SFHAC ENDORSEMENT APPLICATION

Project Sponsor:
2001 MARKET LLC

PRADO GROUP
150 Post Street Suite 320
San Francisco, California 94108
Phone 415-395-0880 Ext 303
Fax 415-395-0990
Contact: Lisa Congdon
Project Manager
lcongdon@pradogroup.com

Project Architect:
McDonough & Partners and BAR Architects

Location of Project:
2001 Market Street San Francisco, California

Brief Project Description (uses, height, unit mix, etc):
2001 Market is a proposed mixed-use, transit oriented development that will provide a new opportunity for people to live, work, shop in the Upper Market neighborhood. The project will provide high quality housing stock and a neighborhood-serving specialty grocery store. The project is located at the intersection of Market and Dolores Streets and is situated on one of the City's highest ridership transit lines.

The proposed project combines two lots, 2001 Market Street (Lot 1: 27,667 SF) and 626-634 14th Street between Dolores and Market Streets (Lot 2: 3,883 SF, Total: 31,550 SF). The larger site (Lot 1) contains an existing two-story industrial building, approximately 42,460 square feet which was previously used as the S&C Ford car dealership and sales office. The smaller site (Lot 2) is comprised of two 2-unit residential buildings that total 4,389 square feet.

The project proposes to demolish the existing vacant commercial and residential buildings and construct a 187,600 gross square foot mixed use building with two levels of below grade parking for the retail and residential uses. The new building includes a 31,815 square foot ground floor retail space to be occupied by Whole Foods Market and eighty residential units; sixty-six units above the retail podium and fourteen small liner units within the podium envelop. The residential unit mix (subject to change due to design revisions resulting from our community outreach) includes six junior one-bedrooms, twenty-seven one-bedrooms, forty-four two-bedrooms and three - three bedroom units for a net residential area of 75,895 square feet.

Existing Zoning (Height and Use):
Zoning: NCT-3 Market Octavia Plan Overlay
Density: No Maximum, 40% Two-Bedroom+ Units
Height: 80B, 40X
Use: Neighborhood Commercial Transit

Exceptions, Variances, Conditional Use Approvals and Code Changes Requested:
Project requires a conditional use authorization for:
1. Lot size exceeds 10,000 SF
2. Retail tenant occupies more 5,000 square feet
3. Retail tenant operates more than ten stores nationally
4. Residential parking space ratio of .75 per unit
5. Demolition of existing residential units (626-626 and 632-634 14th Street)

Approval Schedule:
Project sponsors submitted the Environmental Exemption Application on November 25, 2008 and the Conditional Use Authorization Application on December 18, 2008. The initial study is currently underway. The Project Sponsor will resubmit the Environmental Evaluation and Condition Use Application with the updated plans by July 2009.

Project Planner Assigned:
Michael Smith, Neighborhood Planner, Northeast Quadrant
Leigh Kienker, Major Environmental Planner
Moises Aceves, Transportation Planner

The following guidelines will be used to evaluate the project. Under each guideline, please indicate briefly whether and how the project meets the guideline:

Land Use: Housing should be an appropriate use of the site given the context of the surrounding neighborhood and should enhance neighborhood livability.

The project site is located in an NCT-3 (Neighborhood Commercial District Transit Oriented) and has a split zoned height limit, 80-B on Market Street and 40-X Height on 14th Street. The proposed project exceeds the NCT-3 (or a moderate scale neighborhood commercial district) height and bulk regulations, however because the site is a PUD it will be up to the discretion of the Zoning Administrator. The site is a split zoned site, with a maximum height of eighty-five feet at Dolores and Market stepping down to forty feet approximately 100 feet from the Dolores and 14th Street intersection. The top two floors of the building are setback eight feet along Dolores.

The project design seeks to repair the street pattern by replacing the currently monolithic, S&C building that spans from Market to 14th Street with three distinct building forms that recognize the different characters of Market Street, Dolores Street and 14th Street. By emphasizing the tradition of verticality and patterning the buildings on a 25-30 foot module, the scale and rhythm respect the character and pattern making of this gateway into one of San Francisco's most historic districts.

The project is envisioned to contribute to the public realm through the addition of safe gathering and walking spaces such as bulb-outs, enhanced paving areas, and enhanced landscaping, in addition to benches, tables, and chairs.

Through the use of liner units, planters, and landscaping, the parking garage is designed to be minimally visible from the street. The project plans to incorporate natural, tactile materials that blend harmoniously with the character and texture of the neighborhood.

Density: The project should have the maximum housing unit density allowable under current zoning for the project site. Extra support may be given to projects that further propose increased density above the base zoning, particularly in areas that are transit accessible.

The Market Octavia Plan removed all density maximums but instead required that 40% of the units be two bedrooms or larger. The project includes forty-four two-bedroom and three - three-bedroom units which comprise currently exceeds the 40% requirement.

Affordability: The SFHAC recognizes that the need for affordable housing in San Francisco is a critical problem and gives preference to projects that propose creative ways to improve unit affordability. Projects that include below market rate units above the legally mandated minimums will receive special support.

The project would comply with the Residential Inclusionary Affordable Housing Program Requirements. The proposed project includes approximately eleven BMR units, which would be affordable as specified in Planning Code Section 315.4, On-site Housing Requirement and Benefits.

Transit Orientation and Parking: In districts where the minimum parking requirement is one parking space per residential unit (1:1) or more, the SFHAC will not, except in extraordinary circumstances, support a project with parking in excess of 1:1. In districts where the minimum parking requirement is less than 1:1, SFHAC will only support additional parking up to 1:1 if the need for additional is clearly established. The SFHAC prefers creative strategies to reduce the need for parking, such as transit linkages, bicycle storage, provision of space for car-share vehicles on-site or nearby, and un-bundling parking cost from residential unit cost.

The current NCT-3 Market Octavia Plan zoning permits residential parking up to .50 spaces per dwelling unit, and up to .75 spaces per unit with a conditional use authorization. The proposed

project is requesting a conditional use permit to provide sixty (60) residential parking spaces for 80 units (including the two resident-only car share spaces).

The project includes over 50% larger two-bedroom and three-bedroom units that can accommodate families who choose "living smaller." The table below outlines the current unit mix at 2001 Market and applies a hypothetical parking ratio of .50 spaces for every junior one-bedroom unit (similar to a studio); .50 spaces for every one-bedroom unit; .60 spaces for every junior two-bedroom (similar to a one-bedroom plus den); and 1.0 spaces for every two or three-bedroom unit. The result of this approach to allocating parking spaces generates a blended ratio of .73. In addition to the two Car Share spaces in the retail garage, there are two resident-only Car Share spaces which increase the ratio to .75 spaces per unit.

UNIT TYPE	# UNITS	UNIT %	# PARKING SPACES	PARKING %
Jr. 1 Bed/1 Bath	6	8%	3	0.50
1 Bed/1 Bath	27	34%	14	0.52
Jr. 2 Bed/ 1 Bath	15	19%	9	0.60
2 Bed/2 Bath	29	36%	29	1.00
3 Bed/2 Bath	3	4%	3	1.00
Car Share	0	0%	2	0.00
TOTAL	**80**	**100%**	**60**	**0.75**

The Market Octavia Plan requires that projects of 50 units or more must provide any residential parking in excess of 0.5 spaces per unit in mechanical stackers, lifts or other space-efficient means that reduces space used for parking and maneuvering, maximizes other uses, and discourages the use of vehicles for commuting for daily errands. Twenty-five to Fifty percent of the total parking spaces in the residential garage at 2001 Market will be mechanically accessed (ie. 15 to 30 spaces).

Additionally, the project plan includes specific street improvements on Market, Dolores and 14th Streets, primarily traffic-calming bulb-outs, which will reduce on-street parking by five spaces on Dolores Street and two spaces on 14th Street. The need for on-site parking is also, in part, influenced by the existing shortage of on-street parking spaces in the surrounding neighborhood.

The project complies with the allowed retail parking under zoning and provides sixty-five (65) commercial parking spaces. Ample bicycle parking will be provided in the below-grade garage for both the retail shoppers and residential tenants. The site is located in a transit-rich area with easy access buses and Muni-metro, and a wide range of services are available within walking distance.

<u>Preservation</u>: If there are structures of significant historic or cultural merit on the site, their retention and/ or incorporation into the project is encouraged. If such structures are to be demolished, there should be compelling reasons for doing so.

At the request of the Planning Department, the project sponsor commissioned Page & Turnbull to prepare Historic Resources Studies to research the historic context of the existing buildings: 2001 Market Street, 626-628 14th Street, and 632-634 14th Street. The buildings were found not eligible for designation under the National or California Registers. At the request of the San Francisco Architectural Heritage, Page and Turnbull is putting together a Neighborhood Contextual Analysis which is expected to be completed by August 2009.

<u>Design</u>: The project should promote principles of good urban design: pedestrian, bicycle and transit friendly site planning; contextual design such as compatibility of style, scale and facades with existing neighborhood character where appropriate; increased density while maintaining compatibility with streetscape and neighborhood scale. We expect design treatments to protect the pedestrian realm, with curb cuts minimized and active ground floor uses provided.

Project sponsors are proposing a design that enhances the neighborhood in several key ways. First, the project seeks to replace a car dealership and parking lot and with eighty residential units above a retail space that will be occupied by Whole Foods grocery store. The site is well served by transit and community-serving retail and the increase in density is appropriate to the mixed commercial and residential neighborhood quality of the location.

Second, the design highlights the importance of retail by providing a prominent corner entry at Market and Dolores and generous light-filled retail space with windows along Dolores Street which will serve to activate the street and enhance pedestrian experience. The six-story residential building on top of the retail podium is articulated through the use of bay windows and balconies. The seventh and eight floors of building on the Dolores Street are set back eight feet to reduce the apparent height of the building. On Market Street a large residential balcony has been incorporated on the western wall to break down the blank wall facing the 2027 Market Street.

<u>Greening and Energy Efficiency:</u> Extra consideration will be given to projects that incorporate energy efficient materials and green building principles.

One of William McDonough + Partners and BAR Architects' main project goals for 2001 Market was to design a "breathable" building. All of the units in the project (with the exception of the liner units within the Whole Foods mezzanine) are planned to be single-loaded to allow natural ventilation to flow through the units, creating high quality indoor air while allowing greater natural light from both sides of the units.

The project's landscape program is predicated on the goals of clean air and clean water. It envisions an integrated system of landscape that includes on-site resident gardens, gathering

spaces, endangered species habitat, storm-water management, rainwater catchment and increased air quality. Through rainwater harvesting and collection from the building roof and street, the project strives to reduce the amount of landscape consumption and water waste. By providing podium level gardens, residents can grow a garden while providing opportunities for social engagement and a connection to the Mission Dolores area's agrarian past.

The project sponsor plans to achieve a minimum of LEED Silver.

Community Input: Projects for which the developer has made a good faith effort to communicate to the community and to address legitimate neighborhood concerns, without sacrificing SFHAC's objectives, will receive more SFHAC support.

Community engagement has been a primary objective of the project from the inception. The project sponsors have had a significant number of community presentations and neighborhood meetings over the past year and half. The project sponsors presented a preview of the project to Upper Market Area: Mission Dolores Neighborhood Association (MDNA), Duboce Triangle Neighborhood Association (DTNA), Hayes Valley Neighborhood Association (HVNA), Castro Area Planning Association (CAPA), Merchants of Upper Market and Castro (MUMC), Castro Commercial Business District (Castro CBD), Eureka Valley Neighborhood Association (EVPA), and our neighbors at 2027 Market Street in the Fall of 2008 and Spring 2009. The project sponsors have started the third round of community presentations in June/July 2009 with revised elevations that have incorporated the community's feedback from our initial presentation and have received highly favorable feedback. Please see the attached Community Outreach schedule that outlines our meetings.

Attachments:
Project Elevations
Project Floorplans
Community Outreach Schedule
April Phillips Landscape Plans

Link to 2001 Market Street Community Outreach Website:
www.2001marketsf.com