



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: June 19, 2017
TO: Ilene Dick
FROM: Mark Luellen, Planning Department
RE: PPA Case No. 2017-003624PPA for 54 4th Street

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

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Please find the attached Preliminary Project Assessment (PPA) for the address listed above. You may contact the staff contact, Andrew Perry, at (415) 575-9017 or andrew.perry@sfgov.org, to answer any questions you may have, or to schedule a follow-up meeting.

A handwritten signature in blue ink, appearing to read "ML" followed by "6-19-17".

Mark Luellen, Senior Planner



SAN FRANCISCO PLANNING DEPARTMENT

Preliminary Project Assessment

Date: June 19, 2017
Case No.: **2017-003624PPA**
Project Address: 54 04th Street
Block/Lot: 3705/004
Zoning: C-3-R (Downtown – Retail)
160-S Height and Bulk District
Area Plan: Downtown
Project Sponsor: Ilene Dick
(415) 954-4958
Staff Contact: Andrew Perry – (415) 575-9017
andrew.perry@sfgov.org

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DISCLAIMERS:

This Preliminary Project Assessment (PPA) letter provides feedback to the project sponsor from the Planning Department regarding the proposed project described in the PPA application submitted on March 21, 2017, as summarized below. This PPA letter identifies Planning Department review requirements for the proposed project, including those related to environmental review, approvals, neighborhood notification and public outreach, the Planning Code, project design, and other general issues of concern for the project. Please be advised that the PPA application does not constitute an application for development with the Planning Department. The PPA letter also does not represent a complete review of the proposed project, does not grant a project approval of any kind, and does not in any way supersede any required Planning Department approvals listed below.

The Planning Department may provide additional comments regarding the proposed project once the required applications listed below are submitted. While some approvals are granted by the Planning Department, some are at the discretion of other bodies, such as the Planning Commission or Historic Preservation Commission. Additionally, it is likely that the project will require approvals from other City agencies such as the Department of Building Inspection, Public Works, the Municipal Transportation Agency, Department of Public Health, San Francisco Public Utilities Commission, and others. The information included herein is based on the PPA application and plans, the Planning Code, General Plan, Planning Department policies, and local/state/federal regulations as of the date of this document, all of which are subject to change.

PROJECT DESCRIPTION:

The existing building is an 8-story structure located on the corner of 4th Street and Jessie Street on a lot with 5,625 square feet. Constructed in 1914, the building contains a ground floor commercial space and hotel lobby, with the second floor and above used as a mixed tourist and residential hotel, with 87 tourist hotel rooms and 81 residential hotel rooms. The project proposes to convert 77 of the 81 residential hotel rooms to a tourist hotel use; there are permanent residents in four of the residential hotel rooms

currently, therefore those four rooms would remain in their current residential hotel use. Pursuant to San Francisco Administrative Code Chapter 41.13, the project must provide one-for-one replacement of the units to be converted, and proposes to do so through payment of a fee in accordance with that Section. No other changes or physical alterations are proposed to the building.

PRELIMINARY PROJECT COMMENTS:

The following comments address general issues that may affect the proposed project.

1. **Loss of Residential Use.** The PPA application states that 77 residential guest rooms will be converted to tourist use as part of this proposal. These residential hotel rooms are subject to rent control, and in general, this housing type represents an affordable option particularly for low-income, elderly, and disabled populations. Considering the current lack of available affordable housing options in San Francisco, and particularly for those most vulnerable populations, the Department has serious concerns about the loss of this housing stock, and may have difficulty supporting such a proposal. The Department would strongly prefer the one-for-one replacement of residential guest rooms with comparable units prior to the conversion to tourist use, as opposed to receipt of an in-lieu fee payment.
2. **Permit to Convert Application.** The proposed conversion of 77 residential guest rooms is subject to Chapter 41 of the San Francisco Administrative Code, the Residential Hotel Unit Conversion and Demolition Ordinance. Pursuant to this Chapter, the conversion of a residential unit to a tourist unit or another use requires a Permit to Convert from the Housing Inspection Division of the Department of Building Inspection ("DBI"). Details about the Permit to Convert application process can be found in Section 41.12 and 41.13 of Chapter 41. In general, Permit to Convert applications shall contain information about the subject hotel building, which rooms will be affected, the current rental rates in the rooms proposed for conversion, and information on any permanent residents in rooms that would be affected by the conversion.

One of the primary components of the Permit to Convert application is a statement of the specific method under Section 41.13(a) that the owner or operator selects in order to provide one-for-one replacement of the units to be converted. The PPA application states that the project sponsor wishes to pay an in-lieu fee, as described under either Section 41.13(a)(4) or (5), either into the San Francisco Residential Hotel Preservation Fund Account, or to a public entity or nonprofit organization approved by the Mayor's Office of Housing and Community Development. The fee amount under this option would be "equal to 80% of the cost of construction of an equal number of comparable units plus site acquisition cost." The Department of Real Estate would determine the amount based on two independent appraisals, which would be paid for by the project sponsor when submitting the Permit to Convert application; the appraisal process takes approximately 90 days.

Upon receiving a complete Permit to Convert application, DBI routes a copy of the application to the Planning Department for review. DBI also mails a notice of the application to interested community organizations and other persons or groups who have previously requested such notice in writing. The owner or operator of the hotel shall also post a notice informing permanent residents of such information.

Any interested party may request a Planning Commission hearing within 15 days of the notice of the Permit to Convert. The Planning Commission will collect public comment as to whether DBI should approve or deny the Permit to Convert. In the case of the proposed project, this public hearing would be coupled with the Conditional Use Authorization hearing that is required for the intensification of the tourist hotel use.

3. **Downtown Area Plan.** The subject property falls within the area covered by the Downtown Area Plan in the General Plan. As proposed, the project conflicts with “Objective 8: Protect residential uses in and adjacent to downtown from encroachment by commercial uses.” The proposed conversion / elimination of residential units to hotel units does not conform with Policies within Objective 8 of the Downtown Area Plan; specifically “Policy 8.1: Restrict the demolition and conversion of housing in commercial areas” and “Policy 8.2: Preserve existing residential hotels” The project sponsor is encouraged to read the full plan, which can be viewed at <http://generalplan.sfplanning.org/Downtown.htm><http://generalplan.sfplanning.org/Downtown.htm>.
4. **Filipino Cultural Heritage District.** The subject property is located within the boundaries of SoMa Pilipinas, the Filipino Cultural Heritage District, established by Board of Supervisors Resolution No. 119-16. The SoMa Pilipinas community is currently collaborating with various City departments, including the Planning Department, to develop a strategy and implementation plan to preserve and further develop SoMa Pilipinas as the regional center of Filipino culture and commerce, to recognize the historical and present contributions of the community and neighborhood, and to stabilize Filipino residents, business and community-serving institutions. Please contact the SoMa Pilipinas project manager, Raquel Redondiez (amihan33@gmail.com), when filing applications within the district.

ENVIRONMENTAL REVIEW:

In compliance with the California Environmental Quality Act (CEQA), the environmental review process must be completed before any project approval may be granted. This review may be done in conjunction with the required approvals listed below. In order to begin formal environmental review, please submit an **Environmental Evaluation Application (EEA)** for the full scope of the project. EEAs are available in the Planning Department lobby at 1650 Mission Street, Suite 400, at the Planning Information Center at 1660 Mission Street, and online at www.sfplanning.org under the “Publications” tab. See “Environmental Applications” on page 2 of the current Fee Schedule for calculation of environmental application fees.¹ **Note that until an entitlement application is submitted to the Current Planning Division, only the proposed Project Description will be reviewed by the assigned Environmental Coordinator.**

If the additional analysis outlined below indicates that the project would not have a significant effect on the environment, the project could be eligible for a Class 32 infill development categorical exemption under CEQA Guidelines Section 15332. If a Class 32 exemption is appropriate, Environmental Planning staff will prepare a certificate of exemption.

If it is determined that the project could result in a significant impact, an initial study would be prepared. The initial study may be prepared either by an environmental consultant from the Department’s environmental consultant pool or by Department staff. Should you choose to have the initial study prepared by an environmental consultant, contact Jessica Range at (415) 575-9018 for a list of three eligible

¹ San Francisco Planning Department. *Schedule for Application Fees*. Available online at: <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=513>

consultants. If the initial study finds that the project would have a significant impact that could be reduced to a less-than-significant level by mitigation measures agreed to by the project sponsor, then the Department would issue a preliminary mitigated negative declaration (PMND). The PMND would be circulated for public review, during which time concerned parties may comment on and/or appeal the determination. If no appeal is filed, the Planning Department would issue a final mitigated negative declaration (FMND). Additional information regarding the environmental review process can be found at: <http://www.sf-planning.org/modules/showdocument.aspx?documentid=8631>.

If the initial study indicates that the project would result in a significant impact that cannot be mitigated to below a significant level, an EIR will be required. An EIR must be prepared by an environmental consultant from the Planning Department's environmental consultant pool ([http://www.sfplanning.org/ftp/files/MEA/Environmental consultant pool.pdf](http://www.sfplanning.org/ftp/files/MEA/Environmental%20consultant%20pool.pdf)). The Planning Department will provide more detail to the project sponsor regarding the EIR process should this level of environmental review be required.

Below is a list of topic areas addressed through the environmental review process. Based on a preliminary review of the project as it is proposed in the PPA application, some of these would require additional study.

1. **Historic Resources.** The subject property is individually designated as a historical resource under Article 11 of the San Francisco Planning Code. The subject property is considered a "Category A" property (Historic Resource Present) for the purposes of the Planning Department's California Environmental Quality Act (CEQA) review procedures. Therefore, the proposed project is subject to review by the Department's Historic Preservation staff.

To assist in this review, the project sponsor must hire a qualified professional to prepare a Historic Resource Evaluation (HRE) report. The professional must be selected from the Planning Department's Historic Resource Consultant Pool. Please contact Tina Tam, Senior Preservation Planner, via email (tina.tam@sfgov.org) for a list of three consultants from which to choose. The selected consultant must scope the HRE in consultation with Department Historic Preservation staff. Please contact the HRE scoping team at HRE@sfgov.org to arrange the HRE scoping. Following an approved scope, the historic resource consultant should submit the draft HRE report for review to Environmental Planning after the project sponsor has filed the EE Application and updated it as necessary to reflect feedback received in the PPA letter. The HRE should be submitted directly to the Department and copied to the project sponsor. Project sponsors should not receive and/or review advance drafts of consultant reports per the Environmental Review Guidelines. Historic Preservation staff will not begin reviewing your project until a complete draft HRE is received.

The proposed project also requires the submission of a Permit to Alter application and approval by the Historic Preservation Commission.

2. **Archeological Resources.** As described in the PPA application materials, the proposed project would not require any excavation or soil disturbance and, therefore, would not require Preliminary Archeological Review (PAR) by a Planning Department archeologist. Please note that if any seismic upgrades to the existing structure are proposed that would involve subsurface soil disturbance, a PAR may be required.

3. **Tribal Cultural Resources.** As described in the PPA application materials, the proposed project would not require any excavation or soil disturbance and, therefore, would not require consultation with California Native Tribes regarding tribal cultural resources (TCRs), which are a class of resource established under the California Environmental Quality Act (CEQA) in 2015. TCRs are defined as a site, feature, place, cultural landscape, sacred place or object with cultural value to a California Native American tribe, that is either included on or eligible for inclusion in the California Register of Historical Resources or a local historic register, or is a resource that the lead agency, at its discretion and supported by substantial evidence, determines is a TCR. Again, if any seismic upgrades to the existing structure are proposed that would involve subsurface soil disturbance, consultation with California Native Tribes regarding TCRs may be required. If staff determines that the proposed project may have a potential significant adverse impact on a TCR, mitigation measures will be identified and required. Mitigation measures may include avoidance, protection, or preservation of the TCR and development of interpretation and public education and artistic programs.
4. **Transportation.** Based on the PPA submittal, a transportation impact study or memo for the proposed project is not anticipated; however, an official determination will be made subsequent to submittal of the EEA. In order to facilitate that determination, Planning staff requests the following information to be included on the plans submitted with the EEA:
- Include clearly legible street names;
 - Include dimensions of existing and proposed sidewalks;
 - Show where bicycle parking would be located; and
 - Indicate where loading would occur (move-ins/outs, freight loading, passenger loading, etc.). Note that there is a large existing white passenger loading zone in front of the project site. Please show the dimensions of this zone on 4th Street. This zone should be maintained for hotel loading needs.

As discussed below under Preliminary Design Comments, the proposed project is located on a high injury corridor as mapped by Vision Zero.² Planning staff will visit the site in order to develop recommendations to identify any pedestrian/cyclist/transit/vehicle safety issues. The project sponsor should anticipate incorporating design measures that address the safety of persons walking and bicycling to and from the project site and in the vicinity.

5. **Noise.** Construction noise is subject to the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code), which includes restrictions on noise levels of construction equipment and hours of construction. The PPA application does not provide any details regarding construction activities. The EEA should provide a construction schedule and indicate whether any particularly noisy construction methods are required. If any particularly noisy construction methods are to be used during construction, measures to reduce such noise may be required as part of the proposed project.

If the project would include any particularly noise-generating sources such as an emergency generator or heating, ventilation and air conditioning unit(s) that could result in a substantial permanent increase in ambient noise levels, then a noise study that includes at a minimum

² This document is available at: <http://www.sfmta.com/sites/default/files/projects/2015/vision-zero-san-francisco.pdf>.

measurements of the existing noise environment, discussion of applicable noise regulations, analysis of the project's noise effects and the ability of noise sources to meet applicable noise standards. The noise study shall be conducted by a qualified acoustical consultant who shall prepare a noise study scope of work for approval by the assigned environmental coordinator prior to conducting the study.

6. **Air Quality. Criteria Air Pollutants.** The proposed project would involve conversion of 77 residential hotel rooms to tourist hotel rooms and, as such, is below the Bay Area Air Quality Management District's (BAAQMD) construction and operational screening levels for criteria air pollutants.³ Therefore, an analysis of the project's criteria air pollutant emissions is not likely to be required. The PPA application does not provide any details regarding construction activities. The EEA should provide detailed information related to construction activities, including anticipated equipment, phasing and duration of each phase.

In addition, project-related demolition and other construction activities may cause wind-blown dust that could contribute particulate matter into the local atmosphere. Depending upon the scope of the construction activities, the proposed project may be required to adhere to the dust control requirements set forth in the Construction Dust Ordinance contained in San Francisco Health Code Article 22B and San Francisco Building Code Section 106.A.3.2.6.

Local Health Risks and Hazards. The project site is not located within an Air Pollutant Exposure Zone, as mapped and defined by Health Code Article 38. The Air Pollutant Exposure Zone identifies areas with poor air quality based on modeling of air pollution, exposures, and health vulnerability from mobile, stationary, and area source emissions within San Francisco. However, if the project would include new sources of toxic air contaminants including, but not limited to, emissions from diesel generators or boilers, or any other stationary sources, the project would result in toxic air contaminants that may affect both on-site and off-site sensitive receptors. Please provide detailed information related to any proposed stationary sources with the EEA.

7. **Greenhouse Gases.** *The City and County of San Francisco's Strategies to Address Greenhouse Gas Emissions* presents a comprehensive assessment of policies, programs, and ordinances that represents San Francisco's Qualified Greenhouse Gas (GHG) Reduction Strategy. Projects that are consistent with San Francisco's Qualified GHG Reduction Strategy would result in less-than-significant impacts from GHG emissions. In order to facilitate a determination of compliance with San Francisco's Qualified GHG Reduction Strategy, the Planning Department has prepared a Greenhouse Gas Analysis Compliance Checklist.⁴ The project sponsor may be required to submit the completed table regarding project compliance with the identified regulations and provide project-level details in the discussion column. This information will be reviewed by the environmental planner during the environmental review process to determine if the project would comply with San Francisco's Greenhouse Gas Reduction Strategy. Projects that do not comply with an ordinance or regulation may be determined to be inconsistent with the Greenhouse Gas Reduction Strategy.

³ BAAQMD, *CEQA Air Quality Guidelines*, May 2011, Chapter 3.

⁴ Refer to <http://sf-planning.org/index.aspx?page=1886> for latest "Greenhouse Gas Compliance Checklist for Private Development Projects."

8. **Wind.** As described in the PPA application, the proposed project would not involve an increase in the height of the existing building. Therefore, the proposed project would not be subject to Section 148 or other Code Sections regulating wind. Please see "Preliminary Planning Code and Procedural Comments" below.
9. **Shadow.** As described in the PPA application, the proposed project would not result in any changes to the existing building's height of eight stories. Therefore, a detailed shadow study would not be required.
10. **Geology.** The project site is located within a Seismic Hazard Zone (Liquefaction Hazard Zone likely underlain by artificial fill). New construction on project sites within a Seismic Hazard Zone is ordinarily subject to a mandatory Interdepartmental Project Review⁵ that requires a geotechnical study prepared by a qualified consultant to be submitted with the EEA. However, as the proposed project would not involve any excavation or soil disturbance, Interdepartmental Project review and a geotechnical study would not be required. Again, if seismic work involving subsurface disturbance is necessary, Interdepartmental Project Review and a geotechnical study may be required.
11. **Hazardous Materials.** The proposed project is located on a site with known or suspected soil and/or groundwater contamination. However, as the proposed project would not involve any subsurface disturbance, it would not be subject to Article 22A of the Health Code, also known as the Maher Ordinance. The Maher Ordinance, which is administered and overseen by the Department of Public Health (DPH), requires the project sponsor to retain the services of a qualified professional to prepare a Phase I Environmental Site Assessment (ESA) that meets the requirements of Health Code Section 22.A.6. Again, if seismic work involving subsurface disturbance is necessary, submittal of a Maher Application and a Phase I ESA may be required.

The PPA application does not provide information regarding the scope of demolition that would be required for the proposed project. As may be necessary during demolition, the proposed project, the project sponsor must ensure that any equipment containing polychlorinated biphenyls (PCBs) or di(2-ethylhexyl) phthalate (DEPH), such as fluorescent light ballasts, and any fluorescent light tubes containing mercury be removed and properly disposed of in accordance with applicable federal, state, and local laws. In addition, any other hazardous materials identified, either before or during work, must be abated according to applicable federal, state, and local laws.

Because the existing building was constructed prior to 1980, asbestos-containing materials, such as floor and wall coverings, may be found in the building. The Bay Area Air Quality Management District (BAAQMD) is responsible for regulating airborne pollutants including asbestos. While the PPA application does not provide information regarding the scope of demolition that would be required for the proposed project, the sponsor should be prepared to contact BAAQMD for the requirements related to demolition of buildings with asbestos-containing materials if such may occur. In addition, because of its age (constructed prior to 1978), lead paint may be found in the existing

⁵ San Francisco Planning Department. *Interdepartmental Project Review*. Available online at: <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=522>.