

## EXHIBIT C

### CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS

The San Francisco Planning Commission (hereinafter “Commission”) hereby ADOPTS THESE CEQA FINDINGS for the Final Environmental Impact Report identified as case file No. 2004.0773E, for the proposed development at 55 Laguna Street (hereinafter “Project”). The following findings are hereby adopted by the San Francisco Planning Commission pursuant to the requirements of the California Environmental Quality Act, California Public Resources Code 21000 et seq. (“CEQA”) with respect to the 55 Laguna Mixed-Use Project, in light of substantial evidence in the record of Project proceedings, including but not limited to, the 55 Laguna Mixed-Use Project Final Environmental Impact Report (“EIR”) prepared pursuant to CEQA, the State Guidelines for Implementation of CEQA, Sections 15000 et seq., (the “CEQA Guidelines”), and Chapter 31 of the San Francisco Administrative Code.

In determining to approve the proposed Project, the San Francisco Planning Commission (“Planning Commission” or “City”) makes and adopts the following findings of fact and adopts the following evaluation and recommendations regarding mitigation measures and alternatives with respect to the Project, in light of substantial evidence in the whole record of Project proceedings, including but not limited to, the EIR and pursuant to the requirements of CEQA, particularly Sections 21081 and 21081.5, the CEQA Guidelines, particularly Sections 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code.

#### 1) INTRODUCTION AND PROJECT DESCRIPTION

This document is organized as follows:

**Section 1** provides a description of the Project, the environmental review process for the Project, and the location of records.

**Section 2** provides a description of the Planning Commission actions to be taken.

**Section 3** evaluates the different project alternatives and the economic, legal, social, technological, and other considerations that support the rejection of the alternatives;

**Section 4** identifies potentially significant impacts that are avoided or reduced to less-than-significant levels and makes findings regarding Mitigation Measures.

**Section 5** states that there are significant unavoidable impacts to historic resources that cannot be avoided or reduced to less-than-significant levels through Mitigation Measures.

Section 6 makes findings in support of a statement of overriding considerations such that the economic, legal, social, technological, or other benefits of the project outweigh the unavoidable adverse environmental effects, rendering the adverse environmental effects acceptable.

Attached to these findings as Exhibit C is the Mitigation Monitoring and Reporting Program for the mitigation measures that have been proposed for adoption. The Mitigation Monitoring and Reporting

Program is required by CEQA Section 21081.6 and CEQA Guidelines Section 15091. It provides a table setting forth each mitigation measure listed in the Final EIR that is required to reduce or avoid a significant adverse impact. Exhibit C also specifies the agency responsible for implementation of each measure and establishes monitoring actions and a monitoring schedule.

**A. Project Description**

The project analyzed in the EIR would allow for the construction, on an approximately 236,113 square-foot site encompassing Assessor's Blocks/Lots: 870/1, 2 and a portion of Lot 3; and 857/1 & 1A, a moderate density mixed use development of approximately 330 dwelling units proposed by AF Evans, approximately 110 affordable senior dwelling units proposed by openhouse welcoming to the lesbian, gay, bisexual and transgender (LGBT) senior community and all seniors, approximately 12,000 square feet of community facility space, and approximately 5,000 occupied square feet of neighborhood-serving retail space in a total of 10 buildings on the Property. Not less than 15% of the dwelling units developed by AF Evans (and as many as 20% if state tax-exempt bond financing is allocated to the Project) will be affordable units under the City's inclusionary housing ordinance. The approximately 110 senior dwelling units developed by openhouse would be 100% affordable at 50% of San Francisco median income. The Project will also include approximately 90,690 square feet of parking in two underground garages and 14 surface spaces which would be on Micah Way or Lindhardt Lane (two proposed private alleys), for a total of approximately 310 spaces, and approximately 35,000 square feet of publicly accessible open space, created by the reintroduction of the Waller Street right-of-way and a community garden (in addition to private and common open space for residents) in a P (Public) District. The Project would also include the rezoning of the Property from P (Public) to RM-3 and NC-3 Districts and the Laguna, Haight, Buchanan and Hermann Streets Special Use District (the "SUD"), an ordinance to create the SUD as proposed Planning Code Section 249.32, and reclassification of the height and bulk districts from 40-X and 80-B to 40-X, 50-X and 85-X Height and Bulk Districts. The Project will result in the adaptive reuse of three City landmark buildings, the demolition of the heavily altered Middle Hall and the one-story Administration Wing of Richardson Hall, the retaining walls along Laguna and Haight Street, and the construction of seven new buildings.

**B. Environmental Review**

A Notice of Preparation ("NOP") and Public Scoping Meeting was issued by the Planning Commission on June 15, 2005, and was circulated for public comments. A scoping meeting was held on June 29, 2005, to provide the public with an opportunity to comment on the scope and content of the EIR. Based on the comments received, the Planning Department determined that the Initial Study, published on May 6, 2006, was the best means to focus the scope of the Environmental Impact Report (EIR) to analyze the environmental impacts of the Project in accordance with the California Environmental Quality Act. On January 27, 2007, the Planning Department published the Draft EIR and provided public notice of the

availability of the Draft EIR for public review and comment. The public comment period for the Draft EIR ran from January 27, 2007 through May 2, 2007.

A Notice of Completion ("NOC") and copies of the Draft EIR were distributed to the State Clearinghouse on January 27, 2007, as well as local and State responsible and trustee agencies. A Notice of Availability ("NOA") for the Draft EIR was distributed to all responsible and trustee agencies, other local and Federal

agencies, interested groups, organizations, and individuals on January 27, 2007. The NOA was also sent to all tenants and property owners within a 300 foot radius of the subject property, anyone who had requested to be included on the mailing list for the proposed project, and local media and community groups.

The Planning Commission held a duly advertised public hearing on said Draft EIR on April 19, 2007, at City Hall. At this hearing, opportunity for public comment was given, and public comment was received on the Draft EIR. The period for acceptance of written comments ended on May 2, 2007. The Planning Department prepared responses to comments on environmental issues received at the public hearing and in writing, prepared revisions to the text of the Draft EIR in response to comments received or based on additional information that became available during the public review period. This material was presented in the "Comments and Responses," published on November 29, 2007, was distributed to the Planning Commission and to all parties who commented on the Draft EIR, and was available to others upon request at the Planning Department's office. A Final EIR has been prepared by the Planning Department, consisting of the Draft EIR, any consultations and comments received during the review process, any additional information that became available, and the Comments and Responses ("Final EIR").

On January 17, 2008, the Planning Commission reviewed and considered the Final EIR, and found that the contents of said report and the procedures through which the EIR was prepared, publicized and reviewed comply with the provisions of CEQA, the CEQA Guidelines and Chapter 31.

**C. Location of Records**

The public hearing transcript, a copy of all letters regarding the Draft EIR received during the public review period, the administrative record, and background documentation for the Final EIR including all of the documents that comprise the Final EIR are located at the Planning Department, 1650 Mission Street, 4<sup>th</sup> Floor, San Francisco, California. The Planning Department is the custodian of these documents and materials.

These findings are based upon substantial evidence in the entire record before the Planning Commission. The references set forth in these findings to certain pages or sections of the EIR or responses to comments in the Final EIR are for ease of reference and are not intended to provide an exhaustive list of the evidence relied upon for these findings.

**2) PLANNING COMMISSION ACTIONS**

The Planning Commission is considering various actions ("Actions"), in furtherance of the Project, which include the following:

- a) Certification of the Final EIR.
- b) Approval of a Conditional Use / Planned Unit Development authorization for the Project pursuant to Planning Code Sections 712.11, 712.21, 209.4, 303, 304 and proposed Section 249.32; including adoption of these CEQA Findings, mitigation measures, and a mitigation monitoring and reporting program ("MMRP").

- c) Review and action on Landmark Preservation Advisory Board's recommendation as to issuance of Certificates of Appropriateness for alteration to three City landmarks, Richardson Hall, Woods Hall and Woods Hall Annex.
- d) San Francisco Planning Commission recommendation to the Board of Supervisors on the General Plan Amendment, proposed adoption of the rezoning of the Project site from P (Public) to RM-3 and NC-3, reclassification of the Height and Bulk Districts from 40-X and 80-B to 40-X, 50-X and 85-X, and creation and designation of the Laguna, Haight, Buchanan and Hermann Streets Special Use District ("SUD"), Planning Code Section 249.32.

**3) CONSIDERATION OF PROJECT ALTERNATIVES**

The EIR concluded that the project will have significant unmitigated environmental impacts to the site's historic resources. Alternatives are thus discussed and analyzed here. The Planning Commission certifies that it has independently reviewed and considered the information on the alternatives provided in the EIR and in the record. The EIR reflects the Planning Commission's and the City's independent judgment as to the alternatives. The Planning Commission finds that the Project provides the best balance between satisfaction of the project objectives and mitigation of environmental impacts to the extent feasible, as described and analyzed in the EIR and adopts a statement of overriding considerations.

**The project sponsors' objectives are as follows.**

The objectives of the Regents of the University of California are:

- 1. Convey the property to a development team qualified to develop the property in a financially feasible manner that contributes to the quality of life of the surrounding neighborhood and the City of San Francisco.
- 2. Retain the existing UCSF Dental Clinic.
- 3. Fulfill fiduciary responsibility to receive fair market value return on University assets in order to support the University's academic mission.

The objectives of A.F. Evans Development, Inc. and openhouse are:

- 1. Provide moderate-density housing near downtown and accessible to various modes of public transit, thereby implementing the objectives of the General Plan Housing Element to construct additional residential units in established neighborhoods that will contribute significantly to the City's housing supply.
- 2. Provide a variety of housing types for a broad range of households, including studio, one-bedroom and multi-bedroom units and including below market rate units pursuant to the inclusionary affordable housing requirements of Sections 315-315.9 of the Planning Code.
- 3. Develop a mixed-use project that is generally consistent with the objectives and policies of the Market and Octavia Better Area Plan and with the Planning Department's Policy Guide to

Considering Reuse of the University of California Berkeley Extension Laguna Street Campus (December 2004).

4. Provide residential units in several different buildings, including both adaptive re-use of portions of the existing on-site buildings and in new construction, in order to provide a variety of architectural expressions and lifestyle choices.
5. Provide affordable senior dwelling units welcoming to the lesbian, gay, bisexual, and transgender (LGBT) senior communities and all seniors, combined with social, educational, and health services for seniors both in residence and from the community at large.
6. Seismically retrofit and adaptively reuse the majority of the existing buildings on the site where feasible.
7. Reintroduce the former Waller Street right-of-way as a publicly accessible way through the site to subdivide the site into two development blocks and provide publicly accessible open space.
8. Create neighborhood serving retail space and community serving space to serve the needs of both project residents and area neighbors.
9. Create a series of public, semi-public and private open spaces at the ground level of the project to provide neighborhood open space amenities and pedestrian access through the site, provide protected internal courtyards for use by residents, and to break up the mass of the project into several discrete buildings.
10. Provide adequate on-site parking primarily in underground garages to meet the needs of the project and the UCSF Dental Clinic, while allowing residents the option of not having a parking space should they not desire one.
11. Provide space for an on-site car sharing operation to serve project residents and neighbors.
12. Construct a high-quality residential mixed-use development that produces a reasonable return on investment for the project sponsors and their investors and is able to attract equity investors, construction, and permanent financing.

Pursuant to CEQA, the Planning Commission considered the following alternatives to the Project described in the EIR, which would reduce or avoid project-specific and cumulative impacts, and rejected them as infeasible for the reasons set forth below.

The Planning Commission adopts the EIR's analysis and conclusions regarding alternatives eliminated from further consideration, both during the scoping process and in response to comments.

A. **Alternative A**, the "No Project Alternative," would entail no physical land use changes at the project site. Since the proposed project will have a significant and unmitigated environmental impact to historic resources, the EIR described and evaluated the potential environmental effects of Alternative A. Under this Alternative, the former UC buildings on the project site would remain locked and vacant as they are currently, with the exception of the UC Dental Clinic, which would continue to operate as a

UCSF facility. The parking areas in the center of the site would remain used for UC and CPMC Davies parking purposes only, as under current conditions. All other portions of the site would remain off-limits to the general public. This alternative assumes that UC would perform minimal maintenance on the vacant buildings for safety and security purposes, but would not make wholesale improvements or renovations to them.

Under this Alternative, the 365 dwelling units and approximately 110 affordable senior dwelling units would not be developed. In addition, the site would not have the on-site social services for seniors in the neighborhood and citywide nor would the neighborhood benefit from the 10,000 square-foot community center or the 5,000 square-foot neighborhood-serving, retail use.

The No Project Alternative is hereby found by the Commission to be infeasible and is rejected because it would not achieve the key objectives of the proposed project, and is inconsistent with many of the objectives and goals of the General Plan, including but not limited to:

**Housing Element**

Objective 1 - To provide new housing, especially permanently affordable housing, in appropriate locations which meets identified housing needs and takes into account the demand for affordable housing created by employment demand.

Policy 1.4: Locate in-fill housing on appropriate sites in established residential neighborhoods.

Objective 4 Support affordable housing production by increasing site availability and capacity.

Policy 4.2: Include affordable units in larger housing projects.

Policy 4.5: Allow greater flexibility in the number and size of units within established building envelopes, potentially increasing the number of affordable units in multi-family structures.

Objective 8 Ensure equal access to housing opportunities.

Policy 8.1: Encourage sufficient and suitable rental housing opportunities and emphasize permanently affordable rental units wherever possible.

Policy 8.10: Ensure an equitable distribution of quality board and care centers, and adult day care facilities throughout the City.

Objective 11 - In increasing the supply of housing, pursue place making and neighborhood building principles and practices to continue San Francisco's desirable urban fabric and enhance livability in all neighborhoods.

- Policy 11.1: Use new housing development as a means to enhance neighborhood vitality and diversity.
- Policy 11.2: Ensure housing is provided with adequate public improvements, services, and amenities.
- Policy 11.3: Encourage appropriate neighborhood-serving commercial activities in residential areas, without causing affordable housing displacement.
- Policy 11.5: Promote the construction of well-designed housing that enhances existing neighborhood character.
- Policy 11.7: Where there is neighborhood support, reduce or remove minimum parking requirements for housing, increasing the amount of lot area available for housing units.
- 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.
- Policy 11.9: Set allowable densities and parking standards in residential areas at levels that promote the City's overall housing objectives while respecting neighborhood character and scale.
- Policy 11.10: Include energy efficient features in new residential development and encourage weatherization in existing housing to reduce overall housing costs and the long-range cost of maintenance.

**Residence Element**

- Objective 1: To provide new housing, especially permanently affordable housing, in appropriate locations which meets identified needs and takes into account the demand for affordable housing created by employment growth.
- Policy 1.4: Locate infill housing on appropriate sites in established neighborhoods.
- Objective 2: To increase the supply of housing without overcrowding or adversely affecting the prevailing character of existing neighborhoods.
- Policy 2.1: Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character.
- Policy 2.2: Encourage higher residential density in areas adjacent to downtown and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are permanently affordable to lower income households.
- Policy 2.3: Allow flexibility in the number and size of units within permitted volumes of larger multi-unit structures, especially if the flexibility results in creation of significant number of dwelling units that are permanently affordable to lower-income households.
- Policy 2.4: Adopt specific zoning districts which conform to a generalized land use and density plan and the Master Plan.

- Objective 7: To increase land and improve building resources for permanently affordable housing.
- Policy 7.2: Include affordable units in larger housing projects.
- Policy 7.5: Encourage energy efficiency in new residential development and weatherization in existing housing to reduce overall housing costs.
- Objective 12: To provide a quality living environment.
- Policy 12.1: Assure housing is provided with adequate public improvements, services and amenities.
- Policy 12.2: Allow appropriate neighborhood serving commercial activities in residential areas.
- Policy 12.4: Promote construction of well-designed housing that conserves existing neighborhood character.
- Policy 12.5: Relate land use controls to the appropriate scale for new and existing residential areas.
- Objective 13: To provide maximum housing choice.
- Policy 13.3: Increase the availability of units suitable for special user groups with special housing needs including large families, the elderly and the homeless.
- Policy 13.5: Encourage economic integration in housing by ensuring the new permanently affordable housing is located in all of the City's neighborhoods, and by requiring that new, large, market-rate residential developments include affordable units.
- Policy 13.6: Provide adequate rental housing opportunities.
- Policy 13.8: Amend regulations relating to group housing to ensure a distribution of quality board and care, adult day care facilities and single room occupancies.

**Transportation Element**

- Objective 1: Meet the needs of all residents and visitors for safe, convenient, and inexpensive travel within San Francisco and between the city and other parts of the region while maintaining the high quality living environment of the Bay Area.
- Policy 1.2: Ensure the safety and comfort of pedestrians throughout the city.
- Policy 1.3: Give priority to public transit and other alternatives to the private automobile as the means of meeting San Francisco's transportation needs, particularly those of commuters.
- Objective 11: Establish public transit as the primary mode of transportation in San Francisco and as a means through which to guide future development and improve regional mobility and air quality.
- Policy 11.3: Encourage development that efficiently coordinates land use with transit service, requiring that developers address transit concerns as well as mitigate traffic problems.
- Objective 34: Relate the amount of parking in residential and neighborhood commercial districts to the capacity of the city's street system and land use patterns.



Policy 34.1: Regulate off-street parking in new housing so as to guarantee needed spaces without requiring excesses and to encourage low auto ownership in neighborhoods that are well served by transit and are convenient to neighborhood shopping.

Policy 34.3: Permit minimal or reduced off-street parking for new buildings in residential and commercial areas adjacent to transit centers and along transit preferential streets.

### **Commerce and Industry Element**

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 which has undesirable consequences which cannot be mitigated.

Objective 6 Maintain and strengthen viable neighborhood commercial areas easily accessible to City Residents.

Policy 6.7: Promote high quality urban design on commercial streets.

### **Urban Design Element**

Objective 1: Emphasis of the characteristic pattern which gives to the city and its neighborhoods an image, a sense of purpose, and a means of orientation.

Policy 1.2: Recognize, protect and reinforce the existing street pattern, especially as it is related to topography.

Policy 1.3: Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

Objective 3 Moderation of major new development to complement the City pattern, the resources to be conserved, and the neighborhood environment.

Policy 3.1: Promote harmony in the visual relationships and transitions between new and older buildings

Policy 3.3: Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.

Policy 3.5: Relate the height of buildings to important attributes of the city pattern and to the height and character of existing development.

### **Recreation and Open Space Element**

Objective 4 Provide opportunities for recreation and the enjoyment of open space in every San Francisco neighborhood.

- Policy 4.5: Require private usable outdoor open space in new residential development.
- Policy 4.6: Assure the provision of adequate public open space to serve new residential development. The acreage of new neighborhood serving parkland and open space should be related to the size of the potential population and the availability of other nearby open space. Major new residential development should be required to provide open space accessible to the general public. This will compensate for the pressure the increased population will put on existing public facilities.
- The requirement of providing publicly accessible open space could be satisfied in a number of ways. Land on a site that is suitable for recreation purposes could be improved and maintained by the developer and made available to the general public.

### **Air Quality Element**

- Objective 3: Decrease the air quality impacts of development by coordination of land use and transportation decisions.
- Policy 3.1: Take advantage of the high density development in San Francisco to improve the transit infrastructure and also encourage high density and compact development where an extensive transportation infrastructure exists.
- Policy 3.2: Encourage mixed land use development near transit lines and provide retail and other types of service oriented uses within walking distance to minimize automobile dependent development.
- Policy 3.4: Continue past efforts and existing policies to promote new residential development in and close to the downtown area and other centers of employment, to reduce the number of auto commute trips to the city and to improve the housing/job balance within the city.
- Policy 3.6: Link land use decision making policies to the availability of transit and consider the impacts of these policies on the local and regional transportation system.

### **Market & Octavia Area Plan**

- Objective 1.1: Create a land use plan that embraces the Market and Octavia Neighborhood's potential as a mixed-use urban neighborhood.
- Policy 1.1.2: Concentrate more intense uses and activities in those areas best served by transit and most accessible on foot.
- Policy 1.1.3: Encourage housing and retail infill to support the vitality of the Hayes-Gough, Upper Market, and Valencia Neighborhood Commercial Districts.
- Policy 1.1.9: Allow small-scale neighborhood serving retail and other community-serving uses at intersections in residential districts.
- Objective 1.2: Encourage the urban form that reinforces the Plan Area's unique place in the city's larger urban form and strengthens its physical fabric and character.
- Policy 1.2.1: Relate the prevailing height of buildings to street widths throughout the plan area.
- Policy 1.2.2: Maximize housing opportunities and encourage high-quality commercial spaces on the ground floor.

- Objective 2.2: Encourage construction of residential infill throughout the Plan Area.
- Policy 2.2.2: Ensure a mix of unit sizes is built in new development and maintained in the existing housing stock.
- Policy 2.2.3: Eliminate residential parking requirements and introduce a maximum parking cap.
- Policy 2.2.4: Encourage new housing above ground-floor commercial uses in new development and in expansions of existing commercial buildings.
- Objective 2.4: Provide increased housing opportunities affordable to households at varying income levels.
- Policy 2.4.1: Disaggregate the cost of parking from the cost of housing and space for other uses.
- Policy 2.4.3: Encourage innovative programs to increase housing rental and ownership opportunities and housing affordability.
- Objective 3.1: Encourage new buildings that contribute to the beauty of the built environment and the quality of streets as public space.
- Policy 3.1.1: Ensure that new development adheres to principles of good urban design.
- Objective 3.2: Promote the preservation of notable historic landmarks, individual historic buildings, and features that help to provide continuity with the past.
- Policy 3.2.6: Encourage rehabilitation and adaptive reuse of historic buildings and resources
- Policy 3.2.12: Encourage new building design that respects the character of nearby older development.
- Policy 3.2.13: Promote preservation incentives that encourage reusing older buildings.
- Policy 3.2.17: To maintain the City's supply of affordable housing, historic rehabilitation projects may need to accommodate other considerations in determining the level of restoration.
- Objective 4.1: Provide safe and comfortable public rights-of-way for pedestrian use and for the public life of the neighborhood.
- Policy 4.1.1: Widen sidewalks and shorten pedestrian crossings with corner plazas and boldly marked crosswalks where possible without affecting traffic lanes.
- Policy 4.1.2: Enhance the pedestrian environment by planting trees along sidewalks, closely planted between pedestrians and vehicles.
- Policy 4.1.5: Do not allow the vacation of public rights-of-way, especially alleys. Where new development creates the opportunity, extend the area's alley network.
- Objective 5.2: Develop and implement parking policies for areas well served by public transit that encourage travel by public transit and alternative transportation modes and reduce traffic congestion.
- Policy 5.2.1: Eliminate minimum off-street parking requirements and establish parking caps for residential and commercial parking.
- Policy 5.2.2: Encourage the efficient use of space designated for parking.
- Policy 5.2.6: Make parking costs transparent to users.
- Objective 5.3: Eliminate or reduce the negative impact of parking on the physical character and quality of the neighborhood.
- Policy 5.3.1: Encourage the fronts of buildings to be lined with active uses and, where parking is provided, require that it be setback and screened from the street.

Policy 5.5.2: Provide secure and convenient bicycle parking throughout the plan area.

Objective 6.1: Ensure that new development is innovative and yet carefully integrated into the fabric of the area.

Alternative A is also infeasible because it fails to achieve the Project Sponsors' objectives, including but not limited to:

- a) This alternative would not convey the property to a development team qualified to develop the property in a financially feasible manner that contributes to the quality of life of the surrounding neighborhood and the City of San Francisco, and would not fulfill the University's fiduciary responsibility to receive fair market value return on University assets in order to support the University's academic mission.
- b) This alternative would not result in the development of a moderate density, mixed use residential project, and thus would conflict with the objective of the project sponsors to provide such housing near downtown that is accessible to various modes of public transit. It would also conflict with the sponsors' objective to develop a project consistent with the Market & Octavia Better Neighborhoods Area Plan and with the Planning Department's Policy Guide to Considering Reuse of the University of California Berkeley Extension Laguna Street Campus.
- c) This alternative would not satisfy the project sponsors' goal of providing affordable senior dwelling units welcoming to the lesbian, gay, bisexual, and transgender (LGBT) senior communities, combined with services for LGBT seniors both in residence and from the community at large.
- d) This alternative would preclude satisfaction of the sponsors' objective of providing a variety of housing types for a broad range of households, including below market rate units pursuant to Planning Code Section 315, the City's inclusionary housing ordinance.
- e) This alternative would not result in the adaptive reuse, including the seismic upgrade, of the existing buildings. By leaving buildings in their current underused state, this alternative may impede the Regents' goal of receiving fair market value for the site in the future.
- f) This alternative would not meet the project sponsors' objective of reintroducing the former Waller Street right-of-way as a publicly accessible way. It would also provide less publicly accessible open space than the project which could be used by existing neighborhood residents and programs.
- g) Because this alternative leaves intact a vacant and underutilized educational facility, the surrounding neighborhood-serving businesses will have fewer customers than would be generated by the project.
- h) Without the project, the sponsors' objective of providing the neighborhood residents a community center for social, cultural and educational programming would not be met.

- i) This alternative would not meet the project sponsors' objective of underground parking for the project and the existing UC Dental Clinic. It would also not provide the spaces for carshare organizations that could be used by neighbors as well as residents.
- j) Without the density provided by the seven new buildings and three adaptively reused buildings, the project sponsors' objective of earning a reasonable return on their investment so that equity investors, construction, and permanent financing could be obtained would not be met.

B. **Alternative B**, the "Preservation Alternative," would retain all buildings on the site for renovation and adaptive reuse, including the 3 landmark buildings-- Richardson Hall (including its one-story Administration Wing), Woods Hall, Woods Hall Annex, and Middle Hall and the retaining wall along Laguna and Haight Streets, which would be demolished under the project. This alternative would construct new in-fill residential uses in a manner similar to the proposed project, yet at a reduced size and density; up to 253 dwelling units and about 79 senior dwelling units and approximately 335 parking spaces, for a 1:1 parking ratio. This alternative would provide 10,000 square feet of community space, to be located entirely within Middle Hall, and up to 5,000 square feet of retail space, to be located at the basement (ground floor) level of Richardson Hall. This alternative would result in six new buildings, compared to the proposed project's seven. In contrast to the project, this alternative would restrict vehicular access through the site by eliminating the through streets Lindhardt Lane and Micah Way. The parking garage access driveways would remain at Laguna and Waller Streets, as well as on Hermann and Buchanan Streets. The proposed openhouse building would be constructed in a new courtyard immediately behind Richardson Hall, and would be eight stories or approximately 80 feet in height. All other new buildings would be between three to four stories, or a maximum of approximately 40 feet in height, consistent the site's existing 80-B and 40-X Height and Bulk District. All existing historic buildings would be upgraded for ADA and seismic code compliance.

Generally, Alternative B would have similar environmental effects as the proposed project except that it would reduce the project impacts to historical resources to a less-than-significant level. This alternative would retain all buildings that the Planning Department has identified as being individually eligible for listing on the California Register of Historical Resources (CRHR), including Richardson Hall in its entirety, Woods Hall and Woods Hall Annex, as well as the contributors to a potential campus historic district, which include Middle Hall, the retaining wall along Laguna and Haight Streets, and much of the associated landscaping from the period of significance (1921 to 1955). By eliminating the through-streets of Lindhardt Lane and Micah Way and reducing the overall scale and density of the development from up to 450 residential units to 332 units (a 26 percent reduction in density), this alternative would additionally reduce the project impacts to the site as a potential campus historic district to a less-than-significant level.

Since the proposed project will have significant and unavoidable environmental impacts to historic resources, the EIR presented and analyzed this Alternative B. Specific economic, social, environmental, technological, legal or other considerations make infeasible the Preservation Alternative identified in the EIR for the following reasons.

Alternative B is hereby found by the Commission to be infeasible and is rejected because it would not achieve many of the key objectives of the proposed project, and because it would create fewer dwelling unit, fewer inclusionary below market rate units, and less publicly accessible open space, and be less consistent than the proposed Project with many of the objectives and goals of the General Plan, including but not limited to:

**Housing Element**

- Objective 4      Support affordable housing production by increasing site availability and capacity.
  
- Policy 4.2:      Include affordable units in larger housing projects.
  
- Policy 4.5:      Allow greater flexibility in the number and size of units within established building envelopes, potentially increasing the number of affordable units in multi-family structures.
  
- Objective 11     In increasing the supply of housing, pursue place making and neighborhood building principles and practices to continue San Francisco’s desirable urban fabric and enhance livability in all neighborhoods.
  
- Policy 11.1:     Use new housing development as a means to enhance neighborhood vitality and diversity.
  
- Policy 11.2:     Ensure housing is provided with adequate public improvements, services, and amenities.
  
- Policy 11.7:     Where there is neighborhood support, reduce or remove minimum parking requirements for housing, increasing the amount of lot area available for housing units.
  
- 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.
  
- Policy 11.9:     Set allowable densities and parking standards in residential areas at levels that promote the City’s overall housing objectives while respecting neighborhood character and scale.

**Residence Element**

- Objective 2:     To increase the supply of housing without overcrowding or adversely affecting the prevailing character of existing neighborhoods.
  
- Policy 2.1:      Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character.
  
- Policy 2.2:      Encourage higher residential density in areas adjacent to downtown and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are permanently affordable to lower income households.

- Policy 2.3: Allow flexibility in the number and size of units within permitted volumes of larger multi-unit structures, especially if the flexibility results in creation of significant number of dwelling units that are permanently affordable to lower-income households.
- Policy 2.4: Adopt specific zoning districts which conform to a generalized land use and density plan and the Master Plan.
- Objective 7: To increase land and improve building resources for permanently affordable housing.
- Policy 7.2: Include affordable units in larger housing projects.
- Policy 7.5: Encourage energy efficiency in new residential development and weatherization in existing housing to reduce overall housing costs.
- Objective 13: To provide maximum housing choice.
- Policy 13.5: Encourage economic integration in housing by ensuring the new permanently affordable housing is located in all of the City's neighborhoods, and by requiring that new, large, market-rate residential developments include affordable units.
- Policy 13.6: Provide adequate rental housing opportunities.

**Transportation Element**

- Objective 11: Establish public transit as the primary mode of transportation in San Francisco and as a means through which to guide future development and improve regional mobility and air quality.
- Policy 11.3: Encourage development that efficiently coordinates land use with transit service, requiring that developers address transit concerns as well as mitigate traffic problems.
- Objective 34: Relate the amount of parking in residential and neighborhood commercial districts to the capacity of the city's street system and land use patterns.
- Policy 34.1: Regulate off-street parking in new housing so as to guarantee needed spaces without requiring excesses and to encourage low auto ownership in neighborhoods that are well served by transit and are convenient to neighborhood shopping.
- Policy 34.3: Permit minimal or reduced off-street parking for new buildings in residential and commercial areas adjacent to transit centers and along transit preferential streets.

**Recreation and Open Space Element**

- Objective 4 - Provide opportunities for recreation and the enjoyment of open space in every San Francisco neighborhood.
- Policy 4.6: Assure the provision of adequate public open space to serve new residential development. The acreage of new neighborhood serving parkland and open space should be related to the size of the potential population and the availability of other nearby open space. Major new residential development should be required to provide

open space accessible to the general public. This will compensate for the pressure the increased population will put on existing public facilities.

The requirement of providing publicly accessible open space could be satisfied in a number of ways. Land on a site that is suitable for recreation purposes could be improved and maintained by the developer and made available to the general public.

### **Air Quality Element**

- Objective 3: Decrease the air quality impacts of development by coordination of land use and transportation decisions.
- Policy 3.1: Take advantage of the high density development in San Francisco to improve the transit infrastructure and also encourage high density and compact development where an extensive transportation infrastructure exists.
- Policy 3.2: Encourage mixed land use development near transit lines and provide retail and other types of service oriented uses within walking distance to minimize automobile dependent development.
- Policy 3.4: Continue past efforts and existing policies to promote new residential development in and close to the downtown area and other centers of employment, to reduce the number of auto commute trips to the city and to improve the housing/job balance within the city.
- Policy 3.6: Link land use decision making policies to the availability of transit and consider the impacts of these policies on the local and regional transportation system.

### **Market & Octavia Plan**

- Objective 1.1: Create a land use plan that embraces the Market and Octavia Neighborhood's potential as a mixed-use urban neighborhood.
- Policy 1.1.2: Concentrate more intense uses and activities in those areas best served by transit and most accessible on foot.
- Objective 1.2: Encourage the urban form that reinforces the Plan Area's unique place in the city's larger urban form and strengthens its physical fabric and character.
- Policy 1.2.2: Maximize housing opportunities and encourage high-quality commercial spaces on the ground floor.
- Policy 2.2.3: Eliminate residential parking requirements and introduce a maximum parking cap.
- Objective 2.4: Provide increased housing opportunities affordable to households at varying income levels.
- Policy 2.4.3: Encourage innovative programs to increase housing rental and ownership opportunities and housing affordability.
- Policy 3.2.17: To maintain the City's supply of affordable housing, historic rehabilitation projects may need to accommodate other considerations in determining the level of restoration.
- Objective 4.1: Provide safe and comfortable public rights-of-way for pedestrian use and for the public life of the neighborhood.



- Policy 4.1.5: Do not allow the vacation of public rights-of-way, especially alleys. Where new development creates the opportunity, extend the area's alley network.
- Objective 5.2: Develop and implement parking policies for areas well served by public transit that encourage travel by public transit and alternative transportation modes and reduce traffic congestion.
- Policy 5.2.1: Eliminate minimum off-street parking requirements and establish parking caps for residential and commercial parking.
- Policy 5.2.2: Encourage the efficient use of space designated for parking.
- Policy 5.2.6: Make parking costs transparent to users.
- Objective 6.1: Ensure that new development is innovative and yet carefully integrated into the fabric of the area.
- Policy 6.2.2.: Any future reuse of the UC Berkeley Laguna Extension Campus should balance the need to reintegrate the site with the neighborhood and to provide housing, especially affordable housing, with the provision for public uses such as education, community facilities and open space.

Alternative B is also found infeasible and rejected because it would not meet the Project Sponsors' objectives, including, but not limited to:

- a) Because this alternative would produce 23% fewer family dwelling units — 253 dwelling units in Alternative B as compared to 328 dwelling units in the Proposed Project — it would not meet the project sponsors' objective of providing moderate density housing near downtown to the same extent as the Proposed Project.
- b) Because this alternative would result in a parking ratio of 1:1, this alternative would not meet the project sponsors' objective of developing a mixed use project that is consistent with the Market & Octavia Area Plan, which encourages parking ratios of less than 1:1.
- c) Because this alternative does not provide the internal circulation routes of Lindhardt Lane and Micah Way, it would not meet the project sponsors' objective of creating pedestrian access through the site and providing protected internal courtyards. This alternative also fails to satisfy the project sponsors' objective of creating a variety of publicly accessible open spaces
- d) Because this alternative would result in a commensurately smaller project, with fewer dwelling units, it would not meet the project sponsors' objective of constructing a high-quality development at a reasonable cost that can attract equity investors, construction, and permanent financing. According to the Alternatives Feasibility Analysis found in case file No. 2004.0773EC, the total construction cost (excluding the openhouse building) of the Proposed Project is estimated to be \$170,956,393. The Proposed Project could support a permanent debt amount of \$121,283,133. The remaining balance between the costs and the permanent debt would be contributed by an equity investor. In 2020, the estimated value of the project would cover the debt as well as the investor's equity, giving the investor a 16% return on the investment (or IRR – internal rate of return). A prudent investor would be willing to invest in the Proposed Project

providing this IRR. By comparison, the total construction cost (excluding the openhouse building) of Alternative B is estimated at \$150,782,632. Alternative B could support a permanent debt amount of \$84,265,032. The remaining balance between the costs and the permanent debt would need to be contributed by an equity investor. In 2020, the estimated value of the property would not cover the debt on the property, and therefore the net gain (or IRR – internal rate of return) to the investor would be less than zero. A prudent investor is unlikely to invest in the Preservation Alternative B given that there would be no return or a negative return on the investment.

- e) Because it would be infeasible for the Project Sponsor or any other developer to construct this alternative, Alternative B would not result in the conveyance of the property to a development team qualified to develop the property in a financially feasible manner, and thus would not fulfill the University's fiduciary responsibility to receive fair market value return on University assets in order to support the University's academic mission.
- f) Because it would infeasible for the Project Sponsor or any other developer to construct this alternative, openhouse would not be able to sublease a portion of the site to construct its proposed residential dwelling units welcoming to LGBT seniors.

C. **Alternative C**, the "New College of California/Global Citizen Center Concept Plan ("NC/GCC") Alternative," would retain the project site under its existing P (Public) Zoning District and 80-B and 40-X Height and Bulk District, retain and reuse all existing historic buildings on the project site, and construct new classroom, student and faculty housing and non-profit commercial uses, parking and open space uses. This alternative assumes that a private, non-profit educational institution in partnership with a non-profit green business organization, such as the New College of California and the Global Citizen Center (NC/GCC), would construct a new mixed use campus on the project site. NC/GCC would either purchase the subject property from the University of California or ground lease the property from the University. Under this Alternative C, New College would be accommodated primarily within the existing buildings of Richardson Hall, Middle Hall, Woods Hall, and Woods Hall Annex. These buildings would be reused for educational and community serving purposes, and would undergo seismic and accessibility upgrades. Most of the GCC's programs would be in three new buildings to be constructed toward the center of the site, totaling approximately 227,000 square feet of new construction. The GCC buildings would be between two-to-four stories in height above parking.

The GCC facilities would include the following uses: commercial office for nonprofit organizations and socially responsible Green Enterprises, supportive tenant and community services including a business incubator and a multi-media production studio, event and meeting venues for conferences and lectures, exhibition space for educational installations, a Green action center, and a mix of Green retail goods and services. This Alternative C would accommodate 243 total parking spaces, including 51 spaces for the Dental School, 12 spaces for car share organizations, 65 for a daycare facility, and 115 spaces to be shared by the NC/GCC. Similar to the proposed project, a pedestrian path would reestablish the former Waller Street right-of-way through the site, from Buchanan Street to Laguna Street. Generally, Alternative C would have similar environmental effects as the proposed project, but would have fewer impacts to historic resources than the proposed project. Alternative C would however generate more traffic than the

proposed project but would provide fewer parking spaces to accommodate the heightened parking demand.

Specific economic, social, environmental, technological, legal or other considerations make infeasible the NC/GCC Alternative identified in the Final EIR for the following reasons.

Alternative C is hereby found by the Commission to be infeasible and is rejected because it would not achieve the key objectives of the proposed project, and because it would create fewer dwelling unit, fewer inclusionary below market rate units, and is less consistent than the proposed Project with many of the objectives and goals of the General Plan, including but not limited to:

**Housing Element**

- Objective 1      To provide new housing, especially permanently affordable housing, in appropriate locations which meets identified housing needs and takes into account the demand for affordable housing created by employment demand.
  
- Policy 1.4:      Locate in-fill housing on appropriate sites in established residential neighborhoods.
  
- Objective 4      Support affordable housing production by increasing site availability and capacity.
  
- Policy 4.2:      Include affordable units in larger housing projects.
  
- Policy 4.5:      Allow greater flexibility in the number and size of units within established building envelopes, potentially increasing the number of affordable units in multi-family structures.
  
- Objective 8      Ensure equal access to housing opportunities.
  
- Policy 8.1:      Encourage sufficient and suitable rental housing opportunities and emphasize permanently affordable rental units wherever possible.
  
- Policy 8.10:     Ensure an equitable distribution of quality board and care centers, and adult day care facilities throughout the City.
  
- Objective 11     In increasing the supply of housing, pursue place making and neighborhood building principles and practices to continue San Francisco's desirable urban fabric and enhance livability in all neighborhoods.
  
- Policy 11.5:     Promote the construction of well-designed housing that enhances existing neighborhood character.
  
- 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.

Policy 11.9: Set allowable densities and parking standards in residential areas at levels that promote the City's overall housing objectives while respecting neighborhood character and scale.

**Residence Element**

Objective 1: To provide new housing, especially permanently affordable housing, in appropriate locations which meets identified needs and takes into account the demand for affordable housing created by employment growth.

Policy 1.4: Locate infill housing on appropriate sites in established neighborhoods.

Objective 2: To increase the supply of housing without overcrowding or adversely affecting the prevailing character of existing neighborhoods.

Policy 2.1: Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character.

Policy 2.2: Encourage higher residential density in areas adjacent to downtown and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are permanently affordable to lower income households.

Policy 2.3: Allow flexibility in the number and size of units within permitted volumes of larger multi-unit structures, especially if the flexibility results in creation of significant number of dwelling units that are permanently affordable to lower-income households.

Policy 2.4: Adopt specific zoning districts which conform to a generalized land use and density plan and the Master Plan.

Objective 7: To increase land and improve building resources for permanently affordable housing.

Policy 7.2: Include affordable units in larger housing projects.

Policy 7.5: Encourage energy efficiency in new residential development and weatherization in existing housing to reduce overall housing costs.

Objective 12: To provide a quality living environment.

Policy 12.1: Assure housing is provided with adequate public improvements, services and amenities.

Policy 12.4: Promote construction of well-designed housing that conserves existing neighborhood character.

Policy 12.5: Relate land use controls to the appropriate scale for new and existing residential areas.

Objective 13: To provide maximum housing choice.

Policy 13.3: Increase the availability of units suitable for special user groups with special housing needs including large families, the elderly and the homeless.

- Policy 13.5: Encourage economic integration in housing by ensuring the new permanently affordable housing is located in all of the City's neighborhoods, and by requiring that new, large, market-rate residential developments include affordable units.
- Policy 13.6: Provide adequate rental housing opportunities.
- Policy 13.8: Amend regulations relating to group housing to ensure a distribution of quality board and care, adult day care facilities and single room occupancies.

**Market & Octavia Plan**

- Objective 1.1: Create a land use plan that embraces the Market and Octavia Neighborhood's potential as a mixed-use urban neighborhood.
- Policy 1.1.3: Encourage housing and retail infill to support the vitality of the Hayes-Gough, Upper Market, and Valencia Neighborhood Commercial Districts.
- Objective 1.2: Encourage the urban form that reinforces the Plan Area's unique place in the city's larger urban form and strengthens its physical fabric and character.
- Policy 1.2.2: Maximize housing opportunities and encourage high-quality commercial spaces on the ground floor.
- Objective 2.2: Encourage construction of residential infill throughout the Plan Area.
- Policy 2.2.2: Ensure a mix of unit sizes is built in new development and maintained in the existing housing stock.
- Policy 2.2.3: Eliminate residential parking requirements and introduce a maximum parking cap.
- Policy 2.2.4: Encourage new housing above ground-floor commercial uses in new development and in expansions of existing commercial buildings.
- Objective 2.4: Provide increased housing opportunities affordable to households at varying income levels.
- Policy 2.4.3: Encourage innovative programs to increase housing rental and ownership opportunities and housing affordability.
- Objective 4.1: Provide safe and comfortable public rights-of-way for pedestrian use and for the public life of the neighborhood.
- Policy 4.1.5: Do not allow the vacation of public rights-of-way, especially alleys. Where new development creates the opportunity, extend the area's alley network.

Alternative C is also found infeasible and rejected because it would not meet the Project Sponsors' objectives, including, but not limited to:

- a) Because this alternative would be developed by NC/GCC, the Regents' objective of conveying the property to a qualified development team may not be fulfilled under this alternative since NC/GCC has no track record as a developer of such a project
- b) Because this alternative would produce commensurately fewer dwelling and senior dwelling units than the proposed project — 90 as compared to 440 — it would not meet the project sponsors' objective of providing a moderate density residential development near downtown.

- c) Because the only housing proposed under this alternative is student and faculty housing, this alternative would not meet the project sponsors' objective of providing a variety of housing types for a broad range of households.
  - d) Because the only housing proposed under this alternative is student and faculty housing, this alternative would not meet the project sponsors' objective of providing affordable senior dwelling units welcoming to the LGBT community and their friends.
  - e) According to the Alternatives Feasibility Analysis found in case file No. 2004.0773EC, the estimated construction cost of the NC/GCC Alternative is roughly \$82,000,000. Based on the estimated enrollment (1,649 students) and faculty numbers (94 full time staff), New College would be able to support approximately \$37,700,000 in debt. This leaves a gap of approximately \$60,600,000 that the College and GCC would have to fundraise in a capital campaign. Such a capital campaign appears highly unlikely to succeed given that New College is experiencing financial and accreditation challenges.
  - f) Both New College and the Global Citizens Center have stopped actively pursuing this alternative, and no other institution has expressed an interest in pursuing this alternative.
  - g) Because it would infeasible for New College and GCC (or any other educational user) to construct this alternative, it would not result in the conveyance of the property to a development team qualified to develop the property in a financially feasible manner, and thus would not fulfill the University's fiduciary responsibility to receive fair market value return on University assets in order to support the University's academic mission.
  - h) Because this alternative does not provide land for construction of affordable senior dwelling units, openhouse's objective of subleasing a portion of the site to construct its proposed affordable senior dwelling units welcoming to LGBT seniors would not be fulfilled.
- 4) POTENTIALLY SIGNIFICANT IMPACTS THAT ARE AVOIDED OR REDUCED TO A LESS-THAN-SIGNIFICANT LEVEL AND FINDINGS REGARDING MITIGATION MEASURES**
- a) The potentially significant impacts of the project that will be mitigated through implementation of mitigation measures include construction air quality, wildlife, hazards, and archaeological resources.
  - b) The Project Sponsor has agreed to implement all mitigation measures identified in the EIR, and the Commission has imposed those mitigation measures as conditions of approval, attached as Exhibit C to its Motion.
  - c) Pursuant to CEQA Section 21081.6, adopted mitigation measures will be implemented and monitored as described in the Mitigation Monitoring and Reporting Plan that is attached hereto as Exhibit C and incorporated herein by reference.
  - d) The required mitigation measures are fully enforceable and are included as conditions of approval in the Planning Commission's Planning Code Section 712.11, 712.21, 209.4, 249.32, 303,

and 304 proceeding or will be enforced though inclusion as conditions of approval in any building permits issued for the Project by the San Francisco Department of Building Inspection.

- e) With the required mitigation measures, all potential project impacts except historic resources would be avoided or reduced to a less-than-significant level.

As authorized by CEQA Section 21081 and CEQA Guidelines Section 15091, 15092, and 15093, based on substantial evidence in the whole record of this proceeding, the City finds that, unless otherwise stated, all of the changes or alterations to the Project listed herein have been required in, or incorporated into, the project to mitigate or avoid the significant or potentially significant environmental impacts listed herein, as identified in the EIR, that these mitigation measures will be effective to reduce or avoid the potentially significant impacts as described in the EIR, and these mitigation measures are feasible to implement and are within the responsibility and jurisdiction of the City and County of San Francisco to implement or enforce.

The mitigation measures proposed for adoption in this section are the same as the mitigation measures identified in the EIR. Further, the Planning Commission finds that the mitigation measures identified in this section are appropriate and feasible for adoption; the Mitigation Monitoring and Reporting Program (attached as Exhibit C) is designed to ensure compliance with the mitigation measures that are identified in this section and includes the same mitigation measures described herein. Thus the Program set forth in Exhibit C should be adopted and implemented.

**5) SIGNIFICANT ENVIRONMENTAL IMPACTS THAT ARE LESSENERD BUT NOT MITIGATED TO INSIGNIFICANCE THROUGH MITIGATION MEASURES**

In certifying the 55 Laguna Mixed-Use Project Final EIR and based on substantial evidence in the whole record, the Planning Commission finds that, with implementation of the mitigation measures described in the Final EIR and set forth in the Mitigation Monitoring and Reporting Plan (Exhibit C hereto), potentially significant impacts due to the Project individually and cumulatively, except as to historic resources, would be reduced to a less-than-significant level or eliminated. However, because of the unmitigable impact to historic resources, the proposed project would result in significant unavoidable impacts that could not be reduced to an insignificant level through implementation of mitigation measures.

Accordingly, pursuant to Section 21067 of CEQA and Sections 15040, 15081, and 15082 of the State CEQA Guidelines, the Planning Commission finds that the proposed project would result in three impacts that cannot be avoided if the proposed project is implemented; 1) the substantial alteration or demolition of existing structures which qualify as historical resources under CEQA (Administration Wing of Richardson Hall, Middle Hall and the Laguna Street retaining wall), 2) project site may no longer be eligible as a potential campus historic district after completion of the project, and 3) rezoning of the project site would have significant impacts to historic resources that are similar to those of the proposed project. The Planning Commission further finds that although Mitigation Measures HR-1 (HABS Level Recordation), HR-2 (Interpretative Display), HR-3 (Preservation Architect), HR-4 (Mural Identification, Testing, and Restoration Procedures) and HR-5 (Arborist) have been recommended to reduce the project impacts to historic resources, they would not avoid the impacts entirely, in which case the impacts would remain significant and unavoidable if the project were implemented.

**6) FINDINGS OF OVERRIDING BENEFITS OF THE PROJECT**

Pursuant to CEQA Guidelines Section 15093, the Planning Commission has considered the following benefits provided by the project:

1. The project will provide approximately 330 family dwelling units (developed by AF Evans) of varying sizes, not less than 15% of which will be affordable under Planning Code Section 315. It is currently contemplated that all of these units will be held as rental units because the ground will be leased from the University of California, making sale of condominiums units unlikely. Very few rental projects, especially ones containing family units, have been developed in San Francisco in the recent past. The project sponsor has also committed to seeking California Debt Limit Allocation Committee (CDLAC) bond financing for the project, which if allocated, would result in 20% of the dwelling units be affordable to households earning up to 50% of area median income. Not less than 15% of the dwelling units developed by AF Evans (and as many as 20% if state tax-exempt bond financing is allocated to the Project) will be affordable units under the City's inclusionary housing ordinance. All senior dwelling units will be affordable at 50% of San Francisco's median income.
2. The project will provide approximately 110 affordable senior dwelling units welcoming to LGBT seniors and the citywide senior community. The project will provide on-site support services for this senior population and other seniors residing off-site. No other senior projects in the City are aimed at welcoming this underserved community.
3. An approximately 12,000 square foot community center in a rehabilitated Woods Hall Annex will be available for cultural, social and educational programming to the residents the surrounding Hayes Valley and Lower Haight neighborhood.
4. The project provides approximately 35,000 square feet of publicly accessible open space, including active and passive recreation uses and a community garden, all in excess of the open space required by the Planning Code to be provided to serve on-site uses.
5. To reintegrate this currently walled-off site into the surrounding neighborhood, the project reintroduces the vacated Waller Street right-of-way as publicly accessible open space and introduces two new alleys onto the site.
6. In furtherance of the Market and Octavia Area Plan's emphasis on transit-dependence and minimum on-site parking, the project results in a parking ratio of approximately .60 space/unit, and meets all of the other parking standards of the Market and Octavia Area Plan.
7. Consistent with the Area Plan's goal of reinvigorating this site and the Hayes Valley neighborhood with infill housing and commercial activity, the site proposes a 5,000 square foot neighborhood serving retail space.
8. The project results in the adaptive reuse of three City landmarks.



9. The Project will generate a variety of fiscal benefits to the City, including possessory interest taxes and sales taxes (on property where no property, possessory interest or sales taxes are now generated).
10. This project is a nationally recognized LEED ND (leadership in energy and environmental design for neighborhood developments) pilot project. LEED ND is a program for certifying outstanding neighborhood scale developments currently being piloted by the United States Green Building Council. It is anticipated that the project is certifiable at the GOLD level. This is primarily due to excellence in site planning, the mix of uses, the transit emphasis, and innovative environmental measure incorporated into 55 Laguna. These measures include:

Sustainable Site

- Urban Infill Site utilizing existing infrastructure
- Transit Oriented Development: Direct access to Haight and Market Street Transit lines
- Secure Bicycle Storage
- Reduced parking ratio
- Proposed largest City Car Share pod in the City
- High density mixed use development

Water Efficiency

- Water Efficient Landscaping components
- Seasonal water collection and filtration at Waller Park
- Permeable paving at internal lanes

Energy and Atmosphere

- Energy efficient heating system
- 100% fluorescent lighting
- Cat-V cabling to all units
- Energy Star appliances
- Insulated Windows with low E coating
- Proposed photovoltaic solar electric and solar thermal hot water systems

Materials & Resources

- Storage and collection of Recyclables for residents
- Re-use Existing Buildings
- Divert at least 50% of construction waste from landfills
- High fly-ash concrete mix
- Recycled content carpet and/or natural linoleum flooring

Indoor Environmental Quality

- Natural through ventilation in many units
- Daylight at least 75% of all interior spaces
- Paint, adhesives and sealants with low VOC contents

10. The project is consistent with and implements many objectives and policies of the General Plan, especially the Market and Octavia Area Plan Element, including but not limited to the following:

**Housing Element**

- Objective 1 - To provide new housing, especially permanently affordable housing, in appropriate locations which meets identified housing needs and takes into account the demand for affordable housing created by employment demand.
- Policy 1.4: Locate in-fill housing on appropriate sites in established residential neighborhoods.
- Objective 4 Support affordable housing production by increasing site availability and capacity.
- Policy 4.2: Include affordable units in larger housing projects.
- Policy 4.5: Allow greater flexibility in the number and size of units within established building envelopes, potentially increasing the number of affordable units in multi-family structures.
- Objective 8 Ensure equal access to housing opportunities.
- Policy 8.1: Encourage sufficient and suitable rental housing opportunities and emphasize permanently affordable rental units wherever possible.
- Policy 8.10: Ensure an equitable distribution of quality board and care centers, and adult day care facilities throughout the City.
- Objective 11 - In increasing the supply of housing, pursue place making and neighborhood building principles and practices to continue San Francisco's desirable urban fabric and enhance livability in all neighborhoods.
- Policy 11.1: Use new housing development as a means to enhance neighborhood vitality and diversity.
- Policy 11.2: Ensure housing is provided with adequate public improvements, services, and amenities.
- Policy 11.3: Encourage appropriate neighborhood-serving commercial activities in residential areas, without causing affordable housing displacement.
- Policy 11.5: Promote the construction of well-designed housing that enhances existing neighborhood character.
- Policy 11.7: Where there is neighborhood support, reduce or remove minimum parking requirements for housing, increasing the amount of lot area available for housing units.
- 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.
- Policy 11.9: Set allowable densities and parking standards in residential areas at levels that promote the City's overall housing objectives while respecting neighborhood character and scale.

Policy 11.10: Include energy efficient features in new residential development and encourage weatherization in existing housing to reduce overall housing costs and the long-range cost of maintenance.

**Residence Element**

Objective 1: To provide new housing, especially permanently affordable housing, in appropriate locations which meets identified needs and takes into account the demand for affordable housing created by employment growth.

Policy 1.4: Locate infill housing on appropriate sites in established neighborhoods.

Objective 2: To increase the supply of housing without overcrowding or adversely affecting the prevailing character of existing neighborhoods.

Policy 2.1: Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character.

Policy 2.2: Encourage higher residential density in areas adjacent to downtown and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are permanently affordable to lower income households.

Policy 2.3: Allow flexibility in the number and size of units within permitted volumes of larger multi-unit structures, especially if the flexibility results in creation of significant number of dwelling units that are permanently affordable to lower-income households.

Policy 2.4: Adopt specific zoning districts which conform to a generalized land use and density plan and the Master Plan.

Objective 7: To increase land and improve building resources for permanently affordable housing.

Policy 7.2: Include affordable units in larger housing projects.

Policy 7.5: Encourage energy efficiency in new residential development and weatherization in existing housing to reduce overall housing costs.

Objective 12: To provide a quality living environment.

Policy 12.1: Assure housing is provided with adequate public improvements, services and amenities.

Policy 12.2: Allow appropriate neighborhood serving commercial activities in residential areas.

Policy 12.4: Promote construction of well-designed housing that conserves existing neighborhood character.

Policy 12.5: Relate land use controls to the appropriate scale for new and existing residential areas.

Objective 13: To provide maximum housing choice.

- Policy 13.3: Increase the availability of units suitable for special user groups with special housing needs including large families, the elderly and the homeless.
- Policy 13.5: Encourage economic integration in housing by ensuring the new permanently affordable housing is located in all of the City's neighborhoods, and by requiring that new, large, market-rate residential developments include affordable units.
- Policy 13.6: Provide adequate rental housing opportunities.
- Policy 13.8: Amend regulations relating to group housing to ensure a distribution of quality board and care, adult day care facilities and single room occupancies.

**Transportation Element**

- Objective 1: Meet the needs of all residents and visitors for safe, convenient, and inexpensive travel within San Francisco and between the city and other parts of the region while maintaining the high quality living environment of the Bay Area.
- Policy 1.2: Ensure the safety and comfort of pedestrians throughout the city.
- Policy 1.3: Give priority to public transit and other alternatives to the private automobile as the means of meeting San Francisco's transportation needs, particularly those of commuters.
- Objective 11: Establish public transit as the primary mode of transportation in San Francisco and as a means through which to guide future development and improve regional mobility and air quality.
- Policy 11.3: Encourage development that efficiently coordinates land use with transit service, requiring that developers address transit concerns as well as mitigate traffic problems.
- Objective 34: Relate the amount of parking in residential and neighborhood commercial districts to the capacity of the city's street system and land use patterns.
- Policy 34.1: Regulate off-street parking in new housing so as to guarantee needed spaces without requiring excesses and to encourage low auto ownership in neighborhoods that are well served by transit and are convenient to neighborhood shopping.
- Policy 34.3: Permit minimal or reduced off-street parking for new buildings in residential and commercial areas adjacent to transit centers and along transit preferential streets.

**Commerce and Industry Element**

- 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 which has undesirable consequences which cannot be mitigated.
- Objective 6: Maintain and strengthen viable neighborhood commercial areas easily accessible to City Residents.
- Policy 6.7: Promote high quality urban design on commercial streets.

**Urban Design Element**

- Objective 1: Emphasis of the characteristic pattern which gives to the city and its neighborhoods an image, a sense of purpose, and a means of orientation.
- Policy 1.2: Recognize, protect and reinforce the existing street pattern, especially as it is related to topography.
- Policy 1.3: Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.
- Objective 3: Moderation of major new development to complement the City pattern, the resources to be conserved, and the neighborhood environment.
- Policy 3.1: Promote harmony in the visual relationships and transitions between new and older buildings
- Policy 3.3: Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.
- Policy 3.5: Relate the height of buildings to important attributes of the city pattern and to the height and character of existing development.

**Recreation and Open Space Element**

- Objective 4: Provide opportunities for recreation and the enjoyment of open space in every San Francisco neighborhood.
- Policy 4.5: Require private usable outdoor open space in new residential development.
- Policy 4.6: Assure the provision of adequate public open space to serve new residential development. The acreage of new neighborhood serving parkland and open space should be related to the size of the potential population and the availability of other nearby open space. Major new residential development should be required to provide open space accessible to the general public. This will compensate for the pressure the increased population will put on existing public facilities.

The requirement of providing publicly accessible open space could be satisfied in a number of ways. Land on a site that is suitable for recreation purposes could be improved and maintained by the developer and made available to the general public.

**Air Quality Element**

- Objective 3: Decrease the air quality impacts of development by coordination of land use and transportation decisions.

- Policy 3.1: Take advantage of the high density development in San Francisco to improve the transit infrastructure and also encourage high density and compact development where an extensive transportation infrastructure exists.
- Policy 3.2: Encourage mixed land use development near transit lines and provide retail and other types of service oriented uses within walking distance to minimize automobile dependent development.
- Policy 3.4: Continue past efforts and existing policies to promote new residential development in and close to the downtown area and other centers of employment, to reduce the number of auto commute trips to the city and to improve the housing/job balance within the city.
- Policy 3.6: Link land use decision making policies to the availability of transit and consider the impacts of these policies on the local and regional transportation system.

**Market & Octavia Area Plan**

- Objective 1.1: Create a land use plan that embraces the Market and Octavia Neighborhood's potential as a mixed-use urban neighborhood.
- Policy 1.1.2: Concentrate more intense uses and activities in those areas best served by transit and most accessible on foot.
- Policy 1.1.3: Encourage housing and retail infill to support the vitality of the Hayes-Gough, Upper Market, and Valencia Neighborhood Commercial Districts.
- Policy 1.1.9: Allow small-scale neighborhood serving retail and other community-serving uses at intersections in residential districts.
- Objective 1.2: Encourage the urban form that reinforces the Plan Area's unique place in the city's larger urban form and strengthens its physical fabric and character.
- Policy 1.2.1: Relate the prevailing height of buildings to street widths throughout the plan area.
- Policy 1.2.2: Maximize housing opportunities and encourage high-quality commercial spaces on the ground floor.
- Objective 2.2: Encourage construction of residential infill throughout the Plan Area.
- Policy 2.2.2: Ensure a mix of unit sizes is built in new development and maintained in the existing housing stock.
- Policy 2.2.3: Eliminate residential parking requirements and introduce a maximum parking cap.
- Policy 2.2.4: Encourage new housing above ground-floor commercial uses in new development and in expansions of existing commercial buildings.
- Objective 2.4: Provide increased housing opportunities affordable to households at varying income levels.
- Policy 2.4.1: Disaggregate the cost of parking from the cost of housing and space for other uses.
- Policy 2.4.3: Encourage innovative programs to increase housing rental and ownership opportunities and housing affordability.
- Objective 3.1: Encourage new buildings that contribute to the beauty of the built environment and the quality of streets as public space.
- Policy 3.1.1: Ensure that new development adheres to principles of good urban design.

- Objective 3.2: Promote the preservation of notable historic landmarks, individual historic buildings, and features that help to provide continuity with the past.
- Policy 3.2.6: Encourage rehabilitation and adaptive reuse of historic buildings and resources
- Policy 3.2.12: Encourage new building design that respects the character of nearby older development.
- Policy 3.2.13: Promote preservation incentives that encourage reusing older buildings.
- Policy 3.2.17: To maintain the City's supply of affordable housing, historic rehabilitation projects may need to accommodate other considerations in determining the level of restoration.
- Objective 4.1: Provide safe and comfortable public rights-of-way for pedestrian use and for the public life of the neighborhood.
- Policy 4.1.1: Widen sidewalks and shorten pedestrian crossings with corner plazas and boldly marked crosswalks where possible without affecting traffic lanes.
- Policy 4.1.2: Enhance the pedestrian environment by planting trees along sidewalks, closely planted between pedestrians and vehicles.
- Policy 4.1.5: Do not allow the vacation of public rights-of-way, especially alleys. Where new development creates the opportunity, extend the area's alley network.
- Objective 5.2: Develop and implement parking policies for areas well served by public transit that encourage travel by public transit and alternative transportation modes and reduce traffic congestion.
- Policy 5.2.1: Eliminate minimum off-street parking requirements and establish parking caps for residential and commercial parking.
- Policy 5.2.2: Encourage the efficient use of space designated for parking.
- Policy 5.2.6: Make parking costs transparent to users.
- Objective 5.3: Eliminate or reduce the negative impact of parking on the physical character and quality of the neighborhood.
- Policy 5.3.1: Encourage the fronts of buildings to be lined with active uses and, where parking is provided, require that it be setback and screened from the street.
- Policy 5.5.2: Provide secure and convenient bicycle parking throughout the plan area.
- Objective 6.1: Ensure that new development is innovative and yet carefully integrated into the fabric of the area.

Having considered these Project benefits, the Planning Commission hereby finds that these specific project benefits outweigh the unavoidable adverse environmental effects to historic resources. The Planning Commission also finds that there is substantial evidence in the record to find that the three project alternatives described in the EIR—No Project, Preservation Alternative and the NC/GCC Alternative—are infeasible for the reasons stated above.