



Mr. Mark Conroe
Presidio Development Partners, LLC
1390 Market Street, Suite 202
San Francisco, CA 94102

January 11, 2015

Ref: 1699 Market Street - Mixed-Use Development

Dear Mr. Conroe,

Thank you for presenting your plans for 1699 Market Street to our Project Review Committee on November 18, 2015. After thorough review and discussion, we are pleased to endorse the project. We believe it has merit and aligns with our mission of increasing the supply of well-designed, well-located at all levels of affordability in San Francisco. Please review our letter, which explains how your project meets our guidelines. 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: You propose to demolish the existing art supply store and construct 162 homes with space for a restaurant on the ground floor and subterranean parking for 97 cars.

Land Use: Flax Art and Design currently occupies the site. While this is a treasured business in San Francisco, it's a single story building with notably low intensity of land use. Housing is a much more appropriate use for this transit-rich location.

Density: The project takes advantage of the building envelope and proposes a mix of unit types, 40 percent of which would be two-bedrooms. We believe you have maximized the site's capacity subject to attractively designing the building.

Affordability: The below-market-rate (BMR) units will be located on site, 12 percent of the total unit count. We encourage you to look into the using the state density program or local Affordable Housing Bonus Program (AHBP) as a way to increase this percentage. We also suggest you look into the inclusionary "dial" to provide more BMRs for a greater range of incomes.

Parking and Alternative Transportation: The site is within walking distance of two BART stations and several Muni bus and rail stops, as well as numerous neighborhood amenities and job centers. We would urge you to reduce the car parking to the as-of-right ratio of 0.5 spaces per unit and for the bike parking to be increased to one space per bedroom. We consistently hear from developers in this area that they've overestimated the need for car parking and underestimated it for bike parking.

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

Urban Design: Our members all agreed that the ground floor is well planned and appreciate the way it spills out into the plaza. We also commend you for successfully taking on a challenging, odd-shaped site. Open space requirements would be provided with a roof deck and interior courtyard.

While our members do not generally deeply review the architectural design of buildings we review, our Committee encourages boldness by the architect whenever possible.

Environmental Features: You stated that the building would achieve LEED Silver. We encourage you to implement additional features that might further green the building, especially for water conservation.

Community Input: We commend the work you have done to successfully relocate Flax Art and Design to a new location in Fort Mason and the East Bay. We strongly encourage you to meet with more neighbors, including the Hayes Valley Neighborhood Association (HVNA), as well as our trade union members, some of whom have offices near your site.

Thank you for presenting your plans for 1699 Market 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,

A handwritten signature in blue ink, appearing to read "Tim Colen", is written over a light blue rectangular background.

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.