

110-0032018-002

Agenda Item **No. 5(d)**
Meeting of August 7, 2018

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Conditionally approving the Schematic Design of a five-story, mixed-use building comprised of 32 units, including five affordable units and ground floor retail at 4101 Third Street and adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Industrial Triangle Redevelopment Project Area

EXECUTIVE SUMMARY

The 4101 Third Street property (the "Site") is an approximately 7,424 square-foot parcel located on the east side of Third Street between Hudson and Innes Avenues in the Bayview Industrial Triangle Redevelopment Project Area ("Project Area"). Pursuant to the Bayview Industrial Triangle Redevelopment Plan (the "Plan"), the Site is within the Commercial or Residential district, with residential uses allowed above ground floor commercial uses.

Jack Tseng (the "Owner") proposes to construct a 60-foot-high, five-story, mixed-use development with 32 rental residential units, a 2,510 square foot ground floor retail space, and sixteen on-site residential parking spaces (the "Development") on the Site, currently a vacant lot. The Development is subject to OCII's Housing Participation Policy ("HPP") and includes five affordable housing units affordable to households at 60% Area Median Income ("AMI") or \$71,050 for a family of four. Streetscape improvements include a public plaza with seating at the southern corner of the parcel, wider sidewalks, pedestrian bulb-outs, new street trees, and stormwater flow-through planters.

The Owner is now seeking approval of the Schematic Design for the proposed Development. The Owner presented the proposed design at a meeting of the Bayview Hunters Point Citizens Advisory Committee ("CAC"), on March 7, 2018, and it was endorsed by the CAC at the same meeting. Office of Community Investment and Infrastructure ("OCII") staff has reviewed the Schematic Design for the proposed Development and finds it acceptable subject to the conditions of approval described below. The Owner is not seeking any OCII financial assistance or any variances to zoning that would benefit the Development. In addition, the Owner, as developer, has voluntarily agreed to participate in the OCII's Small Business Enterprise Program, Construction Workforce Policy, and Prevailing Wage Policy.

London N. Breed
MAYOR

Nadia Sesay
EXECUTIVE DIRECTOR

Marilyn Mondejar
CHAIR

Miguel Bustos
Dr. Carolyn Ransom-Scott
Mara Rosales
Darshan Singh
COMMISSIONERS

One S. Van Ness Ave.
5th Floor
San Francisco, CA
94103

415 749 2400

www.sfocii.org

Staff has determined that, pursuant to California Environmental Quality Act ("CEQA") Guidelines Section 15332, the Development is categorically exempt from CEQA review as an infill development that will not result in significant environmental impacts.

Staff recommends the conditional approval of the Schematic Design for the Development.

DISCUSSION

The Bayview Industrial Triangle Redevelopment Project Area

The Plan establishing the Project Area was adopted in 1980 and expires on June 23, 2020. The Project Area is located along the Third Street corridor in the northern portion of the Bayview Hunters Point community. It is an industrial/mixed-use neighborhood that is largely built out and is comprised of approximately six city blocks located between Fairfax Avenue to the north, Kirkwood Avenue to the south, Phelps Street to the west and Newhall and Third Streets to the east.

Key objectives stated in the Plan include the alleviation of conditions of blight by preserving and expanding existing industries by means of voluntary rehabilitation, improving the Third Street frontage to provide an attractive buffer between the residential and industrial areas, removing structurally substandard buildings, and providing space for new industrial and commercial development. OCII will maintain its land use authority in the Project Area until the Plan expires in 2020.

The Development

The Site is a roughly triangle shaped parcel, approximately 7,424 square feet, on the east side of 3rd Street. The lot is delineated by Newhall Street, Innes Avenue, and Hudson Avenue. The parcel is vacant apart from a general advertising billboard. The site has recently been used as a contractor storage yard, a pumpkin patch, and a Christmas tree lot. Prior to that the parcel was a gas and service station, roughly 1945-1965. The parcel is relatively flat, and sited approximately six to seven feet above the San Francisco Datum, or 14 to 15 feet above mean sea level. The geological report shows clayey sand to a depth of about 13 to 18 feet, with serpentine bedrock below.

The MUNI T-Third light-rail line stops directly in front of the property. Across Third Street are several mixed-use buildings ranging from two to four stories, including some vacant lots. At the northwest corner of the site there is a MUNI shelter for the 54-Felton line, as well as a MUNI operator restroom and terminal on the north and east sides of the property. Across Hudson Street to the northeast lies a one-story warehouse. Eight single family houses are opposite to the site along Newhall Street.

The Owner proposes to construct a five-story, 60-foot-high, mixed-use building of approximately 36,126 gross square feet (the "Development"). The ground floor and the mezzanine floor contain 3,177 square feet of commercial space, as well as a residential lobby, vehicular and bicycle parking, stroller storage, trash and mechanical rooms.

Private and common open spaces for the units are proposed as required under the Plan with all common open spaces accessed from an elevator lobby. All units will be for lease, with five units designated as inclusionary units (the "Affordable Units"). These Affordable Units will be subject to the affordability standards of the HPP and OCII's standard marketing procedures for affordable units.

No enforceable obligation, as defined by the Redevelopment Dissolution Law, Cal. Health & Safety Code §§ 34170 et seq., exists for this Development or the Plan, but OCII retains regulatory authority under the Plan to review and approve development that is consistent with the Plan's zoning regime. Accordingly, in authorizing this Development, OCII is not entering into an owner participation or other agreements (which are generally prohibited by the Redevelopment Dissolution Law in the absence of an existing enforceable obligation); rather, OCII staff is proposing that the Commission adopt a resolution approving the use and design of the development with conditions consistent with its land use authority. This authority includes, among other things, the Project Area's design for development and the HPP's inclusionary housing requirements for affordable housing under Agency Resolution No. 97-2008 (September 2, 2008).

Permitted Land Use and Plan Compliance

The Plan designates the Site within the Commercial or Residential district with residential uses allowed above ground floor commercial uses in accordance with the development standards of 'District 3' in the Design for Development (the "Design for Development"). The standards permit a maximum floor area ratio of 4:1 and a maximum height of 65 feet. The proposed Development meets the height and setback requirements and includes the minimum number of bicycle spaces. It does not exceed the maximum number of one-to-one off-street parking space per dwelling unit.

Schematic Design

The Owner's architect has submitted Schematic Design drawings of the Development, included herein as Exhibit E.

The Schematic Design shows compliance with all requirements of the Plan and Design for Development standards. The lot is a unique triangular, or 'flatiron', shape, and the building design embraces this geometry. The ground-floor commercial space is 2,510 square feet, with a 677 square-foot mezzanine. There is a separate entry for residents at the corner of Third Street and Hudson Avenue leading into a single lobby and elevator core and a storefront entry for customers from Third Street, at the flatiron corner. A public plaza with seating frames this flatiron corner entrance, meant to draw in customers from Third Street and the commercial district to the south.

The residential floor plans above are laid out with six to nine units on each upper floor; a number of units span two floors with double-height spaces. Each floor is ADA accessible, and has its own laundry area. The average size of the dwelling units is approximately 700 square feet, ranging from 358 square feet to 1,489 square feet. The 60-foot building is lower than the maximum permitted height of 65 feet, and the top floor is partially set back from Newhall Street, reducing its apparent height as visible from the public right-of-way and eliminating any shadow impact to neighboring residences along Newhall Street.

The building program includes 32 bicycle parking spaces in a Dero Decker half-raised, half at-grade configuration, with additional space allocated for cargo bicycle and stroller storage. The vehicle garage provides sixteen stacked vehicle parking spaces, including one van accessible ADA space, consistent with the recommendations of the CAC. The parking garage is accessed off Hudson Avenue and is configured of a Klaus Trendvario semi-automatic parking stacker system.

The roof is predominately a common garden of 3,860 square feet accessible to each tenant. The private open space ratio is 120 square feet per residential unit. The remainder of the roof space will be dedicated to solar panels and stormwater control.

As prescribed by the Design for Development, the building design incorporates industrial character in the building materials and finishes as well as in the landscape palette. The industrial character is highlighted by a combination of metal finishes, with tile and concrete at the base. The building features white and gray finishes, with bronzed metal accents. The landscape palette is comprised of trees, plantings and ground cover derived from the Project Area landscaping plant list.

The design provides a unique façade for each of the three main elevations, while using certain consistent architectural elements to unify the overall building design. The Third Street façade is visually broken into three major segments. The two corner segments feature the pedestrian entries, with similar treatment at the residential levels. Ground-level porcelain tiles provide a strong horizontal break at the second floor, with a mix of aluminum rainscreen panels and windows above. Upward sweeping overhangs draw the eye to the main angles of the building. There is an array of sheet sun shades to provide visual interest at each end, which are also a nod to the area's industrial history. The northern building elevation features diagonal bays, while bays on the southern elevation are flush. The middle third of the building features a white rainscreen panel system, punctuated by four bays at the residential levels. The Third Street and Innes Avenue flatiron corner is the predominant view of the building, featuring the commercial entry below and two double-height units, including multi-level fenestration, above.

HOUSING PARTICIPATION POLICY (HPP) APPLICABILITY

This Development is subject to the HPP because it exceeds the threshold of five dwelling units. The HPP requires a minimum of 15% of the total 'on-site' units, or five affordable units in this Development. The Owner has offered to designate three two-bedroom and two one-bedroom units as the Affordable Units. Therefore, in accordance with the HPP, the units will be available to households earning up to 60% of area median income (currently \$56,800 for two persons, per the unadjusted Area Median Income for HUD Metro Fair Market Area that contains San Francisco as established by the Mayor's Office of Housing and Community Development). The inclusionary units will be offered through a marketing, outreach and lottery system of the Mayor's Office of Housing and Community Development, subject to the terms of the Commission-approved Resolution and Conditions of Approval. Certificate of Preference holders will receive first preference, followed by Displaced Tenants Housing Preference, San Francisco Residents or Workers, then members of the general public.

EQUAL OPPORTUNITY PROGRAM

Although the Development is not subject to any enforceable obligation requiring compliance with OCII's Equal Opportunity Program, the Owner has voluntarily agreed to comply with OCII's Small Business Enterprise Program and will make good-faith efforts to achieve the goals of the SBE Program for both the design and construction of the project. Presently, the Owner's design team is comprised of Schaub Ly Architects, a small San Francisco-based business, along with six other engineers and consultants, all of which qualify as small businesses. As a local small business owner, the Owner has expressed his commitment to the local small business community and has voluntarily agreed to comply with OCII's construction workforce program for all construction work done in conjunction with the Development.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

OCII staff has determined that the proposed Development is categorically exempt from CEQA environmental review pursuant to CEQA Guidelines Section 15332, "Infill Development." The proposed Development is characterized as an in-fill development meeting the following conditions: (1) the Development is consistent with the applicable general plan designation and all applicable general plan policies and zoning designations and regulations; (2) the Development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses; (3) the Site has no value as habitat for endangered, rare or threatened species; (4) approval of the proposed Development would not result in any significant effects relating to traffic, noise, air quality, or water quality; and (5) the Development can be adequately served by all required utilities and public services.

The Development requires excavations and disturbance of existing soils greater than 50 cubic yards. The Owner shall submit its Phase I report to the Department of Public Health in proper compliance with the Maher Ordinance, prior to approval of any excavation, grading or site permits.

CITIZENS ADVISORY COMMITTEE

The Owner presented the proposed Development at a meeting of the CAC on March 7, 2018, and it was supported by the CAC at the same meeting. A letter of support from the CAC is included as Exhibit D of the following Commission Resolution 34-2018.

STAFF RECOMMENDATION

Staff recommends that the Commission conditionally approve the Schematic Design for the proposed Development at 4101 Third Street.

(Originated by Laura Shifley, Associate Planner)



Nadia Sesay
Executive Director