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

December 8 2015

Ref: 875 California Street – Residential Development

Dear Mr. O'Connell,

Thank you for bringing your proposed project for 875 California Street to the San Francisco Housing Action Coalition's (SFHAC) Project Review Committee on October 21, 2015. Upon thorough review and discussion, we have decided to endorse the project. We believe it has merit and will contribute to our mission 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 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 guidelines for your reference.

Project Description: The project proposes the construction of 44 new for-sale homes with one level of below-grade parking for 48 cars.

Land Use: The site is currently occupied by a surface parking lot and one-story parking garage. Housing is a significantly better use. Our members agree that this a landmark location, considering it's at a very prominent intersection where Powell and California Streets meet.

Density: The site suffers from outdated zoning that does not favor density. Although your project maximizes density within the height limit, we believe this is an excellent opportunity to build a taller building that stands out more. Unfortunately, we understand that the City's planning code and political hurdles would make that very difficult or time-consuming to achieve.

Affordability: Your project would pay the *in-lieu* fee, which equates to about three million dollars that would go to the Mayor's Office of Housing (MOH) and be used to fund other affordable housing projects in the City.

Parking and Alternative Transportation: Because this area is still governed by outdated zoning codes, your project has minimum parking requirements of one space per unit. We still would prefer that you reduce your parking count from the current amount of 48 spaces to 44. We believe that many current developments overestimate the need for car parking and encourage your team emphasize other transportation modes.

We strongly support your decision to provide 110 bike parking spaces, a ratio of over two spaces per bedroom. You also stated you intend to allocate on-street parking to car share, which would

Mr. Steve O'Connell
December 8, 2015
Page Two

give residents alternative transportation options. We encourage you to work with SFMTA on developing a program.

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

Urban Design: Because the location is so unique, our members thought it demands a more iconic building. Many of our members noted your plan blends in too well with the neighborhood. As mentioned, we believe more height would be appropriate.

We appreciate the rich details in your design, which reduce the boxy-ness of the building. Some of our members strongly supported your use of cement plaster. However, we recognize there may be other materials to consider.

Our members would prefer that the entrance at the corner be more publicly accessible, to encourage active uses for residents or tourists in the neighborhood. The project's open space is very well conceived and programmed. We especially appreciate the maisonette entrances.

Environmental Features: We commend you for pursuing LEED Gold for the building. We encourage you to continue pursuing options that further improve your project's sustainability, such as water conservation.

Community Input: Your team has held two community meetings with the Nob Hill Neighborhood Association and numerous individual meetings with folks in the neighborhood. At the time of your presentation to us, you stated you were going to make a third presentation to NHNA that night. We feel you have thoroughly engaged the nearby residents and thoughtfully responded to their feedback.

Thank you for presenting your plans for 875 California Street to our Project Review Committee. 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,



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'Connell
December 8, 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.