



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

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| <input checked="" type="checkbox"/> Inclusionary Housing (Sec. 315) | <input checked="" type="checkbox"/> First Source Hiring (Admin. Code) |
| <input type="checkbox"/> Jobs Housing Linkage Program (Sec. 313) | <input type="checkbox"/> Child Care Requirement (Sec. 314) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 139) | <input type="checkbox"/> Other |

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Planning Commission Motion No. 17530

Hearing Date: January 17, 2007
Case No.: **2006.1525CE**
Project Address: **2829 CALIFORNIA STREET/1933-35 DIVISADERO ST**
Zoning: NC-2 (Small Scale, Neighborhood Commercial)
40-X Height and Bulk District
Block/Lot: 1028/028 & 003
Project Sponsor: Bayside Homes
Ray Steffen
250 Sutter Street, #600
San Francisco, CA 94108
Staff Contact: Aaron Starr – (415) 558-6362
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ADOPTING FINDINGS RELATING TO CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 121.1, 303 AND 711.11 OF THE PLANNING CODE TO ALLOW A DEVELOPMENT ON A LOT GREATER THAN 10,000 SQUARE FEET IN AREA WITHIN THE NC-2 (SMALL-SCALE NEIGHBORHOOD COMMERCIAL) DISTRICT AND A 40-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On January 30, 2007 Ray Steffan (Project Sponsor) filed an application with the Department for Conditional Use Authorization under Planning Code Sections 121.1, 303 and 711.11 to allow a development on a lot larger than 10,000 square feet in area within the NC-2 (Small-Scale Neighborhood Commercial) District and a 40-X Height and Bulk District.

On **January 17, 2008**, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2006.1525C.

The Project was determined by the San Francisco Planning Department (hereinafter "Department") to be categorically exempt from environmental review. The Commission has reviewed and concurs with said determination.

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

MOVED, that the Commission hereby authorizes the Conditional Use requested in Application No. 2006.1525C, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description.** The existing L-shaped property consists of two lots containing a total of 10,587 square feet. The project is located in the Western Addition neighborhood on the southwest corner of Divisadero and California Streets, Block 1028, Lots 028 and 003. The property is located within an NC-2 (Small Scale Neighborhood Commercial) District and 40-X height and bulk district. The property is currently developed with a 2-story building (previously used as an ambulance repair facility) fronting on California Street and a parking lot fronting on Divisadero Street.
3. **Surrounding Neighborhood.** The California Street block is characterized by midsize apartment buildings ranging from 3-8 stories tall, and mixed use buildings with commercial spaces on the ground floor. The Divisadero Street block has a slightly smaller scale with some multi-unit buildings that have ground floor retail and one-unit and two-unit buildings, most of which are three stories tall or less. Both Divisadero Street and California Street are major transit corridors for the Western Addition neighborhood.
4. **Project Description.** The project consists of demolishing the existing 2-story building (previously used as an ambulance repair facility) and constructing two, 4-story, mixed-use buildings, one fronting on California Street and one fronting on Divisadero Street. Combined, the two buildings will have a total of 12 residential units (two 1-bedroom units, eight 2-bedroom units and two 3-bedroom units), 21 independently accessible parking spaces (18 for the residential units and 3 for the commercial and office spaces), 2 tandem parking spaces, 8 bicycle parking spaces and approximately 6,310 square feet of gross commercial and office space at the ground floor. Both structures will be 40' in height. The building fronting on Divisadero Street will cover the entire lot at the ground floor and the building fronting on California Street will have a 15' deep setback for the width of lot 9 on the subject block (approximately 27.5'). The Divisadero Street building will have an approximately 27.5' rear yard setback at the upper floors and the California Street building will have an approximately 34.5' rear yard setback at the upper floors.
5. **Public Comment.** As of January 9, 2008 the Department has received 1 phone call relating to the proposed project and two letters in opposition. The phone call came from Linda Martin, a

neighbor of the property, in October of 2007 who had general questions about the location and size of the project. One letter in opposition was from an adjacent neighbor who is concerned about the impact the development will have on his property line windows. Property line windows are not protected by the Planning Code or Residential Design Guidelines. The other letter came from a neighbor, Ahmed Khaishgi, to the rear of the subject property that fronts on California Street. His concerns relate to the lack of a setback from the rear property line at the ground floor, privacy issues and possible health hazards from the proposed development.

The Planning Commission took Mr. Khaishgi's concerns about the setback into consideration and modified the project by setting the ground floor of the California Street building back 15' from the rear property line for the width of Mr. Khaishgi's property, approximately 27.5'. This will create a deck that can be used by the tenants of the adjacent office space. The project sponsor will also install bamboo or a similar live plant at the edge of the deck to screen it from Mr. Khaishgi's property.

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. **Density.** Planning Code Section 711.91 allows 1 dwelling unit per 800 square feet of lot area in NC-2 Districts.

The subject property has a total of 10,587 square feet, which the Planning Code would allow to be developed with up to 13 residential dwelling units. The proposal includes a total of 12 residential units.

B. **Open Space.** Planning Code Section 711.93 requires 100 sq. ft. of private useable open space per unit or 1.33 square feet of common useable open space.

All but three of the units exceed the required amount of private useable open space. The three that do not, share approximately 400 sq. ft. of common useable open space on the roof of the subject building.

C. **Rear Yard Requirement in the NC-2 District.** Planning Code Section 134 requires that the minimum rear yard depth shall be equal to 25 percent, but in no case less than 15 feet, of the total depth of a lot at the second story and above at all residential units.

The Divisadero Street building will cover its entire lot at the ground floor and the California Street building will have an approximately 15' deep by 27.5' wide setback at the ground floor. Neither building contains residents on the ground floor. The Divisadero Street lot is 110' deep, which requires a 27.5' deep rear yard at the second floor and above. The proposed building on the Divisadero Street lot is set back 27.5' from the rear property line. The California Street lot is 137.5' deep, which requires a rear yard setback of 34.38' at the second floor and above. The proposed building on Divisadero Street is setback at the upper floors 34.5' from the rear property line.

D. **Auto Parking.** Section 151 of the Planning Code requires one off-street independently accessible parking space for every dwelling unit and permits up to 150% of the total amount

of required parking spaces as of right. The Planning Code requires one parking space for every 500 square feet of office and retail space, where the occupied floor area exceeds 5,000 square-feet. Where no parking is required in an NC Districts, 3 spaces are permitted as of right.

The proposed development includes 12 residential units, requiring 12 parking spaces. The project proposes 18 independently accessible parking spaces for the residential units, or 150% of the total amount of parking required by the Code. The total amount occupied commercial and office space is 4,950 square feet, which does not trigger any parking. However, the project proposes 3 parking spaces for the commercial spaces, which is permitted as of right in an NC District when no parking is required by the Planning Code.

- E. **Bike Parking.** Section 155.5 of the Planning Code requires one Class 1 parking space for every 2 dwelling units for projects with 4 to 50 units.

The proposed development includes 12 residential units, which requires 6 Class 1 bicycle parking spaces. The project sponsor has included 8 Class 1 bicycle spaces in the form of bicycle lockers. Per Section 151.1 of the Planning Code, Class 1 bicycle parking is parking that protects the entire bicycle, its components and accessories against theft and against inclement weather, including wind-driven rain. Examples of this type of facility include (1) lockers, (2) check-in facilities, (3) monitored parking, (4) restricted access parking, and (5) personal storage.

- F. **Street Frontage in Neighborhood Commercial Districts.** Section 145.1 of the Planning Code requires that in NC Districts, specific uses, including general retail establishments, have at least ½ the total width of new or altered structures at the commercial street frontage devoted to entrances to commercially used space, windows or display space at the pedestrian eye-level. Such windows shall use clear, un-tinted glass, except for decorative or architectural accent. Any decorative railings or decorated grille work, other than wire mesh, which is placed in front or behind such windows, shall be at least 75 percent open to perpendicular view and no more than six feet in height above grade.

The proposed structure has approximately 55 feet of frontage on California Street with approximately 35 feet devoted to either window space or entrances. The proposed structure has approximately 27.5 feet of frontage on Divisadero Street with approximately 18 feet devoted to either window space or entrances. All of the ground floor windows are clear and unobstructed

- G. **Lot Size.** Planning Code Section 711.11 requires Conditional Use Authorization for lots greater than 10,000 sq. ft. per development.

The project applicant applied for Conditional Use Authorization to develop the two subject lots that contain 10,587 square feet.

- H. **Dwelling Unit Exposure.** Planning Code Section 140 requires each dwelling unit to have at least one room of 120 square feet of floor area that faces 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.

Each of the 12 dwelling units in the proposed development faces either a Code-complying public street (California or Divisadero Streets) or a Code-complying rear yard.

- I. **BMR Units.** The Planning Code Section 315.3 requires that all buildings with 5 or more units provide Below Market Rate (BMR) housing by either accommodating the housing onsite by making 15% of the total number of units affordable, off-site by building 20% of the total number of units at another location within 1 mile of the subject property, or paying an in-lieu fee based on the number of units required if the units were to be built off-site.

The total number of units required on-site or off-site is 2. The project sponsor has opted to pay an in-lieu fee to satisfy Planning Code Section 315.3. The in-lieu fee is determined by the Mayor's Office of Housing and is subject to the requirements outlined in Planning Code Section 315.6.

7. **Planning Code Section 121.1** established the following criteria for the Planning Commission to consider when granting conditional use approval for developments on lots greater than 10,000 square feet.

- A. The mass and facade of the proposed structure are compatible with the existing scale of the district.

Both of the façades are designed with materials that are equal in quality with the surrounding neighborhood, and proper attention was given to the buildings fenestration, pagination and existing neighborhood context. The two buildings are proposed to be 40' tall, with a 4' parapet at the front property line which is consistent with the scale of the other buildings in the district.

- B. 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 proposed facades use both wood and stucco to emulate the materials used on the adjacent structures and both of the façades derive their form from the adjacent buildings by using angled and

square bays. In addition, the height of the proposed retail space on California Street was designed to be compatible with the height of the adjacent retail spaces.

8. **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 Proposal includes small scale retail at the ground floor and residential units above, which is consistent with the pattern of development in the neighborhood. As an example, the building on the corner of California and Divisadero adjacent to the subject building is of a similar height and bulk with full lot coverage. It also has 19 residential units and ground floor retail space. There are also several buildings on Divisadero Street, which has a development pattern with a finer grain, with 2-5 residential units above commercial space. The building fronting on Divisadero Street proposes 3 residential units above a small scale retail space.

- 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 proposed development will not change the size and shape of the existing lots, which are currently consistent with the development pattern on the block. The proposed arrangement of the two structures is also consistent with the established building pattern on the block and includes no front setback- which is desirable in a neighborhood commercial district- and a rear setback at the second floor and above, as required by the Planning Code in NC-2 Districts.

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

The proposed development will not have a significant impact on traffic patterns for persons or vehicles. The proposed development has a single, 11' wide garage entrance that is located on California Street. The garage is proposed to accommodate 21 vehicles. This is a reasonable width for a garage opening on a lot that is 55 wide in a Neighborhood Commercial District. In addition, the entrance to the garage is located approximately 43' from the nearest garage entrance on California Street and approximately 55' from the closest MUNI stop on California Street, which will minimize the effect that the proposed development will have on existing traffic patterns. Having the garage entrance on California Street also avoids placing the entrance on Divisadero Street, which is narrower and more congested than California Street.

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

The proposed development and uses will not produce any significant amounts of noxious or offensive emissions such as noise, glare, dust and odor.

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

The proposed parking is below grade. The entrance to the garage door is a solid door which will screen any visual impacts caused by the proposed garage. All lighting and signage will comply with the applicable sections of the Planning Code.

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

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

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

The proposed project is consistent with the stated purposes of NC-2 Districts in that the district's controls provide for mixed-use buildings which approximate or slightly exceed the standard development pattern and has housing units above the ground story with commercial development on the ground floor to promote continuous retail frontage.

- 9. **General Plan Compliance.** The Project is consistent with the Objectives and Policies of the General Plan in that:

HOUSING ELEMENT

POLICY 1.2:

Encourage housing development, particularly affordable housing, in neighborhood commercial areas without displacing existing jobs, particularly blue-collar jobs or discouraging new employment opportunities.

The development is proposed on the site that was previously used as an ambulance repair facility. Since the repair facility is no longer in use, the project will not displace any blue-collar jobs. The commercial and office space component of the proposal will provide new opportunities for other jobs.

POLICY 1.4:

Locate in-fill housing on appropriate sites in established residential neighborhoods.

The proposed development is on an underutilized piece of property in a well established mixed use neighborhood with a strong residential component.

POLICY 1.7

Encourage and support the construction of quality, new family housing.

Out of 12 units, the proposal includes 2, 3-bedroom units suitable for family housing.

POLICY 8.9

Encourage the provision of new home ownership opportunities through new construction so that increased owner occupancy does not diminish the supply of rental housing.

The proposed housing units will be new construction condominiums, which is consistent with Policy 8.9 of the General Plan's housing element.

POLICY 11.3

Encourage appropriate neighborhood-serving commercial activities in residential areas, without causing affordable housing displacement.

The proposed development will provide 3 new commercial spaces at a scale appropriate for neighborhood-serving retail. No affordable housing will be displaced.

POLICY 11.5

Promote the construction of well-designed housing that enhances existing neighborhood character.

The proposed development has been designed to fully utilize the site while still meeting dwelling unit exposure and open space standards in the Planning Code, and providing well-designed interior spaces. The façade is designed with high quality materials, and proper attention was given to the buildings fenestration, pagination and existing neighborhood context.

POLICY 11.8:

Strongly encourage housing project sponsors to take full advantage of allowable building densities in their housing developments while remaining consistent with neighborhood character.

The allowable density for the subject site is 13 units; the proposed density is 12 units. Given the various limitations of the site and the desire to provide well-designed units with proper exposure and open space, and ground floor retail, the proposed development takes proper advantage of the allowable building density.

NEIGHBORHOOD COMMERCE

Policy 1.3:

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

The proposed development will provide the opportunity for businesses to come to the neighborhood that provide goods and services to the neighborhood that are desirable and will provide resident employment opportunities to those in the community. Further, the Project Site is located within a Neighborhood Commercial District and is thus consistent with activities in the commercial land use plan.

Policy 2.1:

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

The Project will enhance pedestrian traffic along California and Divisadero Streets by creating additional commercial space, which will benefit the other existing commercial establishments in the neighborhood.

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.

No commercial tenant would be displaced and the project would not prevent the district from achieving optimal diversity in the types of goods and services available in the neighborhood.

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

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

The proposal would enhance the district by providing more commercial frontage along the pedestrian realm, which will increase pedestrian traffic and benefit the other existing commercial establishments in the area.

- 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 seeks to develop an underutilized parcel of land in a dense, transit-rich neighborhood by providing compatible retail and office space and 12 housing units. The project will therefore preserve and enhance the existing neighborhood character.

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

The project seeks to demolish a vacant ambulance repair facility. It will not remove any affordable housing. The project sponsors will pay an in-lieu fee to meet their affordable housing requirements as established in the Planning Code.

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

The proposal provides ample residential parking and the size and nature of the retail spaces is such that the businesses that will occupy them will most likely be smaller neighborhood serving businesses and not attract a large number of customers that travel by car.

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

The Project will demolish a vacant ambulance repair facility. Ownership of industrial or service sector businesses will not be affected by this project.

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

The Project is designed and will be constructed to conform to the structural and seismic safety requirements of the Building Code.

- G. That landmarks and historic buildings be preserved.

A landmark or historic building does not occupy the Project site.

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

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

11. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.

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

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Application No. 2006.1525C** subject to the following conditions attached hereto as "EXHIBIT A" 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. 17530. 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 94012.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on **January 17, 2008**.

Linda Avery
Commission Secretary

AYES: Commissioners Alexander, Antonini, S. Lee, W. Lee, Moore, Olague and Sugaya

NAYS: None

ABSENT: None

ADOPTED: January 17, 2008

Exhibit A

Conditions of Approval

Land Use

1. This authorization is for a Conditional Use Authorization under Planning Code Section 121.1, 303 and 711.11 of the Planning Code to allow a development on a lot that contains more than 10,000 square feet in an NC-2 (Small-Scale, Neighborhood Commercial) District and a 40-X Height and Bulk District, in general conformance with plans filed with the Application as received on January 10, 2008, and as modified by the Commission on January 17, 2008, and stamped "EXHIBIT B" included in the docket for **Case No. 2007.0386C**, reviewed and approved by the Commission on **January 17, 2008**.

Recordation

2. Prior to the issuance of the Building Permit 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 premises (Assessor's Block 1028, Lots 003 & 028), which notice shall state that construction has been authorized by and is subject to the conditions of this Motion. From time to time after the recordation of such notice, at the request of the Project Sponsor, the Zoning Administrator shall affirm in writing the extent to which the conditions of this Motion have been satisfied.
3. The Project Sponsor shall assure the execution and recordation of the specified conditions as a Notice of Special Restrictions at the Office of the County Recorder / County Clerk.

Monitoring

4. Violation of the conditions contained in this Motion or of any other provisions of the Planning Code may be subject to abatement procedures and fines up to \$500 a day in accordance with Planning Code Section 176.
5. Should monitoring of the Conditions of Approval contained in Exhibit A of this Motion be required, the Project Sponsor or successors shall pay fees as established in Planning Code Section 351(e)(1).

General

6. The Planning Commission may, in a public hearing, consider the revocation of this conditional use authorization if a site or building permit has not been issued 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 thenceforth diligently to completion. The Commission may also consider revoking this

7. Future retail tenants shall maintain an attractive storefront providing visibility of the interior through the storefront windows.
8. Signs and exterior lighting for the business shall be reviewed and approved by the Planning Department before they are installed.
9. The property owner or owners shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean condition. Such maintenance shall include, at a minimum, daily litter pickup and disposal, and periodic washing or steam cleaning of the main entrance and abutting sidewalks.

Design

10. The project sponsor shall continue to work with the Planning Department on the design of the proposal through the site permit process. Any changes to the building's dimensions, exterior materials, window location, size or materials, or use after the approval of the site permit shall be subject to further review and approval by the Planning Department.
11. Proposed windows shall be of high quality and recessed to provide visual interest and architectural articulation to all exposed facades.
12. Aluminum reveals or similar materials shall not be permitted.
13. Highly reflective spandrel glass, mirror glass or deeply tinted glass shall not be permitted. Only clear glass shall be used at all levels.
14. All proposed street trees shall be 24-inch box sized.
15. The proposed building at 2829 California Street shall have a 15' deep setback at the ground floor that will extend the width of lot 9 on the subject block, approximately 27.5', as shown in Exhibit C in the Case Docket. The resulting area can be used as a deck for the ground floor office space. The project sponsor will also install planters and a watering system at the edge of the deck planted with bamboo, or a comparable live plant to screen the deck from lot 9.

Affordable Housing

16. The Project shall comply with the inclusionary housing requirements set forth in Section 315 of the Planning Code. Under Planning Code Section 315 of the Planning Code, the project requires two (2) below-market-rate units (15%) if the units are placed on-site or two (2) below-market-rate units (20%)

if the units are placed off-site. The project sponsor has provided a "Declaration of Intent" electing to satisfy the Inclusionary Housing requirement by payment of an in lieu fee.

17. Payment of an in lieu fee shall be determined according to the procedures set forth in Section 315.6 of the Planning Code. The project applicant can pay an in lieu fee to satisfy the requirements of the Inclusionary Housing requirement. The in lieu fee shall be paid to the Treasurer for use by the Mayor's Office of Housing for the purpose of constructing on an alternative site. The amount of the fee shall take into account the number of units required by the project applicant to meet the off-site housing development and the affordability gap as identified in the "San Francisco Sensitivity Analysis Summary Report: Inclusionary Housing Program" prepared by Keyser Marston Associates, Inc. in August 2006 for the Maximum Annual Rent or Maximum Purchase Price for the equivalent unit sizes.

First Source Hiring

18. The Project is subject to the requirements of the First Source Hiring Program (Chapter 83 of the Administrative Code) and the Project Sponsor shall comply with the requirements of this program, including having an Occupancy Program approved by the First Source Hiring Administrator prior to the issuance of the first Certificate of Occupancy.

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