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October 27, 2015

Mr. Patrick Szeto  
DIVCO Group, LLC  
1489 Webster Street, #218  
San Francisco, CA 94115

Dear Mr. Szeto,

Thank you for presenting your plans for 650 Divisadero Street to our Project Review Committee on September 30, 2015. Upon 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 at all levels of affordability in San Francisco. Please review our letter, which explains how your project meets our guidelines, as well as suggestions for improvements. 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 demolish an existing auto shop and construct 60 rental homes above ground-floor retail, with one level of subterranean parking for 26 cars.

**Land Use:** A one-story auto shop currently occupies the site. Housing is a much better use considering that Divisadero Street is well served by transit and enjoys numerous neighborhood amenities. Our members are pleased that Supervisor Breed's legislation rezoned the site to NCT, so the project increased from 16 to 60 homes. Greater density is appropriate for this location.

**Density:** There are no density limits on the site. The project takes advantage of the building envelope and proposes a mix of unit types, ranging from one- to three-bedrooms. We encourage you to examine implementing the local density bonus ordinance, known as the "Affordable Housing Bonus Program." This legislation, planned for adoption by the end of 2015, would serve your project well since it is intended for developments outside of area plans, like 650 Divisadero.

**Affordability:** Your current plans are to provide the below-market-rate (BMR) homes on site, totaling 12 percent of the total units. However, you expressed interest in providing more BMR homes at a greater range of affordability. We would encourage you to use the "dial," which would help you to achieve this goal. Legislation to accomplish this will be introduced shortly. Likewise, the density bonus would enable you to provide homes in the 120 to 140 percent of area median income range. The SF Housing Action Coalition is happy to be a resource in connecting you to these proposals.

**Parking and Alternative Transportation:** The site is located on a very active commercial transit corridor. Several Muni bus lines run past the site, with stops for the 24, 21, 5 and 5R, all within 0.2 miles of the site. The popular bicycle route known as the Wiggle also runs through this area.

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We support your plans to provide 26 car parking spaces, less than 0.5 spaces per bedroom. However, we encourage you to boost your bicycle parking to one space per bedroom. We've heard many times from our members that project sponsors underestimate their need for bike parking and overestimate for bicycle parking.

Additionally, we urge you to consider adding an on-street car share space.

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

**Urban Design:** Our members support your plans for the ground floor, which include stepping back the retail space by three feet to create a wider sidewalk and support a lively pedestrian experience. We also encourage you to maintain the glass storefront, which would help activate the ground floor.

Open space will be provided via an interior courtyard on the second floor and a roof deck.

Finally, we encourage you to follow up on the acoustic study and ensure you worked everything out with The Independent, adjacent to your property. This project is the first our Committee has reviewed since the adoption of the City's nightlife noise legislation and we would like to ensure it sets a good precedent for future projects built near music/entertainment venues.

**Environmental Features:** Your current plans to green the building were not fully developed. We strongly encourage you to achieve greater than LEED Silver or an equivalent for the building. One measure you may want to consider in order to better conserve water is to implement individual water metering for the units.

**Community Input:** You have conducted only preliminary neighborhood outreach, but have presented to the Alamo Square Neighborhood Association and held two pre-application meetings. We are aware there is an effort among neighbors to require projects to include 33 percent on site affordable housing in order to get support from the community. We understand not every request is realistic or can be accommodated, but we strongly encourage you to continue engaging residents and responding to their concerns to the best of your ability. Finally, we encourage you to engage with SFHAC's trade union members as you move forward with the project.

Thank you for presenting your plans for 650 Divisadero Street. We are pleased to endorse the project. 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.