



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Inclusionary Housing (Sec. 315)
- Jobs Housing Linkage Program (Sec. 313)
- Downtown Park Fee (Sec. 139)
- First Source Hiring (Admin. Code)
- Child Care Requirement (Sec. 314)
- Other

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Planning Commission Motion No. 17583

HEARING DATE: APRIL 17, 2008

Date: April 10, 2008
Case No.: **2006.0810CEK**
Project Address: **1000 Mississippi Street (aka 1001 Texas Street)**
Zoning: RH-3 (Residential, House Districts, Three-Family)
 40-X Height and Bulk District
Block/Lot: 4224/015, 016, 037, 038, 039, and 040
Project Sponsor: Daniel Frattin, Agent
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1000 Mississippi Street Investors, Owner
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 San Francisco, CA 94117

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ADOPTING FINDINGS RELATING TO CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 209.1, 303, AND 304 OF THE PLANNING CODE TO ALLOW A PLANNED UNIT DEVELOPMENT, INCLUDING MODIFICATIONS OF CODE PROVISIONS FOR RESIDENTIAL DENSITY, REAR YARD SETBACK, MEASUREMENT OF HEIGHT, EXPOSURE, AND RESIDENTIAL OPEN SPACE, CONSISTING OF FIVE RESIDENTIAL BUILDINGS, EACH APPROXIMATELY 40-FEET IN HEIGHT AND CONTAINING A TOTAL OF 28 DWELLING UNITS AND 28 OFF-STREET PARKING SPACES, ON SIX VACANT LOTS AT 1000 MISSISSIPPI STREET (A.K.A. 1001 TEXAS STREET), WITHIN THE RH-3 (RESIDENTIAL, HOUSE DISTRICTS, THREE-FAMILY) ZONING DISTRICT AND A 40-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On October 15, 2007, 1000 Mississippi Street Investors, LP (hereinafter “Project Sponsor”) filed Application No. 2006.0810C (hereinafter “Application”) requesting a Conditional Use Authorization for a Planned Unit Development under Planning Code Sections 209.1, 303, and 304 in order to construct five

residential buildings, each approximately four stories and 40-feet in height and containing a total of 28 dwelling units and 28 off-street parking spaces (hereinafter "Project"), on six vacant lots at 1000 Mississippi Street, a.k.a. 1001 Texas Street (hereinafter "Project Site"). The Project Site is in an RH-3 (Residential, House Districts, Three-Family) Zoning District and a 40-X Height and Bulk District.

On April 17, 2008, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on the Application, at which time the Commission reviewed and discussed the findings prepared by Planning Department (hereinafter "Department") staff.

On September 21, 2007, the Department determined that there is no reasonable possibility that the Project would have a significant effect on the environment and that the Project is categorically exempt from environmental review as a Class 32 (Infill Development) Exemption under Section 15332 of the California Environmental Quality Act ("CEQA") Guidelines. 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 the Application, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The Project Site comprises six (6) existing lots, Assessor's Lots 15, 16, 37, 38, 39, and 40 on Block 4224, on the southeastern foot of Potrero Hill on the block bounded by Mississippi Street to the east, 25th Street to the south, Texas Street to the west, and a hillside to the north. The Project Site is within the RH-3 (Residential, House, Three-Family) Zoning District and a 40-X Height and Bulk District.

The 23,300-sq.-ft. (0.53 acre) Project Site is unimproved and slopes downward from the northwestern corner. Patches of vegetation are interspersed with exposed bedrock throughout the Project Site. Mississippi Street terminates at the southeastern edge of the site, and the improved portion of Texas Street currently terminates before reaching the southwestern edge of the Project Site. Though vacant, the Project Site is within a developed area of the City and does not provide habitat for any rare or endangered species.

3. **Surrounding Properties and Neighborhood.** The San Francisco Housing Authority's Potrero Terrace Project lies immediately to the west of the Project Site. A small residential area comprised primarily of modern buildings is located to the south of the Project on Mississippi and Texas

Streets. New residential buildings are proposed on properties adjacent to the Project Site to the south on both Mississippi Street and along a proposed extension of Texas Street. A warehouse is located opposite the Project Site on Mississippi Street. The San Francisco Food Bank warehouse is located at the base of a cliff to the north of the Project Site. Other industrial and commercial uses predominate to the east.

The neighborhood is well-served by public transportation and has convenient access to Interstate 280. The 22nd Street Caltrain Station is within walking distance, as is the 23rd Street Stop on MUNI's new T-Third Light Rail Line. BART is accessible via MUNI's 53-Southern Heights line, which stops within a block of the Project Site. The 48-Quintara and 19-Polk lines also stop within three blocks of the Project Site.

4. **Project Description.** The Project Sponsor proposes to develop five residential buildings totaling approximately 51,965 sq. ft. Each of the buildings will be four stories and, at most, 40 feet in height. In total, the Project will include 28 dwelling units and 28 off-street parking spaces. All dwelling units will have at least two-bedrooms and all but one will be larger than 1,000 sq. ft. in size, making them suitably sized for families. The Project will include 22 two-bedroom dwelling units, four three-bedroom dwelling units, and two four-bedroom units.

The Project's common open space will be provided in two landscaped courtyards at the first residential level and on a roof deck atop Building A. All but two dwelling units will be provided with private open space in the form of a deck, balcony or terrace. In total, the Project will include approximately 3,670 sq. ft. of common open space and approximately 2,026 sq. ft. of private open space.

The Project will have two principal pedestrian entrances, one each on Mississippi and Texas Streets. The Mississippi Street entrance will provide access to the Project's main lobby, mail room and six secure bicycle parking spaces. A custom designed metal gate will be centrally located between the two buildings with frontage on Texas Street and will provide access to the entire Project. In addition, two units will have individual stoop entries on Texas Street. A third pedestrian entry at the north end of Texas will provide Fire Department access and egress to several north-facing units.

Parking will be located in a 10,923-sq.-ft., podium-level garage below the grade of Texas Street. The garage will contain ten secure bicycle parking spaces and independently accessible off-street parking for 28 cars, including two handicapped spaces. No off-street loading is required or proposed. The garage will be accessed via a gated driveway off of Texas Street.

Texas Street currently terminates at 1073 Texas Street, approximately 170 feet to the south of the Project Site. In cooperation with adjoining property owners, the Project Sponsor proposes to extend Texas Street approximately 270 feet pursuant to applications on file with the Department of Public Works (hereinafter "DPW"). The extension of Texas Street will be approximately 35-foot wide with 10-foot-wide sidewalks adjoining the Project Site. In addition to providing pedestrian and vehicular access to currently landlocked properties, the street extension will improve Fire Department access by creating a fire-truck turnaround at the end of Texas Street.

5. **Eastern Neighborhoods Plan.** The Project Site is within the Showplace Square/Potrero Hill subarea of the Eastern Neighborhoods planning area. The December 2007 draft of the Showplace Square/Potrero Hill Plan (hereinafter "Draft Plan") seeks to preserve the character of existing residential areas on Potrero Hill, and to encourage compatible infill development. Consistent with these policies, the Draft Plan would retain the Project Site's existing RH-3 zoning. Surrounding property to the east would be rezoned from M-1 (Light Industrial), in which residential uses require a conditional use permit, to UMU (Urban Mixed Use), a district in which residential uses would be principally permitted. Areas to the west of the Project Site would retain their existing RM-1 zoning. The Project is therefore consistent with the Draft Plan, which envisions that the neighborhood will retain its present residential/mixed-use character.
6. **Public Comment.** As of April 9, 2008, the Department received comments from three neighbors at 1033 Texas St, 1060 Mississippi Street, and 1504 25th Street. While there is general support for the development of the subject property, there are concerns about the height along Mississippi Street, overall massing, and overflow on-street parking. The sponsor addressed these concerns by lowering the entire development by 4 to 5 feet in height, reducing the height of the building fronting Mississippi Street, increasing the size of the courtyards, and proposing to extend Texas Street along the entire property frontage.
7. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:

- A. **Use Limitations.** Planning Code Section 209.1 identifies dwelling units as a principally permitted use in the RH-3 Zoning District.

The Project is exclusively residential and will contain 28 dwelling units.

- B. **Height and Bulk Limitations.** In the 40-X Height and Bulk District, the Planning Code allows building heights up to 40-feet and does not restrict bulk. Sections 260 and 261 describe the method of measuring building height. Minor deviations to the method of measuring height are permitted as part of a PUD pursuant to Section 304(d)(6).

The Project consists of five buildings arrayed across the site, which slopes downward from Texas Street to Mississippi Street. Four of the buildings strictly comply with the 40-foot height limit. A small portion of the fifth building—designated Building B on the attached plans—exceeds the height limit by a maximum of three feet if measured according to Section 260. A minor deviation in the method of measuring building height is therefore required. For further description of the required height modification for Building B and supporting findings, see Part 9(v) below.

- C. **Residential Density Limitations.** In the RH-3 District, Planning Code Section 209.1 allows up to one dwelling unit per 1,000 sq. ft. of lot area as a conditional use. Section 304(d)(4) allows a PUD in an RH-3 District to utilize the higher density ratio permitted in an RM-1 (Residential, Mixed, Low Density) District less one unit. In the RM-1 District, up to one dwelling unit is allowed for each 800 sq. ft. of lot area.

With 23,300 sq. ft. of lot area, up to 23 dwelling units could be constructed on the Project Site with a conditional use. However, as part of a PUD, the Project is eligible for additional density up to a maximum of 28 units. For further discussion of the proposed density and findings supporting modification of the generally applicable limit, see Part 9(i) below.

- D. Rear Yard Setback Requirements.** Section 134 establishes minimum required rear yards in all zoning districts. The rear yard is a function of lot depth. Planning Code Section 134(a) generally requires a minimum rear yard depth equal to 45 percent of the total depth of the lot, starting at grade level and at each succeeding story or level of the building. Section 304 permits well-reasoned modifications of the rear yard requirement as part of a PUD.

The Project does not provide a 45 percent rear yard, and therefore requires a modification of this requirement through the Planned Unit Development procedure, discussed further in Part 9(iii) below.

- E. Usable Open Space.** Usable open space is required for dwelling units in all zoning districts. Under Section 135(d), the minimum amount of usable open space for dwelling units in the RH-3 District is as follows: 100 sq. ft. per unit if private and 133 sq. ft. per unit if common. Section 135 also specifies minimum dimensions, areas, and exposure requirements.

The Project will provide a combination of private usable open space (balconies, decks and terraces) and common usable open space (two courtyards and a roof deck). The Project will include a total of 2,026 sq. ft. of private outdoor space, and all but two units will have some private open space. However, not all of the private open space satisfies the Code standards to be credited as such. Eight units have open space that fully or partially satisfies the dimensional, area, and exposure requirements for usable open space. Collectively, the units that only partially satisfy the private open space requirement and the 20 units lacking creditable private open space require 3,000 sq. ft. of common open space. The Project exceeds this requirement by providing 3,670 sq. ft. of common usable open space in an outer courtyard of 1,780 sq. ft., an inner courtyard of 1,350 sq. ft., and a 540-sq.-ft. roof deck atop Building A. However, the courtyards do not meet the dimensional requirement, and therefore requires a modification of this requirement through the Planned Unit Development procedure, discussed further in Part 9(iv) below.

- F. Dwelling Unit Exposure.** Section 140 requires that every dwelling unit in every use district is required to face either a public street, a public alley at least 25 feet in width, a rear yard meeting the requirements of this Code, an outer court with a width greater than 25 feet, or an open area at least 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 in five feet in every horizontal dimension at each subsequent floor. Well reasoned modifications of the dwelling unit exposure requirement are permitted pursuant to Planning Code Section 304.

With the exception of one unit, all proposed dwelling units comply with the dwelling unit exposure requirement. Unit 103 does not comply and a modification is necessary. For further discussion of the proposed modification, see Part 9(ii) below.

- G. Inclusionary Housing Requirements.** Projects proposing five or more dwelling units are required to comply with the inclusionary housing ordinance set forth in Section 315. The specific requirement depends upon the entitlements being sought, the date the required applications were filed, and whether the affordable units are being provided on-site or off-site or through the payment of an in-lieu fee.

Section 315.4(c) states that in general, affordable units shall be comparable in number of bedrooms, exterior appearance, and overall quality of construction to market-rate units in the principal project.

Because the first application for the Project was submitted on June 29, 2006, the on-site BMR requirement is 12% of total unit count, and its in-lieu and off-site requirements are 17% of total unit count. The Project Sponsor will comply with the Inclusionary Affordable Housing Program with a combination of on-site units and in-lieu fees.

For the 28-unit Project, three two-bedroom units are required to satisfy the on-site affordable housing requirement. The Project Sponsor proposes to construct two units on-site. The Project Sponsor will pay an in-lieu fee to satisfy the remainder of the affordable housing requirement.

- H. Parking and Loading.** Planning Code Section 151 requires one independently accessible parking space per dwelling unit. One of the first four required parking spaces, and one of every two required spaces in excess of four, may be a compact space. Under Section 152, no freight loading is required for residential buildings less than 100,000 sq. ft. in size.

The Project requires and provides 28 off-street parking spaces, including 12 compact spaces and two handicapped spaces. The Project will not include any off-street loading spaces, and none are required for residential uses at the proposed size.

- I. Street Trees.** Section 143 requires a minimum of one street tree for each 20 feet of frontage along a street or alley.

The Project will comply by planting the requisite number of trees on both new and existing Mississippi and Texas Street sidewalks abutting the Project Site.

- J. Shadow.** Section 295 restricts new shadow, cast by structures exceeding a height of 40-feet, upon property under the jurisdiction of the Recreation and Park Commission.

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

- 8. Conditional Use Criteria.** Planning Code Section 303 establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the Project does comply with said criteria in that:

- A. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The Project is desirable because it will develop a vacant infill site with 28 well-designed residential units that will alleviate the City's housing shortage. Competition for existing housing has created intense pressure on the supply of housing affordable to low- and moderate-income households. Units of suitable size for families are increasingly scarce, and San Francisco's population of families with children has recently declined as a result. The Project includes 28 units that will be large enough for families, including two affordable units. It will help relieve competitive pressures in the housing market and provide a significant number of new units for the City's families.

The Project is compatible with the scale and character of its surroundings and will make substantial improvements that will benefit the neighborhood as a whole. The Project's design and scale are consistent with the modern buildings in the neighborhood, many of which are four stories in height. The proposed extension of Texas Street may provide additional on-street parking for all neighborhood residents, will improve fire access, and allow developments on other vacant or underutilized lots in the neighborhood.

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

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

The Project would result in five 40-foot high buildings in an urbanized area that is consistent with the size, character and uses of other nearby structures. To mimic the underlying topography of the Project Site, the height of the buildings taper with the underlying slope.

- 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 Project will be well served by public transit and freeways, and will not result in significant traffic or parking impacts. The T-Third light rail and CalTrain are within walking distance. The 53-Southern Heights bus line is steps away from the Project and provides a convenient BART connection. Given area transit facilities, the Project's 28 off-street parking spaces are adequate to serve the Project, and additional on-street parking for neighborhood use may be created by the extension of Texas Street.

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

The Project has received a categorical exemption from environmental review. It will not cause a noticeable increase in the ambient noise leveling the area, nor generate substantially more light or glare than do the existing uses in the neighborhood. The Project will not produce significant air quality impacts due to vehicular emissions.

The residential uses are not anticipated to generate any noxious or offensive emissions, noise, glare, dust or odors. Off-street parking will be completely enclosed, located substantially below-grade level, and will comply with all Planning and Building Code requirements.

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

At present, the Project Site comprises a total of six unimproved, non-landscaped lots interspersed with patches of vegetation and exposed bedrock. The Project incorporates landscaping throughout the site, and will include landscaped setbacks on both the Texas and Mississippi Street frontages. The Project will include a single point of access to the garage in order to minimize the effect of vehicular access on the pedestrian environment. All parking will be enclosed and the garage will be located below the grade of Texas Street.

Lighting along the building façade and at the street level will be appropriate for a residential neighborhood and an improvement over the current unlighted nighttime conditions.

- 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 in Part 10, below.

9. Planned Unit Development.

- A. PUD Objectives and Permissible Modifications of Planning Code Requirements.** Planning Code Section 304 states that “[t]he Procedures for Planned Unit Developments are intended for projects on sites of considerable size, developed as integrated units and designed to produce an environment of stable and desirable character which will benefit the occupants, the neighborhood and the City as a whole. In cases of outstanding overall design, complementary to the design and values of the surrounding area, such a project may merit a well-reasoned modification of certain of the provisions contained elsewhere in this Code.”

The proposed Project requires modifications of the following Planning Code provisions:

- Dwelling unit density;
- Rear yard setback;
- Open space;
- Dwelling unit exposure; and
- Height measurement.

The Commission hereby determines that the proposed Project would provide a design that qualifies as outstanding, and is complementary to the values of the surrounding area. The Planning Commission therefore finds and determines that the following modifications to the Project are warranted and hereby granted:

- i. Dwelling Unit Density. In the RH-3 District, Planning Code Section 209.1 allows up to one dwelling unit per 1,000 sq. ft. of lot area as a conditional use, which would allow up to 23 dwelling units on the Project Site. Because 28 are proposed, an exception is required. Section 304(d)(4) states that a proposed PUD development shall “be limited in dwelling unit density to less than the density that would be allowed by Article 2 of this Code for a district permitting a greater density, so that the PUD will not be substantially equivalent to a reclassification of property.” This allows a PUD in an RH-3 District to utilize the higher density ratio permitted in an RM-1 (Residential, Mixed, Low Density) District less one unit. In the RM-1 District, up to one dwelling unit is allowed for each 800 sq. ft. of lot area.

The Project will include 28 dwelling units, the maximum number of units permitted pursuant to Section 304(d)(4).

- ii. Dwelling Unit Exposure. Section 140 requires that every dwelling unit in every use district is required to face either a public street, a public alley at least 25 feet in width, a rear yard meeting the requirements of this Code, an outer court with a width greater than 25 feet, or an open area at least 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 in five feet in every horizontal dimension at each subsequent floor. All but one dwelling unit in the Project complies with the dwelling unit exposure requirement. Unit 103 does not comply as its primary exposure is to the north, where it looks out over a side yard on the northern property line.

The modification of the dwelling unit exposure requirement is warranted, because the unit in question will have adequate light and air. To the north of the Project Site, the terrain is sheer. Any new construction on the property to the north would be at a much lower elevation and would not obstruct light and air to the Project generally or to Unit 103 in particular.

- iii. Rear Yard Setback. Planning Code Section 134(a) generally requires a minimum rear yard depth equal to 45 percent of the total depth of the lot, starting at grade level and at each succeeding story or level of the building. Section 304 permits well-reasoned modifications of the rear yard requirement as part of a PUD. The Project does not incorporate a rear yard, but instead provides open space in courtyards, a roof deck and side setbacks.

The modification of the rear yard is warranted due to the Project Site’s irregular shape and topography, its large size, its frontage on two streets, and the absence of a traditional patten of rear yards on the subject block. The rear yard requirements are intended primarily to assure the

protection and continuation of established mid-block landscaped open spaces and maintenance of a scale of development appropriate to each district, consistent with the location of adjacent buildings. Requiring this Project to conform to the standard setback requirement does not further these goals since there is no consistent pattern of mid-block open space near the Project Site.

Requiring a traditional rear yard would require massing all of the buildings on one end of the Project Site or other. Such an orientation would result in a less aesthetic configuration of buildings that would not correspond to the topography of the Project Site. It would also force an east-west orientation to many of the units, depriving them of passive solar heating and lighting benefits that flow from southern exposure.

- iv. Open Space. Usable open space is required for dwelling units in all zoning districts. Under Section 135(d), the minimum amount of usable open space for dwelling units in the RH-3 District is as follows: 100 sq. ft. per unit if private and 133 sq. ft. per unit if common. Section 135 also specifies minimum dimensions, areas, and exposure requirements. The Project exceeds the minimum square footage of required open space, although some portion of the spaces do not meet minimum dimensional requirements.

The open space modification is warranted because the Project will provide a combination of private usable open space (balconies, decks and terraces) and common usable open space (two courtyards and a roof deck). The Project will include a total of 2,026 sq. ft. of private outdoor space, and all but two units will have some private open space. However, not all of the private open space satisfies the Code standards to be credited as such. Eight units have open space that fully or partially satisfies the dimensional, area, and exposure requirements for usable open space. Collectively, the units that only partially satisfy the private open space requirement and the 20 units lacking creditable private open space require 3,000 sq. ft. of common open space. The Project exceeds this requirement by providing 3,670 sq. ft. of common usable open space in an outer courtyard of 1,780 sq. ft., an inner courtyard of 1,350 sq. ft., and a 540-sq.-ft. roof deck atop Building A.

- v. Height Measurement. In the 40-X Height and Bulk District, the Planning Code allows building heights up to 40-feet. Sections 260 and 261 describe the method of measuring building height, which divide the Project Site into three discrete segments for purposes of measuring height. The first segment extends from Texas Street to the middle of the Project Site. The second segment extends inward fifteen feet from Mississippi Street. In these first two segments, no height modification is required.

The third segment for purposes of height measurement lies between the other two and includes portions of Buildings A and B. In this area, the Planning Code calls for height to be measured from existing grade at every cross section of the building. Due to irregularity of the existing grade, a small portion of Unit 303 in Building B exceeds the 40-foot height by a maximum of three feet if measured pursuant to Section 260.

The Project requires an exception to the manner in which height is measured under Section 260. The height of Building B shall not be measured at every cross section of the building. Rather, the

Height of Building B will be measured from a single point at the center of Building B at the cross-section corresponding with Gridline "8" in the attached plans. This modification results in a minor deviation of a maximum of three feet in the Project's height. The exception is warranted, because it is necessary to allow for a consistent roofline height in Building B.

B. PUD Approval Criteria. Section 304(d) lists eight criteria that a PUD must meet in addition to the criteria set forth in Section 303.

i. The Project Affirmatively Promotes Applicable Objectives and Policies of the General Plan.

The Project would comply with the applicable provisions of the City's General Plan, as discussed in Part 10 below.

ii. The Project Provides Off-Street Parking Adequate for the Occupancy Proposed.

The Project would provide off-street parking adequate for the occupancy proposed, as discussed in Part 7(H) above.

iii. The Project Provides Open Space Usable by the Occupants at Least Equal to the Open Spaces Required by the Planning Code.

The Project would provide usable open space to its occupants that is at least equal to the open spaces normally required by the Planning Code, as discussed in Part 7(E) above.

iv. The Project Is Limited in Residential Density to Less than What Would be Allowed Under the Code for the Next Densest District.

As discussed in Part 7(C) above, additional residential density is permitted as part of a PUD. The Project will include 28 dwelling units, which is within the permissible residential density for a PUD of this size in an RH-3 District.

vi. The Project is not excepted from any height limit established by Article 2.5 of this Code, unless such exception is explicitly authorized by the terms of this Code.

The Project Site is within a 40-X Height and Bulk District, and requires a modification to the method of height measurement. Such modification is expressly permitted by Section 304(d) and is consistent with the above criteria. The minor change is necessary to compensate for the highly irregular slope of the Project Site and does not undermine the intent of the Planning Code's height restrictions. With the modification discussed in Part 9(A)(v) above, the entire Project would be 40-feet high or less.

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

POLICIES OF THE HOUSING ELEMENT

Housing Supply

OBJECTIVE 1:

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 1.1:

Encourage higher residential density in areas adjacent to downtown, in underutilized commercial 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 affordable to lower income households.

The Project site is underused and is near underutilized commercial and industrial areas. Though it is zoned for residential development, there are no dwelling units currently at the Project site. Constructing 28 new residential units – including affordable units – in this underutilized area will directly alleviate the city's housing shortage and lead to more affordable housing.

Policy 1.4:

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

The Project appropriately locates housing units at a site zoned for residential use and increases the supply of housing in conformity with the allowable density limits of the RH-3 zoning district.

Policy 1.7:

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

The Project is well designed and would provide a high-quality living environment. Because all units feature at least two bedrooms, the Project is suitable for families, and will attract up to 28 new families into the neighborhood. The Project's architectural design is compatible with the existing scale and character of the neighborhood.

Housing Affordability

OBJECTIVE 4:

SUPPORT AFFORDABLE HOUSING PRODUCTION BY INCREASING SITE AVAILABILITY AND CAPACITY

Policy 4.2:

Include affordable units in larger housing projects.

The Project will comply with the inclusionary housing ordinance and will work with the mayor's office of housing to further the goals and policies of the BMR program. The Project will include two BMR units.

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.

The Project seeks conditional use authorization to allow up to one unit per 800 square feet of lot area, as allowable under planning code §§ 209.1 and 304 for PUD projects within RH-3 districts. The Project calls for a density of one (1) unit per 832 square feet of lot area. This increased density will allow for 28 units.

Housing Density, Design and Quality of Life

OBJECTIVE 11:

IN INCREASING THE SUPPLY OF HOUSING, PURSUE PLACE MAKING AND NEIGHBORHOOD BUILDING PRINCIPLES AND PRACTICES TO MAINTAIN SAN FRANCISCO'S DESIRABLE URBAN FABRIC AND ENHANCE LIVABILITY IN ALL NEIGHBORHOODS

Policy 1.1:

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 11.5.:

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.

As described above, the Project would develop an empty site that is zoned for multi-family residential development. The Project appropriately locates housing units at a site zoned for residential use and increases the supply of housing in conformity with the allowable density limits of the RH-3 zoning district. The Project's architectural design is compatible with the existing scale and character of the neighborhood.

The introduction of 28 new households into the neighborhood will help fulfill the goal of increasing residential density in Potrero Hill. It will not contravene the new zoning controls contemplated in the draft Eastern Neighborhoods plan, which seek to avoid displacing production, distribution, and repair (PDR) uses, of which there are none at the Project site.

The Project will contribute to the city's affordable housing supply by creating two new affordable on-site housing units, and through payment of an in-lieu fee.

The Project is well designed and provides a quality living environment, within the maximum density allowed in RH-3 districts. Ample private and common open space and units designed around two interior courtyards will create a serene and high-quality development that will strengthen the area's residential character.

POLICIES OF THE COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1:

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

Policy 1:

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

The Project would provide new housing in an area of the city zoned for multi-family residential uses. The Certificate of Exemption from CEQA confirms that the Project would add residential uses that will not create significant environmental impacts.

OBJECTIVE 6:

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

Policy 6.9

Regulate uses so that traffic impacts and parking problems are minimized.

The Project minimizes parking problems by providing up to 28 accessible parking spaces below grade. Because the Project is situated two blocks from a Caltrain station, six blocks from the new T-third light rail line, and steps from a Muni bus stop route that connects to the 16th & mission BART station, residents will use public transportation, further minimizing any potential traffic impacts.

POLICIES OF THE URBAN DESIGN ELEMENT

City Pattern

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:

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.

The Project would improve the appearance of the neighborhood. At present, the Project site comprises six unimproved lots. The Project's construction of dwelling units is in conformity with plans envisioned for the area. The five buildings, ranging up to 40 feet in height, are all within the legally permissible height range, and are in conformity with the low-scale horizon of neighboring buildings in the area. The landscaping and ample open space would improve the aesthetic appeal of the neighborhood.

Conservation

OBJECTIVE 2:

CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

Policy 2.6:

Respect the character of older development nearby in the design of new buildings.

Visual Harmony

OBJECTIVE 3:

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 1:

Promote harmony in the visual relationships and transitions between new and older buildings.

The Project is consistent with the existing character of the neighborhood. The Project makes real the vision of family-friendly residential units along the southern edge of the eastern neighborhoods program area.

Neighborhood Environment

OBJECTIVE 4:

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.12:

Install, promote and maintain landscaping in public and private areas.

The Project will improve the neighborhood environment by providing high quality residential development. The new building will be compatible in use and design with other buildings in the neighborhood. The Project will result in an improvement to the neighborhood by eliminating the existing empty and unlandscaped lots that exist on the Project site.

POLICIES OF THE 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 1.6:

Ensure choices among modes of travel and accommodate each mode when and where it is most appropriate.

The Project is compatible with carrying out the city's "transit first" policy, and provides adequate parking. The Project site is extremely well served by public transit and freeways. The 53-southern heights bus line stops within yards of the Project site, providing a direct route to a BART station at 16th and Mission Streets. A Caltrain station and the T-third light rail line are within walking distance and offer direct access to employment centers in downtown San Francisco and on the Peninsula. Motorists can access U.S. highway 280 about two blocks to the east.

11. 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 as follows:

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

The Project will improve prospects for neighborhood retailers by bringing new residents, i.e. potential customers, to 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 will enhance its neighborhood. The Project will promote economic diversity in the neighborhood by adding up to 28 residential units, including two BMR units. The Project is compatible with the scale and design of the neighborhood where it is located and does not entail the demolition of housing or the displacement of neighborhood residents.

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

The Project would increase the City's supply of affordable housing by adding 28 dwelling units—including two dedicated affordable units—to San Francisco's strained housing supply.

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

This is a residential project, and, therefore, will not create significant new commuter traffic that could overburden local streets or neighborhood parking. Residential projects do not create permanent, on-site jobs, and therefore do not generate commuter traffic. To the contrary, the housing created by the Project will be in close proximity to a major transit artery at Third Street, within walking distance of a Caltrain station, and within steps of a Muni bus route that directly services the 16th and Mission BART station. Because of the proximity of the Project to these majority arteries and transit hubs, it is anticipated that the Project will generate substantially less traffic than a similar residential building located elsewhere.

- 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 is exclusively residential and the Project Site is vacant. The Project will not harm our industrial and service sectors by displacing them with commercial office development. Construction of the Project will generate jobs in the industrial sector, and new residents will incrementally increase demand for services. Thus, the Project should help create economic opportunities in the industrial and service sector.

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

The Project would help the City to achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake because it will comply with all structural and seismic safety requirements under the City's Building Code.

- G. That landmarks and historic buildings be preserved.

The Project will not affect the preservation of any landmarks or historic buildings. There are no such structures existing at 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 effect on our parks or open spaces and their access to sunlight or vistas. The Project would not cast any new shadows over public parks or open spaces, nor would the Project mar any vistas from such spaces.

- 12. 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.

- 13. 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. 2006.0810C** 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. 17583. 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 April 17, 2008.

Linda Avery
Commission Secretary

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

NAYS: None

ABSENT: Commissioner Moore

ADOPTED: April 17, 2008

Exhibit A

Conditions of Approval

Wherever "Project Sponsor" is used in the following conditions, the conditions shall also bind any successor to the Project or other persons having an interest in the Project or underlying property.

This authorization is for a Conditional Use Authorization under Planning Code Section 209.1, 303, and 304 of the Planning Code to allow a 28-unit residential Planned Unit Development (Conditional Use) at 1001 Texas Street within the RH-3 (Residential, House, Three-Family) District and a 40-X Height and Bulk District, in general conformance with plans filed with the Application as received on June 29, 2006, and stamped "EXHIBIT B" included in the docket for **Case No. 2008.0810C**, reviewed and approved by the Commission on April 17, 2008.

1. GENERAL CONDITIONS

A. Community Liaison

The Project Sponsor shall appoint a community liaison officer to deal with issues of concern to the owners and occupants of nearby properties at all times during Project construction. Prior to the commencement of Project construction, the Project Sponsor shall give the Zoning Administrator and the owners of properties within 300 feet of the Project site boundaries written notice of the name, business address and telephone number of the community liaison.

B. Recordation

Prior to the issuance of any building permit for the construction of 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, which notice shall state that construction of the Project 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, and record said writing if requested.

C. Reporting

The Project Sponsor shall submit to the Zoning Administrator two copies of a written report describing the status of compliance with the conditions of approval contained within this Motion every six months from the date of this approval through the issuance of the first temporary certificate of occupancy. Thereafter, the submittal of the report shall be on an annual basis. This requirement shall lapse when the Zoning Administrator determines that all the conditions of approval have been satisfied or that the report is no longer required for other reasons.

D. Performance

- (1). A site permit or building permit for the herein-authorized Project shall be obtained within three years of the date of this action, and construction, once commenced, shall be thenceforth pursued diligently to completion or the said authorization may become null and void.

- (2). This authorization may be extended at the discretion of the Zoning Administrator only if the failure to issue a permit by the Department of Building Inspection to construct the proposed building is delayed by a City, state or federal agency or by appeal of issuance of such permit. Failure to begin work within that period, or thereafter to carry the development diligently to completion, shall be grounds to revoke approval of the authorized development.

2. CONDITIONS TO BE MET PRIOR TO THE ISSUANCE OF A BUILDING (OR SITE) PERMIT

A. Design

The Project Sponsor and the Project architects shall continue to work on aspects of design development with the Department.

B. Inclusionary Affordable Housing Program.

- (1) The project shall comply with the inclusionary housing requirements set forth in Section 315 et seq. of the Planning Code by providing two on-site BMR units and an in-lieu fee.
- (2) The BMR units shall be designated on the building plans prior to approval of any building permit. BMR units (1) shall be constructed and marketed concurrently with the construction and sale of the market rate units, (2) shall be of the same quality and exterior appearance as the market rate units in the project, and (3) shall be evenly distributed throughout the Project.
- (3) Based on the proposed mix of 28 dwelling units (22 two-bedrooms, four three-bedrooms, two four-bedrooms), the Project is required to provide three two-bedroom units on-site. The Project Sponsor has elected to provide two on-site BMR units and an in-lieu fee.
- (4) The Project Sponsor shall record a Notice of Special Restriction on the property that records a copy of this approval and identifies the BMR units satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to the Mayor's Office of Housing or its successor (MOH), the monitoring agency for the BMR unit, at 25 Van Ness Avenue, Suite 600, San Francisco, California, 94102.

C. Design

- (1) Final detailed building plans shall be reviewed and approved by the Planning Department before issuance of the first addendum to the site permit. Detailed building plans shall include a final site plan, parking plan, open space and landscaping plans, floor plans, elevations, sections, specifications of finish materials and colors, and details of construction. The on-site inclusionary housing units required under Section 315 shall be identified on the floor plans.
- (2) Final architectural and decorative detailing, materials, glazing, color, and texture of exterior finishes shall be submitted for review by, and shall be satisfactory to the Director of the Department. The Project architect shall submit dimensional design drawings for

building details with specifications and samples of materials to ensure a high design quality is maintained.

D. Landscape Plan

A final plan showing location and area of common usable open space shall be submitted for review by, and shall be satisfactory to, the Director of the Department. The Project shall include the common usable open space and private usable open space balconies generally as described in this Motion, as shown in Exhibit B. Trees, other landscaping and/or windscreens may be provided in the common open space areas to reduce wind speeds and provide sheltered areas that meet the usability requirement of Section 135.

3. CONDITIONS TO BE MET PRIOR TO THE ISSUANCE OF THE FIRST CERTIFICATION OF OCCUPANCY.

A. Pedestrian Streetscape Improvements

(1). The Project Sponsor shall complete the City's standard pedestrian streetscape improvements as required by the Department of Public Works and shall be responsible for the upkeep and maintenance of such improvements if they exceed City standards.

(2). Street trees shall be installed pursuant to the requirements set forth in Section 143. The species and locations shall be subject to approval by the Department of Public Works.

B. Garbage and Recycling

The Project Sponsor shall provide the garbage and recycling areas above, and contract for recycling pickup.

4. OTHER CONDITIONS:

A. First Source Hiring

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.

B. Parking

All off-street parking spaces shall be made available to Project residents only as a separate "add-on" option for purchase or rent and shall not be bundled with any Project dwelling unit. The 28 required parking spaces shall be made available for use only by residents of the Project. All affordable dwelling units shall have equal access to use of the parking as the market rate units, with parking spaces priced commensurate with the affordability of the dwelling unit. Each unit within the Project shall have the first right of refusal to rent or purchase a parking space.

5. SEVERABILITY

If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other of the remaining provisions, clauses, sentences, or sections of these conditions. It is hereby declared to be the intent of the Commission that these conditions of approval would have been adopted had such invalid sentence, clause, or section or part thereof not been included herein.