

Design Review Staff Report Sunnydale HOPE SF Development Agreement

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Date:	May 10, 2018		
Case No.:	2010.0305DVA-04		
Project Name:	Sunnydale HOPE SF - Block 6		
Project Phase:	Phase 2		
Project Sponsor:	Toby Levy		
	Levy Architecture & Design		
	90 South Park		
	San Francisco, CA 94107		
	on behalf of Sunnydale Development Co. LLC		
Staff Contact:	Kimberly Durandet – (415) 575-6816		
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Recommendation:	Approval		

PROJECT DESCRIPTION

The proposal is the second phase of the Sunnydale HOPE SF Project. The Second Phase (aka "Block 6") consists of new construction of 167 unit multi-family apartments in two buildings with 21 one-bedroom, 95 two-bedroom, 40 three-bedroom, and 11 four-bedroom units. The development includes a suite for property management and resident services coordinator staff, a multi-purpose room community meetings and events, and common laundry rooms. The new four to five-story 40 to 50-feet tall development is 100-percent affordable housing. The building will include 77 off-street parking spaces and feature auto ingress and egress from Sunrise Way and Center Street, individual unit entries are provided along "The Mews" and lobby entries are provided at all other frontages. The project as proposed is seeking a modification under the Sunnydale Hope SF SUD Sec. 249.75 and Design Standards and Guidelines (DSG) for Massing and Bulk Controls pursuant to Section 7.1.2.

SITE DESCRIPTION AND PRESENT USE

The second phase of the Sunnydale HOPE SF Project (also referred to as Phases 1A-1 and 1A-2 or Blocks 5 and 6) includes: (1) the demolition of 15 buildings and vacation of a segment of Blythedale Street; (2) new construction of extension of Sunrise Way, "A" Street, "Center" Street; (3) all new water, sewer, electrical, gas, telecom utilities for this phase; (4) new SFPUC electrical service switchgear for the new HOPE SF development; (5) Block 6 vertical development consisting of 167 units of affordable housing; and (6) creation and preparation of a new block 5 that will serve as site for market rate housing.

BACKGROUND

The entire Sunnydale HOPE SF project, for which this is the second phase, received their Master Entitlements in March 2017. The Master Plan includes authorization for the complete reconstruction of the Sunnydale-Velesco Housing Authority site along with the subject site over several years (see Attachment C for a full description of the Development Agreement and the full Sunnydale HOPE SF Project). At full buildout, the Project will include approximately 1,700 units (775 replacement units + 995 new market rate and affordable units), approximately 60,000 gsf of retail and community services, all new streets and infrastructure along with approximately 3.5 acres of new parks.

On October 12, 2017, Sunnydale Development Co., LLC filed a Development Phase ("Phase") application pursuant to both Planning Code Section 249.75 and the Development Agreement ("DA") between the City and County of San Francisco and the Sunnydale Development Co. LLC. Sunnydale HOPE SF-Phase 2 application was reviewed and approved by the Director of Planning on November 22, 2017.

On December 21, 2017, Sunnydale Development Co., LLC filed a Development Design Review ("Design") application pursuant to both Planning Code Section 249.75 and the Development Agreement ("DA") between the City and County of San Francisco and the Sunnydale Development Co. LLC.

ENVIRONMENTAL REVIEW

The project was reviewed in accordance of the California Environmental Quality Act under the Addendum to Environmental Impact Report- Sunnydale Velasco HOPE Master Plan (2010.0305E) published June 16, 2016.

PROJECT NOTIFICATION

The Planning Department shall conduct a design review and shall provide public notice of that review no less than 14 days prior to action on the application. Public notice was completed as noted below. No action on the application will be taken prior to the Notice End Date.

ТҮРЕ	REQUIRED PERIOD	NOTICE MAILED	NOTICE END DATE	ACTUAL PERIOD
Mailed Notice	14 days	May 14 , 2018	May 28, 2018	14 days

DESIGN REVIEW APPLICATION, REVIEW, AND APPROVAL

The Sunnydale DA and the Sunnydale HOPE SF Special Use District (Planning Code Section 249.75) sets forth review procedures for actual buildout of the Sunnydale development (see Development Agreement Exhibit K, "Project Development and Phase Applications"). The review procedures require Design approval after the approval of a Phase application and prior to approval of building permit application(s).

Pursuant to the DA, the Planning Department has reviewed the subject Design review application for completeness and for compliance with the Planning Code and the Sunnydale Design Controls and Guidelines document ("DSG") and has found the design to be in compliance with the Planning Code, the DSG, and DA and grants a minor modification for Mass and Bulk Controls pursuant to Section 7.1.2 of the DSG. The project as proposed provides mass breaks on Sunrise and Center Street frontages in the

Design Review Staff Report Phase 2: Block 6

form of entrances that are 12 feet wide but do not have an open portal clearance of 1.5 stories in height. The project has achieved the same effect of breaking down the scale of the building through this and other means. It is the intent of the Director of Planning to approve the Design Review Application, 14-day from the posting date of this Report (May 14, 2018). The attached Compliance Matrix (Attachment B) provides detailed information on how the subject building is compliant with the Planning Code the Design Controls and Guidelines document.

Attachments

- A. Block 6 Plans
- B. Block 6 Compliance Matrix
- C. Description of the Sunnydale HOPE SF Project and Development Agreement

No.	Control	Site Specific Requirement	Requirement Met	Staff Notes	Page Ref.
1	Height Measurement	50-60 feet	Yes	Project as proposed is within height limits	84
2	No. of Stories	n/a	n/a	No specified story limit for this site	84
3	Additional Ground Floor Height	n/a	n/a	No additional height proposed for this site	84
4		5% or less- no step required. 5-15%- Building step required every 120'. 15% or more- Building step required every 80'.	Yes	Project steps down with the grade changes at Sunrise which hase a 9.2% grade change. Other fronages are all below 5%	84-85
5	Sustainability Development	LEED for Neighborhood Design	Yes	Will be done at site permit.	85
6	Mass Break	Frontages that are greater than 200 feet in length shall provide a mass break	No	Frontages on Center and Sunrise have a mass breaks in the form of building entries that are setback approximately 24 feet from the property line and are 12 feet wide on Sunrise and 18 feet wide on Center Street. Because these are not unobstructed portal entries they require a minor modifiction from this massing	86
7	Fine Grain Modulation	Massing of residential buildings shall incorporate a rhythm of less than 50' to reflect the typical SF pattern.	Yes	The façade plan is sufficiently modulated by changes in plane less than 50 '	87
8	Bulk Controls Applied	External plan dimensions only, not applicable to below grade or open spaces.	Yes	Modulations are to grade	87
9	Maximum Lot Coverage	75% of lot area excluding permitted obstructions per PCS 136 provided at grade or above a parking podium level.	Yes	Lot size 95,087 sf; 75% lot coverage is 71,315; proposed lot coverage is 55,200 sf (58% lot coverage)	88
10	Rear Yard	Minimum 25 feet in depth.	Yes	The rear yard is provided at the Mews.	88
11	Setbacks and Build-to Lines	Block 6 shall have 25 ft. rear yard setback adjacent to mews; 6 ft required on A street; 8ft required at lower center street; 8 ft at Blythdale and Sunrise:	Yes	n/a	88
12	Planted Setbacks	40% planted area	Yes	All setbacks contain planted areas	88
13	Permitted Obstructions	Additional permitted obstrucctions allowed.	Yes	n/a	88
14	Ground Floor Entry	Residential unit entries shall be provided on all frontages	Yes	n/a	89
15	Multi-Unit Building Secure Access	Directly accessible to the sidewalk, public open space or Row	Yes	n/a	89
16	Ground Units Direct Access	Ground floor units shall have direct access to the sidewalk or public ROW where possible.	Yes	n/a	89
17	Minimum Entry Width	40" for individual units and 60" for shared entry	Yes	n/a	89
18	Residential Level of Entry	Entry shall be at or above sidewalk level	Yes	n/a	89
19		Parking shall be wrapped with active uses except for 25% per facade.	Yes	Parking is not exposed except for ingress/egress	
20	Ground Floor	Shall never be more than one story above sidewalk	Yes	n/a	92
21	Blank Facades	Exposed facades shall be minimized and architecturally treated.	Yes	All exposed facades shall be architecturally treated.	92
22	Garages	Garages that border streets shall be wrapped with active uses to 25 feet.	Yes	Parking is not exposed except for ingress/egress	92
23	Garbage	Dumpsters and garbage shall be concealed.	Yes	n/a	92
24	Fences	Fences in the front setback shall be no more than 3'6"	Yes	The fences at the mews will meet this requirement	93
25	Security Gates	Security Gates are not allowed in the front setback and shall be placed if used at or behind the pricipal plane of the building wall	Yes	Gates will not be located in any setback area and shall be integrated into the architecture	93

No.	Control	Site Specific Requirement	Requirement Met	Staff Notes	Page Ref.
26	Other Fences Prohibited	Chain link, barbed wire, and spiked securtiy fenced are not allowed.	Yes	No other fences proposed at this time.	93
27	Storefronts	Shall be articulated every 20-40 feet	n/a	No retail proposed	93
28	Retail Height	Minimum ground floor height 14 feet	n/a	No retail proposed	93
29	Fenestration and Transparency	Fenestration 60% minimum with transparent windows and doorways to allow visibilty	n/a	No retail proposed	93
30	Signs	Article 6 for NC-2 apply	n/a	No retail proposed	93
31	Retail Level of Entry	Entry shall be at sidewalk level	n/a	No retail proposed	94
32	Rooftop Mechanical Equipment	Shall be screened from the adjacent street level and adjacent building view (potovoltaic and solar excluded)	Yes	Site permit to comply.	95
33	Lighting	Exterior fixtures shall direct light downward with 'full cut off or fully shielded fixtures. Accent lighting exempt	Yes	Site permit to comply.	95
34	Garage Entry Location	Entry to be on Sunrise and Center Streets	Yes	n/a	96
35	Garage Entry Width	No wider than 20 combined in/egress or 10 if separated.	Yes	n/a	96
36	Off-Street Loading	Loading shall be integrated with auto entry.	n/a	n/a	96
37	Limit of # or Entries	No more than 2 entries permitted unless 10% or greater slope	Yes	Only one entry on Center and one on Sunrise	96
38	Off-Street Loading	Shall meet all other requirements per this section	n/a	n/a	96
39	Open Space Amount Required	80sf per unit	Yes	167 units require 13,360 sf; 21,358 sf is provided in the central courtyards and 9,698 sf at the mews.	97
40		6 feet (deck, porch etc.) 8 feet (terrace, ground floor surface etc.)	n/a	n/a	97
41	Open Space - Dimensions for Common	15 feet	Yes	n/a	97
42	Open Space - Community Rooms	Can count toward open space is certain criteria is meet	n/a	Community room proved on site adjacent to the open space but is not necessary for open space minimum area requirements	97
43	Permitted Projections into Open Space	Limited to balconies, bay windows, and decorative features	Yes	n/a	98
44	Podium Landscaping	Adequate soil depth shall be provided for successful plantings	Yes	Site permit to comply.	98
45	Mews - General Character	Shall be inviting, throgh access etc.	Yes	n/a	98
46	Mews -Building Frontages	Buildings fronting a mews shall be treated the same as a public Row	Yes	n/a	98
47	Mews - Pedestrian Passage Clearance	Minimum 6' width	Yes	n/a	98
48	Mews -Minimum Dimension	25' width between building frontages or 30 feet where there are 4 story buildings on 2 sides	Yes	N/a	98
49	Mews - Qualified as Open Space	Must meet all open space requirements to qualify	Yes	n/a	98
50	Residential Entrances	Shall be entered from lobbies on A, Blythedale/Sunrise and Center Street	Yes	n/a	104
51	Garage Entrance	Shall be on Blythedale/Sunrise and Center Street	Yes	n/a	104



PHASE IA-I & 2 - DEMOLITION

Existing buildings labeled with number of units per building



SUNNYDALE HOPE SF PHASING DIAGRAMS WITH TEMPORARY BUILT OUT

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Building Entrance Lobby Garage Entrance

LEGEND

ROAD CLOSED

TEMPORARY ROAD CONNECTION

PHASE IA-1 & 2 - CONSTRUCTION

Construction Start: Jan 2019



SUNNYDALE HOPE SF PHASING DIAGRAMS WITH TEMPORARY BUILT OUT



SAN FRANCISCO,CA | APRIL 2017 | MERCY HOUSING CALIFORNIA, THE RELATED COMPANIES OF CALIFORNIA

EXHIBIT C

PROJECT DESCRIPTION

The Sunnydale HOPE SF Project is public purpose, master-planned revitalization of the Sunnydale-Velasco public housing site into a new mixed income housing development with new replacement, affordable and market rate housing, streets and utility infrastructure, open spaces and community and retail spaces for the whole Visitacion Valley neighborhood. The current Project Site and buildings are owned and operated by the Housing Authority of the City and County of San Francisco ("SFHA") and contains 775 units of public housing on approximately 50 acres. The Sunnydale HOPE SF Project is under the San Francisco HOPE SF Initiative, a public-private partnership to transform the City's most distressed and isolated public housing communities into thriving, mixed income, healthy communities for existing residents of public housing, new residents, and the neighborhoods in which they are located.

The Developer, the Mayor's Office of Housing and Community Development ("**MOHCD**"), and SFHA are committed to providing new high quality replacement housing for all current Sunnydale households. Under the SFHA's Right to Return Policy and the City's Right to Revitalized Housing Ordinance, existing Sunnydale households in good standing have the right to a replacement unit.

<u>Master Plan</u>

The master plan for this physical transformation was developed through community planning and design meetings at Sunnydale and the wider Visitacion Valley neighborhood in 2009-2010. Community planning and design meetings have continued since then with development topics such as building design, construction phasing and schedule, and funding. The CEQA and NEPA evaluation of this master plan was completed and approved in 2015 and modified in 2016 and allows:

- New construction of up to 1,770 housing units, including 1,074 replacement and other affordable rental units and 694 market rate units.
- Approximately 12 acres of reconfigured and new streets and utilities, transit-related infrastructure, and accessible paths of travel.
- Approximately 9.6 acres of new open spaces including 3.6 acres in four open space blocks, a 1 acre linear open space on the north side of Sunnydale Avenue, and 5 acres of private open space within the new housing developments.
- Up to 72,000 square feet of neighborhood-serving retail, community services, early childhood learning, after school programs, and other neighborhood amenities.

The City and the Developer's commitment to this plan is memorialized in the Sunnydale DA, which must be recommended for approval by the Planning Commission and endorsed by the Recreation and Parks Commission, Department of Public Works Director, Public Utilities Commission, and San Francisco Municipal Transit Agency Board, before seeking final approval from the Board of Supervisors. Separately, the Developer and the City will enter into a Master Development Agreement ("MDA") with the property owner, the SFHA, which will explicate rights and requirements related to land transfers and state and federal guidelines for public housing replacement.

SPECIAL USE DISTRICT AND DESIGN CONTROLS:

The DA is part of a larger regulatory approvals package that also includes a Planning Code text amendment creating a Special Use District ("SUD") for the project site, a companion Design Standards and Guidelines Document ("DSG"), a Planning Code map amendment, and a General Plan amendment. These design controls have been developed through lengthy discussions with Planning Department staff and community members to ensure that the urban, architectural, and landscape design of the buildings, public realm, and community improvements will be of high quality and appropriate scale, include sufficient open space, and promote public health, safety, and general welfare.

VESTED DEVELOPMENT PROGRAM:

The DA gives the Developer the vested right to develop the site during the DA's twenty-five year term. Vested elements consist of: locations and numbers of buildings; land uses and height and bulk limits; permitted uses; provisions for vehicular access and parking; and provision for new open spaces and public improvements. The housing development plan is divided into affordable parcels, which contain public housing replacement units and new affordable tax-credit units that will be constructed, owned and managed by the Developer, and market rate parcels, which are intended to be sold to independent private developers for the development of market rate units. As part of this vesting, development impact fees do not apply to the affordable parcels (which is consistent with existing Planning Code regulations), while market rate parcels will pay certain development impact fees in recognition of the large neighborhood investments being made.

Specifically, the Developer will have a vested right to develop **up to 1,770 new residential units**, which includes a required **minimum of 969 affordable and public housing units**, and an **anticipated 600 market rate units**; **60,000 gross square feet of new community-serving uses including retail**; **3.6 acres of publicly accessible open space**; approximately **1,437 off-street parking spaces** (0.85 spaces per dwelling unit) in underground and at-grade parking garages, **525 on-street parking spaces**, and 1 bicycle

space for each of the 1,770 housing units created plus **38 public bicycle parking spaces**. These rights will remain vested during the term of the DA.

PUBLIC BENEFITS:

The revitalization of this isolated, obsolete public housing site into a thriving vibrant mixed income community represents significant public benefit. In return for providing the Developer with the zoning changes and vested development program described above to achieve the revitalization vision, the City will receive a comprehensive package of in-kind public benefits.

A. AFFORDABLE HOUSING PROGRAM

The Developer is required to construct affordable housing units equal to at least 125% of the existing units on site, or a minimum of 969 affordable units. This includes a 1-for-1 replacement of the occupied 775 public housing units and the addition of new low-income units. A mixture of both types of affordable units will be contained within each new affordable housing building.

- <u>Public Housing Replacement Units</u>: Replacement public housing units will be supported with Project-Based Section 8 rent subsidies or Rental Demonstration Program (RAD) rent subsidies and offered to existing Sunnydale public housing residents in good standing. The provisions for design, delivery, tenanting, and operations and maintenance of the replacement units must be in accordance with applicable U.S. Department of Housing and Urban Development ("HUD") and SFHA regulations, HUD Section 18 application and award, and must comply with the terms of the MDA (including an approved relocation plan and conformance with the City's Right to Return Ordinance), and any other funding requirements.
- ii. <u>Low-Income Units</u>: New tax-credit units will increase the City's affordable housing stock and be available to qualifying low-income households earning up to 60% of AMI. Households will be selected per the policies and procedures of the Mayor's Office of Housing and Community Development.

B. PUBLIC INFRASTRUCTURE IMPROVEMENTS

The Developer will be responsible for designing, developing, and installing all public infrastructure improvements including roadways, sidewalks, stormwater management improvements and bicycle paths in the public right-of-way, public utilities such as combined sewer, water, and power lines, and transportation improvements. The City agrees to accept the project's completed public infrastructure improvements, so long as those improvements have been designed and built to all applicable City standards and the project's design controls.

C. OPEN SPACE

The Developer will be responsible for designing, developing, and installing the 3.6 acres of open spaces on four development blocks. The Project includes a main neighborhood green and community orchard and garden located along Santos Street and Sunnydale Avenue, adjacent to the neighborhood's community and retail hub. There are additional pocket parks across the site. The project also plans for a new open space adjacent to and connecting to the existing Herz Playground and Coffman Pool operated by the San Francisco Recreation and Parks Department ("RPD"). The Developer or its successors will be responsible for the maintenance and operation of these privately owned public open spaces.

D. COMMUNITY AND CHILDCARE FACILITIES

The Developer will provide new childcare and community facilities in excess of today's existing site services. These facilities include two dedicated childcare centers, an indoor recreation center, and community space for a number of social service organizations. The project's SUD and design controls allow for new neighborhood-serving retail space concentrated at Sunnydale Avenue between Hahn and Santos Streets.

E. WORKFORCE DEVELOPMENT PROGRAM

The Developer will enter into a Memorandum of Understanding with the City's Office of Economic and Workforce Development ("OEWD") and the SFHA that outlines a specific workforce development program for the project. In keeping with SFHA regulations and HOPE SF Initiative goals, the workforce program places particular emphasis on hiring qualifying public housing residents seeking employment (at least 25% of total workforce hours). Working through OEWD's Citybuild program, these residents will have the opportunity to attend job readiness training and training academies for specific trades. In addition, the Developer will participate in the City's Small Businesses for construction and professional services, and in SFHA Resolution 2444, which outlines a goal of 20% aggregate involvement of Minority Business Enterprises/Women Business Enterprises in construction contracts and procurement activities. The Developer will pay prevailing wages in connection with all construction activities.

F. MARKET RATE PARCELS

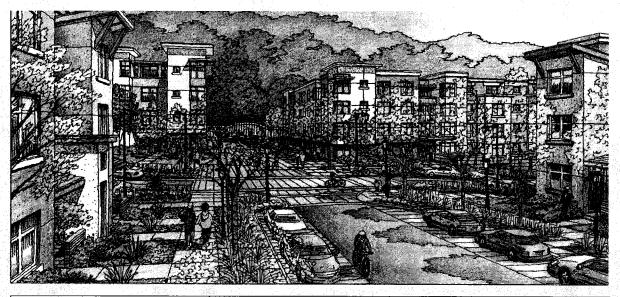
The Developer will prepare each designated market rate parcel for development, including rough grading and utility hook-ups. These parcels will then be sold to independent market-rate developers with the DA's vested development rights and

obligations retained on these parcels. Regulations and process for these land transfers are specified in the MDA. Market rate parcels are not required to include affordable units, however the City reserves the right to include deed-restricted moderate income units in these developments through the provision of gap funding for such units. The proceeds from sale of these market rate parcels will provide a critical source of funding for the implementation of the project.

PROJECT DEVELOPMENT PHASING AND FUNDING:

The City has emphasized the provision of affordable housing in the DA's Phasing Plan, which outlines the timing and scope of each development phase. The project's public benefits shall be constructed proportionate to the development of the affordable housing. The Developer and the City have retained flexibility in the order and scope of each phase in order to be responsive to relocation needs and changes in funding for the project. The exact timing and scope of each development phase will be based on funding availability. The City and the Developer will work collaboratively to secure state and federal subsidies for the affordable units, procure City funding appropriations for the construction of the new infrastructure and open spaces, and enable the provision of affordable housing through MOHCD "gap" financing. Each phase will have separate funding and loan agreements between the Developer and MOHCD that outline specific funding terms and responsibilities.

SUNNYDALE HOPE SF



What	Today	Development Plan
Affordable housing units	775 public housing units	969 to 1,076 affordable rental units including units for existing Sunnydale/Velasco households to exercise Right to Return to a new construction unit, plus new affordable units for working families and extremely low income seniors
Market rate housing units	0	600-694 units
Community facilities on site	29,000 sq ft center with SFHA leasing office, health & wellness center, and after school programs	60,000 sq ft for neighborhood amenities, including retail, two early childhood learning centers, after school programs, family resource center, gym, multi- purpose and educational spaces.
Outdoor recreational space	Less than ½ acre of playgrounds and basketball court	3.6 acres on four blocks; Linear open space with multi-purpose path on Sunnydale Ave
Public Infrastructure	Curvilinear street pattern; failing utility infrastructure;	All new street grid with street trees, green stormwater infrastructure, lighting, transit related infrastructure; all new utilities.

