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November 10, 2015

**Ref: 1979 Mission Street - Mixed-Use Development**

Dear Mr. Mallen,

Thank you for presenting your plan for 1979 Mission Street to the San Francisco Housing Action Coalition's (SFHAC) Project Review Committee on June 10, 2015. We apologize for the delay in getting you a more timely response. After thorough review and discussion, our members agreed to fully endorse the project. We believe the project has considerable merit as it aligns with our mission of increasing the supply of well-designed, well-located housing at all levels of affordability. Also, see our report card, which grades the 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 the existing commercial spaces at the northeast corner of 16<sup>th</sup> and Mission Streets and build a 10-story building with 331 homes, ground-floor retail and one level of subterranean parking for 159 cars.

**Land Use:** The site is currently occupied by a Walgreens store, a bar, retail, and vacant storefronts. Our members unanimously agree that mixed-use with housing is a far better land use, especially considering its location above the 16<sup>th</sup> Street BART Station and the striking lack of neighborhood amenities. This site is entirely compliant with the Eastern Neighborhood Area Plan. The project does not exceed the existing 105-foot height limit that was established decades ago.

**Density:** The plan takes full advantage of the building envelope and proposes a mix of unit types, ranging from studios to three-bedrooms, and one four-bedroom unit.

**Affordability:** The SFHAC applauds the spirit and intent of the project's affordability package. Our members are not aware of a precedent for this plan -- it would have to be approved through a Development Agreement. But if successful, it would help build significantly more housing for low- and moderate-income residents than the standard Inclusionary Ordinance approach could deliver.

The project proposes 290 rental homes and 41 below-market-rate (BMR) for-sale homes located on-site, totaling 331 units. The BMR units would be priced from 90 to 150 percent of the area median income (AMI), and designed to help middle-income residents who are being squeezed out of the City. The proceeds from the sales of these BMRs would fund the construction of the raised playground for the adjacent Marshall Elementary School. The remainder of the proceeds would go to the Mayor's Office of Housing, which would use it to finance the equity gap for an

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estimated 53 BMR homes in the Mission priced at 30 to 55 percent of AMI. This would require subsequent approval of a Development Agreement by the SF Board of Supervisors.

While this financing scheme is more complex than what we normally see, we applaud the creativity and effort to achieve higher affordability. Our members wish more development proposals made this attempt.

**Parking and Alternative Transportation:** The project could not be more transit-oriented in terms of its location. It is located above the 16<sup>th</sup> Street BART Station and adjacent to numerous Muni bus lines along Mission and 16<sup>th</sup> Streets. In addition, the project would make several improvements to the streetscape to make the area safer for pedestrians. These include re-landscaping areas along Mission and 16<sup>th</sup> Streets, adding a bulb-out at Capp and Adair Streets, narrowing Capp Street and widening its sidewalk.

The project currently proposes 163 total car parking spaces, 136 of which would be for the residents, as well as 162 bike parking spaces. We would prefer to see the car parking count reduced and the bike-parking ratio increased to at least one space per unit. We consistently hear from local developers that their projects overestimated the need for car parking and underestimated it for bike parking.

Finally, we support your decision to provide four car share spaces.

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

**Urban Design:** The project would make substantial public realm improvements to a neighborhood that badly needs them. These include active ground-floor uses and street landscaping improvements, such as wider sidewalks, traffic-calming measures along Capp Street and making the area safer for pedestrians. The building is broken up into three distinct forms, which contextually blend in very well with the surrounding neighborhood.

Although this does not necessarily fall into the category of urban design, our members commend your praiseworthy initiative to respect the space between your building and Marshall Elementary and to build them a new raised playground. This would be a notable benefit for the school.

**Environmental Features:** You did not have concrete plans at the time of your presentation. But some of the measures you are considering include solar photovoltaic, creating a green wall, and possibly using modular construction. You stated your intent to achieve LEED Gold. We strongly encourage you to explore ways to further green the project and, especially, conserve water. For instance, individual water metering and grey-water recycling systems are likely to become mandatory before long.

**Community Input:** Our members feel you have done an extraordinary job in engaging the surrounding neighborhood, having held over 250 community meetings. Although this has been a highly contentious project for many residents, we believe your team has made an extensive good-faith effort to respond to their concerns. These pertain primarily to affordability and the

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building's potential impact on Marshall Elementary School. Some members of the community have emphatically demanded a 100-percent-affordable project. While we all support increased housing affordability, this is unfortunately completely unrealistic and economically infeasible.

Thank you for presenting your plans for 1979 Mission 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.

Sincerely,

A handwritten signature in blue ink, appearing to read "T Colen", with a long horizontal flourish extending to the right.

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.