



Patrick McNerney, President
Martin Building Company
14 Mint Plaza, Fifth Floor
San Francisco, CA 94103

February 18, 2016

Re: 88 Arkansas Street – Mixed-use Development

Dear Mr. McNerney,

Thank you for presenting your plans for 88 Arkansas to the San Francisco Housing Action Coalition's (SFHAC) Project Review Committee on February 10, 2016. Upon thorough review and discussion, our members believe this project has merit and entirely aligns with 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. 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: You propose to demolish the existing commercial buildings and surface parking lot and construct a five-story, mixed-use building with 127 homes, ground-floor retail, and one level of subterranean parking for 97 cars.

Land Use: This project completely aligns with the goals of the Eastern Neighborhood Plan (ENP) by providing high-density housing in a growing neighborhood, one block from an emerging major transit corridor on 16th Street.

Density: The project takes advantage of the building envelope and provides a mix of unit types, ranging from studios, one, two and three-bedroom units. The "nested-bedroom" unit plan actually helps the project to achieve greater density.

We understand the Potrero Boosters opposed the nested bedroom unit plan. According to their interpretation of the ENP, the Plan does not allow for this design. Our members agree that the language in the ENP is vague on this issue. SFHAC has no objection to this design and has seen them successfully built in numerous projects across the City. If they're designed well, as these are, they are quite suitable for residents, whether single people or families.

Affordability: We applaud you and your team for voluntarily increasing your on-site inclusionary requirement from the mandated 14.4 percent to 20 percent. You are able to achieve this high percentage with the use of tax credits. By achieving higher density with the nested-bedroom design, you are able to increase your total unit count, thereby increasing the number of below-market-rate units, something SFHAC strongly supports.



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Parking and Alternative Transportation: The project is one block from 16th Street, which is planned to be a major transit corridor and is planned to have its own bus rapid transit line. The building includes spaces for 97 cars, meeting the as-of-right ratio 0.75 spaces per unit. The plan to includes 127 bicycle parking spaces and one car-share space.

We would support reducing the car parking ratio and increasing the bike parking ratio to one space per bedroom as we commonly see in many projects brought before us. We've heard from several of our members that they over-estimated their need for car parking while under-estimating the need for bike parking in their projects. We'd also prefer the bicycle parking to be more accessible from the lobby. Under your current plan, tenants would have to go into the garage or use an elevator to access their bikes.

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: Your project significantly improves the streetscape, particularly along 17th Street. One-story flats with stoops will front this block and enjoy a generous 25-foot wide sidewalk with new landscaping. This will greatly improve the streetscape. The retail space has a very gracious ceiling height, about 20 feet. Our members agreed that this design of the retail space should ensure its success and occupancy.

Open space will be included on a programmed roof deck.

Environmental Features: You have committed to achieving LEED Platinum, something we applaud. Your project will include solar thermal, PV panels and water conservation features.

Community Input: You have made several presentations to the Potrero Boosters. One of our members who is active with the Boosters noted that you've done all the outreach that could reasonably be expected. However, the Boosters have decided to oppose the project because they don't believe the "nested-bedrooms" are legal under the ENP. The members of SFHAC respect the Boosters' position, but we have no objection to the design and believe delaying this project on that basis would set a poor precedent for other projects in the City. In response to feedback from the Boosters, you have increased your three-bedroom count to 10 units.

Finally, we strongly support your offer to manage coordination of Jackson Playground's improvements. We hope an arrangement can be worked out with the City so you help can contribute to the park's upgrading.

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Thank you again for presenting your plan for 88 Arkansas Street to our Project Review Committee. We are pleased to endorse the project, without reservation. 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", 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.

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Projects with a substantial number of multiple bedroom units should consider including features that will make the project friendly to families with children.

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.