

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM  
Meeting Date: November 19, 2008  
Request Infill Grant Approval**

Prepared by: *Center for Creative Land Recycling (CCLR) and Deana Carrillo, CPCFA*

<b>Applicant:</b> Martin Building Company	<b>Type of Funding Requested:</b> Grant
<b>Developer:</b> Martin Building Company	<b>Amount Requested:</b> \$2,148,471
<b>Project Name:</b> 2235 Third Street	<b>Strategic Partner:</b> CCLR
<b>Project Location:</b> San Francisco (San Francisco County)	

**Summary.** Martin Building Company (the “Applicant”) requests approval of a grant in the amount not to exceed \$2,148,471 to finance the remediation of a brownfield to develop 2235 Third Street in the City of San Francisco. The Applicant anticipates the mixed use development project will create 179 housing units; of which 143 will be market-rate rental units and 36 (20%) will be affordable rental units at 40-50% of the Average Median Income (AMI).

**Applicant.** Martin Building Company is a for-profit developer established January 1, 1989, owned 100% by Patrick Martin McNeerney. The Applicant is leasing the property for an initial term of 20 years, with two options to extend for an additional 15 years.

**Legal Questionnaire.** The Strategic Partner has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

**Brownfield Project Description.** The property was occupied by a scrap iron and metal yard from 1924 to 1999. Lead contaminants in the soil are the main concern. Levels of lead contamination exceed the California Code of Regulations, Title 22, Sec 66261.24 hazardous waste level.

Description of Activity	Amount Financed by Infill Grant
Trenching/Excavation and soil removal	\$ 488,889
Hazardous material removal and disposal	638,889
Hazardous waste generator fees	70,000
Concrete slab cap installation	850,963
Soil sampling and analyzing for offsite disposal or reuse	50,000
Environmental engineering reporting-technical assistance	10,000
Site safety officer monitoring-technical assistance	20,000
Ongoing operation and maintenance plan costs	20,000
<b>TOTAL ESTIMATED COSTS</b>	<b><u>\$2,148,741</u></b>

**Oversight Agency.** City of San Francisco, Department of Public Health, Occupational and Environmental Health

**Infill Development Project Description.** The development project will create 179 rental housing units, of which 36 (20%) will be affordable rental units restricted to 40-50% of the Average Median Income (AMI) for a term of 55 years. It is a 50,000 square foot project that will revitalize vacant land and two existing historic buildings. The projects will create 17,000 square feet of retail which will include a small grocery store and day care services. The project will maintain 1,000 square feet of open space while providing 157 below ground parking spaces.

The project is located adjacent to the new San Francisco MUNI Third Street light rail, and adjacent to the burgeoning employment, recreation and education opportunities of UCSF Mission Bay. The surrounding community represents a population with a variety of low and middle income families, including BayView Hunters Point, Potrero Hill, Dogpatch Neighborhood and the Central Waterfront area; as well as students and faculty at the nearby campus.

**Permits.** The project is consistent with current local land use plans. Martin Building has an approved large project authorization for 2235 Third Street from the San Francisco Planning Commission, and intends to apply for a site permit and building permit.

**Anticipated Timeline.**

- Cleanup to Begin: June 2009
- Cleanup to be Completed: December 2011
- Development to Begin: December 2009
- Development to be Completed: June 2011

**Local Government Support.** The project is consistent with the Central Waterfront Area Plan of San Francisco. The Project has had extensive community outreach and local government involvement over the last 6 years. The project has undergone environmental review and has received certification by the San Francisco Planning Commission and Planning Department for the Final Environmental Impact Report. The Applicant has performed extensive community outreach for this project.

Several letters of support have been received for the project including:

**Community Support.**

- Susan Eslick, President, The Dogpatch Neighborhood Association (A-1)
- Tony Kelly, President, Potrero Boosters Neighborhood Association and local petition (A-2)
- Charles Edwin Chase, AIA, Executive Director, San Francisco Architectural Heritage (A-7)
- Sarah Karlinsky, Policy Director, San Francisco Planning and Urban Research Association (A-8)
- Tim Colen, Executive Director, San Francisco Housing Action Coalition (A-12)
- Matt Regan, Director of Housing, Bay Area Council, San Francisco Planning and Urban Research Association (A-15)

**Government Support.**

- Sophie Maxwell, member, Board of Supervisors for San Francisco City and County (A-16)

**Application Score.** The project earned a score of 90 out of 120 points in the following categories:

**(a) Readiness to Proceed. TOTAL- 35/40**

- (1) Applicant has demonstrated that environmental review can be completed and all necessary entitlements can be received from the local jurisdiction within two years if receiving the award- 10/10.** The City's Planning Department certified the Final EIR on August 14, 2008.
- (2) Funding commitments are in place, or financing applications are under review, for the Infill Development Project-10/10.** Funding commitments totaling full construction costs of \$35.4 Million are under review.
- (3) The Infill Development Project has local community and government support-10/10.** The project has several local community support letters, and a letter of support from Supervisor Sophie Maxwell.
- (4) Cleanup Plan has been approved by Oversight Agency-5/5.** The City and County of San Francisco's Department of Public Health approved the Project's cleanup plan on February 10, 2005.
- (5) Applicant has building permits, and all other governmental permits (i.e. encroachment, ROW, etc.) in place or under review -0/5.**

**(b) Location within an Economically Distressed Community. TOTAL-30/30.** Project is within a state designated enterprise zone.

**(c) Location within a Priority Development of a Local Governmental Entity. TOTAL-10/10.** The Project is within Association of Bay Area Government's (ABAG) Adopted Priority Development Areas.

**(d) Depth of Affordability. TOTAL-5/10.** 20% of the Project's 179 units are restricted to residents at or below 50% AMI, above the Program's 15% threshold for 5 points.

**(e) Percentage of Affordability. TOTAL-5/15.** 20% of the Project's 179 units are Affordable, well above the 15% threshold for 5 points.

**(f) Utilization of Green Building Methods. TOTAL-5/5.** The Project is designed for LEED Gold certification.

**(g) Cleanup Plan for the Brownfield Infill Project does not require Ongoing Operation and Maintenance. TOTAL 0/10.**

Tie-Breaker.

(a) Total Brownfield Infill Project Cleanup Plan Cost: \$2,148,741

(b) Total number of residential housing units produced and/or promoted by Infill Development Project: 179

(c) Tie-breaker ratio [(a) / (b)]: \$12,004 / housing unit

**Financing Details.**

- Amount of Overall Financing to be Leveraged:
  - Total Project Cost = \$35,370,750
  - Total CALReUSE Infill Grant Funding = \$2,148,741
  - CALReUSE remediation funding is leveraged **16.5 to 1**
- Sources of Financing for Brownfield Infill Project: CALReUSE Grant
- Sources of Financing for Infill Development Project: Bank of the West loan, Washington Capital equity.

**Staff Recommendation.** Staff recommends approval of the attached Resolution for Martin Building Company for a grant not to exceed \$2,148,741.

**A RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING  
AUTHORITY APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING FOR  
MARTIN BUILDING COMPANY  
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM**

November 19, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Regulations adopted to implement and make specific the statutory provisions of the California Recycle Underutilized Sites (CALReUSE) Remediation Program;

WHEREAS, the statutory provisions of the CALReUSE Remediation Program authorize grant and loan funding for the purpose of brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans;

WHEREAS, the Authority solicited applications for the CALReUSE Remediation Program and such applications were evaluated and scored pursuant to the Authority’s Regulations;

WHEREAS, Martin Building Company has submitted an application for the CALReUSE Remediation Program for a grant in the amount of \$2,148,471 for the 2235 Third Street Project; (the “Project”)

WHEREAS, the Strategic Partner, Center for Creative Land Recycling has reviewed the application and determined to recommend 2235 Third Street Project to the Authority for funding consideration;

WHEREAS, the Authority staff has reviewed the Strategic Partner’s recommendation and has determined to recommend the 2235 Third Street Project for funding; and

WHEREAS, approval of a grant for Martin Building Company (“Applicant” and “Grantee”) by the Authority is now sought;

NOW THEREFORE BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. Pursuant to the Regulations, the Authority hereby finds that the 2235 Third Street Project is eligible for financing and hereby approves the grant described in the staff described in the Applicant’s CALReUSE Infill Application to the Authority.

Section 2. The Executive Director is hereby authorized for and on behalf of the Authority to take all steps necessary with respect to the Applicant including notifying the Applicant that its Application has been approved for funding, preparing a commitment letter that contains the terms and conditions of funding for the Grantee, preparing and executing the final form of grant agreement and disbursing funds pursuant to the grant agreement and the Authority’s Regulations.

Section 3. The Executive Director is hereby authorized for and on behalf of the Authority to approve any changes in the Project described in Exhibit A of the grant agreement as the Executive Director shall deem appropriate and authorized under the Regulations (provided that the amount of the grant may not be increased above the amount approved by the Authority).

Section 4. The Executive Director is hereby authorized and directed, for and on behalf of the Authority, to draw money from the Proposition 1C (2006) funds allocated to this Program not to exceed those amounts approved by the Authority for the Project approved in Section 1. The Executive Director is further authorized and directed, for and on behalf of the Authority, to execute and deliver for the Project identified in Section 1 any and all documents necessary to complete the transfer of funds. The authority of the Executive Director is limited to payment of claims made by the Grantee in accordance with the Regulations and the grant Agreement.

Section 5. Any notice to the Applicant approved hereunder shall indicate that the Authority shall not be liable to the Applicant in any manner whatsoever should such funding not be completed for any reason whatsoever. Notice to the Applicant shall include a provision making it clear that continued funding under the program is not guaranteed but is entirely dependent upon funds being available to the CALReUSE Program and the Grantee continued compliance with the grant agreement and the regulations governing the CALReUSE Program.

Section 6. The Executive Director of the Authority is hereby authorized and directed, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby, and which have heretofore been approved as to form by the Authority.

**EXHIBIT A**

TERM SHEET

**Name of Project:** 2235 Third Street

**Maximum Amount of Grant/Loan:** \$2,148,471

**Strategic Partner:** Center for Creative Land Recycling

**Grantee:** Martin Building Company

**Financing Structure:** Grant

**Maximum Grant Term:** Not to exceed 6 years from first draw on funds

**Oversight Agency:** City of San Francisco, Department of Public Health, Occupational and Environmental Health

**Project Location:** Parcel Number 4058-010  
2235 Third Street  
San Francisco (San Francisco County)  
California 94107

**Development Project Description:** 179 housing unit complex 36 will be rent restricted at 40-50% AMI for a period of 55 years. An additional 17,000 square feet of the project will include a small grocery store and day care facilities.

Project: Description of Activity	Estimated Cost
Trenching/Excavation and soil removal	\$ 488,889
Hazardous material removal and disposal	638,889
Hazardous waste generator fees	70,000
Concrete slab cap installation	850,963
Soil sampling and analyzing for offsite disposal or reuse	50,000
Environmental engineering reporting-technical assistance	10,000
Site safety officer monitoring-technical assistance	20,000
Ongoing operation and maintenance plan costs	<u>20,000</u>
<b>TOTAL ELIGIBLE BROWNFIELD INFILL COSTS</b>	<b><u>\$2,148,741</u></b>



Exhibit 27  
Pages 1-15

December 7, 2005

Michael Yarne  
Director, Design & Entitlements  
Martin Building Company  
54 Mint Street, 5<sup>th</sup> Floor  
San Francisco, CA 94103

Re: Dogpatch Neighborhood Association endorsement of the 2235 Third Street Mixed-Use Housing Project

Dear Michael,

On behalf of the Dogpatch Neighborhood Association (DNA), I am pleased to announce our organization's strong support for your proposed 183-unit mixed-use housing development for 2235 Third Street and the associated "Draft Central Waterfront Plan Demonstration District." Your project sets a high standard for all future development in our immediate neighborhood and, we hope, for the greater Central Waterfront.

Following your final presentation at our November 8, 2005 meeting, I sent an email to all DNA members asking people to email me only if they had objections to issuing a formal endorsement. Instead of objections, I received nothing but unsolicited expressions of support for your proposal. I believe that this is both a reflection of the quality of your design, and also a testament to your extraordinary efforts to reach out to the neighborhood and genuinely incorporate their concerns and comments into your final project.

We believe the project will strengthen the vitality of our neighborhood by providing up to 183 units of housing while also activating Third Street with ground floor retail.

DNA is proud to support your efforts to obtain final approval from the Planning Commission and Board of Supervisors for the 2235 Third Street project and the required Demonstration District zoning change. DNA will be pleased to offer support at your hearings as well as send copies to Planning Commission if necessary.

Again, we thank you for reaching out to our neighborhood and making such an inclusive project.

Sincerely,

Susan Ealick  
President

Cc: Supervisor Sophie Maxwell

Julian Banales, Manager, SE Quadrant Team, Neighborhood Planning



**POTRERO BOOSTERS  
NEIGHBORHOOD ASSOCIATION**  
SERVING THE HILL SINCE 1925

January 19, 2006

Michael Yarnie  
Director, Design and Entitlements  
Martin Building Company  
54 Mint Street, 5th Floor  
San Francisco, CA 94103

Re: 2235 Third Street

Dear Michael:

The Potrero Boosters are happy to support the Martin Building Company's proposed mixed-use housing and retail development for 2235 Third Street. At our meeting of November 2005, this project received unanimous support from our membership.

We have seen your firm's plans for this site in various incarnations over the past two years, and we have found the Martin Building Company to be sensitive to neighborhood concerns and responsive to questions that we raised at our Executive Committee and general membership meetings.

Congratulations on a well-designed project, and on your commitment to historical preservation and neighborhood awareness.

Many thanks for considering our community in the course of your work.



Tony Kelly  
President

Cc: Supervisor Sophie Maxwell  
Julian Banales, San Francisco Planning Department

2235 Third Street - Support Petition

I support the 2235 Third Street project and the Draft Central Waterfront Plan Demonstration District rezoning proposal. This project is a model of neighborhood-sensitive, transit-oriented residential infill development and would set a high standard for future development in the area. This project has been unfairly delayed for no sound policy reason. Approving it now would benefit both the City and our neighborhood.

- I urge Supervisor Maxwell to follow the community's lead and sponsor the Central Waterfront Plan Demonstration District rezoning that will make this project possible.
- I respectfully request the Planning Commission to approve 2235 Third Street and let it move forward. Support what the community wants and stop delays.

Name	Address	Email	I can send a letter	I can attend a hearing
1. Susan Eslick	1129 Tennessee Street	nikkole@ms@mindspring.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Tomber Deane	600 Illinois Street	tober@tdcncy.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Jared Doumani	1006 Tennessee Street	jared@journal.net	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Katherine Doumani	1006 Tennessee Street	Katherine@doumani.net	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Rhonda Kingman	701 Minnesota St., Apt. 226		<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Frank Kingman	701 Minnesota St., Apt. 226		<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Steven Raisa	1900 - 3 <sup>rd</sup> Street	steve@burningman.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Cal Rutherford	619 Illinois St. #201		<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Rosann Rutherford	619 Illinois St. #201	rosannrd@aol.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Loring Sagan	801 Tennessee	loring@lso-architecture.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Marc Infield	701 Minnesota #101	marc@infieldesign.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Chris Chulfo	1325 Indiana St. #109	chulfo@chulfo.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Alan Marbo	1325 Indiana St. #109	amarko1@msac.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Omar Jabbar	617 Terry Francois	omar.jabbar@gmail.com	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Native

Address

Email

I can  
send a letter

I can  
attend a hes

- |     |                              |                                |                                |                                     |                                     |
|-----|------------------------------|--------------------------------|--------------------------------|-------------------------------------|-------------------------------------|
| 15. | Meryl Krouss                 | 701 Minnesota St. #215         | mkrouss@gmail.com              | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 16. | Erin Rooney                  | 2501 Mariposa St.              | erinshawna@hotmail.com         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. | San Francisco Arch. Heritage | 2007 Franklin St.              | cechase@sflheritage.org        | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 18. | Dogpatch Neighborhood Assoc. | P.O. Box 78245                 | eslickdesigns@mindspring.com   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 19. | Potrero Boosters             | 1459 - 18 <sup>th</sup> Street | tonykelly@thickdescription.org | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 20. | Naji Jackson                 | 338 Prague Street              | nj_03_05@hotmail.com           | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 21. | Larry Fournier               | 757 Pennsylvania Ave           | larryfour@earthlink.net        | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 22. | David Van Wert               |                                | davidvanwert@yahoo.com         | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 23. | Daniel Baker                 | 300 Beale St. #304             | dan@danielbaker.com            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 24. |                              |                                |                                | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 25. |                              |                                |                                | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 26. |                              |                                |                                | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 27. |                              |                                |                                | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 28. |                              |                                |                                | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 29. |                              |                                |                                | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 30. |                              |                                |                                | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 31. |                              |                                |                                | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 32. |                              |                                |                                | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 33. |                              |                                |                                | <input type="checkbox"/>            | <input type="checkbox"/>            |

Name	Address	Email	I can send a letter	I can attend a
16. Vanessa Avulino	1106 Tennessee St.	vanes_ajulino@yahoo.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Miroslav Krouse	701 Minnesota St. #215	mikrouse@gmail.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18. Oscar Donatello	954 Minnesota St.	oscar_donatello@gmail.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. KATHLEEN NAVARRA	2423 Polk St	KATHLEEN@NAVARRADESIGN.COM	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Nancy Eslick	116 Franklin St	neslick@mintgrain.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Ruth Itagopian	25 Capistrano Ave SF	comaz2000@aol.com	<input type="checkbox"/>	<input type="checkbox"/>
22. Madda Kahn	205 Ripley St	SF 94110	<input type="checkbox"/>	<input type="checkbox"/>
23. JOSIE CARTER	26 PROSPECT	SF CA 94110	<input type="checkbox"/>	<input type="checkbox"/>
24. CHRISTOPHER KENDRICK	1131 Tennessee St.	info@irinauphotography.com	<input type="checkbox"/>	<input type="checkbox"/>
25. AMANDA LIND	1189 Tennessee St.	SF 94107	<input type="checkbox"/>	<input type="checkbox"/>
26. COLLEEN SWACK	757 PENNSYLVANIA AVE.	SF. 94107	<input checked="" type="checkbox"/>	<input type="checkbox"/>
27. STEPHAN ANTONIANNIS	2298 FUND SF	14107	<input checked="" type="checkbox"/>	<input type="checkbox"/>
28. LORRAINE VINSON	2148 3rd STREET	SF 94107	<input type="checkbox"/>	<input type="checkbox"/>
29. Marjorie Sapan	801 - 22nd St	SF CA 94107	<input checked="" type="checkbox"/>	<input type="checkbox"/>
30. Kevin McLeod	121 Tennessee St #2	Kevin@mcleodsf.com	<input type="checkbox"/>	<input type="checkbox"/>
31. GRACE FURST	1121 TENNESSEE ST #1	grace@gracefurst.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
32. Grace Montalvo	2345 3rd St.		<input type="checkbox"/>	<input type="checkbox"/>
33. Brenda Garbe	944 Minnesota St	brenda@yogamats.com	<input type="checkbox"/>	<input type="checkbox"/>
34. Susan Fitch	954 Minnesota St	susan.fitch@gmail.com	<input type="checkbox"/>	<input type="checkbox"/>
35. Charmaine Lynn	1057 Tennessee St.	ylg316@hotmail.com	<input checked="" type="checkbox"/>	<input type="checkbox"/>
36.			<input type="checkbox"/>	<input type="checkbox"/>

2235 Third Street - Support Petition

I support the 2235 Third Street project and the Draft Central Waterfront Plan Demonstration District rezoning proposal. This project is a model of neighborhood-sensitive, transit-oriented residential infill development and would set a high standard for future development in the area. This project has been unfairly delayed for no sound policy reason. Approving it now would benefit both the City and our neighborhood.

- I urge Supervisor Maxwell to follow the community's lead and sponsor the Central Waterfront Plan Demonstration District rezoning that will fit this project possible.
- I respectfully request the Planning Commission to approve 2235 Third Street and let it move forward. Support what the community wants and delays.

Name	Address	Email	I can send a letter	I can attend a meeting
1. Edward Blaise	1100 Tennessee	edblaise@comcast.net	<input type="checkbox"/>	<input type="checkbox"/>
2. Patrick Hackett	805 22nd St. 94107	hackett@comcast.net	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3.			<input type="checkbox"/>	<input type="checkbox"/>
4.			<input type="checkbox"/>	<input type="checkbox"/>
5.			<input type="checkbox"/>	<input type="checkbox"/>
6.			<input type="checkbox"/>	<input type="checkbox"/>
7.			<input type="checkbox"/>	<input type="checkbox"/>
8.			<input type="checkbox"/>	<input type="checkbox"/>
9.			<input type="checkbox"/>	<input type="checkbox"/>
10.			<input type="checkbox"/>	<input type="checkbox"/>
11.			<input type="checkbox"/>	<input type="checkbox"/>
12.			<input type="checkbox"/>	<input type="checkbox"/>
13.			<input type="checkbox"/>	<input type="checkbox"/>
14.			<input type="checkbox"/>	<input type="checkbox"/>
15.			<input type="checkbox"/>	<input type="checkbox"/>



SAN FRANCISCO  
ARCHITECTURAL  
HERITAGE

May 2, 2007

Mr. Michael Yarné  
Martin Building Company  
54 Mint Street, 5<sup>th</sup> Floor  
San Francisco, CA 94103



Re: 2235 Third Street

Dear Mr. Yarné:

On behalf of the Issues Committee of San Francisco Architectural Heritage, thank you for the opportunity to review the proposed development at 2235 Third Street. The following comments reflect the information received during your presentation before the committee on May 1, 2007.

The Issues Committee of San Francisco Architectural Heritage would like to commend the project team for their proposal to develop new rental housing that includes the rehabilitation of three remaining historic resources on the site dating from the first quarter of the 20<sup>th</sup> century.

Heritage believes you have appropriately addressed the scale and massing of the surrounding resources on both Illinois Street and Third Street. There is a clear reference to the vertical height and proportion found at the American Can Company along Illinois Street, and the proposed housing elements found along Third Street are compatible in mass and proportion with the masonry buildings on the site. In our opinion, these are highly important attributes for the new construction to address.

It would be extremely valuable, as the project progresses to understand how the structure for the housing planned above 2255 Third Street, the smallest of the masonry buildings, will be executed to minimize the impact to the resource.

We would look forward to your return to the Issues Committee as the details of this project are further defined. If you require clarification or have any questions, please do not hesitate to contact me.

Sincerely,

Charles Edwin Chase, AIA  
Executive Director

CEC/s

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Executive Director

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CALIFORNIA 94109  
TEL 415-441-3000  
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Issue 2235



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94102-4322  
t 415.771.4726  
f 415.771.7281  
www.spur.org

26 March 2008

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Substantive Director  
Executive Director  
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Ms. Katie O'Brien  
Martin Building Company  
54 Mint Street, 5<sup>th</sup> Fl.  
San Francisco, CA 94103

Re: SPUR Endorsement of  
Proposed Mixed-Use Residential Development at 2235 Third Street

Dear Ms. O'Brien:

On behalf of the members of the SPUR Project Review Committee, we would like to thank your team for bringing the proposed mixed-use residential development at 2235 Third Street to our group for consideration and review at our March 2007 meeting. As a result of our review at that meeting and in subsequent discussions, we are very pleased to offer SPUR's endorsement of the project.

We believe that the proposed project will have significant potential to contribute to the vibrancy of the Dogpatch neighborhood and the Third Street corridor. Based on our review criteria, we offer the following comments in support of our reasons behind our endorsement, and a few suggestions which we think would make the project even more compelling.

**Land Use**

The 2235 Third Street project proposes to incorporate a 3-story and a single-story brick warehouse, both of which front onto Third Street and which the City has designated as historically significant (Category "B"), into a development consisting of 179 residential rental units, approx. 19,000 sf of ground floor grocery store and restaurant, a daycare center and semi-subterranean parking. In addition to the historic structures, the site currently contains a scrap metal yard. In addition to rehabilitating the two historic structures, the new development would consist of three new freestanding structures, as well as an additional building attached to the smaller one-story warehouse. Heights of the new buildings on Third Street will be 35' stepping back twenty feet to a height of 50'. Façades fronting Illinois Street, which is lower, will rise to 65'.

We strongly support intensive residential development at this location immediately adjacent to a stop on the Muni 3<sup>rd</sup> St. rail line. The project exhibits an appropriate density and use for this main transit corridor. We especially commend the developer for making the units available to renters. While the committee appreciates the sensitivity of the integration of the historic warehouses into the development, as well as the strong neighborhood support for lower heights, we feel it is somewhat of a missed opportunity that, for reasons beyond the developer's control, there be low and diffused massing along such a central and wide transit boulevard.

5  
In an ideal scenario, a stronger streetfront, with taller buildings, would have been desirable and in keeping with the scale of the street. The sensitive adaptive re-use of the larger warehouse as a publicly accessible retail space somewhat mitigates these drawbacks, however.

The development proposes 157 parking spaces (some using parking stackers), 50 bicycle spaces and one carshare space. No spaces are designated for the commercial uses, one of which is a hoped-for grocery store. We commend the use of the stackers, and the less than 1:1 parking-to-unit ratio in such proximity to mass transit. We also applaud the developer for de-coupling the spaces from the units, allowing future residents to save on the expense of parking and to instead use alternative transportation. As carsharing becomes more popular, we would hope to see an increase in the spots allotted to carsharing, and appreciate your efforts to increase the number of spots. Finally, we are very supportive of the inclusion of space for a much-needed grocery store, but we have some concerns about the store's viability without any parking at all. While we appreciate your reasoning that the store is relatively small at 7,000 sf, given the nature of grocery shopping and carry large parcels, a few spaces with easy access from the main street would broaden the spectrum of who could use the store and increase the chances of survival for this important neighborhood amenity.

#### **Public Realm Interface and the Promotion of a Pedestrian-Oriented Environment**

6  
This project's relationship to Third Street is influenced by two overriding factors: the existing brick warehouses and the very narrow available sidewalk. The designers have done well to try to carve out "alcoves" to widen the sidewalk at spots to create a variety of pedestrian streetscape spaces. These spaces also serve as portals to the pedestrian passageways that cut through the block. The Project Review Committee urged the project sponsor to consider leaving the passageways, especially the north one, open to the public for as many hours of the day as possible, and we are very pleased to see your commitment to maintain free public access during daylight hours. Further, it will be essential to activate these nooks to ensure that they function as desired. The southern alcove has enough space to potentially take on a number of functions, particularly if the northern half of it were not overhung by the building above.

The Illinois Street side, with its façade of residential balconies, windows, and gardens is scaled appropriately for both its function and setting in a semi-industrial neighborhood (as discussed in the next section). The existence of the building parking at street level on this side, as well as the edging of the street by individual private tall-gated entry courtyards, may preclude much meaningful activation of the street for pedestrians. We believe that some minor but thoughtful design revisions on this street façade could yield significant improvements.

#### **Building & Landscape Design**

10  
Given the planning constraints imposed on the site, the project's massing, and the modern, mildly industrial feel of the design is appropriate to the site and Dogpatch neighborhood. We appreciate the effort to develop a project that exhibits a modern architectural vocabulary, and believe that this is especially important for this quickly developing neighborhood, and as a expression that



distinguishes it from its historical components. There was some discussion as to the desirability of a long continuous façade, reflecting the linearity of Third Street and the precedent of its many industrial structures, versus a design articulated into smaller, discrete elements more in scale with the existing warehouses. We believe both approaches have merit in this context. The Illinois Street façade, by contrast, evinces a much stronger and more unambiguous presence. We appreciate the height, idiom, and rhythmic density of this façade, and hope that it will keep these characteristics as the final unit layouts shape it.

We feel that the outdoor spaces, both public and private, have not yet been optimized, and hope that these spaces have been further developed since we last viewed the project. The interior courtyards (and covered passageways) will be mostly shielded from direct sunlight, and use is further discouraged by the fact that they front onto private patios as opposed to public lobbies. The rooftop areas have great potential beyond the modest roof deck shown, and would likely afford panoramic bay vistas. However, because these items do not directly affect the public realm, they are not paramount in our view on the project.

The daycare center is a very welcome amenity, but its siting and access should be further considered in terms of access to sunny open play space, and the center's privacy from the main circulation of the building should be maintained.

#### **Environmental Effects**

SPUR believes it is essential for projects to build environmental sustainability into their design and function, and encourages the project sponsor to incorporate sustainability as an ongoing priority from the outset of the design process rather than as an "add-on" at a later stage. As climate data press the case for sustainability ever more urgently, and more and more sustainable building elements and systems have become mainstream, the question of "Can we afford it?" has reversed to "How can we not?"

We appreciate the stated desire of your team to incorporate such elements, your intent to certify the building with a green rating agency, as well as your inability at this early stage to articulate the particular features the project may contain. However, to date the project's environmental commitments have been strong but you have not yet committed to specific features, or a specific certification agency or level. SPUR expects that any project which merits our endorsement will exhibit sustainable features well beyond the minimum baseline standards, which are themselves becoming more and more rigorous each year. Therefore, we feel that any project of this size that receives our endorsement should aim, for LEED Gold or the equivalent. Your use of a brownfield site immediately on a mass transit corridor is an excellent foundation on which to build a very green project. Furthermore, the auspicious siting of the parcel, and height of the building relative to its neighbors, makes solar power and/or green roof for the extensive, sunny, south-facing roofs an especially promising opportunity. We look forward to hearing more from you as you develop the sustainability features of this project.

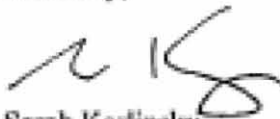
**Conclusion**

SPUR finds 2235 Third Street to have significant potential to contribute to the vibrancy of the Dogpatch neighborhood and the Third Street corridor, enlivening it with the presence of full-time residents, reactivating historic buildings, and making streetfront retail space available. We enthusiastically support this thoughtful proposal which provides much needed housing, a market, and a childcare facility in an underserved neighborhood, along a transit corridor, with sensitivity to the historic resources. We also strongly advocate for the project as a paradigm for other residential and mixed-use developments in the Central Waterfront district, and as a project which we hope will receive speedy approval to break the logjam of projects awaiting approval under the district's temporary zoning controls.

We thank you for committing your time and resources to the presentation at SPUR, appreciate the fact that you have presented your proposal to us at an early stage in its development so that you were able to take many of our recommendations into consideration.

We are pleased to endorse this carefully considered, worthwhile project.

Sincerely,



Sarah Karlinsky  
Policy Director

For Rueben Schwartz and Kirby Sack, Project Review Committee Co-Chairs



January 29, 2007

Mr. Michael Yarne  
Martin Building Company  
54 Mint Street, 5<sup>th</sup> floor  
San Francisco, CA 94103  
415-348-4620

**Ref: 2225-55 Third Street (2235 Third Street) Endorsement Request**

Dear Mr. Yarne,

Thank you for submitting your proposed project at 2235 Third Street to the San Francisco Housing Action Coalition (SFHAC) for our endorsement consideration. We appreciated your presentation to our Endorsement Committee on January 24, 2007. The SFHAC is pleased to inform you of our endorsement of 2235 Third Street. Our Endorsement Committee believes the project merits strong support, as it will contribute to SFHAC's mission of increasing the supply of well-designed, well-located housing that meets the needs of present and future San Franciscans.

The project meets our endorsement criteria in the following ways:

**Land Use:**

The proposed use of the site is very appropriate. The site is located on Assessor's Block 4058, Lot 10, bounded by 20<sup>th</sup> Street to the south, Third Street to the west, 19<sup>th</sup> Street to the north, and Illinois Street to the East. The lot is currently home to two vacant, designated historic, buildings. These buildings will be renovated and new buildings will be constructed to provide an excellent example of a mix of affordable housing and PDR uses on the same site within a mixed-use area. The site is the most lead contaminated site in the city, and we are pleased to see this prime example of land rehabilitation.

**Project Size:**

The development consists of 179 residential units, five 3-bedroom units (3%), 30 2-Bedroom units (17%), 81 1-Bedroom units (45%), and 63 Studio Units (35%) housed

above approximately 19,000 sf of commercial ground floor retail/restaurant space. The development also includes 1,500 GSF of on-site day care services.

**Density:**

The project proposes to establish a "Draft Central Waterfront Plan Demonstration District" (DCWP), which would allow for greater housing density along the waterfront. The DCWP January 2003 draft proposes to enact a Mixed Use Residential District (MURD) and increase the existing height and bulk district from 50-X to 65-X. This plan also proposes to eliminate dwelling unit density restrictions. The SFHAC supports the creation of this DCWP as it is a key step in promoting mixed-use land development in the Eastern Neighborhoods.

**Affordability:**

The project will meet its inclusionary housing requirement by providing 26 for-sale below-market-rate (BMR) units on site. At 15% on site BMR housing, this project exceeds the requirements and shows a commitment to creating a mixed income community. The SFHAC strongly supports creative means to make housing more available to wider range of incomes, and creating inclusionary BMR housing is an excellent way to do this.

**Transit Orientation and Parking:**

*Transit Orientation:* The development is in a very transit-rich area. It is located directly adjacent to the Third Street MUNI light rail stop. There are also bus lines and bike lanes within easy walking distance from the development.

*Parking:* This project proposes to eliminate minimum parking ratios and require that parking be decoupled from the rental or sale of residential units. This project is a great example of creative parking solutions. The project offers a less than 1:1 parking ratio, while still providing 157 parking spaces for the 179 units. The parking is not intrusive, and requires only one curb cut. Of the 157 spaces in the below ground parking garage/patio, 37 are independently accessed while the remaining 120 spaces are stacked. The SFHAC supports creative strategies to eliminate land use for parking lots, and stacked parking is a viable alternative. The project also proposes 50 bicycle spaces and one City Carshare space. This kind of development gives residents the choice to be car free.

**Preservation:**

The two existing historic buildings will be preserved and renovated. They will both remain entirely free standing, with the exception of a small bridge connecting them to the new buildings.

**Design:**

The development aims to blend existing historical buildings with modern residential units. Keeping the existing historical buildings free standing allows the viewer to appreciate the industrial history of the area. The project uses the change in street grade to capitalize on height restrictions, thereby allowing an increase in density without negating

visual access to the historic one story building. The units fronting on Illinois Street will have suspended industrial style stairways leading into outdoor spaces located at ground level. This design maintains human scale while allowing privacy and green space for residents.

We are pleased with the amount of common usable open space for residents. The project also proposes establishing a "Green Trust". We are excited to see what can be accomplished by San Francisco's first non-profit, neighborhood-based, open space trust fund.

**Community Input:**

We understand that the project has the support of the Dogpatch Neighborhood Association and the Potrero Boosters. We appreciate how much effort went into community outreach for this project. We wish to commend you for your inclusive affordable housing. This shows a commitment to maintaining the character of the neighborhood, while at the same time increasing the economical value of the central waterfront.

We wish to applaud you for your efforts to design and build a landmark facility at this historic location. We recognize and appreciate your community outreach and engagement of the surrounding neighbors, and support many of the changes you have already incorporated into the design. This project will improve the area immensely, and we believe that this development can result in an even stronger and more robust contribution to the neighborhood fabric.

In summary, we believe your project is most worthy of our endorsement for the reasons noted above. Please keep us abreast of any modification to the project as well as the development schedule, and inform us of any upcoming hearings. We will gladly advocate for this project.

Sincerely,



Tim Colen  
Executive Director

■ 381 California St., 14<sup>th</sup> Floor  
San Francisco, CA 94111  
(415) 951-6606

# BAY AREA COUNCIL

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 President & CEO  
 Silicon Valley Bank Financial Group

**JANET L. YELLEN**  
 Vice & CEO  
 Reserve Bank of San Francisco

**J. DEBMAN**  
 President & CEO  
 Bay Area Council

January 30, 2008

Ms. Katie O'Brien  
 Martin Building Company  
 54 Mint Street, Fifth Floor  
 San Francisco, CA 94103

Dear Ms. O'Brien,

The Bay Area Council is very happy to endorse the 2235 3rd Street project.

The 2235 3<sup>rd</sup> Street project scored extremely highly in all the criteria we employ to evaluate proposed housing projects, namely; transit orientation, project size, efficient use of land, adaptive re-use of land, promotion of affordability, environmental design, mixed use, and the promotion of community input to the design process.

The Housing Endorsement Committee feels that this is precisely the type of dense, transit-oriented, infill housing that San Francisco and the rest of the Bay Area should be promoting and building if we are to preserve the health of our economy and our physical environment.

The lack of all types of housing at all levels of affordability has become a major threat to the economy of the Bay Area. The region's employers are finding it increasingly difficult to attract and keep the top talent in the Bay Area because the high cost of housing here. With our population expected to grow by 20% in the next 25 years, this housing shortage, along with associated problems of sprawl, congestion and environmental pollution, are going to get much worse unless more projects like 2235 3<sup>rd</sup> Street are approved and built.

We congratulate you and Martin Building Co. for producing a well designed and well situated project that will provide much needed housing for the residents of San Francisco.

Sincerely,

  
 Matt Regan  
 Director of Housing  
 Bay Area Council

The Bay Area Council is a business-sponsored, public-policy advocacy organization for the nine-county Bay Area. The Council proactively advocates for a strong economy, a vital business environment, and a better quality of life for everyone who lives here.

\*\* Ranking

Exhibit 28

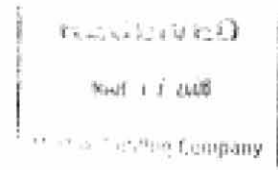
Member, Board of Supervisors  
District 10



City and County of San Francisco

SOPHIE MAXWELL

蘇菲妮亞(蘇菲)·馬克斯韋爾



March 5, 2008

John Rahaim, Director of Planning  
San Francisco Planning Department  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Re: 2235 Third Street - Draft Central Waterfront Plan Demonstration District

Director Rahaim:

I am writing to you regarding a development project located in District 10. I have been in conversation with the project sponsor, Martin Building Company, over the past 4 years regarding their proposed project at 2235 Third Street.

I have vetted the project with the sponsor and recognize the work they have done to actively engage the community in the design process and incorporate neighborhood input into the project.

The project sponsor is seeking approval of a Draft Central Waterfront Plan "Demonstration District" rezoning at 2235 Third Street. It is my understanding that this rezoning would generally comply with the Planning Department's Draft Central Waterfront Area Plan, as analyzed in the Eastern Neighborhood's Environmental Impact Report.

It is my policy not to approve individual rezoning projects prior to the certification of the final CEQA analysis, and specifically in this case, the Eastern Neighborhoods Program EIR. After the Eastern Neighborhoods EIR is completed and certified, I intend to support the rezoning required for the 2235 Third Street project. Lastly, I am aware that the project sponsor is seeking approval of both a Code conforming development and the proposed rezoning project.

Sincerely,

Sophie Maxwell, Supervisor  
District 10

- cc: Larry Bodiner, Zoning Administrator
- Tim Frye, Preservation Planner
- Ken Rich, Eastern Neighborhoods Project Manager
- Katie O'Brien, Martin Building Company