



SAN FRANCISCO PLANNING DEPARTMENT

Preliminary Project Assessment

Date: May 12, 2011
Case No.: **2011.0243U**
Project Address: Market and Octavia - "Parcel P" (No Address Assigned)
Block/Lot: 0831/023
Zoning: Hayes-Gough Neighborhood Commercial Transit (NCT) District
Residential Transit-Oriented Neighborhood (RTO) District
40-X/50-X Height and Bulk District
Project Sponsor: Hayes Valley, LLC
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INTRODUCTION:

The Preliminary Project Assessment (PPA) is a preliminary process that evaluates moderate to large projects before development applications are filed. This early viewing of the project provides sponsors with early feedback and procedural instructions, and also allows staff to coordinate early in the development process. The PPA application is not a development application. Issuance of a PPA letter is not a development approval or denial.

PROJECT DESCRIPTION:

The project site is a 49,500-square-foot lot on the north side of Oak Street in the Market and Octavia Area Plan, comprising the block bounded by Laguna Street to the west, Octavia Boulevard to the east, and Hickory Street to the north (primarily an unimproved right-of-way). The lot is currently being used on an interim basis as a community garden known as "Hayes Valley Farm", as well as a surface parking lot at the southeasterly portion of the site. The lot was formerly occupied by freeway ramps for the Central Freeway, which were removed by 2003. The irregular topography and mature trees found on the site are remnants of the former use of the property. There are no currently no structures on the property, aside from several small temporary buildings associated with the community garden use.

The proposed project would remove the existing surface parking lot and trees, regrade the site, improve the Hickory Street right-of-way through the block along the northerly frontage of the property, and construct a new mixed-use building with 180 dwelling units, 126 off-street parking spaces, and 3,700 square feet of retail space, situated over a subterranean parking garage. The project would vary in height across the site, reaching a maximum height of five stories.

ENVIRONMENTAL REVIEW:

Pursuant to the California Environmental Quality Act (CEQA), this project is likely to qualify for a Community Plan Exemption under the Market and Octavia Neighborhood Plan. An **Environmental**

Evaluation Application is required for the full scope of the project (site grading, excavation and construction). To determine fees for environmental review, please refer to page one of our fee schedules, under "Studies for Project inside of Adopted Plan Areas – Community Plan Fees." If a Focused Initial Study and a Negative Declaration or Focused EIR is required, additional fees would be assessed based on construction cost. Results of the studies below will determine whether a Focused Initial Study and a Negative Declaration or Focused EIR is required.

Below is a list of studies that would be required based on our preliminary review of the project as it is proposed in the PPA Submittal plans dated March 31, 2011:

1. *Potential Archaeological Mitigation.* In the absence of specific project proposals, the Market and Octavia Neighborhood Plan EIR analysis assumed that development on Parcel P would include a single development on a site that would require the installation of underground facilities which would result in potentially significant impacts to archaeological resources. Implementation of *Mitigation Measure 5.6.A1–Soil Disturbing Activities in Archaeologically Documented Properties* would reduce the impacts to a less than significant level. This measure applies to properties in the Market and Octavia Neighborhood Plan area for which a final Archaeological Research Design/Treatment Plan (ARD/TP) is on file in the Northwest Information Center and the Planning Department, including the Parcel P project site. Any soils-disturbing activities proposed shall be required to submit an addendum to the respective ARD/TP prepared by a qualified archaeological consultant with expertise in California prehistoric and urban historical archaeology to the Environmental Review Officer (ERO) for review and approval. The addendum to the ARD/TP shall evaluate the potential effects of the project on legally-significant archeological resources with respect to the site- and project-specific information absent in the ARD/TP.
2. *Potential Archaeological Mitigation for Public Street Improvement.* If the improvement of Hickory Street requires soil disturbance in excess of four feet in depth, *Mitigation Measure 5.6.A.3 – Soil Disturbing Activities in Public Street and Open Space Improvements*, would apply. To comply with this mitigation measure, the project sponsor shall retain the services of a qualified archaeological consultant having expertise in California prehistoric and urban historical archaeology. The archeological consultant shall undertake an archaeological monitoring program. All plans and reports prepared by the consultant shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archaeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only in such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archaeological resources as defined in CEQA Guidelines 15064.5(a)(c). The Archaeological Monitoring Program shall contain provisions specified in the Market and Octavia Neighborhood Plan EIR. If an archaeological data recovery program is required by the ERO, the archaeological data recovery program shall be conducted in accord with an Archaeological Data Recovery Plan (ADPR). The treatment of human remains and funerary objects discovered during any soils disturbance shall comply with applicable State and Federal Laws, including notification

of the California State Native American Heritage Commission if a Coroner determines that the human remains are Native American remains. Finally, the archaeological consultant shall submit a Draft Final Archaeological Resources Report to the ERO that evaluates the historical significance of any discovered archaeological resource and describes the archaeological and historical research methods employed in the archaeological testing/monitoring/data recovery program(s) undertaken. Once approved by the ERO, the FARR shall be distributed as specified in the Market and Octavia Neighborhood Plan EIR.

3. *Phase I Environmental Site Assessment.* The EIR identified the area around Octavia Boulevard as containing elevated lead levels in soil and possible serpentine rock outcroppings. The context of existing environmental hazards in the immediate setting must be reviewed and a Phase I ESA needs to be provided. If the Phase I ESA determines that there are Recognized Environmental Conditions, a Phase II Study may be required by the Department of Public Health (DPH). If so, it must be completed before environmental clearance. If project construction has the potential to disturb existing toxins, specific mitigation measures may be required and a Focused Initial Study could be required. If so, the Initial Study will help determine that either (1) the project is issued a Negative Declaration stating that the project would not have a significant effect on the environment, or (2) an Environmental Impact Report (EIR) is required to determine the project's significance on the environment. DPH is typically able to identify measures, such as preparation of a Site Mitigation Plan, to reduce any significant impacts to a less than significant level, allowing for issuance of a Mitigated Negative Declaration.
4. *Geotechnical Investigation.* The Market and Octavia Neighborhood Plan EIR identified the area along the alignment of the former Central Freeway, from Mission Street to Market Street, as being potentially prone to subsidence. The investigation of geotechnical and soil conditions and the application of the building codes for new development based on these conditions would reduce the potential for impacts related to structural damage; ground subsidence, liquefaction, and landslides; and surface settlement to a less-than-significant level. To assist our staff in their determination, it is recommended that you provide a copy of a geotechnical investigation with boring logs for the proposed project. This study will also help inform the archeological review.
5. *Potential Construction Geotechnical Mitigation.* The Market and Octavia Neighborhood Plan EIR identified a significant impact related to temporary disruption exposure of soil to wind and storm water erosions that *Mitigation Measure 5.11.A: Construction Related Soils Mitigation Measure* would reduce to a less-than-significant level. *Mitigation Measure 5.11.A* would be applicable to the proposed project.
6. *Shadow Fan Analysis.* Planning Code Section ("Section") 295 generally prohibits new buildings that would cast new shadow on open space that is under the jurisdiction of the San Francisco Recreation and Park Commission between one hour after sunrise and one hour before sunset, at any time of the year, unless that shadow would not result in a significant adverse effect on the use of the open space.

Department staff has previously prepared a shadow fan analysis for all of the former freeway parcels situated along Octavia Boulevard. This preliminary study determined that development on Parcel P could potentially cast shadow on Patricia's Green. Therefore, a detailed shadow analysis would need to be prepared to determine if the project would create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas pursuant to CEQA, or results in an adverse impact to Patricia's Green pursuant to Section 295.

7. *Historic Resource Evaluation Report (HRER)*. Parcel P is adjacent to buildings which contribute to the Hayes Valley Historic District as well as buildings determined to be individually eligible for listing in the National Register. The Planning Department must determine if the proposed infill development's scale, design, or materials are consistent with nearby historical resources for the purposes of the California Environmental Quality Act, and if the proposed design is compatible with the potential historic district. According to the Department's Preservation staff, Part Two of a Historic Resource Evaluation (HRE), which covers evaluation of impacts and compatibility analysis, would be required.
8. *Air Quality Assessment*. The proposed project is located within a potential roadway exposure zone identified by the Department of Public Health (DPH). Given that the project proposes sensitive land uses in this potential exposure zone, the project requires an air quality assessment to determine if pollutant concentrations are above the threshold level of 0.2 micrograms per cubic meter. You may choose to have the air quality assessment prepared by a qualified firm and forwarded to DPH for review, or you may request that DPH conduct the assessment.

Should you choose to have the air quality assessment prepared by a qualified firm, please forward a description of the proposed project (including project location and a set of plans) and the results of the air quality assessment to Tom Rivard, San Francisco Department of Public Health, Air Quality Research, Planning and Policy, 1390 Market Street, Suite 210, San Francisco, CA 94102. A fee of \$520 in the form of a check payable to the Department of Public Health for four hours of project review and administrative handling must accompany the assessment.

Should you choose to have DPH prepare the air quality assessment for your proposed project, please forward a description of the project (including project location and a set of plans) to Tom Rivard at the address listed above and a fee of \$1,560 in the form of a check payable to the Department of Public Health. This fee covers 12 hours of preparation of the air quality assessment and administrative handling.

If additional work is necessary, you will be notified by DPH. You will be billed (by DPH) \$130 for each additional hour of work over the first four hours. These fees are charged pursuant to Section 31.47(c) of the San Francisco Administrative Code.

If the air quality assessment finds that concentrations of air pollutants on the site exceed action levels, mitigation measures, outlined in the guidance document, may be required to protect sensitive uses. If the project is subject to Article 38 of the San Francisco Health Code, the actions outlined within that article may be required.

9. *Compliance with Bay Area Air Quality Management District Guidelines.* Screening results indicate that the proposed project would require a preparation of an Air Quality Technical Report (AQTR), which includes a Criteria Air Pollutant analysis and Health Risk Analysis. If the project should include a stationary source, such as a back-up generator, the Criteria Air Pollutant analysis and Health Risk Analysis must include an analysis of both the emissions and health risks from the stationary source and project-generated traffic. Prior to preparation of an AQTR, Environmental Planning must approve a scope of work for air quality analysis. The scope of work may be submitted to the Environmental Planner assigned to the project.

If the project has the potential to expose sensitive receptors to pollutant levels above thresholds set by the Bay Area Air Quality Management District, specific mitigation measures may be required and a Focused Initial Study could be required. If so, the Initial Study will help determine that either (1) the project is issued a Negative Declaration stating that the project would not have a significant effect on the environment, or (2) an Environmental Impact Report (EIR) is required to determine the project's significance on the environment. DPH is typically able to identify measures to reduce any significant impacts to a less than significant level, allowing for issuance of a Mitigated Negative Declaration.

10. *Compliance with Bay Area Air Quality Management District Guidelines.* Screening results indicate that the proposed project would require a preparation of an Air Quality Technical Report, which includes a Criteria Air Pollutant analysis and Health Risk Analysis for construction and operations. If project construction has the potential to expose sensitive receptors to pollutant levels above thresholds set by the Bay Area Air Quality Management District, specific mitigation measures may be required and a Focused Initial Study could be required. If so, the Initial Study will help determine that either (1) the project is issued a Negative Declaration stating that the project would not have a significant effect on the environment, or (2) an Environmental Impact Report (EIR) is required to determine the project's significance on the environment. DPH is typically able to identify measures to reduce any significant impacts to a less than significant level, allowing for issuance of a Mitigated Negative Declaration.
11. *Circulation and Access Evaluation.* The Market and Octavia Neighborhood Plan EIR analyzed the development of Parcel P and concluded the project would not result in any significant cumulative impacts. However, the improvement of Hickory Street was not analyzed. Therefore, the proposed site access and circulation plan will be analyzed for any additional issues associated with the Hickory Street improvement and use. Please refer to Item #4 under "Preliminary Design Comments" regarding the proposed garage entrance location.
12. *Tree Disclosure Affidavit.* The Department of Public Works Code Section 8.02-8.11 requires disclosure and protection of landmark, significant, and street trees located on private and public property. Any tree identified in this Disclosure Statement must be shown on the Site Plans with size of the trunk diameter, tree height, and accurate canopy dripline. Please submit an Affidavit with the Environmental Evaluation Application and ensure trees are appropriately shown on site plans.

13. *Notification of a Project Receiving Environmental Review.* Notice is required to be sent to occupants of properties adjacent to the project site and owners of properties within 300 feet of the project site at the initiation of the CPE process. Please provide these mailing labels at the time of submittal.
14. *Compliance with Stormwater Management Ordinance.* The City and County of San Francisco Stormwater Management Ordinance (SMO) became effective on May 22, 2010. This ordinance requires that any project resulting in a ground disturbance of 5,000 square feet or greater prepare a Stormwater Control Plan (SCP), consistent with the November 2009 Stormwater Design Guidelines (SDG). Responsibility for review and approval of the SCP is with the SFPUC Wastewater Enterprise, Urban Watershed Management Program (UWMP).

The initial CEQA evaluation of a project will broadly discuss how the SMO will be implemented if the project triggers compliance with the Stormwater Design Guidelines (SDG). The project's environmental evaluation would generally evaluate how and where the implementation of required stormwater management and Low Impact Design (LID) approaches would reduce potential negative effects of stormwater runoff. This may include environmental factors such as the natural hydrologic system, city sewer collection system, and receiving body water quality.

Environmental Evaluation applications are available in the Planning Department lobby at 1650 Mission Street Suite 400, at the Planning Information Center at 1660 Mission Street, and online at www.sfplanning.org. The San Francisco Preservation Bulletin No. 16 is available at www.sfplanning.org under "Historic Preservation."

PLANNING DEPARTMENT APPROVALS:

The project requires the following Planning Department approvals. These approvals may be reviewed in conjunction with the required environmental review, but may not be granted until after the required environmental review is completed. Additionally, these approvals are subject to the Planning Department Pre-application process:

1. *Conditional Use Authorization.* In order for the project to proceed, the Planning Commission would need to grant Conditional Use authorization, pursuant to Section 303, for the following aspects of the project:
 - a. *Lot Size.* Conditional Use authorization is required for the development of lots greater than 10,000 square feet within the Hayes-Gough NCT and RTO Districts. In addition to the findings which apply to all Conditional Use authorizations (Section 303(c)), the Planning Commission must also consider the criteria of Sections 121.1 and 121.5.
 - b. *Dwelling Unit Density.* Per Section 720.91, residential density limits do not apply to the portion of the site within the Hayes-Gough NCT District. For the portion of the site located within the RTO District, a maximum of one dwelling unit per 600 square feet of lot area is principally permitted. Therefore, up to 71 dwelling units may be permitted within the

portion of the site zoned RTO (42,323 square feet / 600). Approximately 136 dwelling units are located within (or primarily located within) the portion of the site zoned RTO, therefore the project exceeds the density that is principally permitted for the site.

Pursuant to Section 209.1(n), the Planning Commission may grant Conditional Use authorization to approve a project within the RTO District without a residential density limit. However, the Commission must make specified findings, and a project approved in this manner must comply with the minimum Code requirements without variances for usable open space, exposure, rear yards, and setbacks (see "Variances", in Item #2 below). Through the Planned Unit Development process (described in Item #3 below), this provision could potentially be modified. However, staff would need to consider how the project meets the intent of the Planning Code requirements, as well as the policies of the General Plan and the Market and Octavia Area Plan, with respect to dwelling unit livability.

The application form for Conditional Use authorization is available from the Planning Department lobby at 1650 Mission Street, Suite 400, at the Planning Information Center at 1660 Mission Street, and online at www.sfplanning.org.

2. *Variances*. Several aspects of the project do not comply with the requirements of the Planning Code, as currently proposed:
 - a. *Rear Yard*. Per Section 134, for the portion of the site within the Hayes-Gough NCT District, a minimum rear yard equal to 25 percent of the total depth of the lot must be provided at the lowest story containing a dwelling unit, and at each succeeding level. For the portion of the site within the RTO District, a minimum rear yard equal to 45 percent of the total depth of the lot must be provided at grade and at each succeeding level. The Planning Code makes no provision for the proposed courtyard configurations as a method of complying with rear yard requirements. Therefore, a Variance is required.
 - b. *Exposure*. Per Section 140, at least one room of each dwelling unit must face onto a public street, a rear yard, or other open area that meets minimum requirements for area and horizontal dimensions. Section 140 specifies that an open area (such as the courtyards) must have minimum horizontal dimensions of 25 feet at the lowest floor containing a dwelling unit and floor immediately above, with an increase of five feet in horizontal dimensions for each subsequent floor above. According to this methodology, the open area above the courtyard would need to measure at least 30 feet in horizontal dimensions at the 4th floor, and 35 feet at the 5th floor of the Project. Numerous units have exposure only on the courtyards, and the majority of the courtyard area does not meet the dimensional requirements discussed above. Therefore, a Variance is required.

In order for the project to proceed, these aspects of the project would either need to be revised to comply with the Planning Code, or the Zoning Administrator would need to consider Variances pursuant to the process described in Section 305, and the sponsor would need to demonstrate how the Variance request meets the criteria of Section 305(c). The application form for a Variance

is available from the Planning Department lobby at 1650 Mission Street, Suite 400, at the Planning Information Center at 1660 Mission Street, and online at www.sfplanning.org.

3. *Planned Unit Development.* Because the project site exceeds one-half acre in size, the project is eligible to seek a Planned Unit Development (PUD) approval. Per Section 304, PUD's are, "...intended for project on site of considerable size, developed as integrated units of stable and desirable character...". Through this process, well-reasoned modifications from the requirements of the Planning Code may be requested "...in cases of outstanding overall design, complementary to the design and values of the surrounding area." These modifications could be sought through the PUD process as an alternative to the Variances discussed in Item #2 above. In addition to the criteria required for Conditional Use Authorization (see Item #1 above), the Planning Commission must also consider the additional PUD criteria of Section 304(d).
4. *Building Permit Applications.* Permit application is required for the preparation of the site and for the proposed new construction. This portion of the project will require Planning Code Section 312 Neighborhood Notification, which can be done in conjunction with other required building permit applications that also require Section 312 notification, as well as the Conditional Use authorization or Variance notification process. Building permit applications are available at the Department of Building Inspection at 1660 Mission Street.

NEIGHBORHOOD NOTIFICATIONS AND PUBLIC OUTREACH:

Project Sponsors are encouraged to conduct public outreach with the surrounding community and neighborhood groups early in the development process. Additionally, many approvals require a public hearing with an associated neighborhood notification. Differing levels of neighborhood notification are mandatory for some or all of the reviews and approvals listed above.

This project sponsor is required to conduct a Pre-application meeting with surrounding neighbors and registered neighborhood groups before a development application may be filed with the Planning Department. The Pre-application packet, which includes instructions and template forms, is available at www.sfplanning.org under the "Applications" tab. All registered neighborhood group mailing lists are available online at www.sfplanning.org under the "Publications" tab.

PRELIMINARY PROJECT COMMENTS:

The following comments address general issues that may affect the proposed project:

Planning Code

1. *Retail Use.* Beginning at the eastern property line, the Hayes-Gough NCT zoning extends 60 feet to the west. A portion of the retail space fronting along Octavia Boulevard extends beyond the NCT zoning into the area of the property zoned RTO. This retail space does not meet the standards of Section 231, "Limited Corner Commercial Uses in RTO Districts". Therefore, the space should be redesigned to be entirely located within the portion of the property zoned as Hayes-Gough NCT.

2. *Height Limits.* Based on the conceptual plans submitted for the PPA, it appears that various portions of the project may exceed the 40-foot and 50-foot height limits applicable to the property. As detailed plans are submitted in the future, staff will fully evaluate compliance with the height limits for the property, including the height exemptions for features specified under Section 260(b). In future submittals, the sponsor should indicate which frontage is considered to be the front property line for purposes of height calculation.

Section 261.1 includes additional height limits which apply to a portion of the Hickory Street frontage, between the points located 60 feet to the east of the intersection with Laguna Street and 60 feet to the west of the intersection with Octavia Boulevard. These limits are intended to preserve sunlight access and a sense of openness on alleys. The proposed project must maintain an uninterrupted sunlight access plane formed by a 45-degree angle extending from the property line to the north. The project appears to intrude into this plane in several locations along the Hickory Street frontage. Staff will analyze compliance with this height limit as detailed plans are submitted in the future.

3. *Usable Open Space.* Section 135 requires the provision of a specific amount of usable open space for each dwelling unit. Each dwelling unit within the Hayes-Gough NCT District must be provided with 60 square feet of private open space, or 79.8 square feet of common open space. Each dwelling unit within the RTO District must be provided with 100 square feet of private open space, or 133 square feet of common open space. Both private and common open space must meet specific requirements for dimensions, location, and exposure to light and air. The project proposes a variety of private and common open spaces. As the project evolves and more specific plans are submitted, staff will need to specifically analyze these proposed open spaces to determine whether they qualify toward fulfilling the requirements of Section 135. For example, the central courtyard, and portions of the eastern courtyard do not meet the requirements for exposure to light and air for an "Inner Court", as specified in Section 135(g)(2). If the project does not meet the usable open space requirements, a Variance may be required, and the sponsor would need to demonstrate how the Variance request meets the criteria of Section 305(c).
4. *Dwelling Unit Mix.* Pursuant to Section 207.6, no less than 40 percent of the dwelling units shall contain at least two bedrooms. The project proposes 72 out of 180 dwelling units as two-bedroom units, and complies with this requirement.
5. *Off-Street Parking.* Pursuant to Section 151.1, up to 128 off-street residential parking spaces could be principally permitted for the project. This number is determined by applying proportionally the ratios for principally permitted off-street parking within the areas of the site zoned RTO and Hayes-Gough NCT. The project proposes 126 off-street parking spaces, and therefore complies with the parking allowed by Section 151.1. However, the Department is concerned by the large amount of space that is devoted to parking in the current proposal. See further discussion under Item #13 below.
6. *Bicycle Parking.* Pursuant to Sections 155.2 and 155.5, 64 bicycle parking spaces are required for the project. The plans indicate that 65 bicycle parking spaces will be provided. While the project complies with the numerical requirement of the Code, staff is concerned that the bicycle parking area shown within the garage is small and is not conveniently located. The current location

would force cyclists entering or exiting the parking area into conflict with the vehicular entry ramp. In addition, the parking is not convenient to the elevators and does not provide direct access to the exterior, requiring that cyclists walk their bicycle through multiple sets of doors to exit the property. The bicycle parking area should be relocated and/or redesigned for greater functionality and convenience.

7. *Permeable Surfaces.* Section 132 requires that landscaping and permeable surfaces (which may include porous paving, turf block, or other permeable hardscape) be used within front setback areas. Staff also encourages the use of permeable paving in other locations of the site that would be hardscaped.
8. *Inclusionary Affordable Housing.* Pursuant to Section 415, the project must satisfy the requirements of the Inclusionary Affordable Housing Program through the payment of an Affordable Housing Fee that is equivalent to the applicable percentage of the number of units in the principal project, which is 20 percent of the total number of units proposed. As an alternative, the project may be eligible to satisfy the requirements of Section 415 through the provision of on-site or off-site affordable units. In order to qualify for this alternative, the sponsor must demonstrate that the units would not be subject to the Costa Hawkins Rental Housing Act.

For further information, please refer to the publication "Affidavit for Compliance with the Inclusionary Affordable Housing Program", which is available from the Planning Department lobby at 1650 Mission Street, Suite 400, at the Planning Information Center at 1660 Mission Street, and online at www.sfplanning.org.

9. *First Source Hiring.* Chapter 83 of the San Francisco Administrative Code, passed in 1998, established the First Source Hiring Program to identify available entry-level jobs in San Francisco and match them with unemployed and underemployed job-seekers. The intent is to provide a resource for local employers seeking qualified, job ready applicants for vacant positions while helping economically disadvantaged residents who have successfully completed training programs and job-readiness classes.

The ordinance applies to (1) any permit application for commercial development exceeding 25,000 square feet in floor area involving new construction, an addition or a substantial alteration which results in the addition of entry level positions for a commercial activity; or (2) any application which requires discretionary action by the Planning Commission relating to a commercial activity over 25,000 square feet, but not limited to conditional use; or (3) any permit application for a residential development of ten units or more involving new construction, an addition, a conversion or substantial rehabilitation.

The project proposes more than ten dwelling units and therefore, is subject to the requirement. For further information or to receive a sample First Source Hiring Agreement, please see contact information below:

Ken Nim, Workforce Compliance Officer
CityBuild, Office of Economic and Workforce Development
City and County of San Francisco
50 Van Ness, San Francisco, CA 94102
Direct: 415.581.2303
Fax: 415.581.2368

10. *Impact Fees.* The Market and Octavia Community Improvements Fund (Section 421) is implemented in part through district-specific Market and Octavia Community Improvement Impact Fee which applies to the Project Area. Fees shall be assessed on both the residential and non-residential components of the project according to the gross square feet of each use in the project. The sponsor may wish to pursue in-kind improvements which would offset some or all of the required Market and Octavia Community Improvement Impact Fee, as described in Section 421.3(d). See further discussion under Item #12 below.

Pursuant to Section 421.7, the project may also be subject to a Transportation Impact Fee, should such a fee be adopted for the Market and Octavia Area Plan in the future. The portion of the project located within the Hayes-Gough NCT shall also be subject to the Market and Octavia Area Plan Affordable Housing fee (Section 416).

The applicable fees shall be due prior to the issuance by the Department of Building Inspection (DBI) of the first construction document for the project.

General Plan/Market and Octavia Area Plan

11. *Land Use/Density/Livability.* The Market and Octavia Area Plan calls for maximizing housing as the primary land use, which the project seems to do. At the same time, the Area Plan provides that this should not come at the expense of livability (see Policy 2.2.1). Adequate open space, light, air and other factors contributing to livability in a high density environment must be considered. The current site plan appears to minimize these factors by creating minimal courtyard open space, necessitating Variances or PUD Modifications for rear yard, dwelling unit exposure, and open space. To achieve this density while excepting these features, the project should offer substantial design or public realm improvements.

For City-owned former freeway parcels, there is an expectation of higher performance in terms of project affordability, design character, public services and amenities. City ownership and participation in the property disposition allows greater flexibility than the Planning Code and Plan policies alone normally provides. Ultimately, these parcels should be demonstration projects and models of great urbanism. High-profile opportunity sites (such as Parcel P) are integral to the urban-fabric-repair strategies of the Area Plan for which there were many community workshops and public discussion. There is a community expectation and a city promise of community involvement in decision-making and project development that should be honored.

12. *Community Benefits.* Please be aware that there are opportunities to enhance the overall livability of the project by incorporating elements which may be eligible for inclusion in an in-kind agreement. These include, but are not limited to open space improvements, "living street"

treatments on Hickory Street and/or the frontage road on Octavia Boulevard, even possibly a community service use (such as childcare or community center for example) located within the project.

13. *Parking Quantity.* Off street parking in particular has the potential of interfering with various aspects of livability. For example, the desire to maximize off street parking may suggest a particularly large building footprint or add significant amounts of traffic, both of which could degrade livability, and in particular the quality of open space. Rather, plan policies would suggest that development of larger project sites present an opportunity to further reduce parking though a coordinated Transportation Demand Management strategy involving measures such as car-sharing, transit passes, walkability improvements. These strategies are particularly appropriate for a rental project in this central location which typically has low auto ownership and demand.

The prospective scale of this development should be viewed as an opportunity to minimize parking to the greatest extent possible rather than maximize it. Any parking that is provided would need to fully perform to design standards and controls. The project design could be greatly improved by reducing the parking ratio and/or the parking footprint. Specifically, the footprint can be reduced by the use of mechanical stackers or lifts.

PRELIMINARY DESIGN COMMENTS:

The following comments address preliminary design issues that may influence the submittal of the proposed project:

1. *General.* The design for this development should conform with the Market and Octavia Area Plan – Design Guidelines. The Planning Department will conduct its review subject to these guidelines.
2. *Massing.*
 - a. *Elevation along Oak Street.* The massing of the proposed project is divided into roughly 100' segments that follow the grade of Oak Street and seem dictated by the stepping of the podium. However, the predominant pattern in the neighborhood is one of individual buildings on 25- to 50-foot wide lots. The project massing should be broken into segments of 50 feet or less, an articulation that would be more in keeping with the existing finer-grained neighborhood pattern, consistent with Market & Octavia Area Plan Policy 3.1.1 and Fundamental Design Principles for Building Mass and Articulation (specifically Principle 6).
 - b. *Overall Massing.* Although the project is technically composed of seven buildings, the only real physical separation between the buildings occurs through one-story passageways on the second level, and in reality the project will be seen as only four buildings (two fronting Oak Street at Laguna and Octavia, and two fronting Hickory Alley). If the buildings are not distinguished from one another by a significant physical separation, the buildings should be detailed such that they still clearly read as separate masses.

4. *Vehicle Circulation.* The proposed location of the garage entrance and directionality of Hickory Street will result in an unnecessary amount of vehicle traffic exiting onto Octavia Boulevard and will interfere with pedestrian traffic along Octavia. The garage entry should be moved to the west end of Hickory Street, closer to Laguna Street. The resulting vehicle circulation on Hickory Street would be a mirror image of what is currently proposed: the majority of the street would be one-way moving east (away from Octavia Boulevard), while the western quarter of the street would accommodate two-way traffic. In this arrangement, vehicles leaving the garage would exit onto Laguna Street instead of Octavia Boulevard, resulting in a lower traffic burden on an already busy street. Additionally, this arrangement would maintain the existing pattern of alleys in the Market-Octavia area (currently, all one-way alleys in the area flow away from Octavia Boulevard). Lastly, keeping Hickory Street one-way at Octavia and reducing the amount of vehicular traffic on this portion of the street will leave open the possibility for it to become a more successful Living Alley. It should be noted that any change in the circulation pattern for Hickory Street will require coordination with SFMTA.

5. *Public Realm Improvements. Street improvements.* Per Planning Code Section 138.1, the department may require standard streetscape elements and sidewalk widening for the appropriate street type per the Better Streets Plan, including street trees, landscaping, site furnishings, and/or corner curb extensions (bulb-outs) at intersections (see Better Streets Plan Section 4 for Standard Improvements and Section 5.3 for bulb-out guidelines: www.sfbetterstreets.org). The project sponsor is required to submit a Streetscape Plan illustrating these features, and the department will work with the project sponsor and other relevant departments to determine an appropriate streetscape design. Standard street improvement would be part of basic project approvals, and would not count as credit towards in-kind contributions.
 - a. *Hickory Street improvements.* The extended Hickory Street should receive "Living Alley" improvements, particularly at the east end, including a single-surface roadway with special paving treatments and streetscape elements. Hickory Street is one of several alleys in the neighborhood that has been highlighted in the Market and Octavia Area Plan as suitable for Living Alley improvements (see Policies 4.1.7 and 4.1.8). Schemes investigating the reconfiguration of buildings to provide common open / rear yard space along an improved alley should be explored and this potential fully vetted. Hickory Street 'Living Alley' improvements would be greater than Planning Code-required standard street improvements, and would likely be eligible for in-kind agreements.
 - b. *Octavia Boulevard Access Lane.* The Octavia Boulevard access lane should be considered for "Living Street" improvements in addition to Hickory Street. The lane carries little traffic and presents the opportunity to activate the street and support the project's retail spaces.
 - c. *Sidewalks.* Staff will evaluate whether it is appropriate or feasible to widen any of the existing sidewalks along the project frontage to the standards identified in Section 138.1, Table 2, including corner curb extensions or full- or partial-block sidewalk widenings.
 - d. *Oak Street Frontage.* The Neighborhood Plan guidelines for Parcel P contain a specific requirement that new residential uses be buffered from traffic flows on Oak Street. While

the illustration shows a 20-foot setback with access lane and planted median, the sponsor could also explore other methods for achieving this buffering. For example, a five-foot setback on the middle portion of the Oak Street frontage could provide stoops and landscaping which would buffer residential uses from Oak Street traffic while providing a more generous and visually spacious sidewalk environment, as envisioned in the Market and Octavia Area Plan.

6. *Open Space. Courtyards.* The Market and Octavia Area Plan emphasizes the importance of preserving light and air in the area's midblock open spaces (Policy 1.2.10). The east and west Courtyards are relatively small, and the covered passageways providing access to the courtyards on the second level will not be sufficient to provide significant air to the courtyards. These courtyards have the potential to feel cramped, and may not receive much light or serve as usable spaces. If proposed as a PUD, the project may seek modifications from specific rear yard or lot coverage requirements. However, the resulting open space should still be a high-quality open space that conforms to the spirit of what would be required in an RTO district (see discussion under 'Preliminary Project Comments', Item #3 above).
7. *Courtyard-facing units.* Please consider the quality of the flats along the courtyard, as they are single aspect units and will receive light only through north-facing windows that front the relatively narrow courtyard.

PRELIMINARY PROJECT ASSESSMENT EXPIRATION:

This Preliminary Project Assessment is valid for a period of **18 months**. An Environmental Evaluation, Certificate of Appropriateness, Large Project Authorization, Variance Application, or Building Permit Application, as listed above, must be submitted no later than **November 12, 2012**. Otherwise, this assessment is considered expired and a new Preliminary Project Assessment is required. Such applications and plans must be generally consistent with those found in this Preliminary Project Assessment.

DISCLAIMERS:

Please be advised that this assessment does not constitute an application for development with the Planning Department. It also does not represent a complete review of the proposed project, a project approval of any kind, or in any way supersede any required Planning Department approvals listed above. The Planning Department may provide additional comments regarding the proposed project once the required applications listed above are submitted. While some approvals are granted by the Planning Department, some are at the discretion of other bodies, such as the Planning Commission or Historic Preservation Commission. Additionally, it is likely that the project will require approvals from other City agencies such as the Department of Building Inspection, Department of Public Works, Department of Public Health, and others. The information included herein is based on plans and information provided for this assessment and the Planning Code, General Plan, Planning Department policies, and local/state/federal regulations as of the date of this document, all of which are subject to change.

cc: Andrea Contreras, Environmental Review
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