



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)
- Transit Impact Development Fee (Sec. 411)
- First Source Hiring (Admin. Code)
- Child Care Requirement (Sec. 414)
- Other (EN Impact Fees)

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Planning Commission Motion No. 19234

HEARING DATE: SEPTEMBER 11, 2014

Date: September 11, 2014
Case No.: **2013.0627BC**
Project Address: **660 3rd Street**
Zoning: SLI (Service/Light Industrial) Zoning District
 South End Landmark District
 65-X Height and Bulk District
Block/Lot: 3788/008
Project Sponsor: David Silverman, Reuben, Junius & Rose LLP
 1 Bush Street, Ste. 600
 San Francisco, CA 94104
Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org
Recommendation: **Approval with Conditions**

ADOPTING FINDINGS RELATING TO AN ALLOCATION OF OFFICE SQUARE FOOTAGE UNDER THE 2013 – 2014 ANNUAL OFFICE DEVELOPMENT LIMITATION PROGRAM PURSUANT TO PLANNING CODE SECTION 321 THAT WOULD AUTHORIZE UP TO 40,000 GROSS SQUARE FEET OF OFFICE USE ON THE TOP TWO FLOORS AT 660 3RD STREET, LOT 008 IN ASSESSOR’S BLOCK 3788, WITHIN THE SLI (SERVICE/LIGHT INDUSTRIAL) ZONING DISTRICT, SOUTH END LANDMARK DISTRICT, AND A 65-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On May 16, 2013, David Silverman of Reuben, Junius & Rose, LLP (hereinafter “Project Sponsor”), on behalf of Gorr Partners, LLC (Property Owner) filed an application with the Planning Department (hereinafter “Department”) for an Office Development Authorization to establish up to 80,000 gsf of office use at 660 3rd Street (Block 3788 Lot 008) in San Francisco, California.

The project is exempt from the California Environmental Quality Act (“CEQA”) as a Class 1 Categorical Exemption.

On September 11, 2014, the Commission adopted Motion No. 19235, approving a Conditional Use Authorization for the Proposed Project (Conditional Use Application No. 2013.0627C). Findings

contained within said motion are incorporated herein by this reference thereto as if fully set forth in this Motion.

On September 11, 2014, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Office Allocation Application No. 2013.0627B.

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 Authorization requested in Application No. 2013.0627B, 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 proposed project is located on a generally rectangular lot (measuring approximately 137.5-ft by 160-ft for a lot area of 21,997± sq ft) on the east side of 3rd Street between Brannan and Townsend Streets. Currently, the subject lot contains a four-story with basement, red brick masonry, light industrial property, which is occupied by office tenants. Originally constructed circa 1900, 660 3rd Street was originally designed for Lotta Farnsworth by noted architect/builder, William Koenig of Koenig and Pattigren. The building features a brick exterior, double-hung wood-sash window, a steel-sash transom level, and a tabbed brick parapet. The property is a contributing resource to the South End Historic District, which is listed in Article 10 of the San Francisco Planning Code.
3. **Surrounding Properties and Neighborhood.** The project site is located in the SLI (Service/Light Industrial) Zoning District along a largely commercial corridor within the East SoMA Area Plan and is approximately one block south of South Park. The immediate neighborhood consists of two- to-six-story tall, older brick or reinforced-concrete warehouses (largely converted into office or commercial space). Other properties in the area are residential, commercial or light industrial in nature. To the north of the project site is a narrow two-story commercial building and an older four-story former brick warehouse (now office), while to the south is a similar five-story reinforced concrete former warehouse and a smaller two-story commercial building. Other zoning districts in the vicinity of the project site include: MUO (Mixed Use Office); SPD (South Park District); and MB-RA (Mission Bay South Redevelopment Plan).
4. **Project Description.** The proposed project is a change in use of up to 40,000 gsf on the top two floors of the existing building from PDR (Production, Distribution and Repair) to office use.

As outlined in Planning Code Section 803.9(a), the Project Sponsor created a Historic Building Maintenance Plan (HBMP) to assist in the feasibility of preserving the historic resource and justify the conversion to office use. To further support the preservation of the subject building, the HBMP outlines a maintenance and preservation program for: regular maintenance and repair of the roof, skylights, windows, and brick, as well as the creation of a uniform sign program and interpretative exhibit.

5. **Public Comment.** Per the May 1, 2014 Planning Commission Hearing, several individuals expressed opposition to the proposed project. As of September 4, 2014, the Department has not received any further written correspondence in support or opposition to the proposed project. To date, the Department has only received one public correspondence regarding the proposed project. This correspondence requested information on the proposed development impact fees.
6. **Office Development Authorization.** Planning Code 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.

Currently, there is approximately 1.21 million gross square feet of available "Small Cap" office space in the City. Additionally, the proposed project is subject to various development fees that will benefit the surrounding community and the city. The Project is located in close proximity to many public transportation options, including a number of Muni and transit lines. Therefore, 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 proposed 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 project offers high quality design for the proposed office development, which is consistent and compatible with the neighborhood's overall massing and form. In particular, the proposed project is sensitive to the surrounding South End Landmark District, and provides maintenance and preservation plan to ensure the preservation of the subject property, as noted in Historic Preservation Commission Resolution No. 0731.

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 proposed project is located within the SLI (Service/Light Industrial) Zoning District, which permits office use in landmark properties pursuant to Planning Code Sections 803.9(a) and 817.48. The subject lot is located in an area primarily characterized by commercial and light industrial development. There are several office use buildings on the subject block, and on blocks to the east and south of the project site.*
- b) Transit Accessibility. *The area is served by a variety of transit options. The project site is within a quarter-mile of various Muni routes, including the 10-Townsend, 30-Stockton, 45-Union/Stockton, and 76X-Marin Headlands Express, as well as the N-Judah and KT-Ingleside/Third Street Rail Lines. Further, the project site is located within two blocks of the Caltrain Station on King and 4th Streets, and the proposed Central Subway.*
- c) Open Space Accessibility. *The Project will pay the in-lieu fee for the required on-site useable open space, and is located within one block of open space at South Park.*
- d) Urban Design. *The proposed project reinforces the surrounding landmark district by providing a Historic Building Maintenance Plan for 660 3rd Street. This HBMP provides a program for regular maintenance and rehabilitation and assists in rectifying inappropriate alterations to the subject property, thus providing a benefit to the larger city through appropriate historic preservation. The Historic Preservation Commission approved this HBMP, as noted by the Historic Preservation Commission Resolution No. 0731.*
- e) Seismic Safety. *The proposed project would be designed in conformance with current seismic and life safety codes as mandated by the Department of Building Inspection. In 1987, the subject property was seismically upgraded.*

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 40,000 gross square feet of office space. As noted by the Project Sponsor, the additional office square footage will create new opportunities for employment.*
- b) Needs of Existing Businesses. *The Project will supply office space in the East SoMa area, which allows office use in landmark properties within SLI Zoning District. The existing building will provide office space with high ceilings and large floor plates, which are characteristics desired by emerging technology businesses. This building type offers flexibility for new businesses to further grow in the future. Currently, almost all of the existing office space is already occupied by existing businesses.*
- c) Availability of Space Suitable for Anticipated Uses. *The Project will provide large open floor plates, which will allow for quality office space that is suitable for a variety of office uses and sizes. In addition, the limited office use will allow for a mix of uses within the subject building, which is encouraged by the East SoMa Area Plan.*

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

Currently, the existing building is leased to a variety of office 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. **General Plan Consistency.** The General Plan Consistency Findings set forth in Motion No. 19235, Case No. 2013.0627C (Conditional Use Authorization, pursuant to Planning Code Sections 303, 803.9(a), and 817.48) apply to this Motion, and are incorporated herein as though fully set forth.
8. **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 proposal would not significantly affect any neighborhood serving retail uses, as numerous retail uses would still be present in the area. Most of the surrounding retail serves the adjacent business community. Currently, the ground floor retail space is vacant.

- B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

The proposal will not impact the existing housing or neighborhood character. The surrounding neighborhood has a mixed character composed of residential, commercial, office, and light industrial uses.

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

The proposal will not impact any of the existing housing.

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

The proposal will not alter the existing commuter traffic patterns. The existing building is well-served by public transportation options. The location of the site will enable employees and visitors to the building to walk or use public transit. Parking or loading is not required per Planning Code Sections 151.1 and 161(k).

- 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 proposed project will assist in maintaining a diverse economic base by enhancing a commercial use.

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

The project will conform to the structural and seismic safety requirements of the City Building Code. This proposal will not impact the property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

The existing building is located in the South End Landmark District, and the proposal would enhance the feasibility to preserve the existing building by allowing office use and undertaking a Historic Building Maintenance Plan.

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

The project will have no negative impact on existing parks and open spaces. The Project does not have an impact on open spaces.

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 hereby finds that approval of the Office Development 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 Office Development Application No. 2013.0627B** 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 March 4, 2014, on file in Case Docket No. 2013.0627B.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 321 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.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on September 11, 2014.

Jonas P. Ionin
Commission Secretary

AYES: Antonini, Hillis, Johnson, Richards and Wu

NAYS: Moore

ABSENT: Fong

ADOPTED: September 11, 2014

EXHIBIT A

AUTHORIZATION

This authorization is for an Office Development Authorization to authorize up to 40,000 gross square feet of office use on the top two floors located at 660 3rd Street, Lot 008 in Assessor's Block 3788 pursuant to Planning Code Section 321 within the SLI (Service Light Industrial) Zoning District and a 65-X Height and Bulk District; in general conformance with plans, dated March 3, 2014, and stamped "EXHIBIT B" included in the docket for Case No. 2013.0627B and subject to conditions of approval reviewed and approved by the Commission on September 11, 2014 under Motion No. 19234. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

COMPLIANCE WITH OTHER REQUIREMENTS

The Conditions of Approval set forth in Exhibit B of Motion No. 19235, Case No. 2013.0627C (Conditional Use Authorization Under Sections 303 and 803.9(a)) apply to this approval, and are incorporated herein as though fully set forth, except as modified herein.

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 September 11, 2014 under Motion No. 19234.

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

1. Development Timeline - Office. Pursuant to Planning Code Section 321(d)(2), construction of an office development shall commence within eighteen 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 conditional use authorization.

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