



SAN FRANCISCO PLANNING DEPARTMENT

Preliminary Project Assessment

Date: August 31, 2012
Case No.: 2012.0903U
Project Address: 580 Hayes Street
Block/Lot: 0807/010
Zoning: Hayes-Gough NCT (Neighborhood Commercial Transit)
55-X Height and Bulk District
Project Sponsor: Daniel K. Schalit, (415) 227-2217
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DISCLAIMERS:

Please be advised that this determination 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 below. The Planning Department may provide additional comments regarding the proposed project once the required applications listed below 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.

PROJECT DESCRIPTION:

The approximately 12,000-square-foot project site is located in the Western Addition, on a block bounded by Ivy Street to the north, Octavia Street to the east, Laguna Street to the west, and Hayes Street to the south. The project site, which fronts on Hayes, Laguna, and Ivy Streets, is currently occupied by an existing 20-foot-tall, one-story, 6,345-square-foot, commercial building and an approximately 15-space surface parking lot. The project sponsor proposes the demolition of the commercial building and surface parking lot, and construction of a 55-foot-tall, five-story, 60,830-square-foot, mixed-use building consisting of 29 dwelling units, 8,000 square feet of retail use, and 27 parking spaces in an underground parking garage. Access to the parking garage would be from Ivy Street. The existing building was constructed in 1939. The project site is located within the Market and Octavia Neighborhood Plan.

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 Area Plan. An **Environmental Evaluation Application** is required for the full scope of the project (demolition and construction). To determine fees for environmental review, please refer to page one of our fee schedule, under "Studies for Project inside

of Adopted Plan Areas – Community Plan Fees.” Required fees for a Community Plan Exemption would be the following: Environmental Document Determination \$13,004; Community Plan Exemption/Exclusion \$7,216; and the Market and Octavia Area Plan EIR placeholder fee \$10,000. If a Focused Initial Study and a Negative Declaration or Focused EIR is required, additional fees would be assessed based on construction cost. It is anticipated that the project would require a Focused Initial Study and a Negative Declaration for Hazardous Materials, and therefore, the Community Plan Exemption/Exclusion fee of \$7,216 would not be applicable.

Below is a list of studies that would be required based on our preliminary review of the project as it is proposed in the Preliminary Project Assessment (PPA) submittal dated July 12, 2012:

- a. *Historical Resources.* The proposed project consists of new construction within the identified Hayes Valley Commercial Historic District, and therefore, the project is subject to the Department’s Historic Preservation review. To assist in analysis of the proposed project, the Department requires a Historic Resource Evaluation Report (HRER), focused on evaluating impacts of the proposed project on identified historical resource(s), to be prepared by a qualified professional who meets the Secretary of the Interior’s Professional Qualification Standards in Historic Architecture or Architectural History. The HRER should focus on evaluation of the proposed project for conformance with the Secretary of the Interior’s Standards for Rehabilitation (Secretary’s Standards), including assessing compatibility of the new design with adjacent historical resources, and assess potential impacts to historical resources.

In evaluating the proposed project, the architecture, massing, height, materials, and articulation of the proposed building should be considered. Additional design comments will be provided upon submittal of the Environmental Evaluation Application and HRER.

As the proposed project will create six or more dwelling units, use of the Historic Resource consultant pool for identification of a preservation consultant to prepare the HRER shall be required. The Department will provide the project sponsor with a list of three consultants from the Historic Preservation Consultant Pool, which shall be known as the "potential consultant list" or "PCL," upon submittal of the Environmental Evaluation Application.

- b. *Archeological Review.* The proposed project would require a Preliminary Archeological Review (PAR) which would be conducted in-house by the Planning Department archeologist. During the PAR it will be determined what type of soils disturbance/modification will result from the project, such as excavation, installation of foundations, soils improvement, site remediation, etc. Any available geotechnical/soils or phase II hazardous materials report prepared for the project site will be reviewed at this time. Secondly, it will be determined if the project site is in an area that is archeologically sensitive. The results of this review will be provided in a memorandum to the Environmental Planner assigned to the project. When it is found that the project has the potential to affect an archeological resource, the PAR memorandum will identify appropriate additional actions to be taken including the

appropriate archeological measure and/or if additional archeological studies will be required as part of the environmental evaluation.

- c. *Shadow Fan Analysis.* Planning Code 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. To determine whether the proposed project would conform to Section 295, Staff has prepared a preliminary shadow fan to indicate potential shadow impacts from the project on portions of Patricia's Green and the Hayes Valley Playground. However, this shadow fan does not account for the presence of intervening buildings or shadow already cast on these properties. Please note that further graphic analysis will be necessary to definitively conclude that there will or will not be shadow impacts to these properties. The shadow analysis would be used to determine if the project could create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas pursuant to CEQA. The shadow study application is available online at www.sfplanning.org.
- d. *Phase I Environmental Site Assessment.* 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 to reduce any significant impacts to a less than significant level.
- e. *Air Quality.* The proposed project does not exceed the Bay Area Air Quality Management District's (BAAQMD) construction and/or operational screening levels for criteria air pollutants. Therefore an analysis of the project's criteria air pollutant emissions is not likely to be required.

Project-related demolition, excavation, grading and other construction activities may cause wind-blown dust that could contribute particulate matter into the local atmosphere. To reduce construction dust impacts, the San Francisco Board of Supervisors approved a series of amendments to the San Francisco Building and Health Codes generally referred hereto as the Construction Dust Control Ordinance (Ordinance 176-08, effective July 30, 2008) with the intent of reducing the quantity of dust generated during site preparation, demolition, and construction work in order to protect the health of the general public and of onsite workers, minimize public nuisance complaints, and to avoid orders to stop work by the Department of Building Inspection (DBI). Pursuant to the Construction Dust Ordinance, the proposed

project would be required to comply with applicable dust control requirements outlined in the ordinance.

The proposed project includes sensitive land uses that may be affected by nearby roadway-related pollutants and other stationary sources that may emit toxic air contaminants. Health Code Article 38 applies to the proposed project. Health Code Article 38 requires that new residential development greater than 10 units located within the Potential Roadway Exposure Zone perform an Air Quality Assessment to determine whether PM_{2.5} concentrations from roadway sources exceed 0.2 micrograms per cubic meter (0.2 µg/m³). Sponsors of projects on sites exceeding this level are required to install ventilation systems or otherwise redesign the project to reduce the outdoor PM_{2.5} exposure indoors. The proposed project is located within the Potential Roadway Exposure Zone, therefore an analysis of annual exposure to roadway related particulate matter would be required. 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. For more information on Health Code Article 38 see: <http://www.sfdph.org/dph/EH/Air/default.asp>.

During the environmental review process the proposed project will be reviewed to determine whether mitigation measures in the form of either construction emissions minimization measures or air filtration and ventilation mitigation measures will be required and whether any additional mitigation measures identified in the underlying **Market and Octavia Plan** PEIR will be required.

- f. *Greenhouse Gas Compliance Checklist for Private Development Projects*. BAAQMD's San Francisco's *Strategies to Address Greenhouse Gas Emissions* presents a comprehensive assessment of policies, programs and ordinances that collectively represent San Francisco's qualified greenhouse gas (GHG) reduction strategy.¹ Projects that are consistent with San Francisco's GHG reduction strategy would result in less-than-significant GHG emissions.

In order to facilitate a determination of compliance with San Francisco's GHG reduction strategy, the Planning Department has prepared a Greenhouse Gas Analysis Compliance Checklist. The planner or CEQA consultant in coordination with the project sponsor would prepare this checklist.

- g. *Transportation Impact Study*. Based on the PPA submittal, a transportation study is not anticipated. Please note that an official determination will be made subsequent to submittal of the environmental evaluation application.

¹ San Francisco's *Strategies to Address Greenhouse Gas Emissions* is available online at: <http://www.sfplanning.org/index.aspx?page=1570>.

- h. *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. Please provide these mailing labels at the time of submittal.
- i. *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.
- j. *Compliance with Stormwater Management Ordinance.* The City and County of San Francisco Stormwater Management Ordinance 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, consistent with the November 2009 Stormwater Design Guidelines. Responsibility for review and approval of the Stormwater Control Plan is with the San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise, Urban Watershed Management Program.

The initial CEQA evaluation of a project will broadly discuss how the Stormwater Management Ordinance will be implemented if the project triggers compliance with the Stormwater Design Guidelines. The project's environmental evaluation would generally evaluate how and where the implementation of required stormwater management and Low Impact Design 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.

- k. *Noise.* The proposed development is located along a street (Laguna Street) with noise levels above 75 dBA Ldn. Pursuant to the San Francisco 2004 and 2009 Housing Element Final EIR², the Planning Department shall require the following:
 1. The Planning Department shall require the preparation of an analysis that includes, at a minimum, a site survey to identify potential noise-generating uses within two blocks of the project site, and including at least one 24-hour noise measurement (with maximum noise level readings taken at least every 15 minutes), prior to completion of the environmental review. The analysis shall demonstrate with reasonable certainty that Title 24 standards, where applicable, can be met, and that there are no particular circumstances about the proposed project site that appear to warrant heightened concern about noise levels in the vicinity. Should such concerns be present, the Department may require the completion of a detailed noise assessment by person(s) qualified in acoustical analysis and/or engineering

² The San Francisco 2004 and 2009 Housing Element Draft EIR, Case No. 2007.1275E, is available online at http://sfmea.sfplanning.org/2007.1275E_DEIR.pdf.

prior to the first project approval action, in order to demonstrate that acceptable interior noise levels consistent with those in the Title 24 standards can be attained; and

2. To minimize effects on development in noisy areas, for new residential uses, the Planning Department shall, through its building permit review process, in conjunction with noise analysis required above, require that open space required under the Planning Code for such uses be protected, to the maximum feasible extent, from existing ambient noise levels that could prove annoying or disruptive to users of the open space. Implementation of this measure could involve, among other things, site design that uses the building itself to shield on-site open space from the greatest noise sources, construction of noise barriers between noise sources and open space, and appropriate use of both common and private open space in multi-family dwellings, and implementation would also be undertaken consistent with other principles of urban design.

The environmental evaluation application is 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. To determine fees for environmental review, please refer to page one of our fee schedules, under "Studies for Projects outside of Adopted Plan Areas."

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.

1. **Conditional Use Authorization.** In order for the project to proceed, the Planning Commission would need to approve 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 NCT district. In addition to the findings that 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. **Off-Street Parking.** Conditional Use authorization is required for a residential parking ratio between 0.5:1 and 0.75:1 in the Hayes-Gough NCT (please see item number 3 under 'Preliminary Project Requirements' for further discussion). In addition to the findings that apply to all Conditional Use authorizations (Section 303(c)), the Planning Commission must also consider the criteria of Section 151.1(g)(1).
2. **Variances.** As currently proposed, and as discussed under 'Preliminary Project Comments' below, certain aspects of the project do not comply with the requirements of the Planning Code. Therefore, the project must be revised to comply with the Planning Code, or Variances must be sought for these aspects of the project:

- Rear Yard (see Item 1 under 'Preliminary Project Comments').
 - Open Space (see Item 2 under 'Preliminary Project Comments').
3. **Planning Code 295 Shadow Analysis Application.** The preliminary shadow fan prepared by staff indicates that shadow could potentially reach property under the jurisdiction of the Recreation and Parks Department. Further shadow analysis will need to be completed under a Shadow Analysis Application to definitively conclude whether the project will add net new shadow to Recreation and Parks Department properties. Please see item number 9 under Preliminary Project Comments for further discussion.

Applications for the actions listed above 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.

4. **Building Permit Application**

A Building Permit application is required for the proposed building alterations. 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 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:

Planning Code

1. **Rear Yard.** Planning Code Section 134(a)(1)(C) stipulates that a rear yard shall be provided at the lowest story containing a dwelling unit, and at each succeeding level or story of a building in the Hayes-Gough NCT equal to 25% of lot depth. The rear yard requirements in NCT Districts may be modified or waived in specific situations as described in Planning Code Section 134(e) et. seq.

The project appears that it will utilize a modified rear yard in the form of an inner courtyard that will be located at the first residential level (the second level) pursuant to Planning Code Section 134(e)(2).

Although the courtyard area contains an adequate amount of area (3,000 square feet), the courtyard area contains features that are not permitted rear yard obstructions as described in Planning Code Section 136(c) and does not appear to meet the dimensional requirements (at least 15 horizontal feet of unobstructed area) prescribed under Planning Code Section 134(e)(2) to be considered a Code-complying rear yard on a corner lot in an NCT District.

However, the project could be eligible for a rear yard waiver by the Zoning Administrator under a Variance application provided that the criteria enumerated under Planning Code Section 134(e)(1) are determined to be met by the Zoning Administrator. As proposed, the project would require a rear yard waiver, or alternatively, the project may be re-designed to meet the Planning Code rear yard requirements.

2. **Usable Open Space.** Section 135 requires that a specific amount of usable open space be provided for each dwelling unit. The Hayes-Gough NCT District requires dwelling units to have 60 square feet of private usable open space per dwelling unit, 79.8 square feet of common useable open space per dwelling unit, or a combination of the two standards. Both private and common open space must meet specific requirements for dimensions, location, and exposure to light and air. As currently proposed, the project appears to provide private and common open space in differing forms and locations within the project.

Although the project proposes open space in an amount that would exceed Planning Code requirements, much of the proposed open space does not appear that it would be considered “useable” open space, and as such, would not count towards the total open space requirement. The courtyard area would not count as common useable space since it does not appear to meet Planning Code requirements to be considered a rear yard. As currently configured, approximately 16 dwelling units would have private open space primarily in the forms of balconies and terraces. Planning Department staff would need to review full-sized, scaled plans under future project submittals to determine if the proposed private open space would be considered useable. At least 14 of the 29 dwelling units do not appear to have an adequate amount of useable open space and would require a Variance from the Planning Code-required useable open space requirements.

3. **Off-Street Parking.** Pursuant to Section 151.1, the maximum parking ratio that is allowed in the Hayes-Gough NCT for residential dwelling units is a ratio of 0.5 off-street parking spaces per dwelling unit, while a maximum parking ratio of 0.75 off-street parking spaces per dwelling unit could be proposed with a Conditional Use authorization request. Additionally, one off-street parking space per 1,500 square feet of retail may be proposed.

With 8,000 square of ground-floor retail, the project may provide up to five off-street parking spaces dedicated to retail uses, which the project proposes. With 29 dwelling units, the project is principally permitted to provide a maximum of 14 off-street residential parking spaces, while a maximum of 21 off-street residential parking spaces may be proposed under a Conditional Use authorization request.

The project appears to propose 27 residential off-street parking spaces, which would not be permitted in the Hayes-Gough NCT. The Department would strongly encourage a maximum principally

permitted residential parking ratio of 0.5 off-street parking spaces per dwelling unit for the project. Please see further parking comments in the below sections.

4. **Bicycle Parking.** Per Section 155.5, a total of 15 Class 1 bicycle parking spaces would need to be provided for the project, which the project would provide. While the project complies with the numerical requirement of the Code, staff is concerned that the bicycle parking area shown within the basement parking garage is not conveniently located. The bicycle parking location does not provide direct access to the exterior, requiring that cyclists walk their bicycles through multiple sets of doors to exit the property. The proposed bicycle parking area should be relocated and/or redesigned for greater functionality and convenience. Please see further bicycle parking comments in the below sections.
5. **Car Sharing.** Pursuant to Planning Code Section 166, no car-share parking space is required or proposed for the project. The provision for car share spaces is encouraged by the Market and Octavia Plan. Please see the Market and Octavia Area Plan Section below for more comments regarding car sharing.
6. **Streetscape 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. Please see the discussion under the Market and Octavia Area Plan and Preliminary Design Comments Sections of this document for further discussion.
7. **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 14 out of the 29 dwelling units as minimum two-bedroom units and complies with this requirement.
8. **Height Limits for Narrow Streets and Alleys.** As set forth in Planning Code Section 261.1, all subject frontages on the southerly side of an East-West Narrow Street shall have upper stories which are set back at the property line such that they avoid penetration of a sun access plane defined by an angle of 45 degrees extending from the most directly opposite northerly property line. The portion of the building massing facing Ivy Street located 60 feet west of the Ivy Street/Laguna Street intersection must comply with the sun access plane requirements of Section 261.1. Future plan submittals must include plans similar to Figure 261.1A of the Planning Code to demonstrate compliance with the required sun access plane.
9. **Shadow Analysis.** Section 295 generally prohibits new buildings and additions to existing buildings over 40 feet in height 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. Staff has prepared a preliminary shadow fan to indicate potential shadow

impacts from the project on portions of Patricia's Green and the Hayes Valley Playground. However, this shadow fan does not account for the presence of intervening buildings or shadow already cast on these properties. Please note that further graphic analysis will be necessary to definitively conclude that there will or will not be shadow impacts to these properties

10. **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.

In order for the Project Sponsor to be eligible for the On-Site Affordable Housing Alternative, the Project Sponsor must submit an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415, to the Planning Department stating that any affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the project. In order to be eligible to provide rental units, the Project Sponsor must submit to the Department a contract demonstrating that the project's on- or off-site units are not subject to the Costa Hawkins Rental Housing Act, California Civil Code Section 1954.50 because, under Section 1954.52(b), the Project Sponsor has entered into an agreement with a public entity in consideration for a direct financial contribution or any other form of assistance specified in California Government Code Sections 65915 et seq. Please note that not all projects can meet the criteria of having received a "direct financial contribution or other form of assistance" from the City. All such contracts entered into with the City and County of San Francisco must be reviewed and approved by the Planning Department, the Mayor's Office of Housing, and the City Attorney's Office.

11. **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 ("gsf") of each use in the project. The sponsor may wish to pursue in-kind improvements that would offset some or all of the required Market and Octavia Community Improvement Impact Fee, as described in Section 421.3(d). Pursuant to Planning Code Table 421.3B the Market and Octavia Community Improvement Impact Fee for the project would be \$9.57/gsf for net additions of residential gsf, while net additions of non-residential gsf would be \$3.62/gsf.

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 project shall also be subject to the Market and Octavia Area Plan Affordable Housing fee (Section 416). Pursuant to Planning Code Table 416.3A, the Market and Octavia Area Plan Affordable Housing fee for the project would be \$3.60/gsf for the net addition of residential use, while the net addition of non-residential use would be \$0.20/gsf.

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. Please see the Market and Octavia Area Plan Section for further information.

- 12. 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 contact 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.

Market and Octavia Area Plan

The proposed project is covered by the Market and Octavia Area Plan, which was adopted by the San Francisco Board of Supervisors in 2008. On the whole it takes into consideration many of the principles outlined in the plan, including active ground-floor use, mix of residential unit sizes, height-sculpting along alleys, ground-floor ceiling heights, minimal number of curb cuts, and placement of garage entry.

The following comments relate to policy issues in the Market and Octavia Area Plan as they affect the proposed project:

- **Market and Octavia Impact Fees.** The Market and Octavia impact fees apply to the Project. These fees shall be charged on all residential and non-residential uses. Fees shall be assessed per net new gross square footage on residential and non-residential uses within the Plan Area. Fees shall be assessed on mixed use projects according to the gross square feet of each use in the project.

The Market and Octavia impact fees shall be paid before the City issues a first construction document, with an option for the project sponsor to defer payment to prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge in accordance with Section 107A.13.3 of the San Francisco Building Code.

Option for In-Kind Provision of Community Improvements and Fee Credits. Project sponsors may propose to directly provide community improvements to the City. In such a case, the City may enter into an In-Kind Improvements Agreement with the sponsor and issue a fee waiver for the Market and Octavia impact fees from the Planning Commission. This process is further explained in Section 412.3(d) of the Planning Code.

More information on in-kind agreements can be found in the Application Packet for In-Kind Agreement on the Planning Department website.

In-Kind Public Realm Improvements

In-kind improvements can offset some or all of the required Market and Octavia impact fees (See Market and Octavia Impact Fees, above). Ivy Street has been identified in the Market and Octavia Plan as a candidate for “Living Alley” treatment (Market and Octavia Area Plan Policy 4.1.7). Redesigning Ivy Street adjacent to the project site as a Living Alley may be a potential in-kind improvement. For more information on Living Alleys, see Appendix C of the Market and Octavia Plan, Section A1, page 41. The document is available on-line at:

www.sfplanning.org/ftp/files/Citywide/Market_Octavia/Community%20improvements_appendix_c_final_feb_2008.pdf

Parking. The Market and Octavia Plan expressly supports the choice to live without a car and encourages travel by public transit and alternative transportation modes (Market and Octavia Area Plan Objective 5.2, Policy 2.2.3, Policy 5.2.1, Policy 5.2.4). The maximum parking policies set forth in the plan are also in line with the San Francisco City Charter’s Transit First Policy (San Francisco City Charter Sec. 8A.115). The project site, located on the 21-Hayes bus line and within short walking distance of the extensive transit service on Market Street and Van Ness Avenue, is exceptionally well-positioned for residents who choose to live without a car; indeed, the spirit of the plan suggests that a project with very limited parking would be appropriate for this location.

The proposed amount of parking in the project goes beyond what is principally permitted by the Planning Code. Given the project’s central location with a high availability of transit service, it is recommended that the project sponsor reduce the number of parking spaces to an amount equal to or below the maximum permitted by right in the Planning Code. Alternate uses for areas currently devoted to parking might include additional storage areas, expanded bike parking, and car share spaces.

PRELIMINARY DESIGN COMMENTS:

The proposed project should conform to the policies and guidelines in both the General Plan and the Market Octavia Area Plan.

1. **Site Design, Massing, and Open Space.** The overall massing and open space is appropriate to the site and surrounding context. However, further refinements to the vertical articulation would help with the overall scale and proportion of the building in relation to the surrounding buildings' proportions, scale, and texture. This could be achieved with some subtle accentuation of vertical modules.
2. **Ground Floor and Street Frontage.** *Hayes and Laguna Street.* The transparency of the storefronts at Hayes and Laguna Streets provides a welcome continuity with Hayes and Laguna Street commercial uses. UDAT would like to see the residential lobby differentiated from the retail storefronts with greater emphasis given to the Lobby entrance with an expression of height, a recessed entry, and overhang.

Staff recommends that the proposed project activate Ivy Street with a more formal residential entry on Ivy.

3. **Parking and Loading.** Minimize garage entrance visible from the street to be no wider than 10 feet. The new curb cuts should be no greater than 12 feet.

Twenty-seven spaces is an excessive amount of parking. Staff recommends that the residential parking be reduced to a code required maximum.

The location of the bike parking is too remote. Ideally it should be accessed directly from the street to the lobby and avoid traversing the parking ramp and garage.

4. **Public Realm Improvements.** Per Planning Code Section 138.1, the department will require standard streetscape elements and sidewalk widening for the appropriate street type per the Better Streets Plan, including 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). 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 appropriate streetscape improvements per the street type. The Planning Department may require these elements as part of conditions of approval. Standard street improvement would be part of basic project approvals not count for as credit towards in-kind contributions. For more information on process, guidelines, and requirements for street improvements, refer to www.sfbetterstreets.org.

Hayes Street: Neighborhood Commercial

A redesign of Hayes Street is identified in the Market and Octavia Plan as a future area of study (Market and Octavia Area Plan Policy 4.2.2). The study has yet to be undertaken, so at this time significant changes to the curb lines on Hayes Street (i.e., sidewalk widening) are unlikely to be recommended as a condition of approval.

Laguna Street: Neighborhood Residential

A bus-bulb out may be required as a condition of approval at the 21-Hayes bus stop on Laguna Street directly adjacent to the project-site, pending further discussion with SFMTA.

Ivy Street Improvements. The commercial frontage and residential amenity may be enhanced by creation of an improved public space along Ivy Street. Staff encourages the sponsor to consider public realm features, such as “living alley” improvements to Ivy Street (similar to those improvement recently constructed on Linden Street at Gough Street). Planning staff is happy to review proposals or meet with the project sponsor to explore ideas.

Creating a network of Living Alleys has been identified as a priority project by the Interdepartmental Plan Implementation Committee, with implementation to begin within five years. The Market and Octavia Community Advisory Committee has not yet made a formal recommendation regarding the funding of Living Alleys, but is generally supportive of implementing the concept. See above for in-kind public realm improvements.

5. **Architecture.** The lobby at Hayes Street should have greater emphasis. More effort should be made to accentuate the entrance lobby vertically. Recess and widen the entrance and landscape the transition space between the street to the lobby.

Consider more open or transparent residential balconies.

PRELIMINARY PROJECT ASSESSMENT EXPIRATION:

This Preliminary Project Assessment is valid for a period of **18 months**. An Environmental Evaluation, Conditional Use Authorization, or Building Permit Application, as listed above, must be submitted no later than **February 28, 2014**. Otherwise, this determination 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.

Enclosure: PPA Shadow Fan Analysis

cc: Daniel K. Schalit Project Sponsor
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