



# SAN FRANCISCO PLANNING DEPARTMENT

## Executive Summary Conditional Use

HEARING DATE: APRIL 24, 2014

*Date:* April 10, 2014  
*Case No.:* **2012.1362CEV**  
*Project Address:* **2198 MARKET STREET**  
*Zoning:* Upper-Market Street Neighborhood Commercial Transit District  
40-X and 60/65-X Height and Bulk Districts  
*Block/Lot:* 3542/039  
*Project Sponsor:* Greystar Development Greystar GP II, LLC  
c/o Victor Gonzalez  
211 Main St, Suite 1280  
San Francisco, CA 94105  
*Staff Contact:* Michael Smith – (415) 558-6322  
[michael.e.smith@sfgov.org](mailto:michael.e.smith@sfgov.org)  
*Recommendation:* **Approval with Conditions**

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### PROJECT DESCRIPTION

The Project Sponsor proposes to construct a new 40- to 65-foot-tall, four- to six-story, mixed use building, containing approximately 107,409 gross square feet on a vacant, 18,626 square-foot lot. The proposed building would have 87 dwelling units, 5,115 sq. ft. of ground-floor commercial space along Market Street, a portion of which would be occupied by a yet to be determined restaurant use as defined in Section 790.91 of the Code, and a basement-level garage containing 34 off-street parking spaces and 89 "class 1" bicycle parking spaces, that is accessed from Sanchez Street.. The residential portion of the project would include 36 two-bedroom units, and 51 one-bedroom units. The northern portion of the building fronting on Sanchez Street would be four stories and approximately 40-feet in height. The proposed building would provide approximately 7,165 square feet of common usable open space.

In order for the project to proceed, the Commission must grant conditional use authorization pursuant to Planning Code Sections: 303, 155(r)(4) (new curb cut along Sanchez Street, an official City bike route); 733.11 (to develop a lot exceeding 9,999 square feet); 733.44 (to establish a restaurant); 145.4(d) (for an individual ground floor nonresidential use that occupies more than 75 contiguous linear feet along the Market Street façade).

### SITE DESCRIPTION AND PRESENT USE

The project site is located on the northeast corner of Market and Sanchez Streets; Lot 039 in Assessor's Block 3542. The project site is an irregularly-shaped lot and is currently vacant, but was formerly occupied by a gas station that was demolished in 2007. The parcel is located with the Market and Octavia Plan Area and was included in the fall 2007 Upper Market Community Design Plan as a potential site to be redeveloped with a mixed-use building.

## **SURROUNDING PROPERTIES AND NEIGHBORHOOD**

The subject property is located within the Upper Market Street Neighborhood Commercial Transit District, which extends along Market Street from Church to Castro, and on side streets off Market, and is situated at the border of the Eureka Valley, Buena Vista, and Duboce Triangle neighborhoods. Upper Market Street is a multi-purpose commercial district that provides limited convenience goods to adjacent neighborhoods, but also serves as a shopping street for a broader trade area. A large number of offices are located on Market Street within easy transit access to downtown. The width of Market Street and its use as a major arterial diminish the perception of the Upper Market Street District as a single commercial district. The street appears as a collection of dispersed centers of commercial activity, concentrated at the intersections of Market Street with secondary streets.

The District controls are designed to promote moderate-scale development, and preserve the existing mix of commercial uses and maintain the livability of the district and its surrounding residential areas. Some areas of the District are noticeably low-rise, automobile oriented lots, with gas stations and single-story commercial establishments with surface parking lots. Just off Market Street there are small-scale residential streets that support the district. In general, the district is a full-service shopping area providing a variety of uses within easy walking distance.

The adjacent property to the east of the subject property is occupied by the Swedish American Hall a known historic resource pursuant to CEQA that is also eligible for the California Register. Across Market Street to the south there is a six-story, mixed-use building that is currently under construction and a two-story commercial building occupied by Walgreens and 24 Hour Fitness. The adjacent property to the north is a three-story, two-family dwelling. Across Sanchez Street to the west is a one-story commercial building occupied by Chase bank with a small surface parking lot and a newly constructed six-story mixed use building. The context to the north of the subject property is within the RTO Zoning District and decidedly fine grain residential that is typified by the buildings within the Duboce Triangle neighborhood.

## **ENVIRONMENTAL REVIEW**

Pursuant to Section 21083.3 of the California Environmental Quality Act Public Resources Code Section 21000, et seq. ("CEQA") and Section 15183 of the CEQA Guidelines (14 California Code of Regulations Section 15000, et seq.), projects that are consistent with the development density set forth in a community plan for which an Environmental Impact Report (EIR) was certified are exempt from environmental review under CEQA, except as might be necessary to examine whether there are project-specific effects that are peculiar to the project or its site.

The Project is within the boundaries of the Market and Octavia Better Neighborhoods Area Plan ("Market and Octavia Plan"). The EIR for the Market and Octavia Plan (Case No. 2003.0347E; State Clearinghouse No, 2004012118) was certified on April 5, 2007.

The Planning Department has determined that the Project is consistent with the Market and Octavia Plan and the allowable development density established therein and is, therefore, eligible for a Community Plan Exemption ("CPE") under CEQA Section 21083.3 and CEQA Guidelines Section 15183.

The Planning Department prepared a Community Plan Exemption Checklist dated March 19, 2014 to evaluate the potential environmental effects of the Project and to determine whether the Project would have environmental effects that (1) are peculiar to the Project or parcel on which the Project would be located, or (2) were not analyzed as significant effects in the Market & Octavia Plan EIR, or (3) are potentially significant off-site impacts or cumulative impacts that were not discussed in the Market & Octavia Plan EIR, or (4) are more severe adverse impacts than were analyzed in the Market & Octavia Plan EIR. In a Certificate of Determination dated March 19, 2014 (the "CPE Certificate"), the Planning Department concluded that the proposed project would not result in new, peculiar environmental effects, or effects of greater severity than were already analyzed and disclosed in the FEIR. This determination does not identify new or additional information that would alter the conclusions of the FEIR. This determination also identifies mitigation measures contained in the FEIR that are applicable to the proposed project.

Planning Department staff prepared a Mitigation Monitoring and Reporting Program (MMRP) setting forth measures to reduce potential environmental effects, including mitigation measures identified in the Market and Octavia Plan EIR that are applicable to the Project, as well as improvement measures developed as part of the CPE. These mitigation measures reduce all potential significant impacts to less than significant levels, and are set forth in their entirety in the MMRP attached to the draft Motion as Exhibit C.

## HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Classified News Ad	20 days	April 4, 2014	April 2, 2014	22 days
Posted Notice	20 days	April 4, 2014	April 2, 2014	21 days
Mailed Notice	20 days	April 4, 2014	April 4, 2014	21 days

The proposal requires a Section 312-neighborhood notification, which was conducted in conjunction with the conditional use authorization process.

## PUBLIC COMMENT

- The Department received letters of support from the Merchants of Upper Market and Castro (MUMC) and the Housing Action Coalition. .
- The adjacent neighbor to the north at 151 – 153 Sanchez Street submitted a letter in opposition to the project citing concerns about the blockage of their light well.

## ISSUES AND OTHER CONSIDERATIONS

- During the fall of 2007, the Planning Department, in conjunction with then Supervisor Bevan Dufty, initiated a series of community workshops in response to development pressures and opportunities in the Upper Market corridor. The workshop identified a number of underutilized sites in the area that could be redeveloped with larger mixed-use buildings. The Project Site was

one of several properties investigated during that process and was considered a good site for a more intensive mixed-use development. The design of the project complies with the Upper Market Development Design Guidelines.

- The project site is an underutilized, unattractive vacant parcel. The project site is located on a major transit corridor and is appropriate for a more substantial development.
- The proposed project would require variances from Planning Code Sections: 134, for rear yard; 145.1, for ground floor non-residential ceiling height that is less than 14-feet in height; 136, for the width of five bay windows; and 140, for dwelling unit exposure. If the rear yard requirements were to be applied it would require a 25% rear yard at the back of the property at the Sanchez Street frontage where the four-story residential component is proposed to be located. Less than 20% of the frontage along Market Street has a height of less than 14' as a result of the sloped site. Several dwellings that face the internal courtyard do not meet exposure requirements because of the pinched dimension of the courtyard and its surrounding walls.
- The General Plan discourages an over-concentration of eating and drinking establishments as outlined in the Guidelines for Specific Uses. For eating and drinking establishments, the Guidelines state, "the balance of commercial uses may be threatened when eating and drinking establishments occupy more than 25% of the total occupied commercial frontage." Planning staff has performed a site survey of the subject District and confirmed that including the subject tenant space, approximately 21% of the commercial frontage in Upper Market Street NCT/NCD District within 300 feet of the subject property is dedicated to eating and drinking establishments, which is below the 25% threshold established by the General Plan and the 25% threshold established under Planning Code Section 303(p).
- The Project Sponsor proposes to satisfy the Inclusionary Affordable Housing Program by providing on-site rental units. The Department has determined that the project is eligible to provide inclusionary rental units because it qualifies for an exception to the Costa Hawkins Act. The draft Costa Hawkins Agreement is attached.
- To meet the Better Streets requirement, the project will include a new bulb out at the northeast corner of Market and Sanchez<sup>h</sup> Streets and new outdoor seating and lighting.

## **REQUIRED COMMISSION ACTION**

In order for the project to proceed, the Commission must grant conditional use authorization pursuant to Planning Code Sections: 155(r)(4) (new curb cut along Sanchez Street, an official City bike route); 733.11 (to develop a lot exceeding 9,999 square feet); 733.44 (to establish a restaurant); 145.4(d) (for an individual ground floor nonresidential use that occupies more than 75 contiguous linear feet along the Market Street façade); and 303.

**BASIS FOR RECOMMENDATION**

- The project creates 87 new one-and two-bedroom dwelling units accompanied by 5,115 square feet of new commercial space to expand housing opportunities and enhance the District.
- The project provides needed new housing including ten new affordable dwelling units on-site.
- The project complies with the Upper Market Development Design Guidelines.
- The project meets all applicable requirements of the Planning Code and General Plan with the requested Conditional Use Authorization and variances.
- The project is consistent with the objectives and policies of the General Plan.
- The project is desirable for, and compatible with the surrounding neighborhood.

<b>RECOMMENDATION:</b> <b>Approval with Conditions</b>
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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 checked="" type="checkbox"/> Environmental Determination | <input checked="" type="checkbox"/> Check for legibility   |
| <input checked="" type="checkbox"/> Zoning District Map         | <input checked="" type="checkbox"/> Drawings: <u>Proposed Project</u>                                    |
| <input checked="" type="checkbox"/> Height & Bulk Map           | <input checked="" type="checkbox"/> Context Photos   |
| <input checked="" type="checkbox"/> Parcel Map                  | <input checked="" type="checkbox"/> Site Photos  |
| <input checked="" type="checkbox"/> Sanborn Map                 | <input checked="" type="checkbox"/> Housing Documents  |
| <input checked="" type="checkbox"/> Aerial Photos               | <input checked="" type="checkbox"/> Inclusionary Affordable Housing<br>Program: Affidavit for Compliance |
|   | <input checked="" type="checkbox"/> Residential Pipeline   |
|   | <input checked="" type="checkbox"/> Draft Costa Hawkins Agreement  |

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

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Planner's Initials



# SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

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

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## Planning Commission Motion XXXXX

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 San Francisco, CA 94105  
*Staff Contact:* Michael Smith – (415) 558-6322  
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**ADOPTING FINDINGS RELATING TO THE APPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 303, 155(t)(4) (NEW CURB CUT ALONG SANCHEZ STREET, AN OFFICIAL CITY BICYCLE ROUTE), 733.11 (TO DEVELOP A LOT EXCEEDING 9,999 SQ. FT.), 733.44 (TO ESTABLISH A RESTAURANT USE IN THE UPPER MARKET NCT), AND 145.4(d) (FOR AN INDIVIDUAL GROUND-FLOOR NON-RESIDENTIAL USE THAT OCCUPIES MORE THAN 75 CONTIGUOUS LINEAR FEET ALONG MARKET STREET) FOR A PROPOSAL TO CONSTRUCT A FOUR- TO SIX-STORY, 40 TO 65 FOOT TALL MIXED USE BUILDING WITH 87 DWELLING UNITS, 1,155 SQ. FT. OF GROUND-FLOOR COMMERCIAL SPACE ALONG MARKET STREET, AND A BELOW-GRADE PARKING GARAGE CONTAINING 36 OFF-STREET PARKING SPACES ON A VACANT PROPERTY LOCATED WITHIN THE UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT AND 40-X/60/65-X HEIGHT AND BULK DISTRICTS WITHIN THE MARKET AND OCTAVIA PLAN AREA, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.**

### PREAMBLE

On July 12, 2013, Victor Gonzalez of Greystar GP II, LLC (hereinafter "Project Sponsor") filed an application with the Planning Department (hereinafter "Department") for Conditional Use Authorization under Planning Code Sections 303, 155, to locate a new curb cut along Sanchez Street,, an official City

bicycle route; 733.11, to develop a lot exceeding 9,999 square feet; , 733.44, to establish a new restaurant use in the Upper Market NCT District; and, 145.4(d), , for an individual ground floor non-residential use occupying more than 75 contiguous linear feet along the Market Street facade, for a project proposing to construct a four to six-story, 40 to 65 foot tall mixed use building with 87 dwelling units, 5,115 square feet of ground floor commercial space along Market Street, and a below-grade garage containing 36 off-street parking spaces, within the Upper Market Street Neighborhood Commercial Transit District and a 40-X/60/65-X Height and Bulk Districts, and within the Market and Octavia Plan Area.

On August 23, 2013, the Project Sponsor filed an application for variances from Planning Code Sections: 134, for rear yard; 136, for the width of five bay windows; 140, for dwelling unit exposure; and 145.1, for a ground floor non-residential ceiling height that is less than 14-feet in height.

On April 24, 2014, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2012.1362CEV.

Pursuant to Section 21083.3 of the California Environmental Quality Act Public Resources Code Section 21000, et seq.("CEQA") and Section 15183 of the CEQA Guidelines (14 California Code of Regulations Section 15000, et seq.), projects that are consistent with the development density set forth in a community plan for which an Environmental Impact Report (EIR) was certified are exempt from environmental review under CEQA, except as might be necessary to examine whether there are project-specific effects that are peculiar to the project or its site.

The Project is within the boundaries of the Market and Octavia Better Neighborhoods Area Plan ("Market and Octavia Plan"). The EIR for the Market and Octavia Plan (Case No. 2003.0347E; State Clearinghouse No, 2004012118) was certified on April 5, 2007.

The Planning Department has determined that the Project is consistent with the Market and Octavia Plan and the allowable development density established therein and is, therefore, eligible for a Community Plan Exemption ("CPE") under CEQA Section 21083.3 and CEQA Guidelines Section 15183.

The Planning Department prepared a Community Plan Exemption Checklist dated March 19, 2014 to evaluate the potential environmental effects of the Project and to determine whether the Project would have environmental effects that (1) are peculiar to the Project or parcel on which the Project would be located, or (2) were not analyzed as significant effects in the Market & Octavia Plan EIR, or (3) are potentially significant off-site impacts or cumulative impacts that were not discussed in the Market & Octavia Plan EIR, or (4) are more severe adverse impacts than were analyzed in the Market & Octavia Plan EIR. In a Certificate of Determination dated March 19, 2014 (the "CPE Certificate"), the Planning Department concluded that the proposed project would not result in new, peculiar environmental effects, or effects of greater severity than were already analyzed and disclosed in the FEIR. This determination does not identify new or additional information that would alter the conclusions of the FEIR. This determination also identifies mitigation measures contained in the FEIR that are applicable to the proposed project.



Planning Department staff prepared a Mitigation Monitoring and Reporting Program (MMRP) setting forth measures to reduce potential environmental effects, including mitigation measures identified in the Market and Octavia Plan EIR that are applicable to the Project, as well as improvement measures developed as part of the CPE. These mitigation measures reduce all potential significant impacts to less than significant levels, and are set forth in their entirety in the MMRP attached to the draft Motion as Exhibit C.

**MOVED**, that the Commission hereby adopts the CPE and the MMRP and authorizes the Conditional Use requested in Application No. 2012.1362CEV, 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:

The above recitals are accurate and constitute findings of this Commission.

1. **Site Description and Present Use.** The project site is located on the northeast corner of Market and Sanchez Streets; Lot 039 in Assessor's Block 3542. The project site is an irregularly-shaped lot and is currently vacant, but was formerly occupied by a gas station that was demolished in 2007. A Remedial Action Completion Certification letter was issued by the Department of Public Health in April 2012 certifying the removal of underground storage tanks and soil remediation of the project site. The parcel is located with the Market and Octavia Plan Area and was included in the fall 2007 Upper Market Community Design Plan as a potential site to be redeveloped with a mixed-use building.
2. **Surrounding Properties and Neighborhood.** The subject property is located within the Upper Market Street Neighborhood Commercial District, which extends along Market Street from Church to Castro, and on side streets off Market, and is situated at the border of the Eureka Valley, Buena Vista, and Duboce Triangle neighborhoods. Upper Market Street is a multi-purpose commercial district that provides limited convenience goods to adjacent neighborhoods, but also serves as a shopping street for a broader trade area. A large number of offices are located on Market Street within easy transit access to downtown. The width of Market Street and its use as a major arterial diminish the perception of the Upper Market Street District as a single commercial district. The street appears as a collection of dispersed centers of commercial activity, concentrated at the intersections of Market Street with secondary streets.

The District controls are designed to promote moderate-scale development, and preserve the existing mix of commercial uses and maintain the livability of the district and its surrounding residential areas. Some areas of the District are noticeably low-rise, automobile oriented lots, with gas stations and single-story commercial establishments with surface parking lots. Just off Market Street there are small-scale residential streets that support the district. In general, the district is a full-service shopping area providing a variety of uses within easy walking distance.

The adjacent property to the east of the subject property is occupied by the Swedish American Hall a known historic resource pursuant to CEQA that is also eligible for the California Register. Across Market Street to the south there is a six-story, mixed-use building that is currently under construction and a two-story commercial building occupied by Walgreens and 24 Hour Fitness. The adjacent property to the north is a three-story, two-family dwelling. Across Sanchez and 15<sup>th</sup> Streets to the west is are a one-story commercial building occupied by Chase bank with a small surface parking lot and a newly constructed six-story mixed use building. The context to the north of the subject property is within the RTO Zoning District and decidedly fine grain residential that is typified by the buildings within the Duboce Triangle neighborhood.

3. **Project Description.** The Project Sponsor proposes to construct a new 40- to 65-foot-tall, four to six-story, mixed use building, containing approximately 107,409 gross square feet on a vacant, 18,626 square foot lot. The proposed building would have 87 rental dwelling units, 5,115 square feet of ground-floor commercial space along Market Street, a portion of which would be occupied by a yet to be determined restaurant use as defined in Section 790.91 of the Code, and a basement-level garage containing 36 off-street parking spaces and 89 "class 1" bicycle parking spaces. The residential portion of the project would include 36 two-bedroom units, and 51 one-bedroom units. The portion of the northern building fronting on Sanchez Street would be four stories and approximately 40-feet in height. The proposed building would provide approximately 7,165 square feet of common usable open space.
4. **CEQA Findings.** The Planning Commission has independently reviewed and considered the CPE Certificate and hereby adopts the following findings:
  - A. In reviewing the CPE Certificate, the Planning Commission has had available for its review and consideration all information pertaining to the Project in the Planning Department's case file.
  - B. The Planning Commission finds that the Project is consistent with the Market and Octavia Plan for purposes of CEQA Section 21083.3 and CEQA Guidelines Section 15183 and is therefore eligible for a CPE.
  - C. The Planning Commission finds that the Project would not result in any new significant environmental effects peculiar to the Project, any new off-site or cumulative impacts, or effects of greater severity than were already analyzed and disclosed in the Market and Octavia Plan EIR, as shown in the analysis of the Certificate of Determination for the CPE.
  - D. With respect to archaeological resources, biological resources, geology and soils and hazards and hazardous materials, the Planning Commission finds that, with the implementation of the mitigation measures set forth in the MMRP ("Exhibit C") all potential environmental effects of the Project would be reduced to less than significant levels.
  - E. The Planning Commission finds that the contents of the CPE Certificate and the FMND and the procedures through which they were prepared, issued, publicized and reviewed comply with CEQA, the CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code.

- F. The Planning Commission finds that the CPE Certificate and the FMND are adequate, accurate and objective and reflects the independent analysis and judgment of the Department of City Planning and Planning Commission.
- G. The mitigation measures listed in the MMRP ("Exhibit C") were identified in the Market and Octavia Plan EIR as reducing or eliminating potential environmental impacts of the proposed project. The Planning Commission finds that, with the implementation of the mitigation measures set forth in the MMRP ("Exhibit C") all potential environmental effects of the Project would be reduced to less than significant levels. Therefore, the Planning Commission hereby adopts the MMRP, including all of the mitigation measures identified in Exhibit C.
- H. The Planning Commission finds that the proposed project could not have a significant effect on the environment, as shown in the analysis of the CPE Certificate and FMND.
5. **Public Comment.** The Department received letters of support from the Merchants of Upper Market and Castro (MUMC), and the Housing Action Coalition. The adjacent neighbor to the north at 151 – 153 Sanchez Street submitted a letter in opposition to the project citing concerns about the blockage of their light well.
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. **Restaurant Use.** Planning Code Section 733.44 requires Conditional Use Authorization to establish a restaurant use as defined in Section 790.91 of the Planning Code within the Upper Market Street NCT.
- (1) **Conditional Use Criteria.** With regard to a conditional use authorization application for a Restaurant, Limited-Restaurant and Bar uses in Neighborhood Commercial Districts or Mixed Use Districts, the Planning Commission shall consider, in addition to the criteria set forth in Subsection 303(c):
- (A) The existing concentration of eating and drinking uses in the area. Such concentration should not exceed 25% of the total commercial frontage as measured in linear feet within the immediate area of the subject site. For the purposes of this Section of the Code, the immediate area shall be defined as all properties located within 300' of the subject property and also located within the same zoning district.

*The Project Sponsor is requesting conditional use authorization to establish a yet to be determined restaurant use within an approximately 2,655 gross square-foot ground floor commercial space. Planning staff has performed a survey of the Upper Market Street NCT District within 300' of the subject property and determined that there are four eating and drinking establishments within 300' of the subject property which includes the approved restaurant use for 2175 Market Street that is not yet constructed and the bar use for 2200 Market Street that is not yet constructed. The other eating and drinking uses within 300' include the recently approved restaurant use for the Swedish American Hall and the Lucky 13*

*bar. The total frontage devoted to these eating and drinking uses is below the 25% threshold established by the Code. Therefore, the project will not prevent the Upper Market Street NCT District from achieving optimal diversity in the types of goods and services available in the neighborhood.*

- B. Open Space.** Planning Code Section 135 requires 60 square feet of private usable open space or 80 square feet of common open space for each dwelling unit.

*The project includes 87 dwelling units and is required to provide a total of 5,220 square feet of private open space, or 6,960 square feet of common open space, or some equivalent combination of private and common open space. The project proposes 7,165 square feet of common usable open space all located on the roof of the building, in compliance with the amount of usable open space required by the Planning Code.*

- C. Streetscape Improvements.** Planning Code Section 138.1 requires streetscape and pedestrian improvements for new developments. One street tree is required for every 20 lineal feet of street frontage. The Section also requires additional streetscape and pedestrian elements for large projects.

*The project site has approximately 188 feet of frontage on Market and 214 feet of frontage on Sanchez Street and would provide 10 street trees at the Market Street frontage and 13 street trees at the Sanchez Street frontage. The size of the project also requires additional streetscape and pedestrian elements to meet the requirements of the Better Streets Plan. To meet the objectives of the plan, the project will include a bulb out at the northeast corner of Market and Sanchez Streets, extensive landscaping, and new seating.*

- D. Lot Size per Development.** Planning Code Section 733.11 permits development of lots larger than 9,999 square-feet within the District with conditional use authorization.

In addition to the criteria of Section 303(c) of this Code, the City Planning Commission shall consider the extent to which the following criteria are met:

- (1) The mass and facade of the proposed structure are compatible with the existing scale of the district.
- (2) The facade of the proposed structure is compatible with design features of adjacent facades that contribute to the positive visual quality of the district.

*The Project Sponsor is seeking conditional use authorization to develop an existing vacant 18,626 square-foot lot. The project site is much larger than the average lot within the District but it is located on a prominent corner site where a larger development is more appropriate to add emphasis and frame the intersection. The façade of the project will contribute to the positive visual quality of the district, which does not possess a prevailing architectural style. The Market Street façade is articulated with four larger bay projections with the most provocative design element located at the gore corner. The tops of the bays are stepped in height, rising as they approach the corner at the west end of the site. The stepped bay projections combined with the pattern of recesses at the*

*roofline help to break up the building mass. The Sanchez Street frontage would have what appears to be a separate building that is much shorter at 40' than the Market Street frontage. The character of the Sanchez frontage responds to the finer grain residential buildings to the north of the site. There is a courtyard open space at the center of the site that aligns with open space on adjacent properties and gives the appearance of two separate structures even though they share the same basement podium. Overall, the building responds well to its varied context.*

- E. **Floor Area Ratio.** Section 733.20 of the Planning Code restricts non-residential uses to 3.0 to 1.

*55,878 square-feet of non-residential uses are permitted pursuant to this Section of the Code. The project would provide approximately 5,115 square-feet of commercial uses, well within the limit prescribed by the Code.*

- F. **Rear Yard.** Section 134 of the Planning Code requires a 25% rear yard opposite the Market Street frontage.

*The project sponsor is requesting a rear yard variance to develop the northern portion of the lot that could not be developed otherwise.*

- G. **Exposure.** Planning Code Section 140 requires that each dwelling unit shall face a public street, a Code-compliant rear yard, or another defined open space.

*The majority of the project's dwelling units would face onto Market or Sanchez Street, meeting this requirement. However, approximately 12 units facing the interior ground floor courtyard would not meet this requirement due to the irregular dimensions of the space. The dwellings on the upper floors and towards the edges of the courtyard also comply with the exposure requirements. The project sponsor is requesting a dwelling unit exposure variance for the units that do not comply with the exposure requirement.*

- H. **Ground Floor Ceiling Height.** Pursuant to Section 145.1 of the Planning Code, ground floor non-residential uses shall have a minimum floor-to-floor height of 14 feet, as measured from grade.

*The ground floor ceiling height for less than 15% of the Market Street frontage would be less than 14 feet in height. The Project Sponsor is seeking a variance from this Section of the Planning Code for the portion with the reduced ceiling height.*

- I. **Street Frontage in Neighborhood Commercial Districts.** Section 145.1 of the Planning Code requires that within NC Districts space for active uses shall be provided within the first 25 feet of building depth on the ground floor and 15 feet on floors above from any facade facing a street at least 30 feet in width. In addition, the floors of street-fronting interior spaces housing non-residential active uses and lobbies shall be as close as possible to the level of the adjacent sidewalk at the principal entrance to these spaces. Frontages with active uses that must be fenestrated with transparent windows and doorways for no less than 60 percent of

the street frontage at the ground level and allow visibility to the inside of the building. The use of dark or mirrored glass shall not count towards the required transparent area. Any decorative railings or grillwork, other than wire mesh, which is placed in front of or behind ground floor windows, shall be at least 75 percent open to perpendicular view. Rolling or sliding security gates shall consist of open grillwork rather than solid material, to provide visual interest to pedestrians when the gates are closed, and to permit light to pass through mostly unobstructed.

*The project would provide active uses along both street frontages including retail space, a residential lobby, and dwellings. No less than 60 percent of the street frontage at the ground level would be fenestrated with transparent windows to allow visibility to the inside of the building. The parking garage is located below grade and meets the Building Code definition of a basement.*

- J. **Required Ground Floor Commercial Uses.** Section 145.4(d) of the Planning Code requires that on Market Street, for the entirety of the NCT-3, Upper Market NCD, and Upper Market NCT Districts, an individual ground floor nonresidential use may not occupy more than 75 contiguous linear feet for the first 25 feet of depth along a street-facing facade. Modifications to this requirement may be granted through the Conditional Use process.

*The project proposes a corner restaurant use that would occupy approximately 125 contiguous linear feet of frontage along Market Street. The Project Sponsor is seeking conditional use authorization pursuant to this Section of the Planning Code for this retail space. This proposed use is appropriate in relation to the total length of the project's street frontage along Market Street, and the fact that this frontage will be divided into three separate retail uses areas. These spaces will provide multiple active, pedestrian-oriented commercial uses along Market Street, as contemplated by the Code,*

- K. **Permitted Off-Street Parking, Residential.** Sections 151 and 733.94 of the Planning Code requires no off-street parking but principally permits up to one space for every two dwellings. Conditional use authorization is required to provide up to three spaces for every four dwellings.

*The project includes 87 dwelling units and 3 off-street parking spaces for a ratio of less than one space for every two dwellings, which is less than what is principally permitted in the District.*

- L. **Protected Cycling Street Frontages.** In NCT Districts, no curb cuts accessing off-street parking shall be created or utilized on street frontages identified along any official City bicycle routes or bicycle lanes, where an alternative frontage is available. Where an alternative frontage is not available, parking access along any official City bicycle routes may be allowed on streets not listed in subsection (2) above as an exception in the manner provided in Section 303 for NCT Districts in cases where it can be clearly demonstrated that the final design of the parking access minimizes negative impacts to the safety of bicyclists to the fullest extent feasible.

*The project proposes to provide vehicular access to off-street parking along the Sanchez Street frontage which is designated as an official City bike route. There is no alternative frontage available because*

*Market Street is a protected transit preferential street. The proposed entrance is minimal in size and would only accommodate one vehicle at a time. Furthermore, the entrance is located at the northern edge of the site, where the street is wider and there is not center median which allows bicyclist to pass on the left without interfering with oncoming traffic.*

- M. **Car Share.** Section 166 of the Planning Code requires one car share space for 50 – 200 dwellings.

*The project would provide two car-share spaces where one is required.*

- N. **Off-Street Freight Loading (Commercial).** Sections 152 and 733.23 of the Planning Code requires off-street loading be provided in the Upper Market NCT for retail uses exceeding 10,000 square feet in area.

*The project contains a total of 5,115 square feet of retail space, therefore, the project is not required to provide off-street loading and provides none.*

- O. **Off-Street Freight Loading (Residential).** Sections 152 of the Planning Code requires off-street loading be provided in the Upper Market NCT for residential uses exceeding 100,000 square feet in area.

*The project contains a total of 79,965 gross square feet of residential space, therefore, the project is not required to provide off-street loading and provides none.*

- P. **Bicycle Parking.** Section 155.2 of the Planning Code requires one Class 1 bicycle parking space for every dwelling unit.

*The project is required to provide 87 Class 1 bicycle parking spaces and would exceed this requirement by providing provides 89 Class 1 bicycle parking spaces.*

- Q. **Residential Density.** Section 733.91 of the Planning Code places no limit on residential density within the District.

*The Project Site is 18,626 square-feet in area and provides 87 dwelling units for a ratio of one dwelling unit for each 214 square feet of lot area.*

- R. **Dwelling Unit Mix.** Section 207.6 of the Planning Code requires that a minimum of 40% of the dwelling units within a Neighborhood Commercial Transit district shall contain at least two bedrooms.

*The Project proposes 87 dwellings; therefore, 35 dwellings (40%) must contain two bedrooms. The project would provide 36 two bedroom dwellings, meeting this requirement.*

**Inclusionary Affordable Housing Program.** Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under

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

*The Project Sponsor has demonstrated that the project is eligible for the On-Site Affordable Housing Alternative under Planning Code Section 415.5 and 415.6, and has submitted a 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to satisfy the requirements of the Inclusionary Affordable Housing Program by providing the affordable housing on-site instead of through payment of the Affordable Housing Fee. In order for the Project Sponsor to be eligible for the On-Site Affordable Housing Alternative, the Project Sponsor must submit an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to the Planning Department stating that any affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the project or submit to the Department a contract demonstrating that the project's on- or off-site units are not subject to the Costa Hawkins Rental Housing Act, California Civil Code Section 1954.50 because, under Section 1954.52(b), the Project Sponsor has entered into an agreement with a public entity in consideration for a direct financial contribution or any other form of assistance specified in California Government Code Sections 65915 et seq. and submits an Affidavit of such to the Department. All such contracts entered into with the City and County of San Francisco must be reviewed and approved by the Mayor's Office Housing and the City Attorney's Office. The Project Sponsor has submitted the required Affidavit and Costa Hawkins Agreement on April 4, 2014. The Project would construct 87 dwelling units, resulting in the construction of 10 on-site inclusionary units. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative, it must pay the Affordable Housing Fee with interest, if applicable.*

- U. **Market and Octavia Community Infrastructure Impact Fee.** Per Section 421 of the Code, the project requires payment per gross new square foot of residential and commercial development for the Market and Octavia Community Improvements Fund.
- V. **Market and Octavia Plan Area Affordable Housing Fee.** Per Section 416 of the Code, the project requires payment per net square foot of residential development as part of the Market and Octavia Affordable Housing Fee.
- W. **Shadow.** Section 295 of the Code prohibits any structure that exceeds 40 feet in height from casting any shade or shadow upon any property under the jurisdiction of, or designated for acquisition by, the Recreation and Parks Commission, with certain exceptions identified in the Sunlight Ordinance.

*A shadow fan was developed based on the drawings submitted with the application to determine the shadow impact of the project on properties protected by the Sunlight Ordinance. The fan indicates that there is no shadow impact from the subject property on any property protected by the Ordinance.*



- X. **First Source Hiring.** The Project is subject to the requirements of the First Source Hiring Program as they apply to permits for residential development (Section 83.4(m) of the Administrative Code), and the Project Sponsor shall comply with the requirements of this Program as to all construction work and on-going employment required for the Project. Prior to the issuance of any building permit to construct or a First Addendum to the Site Permit, the Project Sponsor shall have a First Source Hiring Construction and Employment Program approved by the First Source Hiring Administrator, and evidenced in writing. In the event that both the Director of Planning and the First Source Hiring Administrator agree, the approval of the Employment Program may be delayed as needed.

*The Project Sponsor has executed a First Source Hiring Declaration of Compliance with Administrative Code Chapter 83.*

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 would replace an unsightly vacant lot that was formerly occupied by a gas station with a contemporary mixed-use building with 87 dwellings, the design of which is compatible with the neighborhood character. The intensity of the development is necessary and desirable for a transit corridor.*

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

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

*The Project will demolish an underutilized gas station and replace it with 87 units of additional housing within an established neighborhood that is well served by public transit. A majority of the units being provided would be specifically designed to meet the unmet housing needs of the neighborhood. In addition, the project's density necessitates an inclusionary housing requirement which would be met on-site, and payment to the Market and Octavia Affordable Housing Fund.*

*The proposed project will also provide ground floor retail space helping to fill a gap in the district's commercial frontage. These retail spaces will be accessible by walking and transit. In combination, the proposed residential and retail uses, at the densities and scale contemplated, will enhance the existing mixed-use character of the neighborhood.*

*The 65 foot building height at Market Street steps down to 40 feet at the rear of the site, responding to the finer grained low-density residential uses to the north of the site. The design of the building is distinctive. While the building is relatively large, its size is appropriate for its corner location. Furthermore, the use of recesses, larger bay windows, and rhythm of ground floor storefronts give the building articulation and verticality breaking up the horizontal massing. Also, the Sanchez Street elevation will be treated architecturally like a separate building to reduce the building scale.*

- 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;

*With multiple lot frontages, the project site is well suited for residential mixed-use development, allowing vehicular circulation to take place on Sanchez Street strengthening the commercial street wall and pedestrian environment on Market Street. All the parking would be underground and served by a driveway on Sanchez Street. The project is well served by transit. The property's Market Street frontage provides direct access to MUNI Light Rail and the K-Owl, L-OWL, and M-OWL bus lines. The property is located within a few hundred feet of the 37 and 22 bus lines, and just one block away from the MUNI subway station at Market and Church Streets, which serves the J, K, L, M, N and T metro lines.*

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

*The project would consist of high quality residential units and neighborhood serving commercial space. The uses would not generate any noxious or offensive emissions, noise, glare, dust, or odors.*

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

*The project would include new sidewalk landscape and seating. The project would include required street trees along the Market and Sanchez Street frontages. The garage entrance is located at the Sanchez Street frontage to reduce pedestrian and vehicle conflicts and avoid conflicts with transit.*

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

*With the requested approvals, 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 purpose of the Upper Market Neighborhood Commercial Transit District in that the project includes residential units on the upper floors, space for neighborhood-serving commercial uses on the ground floor, which would provide compatible convenience service for the immediately surrounding neighborhoods during daytime hours.*

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

## NEIGHBORHOOD COMMERCE

### Objectives and Policies

#### **OBJECTIVE 1:**

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

#### **Policy 1.1:**

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

#### **Policy 1.2:**

Assure that all commercial and industrial uses meet minimum, reasonable performance standards.

#### **Policy 1.3:**

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

*The proposed development would provide desirable goods and services to the neighborhood and would provide resident employment opportunities to those in the community. The project would replace an unsightly vacant lot with essential housing and neighborhood-serving commercial uses. The project would not result in any undesirable consequences. Further, the Project Site is located within a neighborhood commercial district and is thus consistent with activities in the commercial land use plan.*

#### **OBJECTIVE 6:**

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

#### **Policy 6.1:**

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

*The project would strengthen the neighborhood commercial district by replacing an underutilized vacant with a new commercial space for neighborhood-serving commercial uses and much needed housing. The project would fill in a large gap in a prominent location within the commercial frontage along Upper Market Street.*

## HOUSING ELEMENT

### Objectives and Policies

#### **OBJECTIVE 1:**

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

#### **Policy 1.1**

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

*The project creates 87 new rental dwelling units, 10 of which would be affordable units on-site. The Project would address the community's desire for smaller, more affordable dwellings by providing 82 dwellings that are less than 1,000 square-feet. All of the dwellings are proposed to be offered as rental, which combined with their smaller sizes provide the more affordable and flexible housing option that the community desires.*

#### **OBJECTIVE 4:**

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

#### **Policy 4.1**

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

*The 36 proposed two bedroom units are sized to provide housing for families with children.*

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

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

*The project would construct a new building on a vacant lot. No neighborhood-serving retail uses would be removed, and the project would construct an additional 5,115 square feet of such uses, fronting on Market Street, filling a large gap in the commercial street frontage. The new business occupying the space would provide future opportunities for resident employment in and ownership of a new business.*

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

*The Project Site is located within the Upper Market Neighborhood Commercial Transit District, a mixed-use area consisting of residential and commercial uses. The proposed residential units and new commercial space will complement and enhance the district by providing new housing and business opportunities in the neighborhood. Existing housing in the area would not be affected by the project.*

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

*No housing is removed for this project. The project would enhance the City's supply of affordable housing by complying with the Inclusionary Affordable Housing Program.*

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

*All the parking would be located underground and accessed from the rear of the property eliminating transit and pedestrian conflict on a major transit corridor. The project is also well served by transit. The Project Site is within close proximity to the MUNI subway station at Church and Market Streets.*

- E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

*The project would not displace any service or industrial establishment. The project would not affect industrial or service sector uses or related employment opportunities. Ownership of industrial or service sector businesses would not be affected by this project.*

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

*The project is designed and would be constructed to conform to the structural and seismic safety requirements of the Building Code to protect against injury and loss of life in an earthquake.*

- G. That landmarks and historic buildings be preserved.

*The property does not contain any landmark or historic buildings. The neighborhood was surveyed as part of the Market and Octavia rezoning effort and it was determined to be located in the eligible Upper Market Street Commercial Historic District. Through environmental review, the project was determined not to cause a significant adverse impact to any historic resources.*

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

*The project would have no negative impact on existing parks and open spaces.*

10. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
11. The Commission hereby finds that approval of the Conditional Use authorization would promote the health, safety, and welfare of the City.

## DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **ADOPTS** the CPE (Community Plan Exemption) and the Mitigation Monitoring and Reporting Program and **APPROVES Conditional Use Application No. 2012.1362CEV** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated March 28, 2014, 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 April 24, 2014.

Jonas P. Ionin  
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: April 24, 2014

## EXHIBIT A

### AUTHORIZATION

This authorization is for a conditional use to allow for the construction of a four to six-story, 40 to 65-foot-tall, 107,409 gross-square-foot, mixed-use building containing 87 rental dwelling units, 5,155 sq. ft. of ground-floor commercial space along Market Street, a portion of which would be occupied by a yet to be determined restaurant use as defined in Section 790.91 of the Code, and a below-grade parking garage, located at 2198 Market Street Lot 039 in Assessor's Block 3542 pursuant to Planning Code Section(s) 303, 733.11, 145.4(d), 155(r)(4), and 733.11, within the Upper Market Neighborhood Commercial Transit District and 40-X and 60/65-X Height and Bulk Districts; in general conformance with plans, dated March 28, 2014, and stamped "EXHIBIT B" included in the docket for Case No. 2012.1362CEV and subject to conditions of approval reviewed and approved by the Commission on April 24, 2014 under Motion No XXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

### RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the project, the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on April 24, 2014 under Motion No XXXXX.

### PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. XXXXX 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).*

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

*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org).*

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

*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org).*

### DESIGN – COMPLIANCE AT PLAN STAGE

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

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

5. **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).*

6. **Rooftop Mechanical Equipment.** Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application. Rooftop mechanical equipment, if any is proposed as part of the project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.

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

7. **Lighting Plan.** The Project Sponsor shall submit an exterior lighting plan to the Planning Department prior to Planning Department approval of the building / site permit application.

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

8. **Streetscape Plan.** Pursuant to Planning Code Section 138.1, the Project Sponsor shall continue to work with Planning Department staff, in consultation with other City agencies, to refine the design and programming of the Streetscape Plan. The Project Sponsor shall complete final design of all street improvements, including procurement of relevant City permits, prior to issuance of first architectural addenda

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

9. **Transformer Vault.** The location of individual project PG&E Transformer Vault installations has significant effects to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:

- a. On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
- b. On-site, in a driveway, underground;
- c. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
- d. Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
- e. Public right-of-way, underground; and based on Better Streets Plan guidelines;
- f. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
- g. On-site, in a ground floor façade (the least desirable location).

- i. Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.

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

## PARKING AND TRAFFIC

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

*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org).*

## PROVISIONS

11. **First Source Hiring.** The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.

*For information about compliance, contact the First Source Hiring Manager at 415-581-2335, [www.onestopSF.org](http://www.onestopSF.org)*

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

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

## 13. Affordable Units

- A. **Number of Required Units.** Pursuant to Planning Code Section 415.6, the Project is required to provide 12% of the proposed dwelling units as affordable to qualifying households. The Project contains 87 units; therefore, 10 affordable units are required. The Project Sponsor will fulfill this requirement by providing the 10 affordable units on-site. If the number of market-

- rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing ("MOH").
- For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org) or the Mayor's Office of Housing at 415-701-5500, [www.sf-moh.org](http://www.sf-moh.org).*
- B. **Unit Mix.** The Project contains 51 one-bedroom and 36 two-bedroom units; therefore, the required affordable unit mix is 6 one-bedroom and 4 two-bedroom units. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOH.
- For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org) or the Mayor's Office of Housing at 415-701-5500, [www.sf-moh.org](http://www.sf-moh.org).*
- C. **Unit Location.** The affordable units shall be designated on a reduced set of plans recorded as a Notice of Special Restrictions on the property prior to the issuance of the first construction permit.
- For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org) or the Mayor's Office of Housing at 415-701-5500, [www.sf-moh.org](http://www.sf-moh.org).*
- D. **Phasing.** If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than twelve percent (12%) of the each phase's total number of dwelling units as on-site affordable units.
- For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org) or the Mayor's Office of Housing at 415-701-5500, [www.sf-moh.org](http://www.sf-moh.org).*
- E. **Duration.** Under Planning Code Section 415.8, all units constructed pursuant to Section 415.6, must remain affordable to qualifying households for the life of the project.
- For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, [www.sf-planning.org](http://www.sf-planning.org) or the Mayor's Office of Housing at 415-701-5500, [www.sf-moh.org](http://www.sf-moh.org).*
- F. **Other Conditions.** The Project is subject to the requirements of the Inclusionary Affordable Housing Program under Section 415 et seq. of the Planning Code and City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual"). The Procedures Manual, as amended from time to time, is incorporated herein by reference, as published and adopted by the Planning Commission, and as required by Planning Code Section 415. Terms used in these conditions of approval and not otherwise defined shall have the meanings set forth in the Procedures Manual. A copy of the Procedures Manual can be obtained at the MOH at 1 South Van Ness Avenue or on the Planning Department or Mayor's Office of Housing's websites, including on the internet at:
- <http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451>.
- As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale.

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

- a. The affordable unit(s) shall be designated on the building plans prior to the issuance of the first construction permit by the Department of Building Inspection ("DBI"). The affordable unit(s) shall (1) reflect the unit size mix in number of bedrooms of the market rate units, (2) be constructed, completed, ready for occupancy and marketed no later than the market rate units, and (3) be evenly distributed throughout the building; and (4) be of comparable overall quality, construction and exterior appearance as the market rate units in the principal project. The interior features in affordable units should be generally the same as those of the market units in the principal project, but need not be the same make, model or type of such item as long they are of good and new quality and are consistent with then-current standards for new housing. Other specific standards for on-site units are outlined in the Procedures Manual.
- b. If the units in the building are offered for rent, the affordable unit(s) shall be rented to qualifying households, as defined in the Procedures Manual, whose gross annual income, adjusted for household size, does not exceed an average fifty-five (55) percent of Area Median Income under the income table called "Maximum Income by Household Size derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that contains San Francisco." The initial and subsequent rent level of such units shall be calculated according to the Procedures Manual. Limitations on (i) occupancy; (ii) lease changes; (iii) subleasing, and; are set forth in the Inclusionary Affordable Housing Program and the Procedures Manual.
- c. The Project Sponsor is responsible for following the marketing, reporting, and monitoring requirements and procedures as set forth in the Procedures Manual. MOH shall be responsible for overseeing and monitoring the marketing of affordable units. The Project Sponsor must contact MOH at least six months prior to the beginning of marketing for any unit in the building.
- d. Required parking spaces shall be made available to renters of affordable units according to the Procedures Manual.
- e. Prior to the issuance of the first construction permit by DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that contains these conditions of approval and a reduced set of plans that identify the affordable units satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOH or its successor.
- f. The Project Sponsor has demonstrated that it is eligible for the On-site Affordable Housing Alternative under Planning Code Section 415.6 instead of payment of the Affordable Housing Fee, and has submitted the *Affidavit of Compliance with the*

*Inclusionary Affordable Housing Program: Planning Code Section 415* to the Planning Department stating the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions (as defined in California Government Code Section 65915 et seq.) provided herein. The Project Sponsor has executed the Costa Hawkins agreement and will record a Memorandum of Agreement prior to issuance of the first construction document,

- g. If the Project Sponsor fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Section 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all available remedies at law.
- h. If the Project becomes ineligible at any time for the On-site Affordable Housing Alternative, the Project Sponsor or its successor shall pay the Affordable Housing Fee prior to issuance of the first construction permit or may seek a fee deferral as permitted under Ordinances 0107-10 and 0108-10. If the Project becomes ineligible after issuance of its first construction permit, the Project Sponsor shall notify the Department and MOH and pay interest on the Affordable Housing Fee at a rate equal to the Development Fee Deferral Surcharge Rate in Section 107A.13.3.2 of the San Francisco Building Code and penalties, if applicable.

## MONITORING

14. **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)*

15. **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

16. **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/>*
17. **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](http://sfdpw.org/)*
18. **Lighting.** All project lighting shall be directed onto the Project Site and immediately surrounding sidewalk area only, and designed and managed so as not to be a nuisance to adjacent residents. Nighttime lighting shall be the minimum necessary to ensure safety, but shall in no case be directed so as to constitute a nuisance to any surrounding property.  
*For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, [www.sf-planning.org](http://www.sf-planning.org)*
19. **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)*

**EXHIBIT C: MITIGATION MONITORING AND REPORTING PROGRAM**

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM				
	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<b>MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR</b>					
<b>AIR QUALITY</b>					
Project Mitigation Measure 1 – Short-term Construction Exhaust Emissions (Mitigation Measure 5.8B of the Market and Octavia FEIR)	Project sponsor/ contractor(s).	Prior to issuance of a permit specified in Section 106A.3.2.6 of the Francisco Building Code.	Prepare and submit a Plan.	Project sponsor/ contractor(s) and the ERO.	Considered complete on findings by ERO that Plan is complete.
<p>A. <i>Construction Emissions Minimization Plan.</i> Prior to issuance of a construction permit, the project sponsor shall submit a Construction Emissions Minimization Plan (Plan) to the Environmental Review Officer (ERO) for review and approval by an Environmental Planning Air Quality Specialist. The Plan shall detail project compliance with the following requirements:</p> <ol style="list-style-type: none"> <li>1. All off-road equipment greater than 25 hp and operating for more than 20 total hours over the entire duration of construction activities shall meet the following requirements:               <ol style="list-style-type: none"> <li>a) Where access to alternative sources of power is available, portable diesel engines shall be prohibited;</li> <li>b) All off-road equipment shall have:                   <ol style="list-style-type: none"> <li>i. Engines that meet or exceed either USEPA or ARB Tier 2 off-road emission standards, <i>and</i></li> <li>ii. Engines that are retrofitted with an ARB Level 3 Verified Diesel Emissions Control Strategy (VDECS).<sup>1</sup></li> </ol> </li> </ol> </li> </ol>					

<sup>1</sup> Equipment with engines meeting Tier 4 Interim or Tier 4 Final emission standards automatically meet this requirement, therefore a VDECS would not be required.



**MONITORING AND REPORTING PROGRAM**

<b>Adopted Mitigation Measures</b>	<b>Responsibility for Implementation</b>	<b>Mitigation Schedule</b>	<b>Mitigation Action</b>	<b>Monitoring/Reporting Responsibility</b>	<b>Monitoring Schedule</b>
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c) Exceptions:

- i. Exceptions to A(1)(a) *may* be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that an alternative source of power is limited or infeasible at the project site and that the requirements of this exception provision apply. Under this circumstance, the sponsor shall submit documentation of compliance with A(1)(b) for onsite power generation.
- ii. Exceptions to A(1)(b)(ii) *may* be granted if the project sponsor has submitted information providing evidence to the satisfaction of the ERO that a particular piece of off-road equipment with an ARB Level 3 VDECS is: (1) technically not feasible, (2) would not produce desired emissions reductions due to expected operating modes, (3) installing the control device would create a safety hazard or impaired visibility for the operator, or (4) there is a compelling emergency need to use off-road equipment that are not retrofitted with an ARB Level 3 VDECS and the sponsor has submitted documentation to the ERO that the requirements of this exception provision apply. If granted an exception to A(1)(b)(ii), the project sponsor must comply with the requirements of A(1)(c)(iii).
- iii. If an exception is granted pursuant to A(1)(c)(ii), the project sponsor shall provide the next cleanest piece of off-road equipment as provided by the step down schedules in Table A1 below.

**TABLE A1  
OFF-ROAD EQUIPMENT COMPLIANCE STEP DOWN  
SCHEDULE\***

**MONITORING AND REPORTING PROGRAM**

<b>Adopted Mitigation Measures</b>			<b>Responsibility for Implementation</b>	<b>Mitigation Schedule</b>	<b>Mitigation Action</b>	<b>Monitoring/Reporting Responsibility</b>	<b>Monitoring Schedule</b>
Compliance Alternative	Engine Emission Standard	Emissions Control					
1	Tier 2	ARB Level 2 VDECS					
2	Tier 2	ARB Level 1 VDECS					
3	Tier 2	Alternative Fuel*					

\*How to use the table. If the requirements of (A)(1)(b) cannot be met, then the project sponsor would need to meet Compliance Alternative 1. Should the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 1, then Compliance Alternative 2 would need to be met. Should the project sponsor not be able to supply off-road equipment meeting Compliance Alternative 2, then Compliance Alternative 3 would need to be met.

\*\*Alternative fuels are not a VDECS

2. The project sponsor shall require the idling time for off-road and on-road equipment be limited to no more than *two* minutes, except as provided in exceptions to the applicable state regulations regarding idling for off-road and on-road equipment. Legible and visible signs shall be posted in multiple languages (English, Spanish, Chinese) in designated queuing areas and at the construction site to remind operators of the two minute idling limit.

3. The project sponsor shall require that construction operators properly maintain and tune equipment in accordance with manufacturer specifications.

**MONITORING AND REPORTING PROGRAM**

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>4. The Plan shall include estimates of the construction timeline by phase with a description of each piece of off-road equipment required for every construction phase. Off-road equipment descriptions and information may include, but is not limited to: equipment type, equipment manufacturer, equipment identification number, engine model year, engine certification (Tier rating), horsepower, engine serial number, and expected fuel usage and hours of operation. For VDECS installed: technology type, serial number, make, model, manufacturer, ARB verification number level, and installation date and hour meter reading on installation date. For off-road equipment using alternative fuels, reporting shall indicate the type of alternative fuel being used.</p>					
<p>5. The Plan shall be kept on-site and available for review by any persons requesting it and a legible sign shall be posted at the perimeter of the construction site indicating to the public the basic requirements of the Plan and a way to request a copy of the Plan. The project sponsor shall provide copies of Plan to members of the public as requested.</p>					
<p><i>B. Reporting.</i> Monthly reports shall be submitted to the ERO indicating the construction phase and off-road equipment information used during each phase including the information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p>	Project sponsor/contractor(s).	Monthly.	Submit monthly reports.	Project sponsor/contractor(s) and the ERO.	Considered complete on findings by ERO that Plan is being/was implemented.
<p>Within six months of the completion of construction activities, the project sponsor shall submit to the ERO a final report summarizing construction activities. The final report shall indicate the start and end dates and duration of each construction phase.</p>		Within six months of completion of construction activities.	Submit a final report of construction activities.		

**MONITORING AND REPORTING PROGRAM**

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>For each phase, the report shall include detailed information required in A(4). In addition, for off-road equipment using alternative fuels, reporting shall include the actual amount of alternative fuel used.</p>					
<p><i>C. Certification Statement and On-site Requirements.</i> Prior to the commencement of construction activities, the project sponsor must certify (1) compliance with the Plan, and (2) all applicable requirements of the Plan have been incorporated into contract specifications. Refer to Appendix E for the Certification Statement.</p>	Project sponsor/contractor(s).	Prior to construction activities requiring the use of off-road equipment.	Submit certification statement.	Project sponsor / contractor(s) and the ERO.	Considered complete on submittal of certification statement.
<p><b>GEOLOGY AND SOILS</b></p>					
<p>Project Mitigation Measure 2 – Construction-related Soils (Mitigation Measure 5.11A of the Market and Octavia FEIR)</p> <p>Best Management Practices (BMP) erosion control features shall be developed with the following objectives and basic strategy: protect disturbed areas through minimization and duration of exposure; control surface runoff and maintain low runoff velocities; trap sediment onsite; and minimize length and steepness of slopes.</p>	Project sponsor.	During construction.	Implement BMP erosion control features	Project sponsor/DBI.	On-site monitoring by project sponsor and DBI.

# Parcel Map

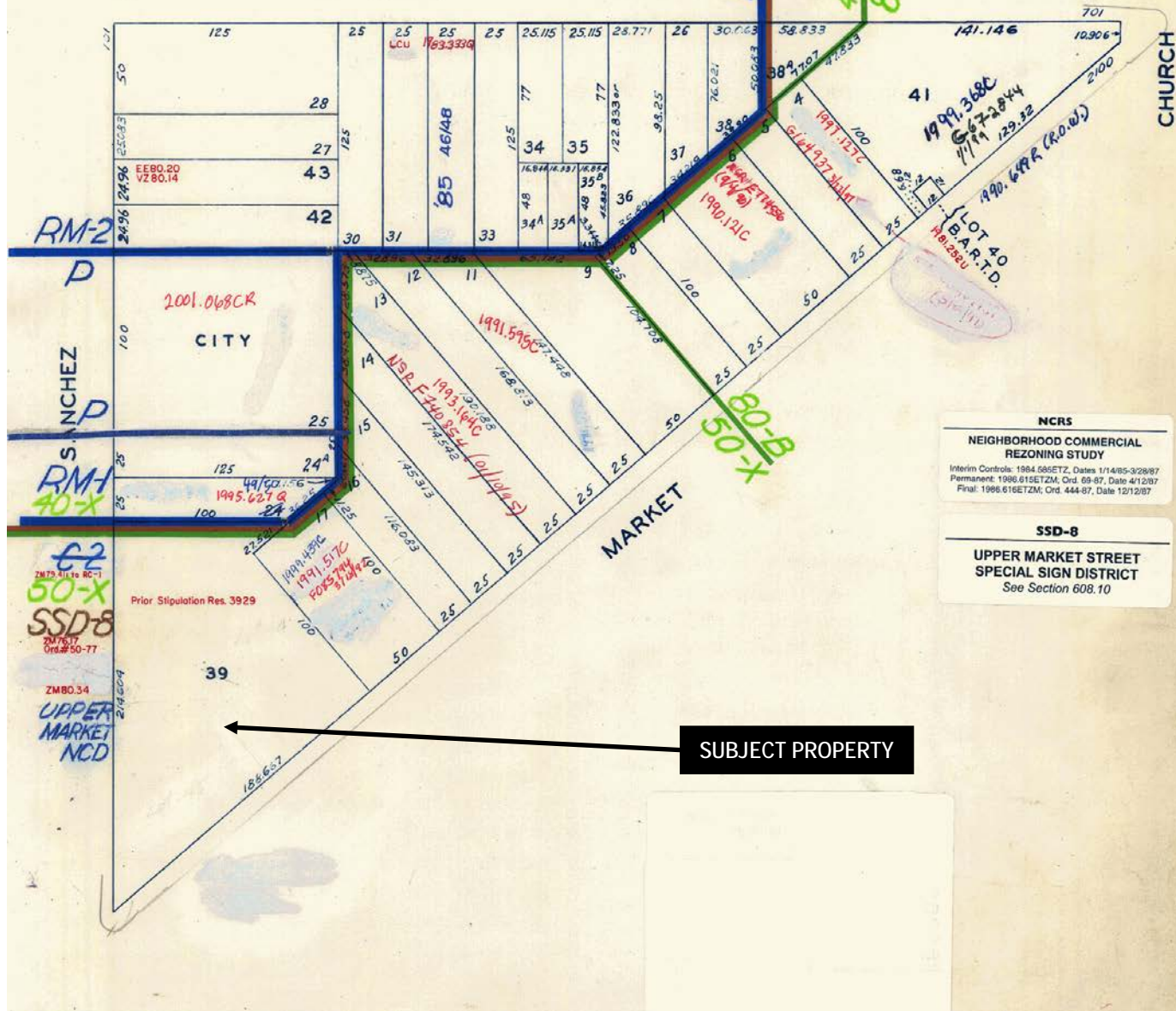
3542

MISSION BLK. 98

REVISED '61  
" '75  
" '81  
" '85'

**LOTS MERGED**

Lots	merged into	Lot	"43"
3	..	2	..
10	..	9	..
19, 20	..	18	..
22	..	21	..
29	..	28	..
2	..	1	..
32	..	46/48	..
			'55
			'85



Prior Stipulation Res. 3929

**NCRS**  
NEIGHBORHOOD COMMERCIAL REZONING STUDY  
Interim Controls: 1984 685ETZ, Dates 1/14/85-3/28/87  
Permanent: 1986 615ETZM, Ord. 69-87, Date 4/12/87  
Final: 1986 616ETZM, Ord. 444-87, Date 12/12/87

**SSD-8**  
UPPER MARKET STREET SPECIAL SIGN DISTRICT  
See Section 608.10

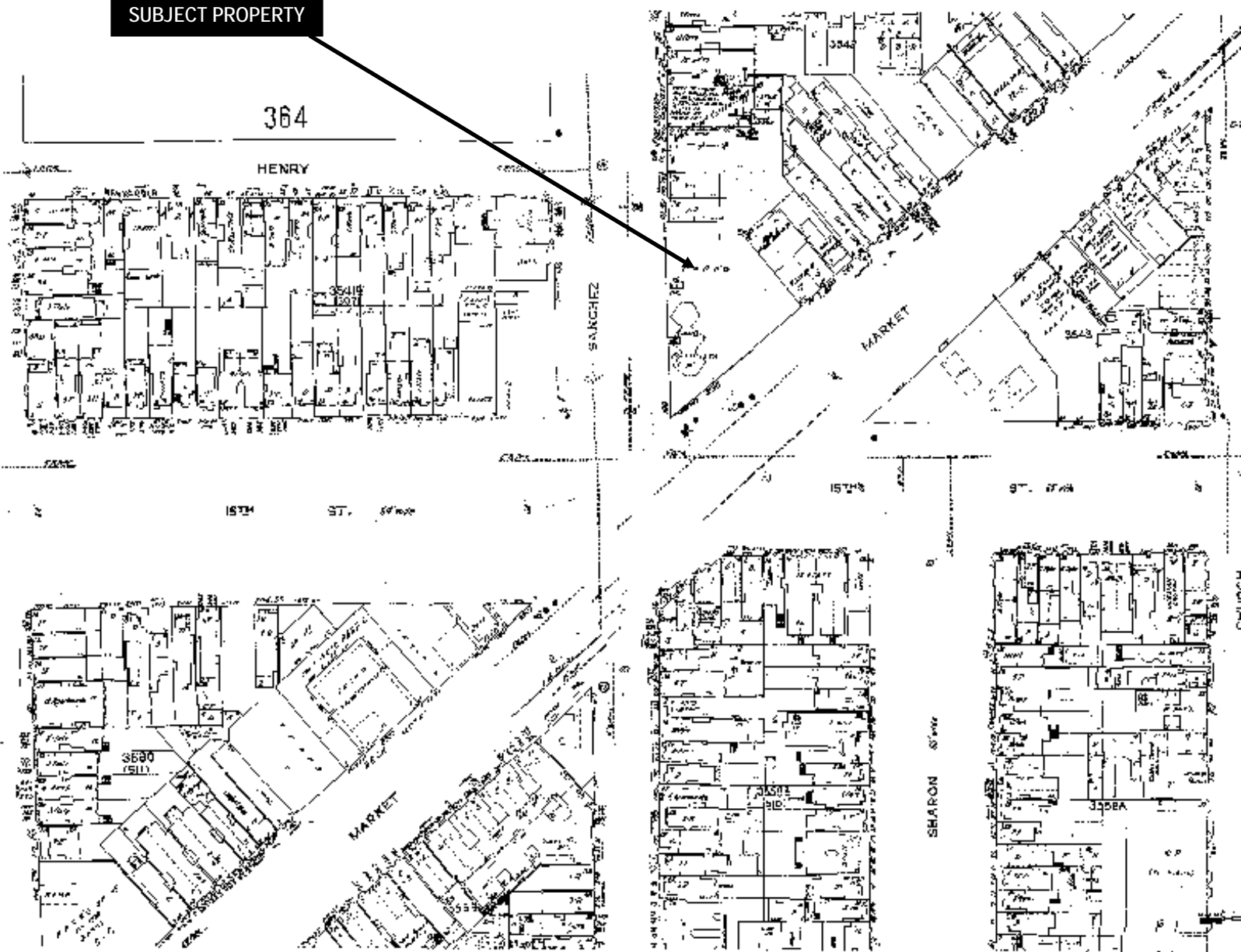
**SUBJECT PROPERTY**



Conditional Use Hearing  
Case Number 2012.1362CEV  
2198 Market Street

# Sanborn Map\*

SUBJECT PROPERTY

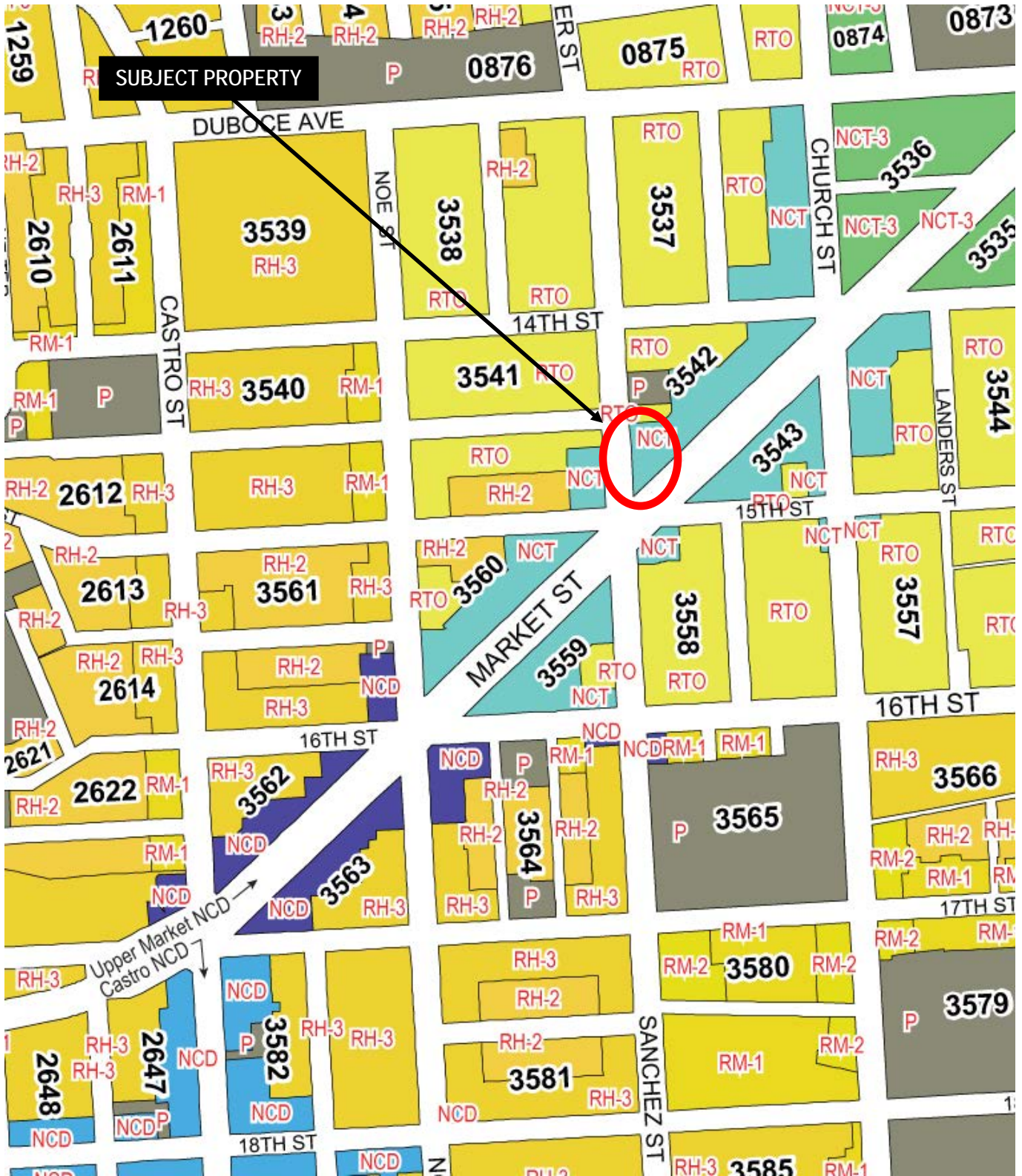


*\*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.*



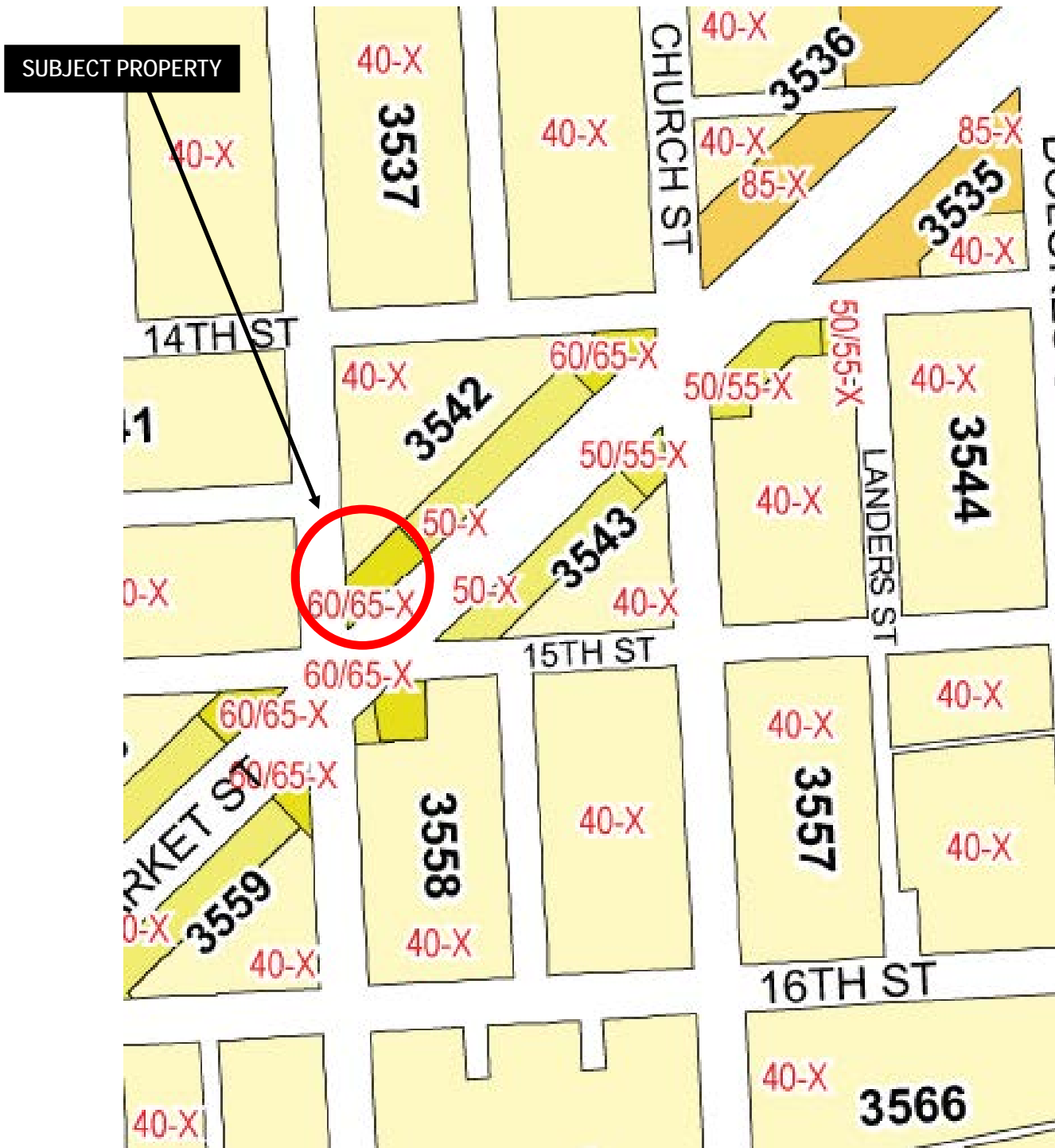
Conditional Use Hearing  
Case Number 2012.1362CEV  
2198 Market Street

# Zoning Map



Conditional Use Hearing  
Case Number 2012.1362CEV  
2198 Market Street

# Height and Bulk Map



*\*The above map does not reflect more recent changes to the height limit.*



Conditional Use Hearing  
Case Number 2012.1362CEV  
2198 Market Street



# Aerial Photo

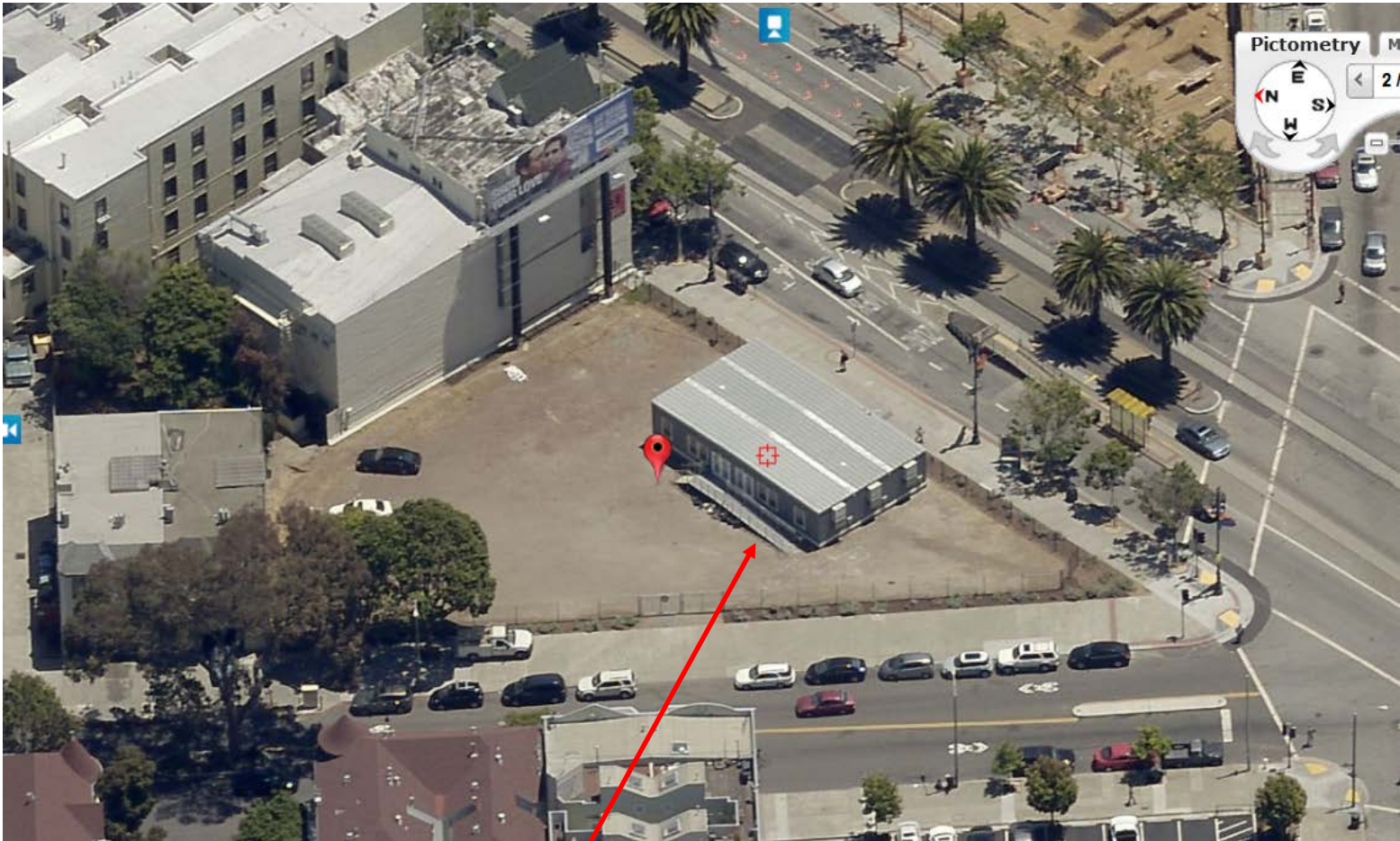


**SUBJECT PROPERTY**



Conditional Use Hearing  
Case Number 2012.1362CEV  
2198 Market Street

# Aerial Photo

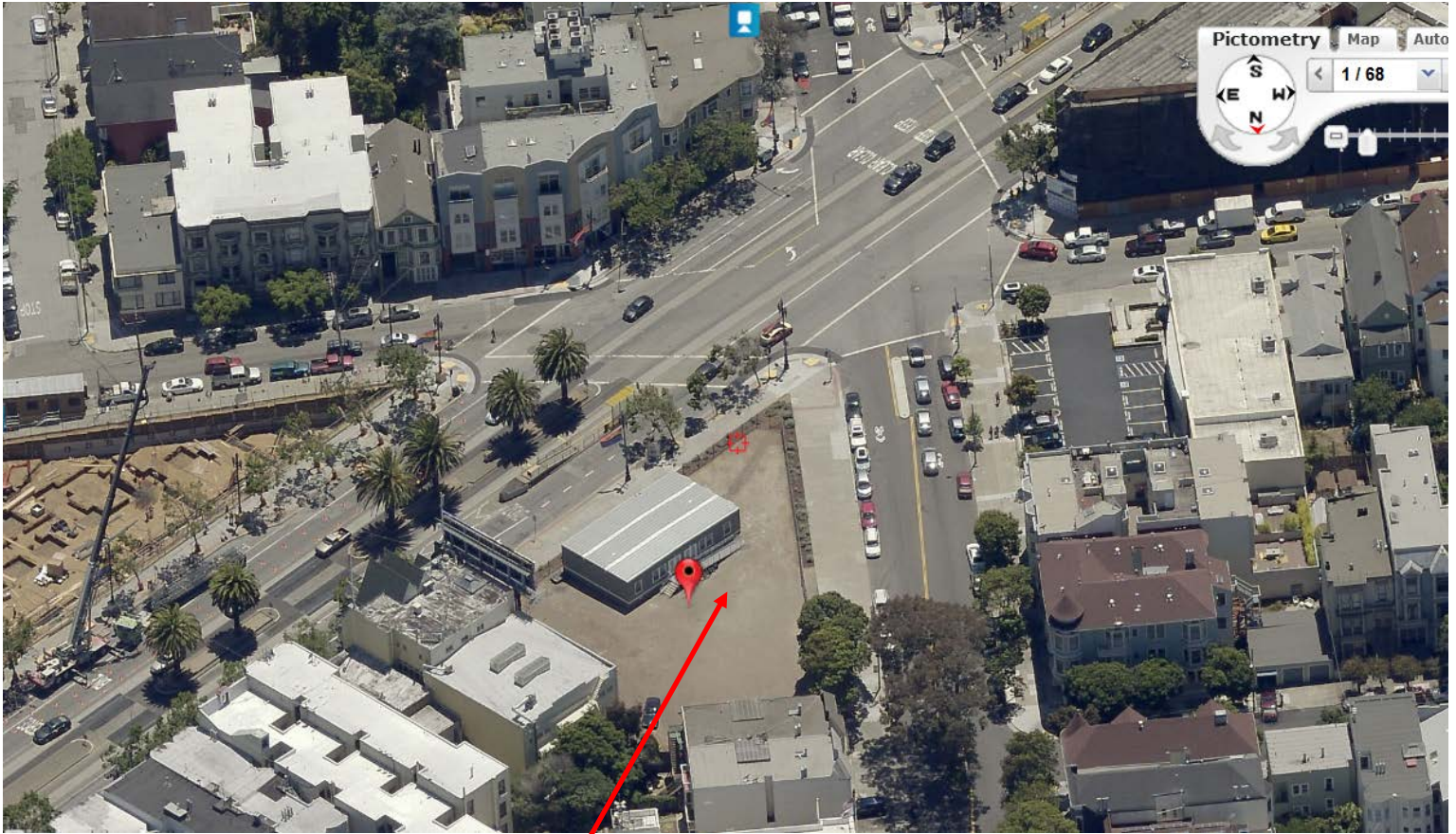


**SUBJECT PROPERTY**



Conditional Use Hearing  
**Case Number 2012.1362CEV**  
2198 Market Street

# Aerial Photo

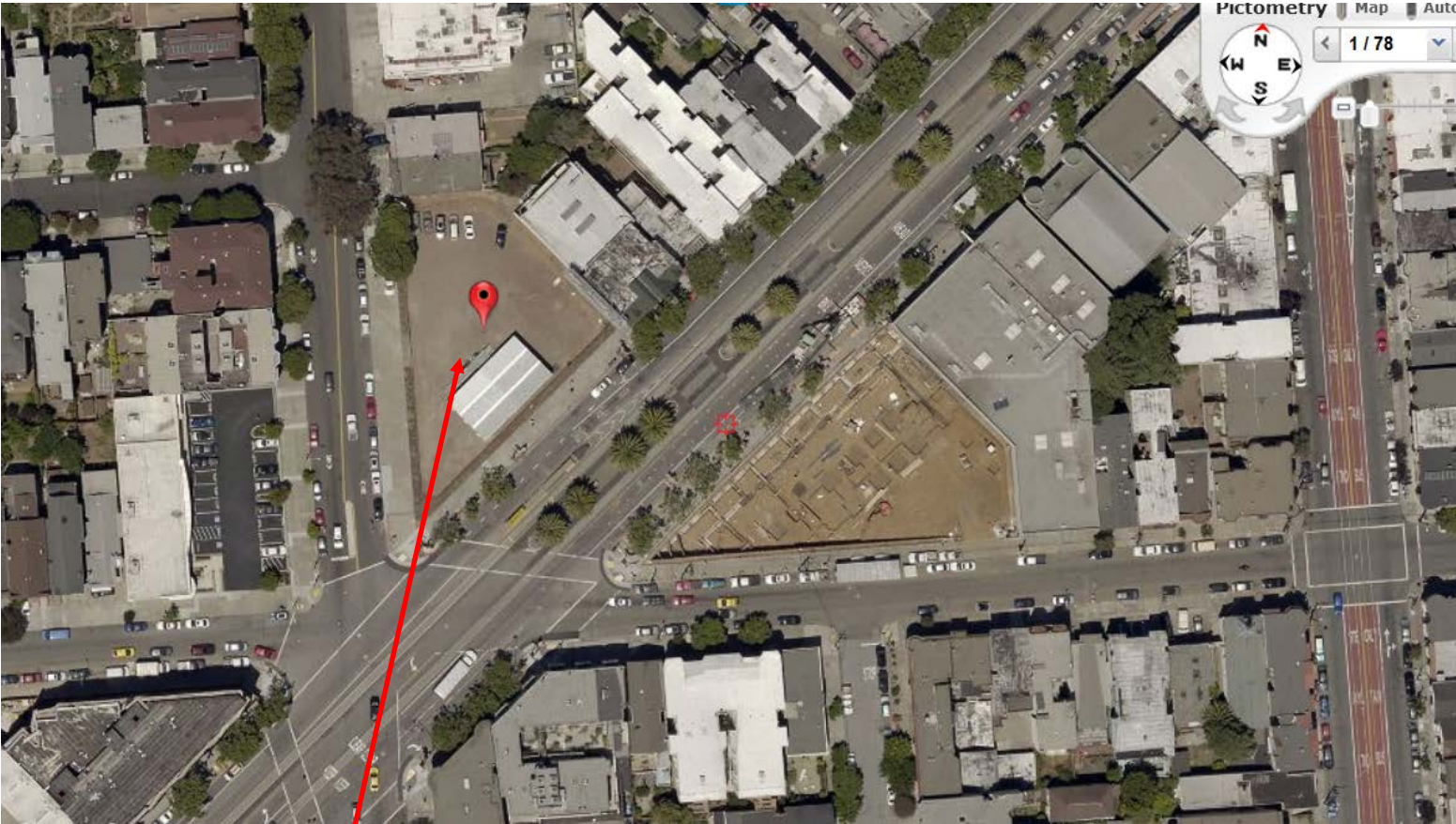


SUBJECT PROPERTY



Conditional Use Hearing  
Case Number 2012.1362CEV  
2198 Market Street

# Aerial Photo



**SUBJECT PROPERTY**



Conditional Use Hearing  
**Case Number 2012.1362CEV**  
2198 Market Street



# SAN FRANCISCO PLANNING DEPARTMENT

**MEMO**

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

## RESIDENTIAL PIPELINE ENTITLED HOUSING UNITS 2007 to 2013 Q4

State law requires each city and county to adopt a Housing Element as a part of its general plan. The State Department of Housing and Community Development (HCD) determines a Regional Housing Need (RHNA) that the Housing Element must address. The need is the minimum number of housing units that a region must plan for in each RHNA period.

This table represents completed units and development projects in the current residential pipeline to the fourth quarter of 2013 (Q4). The total number of entitled units is tracked by the San Francisco Planning Department and is updated quarterly in coordination with the *Quarterly Pipeline Report*. Subsidized housing units – including moderate and low income units – as well as inclusionary units are tracked by the Mayor’s Office of Housing; these are also updated quarterly.

2013 QUARTER 4	RHNA Allocation 2007 - 2014	Units Built 2007 - 2013 Q4	Units Entitled in 2013 Q4 Pipeline*	Percent Built and Entitled
<b>Total Units</b>	<b>31,193</b>	<b>13,765</b>	<b>16,129</b>	<b>95.8%</b>
Above Moderate ( > 120% AMI )	12,315	8,786	14,596	189.9%
Moderate Income ( 80 - 120% AMI )	6,754	1,003	217	18.1%
Low Income ( < 80% AMI )	12,124	3,976	1,316	43.6%

*\*These totals do not include three entitled major development projects with a total of 23,714 net new units: Hunters' Point, Treasure Island and ParkMerced. While entitled, these projects are not expected to be completed during the 2007-2014 RHNA reporting period.*

# Inclusionary Housing Affidavit

# Affidavit for Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415

12 / 16 / 13  
Date

I, STANLEY WONG, do hereby declare as follows:

a. The subject property is located at (address and block/lot):

2198 Market Street, San Francisco CA

Address

3542 / 039

Block / Lot

b. The proposed project at the above address is subject to the Inclusionary Affordable Housing Program, Planning Code Section 415 et seq.

The Planning Case Number and/or Building Permit Number is:

2012.1362CVE

Planning Case Number

n/a

Building Permit Number

This project requires the following approval:

- Planning Commission approval (e.g. Conditional Use Authorization, Large Project Authorization)
- This project is principally permitted.

The Current Planner assigned to my project within the Planning Department is:

Michael Smith

Planner Name

Is this project within the Eastern Neighborhoods Plan Area?

- Yes (if yes, please indicate Tier) \_\_\_\_\_
- No

This project is exempt from the Inclusionary Affordable Housing Program because:

- This project uses California Debt Limit Allocation Committee (CDLAC) funding.
- This project is 100% affordable.

c. This project will comply with the Inclusionary Affordable Housing Program by:

- Payment of the Affordable Housing Fee prior to the first site or building permit issuance (Planning Code Section 415.5).
- On-site or Off-site Affordable Housing Alternative (Planning Code Sections 415.6 and 416.7).

d. If the project will comply with the Inclusionary Affordable Housing Program through an On-site or Off-site Affordable Housing Alternative, please fill out the following regarding how the project is eligible for an alternative and the accompanying unit mix tables on page 4.

- Ownership.** All affordable housing units will be sold as ownership units and will remain as ownership units for the life of the project.
- Rental.** Exemption from Costa Hawkins Rental Housing Act.<sup>2</sup> The Project Sponsor has demonstrated to the Department that the affordable units are not subject to the Costa Hawkins Rental Housing Act, under the exception provided in Civil Code Sections 1954.50 though one of the following:
  - Direct financial contribution from a public entity.
  - Development or density bonus or other public form of assistance.
  - Development Agreement with the City. The Project Sponsor has entered into or has applied to enter into a Development Agreement with the City and County of San Francisco pursuant to Chapter 56 of the San Francisco Administrative Code and, as part of that Agreement, is receiving a direct financial contribution, development or density bonus, or other form of public assistance.

e. The Project Sponsor acknowledges that failure to sell the affordable units as ownership units or to eliminate the on-site or off-site affordable ownership-only units at any time will require the Project Sponsor to:

- (1) Inform the Planning Department and the Mayor's Office of Housing and, if applicable, fill out a new affidavit;
- (2) Record a new Notice of Special Restrictions; and
- (3) Pay the Affordable Housing Fee plus applicable interest (using the fee schedule in place at the time that the units are converted from ownership to rental units) and any applicable penalties by law.

f. The Project Sponsor must pay the Affordable Housing Fee in full sum to the Development Fee Collection Unit at the Department of Building Inspection for use by the Mayor's Office of Housing prior to the issuance of the first construction document, with an option for the Project Sponsor to defer a portion of the payment to prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge that would be deposited into the Citywide Affordable Housing Fund in accordance with Section 107A.13.3 of the San Francisco Building Code.

g. I am a duly authorized officer or owner of the subject property.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on this day in:

San Francisco, California  
Location

12/16/13  
Date

  
Signature

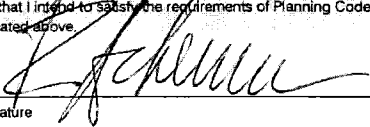
STANLEY WONG, MANAGING MEMBER  
Name (Print), Title

cc: Mayor's Office of Housing  
Planning Department Case Docket  
Historic File, if applicable  
Assessor's Office, if applicable

415-759-7927  
Contact Phone Number



Affidavit for Compliance with the Inclusionary Affordable Housing Program

CONTACT INFORMATION AND DECLARATION OF SPONSOR OF PRINCIPAL PROJECT	CONTACT INFORMATION AND DECLARATION OF SPONSOR OF OFF-SITE PROJECT (IF DIFFERENT)
Company Name Greystar GP II, LLC	Company Name
Print Name of Contact Person Randall Ackerman	Print Name of Contact Person
Address 221 Main St., Ste 1280	Address
City, State, Zip San Francisco, CA 94105	City, State, Zip
Phone, Fax 510.813.7654	Phone, Fax
Email rackerman@greystar.com	Email
I hereby declare that the information herein is accurate to the best of my knowledge and that I intend to satisfy the requirements of Planning Code Section 415 as indicated above. 	I hereby declare that the information herein is accurate to the best of my knowledge and that I intend to satisfy the requirements of Planning Code Section 415 as indicated above.
Signature Randall Ackerman	Signature
Name (Print), Title Senior Development Director	Name (Print), Title

# Costa Hawkins Agreement

Free Recording Requested Pursuant to  
Government Code Section 27383

When recorded, mail to:  
San Francisco Planning Department  
1650 Mission Street, Room 400  
San Francisco, California 94103  
Attn: Director

Lots 039 in Assessor's Block 3542

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**AGREEMENT TO PROVIDE ON-SITE AFFORDABLE HOUSING UNITS BETWEEN  
THE CITY AND COUNTY OF SAN FRANCISCO AND GREYSTAR GP II LLC,  
RELATIVE TO THE DEVELOPMENT KNOWN AS 2198 MARKET STREET**

THIS AGREEMENT TO PROVIDE ON-SITE AFFORDABLE HOUSING UNITS ("Agreement") dated for reference purposes only as of this \_\_\_ day of \_\_\_\_\_, 2014, is by and amongst the CITY AND COUNTY OF SAN FRANCISCO, a political subdivision of the State of California (the "City"), acting by and through its Planning Department, GREYSTAR GP II, LLC, a Delaware limited liability company ("Developer"), and 2198 MARKET STREET, LLC, a California limited liability company ("Owner") with respect to the project approved for 2198 Market Street (the "Project"). City and Developer are also sometimes referred to individually as a "Party" and together as the "Parties."

**RECITALS**

This Agreement is made with reference to the following facts:

A. Code Authorization. Chapter 4.3 of the California Government Code directs public agencies to grant concessions and incentives to private developers for the production of housing for lower income households. The Costa-Hawkins Rental Housing Act (California Civil Code Sections 1954.50 et seq., hereafter "Costa-Hawkins Act") imposes limitations on the establishment of the initial and all subsequent rental rates for a dwelling unit with a certificate of occupancy issued after February 1, 1995, with exceptions, including an exception for dwelling units constructed pursuant to a contract with a public entity in consideration for a direct financial contribution or any other form of assistance specified in Chapter 4.3 of the California Government Code (Section 1954.52(b)). Pursuant to Civil Code Section 1954.52(b), the City's Board of Supervisors has enacted as part of the Inclusionary Affordable Housing Program, Planning Code Section 415 et seq, procedures and requirements for entering into an agreement with a private developer to memorialize the concessions and incentives granted to the developer and to provide an exception to the Costa-Hawkins Act for the inclusionary units included in the developer's project.

B. Property Subject to this Agreement. The property that is the subject of this Agreement consists of the real property in the City and County of San Francisco, California, at 2198 Market Street, Lot 039 in Assessor's Block 3542 and located at the northwest corner of Market and Sanchez Streets (hereinafter "Property"). The Property is more particularly

described in Exhibit A attached hereto. The Property is owned in fee by Owner. Developer is the Project sponsor and owner of an option right to lease the Property for a period of 99 years.

C. Development Proposal; Intent of the Parties. The Developer proposes to construct an approximately 107,409 gross square foot mixed-use residential building on a vacant lot, containing 87 new dwelling units and approximately 5,115 square feet of retail uses over a subterranean garage with 34 off-street parking spaces, 89 “Class 1” bicycle spaces, and 14 “Class 2” bicycle spaces (the “Project”). The dwelling units would be offered as rental units and the inclusionary affordable housing would be provided on-site. The Project would fulfill its inclusionary affordable housing requirement by providing 12% of the dwelling units, or 10 below-market rate (BMR) units, on-site, assuming that 87 residential units are constructed.

On April 24, 2014, pursuant to Motion No. \_\_\_\_\_, the Planning Commission issued a Conditional Use authorization for the Project under Section 303 (“Conditional Use Authorization”) to allow (i) development of a lot larger than 10,000 square feet, pursuant to Planning Code Section 733.11; (ii) operation of a ground-floor full-service restaurant in the Upper Market Street Neighborhood Commercial Transit Zoning District, pursuant to Planning Code Section 733.44; (iii) an individual ground-floor non-residential use occupying more than 75 contiguous linear feet along Market Street, pursuant to Planning Code Section 145.4; and (iv) off-street parking access along Sanchez Street, a City bicycle route, pursuant to Planning Code Section 155(r)(4). A Notice of Special Restrictions containing Conditions of Approval of the Conditional Use Authorization was recorded against the Property on \_\_\_\_\_, 2014 (NSR No. \_\_\_\_\_).

On \_\_\_\_\_, 2014, the Zoning Administrator granted Variances for the Project from Planning Code requirements for (i) rear yard, pursuant to Section 134; (ii) dwelling unit exposure, pursuant to Section 140; (iii) non-residential ground-floor ceiling heights, pursuant to Section 145.1; and (iv) width of five bay windows, pursuant to Section 136. A Notice of Special Restrictions containing Conditions of Approval for the Variances was recorded against the Property on \_\_\_\_\_, 2014 (NSR No. \_\_\_\_\_).

The Conditional Use Authorization and Variances are collectively referred to herein as the “Project Approvals”. The dwelling units that are the subject of this Agreement are the Project’s on-site inclusionary units representing twelve percent (12%) of the Project’s dwelling units, which assuming that 87 dwelling are constructed, would total 10 inclusionary units (the “Inclusionary Units”). The dwelling units in the Project that are not Inclusionary Units, representing eighty-eight percent (88%) of the Project’s dwelling units, which assuming that 87 units are constructed would total 77 units, are referred to herein as the “Market Rate Units.”

This Agreement is not intended to impose restrictions on the Market Rate Units, any portions of the Project other than the Inclusionary Units, or any future development at the Property that is not a part of the Project. This Agreement relates solely to the Inclusionary Units and shall have no legal effect in the event that the Project is not constructed. The Parties acknowledge that this Agreement is entered into in consideration of the respective burdens and benefits of the Parties contained in this Agreement and in reliance on their agreements, representations and warranties.

D. Inclusionary Affordable Housing Program. The Inclusionary Affordable Housing Program, San Francisco Planning Code Section 415 et seq. (the "Affordable Housing Program") provides that developers of any housing project consisting of ten or more units must pay an Affordable Housing Fee, as defined therein. The Affordable Housing Program provides that developers may be eligible to meet the requirements of the program through the alternative means of entering into an agreement with the City and County of San Francisco pursuant to Chapter 4.3 of the California Government Code, for concessions and incentives, pursuant to which the developer covenants to provide affordable on-site units as an alternative to payment of the Affordable Housing Fee to satisfy the requirements of the Affordable Housing Program and in consideration of the City's concessions and incentives.

E. Developer's Election to Provide On-Site Units. Developer has elected to enter into this Agreement to provide the Inclusionary Units in lieu of payment of the Affordable Housing Fee in satisfaction of its obligation under the Affordable Housing Program and to provide for an exception to the rent restrictions of the Costa-Hawkins Act for the Inclusionary Units only.

F. Compliance with All Legal Requirements. It is the intent of the Parties that all acts referred to in this Agreement shall be accomplished in such a way as to fully comply with the California Environmental Quality Act (Public Resources Code Section 21000 et seq., "CEQA"), Chapter 4.3 of the California Government Code, the Costa-Hawkins Act, the San Francisco Planning Code, and all other applicable laws and regulations.

G. Project's Compliance with CEQA. Pursuant to section 15183 of the CEQA Guidelines, California Public Resources Section 21083.3, and Chapter 31 of the San Francisco Administrative Code, the Planning Department published a Certificate of Exemption ("CPE") from Environmental Review for the Project on March 19, 2014. The Planning Commission subsequently reviewed and concurred with the information contained in the CPE at a noticed public hearing on April 24, 2014 (Motion No. \_\_\_\_\_).

H. General Plan Findings. This Agreement is consistent with the objectives, policies, general land uses and programs specified in the General Plan and any applicable area or specific plan, and the Priority Policies enumerated in Planning Code Section 101.1, as set forth in Planning Commission Motion No. \_\_\_\_\_.

## **AGREEMENT**

The Parties acknowledge the receipt and sufficiency of good and valuable consideration and agree as follows:

### **1. GENERAL PROVISIONS**

1.1 Incorporation of Recitals and Exhibits. The preamble paragraph, Recitals, and Exhibits, and all defined terms contained therein, are hereby incorporated into this Agreement as if set forth in full.

## **2. CITY'S DENSITY BONUS AND CONCESSIONS AND INCENTIVES FOR THE INCLUSIONARY UNITS.**

2.1 Exceptions, Concessions and Incentives. The Developer has received the following exceptions, concessions and incentives for the production of the Inclusionary Units on-site.

2.1.1 Project Approvals and Density Bonus. The Project Approvals included the Conditional Use Authorization to permit (i) development of a lot larger than 10,000 square feet, pursuant to Planning Code Section 733.11; (ii) operation of a ground-floor full-service restaurant in the Upper Market Street Neighborhood Commercial Transit Zoning District, pursuant to Planning Code Section 733.44; (iii) an individual ground-floor non-residential use occupying more than 75 contiguous linear feet along Market Street, pursuant to Planning Code Section 145.4; and (iv) off-street parking access along Sanchez Street, a City bicycle route, pursuant to Planning Code Section 155(r)(4). The Project Approvals also included Variances from Planning Code requirements for the Project's (i) rear yard pursuant to Section 134; (ii) dwelling unit exposure pursuant to Section 140; (iii) non-residential ground-floor ceiling heights pursuant to Section 145.1; and (iv) width of bay windows pursuant to Section 136. These Project Approvals permit development of the Project at a greater density than would otherwise have been permitted under the Planning Code.

2.1.2 Waiver of Affordable Housing Fee. City hereby determines that the Developer has satisfied the requirements of the Affordable Housing Program by covenanting to provide the Inclusionary Units on-site, as provided in Section 3.1, and accordingly hereby waives the obligation of the Developer to pay the Affordable Housing Fee. City would not be willing to enter into this Agreement and waive the Affordable Housing Fee without the understanding and agreement that Costa-Hawkins Act provisions set forth in California Civil Code section 1954.52(a) do not apply to the Inclusionary Units as a result of the exemption set forth in California Civil Code section 1954.52(b). Upon completion of the Project and identification of the Inclusionary Units, Developer agrees to record a notice of restriction against the Inclusionary Units in the form required by the Affordable Housing Program.

## 2.2 Costa-Hawkins Act Inapplicable to Inclusionary Units Only.

2.2.1 Inclusionary Units. The parties acknowledge that, under Section 1954.52(b) of the Costa-Hawkins Act, the Inclusionary Units are not subject to the Costa Hawkins Act. Through this Agreement, Developer hereby enters into an agreement with a public entity in consideration for forms of concessions and incentives specified in California Government Code Sections 65915 et seq. The concessions and incentives are comprised of, but not limited to, the concessions and incentives set forth in Section 2.1.

2.2.2 Market Rate Units. The Parties hereby agree and acknowledge that this Agreement does not alter in any manner the way that the Costa-Hawkins Act or any other law, including the City's Rent Stabilization and Arbitration Ordinance (Chapter 37 of the San Francisco Administrative Code) apply to the Market Rate Units.

### 3. COVENANTS OF DEVELOPER

3.1 On-Site Inclusionary Affordable Units. In consideration of the concessions and incentives set forth in Section 2.1 and in accordance with the terms and conditions set forth in the Affordable Housing Program and the Project Approvals, upon Developer obtaining its first certificate of occupancy for the Project, Developer shall provide twelve percent (12%) of the dwelling units as on-site Inclusionary Units in lieu of payment of the Affordable Housing Fee. For example, based on the contemplated total of 87 units comprising the Project, a total of 10 Inclusionary Units would be required in the aggregate for the entire Project in lieu of payment of the Affordable Housing Fee.

3.2 Developer's Waiver of Rights Under the Costa-Hawkins Act Only as to the Inclusionary Units. The Parties acknowledge that under the Costa-Hawkins Act, the owner of newly constructed residential real property may establish the initial and all subsequent rental rates for dwelling units in the property without regard to the City's Residential Rent Stabilization and Arbitration Ordinance (Chapter 37 of the San Francisco Administrative Code). The Parties also understand and agree that the Costa-Hawkins Act does not and in no way shall limit or otherwise affect the restriction of rental charges for the Inclusionary Units because this Agreement falls within an express exception to the Costa-Hawkins Act as a contract with a public entity in consideration for a direct financial contribution or other forms of assistance specified in Chapter 4.3 (commencing with section 65915) of Division 1 of Title 7 of the California Government Code including but not limited to the density bonus, concessions and incentives specified in Section 2. Developer acknowledges that the density bonus and concessions and incentives result in identifiable and actual cost reductions to the Project. Should the Inclusionary Units be deemed subject to the Costa-Hawkins Act, as a material part of the consideration for entering into this Agreement, Developer, on behalf of itself and all its successors and assigns to this Agreement, hereby expressly waives, now and forever, any and all rights it may have under the Costa-Hawkins Act with respect only to the Inclusionary Units (but only the Inclusionary Units and not as to the Market Rate Units) consistent with Section 3.1 of this Agreement. Without limiting the foregoing, Developer, on behalf of itself and all successors and assigns to this Agreement, agrees not to bring any legal or other action against City seeking application of the Costa-Hawkins Act to the Inclusionary Units for so long as the Inclusionary Units are subject to the restriction on rental rates pursuant to the Affordable Housing Program. The Parties understand and agree that the City would not be willing to enter into this Agreement without the waivers and agreements set forth in this Section 3.2.

3.3 Developer's Waiver of Right to Seek Waiver of Affordable Housing Program. Developer specifically agrees to be bound by all of the provisions of the Affordable Housing Program applicable to on-site inclusionary units with respect to the Inclusionary Units. Developer covenants and agrees that it will not seek a waiver of the provisions of the Affordable Housing Program applicable to the Inclusionary Units.

3.4 No Obligation to Construct. By entering into this Agreement, Developer is not assuming any obligation to construct the Project, and the covenants of Developer hereunder become operative only in the event Developer elects to proceed with construction of the Project.

#### **4. MUTUAL OBLIGATIONS**

4.1 Good Faith and Fair Dealing. The Parties shall cooperate with each other and act in good faith in complying with the provisions of this Agreement and implementing the Project Approvals.

4.2 Other Necessary Acts. Each Party shall execute and deliver to the other all further instruments and documents as may be reasonably necessary to carry out this Agreement, the Project Approvals, the Affordable Housing Program (as applied to the Inclusionary Units) and applicable law in order to provide and secure to each Party the full and complete enjoyment of its rights and privileges hereunder.

4.3 Effect of Future Changes to Affordable Housing Program. The City hereby acknowledges and agrees that, in the event that the City adopts changes to the Affordable Housing Program after the date this Agreement is executed by both Parties, nothing in this Agreement shall be construed to limit or prohibit any rights Developer may have to modify Project requirements with respect to the Inclusionary Units to the extent permitted by such changes to the Affordable Housing Program.

#### **5. DEVELOPER REPRESENTATIONS, WARRANTIES AND COVENANTS.**

5.1 Interest of Developer. Developer represents that it is the Project sponsor and the owner of a option right to lease the Property for a 99-year period, that it has the power and authority to bind all other persons with legal or equitable interest in the Inclusionary Units to the terms of this Agreement, and that all other persons holding legal or equitable interest in the Inclusionary Units are to be bound by this Agreement. Developer is a limited liability company, duly organized and validly existing and in good standing under the laws of the State of California. Developer has all requisite power and authority to lease property and conduct business as presently conducted. Developer has made all filings and is in good standing in the State of California.

5.2 No Conflict With Other Agreements; No Further Approvals; No Suits. Developer warrants and represents that it is not a party to any other agreement that would conflict with the Developer's obligations under this Agreement. Neither Developer's articles of organization, bylaws, or operating agreement, as applicable, nor any other agreement which Developer is a party to in any way prohibits, limits or otherwise affects the right or power of Developer to enter into and perform all of the terms and covenants of this Agreement. To the best of Developer's knowledge, no consent, authorization or approval of, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other person is required for the due execution, delivery and performance by Developer of this Agreement or any of the terms and covenants contained in this Agreement. To Developer's knowledge, there are no pending or threatened suits or proceedings or undischarged judgments affecting Developer or any of its members before any court, governmental agency, or arbitrator which might materially adversely affect Developer's business, operations, or assets or Developer's ability to perform under this Agreement.



5.3 No Inability to Perform; Valid Execution. Developer warrants and represents that it has no knowledge of any inability to perform its obligations under this Agreement. The execution and delivery of this Agreement and the agreements contemplated hereby by Developer have been duly and validly authorized by all necessary action. This Agreement will be a legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms.

5.4 Conflict of Interest. Through its execution of this Agreement, the Developer acknowledges that it is familiar with the provisions of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the California Government Code, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

5.5 Notification of Limitations on Contributions. Through execution of this Agreement, the Developer acknowledges that it is familiar with Section 1.126 of City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City, whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until three (3) months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

5.6 Nondiscrimination. In the performance of this Agreement, Developer agrees not to discriminate on the basis of the fact or perception of a person's, race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes, against any City employee, employee of or applicant for employment with the Developer, or against any bidder or contractor for public works or improvements, or for a franchise, concession or lease of property, or for goods or services or supplies to be purchased by the Developer. A similar provision shall be included in all subordinate agreements let, awarded, negotiated or entered into by the Developer for the purpose of implementing this Agreement.

## **6. AMENDMENT; TERMINATION**

6.1 Amendment or Termination. Except as provided in Sections 6.2 (Automatic Termination) and 8.3 (Remedies for Default), this Agreement may only be amended or terminated with the mutual written consent of the Parties.

6.1.1 Amendment Exemptions. No amendment of a Project Approval shall require an amendment to this Agreement. Upon approval, any such matter shall be deemed to be incorporated automatically into the Project and this Agreement (subject to any conditions set forth in the amendment). Notwithstanding the foregoing, in the event of any direct conflict between the terms of this Agreement and any amendment to a Project Approval, then the terms of this Agreement shall prevail and any amendment to this Agreement shall be accomplished as set forth in Section 6.1 above.

6.2 Automatic Termination. This Agreement shall automatically terminate in the event that the Inclusionary Units are no longer subject to regulation as to the rental rates of the Inclusionary Units and/or the income level of households eligible to rent the Inclusionary Units under the Affordable Housing Program, or successor program.

## **7. TRANSFER OR ASSIGNMENT; RELEASE; RIGHTS OF MORTGAGEES; CONSTRUCTIVE NOTICE**

7.1 Agreement Runs With The Land. Developer may assign or transfer its rights, duties and obligations under the Project Approval and this Agreement and/or convey any interest it owns in the Property to another person or entity without City consent, provided such entity is the legal and equitable fee owner or lessee of the Property (“Transferee”). Owner acknowledges that the Project Approvals are dependent on this Agreement, and that any party that wishes to develop some or all of the Project on the Property must assume all of Developer’s rights and obligations under this Agreement. Without limiting the foregoing, Owner hereby covenants and agrees that Owner will be deemed a Transferee for the purposes of this Agreement in the event Developer’s lease terminates, even absent an execution of an assignment of this Agreement, and shall therefore be subject to and bound by the all rights, duties, obligations and terms of this Agreement, including but not limited to the waivers set forth in this Agreement, insofar as the Owner continues to own and operate the Project in accordance with the Project Approvals. As provided in Section 9.2, following recordation this Agreement will run with the land and any Transferee will be bound by all of the terms and conditions of this Agreement.

7.2 Rights of Developer. The provisions in this Section 7 shall not be deemed to prohibit or otherwise restrict Developer from (i) granting easements or licenses or similar agreements to facilitate development of the Property, (ii) encumbering the Property or any portion of the improvements thereon by any mortgage, deed of trust, or other device securing financing with respect to the Property or Project, (iii) granting one or more leasehold interests in all or any portion of the Property, or (iv) transferring all or a portion of the Property pursuant to a sale, transfer pursuant to foreclosure, conveyance in lieu of foreclosure, or other remedial action in connection with a mortgage. None of the terms, covenants, conditions, or restrictions of this Agreement or the Project Approvals shall be deemed waived by City by reason of the rights given to the Developer pursuant to this Section 7.2. Furthermore, although the Developer initially intends to operate the Project on a rental basis, nothing in this Agreement shall prevent Developer from later selling all or part of the Project on a condominium basis, provided that such sale is permitted by, and complies with, all applicable City and State laws including, but not limited to that, with respect to any inclusionary units, those shall only be sold pursuant to the City Procedures for sale of inclusionary units under the Affordable Housing Program.

7.3 Developer's Responsibility for Performance. If Developer transfers or assigns all or any portion of the Property or any interest therein to any other person or entity, Developer shall continue to be responsible for performing the obligations under this Agreement as to the transferred property interest until such time as there is delivered to the City a legally binding agreement pursuant to which the Transferee assumes and agrees to perform Developer's obligations under this Agreement from and after the date of transfer of the Property (or an interest therein) to the Transferee (an "Assignment and Assumption Agreement"), but not thereafter. The City is entitled to enforce each and every such obligation assumed by the Transferee directly against the Transferee as if the Transferee were an original signatory to this Agreement with respect to such obligation. Accordingly, in any action by the City against a Transferee to enforce an obligation assumed by the Transferee, the Transferee shall not assert any defense against the City's enforcement of performance of such obligation that is attributable to Developer's breach of any duty or obligation to the Transferee arising out of the transfer or assignment, the Assignment and Assumption Agreement, the purchase and sale agreement, or any other agreement or transaction between the Developer and the Transferee. The transferor Developer shall remain responsible for the performance of all of its obligations under the Agreement prior to the date of transfer, and shall remain liable to the City for any failure to perform such obligations prior to the date of the transfer.

7.4 Release Upon Transfer or Assignment. Upon the Developer's transfer or assignment of all or a portion of the Property or any interest therein, including the Developer's rights and interests under this Agreement, the Developer shall be released from any obligations required to be performed from and after the date of transfer under this Agreement with respect to the portion of the Property so transferred; provided, however, that (i) the Developer is not then in default under this Agreement and (ii) the Transferee executes and delivers to the City the legally binding Assignment and Assumption Agreement. Following any transfer, in accordance with the terms of this Section 7, a default under this Agreement by the Transferee shall not constitute a default by the Developer under this Agreement and shall have no effect upon the Developer's rights under this Agreement as to the remaining portions of the Property leased by the Developer. Further, a default under this Agreement by the Developer as to any portion of the Property not transferred or a default under this agreement by the Developer prior to the date of transfer shall not constitute a default by the Transferee and shall not affect any of Transferee's rights under this Agreement.

7.5 Rights of Mortgagees; Not Obligated to Construct; Right to Cure Default.

7.5.1 Notwithstanding anything to the contrary contained in this Agreement (including without limitation those provisions that are or are intended to be covenants running with the land), a mortgagee or beneficiary under a deed of trust, including any mortgagee or beneficiary who obtains title to the Property or any portion thereof as a result of foreclosure proceedings or conveyance or other action in lieu thereof, or other remedial action, ("Mortgagee") shall not be obligated under this Agreement to construct or complete the Inclusionary Units required by this Agreement or to guarantee their construction or completion solely because the Mortgagee holds a mortgage or other interest in the Property or this Agreement. A breach of any obligation secured by any mortgage or other lien against the mortgaged interest or a foreclosure under any mortgage or other lien shall not by itself defeat,

diminish, render invalid or unenforceable, or otherwise impair the obligations or rights of the Developer under this Agreement.

7.5.2 Subject to the provisions of Section 7.5.1, any person, including a Mortgagee, who acquires title to all or any portion of the mortgaged property by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise shall succeed to all of the rights and obligations of the Developer under this Agreement and shall take title subject to all of the terms and conditions of this Agreement. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote any portion of the Property to any uses, or to construct any improvements, other than the uses and improvements provided for or authorized by the Project Approvals and this Agreement.

7.5.3 If City receives a written notice from a Mortgagee or from Developer requesting a copy of any Notice of Default delivered to Developer and specifying the address for service thereof, then City shall deliver to such Mortgagee, concurrently with service thereon to Developer, any Notice of Default delivered to Developer under this Agreement. In accordance with Section 2924 of the California Civil Code, City hereby requests that a copy of any notice of default and a copy of any notice of sale under any mortgage or deed of trust be mailed to City at the address shown on the first page of this Agreement for recording, provided that no Mortgagee or trustee under a deed of trust shall incur any liability to the City for any failure to give any such notice of default or notice of sale except to the extent the City records a request for notice of default and notice of sale in compliance with Section 2924b of the California Civil Code (a "Request for Special Notice") with respect to a specific mortgage or deed of trust and the Mortgagee or trustee fails to give any notice required under Section 2924b of the California Civil Code as a result of the recordation of a Request for Special Notice.

7.5.4 A Mortgagee shall have the right, at its option, but no obligation, to cure any default or breach by the Developer under this Agreement within the same time period as Developer has to remedy or cause to be remedied any default or breach, plus an additional period of (i) thirty (30) calendar days to cure a default or breach by the Developer to pay any sum of money required to be paid hereunder and (ii) ninety (90) days to cure or commence to cure a non-monetary default or breach and thereafter to pursue such cure diligently to completion; provided that if the Mortgagee cannot cure a non-monetary default or breach without acquiring title to the Property, then so long as Mortgagee is diligently pursuing foreclosure of its mortgage or deed of trust, Mortgagee shall have until ninety (90) days after completion of such foreclosure to cure such non-monetary default or breach. Mortgagee may add the cost of such cure to the indebtedness or other obligation evidenced by its mortgage, provided that if the breach or default is with respect to the construction of the improvements on the Property, nothing contained in this Section or elsewhere in this Agreement shall be deemed to permit or authorize such Mortgagee, either before or after foreclosure or action in lieu thereof or other remedial measure, to undertake or continue the construction or completion of the improvements (beyond the extent necessary to conserve or protect improvements or construction already made) without first having expressly assumed the obligation to the City, by written agreement reasonably satisfactory to the City, to complete in the manner provided in this Agreement the improvements on the Property or the part thereof to which the lien or title of such Mortgagee relates. Notwithstanding a Mortgagee's agreement to assume the obligation to complete in the manner provided in this Agreement the

improvements on the Property or the part thereof acquired by such Mortgagee, the Mortgagee shall have the right to abandon completion of the improvement at any time thereafter.

7.5.5 If at any time there is more than one mortgage constituting a lien on any portion of the Property, the lien of the Mortgagee prior in lien to all others on that portion of the mortgaged property shall be vested with the rights under this Section 7.5 to the exclusion of the holder of any junior mortgage; provided that if the holder of the senior mortgage notifies the City that it elects not to exercise the rights sets forth in this Section 7.5, then each holder of a mortgage junior in lien in the order of priority of their respective liens shall have the right to exercise those rights to the exclusion of junior lien holders. Neither any failure by the senior Mortgagee to exercise its rights under this Agreement nor any delay in the response of a Mortgagee to any notice by the City shall extend Developer's or any Mortgagee's rights under this Section 7.5. For purposes of this Section 7.5, in the absence of an order of a court of competent jurisdiction that is served on the City, a then current title report of a title company licensed to do business in the State of California and having an office in the City setting forth the order of priority of lien of the mortgages shall be reasonably relied upon by the City as evidence of priority. Nothing in this Agreement shall impair the foreclosure rights of any mortgagee.

7.6 Constructive Notice. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Project or the Property is and shall be constructively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project or the Property.

## **8. ENFORCEMENT OF AGREEMENT; REMEDIES FOR DEFAULT; DISPUTE RESOLUTION**

8.1 Enforcement. The only parties to this Agreement are the City and the Developer. This Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person or entity whatsoever.

8.2 Default. For purposes of this Agreement, the following shall constitute a default under this Agreement: the failure to perform or fulfill any material term, provision, obligation, or covenant hereunder and the continuation of such failure for a period of thirty (30) calendar days following a written notice of default and demand for compliance; provided, however, if a cure cannot reasonably be completed within thirty (30) days, then it shall not be considered a default if a cure is commenced within said 30-day period and diligently prosecuted to completion thereafter, but in no event later than one hundred twenty (120) days.

8.3 Remedies for Default. In the event of an uncured default under this Agreement, the remedies available to a Party shall include specific performance of the Agreement in addition to any other remedy available at law or in equity. In addition, the non-defaulting Party may terminate this Agreement subject to the provisions of this Section 8 by sending a Notice of Intent to Terminate to the other Party setting forth the basis for the termination. The Agreement will be considered terminated effective upon receipt of a Notice of Termination. The Party receiving the Notice of Termination may take legal action available at law or in equity if it believes the other Party's decision to terminate was not legally supportable.

8.4 No Waiver. Failure or delay in giving notice of default shall not constitute a waiver of default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failure or delay by a Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies; nor shall it deprive any such Party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert, or enforce any such rights or remedies.

## 9. MISCELLANEOUS PROVISIONS

9.1 Entire Agreement. This Agreement, including the preamble paragraph, Recitals and Exhibits, constitute the entire understanding and agreement between the Parties with respect to the subject matter contained herein.

9.2 Binding Covenants; Run With the Land. From and after recordation of this Agreement, which shall be done in accordance with the terms of Section 9.14, all of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the Parties, and their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, and all persons or entities acquiring the Property, any lot, parcel or any portion thereof, or any interest therein, whether by sale, operation of law, or in any manner whatsoever, and shall inure to the benefit of the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns. Regardless of whether the procedures in Section 7 are followed, following recordation of this Agreement all of its provisions shall be enforceable during the term hereof as equitable servitudes and constitute covenants and benefits running with the land pursuant to applicable law, including but not limited to California Civil Code Section 1468.

9.3 Applicable Law and Venue. This Agreement has been executed and delivered in and shall be interpreted, construed, and enforced in accordance with the laws of the State of California. All rights and obligations of the Parties under this Agreement are to be performed in the City and County of San Francisco, and such City and County shall be the venue for any legal action or proceeding that may be brought, or arise out of, in connection with or by reason of this Agreement.

9.4 Construction of Agreement. The Parties have mutually negotiated the terms and conditions of this Agreement and its terms and provisions have been reviewed and revised by legal counsel for both City and Developer. Accordingly, no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement. Language in this Agreement shall be construed as a whole and in accordance with its true meaning. The captions of the paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of construction. Each reference in this Agreement to this Agreement or any of the Project Approvals shall be deemed to refer to the Agreement or the Project Approval as it may be amended from time to time pursuant to the provisions of the Agreement, whether or not the particular reference refers to such possible amendment.

9.5 Project Is a Private Undertaking; No Joint Venture or Partnership.

9.5.1 The development proposed to be undertaken by Developer on the Property is a private development. The City has no interest in, responsibility for, or duty to third persons concerning any of said improvements. The Developer shall exercise full dominion and control over the Property, subject only to the limitations and obligations of the Developer contained in this Agreement or in the Project Approvals.

9.5.2 Nothing contained in this Agreement, or in any document executed in connection with this Agreement, shall be construed as creating a joint venture or partnership between the City and the Developer. Neither Party is acting as the agent of the other Party in any respect hereunder. The Developer is not a state or governmental actor with respect to any activity conducted by the Developer hereunder.

9.6 Signature in Counterparts. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

9.7 Time of the Essence. Time is of the essence in the performance of each and every covenant and obligation to be performed by the Parties under this Agreement.

9.8 Notices. Any notice or communication required or authorized by this Agreement shall be in writing and may be delivered personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or registered mail, shall be deemed to have been given and received upon the actual receipt by any of the addressees designated below as the person to whom notices are to be sent. Either Party to this Agreement may at any time, upon written notice to the other Party, designate any other person or address in substitution of the person and address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

**To City:**

John Rahaim  
Director of Planning  
San Francisco Planning Department  
1650 Mission Street  
San Francisco, California 94102

with a copy to:

Dennis J. Herrera, Esq.  
City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Attn: Evan A. Gross, Dep. City Attorney

**To Developer:**

Greystar GP II, LLC  
c/o Greystar Development  
221 Main Street, Suite 1280  
San Francisco, CA 94105  
Tel: (415) 489-3907  
Attn: Randall Ackerman

and a copy to:

Reuben, Junius & Rose, LLP  
One Bush Street, Suite 600  
San Francisco, CA 94104  
Tel: (415) 567-9000  
Fax: (415) 399-9480  
E-mail: msarjapur@reubenlaw.com  
Attn: Melinda Sarjapur

**To Owner:**

2198 Market Street, LLC  
2727 Ortega Street  
San Francisco, CA 94122  
Fax: (425) 759-7927  
Tel: (415) 759-7927  
E-mail: ananman@yahoo.com  
Attn: Stanley W. Wong, Trustee

and a copy to:

Cox, Castle & Nicholson LLP  
555 California Street, 10<sup>th</sup> Floor  
San Francisco, California 94104  
Tel: (415) 392-4200  
Fax: (415) 392-4250  
E-mail: sbrooks@coxcastle.com  
Attn: Scott Brooks

9.9 Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect unless enforcement of the remaining portions of the Agreement would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.



9.10 MacBride Principles. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 et seq. The City also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Developer acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

9.11 Tropical Hardwood and Virgin Redwood. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product.

9.12 Sunshine. The Developer understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov't Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder are public records subject to public disclosure.

9.13 Effective Date. This Agreement will become effective on the date that the last Party duly executes and delivers this Agreement.

9.14 Recordation. Neither City nor Developer shall record this Agreement until after Developer has exercised its option right to lease the Property from Owner. In the event that Developer does not exercise the option right described herein, the Agreement shall not be recorded. The Parties acknowledge that a building permit authorizing construction of the Project will not be issued until this Agreement has been recorded, unless the Project has first received approval from all required City agencies to alter its method of compliance with the Affordable Housing Program, and Developer is in compliance with the Affordable Housing Program.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

**CITY**

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

Approved as to form:  
Dennis J. Herrera, City Attorney

By: \_\_\_\_\_  
John Rahaim  
Director of Planning

By: \_\_\_\_\_  
  
Evan A. Gross  
Deputy City Attorney

**DEVELOPER**

GREYSTAR GP II, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

**OWNER**

2198 MARKET STREET, LLC,  
a California limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

(Notary Seal)

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_

Signature of Notary Public

(Notary Seal)

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

**CITY**

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

Approved as to form:  
Dennis J. Herrera, City Attorney

By: \_\_\_\_\_  
John Rahaim  
Director of Planning

By: \_\_\_\_\_  
Evan A. Gross  
Deputy City Attorney

**DEVELOPER**

GREYSTAR GP II, LLC,  
a Delaware limited liability company

By: *Randall Achen*

Its: SR. DEVELOPMENT DIRECTOR

**OWNER**

2198 MARKET STREET, LLC,  
a California limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

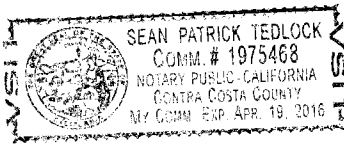
State of California

County of Contra Costa

On April 3 2014 before me, Sean Patrick Tedlock, Notary Public, personally appeared Randyll Ackerson, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



(Notary Seal)

Sean Patrick Tedlock

Signature of Notary Public

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

**CITY**

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

Approved as to form:  
Dennis J. Herrera, City Attorney

By: \_\_\_\_\_  
John Rahaim  
Director of Planning

By: \_\_\_\_\_  
Evan A. Gross  
Deputy City Attorney

**DEVELOPER**

Greystar GP II, LLC,  
a Delaware limited liability company

By: Greystar Development Corp.  
Its:

By: \_\_\_\_\_

Its: \_\_\_\_\_

**OWNER**

2198 Market Street, LLC

By: 

Its: MANAGING MEMBER

SEE ATTACHED CERTIFICATE  
DATE 4/2/14 NOTARY INITIALS EH

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

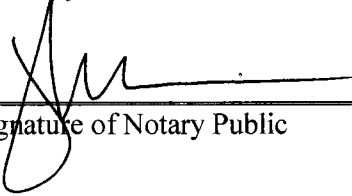
State of California

County of San Francisco

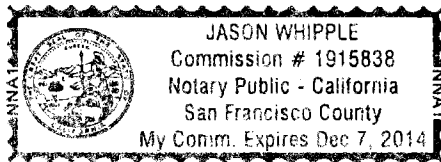
On April 2, 2014 before me, Jason Whipple, Notary Public, personally appeared Stanley W. Wong, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Signature of Notary Public

(Notary Seal)





## EXHIBIT A

### Legal Description of Property

The land referred to in this Commitment is situated in the City of San Francisco, County of San Francisco, State of California, and is described as follows:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE NORTHWESTERLY LINE OF MARKET STREET WITH THE EASTERLY LINE OF SANCHEZ STREET; RUNNING THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF MARKET STREET 188 FEET AND 8 INCHES; THENCE AT A RIGHT ANGLE NORTHWESTERLY 100 FEET TO A LINE DRAWN PARALLEL WITH THE NORTHWESTERLY LINE OF MARKET STREET, DISTANT 100 FEET THEREFROM; THENCE NORTHEASTERLY ALONG SAID LINE TO ITS INTERSECTION WITH A LINE DRAWN AT A RIGHT ANGLE EASTERLY FROM THE EASTERLY LINE OF SANCHEZ STREET FROM A POINT DISTANT, THEREON 275 FEET SOUTHERLY FROM ITS INTERSECTION WITH THE SOUTHERLY LINE OF FOURTEENTH STREET; THENCE WESTERLY AND ALONG SAID LINE SO DRAWN 100 FEET TO THE EASTERLY LINE OF SANCHEZ STREET; THENCE SOUTHERLY ALONG SAID LINE OF SANCHEZ STREET 214 FEET AND 7-1/4 INCHES, MORE OR LESS, TO THE POINT OF BEGINNING.

BEING A PORTION OF MISSION BLOCK NO. 98.

APN: Block 3542 Lot 039



# 2198 MARKET STREET

San Francisco, CA

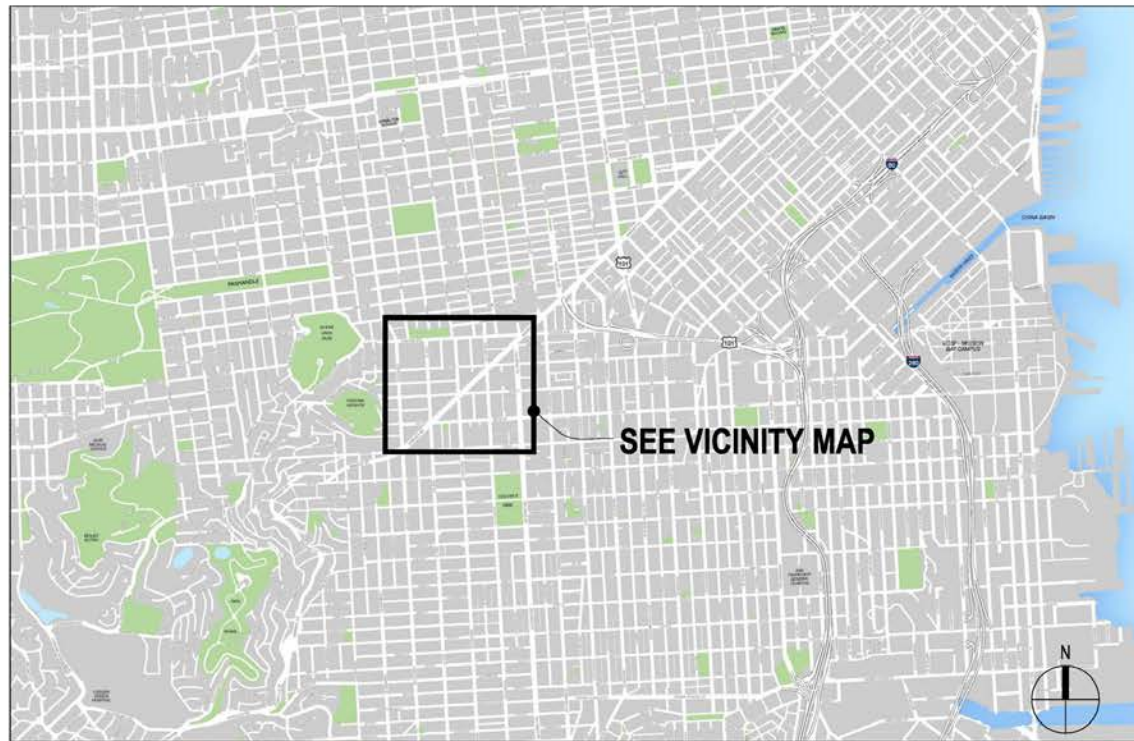
Case No. 2012.1362U  
April 24, 2014

PLANNING COMMISSION SUBMITTAL

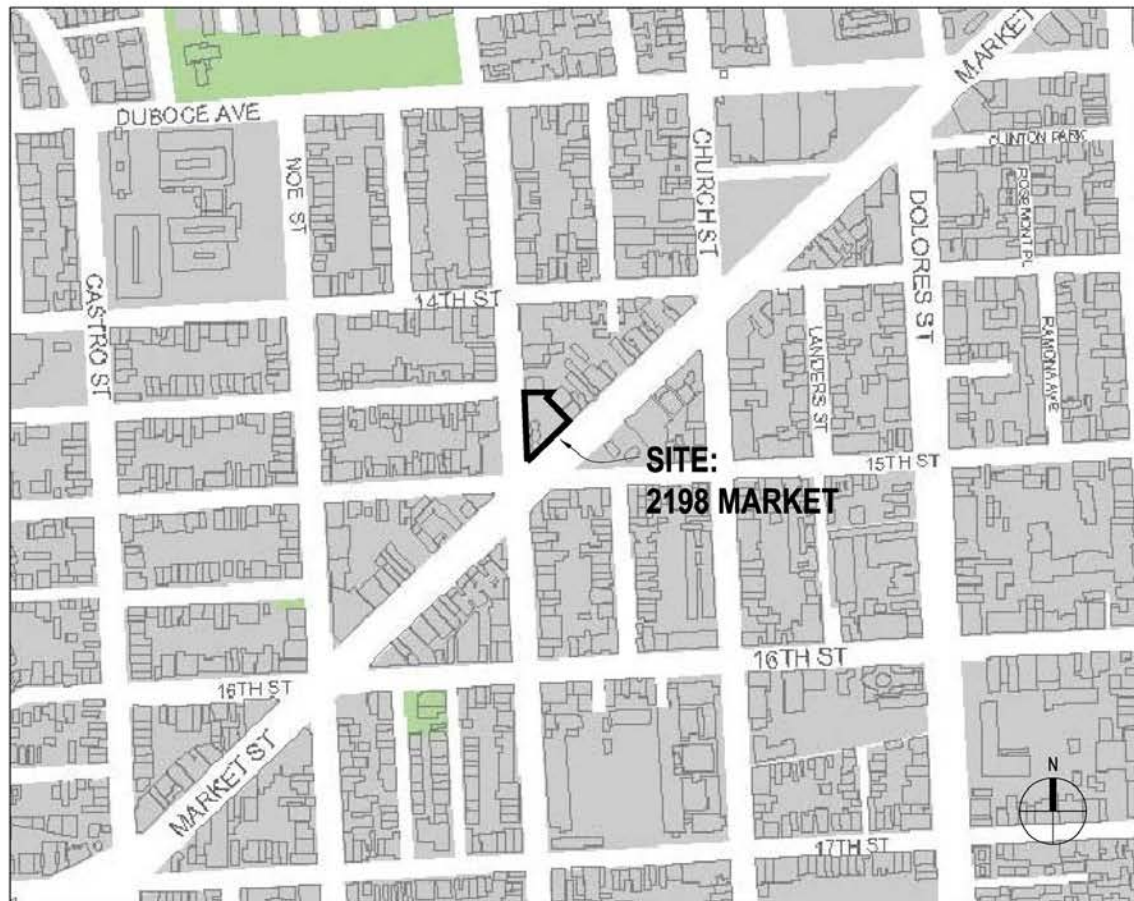
GREYSTAR

HELLER MANUS ARCHITECTS **HM**

**REGIONAL MAP**



**VICINITY MAP**



**PROJECT DIRECTORY**

**PROPERTY OWNER**  
**2198 MARKET STREET, LLC**  
 2727 ORTEGA STREET  
 SAN FRANCISCO, CA  
 415-412-1309  
 ANAMAN@YAHOO.COM

**APPLICANT**  
**GREYSTAR GP II, LLC**  
 211 MAIN STREET  
 SUITE 1280  
 SAN FRANCISCO, CA 94105  
 415-489-3907  
 VICTOR GONZALEZ, PROJECT COORDINATOR  
 vgonzalez@greystar.com 415-810-9052  
 RANDY ACKERMAN, SR. DEVELOPMENT DIRECTOR  
 rackerman@greystar.com

**DESIGN ARCHITECT**  
**HELLER MANUS ARCHITECTS**  
 600 MONTGOMERY STREET  
 SUITE 600  
 SAN FRANCISCO, CA 94111  
 415-247-1100  
 STEVE BUCHHOLZ, PROJECT MANAGER:  
 steveb@hellermanus.com  
 RICHARD KOZONO, SENIOR DESIGNER:  
 richk@hellermanus.com  
 JORDAN ROSE, PROJECT ARCHITECT:  
 jordanr@hellermanus.com

**EXECUTIVE ARCHITECT**  
**BDE ARCHITECTURE**  
 465 CALIFORNIA STREET  
 SUITE 1200  
 SAN FRANCISCO, CA 94104  
 415-967-6807  
 JON ENNIS, PRINCIPAL:  
 jennis@bdearch.com

**SHEET INDEX**

1	SHEET INDEX, PROJECT DIRECTORY, VICINITY MAPS
2	AREA SUMMARY
3	UNIT SUMMARY
4	PLANNING CODE SUMMARY
5	EXISTING CONDITIONS PLAN
6	CONTEXT SITE PLAN
7	MARKET ST. CONTEXT PHOTOS
8	SANCHEZ ST. CONTEXT PHOTOS
9	SANCHEZ ST. CONTEXT PHOTOS
10	LANDSCAPE / STREETScape PLAN
11	SANCHEZ STREETScape DETAILS
12	MARKET STREETScape DETAILS
13	STREETScape RENDERINGS
14	GROUND FLOOR PLAN
15	BASEMENT LEVEL PLAN
16	1.5 LEVEL PLAN
17	2ND LEVEL PLAN
18	3RD LEVEL PLAN
19	4TH LEVEL PLAN
20	5TH LEVEL PLAN
21	6TH LEVEL PLAN
22	MECHANICAL PENTHOUSE LEVEL PLAN
23	BICYCLE PARKING DETAILS
24	BUILDING SECTION A-A (MARKET ST.)
25	BUILDING SECTION B-B (SANCHEZ ST.)
26	MARKET ST. ELEVATION
27	SANCHEZ ST. ELEVATION
28	EAST ELEVATION
29	COURTYARD NORTH ELEVATION
30	COURTYARD EAST ELEVATION
31	MATERIALS BOARD
32	MATERIAL IMAGES
33	MARKET & SANCHEZ ST. LOOKING NORTHEAST
34	MARKET ST. LOOKING NORTH
35	MARKET ST. LOOKING WEST
36	SANCHEZ ST. LOOKING EAST
37	SANCHEZ ST. LOOKING SOUTH
38	SANCHEZ ST. RESIDENTIAL ENTRY
39	MARKET & SANCHEZ ST. CORNER

# 2198 Market Street

San Francisco, CA

Greystar Development  
Heller Manus Architects

April 24, 2014

<b>AREA SUMMARY</b>							
Level	Resid. GSF	Resid. Common GSF	Retail GSF	Leasing Office GSF	Parking GSF	Mech. GSF	Total GSF (Enclosed)
MP						2,175	2,175
6	11,227						11,227
5	11,333						11,333
4	11,506						11,506
3	16,689						16,689
2	15,211						15,211
1.5	5,471						5,471
1	5,115	3,675	5,115	685	770	288	15,648
B					16,707	1,704	18,411
<b>TOTAL</b>	76,552	3,675	5,115	685	17,477	4,167	107,671

<b>PARKING</b>			
Residential Parking Stalls	Carshare Stalls	Bicycle Stalls - Class 1	Bicycle Stalls - Class 2
		2	14
34	2	87	
34	2	89	14

<b>OPEN SPACE</b>		
Residential Common	Residential Private	Retail
7,165		
7,165	0	0

<b>UNIT SUMMARY</b>			
1 BR	2 BR	# Units	Level
			MP
6	6	12	6
5	7	12	5
5	7	12	4
10	8	18	3
12	6	18	2
7		7	1.5
6	2	8	1
			B
51	36	87	

<b>UNIT TYPES</b>
<b>UNIT RATIOS</b>

1 BR	2 BR	Total
58.62%	41.38%	100.00%

### **OPEN SPACE CALCULATIONS:**

**Residential - Common:**

87 units x 80 sf per unit = 6,960 sf common open space reqd.

Common Open Space Required = 6,960 sf  
Common Open Space Provided = 7,165 sf

### **REAR YARD CALCULATION:**

Total Site Area	18,626 sf
Proposed Dedication to Swedish Hall	-149 sf
Adjusted Site Area	18,477 sf
Rear Yard (Courtyard) Area	1,760 sf
Percentage of Site Area	9.53%

### **BICYCLE PARKING CALCULATIONS:**

**Residential - Class 1:**

Bicycle Space Required = 87  
Bicycle Space Provided = 87

**Retail - Class 1:**

Bicycle Space Required = 2  
Bicycle Space Provided = 2

**Residential - Class 2:**

Bicycle Space Required = 2  
Bicycle Space Provided = 2

**Retail - Class 2:**

Bicycle Space Required = 2  
Bicycle Space Provided = 12

# 2198 Market Street

San Francisco, CA

Greystar Development  
Heller Manus Architects

April 24, 2014

<b>UNITS BY FLOOR</b>											
			Unit Count by Floor							Totals	
Unit Type	Description	GSF	1st	1.5	2nd	3rd	4th	5th	6th	Unit Total	% of Mix
1A	1 Bed, 1 Bath	538	1	2	2					5	5.75%
1B	Open 1 Bed, 1 Bath	562	3							3	3.45%
1C	1 Bed, 1 Bath	591	1							1	1.15%
1D	1 Bed, 1 Bath	581	1		5	5	5	4	4	24	27.59%
1Da	1 Bed, 1 Bath	567						1	1	2	2.30%
1E	Open 1 Bed, 1 Bath	630		3	3	3				9	10.34%
1F	1 Bed, 1 Bath	664		1	1	1				3	3.45%
1G	1 Bed, 1 Bath	686			1	1				2	2.30%
1Ga	1 Bed, 1 Bath	658		1						1	1.15%
1H	1 Bed, 1 Bath + Office	885							1	1	1.15%
2A	2 Bed, 1 Bath	696						1	1	2	2.30%
2B	2 Bed, 1 Bath	839	1		1	1	1	1	1	6	6.90%
2C	2 Bed, 2 Bath	850			1					1	1.15%
2D	2 Bed, 2 Bath	873	1		1	1	1			4	4.60%
2E	2 Bed, 2 Bath	881				1	1			2	2.30%
2Ea	2 Bed, 2 Bath	901			1					1	1.15%
2F	2 Bed, 2 Bath	966			1	2	2	2		7	8.05%
2Fa	2 Bed, 2 Bath	963						1	1	2	2.30%
2Fb	2 Bed, 2 Bath	886			1					1	1.15%
2G	2 Bed, 2 Bath	979				1	1	1	1	4	4.60%
2H	2 Bed, 2 Bath	1,070				1				1	1.15%
2J	2 Bed, 1 Bath	966							1	1	1.15%
2K	2 Bed, 2 Bath	1,322				1	1	1	1	4	4.60%
<b>Total Quantity by Floor</b>			8	7	18	18	12	12	12	<b>87</b>	100.00%
<b>Gross Square Unit Feet By Floor*</b>			5,108	4,288	12,536	14,041	9,731	9,622	9,541	<b>64,867</b>	

<b>UNIT RATIOS</b>											
			Unit Count by Floor					Unit Total	Ratios		
Unit Type			1st	1.5	2nd	3rd	4th	5th	6th		
Open 1 BR/1 BR			6	7	12	10	5	5	6	51	58.62%
2 BR			2		6	8	7	7	6	36	41.38%
<b>Totals</b>			8	7	18	18	12	12	12	<b>87</b>	100.00%

**UNIT AREA CALCULATION METHODOLOGY:**

\*Gross Square Feet is calculated to outside face of exterior wall, outside face of corridor wall, centerline of party walls and inside face of core walls. The industry standard for measuring for multifamily apartment units is defined as the "GSF" above. This is consistent with "The Gross Method" per BOMA: Z65.4-2010 Multi-Unit Residential Buildings: Standard Methods of Measurement. Industry standard is that apartment units are measured using "The Gross Method", while for-sale condominium units utilize "The Net Method" (also known as "paint to paint").

Outdoor Area is Not Included in Building Totals

April 24, 2014

## 2198 Market Street

San Francisco, CA

**Parcel:** Block 3542, Lot 039  
**Lot Area:** 18,626 sf  
18,477 sf (after land dedication to Swedish Hall)

### Planning Code Summary

**Zoning District:** NCT  
(Sec. 733) Upper Market Neighborhood Commercial Transit District

The Upper Market Street district controls are designed to promote moderate-scale development which contributes to the definition of Market Street's design and character. They are also intended to preserve the existing mix of commercial uses and maintain the livability of the district and its surrounding residential areas. Large-lot and use development is reviewed for consistency with existing development patterns. Rear yards are protected at all levels. To promote mixed-use buildings, most commercial uses are permitted with some limitations above the second story. In order to maintain continuous retail frontage and preserve a balanced mix of commercial uses, ground-story neighborhood-serving uses are encouraged, and eating and drinking, entertainment, and financial service uses are limited. Ground floor-commercial space is required along Market and Church Streets. Most automobile and drive-up uses are prohibited or conditional.

Housing development in new buildings is encouraged above the second story. Existing upper-story residential units are protected by limitations on demolitions and upper-story conversions.

**Permitted Uses:** Residential, Retail, Commercial  
(Sec. 733.38-733.90) There are use restrictions based on which story they are located on.

**Street Frontage:** Neighborhood-serving ground floor retail along a minimum 75% of frontage required along Market Street  
(Sec. 733.13b)

**Height / Bulk Limits:** 40-X, 65-X  
(Zoning Map HT07)

**Ground Floor Ceiling Height:**  
(Sec. 145.1(c)(4)(B)) Ground floor non-residential uses in all C-3, C-M, NCT, DTR, Chinatown Mixed Use, RSD, SLR, SLI, SPD, SSO, MUG, MUR, and MUO Districts shall have a minimum floor-to-floor height of 14 feet, as measured from grade.

**Bulk Limits:** X bulk limit - Indicates no bulk controls, with limited exceptions  
(Sec. 270(d))

**Basic FAR:** 3.0 to 1  
(Sec. 733.20) This limit shall not apply to residential uses and non-accessory off-street parking.

**Residential Density:**  
(Sec. 733.9-733.92) No residential density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes.  
No group housing density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes.

**Minimum Dwelling Unit Mix:**  
(Sec. 207.6) For the RTO, Haves-Gough NCT, Upper Market Street NCT, and NCT-3 districts, no less than 40 percent of the total number of dwelling units on site shall contain at least two bedrooms. Any fraction resulting from this calculation shall be rounded to the nearest whole number of dwelling units. While existing dwelling units in buildings which do not comply with this Subsection need not be expanded to meet this requirement, all new dwelling units shall provide at least two bedrooms when less than 40 percent of the total number of dwelling units contain less than two bedrooms.

**Rear Yard:** An open rear yard depth equal to 25% of the lot depth but not less than 15 feet required from grade level and above.  
(Sec. 733.12)

**Open Space:**  
(Sec. 733.93)

**Residential:**  
Private Open Space:  
60 sf of usable open space required for each dwelling unit if all private  
Common Open Space:  
80 sf of common open space for each dwelling unit is used to satisfy all or part of the requirement for a dwelling unit

**DU Facing Open Area:**  
(Sec. 140)

With the exception of dwelling units in single room occupancy buildings in the South of Market base area, in each dwelling unit in any use district, the required windows of at least one room that meets the 120 square foot minimum superficial floor area requirement of Section 501.1 of the Housing Code shall face directly on an open area of one of the following types:

- (1) A public street, public alley at least 25 feet in width, side yard at least 25 feet in width, or rear yard meeting the requirements of this Code; provided, that if such windows are on an outer court whose width is less than 25 feet, the depth of such court shall be no greater than its width; or
- (2) An open area (whether an inner court or a space between separate buildings on the same lot) which is unobstructed (except for fire escapes not projecting more than necessary for safety and in no case more than four feet six inches, chimneys, and those obstructions permitted in Sections 136(c)(14), (15), (16), (19), (20) and (29) of this Code) and is no less than 25 feet in every horizontal dimension for the floor at which the dwelling unit in question is located and the floor immediately above it, with an increase of five feet in every horizontal dimension at each subsequent floor.

**Off-Street Parking:**  
(Sec. 733.94)

**Residential:**  
None required. Permitted up to 0.5 and conditional up to 0.75. Not permitted above 0.75 cars for each dwelling unit.

**Commercial / Institutional:**  
None required. For uses in Table 151 that are described as a ratio of occupied floor area, P up to 1 space per 1,500 feet of occupied floor area or the quantity specified in Table 151, whichever is less, and subject to the conditions of Section 151.1

**Off-Street Loading:**  
(Sec. 733.23)

Retail stores:		
0-10,000 GFA		0 space
10,001- 60,000 GFA		1 space
60,001- 100,000 GFA		2 spaces
over 100,000 GFA		3 plus 1 for each additional 80,000 sf

Apartments:		
0-100,000 GFA		0 space
100,001-200,000 GFA		1 space
200,001-500,000 GFA		2 spaces
over 500,000 GFA		3 plus 1 for each additional 400,000 sf

Minimum size for first required space:

Length:	25'	(35' typical)
Width:	10'	(12' typical)
Height:	12'	(14' typical)

**Car Share Parking:**  
(Sec. 166)

0-49 units:	0
50-200 units:	1

**Bicycle Parking:**  
(Sec. 155.1-155.4)

**Class 1 spaces required:**

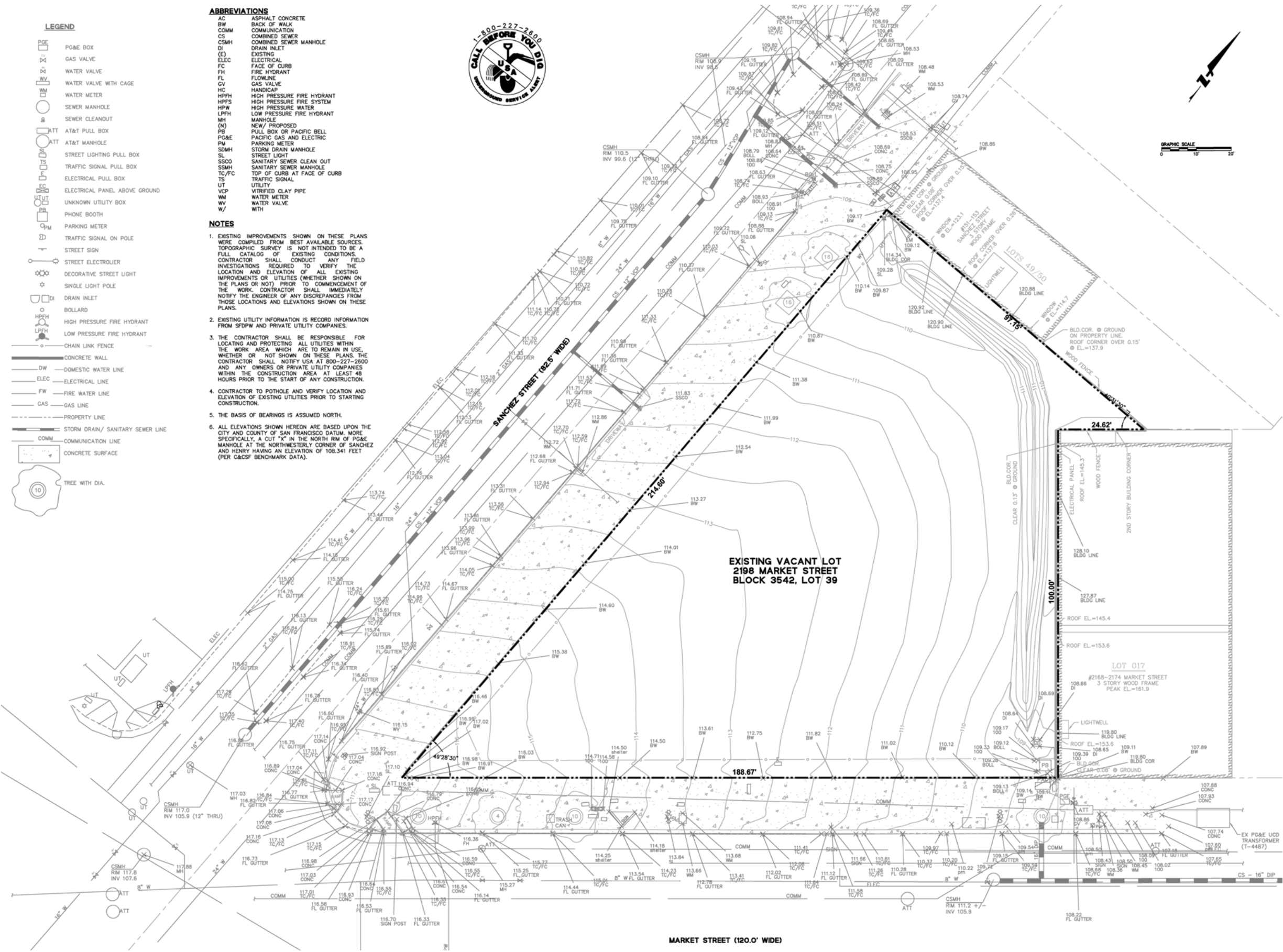
**Retail:**  
One Class 1 space for every 7,500 occupied square feet, except in no case less than two spaces for any use larger than 5,000 occupied square feet.

**Dwelling Units:**  
One Class 1 space for every dwelling unit  
For buildings containing over 100 dwelling units, 100 Class 1 spaces plus one Class 1 space for every four dwelling units over 100.

**Class 2 spaces required:**

**Retail:**  
One Class 2 space for any use between 2,500 and 5,000 occupied square feet.  
For uses between 5,000 and 50,000 occupied square feet, one Class 2 space, plus one Class 2 space for every 5,000 occupied square feet over 5,000.

**Dwelling Units:**  
For buildings with 25-99 units, two Class 2 spaces.  
For buildings with 100 or more units, two Class 2 spaces plus two Class 2 spaces for every additional 100 units.



**LEGEND**

- PG&E BOX
- GAS VALVE
- WATER VALVE
- WATER VALVE WITH CAGE
- HANDICAP
- WATER METER
- SEWER MANHOLE
- SEWER CLEANOUT
- AT&T PULL BOX
- AT&T MANHOLE
- STREET LIGHTING PULL BOX
- TRAFFIC SIGNAL PULL BOX
- ELECTRICAL PULL BOX
- ELECTRICAL PANEL ABOVE GROUND
- UNKNOWN UTILITY BOX
- PHONE BOOTH
- PARKING METER
- TRAFFIC SIGNAL ON POLE
- STREET SIGN
- STREET ELECTROULER
- DECORATIVE STREET LIGHT
- SINGLE LIGHT POLE
- DRAIN INLET
- BOLLARD
- HIGH PRESSURE FIRE HYDRANT
- LOW PRESSURE FIRE HYDRANT
- CHAIN LINK FENCE
- CONCRETE WALL
- DW - DOMESTIC WATER LINE
- ELEC - ELECTRICAL LINE
- FW - FIRE WATER LINE
- GAS - GAS LINE
- PROPERTY LINE
- SD/S - STORM DRAIN / SANITARY SEWER LINE
- COMM - COMMUNICATION LINE
- CONCRETE SURFACE
- TREE WITH DIA.

**ABBREVIATIONS**

- AC ASPHALT CONCRETE
- BW BACK OF WALK
- COMM COMMUNICATION
- CS COMBINED SEWER
- CSMH COMBINED SEWER MANHOLE
- DI DRAIN INLET
- E EXISTING
- ELEC ELECTRICAL
- FC FACE OF CURB
- FH FIRE HYDRANT
- FL FLOWLINE
- GV GAS VALVE
- HC HANDICAP
- HPFH HIGH PRESSURE FIRE HYDRANT
- HPFS HIGH PRESSURE FIRE SYSTEM
- HPW HIGH PRESSURE WATER
- LPFH LOW PRESSURE FIRE HYDRANT
- MH MANHOLE
- N NEW / PROPOSED
- PB PULL BOX OR PACIFIC BELL
- PG&E PACIFIC GAS AND ELECTRIC
- PM PARKING METER
- SDMH STORM DRAIN MANHOLE
- SL STREET LIGHT
- SSCO SANITARY SEWER CLEAN OUT
- SSMH SANITARY SEWER MANHOLE
- TC/FC TOP OF CURB AT FACE OF CURB
- TS TRAFFIC SIGNAL
- UT UTILITY
- VCP VITRIFIED CLAY PIPE
- WM WATER METER
- WV WATER VALVE
- W WITH

**NOTES**

1. EXISTING IMPROVEMENTS SHOWN ON THESE PLANS WERE COMPILED FROM BEST AVAILABLE SOURCES. TOPOGRAPHIC SURVEY IS NOT INTENDED TO BE A FULL CATALOG OF EXISTING CONDITIONS. CONTRACTOR SHALL CONDUCT ANY FIELD INVESTIGATIONS REQUIRED TO VERIFY THE LOCATION AND ELEVATION OF ALL EXISTING IMPROVEMENTS OR UTILITIES (WHETHER SHOWN ON THE PLANS OR NOT) PRIOR TO COMMENCEMENT OF THE WORK. CONTRACTOR SHALL IMMEDIATELY NOTIFY THE ENGINEER OF ANY DISCREPANCIES FROM THOSE LOCATIONS AND ELEVATIONS SHOWN ON THESE PLANS.
2. EXISTING UTILITY INFORMATION IS RECORD INFORMATION FROM SFPDW AND PRIVATE UTILITY COMPANIES.
3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR LOCATING AND PROTECTING ALL UTILITIES WITHIN THE WORK AREA WHICH ARE TO REMAIN IN USE, WHETHER OR NOT SHOWN ON THESE PLANS. THE CONTRACTOR SHALL NOTIFY USA AT 800-227-2600 AND ANY OWNERS OR PRIVATE UTILITY COMPANIES WITHIN THE CONSTRUCTION AREA AT LEAST 48 HOURS PRIOR TO THE START OF ANY CONSTRUCTION.
4. CONTRACTOR TO POTHOLE AND VERIFY LOCATION AND ELEVATION OF EXISTING UTILITIES PRIOR TO STARTING CONSTRUCTION.
5. THE BASIS OF BEARINGS IS ASSUMED NORTH.
6. ALL ELEVATIONS SHOWN HEREON ARE BASED UPON THE CITY AND COUNTY OF SAN FRANCISCO DATUM, MORE SPECIFICALLY, A CUT "X" IN THE NORTH RIM OF PG&E MANHOLE AT THE NORTHWESTERLY CORNER OF SANCHEZ AND HENRY HAVING AN ELEVATION OF 108.341 FEET (PER G&CSF BENCHMARK DATA).



EXISTING VACANT LOT  
2198 MARKET STREET  
BLOCK 3542, LOT 39

**2198 MARKET STREET**  
SAN FRANCISCO, CA

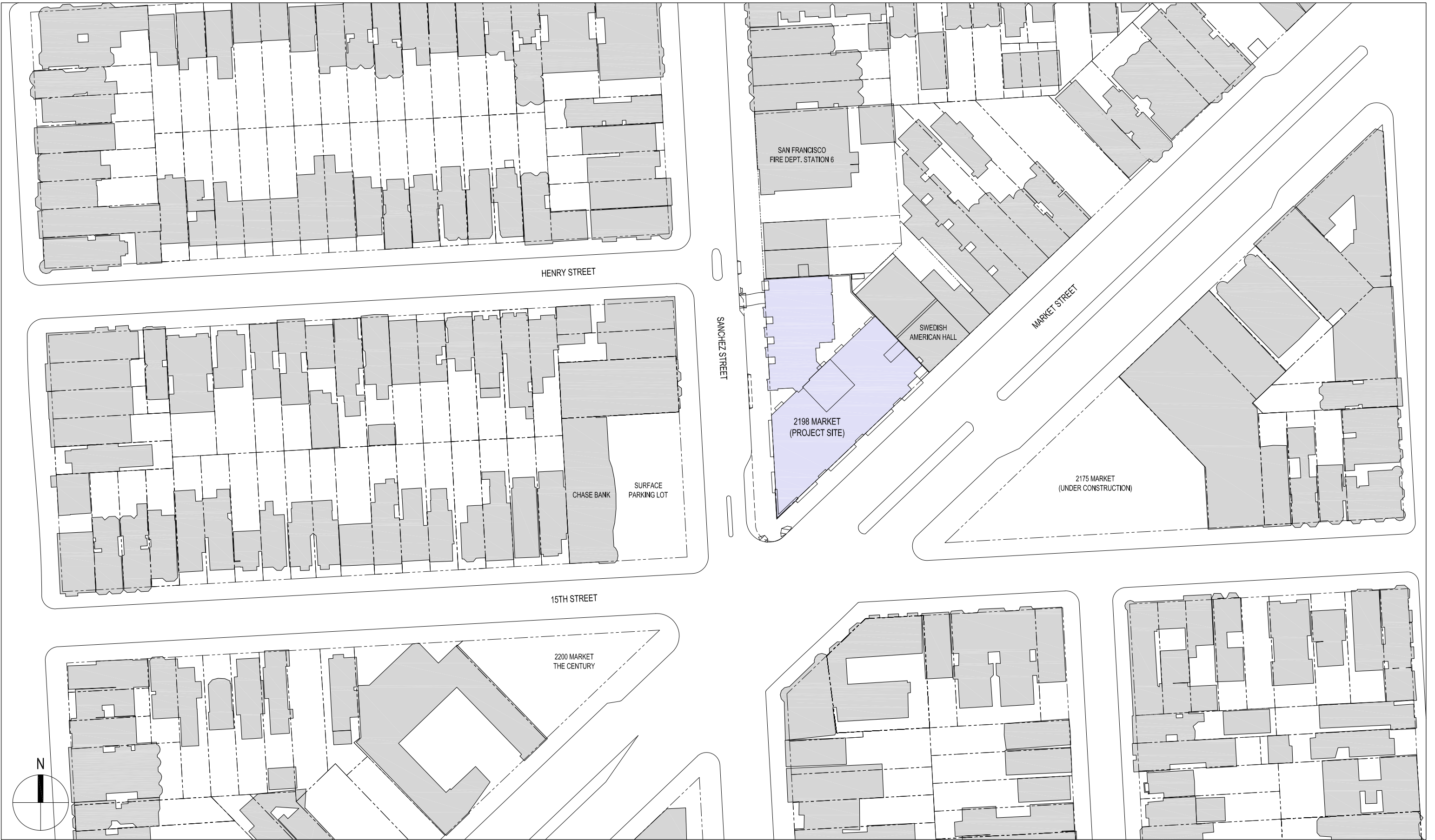
EXISTING CONDITIONS PLAN

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SCALE: 1"=80'-0"  
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# 2198 MARKET STREET

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CONTEXT SITE PLAN

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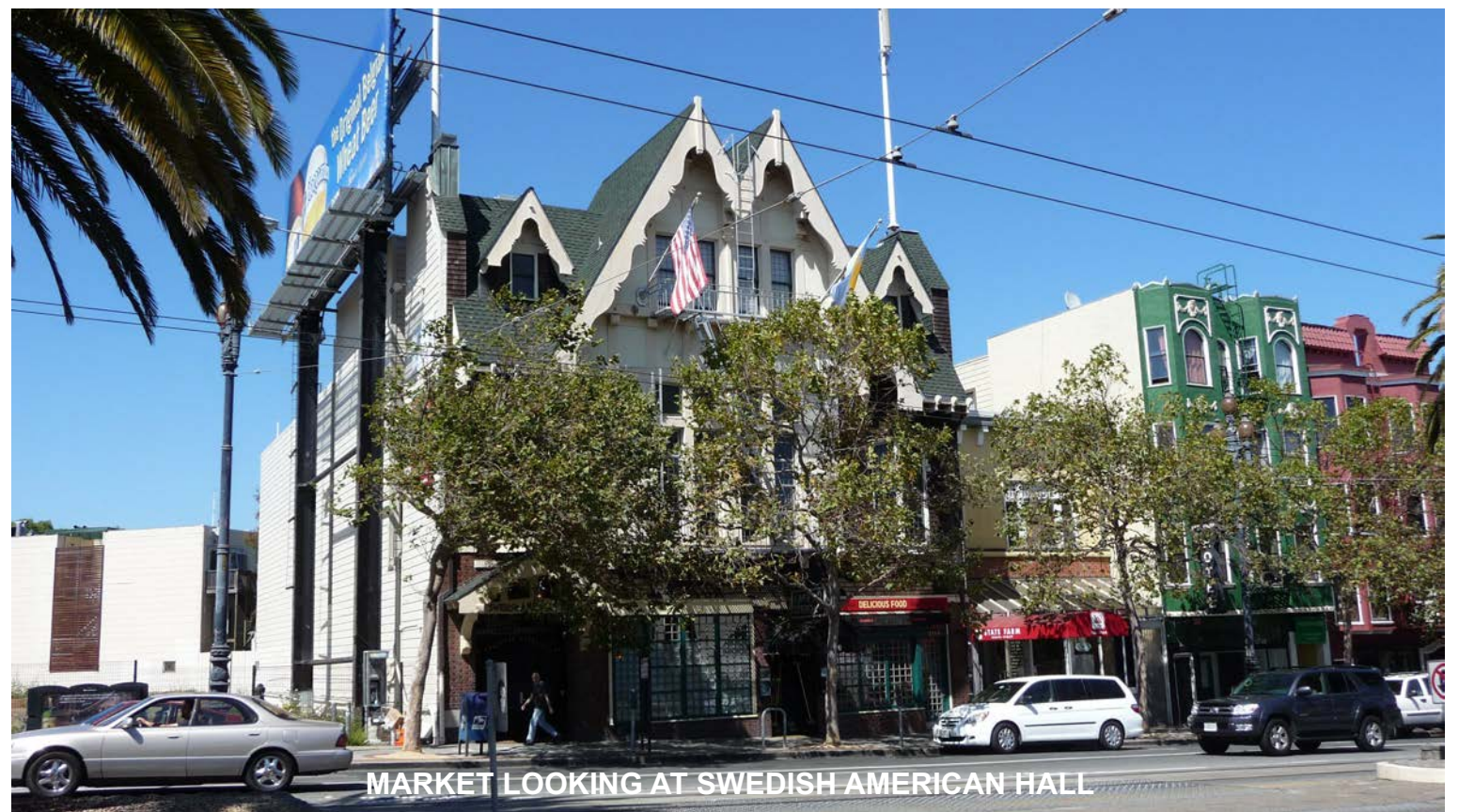
MARKET & SANCHEZ LOOKING NORTH



MARKET LOOKING WEST



MARKET LOOKING WEST



MARKET LOOKING AT SWEDISH AMERICAN HALL

APRIL 24, 2014

GRAYSTAR DEVELOPMENT

# 2198 MARKET STREET

SAN FRANCISCO, CA

MARKET STREET CONTEXT PHOTOS

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15TH & SANCHEZ LOOKING EAST



CHASE PARKING LOT LOOKING EAST



SANCHEZ LOOKING NORTH



SANCHEZ LOOKING NORTH AT ADJACENT BUILDING



SANCHEZ LOOKING AT FIRE STATION



SANCHEZ LOOKING SOUTH



SANCHEZ LOOKING SOUTH



SANCHEZ & HENRY LOOKING WEST

APRIL 24, 2014

GRAYSTAR DEVELOPMENT

# 2198 MARKET STREET

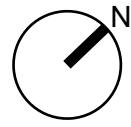
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SANCHEZ STREET CONTEXT PHOTOS

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- Shrub Planting
- (4) Infiltration Planter
- Permeable Paver Bands
- Planting Bands
- New Street Trees
- Bike Racks
- Below-Grade Utility Vault
- (4) Seatwall
- Potential Movable Cafe Furniture
- Trash Receptacle
- RESIDENTIAL
- RESIDENTIAL
- RETAIL
- RESIDENTIAL
- Gravel Walkways
- Berms w/ 4" - 8" L Slate Chips & Polystyrene Fill as Required to Limit Weight
- Bamboo
- Shrub Planting
- Uplight Typ
- Brick Paving Bands to Match Existing
- New Circular Benches
- (3) Existing Street Lights
- (3) Existing Trees to Remain
- Relocated Existing Information Display Fixture



APRIL 24, 2014

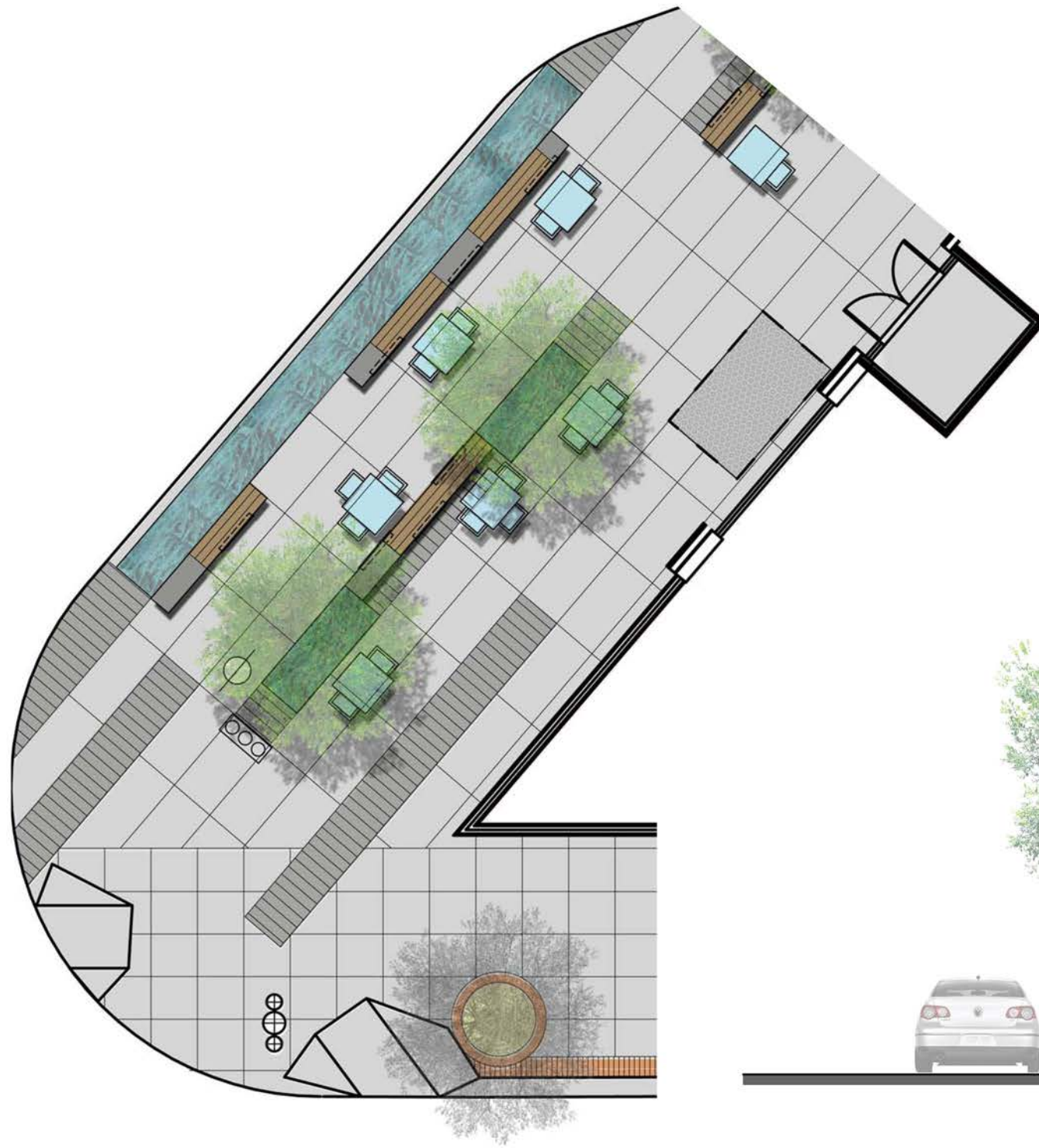
GREYSTAR DEVELOPMENT

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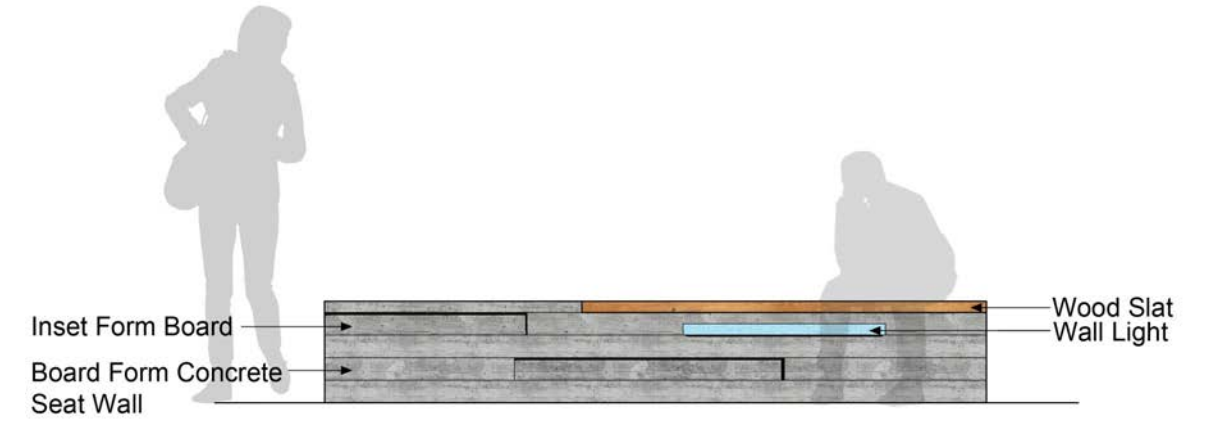
SAN FRANCISCO, CA

LANDSCAPE / STREETScape PLAN

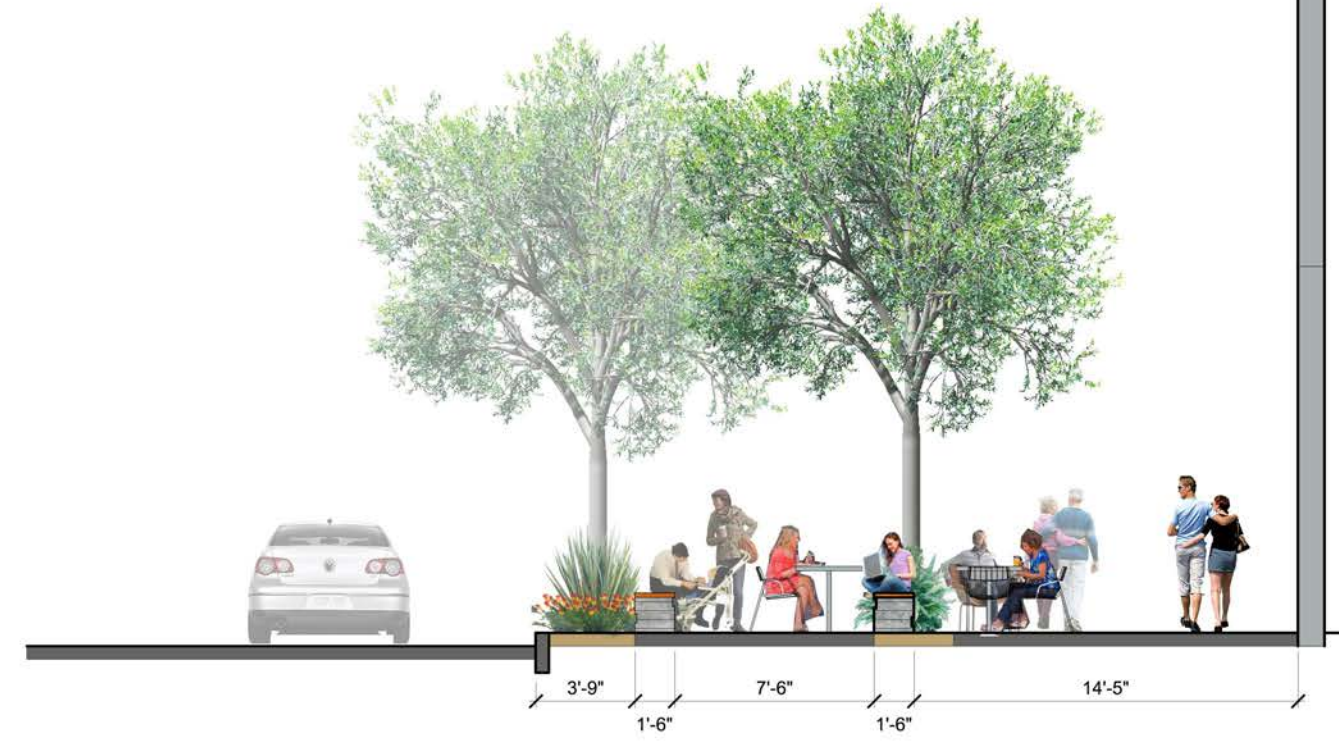




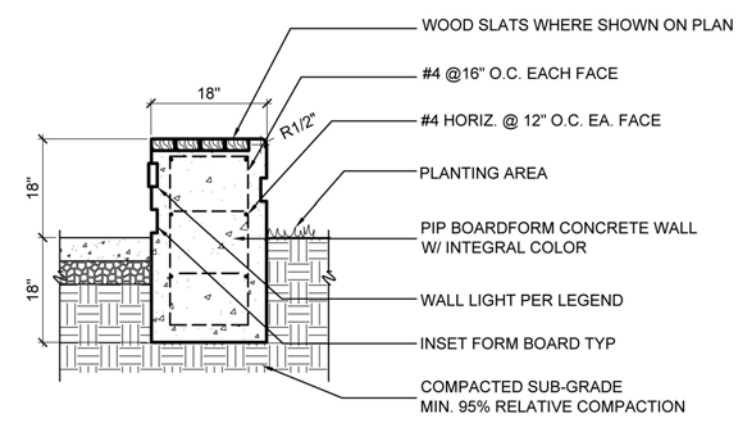
Sanchez Street Detail Plan



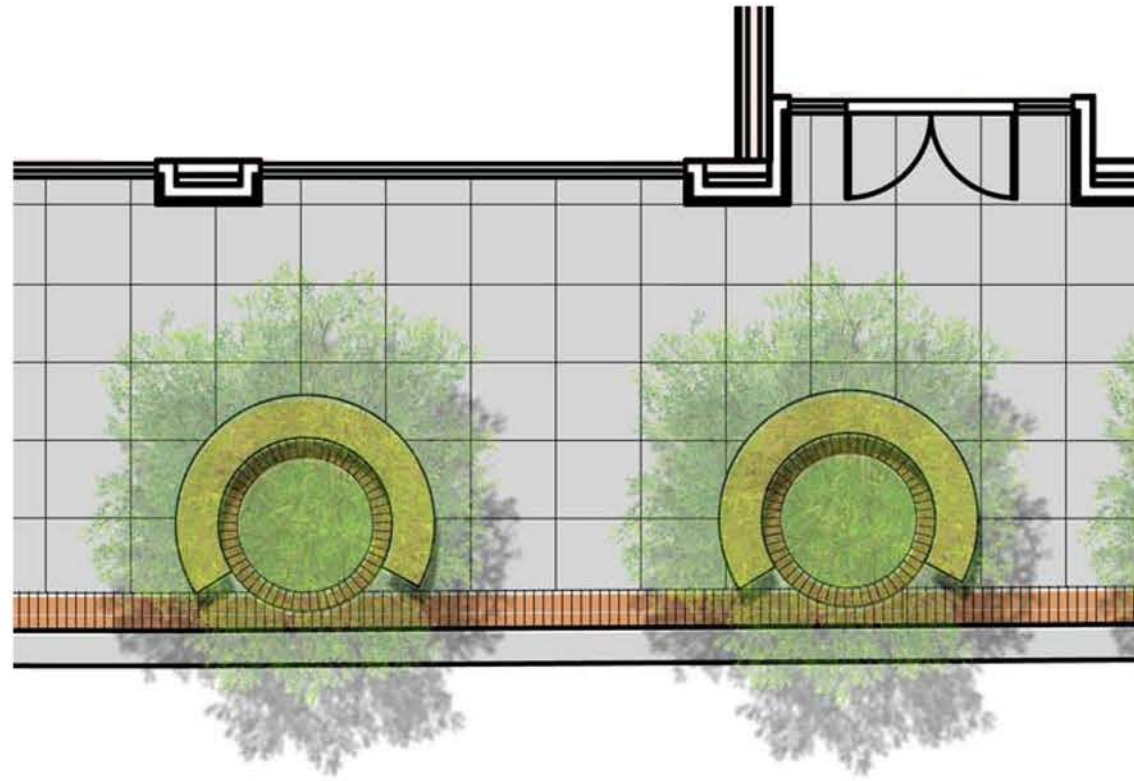
Seatwall Elevation



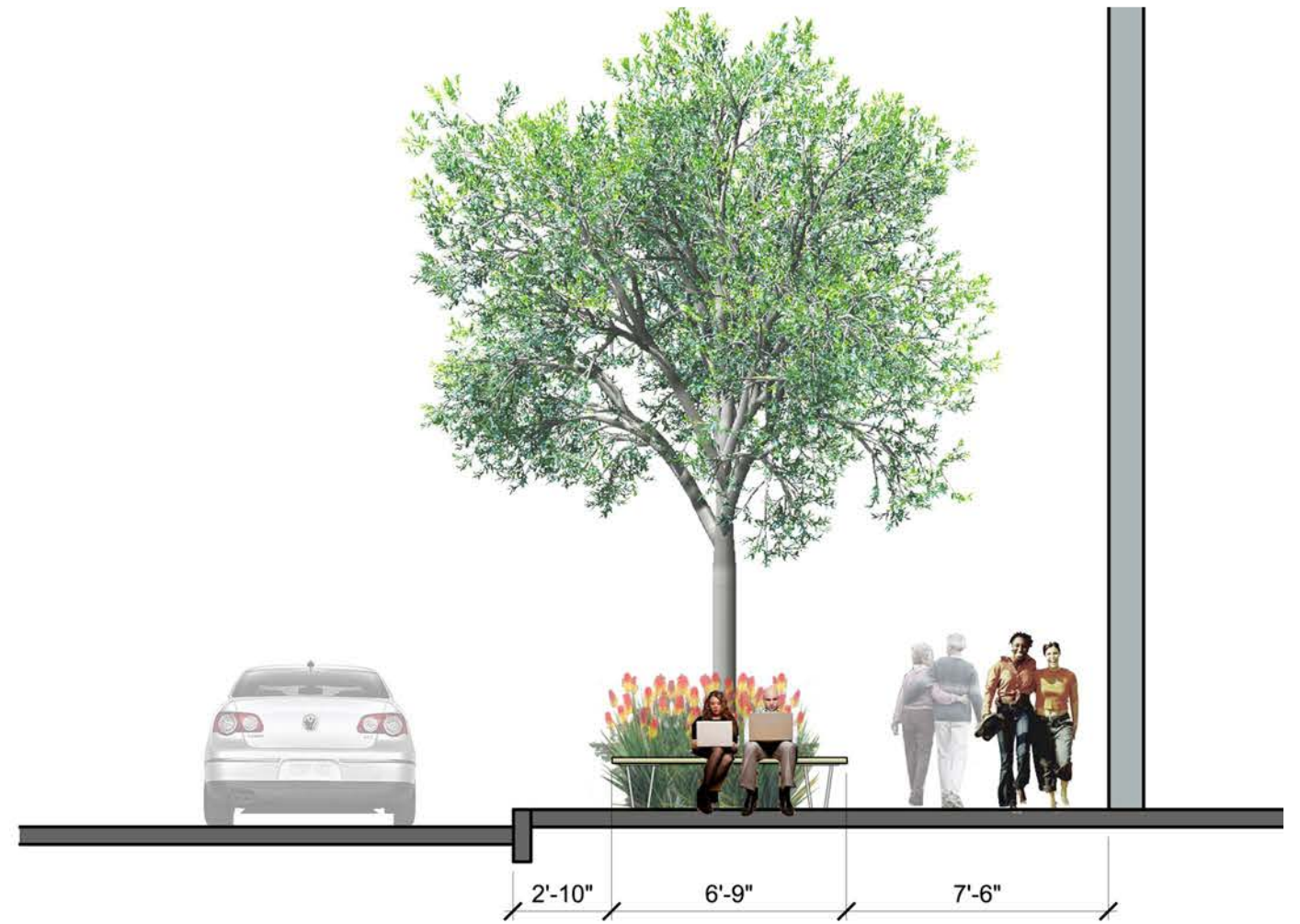
Sanchez Street Section



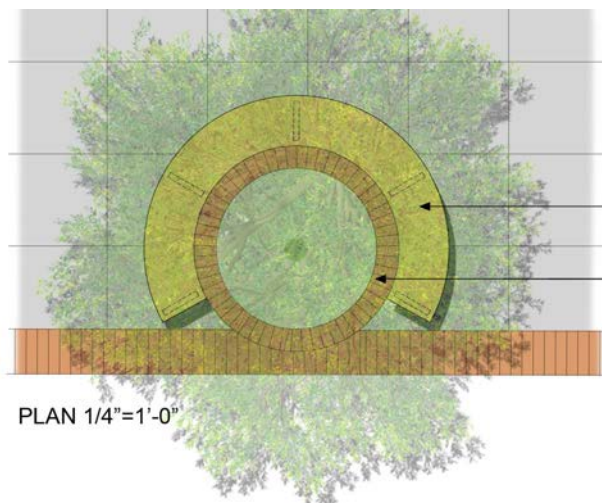
Seatwall Section



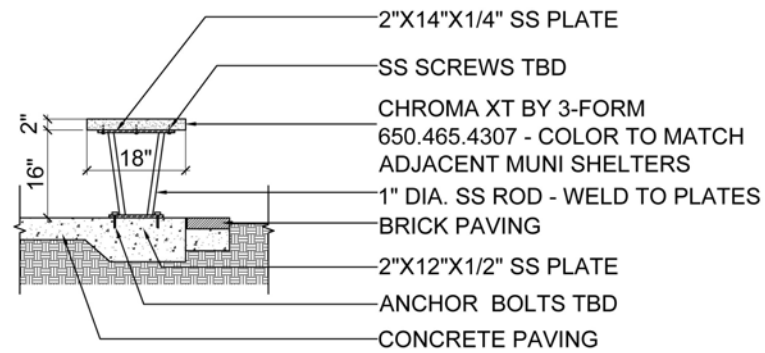
Market Street Detail Plan



Market Street Section



Market St. Bench Plan



Market St. Bench Section



Similar 3Form Bench



Market St. MUNI Shelter with 3Form Roof



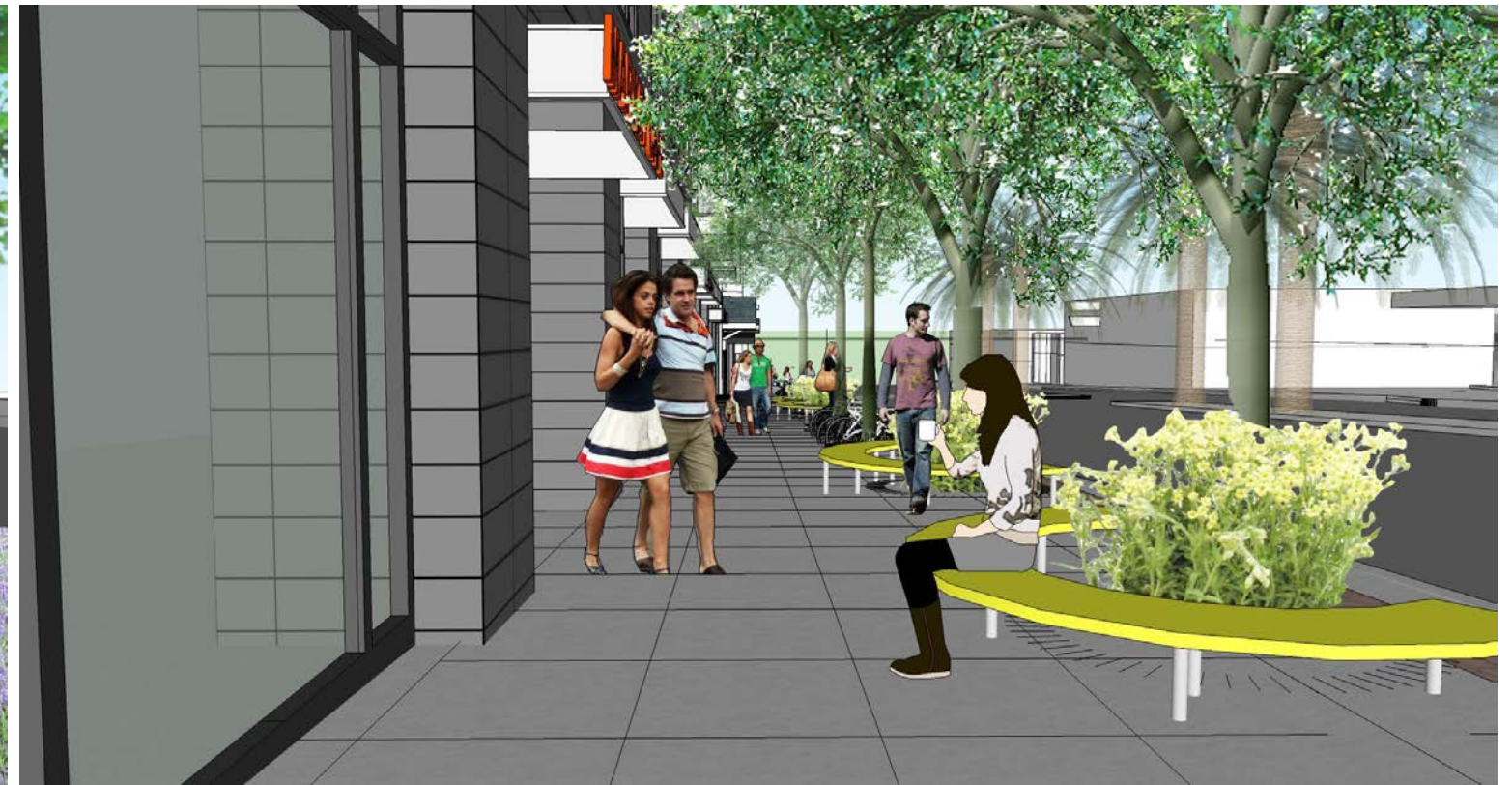
Sanchez St. Bulbout looking North



Sanchez St. Bulbout looking South

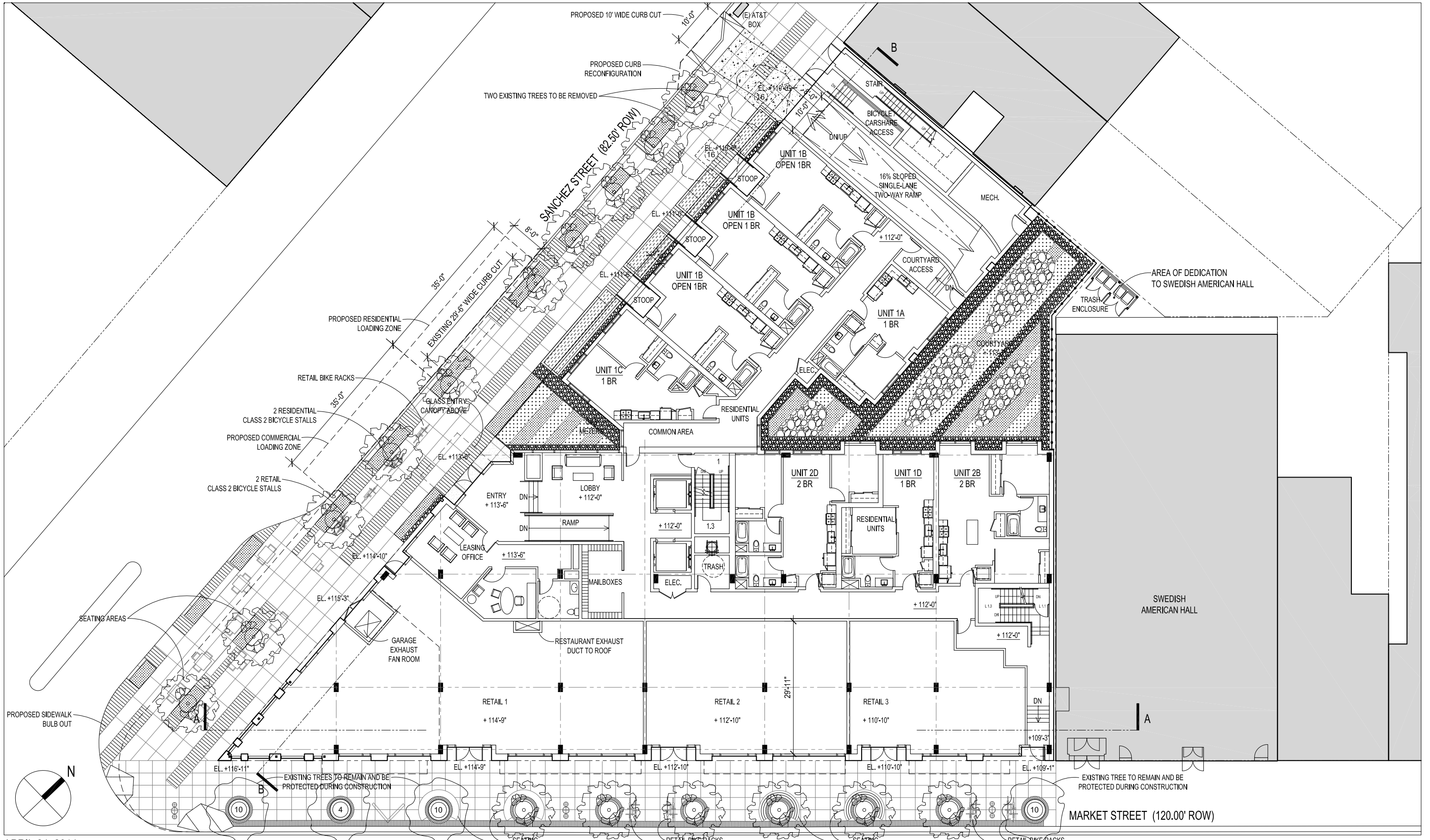


Sanchez St. at Residential Entries Looking South



Market St. Looking East

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0 20' 40'

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GROUND LEVEL PLAN

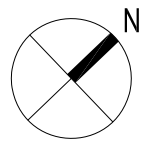
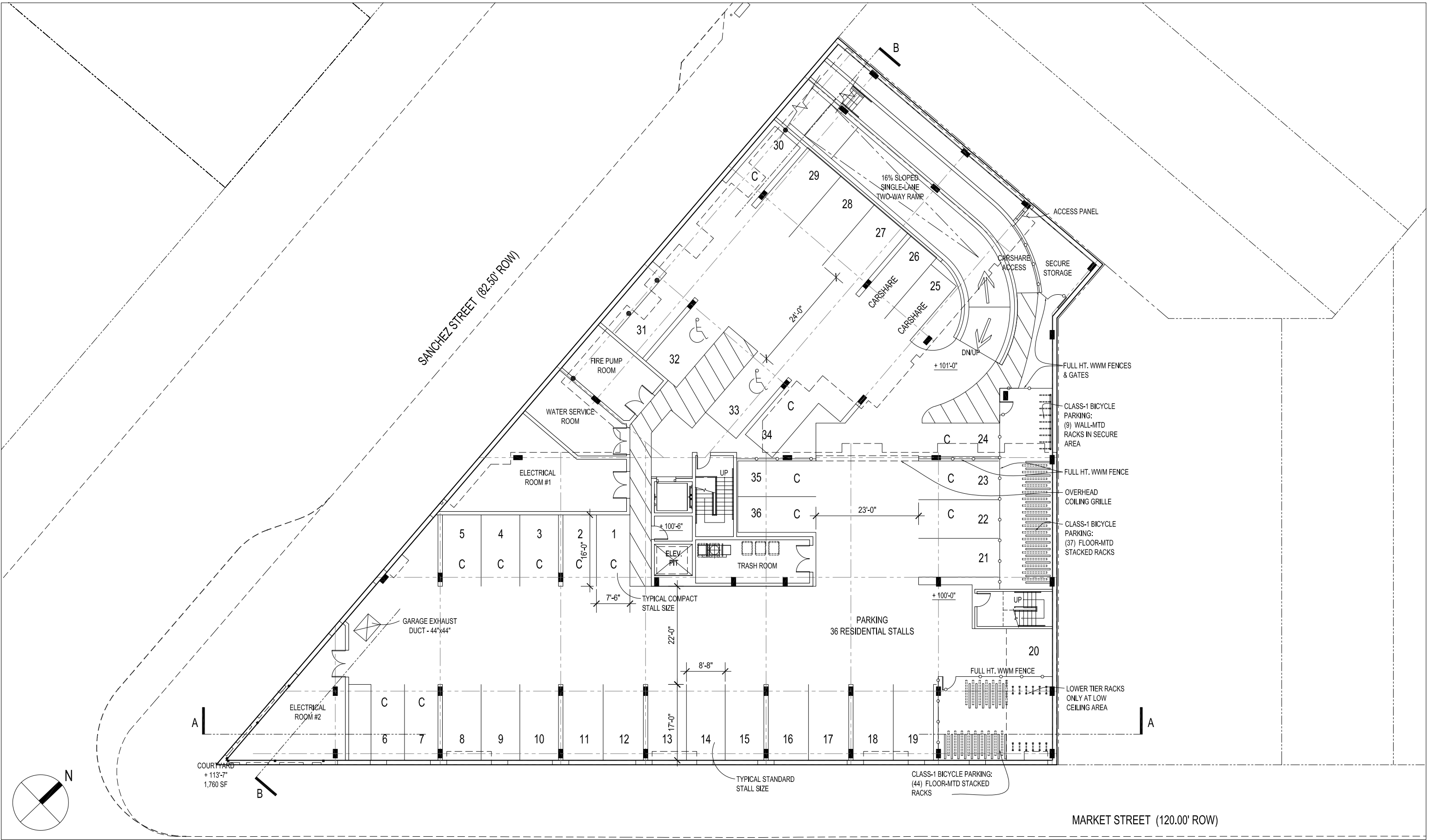
GREYSTAR DEVELOPMENT

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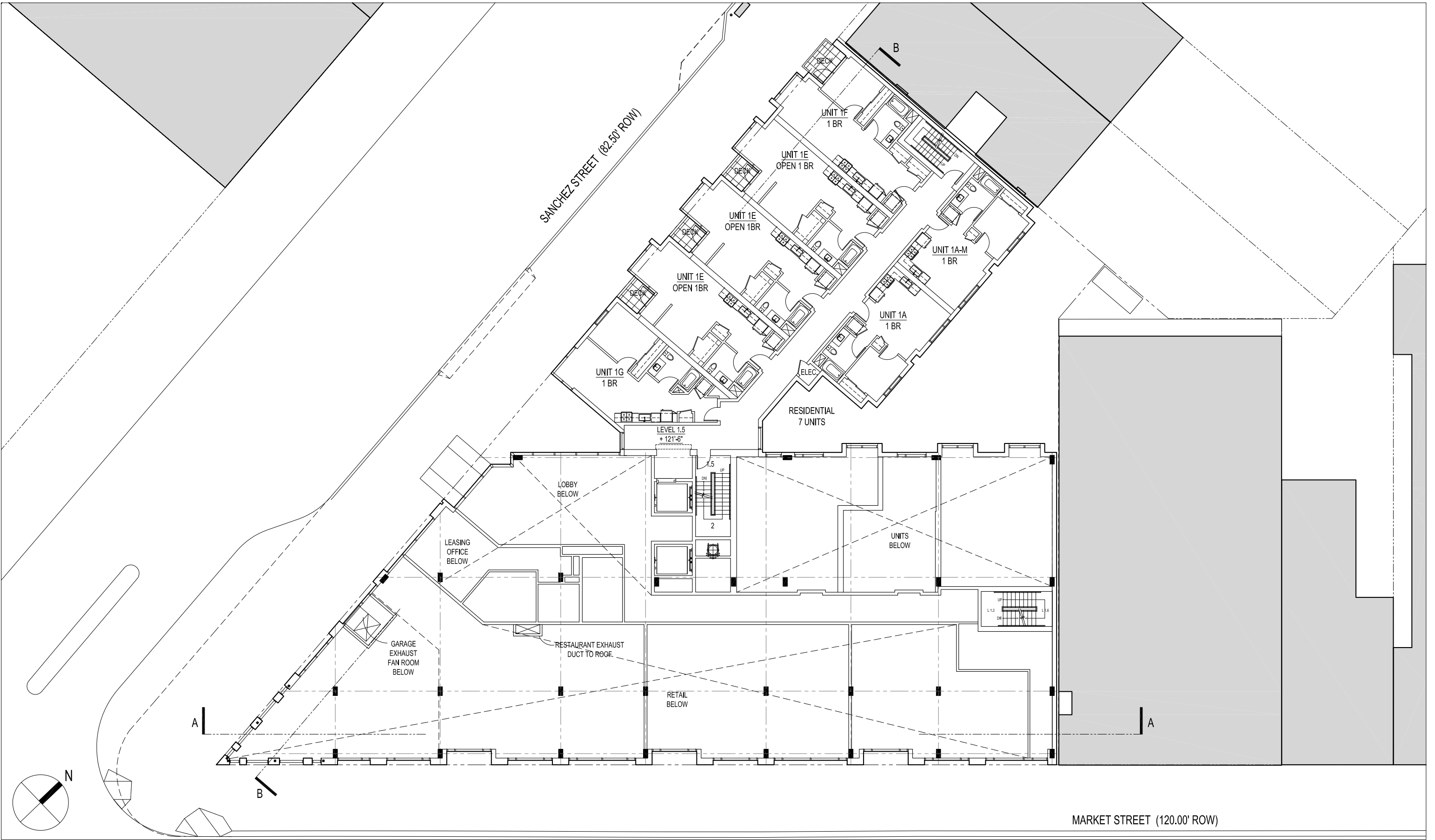
BASEMENT LEVEL PLAN

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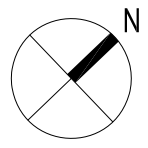
1.5 LEVEL PLAN

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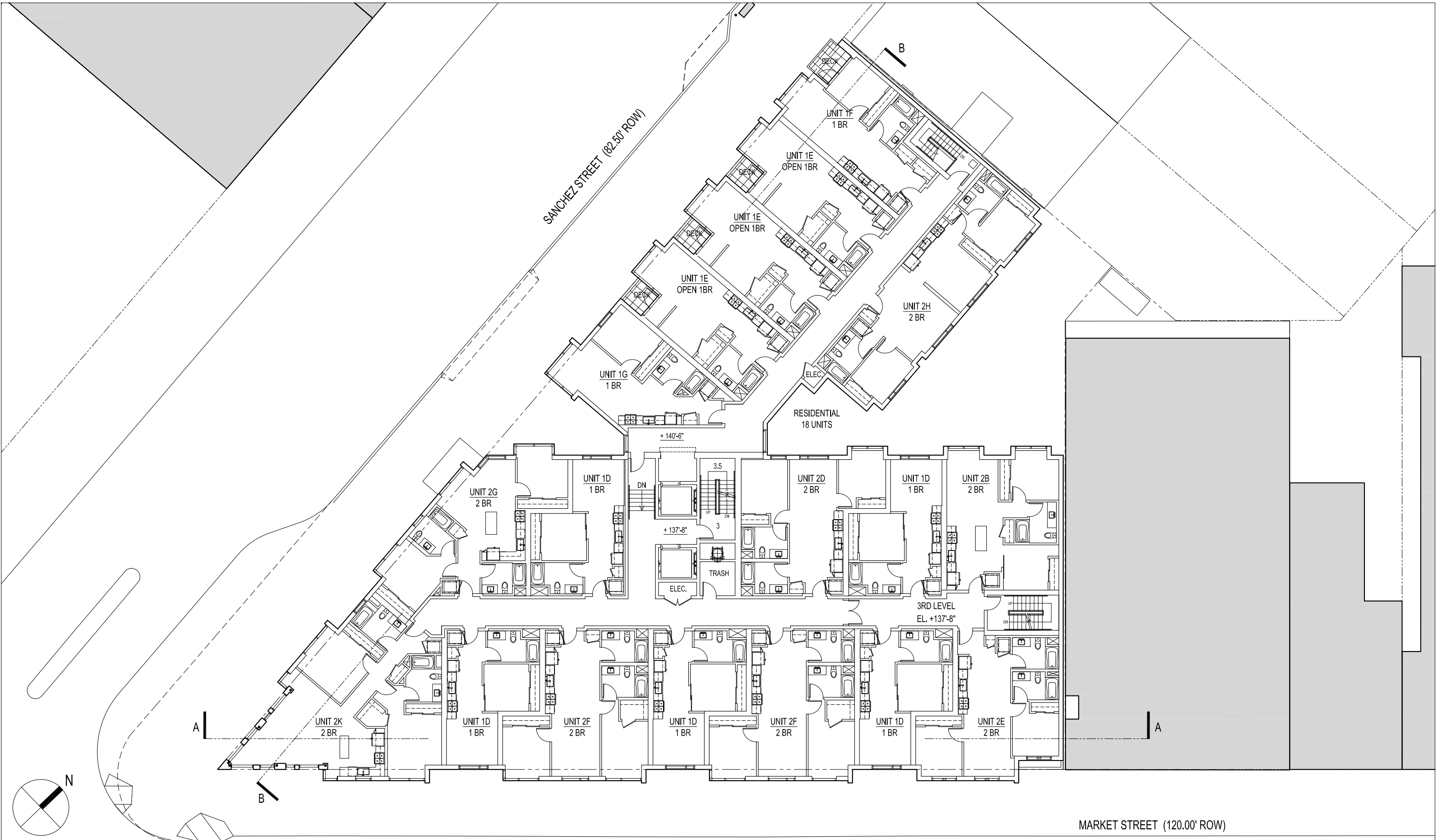
2ND LEVEL PLAN

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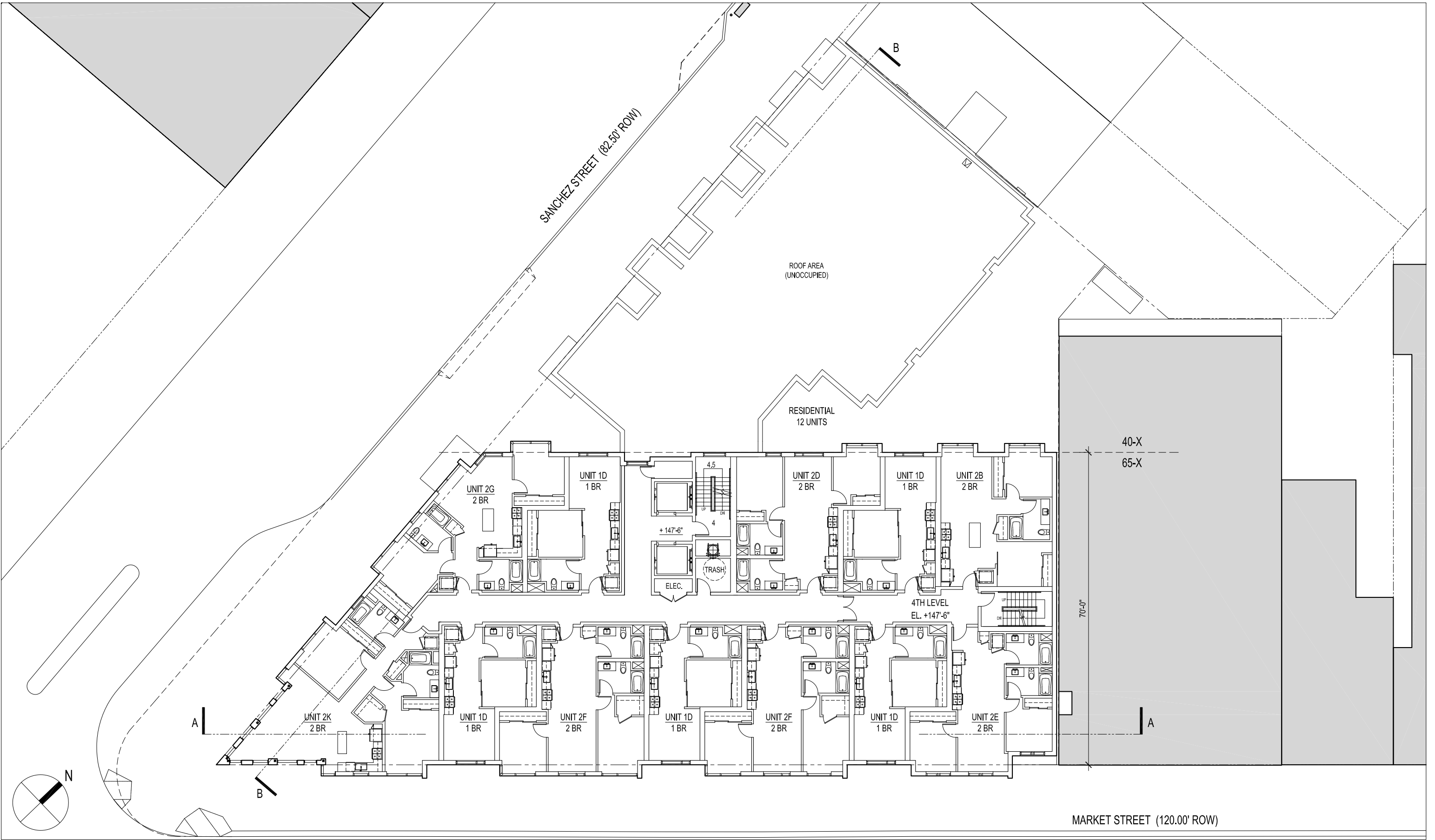
3RD LEVEL PLAN

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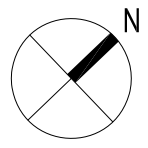
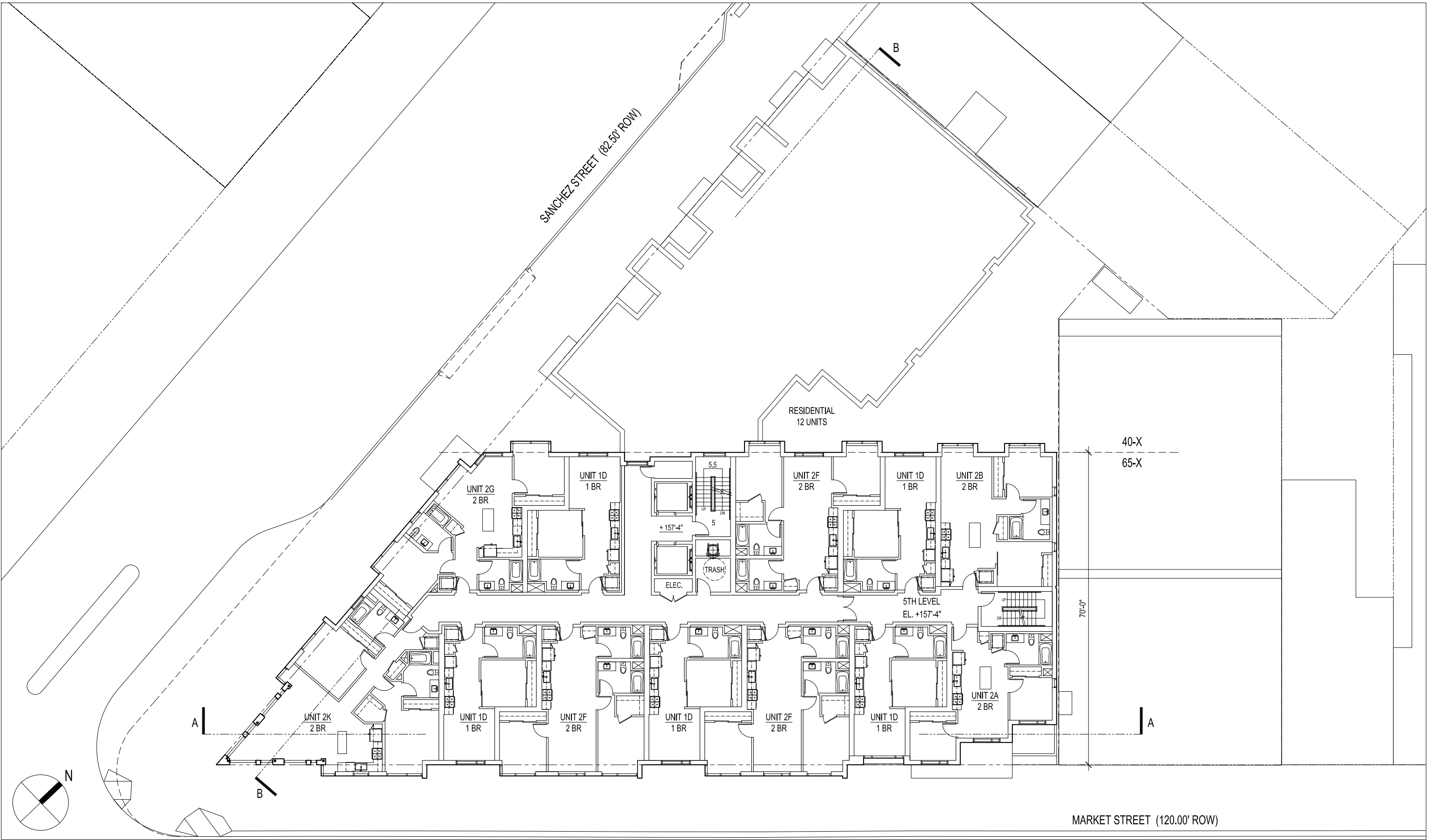
4TH LEVEL PLAN

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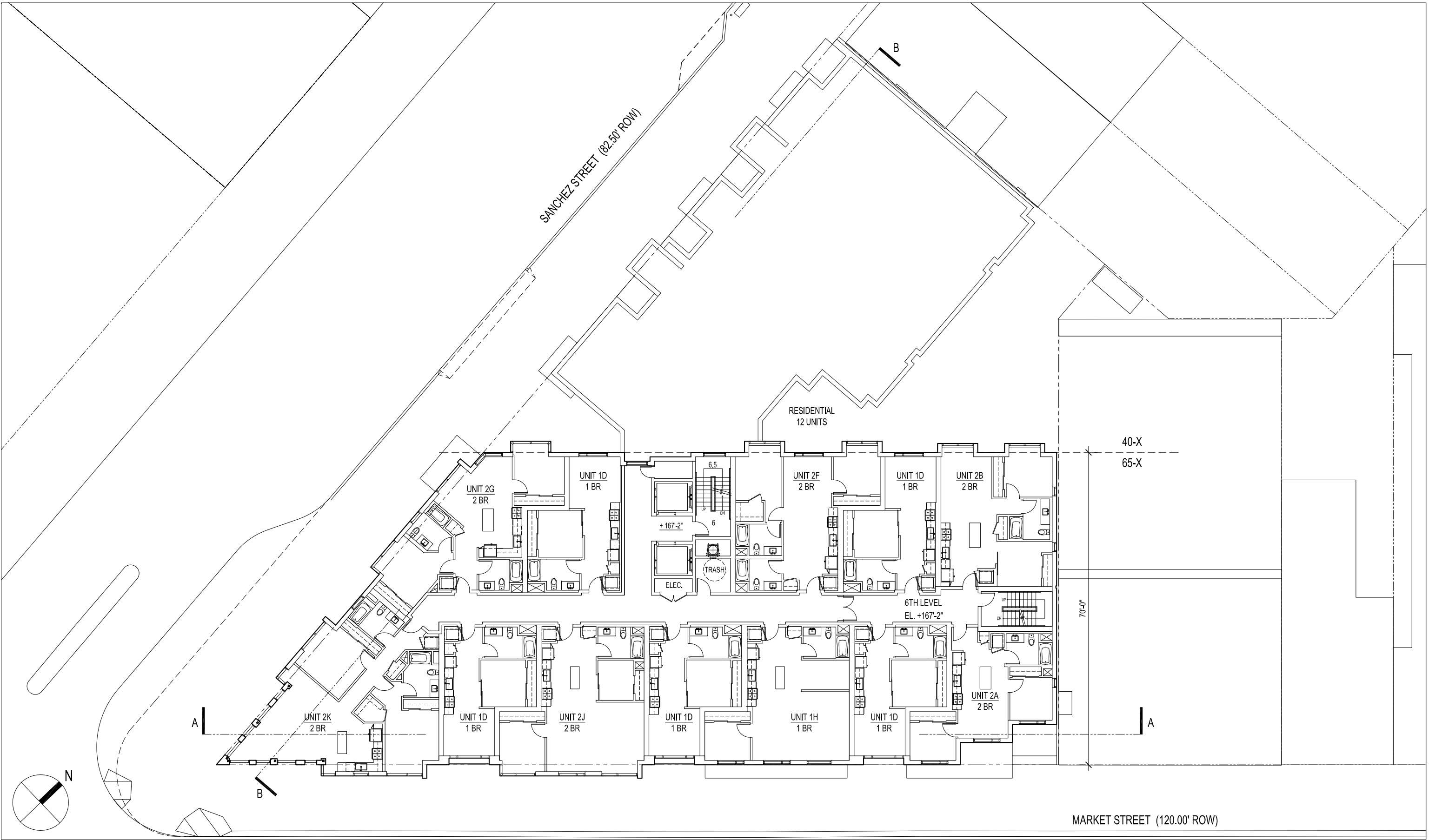
5TH LEVEL PLAN

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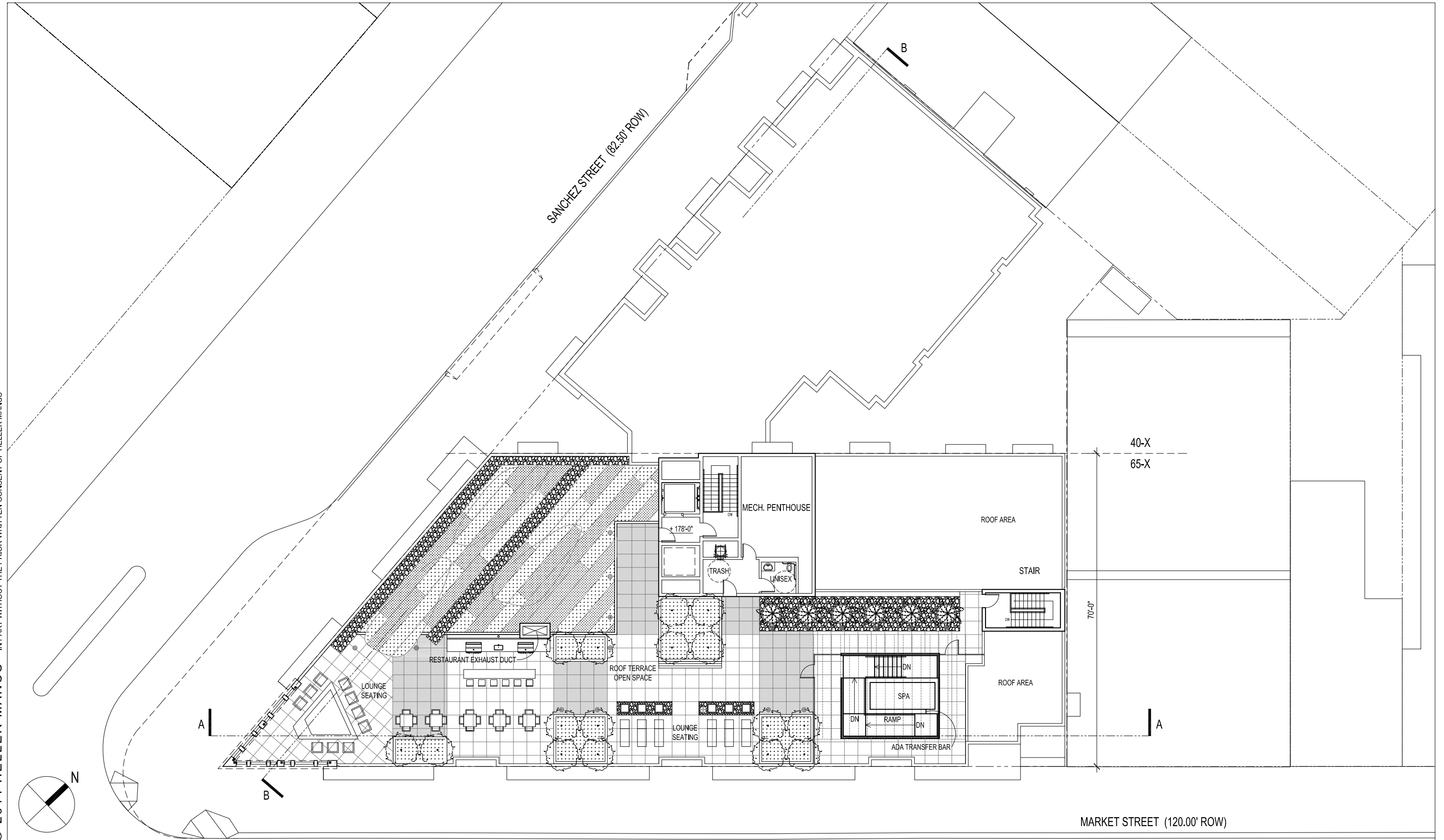
6TH LEVEL PLAN

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# 2198 MARKET STREET

MECH. PENTHOUSE LEVEL PLAN

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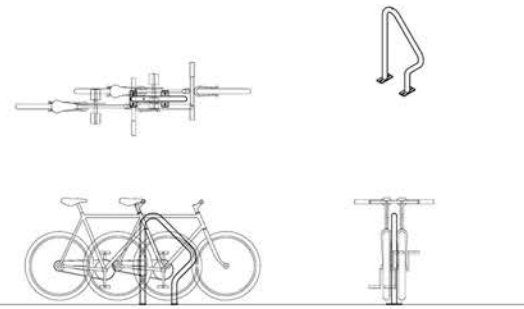
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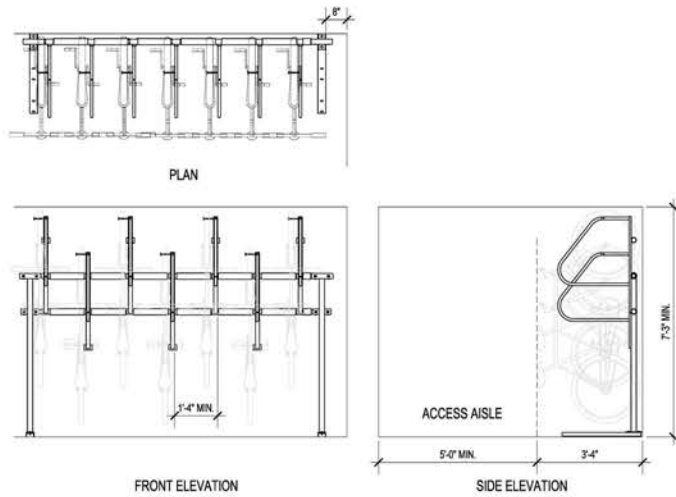




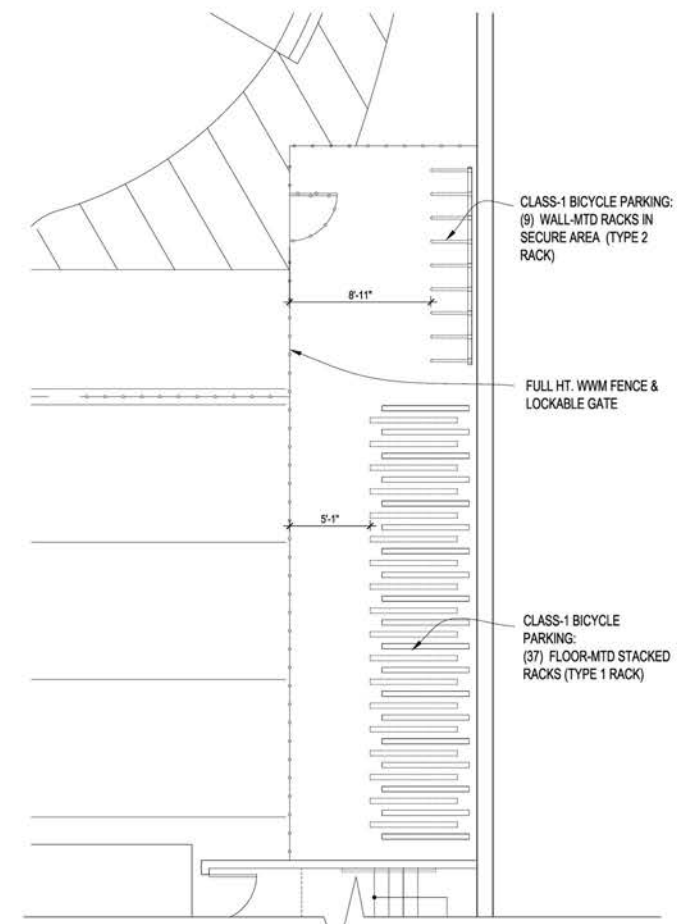
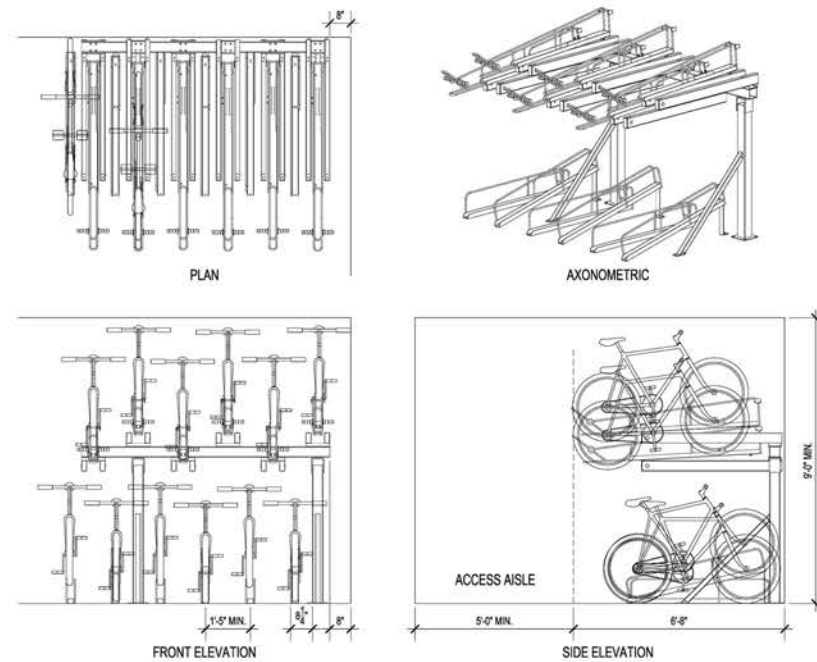
5 CLASS 2 BICYCLE PARKING  
BIKE RACK TYPE 3: FLOOR MOUNTED RACKS (DERO DECKER SWERVE RACK)  
NA



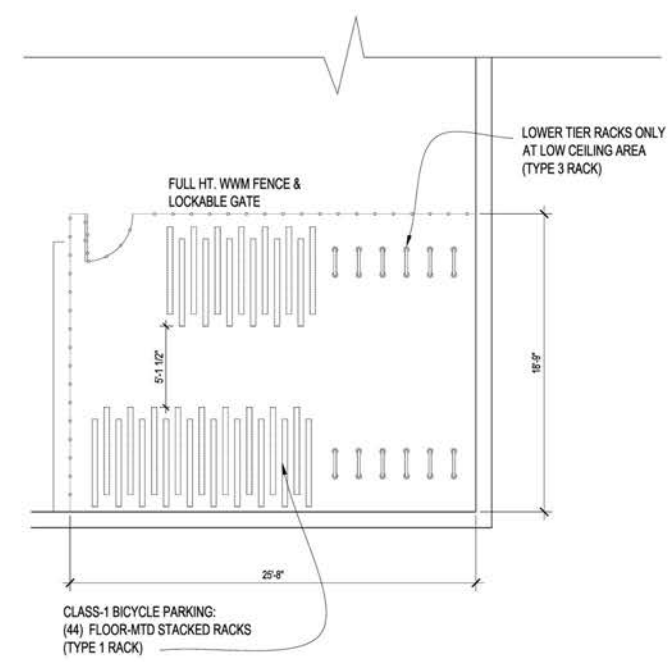
4 CLASS 1 BICYCLE PARKING  
BIKE RACK TYPE 2: WALL MOUNTED RACKS (DERO DECKER LIFT ASSIST BICYCLE RACK)  
NA



3 CLASS 1 BICYCLE PARKING  
BIKE RACK TYPE 1: FLOOR MOUNTED STACKED RACKS (DERO DECKER WALL BICYCLE RACK)  
1/2" = 1'-0"



2 BASEMENT BIKE STORAGE AREA 2  
1/4" = 1'-0"



1 BASEMENT BIKE STORAGE AREA 1  
1/4" = 1'-0"

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SCALE: 1/16"=1'-0"  
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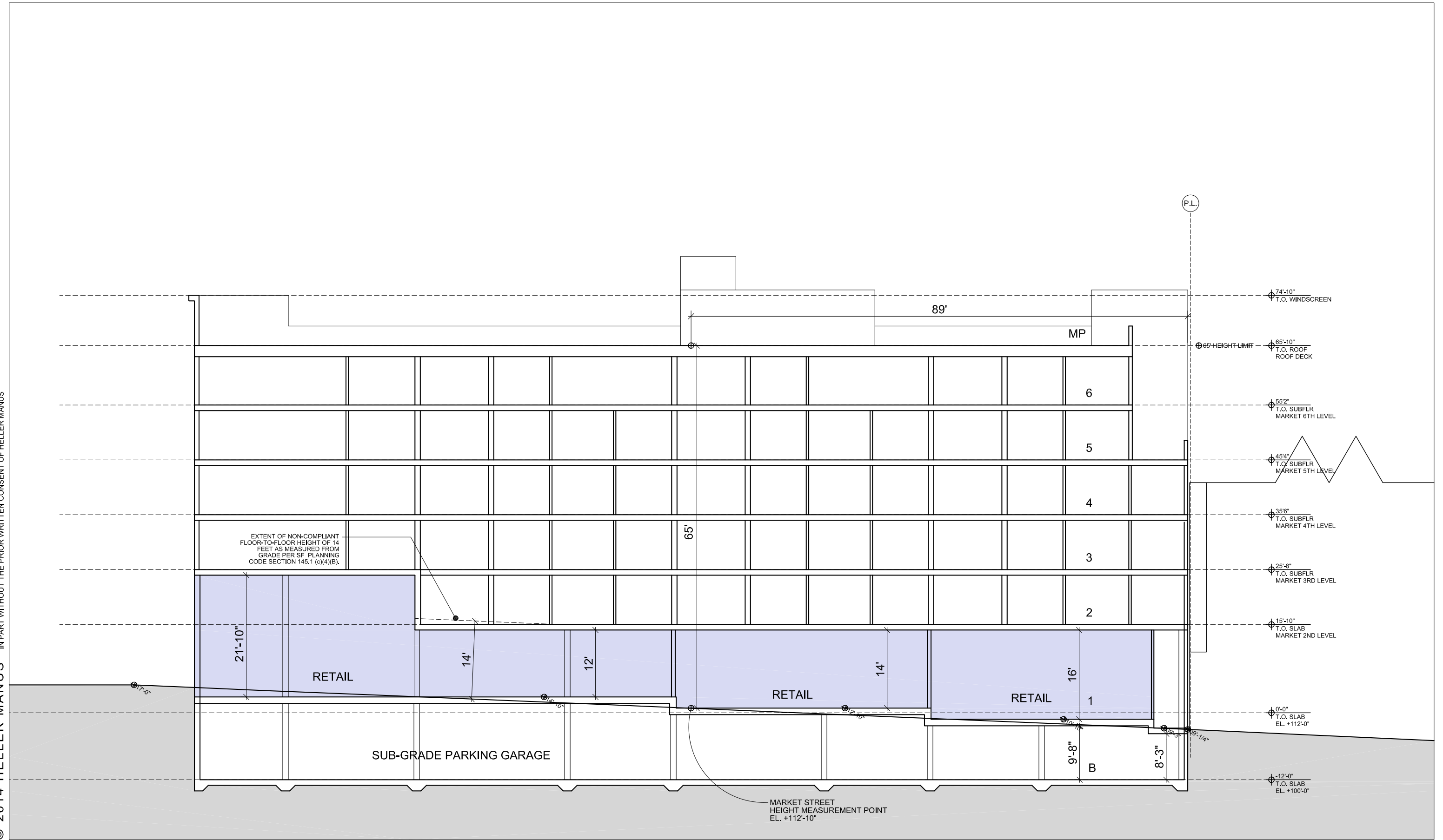
# 2198 MARKET STREET

BUILDING SECTION A-A (MARKET ST.)

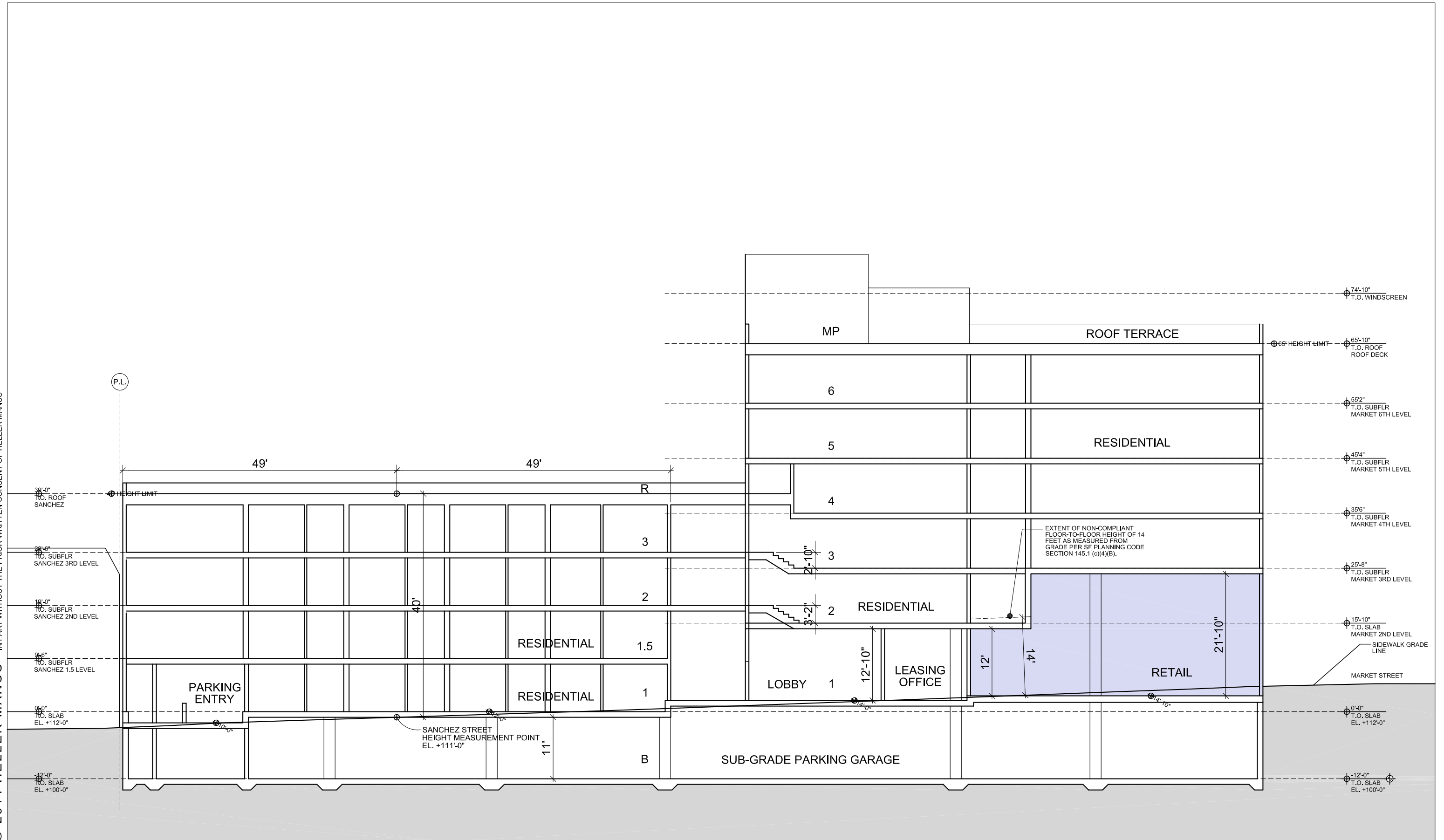
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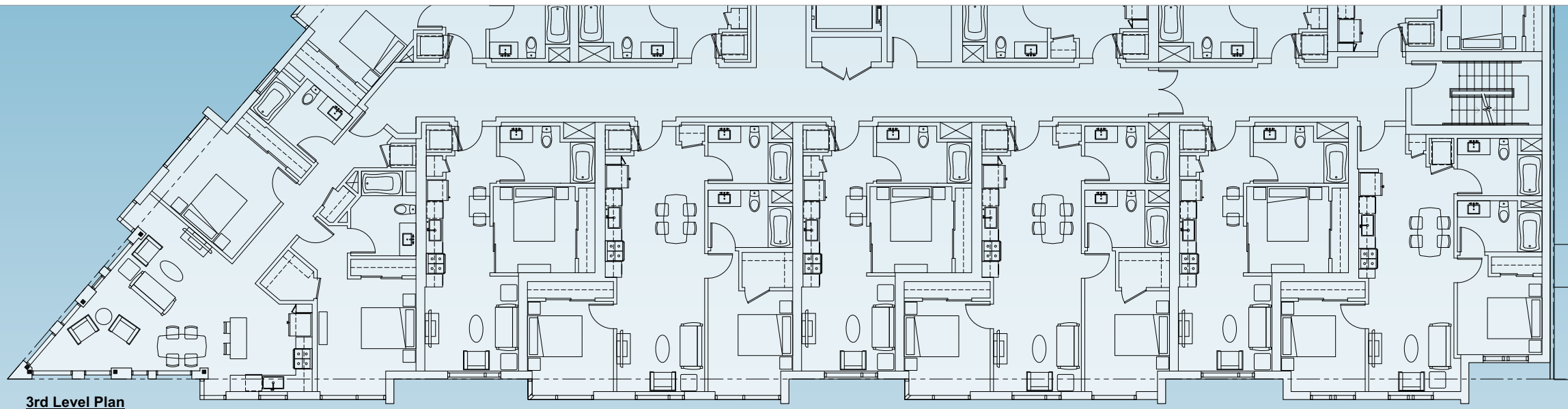
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BUILDING SECTION B-B (SANCHEZ ST.)



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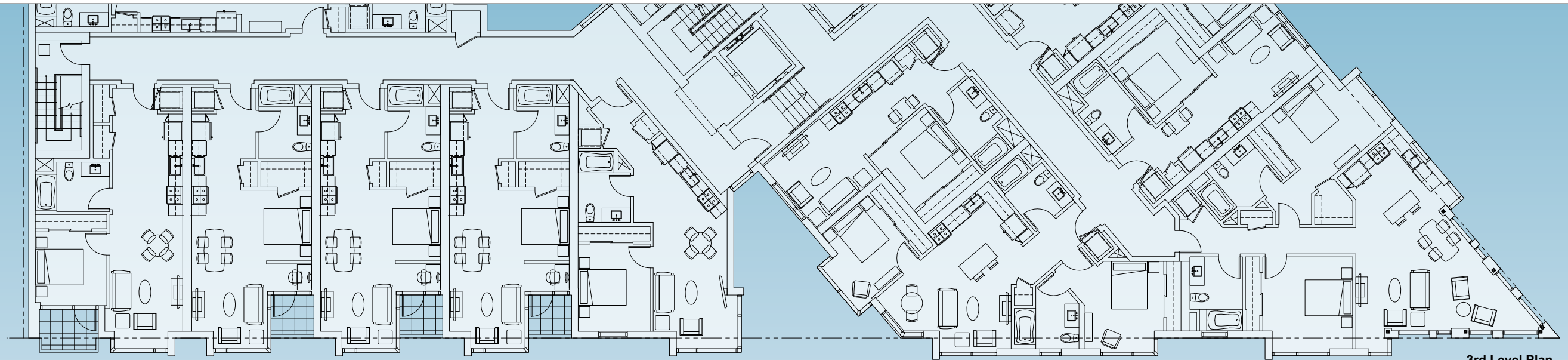
GREYSTAR DEVELOPMENT

**2198 MARKET STREET**  
SAN FRANCISCO, CA

MARKET STREET ELEVATION

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3rd Level Plan



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SCALE: 1/16"=1'-0"

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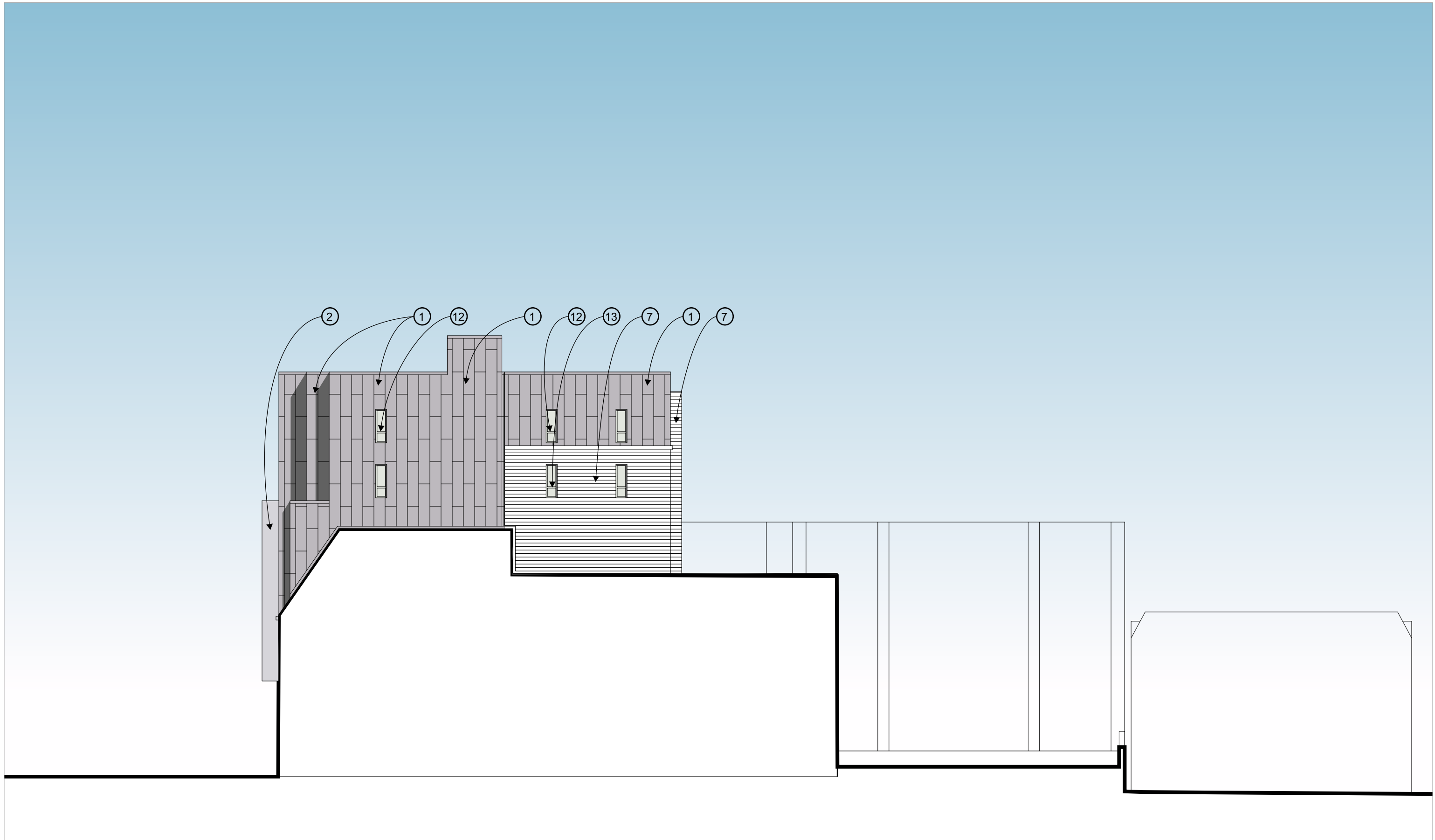
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SANCHEZ STREET ELEVATION

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SCALE: 1/16"=1'-0"

GREYSTAR DEVELOPMENT

# 2198 MARKET STREET

SAN FRANCISCO, CA

EAST ELEVATION

HELLER MANUS ARCHITECTS **HM**



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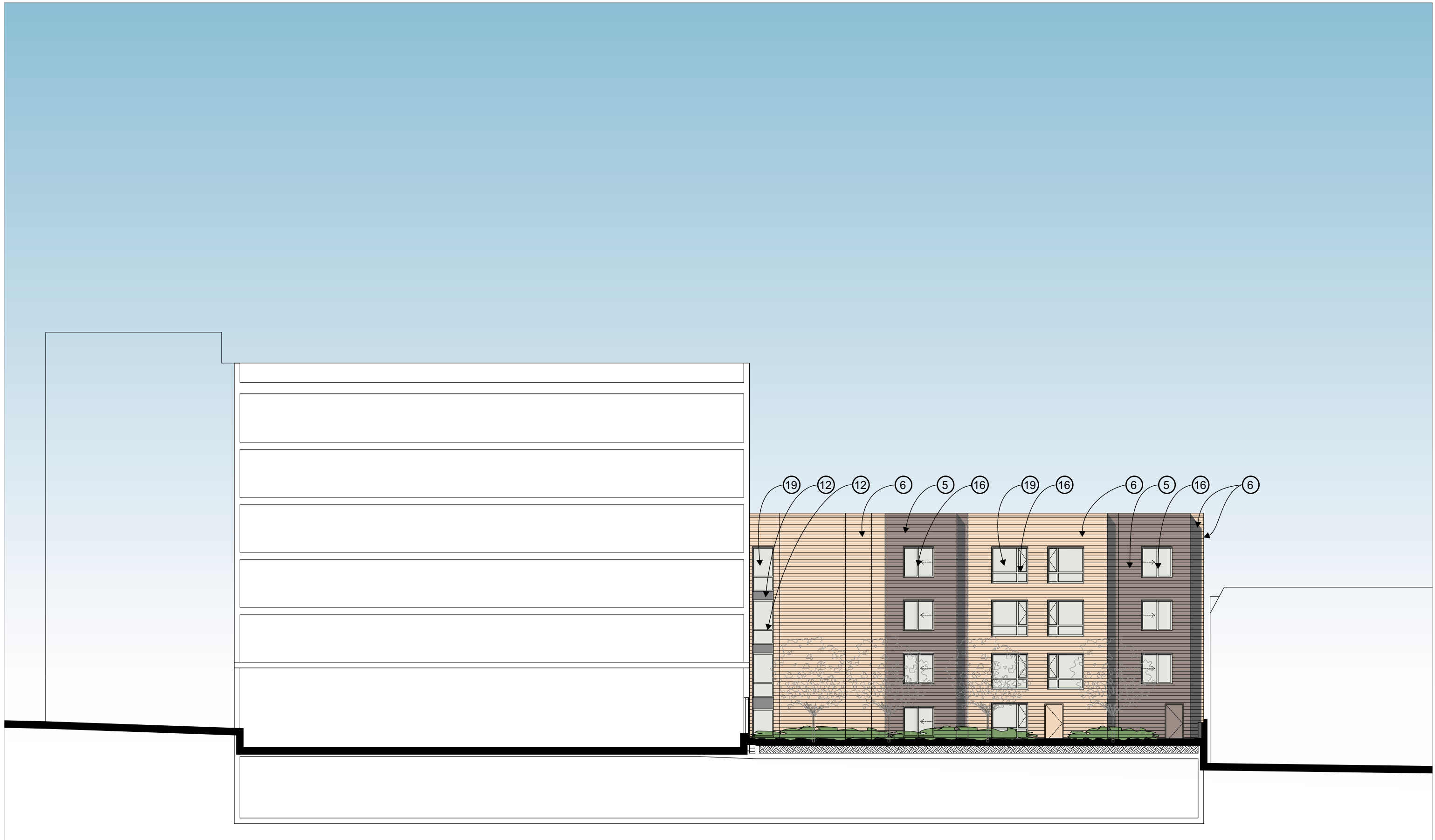
GREYSTAR DEVELOPMENT

# 2198 MARKET STREET

SAN FRANCISCO, CA

COURTYARD NORTH ELEVATION

HELLER MANUS ARCHITECTS **HM**



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SCALE: 1/16"=1'-0"

GREYSTAR DEVELOPMENT

# 2198 MARKET STREET

SAN FRANCISCO, CA

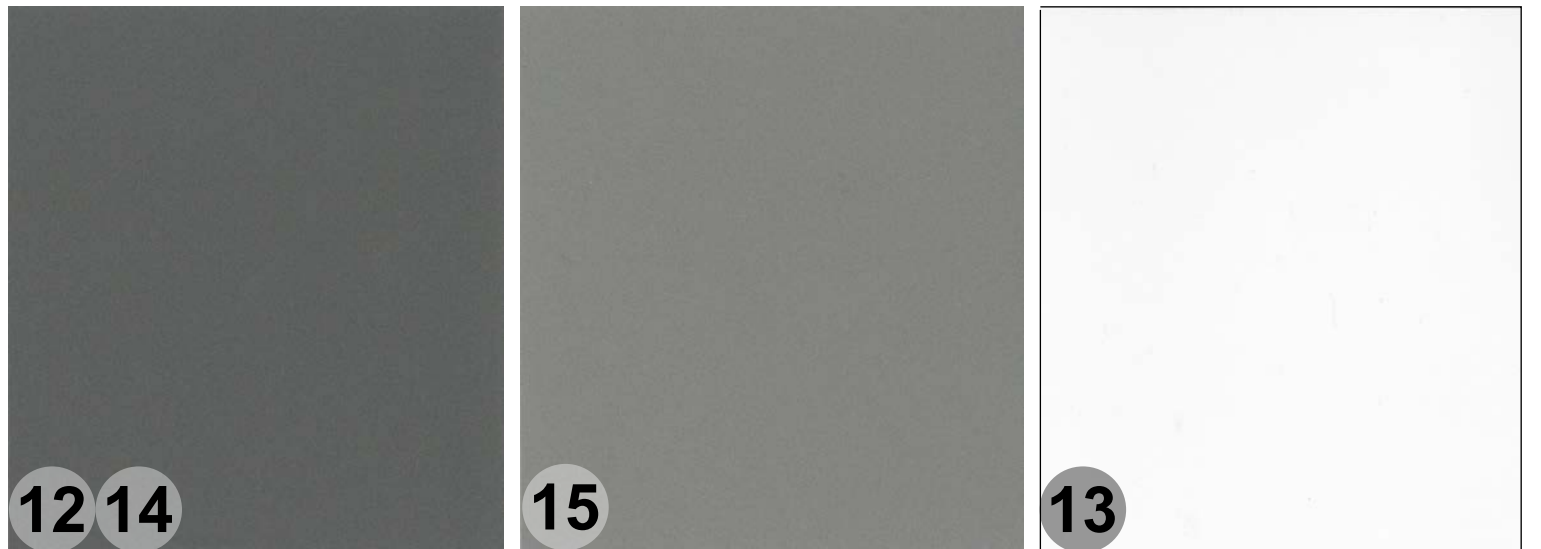
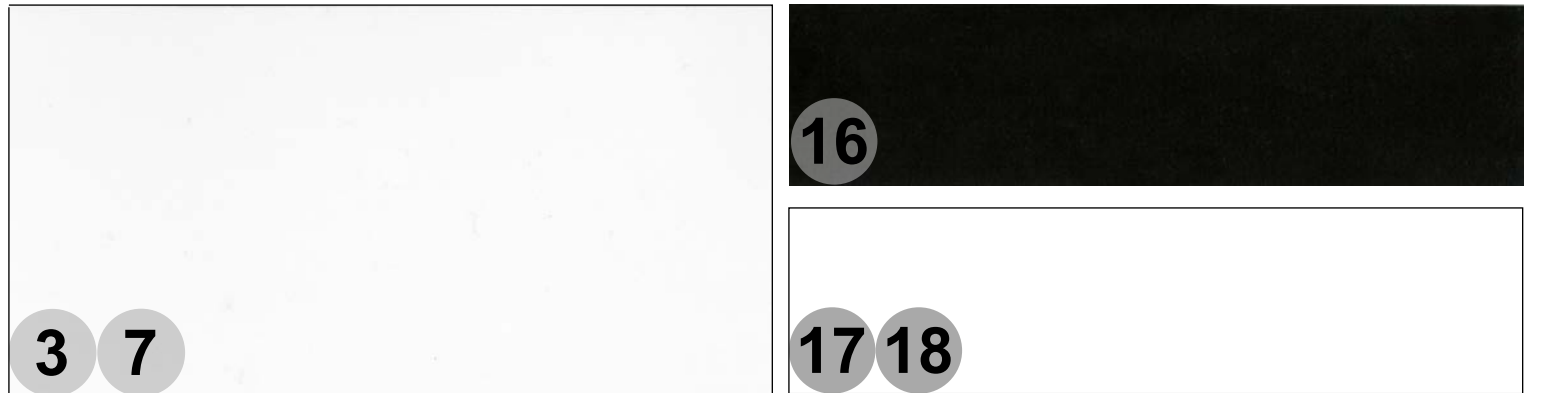
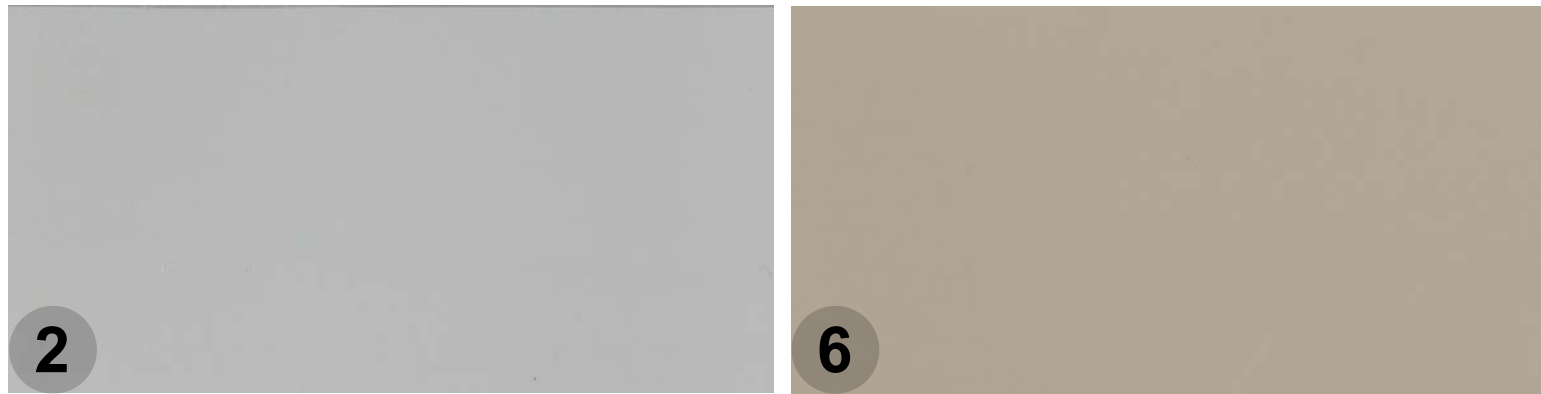
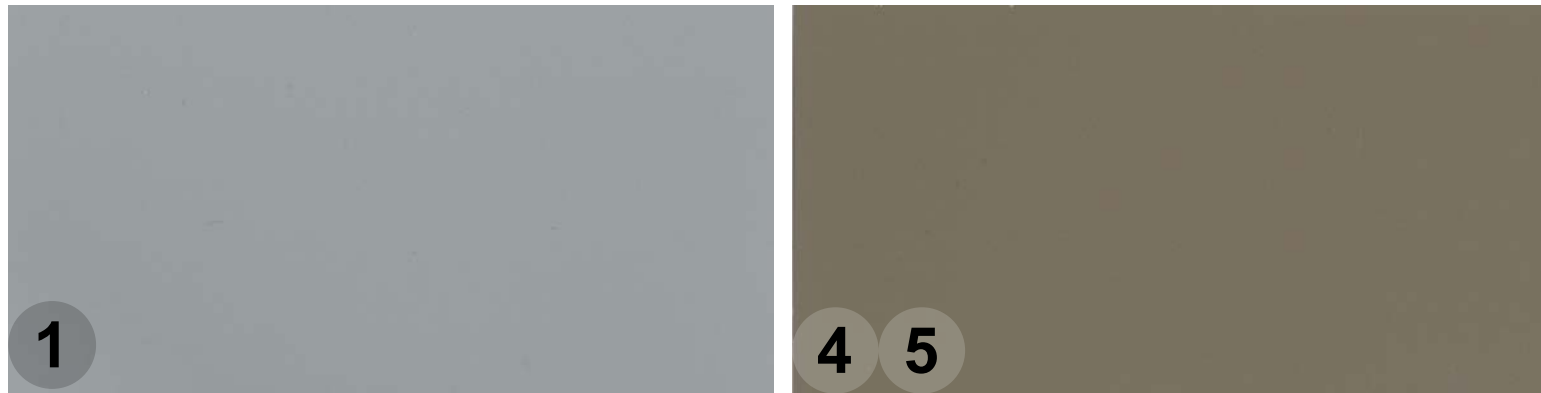
COURTYARD EAST ELEVATION

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## ELEVATION FINISHES LEGEND



NO.	MATERIAL / TYPE	MANUFACTURER	PRODUCT	COLOR
1	Cement Composite Panel	James Hardie	Reveal 2.0	Kelly-Moore KM4901-2 / Hugh's Hue
2	Cement Composite Panel	James Hardie	Reveal 2.0	Kelly-Moore KM4900-1 / Mud Pots
3	Cement Composite Panel	James Hardie	Reveal 2.0	Kelly-Moore KM4905-1 / Hush Gray
4	Cement Composite Panel	James Hardie	Reveal 2.0	Kelly-Moore KM4574-3 / Dry Dock
5	Cement Composite Lap Siding	James Hardie	HardiePlank	Kelly-Moore KM4574-3 / Dry Dock
6	Cement Composite Lap Siding	James Hardie	HardiePlank	Kelly-Moore KM4594-2 / Bay Area
7	Cement Composite Lap Siding	James Hardie	HardiePlank	Kelly-Moore KM4905-1 / Hush Gray
8	Terracotta Wall Panels	Terreal	Piterak XS 18	15, Slate Grey
9	Granite Base Panel	daltile	Granite	Absolute Black, honed finish
10	Metal Wall Panel	Alucobond	PE	Graphite / FEVE-1
11	Metal Spandrel Panel	Alucobond	Contemporary	Graphite Mica
12	Metal Window Mullion	PPG	Duranar XL	Medium Gray / UC51595XL
13	Metal Window Mullion	PPG	Duranar	Bone White / UC43350
14	Metal Storefront Mullion	PPG	Duranar XL	Medium Gray / UC51595XL
15	Projecting Metal Sign Bands	PPG	Duranar XL	Silver Gray / UC50958XL
16	Vinyl Window Mullions-Exterior	VPI Windows	Supercoat	Black
17	Vinyl Window Mullions-Exterior	VPI Windows	MikronBlend	White Vinyl
18	Vinyl Window Mullions-Interior	VPI Windows	MikronBlend	White Vinyl
19	Glazing – Vision	Cardinal Glass	-	Clear, Low-E 366
20	Poured in Place Concrete Planter	-	-	Natural
21	Open Grille Coiling Garage Door	-	-	Stainless Steel
22	Metal Balcony Railing	-	-	Powder Coated Black

**Notes:**

- A. The window mullion exterior color is to be White where the cement composite panels are painted Kelly-Moore KM4905-1 / Hush Gray.
- B. The window mullion exterior color is to be Gray or Black at all cement composite panels painted a different color than Hush Gray.
- C. All the vinyl window mullion interior colors are to be MikronBlend White Vinyl.
- D. Custom painting of the Hardie panels also includes custom painting of all the aluminum reveals and trim.
- E. All the Hardie panels that will be painted Hush Gray are to have countersunk and filled-in concealed panel fasteners.

APRIL 24, 2014

2198 MARKET STREET

MATERIALS BOARD

GREYSTAR DEVELOPMENT

SAN FRANCISCO, CA

HELLER MANUS ARCHITECTS **HM**



## ELEVATION FINISHES LEGEND

NO.	MATERIAL / TYPE	MANUFACTURER	PRODUCT	COLOR
1	Cement Composite Panel	James Hardie	Reveal 2.0	Kelly-Moore KM4901-2 / Hugh's Hue
2	Cement Composite Panel	James Hardie	Reveal 2.0	Kelly-Moore KM4900-1 / Mud Pots
3	Cement Composite Panel	James Hardie	Reveal 2.0	Kelly-Moore KM4905-1 / Hush Gray
4	Cement Composite Panel	James Hardie	Reveal 2.0	Kelly-Moore KM4574-3 / Dry Dock
5	Cement Composite Lap Siding	James Hardie	HardiePlank	Kelly-Moore KM4574-3 / Dry Dock
6	Cement Composite Lap Siding	James Hardie	HardiePlank	Kelly-Moore KM4594-2 / Bay Area
7	Cement Composite Lap Siding	James Hardie	HardiePlank	Kelly-Moore KM4905-1 / Hush Gray
8	Terracotta Wall Panels	Terreal	Piterak XS 18	15, Slate Grey
9	Granite Base Panel	daltile	Granite	Absolute Black, honed finish
10	Metal Wall Panel	Alucobond	PE	Graphite / FEVE-1
11	Metal Spandrel Panel	Alucobond	Contemporary	Graphite Mica
12	Metal Window Mullion	PPG	Duranar XL	Medium Gray / UC51595XL
13	Metal Window Mullion	PPG	Duranar	Bone White / UC43350
14	Metal Storefront Mullion	PPG	Duranar XL	Medium Gray / UC51595XL
15	Projecting Metal Sign Bands	PPG	Duranar XL	Silver Gray / UC50958XL
16	Vinyl Window Mullions-Exterior	VPI Windows	Supercoat	Black
17	Vinyl Window Mullions-Exterior	VPI Windows	MikronBlend	White Vinyl
18	Vinyl Window Mullions-Interior	VPI Windows	MikronBlend	White Vinyl
19	Glazing – Vision	Cardinal Glass	-	Clear, Low-E 366
20	Poured in Place Concrete Planter	-	-	Natural
21	Open Grille Coiling Garage Door	-	-	Stainless Steel
22	Metal Balcony Railing	-	-	Powder Coated Black

### Notes:

- A. The window mullion exterior color is to be White where the cement composite panels are painted Kelly-Moore KM4905-1 / Hush Gray.
- B. The window mullion exterior color is to be Gray or Black at all cement composite panels painted a different color than Hush Gray.
- C. All the vinyl window mullion interior colors are to be MikronBlend White Vinyl.
- D. Custom painting of the Hardie panels also includes custom painting of all the aluminum reveals and trim.
- E. All the Hardie panels that will be painted Hush Gray are to have countersunk and filled-in concealed panel fasteners.



21

20

APRIL 24, 2014

GREYSTAR DEVELOPMENT

2198 MARKET STREET

SAN FRANCISCO, CA

MATERIAL IMAGES

HELLER MANUS ARCHITECTS **HM**



APRIL 24, 2014

GREYSTAR DEVELOPMENT

## 2198 MARKET STREET

SAN FRANCISCO, CA

MARKET & SANCHEZ ST. LOOKING NORTHEAST

HELLER MANUS  
ARCHITECTS **HM**



APRIL 24, 2014

GREYSTAR DEVELOPMENT

# 2198 MARKET STREET

SAN FRANCISCO, CA

MARKET ST. LOOKING NORTH

HELLER MANUS ARCHITECTS **HM**



APRIL 24, 2014

GREYSTAR DEVELOPMENT

# 2198 MARKET STREET

SAN FRANCISCO, CA

MARKET ST. LOOKING WEST

HELLER MANUS ARCHITECTS **HM**



APRIL 24, 2014

GREYSTAR DEVELOPMENT

# 2198 MARKET STREET

SAN FRANCISCO, CA

SANCHEZ ST. LOOKING EAST

HELLER MANUS ARCHITECTS **HM**



APRIL 24, 2014

GREYSTAR DEVELOPMENT

# 2198 MARKET STREET

SAN FRANCISCO, CA

SANCHEZ ST. LOOKING SOUTH

HELLER MANUS ARCHITECTS **HM**



APRIL 24, 2014

GREYSTAR DEVELOPMENT

2198 MARKET STREET

SAN FRANCISCO, CA

SANCHEZ ST. RESIDENTIAL ENTRY

HELLER MANUS ARCHITECTS **HM**





APRIL 24, 2014

GREYSTAR DEVELOPMENT

## 2198 MARKET STREET

SAN FRANCISCO, CA

MARKET & SANCHEZ ST. CORNER

HELLER MANUS ARCHITECTS **HM**



# SAN FRANCISCO PLANNING DEPARTMENT

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## Memo to the Planning Commission

HEARING DATE: APRIL 24, 2014

*Date:* April 10, 2014  
*Case No.:* 2012.1362CEV  
*Project Address:* 2198 MARKET STREET  
*Zoning:* Upper-Market Street Neighborhood Commercial Transit District  
40-X and 60/65-X Height and Bulk Districts  
*Block/Lot:* 3542/039  
*Project Sponsor:* Greystar Development Greystar GP II, LLC  
c/o Victor Gonzalez  
211 Main St, Suite 1280  
San Francisco, CA 94105  
*Staff Contact:* Michael Smith – (415) 558-6322  
[michael.e.smith@sfgov.org](mailto:michael.e.smith@sfgov.org)

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Planning  
Information:  
**415.558.6377**

### BACKGROUND

This memo is to accompany the Project Sponsor's submittal to the Commission that was prepared by Melinda Sarjapur and dated April 14, 2014. The original Commission case materials for this project were forwarded to the Commission on April 10, 2014.

<b>RECOMMENDATION:</b> <b>Approve with Conditions</b>
---

### Attachments:

Project Sponsor's Submittal  
Letter from the property owner

# REUBEN, JUNIUS & ROSE, LLP

April 14, 2014

President Cindy Wu  
San Francisco Planning Commission  
1650 Mission Street, Suite 400  
San Francisco, CA 94103

**Re: 2198 Market Street  
Planning Case No. 2012.1362CEV  
Hearing Date: April 24, 2014  
Our File No.: 7468.01**

Dear President Wu and Commissioners:

This office represents Greystar GP II, LLC, the Project sponsor (“Sponsor”) of a proposed 87-unit mixed-use development (the “Project”) to be located at 2198 Market Street in the Upper Market Street Neighborhood Commercial Transit District, within the Market and Octavia Plan Area (the “Property”). The Project would directly advance goals of the Market and Octavia Plan by constructing an attractive, high-density residential development over ground floor retail uses on an underutilized, prominent corner parcel located close to a range of public transit options. In addition, the Project has been thoughtfully designed to respect the character of surrounding neighborhood, consistent with the Upper Market Development Design Guidelines.

The Sponsor respectfully requests that the Planning Commission grant Conditional Use authorization to allow the Project to proceed. We look forward to presenting the Project to you on April 24, 2014.

## **A. Summary of Project Benefits**

The Project will provide significant benefits to the City, including the following:

- **Smart Infill Development Furthering Goals of the Market and Octavia Area Plan.** The Market and Octavia Area Plan (the “Plan”) was adopted in 2008 following a multi-year collaborative community planning effort. The project directly furthers Plan goals to (1) encourage construction of residential infill throughout the Plan area, especially where new housing is provided above ground-floor commercial uses in new development; and (2) concentrate more intense uses and activities in those areas best served by transit and most accessible on foot.

James A. Reuben | Andrew J. Junius | Kevin H. Rose | Daniel A. Frattin  
Sheryl Reuben<sup>1</sup> | David Silverman | Thomas Tunny | Jay F. Drake | John Kevlin  
Lindsay M. Petrone | Melinda A. Sarjapur | Kenda H. McIntosh | Jared Eigerman<sup>2,3</sup> | John McNerney III<sup>2</sup>

1. Also admitted in New York 2. Of Counsel 3. Also admitted in Massachusetts

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- **Addition of 87 New Dwelling Units To the City's Housing Stock.** San Francisco is suffering from a housing shortage that has resulted in pent-up demand and an undesirable escalation in rental and for-sale housing prices. The Project would construct **87 new dwelling units**, increasing the amount of available housing within the City. These units would be provided in a diverse mix of sizes and configurations (36 two-bedroom units and 51 one-bedroom units ranging in size from 538 to 1,322 square feet) **that would achieve the 40% two-bedroom unit mix requirement in the Upper Market NCT District**, and would serve the needs of a broad range of potential occupants.
- **Creation of Desirable New Rental Housing.** The Project Sponsor intends operate the project as rental housing. The production of new rental housing is encouraged by the Housing Element of the General Plan, which states that San Francisco is a "City of renters – which enables incredible diversity of age, income, and household type," and should make a concerted effort to encourage the continued development of rental housing. **Rental housing is favored because it is more immediately accessible, and often more affordable than for-sale housing options.** Therefore, the project will increase the amount of affordable housing available in the City's housing stock.
- **On-site Affordable Housing Units.** The Project would satisfy the Inclusionary Affordable Housing Program by providing **10 new on-site below market rate rental units in a diverse mix of type and sizes.** This would represent 12% of the Project's total housing units, furthering a core goal of the Market and Octavia Plan "provide increased housing opportunities affordable to households at varying income levels." In addition, the project would contribute to the Market and Octavia Plan Area Affordable Housing Fee, **helping to increase the supply of affordable housing throughout the Plan area.**
- **Improving Pedestrian Experience.** The project would create a new, attractive mixed-use building at a prominent corner location which has sat vacant for nearly seven years. It would provide a range of inviting new ground-floor retail uses along Market Street, and active residential uses along Sanchez Street. A new sidewalk bulb-out at the corner of the lot along Sanchez Street would increase pedestrian safety and comfort. In addition, the project would provide public realm improvements including new landscaped planters, 23 new street trees, a variety of sidewalk seating options, and bicycle parking that would enliven the street frontage and vastly improve pedestrian experience in the area.

- **Job Creation.** The Project will create jobs during construction and increase the City's workforce. The attractive new on-site leasing office and retail spaces will also create the potential for new full and part-time positions, many of which are anticipated to be filled by local residents.
- **Development Impact Fees.** The Project will generate significant development fees – **roughly \$1.1 million dollars**– to be used to improve transportation, open space, affordable housing opportunities, streetscapes, and other public amenities in the neighborhood.

### **B. Surrounding Neighborhood**

The property is a vacant, triangular lot at the northeast corner of Market and Sanchez Streets in the Upper Market Street Neighborhood Commercial Transit (“NCT”) Zoning District. The lot slopes up approximately seven feet from north to south along Sanchez Street, and east to west along Market Street. The lot was previously occupied by a gas station, that was demolished and properly remediated in 2007, and has been vacant since that time.

The property is within the Market and Octavia Plan (the “Plan”) area. The Plan promotes a diverse pattern of land uses that integrate various housing types, commercial activities, institutions, and open spaces, and envisions the development of mixed-use, transit-oriented neighborhoods. **The property was identified in the fall 2007 Upper Market Community Design Plan as a potential site to be redeveloped with a mixed-use building, consistent with the community's vision for the surrounding area.** In addition, the Plan expressly encourages construction of residential infill projects, especially those that provide new housing above ground-floor commercial uses.

### **C. Project Description**

The project would construct an **attractive, mixed-use residential and retail building** at the corner of Market and Sanchez Streets, reactivating this currently vacant and underutilized corner-lot location. The project would **create 87 new dwelling units** and approximately **5,115 square feet of ground-floor retail** uses fronting on Market Street, and approximately **7,165 square feet of common useable open space** in the form of an inviting rooftop terrace overlooking Market Street. A subterranean garage would be provided with access along Sanchez Street, containing 36 off-street parking spaces and 87 secure bicycle parking for residents.

The project would have a variable height, reaching six floors and 65 feet along Market Street, and stepping down to four floors and 40 feet along Sanchez Street. The project's design utilizes a range of thoughtful architectural elements and varied materials that

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effectively break up the building's massing along both facades, and **conforms to the intent of the Upper Market Design Guidelines**. In fact, the northern portion of the building would appear as a separate structure to pedestrians along Sanchez Street.

The project would include **three separate ground-floor retail spaces along Market Street**, one of which would be occupied by a yet-to-be-determined restaurant use. The project would provide a **mix of new unit sizes and types** including 36 two-bedroom units and 51 one-bedroom units ranging from 538 to 1,322 square feet, accommodating a broad range of housing needs. **The Project Sponsor intends to offer the new units as rentals**, and would satisfy the project's Inclusionary Affordable Housing Program obligations by providing **10 on-site, below-market rate units**. The project would also provide numerous streetscape improvements along both Market and Sanchez Streets, including attractive new landscaping, 23 new street trees, and a variety of seating options seating that will promote a more active and inviting pedestrian experience.

#### **D. Required Project Approvals.**

The Project requires the following use conditional use authorizations, each of which are appropriate pursuant to according to the criteria and intent of the Planning Code.

**Lot Size.** Section 121.1 requires conditional use authorization for the development of all lots in the Upper Market NCT exceeding 10,000 square feet. The property is approximately 18,830 square feet, triggering this requirement. However, granting this authorization is appropriate, as the project will conform to the intent of this section by maintaining a scale of development that is appropriate to the district and compatible with adjacent buildings. The project incorporates a range of architectural elements and materials to effectively break-up the buildings' massing along both facades and create a more fine-grained appearance, consistent with the goals of the Upper Market Development Design Guidelines. In addition, the project will step down significantly in height from a maximum of 65-feet along Market Street to 40 feet along Sanchez Street, in keeping with the character of surrounding development.

**Location of Off-Street Parking Access.** The project would locate the entry to its subterranean parking garage along Sanchez Street, which is an official City bicycle route. Section 155(r)(2) requires conditional use authorization to locate off-street parking access in this area where no alternative street frontage is available. This authorization is justified, as off-street parking access is prohibited along Market Street (a major transit corridor), and the proposed access would be minimal in size and located at the northern edge of the site, where the potential for commuter traffic or pedestrian conflicts are reduced. The project will also remove the former gas stations' existing curb cuts along Market Street, bringing the site into greater conformity with the Code.

**Ground Floor Restaurant.** Section 733.44 requires conditional use authorization to locate a ground-floor restaurant use within the Upper Market NCT. In granting such authorization, the Code requires that the Commission consider whether the project would contribute to a concentration of eating and drinking uses exceeding 25% in the surrounding area, which is defined as the linear street frontage within 300 feet of the property in the same zoning district. The project would create a new, yet-to-be-determined ground-floor restaurant fronting on Market Street at the southwest corner of the site. The Granting this authorization is appropriate because the new restaurant would not contribute to an overconcentration of eating and drinking uses in the area. Planning staff conducted a site survey of existing and recently-approved restaurants and determined that the total concentration in the surrounding area, (including the project's proposed restaurant), would be 21%. This is below the required threshold. Further, the proposed restaurant use is desirable because it would provide and active and inviting ground-floor retail destination for residents of the surrounding community and contribute to the engaging diversity of the types and goods of services available in the surrounding neighborhood.

**Length of Ground-Floor Retail Use.** In order to ensure that new development along Market Street provide multiple commercial uses wrapping the ground-floor level, Section 145.4 requires conditional use authorization for a contiguous non-residential ground-floor use that exceeds 75 contiguous linear feet within the first 25 feet of building depth along Market Street. The project would provide three separate retail spaces along Market, but would include one retail space at the southwest corner of the site with a contiguous linear street frontage of 95 feet. This retail space would contain the proposed restaurant use, anchoring the prominent corner location. Granting this authorization is appropriate due to the lot's irregular triangular structure (creating an increasingly narrow commercial area at its southwest corner), its comparatively long Market Street frontage (approximately 189 feet), and the fact that it has been designed to provide three separate retail areas that wrap its Market Street frontage, achieving the intent of the Code.

In addition, the Project Sponsor is **seeking variances from the following sections of the Planning Code:** (1) Section 134 (to provide a central courtyard area in lieu of a rear yard on the irregular corner lot parcel); (2) Section 136 (to allow a minor increase in the permitted width of five bay windows); (3) Section 140 (from dwelling unit exposure requirements related to 12 units at the project's ground level that face areas within the landscaped central courtyard that do not meet the strict horizontal dimension requirements); and (4) Section 145.1 (for a small portion at the rear of one of the project's ground-floor retail spaces that would provide a ceiling height of 13 feet, rather than the required 14 feet). **These exceptions are minimal and justified under the criteria set forth by the Code.**

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**E. Community Support**

Even before submitting an application, the Project Sponsor began proactive outreach efforts to the surrounding community, and has since met numerous times with a variety of nearby residents and stakeholders to discuss the project, including the Duboce Triangle Neighborhood Association (“DTNA”), the Castro/ Upper Market Community Benefit District (“Castro CBD”), the adjacent Swedish American Hall neighbors, the Castro/Eureka Valley Neighborhood Association (“EVNA”); the Merchants of Upper Market and Castro (“MUMC”); and the San Francisco Housing Action Coalition (“HAC”). A summary of project outreach efforts is attached to this letter as **Exhibit A**.

Throughout this process, the Project Sponsor has demonstrated its commitment to working with its neighbors by incorporating suggested refinements to the project design, materials, and even operation. In fact, Greystar Development responded directly to the request of the DTNA and EVNA in November 2013 by expanding its national corporate nondiscrimination policy.

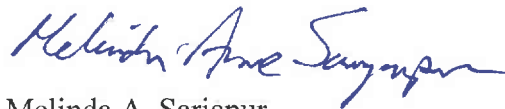
The Project Sponsor is pleased to have received the support of a number of its neighbors and surrounding community stakeholders, including endorsements from the Castro CBD and HAC, attached as **Exhibit B**.

**F. Conclusion**

The Project would create a new, thoughtfully-designed four-to-six-story mixed-use residential and retail building on a currently underutilized site in the Upper Market Street NCT District and within the Market and Octavia Plan Area. Its ground-floor active retail uses and attractive new streetscape improvements would enliven the site and create a more inviting atmosphere for residents and pedestrians. In addition, the Project will provide 87 desirable new rental housing units serving a range of housing needs, and including 10 new on-site below market rate units. For all of these reasons and those listed in the application, we urge that you support this Project.

Very truly yours,

REUBEN, JUNIUS & ROSE, LLP



Melinda A. Sarjapur

Enclosures

cc: Vice-President Rodney Fong

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President Wu and Commissioners

April 14, 2014

Page 7

Commissioner Michael Antonini  
Commissioner Gwyneth Borden  
Commissioner Rich Hillis  
Commissioner Kathrin Moore  
Commissioner Bill Sugaya  
Jonas P. Ionin – Acting Commission Secretary  
John Rahaim – Planning Director  
Scott Sanchez – Zoning Administrator  
Michael Smith – Project Planner  
Victor Gonzalez – Greystar GP II, LLC  
Randy Ackerman – Greystar GP II, LLC

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Exhibit A

**"Exhibit A"**

2198 Market Street  
Greystar Community Outreach

	Date	Event
	2012	
1	11/13/12	DTNA Land Use Meeting
2	12/03/12	DTNA Land Use and Transportation Committee
	2013	
3	01/10/13	Swedish Hall Meeting
4	01/16/13	DTNA/EVNA/Castro CBD /CAPA Design Review Committee
5	03/15/13	Swedish Hall Meeting
6	04/19/13	Swedish Hall Meeting
7	05/28/13	Swedish Hall Meeting
8	07/01/13	DTNA & EVNA Presentation
9	07/13/13	Community Pre Application Meeting
10	07/24/13	EVNA Board Presentation
11	08/01/13	Merchants of Upper Market & Castro Presentaion
12	09/12/13	Swedish Hall Meeting
13	09/18/13	San Francisco Housing Action Coalition Presentation - Endorsement
14	09/26/13	DTNA Land Use Meeting
15	10/14/13	Castro/Upper Market CBD Land Use Committee Presentation
16	11/11/13	DTNA Board Meeting Presentation
	2014	
17	01/06/14	DTNA Land Use Meeting
18	01/09/14	Castro/Upper Market Street Board Presntation - Endorsement
19	02/06/14	Merchants of Upper Market & Castro Presentaion - Endorsement
20	04/11/14	DTNA & City Planning Meeting

Exhibit B



Victor Gonzalez  
Greystar Development  
One Market Street, Spear Tower, 36th Floor  
San Francisco, CA 94105

October 22, 2013

Ref: 2198 Market Street - Mixed-Use Development

Dear Mr. Gonzalez,

On behalf of the San Francisco Housing Action Coalition (SFHAC), I am pleased to inform you of our endorsement of your 2198 Market Street proposal. Following our review and discussion, our Endorsement Committee believes the project has many merits and will make a substantial contribution to SFHAC's mission of increasing the supply of well-designed, well-located housing in San Francisco. This letter reflects several recommendations from the committee that are focused primarily on affordability and sustainability. We believe that this project embodies the principals of good urban design and with the implementation of our suggestions, will meet the needs of both present and future San Franciscans.

A copy of the endorsement guidelines we applied in reviewing your project is attached. The proposed project meets our guidelines in the following ways:

Project Description:

Your project proposes a mixed-use development with 87 apartments and 5,130 square feet of retail space.

Land Use:

SFHAC believes housing and retail are entirely appropriate uses of this site. The lot has been vacant for several years and adding new homes, in addition to retail, will further activate the neighborhood. We are happy to see that you have taken the best advantage of the buildable envelope on this site, the height of which is 65 feet on Market Street and 40 feet on Sanchez Street.

Density:

There is no density limit on the site. However, we applaud your plan to accommodate 87 smaller, affordable-by-design apartments on the 18,800 square-foot parcel.

Affordability:

Rather than including the subsidized units on site, you have chosen to pay the *in lieu* fee, which will equate to 4.6 million dollars to fund affordable housing for the City. We are

Mr. Gonzalez  
Page 2

aware that neighborhood associations in the area strongly favor on-site inclusionary housing. While SFHAC generally favors on-site inclusionary housing wherever possible, we recognize that the ordinance allows developers to choose the option that best suits their project.

#### Parking and Alternative Transportation:

Your proposed project is located in a transit-rich neighborhood. Both the MUNI Church Street Station and the street-level F line are within less than one block of the site.

The project design proposes 87 bicycle parking spaces, a 1:1 bicycle parking ratio that we applaud. At the time we reviewed the project, we encouraged you to consult the San Francisco Bicycle Coalition regarding the type of bicycle parking that could best be incorporated into the design. We hope you are help able to use their expertise.

The proposal includes 32 residential parking spaces. In addition to that total, you will be adding two CarShare spots. SFHAC is happy to learn you responded to Supervisor Wiener's suggestion to add an extra CarShare spot, as only one is required.

#### Historic Preservation:

There are no structures of significant historic or cultural merit on site. Our committee members were pleased to note that your design accommodates the architecturally important adjacent Swedish American Hall by reducing the proposed height and mass of your building and incorporating sensitive fenestration techniques to minimize the impact on the existing building.

#### Urban Design:

SFHAC believes your project promotes the principals of good urban design. Your proposal effectively adapts to the odd-shaped lot. We are excited to learn that substantial streetscape improvements are being proposed along both Market and Sanchez Streets, which includes bike racks, 19 new trees and new paving. By proposing only one 12-foot curb cut on Sanchez Street and removing historic curb cuts from the old gas station, you have improved the short-term on-street parking capacity and improved the safety of traffic patterns surrounding the property.

#### Environmental Features:

You have proposed several measures into the project's design that will enhance sustainability for your project: solar heating for the hot water, energy efficient appliances, storm-water retention and pre-treatment and the required greenhouse gas mitigation measures. As you move forward with the project, SFHAC strongly encourages you to set clear targets for these measures and commit to meeting them.

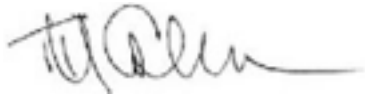
#### Community Input:

SFHAC believes you have made a thorough effort to engage with the community. You have met with a project review committee that consists of several neighborhood associations – Dubose Triangle Neighborhood Association, EVNA, Castro CBC, Castro Merchants and CAPA – several times to keep them updates with the project's designs.

Mr. Gonzalez  
Page 3

Thank you for submitting this project to the SFHAC Endorsements Committee for our review. Please keep us abreast of any changes or updates with this project. We are pleased to support your excellent project as it moves forward. Let us know how we may be of assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Colen", with a long, sweeping horizontal line extending to the right.

Tim Colen, Executive Director

Endorsement Guidelines:

Land Use: Housing should be an appropriate use of the site given the context of the adjacent properties and the surrounding neighborhood and should enhance neighborhood livability.

Density: The project should take full advantage of the maximum unit density and/or building envelope, allowable under the zoning rules.

Affordability: The need for affordable housing, including middle income (120-150 of median) housing, is a critical problem and SFHAC gives special support to projects that propose creative ways to expand or improve unit affordability beyond the legally mandated requirements.

Parking and Alternative Transportation: SFHAC expects the projects it endorses to include creative strategies to reduce the need for parking, such as ample bicycle storage, provision of space for car-share vehicles on-site or nearby, un-bundling parking cost from residential unit cost, and measures to incentivize transit use. Proximity to transit should result in less need for parking.

In districts with an as-of-right maximum and discretionary approval up to an absolute maximum, SFHAC will support parking exceeding the as-of-right maximum only to the extent the Code criteria for doing so are clearly met. In districts where the minimum parking requirement is one parking space per residential unit (1:1), the SFHAC will not, except in extraordinary circumstances, support a project with parking in excess of that amount.

Preservation: If there are structures of significant historic or cultural merit on the site, their retention and/or incorporation into the project consistent with historic preservation standards is encouraged. If such structures are to be demolished, there should be compelling reasons for doing so.

Urban Design: The project should promote principles of good urban design: Where appropriate, contextual design that is compatible with the adjacent streetscape and existing neighborhood character while at the same time utilizing allowable unit density; pleasant and functional private and/or common open space; pedestrian, bicycle and transit friendly site planning; and design treatments that protect and enhance the pedestrian realm, with curb cuts minimized and active ground floor uses provided.

Projects with a substantial number of multiple bedroom units should consider including features that will make the project friendly to families with children.



Mr. Gonzalez  
Page 5

Environmental Features: SFHAC is particularly supportive of projects that employ substantial and/or innovative measures that will enhance their sustainability and reduce their carbon footprint.

Community Input: Projects for which the developer has made a good faith effort to communicate to the community and to address legitimate neighborhood concerns, without sacrificing SFHAC's objectives, will receive more SFHAC support.



February 10, 2014

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[@visitthecastro](https://twitter.com/visitthecastro)

Rodney Fong, President & Fellow Commissioners  
S.F. Planning Commission  
1650 Mission Street Suite 400  
San Francisco, CA 94103

File Number: 2012.1362

Dear Commission President Fong and Fellow Commissioners,

This letter is written to express the support of the Castro/Upper Market Community Benefit District (Castro CBD) for the mixed use development project at 2198 Market Street, file number: 2012.1362. On November 18, 2013, the Castro CBD wrote a letter to the developer, Greystar, expressing its concerns with the project. The Castro CBD is glad to report that these concerns have been resolved. These concerns and their resolution are detailed below:

1) **Affordable Housing**

Concern: Plans did not include providing on-site inclusionary housing.

Resolution: 12% of the units at 2198 Market St. will be below market rate housing.

2) **Corporate Anti-Discrimination Policy in Housing**

Concern: Lack of corporate level anti-discrimination policy which protects LGBT individuals from discrimination in applying for housing.

Resolution: The Castro CBD has been informed that Greystar has adopted a universal policy for the achievement of equal housing and no person will be discriminated against because of race, color, age, religion, national origin, sex, familial status, disability sexual orientation, gender identity, marital status or any other local laws protecting specific classes, and which policy shall be supported by in-house diversity training.

3) **Design Implications**

Concern: The Castro CBD has been working with the DTNA, EVNA and Greystar on design concerns identified their joint (DTNA & EVNA) letter dated September 25, 2013.

Resolution: The Castro CBD has been informed that many of these concerns were shared by the Planning Department and that they have been resolved.

The Castro/Upper Market Community Benefit District acknowledges the hard work, from all parties, that went into resolving these concerns and looks forward to the project being built and adding to the growing vitality on the Upper Market corridor.

If you have any questions or would like to discuss this matter further, please do not hesitate to contact me at 415-500-1181.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea Aiello". The signature is fluid and cursive, with a large initial "A" and a long, sweeping underline.

Andrea Aiello  
Executive Director

cc: Scott Wiener, Supervisor District 8  
John Rahaim, Director, S.F. Planning Department  
Andres Power, Legislative Aide, Supervisor Wiener  
Michael Smith, Planner, S.F. Planning Department  
Victor Gonzalez, Development Director, Greystar  
Alan Beach-Nelson, President, EVNA  
Pat Tura, President, DTNA  
Castro/Upper Market CBD Board of Directors

# Community and Developers Working Together



Pat Tura  
DTNA President

Nearly everyone has something to say about all the new buildings on Upper Market. The impact on the neighborhood has been significant,

and will continue into 2017 and beyond.

Next up, the new project proposed for the corner of Sanchez and 15th will go to the Planning Commission for approval on April 24th. The project sponsor is Greystar, the largest rental developer in the country.

When Greystar initially brought their plans to the community, they were not willing to make any concessions to the neighborhoods' concerns or requests. "No," seemed to be the only word they knew.

The biggest issue was on-site

affordable housing, which would provide additional mixed-income housing, a critical need in Upper Market that will help retain the diversity and inclusivity of our community.

Greystar refused to work collaboratively with us; they continued to chant "NO."

DTNA then gathered the support of a strong community coalition including groups from Eureka Valley, the Castro business district, Hayes Valley, the Lower Haight, and groups dedicated to affordable housing.

Without affordable housing, the coalition positioned to oppose the project, which could have resulted in difficulty for the developer at the Planning Commission. It was at this point that Greystar's position began to shift. Greystar realized that building in our community without support could prove impossible, even for the mega builder from North Carolina. No support might mean no project.

DTNA also insisted that a nationwide corporate non-discrimination policy that included sexual orientation and gender identity be instituted if Greystar wanted to come into our diverse neighborhood.

After multiple meetings and discussions, Greystar eventu-

ally saw the benefits of both mixed income housing and applying the non discrimination policy corporately, not just as required by law in its rental policy.

This project serves as a testament to how community and developers can work together to achieve common goals. Greystar has gained our support by making a commitment to the community to build on-site affordable housing and by instituting the non-discrimination policy.

This happened because the community made it happen and our future corporate neighbor recognized that to be in our neighborhood, they had to be a part of our community. We expect Greystar, the Planning Department and the City Attorney's office to continue to work together to put everything in place so we can support this project to the fullest extent.

It is the power of collaboration within our community that can bring about success in addressing critical issues such as affordable housing, neighborhood-serving retail, pedestrian safety improvement, and improved building design. We can all make a difference if we try.

For advertisement rates please visit [dtna.org](http://dtna.org) or call (415) 295-1530

## A Different Approach for SF's Different Real Estate Market:

Instead of another realtor picture, here's evidence of a new approach:



Fig. 1: Raffi the Dog real estate dog extraordinaire



Fig. 2: His Owner Kevin K. Ho, esa realtor & lawyer top producer

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**VANGUARD PROPERTIES**

Stanley Wong  
P.O Box 16005  
San Francisco, CA 94116

April 8, 2014

San Francisco Planning Department  
1650 Mission Street, Suite 400  
San Francisco CA 94103-2414.

Attention: Cindy Wu, Commission President

RE: 2198 Market Street (Block 3542/Lot 99), San Francisco, CA  
FILE #2012.1362



Dear Ms. Wu,

Our family owns the vacant lot at 2198 Market Street, which is currently being developed by Greystar GP II, LLC, as an 87 unit apartment building with a 99 year land lease. This project is scheduled to be before the Commission on April 24<sup>th</sup> (File 2012.1362). This lot is where our father Tom ran a service station for over 30 years. Our father immigrated to America from Canton, China in 1940 at the age of 18. He came in search of opportunity and to establish a better life, where he could bring his wife and build a family. After completing his service in the war, he attended Samuel Gompers School on Valencia Street, where he learned the automotive repair trade. He started a service station business in 1955 when he was given the opportunity to run a tired little Richfield gas station located in the Western Addition, and later in 1971 he moved to the larger station at 2198 Market Street.

Our father was a man of integrity. He was honest, hardworking, and he treated everybody with respect. He was a happy person and always had a big smile. He loved interacting with people and providing them with good service. Because of this his business thrived. His station became a community gathering spot. It was a place where the neighbors and customers from other neighborhoods felt comfortable, and would gather whether their cars needed fixing or not. My brother and I grew up working at the station and it was a great experience to see the rich and diverse relationships that our father built.

In 1971, his first service station was demolished to be developed into the Western Addition housing project. He was offered a chance to run the much larger Phillips 66 station at Market and Sanchez. In 1974, Phillips 66 left California. Our father was given the choice to find another station to operate, or purchase the property. With 6 children in /or starting college, it was a risky decision to make. My parents even consulted with the Taoist temple on Washington Street, and their fortune told them to take the chance. My parents purchased the lot, connected with Shell Oil, and persevered to keep the small neighborhood business a success for many more years. It was a proud and happy time for my parents.

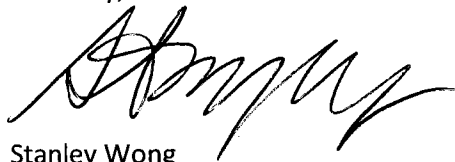
Around 2003, our Father decided to focus all of his attention on caring for our Mom, who had been diagnosed with cancer. He gave the station to Shell to run, and after about a year Shell decided they could not make the business profitable, so they terminated their lease and the station was demolished, the tanks removed, and the environmental cleanup was begun.

Our Mom passed away late in 2003, and soon after our Father was diagnosed with Parkinson's disease. Our parents were really proud of their small business, and even with Parkinson's disease the memories provided our Father with much happiness. Occasionally, I would take him out to the vacant lot and he would sit at the busy corner of Market and Sanchez and soak in all the street life and all the memories. He didn't want to leave. For the next 8 years our main focus was on our father's care. Our father passed away in 2011, and we had to face the question of what to do with the "Station".

Our parents had once dreamed of developing something significant on their property. They wanted to build something there, that would remain for their ten grandchildren and the generations to follow, to see and be reminded of what honest hard work could accomplish. Our Father always said that if you really apply yourself anything is possible.

We really wanted to keep the land in our family to honor our parents and the connection they had to this neighborhood, but we did not have the financial means or expertise to develop a quality building. We contacted Tony Crossley at Colliers International and came up with the idea of leasing our land to a developer who did have the ability make our parent's dream a reality. He soon introduced us to the people at Greystar and things just felt right. They shared the same values that our father saw as being important - Honesty, Integrity, and the Ability to work with people. Our family is very pleased with how Greystar has progressed with their design of the building that will stand on our parent's land. They have been committed to being thorough and diligent in working with the community to provide a quality building that everyone can be proud of. We believe our parents would be very happy with the way things are working out.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stanley Wong', written in a cursive style.

Stanley Wong

Cc: Michael Smith, and Planning Commission