



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Inclusionary Housing (Sec. 315)
- First Source Hiring (Admin. Code)
- Jobs Housing Linkage Program (Sec. 313)
- Child Care Requirement (Sec. 314)
- Downtown Park Fee (Sec. 139)
- Other
- Transit Impact Development Fee (Admin Code)

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Planning Commission Motion No. 18574

HEARING DATE: APRIL 12, 2012

Date: April 5, 2012
Case No.: **2012.0128B**
Project Address: **375 ALABAMA Street**
Zoning: PDR-1-G (Production, Distribution, and Repair - General)
 68-X Height and Bulk District
Block/Lot: 3966/002
Project Sponsor: Alabama Street Partners, LP
 c/o Brad Koch
 180 Sansome Street, Suite 1200
 San Francisco, CA 94104
Staff Contact: Corey Teague – (415) 575-9081
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ADOPTING FINDINGS APPROVING ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2011-2012 ANNUAL OFFICE-DEVELOPMENT LIMITATION PROGRAM FOR A PROPOSED PROJECT LOCATED AT 375 ALABAMA STREET THAT WOULD AUTHORIZE THE CONVERSION OF 48,189 GROSS SQUARE FEET OF OFFICE USE ON THE ENTIRE THIRD FLOOR AND A PORTION OF THE FOURTH FLOOR OF THE EXISTING BUILDING PURSUANT TO PLANNING CODE SECTIONS 179.1, 321, AND 322 ON ASSESSOR'S BLOCK 3966, LOT 002, IN THE PDR-1-G (PRODUCTION, DISTRIBUTION, AND REPAIR - GENERAL) ZONING DISTRICT AND WITHIN THE 68-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On February 9, 2012, Gregg Miller, on behalf of Alabama Street Partners, LP (hereinafter "Project Sponsor") filed Application No. 2012.0128B (hereinafter "Application") with the Planning Department (hereinafter "Department") for an Office Development Authorization to establish 48,189 gross square feet of office use on the entire third floor and a portion of the fourth floor of the existing building.

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption.

On April 12, 2012, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Allocation Application No. 2012.0128B.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

MOVED, that the Commission hereby authorizes the Office Development requested in Application No. 2012.0128B, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The project site is located on the east side of Alabama Street between 16th and 17th Streets on the block surrounded by Alabama, 16th, Florida, and 17th Streets in San Francisco's Mission neighborhood, and is commonly known as 375 Alabama Street. The existing building of approximately 130,000 gross square feet includes multiple tenant spaces and a variety of business types. The ground floor is used for warehousing and parking, and the second floor contains other PDR uses. The third and fourth floors are primarily used as office space.
3. **Surrounding Properties and Neighborhood.** The Project site falls within the Mission plan area, but is in an area that may also be considered the southern edge of the South of Market neighborhood. The small area of surrounding UMU zoning is a transitional area between the PDR districts to the south and the Mixed Use districts to the west, north, and east. The immediate area consists of similar, large, industrial/commercial buildings.
4. **Project Description.** The proposal is to establish 48,189 gross square feet of office use on the entire third floor and a portion of the fourth floor of the existing building. No alterations are proposed for the exterior of the building. The proposed office space has existed on the site for more than five years, and is requesting to be approved as a legal nonconforming use.
5. **Public Comment.** The Department received no public comment on this project.
6. **Planning Code Compliance.** The Commission finds and determines that the Project is consistent with the relevant provisions of the Code in the following manner:

- A. **Legitimization of Office Space.** Planning Code Section 179.1 established a time-limited program wherein existing uses in the Eastern Neighborhoods plan area that have operated without the benefit of required permits may seek those permits. Uses that could be "legitimized" under this Section are those uses which, under the current provisions of this Code and without this Section, could not otherwise seek the required permits.

The Zoning Administrator issued a Letter of Legitimization on January 6, 2012 for this project stating that the project had met all the eligibility requirements of Section 179.1, and the entire third floor and requested portion of the fourth floor are eligible to be approved as office space pursuant to the Legitimization program.

- B. **Development Fees.** The Project is subject to the Transit Impact Development Fees per Planning Code Sections 179.1(g) and 411, the Jobs-Housing Linkage Fee per Planning Code Sections 179.1(g) and 413, and the Eastern Neighborhoods Community Impact Fee per Planning Code Section 423.

The Project Sponsor shall pay the appropriate Transit Impact Development and Jobs-Housing Linkage Fees pursuant to Planning Code Sections 179.1(g), 411, and 413, at the appropriate stage of the building permit application process.

- C. **Office Allocation.** Section 321 establishes standards for San Francisco's Office Development Annual Limit. In determining if the proposed Project would promote the public welfare, convenience and necessity, the Commission considered the seven criteria established by Code Section 321(b)(3), and finds as follows:

I. APPORTIONMENT OF OFFICE SPACE OVER THE COURSE OF THE APPROVAL PERIOD IN ORDER TO MAINTAIN A BALANCE BETWEEN ECONOMIC GROWTH ON THE ONE HAND, AND HOUSING, TRANSPORTATION AND PUBLIC SERVICES, ON THE OTHER.

The subject portion of the existing building has been used as office space for more than more than five years. There is approximately 1.3 million gross square feet of available "Small Cap" office space in the City at this time. The subject property is located in an area rich in land use diversity, including PDR uses, retail, housing, and public open space. The Project will help maintain the balance between economic growth, housing, transportation and public services.

II. THE CONTRIBUTION OF THE OFFICE DEVELOPMENT TO, AND ITS EFFECTS ON, THE OBJECTIVES AND POLICIES OF THE GENERAL PLAN.

The Project is consistent with the General Plan, as outlined in Section 8 below.

III. THE QUALITY OF THE DESIGN OF THE PROPOSED OFFICE DEVELOPMENT.

The proposed office space is within an existing building. The proposed reclassification of use includes no exterior additions to the existing building.

IV. THE SUITABILITY OF THE PROPOSED OFFICE DEVELOPMENT FOR ITS LOCATION, AND ANY EFFECTS OF THE PROPOSED OFFICE DEVELOPMENT SPECIFIC TO THAT LOCATION.

- a) Use. *The Project is within the PDR-1-G Zoning District, which does not permit office use. However, the subject site is in an area rich in land use diversity, and three adjacent blocks are zoned UMU, which permits limited office use. Additionally, Section 179.1 permits office uses in the portion of the building where it is otherwise prohibited in the PDR-1-G Zoning District. The Zoning Administrator issued a Letter of Legitimization on January 6, 2012 for this project stating the project met all the eligibility requirements of Section 179.1, and thus the entire third floor and a portion of the fourth floor are eligible to be approved as office space.*
- b) Transit Accessibility. *The area is served by a variety of transit options. The Project site is approximately 0.4 miles from the 16th Street BART station, and approximately 500 feet from stops for the 22 and 33 MUNI bus routes. The 9, 9L, 12, and 27 MUNI bus routes are also within walking distance.*
- c) Open Space Accessibility. *The project is located in the northern portion of the Mission neighborhood, and only two blocks from Franklin Square.*
- d) Urban Design. *The proposed office space is in an existing structure. The building was constructed in 1925 and was identified in the Showplace Square Historic Survey as appearing to be eligible for the National or California Register as a historic resource. It has been minimally altered over the years and remains in good condition.*
- e) Seismic Safety. *The Project does not include any interior or exterior renovations.*

V. THE ANTICIPATED USES OF THE PROPOSED OFFICE DEVELOPMENT IN LIGHT OF EMPLOYMENT OPPORTUNITIES TO BE PROVIDED, NEEDS OF EXISTING BUSINESSES, AND THE AVAILABLE SUPPLY OF SPACE SUITABLE FOR SUCH ANTICIPATED USES.

- a) Anticipated Employment Opportunities. *The Project includes a total of 48,189 gross square feet of office space that is currently completely leased. The subject office space currently employs approximately 105 workers.*

- b) Needs of Existing Businesses. *The Project will supply office space in the Inner Mission/Showplace Square area, which limits or prohibits office use, depending on the Zoning District. In contrast to the downtown area, office rents in this area are generally lower and provide valuable space for smaller and/or younger businesses. The existing office space currently employs nearly 105 workers. Since office space is limited in this area, an overconcentration is unlikely, and the area will continue to provide a vibrant mix of uses.*
- c) Availability of Space Suitable for Anticipated Uses.

The project will provide quality office space that is suitable for a variety of office uses and sizes. Additionally, the subject office space is completely leased, and many of the businesses have occupied their units since 2008.

VI. THE EXTENT TO WHICH THE PROPOSED DEVELOPMENT WILL BE OWNED OR OCCUPIED BY A SINGLE ENTITY.

The building will not be owner-occupied. The owner currently leases the office spaces to multiple tenants.

VII. THE USE, IF ANY, OF TRANSFERABLE DEVELOPMENT RIGHTS ("TDR's") BY THE PROJECT SPONSOR.

The Project does not include any Transfer of Development Rights.

7. **Section 101.1 Priority Policy Findings.** Section 101.1(b)(1-8) establishes Eight Priority Planning Policies and requires review of permits for consistency with said policies.

The Commission finds and determines that the Project is consistent with the eight priority policies, for the reasons set forth below.

- a) That Existing Neighborhood-Serving Retail Uses be Preserved and Enhanced and Future Opportunities for Resident Employment in and Ownership of Such Businesses Enhanced.

The existing building contains no neighborhood-serving retail uses, nor does the proposal include any retail. Additionally, all of the subject office spaces are leased and have operated as office space for more than five years.

- b) That Existing Housing and Neighborhood Character be Conserved and Protected in Order to Preserve the Cultural and Economic Diversity of Our Neighborhoods.

The Project includes no exterior additions to the existing building and will not remove or add any housing. The Project falls in the Inner Mission/Showplace Square area, which limits or

prohibits office use, depending on the Zoning District. As such, an overconcentration is unlikely, and the area will continue to provide a vibrant mix of uses.

- c) The City's Supply of Affordable Housing be Preserved and Enhanced.

There is no existing affordable or market-rate housing on the Project Site. The development will contribute fees to the Jobs-Housing Linkage Program. Therefore, the Project is consistent with this priority policy.

- d) That Commuter Traffic not Impede Muni Transit Service or Overburden our Streets or Neighborhood Parking.

The area is served by a variety of transit options, including MUNI and BART. It is also near to several streets that are part of the City's growing bicycle network (i.e. 17th Street and Harrison Street). The proposal includes no new off-street parking spaces. Therefore, the Project should have no significant impact on transit or neighborhood parking.

- e) That a Diverse Economic Base be Maintained by Protecting our Industrial and Service Sectors from Displacement due to Commercial Office Development, and that Future Opportunities for Resident Employment and Ownership in these Sectors be Enhanced.

The project will provide quality office space that is suitable for a variety of office uses and sizes, which is already completely leased with tenants that have occupied their units since 2008. Legalizing this office space will help maintain the local resident employment and demand for neighborhood-serving businesses in the area.

- f) That the City Achieve the Greatest Possible Preparedness to Protect Against Injury and Loss of Life in an Earthquake.

The Project includes no interior or exterior renovations to the existing building.

- g) That Landmarks and Historic Buildings be Preserved.

The building was constructed in 1925 and was identified in the Showplace Square Historic Survey as appearing to be eligible for the National or California Register as a historic resource. Legalizing the subject office space will help keep the historic building viable and well-maintained.

- h) That our Parks and Open Space and their Access to Sunlight and Vistas be Protected from Development.

The proposed Project does not include any exterior additions to the existing buildings, and there will be no impact to parks, open space, access to sunlight, or vista views.

8. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY

Objectives and Policies

OBJECTIVE 1:

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1:

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

Policy 1.3:

Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

OBJECTIVE 2:

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 1.1:

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

The Project will help preserve a building that is an historic resource and has been used for a variety of uses over the years. This authorization of office space will allow the existing office tenants to continue to support the economic vibrancy of the area. Authorization of the office space will also result in the collection of significant development fees that will benefit the community and would not otherwise be required.

MISSION AREA PLAN

Objectives and Policies

OBJECTIVE 1.1:

STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK.

OBJECTIVE 1.3:

STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK.

Policy 1.3.1:

Continue existing, legal nonconforming rules, which permit pre-existing establishments to remain legally even if they no longer conform to new zoning provisions, as long as the use was legally established in the first place.

The Zoning Administrator determined that the subject office space was eligible for the Eastern Neighborhoods "Legitimization" Program, which was established specifically to address the Objective 1.3 above.

9. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
10. The Commission finds that granting the Project Authorization in this case would promote the public welfare, convenience and necessity of the City for the reasons set forth above.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Office Development Application No. 2012.0128B** subject to the conditions attached hereto as Exhibit A, which is incorporated herein by reference as though fully set forth, in general conformance with the plans stamped Exhibit B and dated April 2, 2012, on file in Case Docket No. 2012.0128B.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 321 and 322 Office-Space Allocation to the Board of Appeals within fifteen (15) days after the date of this Motion. The effective date of this Motion shall be the date of adoption of this Motion if not appealed (after the 15-day period has expired) OR the date of the decision of the Board of Appeals if appealed to the Board of Appeals. For further information, please contact the Board of Appeals at (415) 575-6880, 1660 Mission, Room 3036, San Francisco, CA 94103.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on April 12, 2012.

Linda D. Avery
Commission Secretary

AYES: Commissioners Sugaya, Antonini, Borden, Moore, Miguel, and Wu

NAYES: None

ABSENT: Commissioner Fong

ADOPTED: April 12, 2012

EXHIBIT A

AUTHORIZATION

This authorization is for an office allocation to establish 48,189 gross square feet of office use on the entire third floor and a portion of the fourth floor of the existing building, located at Block 3966, Lot 002, pursuant to Planning Code Section(s) 179.1, 321, and 322 within the PDR-1-G Zoning District and a 68-X Height and Bulk District; in general conformance with plans, dated April 2, 2012, and stamped "EXHIBIT B" included in the docket for Case No. 2012.0128B and subject to conditions of approval reviewed and approved by the Commission on April 12, 2012 under Motion No. 18574. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on April 12, 2012 under Motion No. 18574.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 18574 shall be reproduced on the Index Sheet of construction plans submitted with the site or building permit application for the Project. The Index Sheet of the construction plans shall reference to the Office Development authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Office Development authorization.

Conditions of approval, Compliance, Monitoring, and Reporting PERFORMANCE

Validity and Expiration. The authorization and right vested by virtue of this action is valid for three years from the effective date of the Motion. A building permit from the Department of Building Inspection to construct the project and/or commence the approved use must be issued as this Office Development is only an approval of the proposed project and conveys no independent right to construct the project or to commence the approved use. The Planning Commission may, in a public hearing, consider the revocation of the approvals granted if a site or building permit has not been obtained within eighteen months of the date of the Motion approving the Project. Once a site or building permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. The Commission may also consider revoking the approvals if a permit for the Project has been issued but is allowed to expire and more than three (3) years have passed since the Motion was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Extension. This authorization may be extended at the discretion of the Zoning Administrator only where failure to issue a permit by the Department of Building Inspection to perform said tenant improvements is caused by a delay by a local, State or Federal agency or by any appeal of the issuance of such permit(s).

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Development Timeline - Office. Pursuant to Planning Code Section 321(d) (2), construction of an office development shall commence within 18 months of the date of this Motion approving this Project becomes effective. Failure to begin work within that period or to carry out the development diligently thereafter to completion, shall be grounds to revoke approval of the office development under this Office Development authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

PROVISIONS

Transit Impact Development Fee. Pursuant to Planning Code Sections 411 (formerly Chapter 38 of the Administrative Code) and 179.1(g), the Project Sponsor shall pay the Transit Impact Development Fee (TIDF) as required by and based on drawings submitted with the Building Permit Application. Prior to the issuance of a temporary certificate of occupancy, the Project Sponsor shall provide the Planning Director with certification that the fee has been paid.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Jobs Housing Linkage. Pursuant to Planning Code Sections 413 (formerly 313) and 179.1(g), the Project Sponsor shall contribute to the Jobs-Housing Linkage Program (JHLP). The calculation

shall be based on the net addition of gross square feet of each type of space to be constructed as set forth in the permit plans. The Project Sponsor shall provide evidence that this requirement has been satisfied to the Planning Department prior to the issuance of the first site or building permit by the Department of Building Inspection.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

MONITORING - AFTER ENTITLEMENT

Enforcement. Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Revocation due to Violation of Conditions. Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

Sidewalk Maintenance. The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>

Community Liaison. Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Motion No. 18574
Hearing Date: April 12, 2012

CASE NO 2012.0128B
375 Alabama Street

