



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- | | |
|---|---|
| <input checked="" type="checkbox"/> Affordable Housing (Sec. 415) | <input checked="" type="checkbox"/> First Source Hiring (Admin. Code) |
| <input type="checkbox"/> Jobs Housing Linkage Program (Sec. 413) | <input type="checkbox"/> Child Care Requirement (Sec. 414) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 412) | <input type="checkbox"/> Other |

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Motion 18992

HEARING DATE: OCTOBER 3, 2013

Date: September 26, 2013
Case No.: **2013.0980CEV**
Project Address: **1601 Larkin Street**
Zoning: RM-3 (Residential, Mixed, Medium Density) District
65-A Height and Bulk District
Block/Lot: 0620/006
Project Sponsors: Pacific Polk Properties, LLC
- c/o David Silverman
Reuben & Junius
One Bush Street, Suite 600
San Francisco, CA 94104
Staff Contact: Kevin Guy – (415) 558-6163
kevin.guy@sfgov.org

ADOPTING FINDINGS RELATED TO THE APPROVAL OF A CONDITIONAL USE AUTHORIZATION, PURSUANT TO SECTIONS 253, 271, AND 303 OF THE PLANNING CODE, TO ALLOW DEVELOPMENT TO EXCEED 40 FEET IN HEIGHT WITHIN AN "R" DISTRICT AND TO GRANT AN EXCEPTION TO BULK REQUIREMENTS, WITH RESPECT TO A PROPOSAL TO DEMOLISH AN EXISTING VACANT CHURCH AND SURFACE PARKING LOT AND CONSTRUCT A NEW FIVE STORY OVER BASEMENT BUILDING CONTAINING 27 DWELLING UNITS AND 32 OFF-STREET PARKING SPACES, LOCATED AT 1601 LARKIN STREET, LOT 006 IN ASSESSOR'S BLOCK 0620, WITHIN THE RM-3 DISTRICT AND THE 65-A HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On August 25, 2004, Pacific Polk Properties LLC ("Project Sponsor") filed an application with the Planning Department ("Department") for Conditional Use Authorization to allow demolition of an existing church building and construction of a 63-foot-high, six story-tall building of approximately 67,500 sq.ft., containing 27 multi-family residential units and 29 off-street parking spaces in two separate parking levels (one at ground level and one below grade) in an RM-3 zoning district. Of the total new

space, approximately 38,500 sq. ft. was proposed for residential use and 12,350 sq. ft. for parking use. The ground floor would have three residential units, the second floor was proposed to have seven residential units, and floors three and four was proposed to contain 12 units. The fifth floor was proposed to have four residential units and the sixth floor was proposed to contain one penthouse unit (collectively, Case No. 2004.0557C).

On June 15, 2004, the Project Sponsor submitted an Environmental Evaluation Application with the Department, Case No. 2004.0557E. The Department issued a Notice of Preparation of Environmental Review on February 11, 2005.

On April 14, 2007, the Department published a draft Environmental Impact Report ("DEIR" or "Draft EIR") for public review. The Draft EIR was available for public comment until May 29, 2007.

On May 24, 2007, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to solicit public comment regarding the Draft EIR.

The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 45-day public review period for the Draft EIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the Draft EIR. This material was presented in a Draft Comments and Responses document, published on May 27, 2010, distributed to the Planning Commission and all parties who commented on the Draft EIR, and made available to others upon request at the Department.

A Final Environmental Impact Report ("FEIR" or "Final EIR") was prepared by the Department, consisting of the Draft EIR and the Comments and Responses document. On June 24, 2010, the Commission reviewed and considered the Final EIR and voted not to certify the document.

On June 24, 2010, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2004.0557C, at which time the Commission disapproved the Previous Project.

On May 11, 2012, the Project Sponsor filed an application with the Department requesting Conditional Use Authorization pursuant to Section 303 to allow development on a lot greater than 40 feet in height within an "R" District for a development at 1601 Larkin Street (Lots 006 in Assessor's Block 0620), northwest corner at Clay Street. The project proposed to demolish an existing vacant church and surface parking lot and to construct a new six-story over basement building containing 27 dwelling units and 29 off-street parking spaces, and requests bulk exceptions per Section 271. The revised project design as submitted on May 11, 2012 reflected a revised massing, architectural language, and finish materials compared with the project proposed in Case No. 2004.0557C. The Project Sponsor also filed an application with the Department requesting a Variance from the requirements of Section 134(a), because the proposed development did not provide a complying rear yard at grade level (collectively, Case No. 2012.0611CV).

The Department revised the previously published Draft EIR to include the revised project description and analyze its impacts. The Department prepared revisions to the Draft EIR to include the revised project as a "project variant". The Draft EIR was additionally revised to include a variant to the Partial Preservation Alternative.

On June 14, 2012, the revised Final EIR, consisting of the revised Draft EIR and Response to Comments document, was distributed to the Commission and interested parties.

Project EIR files have been made available for review by this Commission and the public. These files are available for public review at the Department at 1650 Mission Street, and are part of the record before this Commission.

On June 28, 2012, the Commission reviewed and considered the revised Final EIR and found that the contents of said report and procedures through which the Final EIR was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) ("CEQA"), 14 California Code of Regulations Sections 15000 et seq. ("the CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31").

The Commission found the revised Final EIR was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses and the June 14, 2012 revisions to the Draft EIR contained no significant revisions to the Draft EIR, and certified the Final EIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31 by Motion No. 18657, which is incorporated by reference as though fully set forth herein.

The Planning Department, Jonas Ionin, is the custodian of records, located in the File for Case No. 2004.0557E, at 1650 Mission Street, Fourth Floor, San Francisco, California.

Department staff prepared a Mitigation Monitoring and Reporting program ("MMRP") for the Revised Project, which material was made available to the public and this Commission for this Commission's review, consideration and action and which is attached hereto as Exhibit D.

At the same hearing on June 28, 2012, the Commission conducted a duly noticed public hearing on Conditional Use Application No. 2012.0611C, at which time the Commission reviewed the proposed project and passed a motion of intent to disapprove the requested Conditional Use authorization. In its motion, the Commission directed staff to prepare findings supporting disapproval for its consideration.

On August 16, 2012, the Commission conducted a duly noticed public hearing and adopted Motion No. 18691, disapproving Conditional Use Application No. 2012.0611C.

On July 3, 2013 the Project Sponsor filed an application with the Department requesting Conditional Use Authorization pursuant to Section 303, Conditional Use Authorization to allow development on a lot greater than 40 feet in height within an "R" District for a development at 1601 Larkin Street (Lots 006 in Assessor's Block 0620), northwest corner at Clay Street ("Project Site"). The project proposes to demolish

an existing vacant church and surface parking lot and to construct a new five-story over basement building containing 27 dwelling units and 32 off-street parking spaces, and requests bulk exceptions per Section 271 (Case No. 2013.0890C).

On September 18, 2013, the Project Sponsor filed an application with the Department requesting Variances from the requirements of Section 134 (Rear Yard), Section 135 (Usable Open Space), and Section 140 (Dwelling Unit Exposure).

The current iteration of the project, as described in Case No. 2013.0890CV is referred to as the "Project". The prior iterations of the project, as described in Case Nos. 2004.0557C and 2012.0611CV, are referred to as "Previous Projects".

The Commission has reviewed and considered reports, studies, plans and other documents pertaining to the Project.

The Commission has heard and considered the testimony presented at the public hearing and has further considered the written materials and oral testimony presented on behalf of the Project Sponsor, Department staff, and other interested parties.

MOVED, that the Commission hereby approves the request for Conditional Use Authorization in Application No. 2013.0890CEV, adopts the findings under CEQA attached as "EXHIBIT C", and adopts the MMRP attached as "EXHIBIT D", based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The Project Site is located at the northwest corner of Larkin and Clay Streets, Assessor's Block 0620, Lot 006, within the RM-3 District and the 65-A Height and Bulk District. The site measures 11,181 square feet, and is regularly shaped. The frontage of the site is nearly flat along the Larkin Street frontage, but is steeply sloped along the Clay Street frontage. The property is currently developed with an existing vacant church that measures approximately 19,050 square feet, as well as a surface parking lot accessed via Larkin Street.
3. **Surrounding Properties and Neighborhood.** The immediate area around the Project Site is predominantly residential in character, a pattern which continues eastward up the slopes of Nob Hill. The Polk Street Neighborhood Commercial District (NCD) is located one block to the west, and is a linear commercial strip that extends between Post and Filbert Streets. Ground floor retail spaces are occupied by convenience and specialty uses, as well as numerous restaurants and bars. Many of the buildings within the Polk Street NCD have residential uses situated on upper floors above the ground-floor retail spaces. The intersecting streets adjacent to the Polk Street corridor tend to be more residential in character, with scattered commercial uses interspersed on selected blocks. The Pacific Avenue NCD extends along Pacific Avenue three blocks to the north of the

Project Site, between Polk and Taylor Streets. The Pacific Avenue NCD is predominantly residential in character, with some small, neighborhood-serving commercial uses interspersed on the ground floor.

Within one block of the subject property, the majority of buildings measure three to four stories in height, with a few isolated two-story and five-story buildings. The scale of existing buildings varies greatly along the Polk Street corridor, with heights ranging from one-story commercial buildings to five-story residential and mixed use buildings. Residential and commercial buildings exceeding seven stories can be found on Van Ness Avenue further to the west.

4. **Project Description.** The proposal is to demolish an existing vacant church and surface parking lot, and construct a new six-story over basement building containing 27 dwelling units and 29 off-street parking spaces. The mix of dwelling units is two one-bedroom units, 24 two-bedroom units, and a three-bedroom unit that occupies the entire top story. The project sponsor is requesting exceptions from the bulk limitations of the 65-A Height and Bulk District, as well as a Variance from the requirement to provide a complying rear yard at grade level, as discussed herein.

The current iteration of the Project proposes a similar program as the Previous Projects, involving the demolition of the existing church and the construction of a building containing 27 dwelling units and 32 off-street parking spaces. However, the current design of the Project has been substantially revised in terms of massing, architectural language, and finish materials. Specifically, the height of the building has been reduced from six to five stories. In addition, the current design incorporates upper story setbacks to respond to the sloping topography of the site and to create a more suitable transition to the lower buildings to the west and north. Deep voids have been added at the center of both the Clay and Larkin Street elevations to break the massing of the project into a rhythm of discrete, vertically-oriented modules. Compared to the Previous Projects, the current design proposes a higher proportion of solid wall planes versus glazing, and would be primarily finished in a light-colored limestone plaster material.

5. **Public Comment.** Staff has received communications in support of the Project from several organizations and individuals in the area. Staff has also received communications in opposition to the Project from organizations and individuals in the area, as well as a petition containing 293 signatures.
6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:
 - A. **Use and Density.** Section 209.1 permits residential uses within the RM-3 District at a maximum density of one dwelling unit for each 400 square feet of lot area.

The Project proposes 27 dwelling units on a Project Site measuring 11,181 square feet. A maximum of 28 dwelling units would be permitted on the Project Site, therefore, the Project complies with the use and density regulations of the RM-3 District.

- B. **Height and Bulk.** The subject property is located within a 65-A Height and Bulk District, which permits a maximum height of 65 feet. This District also limits the horizontal dimension of a building above 40 feet in height to 110 feet, and the diagonal dimension to 125 feet.

Pursuant to Section 102.12(d), where a lot has frontage on two streets, the project sponsor may choose the street from which the measurement of height is taken.

Measuring from the Larkin Street frontage, the finished roof of the Project would reach a height of approximately 52 feet, while the penthouse would reach a height of approximately 62 feet. The Project complies with the maximum allowable height of the 65-A Height and Bulk District.

Portions of the fourth floor, as well as the fifth floor exceed 40 feet in height, therefore, these floors are subject to the bulk limitations of the 65-A Height and Bulk District. The fourth floor has a maximum horizontal dimension of approximately 114 feet and a maximum diagonal dimension of approximately 135 feet. Therefore, the Project exceeds the maximum permitted length and diagonal dimensions at the fourth floor. The fifth floor has a maximum horizontal dimension of approximately 97 feet and a maximum diagonal dimension of approximately 114 feet. Therefore, the Project complies with the applicable bulk limitations at the fifth floor. The Project Sponsor is requesting that the Commission allow the Project to exceed the specified bulk limits after considering the criteria specified in Section 271(c), through the Conditional Use Authorization process. Conformance with these criteria is discussed under Item #8 below.

- C. **Floor Area Ratio.** In the RM-3 District, Section 124 allows a Floor Area Ratio (FAR) of up to 3.6. The project site has an area of 11,181 square feet, therefore the allowable FAR would permit a building of up to 40,252 square feet of Gross Floor Area as defined in Section 102.9.

The Project would measure approximately 58,819 square feet. Pursuant to Section 124(b), within "R" Districts, the cited Floor Area Ratio limits do not apply to residential uses. Subtracting the area of the residential uses, approximately 28,669 square feet of Gross Floor Area within the Project would be subject to the allowable FAR. The Project therefore complies with the maximum allowable FAR.

- D. **Rear Yard.** Section 134(a)(1) of the Planning Code requires a rear yard equal to 25 percent of the lot depth. Within the RM-3 District, the required rear yard must be provided at grade level and at each succeeding story of the building.

The depth of the lot measured from the Larkin Street frontage is approximately 114 feet, requiring a rear yard that is approximately 29 feet in depth. The depth of the lot measured from the Clay Street frontage would be approximately 97 feet, requiring a rear yard that is approximately 24 feet in depth. The Project proposes an interior courtyard at the northwest portion of the Property, in a configuration that does not strictly meet the requirements of Section 134. The Project Sponsor is requesting a Variance from this requirement, and this Variance request will be considered by the Zoning Administrator at the Commission hearing on October 3, 2013.

It should be noted that the proposed courtyard measures approximately 2,665 square feet, which is comparable to the area that would be provided by a Code-complying rear yard. However, providing a Code-complying rear yard for the Project would result in a configuration that does not reflect the traditional San Francisco development pattern, with buildings located at or near front property lines, creating an urban streetscape framing an interior core of mid-block open space. By using a courtyard, the project restores a traditional pattern of mid-block open space within the Project Site.

- E. **Usable Open Space.** Section 135 requires that a minimum of 60 square feet of private usable open space, or 79.8 square feet of common usable open space be provided for dwelling units within the RM-3 District. This Section specifies that the area counting as usable open space must meet minimum requirements for area, horizontal dimensions, and exposure.

The Project proposes private decks for three dwelling units with private decks at the fourth and fifth floors which fully meet the requirements for private open space. Subtracting the area of three Code-complying private decks, the Project must provide a total of 1,655 square feet of common open space for the remainder of the dwelling units. The Project also includes three private decks and approximately 2,229 sq. ft. of common open space at the first floor within the interior courtyard, however, this courtyard does not meet the requirements of Section 135 for sunlight access. Therefore, the Project does not strictly meet the requirements of Section 135. The Project Sponsor is requesting a Variance from this requirement, and this Variance request will be considered by the Zoning Administrator at the Commission hearing on October 3, 2013.

- F. **Dwelling Unit Exposure.** Section 140 of the Planning Code requires that at least one room of all dwelling units face onto a public street, a rear yard, or other open area that meets minimum requirements for area and horizontal dimensions.

The majority of the dwelling units face onto either Larkin Street or Clay Street, and therefore comply with the exposure requirements of Section 140. Several units have exposure solely onto the courtyard, which does not meet the dimensional requirements of Section 140. Section 140 specifies that an open area (such as the courtyard) must have minimum horizontal dimensions of 25 feet at the lowest floor containing a dwelling unit and floor immediately above, with an increase of five feet in horizontal dimensions for each subsequent floor above. According to this methodology, the open area above the courtyard would need to measure at least 30 feet in horizontal dimensions at the 3rd floor, 35 feet at the 4th floor, and 40 feet at the 5th floor of the Project. The Project proposes a courtyard at the first story that measures approximately 15 feet in width at the westerly portion, and approximately 22 feet in width at the northerly portion. Therefore, the Project does not strictly meet the requirements of Section 135. The Project Sponsor is requesting a Variance from this requirement, and this Variance request will be considered by the Zoning Administrator at the Commission hearing on October 3, 2013.

- G. **Off-Street Parking.** Section 151 establishes off-street parking requirements for all uses in all districts. Pursuant to this section, one independently accessible space is required for each dwelling unit. The project proposes 27 dwelling units. The Project therefore requires 27 independently accessible parking spaces. Section 204.5 specifies that up to 150 percent of the

required number of spaces may be proposed as accessory parking facilities for a development. Pursuant to this Section, the Project could seek up to 41 off-street parking spaces.

The Project proposes 32 off-street parking spaces. Therefore, the project meets the minimum requirements for off-street parking, and does not exceed the maximum amount of accessory off-street parking spaces.

- H. **Off-Street Loading.** Section 152 provides a schedule of required off-street freight loading spaces for all uses in districts other than C-3 or South of Market. Pursuant to this Section, residential uses of less than 100,000 square feet do not require off-street loading spaces.

The Project proposes less than 100,000 square feet of residential uses, and is therefore not required to provide off-street loading. The Project proposes no loading spaces.

- I. **Inclusionary Affordable Housing Program.** Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 415.3, the current percentage requirements would apply to projects that consist of ten or more units, where the first application (EE or BPA) was applied for before July 18, 2006. Pursuant to Planning Code Section 415.5, the Project must pay the Affordable Housing Fee ("Fee"). This Fee is made payable to the Department of Building Inspection ("DBI") for use by the Mayor's Office of Housing for the purpose of increasing affordable housing citywide.

The Project Sponsor has submitted a 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to satisfy the requirements of the Inclusionary Affordable Housing Program through payment of the Fee, in an amount to be established by the Mayor's Office of Housing at a rate equivalent to an off-site requirement of 17%. The project sponsor has not selected an alternative to payment of the Fee. The EE application was submitted on June 15, 2004.

7. **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use authorization. On balance, the project complies with some, but not all of the criteria of Section 303, in that:

- a. The proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community.

The Project will add housing opportunities adjacent to the Polk Street NCD at a density that is suitable for an intensely-developed urban context served by ample public transit and retail services. By targeting infill residential development at such locations, residents of the Project will be able to walk, bicycle, or take transit to commute, shop, and meet other needs without reliance on private automobile use.

The existing development in the area surrounding the Project Site is varied in scale and intensity. Development within the subject block is generally limited to four stories in height. Buildings along Polk Street range from single-story commercial buildings to mixed-use buildings up to six stories in height. Residential and mixed-use buildings within the Van Ness corridor further to the west are generally of a higher intensity than surrounding development. While the highest point of the Project is taller than the immediately adjacent buildings, the building utilizes setbacks on the upper stories to reduce the apparent height of the structure and transition to the height of the adjacent buildings. In addition, the varied facade treatments, rooflines, and fenestration divide the elevations into discrete sections that complement the prevailing narrow lot pattern of the district.

The Project, as proposed, is desirable for, and compatible with the neighborhood.

- b. The use or feature as proposed will not be detrimental to the health, safety, convenience, or general welfare of persons residing or working in the vicinity, or injurious to property, improvements, or potential development in the vicinity, with respect to aspects including, but not limited to the following:
 1. The nature of the proposed site, including its size and shape, and the proposed size, shape, and arrangement of structures.

The Project site is a regularly-shaped corner lot that is adequately sized to accommodate the development. Existing development in the vicinity varies in size and intensity, and the Project is generally compatible with the eclectic character of the area. The upper stories of the Project are sculpted to transition to the scale of adjacent properties and reduce the apparent scale of the development. The courtyard at the northwest portion of the Project is configured to complement the rear yards of adjacent properties and reinforces the prevailing pattern of mid-block open space. The shape and size of development on the subject property will not be detrimental to persons or adjacent properties in the vicinity.

2. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading and of proposed alternatives to off-street parking, including provisions of car-share parking spaces, as defined in Section 166.

The EIR prepared for the project found that the project would not result in significant transportation and circulation impacts. The Project Site is located within an urban context, where convenience goods and services are available within walking distance. Residents of the project will be able to walk to such services in the vicinity, as well as the on-site grocery store. In addition, the area is served by ample public transit, so that residents do not need to solely rely on private automobile transportation.

The Project proposes less than 100,000 square feet of residential uses, and is therefore not required to provide off-street loading spaces. The Project proposes 32 off-street parking spaces, which meet

the minimum requirements for off-street parking without exceeding the maximum amount of accessory off-street parking spaces permitted by the Planning Code. The transportation patterns resulting from the Project will not be detrimental to the area.

3. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust, and odor.

The Project includes residential uses that are typical of the neighborhood, and should not introduce operational noises or odors that are detrimental, excessive, or atypical for the area. While some temporary increase in noise can be expected during construction, this noise is limited in duration and will be regulated by the San Francisco Noise Ordinance which prohibits excessive noise levels from construction activity and limits the permitted hours of work. The Project Sponsor would be required to utilize dust attenuation measures throughout demolition, excavation, and construction to minimize airborne particular matter. The building will not use mirrored glass or other highly reflective materials, therefore, the Project is not expected to cause offensive amounts of glare.

4. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting, and signs.

The Project provides open space in the form of a common courtyard at the first story, as well as a number of private decks for selected units. Street trees and other streetscape improvements would be planted along the Clay and Larkin Street frontages in accordance with the requirements of Section 138.1. The proposed parking complies with the requirements of the Code, and the Project is not required to provide any loading spaces. Conditions of approval are included requiring that the Project Sponsor will continue to work the Department to refine details of lighting, signage, materials, street trees, and other aspects of the design.

- c. Such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the General Plan.

The Project generally complies with the applicable sections of the Code, with certain exceptions. The residential use, as well as the proposed density and height, are permitted within the RM-3 District and the 65-A Height and Bulk District. The development includes the amount of common and private open space required by the Code. The Project generally meets the criteria for the requested exception to the bulk limitations of the 65-A Height and Bulk District, as discussed under item #8 below. The Project will not adversely affect the General Plan, as discussed under item # 10 below.

8. **Planning Code Section 271** establishes criteria for the Planning Commission to consider when reviewing application for projects that exceed the applicable bulk limits, through the Conditional Use Process. The 65-A Height and Bulk District limits the horizontal dimension of a building above 40 feet in height to 110 feet, and the diagonal dimension to 125 feet. The fourth floor has a maximum horizontal dimension of approximately 114 feet and a maximum diagonal dimension of approximately 135 feet. Therefore, the Project exceeds the maximum permitted length and

diagonal dimensions at the fourth floor. The fifth floor has a maximum horizontal dimension of approximately 97 feet and a maximum diagonal dimension of approximately 114 feet. Therefore, the Project complies with the applicable bulk limitations at the fifth floor. The Project Sponsor is requesting that the Commission allow the Project to exceed the specified bulk limits at the fourth floor after considering the criteria specified in Section 271(c), through the Conditional Use Authorization process. Such deviations might occur for one of two specified positive reasons. The Project meets one of the specified reasons, in that:

- A. Achievement of a distinctly better design, in both a public and a private sense, than would be possible with strict adherence to the bulk limits, avoiding an unnecessary prescription of building form while carrying out the intent of the bulk limits and the principles and policies of the General Plan.

The subject property is a corner lot that is relatively large for the District. Given the dimensions of the lot, strict adherence to bulk limits would constrain the building envelope and could result in an awkward building form. In addition, the number of residential units could be reduced, resulting in less housing in a location that is appropriate for infill development. The requested bulk exceptions are relatively minor, exceeding the maximum horizontal dimension by four feet, and the maximum diagonal dimension by ten feet. The Project incorporates facade variations and sculpting on upper floors to reduce the apparent bulk of the project, as discussed in item 8(B) below. In addition, the fifth (uppermost) story of the Project incorporates substantial setbacks, and fully complies with the bulk limitations.

On balance, the Project complies with the aforementioned criterion, in that:

- B. The appearance of bulk in the building, structure, or development shall be reduced by means of at least one and preferably a combination of the following factors, so as to produce the impression of an aggregate of parts rather than a single building mass:
 - i. Major variations in the planes of wall surfaces, in either depth or direction, that significantly alter the mass.

The Project uses offsetting planes, varied roofline treatments, and changes in fenestration to divide the elevations into smaller components. The use of bay windows and balconies creates a rhythm of voids and projections across the facade. At the center of both the Clay Street and Larkin Street elevations, a substantial void divides each elevation into discrete, vertically-arranged expressions. At the westerly portion of the Clay Street elevation, the Project is set back nine feet from the front property line and at the fourth floor and 15 feet from the westerly property line at the fifth floor. These setbacks create a sensitive transition to the height of the adjacent building on Clay Street, while reinforcing the stepping of the roofline with the topography of the block. The northeastern portion of the building is limited to four stories in high, creating a sensitive transition to the height of the adjacent building on Larkin Street.

- ii. Significant differences in the heights of various portions of the building, structure, or development that divide the mass into distinct elements.

Through the introduction of setbacks at various locations, the massing of the Project is divided into four- and five-story elements. The setbacks at the fifth story help to transition the scale of the building to the lower buildings on the adjacent properties. The building is further articulated through a series of changes in plane, the use of bay windows and balconies, cornices, and the deep voids at the center of the Clay and Larkin Street elevations.

- iii. Differences in materials, colors, or scales of the facades that produce separate major elements.

The varied setbacks and changes in plane create separate major elements within the elevations of the building. The building is finished with warm materials and an architectural language that is contemporary, but is sympathetic and compatible with the character of older structures in the area. The walls would be finished with a light-colored limestone plaster material. Scoring patterns within the plaster create an additional level of texture and detail across the facade. The aluminum windows, spandrel panels, and cornice exhibit substantial depth and profile dimensions, evoking forms that are found on adjacent buildings. As the Project proceeds through the review of building permits, the Project Sponsor will continue to work the Planning staff to refine details of Project materials and reveal dimensions.

- iv. Compensation for those portions of the building, structure, or development that may exceed the bulk limits by corresponding reduction of other portions below the maximum bulk permitted.

While the maximum horizontal and diagonal dimensions at the upper portion of the fourth floor exceed the applicable bulk limitations, the strategic use of setbacks and voids creates an overall reduction in volume for the project and reduces the apparent bulk of the building. In addition, the fifth floor incorporates substantial setbacks from the roofline, with horizontal and diagonal dimensions that are less than those allowed by the applicable build limitations.

- v. In cases where two or more buildings, structures, or tower are contained within a single development, a wide separation between such buildings, structures, or towers.

The Project consists of a single building, therefore, this factor does not apply.

- C. In every case the building, structure, or development shall be made compatible with the character and development of the surrounding area by means of all of the following factors:

- i. A silhouette harmonious with natural landforms and building patterns, including the patterns produced by height limits.

The area surrounding the project site is predominantly comprised of three and four story buildings. Portions of the proposed five-story building are taller than the existing built context. However, the building is sculpted in a manner that is sensitive to adjacent buildings. Substantial setbacks are focused at the fourth and fifth stories at the westerly portion along Clay Street to sensitively transition to the lower, downslope buildings to the west. The fifth story is setback at varying dimensions to reduce the apparent bulk of the building and break the roofline in a manner that reflects the sloping topography of the site and continues the procession of stepped rooflines along the subject block of Clay Street. The resulting silhouette is harmonious with the natural landforms and building patterns of the area.

- ii. Either maintenance of an overall height similar to that of surrounding development or a sensitive transition, where appropriate, to development of a dissimilar character.

The setbacks at the fourth and fifth stories help to transition the scale of the building to the lower buildings on adjacent properties. While the building is larger than some structures in the area, the changes in plane and richly articulated facade complement the rhythm of narrow lot development characteristic of the area.

- iii. Use of materials, colors, and scales either similar to or harmonizing with those of nearby developments.

Existing buildings in the vicinity exhibit an eclectic variety of architectural character, materials, and colors. While there are no predominant architectural styles or materials that define the visual character of the neighborhood, the facades in the area are generally simple and lack extravagant ornamentation.

The elevations of the Project utilize forms and materials that reinforce the design language of other buildings in the district and lessen the apparent scale of the project. While the style of the Project is not expressly historicist, the building incorporates forms that are familiar to the older buildings in the area while harmonizing with newer contemporary structures. As the Project proceeds through the review of building permits, the Project Sponsor will continue to work the Planning staff to refine details regarding materials and colors that will complement the existing built environment of the area.

- iv. Preservation and enhancement of the pedestrian environment by maintenance of pleasant scale and visual interest.

The streetscape of the project is largely characterized by residential windows that are slightly setback from the sidewalk, behind low landscaped planters. This configuration creates an interface and activation between the Project and the public realm, while also providing privacy for residents at the ground floor. The scale of the pedestrian realm is further defined and distinguished from the upper floors through changes in exterior materials and projecting metal awnings.

- D. While the above factors must be present to a considerable degree for any bulk limit to be exceeded, these factors must be present to a greater degree where both the maximum length and the maximum diagonal dimension are to be exceeded than where only one maximum dimension is to be exceeded.

The subject property is a corner lot that is relatively large for the district. Given the dimensions of the lot, strict adherence to bulk limits would severely constrain the building envelope. The Project exceeds the allowable bulk limitations on the fifth floor, as well as the upper portion of the fourth floor. Such constraints could result in an awkward building form. In addition, the number of residential units could be reduced, resulting in less housing in a location that is rich in transit and commercial services, and is highly suited to infill development. The project incorporates significant variations in facade treatments, a well-defined pedestrian realm at the streetscape, and sculpting of the upper stories that reduce the apparent size of the project and maintain a facade rhythm that is compatible with development on narrower lots in the vicinity.

9. **Planning Code Section 253** requires that, for projects exceeding 40 feet in height in an "R" District, the Planning Commission consider the expressed purposes of the applicable "R" district and the general purposes of the height and bulk district in which the property is located. On balance, the Project complies with some, but not all of these purposes, in that:

- A. **RM-3 (Residential, Mixed, Medium Density) District.** Section 206.2 describes that the RM-3 District contains, "...some smaller structures", but mostly characterized by, "...apartment buildings of six, eight, 10 or more units." It further states that, "Many buildings exceed 40 feet in height, and in some cases additional building over that height may be accommodated without disruption of the District character.", and that "Although lots and buildings wider than 25 or 35 feet are common, the scale often remains moderate through sensitive facade design and segmentation."

- B. **65-A Height and Bulk District.** Section 251 establishes that the general purposes of the height and bulk district are to relate the scale of new development to be harmonious with existing development patterns and the overall form of the City, respect and protect public open spaces and neighborhood resources, and to synchronize levels of development intensity with an appropriate land use and transportation pattern.

Section 206.2 recognizes that, on a City-wide basis, many structures within the RM-3 District are six stories or greater in height. While the area surrounding the Project site is characterized by lower buildings than described in Section 206.2, the Project utilizes sensitive massing, well-textured facade treatments, and segmentation of the building to reconcile the scale of the proposed Project with the prevailing lower scale of the area. While the dimensions at the fourth and fifth floors exceed the applicable bulk limitations, the Project utilizes numerous setbacks to compensate for these exceedances and reduce the apparent bulk of the building.

8. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

**HOUSING ELEMENT:
Objectives and Policies**

OBJECTIVE 1

TO PROVIDE NEW HOUSING, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN APPROPRIATE LOCATIONS WHICH MEETS IDENTIFIED HOUSING NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE HOUSING CREATED BY EMPLOYMENT DEMAND.

Policy 1.1:

Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income households.

Policy 1.4:

Locate in-fill housing on appropriate sites in established residential neighborhoods.

The Project will add residential units to an area that is well-served by transit, services, and shopping opportunities. The area is suited for additional housing, where residents can commute and satisfy convenience needs without frequent use of a private automobile. The Project Site is located within walking distance of the employment cluster of the Civic Center, and is in an area with abundant transit options routes that travel to the South of Market and Financial District areas. The Project includes a mix of unit types in a range of sizes, to provide housing opportunities for various household types and socioeconomic groups within the neighborhood.

**TRANSPORTATION ELEMENT:
Objectives and Policies**

OBJECTIVE 2

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

Policy 2.1:

Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

Policy 2.2:

Reduce pollution, noise and energy consumption.

Due to the abundant transit and commercial services in the area, residents of the Project can minimize use of the private automobile to commute and meet basic needs. The Project site is suitable for accommodating dense residential development that will discourage sprawling regional development patterns that are strongly auto-oriented and contribute to greenhouse gas emissions.

URBAN DESIGN ELEMENT:

Objectives and Policies

OBJECTIVE 3

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.1:

Promote harmony in the visual relationships and transitions between new and older buildings.

Policy 3.2:

Avoid extreme contrasts in color, shape and other characteristics which will cause new buildings to stand out in excess of their public importance.

Policy 3.5:

Relate the height of buildings to important attributes of the city pattern and to the height and character of existing development.

Policy 3.7:

Recognize the special urban design problems posed in development of large properties.

Although the Project Site is a relatively large corner lot, the Project incorporates significant variations in facade treatments, a well-defined pedestrian realm at the streetscape, and sculpting of the upper stories that reduce the apparent size of the project and maintain a facade rhythm that is compatible with development on narrower lots in the vicinity. While the style of the Project is not expressly historicist, the building incorporates forms that are familiar to the older buildings in the area while harmonizing with newer contemporary structures. Substantial setbacks are focused at the fourth and fifth stories at the westerly portion along Clay Street to sensitively transition to the lower, downslope buildings to the west. The fifth story is setback at varying dimensions to reduce the apparent bulk of the building and break the roofline in a manner that reflects the sloping topography of the site and continues the procession of stepped rooflines along the subject block of Clay Street. The design of the Project complements and responds to the existing development pattern, topography, and neighborhood character of the area.

10. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

- A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The Project will not displace any existing retail uses, and the new residents in the Project will patronize area businesses, bolstering the viability of surrounding commercial establishments.

- B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

The project will not diminish the existing housing stock, and will add dwelling units in a manner that enhances the vitality of the surrounding commercial corridors and is compatible with the character of the neighborhood. .

- C. That the City's supply of affordable housing be preserved and enhanced,

The Project would add not demolish any dwelling units, and would be required to contribute to in-lieu funds to the City's Inclusionary Housing Program to support the development of affordable housing opportunities.

- D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

A wide variety of goods and services are available within walking distance of the Project Site without reliance on private automobile use. In addition, the area is well served by public transit, providing connections to all areas of the City and to the larger regional transportation network.

- E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The Project does not propose any office development, and would not displace any existing industrial or service sector uses.

- F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project is designed and will be constructed to conform to the structural and seismic safety requirements of the City Building Code.

- G. That landmarks and historic buildings be preserved.

The existing vacant church that would be demolished as part of the Project is considered to be an historic resource under CEQA, resulting in a significant and unavoidable impact as identified in the EIR prepared for the project. However, due to the deteriorated condition and structural instability of

the existing church, it would be infeasible to preserve and restore the church to a habitable condition and retrofit the building for a viable use.

- H. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project will not cast shadows or impede views for parks and open spaces in the area, nor have any negative impact on existing public parks and open spaces.

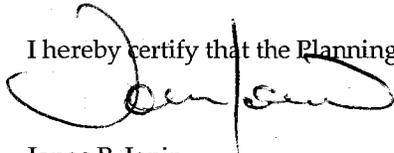
12. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
13. The Commission hereby finds that approval of the Conditional Use authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Project Sponsor, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Application No. 2013.0890C**, and **ADOPTS** and incorporates by reference as though fully set forth herein the CEQA findings set forth in "EXHIBIT C" of this Motion No. 18992 and the MMRP, as set forth in "EXHIBIT D" of this Motion No. 18992, subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated October 3, 2013, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this approval of a Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 18992. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94012.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on October 3, 2013.



Jonas P. Ionin
Acting Commission Secretary

AYES: Fong, Antonini, Hillis, Moore, Sugaya, Wu

NAYS:

ABSENT: Borden

ADOPTED: October 3, 2013

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to allow the demolition of an existing vacant church and surface parking lot, and the construction of a construct a new six-story over basement building containing 27 dwelling units and 32 off-street parking spaces, located at 1601 Larkin Street, Block 0620, Lot 006, pursuant to Planning Code Sections 253, 271, and 303, within the RM-3 District and the 65-A Height and Bulk District; in general conformance with plans, dated October 3, 2013, and stamped "EXHIBIT B" included in the docket for Case No. 2013.0890C and subject to conditions of approval reviewed and approved by the Commission on October 3, 2013 under Motion No 18992. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on October 3, 2013 under Motion No. 18992.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 18992 shall be reproduced on the Index Sheet of construction plans submitted with the site or building permit application for the Project. The Index Sheet of the construction plans shall reference to the Conditional Use authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Conditional Use authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

Validity. The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Expiration and Renewal. Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Diligent pursuit. Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Extension. All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Conformity with Current Law. No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Mitigation Measures. Mitigation measures described in the MMRP attached as Exhibit D are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor. Their implementation is a condition of project approval.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

DESIGN – COMPLIANCE AT PLAN STAGE

Final Materials. The Project Sponsor shall continue to work with Planning Department on the building design. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Upper Story Setbacks. The upper story (fifth floor) shall be set back a minimum of nine feet from the Clay Street and Larkin Street frontages. This setback shall be required on the western portion of the Clay Street frontage (measured approximately 60 feet east from the southwestern property line), and on the northern portion of the Larkin Street frontage (measured approximately 60 feet south from the northeastern property line).

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Garbage, composting and recycling storage. Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the building permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Rooftop Mechanical Equipment. Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

Transformer Vault. The location of individual project PG&E Transformer Vault installations has significant effects to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:

1. On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
2. On-site, in a driveway, underground;
3. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
4. Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
5. Public right-of-way, underground; and based on Better Streets Plan guidelines;

6. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
7. On-site, in a ground floor façade (the least desirable location).

Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, <http://sfdpw.org>

Overhead Wiring. The Property owner will allow MUNI to install eyebolts in the building adjacent to its electric streetcar line to support its overhead wire system if requested by MUNI or MTA.

For information about compliance, contact San Francisco Municipal Railway (Muni), San Francisco Municipal Transit Agency (SFMTA), at 415-701-4500, www.sfmta.org

Street Trees. Pursuant to Planning Code Section 138.1 (formerly 143), the Project Sponsor shall submit a site plan to the Planning Department prior to Planning approval of the building permit application indicating that street trees, at a ratio of one street tree of an approved species for every 20 feet of street frontage along public or private streets bounding the Project, with any remaining fraction of 10 feet or more of frontage requiring an extra tree, shall be provided. The street trees shall be evenly spaced along the street frontage except where proposed driveways or other street obstructions do not permit. The exact location, size and species of tree shall be as approved by the Department of Public Works (DPW). In any case in which DPW cannot grant approval for installation of a tree in the public right-of-way, on the basis of inadequate sidewalk width, interference with utilities or other reasons regarding the public welfare, and where installation of such tree on the lot itself is also impractical, the requirements of this Section 428 may be modified or waived by the Zoning Administrator to the extent necessary.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

PARKING AND TRAFFIC

Parking for Affordable Units. All off-street parking spaces shall be made available to Project residents only as a separate "add-on" option for purchase or rent and shall not be bundled with any Project dwelling unit for the life of the dwelling units. The required parking spaces may be made available to residents within a quarter mile of the project. All affordable dwelling units pursuant to Planning Code Section 415 shall have equal access to use of the parking as the market rate units, with parking spaces priced commensurate with the affordability of the dwelling unit. Each unit within the Project shall have the first right of refusal to rent or purchase a parking space until the number of residential parking spaces are no longer available. No conditions may be placed on the purchase or rental of dwelling units, nor may homeowner's rules be established, which prevent or preclude the separation of parking spaces from dwelling units.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Bicycle Parking Pursuant to Planning Code Sections 155.1 and 155.2, the Project shall provide no fewer than 27 Class 1 bicycle parking spaces and one Class 2 bicycle parking space.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Parking Requirement. Pursuant to Planning Code Section 151, the Project shall provide twenty-seven (27) independently accessible off-street parking spaces.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Managing Traffic During Construction. The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

PROVISIONS

First Source Hiring. The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.

For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org

Inclusionary Affordable Housing Program.

1. **Requirement.** Pursuant to Planning Code 415.5, the Project Sponsor must pay an Affordable Housing Fee at a rate equivalent to the applicable percentage of the number of units in an off-site project needed to satisfy the Inclusionary Affordable Housing Program Requirement for the principal project. The applicable percentage for this project is seventeen percent (17%).

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

2. **Other Conditions.** The Project is subject to the requirements of the Inclusionary Affordable Housing Program under Section 415 et seq. of the Planning Code and the terms of the City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual"). The Procedures Manual, as amended from time to time, is incorporated herein by reference, as published and adopted by the Planning Commission, and as required by Planning Code Section 415. Terms used in these conditions of approval and not otherwise defined shall have the meanings set forth in the Procedures Manual. A copy of the Procedures Manual can be obtained at the Mayor's Office of Housing ("MOH") at 1 South Van Ness Avenue or on the Planning Department or Mayor's Office of Housing's websites, including on the internet at:

<http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451>.

As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale or rent.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing at 415-701-5500, www.sf-moh.org.

- a. The Project Sponsor must pay the Fee in full sum to the Development Fee Collection Unit at the DBI for use by MOH prior to the issuance of the first construction document, with an option for the Project Sponsor to defer a portion of the payment prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge that would be deposited into the Citywide Inclusionary Affordable Housing Fund in accordance with Section 107A.13.3 of the San Francisco Building Code..
- b. Prior to the issuance of the first construction permit by the DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that records a copy of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOH or its successor.
- c. If project applicant fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Sections 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all other remedies at law

MONITORING - AFTER ENTITLEMENT

Enforcement. Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

Revocation due to Violation of Conditions. Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

Sidewalk Maintenance. The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>

Community Liaison. Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- Inclusionary Housing
- Childcare Requirement
- Jobs Housing Linkage Program
- Downtown Park Fee
- Public Art
- Public Open Space
- First Source Hiring (Admin. Code)
- Transit Impact Development Fee
- Other

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

EXHIBIT C CEQA Findings

HEARING DATE: OCTOBER 3, 2013

Date: June 21, 2012
Case No.: **2013.0890CEV**
Project Address: **1601 Larkin Street**
Zoning: RM-3 (Residential - Mixed, Medium Density)
 65-A Height and Bulk District
Block/Lot: 0620/006
Project Sponsor: Pacific Polk Properties, Inc.
 c/o David Silverman
 Reuben & Junius
 One Bush Street, Ste 600
 San Francisco, CA 94109
Staff Contact: Kevin Guy– (415) 558-6163
 kevin.guy@sfgov.org

ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, INCLUDING FINDINGS REJECTING ALTERNATIVES AS INFEASIBLE, ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS, AND ADOPTING A MITIGATION, MONITORING, AND REPORTING PROGRAM, FOR THE 1601-1603 LARKIN STREET HOUSING PROJECT INVOLVING THE DEMOLITION OF AN EXISTING VACANT CHURCH AND SURFACE PARKING LOT AND CONSTRUCTION OF A NEW FIVE-STORY OVER BASEMENT BUILDING CONTAINING 27 DWELLING UNITS AND 32 OFF-STREET PARKING SPACES LOCATED AT 1601 LARKIN STREET, LOT 006 IN ASSESSOR'S BLOCK 0620, WITHIN THE RM-3 DISTRICT AND THE 65-A HEIGHT AND BULK DISTRICT.

PREAMBLE

On August 25, 2004, Pacific Polk Properties LLC ("Project Sponsor") filed an application with the Planning Department ("Department") for Conditional Use Authorization to allow demolition of an existing church building and construction of a 63-foot-high, six story-tall building of approximately 67,500 sq.ft., containing 27 multi-family residential units and 29 off-street parking spaces in two separate parking levels (one at ground level and one below grade) in an RM-3 zoning district. Of the total new

space, approximately 38,500 sq. ft. was proposed for residential use and 12,350 sq. ft. for parking use. The ground floor would have three residential units, the second floor was proposed to have seven residential units, and floors three and four was proposed to contain 12 units. The fifth floor was proposed to have four residential units and the sixth floor was proposed to contain one penthouse unit (collectively, Case No. 2004.0557C).

On June 15, 2004, the Project Sponsor submitted an Environmental Evaluation Application with the Department, Case No. 2004.0557E. The Department issued a Notice of Preparation of Environmental Review on February 11, 2005.

On April 14, 2007, the Department published a draft Environmental Impact Report ("DEIR" or "Draft EIR") for public review. The Draft EIR was available for public comment until May 29, 2007.

On May 24, 2007, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to solicit public comment regarding the Draft EIR.

The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 45-day public review period for the Draft EIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the Draft EIR. This material was presented in a Draft Comments and Responses document, published on May 27, 2010, distributed to the Planning Commission and all parties who commented on the Draft EIR, and made available to others upon request at the Department.

A Final Environmental Impact Report ("FEIR" or "Final EIR") was prepared by the Department, consisting of the Draft EIR and the Comments and Responses document. On June 24, 2010, the Commission reviewed and considered the Final EIR and voted not to certify the document.

On June 24, 2010, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2004.0557C, at which time the Commission disapproved the Previous Project.

On May 11, 2012, the Project Sponsor filed an application with the Department requesting Conditional Use Authorization pursuant to Section 303 to allow development on a lot greater than 40 feet in height within an "R" District for a development at 1601 Larkin Street (Lots 006 in Assessor's Block 0620), northwest corner at Clay Street. The project proposed to demolish an existing vacant church and surface parking lot and to construct a new six-story over basement building containing 27 dwelling units and 29 off-street parking spaces, and requests bulk exceptions per Section 271. The revised project design as submitted on May 11, 2012 reflected a revised massing, architectural language, and finish materials compared with the project proposed in Case No. 2004.0557C. The Project Sponsor also filed an application with the Department requesting a Variance from the requirements of Section 134(a), because the proposed development does not provide a complying rear yard at grade level (collectively, Case No. 2012.0611CV).

The Department revised the EIR to include the Revised Project description and analyze its impacts. The Department prepared revisions to the Draft EIR to include the Revised Project as a "project variant". The Draft EIR was additionally revised to include a variant to the Partial Preservation Alternative.

On June 14, 2012, a revised Final EIR, consisting of the revised Draft EIR and Response to Comments document, was distributed to the Commission and interested parties.

Project EIR files have been made available for review by this Commission and the public. These files are available for public review at the Department at 1650 Mission Street, and are part of the record before this Commission.

On June 28, 2012, the Commission reviewed and considered the Final EIR and found that the contents of said report and procedures through which the Final EIR was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) ("CEQA"), 14 California Code of Regulations Sections 15000 et seq. ("the CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31").

The Commission found the Final EIR was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses and the June 14, 2012 revisions to the Draft EIR contained no significant revisions to the Draft EIR, and certified the Final EIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31 by Motion No. 18657, which is hereby incorporated by reference as though fully set forth herein.

The Planning Department, Jonas Ionin, is the custodian of records, located in the File for Case No. 2004.0557E, at 1650 Mission Street, Fourth Floor, San Francisco, California.

Department staff prepared a Mitigation Monitoring and Reporting program ("MMRP") for the Revised Project, which material was made available to the public and this Commission for this Commission's review, consideration and action and which is attached as Exhibit D to Motion No. 18992.

At the same hearing on June 28, 2012, the Commission conducted a duly noticed public hearing on Conditional Use Application No. 2012.0611C, at which time the Commission reviewed the proposed project and passed a motion of intent to disapprove the requested Conditional Use authorization. In its motion, the Commission directed staff to prepare findings supporting disapproval for its consideration.

On August 16, 2012, the Commission conducted a duly noticed public hearing and adopted Motion No. 18691, disapproving Conditional Use Application No. 2012.0611C.

On July 3, 2013, the Project Sponsor filed an application with the Department requesting Conditional Use Authorization pursuant to Section 303, Conditional Use Authorization to allow development on a lot greater than 40 feet in height within an "R" District for a development at 1601 Larkin Street (Lots 006 in Assessor's Block 0620), northwest corner at Clay Street ("Project Site"). The project proposes to demolish an existing vacant church and surface parking lot and to construct a new five-story over basement

building containing 27 dwelling units and 32 off-street parking spaces, and requests bulk exceptions per Section 271 (Case No. 2013.0890C).

On September 18, 2013, the Project Sponsor filed an application with the Department requesting Variances from the requirements of Section 134 (Rear Yard), Section 135 (Usable Open Space), and Section 140 (Dwelling Unit Exposure).

The current iteration of the project, as described in Case No. 2013.0890CV is referred to as the “Revised Project” or “Project”. The prior iterations of the project, as described in Case Nos. 2004.0557C and 2012.0611CV, are referred to as “Previous Projects”.

On October 3, 2013, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Case No. 2013.0890CEV. The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, the Planning Department staff, and other interested parties.

MOVED, that the Commission hereby adopts findings under the California Environmental Quality Act, including rejecting alternatives as infeasible, adopting a Statement of Overriding Considerations, and adopts the Mitigation, Monitoring, and Reporting Program, attached as Exhibit D to Motion No. 18992 (Case No. 2013.0890C), based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

In determining to approve the Project, the Commission makes and adopts the following findings of fact and decisions regarding mitigation measures and alternatives, and adopts the statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and pursuant to CEQA, the CEQA Guidelines, and Chapter 31

This document is organized as follows:

Section I provides a description of the proposed Project, the Project objectives, the approval actions to be taken, and the location of records;

Section II identifies the Project’s potentially significant impacts that are avoided or reduced to less-than-significant levels and makes findings regarding Mitigation Measures;

Section III identifies significant, unavoidable impacts that cannot be avoided or reduced to less-than-significant levels through Mitigation Measures;

Section IV identifies the Project alternatives that were analyzed in the EIR and discusses the reasons for the rejection of these alternatives; and

Section V makes a Statement of Overriding Considerations setting forth the specific economic, legal, social, technological, or other benefits of the Project that outweigh the significant and unavoidable adverse environmental effects and support the rejection of the project alternatives;

The **Mitigation Monitoring and Reporting Program (“MMRP”)** for the mitigation measures that have been proposed for adoption is attached to Commission Motion 18992 (Case No. 2013.0890C) as Exhibit D. The MMRP is required by CEQA Section 21081.6 and CEQA Guidelines Section 15091. The MMRP provides a table setting forth each mitigation measure listed in the Final EIR that is required to reduce or avoid a significant adverse impact. The MMRP also specifies the agency responsible for implementation of each measure and establishes monitoring actions and a monitoring schedule.

These findings are based upon substantial evidence in the entire record before the Commission. The references set forth in these findings to certain pages or sections of the Draft EIR” or the Comments and Responses document in the Final EIR are for ease of reference and are not intended to provide an exhaustive list of the evidence relied upon for these findings.

I. PROJECT DESCRIPTION

A. Project Description

The project site is located in the Nob Hill neighborhood of San Francisco's northeast planning quadrant on the northwest corner lot of the intersection of Clay and Larkin Streets. The rectangular-shaped site is on the project block bounded by Washington Street (north), Larkin Street (east), Clay Street (south), and Polk Street (west). The address is 1601 Larkin Street on Assessor's Block 0620 and Lot 6. The site slopes to the west down Clay Street towards Polk Street.

The existing project site is an 11,200-square-foot (sq.-ft.) lot containing a 45-foot-tall, two-story over basement church building of approximately 19,050 sq.ft., and an asphalt-paved, ten-car, surface parking lot on the northern portion of the lot with access from Larkin Street. The Final EIR concluded that the existing church building is a historical resource under CEQA. The site is owned by the California Nevada Conference of the Methodist Church.

The Project Sponsor proposes to demolish an existing vacant church and surface parking lot, and construct a new five-story over basement building containing 27 dwelling units and 32 off-street parking spaces. The mix of dwelling units is one studio unit, four one-bedroom units, 21 two-bedroom units, and one three-bedroom unit. The Project Sponsor is requesting exceptions from the bulk limitations of the 65-A Height and Bulk District, as well as Variances from the requirements of Section 134 (Rear Yard), Section 135 (Usable Open Space), and Section 140 (Dwelling Unit Exposure).

The current iteration of the project (here, the "Revised Project" or "Project") proposes a similar program as the Previous Projects, involving the demolition of the existing church and the construction of a building containing 27 dwelling units and 32 off-street parking spaces. However, the current design of the Project has been substantially revised in terms of massing, architectural language, and finish materials. Specifically, the height of the building has been reduced from six to five stories. In addition, the current design incorporates upper story setbacks to respond to the sloping topography of the site and to create a

more suitable transition to the lower buildings to the west and north. Deep voids have been added at the center of both the Clay and Larkin Street elevations to break the massing of the project into a rhythm of discrete, vertically-oriented modules. Compared to the Previous Projects, the current design proposes a higher proportion of solid wall planes versus glazing, and would be primarily finished in a light-colored limestone plaster material.

B. Project Objectives

The objectives of the Project include the following:

- In response to the housing demand of a growing San Francisco economy, construct a high-quality, cost-effective multi-family residential building and associate parking in the Nob Hill area containing the maximum number of residential units and parking spaces permitted by the Planning Code.
- Design a project that enhances the existing urban character of the area.
- Complete the project on schedule and within budget.

C. Project Approval Actions

1. Planning Commission

- Certification of the Final EIR;
- Approval of a Conditional Use Authorization pursuant to Planning Code Sections 303 (Conditional Use), 253 (review of structures over 40 feet in any "R" District), and for an exception from bulk requirements pursuant to Planning Code Sections 270 and 271.
- A determination by the Planning Commission of consistency with the *General Plan* pursuant to Charter Section 4.105 and Administrative Code Section 2A.53;

2. Zoning Administrator

- Granting of Variances from the requirements of Section 134 (Rear Yard), Section 135 (Usable Open Space), and Section 140 (Dwelling Unit Exposure).

D. Contents and Location of Record

The record upon which all findings and determinations related to the Project are based includes the following:

- The Notice of Preparation/Initial Study and all other public notices relating to the Project;

- The Final EIR and all documents referenced in or relied upon by the EIR (the references in these findings to the EIR, the Final EIR, or FEIR include both the Draft EIR and the Comments and Responses ("C&R") documents.);
- All information including written evidence and testimony provided by City staff to the Planning Commission relating to the Final EIR, the propose approvals and entitlements, the Project, and the alternatives set forth in the Final EIR;
- All information provided by the public, including the proceedings of the public hearings on the adequacy of the Draft EIR and the transcripts of the May 24, 2007 public hearing and written correspondence received by Planning Department staff during the public comment period of the Draft EIR, and the public meeting on June 28, 2012, at which the Planning Commission certified completion of the Final EIR;
- The Mitigation Monitoring and Reporting Program (MMRP); and
- All other documents comprising the record pursuant to Public Resources Code Section 21167.6(e).

The Commission has relied on all of the documents listed above in reaching its decision on the Project.

The public hearing transcript, a copy of all letters regarding the Draft EIR received during the public review period, the administrative record, and background documentation for the Final EIR, as well as additional materials concerning approval of the Project and adoption of these findings are contained in Planning Commission files, located at 1650 Mission Street, Suite 400, San Francisco, CA 94103. The Planning Commission Secretary is the custodian of records. All files have been available to the Commission and the public for review in considering these findings and whether to approve the Project.

II. LESS-THAN-SIGNIFICANT IMPACTS AND FINDINGS REGARDING MITIGATION MEASURES

This Section II and the following Section III set forth the Commission's findings about the Final EIR's determinations regarding significant environmental impacts and the mitigation measures proposed to address them. These findings provide the written analysis and conclusions of the Commission regarding the environmental impacts of the Project and the mitigation measures included as part of the Final EIR and adopted by the Commission as part of the Project. To avoid duplication and redundancy, and because the Commission agrees with, and hereby adopts, the conclusions in the Final EIR, these findings will not repeat the analysis and conclusions in the Final EIR, but instead incorporate them by reference in these findings and rely upon them as substantial evidence supporting these findings.

In making these findings, the Commission has considered the opinions of staff and experts, other commissions and members of the public. The Commission finds that the determination of significance thresholds is a judgment decision within the discretion of the City and County of San Francisco; the significance thresholds used in the Final EIR are supported by substantial evidence in the record, including the expert opinion of the Final EIR preparers and City staff; and the significance thresholds

used in the Final EIR provide reasonable and appropriate means of assessing the significance of the adverse environmental effects of the Project.

These findings do not attempt to describe the full analysis of each environmental impact contained in the Final EIR. Instead, a full explanation of these environmental findings and conclusions can be found in the Final EIR and these findings hereby incorporate by reference the discussion and analysis in the Final EIR supporting the Final EIR's determination regarding the Project's impacts and mitigation measures designed to address those impacts. In making these findings, the Commission ratifies, adopts and incorporates in these findings the determinations and conclusions of the Final EIR relating to environmental impacts and mitigation measures, except to the extent any such determinations and conclusions are specifically and expressly modified by these findings.

The Commission adopts and incorporates the mitigation measures set forth in the Final EIR and the MMRP as described below to substantially lessen or avoid the potentially significant and significant impacts of the Project. In adopting these mitigation measures, the Commission and other City decisionmakers intend to adopt each of the mitigation measures proposed in the Final EIR for the Project. Accordingly, in the event a mitigation measure recommended in the Final EIR has inadvertently been omitted in these findings or the MMRP, such mitigation measure is hereby adopted and incorporated in the findings below by reference. In addition, in the event the language describing a mitigation measure set forth in these findings or the MMRP fails to accurately reflect the mitigation measures in the Final EIR due to a clerical error, the language of the policies and implementation measures as set forth in the Final EIR shall control. The impact numbers and mitigation measure numbers used in these findings reflect the information contained in the Final EIR.

In Sections II and III the same findings are made for a category of environmental impacts and mitigation measures. Rather than repeat the identical finding, the initial finding obviates the need for such repetition because in no instance is the Commission rejecting the conclusions of the FEIR or the mitigation measures recommended in the FEIR for the Project.

A. Impacts Found To Be Less Than Significant And Thus Requiring No Mitigation

Under CEQA, no mitigation measures are required for impacts that are less than significant. (Pub. Resources Code, Section 21002; CEQA Guidelines, Section 15126.4, subd. (a)(3), 15091.)

The following potential individual and cumulative environmental effects of the initial project proposal were determined to be less than significant. Some of these impact areas were analyzed in the Notice of Preparation/Initial Study ("NOP/IS"). Although the NOP/IS was prepared for the Previous Project, the Commission finds that the conclusions of NOP/IS continue to be applicable to the Revised Project with respect to each of the topics that are determined are be less than significant. The Revised Project would occupy the same site as the Previous Project and, like the Previous Project, would call for disturbance of the entire project site. The Revised Project would include a substantially similar mix and quantity of uses as the Previous Project. Based on substantial evidence in the whole record of this proceeding, the Commission finds that implementation of the Revised Project will not result in any significant impacts in the following areas and that these impact areas, therefore, do not require mitigation:

- Land Use
- Aesthetics
- Population and Housing
- Transportation and Circulation
- Noise
- Air Quality
- Wind
- Utilities and Service Systems
- Public Services
- Biological Resources
- Geology and Soils
- Hydrology and Water Quality
- Minerals/Energy Resources
- Agricultural Resources

B. Findings Of Significant Or Potentially Significant Impacts That Can Be Avoided Or Reduced To A Less-Than-Significant Level With Mitigation

Based on the analysis contained in the Final EIR and the standards of significance, the Commission finds that that implementation of the Project with required mitigation measures would result in less than significant impacts for the following environmental topic areas:

- Hazards and Hazardous Materials
- Archeological Resources

With the required mitigation measures, all potential project impacts, with the exception of impacts of the related to Cultural Resources as described in Section III below, would be avoided or reduced to a less-than-significant level.

As authorized by CEQA Section 21081 and CEQA Guidelines Section 15091, 15092, and 15093, based on substantial evidence in the whole record of this proceeding, the Commission finds that all of the changes or alterations to the Project listed herein have been or will be required in, or incorporated into, the Project to mitigate or avoid the significant or potentially significant environmental impacts listed herein, as identified in the Final EIR, that these mitigation measures will be effective to reduce or avoid the potentially significant impacts as described in the Final EIR, and these mitigation measures are feasible to implement and are within the responsibility and jurisdiction of the City and County of San Francisco to implement or enforce.

As set forth in the Final EIR, **Mitigation Measure 1**, Construction Air quality contained in the July 8, 2006 Initial Study, 1601-1603 Larkin Street has been replaced by the San Francisco Health Code Article 2213, Construction Dust Control, which requires that construction projects within 1,000 feet of sensitive receptors prepare a site-specific dust control plan. That plan must include a number of equivalent measures to minimize visible dust. These measures contain all the dust control measures presented in the

BAAQMD CEQA Guidelines. These requirements are applicable to the Project and, as such, **this Commission finds that Mitigation Measure 1 is no longer needed to mitigate impacts of the Project and is not included in the MMRP.**

Hazards/Hazardous Materials

- Because the Project would require excavation in order to accommodate the proposed parking garage, the resulting soil disturbance could result in a potentially significant hazards impact. Implementation of **Mitigation Measure 2** would reduce this potential impact to less than significant.

As described in **Mitigation Measure 2**, prior to disturbing soils on the project site, the project sponsor shall implement soil and groundwater testing, develop a Site Mitigation Plan (SMP) and Corrective Action Plan (CAP),, conduct any necessary remediation, and handle, haul, and dispose of contaminated soils appropriately, including conducting dust suppression, surface water runoff control, and soils replacement, , and prepare a certification report. and deed recordation.

- Because the proposed project includes demolition of an existing building which may contain PCBs and mercury, inadvertent release of such materials could expose construction workers, occupants, or visitors to these substances, which could result in various adverse health effects if exposure were of sufficient quantity. Potential impacts associated with PCBs and mercury in structures would be considered potentially significant. Implementation of **Mitigation Measure 3** would reduce potential PCB and mercury impacts associated with demolition to a less-than-significant level.

As described in **Mitigation Measure 3**, the project sponsor would ensure that building surveys for PCB-containing equipment, hydraulic oils, and fluorescent lights are performed prior to the start of demolition. Any hazardous materials discovered would be abated according to federal, state, and local laws and regulations.

Archeological Resources

- Potential prehistoric resources could be impacted by excavation activities of the proposed project. Implementation of **Mitigation Measure 4** would reduce this potential impact to less than significant.

As described in **Mitigation Measure 4**, the project sponsor shall distribute the Planning Department archeological resource "ALERT" sheet , immediately notify the Department of any discovery of any indication of archeological resources at the site, and comply with any required measures, as set forth more fully in Mitigation Measure 4.

III. SIGNIFICANT IMPACTS THAT CANNOT BE AVOIDED OR REDUCED TO A LESS THAN SIGNIFICANT LEVEL

Based on substantial evidence in the whole record of these proceedings, the Commission finds that there is a significant project-specific impact that would not be eliminated or reduced to an insignificant level by the mitigation measures listed in the MMRP. The Final EIR identifies a significant and unavoidable adverse effect to cultural (historic architectural) resources related to the demolition of the existing church building, a historic resource under CEQA. As the demolition of the existing building is essential to the implementation of the proposed project, there are no mitigation measures that would reduce the level of impact to the less-than-significant level while continuing to meet the objectives of the project.

The Commission determines that the following significant impact on the environment, as reflected in the Final EIR, is unavoidable, but under Public Resources Code Section 21081(a)(3) and (b), and CEQA Guidelines 15091(a)(3), 15092(b)(2)(B), and 15093, the Commission determines that the impact is acceptable due to the overriding considerations described in Section V below. This finding is supported by substantial evidence in the record of this proceeding.

Cultural Resources (Historic Architectural Resources)

The project sponsor intends to demolish the First St. John's United Methodist Church at 1601 Larkin Street and construct a five-story, 27-unit residential building with 32 parking spaces. The Final EIR concluded that the church building is an historical resource, and demolition of this building would be a significant adverse impact under CEQA.

Mitigation Measure 5, which requires recordation and salvage of architectural materials, would reduce the impact's severity, but not to a less-than-significant level. This impact remains **significant and unavoidable**.

V. EVALUATION OF PROJECT ALTERNATIVES

This Section describes the Project alternatives and the reasons for approving the Project and for rejecting the Alternatives. CEQA mandates that every EIR evaluate a reasonable range of alternatives to the Project or the Project location that generally reduce or avoid potentially significant impacts of the Project. CEQA requires that every EIR also evaluate a "No Project" alternative. Alternatives provide a basis of comparison to the Project in terms of their significant impacts and their ability to meet Project objectives. This comparative analysis is used to consider reasonable, potentially feasible options for minimizing environmental consequences of the Project.

The Final EIR analyzed three project alternatives, and one additional variant to an alternative: a "No Project Alternative", an "Adaptive Reuse Alternative", and a "Partial Preservation—Bell Tower", as well as a "Partial Preservation Alternative Variant". The Final EIR determined that these alternatives were potentially feasible, but did not necessarily meet all of the project sponsors' objectives. A brief description of each alternative is provided below, followed by findings related to the rationale for the City's rejection of each alternative as infeasible.

The Commission rejects the Alternatives set forth in the Final EIR and listed below because it finds, in addition to the reasons described below, elsewhere in these Findings, and in the administrative record,

that there is substantial evidence, including evidence of economic, legal, social, technological, and other considerations under CEQA Guidelines 15091(a)(3), that make infeasible such alternatives. In making these determinations, the Commission is aware that CEQA defines “feasibility” to mean “capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, legal, and technological factors.”

The Commission certifies that it has independently reviewed and considered the information on the alternatives provided in the Final EIR and in the record. The Final EIR reflects the Commission's and the City's independent judgment as to the alternatives. The Commission finds that the Revised Project provides the best balance between satisfaction of the project objectives and mitigation of environmental impacts to the extent feasible, as described and analyzed in the EIR and adopts a statement of overriding considerations as set forth in Section IV below.

The Commission adopts the EIR's analysis and conclusions regarding alternatives eliminated from further consideration, both during the scoping process and in response to comments.

A. ALTERNATIVE A: NO PROJECT

The CEQA and the State CEQA Guidelines require EIRs to include a No Project Alternative for the purpose of allowing decision-makers to compare the effects of the proposed project with the effects of not approving a project.

This alternative would not demolish or otherwise change the existing two-story church building at the project site in a way that would compromise the integrity of its historic architectural value. This alternative would not construct the Project's 52-foot-high, five-story-tall, 27-residential unit, 59,000-sq.-ft building with 32 off-street parking spaces, or any other building. However, this alternative would not preclude future proposals for development of the project site for uses permitted in the RM-3 (Residential Mixed, Medium Density) Zoning District and the 65-A Height and Bulk District.

For the purposes of this analysis, it is assumed that the existing building structure and use would not change.

The proposed project's impacts would not occur under the No Project Alternative, including avoidance of the proposed project's significant unavoidable historical resources impact. The existing church building would remain unaltered and vacant until another use were proposed and permitted. The proposed project's less-than significant (with mitigation) hazardous materials impacts and archeological impacts would not occur. The proposed project's less-than-significant aesthetic and transportation/circulation impacts that the EIR examines would not occur.

The other less-than-significant effects of the proposed project described in the Initial Study would not occur with this alternative, and no mitigation measures would be required. These other less-than-significant effects include land use, visual quality (except aesthetic effect), population, construction and operational noise, air quality, shadow, wind, geology and seismicity, and hazards, among others.

The No Project Alternative would be environmentally superior over the near term because it would not result in a significant and unavoidable impact due to demolition of an historical resource. However, the No Project Alternative would not meet any of the project sponsor's objectives.

The Commission rejects the No Project Alternative because it would fail to meet the Project objectives. Additionally, the No Project Alternative would not provide the City with additional housing, including funding for the City's Inclusionary Housing Program, and housing adjacent to transportation corridors, which the Revised Project provides and which are important policy goals of the General Plan. The No Project Alternative would not result in the creation of construction jobs and the other economic benefits associated with the Revised Project.

B. ALTERNATIVE B: ADAPTIVE REUSE

Alternative B, the Adaptive Reuse Alternative, would retain the building's character-defining features. It would reuse the church building with minimal changes to its exterior and interior. It would construct a new six-story building on the existing surface parking lot. Renovation under this alternative would be consistent with the Secretary of the Interior's *Standards for the Treatment of Historic Properties*. The new building would have approximately 2,740 sq. ft. per floor, for a total of about 16,450 sq. ft. on six floors, and would include nine residential units, a six-space parking garage on the ground floor along with storage areas, a utility room, a garbage area, and elevator access. There would be two units on each of floors 2 through 5 and one residential unit on the sixth floor, for a total of nine units in the new building.

Approximately 5,000 sq. ft. of the church gymnasium and basement area would be reused for a childcare facility (less than 24-hour care for 13 or more children). The balance of the church building would be reused in residential use as an extension of the new building and would include five more units totaling approximately 10,000 sq. ft. and a residential lobby and common meeting space of another 5,000 sq. ft. Thus, this alternative would result in a total of 14 new residential units. There would not be an underground parking garage.

Compared to the Project's 52-foot-high, five-story-tall building of approximately 59,000 sq. ft., 27 residential units, and 32 parking spaces, the Adaptive Reuse Alternative's 14 units and 35,500 sq. ft. would be about half that of the proposed Project. About 5,000 sq. ft. of Alternative B would be retained for a childcare use that is not part of the proposed Project.

Unlike the proposed Project, the Adaptive Reuse Alternative would not demolish the church building, thereby avoiding the proposed Project's significant and unavoidable historical resources impact.

The new building would use similar materials, but it would be taller than the proposed Project (65 feet versus 52 feet, respectively). However, the scale would be smaller than the Project because it would not include the portion of the site occupied by the existing church building. The alternative's new building would occupy approximately one-fourth of the lot's north side. Its scale would be smaller than the proposed Project, and its aesthetic effect would be less than significant for the same reasons as for the proposed Project.

Compared to the proposed Project, the Adaptive Reuse Alternative's 14 units and 35,500 sq. ft. would be about half that of the proposed Project. Due to the addition of child care use under Alternative B, the alternative would have more daily person trips but about the same number of p.m. peak hour vehicle trips and similar parking demand as the proposed Project. This alternative would generate about 475 daily person trips and 15 vehicle trips in the weekday p.m. peak hour compared to proposed Project's 255 new daily person trips and 12 weekday p.m. peak hour vehicle trips. The operating conditions and levels of congestion at the key intersections studied would be less than significant as they would under the proposed Project.

Mitigation Measures identified for the proposed Project would reduce to less-than-significant levels impacts related to construction air quality, hazardous materials, and archeological resources. This alternative's smaller size and intensity would generate lower impacts than the proposed Project's other less-than-significant effects evaluated in the Initial Study, including land use, visual quality (except aesthetic effect), population, construction and operational noise, air quality, shadow, wind, geology and seismicity, and hazards, among others.

While the Adaptive Reuse Alternative would be the environmentally superior alternative, it would not meet the Project Sponsor's objectives of providing the maximum number of residential units permitted by Planning Code in the Nob Hill area. However, this alternative would meet the Project Sponsor's objective of providing multiple units of housing in the Nob Hill area as well as meet the Project Sponsor's objective to design a project that enhances the existing urban character of the area. Additionally, the Adaptive Reuse Alternative would not provide the City with as much housing, including as much funding for the City's Inclusionary Housing Program, and housing adjacent to transportation corridors, which the Revised Project provides and which are important policy goals of the General Plan.

C. ALTERNATIVE C: PARTIAL PRESERVATION—BELL TOWER

Alternative C, the Partial Preservation—Bell Tower Alternative, would preserve only the bell tower of the existing church, demolish the rest of the church building, and construct a residential building, which would cover the remainder of the lot, including the existing surface parking lot to the north of the church building. When viewed from Larkin Street, the northern half of the building would have five stories and the southern half would have four stories plus the bell tower. This alternative would have 27 units in four stories, with a penthouse unit in the fifth story for a total of 28 units. There would be common open space on the roof of the fourth floor that would incorporate the observation deck of the bell tower. In comparison, the proposed project would be a 27-unit, six-story building on the site of the existing church, and a one-story parking garage with roof-top open space on the site of the existing surface parking lot. Alternative C would have 30 spaces of parking between a 24-space underground parking garage accessed from Clay Street and a six-space ground-level garage accessed from Larkin Street. The bell tower would be incorporated into the new building's lobby and roof-top common open space.

Alternative C would result in the demolition of the majority of the church structure. Although the bell tower would be rehabilitated in accordance with the *Secretary of the Interior's Standards for Rehabilitation*, the loss of the historic church building would be considered a significant and unavoidable effect. As under the proposed project, the loss of the historic church building would not constitute a substantial

adverse change to the potential historic district. Further, the new residential building constructed under this alternative would not destroy features and spatial relationships that characterize the potential historic district, and therefore, would not substantially affect the significance of the potential district.

While the Alternative C would have a significant unavoidable historic resource impact similar to the proposed Project, its impact to historic resources would be somewhat less severe because one of the character defining features, the bell tower, would be retained and rehabilitated. Implementation of Mitigation Measure 5 would not reduce this impact to a less-than-significant level. This alternative would meet most of the Project Sponsor's objectives.

The Partial Preservation Alternative would have similar less-than-significant impacts on aesthetics and neighborhood character as the proposed project.

D. ALTERNATIVE C1: PARTIAL PRESERVATION ALTERNATIVE VARIANT

Alternative C1, the Partial Preservation Alternative Variant, would preserve the primary architecturally distinguishing features of the existing church - the façades along Clay and Larkin, the sanctuary as a two-story space, the stained glass windows of the sanctuary, and the current roofline visible from Clay and Larkin. This alternative would have a range of units from 14-22, and would be six stories high. A portion of the existing church would be demolished. For a 14 unit addition a portion toward the interior of the building would be demolished. For a 22-unit addition the rear half of the existing building would be demolished. A small addition would provide for a rear yard that complies with the Planning Code, while a larger addition would require a rear yard variance.

Any new addition would be separated from the church structure with a seismic separation of about 8 inches needed together with a 2-hour rated wall. Two dwelling units would be incorporated into the portion of the remaining church. Parking under this alternative could accommodate 13 off-street parking spaces.

Alternative C1, Variant would result in the demolition of a portion of the church structure, reconstruction of the basement and supporting structure for the first floor, and construction of a six-story building on the project site, which together would be considered a significant and unavoidable effect on the historic resource. As under the proposed Project, there would not be a substantial adverse change to the potential historic district since the proposed Project would not substantially affect the significance of the potential historic district. Implementation of Mitigation Measure 5 would not reduce the impact to historic resources to a less-than-significant level.

This alternative would have similar less-than-significant impacts on aesthetics and neighborhood character as the proposed project. Compared to the proposed project, this alternative's transportation and parking effects would be less because there would be only one garage access/egress on Clay Street and with fewer units, operating conditions and the levels of congestion at the key intersections studied would be less than those of the proposed project, and would be less than significant.

Mitigation measures identified in Chapter IV would reduce to less-than-significant levels potential impacts of both this alternative and the proposed project on construction air quality 34, hazardous materials, and archeological cultural resources. This alternative's similar size and intensity would yield similar impact levels for the other less-than-significant effects of the proposed project evaluated in the Initial Study. These impacts include land use, visual quality (except aesthetic effect), population, construction and operational noise, air quality, shadow, wind, geology and seismicity, and hazards, among others.

This alternative would not meet the project sponsor's objective of providing the maximum number of residential units permitted by the Planning Code in the RM-3 District.

E. FINDINGS APPLICABLE TO ALL ALTERNATIVES

The Commission has reviewed each of the alternatives described above and found them to be financially infeasible for, among other reasons set forth in the administrative record for this Project, the reasons set forth in the Murphy Burr Curry Inc. Report on Physical Deterioration of Existing Building at 1601 Larkin Street ("Structural Report"), dated April 17, 2012. As documented in the Structural Report, the existing condition of the building includes numerous structural deficiencies, making it currently unsafe and unsuitable for any use. Thus, the no project alternative is infeasible. The Structural Report also includes detailed and accurate scopes and cost estimates for repair and rehabilitation of the building, either for use as a church, or under a baseline rebuild scenario that would restore the structure to a code-compliant shell for an unspecified use, and analyzes 3 potential residential development strategies, each of which retains a different portion of the existing church. For the reasons set forth in more detail in the Structural Report and also below in the Statement of Overriding Considerations, the Commission finds that it is not financially feasible to retain all or a meaningful part of the existing building, and that any alternative that proposes to retain all or a meaningful part of the existing building would most likely involve a major rebuild of the existing church, essentially removing all interior features and producing a reproduction of the exterior envelope. Accordingly, alternatives that would preserve, partially preserve, or reconstruct of the church are not financially feasible.

The overall goal of the Revised Project is to develop a high-quality, sustainable, and economically feasible high-density, primarily residential project that complements and enhances the character of the surrounding neighborhood. The Project will provide numerous public benefits, including the following, as well as those listed below in Section IV, Statement of Overriding Considerations.

- Housing. The Project will increase the City's housing stock by providing up to 27 new housing units, and will contribute to the production of affordable housing in the City by complying with the City's Residential Inclusionary Affordable Housing Program.
- Land Use and Urban Design. The Project would redevelop an underutilized vacant site that includes a large surface parking lot with a new mixed use, high-density development with housing, ground floor retail uses, and new public parks and open space.

- Economic Development and Jobs. The Project would generate construction jobs during the construction of the Project as well as permanent employment opportunities to support the Project's new residential and commercial uses during a period of high unemployment in the City and the region.
- On balance, the Project is consistent with the objectives and policies of the General Plan, as set forth in more detail in Section V, Statement of Overriding Considerations, below.

For all of the reasons set forth above, the Commission rejects the Alternatives to the project described in the Final EIR. All of the reasons stated herein provide sufficient independent grounds for rejecting the Alternatives.

VI. STATEMENT OF OVERRIDING CONSIDERATIONS

The Commission finds that, notwithstanding the imposition of all feasible mitigation measures, significant impacts related to Historic Resources will remain significant and unavoidable and in accordance with CEQA Guidelines Section 15092(b)(2)(B), such remaining impacts are acceptable to the overriding considerations described below. Pursuant to CEQA section 21081 and CEQA Guideline 15093, the Commission hereby finds, after consideration of the Final EIR and the evidence in the record, that each of the specific overriding economic, legal, social, technological and other benefits of the Revised Project as set forth below independently and collectively outweighs these significant and unavoidable impacts and is an overriding consideration warranting approval of the Project. Any one of the reasons for approval cited below is sufficient to justify approval of the Project. Thus, even if a court were to conclude that not every reason is supported by substantial evidence, the Commission will stand by its determination that each individual reason is sufficient. The substantial evidence supporting the various benefits can be found in the preceding findings, which are incorporated by reference into this Section, and in the documents found in the record of proceedings, as defined in Section I.

On the basis of the above findings and the substantial evidence in the whole record of this proceeding, the Commission specifically finds that there are significant benefits of the proposed Project to support approval of the Project in spite of the unavoidable significant impacts, and therefore makes this Statement of Overriding Considerations. Specifically, notwithstanding the significant and unavoidable impact to historic resources, the Project benefits as described below and described elsewhere in this document, outweigh these impacts.

The Commission further finds that, as part of the process of obtaining Project approval, all significant effects on the environment from implementation of the Project have been eliminated or lessened where feasible. All mitigation measures proposed in the Final EIR for the proposed Project and determined to be feasible by these findings are adopted as part of this approval action.

The Project would result in the following benefits:

- General Plan Objectives and Policies. On balance, the Project is consistent with the objectives and policies of the General Plan and would further its objectives and policies, including:

Housing Element, Objective 1: To Provide New Housing, Especially Permanently Affordable Housing, In Appropriate Locations Which Meets Identified Housing Needs And Takes Into Account The Demand For Affordable Housing Created By Employment Demand.

Policy 1.1: Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income households.

Policy 1.4: Locate in-fill housing on appropriate sites in established residential neighborhoods.

Transportation Element, Objective 2: Use The Transportation System As A Means For Guiding Development And Improving The Environment.

Policy 2.1: Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

Policy 2.2: Reduce pollution, noise and energy consumption.

Due to the abundant transit and commercial services in the area, residents of the Project can minimize use of the private automobile to commute and meet basic needs. The Project site is suitable for accommodating dense residential development that will discourage sprawling regional development patterns that are strongly auto-oriented and contribute to greenhouse gas emissions.

Urban Design Element, Objective 3: Moderation Of Major New Development To Complement The City Pattern, The Resources To Be Conserved, And The Neighborhood Environment.

Policy 3.1: Promote harmony in the visual relationships and transitions between new and older buildings.

Policy 3.2: Avoid extreme contrasts in color, shape and other characteristics which will cause new buildings to stand out in excess of their public importance.

Policy 3.5: Relate the height of buildings to important attributes of the city pattern and to the height and character of existing development.

Policy 3.7: Recognize the special urban design problems posed in development of large properties.

- Murphy Burr Curry Inc. Report on Physical Deterioration of Existing Building at 1601 Larkin Street. The existing church building was constructed in 1911 on the subject parcel. The church

building was closed and has been out of service since 2003. Physical conditions of the Church are comprehensively documented in the record, namely: the Church is structurally unsound in that (1) it sits on an unreinforced concrete perimeter foundation which lacks any reinforcing steel, and which concrete is spalling (crumbling); (2) the Church is not anchored to the foundation; (3) the at grade portion of the foundation consists of raw redwood beams placed directly on untreated soil at grade which is an unsafe, unsound, improper and unpermitted form of construction; (4) the Church has no structural shear connections to resist lateral movement of the building in a seismic event; and (5) the Church has massive dry rot from top to bottom of its exterior walls and major structural elements, e.g. the columns to the 55 foot tall bell tower which is readily visible from the street.

The Structural Report prepared by Murphy Burr Curry Inc. documents the condition of the vacant Church building. The report was prepared in response to a San Francisco Planning Department Scope of Structural Report for 1601 Larkin Street and details the existing condition of the building, identifying specific structural deficiencies. The report also includes detailed and accurate scopes and cost estimates for repair and rehabilitation of the building, either for use as a church, or under a baseline rebuild scenario that would restore the structure to a code-compliant shell for an unspecified use, and analyzes 3 potential residential development strategies, each of which retains a different portion of the existing church. The Murphy Burr Curry Inc. report dated April 17, 2012 documents the following facts:

1. The building is considered as unreinforced masonry as defined in Section 1603 of the 2011 San Francisco Building Code.
2. The overall structural condition of the existing building is considered poor, with a significant amount of water damage to both the interior and exterior of the building from leaks in the roof and walls.
3. The framing is in severely deteriorated condition.
4. The condition of the mortar joints in the brick veneer is very poor condition, with some sections loose and friable to the touch. The overall condition of the brick masonry veneer is poor due to this deteriorated mortar and the absence of masonry ties to a support structure.
5. Severe damage to a numerous wood framing members, which were rotted through, was observed. Sections of diagonal wall sheathing were also completely rotted through.
6. Nails used to connect the stucco to the wood framing were rusted through and disintegrated at many locations.
7. At the interior walls and ceiling of the building, there are a number of large areas of peeling paint indicating water intrusion through the building exterior. At these locations, there was water staining in the plaster finishes and sections of fallen plaster indicating long-term water intrusion.

8. The overall condition of the existing building is considered poor, with a significant amount of water damage to both the interior and exterior of the building. The approximate costs of repair of the existing building would be as follows, to create the uses indicated:

Church: \$5,144,943

Building shell only: \$3,961,644

12 Residential Units with basement parking: $\$3,961,644 + \$1,485,000 = \$5,446,644$

12 Residential units without basement parking: $\$3,961,644 + \$1,492,500 = \$5,454,144$

Partial demolition and new addition, 14 units: \$7,400,000

Partial demolition and new addition, 18 units: \$8,828,000

Partial demolition and new addition, 22 units: \$10,972,000

The costs listed above do not include acquisition costs; BMR fees of approximately \$1,000,000; loan costs; owner/contractor insurance program costs; brokerage fees; or developer's profit.

Based on the conclusions in the Murphy, Burr, Curry, Inc. Report, the Commission finds that it is not commercially financially feasible to retain all or a meaningful part of the existing building, and that any project that proposes to retain all or a meaningful part of the existing building is most likely to involve a major re-build of the existing church, essentially removing all interior features and producing a reproduction of the exterior envelope. Accordingly, the partial preservation or reconstruction of the church is not financially feasible.

- Advancement of the Public Health and Safety. It is the policy of the City to provide a safe environment for its citizens and visitors. It is in the public health and safety interests of the City and County of San Francisco, and its residents and visitors, to demolish the Church to prevent injury or death in the event of collapse of all or a portion of the Church in a seismic event, or in the event of a piece of the Church falling off and hitting a pedestrian which could result in serious injury or death.
- Tax Base Enhancement Provided by the Proposed Project. The policy of the City is to support and enhance its property tax base to provide revenue to pay for the City's operating and capital expenses including programs and services which benefit all citizens of San Francisco. The Commission finds that collecting the increase in property taxes generated by the Project would provide a substantial benefit to the City which in and of itself would outweigh any impact on the environment associated with demolition of the Church.
- Job Creation and Preservation. The national and local economy is in an economic recession which has caused substantial job loss in the construction industry in particular in the City and County of San Francisco. Demolition of the existing Church and construction of the proposed building will create and preserve construction jobs which benefit the City and its residents. In addition, purchase of materials and supplies to be incorporated into the proposed building will support local business and increase sales taxes which will further benefit the City and its residents.

- Advancement of General Plan Policies Promoting Construction of New Housing. An important policy goal of the General Plan and of the City as a whole is to create new housing for its residents. The subject parcel is zoned RM-3, which permits medium density housing. Based on the size of the subject parcel, the proposed project would contain 27 residential housing units, which density is consistent with the RM-3 Zoning and the General Plan. It is desirable and would benefit the City and its residents to have 27 additional units of newly constructed housing to replace a functionally obsolete, deteriorating building. Based on the size of the proposed units it is reasonable to expect the addition of approximately fifty (50) new residents to the neighborhood who would contribute to the vitality of street life and enhance the consumer base for local merchants, both of which are positive and desirable effects for the City and its citizens and visitors.
- Green Attributes of the Project. The policy and law of the City and County of San Francisco is to create, promote and grow a “green” local economy for the benefit of its citizens and as a model for other cities throughout the United States. Construction of green buildings is one area of significant focus. The proposed project will utilize green materials, create green jobs, and create a green LEED building which has many benefits for the City and County of San Francisco and its citizens, including, among many, reduction of utility (gas, electricity and water) consumption by residents of the building.
- Increase in Housing Supply. The proposed Project will create 27 residential units and will increase the City’s housing supply. These residential units will help address the City’s broader need for additional housing in a citywide context in which job growth and in-migration outpace the provision of new housing by a wide margin.

Having considered these benefits, the Commission finds that the benefits of the Project outweigh the unavoidable adverse environmental effects, and that the adverse environmental effects are therefore acceptable. The Commission further finds that each of the above considerations is sufficient to approve the Project.

**EXHIBIT D:
 MITIGATION MONITORING AND REPORTING PROGRAM
 (Includes Text for Adopted Mitigation and Improvement Measures)**

MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Schedule	Monitoring/Report Responsibility	Status/Date Completed
<u>Mitigation Measure 1: Construction air Quality has been replaced by the San Francisco Health Code Article 22B, Construction Dust Control.</u>				
Mitigation Measure 2: Hazardous Materials				
<p>Prior to disturbing soils on the project site, the project sponsor shall implement the following measures:</p> <p>(a) Soil and Groundwater Testing A Phase II Environmental Site Assessment of the project site shall be conducted to ensure that all areas of suspected subsurface contamination subject to ground disturbance during site development activities are sampled. A Registered Environmental Assessor or similarly qualified individual shall complete these studies. Testing results shall be reported to the San Francisco DPH, which would require further characterization of any hazards associated with petroleum hydrocarbons from the site fill materials. Should contamination at or above potentially hazardous levels be found, the following actions shall be taken:</p> <p>(b) Site Mitigation Plan (SMP) and Corrective Action Plan (CAP) If the sampling conducted identifies surface and/or subsurface contamination in areas subject to ground disturbance, a SMP shall be prepared, per the determination of DPH. Where hazardous substances are found for which no standards are established, the sponsor would request a determination from state and federal agencies as to whether an SMP is needed. The sponsor would be required to submit the SMP to the appropriate state or federal agency (ies), and to implement an approved SMP prior to issuance of any building permit.</p> <p>Should groundwater be found to have been contaminated at levels above regulatory thresholds, or where petroleum contamination in soils has the potential to impact groundwater at levels above regulatory thresholds, a CAP would be required by the Regional Water Quality Control Board (RWQCB).</p> <p>(c) Remediation Prior to conducting any remediation activities a Site Health and Safety Plan would be prepared pursuant to the California Division of Occupational Health and Safety (Cal-OSHA) requirements and National Institute for Occupational Safety and Health guidance to ensure worker safety. Under Cal-OSHA requirements, the Site Health and Safety Plan would need to be prepared prior to initiating any earth moving activities at the site.</p>	Project Sponsor	Prior to soils disturbance	Planning Department, in consultation with DPH. Where a site mitigation plan is required, Project Sponsor or contractor shall submit a monitoring report to DPH, with a copy to Planning Department and DBI, at end of construction	Considered complete upon end of construction

**EXHIBIT D:
 MITIGATION MONITORING AND REPORTING PROGRAM
 (Includes Text for Adopted Mitigation and Improvement Measures)**

MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>The site shall be remediated in accordance with the standards, regulations, and determinations of local, state, and federal regulatory agencies. The project sponsor shall coordinate with the DPH and any other applicable regulatory agencies to adopt contaminant-specific remediation target levels. Should contaminants at potentially hazardous levels be found, the hazardous substances shall be removed and disposed of at an approved site, or other appropriate actions shall be taken. In addition, installation of groundwater monitoring wells may be required to confirm contaminant concentrations and groundwater flow direction.</p> <p>Several remediation options are: (1) natural attenuation (impacted soil and groundwater is allowed to remain in place and degrade naturally over time); (2) excavation and removal of impacted soil to the extent feasible and backfill with clean soil; (3) introduction of an oxygen release compound into the soil and groundwater at the release site to stimulate biodegradation of the petroleum hydrocarbons; and (4) some form of active groundwater treatment, such as air sparging or extraction and treatment. Remedial actions associated with the soil and groundwater at the project site, if required by DPH, shall be performed concurrently or shortly following demolition.</p> <p>(d) Handling, Hauling, and Disposal of Contaminated Soils</p> <p>(d.1) Dust suppression Soils exposed during excavation for site preparation and project construction activities shall be kept moist, or as otherwise directed by DPH to minimize particulates, throughout the time they are exposed, both during and after work hours.</p> <p>(d.2) Surface water runoff control Where soils are stockpiled, plastic sheeting shall be used to create an impermeable liner, both beneath and on top of the soils, with a berm to contain any potential surface water runoff from the soil stockpiles during inclement weather.</p> <p>(d.3) Soils replacement If necessary, clean fill or other suitable material(s) shall be used to bring portions of the project site, where contaminated soils have been excavated and removed, up to construction grade. If directed by the DBI, the recommendations of the geotechnical report will be followed, and the top 24 inches of site soils will be re-compacted to 95 percent relative compaction.</p>				

**EXHIBIT D:
 MITIGATION MONITORING AND REPORTING PROGRAM
 (Includes Text for Adopted Mitigation and Improvement Measures)**

MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>(d.4) Hauling and disposal Contaminated soils shall be hauled off the project site by waste hauling trucks appropriately certified with the State of California and adequately covered to prevent dispersion of the soils during transit, and shall be disposed of at a permitted hazardous waste disposal facility registered with the State of California.</p> <p>(e) Preparation of Certification Report After excavation and foundation construction activities are completed, the project sponsor shall prepare and submit a certification report to DPH for review and approval. The certification report shall include the mitigation measures in the SMP for handling and removing contaminated soils from the project site, whether the construction contractor modified any of these mitigation measures, and how and why the construction contractor modified those mitigation measures, if at all.</p> <p>(f) Deed Recordation After project construction and if both of the following circumstances are met, the project sponsor shall file a recordation on the deed for the subject property that indicates the need to take special precautions during future disturbance of the soils on the property due to certain on-site soil conditions: (1) based on the results of the soil and groundwater tests, DPH determines that project site soils or groundwater are contaminated at or above potentially hazardous levels, and (2) potentially hazardous levels of contaminants remain at the project site.</p>				
Mitigation Measure 3: Hazardous Materials				
<p>The Project Sponsor would ensure that building surveys for PCB-containing equipment, hydraulic oils, and fluorescent lights are performed prior to the start of demolition. Any hazardous materials discovered would be abated according to federal, state, and local laws and regulations.</p>	Project Sponsor	Prior to demolition	Planning Department, in consultation with DPH.	Considered complete upon approval project
Mitigation Measure 4: Archeological Resources				
<p>The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried historical resources as defined in CEQA Guidelines Section 15064.5(a)(c). The project sponsor shall distribute the Planning Department archeological resource "ALERT" sheet to the project prime contractor; to any project subcontractor (including demolition, excavation, grading, foundation, pile driving, etc. firms); or utilities contractor involved in soils disturbing</p>	Project Sponsor	Prior to any soil disturbing activities	Project Sponsor, archeologist and Environmental Review Officer (ERO)	Prior to soil disturbing activities

**EXHIBIT D:
 MITIGATION MONITORING AND REPORTING PROGRAM
 (Includes Text for Adopted Mitigation and Improvement Measures)**

MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>activities within the project site. Prior to any soils disturbing activities being undertaken each contractor is responsible for ensuring that the "ALERT" sheet is circulated to all field personnel, including machine operators, field crew, pile drivers, supervisory personnel, etc. The project sponsor shall provide the Environmental Review Officer (ERO) with a signed affidavit from the responsible parties (prime contractor, subcontractor(s), and utilities firm) to the ERO confirming that all field personnel have received copies of the Alert Sheet.</p> <p>Should any indication of an archeological resource be encountered during any soils disturbing activity of the project, the project Head Foreman and/or project sponsor shall immediately notify the ERO and shall immediately suspend any soils disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures should be undertaken.</p> <p>If the ERO determines that an archeological resource may be present within the project site, the project sponsor shall retain the services of a qualified archeological consultant. The archeological consultant shall advise the ERO as to whether the discovery is an archeological resource, retains sufficient integrity, and is of potential scientific/historical/cultural significance. If an archeological resource is present, the archeological consultant shall identify and evaluate the archeological resource. The archeological consultant shall make a recommendation as to what action, if any, is warranted. Based on this information, the ERO may require, if warranted, specific additional measures to be implemented by the project sponsor.</p> <p>Measures might include: preservation in situ of the archeological resource; an archeological monitoring program; or an archeological testing program. If an archeological monitoring program or archeological testing program is required, it shall be consistent with the Major Environmental Analysis (MEA) division guidelines for such programs. The ERO may also require that the project sponsor immediately implement a site security program if the archeological resource is at risk from vandalism, looting, or other damaging actions.</p> <p>The project archeological consultant shall submit a Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describing the archeological and historical research methods employed in the archeological monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.</p> <p>Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1)</p>				

**EXHIBIT D:
 MITIGATION MONITORING AND REPORTING PROGRAM
 (Includes Text for Adopted Mitigation and Improvement Measures)**

MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.</p>				
<p><i>Mitigation Measure 5: Historic Architectural Resources</i></p>				
<p>Implementation of this mitigation measure would reduce the impact to historic architectural resources, but not to a less-than-significant level. Therefore, impacts related to the demolition of the 1601 Larkin Street church building would remain significant and unavoidable. However, to partially offset the loss of the project site building, the project sponsor shall, at a minimum, ensure that a complete survey meeting the standards of the Historic American Building Survey (HABS) is undertaken prior to demolition. This survey shall be completed in accordance with HABS level II documentation standards.</p> <ul style="list-style-type: none"> ▪ Prior to demolition, the project sponsor shall provide adequate documentation of the existing building. The documentation shall be submitted to the City and County of San Francisco Planning Department and found to be adequate prior to authorization of any permit that may be required for demolition of the building. In addition, the project sponsor shall prepare and transmit the photographs and descriptions of the property to the History Room of the San Francisco Public Library and the NWIC of the California Historic Information Resource System. The documentation shall include: <ul style="list-style-type: none"> – A video documentary of the property. – Photo-documentation of the property to HABS Standards. The standard size of negatives and transparencies (and accompanying prints) are 5-by-7 inches. Other large-format sizes such as 4-by-5 inches and 8-by-10 inches are also acceptable for formal documentation. Roll film, film packs, and electronic manipulation of images are not acceptable. 	<p>Project Sponsor,</p>	<p>Prior to approval of Demolition Permit</p>	<p>ERO to approve submittal.</p>	<p>Prior to start of demolition.</p>

**EXHIBIT D:
 MITIGATION MONITORING AND REPORTING PROGRAM
 (Includes Text for Adopted Mitigation and Improvement Measures)**

MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Schedule	Monitoring/Report Responsibility	Status/Date Completed
<p>Images must be fully identified with the name and location of the structure, a description of the feature or view being photographed, and the direction in which the photograph was taken, as well as the name of the photographer and the date created.</p> <ul style="list-style-type: none"> - Black and white, 35 millimeter photographs of the interior and exterior of the building. Negatives and 5-by-7 inch prints should be processed to meet archival requirements (i.e., negatives must be on safety film only; resin-coated paper is not accepted). - As-built drawings of the building, produced to HABS and Historic American Engineering Record Standards. - The available original plans of the building shall be included as part of the documentation. All drawings and site plans shall be appropriate conserved at the site or at a qualified repository. <ul style="list-style-type: none"> ▪ Prior to demolition, the project sponsor shall salvage the character-defining elements of the existing building that are considered to be historically significant, as determined by a qualified architectural historian (and can feasibly be salvaged), and shall seek to donate those elements to an organization such as a local historical society. The features to be salvaged shall be determined by the City following consultation with a qualified historical resources firm. Features to be salvaged should include primary character-defining features. Donation of the materials to the historical society or other entity approved by the City shall be confirmed by the City prior to the issuance of demolition permits 				
IMPROVEMENT MEASURES				
<i>Improvement Measure 1: Transit</i>				
To reduce the number of poles to support the Muni overhead wire system, Muni may request the installation of eyebolts in the proposed project building for the 1-California bus line that runs eastbound on Clay Street.	Muni	Post construction, if Muni determines measure is necessary.	Report to ERO	Post construction
<i>Improvement Measure 2: Parking</i>				
As an improvement measure to reduce the proposed project's parking demand and parking shortfall, and to encourage use of alternative modes, the project sponsor would provide a transportation insert for the move-in packet that would provide information on transit service (Muni and BART lines, schedules and fares), information on where Fast Passes could be purchased, and information on the 511	Project sponsor	Post Construction , and pre-sale of units or pre-rental of units.	Report to ERO.	Post construction and pre-rental or sale of units.

**EXHIBIT D:
 MITIGATION MONITORING AND REPORTING PROGRAM
 (Includes Text for Adopted Mitigation and Improvement Measures)**

MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Schedule	Monitoring/Report Responsibility	Status/Date Completed
Regional Rideshare Program. The project sponsor could "unbundle" the sale or rental price of the parking spaces from the sale or rental price of residential units to provide a financial incentive for car-free living.				
<i>Improvement Measure 3: Construction</i>				
<p>Any construction traffic occurring between 7:00 and 9:00 a.m. or between 3:30 and 6:00 p.m. would coincide with peak hour traffic and could temporarily impede traffic and transit flow, although it would not be considered a significant impact. An improvement measure limiting truck movements to the hours between 9:00 a.m. and 3:30 p.m. (or other times, if approved by SFMTA) would minimize disruption of the general traffic flow on adjacent streets during the a.m. and p.m. peak periods.</p> <p>The project sponsor and construction contractor(s) could meet with the Traffic Engineering Division of the DPT, the Fire Department, Muni, the Planning Department and other City agencies to determine feasible measures to reduce traffic congestion, including temporary bus stop relocation and other potential transit disruption and pedestrian circulation effects during construction of the project. The temporary parking demand by construction workers may need to be met on-site, on-street, or within other off-street parking facilities.</p>	Project Sponsor and construction Manager	Prior to start of Demolition	Report to ERO	Prior to start of construction