

126-0282018-002

Agenda Item **No. 5(c)**
Meeting of November 6, 2018

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Conditionally authorizing the conversion of 25 off-street residential parking spaces in an existing building containing 315 parking spaces at 185 Channel Street (MBS Block 2) to provide accessory parking for a neighborhood-serving grocery use proposed for the site, approving an amendment to the Basic Concept / Schematic Design originally approved in Resolution No. 61-2011 and approving a variance to the Mission Bay South Design for Development; Mission Bay South Redevelopment Project Area.

EXECUTIVE SUMMARY

Channel Mission Bay Apartments at Mission Bay South ("MBS") Block 2, or 185 Channel Street, is a 315-unit market rate residential building in Mission Bay South Redevelopment Project Area ("Project Area"), bounded by Channel to the north, 3rd to west, and 4th Street to east, and Long Bridge Street to the south. The Commission approved a Basic Concept and Schematic Design of the project on May 17, 2011 through Resolution No. 61-2011 and the project completed construction in 2014. The Basic Concept and Schematic design approved 315 market-rate rental units, 8,100 square feet of ground floor retail space and a 315-space parking garage. The building owner, UDR, Inc. ("UDR") reports and has shown with historical data that the residential parking is underutilized. UDR now seeks to amend the entitled program to include 25 spaces set aside for retail parking for its future tenant, Gus's Community Market, a local grocer with other store locations in San Francisco. This request will require an amendment to the Basic Concept and Schematic Design and a variance to the Design for Development for the Mission Bay South Project Area ("Design for Development"), which limits the amount of retail parking for the retail space at 185 Channel to 16 spaces.

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MAYOR

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Staff recommends approval of the Basic Concept and Schematic Design amendment and variance to the Design for Development to allow for 25 retail parking spaces.

DISCUSSION

Determination for Basic Concept and Schematic Design Amendment

The Basic Concept / Schematic Design for MBS Block 2 was approved with a two-level 315 space parking garage, representing a 1:1 ratio of automobile parking spaces to residential units, which is the maximum allowed by the Design Standards of the Mission Bay Design for Development. The residential parking is an approved land use for the parcel. Residential parking, in OCII project areas for market-rate residential buildings, is “unbundled,” meaning it is available for lease separately from a resident’s apartment lease payment.

In the past few years, UDR, the owner of 185 Channel has observed a low parking utilization rate by its residents, with less than half of the spaces rented out by residents regardless of pricing discounts offered. As of September 2018, the property’s parking utilization rate was 45%. The property’s rental parking rates are in line with average neighborhood rates. While this property has seen the most significant underutilization of its parking, OCII staff have observed a 70-80% residential parking utilization rate with other residential properties that provide market or average pricing for their parking. Staff believe this is a common occurrence at residential properties with garages designed to accommodate the Design for Development’s maximum allowable 1:1 parking ratio and expect additional building owners to request parking use conversions in the future. UDR is the first building owner in OCII’s project areas to request a conversion and in doing so has provided a proposal to OCII to re-purpose the majority of the vacant residential parking spaces. The retail parking spaces that are part of this approval represent the first phase of the conversion.

The retail parking spaces proposed will be a part of the lease for the approximately 8,100 square feet of ground floor retail space at 185 Channel. Once in operation, the tenant of that space will be Gus’s Community Market, a family-owned grocer who has been operating in San Francisco for over thirty years and has three other small-format grocery stores in the city: in the Outer Sunset (Noriega and 45th Avenue, the Haight (Haight Street and Ashbury) and the Mission (17th and Harrison Street). Gus’s Community Market has a deep knowledge of the grocery business as well as the neighborhood dynamics in which they operate, which has led to its success in its longstanding locations and recent expansion into new neighborhoods. The request for the 25 retail spaces originated from the Gus’s Community Market owners.

Neither the Mission Bay South Redevelopment Plan nor other Plan documents provide a standard for reviewing a conversion of residential parking to other uses. Although the Planning Code does not apply in Mission Bay South, it does provide some useful criteria to consider in evaluating a conversion of residential parking. Section 303 of the San Francisco Planning Code establishes the following six criteria for evaluating non-residential accessory parking uses above levels principally permitted. OCII’s staff application of the criteria to the proposed parking conversion also appears below.

- (i) Accommodating excess accessory parking does not degrade the overall urban design quality of the project proposal;

The urban design quality of 185 Channel will not change due to the 25 spaces being re-dedicated to retail parking use. The exterior of the garage will not be altered.

- (ii) All above-grade parking is architecturally screened and lined with active uses [...]; and,

The parking garage at 185 Channel met OCII's standards for screening and active uses for a neighborhood street at the time of Basic Concept / Schematic Design approval and will not change because of this this proposed amendment. The exterior of the garage will not be altered.

- (iii) Excess accessory parking does not diminish the quality and viability of existing or planned streetscape enhancements.

The parking garage at 185 Channel was deemed to integrate well with the quality and viability of streetscape improvements at the time of Basic Concept / Schematic Design approval and will not change because of this proposed amendment. The exterior of the garage will not be altered.

There is an additional criterion regarding approvals for non-residential parking uses that OCII staff feel can be planned for and monitored once the parking use is in operations:

- (iv) Vehicle movement on or around the project does not unduly impact pedestrian spaces or movement, transit service, bicycle movement, or the overall traffic movement in the district.

In addition to requiring UDR to meet the above criterion, the following condition will be placed on this approval:

- (v) The safety of residents at 185 Channel and security of their units, vehicles and personal property shall not be impacted by this partial parking conversion.

In light of these criteria, OCII staff supports the reduction of the number of residential parking spaces at 185 Channel and the increase of spaces devoted to the community grocer tenant.

Variance

The Design Standards of the Design for Development specify that retail space in the Project Area under 20,000 gross square feet should have a maximum ratio of one parking space per every 500 square feet of gross floor area. The Design Standards do not differentiate between different retail uses and those uses' varying parking needs.

Under the retail ratio specified in the Design for Development, the maximum number of parking spaces that should be allocated to the 8,100 square feet of space at 185 Channel is 16 spaces. However, UDR

Inc., in order to finalize its lease with its future community grocer tenant has requested an additional nine (9) parking spaces, for a total of 25 spaces.

The Design for Development states “the Agency may, in its discretion, grant variances to the design standards contained in this Design for Development where the enforcement would otherwise constitute an unreasonable limitation beyond the intent and purpose of the Design for Development and the Redevelopment Plan and is consistent with the public health, safety and welfare.”

OCII staff recommends the variance to the Design for Development document that would enable a conversion of the additional nine (9) automobile parking spaces requested by UDR so that an already built space can be utilized rather than remain vacant. The variance is further supported by the fact the Design for Development does not differentiate between retail types; as grocery uses generally have higher parking requirements than other types of retail, enforcing the Design for Development’s retail parking ratio could be considered unreasonable for a grocer tenant. In addition, the parking spaces will provide an extra benefit to the community grocer by potentially creating an incentive to shop at its market. OCII staff supports the variance for the purpose of enabling the only grocery store in Mission Bay South. Moreover, the grocery store at 185 Channel will be the only small format / neighborhood market in the entirety of the Project Area. (There is a Safeway store at 298 King Street in the Mission Bay North Redevelopment Project Area, across from the Caltrain 4th Street station.) The former tenant of MBS Block 2’s ground floor space, Market Hall, was unable to be successful in the space for a variety of reasons and closed its doors after one year of operation. Finally, the 25 parking spaces requested by UDR on behalf of Gus’s Community Market is in line with the 20 parking spots at Gus’s 17th and Harrison store.

Redevelopment Project Objectives

The conversion of 25 off-street parking spaces from residential use to a community grocer use is also aligned with the following Redevelopment Objectives in Section 103 of the Mission Bay South Redevelopment Plan:

D. Replanning, redesigning and developing undeveloped and underdeveloped areas which are improperly utilized.

E. Providing flexibility in the development of the Plan Area to respond readily and appropriately to market conditions.

H. Strengthening the economic base of the Plan Area and the community by strengthening retail and other commercial functions in the Plan Area [...]

CONDITIONS OF APPROVAL

UDR will work with OCII to:

Evaluate and create a plan for entry and exit procedures to the existing garage to: 1) enforce the restriction of the 25 parking spaces to customers of Gus's Community Market; and 2) monitor access to the garage to ensure the safety of residents and to protect their personal property.

CITIZEN'S ADVISORY COMMITTEE ("CAC")

On October 11, 2018, UDR and OCII staff presented the Basic Concept / Schematic Design amendment and variance proposal to the Mission Bay CAC. The CAC expressed interest in supporting Gus's Community Market by allowing a variance to the Design for Development- South for the additional nine (9) parking spaces. The CAC and members of the community present at the meeting also expressed interest in learning more about efforts to re-purpose the remainder of the unused residential parking spaces in the future. The CAC took an action to move this item forward to the Commission for review and approval.

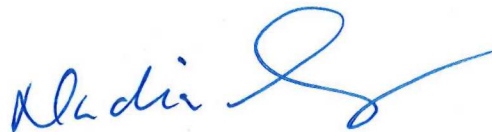
CALIFORNIA ENVIRONMENTAL QUALITY ACT

The proposed parking conversion, amendment to the Basic Concept / Schematic Design and variance are categorically exempt from environmental review pursuant to CEQA Guidelines Section 15301 because they constitute a minor alteration to the use of an existing structure involving a negligible expansion of an existing use.

NEXT STEPS

UDR will work with OCII to ensure certain operational procedures are in place in order to successfully meet the conditions of this approval. Gus's Community Market hopes to begin its operations before year end, with the 25 parking spaces in place. UDR and OCII staff will return to Commission to examine and provide a proposal for the remainder of the vacant parking spaces at 185 Channel at some point next year.

(Originated by Gretchen Heckman, Development Specialist)



Nadia Sesay
Executive Director

Attachment A: Mission Bay Redevelopment Plan Area Map
Attachment B: 185 Channel Street Parking Garage Site Plan

Attachment A: Mission Bay Redevelopment Plan Area Map



LEGEND:

Public Facility
Parks

Residential / Market Rate
Residential / Affordable
Hotel

UCSF Campus
Commercial

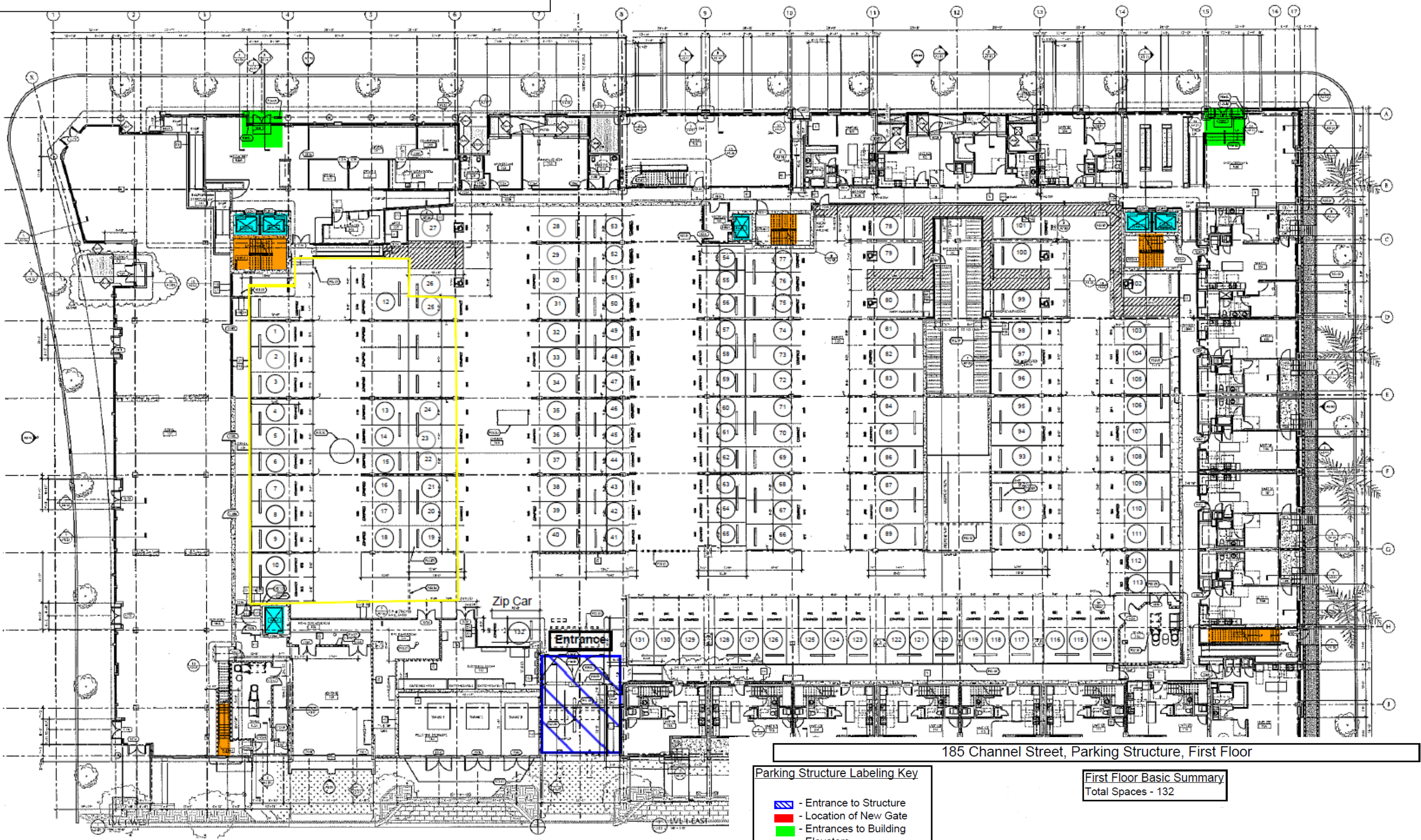
MISSION BAY
LAND USE PLAN

MAY 2018



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Attachment B: 185 Channel Street Parking Garage Site Plan



185 Channel Street, Parking Structure, First Floor

- Parking Structure Labeling Key
- Entrance to Structure
 - Location of New Gate
 - Entrances to Building
 - Elevators
 - Stairs
 - Gus's section

First Floor Basic Summary
Total Spaces - 132