

September 29, 2020

Jeff Jurow
Redbridge Partners
100 Green Street
San Francisco, CA 94111
(Via email: jjurow@rb-sf.com)



RE: Meeting Follow-up – 659 Union Street

Dear Mr. Jurow,

We want to thank you and your team for meeting with us to present your revised plan for the site of the fire-damaged Verdi Apartment Building at 659 Union and the adjacent historic garage at 1636 Powell.

In more ordinary times, we would have invited you to an in-person meeting of our Planning & Zoning (P&Z) Committee to discuss your plans and why you believe they address THD's concerns and recommendations stated in our letter of June 18, 2020. Given current COVID-19 circumstances and uncertainty about an in-person meeting, we met virtually via Zoom with you and your architect, with P&Z Committee co-chairs Nancy Shanahan and Mary Lipian and me attending on behalf of THD.

We followed our usual practice in P&Z Committee meetings: focusing on questions that help us better understand the proposed project, refraining from brainstorming with project proponents during the meeting, and sharing our comments later in a post-meeting follow-up letter as herein.

We believe that your revised plan as presented to us at the meeting is a considerable improvement over the original plan submitted to the Planning Department in late 2019, which we strongly opposed for reasons stated in our June 18th letter. We continue to have concerns, questions, and requests, however, including those that follow.

Loss of Affordable Housing

As stated in our previous letter, a primary concern with your proposal is that it represents a loss of affordable housing in North Beach. As you know, historically, there were 28 rent-controlled units within the Verdi Apartment Building. Your proposal to use the State Density Bonus (SDB) program to build 60 new condominium units would only provide 12 Below Market Rate (BMR) units, representing a net loss of 16 affordable units. And, even with your proposal to add an additional floor within the Verdi Apartment Building, your plans propose only 18 units within its shell (as compared to the former 28 units).

THD strongly supports affordable housing. We always have, we always will. Except for the 12 BMR units, though, all of the units in the proposed project would be high-end, at or above market rate – unaffordable to those most in need of housing in our City today. The SDB project as proposed would not adequately address this critical housing need, with a net loss of 16 affordable units, none of which would be subject to the City's rent control ordinance.

We are unclear from your plans and presentation how affordable the proposed 12 BMR units would be in comparison to the former 28 rent-controlled apartments.

- Please describe alternatives you have considered that would increase the number of affordable units and their affordability?
- Please provide the distribution of the proposed BMR units among very low income, low income, and moderate income categories, as well as the price of the units to future buyers/tenants in each category.
- Please identify on your plans which units are proposed to be BMR units.

Demolition of Historic Garage Building

As shown on the plans, the proposed project would demolish the existing historic garage at 1636 Powell Street, south of the Verde Apartment Building, and incorporate its site into the overall project footprint. Designed by Havens and Toepke, who also designed the Verdi Building, the 1915 garage building was recently determined by a professional architectural survey to be a contributor to a North Beach Historic District. Its demolition would represent an impact that must be analyzed.

- Have you conducted a historic resource evaluation (HRE) of the garage, and an analysis of the impact of the garage's demolition? If so, please share it with us.
- Have you considered alternatives to its demolition, including a compatible vertical addition of residential units as we discussed in our June 18th letter?

Height and Massing Excessive, Particularly in Southeast Corner

The proposed SDB project would include the entire 18,800 square-foot lot and would rise – wedding-cake like – to a height of 75-feet at its southeast corner to maximize the building envelope while avoiding shadow on Washington Square.

While we oppose any new shadow on Washington Square, the height and mass of the proposed building seems excessive, out of scale, and in conflict with the prevailing size and historic character of the immediately adjacent and widely surrounding North Beach neighborhood.

For example, we understand that you propose to construct three 3-level penthouse units and roof decks as high as 75-feet, nearly twice the zoned 40-foot height limit for the site, a limit that is in place throughout North Beach and that has been supported by THD since 1959. Presumably, one of the concessions you are seeking under the SDB program is a waiver of that 40-foot height limit. We are unclear what specific other concessions, waivers, and exemptions you are seeking from the City.

- Please share with us the number and nature of each of the concessions, waivers, and exemptions you are seeking for your project under the SDB program. As to each one you are requesting, please compare them with current Planning Code requirements.

- Please explain how these concessions, waivers, and exemptions relate to the proposed number of BMR units and their income level mix.

We are also concerned that the height and mass of the 75-foot high 3-level penthouses on the southeast corner of the site would significantly and materially reduce sunlight and air to adjacent buildings and residences immediately to the south of the site. We note that elimination of the three 3-level penthouses would substantially reduce the impact to those adjacent buildings and residences.

- We presume that you have met with affected adjacent neighbors [e.g., residences at 662 Green, Italian Community Services (ICS) at 678 Green, and the residential hotel at 575-577 Columbus – a 3-floor building built in 1912 with commercial spaces at the ground floor and 33 room/6 bathrooms in the above two floors]. If so, please describe those meetings, including comments and concerns they may have expressed to you.
- Please describe how the proposed project could be designed to eliminate or minimize the impact on affected adjacent neighbors (e.g., residences at 662 Green, ICS facilities at 678 Green, and the residential hotel at 575-577 Green) without casting shadow on Washington Square.

Loss of Previous Restaurant Space

We point out again that under Article 7 of the Planning Code, redevelopment of this property as new construction would prevent reestablishment of prior restaurant uses. This is stated by the Planning Department in its February 14th Preliminary Project Assessment (PPA) letter: "...redevelopment of this property results in the loss of the restaurant use at this location, and is limited to 1,000 square feet per commercial retail tenant space."

Prior restaurant uses could be grandfathered in only by qualifying for Planning Code provisions that allow a building damaged or destroyed by fire to be restored to its former condition and uses within 18 months. In our letter of June 18th, we offered our support for an amendment to the Planning Code that would extend that period beyond 18 months, if you would consider a restoration, rather than a redevelopment.

- While we presume you may not support such an approach, we again make that offer. Would you consider it?

More Compatible Design

We believe that the building and site design needs further modification. While the revised plan shows that you intend to preserve much of the Verdi Apartment Building design including the original brick on at least 3 sides, other portions of the proposed development are not compatible with or complementary in massing, proportion, articulation, or material with that of the other buildings nearby and throughout North Beach. As noted above, both the Verdi Apartment Building and the Powell Street garage lie within and are contributory to a North Beach National Register eligible historic district.

In language borrowed from the Planning Department's PPA letter on the earlier project design (but still relevant here), "references to the immediate vicinity and wider neighborhood context should be incorporated into proposed building massing, siting, and façade articulation," with the intent being "for the building to tie into and complement existing building massing, proportions, and materiality."

To address these design and context considerations, we urge your consideration of the following:

- Elimination of the glass curtain wall, which is not only out of character with the materials and façade articulation found in the historic North Beach neighborhood, but is likely also to cause excessive glare to neighbors, given that it is west facing.
- Removal of the multi-story penthouses that rise up to 75 feet on the southeast corner of the site, which are not only incompatible with the massing and proportions of the buildings in North Beach, but would also detrimentally impact the light and air of the surrounding buildings and residents.
- Instead of demolishing the historic garage on Powell Street, consider a compatible addition to the existing structure similar to the residential development of the garage at 1945 Hyde Street in a manner that would minimize the impact on the light and air of the surrounding buildings and residents. We again offer to work with you on designing a compatible addition to the garage, similar to the residential garage development at 1945 Hyde Street (see, for example, thegarageonhyde.com).
- With respect to your commitment to saving the original historic brick walls on at least three sides of the Verdi Apartment Building, please share with us the analysis and plans of the historic structural engineer and preservation architect who will be working with you to ensure that there will be no unintentional loss of the original brick facades.

Remediation of Hazardous Materials

We are concerned that existing hazardous materials on site be assessed and safely removed before residential and retail uses are approved. We understand that residual dry cleaning chemicals such as tetrachloroethylene (PCE) and trichloroethylene (TCE) were detected under the space formerly occupied by a drapery cleaner business in the Verdi Apartment Building (see September 30, 2019 letter from the San Francisco Bay Regional Water Quality Control Board to Responsible Parties).

We also understand that soil vapor and groundwater contamination consisting of volatile organic compounds (VOC) and petroleum hydrocarbons is present from historical leaks from underground storage tanks at the 1636 Powell Street garage (see January 14, 2020 letter from the San Francisco Bay Regional Water Quality Control Board).

Neither residences nor public spaces should be built above contaminated areas.

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- Please provide documentation of the extent of hazardous materials spills on site, including feasibility studies, remedial efforts, progress to date, plans for further effort.
- Please provide a schedule for hazardous materials removal and remediation.

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We look forward to the further and substantive modification of this project to address the concerns outlined above.

Sincerely,

Stan Hayes

President
Telegraph Hill Dwellers

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