



# SAN FRANCISCO PLANNING DEPARTMENT

**MEMO**

**DATE:** December 13, 2017  
**TO:** Dan Frattin, Reuben, Junius & Rose  
**FROM:** Tania Sheyner, Planning Department  
**RE:** PPA Case No. 2017-011465PPA for 945 Market Street

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

Reception:  
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Please find the attached Preliminary Project Assessment (PPA) for the address listed above. You may contact the staff contact, Chris Thomas, at (415) 575-9036 or [christopher.thomas@sfgov.org](mailto:christopher.thomas@sfgov.org), to answer any questions you may have, or to schedule a follow-up meeting.

A handwritten signature in cursive script, appearing to read "T. Sheyner", written over a horizontal line.

Tania Sheyner, Senior Planner



# SAN FRANCISCO PLANNING DEPARTMENT

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## Preliminary Project Assessment

*Date:* December 14, 2017  
*Case No.:* **2017-011465PPA**  
*Project Address:* 945 Market Street  
*Block/Lot:* 3704/240  
*Zoning:* C-3-G (Downtown – General) and C-3-R (Downtown Retail)  
*Height and Bulk:* 120-X  
*Area Plan:* Downtown  
*Project Sponsor:* Reuben, Junius & Rose LLP, attn. Daniel Frattin  
415-567-9000  
*Staff Contact:* Christopher Thomas – 415-575-9036  
[christopher.thomas@sfgov.org](mailto:christopher.thomas@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 September 17, 2017, as summarized below. This PPA letter identifies Planning Department review requirements for the proposed project, including those related to environmental review, approvals, 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, and federal regulations as of the date of this document, all of which are subject to change.

### PROJECT DESCRIPTION:

As proposed, the project would involve the conversion of approximately 47,520 square feet (sf) of existing retail space to office space in an existing building. All other uses at the project site would remain the same. The five-story, 90-foot-tall building at 945 Market Street currently contains approximately 264,440 sf of retail use on floors one through five, in addition to three sub-grade basement floors totaling approximately 72,080 sf and providing 175 vehicle parking spaces, 50 Class 1 bicycle parking spaces and

four loading spaces. Currently the third floor contains about 44,795 sf of retail space; on the third floor, the project proposes approximately 23,795 sf of office space and 21,000 sf of retail space. Currently the fourth floor contains about 44,795 sf of retail space; for the fourth floor, the project proposes approximately 23,725 sf of office space and 21,070 sf of retail space. The office use would be separated from the retail use by a proposed wall. There would be no other changes to the 945 Market Street building.

## PRELIMINARY PROJECT COMMENTS:

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

1. **Downtown Area Plan.** The subject property falls within the area covered by the Downtown Area Plan of the General Plan. As proposed, the project is generally consistent with the overarching objectives of the Plan. One of the stated objectives in the Downtown Area Plan is to “maintain and improve San Francisco’s position as a prime location for financial, administrative, corporate, and professional activity.” The additional of office space in upper stories along the retail corridor is consistent with pursuing this objective. The project sponsor is encouraged to read the full plan, which can be viewed at [http://www.sf-planning.org/ftp/General\\_Plan/Downtown.htm](http://www.sf-planning.org/ftp/General_Plan/Downtown.htm).
2. **Office Development Annual Limit Program.** The project will need to apply for an allocation of office space under the Office Development Annual Limit Program. This program applies to any office development of more than 25,000 gross square feet. More information on this program can be found here: <http://sf-planning.org/office-development-annual-limitation-program>

## ENVIRONMENTAL REVIEW:

The proposed project requires environmental review in accordance with the California Environmental Quality Act (CEQA). This section identifies the likely environmental review process and additional information and studies necessary to complete environmental review. Formal environmental review begins with Planning Department review of the **Environmental Evaluation Application (EEA)** filed by the project sponsor. The EEA can be submitted at the same time as the PPA application or subsequent to issuance of the PPA letter.

The environmental review may be done in conjunction with the required approvals listed below, but must be completed before any project approval may be granted. **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.** 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 <http://sf-planning.org/permit-forms-applications-and-fees>. See “Environmental Applications” on page 2 of the current Fee Schedule for a calculation of environmental application fees.<sup>1</sup> In addition, please see page 4 of the Fee Schedule for monitoring fees applicable to projects that require active monitoring of mitigation measures.

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<sup>1</sup> San Francisco Planning Department. Fee Schedule for Application Fees. Available online at: <http://sf-planning.org/permit-forms-applications-and-fees>.

A detailed and accurate description of the proposed project is essential for adequate environmental review. If you have already filed your EEA, you may provide the requested information and documents as supplements to your application.

### *Environmental Review Document*

If the additional analysis outlined below indicates that the project would not have a significant effect on the environment and 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 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://sf-planning.org/environmental-review-process>.

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://sf-planning.org/consultant-sponsor-resources>). 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 topics would require additional study.

1. **Historic Resources.** The existing building on the project site is less than 45 years of age and/or was previously evaluated in a historical resources survey and found ineligible for national, state, or local listing. Thus, the proposed project is not subject to review by the Department's Historic Preservation staff and no additional analysis of historic architectural resources is required.
2. **Archeological Resources.** The proposed project would not require preliminary archeological review (PAR) by a Planning Department archeologist as no ground disturbance is proposed. If the project is revised to include ground disturbance, such as excavation or structural upgrades, Preliminary Archeological Review shall be required.
3. **Tribal Cultural Resources.** Tribal cultural resources (TCRs) 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. As no ground disturbance is proposed, the proposed project would not result in an adverse effect to a TCR and no additional information is needed from the project sponsor at this time.

4. **Transportation.** Based on the PPA submittal, a transportation impact study is not anticipated; an official determination will be made subsequent to submittal of the EEA. Although the project site is located on a high injury corridor as mapped by Vision Zero,<sup>2</sup> the proposed change of occupancy would not require alterations to the existing streetscape adjacent to the project site. Again, if changes to the Stevenson Street streetscape (as indicated in the site plan provided on page A0.0 of the proposed project plans) are to be a part of the proposed project, Planning staff offer the following recommendations, some of which address the safety of persons walking and cycling to and from project site and vicinity:

- Consider safety improvements as part of the streetscape plan.
- Include dimensions of existing and proposed sidewalks and curb cuts on plans.
- Provide more information regarding paving materials on the sidewalk.

5. **Noise.** Construction noise is subject to the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code), which includes restrictions on both construction and operational noise. Regarding construction noise, as the proposed project would only involve a change of use on two floors with minor non-structural changes to the interior, particularly noisy equipment such as a pile driver or other impact equipment are not expected to be used during construction. However, the EEA should provide a construction schedule and indicate whether any other particularly noisy construction methods are required.

As the proposed office use generally does not involve noise-generating activities, and as the office use would be completely contained within the existing building, a noise study is not expected to be necessary for the proposed project. However, if the proposed project would involve installation of new or replacement heating, ventilation and air conditioning (HVAC) equipment that would cause a substantial permanent increase in ambient noise levels, then a noise study may be required that includes at a minimum: 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. If required, 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.** The proposed conversion of approximately 47,520 sf of retail space to office space is below the Bay Area Air Quality Management District's (BAAQMD) construction and operational

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

screening levels for criteria air pollutants.<sup>3</sup> Therefore, an analysis of the project's criteria air pollutant emissions is not likely to be required.

Project-related demolition, excavation, grading are not proposed and interior remodeling would be unlikely to cause wind-blown dust that could contribute to particulate matter into the local atmosphere. Therefore, the proposed project will likely not be subject 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.

The project site is 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. As the project does not propose to construct new sensitive land uses which are subject to enhanced ventilation measures pursuant to article 38 of the Health Code, the project sponsor will not be required to submit an article 38 application to DPH prior to the issuance of any environmental determination.<sup>4</sup>

If the project would generate 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 off-site sensitive receptors and additional measures will likely be required to reduce stationary source emissions. Based on the information in the PPA application, the proposed project likely would not require a backup diesel generator due to the proposed conversion; however, the project sponsor should confirm this as part of the EEA submittal.

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.<sup>5</sup> 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.
8. **Wind.** The proposed project would not involve an increase in the height of the existing 90-foot-tall building. Therefore, a consultant-prepared wind analysis is not anticipated to be required.

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<sup>3</sup> BAAQMD, CEQA Air Quality Guidelines, May 2011, Chapter 3.

<sup>4</sup> Refer to <http://www.sfdph.org/dph/eh/Air/default.asp> for more information.

<sup>5</sup> Refer to <http://sf-planning.org/consultant-sponsor-resources> for latest "Greenhouse Gas Compliance Checklist for Private Development Projects."

9. **Shadow.** The proposed project would not involve an increase in the height of the existing 90-foot-tall building. Therefore, preparation of a consultant-prepared shadow study is not required.
10. **Geology.** The project site is located within a seismic hazard zone (liquefaction hazard zone likely underlain by artificial fill). However, as the proposed project would involve only interior changes on the existing structure's third and fourth floors, mandatory Interdepartmental Project Review<sup>6</sup> and preparation of a geotechnical study prepared by a qualified consultant will not be required. However, if the project is revised to include ground disturbance, such as excavation for structural upgrades, then Interdepartmental Project Review and submittal of a geotechnical study with the EEA may be required. The study should address whether the site is subject to liquefaction, and should provide recommendations for any geotechnical concerns identified in the study. In general, compliance with the building codes would avoid the potential for significant impacts related to structural damage, ground subsidence, liquefaction, landslides, and surface settlement.
11. **Hazardous Materials.** The 945 Market Street project site is identified as being subject to article 22A of the Health Code, also known as the Maher Ordinance. The Maher Ordinance, which is administered and overseen by the 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. The phase I ESA would determine the potential for site contamination and level of exposure risk associated with the project. Based on that information, soil and/or groundwater sampling and analysis, as well as remediation of any site contamination, may be required. These steps are required to be completed prior to the issuance of any building permit. The proposed project would not involve ground disturbance and therefore would not be subject to the requirements of Health Code section 22.A.6.
12. **Disclosure Report for Developers of Major Projects.** San Francisco Campaign and Governmental Conduct Code section 3.520 et seq. requires the developer of any project with estimated construction costs exceeding \$1,000,000 to submit a *Disclosure Report for Developers of Major City Projects* if the project requires the issuance of a Community Plan Evaluation (CPE), certification of an Environmental Impact Report (EIR), adoption of a Final Mitigated Negative Declaration, or a project approval by the Planning Commission that adopts CEQA Findings (EIR certification). A residential development project with four or fewer dwelling units is not required to file this report. The first (or initial) report must be filed within 30 days of the date of EIR certification or final environmental determination under CEQA. Please submit a *Disclosure Report for Developers of Major City Projects* directly to the San Francisco Ethics Commission. This form can be found at the Planning Department or online at <http://www.sfethics.org>.

## PRELIMINARY PLANNING CODE AND PROCEDURAL COMMENTS:

The following comments address preliminary Planning Code issues that may substantially affect the design and massing of the proposed project:

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<sup>6</sup> San Francisco Planning Department. *Interdepartmental Project Review*. Available online at: <http://sf-planning.org/permit-forms-applications-and-fees>

1. **Uses in C-3 Districts.** Planning Code section 210.2 regulates permitted uses in the Downtown Zoning Districts. The property spans the Downtown General Commercial (C-3-G) and Downtown Retail Districts (C-3-R), which have different regulations for uses above the ground floor. In the C-3-G District, office uses above the ground floor are generally permitted, while in the C-3-R, they require a Conditional Use Permit (CU). Please note that in order to grant a CU, the Planning Commission must make findings that the proposed non-retail use would not distract from the District's primary function as an area for comparison shopper retailing and direct consumer services.

In general, the Department has not been supportive of office uses within the C-3-R. The Planning Department has been working with the Office of Economic and Workforce Development on creating policies related to office conversions in the C-3-R; however those efforts are still underway.

To avoid the necessity for the CU, the project should consider moving the office use to be entirely within the portion of the building located in the C-3-G use district.

2. **Bicycle Parking.** Planning Code section 155.2 outlines requirements for Class 1 and Class 2 bicycle parking spaces for developments. For office uses, one Class 1 space is required for every 5,000 square feet of Occupied Floor Area and a minimum of two Class 2 spaces plus one additional Class 2 space for each additional 50,000 square feet. Because the proposed project proposes to convert approximately 47,520 square feet of retail space to office space, the project requires additional Class 1 bicycle spaces (47,520 square feet of retail space would require 6 Class 1 spaces, while office uses would require 10). Future submittals should show the location of the bicycle spaces for the office use.

#### **PRELIMINARY DESIGN COMMENTS:**

As the proposed project does not involve any exterior modifications, it was not subject to review by the Urban Design Advisory Team (UDAT) and no design-related comments are provided at this time.

#### **DEVELOPMENT FEES:**

This project will be subject to various impact fees. Please refer to the [Planning Director's Bulletin No. 1](#) for an overview of Development Impact Fees, and to the Department of Building Inspection's [Development Impact Fee webpage](#) for more information about current rates. Based on an initial review of the proposed project, the following impact fees, which are assessed by the Planning Department, will be required:

1. Downtown Park Fee (Planning Code section 412).
2. Jobs-Housing Linkage (Planning Code section 413).
3. Child-Care (Planning Code section 414).

#### **PLANNING DEPARTMENT APPROVALS:**

The project requires the following Planning Department approvals. These approvals may be reviewed in conjunction with the required environmental review, but may not be granted until after the required environmental review is completed.



1. **Environmental Evaluation Application.**
2. A **Conditional Use Authorization** to establish a Non-Retail Use (Office) at the 3<sup>rd</sup> and 4<sup>th</sup> floors within the Downtown Retail Commercial (C-3-R) Zoning District.
3. An **Office Allocation Application** is required per section 321 for the conversion of 49,999 square feet into office use.
4. A **Building Permit Application** is required for the proposed change of use on the subject property.

All applications 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](http://www.sfplanning.org). Building Permit Applications are available at the Department of Building Inspection at 1660 Mission Street.

#### **NEIGHBORHOOD NOTIFICATIONS AND OUTREACH:**

Project Sponsors are encouraged, and in some cases required, to conduct public outreach with the surrounding community and neighborhood groups early in the development process. Additionally, many approvals require a public hearing with an associated neighborhood notification. Differing levels of neighborhood notification are mandatory for some or all of the reviews and approvals listed above.

**Neighborhood Outreach.** This project is required to undertake additional public outreach in advance of the Planning Commission hearing on the Conditional Use application. The developer is required to conduct an additional outreach meeting, notifying owners and tenants who live within 300 feet of the project site as well as all registered neighborhood organizations for the South of Market neighborhood, after initial design comments have been provided from the Planning Department and prior to the scheduling of the aforementioned Planning Commission hearing. The purpose of this meeting is to keep the community abreast of the project's evolution, presenting the latest design of the project – including the Department's requested changes – to the community in advance of the Commission taking action on the hearing.

#### **PRELIMINARY PROJECT ASSESSMENT EXPIRATION:**

This Preliminary Project Assessment is valid for a period of **18 months**. An Environmental Evaluation, Conditional Use Authorization, Office Allocation Application and Building Permit Application, as listed above, must be submitted no later than **June 15, 2019**. Otherwise, this determination is considered expired and a new Preliminary Project Assessment is required. Such applications and plans must be generally consistent with those found in this Preliminary Project Assessment.

Enclosure:

cc: MSP Property, LLC, Property Owner  
Claudine Asbagh, Current Planning  
Christopher Thomas, Environmental Planning  
Rachael Tanner, Citywide Planning and Analysis  
Jonas Ionin, Planning Commission Secretary

Charles Rivasplata, SFMTA  
Jerry Sanguinetti, Public Works  
Pauline Perkins, SFPUC  
June Weintraub and Jonathan Piakis, DPH  
Planning Department Webmaster ([planning.webmaster@sfgov.org](mailto:planning.webmaster@sfgov.org))