



SAN FRANCISCO PLANNING DEPARTMENT

Preliminary Project Assessment

Date: June 21, 2013
Case No.: **2013.0511U**
Project Address: 1125 Market Street
Block/Lot: 3702/047
Zoning: C-3-G
120-X
Area Plan: Downtown Plan
Project Sponsor: Larry Badiner
(415) 865-9985
Staff Contact: Elizabeth Watty – (415) 558-6620
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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 proposal is to construct a new 12-story-over-basement, 120-foot tall mixed-use building. The proposed new building would include 150 dwelling units, 16 parking spaces with access off of Stevenson Street, and 3,005 square feet of commercial space along Market Street.

ENVIRONMENTAL REVIEW:

The project initially requires the following environmental review. This review may be done in conjunction with the required approvals listed below, but must be completed before any project approval may be granted.

If the additional analysis outlined below indicates that the project would not have a significant effect on the environment, the project may qualify for a Class 32 Categorical Exemption, in which case the Planning Department would issue a Certificate of Determination of Exemption from Environmental Review.

If the additional analysis performed after submittal of the Environmental Evaluation Application indicates that the project may have a significant effect on the environment, Planning Department staff would prepare an Initial Study to determine whether a Mitigated Negative Declaration (MND) or Environmental Impact Report (EIR) is needed.

If the Department finds that the project would have significant impacts that can be reduced to a less-than-significant level by mitigation measures agreed to by the project sponsor, then the Department would issue a Preliminary Mitigated Negative Declaration. If the Initial Study process indicates that the project would result in a significant impact that cannot be mitigated to below a significant level, an EIR will be required to be prepared by an environmental consultant from the Planning Department's environmental consultant pool. The Planning Department would provide more detail to the project sponsor regarding the EIR process should this level of environmental review be required.

An **Environmental Evaluation Application** is required for the project and may include the following:

1. **Historic Resource Evaluation Report (HRE).** The proposed property is adjacent to the Civic Center Historic District, which is a local Historic District, designated pursuant to Article 10 of the Planning Code, and the Market Street Theater and Loft District, which is a National Historic Landmark District. As such, the adjacent Historic Districts would be considered historical resources pursuant to CEQA. In addition, the property is bordered by identified historic resources on both sides. To assist in analysis of the proposed project, which includes new construction of an approximately 120-foot-tall residential building over ground floor retail, the Department requires a Historic Resource Evaluation Report (HRE) 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 HRE should focus on evaluation of the compatibility of the proposed design of the new construction with the adjacent Historic Districts and adjacent historic resources, and assess potential impacts to the Historic Districts and resources. In evaluating compatibility with the Historic Districts and resources, the architecture, massing, height, materials and articulation of the proposed building and its neighboring buildings should be considered.

The historic resource consultant must be selected from the Planning Department's Historical Resources Consultant Pool, in accordance with the Planning Department's consultant selection procedures¹. Upon submittal of the Environmental Evaluation Application, you may contact the Senior Preservation Planner, Tina Tam, to obtain a list of three historic resource consultants from which to select.

Instructions on completing this report are included in "San Francisco Preservation Bulletin No. 16: City and County of San Francisco Planning Department CEQA Review Procedures for Historic Resources." The preservation bulletin is available at www.sfplanning.org under: "Plans

¹ The Planning Department's list of approved Historic Resources Consultant Pool consultants is available at http://www.sf-planning.org/ftp/files/MEA/HP_consultant_pool_letter_4-6-11.pdf

& Programs”, “Historic Preservation”, and “Preservation Bulletins.” The historic resource consultant must contact Planning Department Preservation Staff to scope the contents of the HRE.

2. **Archeological Study.** The proposed project would require Preliminary Archeological Review, which would be conducted in-house by Planning Department staff. This review requires documentation of potential project soils disturbance and the range of appropriate foundation types for the proposed structure. Such information is typically contained within the project’s geotechnical study, and should be submitted with the Environmental Evaluation Application. The Preliminary Archeological Review will determine whether or not additional archeological studies will be required as part of the environmental evaluation.
3. **Transportation Study.** A transportation study is anticipated for the project. In addition, a transportation study was prepared for this site in 2003², and is available for review. The proposed 150 residential units would add approximately 67 peak hour vehicle trips. The project includes 16 off-street parking spaces within a ground floor garage, along with one curb cut for access to the garage on Stevenson Street. Consultation with the San Francisco Municipal Transportation Agency (SFMTA) will be required. The project plans will be reviewed by a Planning Department Staff transportation planner following submittal of the Environmental Evaluation Application.
4. **Air Quality.** The project includes the construction of a 120-foot tall building with 18 feet of excavation. Project-related 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 also includes sensitive land uses (150 dwelling units) that may be affected by nearby roadway-related pollutants and other stationary sources that may emit toxic air contaminants. In addition, 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

² CHS Consulting Group, *1125 Market Street and 1160 Mission Street Transportation Study 2001.1066! Final Report*, January 9, 2003. This is available for review upon request, please contact Laura Lynch at the San Francisco Planning Department, (415)575-9045

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 please see: <http://www.sfdph.org/dph/EH/Air/default.asp>

5. **Greenhouse Gas 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 project sponsor will need to submit a completed Greenhouse Gas Analysis Compliance Checklist as part of the environmental review process.
6. **Shadow.** Section 295 restricts new shadow upon public spaces under the jurisdiction of the Recreation and Park Department by any structure exceeding 40 feet, unless the Planning Commission finds the impact to be less than significant. A preliminary shadow fan was prepared by the Department as part of this PPA Application, which indicated no potential to cast shadow on open spaces under the jurisdiction of the Recreation and Park Department.
7. **Wind Study.** The proposed project would involve construction of a building over 80 feet in height in the C-3-G District. The project therefore would require an initial review by a wind consultant, as well as a wind tunnel analysis. The consultant would be required to prepare a proposed scope of work for review and approval by the Environmental Planning case manager prior to preparing the analysis.
8. **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: www.sfwater.org/reqs

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.

9. **Geotechnical Study.** Given that the San Francisco Bay Area is seismically active, the project is located in a seismic hazard zone. In addition, it is located within the mapped liquefaction zone. A Geotechnical Study should be conducted for the site to identify site-specific geologic conditions and potential hazards and should be submitted with the EE application. The Geotechnical Study should evaluate or make recommendations for the design of the building foundations. If potential geological impacts are identified, design recommendations to ameliorate these issues should be included

10. **Phase I Environmental Site Assessment (ESA).** A Phase I Environmental Site Assessment (ESA) study is required by the Planning Department. The Phase I ESA should discuss existing environmental conditions at the project sites, including the potential for underground fuel storage tanks; the potential for asbestos-containing building materials (ACBM) and lead-based paint or the presence of other potentially hazardous building materials; the potential for soil contamination, often associated with petroleum products; and documented releases of hazardous substances within 0.5 miles of the proposed project sites, if any. The Phase I ESA should include professional recommendations as to whether further investigation (e.g., soil sampling) is warranted. If the Phase I ESA identifies likely soil or groundwater contamination, a Phase II ESA would be required
11. **Parking and Circulation.** An initial review of the proposed project was conducted by Planning Department Staff transportation planners. The following recommendations are to be addressed before the submittal of the Environmental Evaluation Application.
 - Since 7th Street is a one way street, bicycles should be able to access parking from Market Street.
 - Plans should clearly show ground floor circulation including bicycle parking and the location of trash storage.
 - Residential loading should occur on Market Street at night for trucks greater than 30 feet.
 - Plans should clearly show the proposed loading zone on Stevenson Street.
 - Clearly show if there is sufficient space for truck turn around on Stevenson Street.
 - Plans should note trash pickup locations and if Recology trucks can circulate on Stevenson Street.
12. **Tree Disclosure Affidavit.** The Department of Public Works Code Section 8.02-8.11 requires protection of landmark, significant, and street trees located on private and public property. Any tree identified in a Disclosure Statement must be shown on the Site Plans with size of the trunk diameter, tree height, and accurate canopy dripline. Please submit a Tree Disclosure Statement 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 each of the project sites and owners of properties within 300 feet of both of the project sites at the initiation of the environmental review process. Please provide these mailing labels at the time of the Environmental Evaluation Application submittal.

If the additional analysis outlined above indicates that the project would not have a significant effect on the environment, the project may qualify for a Class 32 Categorical Exemption, in which case the Planning Department would issue a Certificate of Determination of Exemption from Environmental Review.

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staff would prepare an Initial Study to determine whether an Environmental Impact Report (EIR) is needed. If the Department finds that the project would have significant impacts that can be reduced to a less-than-significant level by mitigation measures agreed to by the project sponsor, then the Department would issue a Preliminary Mitigated Negative Declaration.

If the Initial Study process indicates that the project would result in a significant impact that cannot be mitigated to a less than significant level, an EIR will be required to be prepared by an environmental consultant from the Planning Department's environmental consultant pool. The Planning Department would provide more detail to the project sponsor regarding the EIR process should this level of environmental review be required.

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.

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. **Downtown Project Authorization (Section 309 Application).** A Downtown Project Authorization from the Planning Commission is required per Planning Code Section 309 for the new construction of a building greater than 75 feet in height and greater than 50,000 gsf.
 - a. **Exceptions.** As a component of the Downtown Project Authorization process, projects may seek specific exceptions to the provisions of the Planning Code, as outlined in Planning Code Section 309. Based on the Department's initial review of the plans, the following exception *may* be required:
 - i. **Obstructions within Upper Level Setbacks (Section 132.1).** The project includes a deck railing and unenclosed seating areas within the 25' upper level setback along Market Street. Obstructions above the horizontal plane of the setback required pursuant to Planning Code Section 132.1(b) which will create limited blockage of light and air may be permitted within the setback area, if an exception is granted pursuant to Section 309.
 - ii. **Rear Yard (Section 134).** The project does not include a Code compliant rear yard. In C-3 Districts, an exception to the rear yard requirements of this Section may be allowed, in accordance with the provisions of Section [309](#), provided that the building location and configuration assure adequate light and air to windows within the residential units and to the usable open space provided.
 - iii. **Wind (Section 148):** A wind analysis will be required for the proposed project. If the wind analysis determines that the project will result in, or does not eliminate pre-existing exceedances to the wind comfort levels outlined in Section 148 (ground-level winds exceeding 11mph for pedestrians and 7mph for public seating areas), an

exception may be sought under Planning Code Section 309. Please note that you cannot seek an exception under Section 309 from any new exceedances to the hazardous wind levels of 26 mph.

- iv. **Freight Loading (Section 152.1):** The Project includes more than 100,000 gsf of residential space, requiring one off-street freight loading space. In recognition of the fact that site constraints in C-3 Districts may make provision of required freight loading and service vehicle spaces impractical or undesirable, a reduction in or waiver of the provision of freight loading and service vehicle spaces for uses in C-3 Districts may be permitted, in accordance with the provisions of Section 309, along with the additional findings outlined in Section 161(i).
2. **Variances.** As proposed, the project will require variances from the following Planning Code Sections. Please note that there are five variance criteria outlined in Planning Code Section 305, that must be met for each requested variance:
- a. **Open Space (Section 135).** The project requires 36 sf of private usable open space or 47.88 sf of common usable open space for each of the 150 dwelling-units. This results in a requirement of 5,400 sf of private usable open space, 7,182 sf of common usable open space, or a combination of the two. The project indicates that there will be approximately 4,040 sf of common open space on the upper roof, 413 sf of common open space on the 9th floor roof, 786 sf of private usable open space on the 9th floor roof, and 2,045 sf of common usable open space on the ground floor courtyard. The usable open space proposed on the ground floor courtyard does not meet the sun access dimensions outlined in Section 135(g)(2). As a result, the project does not include sufficient usable open space. Please revise the project or seek and justify a variance.
 - b. **Exposure (Section 140).** Planning Code Section 140 requires that all dwelling-units face directly onto an open area. The open must either a public street, alley, or side yard measuring at least 25 feet in width; a Code-complying rear yard; or an open area that is no less than 25 feet in every horizontal dimension for the floor of the dwelling unit and the floor above it, with an increase of five feet in every horizontal dimension at each subsequent floor. It appears that the five units that face into the light court will not meet this requirement. Please revise the project or seek and justify a variance.
 - c. **Street Frontages (Section 145.1).** "Active uses" are required at the ground floor of the building along Market and Stevenson Streets, pursuant to Planning Code Section 145.1(c)(3). The ground floor of the building along Stevenson Street contains a fitness center and community room. Planning Code Section 145.1(b)(2)(B) states that rooms accessory to residential uses, such as fitness and community rooms, are only considered "active uses" if they have access directly to the public sidewalk or street. The proposed rooms do not have direct access to the street, and as such are not considered active uses. Please revise the project or seek and justify a variance.
3. **Conditional Use Authorization.** The project currently requires a Conditional Use Authorization, pursuant to Planning Code Section 215(b), for proposing a density that exceeds one unit per 125 sf of

lot area. Please note that there is pending legislation (Board File No. 110548) that would eliminate the density controls for the C-3 District. This legislation has been approved by the Planning Commission but is pending approval by the Board of Supervisors.

4. A **Building Permit Application** is required for the proposed new construction on the subject property.

Downtown Project Authorization, Conditional Use Authorization, and Variance 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. Building Permit applications are available at the Department of Building Inspections 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.

PRELIMINARY PROJECT COMMENTS:

The following comments address specific Planning Code and other general issues that may significantly impact the proposed project.

1. **Shadow Study – Section 147.** A preliminary shadow study was conducted by Staff in conjunction with this PPA Application, and it indicated that the project will not cast a shadow on any park or open space protected under Planning Code Section 295. However, in order to analyze the Project's compliance with Planning Code Section 147, the Department will require the sponsors to conduct a shadow analysis and submit it to staff in order to understand the total amount of shadow cast on UN Plaza.
2. **Inclusionary Housing.** Affordable housing is required for a project proposing ten or more dwelling units. The Project Sponsor must submit an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 419,' to the Planning Department identifying the method of compliance, on-site, off-site, or in-lieu fee. Any on-site affordable dwelling-units proposed as part of the project must be designated as owner-occupied units, not rental units. 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.

For your information, if a project proposes rental units, it may be eligible for an On-site Alternative to the Affordable Housing Fee if it has demonstrated to the Planning Department that the affordable units are either: 1) ownership only or 2) not subject to the Costa Hawkins Rental Housing Act (a Costa Hawkins exception). Affordable units are not subject to the Costa Hawkins Rental Housing Act under the exception provided in Civil Code Sections 1954.50 through one of the following methods:

- a. direct financial construction from a public entity

- b. development bonus or other form of public assistance

A Costa Hawkins exception agreement is drafted by the City Attorney. You must state in your submittal how the project qualifies for a Costa Hawkins exception. The request should be addressed to the Director of Current Planning. If the project is deemed eligible, we may start working with the City Attorney on the agreement.

3. **Transfer of Development Rights.** The project would require the purchase of TDR to enable development of floor area over the base FAR of 6:1.
4. **Bicycle Parking.** Planning Code Section 155.5 requires this project to provide bicycle parking. Please note that there is pending legislation (Board File No. 130528) that would increase the amount of bicycle parking required as part of this project. Under the proposed legislation, the project would be required to provide 113 Class 1 spaces, and 12 Class 2 spaces.
5. **Car sharing.** Planning Code Section 166 requires this project to provide at least one car share parking space.
6. **Street trees.** Planning Code Section 138.1 requires one street tree for every 20 feet of frontage for new construction. No street trees are shown on the plans for Stevenson Street. If the sidewalk is too narrow for the installation of Street Trees, the Zoning Administrator may allow alternative landscaping or the payment of an in-lieu fee instead.
7. **Bird Safe Glazing.** New construction is subject to the Bird Safe Glazing Standards outlined in Planning Code Section 139. The project may include “feature-related hazards”, such as free-standing glass walls, wind barriers, and greenhouses on rooftops that have unbroken glazed segments that are 24 sf and larger in size. If any such feature is proposed, the entire feature must be treated with bird-safe glazing.
8. **Interdepartmental Project Review.** This review is required for all proposed new construction in seismic hazard zones, in which the subject property falls. An application is enclosed.
9. **First Source Hiring Agreement.** A First Source Hiring Agreement is required for any project proposing to construct 10 or more dwelling-units. For more information, 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
(415) 581-2303

10. **Flood Notification.** The subject property is located in a flood-prone area. Please see the attached bulletin regarding review of the project by the San Francisco Public Utilities Commission.

11. **Recycled Water.** The City requires property owners to install dual-plumbing systems for recycled water use in accordance with Ordinances 390-91, 391-91, and 393-94, within the designated recycled water use areas for new construction projects larger than 40,000 square feet. Please see the attached SFPUC document for more information.
12. **Impact Fees.** This project will be subject to various impact fees. An initial review indicates the following impact fees, which are assessed by the Planning Department, will be required :
 - a. **Public Art.** All projects that involve construction of a new building in a C-3 District require public art in the amount of 1% of the total construction costs. This can be satisfied through on-site art that is clearly visible from the public sidewalk or through a payment into the City's Public Artwork Trust Fund.
 - b. **Transit Impact Development Fee.** Any new construction that cumulatively results in at least 800 gsf or more of a use covered by the TIDF chart in Section 411.3 is required to pay TIDF impact fees. Residential is excluded, but retail is currently charged at a rate of \$13.30/gsf.

PRELIMINARY DESIGN COMMENTS:

The following comments address preliminary design issues that may significantly impact the proposed project:

1. **Building Massing, Site Design, and Orientation.** The Planning Department appreciates the use, orientation, and sequence of the courtyard as the entry from Market to the residential lobby. Please ensure that the units facing the light court retain as much access to natural light as possible.
2. **Stevenson Street Improvements.** Considering there are several concurrent efforts to improve various blocks of Stevenson Street in the mid-Market area, and that there is a need to make Stevenson Street a more livable and pedestrian-oriented street, consider enhanced streetscape improvements as part of this project. Such improvements may include, but are not limited to bulb outs, enhanced street furnishings, and landscaping.
3. **Architecture.** Overall, the proposed project seems well-designed and thought out in relation to its context. The massing, programmatic elements, and architectural approach fit well in mid-Market.

The restrained and disciplined design requires that the materials, details, colors and composition be superlative and executed with extreme craft, in-lieu of a more nuanced massing.

Additionally the building should be thought of as a whole object –since it will be visible from all sides for the conceivable future – and therefore the sides should be designed and executed with the same attention as the primary facades.

The application is diagrammatic and is assumed to be preliminary. The Planning Department will provide additional architectural review and comments after the Downtown Project Authorization is filed.

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 **December 22, 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: Neighborhood Group Mailing List
 Interdepartmental Project Review Application
 Flood Notification: Planning Bulletin
 SFPUC Recycled Water Information Sheet

cc: Susan Smartt, MacFarlane Partners, Property Owner
 Elizabeth Watty, Current Planning
 Laura Lynch, Environmental Planning
 Sue Exlilne, Citywide Planning and Analysis
 David Winslow, Design Review
 Jerry Robbins, MTA
 Brett Becker, PUC
 Jerry Sanguinetti, DPW