



Michael Yarne
Build Inc.
315 Linden Street
San Francisco, CA 94102

January 31st, 2015

RE: *HVNA T & P Initial Response to 1 Oak Street*

Dear Mr. Yarne,

At the January 26th 2015 Hayes Valley Neighborhood Association (HVNA) Transportation and Planning (T & P) Committee meeting, your team, Build Inc., and Snohetta, presented an early iteration of the project now known as “1 Oak” (1500-1540 Market), which included a 400-foot residential tower at the intersection of Market and Van Ness Avenue, and off-site BMR’s on Octavia Boulevard. We appreciate the opportunity to comment on the proposal and in this letter we provide you our first round of feedback. We hope this helps frame the discussion for the upcoming **March 9th T & P meeting** which you have agreed to present.

Firstly, as stated at the Jan 26th T & P meeting, HVNA endorsed adoption of the Market and Octavia Plan in 2008, and that included rezoning the northwest corner of the Market and Van Ness intersection to 400 feet. Therefore, we will not comment on the height of the building at that location, and we recognize this is an ideal site for dense infill housing. We are also enthusiastic about your proposal to build some or all of your required below-market rate housing units on nearby Octavia Boulevard parcels.

However, based on our support for the Market and Octavia Plan we have emerging concerns regarding the proposal. We want to work proactively with you and we hope that these concerns can be discussed and ameliorated over the next few months. HVNA is specifically concerned with the following: **1)** excessive off street parking at this transit-rich and walkable location; **2)** the funding proposal for the public realm, the wind canopy, and relocation of the Muni Metro entrance, and specifically the suggestion of using most or all of the Market and Octavia impact fees to underwrite the schemes; **3)** the design of the 400-foot tower; **4)** the designs for the off-site BMR units at Parcel R & S (Octavia Blvd); **5)** and the proposal for acquiring Parcel U for the balance of required BMR, which is a site already identified as low income housing for transitional youth.

We are writing to ask that you rethink each of these aspects of the proposal and come back with a much better project than currently proposed. Again, we want to work with you to create a great building. We also remind you that you are permitted 120 feet height on the western edge of your property, and that you are seeking legislation to raise heights to 400-feet. If the legislation is adopted, the community will be further enhancing the value of your property. We are open to this, but it should be recognized that it increases your value. Moreover, in exchange for our support for this legislation, you must reconsider parking, community impact fee allocation, and the other issues elaborated below.

1) **Parking**

HVNA opposes increasing parking maximums from 0.25:1 to 0.5:1 and instead urges **zero** parking for 1 Oak. The Market and Octavia Plan eliminated parking minimums, giving builders more flexibility and aligning new development with citywide sustainability and livability goals. Parking generates more automobile trips in an already overly-congested area, while adding to the cost of the project and increasing the cost of housing. We remind you that the community enabled the height and density increase, conveying great value to your property. We expect you to respect the increase in density by not adding more automobiles, which only undermines the goals of the Market and Octavia Plan.

The additional car trips generated from the parking will degrade Oak, Franklin, Fell, and Van Ness Avenue. Oak Street, which is prime for a pedestrianized plaza, would be degraded due to cars entering and exiting an unsightly, space-consuming garage. Cars circulating from this project will also degrade nearby streets, including Van Ness Avenue, which is an important citywide transit street. Efforts to implement bus rapid transit (BRT) and to enhance the pedestrian realm on Van Ness would be undermined by the additional car trips generated by the parking now proposed at 1 Oak Street.

These negative impacts would be compounded with more car parking at the neighboring “Trumark” project (1546-1560 Market St), which should also have zero parking. Other project proposed for the corners of Franklin and Oak are considering zero parking.

Instead of focusing on parking, we ask that you partner with Trumark and the other developers on Oak to develop signature, world class car-free developments and pour your resources and energy into the efforts to create a pedestrian plaza on Oak Street, rather than building expensive basements for car storage.

Eliminating parking also enables provision of storage for residential units, which are equally or more important for residents. There are many options for transportation, but none for storage. Lastly, by eliminating the garage entrance, interesting, smaller, and more retail establishments could be configured into the street space. More small retail spaces usually encourage a more unique, diverse retail scene to emerge for a pedestrian-friendly area.

The sentiment of HVNA T & P is: if it can't work in this transit rich an area, where? HVNA will oppose any parking proposal that exceeds the permitted 0.25:1, but the project should come in at **zero** car parking.

2) **Oak Plaza/Canopy/ Muni Entrance & Funding Scheme**

HVNA recognizes the potential for an enhanced public realm on Oak Street, the need to mitigate the wind impacts by building a canopy, and the potential benefit of relocating the Muni stairway and elevators on the northwest corner of Market and Van Ness. We also see potential in using some or all of the art fund to enhance the ground level. However we are concerned about your framing and tone as presented to us January 26th 2015. First, while Oak Street has the potential to be an improved pedestrian entryway to Hayes Valley, it is far from the only entryway and so we suggest that you tone down the embellishment. Certainly nice things can be done, but nice things can – and should - be done on any number of entry points to the neighborhood.

More importantly, however, you suggest that if Market and Octavia community impact fees are not primarily dedicated to these proposals, an inferior project would be built – and that this would be our choice. Nothing is further from the truth, and we ask that you refrain from characterizing (and conflating) concerns over how impact fees are allocated with our views about what is best for Oak Street, Muni, or the public realm.

With regards to Oak Street as a **pedestrianized plaza**, as stated above, we urge that you immediately reach out and coordinate with your neighbors to devise a bigger and better Oak Street plan.

You should pool your resources with Trumark and other neighboring property owners, conduct aggressive outreach to all parcel holders and existing stakeholders on Oak Street between Franklin and Van Ness, and develop a comprehensive treatment for open space and a living street plan. Right now the plans are a piecemeal approach and would be a lost opportunity for both your project and the city.

With regards to the **wind canopy**, you are required to build the canopy as environmental mitigation for the wind impacts of the 400 foot tower. That is part of the cost of doing business and is not something that M & O community impact fees should be directed. The canopy is needed as a result of the height of your building and is a cost of your project that you must absorb.

While we might see benefit, we have concerns about the costs of the proposals relocating the **Muni stairway** and elevator. This is also a cost of your project that needs to be absorbed by your team (partnered with SFMTA), and not subsidized by Market and Octavia Community Impact fees. Relocating the Muni entrance is more profitable to you if you eliminate your parking. Regardless, the biggest beneficiary of relocating the Muni stairwell is to your property values.

Your proposal to direct "**in-kind**" impact fee revenue to subsidize moving the Muni entrances, build the canopy, or underwrite Oak Street Plaza is asking a lot from a community that has enabled tremendous value to accrue to your property. Using M & O impact fees to underwrite these proposals will further enhance your property values. The Market and Octavia area has many pressing needs, including traffic mitigation from projects like yours, and these needs have already been identified through a long public process. We suggest you continue to plan for more ambitious ground-level improvements but that you fold them into the cost of your project rather than expecting to direct community impact fees to your project.

3) Design of Tower

There is concern in shifting from what some thing was a remarkable and elegant landmark tower in the previous Richard Meier design to the prototype presented Jan 26th. If there is the need for a landmark tower to recognize the importance of this site and to set the standard for the other towers to come in this area, then the design of the tower cannot be compromised. For example, it might be okay that the tower is not all glass, but there might be a more articulated façade. We'd like to see more effort made on the tower design.

4) BMR proposal at Parcel R & S

Affordable housing is top concern for HVNA and we are pleased that your proposal includes BMR units within a few blocks of 1 Oak. Ideally, the best outcome for the city is 20% affordable housing within the tower itself, and we urge that you consider that option as some projects in Upper Market have done. The option of providing BMR offsite, but within the Market and Octavia Plan area, is second best, but has great potential. It is also promising that your proposal is car free.

At the moment Build Inc. holds R & S and can develop roughly 30 BMR units on those parcels – half of what is required under the inclusionary zoning for offsite BMR. We urge you to move forward with that component and would enthusiastically support it. That said, the designs we saw for parcels R & S on January 26th were uninspired at best. We ask that you examine the SF Prize competition entries (2005) and bring your designs to parity with buildings on other freeway parcels. Lower income residents deserve good design too.

As for the proposal to modify the Octavia side lane, more work is also needed. Rather than simply shifting the curbside parking from one side to the other, the street should engage with the buildings perhaps with parklets, wider sidewalks, and greenery (as proposed by another developer in a recent RFP). Actual traffic calming design strategies, such as real chicanes are more suitable than simply shifting parking.

In terms of the businesses that might come to parcels R & S, we suggest looking for a neighborhood-serving function such as shoe repair or small hardware store. This could work with "micro retail" but the neighborhood needs useful, utilitarian businesses.

5) Parcel U

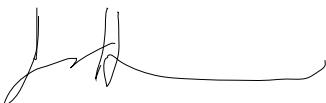
Parcel U (on Haight at Octavia) has been proposed as the balance of BMR units for the off-site inclusionary requirement. This is intriguing but important equity issues arise. Parcel U has been identified as a future location for low income transitional youth housing. The proposed off-site BMR would displace that. More discussion will be needed to get the best fit. For example could the project sponsor partner with an outfit like Community Partners and build the transitional housing on parcel U while also adding more traditional BMRs to the site? Or is there an alternative location in Hayes Valley for the transitional youth housing, which the project sponsor could help facilitate and negotiate?

HVNA was told that if the option for offsite BMR on the freeway parcels is not workable than Build Inc.'s second preference is to pay the in lieu fee. HVNA will oppose any project that simply pays the in lieu fee. Instead, we need to see either 20% on site in the tower, or approximately 60 BMR off site but proximate to the tower (i.e on the freeway parcels). We are in an affordable housing crisis, and a good part of that crisis is the result of luxury developments such as the proposed tower at 1 Oak. Again, the value of 1 Oak was conveyed by community advocacy and legislation, and it is fair for the community to expect a benefit of solid, proximate BMR units within our neighborhood rather than somewhere else in the city.

To reiterate, based on our support for the Market and Octavia Plan, HVNA has no problem with the overall plan for infill housing, the height of 400 feet, and the mixed use spaces, but great concern for the detrimental impact of the automobile trips generated with the parking spaces of 1 Oak. We have significant concerns about the proposed allocation of community impact fees in ways that mainly increase the value of the 1 Oak development while draining our community's funds for traffic calming and other needs, and we are concerned with the outcome of affordable housing. Without less parking, fair ground-level investment, affordable housing either within the tower or nearby, and better design, we cannot endorse the project as it stands now. This includes not being able to support the legislation of a height increase from 120 to 400 on the western edge of the 1 Oak project.

Thank you for your attention to this matter. We look forward to engaging in the planning process for 1 Oak over the next year, and look forward to meeting with you again on March 9th.

Sincerely,



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The Hayes Valley Neighborhood Association
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