



# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Conditional Use

HEARING DATE: MAY 5, 2011

*Date:* April 28, 2011  
*Case No.:* **2010.0626 C**  
*Project Address:* **4301 3<sup>rd</sup> STREET**  
*Zoning:* NC-3 (Moderate Scale Neighborhood Commercial) District  
40-X Height and Bulk District  
*Block/Lot:* 5278/016  
*Project Sponsor:* Michael Simmons  
2370 Market Street, #45B  
San Francisco, CA 94114  
*Staff Contact:* Diego R Sánchez – (415) 575-6914  
[diego.sanchez@sfgov.org](mailto:diego.sanchez@sfgov.org)  
*Recommendation:* **Approval with Conditions**

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
**415.558.6378**

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**415.558.6409**

Planning  
Information:  
**415.558.6377**

### PROJECT DESCRIPTION

The Project proposes to convert an existing vacant one story industrial building last used as a medical office and clinic to a Large Other Institutions Assembly and Social Service use (dba College Track) that will provide educational training and counseling to San Francisco public school students. The proposal will add a mezzanine level of approximately 4,000 square feet. With this addition the new gross floor area for the building will total approximately 13,700 square feet.

College Track is an after-school, college preparatory program that works to increase high school graduation, college eligibility and enrollment, and college graduation rates in under-resourced communities.

### SITE DESCRIPTION AND PRESENT USE

The project is located on the eastern side of 3rd Street, between Jerrold and Kirkwood Avenues, Block 5278, Lot 016. The property is located within the NC-3 (Moderate Scale Neighborhood Commercial) District with 40-X height and bulk district. The property is improved with a one story, approximately 9,700 square foot vacant industrial building formerly used as medical office and clinic.

### SURROUNDING PROPERTIES AND NEIGHBORHOOD

The project site is located within the Bayview Hunters Point neighborhood, along the northern end of Third Street. To the east of the project site is an area of residential dwellings of one or more stories. Directly across Third Street to the west is a vacant lot and a formula retail eating establishment. To the

south, along Third Street, residential and neighborhood commercial uses are located. A religious institution and other residential uses are found to the north of the Project. The surrounding properties are located within the RH-1 (Residential House, One-Family), NC-3 (Moderate Scale Neighborhood Commercial) and M-1 (Light Industrial) Districts.

## ENVIRONMENTAL REVIEW

The project is categorically exempt as a Class 1(a) project under CEQA

## HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	April 15, 2011	April 15, 2011	20 days
Posted Notice	20 days	April 15, 2011	April 15, 2011	20 days
Mailed Notice	20 days	April 15, 2011	April 15, 2011	20 days

## PUBLIC COMMENT

- The Department is not aware of any opposition to this project.

## ISSUES AND OTHER CONSIDERATIONS

- The Project will occupy a vacant building along Third Street, a street identified as the central commercial area for the Bayview neighborhood. The use of vacant buildings is of utmost important to the vitality of all commercial areas, and in particular, to the Bayview neighborhood.

## REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must grant Conditional Use authorization to allow a Large Other Institutions use in excess of the use size limits for the NC-3 District per Planning Code Sections 121.2 and 303.

## BASIS FOR RECOMMENDATION

The Department believes this project is necessary and/or desirable under Section 303 of the Planning Code for the following reasons:

- The proposed expansion that creates the necessity for Conditional Use authorization is a new mezzanine level and is not an expansion of the existing building envelope. This type of expansion will not affect the compatibility of the building with its surroundings.
- The Project serves a population, San Francisco public school students, that will benefit from additional educational and social services given the current allocation of public resources to public education.

- The Project meets the intent of the NC-3 Zoning District in that it serves a population greater than the immediate area while also providing benefit to the residents within the immediate neighborhood.
- The area is well served by transit, including the MUNI T Light Rail line and 5 other MUNI bus lines that are within reasonable walking distance.
- The proposed Project meets all applicable requirements of the Planning Code.

<b>RECOMMENDATION:</b> <b>Approval with Conditions</b>
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**Attachments:**  
Block Book Map  
Sanborn Map  
Aerial Photographs  
Photographs  
Reduced Plans

Attachment Checklist

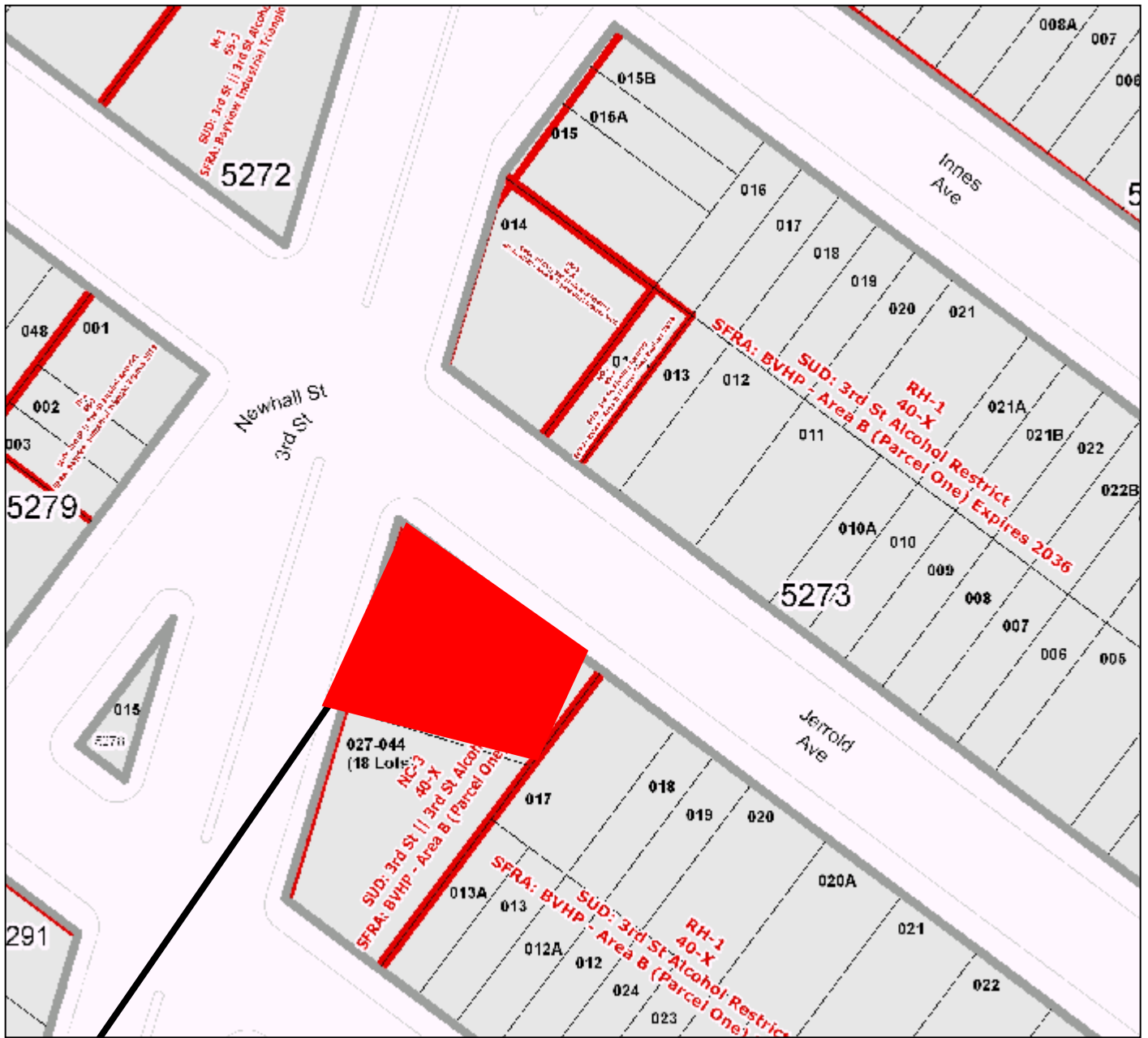
- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Executive Summary   | <input checked="" type="checkbox"/> Project sponsor submittal                                 |
| <input checked="" type="checkbox"/> Draft Motion        | Drawings: <u>Existing Conditions</u>  |
| <input type="checkbox"/> Environmental Determination    | <input type="checkbox"/> Check for legibility   |
| <input checked="" type="checkbox"/> Zoning District Map | Drawings: <u>Proposed Project</u>   |
| <input type="checkbox"/> Height & Bulk Map              | <input checked="" type="checkbox"/> Check for legibility                                      |
| <input checked="" type="checkbox"/> Parcel Map          | <input type="checkbox"/> Health Dept. review of RF levels                                     |
| <input checked="" type="checkbox"/> Sanborn Map         | <input type="checkbox"/> RF Report  |
| <input checked="" type="checkbox"/> Aerial Photo        | <input type="checkbox"/> Community Meeting Notice   |
| <input checked="" type="checkbox"/> Context Photos      | <input type="checkbox"/> Inclusionary Affordable Housing Program:<br>Affidavit for Compliance |
| <input checked="" type="checkbox"/> Site Photos         |   |

Exhibits above marked with an "X" are included in this packet

\_\_\_\_\_  
Planner's Initials

DRS: G:\DOCUMENTS\Conditional Use\4301 3rd Street\Commission Packet\4301 3rd St Executive Summary.doc

# Parcel Map



**SUBJECT PROPERTY**



Conditional Use authorization  
Case Number 2010.0626C  
Use Size Limit- College Track  
4301 3rd Street

# Sanborn Map\*



**SUBJECT PROPERTY**

*\*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.*



Conditional Use authorization  
Case Number 2010.0626C  
Use Size Limit- College Track  
4301 3rd Street

# Aerial Photo



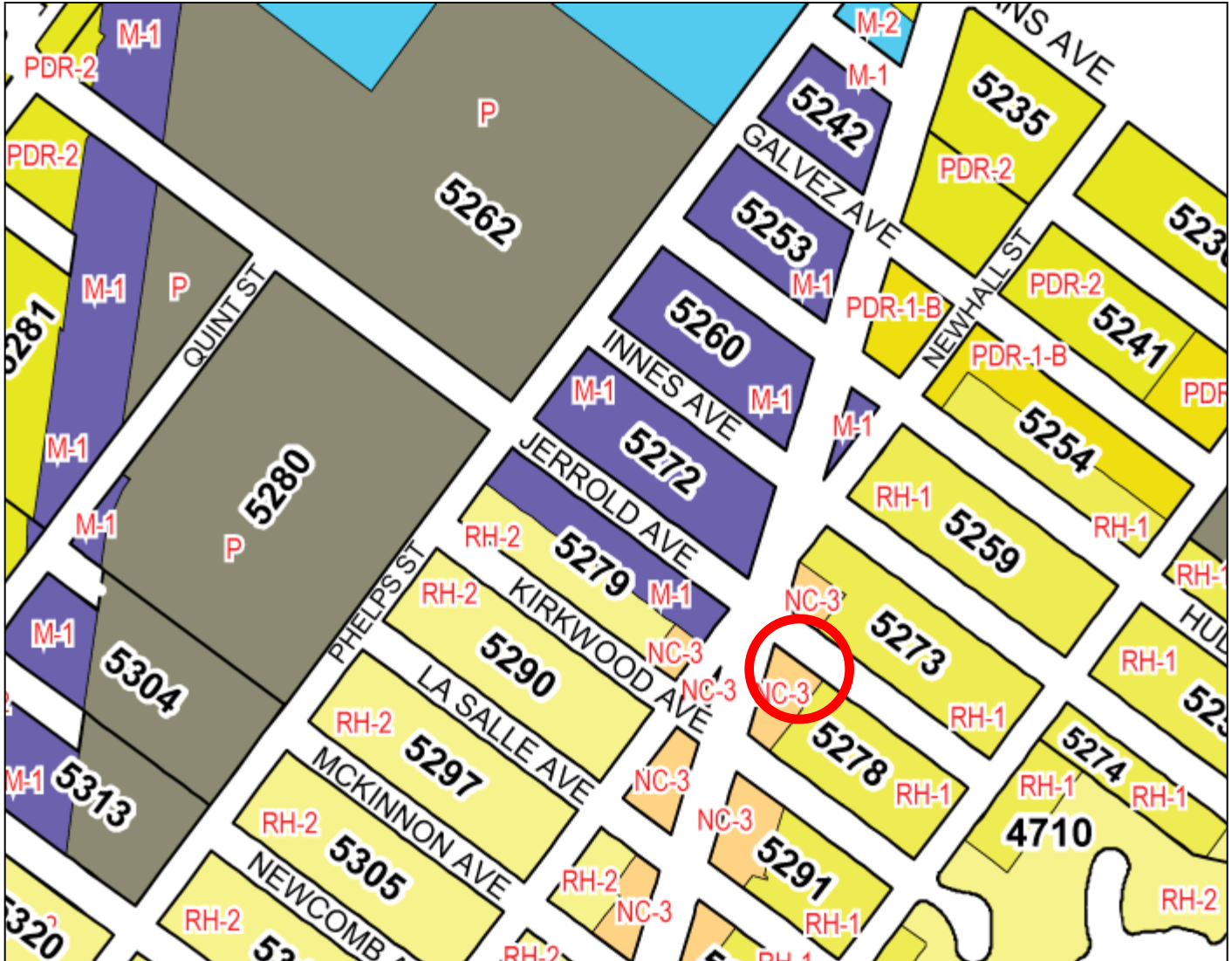
SUBJECT PROPERTY



Conditional Use authorization  
Case Number 2010.0626C  
Use Size Limit- College Track  
4301 3<sup>rd</sup> Street



# Zoning Map



Conditional Use authorization  
Case Number 2010.0626C  
Use Size Limit- College Track  
4301 3<sup>rd</sup> Street



# Site Photo



Conditional Use authorization  
Case Number 2010.0626C  
Use Size Limit- College Track  
4301 3<sup>rd</sup> Street



# SAN FRANCISCO PLANNING DEPARTMENT

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Subject to: (Select only if applicable)

- |  |  |
|--|--|
| <input type="checkbox"/> Affordable Housing (Sec. 415)           | <input type="checkbox"/> First Source Hiring (Admin. Code) |
| <input type="checkbox"/> Jobs Housing Linkage Program (Sec. 413) | <input type="checkbox"/> Child Care Requirement (Sec. 414) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 412)            | <input type="checkbox"/> Other                             |

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## Planning Commission Draft Motion

HEARING DATE: MAY 5, 2007

*Date:* April 28, 2011  
*Case No.:* **2010.0626 C**  
*Project Address:* **4301 3<sup>rd</sup> STREET**  
*Zoning:* NC-3 (Moderate Scale Neighborhood Commercial) District  
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*Staff Contact:* Diego R Sánchez – (415) 575-6914  
[diego.sanchez@sfgov.org](mailto:diego.sanchez@sfgov.org)

**ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 121.2 AND 303 OF THE PLANNING CODE TO ALLOW A LARGE OTHER INSTITUTIONS USE (D.B.A. COLLEGE TRACK) IN EXCESS OF THE 6,000 SQUARE FOOT USE SIZE LIMIT WITHIN THE NC-3 (MODERATE SCALE NEIGHBORHOOD COMMERCIAL) DISTRICT AND A 40-X HEIGHT AND BULK DISTRICT.**

### PREAMBLE

On January 13, 2011 Michael Simmons (hereinafter “Project Sponsor”) filed an application with the Planning Department (hereinafter “Department”) for Conditional Use Authorization under Planning Code Section 121.2 and 303 of the Planning Code to allow a Large Other Institutions use (dba College Track) in excess of the 6,000 square foot use size limit within the NC-3 (Moderate Scale Neighborhood Commercial) District and a 40-X Height and Bulk District.

On May 5, 2011, the San Francisco Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2010.0626C.

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

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. 2010.0626C, 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 is located on the eastern side of 3rd Street, between Jerrold and Kirkwood Avenues, Block 5278, Lot 016. The property is located within the NC-3 (Moderate Scale Neighborhood Commercial) District with 40-X height and bulk district. The property is improved with a one story, approximately 9,700 square foot vacant industrial building formerly used as medical office and clinic.
3. **Surrounding Properties and Neighborhood.** The project site is located within the Bayview Hunters Point neighborhood, along the northern end of Third Street. To the east of the project site is an area of residential dwellings of one or more stories. Directly across Third Street to the west is a vacant lot and a formula retail eating establishment. To the south, along Third Street, residential and neighborhood commercial uses are located. A religious institution and other residential uses are found to the north of the Project. The surrounding properties are located within the RH-1 (Residential House, One-Family), NC-3 (Moderate Scale Neighborhood Commercial) and M-1 (Light Industrial) Districts.
4. **Project Description.** The Project proposes to convert an existing vacant one story industrial building last used as a medical office and clinic to a Large Other Institutions Assembly and Social Service use (dba College Track) that will provide educational training and counseling to San Francisco public school students. The proposal will add a mezzanine level of approximately 4,000 square feet. With this addition the new gross floor area for the building will total approximately 13,700 square feet.

College Track is an after-school, college preparatory program that works to increase high school graduation, college eligibility and enrollment, and college graduation rates in under-resourced communities.

5. **Public Comment.** The Planning Department is not aware of any opposition to the project.
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. **Use Size Limits.** Planning Code Section 121.2 requires Conditional Use authorization for uses in excess of 6,000 square feet within the NC-3 Zoning District.

*The Project proposes to add a mezzanine of approximately 4,000 square feet which results in a total floor area of approximately 13,700 square feet, in excess of the 6,000 square foot use size limit for the NC-3 Zoning District. The Project Sponsor is seeking Conditional Use authorization to establish this use.*

- B. **Street Trees.** Planning Code Section 138.1 requires the addition of a street tree for each 20 feet of frontage whenever a project adds gross floor area equal to 20 percent or more of the existing gross floor area.

*The Project is proposing to add 4,000 square feet of gross floor area, in excess of 20 percent of the approximately 9,700 square feet existing gross floor area. The Project is proposing to install 1 new street tree along 3<sup>rd</sup> Street and 6 new street trees along Jerrold Avenue.*

- C. **Neighborhood Commercial Street Frontage.** Planning Code Section 145.1 requires street frontages in the Neighborhood Commercial districts to be pedestrian oriented, fine-grained and appropriate and compatible with the buildings and uses in such districts. To fulfill this requirement special treatment is given to parking and loading entrances, uses, transparency and fenestration.

*The Project is not proposing new off street parking and as such there are no new entrances proposed. The proposed use, a Large Other Institution Assembly and Social Service use is considered an active use and as part of the renovation of the vacant building, the Project Sponsor is proposing to add storefront windows in the existing bays that are now covered in plaster.*

- D. **Off Street Parking.** Planning Code Section 151 requires off street parking for the proposed classroom uses, multipurpose room uses and office uses.

*Planning Code Section 151 requires the Project to provide 5 off street parking spaces for the classroom uses, 8 off street parking spaces for the multipurpose rooms and 1 off street parking space for the office use. However, the last legal use of the property, a health clinic, carried a parking credit of 32 off street parking spaces. The required parking for the Project can be satisfied by the existing parking credit.*

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 will provide a use, after school training and counseling to San Francisco public school students, which is necessary and desirable. While the proposal requires Conditional Use authorization due to a proposed expansion in gross floor area, the expansion, a new mezzanine level, is completely within the existing building envelope thereby ensuring compatibility with the neighborhood. The new mezzanine level will allow the Project to better serve its target population, San Francisco public school students.*

- 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;

*While the Project is seeking Conditional Use authorization due to an expansion in gross floor area that results in the Project exceeding the use size limit for the NC-3 Zoning District, the expansion, a new mezzanine level, is internal and will not create any detriment to the health, safety or convenience of those residing or working in the area.*

- 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 Planning Code allows the Project to utilize an existing off street parking credit and therefore the Project is not providing new off street parking. Given the proximity to public transit, including the MUNI T Light Rail Line and the 19, 23, 24, 44 and 54 MUNI bus lines being within reasonable walking distance, it is presumable that the employees and users of the services would commute by transit thereby mitigating possible impacts on street parking.*

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

*It is assumed that the use, training and counseling of San Francisco public school students, will not generate 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;

*The Project is providing the required street trees as part of the landscaping improvements. In addition, lighting at the street frontages is also proposed as a further improvement to the pedestrian experience.*

- 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 proposed project is consistent with the stated purposes of NC-3 Districts which is to provide services to a population greater than the immediate neighborhood, in addition to the provision of services to the immediate population. The Project will serve San Francisco public school students from throughout San Francisco.*

8. **Use Size Limits.** Planning Code Section 121.2 requires Conditional Use authorization for non-residential uses in excess of 6,000 square feet within the NC-3 District. In addition to the criteria under Planning Code Section 303(c), the Planning Commission shall consider the extent to which the following criteria are met:

- A. The intensity of the activity in the district is not such that allowing the larger use will be likely to foreclose the location of other needed neighborhood serving uses in the area.

*The use is not expected to foreclose other needed neighborhood serving uses in the area as the nature of the use in combination with the need of such services in the immediate area is one where the Project will provide benefits to an underserved population.*

- B. The proposed use will serve the neighborhood, in whole or in significant part, and the nature of the use requires a larger size in order to function.

*The use is expected to serve students from within the area in addition to San Francisco public school students from outside the area. The proposed use is one where additional floor area proves to be beneficial to those served and allows for a greater population to be served.*

- C. The building in which the use is to be located is designated in discrete elements which respect the scale of development in the district.

*The existing building envelope is not being expanded as the expansion that creates the need for Conditional Use authorization is a new mezzanine level. All proposed exterior alterations have been reviewed by the Preservation Specialist for the Southeast Quadrant.*

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

## COMMUNITY FACILITIES

### Objectives and Policies



**OBJECTIVE 3:**

ASSURE THAT NEIGHBORHOOD RESIDENTS HAVE ACCESS TO NEEDED SERVICES AND A FOCUS FOR NEIGHBORHOOD ACTIVITIES.

**Policy 3.1:**

Provide neighborhood centers in areas lacking adequate community facilities.

**Policy 3.3:**

Develop centers to serve an identifiable neighborhood.

**Policy 3.4:**

Locate neighborhood centers so they are easily accessible and near the natural center of activity.

*While the Project will serve San Francisco Public School students citywide, the siting of the Project within the Southeast sector of San Francisco is being done in part to better serve that population of students that are historically underserved by such facilities. Because it is sited within the Bayview Hunters Point neighborhood it is anticipated that that community will directly identify with the Project. The proximity of the Project to public transit, and in particular to the MUNI T Light Rail Line and the 19, 23, 24, 44 and 54 MUNI bus lines, will prove beneficial to the Project and its users.*

## **BAYVIEW HUNTERS POINT AREA PLAN**

### **Objectives and Policies**

**OBJECTIVE 2:**

IMPROVE USE OF LAND ON THIRD STREET BY CREATING COMPACT COMMERCIAL AREAS, ESTABLISHING NODES FOR COMPLEMENTARY USES, AND RESTRICTING UNHEALTHY USES.

**Policy 2.1:**

Improve the physical and social character of Third Street to make it a more livable environment.

*The Project will provide an important amenity for families with school age children, helping to create an attractive market for new residential development. The proposed alterations to the building will be such that the historic qualities of the building will not be compromised, thereby preserving its aesthetic quality and contribution to Third Street.*

10. **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 enhance the neighborhood-serving retail uses by providing a tenant in a now vacant building with numerous employees and users of the site to patronize existing neighborhood retail.*

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

*The existing neighborhood character will be conserved and the cultural and economic diversity of the neighborhood will be preserved as the project is a change of use to an institutional/social service use that will occupy a vacant building without major alterations to the building envelope.*

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

*No housing is removed for this Project.*

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

*The site is on Third Street and is well served by transit including the MUNI T Light Rail Line and the 19, 23, 24, 44 and 54 MUNI bus lines are within reasonable walking distance. It is presumable that the employees would commute by transit thereby mitigating possible impacts on street 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 not displace any service or industry establishment as a result of office development as the proposed use is an institutional / social service use. Ownership of industrial or service sector businesses will not be affected by this project.*

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

*The Project is designed and will be constructed to 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.

*A Historic Resource Evaluation Response dated September 3, 2010 indicates that the proposed scope of work will not cause a substantial adverse change in the significance of the resource (as defined by CEQA) such that the significance of the resource (as defined by CEQA) would be materially impaired.*

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.*

11. 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.
12. 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. 2010.0626C** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated April 15, 2011, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

**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. XXXXX. 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 May 5, 2011.

Linda D. Avery  
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: May 5, 2011

## EXHIBIT A

### AUTHORIZATION

This authorization is for a conditional use to allow a Large Other Institutions use (dba College Track) located at 4301 3<sup>rd</sup> Street, Lot 016 in Assessors Block 5278, pursuant to Planning Code Sections 121.2 and 303 within the NC-3 (Moderate Scale Neighborhood Commercial) District and a 40-X Height and Bulk District; in general conformance with plans, dated April 15, 2011, and stamped "EXHIBIT B" included in the docket for Case No. 2010.0626C and subject to conditions of approval reviewed and approved by the Commission on May 5, 2011 under Motion No XXXXXX. 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 May 5, 2011 under Motion No XXXXXX.

### PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. XXXXXX 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](http://www.sf-planning.org).*

### DESIGN

1. **Garbage, composting and recycling storage.** Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the architectural addenda. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.

*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org)*

2. **Street Trees.** Pursuant to Planning Code Section 428 (formerly 143), the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application indicating that street trees, at a ratio of one street tree of an approved species for every 20 feet of street frontage along public or private streets bounding the Project, with any remaining fraction of 10 feet or more of frontage requiring an extra tree, shall be provided. The street trees shall be evenly spaced along the street frontage except where proposed driveways or other street obstructions do not permit. The exact location, size and species of tree shall be as approved by the Department of Public Works (DPW). In any case in which DPW cannot grant approval for installation of a tree in the public right-of-way, on the basis of inadequate sidewalk width, interference with utilities or other reasons regarding the public welfare, and where installation of such tree on the lot itself is also impractical, the requirements of this Section 428 may be modified or waived by the Zoning Administrator to the extent necessary.

*For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org)*



## MONITORING

3. **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](http://www.sf-planning.org)*
4. **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](http://www.sf-planning.org)*

## OPERATION

5. **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>*
6. **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/>*
7. **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](http://www.sf-planning.org)*

**Draft Motion  
May 5, 2011**

**CASE NO. 2010.0626 C  
4301 3<sup>rd</sup> Street**



Attorneys At Law

Russ Building / 235 Montgomery Street  
San Francisco / CA 94104

T 415.954.4400 / F 415.954.4480  
www.fbm.com

**ILENE DICK**  
idick@fbm.com  
D 415.954.4958

April 27, 2011

*Via Messenger*

Hon. Christina Olague  
President  
San Francisco Planning Commission  
1650 Mission Street, Suite 400  
San Francisco, CA 94103

Re: 4301 3rd Street  
Conditional Use Hearing May 5, 2011  
Case No. 2010.0626C

Dear President Olague and Commissioners:

I am writing on behalf of College Track, a nationally recognized non-profit youth service provider. College Track is proposing a youth educational services facility at 4301 3rd Street (the "Project"). The Project requires Conditional Use Authorization under Planning Code Section 121.2(a) because its proposed 13,460 square-foot floor area exceeds the 6,000 square foot threshold for non-residential buildings in NC-3 districts.

The Project would renovate an existing, vacant 9,857 square-foot one story retrofitted masonry building in order to serve as a site for College Track's nationally recognized college preparatory programs. College Track will be providing, free of charge, college-preparatory training and counseling daily to up to approximately 200 San Francisco public school students in the 8th to 12th grade, from the hours of 4:00-7:00 PM. These services will help these students improve their test-taking skills and hone their study habits in preparation for college. Exhibit A provides impressive statistics on how College Track's services have had a positive effect on students in San Francisco, Oakland and East Palo Alto.

This Project has been reviewed by the Bayview Project Area Committee (PAC) and the Redevelopment Agency Commission in approving \$1M in financial assistance from the Redevelopment Agency for the construction of the College Track facility. In addition, there is widespread neighborhood support. We urge your approval of this Project as a welcome and necessary addition to the Bayview and the broader San Francisco community.



Hon. Christina Olague  
April 27, 2011  
Page 2

### **Project Description**

The Project would renovate<sup>1</sup> the interior of the existing, vacant one-story building on the subject property to provide for various improvements to support College Track's programming, including:

- Four tutoring rooms with a capacity of 42 persons per room and a room area of 840 square-feet;
- Seven workshops with a capacity of 15 to 20 persons per room and a room area of 300 square-feet;
- Two multipurpose rooms with a capacity of 25 persons per room and a room area of 500 square-feet;
- One meeting room with a capacity of 10 persons and a room area of 200 square-feet;
- One break room/kitchen with a capacity of 25 persons and a room area of 500 square-feet;
- One central open space or atrium totaling 1,485 square-feet; and
- One support space including a copier area and general storage totaling 784 square-feet.

Attached as Exhibit B are plans and elevations of the Project. College Track's design is intended to accommodate the various uses without affecting the exterior of the existing one-story building, which is a historical resource under CEQA. Accordingly, Turnbull Griffin Haesloop, the Project Architects, propose adding a partial second floor to the building. This plan expands the overall building area from 9,857 square-feet to 13,460 square-feet without affecting the envelope and façade of the existing one-story building.

### **Approvals Obtained**

A Letter of Determination was issued on February 17, 2011, classifying the proposed use as "Other Institutions, Large" under Planning Code Section 792.50, a principally permitted use in the NC-3 Zoning District. (See Exhibit C). As set forth in the Letter of Determination, the last legal use of the subject property was a health clinic that carried a parking credit of 32 off-street parking spaces. Thus, the Project's parking requirements are satisfied by this existing parking credit.

In addition, the Project was found to be exempt from CEQA under Class 1 (minor alteration of an existing building). Accordingly, a Categorical Exemption was certified for the

---

<sup>1</sup> The Project will be developed for College Track by Michael Simmons Property Development, Inc. Mr. Simmons has been extensively involved in development in the Bayview. He recently received approval from the Planning Commission for the creation of 73 apartments at 6600-3<sup>rd</sup> Street.



Hon. Christina Olague

April 27, 2011

Page 3

Project on September 21, 2010 (Case No. 2010.0626E). Although the building is a historical resource, the Planning Department deemed a Categorical Exemption to be appropriate because construction of the Project would be consistent with the Secretary of Interior's Standards. The Project will preserve the building's character-defining features, which include brick piers and cladding, steel trusses, one-story massing with parapet, fenestration pattern, and fanlight transom. Compatible new windows, awnings and a new storefront entrance will be installed in existing openings. In sum, the Project will adaptively reuse the now vacant former industrial building in a manner that is consistent with the Secretary of the Interior's Standards.

### **Basis for Conditional Use Approval**

In order to provide additional program area for the preparatory services for San Francisco public school students in the 8<sup>th</sup>-12<sup>th</sup> grades, the Project proposes increasing the existing 9,857 square foot floor area to 13,460 square feet by inserting a new partial second floor into the building. Consequently, the Project requires Conditional Use Authorization for floor area in excess of the 6,000 square feet permitted for non-residential uses in NC-3 districts under Planning Code Sections 121.2(a).

The proposed configuration of the Project is necessary for College Track to reasonably accommodate the expected number of students who will take advantage of College Track's programs. The design enlarges an already constrained site and enhances multi-use common open space opportunities in the central open space or "atrium" proposed by the Project. This in turn allows for an efficient use of the site and maximizes opportunities for a greater number of San Francisco public school students to participate in College Track without affecting the building's historical character or increasing its footprint.

The intensity of the Project will be consistent with the surrounding area. It is located on the 3<sup>rd</sup>-Street corridor, along with several other neighborhood and citywide serving businesses. The T-MUNI line runs directly in front of the building.

Moreover, the proposed use is less intense than the prior medical offices that occupied the building from the mid-1970s to 2005. The medical offices were active throughout the business day, having many patients arrive by automobile. In comparison, it is expected that the students that would come to College Track daily will be concentrated between 4:00 PM to 7:00 PM. Not many staff persons will be on site prior to the arrival of these students and most if not all students would travel to and from the building by foot or MUNI. This would reduce the impact of automobiles on on-street parking and traffic volume.

Accordingly, the Project proposes a use that would have a less intensive impact on the neighborhood than a busy, all-day medical office, making the intensity of the Project compatible with the surrounding neighborhood and community.



Hon. Christina Olague

April 27, 2011

Page 4

Finally, the proposed use only moderately exceeds the threshold amount of floor area allowed under the Planning Code (See Planning Code Section 121.2(a)). The 13,460 square feet proposed for the Project is necessary to accommodate the expected student demand for participation in College Track activities. These students will greatly benefit from the center's provision of training and counseling that will help them improve their test-taking skills and study habits in preparation for college. Most of these students attend school in under-resourced communities and will be the first in their families to graduate from college. The Project is consistent with the General Plan's objective of enhancing San Francisco's position as a national and regional center for governmental, health, and educational services. (see General Plan Commerce and Industry Element, Objective 7).

### **Project Support**

There is significant support for the Project. As stated earlier, the Project received the approval of the Bayview Project Area Committee (PAC) and the Redevelopment Agency Commission. Additionally, Hydra Mendoza, the Mayor's Education Advisor, and Angelo King, the PAC Chairperson, also support the Project. Attached as Exhibit D are support letters from the Bayview PAC and Redevelopment Agency Commission and Ms. Mendoza.

In addition, there has been no opposition to the Project. That is because the Project will not only benefit and serve San Francisco public school students, as is apparent from the College Track statistics attached as Exhibit A, but will also benefit their families and the community at large. For instance, the project advances numerous General Plan policies, particularly policies of the Community Facilities Element and the Commerce and Industry Element as it provides a center to serve an identifiable neighborhood and encourages the extension of needed educational services.

### **Conclusion**

The Project will provide a much needed service to the Bayview and the broader community: improving the opportunities for more San Francisco public school students to attend college. College Track has a proven track record of providing this service. The Project is consistent with the General Plan and the Planning Code, and offers numerous tangible and intangible benefits to the City.





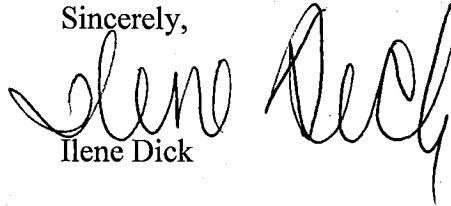
Hon. Christina Olague

April 27, 2011

Page 5

Based on the above, we urge the Commission to approve the Conditional Use Authorization on May 5. If you have any concerns or questions prior to the hearing, please contact me at (415) 954-4958.

Sincerely,



Ilene Dick

IRD:ec

Attachments

cc: Diego Sanchez, Planner (Via E-mail)  
Marshall Lott, College Track (Via E-mail)  
Michael Simmons, Michael Simmons Property Development, Inc. (Via E-mail)  
Stefan Hastrup, Turnbull Griffin Haesloop Architects (Via E-mail)

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# EXHIBIT A

# COLLEGE TRACK ▶▶

## A brief look at results

*Since 1997, College Track has supported over 500 motivated youth succeed in high school and college.*

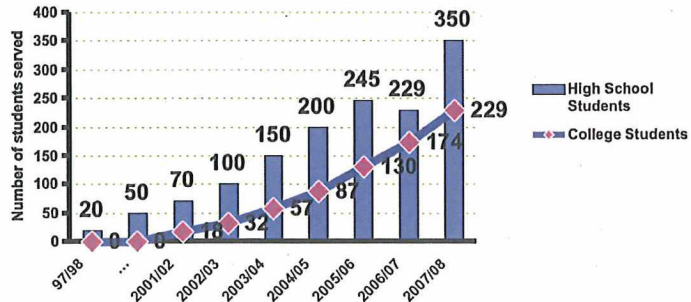
November 2007

College Track Fact Sheet

## Students Served: Enrollment

In 06/07, College Track served over 220 high school students; in 07/08, College Track will serve over 350 high school students and over 200 college students at its Oakland, East Palo Alto and San Francisco centers.

College Track high-school and college students

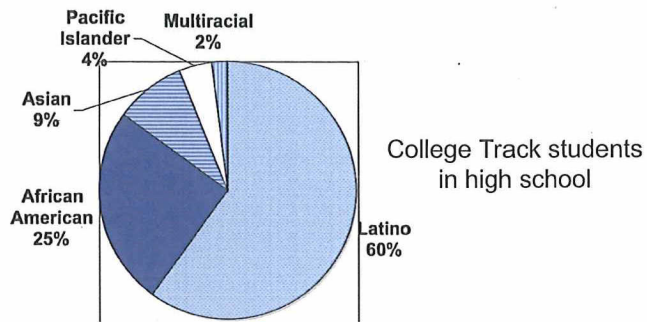


November 2007

College Track Fact Sheet

## Students Served: Ethnicity

College Track serves students of color and creates a balanced and diverse group at each after-school location; a reflection of the Oakland, East Palo Alto and San Francisco neighborhoods we operate in.

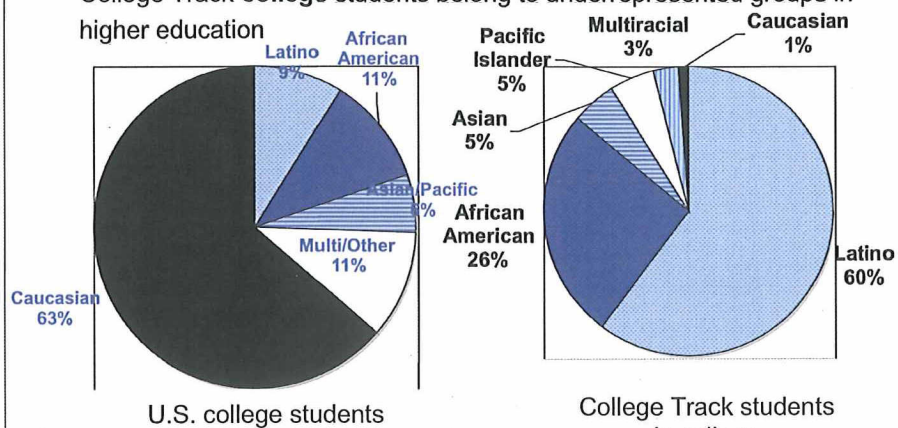


November 2007

College Track Fact Sheet

## Students Served: Ethnicity

College Track college students belong to underrepresented groups in higher education



Source: <http://nces.ed.gov/pubs2006/2006155.pdf>  
November 2007

College Track Fact Sheet

## Students Served: First generation

- Among U.S. college students, only **22%** are the 1st in their families to access college. Among them, only **24%** will graduate within 8 years of completing high school.
- **Over 90%** of College Track students are youth who will be 1st generation college students. Among them, **over 75%** will graduate within 6 years of completing high school (estimate for 2010).

Source: U.S. Department of Education: *First-generation Students in Postsecondary Education: A Look at their College Transcripts*, July 2005, p. 5;  
<http://www.idea.gseis.ucla.edu/publications/eor06/fullreport/pdf/EOR-2006.pdf>

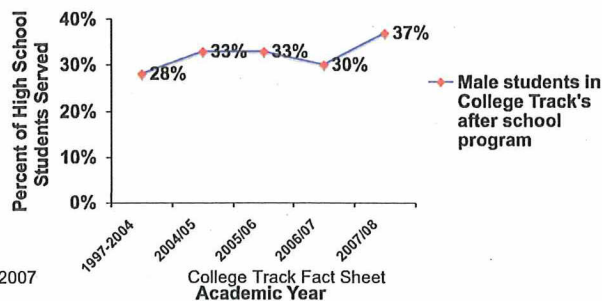
November 2007

College Track Fact Sheet

## Students served: Gender

Most College Track students are female (72%). This correlates with a nationwide trend of increased female enrollment in U.S. higher education (56% of college students). College Track aims to correct this trend, as evidenced in increasing male participation.

Source: U.S. Department of Education, National Center for Education Statistics, *The Condition of Education*(2006); NCES 2006-071, Washington, DC: U.S. Government Printing Office, p.2.

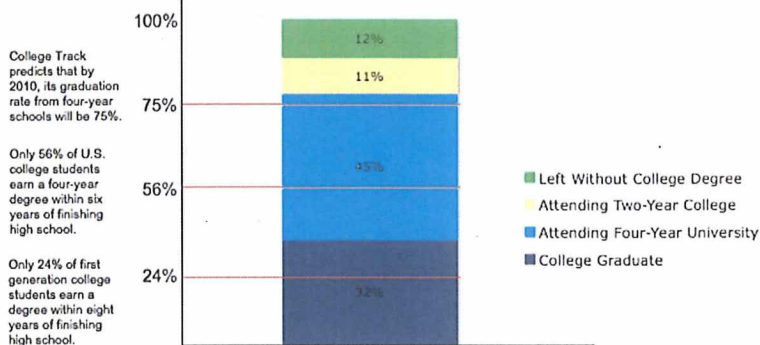


November 2007

College Track Fact Sheet  
Academic Year

## Result: our students finish college

College Track Students in College: Graduation Status



College Track students who graduated from high school three to six years ago

November 2007

College Track Fact Sheet

## College Completion Trends in the U.S.

**US Average college completion:**  
 56% of U.S. college students complete a 4-year degree within 6 years of starting college  
 \*Fiscal Year 2008 Performance Budget: Performance Plan\*

**1st generation**  
 24% complete a 4 year degree  
 within 8 years of graduating high school  
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2005171>

**Non-1st generation**  
 68% complete a 4 year degree  
 within 8 years of graduation high school  
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2005171>

November 2007

College Track Fact Sheet



## How does College Track achieve this impressive result?

### Step 1: college eligibility

- College Track helps students develop a personal learning plan to guide them through high school, insuring they take the right classes and get the right grades to be eligible for a California Public University.
- In June 2007, **95%** of College Track seniors were eligible to attend a state university.
- In June 2005, **less than 35%** of California public school seniors were eligible to attend a state university.

Source: <http://www.idea.gseis.ucla.edu/publications/roadblocks/pdf/RemovingRoadblocks.pdf>

November 2007

College Track Fact Sheet

### Step 2: completing the college application process

- College Track provides an expert advisor to guide each student through the college application process.
- In 06/07, our seniors applied to **9** schools and were admitted to **5**, on average
- **100%** applied to a safety school, and **96%** were admitted.
- **80%** applied to target and/or reach schools, and, among them, **90%** were admitted
- **54%** applied to a University of California, and, among them **84%** were admitted.

November 2007

College Track Fact Sheet

### Step 3: Monitoring students to insure college graduation

- College Track monitors student progress through college.
- To date, **less than 10%** of the **229** students who completed College Track's high school program chose not to enroll in college, or drop-out before earning a degree.
- Among students who are in college, **86%** attend (or have graduated from) a 4-year university, and **14%** attend a junior college.
- Compare this to California college enrollment: **over 50%** of seniors choose not to enroll in higher education. Among those who do, **66%** chose junior college.

November 2007

College Track Fact Sheet

Source: <http://www.idea.qseis.ucla.edu/publications/eor06/fullreport/index.html>.

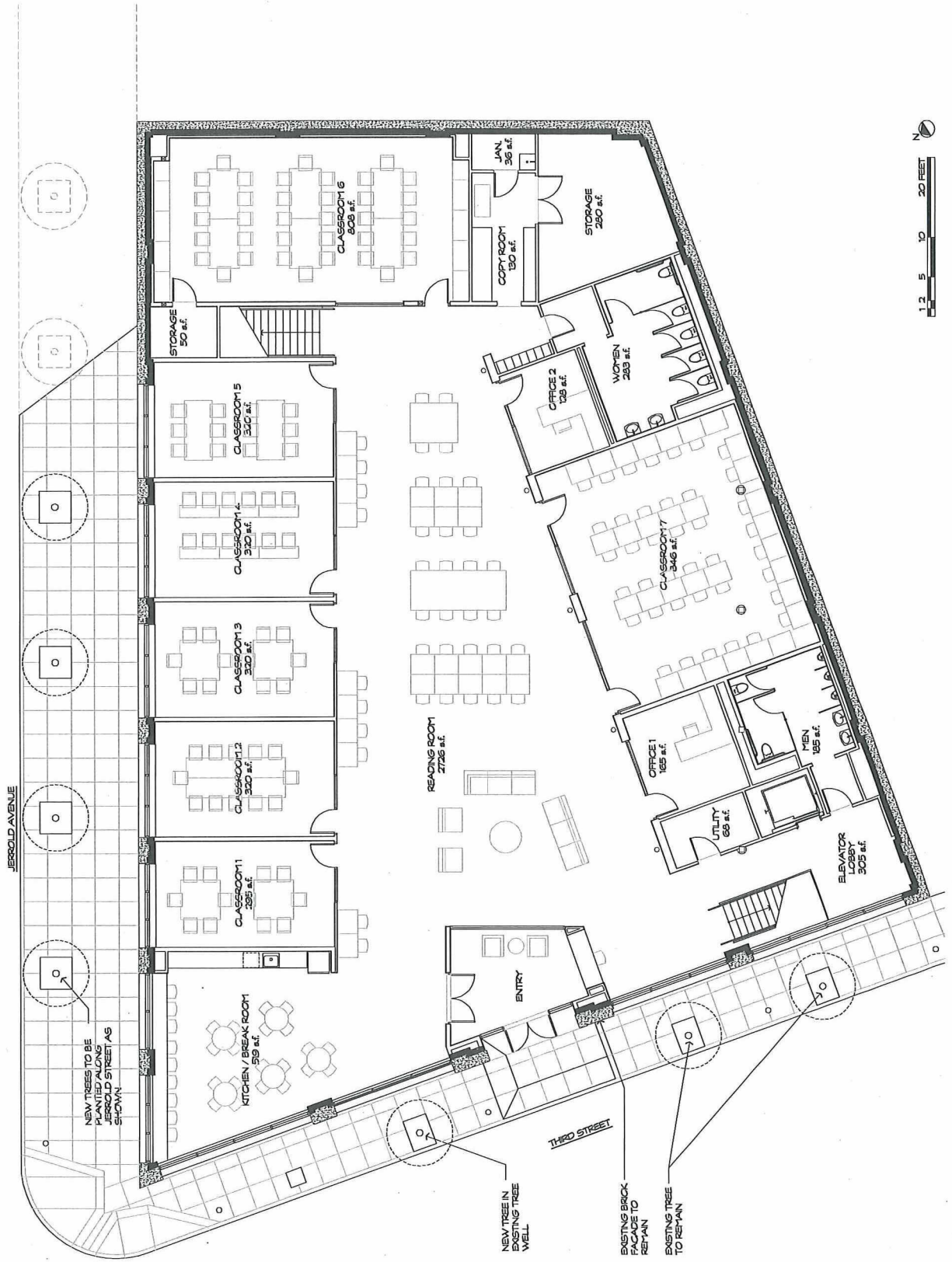
### Looking to the future

- College Track strives to increase college going rates in low-income communities, providing them with future leaders and agents of change and renewal.
- Of the 26 College Track college graduates (to date):
  - Some work as graphic designers, school district administrators, insurance claims agents, music producers,, and non profit staff (including working for College Track and the Boys and Girls Club).
  - Others attend or are applying to graduate schools, including law, medical, public policy, education and the Peace Corps.

November 2007

College Track Fact Sheet

# EXHIBIT B





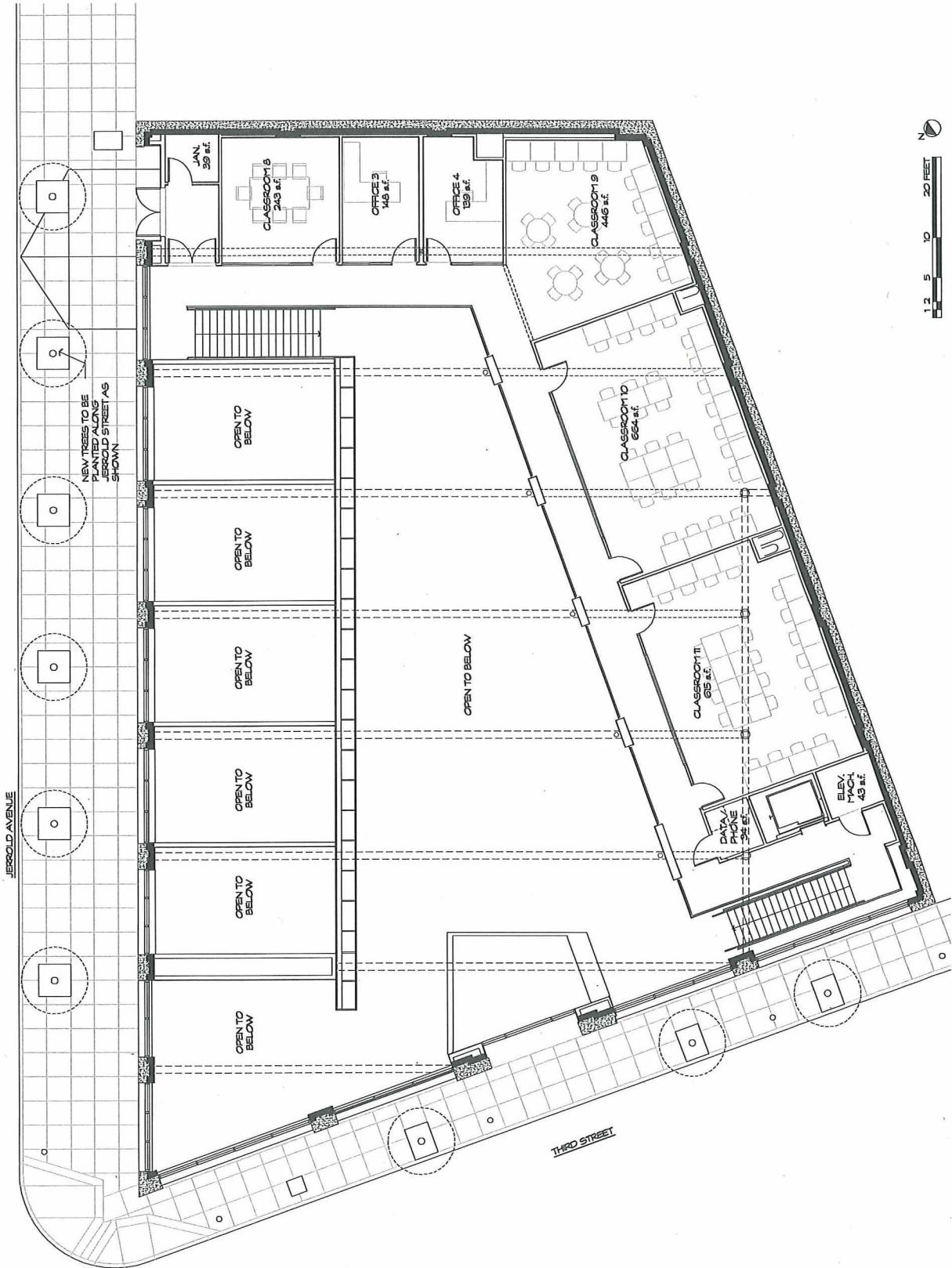
College Track  
4301 Third Street  
San Francisco, CA

PROPOSED  
SECOND  
FLOOR PLAN  
4/15/2011

TURNBULL  
GRIFFIN &  
HAESLOOP

ARCHITECTS  
1825 Park Street, Suite 200  
San Francisco, CA 94109  
(415) 774-2222

A2





THIRD STREET ELEVATION - EXISTING



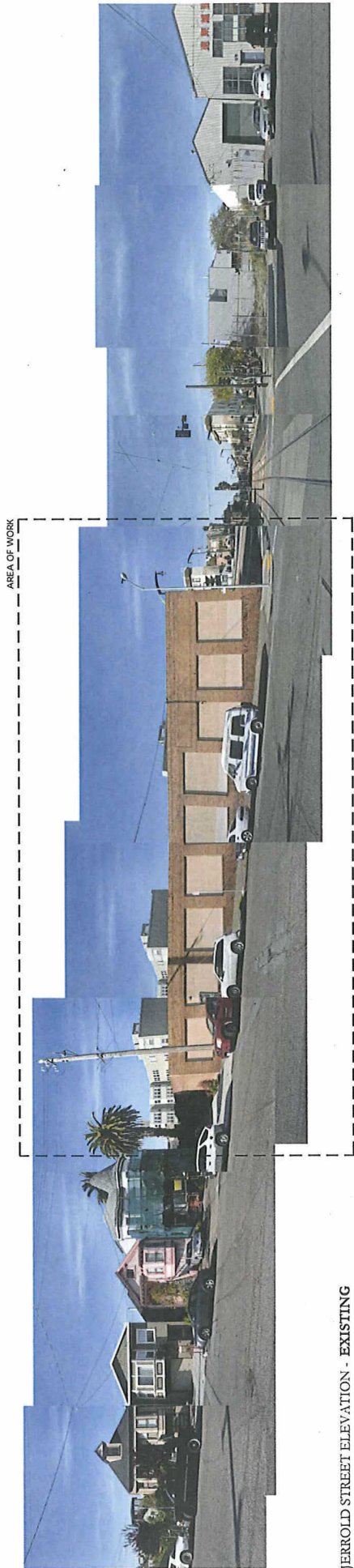
THIRD STREET ELEVATION - PROPOSED

College Track  
 4301 Third Street  
 San Francisco, CA

SITE  
 PHOTOS  
 4/15/2011

TURNBULL  
 GRIFFIN &  
 HAESLOOP  
 ARCHITECTS  
 1500 Park Street, Suite 200  
 San Francisco, CA 94109  
 415.774.2200





JERROLD STREET ELEVATION - EXISTING



JERROLD STREET ELEVATION - PROPOSED

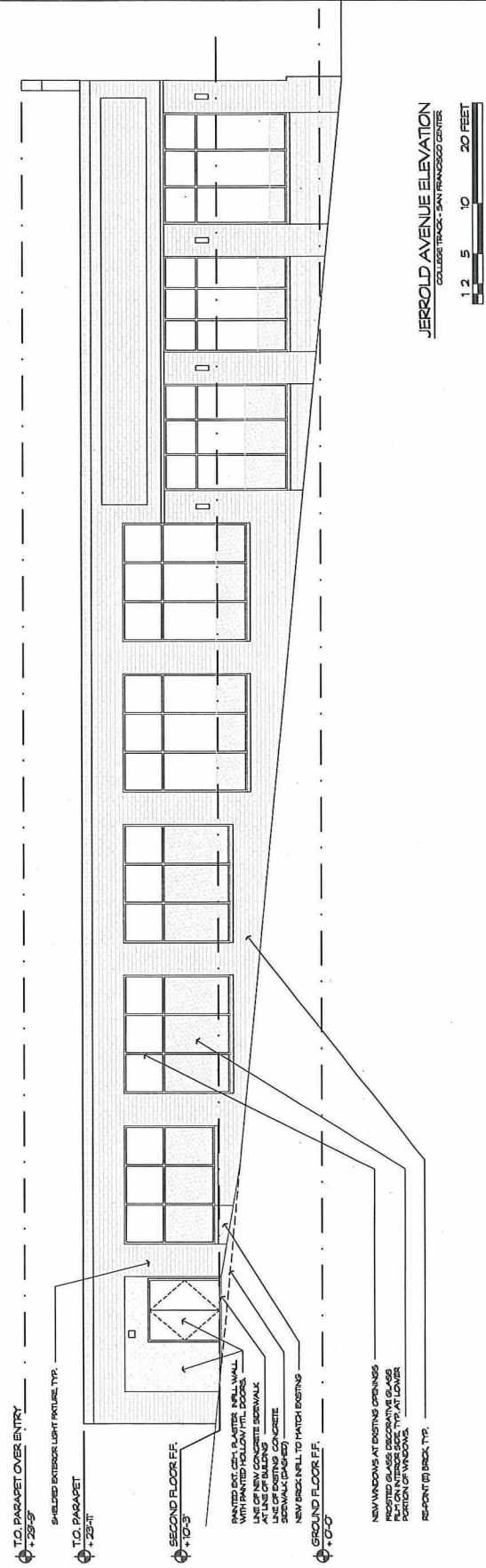
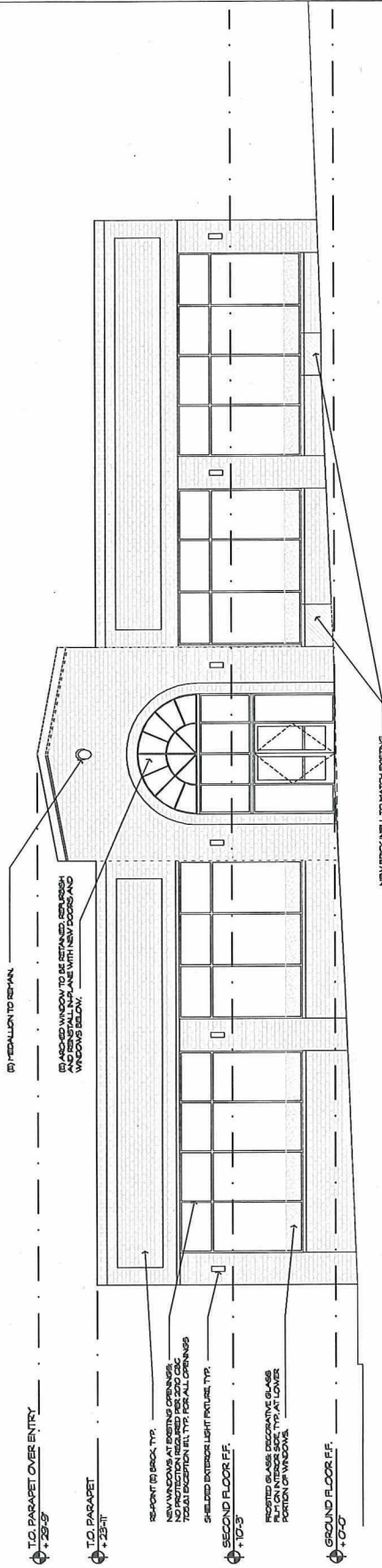
College Track  
4301 Third Street  
San Francisco, CA

SITE  
PHOTOS  
4/15/2011

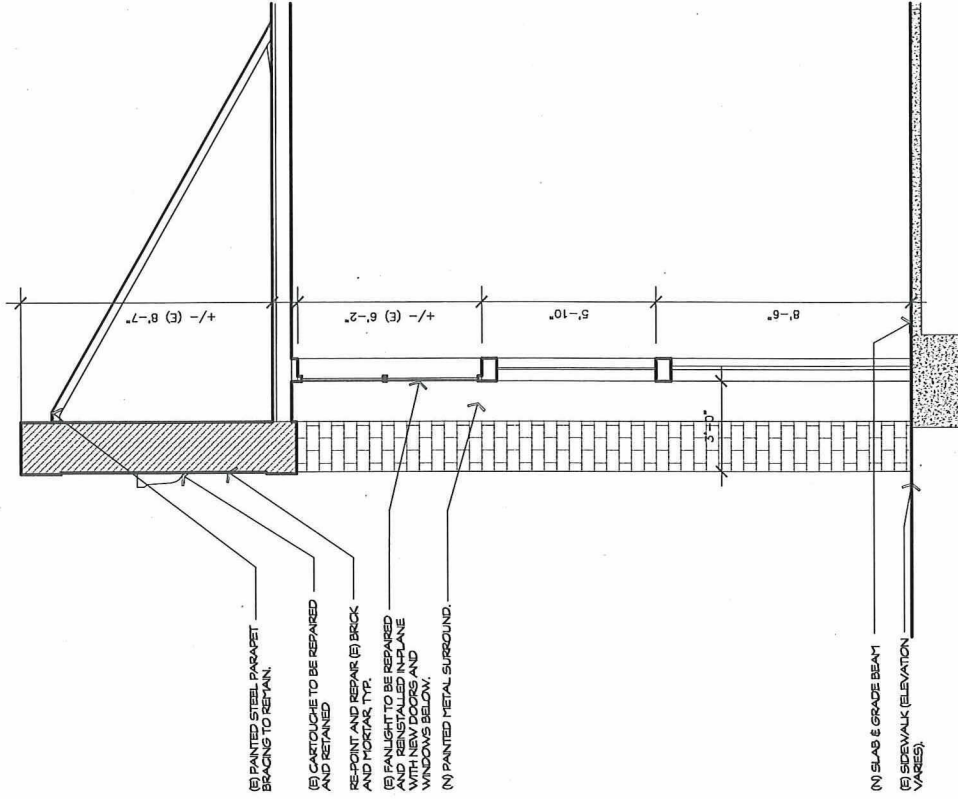
TURNBULL  
GRIFFIN &  
HAESLOOP

ARCHITECTS  
1500 Park Street, Suite 300  
San Francisco, CA 94109  
Tel: 415.774.2200

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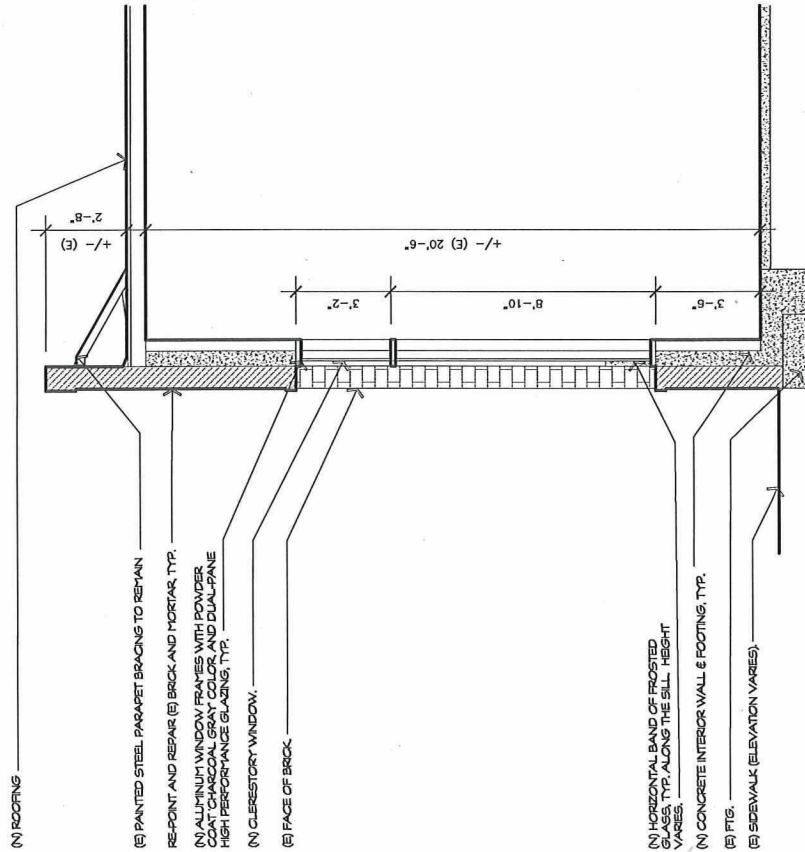






2

SECTION THROUGH ENTRY



1

SECTION THROUGH TYPICAL WEST WINDOW OPENINGS

# EXHIBIT C



# SAN FRANCISCO PLANNING DEPARTMENT

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## Letter of Determination

February 17, 2011

Ilene Dick  
Farella Braun + Martell LLP  
235 Montgomery Street  
San Francisco CA 94104

RE: 4301 3<sup>rd</sup> Street  
Block: 5278 Lot: 016

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
415.558.6378

Fax:  
415.558.6409

Planning  
Information:  
415.558.6377

Dear Ms. Dick

This letter is in response to your request for a letter of determination regarding the property at 4301 3<sup>rd</sup> Street. This parcel is located in the NC-3 (Moderate Scale Neighborhood Commercial) Zoning District with a 40-X height and bulk limitation. The request is whether College Track (a non-profit corporation providing after school training and counseling to San Francisco public school students in the 8<sup>th</sup> to 12<sup>th</sup> grades): 1) can be considered under the "Other Institutions, Large" use category; 2) whether variances from the rear yard, open space and off-street parking requirements are needed; and, 3) what is required to secure Planning Department approval of a subsequent building permit application for College Track.

### USE

Under Planning Code Section 792.50 the "Other Institutions, Large" use category contains five subcategories. The "Assembly and Social Service" subcategory (PC §790.50(a)) is defined as follows:

*A use which provides social, fraternal, counseling or recreational gathering services to the community. It includes a private noncommercial club house, lodge, meeting hall, recreation building or community facility not publicly owned. It also includes an unenclosed recreation area or non-commercial horticulture area not publicly owned.*

The proposed use for the site would qualify under the "Assembly and Social Service" subcategory of the "Other Institutions, Large" use category because the proposed use, College Track, provides counseling and social services to the San Francisco community.

### VARIANCES

Planning Code Section 134 requires the provision of a rear yard in the NC-3 District at the lowest level where a dwelling is located. Because the project does not propose dwelling units, there is no requirement for a rear yard and no need for a rear yard variance.

Planning Code Section 135 requires useable open space for dwelling units. Because the project does not propose dwelling units, there is no requirement for useable open space and no need for a useable open space variance.

Ilene Dick  
Farella Braun + Martel LLP  
235 Montgomery Street  
San Francisco CA 94104

February 17, 2011  
Letter of Determination  
4301 3<sup>rd</sup> Street

Based on plans submitted with your request, Planning Code Section 151 requires 14 off-street parking spaces for the proposed use (5 off-street parking spaces for classrooms, 8 off-street parking spaces for multipurpose rooms and 1 off-street parking space for office use). The last legal use of the subject property, a health clinic, carried a parking credit of 32 off-street parking spaces. The required parking for the proposed use can be satisfied by the existing parking credit; therefore, an off-street parking variance is not required.

#### CONDITIONAL USE AND PUBLIC NOTICE

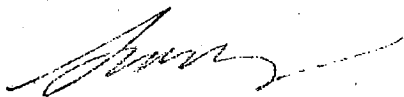
The proposed addition of a mezzanine level of approximately 4,000 square feet represents a significant enlargement, as it is an expansion of the floor area of the existing building greater than 500 square feet, and results in a total floor area of approximately 13,700 square feet for the proposed use. Planning Code Section 121.2 requires a Conditional Use Authorization for non-residential uses which exceed 6,000 square feet in the NC-3 Zoning District. Therefore, a Conditional Use Authorization (applications are available on our website: [www.sfplanning.org](http://www.sfplanning.org)) is required to establish the proposed use. The Conditional Use Authorization requires a notification for the public hearing before the Planning Commission, including posted notice on the subject property and mailed notice to all owners within 300 feet of the subject property.

Additionally, the building permit application associated with the proposed conversion of the space to the "Other Institutions, Large" use category is subject to the notification requirements under Planning Code Section 312, which provides a posted notice on the subject property and mailed notice to all owners/occupants within 150 feet of the subject property. Please note that the notification requirements for Conditional Use Authorization and Section 312 may run concurrently. Should the Planning Commission grant Conditional Use Authorization, the building permit application may be approved following the public hearing and a 30-day appeal period.

For information regarding this letter, please contact Diego R Sánchez, Planner, at (415) 575-9082 or [diego.sanchez@sfgov.org](mailto:diego.sanchez@sfgov.org).

**APPEAL:** If you believe this determination represents an error in interpretation of the Planning Code or abuse in discretion by the Zoning Administrator, an appeal may be filed with the Board of Appeals within 15 days of the date of this letter. For information regarding the appeals process, please contact the Board of Appeals located at 1650 Mission Street, Room 304, San Francisco, or call (415) 575-6880.

Sincerely,



Scott F. Sanchez  
Zoning Administrator

cc: Diego R Sánchez, Planner

# EXHIBIT D

Hydra

Mendoza/MAYOR/SFG

OV

To

Laurence M.

04/20/2011 11:26

Kornfield/DBI/SFGOV@SFGOV

AM

cc

Vivian Day/DBI/SFGOV@SFGOV,

Steve

Hi Laurence,

Hope you are well. I wanted to check in with you regarding the College Track permitting for the property located on Third Street. In

our last meeting a couple of months ago, it sounded like all was well,

your concerns were satisfied and we were well on our way to completing

the permits. I understand that since, you have taken on more and new responsibilities and someone else is continuing your work.

I am hoping that this transition doesn't hinder the progress made down

the road of approval and that we keep this as a priority project, per former Mayor Newsom, and now Mayor Lee.

Would you kindly provide me with a status update.

Thank you! I appreciate your attention to this matter.

Best,

Hydra

Hydra Mendoza  
Office of Mayor Edwin Lee  
Education & Family Services Advisor  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 291-C  
San Francisco, CA 94102-4641  
415-554-6298 [hydra.mendoza@sfgov.org](mailto:hydra.mendoza@sfgov.org)  
(Embedded image moved to file: pic23526.gif)

**MEMORANDUM**

**TO:** Agency Commissioners

**FROM:** Fred Blackwell, Executive Director

**SUBJECT:** Authorizing a Loan Agreement with College Track, a California nonprofit public benefit corporation, in an amount not to exceed \$1.0 million for predevelopment financing and tenant improvements related to renovating the Foundation Building at 4301 Third Street; Bayview Hunters Point Redevelopment Project Area

**EXECUTIVE SUMMARY**

The Foundation Building is a vacant 10,000-square-foot building located at the corner of Third and Jerrold Streets in the Bayview Hunters Point Redevelopment Project Area ("Project Area" or "Bayview"). The historically significant brick building has been vacant for many years. College Track, a well-established, nonprofit, college preparatory program for high school students, is in the process of purchasing and renovating the building to expand its operations. The building is located in the heart of the Bayview, and offers College Track greater accessibility and exposure to its target student population. College Track's goal is to serve 500 high school students within the Project Area over the next five years. Photos of the building before and after the proposed renovation are attached as Attachment "A." Detailed information about College Track, the organization, is described later in this memorandum and attached as Attachment "B."

The estimated cost to acquire and renovate the Foundation Building is \$6.5 million, which is reasonable due to its size, its historic nature, the extent of the renovations, and the length of time the building has been vacant. College Track is financing the total project cost under a New Markets Tax Credit ("NMTC") structure that is discussed in detail later in this memorandum. As part of this NMTC structure, College Track is asking the Agency for a \$1.0 million forgivable loan to cover predevelopment costs and a portion of the tenant improvements. The balance of the financing will come from College Track and the NMTC investor. College Track has already raised almost \$2.4 million of its expected \$3.8 million investment into the project.

Agency staff believes this project satisfies three of the Agency's key goals for the Bayview: (1) it will activate a large prominent space on Third Street and help to revitalize this long-inactive stretch of the commercial corridor, (2) it will improve education links to higher education and career development, and (3) it will promote much-needed job readiness and workforce development in the Project Area.

Under the proposed Loan Agreement, the Agency's \$1.0 million loan would be forgiven in 10 years, assuming College Track is not in default and has operated a college preparatory program in the Bayview for 10 years. The loan funds will be disbursed in two installments: \$250,000 in predevelopment funds would be disbursed when College Track acquires the building, and \$750,000 in tenant improvement funds would be disbursed when the NMTC financing is in place, which is expected to be mid 2011.

*Staff recommends authorizing the forgivable Loan Agreement with College Track.*

## **DISCUSSION**

### **The Project**

The Foundation Building at 4301 Third Street is a historically significant brick building that has been vacant for several years. Photos of the building before and after the proposed renovation are attached as Attachment "A." To make it useable, the building will require extensive structural, interior and system upgrades. College Track's plan is to do a full seismic upgrade, interior renovations, replacement of existing skylights, installation of new windows and awnings, installation of a new entrance storefront, and repairs to the brick facades. The design also includes adding new windows to actively engage the street and energize the block. The renovation will include a large gathering and multi-purpose space, classrooms, computer lab, meeting rooms, offices and student lounge. The design and feel of the interior will be similar to a student union, which supports College Track's program of having students feel like they are in a college environment.

College Track's vision is to create a premier education-focused resource in the Bayview as a means to transform the community into a college-going culture. In addition to its core program of preparing 500 Bayview high school students for college over the next five years, College Track will also serve as a forum for educational programming in the community (i.e., college fairs, parent training, etc.). College Track's overall goal is to facilitate educational discussions and broaden the visibility and accessibility of higher education in the Bayview.

### **College Track**

College Track is a college preparatory program working to increase high school graduation, college eligibility and enrollment, and college graduation rates among low-income, under-resourced high school students. In 1997, College Track began with a cohort of 25 students in East Palo Alto. Today, College Track has an operating budget of about \$3.5 million and four locations (East Palo Alto, Oakland, San Francisco and New Orleans) that serve approximately 1,000 students. During the current school year, College Track will support 700 high school students and 300 college students. College Track has a strong team of professionals that are committed to education and the success of the organization. It has a strong organizational structure, proven fundraising success, a committed board of directors, and a solid operating history. A copy of College Track's last printed annual report (for the 2006-07 school year) is attached as Attachment "B."

College Track has an impressive track record of success. Over 90% of College Track's high school graduates are admitted to a four-year college. Of the students that were sent to college, 90% are still pursuing or have earned a college degree. College Track's programs actively engage students over the course of eight years, from the summer before high school through college graduation. Students who are accepted into College Track participate in the following core programs:



- *Academic Affairs* – provides students with tutoring, small-group academic workshops in all subject areas, SAT and ACT preparation, and academic counseling.
- *Student Life* -- enables students to gain leadership skills, be involved in extracurricular activities, participate in cultural and artistic events, and engage in community service.
- *College Affairs* -- organizes college tours and informational sessions with college admission representatives, provides scholarships, and oversees financial aid packages.
- *College Success* -- supports College Track students once they are in college to ensure that they are academically and financially able to complete their degrees.

In 2007, College Track opened a 4,000-square-foot center on Bayshore Boulevard in the Bayview neighborhood with 50 students. To open that center, College Track successfully raised more than \$4.0 million. This year, College Track’s Bayview location will support 150 high school students.

College Track has outgrown its Bayshore Boulevard location. College Track has currently raised almost \$2.4 million from private individuals and foundations for the organization’s new Bayview location in the Foundation Building on Third Street. Over the next five years, College Track’s goal is to serve 500 high school students and 100 college students in the Bayview.

**Project Financing and the NMTC Structure**

The estimated cost to College Track to acquire and renovate the Foundation Building is \$6.5 million. College Track estimates, based on its past fundraising track record, that it can raise \$3.8 million toward the total project cost. Agency staff believes this goal is realistic, given the fact that College Track has already raised almost \$2.4 million for this project. The balance of the total project cost is being funded under a NMTC structure (\$1.0 million from the Agency and \$1.7 million from a private investor who will receive the new markets tax credits).

The NMTC program is a federal program administered by a division of the Internal Revenue Service. It allows private investors to receive a tax credit over a seven-year period equal to 39% of the equity investment into an eligible community development entity. That entity then invests the equity into eligible projects in low-income communities.

College Track has asked the Agency for a \$1.0 million forgivable loan which will be treated as equity under the NMTC structure, along with College Track’s \$3.8 million in equity. Treating the Agency’s money as “equity” under the NMTC structure allows College Track to maximize the amount of money it can receive from the private investor under the NMTC structure. In this case, the Agency’s funds will leverage an additional \$200,000 from the private investor. The funding sources are summarized in the table below:

<b>Source of Funds</b>	<b>Amount</b>
College Track Equity	\$3,800,000
Agency Forgivable Loan	\$1,000,000
NMTC Investor Equity	\$1,700,000
<b>Total Project Cost</b>	<b>\$6,500,000</b>

College Track is working with an eligible community development entity (the Northern California Community Loan Fund) to secure the \$1.7 million in NMTC financing and the private investor will be brought into the transaction during this process. College Track will be finalizing the details of the NMTC transaction over the coming months, and expects to have the NMTC financing in place by mid 2011.

### **Proposed Loan Agreement**

College Track has a purchase agreement and the funds in place to buy the Foundation Building by the end of the year. College Track is financing this purchase with its own funds. Under the proposed Loan Agreement, the Agency's \$1.0 million would be disbursed in two installments: \$250,000 in predevelopment funds would be disbursed when College Track acquires the building, and \$750,000 in tenant improvement funds would be disbursed when the NMTC financing is in place, which is expected to be late 2011. The construction period is expected to take about a year (by late 2012) with College Track open for business by mid 2013. The following briefly summarizes other key loan terms:

- **Term.** The term of the proposed Loan Agreement begins upon full execution and ends 10 years later. At that time, the entire loan amount will be forgiven, assuming College Track is not in default and has fulfilled the loan terms. During the loan term, College Track must use the building for its intended use (i.e., a college preparatory program).
- **Interest.** The loan accrues no interest unless College Track is in default of the loan terms or sells the building to an entity that does not agree to use the site as a college preparatory program. In the event of default, the loan amount plus 3% accrued interest becomes due.
- **Repayment.** College Track does not have to repay the loan unless it is in default of the loan terms or sells the site to an entity that does not agree to use the site as a college preparatory program.
- **Security/Collateral.** Until the seven-year tax credit period begins, the Agency's loan will be evidenced by a promissory note and secured with a deed of trust on the property, which has an estimated market value of \$1.1 million. This means that the Agency's \$250,000 investment in predevelopment funds will be secured by the property in the event College Track does not move forward with the project or the NMTC financing does not close.

However, due to the restrictions and requirements of the NMTC structure, the Agency cannot secure its full \$1.0 million loan with a deed a trust during the seven-year tax credit period. During this period, the Agency's loan will be secured with a "security pledge agreement," which will offer the Agency alternative security within the NMTC structure. The details of this security pledge agreement have yet to be negotiated. Once it is finalized, which will likely be in mid 2011, Agency staff will return to the Commission for its consideration and approval of the final security pledge agreement. It is the Agency's intent to re-establish the deed of trust on the property once the seven-year tax credit period has ended.

## **Agency Economic Development Goals**

Agency staff believes this project satisfies three of the Agency's key goals for the Bayview: (1) it will activate a large prominent space on Third Street and help to revitalize this long-inactive stretch of the commercial corridor, (2) it will improve education links to higher education and career development, and (3) it will promote much-needed job readiness and workforce development in the Project Area.

The Agency's investment in the Foundation Building would preserve and rehabilitate an existing historically significant structure, which is a stated goal in the Bayview-Hunters Point Redevelopment Plan (the "Plan"). Vacant since 2006, this blighted property is located in what is known as the Northern Gateway Activity Node under the Plan, and will activate what is now a very inactive corner within this node. Activating this building would greatly benefit the eastern side of the 4500 block of Third Street. The Foundation Building is in close proximity to other significant Agency investments including 4800 Third Street, Providence Senior Housing, and Bayview Commons, as well as City-supported public spaces such as the Bayview Opera House and Plaza. The rehabilitation of the Foundation Building will stretch the impact of the Agency's and City's investment further north and could incentivize investment across Third Street near the Flora Grubb nursery, a regional destination for horticultural materials.

In addition to removing physical blight, the Agency's investment would be supporting key recommendations articulated in the Community Revitalization Concept Plan (the "Concept Plan"). The recommendations under the Concept Plan include improving education links to higher education and career development, including mentorship and entrepreneurship programs. The Concept Plan also notes that tutoring and mentoring programs will play a critical role in enhanced school-based education. The mission of College Track is to respond to the education gap faced by Bayview youth in comparison to the rest of San Francisco. By targeting youth in low-income populations, College Track's mission is in direct alignment with the goals of the Concept Plan.

Finally, by offering a successful service model in tutorial services and mentorship, College Track is a critical component of the City/Agency initiative to provide wrap-around services in the area of workforce development and supports the Agency's goals of promoting job-readiness in the Bayview community.

## **Community Outreach**

Prior to presenting this matter to the full Bayview Hunter's Point Project Area Committee (the "PAC"), it was endorsed by both the Land Use and Education Project Area Subcommittees. On April 22, 2010, the full PAC endorsed College Track's request for \$1.0 million in Agency funds.

## **Workforce Statistics**

At this point, the Agency can only estimate the number of new construction jobs this project would create. Based on the Agency's experience with other project in the Bayview, it is estimated that this project would create 14 new construction jobs. College Track is committed to

complying with the Agency's Bayview Hunters Point Employment and Contracting Policy ("Bayview Contracting Policy").

According to the Bayview Contracting Policy, all projects funded through the Agency are subject to the Agency's construction and permanent workforce requirements, prevailing wage provisions, equal opportunity program, and local hiring goals. College Track is also required to comply with the Agency's minimum compensation policy and health care accountability policy. The Bayview Contracting Policy requires that contractors make good faith efforts to have 50% of the construction hours on the Project performed by San Francisco residents. Additionally, contractors are required to work with CityBuild to request and receive work referrals as part of their good faith efforts to reach the "local hire" participation goals.

### **California Environmental Quality Act ("CEQA")**

Authorizing the Loan Agreement with College Track will allow for activities that will not create a significant adverse change in the physical environment and are exempt from CEQA. The activities include interior and exterior alterations to the existing building at 4301 Third Street, which are exempt pursuant to CEQA Guidelines Section 15301(a).

### **NEXT STEPS**

College Track expects to purchase the Foundation Building in December 2010 and begin construction by late 2011. Construction is expected to be completed by late 2012, with a targeted opening by mid 2013. Agency staff expects to return to the Commission in mid 2011 to present the final NMTC-related security pledge agreement for the Commission's consideration and approval. In the meantime, Agency staff will keep the Commission apprised of progress.

*Originated by Angela Heyward, Development Specialist, Vanessa Dandridge, Acting Project Manager, and Tracie Reynolds, Manager, Real Estate and Development Services*

Fred Blackwell  
Executive Director

#### **Attachments:**

Attachment "A": Foundation Building Photos (Before and After)  
Attachment "B": College Track's 2006-07 Annual Report

## RESOLUTION NO. 130-2010

AUTHORIZING A LOAN AGREEMENT WITH COLLEGE TRACK,  
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION,  
IN AN AMOUNT NOT TO EXCEED \$1.0 MILLION FOR PREDEVELOPMENT FINANCING AND TENANT IMPROVEMENTS  
RELATED TO RENOVATING THE FOUNDATION BUILDING AT 4301 THIRD STREET;  
BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA

### BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") is authorized under California Community Redevelopment Law (Health and Safety Code, Section 33300 et seq.) to provide assistance and advance funds from its tax increment monies for the purpose of making improvements necessary for the redevelopment of blighted areas and the implementation of project area redevelopment plans.
2. The Bayview Hunters Point Redevelopment Project Area, Project Area B was adopted by the Board of Supervisors on May 23, 2006 through a plan amendment process and is located in the southeast portion of San Francisco ("Project Area B"). The 1,361-acre Project Area B generally consists of residential, commercial, industrial, and public uses. Within Project Area B, the Third Street corridor passes through and anchors four of the Bayview Hunters Point Redevelopment Plan's Economic Development Activity Nodes.
3. College Track ("College Track") operates a college preparatory program located within Project Area B. One of the primary objectives of the program is to increase high school graduation, college eligibility and enrollment, and college graduation rates among low-income high school students in Project Area B ("Program"). College Track opened its after-school program in Project Area B in the summer of 2007 with 50 students. Over the past three years, College Track has expanded its Program by adding an additional 50 students per year. Over the next five years, College Track will focus on increasing its enrollment to 500 students in Project Area B.
4. The Program is expanding rapidly and College Track anticipates that it will outgrow its existing Project Area B space by 2011. As a result, College Track is acquiring a 10,000-square-foot building located at 4301 Third Street at the corner of Jerrold Street in Project Area B. This building served as the former home of the Bayview Hunters Point Foundation ("Foundation Building"). College Track intends to complete a full seismic upgrade and interior renovation of the Foundation Building (the "Improvements").

5. The Improvements are anticipated to cost \$6,500,000. College Track is pursuing a New Markets Tax Credit ("NMTC") financing structure to reduce the long-term debt burden. The NMTC Program is administered by the Community Development Finance Institutions Fund, a division of the United States Internal Revenue Service. It provides for a tax credit taken over a seven-year period equal to 39% of the equity investment to an eligible community development entity.
6. On November 2, 2010, the Agency Commission authorized a New Market Tax Credit Loan Participation Program that sets standards, criteria, and guidelines for making loans to projects utilizing the New Market Tax Credit structure. The College Track project meets the requirements of this loan program.
7. College Track has requested that the Agency provide a forgivable loan in an amount not to exceed \$1,000,000, the proceeds of which are to be used by College Track to assist in the predevelopment and development costs, including but not limited to architectural, design, fees, construction, and other costs to complete tenant improvements for the Foundation Building (the "Loan Agreement").
8. Under the proposed Loan Agreement, the Agency's \$1,000,000 loan would be forgiven in exchange for College Track operating its Program in Project Area B for 10 years. The loan would be disbursed in two installments: \$250,000 in predevelopment funds would be disbursed when College Track acquires the building, and \$750,000 in tenant improvement funds would be disbursed when the NMTC financing is in place, which is expected to be mid 2011.
9. Authorizing the Loan Agreement with College Track will allow for activities that will not create a significant adverse change in the physical environment and are exempt from the California Environmental Quality Act ("CEQA"). The activities include interior and exterior alterations to the existing building at 4301 Third Street, which are exempt pursuant to CEQA Guidelines Section 15301(a).

## RESOLUTION

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into the Loan Agreement with College Track, a California nonprofit public benefit corporation, in an amount not to exceed \$1,000,000 for predevelopment financing and tenant improvements related to renovating the Foundation Building at 4301 Third Street in the Bayview Hunters Point Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel.

### **APPROVED AS TO FORM:**

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James B. Morales  
Agency General Counsel