation:** The site is located along an active pedestrian and bicycle corridor that acts as a major connector between the eastern and northwestern areas of the City. The project would be well-served by several transit lines, including the California Street Cable Car, Muni lines along California and Polk Streets and the future Van Ness Bus Rapid Transit (BRT).

The project proposes 35 parking spaces, 15 of which will be allocated for the commercial space in the building. The parking ratio for the residential units is just over 0.3 spaces per homes. SFHAC supports this low ratio. You indicated you plan to provide a bike-parking ratio of one space per home. Because of the high demand for bike parking in the City, we encourage you to increase this ratio. We consistently hear from our members that project sponsors over estimate the need for car parking and don't plan for enough bike parking.

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

**Urban Design:** Our members encourage you to create more differentiation between the retail and residential portions of the building along Polk Street, in order to respect the context of the Polk Street mixed-use corridor. Follow up renderings you've shared show improvements. We also believe the landscaping and streetscape improvements will make for a better pedestrian experience along this corridor.

Our members noted the streetscape design along California Street could do a better job of buffering the busy vehicular traffic and pedestrian activity on the sidewalk. However, you acknowledged any final designs may be left up to the Department of Public Works (DPW), which we understand is beyond your control.

We would support the design stepping back the ground floor of the building along California Street and reducing the number of curb cuts where possible. We urge you to consider creating a multi-purpose community room near the residential entry.

The project would include about 17,000 square feet of open space for the building's residents, distributed between private patio spaces and common open spaces on the 4<sup>th</sup> floor roof deck and top roof deck, which would include various amenities. Since these are larger units, it is more likely families will occupy them, and they would be well served by the space.

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Finally, we'd like to acknowledge your subsequent efforts to respond to our concerns about the urban design of your project and sharing updated renderings with our Committee Chair, which show improvements.

**Environmental Features:** You plan to incorporate several features that will help green the building, above the basic energy and water conservation requirements of San Francisco, which exceed those of most other cities in the country. These include implementing individual water metering into the units, which we strongly support. The building will most likely be LEED Gold Certified and also the first DELOS/Well certified multifamily project on the West Coast. The latter program is new to us, but we understand the goal is to improve the health and well being of the building's residents. Finally, you stated in follow-up discussion that you will equip the building with EPA's energy star rating system, which will monitor the building's energy usage.

**Community Input:** Our members believe you have been thorough in reaching out to and engaging with the surrounding the community. You have met with the local Central Business District, various merchant associates and Larkin Street Youth, amongst numerous other groups. You have also engaged various City officials with your plans. As you approach your Planning Commission hearing, we encourage you to continue to be open to any legitimate concerns that can readily be accommodated.

Thank you for presenting your plans to our Project Review Committee. We endorse the project, with the reservations noted above. Please keep us abreast of any changes and let us know how we may be of assistance.

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.