DATE: December 15, 2014
TO: Jon Yolles, Prado Group., Inc.
FROM: Chris Kern, Planning Department
RE: PPA Case No. 2014.1510U for 2238-2254 Market Street

Please find the attached Preliminary Project Assessment (PPA) for the address listed above. You may contact the staff contact, Chelsea Fordham, at (415) 575-9071 or Chelsea.Fordham@sfgov.org, to answer any questions you may have, or to schedule a follow-up meeting.

Chris Kern, Senior Planner
Date: December 15, 2014
Case No.: 2014.1510U
Project Address: 2238-2254 Market Street
Block/Lot: 3560/005, 006, 007, 008, 025,026
Zoning: NCT (Upper Market Neighborhood Commercial Transit) District
RH-2 (Residential House, Two Family) District
RTO (Residential Transit Oriented District)
40-X and 50-X Height and Bulk District
Project Sponsor: Jon Yolles, Prado Group
415-857-9329
Staff Contact: Chelsea Fordham (415) 575-9071
Chelsea.Fordham@sgov.org

DISCLAIMERS:

Please be advised that this determination does not constitute an application for development with the Planning Department. It also does not represent a complete review of the proposed project, a project approval of any kind, or 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 Public Utilities Commission, the Department of Building Inspection, Department of Public Works, Department of Public Health, and others. The information included herein is based on plans and information provided for this assessment and 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 project site is located on six lots that front on Market and 15th Streets (Assessor’s Block 3560, Lot 005, 006, 007, 008, 025 and 026) on a site which is bound by Noe Street to the south and 15th Street to the north. The project site totals 22,748 square feet (sq. ft.) and is currently composed of two existing buildings (an existing funeral home and a three unit apartment building) and two surface parking lots. The two existing surface parking lots contain 33 off-street parking spaces. The proposed project would include merger and subdivision of the six lots, additions and renovations of the two existing buildings, demolition of the surface parking lots, and construction of two new buildings. The two existing buildings total 12,745 sq.ft. and are 32-feet tall.

The proposed project would involve a vertical addition of 3-4 floors of residential dwelling units on top of the existing funeral home building. A new mixed-use building of residential over retail is proposed to be
built on the vacant surface parking lot and interconnected to the existing funeral home building addition. The project also seeks to construct a two unit townhome building on the vacant 15th Street surface parking lot. The existing 3-unit, 3-story, 3,345 sq.ft. apartment building would remain and would include possible renovation of the front facade. The project would have a total of up to 45 new dwelling-units and 13,500 sq.ft. of retail space. The proposed basement level garage would be accessed from 15th Street and would contain 20-22 off-street parking spaces and no off-street loading. In total, the proposed project would be 76,725 sq.ft.

ENVIRONMENTAL REVIEW:

Environmental evaluation is required for the full scope of the project. Section 15183 of the California Environmental Quality Act (CEQA) Guidelines states that projects that are consistent with the development density established by a community plan for which an environmental impact report (EIR) was certified do not require additional environmental review, except as necessary to determine the presence of project-specific significant effects not identified in the programmatic plan area EIR.

The proposed project is located within the Market and Octavia Neighborhood Plan, which was evaluated in Market and Octavia Neighborhood Plan Programmatic Final Environmental Impact Report EIR (Market and Octavia PEIR), which was certified in 2007. Because the proposed project is consistent with the development density identified in the area plan, it is eligible for a community plan exemption (CPE). Within the CPE process, there can be three different outcomes as follows:

1. **CPE Only**

   All potentially significant project-specific and cumulatively considerable environmental impacts are fully consistent with significant impacts identified in the Market and Octavia PEIR and there would be no new "peculiar" significant impacts unique to the proposed project. In these situations, all pertinent mitigation measures and CEQA findings from the Market and Octavia PEIR are applied to the proposed project, and a CPE checklist and certificate is prepared. With this outcome, the applicable fees are: (a) the CPE determination fee (currently $13,659); (b) the CPE certificate fee (currently $7,580); and (c) a proportionate share fee ($10,000) for recovery for costs incurred by the Planning Department for the Market and Octavia PEIR.

2. **CPE and Focused Initial Study/Mitigated Negative Declaration**

   If new site- or project-specific significant impacts are identified for the proposed project that were not identified in the Market and Octavia PEIR, and if any of these new significant impacts can be mitigated to a less-than-significant level, then a focused mitigated negative declaration is prepared to address these impacts, and a supporting CPE certificate is prepared to address all other impacts that were encompassed by the Market and Octavia PEIR, with all pertinent mitigation measures and CEQA findings from the Market and Octavia PEIR also applied to the

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proposed project. With this outcome, the applicable fees are: (a) the CPE determination fee (currently $13,659); (b) the standard environmental evaluation fee (which is based on construction value); and (c) a proportionate share fee ($10,000) for recovery for costs incurred by the Planning Department for the Market and Octavia PEIR.

3. CPE and Focused EIR

If any site- or project-specific impacts cannot be mitigated to a less-than-significant level, then a focused EIR is prepared to address these impacts, and a supporting CPE certificate is prepared to address all other impacts that were encompassed by the Market and Octavia PEIR, with all pertinent mitigation measures and CEQA findings from the Market and Octavia PEIR also applied to the proposed project. With this outcome, the applicable fees are: (a) the CPE determination fee (currently $13,659); (b) the standard environmental evaluation fee (which is based on construction value); (c) one-half of the standard EIR fee (which is also based on construction value); and (d) a proportionate share fee ($10,000) for recovery for costs incurred by the Planning Department for the Market and Octavia PEIR.

In order to begin formal environmental review, please submit an Environmental Evaluation Application (EEA). Please submit the EEA to Virna Byrd as a community plan exemption application. Environmental Evaluation applications are available in the Planning Department lobby at 1650 Mission Street Suite 400, at the Planning Information Center at 1660 Mission Street, and at the Planning Department’s website: www.sfplanning.org. This review may be done in conjunction with the required approvals listed below, but must be completed before any project approval may be granted. See page 2 of the current Fee Schedule for calculation of environmental application fees. Note that until an approval application is submitted to the Current Planning Division, only the proposed Project Description will be reviewed by the assigned environmental Coordinator. Below is a list of topic areas that would require additional study based on our preliminary review of the project as it is proposed in the Preliminary Project Assessment (PPA) submittal dated September 30, 2014.

1. Archeological Resources. The Market and Octavia PEIR anticipated that development at the project site would have the potential to disturb archeological deposits and Mitigation Measure C2 (also known as 5.6.A2) was determined to be applicable for any project involving any soils-disturbing activities beyond a depth of four feet and located within areas in the Neighborhood Plan for which no archeological assessment report has been prepared. This mitigation measure requires that a preliminary archeological review be conducted by Department staff to determine the appropriate action necessary to mitigate potential effects to less than significant. This mitigation measure would be included in the CPE and would not require additional analysis in a focused initial study or EIR. Please submit with the EEA information addressing anticipated depths of below ground surface construction.

2. Historic Resources. The existing building on the project site was previously determined to be eligible for national, state, or local historic resource listing; therefore, the project is subject to the Department’s Historic Preservation review, which would include preparation of an Historic
Resource Evaluation (HRE) by a qualified professional who meets the Secretary of the Interior’s Professional Qualification Standards. The Department will provide the project sponsor with a list of three consultants from the Historic Resource Consultant Pool, which shall be known as the potential consultant list or PCL. Once the EEA is submitted, please contact Tina Tam, Senior Preservation Planner, via email (tina.tam@sfgov.org) for the list of three consultants. Upon selection of the historic resource consultant, the scope of the Historic Resource Evaluation shall be prepared in consultation with Department Preservation staff.

3. **Transportation Impact Study.** The Market and Octavia PEIR noted that implementation of the Plan would have significant and unavoidable impacts on nine intersections, even with mitigation, and less-than-significant impacts on transit, pedestrian, bicycle, loading, and construction.

   Based upon the proposal submitted with the PPA application, a transportation study is not likely to be required for this project. However, a formal determination of whether a Transportation Impact Study is required will be made after submittal of the EEA. If such a study is required, the consultant must be selected from one of three transportation consultants assigned to this project by the Department during the environmental review process.

   Additionally, an initial review of the proposed project was conducted by Planning Department staff transportation planners and it is recommended that the sponsor should consider residential Transportation Demand Management (TDM) measures as part of the project to reduce the use of single-occupancy vehicles. A list of these recommended measures will be provided after submittal of the EEA.

4. **Air Quality (AQ) Analysis.** The proposed project at 45 dwelling units and 13,500 sq.ft. of retail space does not exceed the Bay Area Air Quality Management District’s (BAAQMD) construction screening levels for criteria air pollutants. Therefore an analysis of the project’s criteria air pollutant emissions would likely not be required. However, detailed information related to cubic yards of excavation shall be provided as part of the EEA. The Market and Octavia PEIR noted that development could have significant impacts from construction-related dust and exhaust emissions and Mitigation Measures E1 and E2 (also known as 5.8.A and 5.8.B) reduced potential effects to less than significant.

   In addition, project-related demolition, excavation, grading and other construction activities may cause wind-blown dust that could contribute particulate matter into the local atmosphere. Subsequent to the certification of the Market and Octavia PEIR, to reduce construction dust impacts, the San Francisco Board of Supervisors approved the Construction Dust Control Ordinance (Ordinance 176-08, effective July 30, 2008) with the intent of reducing the quantity of dust generated during site preparation, demolition, and construction work in order to protect the health of the general public and of onsite workers, minimize public nuisance complaints, and to avoid orders to stop work by the Department of Building Inspection (DBI). Pursuant to the Construction Dust Ordinance, the proposed project would be required to comply with applicable
dust control requirements outlined in the ordinance. Therefore, Mitigation Measure E1 is not applicable to the proposed project.

In addition, San Francisco has partnered with the BAAQMD to inventory and assess air pollution and exposures from mobile, stationary, and area sources within San Francisco. Areas with poor air quality, termed the “Air Pollutant Exposure Zone,” were identified. Projects within the Air Pollutant Exposure Zone require special consideration to determine whether the project’s activities would expose sensitive receptors to substantial air pollutant concentrations. Although the proposed project is not within an Air Pollutant Exposure Zone, improvement measures may be recommended for consideration by City decision makers, such as exhaust measures during construction and enhanced ventilation measures as part of building design. Enhanced ventilation measures will be the same as those required for projects, such as this project, subject to Article 38 of the Health Code.²

If the project would generate new sources of toxic air contaminants including, but not limited to: 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. Detailed information related to any proposed stationary sources shall be provided with the EEA.

5. Noise. The proposed project site is located on Market Street. The Planning Department’s noise maps indicate that existing ambient noise levels on surrounding streets are at, or exceed 75 decibels. The project involves the siting of new noise-sensitive uses (e.g., residential uses) and therefore requires an acoustical analysis demonstrating that the building will meet Title 24 noise insulation standards. This analysis shall include at least one 24-hour noise measurement (with maximum noise level readings taken at least every 15 minutes). The analysis must be prepared by persons qualified in acoustical analysis and/or engineering and shall demonstrate with reasonable certainty that Title 24 noise insulation standards, where applicable, can be met, and that there are no particular circumstances about the project site that warrant heightened concern about noise levels in the vicinity. To the maximum extent feasible open space provided per the Planning Code should be protected from existing ambient noise levels that could prove annoying or disruptive to users of the open space.

6. Greenhouse Gas Compliance Checklist for Private Development Project. Potential environmental effects related to greenhouse gas emissions from the proposed project need to be addressed in a project’s environmental evaluation. An electronic version of the Greenhouse Gas Compliance Checklist Table 1 for Private Development Projects is available on the Planning Department’s website at http://www.sfplanning.org/index.aspx?page=1886. The project sponsor would 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 San Francisco’s GHG Reduction Strategy.

² Refer to http://www.sfdph.org/dph/eh/Air/default.asp for more information.
7. **Shadow Analysis.** Pursuant to Section 295 of the Planning Code, the Department must analyze whether proposed structures that are more than 40-feet in height will cast any shade or shadow upon any property under the jurisdiction of the Recreation and Park Commission. A preliminary shadow fan analysis has been prepared by Planning Department staff, and indicates that the proposed project would cast shadows on a park under the jurisdiction of the Recreation and Park Commission, located at Noe and Beaver Streets. Therefore, further analysis of shadow-related impacts will be required.

8. **Geology and Soils.** The Market and Octavia Neighborhood Plan PEIR did not identify any significant operational impacts related to geology, soils, and seismicity. Therefore, the applicant shall submit a geotechnical study with the submittal of an EEA that investigates the soils underlying the site and identifies any geotechnical concerns related to the proposed project’s foundation. The geotechnical study should determine whether the site is subject to liquefaction, and should provide recommendations for addressing any geotechnical concerns identified in the study. The geotechnical study will also help inform the archeological resources review mentioned above.

9. **Soil Erosion.** The Market and Octavia Neighborhood Plan PEIR identified a potentially significant impact related to soil erosion during construction. Mitigation Measure G1 (also known as 5.11.A), which consists of construction best management practices to prevent erosion and discharge of soil sediments to the storm drain system, would reduce any potential impacts to less than significant.

10. **Stormwater Management.** Prior to issuance of a building permit, the project sponsor is required to submit a stormwater control plan to the San Francisco Public Utilities Commission Wastewater Enterprise, Urban Watershed Management Program that demonstrates compliance with the City’s Stormwater Design Guidelines. The proposed project’s environmental evaluation would generally evaluate how and where the implementation of required stormwater management and low-impact design approaches would reduce potential negative effects of stormwater runoff. This may include environmental factors such as the natural hydrologic system, city sewer collection system, and receiving body water quality. For more information on the SFPUC’s stormwater management requirements, see http://stormwater.sfwater.org. It is likely this analysis would be included in the CPE and would not require additional analysis in a focused initial study or EIR.

11. **Hazardous Materials.** The Market and Octavia PEIR anticipated that development would have the potential to disturb unknown soil contaminants and Mitigation Measure F1 (also known as 5.10.A) would be applicable to projects depending upon the type and extent of contamination associated with each individual project. The proposed project is not located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. However, the site is located on a site that could have potentially used hazardous materials (funeral home); therefore, please submit a Phase I Environmental Site Assessment (ESA) with your EEA. Additionally, 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 if the project is proposing the disturbance of 50 cubic yards of soils in an area.
that may result in the disturbance of hazardous material. If Planning staff, working with the Department of Public Health, determines that there is a potential to release hazardous materials, *Mitigation Measure F1* or the Maher Ordinance may be applicable to the proposed project.

12. **Tree Disclosure Affidavit.** The Department of Public Works Code Section 8.02-8.11 requires disclosure and protection of landmark, significant, and street trees located on private and public property. Any tree identified in this Disclosure Statement must be shown on the Site Plans with size of the trunk diameter, tree height, and accurate canopy drip line. Please submit an Affidavit with the Environmental Evaluation Application and ensure trees are appropriately shown on site plans.

13. **Notification of a Project Receiving Environmental Review.** Notice is required to be sent to occupants of properties adjacent to the project site and owners of properties within 300 feet of the project site at the initiation of the Community Plan Exemption process. Please provide these mailing labels upon request from the assigned environmental planner.

14. **Disclosure Report for Developers of Major City Projects.** The San Francisco Ethics Commission S.F. Camp. & Govt. Conduct Code § 3.520 et seq. requires developers to provide the public with information about donations that developers make to nonprofit organizations that may communicate with the City and County regarding major development projects. This report must be completed and filed by the developer of any “major project.” A major project is a real estate development project located in the City and County of San Francisco with estimated construction costs exceeding $1,000,000 where either: (1) The Planning Commission or any other local lead agency certifies an EIR for the project; or (2) The project relies on a program EIR and the Planning Department, Planning Commission, or any other local lead agency adopts any final environmental determination under CEQA. A final environmental determination includes: the issuance of a Community Plan Exemption (CPE); certification of a CPE/EIR; adoption of a CPE/Final Mitigated Negative Declaration; or a project approval by the Planning Commission that adopts CEQA Findings. (In instances where more than one of the preceding determinations occur, the filing requirement shall be triggered by the earliest such determination.) A major project does not include a residential development project with four or fewer dwelling units. The first (or initial) report must be filed within 30 days of the date the Planning Commission (or any other local lead agency) certifies the EIR for that project or, for a major project relying on a program EIR, within 30 days of the date that the Planning Department, Planning Commission, or any other local lead agency adopts a final environmental determination under CEQA. Please submit a Disclosure Report for Developers of Major City Projects to the San Francisco Ethics Commission. This form can be found at the Planning Department or online at http://www.sfethics.org.
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. **Planned Unit Development.** For the purposes of developing a planned unit development according to the provisions of the Code, the proposed project would include the development of six contiguous lots that together measure 22,748 square-feet. Pursuant to Section 304 of the Planning Code, the objective of the planned unit development process is to allow well-reasoned modifications to certain Code provisions for sites of considerable size that are developed as integrated units and designed to produce a desirable development which will benefit the occupants, the neighborhood and the City as a whole. The tract or parcel of land involved must be an area of not less than ½ acre. The proposed development meets the ½ acre requirement because it includes Assessor’s lot 026 which is improved with a three-unit residential building that would remain on the lot. The Department has determined that Assessor’s lot 026 can be included in the ½ acre calculation if all of the subject parcels are merged into one lot. Therefore, if the project requires any modification to Code provisions it can be done so through the Planned Unit Development process where possible.

2. **Rear Yard.** Pursuant to Section 733.12 of the Code, the portion of the project located within the Upper Market NCT District requires a 25% rear yard at grade level and above opposite and parallel to the lot frontage. The portion of the project located within the RH-2 District is required to maintain a 45% rear yard at grade level and above. Within the RH-2 District, this requirement can be reduced based upon the average depth of the adjacent building’s qualifying rear walls. Development is permitted below grade within the required rear yard but not within the rear 15 feet of lot depth. As proposed, the project requires an exception from this Section of the Code because it encroaches into the required rear yard above and below grade level.

3. **Large Lot Development.** The project sponsor is proposing a development that would encompass six contiguous lots that together measure 22,748 square-feet. Pursuant to Section 733.11 of the Code, conditional use authorization is required to develop a lot that is greater than 9,999 square-feet in area.

4. **Use Size Limitation.** Pursuant to Section 733.21 of the Planning Code, the permitted gross floor area allowed for each individual nonresidential use is 2,999 square-feet within this District. The project proposes ground floor retail spaces of 5,900 and 7,600 respectively thus conditional use authorization is required pursuant to this Code provision. Furthermore, to ensure that the use size contemplated is compatible with the neighborhood, the Department would want to know the proposed use of the retail spaces in question before supporting its’ creation.

5. **Dwelling Unit Mix.** Pursuant to Section 207.6 of the Code, no less than 40 percent of the total number of dwelling units on site shall contain at least two bedrooms, or no less than 30 percent of...
the total number of proposed dwelling units shall contain at least three bedrooms. The proposed project would need to provide either 17 two-bedroom units or 13 three-bedroom units. Modifications to this requirement are permitted through the conditional use process.

6. **Dwelling Unit Exposure.** Every dwelling unit in every use district is required per Planning Code Section 140 to face either a public street, a public alley at least 25 feet in width, a rear yard meeting the requirements of the Planning Code, or an open area at least 25 feet in every horizontal dimension for the floor at which the dwelling unit in question is located and the floor immediately above it, with an increase in five feet in every horizontal dimension at each subsequent floor. It appears from the site plans that some of the dwellings that face the rear yard do not comply with this requirement.

7. **Building Permit Application.** The proposed project would require a Building Permit Application (alteration) for the construction of an addition to the existing building(s) on Assessors lots 007 and 008.

8. **Street Trees.** Planning Code Section 138.1 requires one street tree for every 20 feet of frontage for new construction, with an additional tree required for every remaining 10 feet of street frontage. In total, the project site includes approximately 125 feet of frontage on Market Street, which requires six street trees, and 60 feet of frontage on 15th Street, which requires three street trees. Credit towards this requirement is given for any existing street tree(s).

   Please note that the trees must be a 24-inch box size and meet the following additional requirements: (1) have a minimum 2 inch caliper, measured at breast height; (2) branch a minimum of 80 inches above sidewalk grade; (3) be planted in a sidewalk opening at least 16 square feet, and have a minimum soil depth of 3 feet 6 inches; (4) include street tree basins edged with decorative treatment, such as pavers or cobbles; (5) be planted in a continuous soil-filled trench parallel to the curb, such that the basin for each tree is connected.

9. **Tree Planting and Protection.** Completion of a tree planting and protection checklist is required. No permit will be approved by the Planning Department before satisfying all applicable tree-related requirements. Before any application is made to the Planning Department, you may choose to go directly to the Department of Public Works (DPW) to determine whether or not the required trees mentioned above can feasibly be planted. In order to do this, you should bring to DPW: (1) a completed Tree Planting and Protection Checklist [this need NOT be signed by Planning Department staff]; (2) project plans [11”x17” is acceptable]; and (3) a DPW tree planting application. Submittals can be made to DPW’s offices at 1155 Market Street or electronically at www.sfdpw.org -> “Services A-Z” -> “Trees”. After DPW does their analysis and fieldwork, DPW will provide you with a signed referral form with their determination which should then be provided to the Planning Department. Prior to permit approval, you will need to obtain a street tree removal permit from the Bureau of Urban Forestry for the removal of any street tree.
Applications for the actions listed above 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.

Please note that all required hearings would be combined into one joint hearing before the Planning Commission and the Zoning Administrator.

NEIGHBORHOOD NOTIFICATIONS AND PUBLIC OUTREACH:

Project Sponsors are encouraged 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.

1. **Pre-Application Meeting.** The project is subject to a pre-application meeting with surrounding neighbors and registered neighborhood groups before a development application may be filed with the Planning Department. The Pre-application Meeting packet, which includes instructions and template forms, is available at www.sfplanning.org under the “Permits & Zoning” tab. All registered neighborhood group mailing lists are available online at www.sfplanning.org under the “Resource Center” tab.

2. **Neighborhood Notification.** The project proposes new construction; therefore, owners and occupants within 150 feet of the site must also be notified in accordance with Planning Code Section 312.

3. **Notification of Project Receiving Environmental Review.** Notice is required to be sent to occupants of properties adjacent to the project site and owners of properties within 300 feet of the project site at the initiation of the Community Plan Exemption process. The environmental planner assigned will request these mailing labels after assignment. Other notices may be required depending on the level of environmental review necessary.

PRELIMINARY PROJECT COMMENTS:

1. **First Source Hiring.** Chapter 83 of the San Francisco Administrative Code, passed in 1998, established the First Source Hiring Program to identify available entry-level jobs in San Francisco and match them with unemployed and underemployed job-seekers. The intent is to provide a resource for local employers seeking qualified, job ready applicants for vacant positions while helping economically disadvantaged residents who have successfully completed training programs and job-readiness classes.

The ordinance applies to (1) any permit application for commercial development exceeding 25,000 square feet in floor area involving new construction, an addition or a substantial alteration which results in the addition of entry level positions for a commercial activity; or (2) any
application which requires discretionary action by the Planning Commission relating to a commercial activity over 25,000 square feet, but not limited to conditional use; or (3) any permit application for a residential development of ten units or more involving new construction, an addition, a conversion or substantial rehabilitation.

The project proposes more than ten dwelling units and therefore, is subject to the requirement. For further information or to receive a sample First Source Hiring Agreement, please see contact information below:

Ken Nim, Workforce Compliance Officer  
CityBuild, Office of Economic and Workforce Development  
City and County of San Francisco  
50 Van Ness, San Francisco, CA 94102  
Direct: 415.581.2303  
Fax: 415.581.2368

2. **Anti-Discriminatory Housing Policy.** Pursuant to Administrative Code Section 1.61, the Planning Department must collect an application with information about an applicant’s internal anti-discriminatory policies for projects proposing an increase of ten (10) dwelling units or more. (ideally the link to the form is found in this sentence)

The Planning Department is not to review the responses other than to confirm that all questions have been answered. Upon confirmation, the information is routed to the Human Rights Commission. For questions about the Human Rights Commission (HRC) and/or the Anti-Discriminatory Housing Policy, please contact Mullane Ahern at (415) 252-2514 or mullane.ahern@sfgov.org.

Please note that all building permit applications and/or entitlements related to a project proposing 10 dwelling units or more will not be considered complete until all responses are provided.

3. **Priority-Planning Policies.** Code Section 101.1 establishes eight priority-planning policies and requires review of conditional use, variance, and change of use applications for consistency with said policies.

4. **Standards for Bird-Safe Buildings.** The guidelines for providing bird-safe buildings identify location and feature related hazards and treatment requirements. Please refer to the published document on the Planning Department website for details and specific requirements:

5. **Height measurement.** The property is located within 50-X and 40-X height and bulk districts. Planning Code Section 102.12(d) allows the owner to choose the street or streets from which the measurement of height is to be taken where the lot has frontage on two or more streets, if the scope of the rules stated in subsections (a) – (c) are followed. It appears that the project proposes to take the height measurement at the centerline of the Market Street frontage where it would measure 50-feet in height.

6. **Open Space.** Section 135 of the Code requires 60 square-feet of private usable open space per dwelling unit or 80 square-feet of common usable open space per dwelling unit or any combination thereof for those dwellings located within the portion within the Upper Market NCT District. For each dwelling located within the RH-2 District, 125 square-feet of private usable open space is required or 166 square feet of common usable open space per dwelling is required or any combination thereof. The open space must also meet certain exposure requirements. It is unclear whether these requirements are being met.

7. **Permitted Off-Street Parking, Residential.** Sections 151 and 733.94 of the Planning Code requires no off-street parking but principally permits up to 0.5 space for each dwelling. Conditional use authorization is required to provide more than 0.5 space for each dwelling. The project includes 45 dwelling units and 21 off-street parking spaces, which is the maximum amount of residential parking that is principally permitted within the District. Residential parking at a ratio above .75 space for each dwelling is not permitted.

8. **Protected Pedestrian-, Cycling-, and Transit-Oriented Street Frontages.** Market Street from the Embarcadero to Castro Street is a protected pedestrian, cycling and transit-oriented street frontage per Planning Code Section 155. Subsection 155(r)(4) specifies that no curb cuts shall be utilized on any protected street frontage, therefore, removal of the existing curb cut(s) along the a Market Street frontage will be required for the project to proceed.

9. **Bicycle Parking.** Pursuant to Planning Code Section 155.2, one Class 1 bicycle parking space is required for each dwelling unit and one Class 2 bicycle parking space is required for every 20 dwellings. For retail uses, one Class 1 bicycle parking space is required for every 7,500 square feet of occupied floor area and one Class 2 bicycle parking space is required for every 2,500 sq. ft. of occupied floor area. More information about the bicycle parking requirement can be found in Zoning Administrator Bulletin No. 9.

10. **Off-Street Freight Loading.** Pursuant to Section 152 of the Planning Code, retail uses within newly constructed buildings that are more than 10,001 square-feet are required to provide one off-street freight loading space.
11. **Market Street Special Sign District.** Please note that this project is located within the Market Street Special Sign District, pursuant to Planning Code Section 608.8. The more stringent of these controls and those outlined in Planning Code Section 607.1 will apply to this project.

12. **Diaper Changing Stations.** Per Planning Code Section 168, all public serving retail establishments over 5,000 sf must provide a safe, sanitary, and convenient baby diaper-changing station, deck table, or similar amenity which is installed or placed in a separate, designated location in a Public-Serving Establishment subject to the provisions of this Section. Such accommodations may include, but are not limited to, stations, decks, and tables in women’s and men’s restrooms or unisex/family restrooms. Please incorporate this requirement into the proposal.

13. **Formula Retail Use.** Be advised that the establishment of a formula retail use, as defined in Section 703.3, in any Neighborhood Commercial District, as identified in Article 7, shall require conditional use authorization pursuant to the criteria of Sections 303(c) and 303(i) and be subject to the terms of Sections 703.3(g) and (i).

14. **Interim Zoning Controls.** For an 18-month period, there are interim zoning controls in the District requiring Conditional Use authorization for Limited Financial Service and Business or Professional Service uses.

15. **Streetscape and Pedestrian Improvements.** Planning Code Section 138.1 requires additional streetscape and pedestrian improvements for large projects on sites that are ½ acre or more. Standard streetscape improvements are defined within the Better Streets Plan and include benches, bicycle racks, curb ramps, corner curb extensions, stormwater facilities, lighting, sidewalk landscaping, special sidewalk paving, and other site furnishings selected from a City-approved palette of materials and furnishings and subject to approval by all applicable City agencies.

16. **Market and Octavia Affordable Housing Fee.** The Market and Octavia Affordable Housing Fee applies to the Project Area. Per Section 416 of the Code, the project requires payment per net new gross square foot of residential development. The Market and Octavia Plan Area and Upper Market NCD Affordable Housing Fee shall be paid before the City issues a first construction document, with an option for the project sponsor to defer payment to prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge in accordance with Section 107A.13.3 of the San Francisco Building Code.

17. **Market and Octavia Impact Fees.** The Market and Octavia Community Improvement Impact Fees applies to the Project Area. These fees shall be charged on net additions of gross square feet which result in a net new residential unit, contribute to a 20 percent increase of non-residential space in an existing structure, or create non-residential space in a new structure. Fees shall be assessed per net new gross square footage on residential and non-residential uses within the Plan.
Area. Fees shall be assessed on mixed use projects according to the gross square feet of each use in the project.

The Market and Octavia Plan Area and Upper Market NCD Community Improvement Impact Fees shall be paid before the City issues a first construction document, with an option for the project sponsor to defer payment to prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge in accordance with Section 107A.13.3 of the San Francisco Building Code.

Option for In-Kind Provision of Community Improvements and Fee Credits. Project sponsors may propose to directly provide community improvements to the City. In such a case, the City may enter into an In-Kind Improvements Agreement with the sponsor and issue a fee waiver for the Market and Octavia Community Improvements Impact Fee from the Planning Commission. This process is further explained in Section 412.3(d) of the Planning Code.

18. Inclusionary Housing Program. Projects proposing ten or more dwelling units are subject to the Inclusionary Affordable Housing Program outlined in Section 415 of the Code. The Project Sponsor must submit an ‘Affidavit of Compliance with the Inclusionary Affordable Housing Program’ to the Planning Department identifying the method of compliance, on-site, off-site, or in-lieu fee. Any on-site affordable dwelling-units proposed as part of the project must be designated as owner-occupied units, not rental units. Affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the project.

For your information, if a project proposes rental units, it may be eligible for an On-site Alternative to the Affordable Housing Fee if it has demonstrated to the Planning Department that the affordable units are either: 1) ownership only or 2) not subject to the Costa Hawkins Rental Housing Act (a Costa Hawkins exception). Affordable units are not subject to the Costa Hawkins Rental Housing Act under the exception provided in Civil Code Sections 1954.50 through one of the following methods:

a. direct financial construction from a public entity
b. development bonus or other form of public assistance

A Costa Hawkins exception agreement is drafted by the City Attorney. You must state in your submittal how the project qualifies for a Costa Hawkins exception. The request should be addressed to Jeff Joslin, Chief of Current Planning. If the project is deemed eligible, we may start working with the City Attorney on the agreement.

19. Recycled Water Ordinance: For new construction of 40,000 sf or more or the addition of 10,000 sf or more of irrigated space, plumbing systems must recycled water. For more information, please contact the Department of Building Inspection.
MARKET AND OCTAVIA AREA PLAN COMMENTS:

1. **Market-Octavia Area Plan.** The subject property falls within the area covered by the Market-Octavia Area Plan in the General Plan. As proposed, the project is generally consistent with the overarching objectives of the Plan, though the project and design comments below discuss any items where more information is needed to assess conformity with either specific policies or Code standards or where the project requires minor modification to achieve consistency. The project sponsor is encouraged to read the full plan, which can be viewed at [http://www.sf-planning.org/ftp/General_Plan/Market_Octavia.htm](http://www.sf-planning.org/ftp/General_Plan/Market_Octavia.htm).

2. **Invest in Neighborhoods.** The 2234-54 Market Street Project is located on the Upper Market Invest In Neighborhoods Corridor. Invest in Neighborhoods is an interagency partnership to strengthen and revitalize neighborhood commercial districts around San Francisco. The initiative, currently being piloted in 25 commercial districts, aims to strengthen small businesses, improve physical conditions, increase quality of life, and increase community capacity. Each corridor is appointed an IIN Point Person. This staff member is responsible for advocating for the neighborhood, leveraging City services and working with community partners to develop customized service plans for each corridor. Additionally the IIN Point Person keeps track of vacant retail spaces and development projects. More information on the Invest in Neighborhoods program, including the IIN Point Person, can be found at [http://investsf.org/](http://investsf.org/)

PRELIMINARY DESIGN COMMENTS:

The project is located in the Upper Market Neighborhood Commercial District area adjacent to mixed-use buildings that are generally two to five stories in height. The project is along a significant transit corridor and civic street. The following comments address preliminary design issues that may significantly affect the proposed project:

1. **Site Design, Open Space, and Massing.** The Planning Department supports the project as shown.

2. **Street Frontage.** The Planning Department recommends a landscape buffer or stepped-up entry to the residential unit access along 15th Street. See the Planning Department Ground Floor Residential Guidelines for principles and examples.

3. **Required Streetscape and Pedestrian Improvements.** Planning Code Section 138.1 requires project sponsors of projects exceeding one-half acre in site area to submit a Streetscape Plan illustrating the location and design of streetscape improvements appropriate to the street type, including site furnishings, landscaping, corner curb extensions, and sidewalk widening as appropriate. The Planning Department may require these elements as part of conditions of approval.
Market Street is a Ceremonial/Civic street type while 15th Street is a Neighborhood Residential Street (see [http://www.sfbetterstreets.org/design-guidelines/street-types/](http://www.sfbetterstreets.org/design-guidelines/street-types/)). If street improvements are being considered, project sponsors should contact DPW as early as possible to understand the process and requirements for permitting street improvements. For more information on process, guidelines, and requirements for street improvements, refer to [www.sfbetterstreets.org](http://www.sfbetterstreets.org). Required streetscape and pedestrian improvements are not eligible for in-kind fee credit.

In addition and pursuant to Section 138.1, the proposed project would be required to comply with the Section 138.1(c)(1), Street Trees. The requirement applies to all land use districts and requires, in summary, the installation of one 24-inch box-sized tree for each 20 feet of property frontage along and street or alley.

4. **Architecture.** As the proposal is diagrammatic, the Planning Department does not have specific comments about the architecture. Generally, the Planning Department appreciates the spatial deference to the historic resource that will be maintained and encourages architecture that is contemporary but compatible with it. Additionally, the Planning Department requests the use of high-quality materials and proportions that are aligned with the adjacent neighborhood character. The Planning Department also encourages the inclusion of balconies or other permeable elements at the lower floors as well.

Please see the Upper Market Development Design Guidelines for further direction in the design of the ground level, upper stories, and context-sensitive architecture.

**PRELIMINARY PROJECT ASSESSMENT EXPIRATION:**

This Preliminary Project Assessment is valid for a period of 18 months. An Environmental Evaluation, Conditional Use Authorization, or Building Permit Application, as listed above, must be submitted no later than **June 15, 2015**. 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: Shadow Fan

Neighborhood Group Mailing List

cc: Jon Yolles, The Prado Group
    Michael Smith, Current Planning
    Maia Small, Design Review
    Scott Edmondson, Citywide Planning and Analysis
    Tina Tam, Historic Preservation
    Jerry Robbins, MTA
    Jerry Sanguinetti, DPW
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