



110-0072026-002

Agenda Item **No. 5(f)**
Meeting of July 21, 2026

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Approving a Variation for the Transbay Block 2 West project of the Rooftop Mechanical Screening Development Control required by the Transbay Development Controls and Design Guidelines; Transbay Redevelopment Project Area

EXECUTIVE SUMMARY

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco ("Former Agency"), commonly known as the Office of Community Investment and Infrastructure (or "OCII") is completing the enforceable obligations of the Former Agency in the Transbay Redevelopment Project Area ("Project Area"), including affordable housing production. In accordance with state law, one of OCII's obligations is to ensure that at least 35% of all new housing in the Project Area is permanently affordable. To help meet the Project Area affordability requirement, 100% of residential units in two separate mixed-use residential developments have been built on two parcels comprising Block 2 ("Block 2").

On November 1, 2022, the Commission conditionally approved by Resolution No. 44-2022 the Schematic Designs of a 150-unit senior rental housing development ("Block 2W") on the western half of Block 2, located at 200 Folsom Street and bound by Folsom, Beale and the new East Clementina Street (the "Site"). Chinatown Community Development Center ("CCDC") is the developer with a team of architects led by MITHUN Architects (the "Design Team"). Block 2W received its Temporary Certificate of Occupancy ("TCO") on November 20, 2025.

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MAYOR

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EXECUTIVE DIRECTOR

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Following construction completion, OCII staff identified that two tall hot water tanks with associated overhead pipes and a mechanical unit located on the roof level 10 are visible from the public realm, contrary to standards in the Development Control and Design Guidelines for the Transbay Redevelopment Project, (the “DCDG”) Development Control No. 5 for Podium and Mid-Rise Buildings (the “Screening Requirement”). As a visual mitigation to the visiblenss of the rooftop equipment, CCDC painted the hot water tanks, pipes and the mechanical unit to match the color of the elevator penthouse behind the tanks.

Since the visual mitigation proved insufficient, CCDC submitted an application requesting a Variation from the Screening Requirement. After review of the application and its supporting documentation, staff determined that further enforcement of the Screening Requirement at this stage would create an undue hardship, and that the request meets all criteria for granting a Variation under the DCDG.

OCII staff recommends that the Commission approve the Variation to the DCDG’s rooftop mechanical screening requirement under Podium and Mid-Rise Buildings Development Control Number 5 and therefore as well the removal of the Schematic Design Condition of Approval 14b for Transbay Block 2W.

DISCUSSION

Transbay Redevelopment Project Area

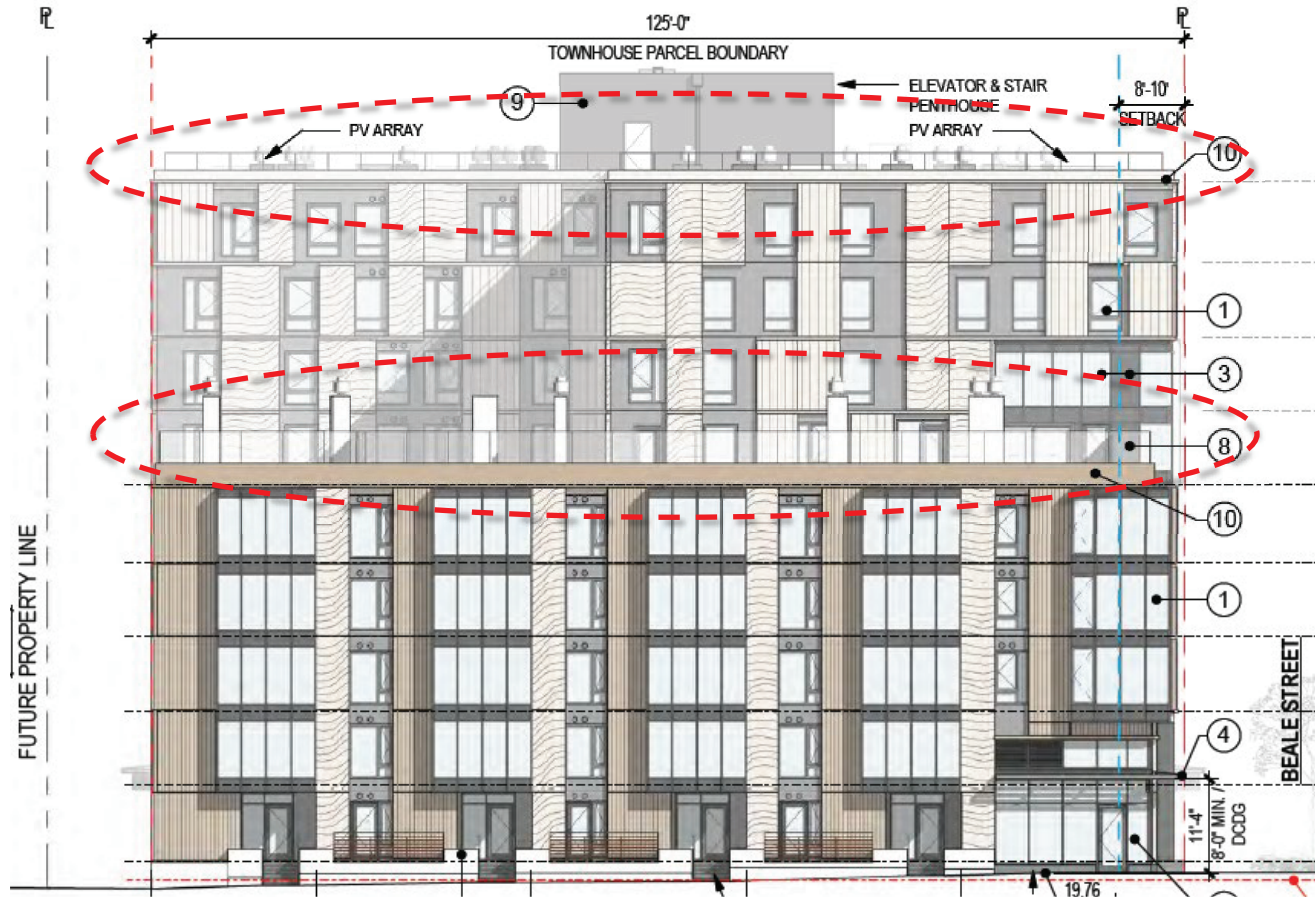
The Board of Supervisors established the Project Area and approved the Redevelopment Plan by Ordinances No. 124-05 (June 21, 2005) and No. 99-06 (May 9, 2006), as amended by Ordinances No. 84-15, (June 18, 2015), No. 62-16 (April 28, 2016), and 09-23 (February 3, 2023). The Redevelopment Plan establishes the land use controls for the Project Area, and divides the Project Area into two sub-areas:

- Zone One in which the Redevelopment Plan and Development Controls define the development standards, and
- Zone Two in which the San Francisco Planning Code applies.

Agency-sponsored residential developments, including Block 2W, are located in Zone One.

Project Description

On November 1, 2022, by Resolution No. 44-2022, the Commission conditionally approved the Schematic Designs for a 150-unit mixed-use senior rental housing development at Block 2W, including a condition requiring further development of rooftop mechanical screening during the subsequent Design Development phase. The DCDG requires that rooftop mechanical equipment be screened from neighboring buildings and from public view and that screening elements be designed to appear as extensions of the building.



Commission Approved East Clementina Street Elevation (facing TB 3 Park) with rooftop mechanical equipment on 6th and 10th floors.

Schematic Design Conditions of Approval

The Schematic Design Conditions for Approval required further development of rooftop screening in Design Development per Condition #14b for Roofscape which states:

b. Further develop any rooftop mechanical equipment screening. Rooftop mechanical equipment, with the exception of solar PV infrastructure, shall be screened from view from the public realm. Mechanical screens shall form part of the building top composition and consist of materials consistent with the overall building color and materials palette.

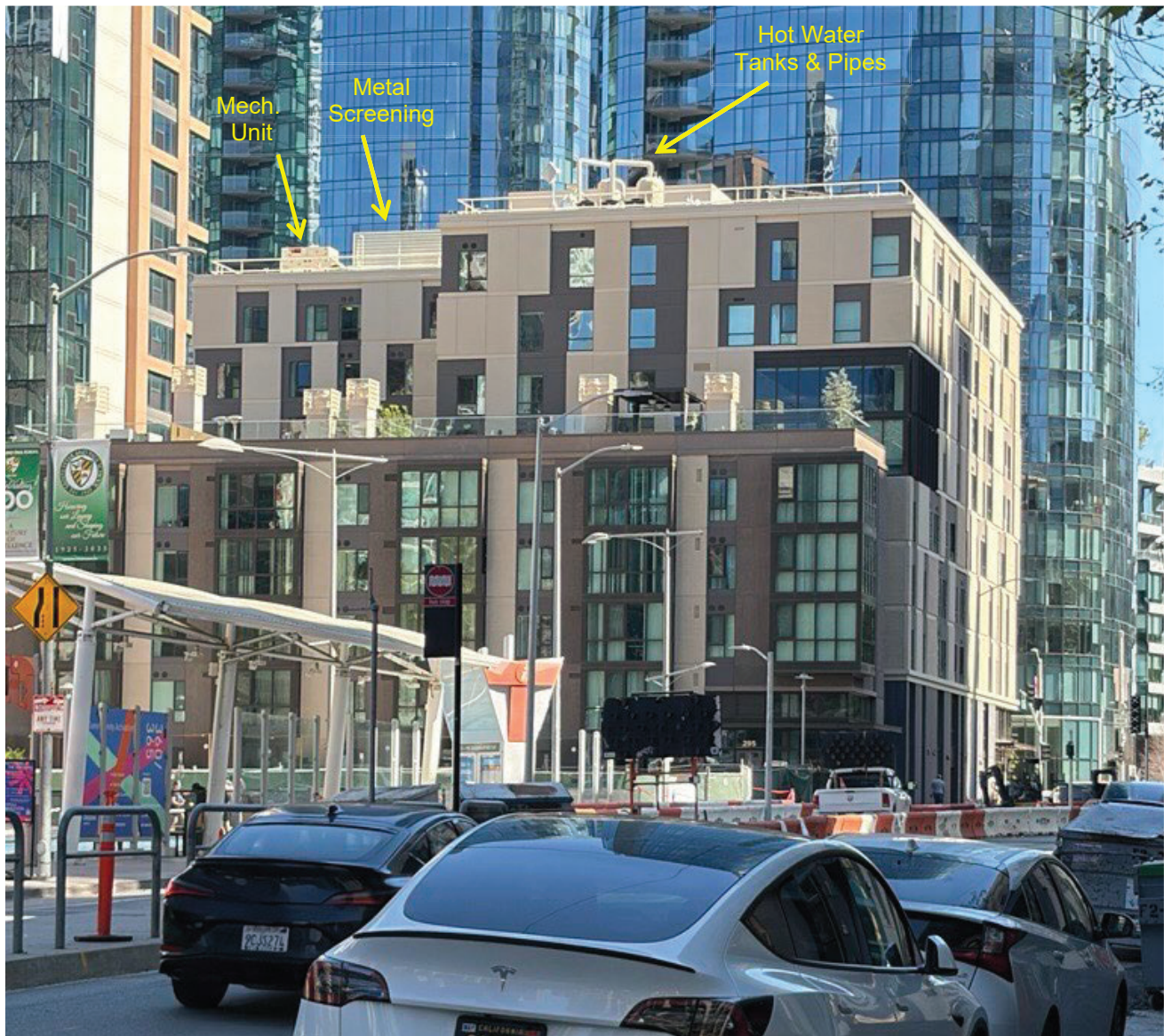
DCDG Rooftop Screening Controls

The DCDG has the following Development Control No, 5 for roof top screening, on page 44 applicable to Podium and Mid-Rise Buildings:

5. Mechanical equipment located on top of buildings must be screened from public view and from neighboring buildings with enclosures, parapet, setbacks, landscaping, or other means. Any enclosure or screening used must be designed as a logical extension of the building, using similar materials and detailing as the rest of the building's surfaces and, further, comply with Section 141 of the Planning Code.

The DCDG and Schematic Design conditions of approval are consistent with the San Francisco Planning requirements for rooftop screening in areas adjacent to Zone 1 of the Transbay Project Area. See Planning Code Section 141 (Screening of Rooftop Features in R, NC, C, M, WMUG, WMUO, RED, RED-MX, SALI and Mixed Use Districts) at the link below:

(https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_planning/0-0-0-18654)



View on Beale Street looking south

Variation from DCDG Mid-Rise Podium Buildings Development Control No. 5

CCDC has requested a waiver to the Screening Requirement for the rooftop mechanical equipment visible from the public right-of-way. A waiver to the Screening Requirement can only be accomplished by the Agency's approval of a variation to the DCDG, pursuant to the requirements of the DCDG. A variation to the Screening Requirement would also result in a waiver to comply with Schematic Design Condition of Approval 14b.

The DCDG prescribes on page 14, the process for granting a variation, *"The Agency, in its sole discretion, may grant a variation from the design standards, development controls or the Planning Code where the enforcement would otherwise result in practical difficulties for development creating undue hardship for the property owner and constitute an unreasonable limitation beyond the intent of the Redevelopment Plan, the Planning Code, the Design for Development or the development controls. Upon written request for a variation by the owner of the property, which states fully the grounds of the application and the facts pertaining thereto, and upon the Agency's own further investigation, the Agency in its sole discretion may grant a variation from the development controls."*

Furthermore, the DCDG states that *"Variations from the Plan or the development controls shall only be granted because of unique physical constraints or other extraordinary circumstances applicable to the property. Granting a variation must be in harmony with the Redevelopment Plan, the Design for Development, and the Development Controls and Design Guidelines, and shall not be materially detrimental to the public welfare or materially injurious to neighboring property or improvements in the vicinity. No variations shall be given for the maximum height and bulk regulations, or the maximum parking allowances. In granting any variation, the Agency shall specify the character and extent thereof, and may also prescribe such conditions as are necessary to secure the goals of the Plan, the Design for Development, and the Development Controls and Design Guidelines."*

Developer's Variation Request

On May 22, 2026, CCDC submitted a written application for the Variation to OCII, including a narrative explaining how the deviation from DCDG control occurred, and an overall assessment of impacts to project costs at over \$300,000 and its schedule if enforcement of the control were required to install a mechanical screening to conceal the water tanks and the mechanical unit. The application explains that such a screening system would require major penetration to the roof, and addresses the practical difficulty/undue hardship the system would introduce, the unique physical constraints of the area around the mechanical equipment, and the lack of screening is not a detriment to public welfare or neighboring properties (see Attachment A). Staff reviewed the application and confirmed its completeness.

Staff Analysis and Findings

The DCDG allows the Agency, at its discretion, to grant a Variation where enforcement would create practical difficulty, undue hardship, or unreasonable limitation beyond the intent of the Redevelopment Plan and related controls. Staff evaluated CCDC's variation request and found:

1. *Practical Difficulty/Undue Hardship*

Enforcing the screening requirement now, post-construction, would necessitate existing roof penetration, demolition, waterproofing disturbance, structural work, and multiple subcontractor re-mobilizations. These actions would create meaningful financial and schedule impacts in the post-construction stage. The cost and risk documentation provided by the contractor is credible and aligns with staff's understanding of the site conditions.

2. *Unique Physical Constraints/Extraordinary Circumstances*

The roof layout presents fixed minimum clearances for plumbing, Occupational Safety and Health Administration ("OSHA") access, and exterior-maintenance pathways. The green roof coverage required under the Stormwater Control Plan limits the available locations for additional screening. Further, since structural loads have already been allocated for existing infrastructure, additional screen installation would require new structural supports unlikely to be feasible without broader redesign.

3. *No Material Detriment to Public Welfare or Neighboring Properties*

The water tanks, piping are set 20 feet behind from the roof railing to draw minimal attention, while the focus remains on the architecture design of the low-rise massing facing the public realm. The regular box-shape of the mechanical unit also does not detract from the focus on the low-rise massing. Both mechanical equipment are shielded from the view of same level residential units of the adjacent Lumina Development. Together they do not pose health, safety, or operational concerns. The visibility impact is limited and does not create material detriment to neighbors or the public realm.

Community Outreach

OCII staff presented the Variation to the Transbay Citizens Advisory Committee at its regular meeting on July 9th, 2026. The committee members asked questions to understand the background of the Variation request and subsequently expressed no objections to the staff advancing it to the Commission.

California Environmental Quality Act

The approval of the Application for Variation to the requirement to screen rooftop mechanical structures is categorically exempt from the California Environmental Quality Act ("CEQA"), pursuant to CEQA Guidelines Section 15303 (d) and (e) "New Construction or Conversion of Small Structures," since it relates solely to the construction of the small accessory and appurtenant utility structures and equipment at the building's rooftop.

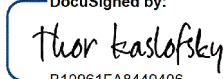
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Staff Recommendation

Staff recommends that the Commission approve the Variation to the rooftop mechanical screening development control required by the DCDG on Block 2W.

(Originated by Alok Vyas, Senior Planner)

DocuSigned by:

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Thor Kaslowsky
Executive Director

Attachment A: TB 2W DCDG Variation Mechanical Screen Memo, received on May 22, 2026

ATTACHMENT A



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Memo

To: Jasmine Kuo, Elizabeth Colomello, Alicia Andrews, Alok Vyas, José Campos

From: Abigail Brown

Date: 5/21/2026

Re: Transbay Block 2 West/Philip C. Chin Commons – Request for DCDG Variation Regarding Rooftop Equipment Screening

Attachments:

2024-01-25_TB2W Mechanical Screens_OCII Comments.pdf

TB2W - Exterior closeout status as of 2026_04-01.pdf

Purpose

This memo provides the documentation required to request a DCDG Variation for the Transbay Block 2 West/Philip C. Chin Commons affordable senior housing project with regard to the screening of mechanical equipment on the level 9 rooftop.

Narrative and Background

Discussions with OCII began in 2023 regarding screening for mechanical equipment on both the level 6 deck and the level 9 high roof of Transbay Block 2 West. Our teams met extensively until Feb 2024 before construction start. In Feb 2024, OCII approved the attached proposed mechanical screening for the high roof at level 9 with 2 screens along Folsom on the south side, and 1 screen on the north side facing the East Cut Crossing. The design team presented to OCII the best information available from the Mechanical, Electrical, Plumbing (MEP) design-build subcontractors as was incorporated into and available on BIM 360, the building information modeling software shared amongst the design and construction project team.

These approved screens were included in the GMP Construction Contract as part of contract documents. Swinerton Rubecon JV installed the approved screening per these contract documents. After construction start, MEP design-build systems and BIM coordination continued among GC, Architect, and MEP subcontractors in order to address functionality and the optimal operation of building systems. At some point during BIM coordination, the orientation and design for the water tanks and piping was finalized, and CCDC was not aware that the final design would be visually unacceptable. The following is a timeline of review and response that brings us to where we are now:

12/18/2025 – Exterior skin walk with OCII, Swinerton, Mithun, CCDC

1/7/2026 – CCDC began follow up on exterior punch

1/12/2026 – Received follow-up from OCII inquiring about additional high roof plumbing screening

1/13/2026 – Punchlist shared with OCII

1/28/2026 – Short reply to OCII responding to high roof screening comments regarding the water tank and piping, resharing approved mech screening, sharing constraints on adding more screening. Design team proposed to paint the water tanks and the DOAS unit to match the beige exterior color scheme.

(No further comment received in the interim, painting completed 2/19/2026)

3/9/2026 – Final exterior punch summary (including completion of additional painting) sent to OCII

3/18/2026 – Received OCII request to reply on feasibility of additional screening directly in front of water tanks/pipes in place of green roof planting.

4/1/2026 – Infeasibility reply sent to OCII

5/13/2026 – OCII official need for DCDG variation sent to CCDC

At all points during this process, the design team, contractor, and developer made good faith efforts to reply to and comply with design feedback from OCII.

Attestations by the Developer:

1. *The required enforcement would otherwise result in practical difficulties for development creating undue hardship for the property owner and constitute an unreasonable limitation.*

The proposal to add additional high mechanical screening to the north side of the level 9 roof in order to obscure the water tanks/pipes, at this stage of the project, would result in numerous practical difficulties and create undue hardship for the project, and constitutes an unreasonable limitation.

We are currently in the closeout phase of the project. Per Swinerton on 4/1/2026:

"This proposal would be over \$300k when factoring in extended GCs/GRs, plus design, labor, and material. At minimum, any redesign would require the plumber, roofer, steel sub, and sheet metal sub to revise, which would carry major implications on final completion risk. Installation would require roofing tear-off would be needed, roof deck scanned for PT, DCI then designing a post installed structural steel screen support to withstand wind loads that may need a through slab connection to occur, affecting units below. This alone could take a month to work through before we even get to thinking about material procurement, and additionally, steel costs are rising due to overseas conflict, which could impact supply chain."

This calculation does not include the additional construction loan interest costs (currently at least \$223,000/month), nor the add-services that would be required from Mithun, DCI (Structural), 4EA

(Waterproofing), Plural (landscape), costs associated with recalculation of our green roof coverage, etc. as well as the administrative time required to work through contract extensions. At this time, anything that would push final completion and/or retention release as a result of keeping any subcontractors on this job could result in mechanics liens, which would jeopardize this project's conversion to permanent financing, putting CCDC at significant financial risk as the nonprofit guarantor.

2. *There are unique physical constraints or other extraordinary circumstances applicable to the property.*

Physical constraints, in addition to time and cost constraints, include:

- Clearances necessary for the proper functioning of plumbing equipment
- OSHA-required clearances for circulation to conduct required building maintenance, including exterior building maintenance systems
- Green-roof coverage requirements per approved Stormwater Control Plan
- The structural capacity is appropriately calculated for the current loads from required infrastructure and equipment

3. *Granting of variation would not be materially detrimental to public welfare or materially injurious to neighboring property or improvements to the vicinity.*

The developer attests that granting of this variation is not materially detrimental to public welfare (there is no harm or danger to residents, staff, or the public by maintaining current conditions) or materially injurious to neighboring property or improvements to the vicinity (there is no harm or danger to neighboring properties, improvements, or residents by maintaining current conditions).