



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

☒ Inclusionary Housing (Sec. 315)

☐ Jobs Housing Linkage Program (Sec. 313)

☐ Downtown Park Fee (Sec. 139)

☒ First Source Hiring (Admin. Code)

☐ Child Care Requirement (Sec. 314)

☐ Other

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Planning Commission Motion No.17626

HEARING DATE: JUNE 19, 2008

Date: June 12, 2008
Case No.: 2005.0651CEK
Project Address: 580 HAYES STREET
Zoning: Hayes-Gough Neighborhood Commercial Transit District
55-X Height and Bulk District
Block/Lot: 0807/010
Project Sponsor: 580 Hayes Street Partners, LP
124 Haight Street
San Francisco, CA 94102
Staff Contact: Amnon Ben-Pazi – (415) 575-9077
Amnon.Ben-Pazi@sfgov.org

ADOPTING FINDINGS FOR CONDITIONAL USE AUTHORIZATION FOR AN INSTITUTIONAL USE ABOVE THE GROUND FLOOR, FOR A NON-RESIDENTIAL USE LARGER THAN 3,000 SQUARE FEET AND FOR DEVELOPMENT OF A LOT LARGER THAN 10,000 SQUARE FEET, RELATED TO THE CONSTRUCTION OF A MIXED-USE PROJECT CONTAINING SENIOR GROUP HOUSING, A RESIDENTIAL CARE FACILITY, AND GROUND FLOOR RETAIL LOCATED AT 580 HAYES STREET ON ASSESSOR'S BLOCK 0807, LOT 010, IN THE HAYES-GOUGH NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT AND A 55-X HEIGHT AND BULK DISTRICT.

PREAMBLE

1. On July 6, 2005, Ali Shabahangi, authorized agent of 580 Hayes Street LP, owner (hereinafter "Applicant"), filed Application No. 2005.0651CEK (hereinafter "Application") with the San Francisco Planning Department (hereinafter "Department") for review pursuant to Planning Code (hereinafter "Code") Section 303 for authorization of Conditional Uses for an institutional use above the ground floor, for a non-residential use larger than 3,000 square feet and for development of a lot larger than 10,000 square feet at 580 Hayes Street, northeast corner at Laguna Street, Lot 010 in Assessor's Block 0807, within the Hayes-Gough Neighborhood Commercial Transit District, and a 55-X Height and Bulk District (hereinafter "Subject Property").

2. On April 17, 2008, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Application No. 2005.0651CEK. The Commission passed a motion of intent to approve the Application with conditions pending the effective date of Market and Octavia Area Plan Code Amendments, and continued the hearing to June 19, 2008. On June 19, 2008, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Application No. 2005.0651CEK.

3. The Project was determined by the Department to be categorically exempt from environmental review. The Commission has reviewed and concurs with said determination.

4. 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, Department staff, and other interested parties.

5. **MOVED**, that the Commission hereby authorizes the Conditional Use requested in Application No. 2005.0651CEK, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

Having reviewed the materials identified in the recitals 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 Subject Property is at 580 Hayes Street, northeast corner at Laguna Street, Lot 010 in Assessor's Block 0807, within the Hayes-Gough Neighborhood Commercial Transit District and a 55-X Height and Bulk District. It is 12,000 square feet in area with 100 feet of frontage on Hayes Street, 120 feet of frontage on Laguna Street and 100 feet of frontage on Ivy Street. The eastern half of the lot contains a commercial structure of 7,632 square feet constructed in 1932. This building formerly housed a grocery store and currently serves as a temporary, intermittent art gallery. The western half of the lot is fenced, vacant, and was formerly used as a parking lot.
3. **Surrounding Properties and Neighborhood.** The Project site is near the western edge of the Hayes-Gough Neighborhood Commercial Transit District. Buildings in this mixed-use commercial district typically consist of one to three residential stories above street level commercial establishments. The properties surrounding the Project site conform to this pattern. Hayes Street itself is almost continually lined with street level retail for the three blocks between the Project site and the Civic Center. The new Patricia's Green at Hayes and Octavia Streets is one block east of the Project site. Commercial establishments in the Hayes-Gough NCT are a mixture of neighborhood serving uses such as small grocery stores and others which draw a wider clientele, notably restaurants popular with patrons of the nearby arts venues in the Civic Center area. North and west of the site the neighborhood is primarily residential with RM-1, RM-2 and RH-3 zoning predominating. There are several senior independent living and residential

care facilities in the neighborhood, including two operated by the Project Sponsor: Laguna Grove Care facility, directly across Laguna Street from the Project site, and the Hayes Valley Care facility, directly across Ivy Street from the Project site.

4. **Project Description.** The Project proposes to demolish the existing building on the Subject Property and construct a new mixed use building 5 stories and 55 feet in height with a below grade basement, totaling approximately 63,000 square feet. The fourth and fifth floors will contain a senior group-housing facility with a total of 42 units, each unit consisting of a single or double bed-sitting room with an adjoining bathroom, closet and limited cooking facilities. Five of these units would be below market rate (BMR), per the provisions of Section 315 of the Planning Code. The second and third floors will contain a 48-unit assisted living facility for long-term care of patients suffering from dementia. The ground floor will contain approximately 2,700 square feet of retail space extending across the entire Hayes Street frontage, a lobby serving the group housing and assisted living facilities opening on to Laguna Street, and dining room, kitchen, library, courtyard and other facilities shared by the group housing and assisted living facility. The basement will contain 17 off-street parking spaces and bicycle parking accessed off of Ivy Street, as well as offices, a staff lounge, laundry and other facilities shared by the group housing and assisted living facility. There will be approximately 2,700 square feet of common usable open space, in terraces on the 4th floor and roof, and in the ground floor courtyard.

Section 312-neighborhood notification was conducted in conjunction with the Conditional Use Authorization process. The sponsor currently operates two assisted living facilities adjacent to the site.

5. **Market and Octavia Area Plan:** The Project is designed to comply with Planning Code and Zoning Map provisions of the Market and Octavia Area Plan, Board of Supervisors Ordinance number 0246-07, Board file 071158 and 071157 which is effective as of May 30, 2008. This project is subject to all Market and Octavia Community Improvements Impact Fees as described in Code Sections 315, 315.4, 326.3, and 326.8, and as further outlined in the Conditions of Approval.
6. **Public Comment.** The Department has received one telephone call from a neighbor opposing the Project. The caller expressed concerns about noise during construction and the possibility of damage to his residence during excavation, due to what is perceived to be unstable soil at the site. The department has received a copy of a resolution in support of the Project from the Hayes Valley Neighborhood Association. The department has also received an email in support of the Project from two local residents artists who plan to participate in an upcoming show in the existing building at the site.
7. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:
 - A. **Off Street Parking.** Planning Code Section 151.1 allows, in the Hayes-Gough Neighborhood Commercial Transit District, up to one off-street parking space per three bedrooms in a group housing facility, and up to one off-street parking space per ten residents in a residential care facility. No off-street parking spaces are required. Since the Project includes

42 Group Housing bedrooms and a 48-bedroom Residential Care facility, up to 19 off-street parking spaces are permitted.

The Project proposes 17 off-street parking spaces and therefore conforms to this provision.

- B. **Height and Setbacks.** The Project Site is in a 55-X Height and Bulk District. The Project Site fronts Ivy Street, a 35 foot right-of-way. Pursuant to Planning [Code Section 261.1](#) a 50 degree setback is required at the property line above a height of approximately 36 feet, for the portion of the Project Site that is more than 60 feet distant from Laguna Street.

The Project complies with the 55 foot maximum height restriction. The Project complies with the required angular setback on the Ivy Street frontage, in that the 4th and 5th floors are set back approximately 19 feet from the property line for the portion of the Project Site that is more than 60 feet away from Laguna Street.

- C. **Basic Floor Area Ratio (FAR).** In the Hayes-Gough Neighborhood Commercial Transit District, Code Section 124 allows an FAR of up to 3 to 1. The subject Property has an area 12,000 square feet, therefore the allowable FAR would permit a building of up to 36,000 square feet of Gross Floor Area as defined in Code Section 102.9.

The Gross Floor Area of the Project is 33,829 square feet, which amounts to an FAR of 2.82. Accessory parking and residential uses, such as group housing, are exempt from FAR calculations under Section 102.9.

- D. **Rear Yard.** In the Hayes-Gough Neighborhood Commercial Transit District, Code Section 134 requires a rear yard at the lowest story containing a dwelling unit and at each succeeding story.

The proposal does not include dwelling units as defined in Code Section 102.7, therefore no rear yard is required. Group housing facilities are not considered dwelling units under Section 102.7.

- E. **Usable Open Space.** In the Hayes-Gough Neighborhood Commercial Transit District, Code Section 135 requires 20 square feet of private Usable Open Space, or 26.66 square feet of common Usable Open Space, for each bedroom in a Group Housing facility. For the 42 bedrooms proposed, 1,120 square feet of common Usable Open Space are required if no private Usable Open Space is provided.

The Project proposes 2,855 square feet of common Usable Open Space in a ground level courtyard and terraces on the roof and 4th floor.

- F. **Street Frontage in Neighborhood Commercial Transit Districts.** Code Section 145.1 requires that no less than 75% of the Hayes Street building frontage be occupied by active, pedestrian-oriented commercial uses to a depth of not less than 25 feet. At least 50% of this commercial frontage must be devoted to commercial entrances, windows or display space at pedestrian eye level. Garage entrances must not exceed 20 feet in width.

The Project proposes commercial frontage meeting the above standards for approximately 90 feet along Hayes Street, which amounts to 90% of the 100 foot Hayes Street frontage of the Subject Property. The proposed garage entrance is 15 feet wide.

- G. **Density Limitations for Group Housing.** Pursuant to Code Section 208, density of Group Housing in the Hayes-Gough Neighborhood Commercial Transit District is not limited by lot area.

The Project proposes 42 Group Housing bedrooms.

- H. **Shadows on Parks.** No building permit authorizing the construction of any structure exceeding 40 feet in height that will cast any shade or shadow upon any property under the jurisdiction of the Recreation and Park Commission during the times of one hour after sunrise and one hour before sunset, all year round, may be issued except on prior action of the Commission pursuant to the provisions of this Section. The Commission must conduct a hearing and must disapprove the issuance of any building permit governed by the provisions of this Section if it finds that the proposed Project will have any adverse impact on the use of the property under the jurisdiction of the Recreation and Park Commission because of the shading or shadowing that it will cause, unless it is determined that the impact would be insignificant.

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On March 17, 2008, the Department, pursuant to Case No. 2005.0651CEK, found that the proposed Project would have no shadowing impact pursuant to Section 295 standards.

- I. **Affordable Housing.** Pursuant to provisions of Section 315, the Project is required to comply with the inclusionary housing requirements in effect at the time of the Project's environmental evaluation application filing date on July 6, 2005: 12% of the proposed group housing units if provided on-site, 17% if provided off-site, or payment of an in lieu fee.

The Project designates 5 on-site group housing units to meet this requirement.

- J. **Institutional Use above the first floor.** Pursuant to Code Section 720.81, uses defined as "other Institutions, Large", when located above the 1st floor, may be authorized as a Conditional Use by the Commission.

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The Project proposes an assisted living facility, which is defined as "other Institutions, Large" pursuant to Code Section 790.50, on the first, second and third floors. Conditional Use authorization is hereby sought.

- K. **Signage.** There is no proposed sign program currently on file with the Planning Department. Any proposed signage will be subject to the review and approval of the Planning Department, in conformance with provisions of Article 6 of the Planning Code, conditions of approval imposed by exhibit A of this motion, and provisions of an approved signage program.

- L. **Institutional Master Plan.** Pursuant to Code Section 304.5, an Institutional Master Plan is not required for a Residential Care Facility as defined in Code Section 209.3(b).
- 8 **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the Project does comply with said criteria in that:
- A. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

USES: *The proposed use requiring Conditional Use Authorization, a residential care facility for people suffering from Alzheimer's and other forms of dementia, is increasingly necessary as the population of the city ages. The size and intensity of this facility is made necessary by staffing and economic requirements. The proposed location is desirable in that it allows the residents to enjoy an active urban environment, including abundant shopping, a popular park, and numerous cultural venues, within a short walking distance. This is a particularly important benefit for the residents of such facilities, who are often in danger of becoming socially isolated due to physical or mental frailty. Furthermore, the transit-rich location allows visitors and staff to access the facility via public transit. There are two residential care facilities, operated by the Project Sponsor, directly across Ivy and Laguna Streets from the Subject Property, proximity that will allow the Project Sponsor to share resources and thus enhance amenities to residents of all three facilities. The use is quasi-residential in nature in that patients are typically long-term occupants and do not have other residences, thus the use is compatible with the neighborhood and community.*

The principally permitted uses, Group Housing and Retail, are desirable in this size, intensity and location, since they are the intended predominant uses in the Hayes-Gough Neighborhood Commercial Transit District, and conform to the general size and intensity of such uses.

BUILDING: *The proposed building size is necessary due to the economic and operational constraints of the proposed Residential Care Facility and senior Group Housing, both of which require large staff. The size is desirable in that it allows a larger number of amenities such as a library, tea room and hair salon, which improve the quality of life for the residents, particularly those who have difficulties accessing outside amenities due to advancing mental or physical frailty*

The building has been carefully designed to conform to and enhance the character of the neighborhood. The building scale is compatible with surrounding buildings, and the elevations are modulated to avoid a monolithic appearance. The designers took particular pains to provide active street-level uses at all street frontages, including retail on Hayes Street; retail, the main residential and institutional lobby and dining room on Laguna Street; and the dining room and a kitchen with an unusually large number of windows on Ivy Street. The building features a prominent, well designed Projecting bay at the corner of Hayes and Laguna Streets, which serves to mark the eastern entrance to the Hayes-Gough Neighborhood Commercial Transit District.

- B. The proposed Project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the Project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:

- i. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The height and bulk of the proposed structure conform to the requirements of the Code. The building is designed to avoid unnecessary shadowing of neighboring properties, and the garage entrance is located on the less-traveled Ivy Street frontage, where it will not be detrimental to the safety and convenience of pedestrians.

- ii. 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;

The Planning Code does not require parking or loading for the Project. The 17 off-street parking spaces proposed will be used by staff of the Residential Care facility, whose schedule often extends past Transit service hours, while visitors and residents will mostly use the abundant public Transit in the area. The Project will thus not generate much additional vehicle traffic at the site. Access to the parking garage is via the less-used Ivy Street, which will not adversely affect traffic patterns in the area.

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

The proposed retail is subject to the standard conditions of approval for retail uses, outlined in Exhibit A. A condition of approval specifically obligates the Project sponsor to mitigate odor and noise generated by any restaurant use. Group Housing and Residential Care facilities typically do not generate noxious or offensive emissions such as noise, glare, dust and odor

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

The location and size of the garage entrance are designed to minimize adverse impacts to the health, safety or convenience of those residing or working the area.

- C. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The Project complies with all relevant requirements and standards of the Planning Code and is consistent with objectives and policies of the General Plan as detailed below.

- D. That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

The Project would provide housing to approximately 90 individuals and retail space suitable for small businesses serving local needs, and thus is consistent with the stated purpose of the Hayes-Gough Neighborhood Commercial Transit District.

- 9 **Lot Size.** Pursuant to Code Section 720.11, development of a lot larger than 9,999 square feet may be authorized as a Conditional Use by the Commission. Pursuant to Code Section 121.1, in considering such authorization, the Commission shall consider the extent to which the following two criteria are met: (1) The mass and façade of the proposed structure are compatible with the existing scale of the district. (2) The façade of the proposed structure is compatible with design features of adjacent façades that contribute to the positive visual quality of the district.

The Project Site is 12,000 square feet in area. Conditional Use authorization is hereby sought. The proposed building façades use Projecting bays and window spacing to break up the mass of the building and to harmonize with the scale and design features of the adjacent buildings and the district. The Ivy Street frontage is stepped down to 35 feet in height to harmonize with the smaller scale of structures on this street

- 10 **Non-Residential Use Size.** Pursuant to Code Section 720.21, non-residential uses larger than 2,999 square feet may be authorized as a Conditional Use by the Commission. Pursuant to Code Section 121.2, in considering such authorization, the Commission shall consider the extent to which the following three criteria are met: (1) The intensity of activity in the district is not such that allowing the larger use will be likely to foreclose the location of other needed neighborhood-serving uses in the area. (2) The proposed use will serve the neighborhood, in whole or in significant part, and the nature of the use requires a larger size in order to function. (3) The building in which the use is to be located is designed in discrete elements which respect the scale of development in the district.

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The Project proposes a residential care facility, which is technically classified as an institutional use (as opposed to a residential use), of approximately 27,000 square feet. Conditional Use authorization is hereby sought. Since the residential care facility does not occupy the ground floor frontage along Hayes Street, the primary retail street in this part of the District, it will not effect the ability of neighborhood-serving uses to locate in the area. The residential care facility is residential in nature and will potentially serve area residents, who will be able to remain in the neighborhood should they require this type of care. The size of the residential care facility is necessary in order to provide on-site amenities and due to large staffing requirements. The building is articulated in discreet vertical bays at a scale similar to that of the neighboring buildings and the buildings in the district as a whole.

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

COMMERCE AND INDUSTRY

Objectives and Policies

OBJECTIVE 1:

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1:

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development that has substantial undesirable consequences that cannot be mitigated.

The Project would add housing opportunities for up to 42 senior citizens and up to 48 people suffering from Alzheimer's disease and other forms of dementia. It would offer specialized care to a population in need of such services. Additionally, the Project is expected to increase retail activity in the immediate neighborhood, and provide employment opportunities.

OBJECTIVE 6:

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

Policy 6.2:

Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to the economic and technological innovation in the marketplace and society.

The Project includes three moderately-sized ground floor commercial spaces with ample street frontage, providing locational opportunities for small business enterprises. In addition, the residents of the Group Housing facility and their visitors, as well as the visitors to and employees of the Residential Care facility, are expected patronize local businesses .

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 3.6:

Relate the bulk of buildings to the prevailing scale of development to avoid an overwhelming or dominating appearance in new construction

The Project proposes an appropriately-scaled new building, residential in character, and compatible with the emerging character of development in the Market – Octavia area. The Hayes Street and Laguna Street facades are modulated to avoid a monolithic appearance and employ bay windows and cornices to harmonize with the surrounding structures. The 55 foot height on these elevations is appropriate for the prominent location and for the scale of adjacent buildings. The Ivy Street façade steps down to a height of 36 feet in accordance with the prevailing scale of buildings on this narrow street.

RESIDENCE ELEMENT

Objectives and Policies

OBJECTIVE 2:

TO INCREASE THE SUPPLY OF HOUSING WITHOUT OVERCROWDING OR ADVERSELY AFFECTING THE PREVAILING CHARACTER OF EXISTING NEIGHBORHOODS.

Policy 2.1:

Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character.

The Project would add housing opportunities for approximately 90 people. This density is achieved within a structure that maintains the neighborhood scale and character.

Policy 2.2:

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 permanently affordable to lower income households.

The Project Site is within one mile of the downtown C-3 District, to which it is connected by multiple transit lines. The Project Site is in a Neighborhood Commercial Transit District, and the residential density proposed is allowed by the Code and is achieved in a structure that is compatible with neighborhood scale and character.

OBJECTIVE 12:

TO PROVIDE A QUALITY LIVING ENVIRONMENT.

Policy 12.1:

Assure housing is provided with adequate public improvements, services and amenities.

Public transit, shopping and a small park are readily available in the neighborhood. Major cultural institutions are located a short distance away in the Civic Center area. The Project is subject to Community Improvement Impact Fees which are targeted at upgrading the public realm in the vicinity.

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 8:

ENSURE EQUAL ACCESS TO HOUSING OPPORTUNITIES.

Policy 8.6:

Increase the availability of units suitable for users with supportive housing needs.

The Residential Care and Group Housing facilities add housing opportunities for approximately 90 people with varying degrees of supportive needs.

Policy 8.8:

Promote the adaptability and maximum accessibility of residential dwellings for disabled and elderly occupants.

The Project is designed to be fully accessible to the disabled and elderly.

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.

The Subject Property is located in the Market and Octavia area which has a variety of transit options. This portion of the City is being planned for additional reliance on the transit system for mobility needs as guided by the City's "Transit First" policy. The proposed occupants of the Project would be senior citizens and sufferers of dementia, many of whom are unlikely to drive an automobile. Because the neighborhood is dense and well-established, the Project would make good use of the existing transit services available in the area and would assist in maintaining the desirable urban characteristics and services in the area.

OBJECTIVE 34:

RELATE THE AMOUNT OF PARKING IN RESIDENTIAL AREAS AND NEIGHBORHOOD COMMERCIAL DISTRICTS TO THE CAPACITY OF THE CITY'S STREET SYSTEM AND LAND USE PATTERNS.

Policy 34.1:

Regulate off street parking in new housing so as to guarantee needed spaces without requiring excesses and to encourage low auto ownership in neighborhoods that are well served by transit and are convenient to neighborhood shopping.

The Project includes only parking for employees of the Group Housing and Residential Care facilities. These employees often need to arrive and leave when public transit is not in operation. The residents of and visitors to the Project will not be provided with parking spaces since the neighborhood is well served by transit and has abundant neighborhood shopping.

MARKET & OCTAVIA AREA PLAN ELEMENT

Objectives and Policies

OBJECTIVE 2.2:

ENCOURAGE CONSTRUCTION OF RESIDENTIAL INFILL THROUGHOUT THE PLAN AREA.

Policy 2.2.3:

Eliminate residential parking requirements and introduce a maximum parking cap.

The Project proposes 17 parking spaces, which is under the maximum cap of 19 spaces.

Policy 2.2.4:

Encourage new housing above ground-floor commercial uses in new development and in expansion of existing commercial buildings.

The Project proposes housing for approximately 90 residents above approximately 2,700 square feet of ground-floor commercial space.

OBJECTIVE 3.1:

ENCOURAGE NEW BUILDINGS THAT CONTRIBUTE TO THE BEAUTY OF THE BUILT ENVIRONMENT AND THE QUALITY OF STREETS AS PUBLIC SPACE.

Policy 3.1.1:

Ensure that new development adheres to principles of good urban design.

The Project adheres to the urban design guidelines of the Market and Octavia Area Plan in the areas of Building Massing and Articulation, and to guidelines concerning Ground Floor Treatment along Neighborhood Commercial Streets.

OBJECTIVE 5.3:

ELIMINATE OR REDUCE THE NEGATIVE IMPACT OF PARKING ON THE PHYSICAL CHARACTER AND QUALITY OF THE NEIGHBORHOOD.

Policy 5.3.1:

Encourage the fronts of buildings to be lined with active uses and, where parking is provided, require that it be set back and screened from the street.

The Project proposes active uses along all street frontages. The parking provided is in a below-grade garage that is not visible from the street except at the 15 foot wide garage entrance on Ivy Street.

- 12 **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.

While the Project does decrease the total square footage of retail space at the site from approximately 7,632 square feet to approximately 2,704 square feet, it improves the quality of the retail space by significantly increasing the street frontage of retail uses, from approximately 50 feet to approximately 120 feet. The new retail space will also be more readily divided and thus will enhance location opportunities for small businesses. By providing continuous commercial frontage along Hayes Street, the Project would strengthen the retail environment in this portion of the Hayes-Gough Neighborhood Commercial Transit District.

- 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 Site does not contain any housing. The Project is consistent with the character of the neighborhood, both in its combination of residential and semi-residential uses above street level retail, and in the design of the building, which is consistent with the existing historical fabric.

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

The Project includes 5 affordable group housing units.

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

Residents of senior group housing and residential care facilities typically do not own cars and are not employed, hence no significant commuter traffic will be generated by residents of the Project. The Project is located in close proximity to a variety of public transit options, making visitors and people working at the Project less likely to arrive by car. The off-street parking spaces are intended to be used by employees of the residential care facility, whose work hours often extend past transit hours of operation. The garage is accessed from Ivy Street, which is not used by MUNI transit. Thus any commuter traffic generated by the Project would not impede Muni transit service or overburden streets or neighborhood parking.

- 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 will not add commercial office development and will have no effect on industrial sector space. The Project would add Service Sector employment opportunities in the residential care facility, and employment and ownership opportunities in the retail establishments.

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

As a new-construction Project, ~~the Project would conform to the structural and seismic requirements of the San Francisco Building Code.~~

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- G. That landmarks and historic buildings be preserved.

The Project does not demolish or alter any landmarks or historically significant buildings, and thus would have no impact on this priority policy. Pursuant to the Market and Octavia Interim Procedures for Permit Review, the Planning Department presented the Project for review and comment at the July 18, 2007 meeting of the Landmarks Preservation Advisory Board. The Landmarks Board concurred with the preliminary draft of the Market and Octavia Plan Survey that 580 Hayes Street is not eligible for listing in the National or California Registers or for local designation.

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

The Project will have no impact on parks and open spaces or their access to sunlight or vistas. On March 17, 2008, the Department found that the Project would have no shadowing impact on any property under the jurisdiction of the Department of Recreation and Parks, Pursuant to Code Section 295 and case No 2005.0651CEK.

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- 13 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.
- 14 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 Applicant, 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. 2005.0651CEK** subject to the following conditions attached hereto as "EXHIBIT A" which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. M-17626. 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 June 19, 2008.

Linda Avery
Commission Secretary

AYES: Commissioners: Christina Olague, Ron Miguel, Sue Lee, William L. Lee, Kathrin Moore & Hisashi Sugaya

NAYS: None

ABSENT: None

ADOPTED: June 19, 2008

Exhibit A

Conditions of Approval

Wherever "Project Sponsor" is used in the following conditions, the conditions shall also bind any successor to the Project or other persons having an interest in the Project or underlying property.

This Conditional Use Authorization is for a proposed residential, institutional and retail Project located at 580 Hayes Street, Lot 010 in Assessor's Block 0807, in the Hayes – Gough Neighborhood Commercial Transit District and a 55-X Height and Bulk District, in general conformance with the plans dated April 02, 2008 and marked "Exhibit B." The proposed Project would demolish the existing building on the site and construct a 5-story over basement, 55-foot tall building containing a Group Housing facility with approximately 42 bedrooms, a Residential Care facility with approximately 48 bedrooms, approximately 2,704 square feet of ground floor retail space, and 17 parking spaces in a below-grade parking garage.

1. COMPLIANCE WITH OTHER REQUIREMENTS

This decision conveys no right to construct. The conditions set forth below are additional conditions required in connection with the Project. If these conditions overlap with any other requirement imposed on the Project, the more restrictive or protective condition or requirement, as determined by the Zoning Administrator, shall apply. The conditions set forth below shall remain in effect for the life of the Project, unless specifically noted otherwise

2. GENERAL CONDITIONS

A. Community Liaison

The Project Sponsor shall appoint a community liaison officer to deal with issues of concern to the owners and occupants of nearby properties at all times during Project construction. Prior to the commencement of Project construction, the Project Sponsor shall give the Zoning Administrator and the owners of properties within 300 feet of the Project site boundaries written notice of the name, business address and telephone number of the community liaison.

B. Recordation

Prior to the issuance of any building permit for the construction of 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, which notice shall state that construction of the Project has been authorized by and is subject to the conditions of this Motion. From time to time after the recordation of such notice, at the request of the Project Sponsor, the Zoning Administrator shall affirm in writing the extent to which the conditions of this Motion have been satisfied, and record said writing if requested.

C. Reporting

The Project Sponsor shall submit to the Zoning Administrator two copies of a written report describing the status of compliance with the conditions of approval contained within this Motion every six months from the date of this approval through the issuance of the first temporary certificate of occupancy.

D. Construction

- (1). The Project Sponsor shall ensure the construction contractor will coordinate with the City and other construction contractor(s) for any concurrent nearby Projects that are planned for construction so as to minimize, to the extent possible, negative impacts on traffic and nearby properties caused by construction activities.
- (2). The contractor(s) shall arrange for off-street parking for construction workers until workers can park at the proposed Project's parking garage.
- (3). The Project sponsor and construction contractor(s) shall meet with the Traffic Engineering Division of the Department of Parking and Traffic, the Fire Department, MUNI, and the Planning Department to determine feasible traffic mitigation measures to reduce traffic congestion and pedestrian circulation impacts during construction of the proposed Project.

E. Performance

- (1). A site permit or building permit for the herein-authorized Project shall be obtained within three years of the date of this action, and construction, once commenced, shall be thenceforth pursued diligently to completion or the said authorization may become null and void
- (2). This authorization may be extended at the discretion of the Zoning Administrator only if the failure to issue a permit by the Department of Building Inspection to construct the proposed building is delayed by a City, state or federal agency or by appeal of issuance of such permit. Failure to begin work within that period, or thereafter to carry the development diligently to completion, shall be grounds to revoke approval of the authorized development.

F. Severability

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 of the remaining provisions, clauses, sentences, or sections of these conditions. It is hereby declared to be the intent of the Commission that these conditions of approval would have been adopted had such invalid sentence, clause, or section or part thereof not been included herein.

3. INCLUSIONARY HOUSING

The Project is subject to the requirements of the Inclusionary Affordable Housing Program under Section 315 et seq. of the Planning Code and the terms of the Affordable Housing Monitoring

Procedures Manual (hereinafter "Procedures Manual"), incorporated herein by reference, as published and adopted by Ordinance No. 198-07 on August 10, 2007 by the Board of Supervisors, and as required by Planning Code Section 315 (collectively the "Inclusionary Requirement").

- A. The Project includes 42 group-housing units, and thus under Planning Code Section 315, the Project requires five (5) below-market-rate (BMR) on-site group housing units (12%); and the Project sponsor has provided a "Declaration of Intent" electing to construct the below-market-rate (BMR) units on-site to satisfy the Inclusionary Housing requirement.
- B. The subject BMR unit(s) shall be evenly spread throughout the development as determined by the Zoning Administrator, and reflect the unit size mix of the market rate units and shall be distributed in the range of unit sizes based on the proposed unit mix.
- C. The BMR units shall be designated on the building plans prior to approval of any building permit. The BMR units shall (1) reflect the unit size mix in number of beds and square footage of the market rate units, (2) shall be constructed, completed, and ready for occupancy no later than the market rate units, and (3) shall be of comparable overall quality, construction and exterior appearance as the market rate units in the principal Project. The Project proposes 42 group housing units, ranging in size from one to two beds per unit.
- D. If the units in the building are offered for sale, the BMR units shall be sold to first time home buyer households, as defined in the Procedures Manual, whose gross annual income, adjusted for household size, does not exceed an average of one hundred (100) percent of the median income for the San Francisco Principal Metropolitan Statistical Area (PMSA). The initial sales price of such units shall be calculated according to the Procedures Manual based on such percentage of median income. This restriction shall apply for the life of the Project from the date of the initial sale of the BMR unit.
- E. The Applicant shall administer the marketing and reporting procedures, including the payment of administrative fees to the monitoring agency if such fees are authorized by ordinance, according to the procedures established in the Procedures Manual or as otherwise provided by law.
- F. The definitions, procedures and requirements for BMR units are set forth in the Procedures Manual and are incorporated herein as Conditions of Approval. Terms used in these Conditions of Approval and not otherwise defined shall have the meanings set forth in the Procedures Manual.
- G. Prior to issuance of any building permit for the Project (including any building permit issued for any partial phase of the Project), the Project Sponsor shall have designated the BMR units in accordance with Items A, B and C above.
- H. Prior to issuance of the Building Permit, the Project Sponsor shall record a Notice of Special Restriction on the property that records a copy of Motion No. M-17626, including this Exhibit A, and identifies the BMR unit(s) satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department

and to the Mayor's Office of Housing or its successor (MOH), the monitoring agency for the BMR unit(s).

4. CONDITIONS TO BE MET PRIOR TO THE ISSUANCE OF A BUILDING (OR SITE) PERMIT

A. Design

The Project Sponsor and the Project architects shall continue to work on design development with the Department, with particular attention given to:

1. The south-west corner of the building, at Hayes and Laguna Streets
2. Ground floor storefront and exterior wall treatments
3. Roof deck open space design

Final designs shall be submitted for review by, and shall be satisfactory to the Director of the Department.

B. Signage

The Project Sponsor shall develop a signage program for the Project which shall be subject to review and approval by Planning Department staff. All subsequent sign permits shall conform to the approved signage program. Once approved by Department staff, the signage program information shall be submitted and approved as part of the first building or site permit for the Project.

C. Lighting

The Project Sponsor shall develop a lighting program for the Project which shall be subject to review and approval by Planning Department staff. The lighting program shall include any lighting required or proposed within the public right-of-way as well as lighting attached to the building. Once approved by Department staff, the lighting program information shall be submitted and approved as part of the first building or site permit for the Project.

D. Community Improvement Impact Fee

The Project Sponsor shall pay to the Treasurer Market and Octavia Community Improvement Impact Fees, the total amount of which shall be calculated by the Department according to the provisions of Code Section 326.3, the final square footage, and the following: 1) \$10 per square foot of net additional occupiable residential space. The Project currently proposes 18,145 square feet of net additional occupiable residential space in group housing. 2) \$4 per net additional commercial square foot. The Project currently does not propose net new commercial space as the existing structure contains approximately 7,632 square feet of commercial space, while the Project proposes approximately 2,700 square feet of commercial space.

The Planning Commission may reduce the Community Improvement Impact Fee if the Project Sponsor enters into an In-Kind agreement with the City to provide in-kind improvements consistent

with the projects identified by the Market and Octavia Community Improvements Program or similar substitutes, as provided in Code Section 326.3.

5. CONDITIONS TO BE MET PRIOR TO THE ISSUANCE OF A FIRST SUPERSTRUCTURE ADDENDUM TO A BUILDING (OR SITE) PERMIT

A. Except as otherwise provided in this Motion, the Project shall be completed in compliance with the Planning Code and in general conformity with plans dated April 2, 2008, labeled "Exhibit B".

B. Final architectural and decorative detailing, materials, glazing, color and texture of exterior finishes shall be submitted for review by, and shall be satisfactory to the Director of the Department.

C. Final detailed building plans shall be reviewed and approved by the Planning Department. Detailed building plans shall include a final site plan, elevations, sections, landscape plan, specification of finish materials and colors, and details of construction.

D. Highly reflective spandrel glass, mirror glass, or deeply tinted glass shall not be permitted. Only clear glass shall be used at pedestrian levels.

E. Per Section 141, rooftop mechanical equipment is required to be screened so as not to be visible from any point at or below the roof level of the subject building.

6. CONDITIONS TO BE MET PRIOR TO THE ISSUANCE OF THE FIRST CERTIFICATE OF OCCUPANCY

Pursuant to Section 315.4 of the Planning Code, the Project shall pay an additional Affordable Housing Fee of \$4 per square foot of Residential Space that is subject to the Community Improvement Impact Fee. Units designated as Below Market Rate are exempt from this fee.

7. CONDITIONS TO BE MET PRIOR TO THE ISSUANCE OF THE FINAL CERTIFICATE OF OCCUPANCY

Pursuant to Section 326.8 of the Planning Code, the Project is subject to new impact fees to offset the impact of new parking facilities and residential development on San Francisco's transportation network, should the Board of Supervisors adopt such new impact fees prior to the issuance of the final certificate of occupancy for the Project. Any such new fees shall be limited to the following: A) a Parking Impact Fee of no more than \$5 per square foot of floor area dedicated to parking, and B) a Transit Impact Fee of no more than \$9 per square foot of residential and commercial floor area. The amount owed will be calculated by the Department or other agency as designated by the Board of Supervisors.

8. OTHER CONDITIONS

- A. The Project is subject to the requirements of the First Source Hiring Program (Chapter 83 of the Administrative Code) and the Project Sponsor shall comply with the requirements of this Program.
- B. Violation of the conditions contained in this Motion or of any other provisions of the Planning Code may be subject to abatement procedures and fines up to \$500 a day in accordance with Planning Code Section 176.
- C. Should monitoring of the Conditions of Approval contained in Exhibit A of this Motion be required, the Project Sponsor or successors shall pay fees as established in Planning Code Section 351(e)(1).
- D. The property owner shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean condition. Such maintenance shall include, at a minimum, daily litter pickup and disposal, and washing or steam cleaning of the main entrance and abutting sidewalks at least once each week.
- E. Signs and exterior lighting for the business shall be consistent with the approved signage program and shall be reviewed and approved by the Planning Department before they are installed.
- F. Ground level storefronts in general conformity with Exhibit B shall be maintained in an attractive manner, providing transparency into the tenancy behind. Visibility of the commercial interiors and activity through all storefront windows shall be maintained in order to ensure that the ground level of the building remains visually active, provides visual interest to pedestrians, and enhances sidewalk security. Commercial interior layouts should be designed with these requirements in mind. Generally, storefront windows should not be visually obscured with the following: blinds, shades or curtains; shelving; equipment; darkly tinted, translucent or opaque film; painted, stenciled or adhesive signage applied to individual window surfaces that has an overall transparency of less than 50%, or any signage that covers more than 1/3 of the area of any individual window; full or partial height interior partition walls placed directly against or within 10 feet from the window glazing; or any other items that significantly block the vision of pedestrians through the storefront windows into the occupiable commercial space. Solid roll-down security gates shall not be installed in storefront openings. The property owner shall ensure that this condition of approval is incorporated into all commercial leases.
- G. The Project shall appoint a Community Liaison Officer to address issues of concern to neighbors related to the operation of this Project. The Project Sponsor shall report the name and telephone number of this Officer to the Zoning Administrator and the neighborhood for reference. The Applicant will keep the above parties apprised should a different staff liaison be designated.
- H. The Project sponsor shall maintain appropriate odor control equipment to prevent any significant noxious or offensive kitchen odors from escaping the premises.

I. The Project sponsor shall operate the proposed dinning room and kitchen such that noise is kept at reasonable levels so as not to unduly disturb neighboring businesses and residents.

J. An enclosed garbage area shall be provided within the Project. All garbage containers shall be kept within the building until pick-up by the disposal company.

K. The Project Sponsor shall assure the execution and recordation of the specified conditions as a Notice of Special Restrictions at the Office of the County Recorder / County Clerk.

L. The Planning Commission may, in a public hearing, consider the revocation of this conditional use authorization if a site or building permit has not been issued within three (3) years of the date of the Motion approving the Project. 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 thenceforth diligently to completion. The Commission may also consider revoking this conditional use authorization if a permit for the Project has been issued but is allowed to expire and more than three (3) years have passed since the Motion was approved. This authorization may be extended at the discretion of the Zoning Administrator only if the failure to issue a permit by the Department of Building Inspection is delayed by a City, state or federal agency or by appeal of the issuance of such permit.