



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Affordable Housing (Sec. 415)
- Jobs Housing Linkage Program (Sec. 413)
- Downtown Park Fee (Sec. 412)
- First Source Hiring (Admin. Code)
- Child Care Requirement (Sec. 414)
- Other

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Planning Commission Motion No. 18579

HEARING DATE: APRIL 12, 2012

Date: April 5, 2012
Case No.: **2004.1004EKC**
Project Address: **1150 16TH STREET (AKA 1201 8TH STREET)**
Previous Zoning: M-2 (Heavy Industrial)
50-X Height and Bulk District
Current Zoning: PDR-1-D (Production, Distribution, and Repair - Design)
68-X Height and Bulk District
Block/Lot: 3821/007
Project Sponsor: Sergio Nibbi
180 Hubbell Street
San Francisco, CA 94107
Staff Contact: Corey Teague – (415) 575-9081
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ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 175.6, 215, AND 303 OF THE PLANNING CODE TO DEMOLISH THE EXISTING SINGLE-STORY BUILDING AND CONSTRUCT TWO ADJOINED BUILDINGS, WITH THE 1150 16TH STREET BUILDING BEING A 58 FEET TALL STRUCTURE CONTAINING GROUND FLOOR RETAIL AND 15 DWELLING UNITS ABOVE, AND THE ADJOINING 1201 8TH STREET BUILDING BEING A 68 FEET TALL STRUCTURE CONTAINING GROUND FLOOR RETAIL AND PDR USES ABOVE, WITH THE TWO BUILDINGS SHARING A BASEMENT LEVEL GARAGE CONTAINING UP TO 14 RESIDENTIAL PARKING SPACES AND 8 COMMERCIAL PARKING SPACES, WITHIN THE PDR-1-D (PRODUCTIONS, DISTRIBUTION, AND REPAIR - DESIGN) ZONING DISTRICT AND 68-X HEIGHT AND BULK DISTRICT, AND FORMERLY IN THE M-2 (HEAVY INDUSTRIAL) ZONING DISTRICT AND 50-X HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On April 13, 2006 Tony Pantaleoni, on behalf of Sergio Nibbi (hereinafter "Project Sponsor"), filed an application with the Planning Department (hereinafter "Department") for Conditional

Use Authorization under Planning Code Section(s) 175.6, 215, and 303 to demolish the existing single-story building and construct two adjoined buildings, with the 1150 16th Street building being a 58 feet tall structure containing ground floor retail and 15 dwelling units above, and the adjoining 1201 8th Street building being a 68 feet tall structure containing ground floor retail and PDR uses above, with the two buildings sharing a basement level garage containing up to 14 residential parking spaces and 8 commercial parking spaces, within the PDR-1-D (Production, Distribution, and Repair – Design) Zoning District and 68-X Height and Bulk District, and formerly in the M-2 (Heavy Industrial) Zoning District and 50-X Height and Bulk District.

On February 29, 2012, the Draft Initial Study/Mitigated Negative Declaration (IS/MND) for the Project was prepared and published for public review; and

The Draft IS/MND was available for public comment until March 20, 2012; and

On March 29, 2012, the Planning Department reviewed and considered the Final Mitigated Negative Declaration (FMND) and found that the contents of said report and the procedures through which the FMND was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) (CEQA), 14 California Code of Regulations Sections 15000 et seq. (the “CEQA Guidelines”) and Chapter 31 of the San Francisco Administrative Code (“Chapter 31”): and

The Planning Commission found the FMND was adequate, accurate and objective, reflected the independent analysis and judgment of the Department of City Planning and the Planning Commission, [and that the summary of comments and responses contained no significant revisions to the Draft IS/MND,] and approved the FMND for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31.

The Planning Department, Linda Avery, is the custodian of records, located in the File for Case No. 2004.1004E at 1650 Mission Street, Fourth Floor, San Francisco, California.

Planning Department staff prepared a Mitigation Monitoring and Reporting program (MMRP), which material was made available to the public and this Commission for this Commission’s review, consideration and action.

On April 12, 2012, the San Francisco Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2004.1004C.

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 Conditional Use requested in Application No. 2004.1004C, 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 11,659 square feet and located on the east side of 8th Street between Irwin and 16th Streets, with frontage on all three streets. The site contains a 2,660 square foot, single-story commercial building constructed in 1910 that is currently occupied by a restaurant (d.b.a. Axis Café) that fronts on the “Showplace Triangle Pavement-to-Park” plaza, which currently occupies the public right-of-way for 8th Street between Irwin and 16th Streets. The corner of the site at the intersection of 8th and 16th Streets is vacant and used for parking.
3. **Surrounding Properties and Neighborhood.** The project site is located at the intersection of two city street grids: Hubbell, 8th, and Irwin Streets are angled similar to the rest of the South of Market street grid, while 16th Street runs directly east-west. The area surrounding the project site is flat and Potrero Hill begins to rise about three blocks to the south and west. Sixteenth Street, with one vehicle and one bicycle travel lane in each direction, and parking on both sides of the street, is a major east-west transportation corridor connecting Mission Bay and 3rd Street to the Mission District; it is designated a highest category “transit-oriented” Transit Preferential Street in the San Francisco General Plan (General Plan).

Nearby land uses include fleet vehicle yards, professional and design-related small offices, cafes, cabinet shops, storage yards, electronics companies, restaurant supply wholesale and retail businesses, a higher educational institution, and other wholesale and warehouse retail firms. Building types, sizes, and ages vary. Building heights are typically one and two stories. Land uses vary from light to heavy industrial, wholesale, and other production-oriented uses. Building design is utilitarian. Four major land uses surround the project site. Across Irwin Street to the north is the California College of the Arts, a higher education institutional land use. Across 7th Street one block east is the elevated I-280 Freeway and the western boundary of the Mission Bay Redevelopment Area. Immediately east of the project site at the terminus of 8th Street at 16th Street is Showplace Triangle, a Pavement to Parks site. Jackson Playground is located one block south of the project site.

4. **Project Description.** The proposal is to demolish the existing single-story building and construct two adjoined, mixed-use buildings. The 1150 16th Street building is a 58 feet tall structure containing ground floor retail and 15 dwelling units above. The adjoining 1201 8th Street building is a 68 feet tall structure containing ground floor retail and PDR uses above. The two buildings share a basement level garage containing 14 residential parking spaces and 8 commercial parking spaces and are connected by a central staircase

and elevator. The project site falls in the PDR-1-D (Production, Distribution, and Repair - Design) Zoning District and 68-X Height and Bulk District. However, the 1150 16th Street building is subject to the Eastern Neighborhood "Pipeline" controls of Planning Code Section 175.6 and the original zoning and height/bulk districts on the application filing date, which were M-2 (Heavy Industrial) District and a 50-X Height and Bulk District.

5. **Public Comment.** The Department received no public comment on the proposal.
6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:
 - A. **Zoning Districts.** On the date of the first development application, the project site was zoned M-2. As part of the Eastern Neighborhoods rezoning, the Project site was rezoned to PDR-1-D (Production, Distribution, and Repair – Design). The PDR-1-D Zoning District is intended to retain and encourage less-intensive production, distribution, and repair businesses, especially the existing clusters of design-related businesses. Thus, this district prohibits residential uses and office, and limits, retail and institutional uses. Additionally, this district prohibits heavy industrial uses, which generate external noise, odors, and vibrations and engage in frequent trucking activities. Generally, all other uses are permitted.

Because the PDR-1-D Zoning District does not permit residential uses, it is not referenced in the Planning Code in regard to typical residential controls (i.e. rear yard, open space, etc.). However, Section 175.6 states that for proposed residential uses in PDR Districts, such controls shall apply as if the residential use were located in an Urban Mixed Use (UMU) Zoning District.

- B. **Use.** This project falls within the Eastern Neighborhood plan area. The 1150 16th Street building filed its first development application in September 2004. As such, it is subject to the land use controls that applied at that filing date, per Planning Code Section 175.6. At that time the subject property was zoned M-2, which required Conditional Use authorization for residential uses. The 1201 8th Street building was added to the development proposal after the effective date of the Eastern Neighborhoods controls. Therefore, it is subject to all current controls of the Planning Code and the PDR-1-D Zoning District.

The 15 dwelling units proposed in the 1150 16th Street building represent the maximum number permitted under the previous M-2 Zoning District. The ground floor commercial spaces proposed in both buildings, as well as the PDR space proposed in the 1201 8th Street building, are permitted as of right in the M-2 and PDR-1-D Zoning Districts. Retail uses in PDR-1-D may not be larger than 5,000 square feet per property. The proposed retail space in the 1201 8th Street building is only 1,865 square feet. The proposed 5,056 of retail space in the 1150 16th Street building is permitted as-of-right under the applicable M-2 zoning.

- C. **Height.** Per Planning Code Section 175.6, the Planning Director may grant an increase beyond the otherwise-superseded height limits of no more than 8 feet when an equal or greater increase would be allowed under the Eastern Neighborhoods Controls and when such increase is necessary to comply with the ground floor ceiling height requirement of Sections 145.1 and 145.5.

The 1150 16th Street building is subject to its original 50-X Height and Bulk District. However, Section 145.5 requires a minimum 15-foot ground floor ceiling height for commercial uses in the PDR-1-D Zoning District. Additionally, Section 145.1 requires a minimum 17-foot ground floor ceiling height for commercial uses in the UMU Zoning District. The subject property was rezoned to a height of 68 feet to allow up to an additional 8 feet on the ground floor. The Planning Director granted the appropriate height increase pursuant to Section 175.6 to help the project meet the requirements of Sections 145.1 and 145.5 and to keep the ground floor ceiling heights consistent throughout the Project.

- D. **Rear Yard.** Per Planning Code Section 175.6, the Project is subject to the rear yard controls of the UMU Zoning District. Planning Code Section 134 requires residential buildings to provide a rear yard of no less than 25 percent of the lot depth at the lowest story containing a dwelling unit, and at each succeeding level or story of the building. Section 175.6 also allows this requirement to be modified by the Planning Commission if compliance would require a significant redesign of the project.

The proposal includes a 2,915 square foot rear yard that represents 25 percent of the lot area. However, due to several site constraints – being a corner property with three frontages, having an irregular rear property line, and siting a residential and non-residential building side-by-side – the proposed rear yard does not consistently maintain 25 percent of the property depth across the entire property. However, providing such a rear would require a significant redesign of the project, and the proposed rear yard meets the intent of the Planning Code.

- E. **Residential Open Space.** Per Planning Code Section 175.6, the Project is subject to the residential open space controls of the UMU Zoning District. Planning Code Section 135 requires at least 80 square feet of usable open space per dwelling unit. The 15 proposed dwelling units require that at least 1,200 square of useable residential open space be provided. Section 175.6 also allows this requirement to be modified by the Planning Commission if compliance would require a significant redesign of the project.

The proposal includes a second floor deck in the rear that is well above the 1,200 square feet required. Additionally, several units have small balconies. However, because the rear deck is not located within a code-complying rear yard (see Subsection D above), and it does not meet the dimensional requirements of an inner court in Section 135(g)(2), it is not considered code-complying useable residential open space. However, providing such useable open space would require a significant redesign of the project. As discussed above, the proposed rear yard

will function very similarly to a required rear yard, and therefore the proposed open space meets the intent of the Planning Code.

- F. **Exposure.** Per Planning Code Section 175.6, the Project is subject to the exposure controls of the UMU Zoning District. Planning Code Section 140 requires each dwelling unit to have at least one window facing a public street, code-complying rear yard, or an appropriately sized open area. Section 175.6 also allows this requirement to be modified by the Planning Commission if compliance would require a significant redesign of the project.

The proposed rear yard is not code-complying. However, the area provided for the rear yard has the necessary dimensions to meet the minimum exposure requirement for all but one dwelling unit fronting only the rear of the development. Unit 4 on the second floor is the only dwelling unit of the 15 proposed that does not meet the minimum exposure requirement. However, providing such exposure would require a significant redesign of the project. As discussed above, the proposed rear yard will function very similarly to a required rear yard, and therefore the exposure provided to Unit #4 meets the intent of the Planning Code.

- G. **Street Trees.** Section 138.1 requires new buildings or major conversions to have one street tree for every 20 feet of street frontage. As such, the Project requires 2 street trees along Irwin Street, 8 street trees along 8th Street, and 7 street trees along 16th Street.

The project proposes a combination of existing and new street trees in amounts equal to or greater than the minimum number required.

- H. **Streetscape Plan.** Section 138.1 requires larger developments with significant street frontage to submit a streetscape plan that includes standard streetscape improvements consistent with the *Better Streets Plan*.

The Project site is unique because it fronts both a public plaza and 16th Street, which is currently being evaluated for streetscape improvements under the EN TRIPS program and the Transportation Effectiveness Program (TEP). As such, the building permit phase is the most appropriate time in the development process to finalize the appropriate streetscape improvements. A condition of approval is included with this Conditional Use Authorization requiring the project to meet the streetscape requirements of Section 138.1.

- I. **Vehicle Parking.** Per Planning Code Section 175.6, the 1150 16th Street building is subject to residential parking controls associated with the UMU Zoning District. Non-residential parking for the entire project is subject to the controls associated with the PDR-1-D Zoning District. Planning Section 151.1 does not require any residential or non-residential parking for the Project. However, the 1150 16th Street building may include 11 residential parking spaces as of right, and up to 14 spaces subject to the criteria of Section 151.1(f). The commercial uses may provide up to 28 commercial parking spaces as of right.

The 1150 16th Street building proposes 14 residential parking spaces. The overall project proposes 8 non-residential parking spaces. The proposal meets the criteria of Section 151.1(f) in the following ways:

Parking for All Uses

- a) Vehicle movement on or around the project does not unduly impact pedestrian spaces or movement, transit service, bicycle movement, or the overall traffic movement in the district;

The proposed off-street parking is accessed from a single curb cut on Irwin Street. Irwin Street is far less used than 8th and 16th Streets in terms of vehicles, bicycles, and pedestrians, and is the most appropriate location for the curb cut. Considering the moderate number of proposed parking spaces proposed, there will be no undue impact on pedestrian or vehicular movement.

- b) Accommodating excess accessory parking does not degrade the overall urban design quality of the project proposal;

The proposed parking is below grade, and other than the access point, invisible from the street. Additionally, the provision of only one garage entrance along a total of nearly 300 feet of street frontage minimizes the parking's impact on the urban design quality of the project.

- c) All above-grade parking is architecturally screened and, where appropriate, lined with active uses according to the standards of Section 145.1, and the project sponsor is not requesting any exceptions or variances requiring such treatments elsewhere in this Code; and

The proposed parking is below grade, which is not visible from the street.

- d) Excess accessory parking does not diminish the quality and viability of existing or planned streetscape enhancements.

The Project will not increase the existing number of curb cuts and will add 24 street trees around the subject property. Additionally, the curb cut is positioned away from 8th Street and the "Showplace Triangle" plaza and the much busier 16th Street frontage.

Parking for Residential Uses

- e) For projects with 50 dwelling units or more, all residential accessory parking in excess of 0.5 spaces per unit shall be stored and accessed by mechanical stackers or lifts, valet, or other space-efficient means that reduces space used for parking and maneuvering, and maximizes other uses.

The Project includes only 15 dwelling units.

- J. **Bicycle parking.** Planning Code Section 155.5 requires projects with up to 50 dwelling units to provide at least one bicycle parking for every two dwelling units. Therefore, at least 8 Class 1 bicycle parking spaces are required for the 15 proposed dwelling units. No bicycle parking is required for the non-residential space.

The Project includes 8 Class 1 residential bicycle parking spaces, and 6 Class 1 non-residential bicycle parking spaces for the PDR use. The proposal also includes several new Class 2 bicycle spaces on the sidewalk.

- K. **Shadow.** Pursuant to Section 295, no building permit authorizing the construction of any structure exceeding 40 feet in height that will cast any shade or shadow upon any property under the jurisdiction of the Recreation and Park Commission during the times of one hour after sunrise and one hour before sunset, all year round, may be issued except on prior action of the Commission pursuant to the provisions of this Section. The Commission must conduct a hearing and must disapprove the issuance of any building permit governed by the provisions of this Section if it finds that the proposed project will have any adverse impact on the use of the property under the jurisdiction of the Recreation and Park Commission because of the shading or shadowing that it will cause, unless it is determined that the impact would be insignificant.

The Planning Department conducted a shadow fan analysis and determined that the project will create no new shadow impact on any property protected by Section 295.

- L. **Inclusionary Affordable Housing Program.** Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 415.3, these requirements apply to projects that consist of ten or more units, where the first application (EE or BPA) was applied for before July 18, 2006. Pursuant to Planning Code Section 415.5 and 415.6, the Project is meeting the Inclusionary Affordable Housing Program requirement through the On-site Affordable Housing Alternative by providing 12% of the proposed dwelling units as affordable.

The Project Sponsor has demonstrated that it is eligible for the On-Site Affordable Housing Alternative under Planning Code Section 415.5 and 415.6, and has submitted 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to satisfy the requirements of the Inclusionary Affordable Housing Program by providing the affordable housing on-site instead of through payment of the Affordable Housing Fee. 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. The Project

Sponsor submitted such Affidavit on April 2, 2012. The EE application was submitted on September 29, 2004. Two units (1 two-bedroom and 1 one-bedroom) of the 15 units provided will be affordable units. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative, it must pay the Affordable Housing Fee with interest, if applicable.

M. Eastern Neighborhoods Public Benefit Fund. The first development application for the project was filed on September 29, 2004. Therefore, per Planning Code Section 175.6, the Project is not subject to the Eastern Neighborhoods Public Benefit Fund provisions of Planning Code Section 423.

7. **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

A. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The Project site is located in a transitional area between the mostly residential area of Potrero Hill and the more industrial Showplace Square. The area to the south was planned for a moderately dense mix of uses, including residential. The area to the north was planned primarily for PDR uses. The Project represents this planned transition by providing residential development on 16th Street and PDR development north of 16th Street. Many of the surrounding properties are underused, and the mass and heights proposed for the Project are consistent with underlying zoning and the objectives of the Potrero Hill/Showplace Square Area Plan. As such, the proposal represents a necessary and desirable project.

B. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:

i. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The heights and bulk of the proposal is compatible with the mixed nature of the area. The facades are appropriately modulated and place focus on the corners and residential lobby. The 1150 16th Street building appropriately addresses an unusual angle at the corner of 16th and 8th Streets and provides a generous retail space that will relate well to the adjacent "Showplace Triangle" plaza.

- ii. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The proposal includes only one curb cut, which is located on Irwin Street. Irwin Street is far less used than 8th and 16th Streets in terms of vehicles, bicycles, and pedestrians, and is the most appropriate location for the curb cut. Considering the moderate number of proposed parking spaces proposed, there will be no undue impact on pedestrian or vehicular movement. Overall, there will be no increase in the number of curb cuts because the existing curb cut on 16th Street will be removed. Additionally, the project meets the Planning Code requirement for loading spaces by providing one loading space accessed from the same curb cut on Irwin Street.

- iii. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The Project will not produce any noxious or offensive emissions.

- iv. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

Regarding parking, loading, and screening, all proposed parking will be in a basement level garage with only one access point, which significantly minimizes its visual impact. Regarding landscaping and lighting, the Project is subject to the standard requirements of the Better Streets Plan pursuant to Planning Code Section 138.1. However, streetscape improvements at this site must be coordinated with the ongoing Transit Effectiveness Project (TEP), EN TRIPS, and upgrades to the "Showplace Triangle" plaza. All streetscape improvements, including landscaping, will be finalized through consultation with the Planning Department before the issuance of a building permit.

- C. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The Project complies with all relevant requirements and standards of the Planning Code and is consistent with objectives and policies of the General Plan as detailed below.

- D. That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

The Project does not fall within a Neighborhood Commercial District.

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

HOUSING

Objectives and Policies

OBJECTIVE 4:

FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

Policy 4.1:

Develop new housing, and encourage the remodeling of existing housing, for families with children.

The Project includes a mix of dwelling unit sizes, including 6 one-bedroom, 5 two-bedroom, and 4 three-bedroom units.

TRANSPORTATION

Objectives and Policies

OBJECTIVE 24:

IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

Policy 24.2:

Maintain and expand the planting of street trees and the infrastructure to support them.

The Project will include a required Streetscape Plan that will include significant streetscape improvements that are sensitive to and coordinated with the planned work on the adjacent plaza and 16th Street.

SHOWPLACE SQUARE/POTRERO HILL AREA PLAN

Objectives and Policies

OBJECTIVE 1.1:

ENCOURAGE THE TRANSITION OF PORTIONS OF SHOWPLACE / POTRERO TO A MORE MIXED USE AND NEIGHBORHOOD-SERVING CHARACTER, WHILE PROTECTING THE CORE OF DESIGN-RELATED PDR USES.

Policy 1.1.2:

In the northern part of Showplace Square (around 8th and Brannan, east of the freeway and along 16th and 17th Streets) revise land use controls to create new mixed use areas, allowing mixed-income housing as a principal use, as well as limited amounts of retail, office, and research and development uses, while protecting against the wholesale displacement of PDR uses.

Policy 1.1.3:

Allow for active ground floor uses and a more neighborhood commercial character in newly designated mixed use areas within Showplace Square.

Policy 1.1.4:

Permit and encourage greater retail use on the ground floor on parcels that front 16th Street to take advantage of transit service and encourage more mixed uses, while protecting against the wholesale displacement of PDR uses.

The Project is located on a 16h Street, which is a major transition corridor in the Showplace Square/Potrero Hill plan area. It appropriately includes the maximum density permitted in the residential building fronting 16th Street, as well as ample ground floor retail space with a gracious ceiling height. The 8th Street building includes additional ground floor retail space and new PDR space, which is consistent with existing land uses and zoning to the north of the property.

OBJECTIVE 3.1:

PROMOTE AN URBAN FORM THAT REFLECTS SHOWPLACE SQUARE AND POTRERO HILL'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER

Policy 3.1.4:

Heights should reflect the importance of key streets in the city's overall urban pattern, while respecting the lower scale development on Potrero Hill.

Policy 3.1.6:

New buildings should epitomize the best in contemporary architecture, but should do so with full awareness of, and respect for, the height, mass, articulation and materials of the best of the older buildings that surrounds them.

Policy 3.1.8:

New development should respect existing patterns of rear yard open space. Where an existing pattern of rear yard open space does not exist, new development on mixed-use-zoned parcels should have greater flexibility as to where open space can be located.

OBJECTIVE 3.2

PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM

Policy 3.2.2:

Make ground floor retail and PDR uses as tall, roomy and permeable as possible.

Policy 3.2.3:

Minimize the visual impact of parking.

Policy 3.2.5:

Building form should celebrate corner locations.

The Project's design is consistent with the policies outlined in the Showplace Square/Potrero Hill Area Plan.

9. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

- A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The project will temporarily displace the existing restaurant. However, the Project will replace that space and create more space for neighborhood-serving retail uses. Additionally, new PDR space will be created that will enhance opportunities for resident employment in and ownership of new businesses in the building.

- 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 will not displace any existing housing, and the development is compatible with the surrounding neighborhood in terms of density, height and scale.

- C. That the City's supply of affordable housing be preserved and enhanced,

The Project will not remove any housing and is subject to the City's Inclusionary Affordable Housing Program.

- D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The proposal only includes one curb cut, which is located on a less-used side street. Also, the Project's moderate size overall will not significantly impact MUNI or neighboring streets.

- 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 represents a true diversity of uses by including residential, retail, and PDR uses. The existing restaurant will be temporarily displaced, but an even greater amount of retail space will be created. Additionally, the 1201 8th Street building is one of the only proposed new construction projects in the City to provide PDR space since the adoption of the Eastern

Neighborhoods controls, and its design is accommodating to smaller PDR businesses (boutique manufacturers, artists, etc.).

- F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project will be constructed to meet all seismic safety requirements of the Building Code.

- G. That landmarks and historic buildings be preserved.

The Project site does not include any landmark or historic buildings.

- H. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project will have no impact on any existing permanent parks and open spaces. However, the Project will add new vitality to the temporary "Showplace Triangle" plaza and may coordinate construction with the effort to make the plaza a permanent public open space.

10. 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.
11. The Commission hereby finds that approval of the Conditional Use authorization would promote the health, safety and welfare of the City.

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 Conditional Use Application No. 2004.1004C** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated April 4, 2012, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission has reviewed and considered the IS/MND and the record as a whole and finds that there is no substantial evidence that the Project will have a significant effect on the environment with the adoption of the mitigation measures contained in the MMRP to avoid potentially significant environmental effects associated with the Project, and hereby adopts the FMND.

The Planning Commission hereby adopts the MND and the MMRP attached hereto as Exhibit C and incorporated herein as part of this Resolution/Motion by this reference thereto. All required mitigation measures identified in the IS/MND and contained in the MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 18579. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

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 a conditional use to demolish the existing single-story building and construct two adjoined buildings, with the 1150 16th Street building being a 58 feet tall structure containing ground floor retail and 15 dwelling units above, and the adjoin 1201 8th Street building being a 68 feet tall structure containing ground floor retail and PDR uses above, with the two buildings sharing a basement level garage containing up to 14 residential parking spaces and 8 commercial parking spaces, within the PDR-1-D (Production, Distribution, and Repair – Design) Zoning District and 68-X Height and Bulk District, and formerly in the M-2 (Heavy Industrial) Zoning District and 50-X Height and Bulk District, pursuant to Planning Code Section(s) **175.6, 215, and 303**; in general conformance with plans, dated **April 4, 2012**, and stamped “EXHIBIT B” included in the docket for Case No. **2004.1004C** and subject to conditions of approval reviewed and approved by the Commission on **April 12, 2012** under Motion No. **18579**. 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. **18579**.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. **18579** 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 Conditional Use 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 Conditional Use authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting PERFORMANCE

1. **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 Conditional Use authorization 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 three (3) years 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.

2. **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.

3. **Mitigation Measures.** Mitigation measures described in the MMRP attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor. Their implementation is a condition of project approval.

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

DESIGN – COMPLIANCE AT PLAN STAGE

4. **Final Materials.** The Project Sponsor shall continue to work with Planning Department on the building design. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.

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

5. **Streetscape Plan.** Pursuant to Planning Code Section 138.1 and the Better Streets Plan, the Project Sponsor shall submit a pedestrian streetscape improvement plan to the Planning Department for review in consultation with the Department of Public Works

and the Department of Parking and Traffic prior to Building Permit issuance. The Planning Department may approve alternative streetscape improvements other than the standard improvements required pursuant to Section 138.1 if such alternatives are of equal or lesser cost to construct and are deemed to meet the goals and objectives of the Better Streets Plan.

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

PARKING AND TRAFFIC

6. **Parking for Affordable Units.** All off-street parking spaces shall be made available to Project residents only as a separate “add-on” option for purchase or rent and shall not be bundled with any Project dwelling unit for the life of the dwelling units. The required parking spaces may be made available to residents within a quarter mile of the project. All affordable dwelling units pursuant to Planning Code Section 415 shall have equal access to use of the parking as the market rate units, with parking spaces priced commensurate with the affordability of the dwelling unit. Each unit within the Project shall have the first right of refusal to rent or purchase a parking space until the number of residential parking spaces are no longer available. No conditions may be placed on the purchase or rental of dwelling units, nor may homeowner’s rules be established, which prevent or preclude the separation of parking spaces from dwelling units.

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

7. **Parking Maximum.** Pursuant to Planning Code Section 151.1, the Project shall provide no more than **14** residential off-street parking spaces.

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

8. **Off-street Loading.** Pursuant to Planning Code Section 152, the Project will provide 1 off-street loading space.

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

9. **Bicycle Parking.** The Project shall provide no fewer than **8** Class 1 bicycle parking spaces as required by Planning Code Sections 155.5.

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

PROVISIONS

10. **First Source Hiring.** The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The

Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.

For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org.

Affordable Units

11. **Number of Required Units.** Pursuant to Planning Code Section 415.6, the Project is required to provide 12% of the proposed dwelling units as affordable to qualifying households. The Project contains 15 units; therefore, 2 affordable units are required. The Project Sponsor will fulfill this requirement by providing the 2 affordable units on-site. If the number of market-rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing ("MOH").

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

12. **Unit Mix.** The Project contains 6 one-bedroom, 5 two-bedroom, and 4 three-bedroom units; therefore, the required affordable unit mix is 1 one-bedroom and 1 two-bedroom unit. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOH.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

13. **Unit Location.** The affordable units shall be designated on a reduced set of plans recorded as a Notice of Special Restrictions on the property prior to the issuance of the first construction permit.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

14. **Phasing.** If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than twelve percent (12%) of the each phase's total number of dwelling units as on-site affordable units

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

15. **Duration.** Under Planning Code Section 415.8, all units constructed pursuant to Section 415.6, must remain affordable to qualifying households for the life of the project.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

16. **Other Conditions.** The Project is subject to the requirements of the Inclusionary Affordable Housing Program under Section 415 et seq. of the Planning Code and City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual"). The Procedures Manual, as amended from

time to time, is incorporated herein by reference, as published and adopted by the Planning Commission, and as required by Planning Code Section 415. Terms used in these conditions of approval and not otherwise defined shall have the meanings set forth in the Procedures Manual. A copy of the Procedures Manual can be obtained at the MOH at 1 South Van Ness Avenue or on the Planning Department or Mayor's Office of Housing's websites, including on the internet at:

<http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451>.

As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

MONITORING

17. **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

18. **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

19. **Garbage, Recycling, and Composting Receptacles.** Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, <http://sfdpw.org>.

20. **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 at 415-554-5810, <http://sfdpw.org>.

21. **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.