



Alexa Arena, Senior Vice President
Forest City
875 Howard Street, Suite 330
San Francisco, CA 94103

(July 29, 2015) Revised from March 19, 2015

Ref: 5M – Mixed-Use Development

Dear Ms. Arena,

We are grateful to your team for bringing the 5M proposal to the San Francisco Housing Action Coalition's (SFHAC) Project Review Committee on January 28, 2015 and May 27, 2015. Following our member's review and discussion, as well as your thorough follow-up presentation, we are pleased to formally endorse the 5M Special Use District (SUD). We believe this is an outstanding project and aligns closely with our mission of increasing the supply of well-designed, well-located housing at all levels of affordability.

Please review this letter, as it explains how your project meets our guidelines. Please also see our report card, which grades your project according to each guideline. We have attached a copy of our project review guidelines for your reference.

Project Description: The project proposes a large mixed-use development consisting of 680 homes in two separate buildings and one office building, all with active ground floor use. The project would provide a significant amount of open space and subterranean parking for up to 663 cars. The plans require the demolition of six existing buildings and propose the renovation of three buildings, the San Francisco Chronicle Building, Camelline and the Dempster Printing Building.

Land Use: Half the site, or a one-half square block, is currently occupied by parking lots. Office, commercial and older buildings occupy the remaining portions. This is an excellent site for the proposed high-density mixed uses. The project is located in the heart of the City's downtown, in close proximity to employment, neighborhood amenities and a rich variety of public transit, pedestrian and bicycle corridors.

Density: The project seeks a Special Use District (SUD) that would require approval from the Planning Commission and Board of Supervisors. Most of the site is currently zoned C-3, allowing a maximum height of 160 feet with no density limits. The SUD would allow the project to exceed the zoned height limits and add significant amounts of new housing. The plans include buildings that range from 50 to 470 feet in height. The SFHAC strongly supports increasing the height because it delivers significantly more below-market-rate (BMR) homes. The SUD also improves the overall urban design of the project by allowing for a variety of building heights and providing significant amounts of open space.



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Affordability: The SFHAC commends your team for proposing far above the required amount of Inclusionary housing. As we understand it, the 280-unit rental building would pursue an 80-20 deal, yielding 57 BMR homes. The 400-unit for-sale building proposes paying an *in-lieu* fee of \$24 million to the Mayor's Office of Housing.

Your team worked diligently with the City and community to create a plan that ensures the *in-lieu* fee is used for housing within District 6. The fee will contribute to a senior housing project in SoMa and the Tenderloin Neighborhood Development Corporation's (TNDC) 100 percent affordable project at Taylor and Eddy Streets. Between the two projects, the fee will help build 149 permanently affordable homes.

The project's overall affordability is equivalent to about 33 percent, the result of a very creative approach. This was increased from 25 percent within the last year.

Parking and Alternative Transportation: The site is within walking distance of the Powell Street BART Station and is well served by various Muni bus lines and bicycle corridors. The SFHAC supports your efforts to provide 630 bicycle parking spaces, including 540 Class I spaces and 90 Class II spaces.

The project plans to provide 663 car parking spaces for both the residential and commercial uses. The ratio of car parking spaces for residential is 0.5:1, while the rest of the spaces will be devoted to office or retail use. We would prefer a reduction of the total number of car parking spaces, since this area is so favorable to biking, walking and transit, and is already so congested with traffic.

We encourage you to consider adding car share spaces to your project, as it would reduce the dependency on private car use. We fully support your decision to undertake a transportation demand management program with its goal of a 20 percent reduction in car trips. Finally, we urge you to pursue the addition of bike-share pods within your project.

Preservation: Our members believe you have made a commendable effort to preserve and rehabilitate the existing Chronicle, Camelline and Dempster Printing Buildings. The Chronicle Building, although not deemed historically significant, is iconic and we appreciate your efforts to incorporate it into your project. By opting to go with the preservation alternative for 5M, you have actually managed to increase the project's open space. We also strongly support your choice to donate the 447 Minna Building to the Community Arts Stabilization Trust and dedicate the space to community and arts uses. These efforts go above and beyond the norm.

Urban Design: There were a variety of views from our members on the design, as you might expect with such a large, bold project. Overall, they felt the buildings interact with the pedestrian realm quite well and have been thoughtfully broken up, with each having its own unique identity. The development, as a whole, would create a lively pedestrian experience by improving the sidewalks and corners of the site's perimeters and creating unique alleys within the development. This would enliven the streets by providing retail, street furniture and public art.

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The project would include a significant amount of publicly accessible open space. Two of the notable spaces include the rooftop on the Chronicle Building and Mary Court Alley. One of our members noted, however, that these open spaces might not get a lot of sunlight due to shadowing from the much taller surrounding buildings.

We thank you for clarifying your plans for the corner of Fifth and Mission Streets in your follow-up presentation. Your team plans to expand the existing 5th Street sidewalk by eight feet and add a bulb-out on the corner. You will also add street trees along Mission Street. These plans will make the area both more walkable and safer for pedestrians.

Environmental Features: Because of the 5M project's scale, our members believe this is a unique opportunity to create an eco-district and incorporate other features that would help improve the project's environmental footprint. We strongly support your decision to incorporate grey- and/or black-water recycling systems, as this will help your project considerably reduce water consumption. We believe that you should plan for individual water sub-metering since it appears that legislation mandating it could be adopted this year.

Community Input: The SFHAC believes you have done a truly exceptional job engaging the community on the proposed project. Your efforts include an unusually extended process of community meetings with dozens of stakeholders and tours of the site. Forest City has also temporarily activated several spaces with unique programming, including Impact Hub, Intersection for the Arts, Tech Workshop and Off the Grid. Your efforts in this area set a very high standard for community outreach.

Thank you for presenting your proposal for 5M to our Project Review Committee. We are really encouraged by the plans we have seen so far. We would appreciate being updated with the project's plans and renderings, particularly regarding the affordability, urban design and environmental features. Please keep us abreast of any changes and let us know how we may be of assistance moving forward.

Sincerely,



Tim Colen, Executive Director

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.