



Mr. Eric Liu
Transworld Construction, Inc.
1178 Folsom Street
San Francisco, CA 94103

March 18, 2015

Ref: 1178 Folsom Street – Mixed-Use Development

Dear Mr. Liu,

Thank you for bringing your proposed project for 1178 Folsom Street to the San Francisco Housing Action Coalition's (SFHAC) Project Review Committee on February 25, 2015. Following review, we endorse your project, believe it has merit and will contribute to SFHAC's mission of increasing the supply of well-designed, well-located housing that meets the needs of both present and future San Franciscans. This letter reflects our endorsement of your project and includes recommendations made by our members for modest improvements. We believe, however, that in general this project embodies the best principals of urban design.

Please see our report card, which grades your proposal according to our guidelines. We have attached a copy of our project review guidelines for your reference.

Project Description: The project proposes construction of 42 micro-units above one floor of office space and one floor of ground-floor retail, with one floor of subterranean parking.

Land Use: Office space and a warehouse currently occupy the site. Housing is a much better use, considering the site's proximity to jobs, transit and neighborhood amenities.

Density: The project takes advantage of the building envelope by proposing 42 well-designed micro-units that average about 350 square feet.

Affordability: The project is not subject to the Inclusionary Housing Ordinance because the units are legally defined as Single-Occupancy-Rooms (SROs) under the Planning Code, meaning they are not dwelling units. However, these homes will be naturally more affordable than most new studios and would be within financial reach of more residents than most market-rate products.

Parking and Alternative Transportation: The site is located along the Folsom Street Bicycle Corridor and is within walking distance to several Muni lines, BART and the Caltrain Station. We support your decision to provide nine parking spaces, a very low ratio, and 42 bicycle parking spaces in the garage and six Class II spaces at grade. We still encourage you to explore ways to increase the amount of bicycle parking since the bicycle usage in this area is so convenient.

Preservation: There are no structures of significant cultural or historic merit on or near the site that would be affected by your project.

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Urban Design: Our members support the design, including the setbacks in the front and back of the buildings, as well as the interior courtyard. The setback on the ground floor along Folsom Street will widen the sidewalk and improve the pedestrian experience. The rear of the building will also include a pedestrian plaza. All of these features promote good urbanism.

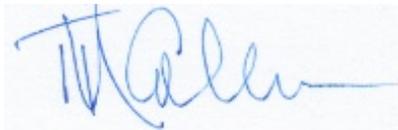
Because this project is located within the Western SoMa Plan, the rooftop cannot contribute to the building's open space requirement, something we have never understood.

Environmental Features: You indicated the rooftop could accommodate solar thermal or photovoltaic systems, but are still not certain of your plans. We encourage you to consider incorporating individual water sub-metering into the units. It's likely there will be local or statewide legislation mandating this before long.

Community Input: We believe you have been thorough in your community outreach and successfully engaged the community. You have held four community meetings since December 2013.

Thank you for submitting this project to the SFHAC Project Review Committee. We endorse it without reservation. Please keep us abreast of any changes and let us know how we may be of assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Colen", is written over a light blue rectangular background.

Tim Colen, Executive Director

CC: Planning Commission

SFHAC Project Review Guidelines

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

Density: The project should take full advantage of the maximum unit density and/or building envelope, allowable under the zoning rules.

Affordability: The need for affordable housing, including middle income (120-150 of Area Median Income) housing, is a critical problem and SFHAC gives special support to projects that propose creative ways to expand or improve unit affordability beyond the legally mandated requirements.

Parking and Alternative Transportation: SFHAC expects the projects it endorses to include creative strategies to reduce the need for parking, such as ample bicycle storage, provision of space for car-share vehicles on-site or nearby, un-bundling parking cost from residential unit cost, and measures to incentivize transit use. Proximity to transit should result in less need for parking.

In districts with an as-of-right maximum and discretionary approval up to an absolute maximum, SFHAC will support parking exceeding the as-of-right maximum only to the extent the Code criteria for doing so are clearly met. In districts where the minimum parking requirement is one parking space per residential unit (1:1), the SFHAC will not, except in extraordinary circumstances, support a project with parking in excess of that amount.

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

Urban Design: The project should promote principles of good urban design: Where appropriate, contextual design that is compatible with the adjacent streetscape and existing neighborhood character while at the same time utilizing allowable unit density; pleasant and functional private and/or common open space; pedestrian, bicycle and transit friendly site planning; and design treatments that protect and enhance the pedestrian realm, with curb cuts minimized and active ground floor uses provided.

Projects with a substantial number of multiple bedroom units should consider including features that will make the project friendly to families with children.

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Environmental Features: SFHAC is particularly supportive of projects that employ substantial and/or innovative measures that will enhance their sustainability and reduce their carbon footprint.

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.

