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Josh Smith, President Walden Development 445 Virginia Avenue San Mateo, CA 94402

March 9, 2016

901-16th Street / 1200-17th Street – Mixed-use Development

Dear Mr. Smith,

Thank you for presenting your plans for 901-16th Street and 1200-17th Street to our Project Review Committee on January 20, 2016. After thorough review and discussion, we believe the project 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 areas suggested for improvement. Please also see our report, 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 the demolition of the existing, vacant Corovan buildings and the construction of two separate, mixed-use buildings totaling in 395 homes, with active ground-floor retail, pedestrian alleys and subterranean parking for 388 cars.

Land Use: The current site is occupied by a vacant building that formerly housed the Corvan and UCSF storage and moving facilities. New housing integrated with open space and retail is a substantial improvement and completely aligns with the goals of the Eastern Neighborhood Plan.

Density: You are building to the maximum allowable height for both buildings. Some of the units are larger than most new units entering the market, satisfying a desire expressed by some of the neighbors in the area. We tend to support smaller homes that would be within financial reach of more residents. Some of our members also mentioned that they wish this project were taller, but we understand this is beyond your control.

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Affordability: You stated your team is still deliberating on whether to provide the below-market-rate units on-site or pay the *in lieu* fee. All things being equal, we would support the on-site option.

Parking and Alternative Transportation: Our members appreciate the work you've done to integrate the project with the street and transit improvements that will eventually take place along 16th and 17th Streets. Sixteenth Street is planned to become a major transit corridor with its future bus rapid transit line and 17th Street will get its own bike lane. Our members believe that, given its location, the project provides far too much parking. There are 388 total parking spaces, 335 of which are for the residential units, a ratio of 0.85 units per units, an unusually high ratio adjacent to a transit corridor. We would prefer this was reduced to a maximum of 0.75 units per unit. We also encourage you to increase the bike-parking ratio to one space per bedroom, which is becoming the new standard for housing development in San Francisco.

We appreciate that you have made the bike parking accessible via a bicycle lobby on Mississippi Street.

Preservation: Our members believe you've done an excellent job in addressing the historic brick building along 17th Street and repurposing it for retail. It fits it well with the rest of the project and the adjacent pedestrian alley.

Urban Design: The plans successfully break up a very large site and will make it accessible to residents in the neighborhood. You've employed two separate architects to work on each building, helping to break up the massing, create visual interest and create more public spaces.

The project includes a significant amount of open space, far more than required, including a courtyard between the two buildings, a rooftop terrace and a garden terrace at the 16th Street entrance.

The project would significantly improve the pedestrian experience for the neighborhood. Several favorable design elements of your project include a pedestrian alley between 16th and 17th Streets, a pedestrian plaza along Mississippi Street, ground floors that have been set back along the corners of 16th and Mississippi, a residential mews between the two buildings, and a pedestrian promenade that runs along the two. These features all promote the principles of excellent urban design.

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Some of our members noted that it would be desirable to have the pedestrian alley continue through Daggett Park via a 16th Street crossing. However, we understand this would be very difficult to achieve and require a lot of coordination with the SFMTA.

Environmental Features: The project will meet the basic requirements set forth by the City. However, we understand these are much more stringent than those of other municipalities. We encourage you to pursue other features that further green the building, particularly addressing water conservation.

Community Input: Our members feel you have done an exceptional job in reaching out to and engaging the community on your plans for these two sites. You've met the Potrero Boosters, Dogpatch Neighborhood Association, Save the Hill and numerous individuals. One of our members who is active with the Boosters, Ron Miguel, reaffirmed that the outreach and response to community feedback has been nothing short of excellent. Finally, we appreciate that you have reached out to our trade union members and will be working with them on this project.

Thank you for presenting your plans for 901 16th Street and 1200 17th Street to our Project Review Committee. We are pleased to endorse it, with the one reservation about excessive parking. Please keep us abreast of any changes and let us know how we may be of assistance.

Sincerely,

Tim Colen Executive Director

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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.