2nd AND B STREETS HOUSING DEVELOPMENT PROJECT 815 B Street, San Rafael, CA

FINAL ENVIRONMENTAL IMPACT REPORT

STATE CLEARINGHOUSE NO. 201306053

PREPARED FOR THE CITY OF SAN RAFAEL BY NEWMAN PLANNING ASSOCIATES

APRIL 25, 2016

INTRODUCTION

The 815 B Street Housing Development Project Final Environmental Impact Report (Final EIR) provides responses to comments on the Draft EIR received during the 45-day comment period that commenced on September 18, 2015 and closed on November 10, 2105.

The City of San Rafael received 8 written comments on the 815 B Street Housing Development Project Draft EIR during the comment period. On November 10, 2015, the Planning Commission held a public hearing to take oral comments on the Draft EIR. During the public hearing, 10 individuals, including the Planning Commission members, provided comments.

The Final EIR provides responses to the above noted comments and includes the original communications in the Appendix, in the order listed below. In some cases, the comments provided either in writing or orally focused on the merits of the project rather than the environmental impacts discussed in the Draft EIR. In those cases, the comment is included in the Final EIR Appendix with a note stating "no response required" next to the individual's name in the list below. Concerns raised in relation to the project merits will be addressed in a future Staff Report to the Planning Commission.

In addition, a Mitigation Monitoring and Reporting Program (MMRP) table has been prepared that incorporates the Mitigation Measures recommended in the Draft EIR and provides implementation methods to fulfill these requirements. Finally, copies of all written correspondence as well as the public notice and Planning Commission Staff Report on the Draft EIR are provided.

The following is the complete list of written and oral comment documents received during the comment period on the Draft EIR:

A. Written Comments

- 1. Department of Transportation letter dated October 21, 2015
- 2. Monahan Parker Inc. letter dated November 4, 2015
- 3. Hugo and Cynthia Landecker, email dated November 10, 2105
- 4. Cecily O'Connor email dated November 10, 2015 (no response required)
- 5. Gus Meyer, email dated November 10, 2015 (no response required)
- 6. William Callahan, email dated October 5, 2015 (no response required)
- 7. William Callahan, email dated November 20, 2015 (no response required)
- 8. Sean Mooney, email dated November 5, 2015 (no response required)

B. Oral Comments Presented at the Planning Commission Hearing

- 1. David Fisher
- 2. Hugo Landecker
- 3. Amy Likover
- 4. Bill Callahan
- 5. Planning Commissioner Viktoriya Wise
- 6. Planning Commissioner Berenice Davidson
- 7. Planning Commissioner Jack Robertson
- 8. Planning Commissioner Larry Paul
- 9. Planning Commissioner Gerald Belletto
- 10. Planning Commissioner Barret Schaefer
- C. Mitigation Monitoring Program Table
- D. State Clearinghouse Letter, Public Notice and Staff Report for the Planning Commission Public Hearing

REPONSES TO COMMENTS ON THE DRAFT EIR

A. WRITTEN COMMENTS

1. Department of Transportation, District 4; October 21, 2015

Comment 1.a: Our comments seek to promote the State's smart mobility goals and are based on the Draft Environmental Impact Report. Please reference the attached letter dated June 26, 2013, as these comments still apply.

Response: The City received the June 26, 2013 comment letter from Caltrans in response to the Notice of Preparation for the Draft EIR. These comments were considered as part of preparation of the Draft EIR. During the 45-day comment period on the Draft EIR, Caltrans reiterated these comments in the letter dated October 21, 2015.

On page 8, the Draft EIR concludes that potentially significant impacts related to Transportation/Traffic can be reduced to a less than significant level through mitigation measures identified in the Initial Study. This conclusion was supported by the findings of a Focused Traffic Study prepared by W-Trans, Inc. In their study, W-Trans concluded that the projected peak hour traffic demand from the project would result in less than significant impacts to the local intersection at B and 2nd Street. Further, the project would be subject to the City's Traffic Mitigation Fees, which is a recommended Mitigation Measure (see Trans-1).

Comment 1.b: Focused Traffic Analysis: Please perform a queuing analysis to evaluate any potential impacts to U.S. 101 NB and SB mainlines. Figure 1 of the Focused Traffic Analysis for a Mixed Use Development at 2nd/B Streets indicate that project-related trips would impact the SB 101 off-ramp to Mission Avenue and NB 101 off-ramp to 2nd Street.

Response: The potential traffic impacts resulting from the project were analyzed in a Focused Traffic Study prepared by W-Trans, Inc. The project is anticipated to generate a net increase of 15 a.m. trips and 16 p.m. trips. This is a relatively small number of trips and only 60%, or 9 – 10 trips, are anticipated to use any segment of U.S.101, and of those only 7 – 9 trips are anticipated to be in a single direction. With fewer than 10 trips added to any segment of U.S. 101, which has 8 lanes (4 lanes in each direction) and currently carries approximately 140,000 vehicles per day and 16,000 vehicles during peak hour, it is reasonable to conclude

that the 0.06 % increase associated with project-related trips will have a less-than-significant impact on the existing operations of U.S. 101. Further analysis as requested by Caltrans would be unnecessary.

Comment 1.c: Transportation Demand Management: We also encourage you to develop Travel Demand Management (TDM) policies to encourage smart mobility and use of the nearby San Rafael Transit Center and Marin Transit routes 68, 122, and 125. To reduce regional VMT and traffic impacts to the State highway system please consider the TDM options listed below:

- Project design to encourage walking, bicycling, and convenient transit access,
- On-site showers and bicycle racks to accommodate employees using modes of active transportation,
- Adoption of preferential carpool parking near the building entrance as an incentive for employees,
- An aggressive trip reduction target with Lead Agency monitoring and enforcement,
- Employer subsidy contributions to promote the use of public transit, and
- Public-private partnerships or employer contributions to provide improved transit or shuttle service in the project area.

Response: These are recommendations to encourage smart mobility and use of available transit options. TDM policies are typically applied to non-residential projects and are based on employment generation. The project is primarily a residential project with very limited commercial space (less than 2,000 sq. ft.), which would not justify implementation of a TDM program because it would not provide any demonstrative reduction in traffic impacts due to the small size of the project's commercial component. The project does support pedestrian and bicycle use through streetscape enhancements and by providing secured, covered bicycle storage in the garage.

2. Monahan Parker, 1101 5th Avenue, San Rafael. Project Applicant. Letter dated November 4, 2015

Comment 2.a: Project Objectives have not been listed in their entirety, resulting in flawed and inaccurate conclusions of Project Alternative. On page 21 of the Consultant's Report, five (5) Project Objectives are noted. Monahan Parker's October 31, 2014 submission of Project Objectives for the Proposed Project, attached (Exhibit A), lists seven (7) project objectives. Objective #6 states, "To improve the site and neighborhood livability via developing the site with an economically and technically feasible project." This is an essential goal of the project and should be included in the EIR as such. Therefore, we request that the Project Objectives on p. 21 of the DEIR be revised to include this important

objective and that the alternatives' discussion be revised to include consideration of each alternative's conformance with this objective.

Response: The applicant's list of project objectives was lengthy and somewhat repetitive, therefore the Draft EIR list of objectives presents an edited and slightly shorter version of project objectives. CEQA Section 15124(b) states that "a clearly written statement of objectives will help the lead agency develop a reasonable range of alternatives to evaluate in the EIR and will aid the decision makers in preparing findings or a statement of overriding considerations, if necessary. The statement of objectives should include the underlying purpose of the project". This section makes clear that the project objectives are a guideline for developing a reasonable range of project alternatives to be studied in the EIR and are not a mandate. Other sources of information used to develop the range of alternatives for study include public comments on the Notice of Preparation and also the Planning Commission's suggestions at the time of the EIR Scoping Hearing. The applicant's stated objective "to develop an economically and technically feasible project" is understood but cannot be a reason to prevent the City from looking at a reasonable range of alternatives, as required in Section 15126.6(f)(1), which states that among a list of considerations for selecting alternatives for study, "No one of these factors establishes a fixed limit on the scope of reasonable alternatives".

Comment 2.b: Preservation On-Site Alternative: This alternative is not consistent with the Project Objectives provided by the applicant to the City, specifically Objective #6, discussed above. As calculated in Exhibit #3 of the Applicant's May 14, 2015 Alternative Feasibility Study, the Preservation Onsite Alternative would result in a project loss of \$4,271,828, which includes costs for the rehabilitation of the two existing houses, and decreased size of the proposed project by 14 units...In addition to the failure of this alternative to achieve this objective, the alternative should be rejected because it is economically infeasible (See CEQA Guidelines Section 15126.6(f)(1), discussion of feasibility, which includes "economic viability").

Response: It is true that CEQA Guidelines Section 15126.6(f)(1) discusses the feasibility of alternatives as a factor "that may be taken into account" in addition to a number of other equally important factors, including: "site suitability, availability of infrastructure, general plan consistency, other plans or regulatory limitations, jurisdictional boundaries, and whether the proponent can reasonably acquire, control or otherwise have access to the alternative site". The DEIR discusses the applicant's financial feasibility analysis of this alternative on p. 66, acknowledging their finding that it would not be feasible from an economic perspective. The DEIR analysis questions certain assumptions that led to this

conclusion such as the estimated cost to fully rehabilitate the Victorian units for sale rather than a lower cost to maintain them as rental units, which would also enhance their affordability. Thus, the authors conclude that this alternative provides the preferred mitigation for the potential significant unavoidable impact of demolishing the cultural resources and points out that there may be other ways to achieve this goal that could be financially feasible. For example, reducing the size of the project to preserve the Victorian-era structures would not necessarily require a reduction in the number of units, or density; only the size of the units would be affected.

Comment 2.c: In addition, the Applicant disagrees with the DEIR's statement on page 64, "The retention and rehabilitation of the existing two Victorian residences and reduced project would enhance the relationship of the project to the surrounding neighborhood in terms of architectural style, provide an adequate setting for the historical structures, and would eliminate the loss of historic resources". Because the extensive financial loss that would occur would render this project economically infeasible, this alternative would leave the existing structures and the neighborhood in its current blighted condition...We therefore request that the above statement on p. 64 of the DEIR be revised to reflect the likely outcome of this alternative.

Response: The purpose of this alternative is to consider a modified project design that retains the existing Victorian structures on site, thereby eliminating the significant unavoidable impact from the loss of cultural resources. As noted in the response to Written Comment 2.b, above, the DEIR discussion raises questions about the assumptions underlying the applicant's conclusion that this alternative is financially infeasible.

Comment 2.d: Preservation Off-Site Alternative. The result of the Preservation Off-site Alternative remains a financial failure, which fails to meet the project's goals and objectives. The DEIR's claims that any of these relocation sites satisfy the project goals and objectives is again incorrect, due to the fact that the DEIR does not take into consideration the Project's Objectives, specifically objective #6. As with the Preservation on-Site Alternative, the alternative should be rejected because it is economically infeasible (See CEQA Guidelines Section 15126.6(f)(1), discussion of feasibility, which includes "economic viability").

Response: The applicant's financial analysis regarding the "Preservation Off-site" Alternative is discussed on page 76 of the DEIR. Similar to the "Preservation On Site" alternative, the DEIR questions certain assumptions of the applicant's financial feasibility analysis such as the cost to purchase the land for relocation, which might not be necessary if the receiving owner wanted to purchase or receive a donation of the Victorians and retain ownership of the land.

Therefore, it is possible that a different set of assumptions would render this alternative financially feasible.

Comment 2.e: Preservation Off-site Alternative Financial Feasibility. The DEIR claims that one of the four property owners is interested in taking the two structures while maintaining ownership of the property, which would then result in a reduction of the construction cost of the project, and therefore financially feasible...The information presented in the DEIR regarding an "interested property owner" is insufficient to make an accurate assessment of the feasibility of the economic impacts.

Response: In January 2015, the project sponsor attempted to contact the owners of the four sites studied in the Off-Site Relocation Alternative analysis. This list of sites was developed by City staff and the EIR consultant as part of the "reasonable range of alternatives" required to be analyzed in the Draft EIR. In June 2015, City staff attempted to contact the owners of the four sites to inform them of this alternative and ask if they were interested to accept relocation of the Victorians on their property. Staff received a phone call from the manager of Alternative Site A (a parking lot located on B St. adjacent to the former Cosmopolitan Hotel), expressing interest in possibly accepting one or both of the structures from the project site; however, no further contact or interest has been expressed since.

Staff also received an email response from the owner of Alternative Site D (a parking lot located between 1135 and 1145 Mission Ave.), declining any interest in selling the site to the project sponsor for the purpose of relocating the Victorian Era structures. At this time, the Off-Site Relocation Alternative sites remain a theoretical option only.

Comment 2.f: Offsite relocation properties A, B & D are currently being used as commercial parking areas for existing buildings with no response from ownership's desire to sell their properties. If the EIR is to seriously consider this alternative, it also must consider the potential impacts of developing replacement parking for the lost lots.

<u>Response</u>: See the Response to Written Comment 2.e above. At this time, the Off-Site Relocation Alternative sites remains a theoretical option only.

Comment 2.g: The Project Sponsor does not believe the Off-Site Alternative is a viable project Alternative without an available relocation property, that is historically appropriate, property (sic) zoned (or a willingness of the City of San Rafael to allow rezoning), and with a property owner willing to sell the property or receive the buildings to be relocated...the Project Sponsor's request

that this alternative be removed as a potential alternative, unless the City of San Rafael can produce a written document before Certification of the Final EIR, from the property owner that they are willing to receive the structures or sell the property.

Response: The Off-Site Relocation Alternative was developed by City staff and the EIR consultant as one among a reasonable range of alternatives required under CEQA to be analyzed in a Draft EIR. An initial list of potential alternatives to be analyzed was presented to the Planning Commission for review and comment at the EIR Scoping hearing. The Planning Commission and public considered the range of three potential alternatives and recommended that staff and the EIR consultant pursue them as well as an additional alternative, the "Adaptive Re-use Alternative".

The Off-Site Relocation Alternative presents a thorough investigation of sites in Downtown San Rafael that could potentially receive the two historic structures and ranks them according to their individual merits and limitations. The financial feasibility analysis, prepared by Monahan Parker, provides an estimate of the costs to relocate and rehabilitate the structures at these sites. While the applicant's argument is clear in their financial analysis that the costs outweigh the gains for each of the four sites studied, this does not render the analysis irrelevant. In fact, the potential remains that with sufficient support by the applicant, community, the City, and the landowner, relocation and rehabilitation costs could be minimized and the outcome could be financially feasible. Nevertheless, recognizing the many variables inherent in this scenario (physical, policy, and financial), the Off-Site Alternative was not selected as the Environmentally Superior Alternative.

Comment 2.h: The Project Sponsors believe, supported by our Architect's professional opinion Adaptive Re-Use of the existing buildings would not result in an homage to the historic nature of the neighborhood but, rather, would result in a contrived aesthetically unattractive appearance...In light of the Project Architect's attached letter the project Sponsor requests that the Adaptive Reuse Alternative be determined to be not a viable project alternative.

Response: Quoting the applicant's financial feasibility analysis, the DEIR states that Adaptive Reuse, in the sense of incorporating architectural elements from the existing Victorian structures into the mixed-use project design, would not benefit the Aesthetics of the new building nor pay homage to the Victorian structures themselves (DEIR, p. 78). While this is generally the case, this option was not fully explored as an alternative because the applicant did not submit a design scheme that addressed this alternative, which could in turn be evaluated in response to

the Aesthetics Impact section. The project architect's professional opinion is not illustrated by a design scheme that would demonstrate the unsuitability of this alternative.

The Adaptive Reuse alternative, in the sense defined above, does not preserve the buildings and as a result is also not a viable Preservation alternative.

Comment 2.i: Should the City determine that an additional alternative be necessary to meet CEQA requirements for a "range of reasonable alternatives (per Guidelines Section 15126.6(a)), in light of the infeasibility of several of those considered in the DEIR, we suggest that the project plus mitigation measures identified in the DEIR be formulated into a "Mitigated Project Alternative", which would be a feasible Environmentally Superior Alternative, and which we would wholeheartedly support.

<u>Response</u>: Comment noted. The Planning Commission evaluated the DEIR and written and oral comments during the public hearing and did not request that additional alternatives be considered and agreed with the DEIR conclusion that the Preservation On Site Alternative is the Environmentally Superior Alternative.

3. Hugo and Cynthia Landecker. Email dated November 10, 2015

Comment 3: I would like to see the EIR address the parking impacts on nearby residential districts that do not have metered parking or ready access to public parking lots. The north end of Gerstle Park is already parking impacted...this project will exacerbate this impact.

Response: Analysis of project-induced parking impacts was recently removed as a topic item from the CEQA Guidelines and, therefore, parking is no longer an appropriate topic for discussion in the DEIR or FEIR. In addition, the project, as proposed, would comply with the City's parking requirements. These parking requirements incorporate the parking standards that are available to projects that qualify for a density bonus and concessions from local development standards. The amount of on-site parking complies with the City standard and State density bonus standards and, therefore, is determined to be adequate. This topic will be discussed in detail in the staff report to the Planning Commission on the merits of the project applications.

B. ORAL COMMENTS PRESENTED AT THE PLANNING COMMISSION HEARING, JANUARY 10, 2015

1. David Fisher, Safeway Corporation

Comment 1.a: Safeway Corporation supports the project fully. He is involved with a Safeway foundation focused on historic preservation and has experience moving and restoring Victorian structures. They examined the two Victorians on the subject site and concluded that relocation is not financially viable. However, deconstructing the Victorians for reuse rather than demolishing them is a viable option to support reconstruction of other Victorian buildings. Suggest that a new mitigation measure be created to require deconstruction and reuse of the Victorian buildings.

Response: Salvage of historic materials and features supports environmental sustainability in general, and is standard practice in many cities. The practice has even been adopted as a deterrent to the demolition of historic structures (see for example the City of Portland, Oregon's recent adoption of the policy as part of their demolition ordinance). However, the practice does not necessarily support reconstruction of other Victorian buildings. There is no guarantee that historic building materials and features will be re-used to support the preservation or reconstruction of other Victorian buildings, or even historic buildings. Old growth Redwood, as seen in the structure and cladding of these buildings, is superior to contemporary materials and could be reused for its intrinsic superior qualities as a building material in any type of development.

2. Hugo Landecker

Comment 2.a: B Street historic resources should be included in a Historic District. There are three alternatives to demolition studied in the EIR. Repurposing the Victorians would be acceptable too.

Response: Comment noted. No response required.

Comment 2.b: Address offsite parking impacts of the project on Gerstle Park neighborhood.

<u>Response</u>: See the Response to Written Comment 3 above. The project, as proposed meets the City's parking requirement, which will be discussed in detail in staff's report to the Planning Commission that evaluates the merits of the project applications.

3. Amy Likover, Board Member of San Rafael Heritage

Comment 3.a: Value the Victorians as part of the City's heritage. Replacing the building on the corner of B and 2nd Street is needed. The Victorians should be relocated to the B St. frontage to increase the draw to this historic corridor. The entrance to the new proposed apartments should be located on 2nd St. frontage.

Response: Moving the Victorian buildings to the B St. frontage was considered as part of development of the project alternatives (alternatives considered but rejected), but ultimately dismissed as not viable. B Street, between 2nd and 3rd Streets, was traditionally, and remains to this day, a commercial street. The historic fabric consists primarily of two-story, Italianate storefronts with false fronts. East-west 2nd Street between B and C Streets was historically, and remains today, a primarily a residential street. Moving the Victorian residences would represent a change in location, orientation, and setting for the Victorian residences. The buildings would no longer retain their historic status, as they would not meet the California Register Special Criteria Considerations that require that the new location for a moved building be "compatible with the original character and use of the historical resource. A historical resource should retain its historic features and compatibility in orientation, setting, and general environment".

Comment 3.b: Don't adopt a Statement of Overriding Considerations due to the impacts of the project on pedestrian safety and traffic.

Response: The potential traffic impacts resulting from the project were analyzed in a Focused Traffic Study prepared by W-Trans, Inc., and found to have a less-than-significant impact with implementation of Mitigation Measures. The project technical reports and plans have been referred for comments to applicable City departments, agencies, neighborhood groups, and other interested parties, including both the San Rafael Police Department and the City's Traffic Engineer. The result of this review is that all potential pedestrian safety and vehicular traffic impacts have been mitigated by design modifications to the project or reduced to a less-than-significant impact with implementation of recommended Mitigation Measures and conditions of approval.

4. Bill Callahan

Comment 4.a: Lives and works on B Street and has been involved in consideration of this project since 2005. Believes the two Victorians should stay where they are; they are too important to the City's heritage to move. Instead, the new buildings should be focused on B Street. Reject any project that demolishes the Victorian buildings.

Response: Comment noted. The suggestion to keep the two Victorians where they are, along the 2nd St. frontage, is consistent with the Draft EIR conclusion that the Environmentally Superior Alternative is the "Preservation Onsite" Alternative. See Response to Oral Comment 3.a. above on the infeasibility of relocating the Victoria-era structures to the B St. frontage.

5. Planning Commissioner Viktoriya Wise

Comment 5.a: Need better understanding of the public benefits of the project. Being compliant with the General Plan and affordable housing goals is not enough. Need additional design amenities, including: pedestrian amenities & safety (e.g., pedestrian bulbs similar to that in front of II Davide Restaurant); Sustainable design measures important too.

Response: On February 2, 2016, the project sponsor provided staff with a list of proposed public benefits of the project to support their request for a Statement of Overriding Considerations. The project sponsor's list of benefits will be discussed in depth in the Planning Commission Staff Report that will address the merits of the project. In summary, the project sponsor proposes that the project itself, constructing 41 Downtown rental housing units that include compliance with the City's inclusionary or affordable housing requirement, and the payment of all impact fees is the primary public benefit.

The project sponsor proposes that the following additional aspects of the project are public benefits:

- redevelopment of a "blighted" site, and the resulting "activation' of the neighborhood and improved property values;
- new construction jobs;
- right-of-way improvements, such as new sidewalks, street trees, and the elimination of existing curb cuts along 2nd Street;
- implementation of most Mitigation Measures (CULT1A-D) identified in the DEIR;
- offering the salvage and recycle of the materials from demolition of both historic Victorian-era structures for reuse by other properties or historic structures not related to the project; and
- donation of \$25,000 to the San Rafael Fire Department (SRFD) for the purchase of emergency, life-saving equipment.

Staff has determined that all the proposed on-site and off-site improvements would be required as part of the project review and approval and are not an additional public benefit. These improvements are required as standard conditions to any new development. Similarly, the proposed Cultural Resource Mitigation Measures, as identified in the DEIR, are required to help reduce a cumulative impact (i.e., the loss of context for the two Victorian-era structures within an immediate neighborhood with a high concentration of known or listed cultural resources) to a less-than-significant impact. The loss of the two cultural resources themselves would remain a significant and unavoidable impact that cannot be mitigated.

In addition to reviewing and considering the merits of the project, the Planning Commission will also review and determine whether a Statement of Overriding Considerations would be adequately supported by the project benefits as proposed by the project sponsor, listed above.

The DEIR and FEIR are informational documents to ensure that decision makers, the public and City staff have sufficient information and analysis to render the necessary decisions on a project. The decision of whether to grant a Statement of Overriding Considerations is a separate action by the Planning Commission and is not part of the DEIR or FEIR. The Planning Commission will utilize the information in the DEIR and FEIR and weigh the significant unavoidable impact of the loss of two historic resources against the benefits of the project in determining whether the benefits outweigh the impacts. There will also be other resolutions the Commission has to decide whether to adopt or not, including a Resolution certifying the FEIR and a resolution approving the planning applications (entitlements).

Comment 5.b: Supports Cultural Mitigation Measures as proposed in DEIR.

Response: Comment noted. No response required.

Comment 5.c: Cultural Resources Mitigation: add deconstruction and reuse of the Victorians as a new Mitigation measure.

Response: See response to Oral Comment 1.a. above.

Comment 5.d: Noise Mitigation Measure: include phone number to call when issues arise.

Response: This will be added to the language of the mitigation measure NOISE-3, as shown in Table 1: Mitigation Monitoring and Reporting Program.

Comment 5.e: Aesthetics Impacts: Project has evolved over time. Need to remind the Planning Commission about the evolution of the project design at the next hearing on the project. Ask DPW staff if balconies over the public right-of-way (ROW) can be restored.

Response: The project design has evolved throughout the review by City staff and the Design Review Board (Board). At the time of formal application submittal, the project design included building projections over the sidewalk or right-of-way (ROW), including upper-story eaves, bay windows, uncovered decks/balconies, and a ground-floor canopy projection over both the commercial space and the entrance to the lobby for the residences.

Early comments by the City's Public Works Department required modifications to the project design to eliminate all encroachments over the sidewalk or ROW and to provide a 24'-wide, two-way curb cut for vehicular entrance along the B Street frontage and 20'-deep recessed on-site queuing or stacking 'apron'. The Board recommended the return of the ground-floor canopy projections over both the commercial space and the entrance to the lobby for the residences, which have been incorporated back into the project design. However, without the return of additional articulation to the project design along both street elevations, such as the previous upper-story design features that encroached into the City ROW, as identified in the DEIR Mitigation Measures, the project will result in a significant Aesthetics impact. The Public Works Department has now expressed a willingness to consider such encroachments of architectural features over the ROW, to be administered currently through a revocable licensing agreement or by alternative method that could permit such projections into the ROW. If an acceptable method for regulating such projections is not found, there would continue to be a significant adverse Aesthetics impact with the current project design.

Comment 5.f: The Alternatives analysis section is appropriate and helpful to the Planning Commission for their decision-making.

Response: Comment noted and no response required.

6. Planning Commissioner Berenice Davidson

Comment 6.a: Supports preservation of Victorian structures. Suggest applicant talk to and work with the Marin Historical Society to see if preservation onsite could be viable.

<u>Response</u>: Staff reiterated this comment to the applicant following the DEIR hearing. At this time, Staff has not received any additional information from the applicant.

Comment 6.b: Caltrans letter: It is great that the project is located close to new transportation facilities. Staff should analyze the best management practices suggested by Caltrans as well as a reduction in parking demand due to the project location.

Response: See the response to Written Comment 1.c. above.

7. Planning Commissioner Jack Robertson

Comment 7.a: Agrees that the Draft EIR is thorough and adequate. Thinks it's a good idea to add deconstruction and reuse of the Victorians as a mitigation measure.

Response: See the response to Oral Comment 1.a. above.

8. Planning Commissioner Larry Paul

Comment 8.a: Thinks applicant needs to look at Aesthetics of project again. Building is well designed but not appropriate for the site. Need to enhance the pedestrian experience on B Street; reduce modern look and pick up more historical detail. Also, building needs more interest: North and west elevations are blank – need wrap around design.

<u>Response</u>: Comment noted. This comment is consistent with the Draft EIR analysis and mitigation measures identified. The request for further design details will be addressed in the Planning Commission Staff Report on the project merits.

Comment 8.b: 41 residential units are proposed with 15% of those offered at affordable levels (i.e., 6 units). The number of affordable units needs to be increased to enhance the project's public benefit.

Response: Under both the City's General Plan (Land Use Policy LU-23; Land Use Map and Categories) and Zoning Ordinance (Section 14.05.032; Property development Standards for Downtown Commercial

Districts), the maximum allowed density on the site is 30 residential units. Both the City's General Plan (Housing Policy H-19; Inclusionary Housing Requirement) and Zoning Ordinance (Section 14.16.030; Affordable Housing Requirement) further require that housing projects which propose more than 20 new units provide 20% of the total units at 'below market rates' (BMR) for a minimum of 55 years. Based on the 20% "affordability" requirement, the project would be required to provide 6 BMR units (20% x 30 units = 6 units).

For rental units, a minimum of 50% of the required BMR units shall be made affordable to *very low income* households at 50-80% of the median County income, with the remainder affordable to *low-income* households at 80-120% of the median County income level. By meeting the City's minimum affordable housing requirement, the project would be required to provide 3 units at very low income levels (10% affordability of total project) and 3 units at Low income levels (10% affordability of total project). However, by providing this level of affordability, the project would only be eligible for up to a 33% density bonus, based on providing 10% affordable units at the very low income category.

Since the project is requesting the maximum 35% density bonus, the applicant can achieve the additional density through different means, either providing more than the required number of affordable units, or changing the allocation of the units per income category. The applicant has proposed to keep the same number of affordable units (6 units) but increase the share of very low income units by 1 unit, to a total of 4 units, and have the remaining 2 units be affordable to low income households. Based on the State density bonus law, this would result in affordability at the very low income category of 13%, thus qualifying the applicant for a 35% State Density Bonus.

The 35% density bonus would be on top of the City's maximum site density of 30 units or 11 bonus units (30 base residential units x 35% = 10.5 units which based on State law is rounded up to 11 additional bonus units).

In summary, the project sponsor proposes to construct the maximum allowable density for the site (30 units), meet the City's inclusionary housing requirement (20% or 6 affordable units) and seek the maximum allowable State density bonus (35% or 11 additional units). The project sponsor currently does not propose to increase the number of affordable housing units or further decrease the required level of affordability for the units.

9. Planning Commissioner Gerald Belletto

Comment 9.a: Thinks that the current proposed design does not fit well into the historic context of 2nd and B Streets and supports the Draft EIR conclusion. Would the applicants consider moving the Victorians to the corner of B Street? Is it feasible to examine this in the Draft EIR?

Response: See response to Oral Comment 3.a. above.

Comment 9.b: If instead, one Victorian is preserved onsite, is that meaningful from a historic preservation perspective?

Response: The Victorians were once a row of three Victorian-era rental housing units that appeared much as a series of row houses associated with railroad housing. This phenomenon can be seen in San Francisco, for example, where these houses would appear at home. One house alone does not convey the same meaning and would appear as a 'left over' or 'hold out.' The row upon row of townhouse or row house units seen throughout the Bay Area were meant to supply mass housing to all classes in this era. This appears to be the same intent held by the builder of these three units, which were often occupied by railroad employees in the early twentieth century. One house alone does not convey the high quality rental housing that these units represented and would not provide satisfactory mitigation.

Comment 9.c: There are plenty of historic preservation needs: seed money to start a historic district; enhance Downtown; help support Heritage San Rafael; create a lively pedestrian experience at street level through benches, etc.

Response: Comment noted. These ideas are included in the Draft EIR Mitigation Measures AES-1, CULT-1B and will also be analyzed and developed further in the future staff report on the merits of the project in the form of recommended conditions of approval and public benefits to be considered in relation to the request for a Statement of Overriding Considerations.

Comment 9.d: Project can help San Rafael meet environmental goals to reduce carbon emissions through solar installation, transit-oriented green design. Make this building a showcase for Marin.

<u>Response</u>: These recommendations will be considered in the future staff report on the project merits and analysis of the public benefits the project sponsors propose for consideration in their request for City approval of a Statement of Overriding Considerations.

Comment 9.e: With regard to the economic feasibility analysis prepared by the applicant, we trust that the applicant has been accurate but it's important to recognize that the market is a moving target. Preserving the Victorians onsite is worth careful scrutiny. Can we ask for additional financial information?

Response: Staff believes it is difficult to obtain up-to-date financial data due to the many variables inherent in real estate markets. Economic feasibility data provided by the project sponsor was informally peer reviewed by an independent consultant and found to be 'in the ballpark' in terms of accuracy. The Planning Commission may request additional financial details from the project sponsor or, if deemed necessary, request a formal peer review to help identify what economic data may be inaccurate or missing.

Comment 9.f: Not confident about the applicant's financial analysis conclusions regarding the sale value of the rehabilitated Victorians. The applicants have been poor custodians of these San Rafael Victorians and have let one deteriorate.

Response: See the response to Oral Comment 9.e. above.

10. Planning Commissioner Barrett Schaefer

Comment 10.a.: Would like the EIR to explore keeping one Victorian in more detail and not the fire damaged one.

Response: See the response to Oral Comment 9.b. above.

Comment 10.b: The Safeway representative's recommendation for the EIR to acknowledge proper deconstruction and reuse is a creative, interesting idea.

Response: See the response to Oral Comment 1.a. above.

Comment 10.c: Agrees that all proposed Cultural Resource Mitigation Measures should be retained in the EIR for later evaluation by the Planning Commission.

Response: Comment noted, no response required.

Comment 10.d: Agrees with the Draft EIR conclusion that the aesthetics of the current project design lack historic relevance to the B Street context.

Response: Comment noted, no response required.

EXHIBIT A:

WRITTEN COMMENTS

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р. 1

Comment letter 1. a-c

STATE OF CALIFORNIA—CALIFORNIA STATE TRANSPORTATION AGENCY

BOMUND G. BROWN Ir. Governor

DEPARTMENT OF TRANSPORTATION

DISTRICT 4
P.O. BOX 23660
OAKLAND, CA 94623-0660
PHONE (510) 286-5528
FAX (510) 286-5559
TTY 711
www.dot.ca.gov



October 21, 2015

MRN101437 MRN-101-10.84 SCH # 2013062053

Mr. Steve Stafford City of San Rafael Community Development Department P.O. Box 151560 San Rafael, CA 94915-1560

2nd and B Streets Housing Development - Draft Environmental Impact Report

Dear Mr. Stafford:

Thank you for including the California Department of Transportation (Caltrans) in the environmental review process for the 2nd and B Streets Housing Development Project. Caltrans' new mission, vision, and goals signal a modernization of our approach to California's transportation system, in which we seek to reduce statewide vehicle miles traveled (VMT) and increase non-auto modes of active transportation. Our comments seek to promote the State's smart mobility goals and are based on the Draft Environmental Impact Report. Please reference the attached letter dated June 26, 2013 as these comments still apply.

Project Understanding

The proposed project would demolish two Victorian-era residences and a commercial structure to develop a new four-story mixed-use development on a 69,714 sq. ft. parcel in the northwestern quadrant of 2nd Street and B Street. Attributes of the development would include: 41 rental housing units on the top three floors, 1,939 sq. ft. of ground floor commercial space, and 48 parking spaces. In Section VI., the California Environmental Quality Act (CEQA) Required Assessment Conclusions, it is stated that "the 2nd and B Street San Rafael Housing project would significantly intensify development on the site."

Vehicular access to the project site would be gained via a two-way driveway located on the B Street frontage. Freeway access would be gained approximately half of a miles from the project site at the intersection of 2nd Street and U.S. 101 ramps. Noted on Table 2 of the focused traffic analysis (dated October 29, 2012), 90 percent of the northbound (NB) (30 percent) and southbound (SB) (60 percent) traffic would be traveling via U.S. 101.

"Provide a saft, sustainable, integrated and efficient transportation system to enhance California's coonomy and livability"

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Mr. Steve Stafford, City of San Rafael October 21, 2015 Page 2

Lead Agency

1.C.

As the lead agency, the City of San Rafael is responsible for all project mitigation, including any needed improvements to State highways. The project's fair share contribution, financing, scheduling, implementation responsibilities and lead agency monitoring should be fully discussed for all proposed mitigation measures.

Focused Traffic Analysis

Please perform a queuing analysis to evaluate any potential impacts to U.S. 101 NB and SB mainlines. Figure 1 of the Focused Traffic Analysis for a Mixed Use Development at 2nd/B Streets indicate that project-related trips would impact the SB 101 off-ramp to Mission Avenue and NB 101 off-ramp to 2nd Street.

Transportation Demand Management

We also encourage you to develop Travel Demand Management (TDM) policies to encourage smart mobility and use of the nearby San Rafael Transit Center and Marin Transit routes 68, 122, and 125. To reduce regional VMT and traffic impacts to the State highway system please consider the TDM options listed below:

- · Project design to encourage walking, bicycling, and convenient transit access,
- On-site showers and bicycle racks to accommodate employees using modes of active transportation,
- Adoption of preferential carpool parking near the building entrance as an incentive for employees.
- An aggressive trip reduction target with Lead Agency monitoring and enforcement,
- · Employer subsidy contributions to promote the use of public transit, and
- Public-private partnerships or employer contributions to provide improved transit or shuttle service in the project area.

Should you have any questions regarding this letter or require additional information, please contact Cole Iwamasa at (510) 286-5534 or by email at: cole.iwamasa@dot.ca.gov.

Sincerely,

PATRICIA MAURICE District Branch Chief

Local Development - Intergovernmental Review

"Provide a safe, sustainable, integrated and efficient transportation system to enhance Californio's economy and livability" Oct 21 2015 3:43PM

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Mr. Steve Stafford, City of San Rafael October 21, 2015 Page 3

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Attachment to Common letter 1.

STATE OF CALIFORNIA—BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DÉPARTMENT OF TRANSPORTATION

111 GRAND AVENUE OAKLAND, CA 94612 PHONE (510) 286-6053 FAX (510) 286-5559 TTY 771

Flox your purvers Bo energy efficients

June 26, 2013

MRN101437 MRN-101-10.901 SCH#2013062053

Ms. Lisa Newman Community Development Department City of San Rafael P.O Box 15160 1400 Fifth Avenue San Rafael, CA 94915-1560

Dear Ms. Newman

Second and B Street: New San Rafael Housing - Notice of Preparation

Thank you for including the California Department of Transportation (Caltrans) in the environmental review process for the project referenced above. We have reviewed the Notice of Preparation and have the following comments to offer.

Traffic Impact Study (TIS)

One of Caltrans' ongoing responsibilities is to collaborate with local agencies to avoid, eliminate, or reduce to insignificance potential adverse impacts by local development on State highways. US 101 is a critical route for regional and interregional traffic in Marin County. Please consider in your mitigation measures ways to reduce the impacts your project may have on US 101. We are particularly concerned about how your project will impact US off ramps at Hetherton Street Northbound off ramp and Irwin Street Southbound off ramp.

We recommend using the Caltrans Guide for the Preparation of Traffic Impact Studies (TIS Guide) for determining which scenarios and methodologies to use in the analysis. The TIS Guide is a starting point for collaboration between the lead agency and Caltrans in determining when a TIS is needed. The appropriate level of study is determined by the particulars of a project, the prevailing highway conditions, and the forecasted traffic. The TIS Guide is available at the following website address: http://dot.ca.gov/hq/tpp/offices/ocp/igr_ceqa_files/tisguide.pdf.

The TIS should include:

- Vicinity map, regional location map, and a site plan clearly showing project access in relation to nearby State roadways. Ingress and egress for all project components should be clearly identified. The State right-of-way (ROW) should be clearly identified. The maps should also include project driveways, local roads and intersections, parking, and transit facilities.
- Project-related trip generation, distribution, and assignment. The assumptions and methodologies

3.55

"Cultraux improves mobility across California"

Oct 21 2015 3:43PM

used to develop this information should be detailed in the study, and should be supported with appropriate documentation.

- 3. Average Daily Traffic, AM and PM peak hour volumes and levels of service (LOS) on all roadways where potentially significant impacts may occur, including crossroads and controlled intersections for existing, existing plus project, cumulative and cumulative plus project scenarios. Calculation of cumulative traffic volumes should consider all traffic-generating developments, both existing and future, that would affect study area roadways and intersections. The analysis should clearly identify the project's contribution to area traffic and any degradation to existing and cumulative LOS. Caltrans' LOS threshold, which is the transition between LOS C and D, and is explained in detail in the TIS Guide, should be applied to all State facilities.
- 4. Schematic illustration of traffic conditions including the project site and study area roadways, trip distribution percentages and volumes as well as intersection geometrics, i.e., lane configurations, for the scenarios described above.
- 5. The project site building potential as identified in the General Plan. The project's consistency with both the Circulation Element of the General Plan and the Congestion Management Agency's Congestion Management Plan should be evaluated.
- 6. Identification of mitigation for any roadway mainline section or intersection with insufficient capacity to maintain an acceptable LOS with the addition of project-related and/or cumulative traffic. As noted above, the project's fair share contribution, financing, scheduling, implementation responsibilities and lead agency monitoring should also be fully discussed for all proposed mitigation measures.

Lead Agency

As the lead agency, the City of San Rafael is responsible for all project mitigation, including any needed improvements to State highways. The project's fair share contribution, financing, scheduling, implementation responsibilities and lead agency monitoring should be fully discussed for all proposed mitigation measures.

This information should also be presented in the Mitigation Monitoring and Reporting Plan of the environmental document. Required roadway improvements should be completed prior to issuance of the Certificate of Occupancy. Since an encroachment permit is required for work in the State ROW, and Caltrans will not issue a permit until our concerns are adequately addressed, we strongly recommend that the City work with both the applicant and Caltrans to ensure that our concerns are resolved during the environmental process, and in any case prior to submittal of an encroachment permit application. Further comments will be provided during the encroachment permit process; see end of this letter for more information regarding encroachment permits.

Vehicle Trip Reduction

Caltrans encourages you to locate any needed housing, jobs and neighborhood services near major mass transit centers, with connecting streets configured to facilitate walking and biking, as a means of promoting mass transit use and reducing regional vehicle miles traveled and traffic impacts on the State highways.

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Ms. Lisa Newman, City of San Rafael June 26, 2013

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Page 3

We also encourage you to develop Travel Dernand Management (TDM) policies to encourage usage of nearby public transit lines and reduce vehicle trips on the State Highway System. These policies could include lower parking ratios, car-sharing programs, bicycle parking and showers for employees, and providing transit passes to residents and employees, among others. For information about parking ratios, see the Metropolitan Transportation Commission (MTC) report Reforming Parking Policies to Support Smart Growth or visit the MTC parking webpage: http://www.mtc.ca.gov/planning/smart_growth/parking,

In addition, secondary impacts on pedestrians and bicyclists resulting from any traffic impact mitigation measures should be analyzed. The analysis should describe any pedestrian and bicycle mitigation measures and safety countermossures that would in turn be needed as a means of maintaining and improving access to transit facilities and reducing vehicle trips and traffic impacts on State highways.

Encroachment Permit

Please be advised that any work or traffic control that encroaches onto the State ROW requires an encroachment permit that is issued by Caltrans. To apply, a completed encroachment permit application, environmental documentation, and flve (5) sets of plans clearly indicating State ROW must be submitted to the address below. David Salladay, District Office Chief, Office of Permits, California Department of Transportation, District 4, P.O. Box 23660, Oakland, CA 94623-0660. Traffic-related mitigation measures should be incorporated into the construction plans prior to the encroachment permit process. See the website linked below for more information: http://www.dot.ca.gov/bq/traffops/developserv/permits.

Should you have any questions regarding this letter, please contact Keith Wayne of my staff by telephone at (510) 286-5737, or by email at Keith_Wayne@dot.ca.gov.

Sincerely,

BRIK ALM, AICP

District Branch Chief

Local Development - Intergovernmental Review

c: Scott Morgan, State Clearinghouse

Comment Letter 2. a-i.

MONAHAN PARKER INC.

1101 5th Ave Ste 300 San Rafael CA 94901

November 4, 2015

Steve Stafford
City of San Rafael
Community Development Department
1400 Fifth Ave. – PO Box 151560
San Rafael CA 94915 – 1560

Subject: 2nd & B Street DEIR Response to Comments

Dear Mr. Stafford,

After review of the DEIR, we noticed that the Project Objectives have not been listed in their entirety, resulting in flawed and inaccurate conclusions of Project Alternatives. Our comments and questions are listed in the subsections of this letter below. We ask that these errors and inaccuracies be corrected in the Final EIR.

We also believe that the long Project History has not been provided to the Planning Commission or Public. We ask that this information included in the Final EIR, and the Public Record.

Property History:

2. a.

It has been nearly two decades since the City of San Rafael Redevelopment Agency's release of their Request for Proposal (RFP) for the 'B Street Redevelopment Project' (see attached RFP dated October 1997), which identified 809 B Street, 813 B Street 1212 2nd Street, and 1214 2nd Street as blighted parcels for redevelopment per the attached Project Area Map (Exhibit B). The City of San Rafael's 'B Street Redevelopment Project' RFP included many Project Objectives in consonance with those of the Proposed Project. The Objectives per the RFP (Exhibit C), in their entirety, are:

- Create a high quality, active mixed use project to revitalize the "B" Street area that is consistent with *Our Vision of Downtown San Rafael* and the City's General Plan.
- Retain and/or enhance the historic character and pedestrian-friendly nature of the frontages of "A" and "B" Streets.
- Provide affordable and market rate housing in the downtown. Eliminate or rehabilitate substandard housing units. At a minimum, replace on site all housing units destroyed at comparable affordable rental rates.
- Create well designed buildings for significant entry statement at the "A" Street entrance to downtown.
- Eliminate blighted conditions in the area.
- Create jobs and improve economic vitality of the area.
- Complete construction and rehabilitation in the shortest time possible.

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1101 5th Ave Ste 300 San Rafael CA 94901

- Deliver retail tenants in the shortest time possible. Agency approval of tenants will be required.
- Minimize Agency financial assistance for the project.

This site has been identified by the San Rafael Redevelopment Agency to have numerous characteristics of blight, including high crime rates, depreciated or stagnant property values, and high vacancies with low lease rates. In the years since, the neighborhood condition has further deteriorated. The corner parking lot and the neighboring parcels are still utilized by transients daily. San Rafael Police Department Reports and comments from neighbors and residents of Gerstle Park all support the conclusion published nearly twenty years ago, that this blighted area should be redeveloped. After numerous design submissions, and City of San Rafael Design Review Board approval of the project design, Monahan Parker is eager to fulfill the goal of the City's former Redevelopment Agency as well as this project's stated Objectives for a revitalization of the Downtown B Street corridor, while benefitting the community as a whole.

Following review of the Draft EIR, dated September 2015, the Applicant would like to offer the following comments and clarifications.

Project Objectives

2.a. Cont. On page 21 of the Consultant's Report, five (5) Project Objectives are noted. Monahan Parker's October 31, 2014 submission of Project Objectives for the Proposed Project to The City of San Rafael, attached (Exhibit A), lists seven (7) project objectives. Objective #6 states, "To improve the site and neighborhood livability via developing the site with an **economically and technically feasible project**." This is an essential goal of the project and should be included in the EIR as such. Therefore we request that the Project Objectives on p. 21 of the DEIR be revised to include this important objective, and that the alternatives' discussion (discussed in detail below) be revised to include consideration of each alternative's conformance with this objective.

Comments & Action Required:

1. The DEIR did not list all Project Objectives as submitted on 10/31/14. These must be added to have an accurate discussion of alternatives in the FEIR.

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2. Project Objective #6 states; "To improve the site and neighborhood livability via developing the site with an economically and technically feasible project."

DEIR Alternatives Analysis

Preservation On-Site Alternative:

On page 64 of the DEIR it is stated that, "The Preservation Onsite Alternative would largely achieve all five of the project objectives...,". However, this alternative is not consistent with the Project Objectives provided by the applicant to the City, specifically Objective #6, discussed above. As calculated in Exhibit #3 of the Applicant's May 14, 2015 Alternative Feasibility Study, the Preservation Onsite Alternative would result in a project loss of \$4,271,828, which includes costs for the rehabilitation of the two existing houses, and decreased size of the proposed project by 14 units. This analysis of building reduction is shown in Exhibit #1 of the Applicant's Alternative Feasibility Study, which was provided to the City on (3/10/15 & revised 5/14/15). This \$4.2M financial loss fails to meet the project's Objective #6 of creating an economically feasible project, due to the financial losses that shall be incurred due to the loss of the 14 units should this alternative be adopted. In addition to the failure of this alternative to achieve this objective, the alternative should be rejected because it is economically infeasible (See CEQA Guidelines Section 15126.6(f)(1), discussion of feasibility, which includes "economic viability").

In addition, the Applicant disagrees with the DEIR's statement on page 64, "The retention and rehabilitation of the existing two Victorian residences and reduced project would enhance the relationship of the project to the surrounding neighborhood in terms of architectural style, provide an adequate setting for the historical structures, and would eliminate the loss of historic resources," Because the extensive financial loss that would occur would render this project economically infeasible, this alternative would leave the existing structures and the neighborhood in its current blighted condition. This Alternative would leave two single family residences on an extremely busy street (that acts at one of the City's main arteries to Highway 101) and would be boxed-in between the Lone Palm Housing Complex to the West, and the Proposed Project to the East resulting in drastically decreased desirability as a residential unit due to limited light and air, proximity to traffic noise, limit vehicular access, resulting in decreased property value & rent-ability compared to similar properties in the area. We therefore request that the above statement on p. 64 of the DEIR be revised to reflect the likely outcome of this alternative.

Comments & Action Required:

3. Per the 5/14/15 Alternative Feasibility Study the on Site Preservation Alternative resulted in a financial loss, which results in this alternative failing to meet the project's Goals and Objectives.

1101 5th Ave Ste 300 San Rafael CA 94901

- 4. Even absent the above Objective #6, as described above, the On-Site Preservation Alternative is infeasible per criteria set forth in Guidelines Section 15126.6(f)(1).
- 5. The project sponsors believes that the DEIR is making an inaccurate claim that this Alternative would fulfill the project's Goals and Objectives because this alternative is not financially feasible.
- 6. The project sponsors Alternative Analysis submitted to the City on May 14, 2015 shows that the On-site Alternative results in a financial loss and therefore cannot be considered as a viable alternative.
- 7. Revise the language on page 64 of the DEIR to reflect the likely outcome of the Alternative, taking the omitted Project Goals and Objectives into consideration.

Preservation Off-Site Alternative

The applicant attempted to contact the property owners of the four relocation sites provided by the City of San Rafael regarding the availability of their parcels for relocation of the two houses on the Project site. As documented in the Alternatives Feasibility Study, none of the property owners expressed interest in selling their parcels. The DEIR concurs, and on page 72 notes that, "...in one case, the owners indicated [to City Planning Department staff] that although they did not want to sell their property, they expressed interest in knowing more about the potential for relocating the Victorian structures to their property." To date no property owner has step forward with interest in accepting the two buildings in question.

,2.d.

Our analysis (shown in Exhibit 9 of the Alternatives Feasibility Study) concludes that the cost of the project after relocation and rehabilitation of the two buildings location on 2nd Street would be \$22,430,000. The cost of the project with the Preservation Off-Site Alternative would be in excess of the Project's projected value of \$21,820,011, as calculated in Exhibits 2 & 11. The result of the Preservation Off-Site Alternative remains a financial failure, which fails to meet the project's goals and objectives. The DEIR's claims that any of these relocation sites satisfy the project goals and objectives is again incorrect, due to the fact that the Draft EIR does not take into consideration the Project's Objectives, specifically objective #6. As with the Preservation On-Site Alternative, the alternative should be rejected because it is economically infeasible (See CEQA Guidelines Section 15126.6(f)(1), discussion of feasibility, which includes "economic viability").

In response to the DEIR's analysis of the four potential relocation sites, the Applicant has the following comments:

Site A- 1201 2nd Street:

As noted by the DEIR, this site is an existing parking lot that is located amidst many commercial uses. The lot is fully occupied by reserved parking spaces of tenants of various businesses in the

1101 5th Ave Ste 300 San Rafael CA 94901

vicinity. Although the DEIR notes the parking may not be a zoning requirement for the office space on the same parcel, the reserved lot is currently fully occupied and used on a daily basis by its tenants. As noted in the DEIR, the Cross Street Mixed Use zoning present on this site does not allow for single-family or duplex residences. Each 1400 SF Victorian would have to be converted from a single unit, to a three residential unit building. Aside from the previously calculated restoration costs resulting in a loss, the multi-family renovation costs of each unit would be in addition, and result in an even larger financial loss to the project. It should be noted that the average living area of a triplex carved out of the existing structures would average 466 square feet each, which is below average living space for a rental unit in this area. The incurred cost of converting the two houses into triplexes would further increase the rehabilitation cost as well as further decrease the end product's value. Aside from the financial burdens of this Alternative, the property owner at Site-A has not expressed any interest in selling the parcel.

Site B-712 D Street:

As stated by the DEIR this site contains 36 parking spaces that are required by the office use onsite. Relocating the houses to this site would require providing the office use alternative parking space. In addition to the parcel's required parking, the relocation results in a financial loss for the project. Therefore, this Alternative fails to meet the Project's Objectives. In addition to the infeasibilities mentioned above, the owner of this parcel has not expressed any interest in selling the parcel, nor allowing relocation of the houses to the site.

Site C- 1628 Fifth Ave:

As the only vacant lot in the list of parcels for potential relocation, the Applicant thoroughly researched this option. Due to its location, 1628 Fifth Avenue is far from the historic context by which the historian has based her opinion of the structures historical significance. This site is not in proximity to the historic workforce housing, representative of turn of the century railroad neighborhoods. The immediate vicinity of 1628 Fifth Ave is a lush, affluent, tree-lined block, comprised of much larger homes (>2,300SF), and the modern school campus of Marin Academy. In addition, removing the historical context by which the building's historical significance is based, the project would incur a financial loss would again fail to meet the Project's Objectives. The owner of this parcel has not expressed to us any interest in selling the parcel.

Site D- 1135/1145 Mission Ave:

Site D is an existing parking lot with excessive slope, squeezed between two exisiting structures. The site access to this property is from Mission Avenue, which provides access to Downtown San Rafael and Highway 101 for many commuters. The high slope of this lot increases engineering & construction costs associated with relocating the Victorians to this site. Pursuing the relocation of the Victorians to this site fails to meet the Project Objectives, as it results in a financial loss to

1101 5^a Ave Ste 300 San Rafael CA 94901

the project. Similar to the other sites, the owner of this parcel has not expressed any interest in selling the parcel, nor allowing relocation of the Victorians to the site.

Preservation Off-Site Alternative Financial Feasibility:

The DEIR claims that one of the four property owners is interested in taking the two structures while maintaining ownership of the property, which would then result in a reduction the construction cost of the project, and therefore financially feasible. Due to the lack of information provided in the DEIR validating this claim no evaluation of reduced relocation and reconstruction costs can be made. The DEIR does not provide the address for the interested property owner. Therefore the costs associated with relocating the buildings to the specific site (including meet zoning standards of multifamily dwelling which will impact construction costs)

cannot be made. The information presented in the DEIR regarding an "interested property

owner" is insufficient to make an accurate assessment of the feasibility of the economic impacts.

Comments & Action Required:

- 8. As documented in the DEIR, after multiple attempts to contact the property owners, none of the owners of the potential off-site relocation properties has stepped forward with interest to sell their property.
- As documented in the DEIR, Off-Site relocation properties A, B, & D are currently being
 used as commercial parking areas for existing buildings with no response from
 ownership's desire to sell their properties. If the EIR is to seriously consider this
 alternative, it also must consider the potential impacts of developing replacement parking
 for the lost lots.
- 10. Off-Site relocation property C is zoned for residential use but is outside the historically significant district that the Historical Resource Report (June 2013) claims lends historical significance to the 2nd Street building; and no response from ownership regarding a desire to sell the property.
- 11. DEIR has documented that; "owners expressed interest in receiving the structures at their site, while retaining ownership of the land." To Date no information has been provided to the project sponsor regarding the specific property or property owner that an owner is interested in receiving the buildings. Without an actual property to evaluate and owner to discuss terms with no actual analysis can be conducted.
- 12. The Project Sponsor do not believe the Off-Site Alternative is a viable project Alternative without an available relocation property, that is historically appropriate, property zoned (or a willingness of the City of San Rafael to allow rezoning), and with a property owner willing to sell the property or receive the buildings to be relocated. Since none of the property owners of the City of San Rafael listed Off-Site Alternative relocation properties has shown any documentable interest in selling their property or receiving the structures; the property Sponsor requests that this alternative be removed as a potential alternative, unless the City of San Rafael can produce a written document before Certification of the

2.f.

2.9.

1101 5th Ave Ste 300 San Rafael CA 94901

Final EIR, from the property owner that they are willing to receive the structures or sell the property.

Adaptive Re-Use Alternative:

The Project sponsors believe, supported by our Architect's professional opinion Adaptive Re-Use of the existing buildings would not result in an homage to the historic nature of the neighborhood but, rather, would result in a contrived aesthetically unattractive appearance. The exterior architectural elements are in poor condition and would not enhance the appearance of the Approved Exterior of the Proposed Building. Please see attached letter from our Architect regarding the Adaptive Reuse Alternative. Therefore this alternative, while feasible, would not meet CEQA's requirement that alternatives "avoid or substantially lessen any of the significant effects of the project" (Guidelines, Section 15126.6(a).

Comments & Action Required:

- 13. Per the Project Architect's attached letter (Exhibit D) addressing Adaptive Re-Use this alternative would result in an aesthetically inferior appearance in comparison to the existing design, and therefore fails to meet the requirements of CEQA Guidelines section 15126.6(a). The exterior elements of the buildings in question are in poor condition and aesthetically would not mitigate the loss of the historic resource.
- 14. In light of the Project Architect's attached letter the project Sponsor requests that the Adaptive Reuse Alternative be determined to be not a viable project alternative.

Environmentally Superior Alternative:

Please see On-Site Preservation Alternatives Comments regarding this item since the DEIR claims that the On-Site Preservation Alternative is the Environmentally Superior Alternative.

Should the City determine that an additional alternative be necessary to meet CEQA requirements for a "range of reasonable alternatives (per Guidelines Section 15126.6(a)), in light of the infeasibility of several of those considered in the DEIR, we suggest that the project plus mitigation measures identified in the DEIR be formulated into a "Mitigated Project Alternative", which would be a feasible Environmentally Superior Alternative, and which we would wholeheartedly support.

2.h.

1101 5° Ave Ste 300 San Rafael CA 94901

Environmentally Superior Alternative Comment:

15. Given the infeasibility of several of those considered in the DEIR, we suggest that the project plus mitigation measures identified in the DEIR be formulated into a "Mitigated Project Alternative", which would be a feasible Environmentally Superior Alternative.

Conclusion:

As described above, the project as proposed and designed will benefit the revitalization of the neighborhood and will provide much needed housing to the downtown area. This project site has been documented as a blighted location since 1996 and even the City of San Rafael's redevelopment agency made efforts to redevelop this location since 1997. This project would replace the existing dilapidated structures, remove the ability of transients to use this property for their daily use, and put 41-new residential units (six (6) of the forty-one (41) units shall be below market rate) into the downtown district with eyes on the street. We feel this alone is enough for the City Leaders to make a decision for overriding consideration due to the benefit this project provides. Additionally we support most of the mitigation measures listed on pages 10, 11, 12, & 13 of the DEIR. We ask the City Planning Commission to support our project and fulfill the vision of the San Rafael Redevelopment Agency in a project that replaces a blighted group of properties that have been an affliction on the downtown area for nearly twenty years.

Sincerely,

Robin Miller

Owner's Representative

Exhibit to letter 2.

F M E

October 19, 2015

To City of San Rafael Planning Commission,

I am the Project Architect with 30 years of professional experience. FME is an award winning Architectural Firm and has been the project Architect for five years. We are the third architectural firm that has presented project designs to the City of San Rafael for this site. Since 2010 we have completely redesigned the project three different times based on direction from the City of San Rafael Design Review Board (DRB). What began as a modern 4-story building with tile and glass exterior is now a scaled down project with articulated roof canopies and vertical window bays. Rich brick and warm metal architectural details help evoke the historical fabric of the neighborhood. Each design scheme has incorporated a deep canopy at the retail frontage to engage the pedestrian scale on B Street and mimic the existing historical architectural elements of the buildings in the surrounding B Street neighborhood. A lush landscape wall will help screen the open parking garage from the traffic on 2nd street. To illustrate our design evolution and the benefits of the project I have attached Exhibit I to this letter which is a rendering of the DRB approved project design as well as the design parameters that were given to us by San Rafael DRB. Exhibit 2 (attached) shows the Evolution of the project's multiple designs. Exhibits 3 & 4 (attached) shows the DRB approved project design which include the various historical architectural elements found on the buildings in the B Street neighborhood. These historical architectural elements include, Bay Windows, Vertical Window Mullions, Canopies, Varying Roof Lines, contemporary Materials that reflect a historical vernacular, & Canopy Projections that mimic existing canopies existing in the neighborhood. The project also improves vehicular safety by removing the three existing driveways on 2nd street which is a very busy street and limiting vehicular access to B Street. The building capitalizes on a transit orientated green design that is located near public transportation, shall have an electrical car charging station within the garage, planted roof decks, onsite storm water filtrations systems, and solar applications.

We have studied Adaptive Reuse of the existing building elements from the structures located on 2nd street and conclude that this is not practical nor possible. There is no part of the building that should be incorporated into the proposed project. We do not believe that the Adaptive Reuse Alternative is a viable option for this project. Reusing portions of the two dilapidated structures on site does not provide a benefit to the historic character of the neighborhood. We have reviewed the Adaptive Reuse

Alternative in the Draft EIR and have studied the visual impacts of incorporating substantial elements of the existing Victorians into the project. The result of Adaptive Reuse detracts from the current architectural design which has been refined repeatedly over the past 5 + years and was ultimately embraced by the San Rafael DRB on 2014. It is our opinion that the Adaptive Reuse Alternative would not pay homage to the dilapidated Victorians; in fact it would produce a contrived exterior appearance of the proposed building and would result in an aesthetically unattractive project.

Thank You,

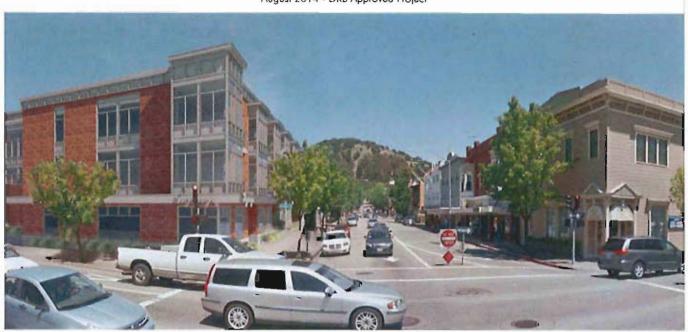
Rick Strauss, Architect
FME Architecture + Design

Mackenzie Bray, Architect, LEED AP FME Architecture + Design

EXHIBIT 1

2ND AND B STREET: NEW SAN RAFAEL HOUSING

August 2014 - DRB Approved Project



DESIGN PARAMETERS

- Translation of Historic Context
- •Vibrant Pedestrian Retail Space
- Controlled Vehicle Access
- Transit Orientated Green Design
- •Community Enrichment



EXHIBIT 2

DESIGN EVOLUTION 2010-2015

DESIGN #1 May 2011



DESIGN #2 April 2012



DESIGN #3 March 2013



DESIGN #4 August 2014 DRB Approved Design

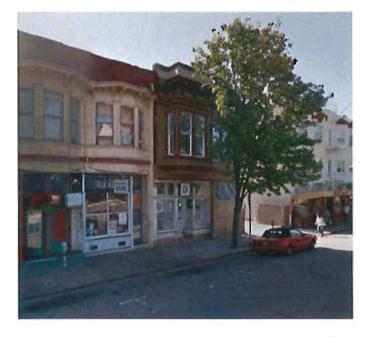


HISTORIC CONTEXT

Challenge: translate the articulation of the Historic District into a larger scale Contemporary mixed use building that meets the Current General Plan and Zoning

- Bay Windows
- Vertical Window Mullions
- Canopies
- · Varying Roof lines
- Materials contemporary interpretation of historic vernacular

HISTORIC CONTEXT







HISTORIC CONTEXT





Pedestrian Scale
Canopy Projections

VIBRANT PEDESTRIAN RETAIL SPACE

- Canopy overhang reduces scale at street level and visually separates sidewalk from building above
- Recessed storefront entries mimic those across the street
- Corner focal point provides continuation of retail along B Street



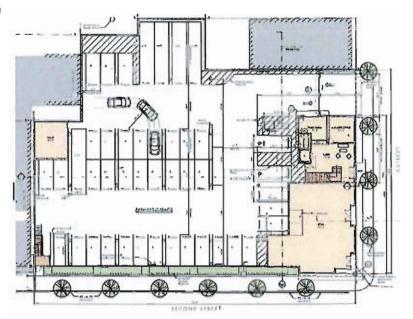
EXHIBIT 5

CONTROLLED VEHICULAR ACCESS

- Replace 3 existing curb cuts with curb and sidewalk. Use existing curb cut on non-busy street
- Endorsed by City Traffic Engineer

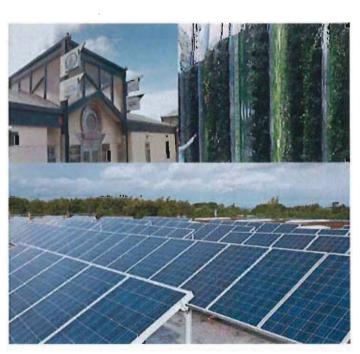
COMMUNITY ENRICHMENT

- General Plan made a fundamental move to increase density
- Increase access to amenities and services
- Accelerate growth in right direction to attract more residents and businesses
- · Preservation of green space



TRANSIT ORIENTED GREEN DESIGN

- Proximity to Public Transportation
- · Living wall/parking screen
- · Planted roof decks
- On-site storm water filtration
- · Solar applications
- · Vehicle charging stations
- · Proximity to parking



Comment Cetter 3.

From: "Hugo & Cynthia Landecker" <clandecker@saber.net>

To: Steve Stafford <Steve.Stafford@cityofsanrafael.org>

Cc:

Date: Tue, 10 Nov 2015 18:12:07 -0800

Subject: 815 B Street Draft EIR--Parking inadequacies

I would like to see the EIR address the parking impacts on nearby residential districts that do not have metered parking or ready access to public parking lots.

The north end of Gerstle Park is already parking impacted. Adding to the impact is the demand for free parking during the day for employees working downtown. This project will exacerbate this impact.

Although parking is provided for the residential units, it is the those extra vehicles that will impact on street parking in the Gerstle Park Neighborhood.

Currently the San Rafael Municipal Code allows vehicles to park up to 72 hours without moving. When vehicles park in excess of this limit, Parking Enforcement is notified. They then mark the vehicle and 72 hours later the vehicle gets a 72 hour warning. After the next 72 hours the vehicle is cited. This amounts to nine days of free parking and it creates a burden for the residents of the neighborhood. Hugo Landecker

Comment letter 4. (no written response)

From: Cecily O'Connor [mailto:cesrob@yahoo.com]
Sent: Tuesday, November 10, 2015 10:00 AM

To: Steve Stafford Subject: 815 B Street

Hello Mr. Stafford,

Lam writing as a long time Gerstle Park resident and an advocate of preserving as much of San Rafael's history as possible. The project at 815 B street would result in the loss of Victorian homes that would if preserved enhance a possible historic district in the future. "Development of the project involves the demolition ofilie existing structures on the property. Based upon the 2013 Historic Resource Report prepared by Painter Preservation and Planning, the two Victorian residential structures are historic resources and the proposed demolition would result in a significant adverse impact under the California Environmental Quality Act (CEQA). The Initial Study concludes that the project also could have an adverse effect on immediately adjacent historic properties." Draft Environmental Impact Report.

San Rafael is becoming characterless and unappealing as a Marin County town because of the loss of many beautiful old buildings and it would be a good thing if we could think more in terms of preservation and cleaning up and enhancing these neglected areas of downtown. The traffic on Second Street is another consideration. It takes me 20 minutes to get to 101 from E Street on many days and most times of day because of traffic. It units with the potential for 1 or 2 cars per unit will make things even worse. And even though public transportation is available it does not allow one to access local stores, doctor offices, etc. thus making the use of a car a necessity especially if one has to carry large loads of groceries or household items. Second and Third Streets are often bumper to bumper.

I am hoping much consideration will be given to what could be lost with this project.

Thank you,

Ceeily O'Connor 609 E Street San Rafael CA 94901

Comment Letter 5 (no written vesponse)

-Original Message-----

From: Guy Meyer [mailto:guymeyer2@gmail.com]

Sent: Tuesday, November 10, 2015 2:37 PM

To: Steve Stafford Subject: 815 B Street

Hello Steve.

If we could but look into a dynamic and creative future for San Rafael where Homelessness is a thing of the

past how beautiful could the Historic B Street City Center be. That is a question. How beautiful can it be be

or do we abandon our history and close our creative eyes to the future?

Please No Three Story structures on B Street. What can the City of San Rafael do to see that all new development

on B Street conform to an existing vision? A vision that took place back in the early 1980's (I believe) when the law offices at

1806 (?) B directly across from the current project was built. Why did the City Fathers encourage and foster the builder to work

with a design that recreates our historic architecture and why cannot we continue this. I will not be able to attend tonight's

hearing. Please hear my voice as a 40 year resident, who has frequented some of the businesses on B Street over the years

and can see a vibrant future for San Rafael if we stop blind development and go creative.

Best, Guy Meyer PO Box 2057 San Anselmo

formerly of 1135 4th Street

Comment letter 6. (no written verponse)

First Name

William

* Last Name

Callohan

Address 1

195 Nova Albion Way #39

Address 2

844 B Street

City

San Rafael

State

CA

Zip Code

94903

Phone Number

4154549948

* Email Address

tamalpais@comcast.net

* Send email to (select one)

All City Councilmembers

* Please enter your questions/comments below

It light of Monahan Parker position it appears to me that the city should strike these two properties from the project and say if anyone wants to build, they need do so without parcels 2012 and 2014 2nd street, unless they are willing to restore. Alternatively I believe the city should lead in finding a property for permanent or temporary relocation until a fit is found for these two historic buildings so the this new and important neighborhood project can move forward. There of course will be some expense to move these buildings and this might be something our new historical restoration group could steer through a fund raising program such as go fund me. Thank you.

Comment letter 7. (no written vesprise)

From: William Callahan <bill@ohias.org>

To: Steve Stafford <Steve.Stafford@cityofsanrafael.org>

Cc.

Date: Wed, 11 Nov 2015 10:29:24 -0800

Subject: Fwd: Victorians Complicate redevelopment housing plans - 10/3/2015 Steve here is my response to the Marin IJ that I promised. They never published it.

Begin forwarded message:

From: William Callahan <bill@ohlas.org>

Subject: Victorians Complicate redevelopment housing plans - 10/3/2015

Date: October 5, 2015 at 10:28:51 AM PDT
To: Stephenie Weldy <sweldy@marini.com>
Cc: "Brad >" <opinion@marini.com>

"There's a small group of people who have concerns." I'm proud to say I'm one of them. First and foremost my concerns have been and remain for the preservation of these historical and cultural treasures for community benefit (posterity). Monahan-Parker appears to have little appreciation for those who came before us and labored to create (design, craft, build) great community. All they seem to think about is the money it can make. This is evident when Tom Monahan is quoted, "we don't believe they have any historical significance" and claiming there's nothing that could be done to lessen the impact of razing the buildings. Second to this, I'm sure they want to see happy tenants (citizens and businesses) and so do I, but to think we should sacrifice these two beautiful buildings in the name of community progress is quite sad and disappointing. If I were them, I'd include those two buildings in the plan, at least the whole and livable one. I'd do a complete historical restoration and rent it out for small local meetings and activities and tie the Victorians to the project, like its name possibly, "Victorian Square." Doing something like this (compromising), everyone wins!

So go these two Victorian Era houses so goes much of their history (our history), but more importantly their physical presence and community connection.

William Callahan Interim Director OHIAS - Our Health Is At Stake www.ohias.org

(no written response)

----- Forwarded message -----

From: Sean Mooney <bookwerm@gmail.com>

Date: Thu, Nov 5, 2015 at 5:36 PM

Subject: Public Comment: 815 B STREET MIXED USE PROJECT

To: Steve Stafford @cityofsanrafael.org

Steve.

I understand that the Staff Report for 815 B Street is not yet complete for the Planning Commission meeting on 11/10/15 but I will not be able to attend the meeting. I just wanted to add a comment to the public record before this goes to the Planning Commission.

l am a big supporter of mixed use construction in Downtown San Rafael and have been interested in this project for a long time. However, after reading the Historical Study conducted in compliance with CEQA and reviewing the designs again I don't believe that the design of this project is right for a neighborhood that has so much historic character.

Additionally, I cannot support the destruction of the two historic structures on the site if they are to be replaced with a building that does not honor the historic architecture of the neighborhood. For years one of these properties has been a blight on 2nd St but it is easy to see that this building could be rehabilitated to match its original charm. Much of the architectural detail that makes the building unique is still visible despite years of neglect.

The historic study also makes a good argument that this site could help bolster the historic character of Downtown San Rafael if the structures were rehabilitated and new plans were drawn for a multi-use building that fit more closely with the surrounding structures. Many cities in Northern California have enforced design standards that allow for modern construction to blend seamlessly within historic areas.

I fully support more multi-story, mixed-use building downtown but not if the development sacrifices the historic character of our community or destroys historic structures. I would recommend that the developer and architect reconsider the destruction of these structures and find a way to build a project that honors San Rafael's past while simultaneously stimulating the neighborhood with new energy.

Thank you,

Sean Mooney 3 Welch St. San Rafael, CA

EXHIBIT B:

ORAL COMMENTS

EXHIBIT B: ORAL PUBLIC COMMENTS AT NOVEMBER 10, 2015 PLANNING COMMISSION HEARING

1. David Fisher

a. Safeway Corporation supports the project fully. He is involved with a Safeway foundation focused on historic preservation and has experience moving and restoring Victorian structures. They examined the two Victorians on the subject site and concluded that relocation is not financially viable. However, deconstructing the Victorians for reuse rather than demolishing them is a viable option to support reconstruction of other Victorian buildings. Suggest that a new mitigation measure be created to require deconstruction and reuse of the Victorian buildings.

2. Hugo Landecker

- a. B Street historic resources should be included in a Historic District. There are three alternatives to demolition studied in the EIR. Repurposing the Victorians would be acceptable too.
- b. Address offsite parking impacts of the project on Gerstle Park neighborhood.

3. Amy Likhauser, Board of San Rafael Heritage

- a. Value the Victorians as part of the City's heritage. Replacing the building on the corner of B and 2^{nd} Street is needed and relocating the Victorians there would increase the draw to this historic corridor. The new proposed apartments should be located on 2^{nd} Street.
- b. Don't adopt a Statement of Overriding Considerations due to the impacts of the project on pedestrian safety and traffic.

4. Bill Callahan

a. Lives and works on B Street and involved in consideration of this project since 2005. Believes the two Victorians should stay where they are; they are too important to the City's heritage to move. Instead, the new buildings should be focused on B Street. Reject any project that demolishes the Victorian buildings.

C. Planning Commission Comments at November 10, 2015 Public Hearing

1. Viktoriya Wise

a. Need better understanding of public benefits of the project. Being compliant with the General Plan and affordable housing goals is not enough. Need additional design amenities, including: pedestrian amenities & safety (e.g., pedestrian bulb like at Il Davide); Sustainable design measures important too.

- b. Supports Cultural Mitigation Measures as proposed in DEIR;
- c. Cultural Resources Mitigation: add deconstruction and reuse of the Victorians as a new Mitigation measure.
- d. Noise Mitigation Measure: include phone number to call when issues arise.
- e. Aesthetics Impacts: Project has evolved over time. Need to remind PC for the next hearing about this. Ask DPW staff if balconies over the public ROW could be restored.
- f. The Alternatives analysis section is appropriate and helpful to the Planning Commission for their decision-making.

2. Berenice Davidson

- a. Supports preservation of Victorians. Suggests applicant talk to and work with historical society to see if preservation onsite could be viable.
- b. Caltrans Letter: excited the project is located close to new transportation facilities. Analyze BMPs and present information to Caltrans as well as reduction in parking demand due to this location.

3. Jack Robertson

a. Agrees that the DEIR is thorough and adequate. Add deconstruction and reuse of Victorians as a mitigation measure.

4. Larry Paul

- a. Thinks applicant needs to look at Aesthetics of project again. Building is well designed but not appropriate for the site. Need to enhance the pedestrian experience on B Street; reduce modern look and pick up more historical detail. Also, building needs more interest: North and west elevations are blank need wrap around design.
- b. 41 units with 15% affordable units (6) needs to be increased to enhance the project's public benefit.

Gerald Belletto

- a. Current design doesn't fit well into historic context. Supports the DEIR conclusion that it doesn't fit well into historic context. Consider moving the Victorian to the corner of B Street. Is it feasible to examine this?
- b. If instead, one Victorian is preserved onsite, is that meaningful from a historic preservation perspective?
- c. There are plenty of historic preservation needs: seed money to start a historic district; enhance Downtown; help support Heritage San Rafael; create a lively pedestrian experience at street level through benches, etc.
- d. Project can help San Rafael meet environmental goals to reduce carbon emissions through solar installation, transit-oriented green design. Make this building a showcase for Marin.
- e. Economic feasibility analysis: trust that applicant has been accurate but it's important to recognize that the market is a moving target. Preserving the Victorians onsite is worth careful scrutiny. Can we ask for additional financial information?
- f. Not confident about the financial analysis conclusions regarding the sale value of the rehabilitated Victorians. The applicants have been poor custodians of these San Rafael Victorians and have let one deteriorate.

6. Barrett Schaefer

- a. Would like the EIR to explore keeping one Victorian and not the fire damaged one in more detail.
- b. Thinks the Safeway recommendation for the EIR to acknowledge proper deconstruction and reuse is a creative, interesting idea.
- c. Thinks that all proposed Cultural Resource Mitigation Measures should be retained for later evaluation by the Planning Commission.
- d. Agrees with DEIR that aesthetics of the current project design lack historic relevance to the B Street context.

EXHIBIT C:

MITIGATION MONITORING AND REPORTING PROGRAM

EXHIBIT C

Mitigation Measure	Implementation Procedure	Monitoring Responsibility	Monitoring Action & Schedule	Non-Compliance Sanction/Activity	Monitoring Compliance Record (Name/Date)
I. AESTHETIC					
RESOURCES		~ .			
AES-1: Incorporate building elements that relate the new building to its historic context through the use of projecting bays, usable building balconies, deep eave overhangs, a substantial element at the building corner at 2 nd and B Street, and canopies at the ground floor that extend over the sidewalk. Submit for review and approval by Design Review Board prior to issuance of a Building Permit and revocable licensing agreement, or an alternative method to allow private encroachments to project over the sidewalk or right-of-way (ROW).	Require as a condition of approval	Planning Division and Public Works Department	Revised plans to be evaluated by staff and DRB for compliance prior to building permit issuance	Deny issuance of building permit	
II. AIR QUALITY AIR-1: Mitigate potential air quality impacts associated with	Require as a condition of	Planning and Building	Review and Approve Plan;	Deny issuance of grading permit;	
construction and grading	approval	Division	Approve 1 iun,	graaing permii,	
activities by preparing and submitting a Dust Control Plan to the City of San Rafael Community Development Department for review and approval, prior to issuance of a grading permit.	opp. V. su		Ongoing monitoring during construction	Stop Work Order issued	
IV. CULTURAL					
RESOURCES		n/.	4 7.		
CULT-1A: Document the buildings at the subject property. Documentation shall include a narrative, which may consist of the Historic Resource Report, and archivally-stable black and white photographs	Require as a condition of approval	Planning Division	Applicant submits funds to City prior to issuance of building permit	Deny issuance of building permit	
documenting the building exterior and interiors as they exist today, and the building's general setting. It is not	City hires architectural historian consultant to		Documentation Report submitted to the City		

Mitigation Measure	Implementation Procedure	Monitoring Responsibility	Monitoring Action & Schedule	Non-Compliance Sanction/Activity	Monitoring Compliance Record (Name/Date)
necessary to photograph the property to HABS standards, as the integrity of the property does not warrant this level of documentation. This documentation will be produced and submitted to the California Room of the Marin County Free Library, and the Marin History Museum. Photographic negatives should be retained by the City of San Rafael. Costs associated with CULT-1A are expected to be no greater than \$5,000.	prepare documentation and presentation to libraries				
CULT-1B: Update the historic survey of the San Rafael with a focus on the San Rafael Original Townsite area by performing a reconnaissance level survey of an approximately 16-block area. Cost to be approximately \$16,000. Creat a historic context and evaluate the area in the immediate vicinity of 2 nd and B Street (boundaries to be determined by the survey; a minimum of a four-block area) for a potential historic district. Costs to be approximately \$28,000.	Require as a Condition of Approval Project sponsor submits funds to City and City hires architectural historian consultant to perform survey and evaluation	Planning Division	Payment required prior to Building Permit approval Survey prepared within the calendar year after project approval for City review and acceptance	Deny issuance of building permit	
CULT-1C: Develop an interpretive panel, to be installed at one of the corners at 2 nd and B Street, preferably the southeast corner, that depicts historic photos of the area, including historic buildings and the train track, a map of the resources, and provides information about the historic buildings and streetscape in the area. Costs associated with CULT-1C are expected to be approximately \$20,000.	Require as a Condition of Approval Project sponsor submits funds to City. City hires architectural historian consultant to advise and/or manage project	Planning Division	Payment required prior to Building Permit approval Panel prepared within the calendar year after project approval for City review and acceptance	Deny issuance of building permit	

Mitigation Measure	Implementation Procedure	Monitoring Responsibility	Monitoring Action & Schedule	Non-Compliance Sanction/Activity	Monitoring Compliance Record (Name/Date)
of the photographs and information to be used in the on-street interpretation of the 2 nd and B Street area to be mounted in a prominent location, such as the lobby, of the proposed building. Costs associated with CULT-1D are expected to be no greater than \$5,000.	Require as a Condition of Approval Project sponsor submits funds to City. City hires architectural historian consultant to manage project	Planning Division	Payment required prior to Building Permit approval Materials prepared within the calendar year after project approval	Deny issuance of building permit	(**************************************
CULT-1E: Work with the Marin History Museum or an equivalent historical society or organization, to develop programming that commemorates the history of the 2 nd and B Street area, including the railroad station, to be presented as a lecture, exhibit, online video, or similar public presentation. Costs associated with CULT-1E are anticipated to be no greater than \$5,000, assuming some volunteer time on the part of the partnering organization.	Require as a Condition of Approval Project sponsor submits funds to City. City hires historian or museum professional consultant to manage project	Planning Division	Payment required prior to Building Permit approval Materials prepared within the calendar year after project approval	Deny issuance of building permit	
CULT-2: If archeological or cultural resources are accidentally discovered during excavation/grading activities, all work will stop within 100 feet of the resource and a qualified archaeologist will be notified immediately. The qualified archaeologist will contact Federated Indians of Graton Rancheria (FIGR) and the Planning Division and coordinate the appropriate evaluation of the find and implement any additional treatment or protection, if required. No work shall occur in the vicinity until approved by the qualified archaeologist, FIGR and Planning staff.	Require as a Condition of Approval	Building and Planning Divisions	Ongoing during project grading and construction activities	Stop Work Order Issued	

Mitigation Measure	Implementation Procedure	Monitoring Responsibility	Monitoring Action & Schedule	Non-Compliance Sanction/Activity	Monitoring Compliance Record (Name/Date)
Prehistoric resources that may be identified include, but shall not be limited to, concentrations of stone tools and manufacturing debris made of obsidian, basalt and other stone materials, milling equipment such as bedrock mortars, portable mortars and pestles and locally darkened soils (midden) that may contains dietary remains such as shell and bone, as well as human remains. Historic archaeological resources that may be identified include, but are not limited to, small cemeteries or burial plots, structural foundations, cabin pads, cans with soldered seams or tops, or bottles or fragments of clear and colored glass. CULT-3: If human remains are	Require as a	Planning and	Ongoing during	Stop Work Order	(Name/Date
encountered (or suspended) during any project-related activity, all work will halt within 100 feet of the project and the County Coroner will be contacted to evaluate the situation. If the County Coroner determines that the human remains are of Native American origin, the County Coroner shall notify FIGR within 24- hours of such identification who will work with Planning staff to determine the proper treatment of the remains. No work shall occur in the vicinity without approval from Planning staff. IV. HAZARDS AND HAZARDOUS MATERIALS	Condition of Approval	Building Divisions	project grading and construction activities	issued	
HAZ-1: Reduce the potential exposure of the public to hazardous materials such as asbestos or lead during proposed demolition activities, by preparing a hazardous	Require as a Condition of Approval	Planning and Building Divisions	City approval required prior to issuance of demolition permit	Deny issuance of Demolition permit	
material remediation plan.			Ongoing	Stop work order	

Mitigation Measure	Implementation Procedure	Monitoring Responsibility	Monitoring Action & Schedule	Non-Compliance Sanction/Activity	Monitoring Compliance Record (Name/Date)
Submit the plan to the City of San Rafael Community Development Department for review and approval prior to issuance of a demolition permit. V. NOISE			monitoring during demolition activities	issued	
NOISE-1: Mitigate operational noise by incorporating OITC24 windows along and near the Second Street façade and standard double-paned windows at all other facades into the construction drawings. Further, all habitable rooms with exterior noise exposures greater than Ldn 60 will require alternative ventilation per Title 24.	Require as a Condition of Approval	Planning and Building Divisions	Provide as part of building permit plans	Deny issuance of building permit	
NOISE-2: Implement the City of San Rafael Noise Ordinance construction noise requirements to minimize noise impacts during construction. Construction noise related to demolition and grading work done within 15 feet of the west property line could exceed the Ordinance requirements. Neighbors shall be informed before any construction activities and any input they have on construction scheduling shall be incorporated to the extent feasible, and the work should be conducted as quickly as possible to minimize exposure time.	Require as a Condition of Approval Project sponsor to post and mail notices to adjacent neighbors and on the blocks facing the project site	Planning and Building Divisions	Ongoing monitoring during demolition and grading	Issue Stop Work Order	
NOISE-3: Minimize the potential noise impact on adjacent residences when the existing structures on the project site are demolished and when site preparation work is done, through implementation of the following measures: 1. The contractors shall provide heavy machinery and pneumatic tools	Require as a Condition of Approval Project sponsor to coordinate with contractors and post notice on project site	Planning and Building Divisions	Ongoing monitoring during construction activities	Issue Stop Work Order	

Mitigation Measure	Implementation Procedure	Monitoring Responsibility	Monitoring Action & Schedule	Non-Compliance Sanction/Activity	Monitoring Compliance Record (Name/Date)
equipped with mufflers and other sound suppression					
technologies.					
2. The contractors shall shut					
down equipment expected to idle more than 5					
minutes.					
3. The name and telephone					
number of the Construction		-			
Project Manager					
responsible person to					
contact shall be posted at					
the site throughout construction activities.					
VI.TRANSPORTATION/					
FRAFFIC					
TRANS-1: The applicant shall	Require as a	Planning	Payment made	Deny issuance of	
pay a traffic mitigation fee in	condition of	Division	prior to issuance	building permit	
the amount of \$131,626 for 31	approval		of building		
net new a.m. and p.m. peak			permit		
nour trips. Payment shall be	Project sponsor				
required prior to issuance of a	pays mitigation				
ouilding permit.	fee				

Source: Newman Planning Associates, 2016

EXHIBIT D:

State Clearinghouse Letter, Public Notice and Staff Report for the November 10, 2015 Planning Commission Public Hearing on the Draft EIR

EXHIBIT D:

State Clearinghouse Letter, Public Notice and Staff Report for the November 10, 2015 Planning Commission Public Hearing on the Draft EIR



STATE OF CALIFORNIA

Governor's Office of Planning and Research State Clearinghouse and Planning Unit



Edmund G. Brown Jr. Governor

November 3, 2015

Steve Stafford
City of San Rafael
P.O. Box 15160
San Rafael, CA 94915-1560

Subject: Second and B Streets: New San Rafael Housing

SCH#: 2013062053

Dear Steve Stafford:

The State Clearinghouse submitted the above named Draft EIR to selected state agencies for review. On the enclosed Document Details Report please note that the Clearinghouse has listed the state agencies that reviewed your document. The review period closed on November 2, 2015, and the comments from the responding agency (ies) is (are) enclosed. If this comment package is not in order, please notify the State Clearinghouse immediately. Please refer to the project's ten-digit State Clearinghouse number in future correspondence so that we may respond promptly.

Please note that Section 21104(c) of the California Public Resources Code states that:

"A responsible or other public agency shall only make substantive comments regarding those activities involved in a project which are within an area of expertise of the agency or which are required to be carried out or approved by the agency. Those comments shall be supported by specific documentation."

These comments are forwarded for use in preparing your final environmental document. Should you need more information or clarification of the enclosed comments, we recommend that you contact the commenting agency directly.

This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act. Please contact the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process.

Sincerely,

Scott Morgan

Director, State Clearinghouse

Enclosures

cc: Resources Agency

RECEIVED NOV 0 5 2015 PLANNING

Document Details Report State Clearinghouse Data Bas(

SCH# 2013062053

Project Title Second and B Streets: New San Rafael Housing

Lead Agency San Rafael, City of

> Type **EIR** Draft EIR

Description Monahan Parker proposes to demolish two historic Victorian residences and other structures to

> redevelop the site with a 4-story 69,714 sf.mixed-use development that includes 41 rental housing units on three floors above street level parking for 48 cars, entry lobby and a 1,939 sf commercial space that would occupy the entire four-parcel, 0.54-acre site. The proposed building would be 42 feet in height, the maximum permitted by the Second/Third Mixed Use West (2/3 MUW) and Cross Street Mixed Use (CSMU) Zoning Districts. DEIR Figures III-2-5 depict the existing conditions and the

> > Fax

proposed new building.

Lead Agency Contact

Name Steve Stafford City of San Rafael Agency Phone 415 458 5048

email

Address P.O. Box 15160

> City San Rafael State CA Zip 94915-1560

Project Location

County Marin

> City San Rafael

Region Lat/Long

Second Street and B Street Cross Streets 011-256-12, -32, -14, -15 Parcel No.

Township

Range Section Base

Proximity to:

Highways Hwy 101 Airports No

Railways **SMART**

Waterways San Rafael Canal

Davidson; Sun Valley; SRSH Schools

Land Use 2 Victorian residential homes, a commercial building & surface parking/Second and Third St. Mixed

Use (2/3 MU)

Project Issues Archaeologic-Historic; Aesthetic/Visual

Resources Agency; Department of Fish and Wildlife, Region 3; Office of Historic Preservation; Reviewing Agencies

Department of Parks and Recreation; Department of Water Resources; California Highway Patrol;

Caltrans, District 4; Air Resources Board; Regional Water Quality Control Board, Region 2; Native

American Heritage Commission; Public Utilities Commission

Date Received Start of Review 09/18/2015 09/18/2015 End of Review 11/02/2015

Note: Blanks in data fields result from insufficient information provided by lead agency.

STATE OF CALIFORNIA—CALIFORNIA STATE TRANSPORTATION AGENCY

EDMUND G. BROWN Jr., Governor

DEPARTMENT OF TRANSPORTATION

DISTRICT 4
P.O. BOX 23660
OAKLAND, CA 94623-0660
PHONE (510) 286-5528
FAX (510) 286-5559
TTY 711
www.dot.ca.gov

October 21, 2015

0112/15







MRN101437 MRN-101-10.84 SCH # 2013062053

Mr. Steve Stafford.
City of San Rafael
Community Development Department
P.O. Box 151560
San Rafael, CA 94915-1560

2nd and B Streets Housing Development - Draft Environmental Impact Report

Dear Mr. Stafford:

Thank you for including the California Department of Transportation (Caltrans) in the environmental review process for the 2nd and B Streets Housing Development Project. Caltrans' new mission, vision, and goals signal a modernization of our approach to California's transportation system, in which we seek to reduce statewide vehicle miles traveled (VMT) and increase non-auto modes of active transportation. Our comments seek to promote the State's smart mobility goals and are based on the Draft Environmental Impact Report. Please reference the attached letter dated June 26, 2013 as these comments still apply.

Project Understanding

The proposed project would demolish two Victorian-era residences and a commercial structure to develop a new four-story mixed-use development on a 69,714 sq. ft. parcel in the northwestern quadrant of 2nd Street and B Street. Attributes of the development would include: 41 rental housing units on the top three floors, 1,939 sq. ft. of ground floor commercial space, and 48 parking spaces. In Section VI., the California Environmental Quality Act (CEQA) Required Assessment Conclusions, it is stated that "the 2nd and B Street San Rafael Housing project would significantly intensify development on the site."

Vehicular access to the project site would be gained via a two-way driveway located on the B Street frontage. Freeway access would be gained approximately half of a miles from the project site at the intersection of 2nd Street and U.S. 101 ramps. Noted on Table 2 of the focused traffic analysis (dated October 29, 2012), 90 percent of the northbound (NB) (30 percent) and southbound (SB) (60 percent) traffic would be traveling via U.S. 101.

Mr. Steve Stafford, City of San Rafael October 21, 2015 Page 2

Lead Agency

As the lead agency, the City of San Rafael is responsible for all project mitigation, including any needed improvements to State highways. The project's fair share contribution, financing, scheduling, implementation responsibilities and lead agency monitoring should be fully discussed for all proposed mitigation measures.

Focused Traffic Analysis

Please perform a queuing analysis to evaluate any potential impacts to U.S. 101 NB and SB mainlines. Figure 1 of the Focused Traffic Analysis for a Mixed Use Development at 2nd/B Streets indicate that project-related trips would impact the SB 101 off-ramp to Mission Avenue and NB 101 off-ramp to 2nd Street.

Transportation Demand Management

We also encourage you to develop Travel Demand Management (TDM) policies to encourage smart mobility and use of the nearby San Rafael Transit Center and Marin Transit routes 68, 122, and 125. To reduce regional VMT and traffic impacts to the State highway system please consider the TDM options listed below:

- · Project design to encourage walking, bicycling, and convenient transit access,
- On-site showers and bicycle racks to accommodate employees using modes of active transportation.
- Adoption of preferential carpool parking near the building entrance as an incentive for employees,
- An aggressive trip reduction target with Lead Agency monitoring and enforcement,
- Employer subsidy contributions to promote the use of public transit, and
- Public-private partnerships or employer contributions to provide improved transit or shuttle service in the project area.

Should you have any questions regarding this letter or require additional information, please contact Cole Iwamasa at (510) 286-5534 or by email at: cole.iwamasa@dot.ca.gov.

Sincerely,

PATRICIA MAURICE

District Branch Chief

Local Development - Intergovernmental Review

Mr. Steve Stafford, City of San Rafael October 21, 2015 Page 3

bcc:PMaurice/CIwamasa/ChronFile/PVan/EGestuvo/WLew



NOTICE OF AVAILABILITY OF AND PUBLIC HEARING ON DRAFT ENVIRONMENTAL IMPACT REPORT (DEIR) SCH #2013063

You are invited to attend the Planning Commission hearing on the following proposed project:

PROJECT: 815 B St. (formerly 809 B St. and 1212 and 1214 2nd St.) — Request for an Environmental and Design Review Permit, a Use Permit and a Lot Line Adjustment to allow the construction of a new, 4-story, 42'-high, building with 41 upper-story rental units above 1,939 square feet of ground-floor commercial space and 48 garage parking spaces on four (4) adjacent Downtown parcels. The project proposes to demolish the existing structures on the site, including two identified cultural resources. The project request a density bonus (35% or 11 density units), under State law, and a concession (tandem parking). The DEIR focuses on the areas of concern identified in the Initial Study and Notice of Preparation for the project, and is limited to: 1) Aesthetic Resources, and 2) Cultural Resources (Historical); APNs: 011-256-12, -14, -15 &-32; Second/Third Mixed Use West (2/3 MUW) & Cross Street Mixed Use (CSMU) District; Tom Monahan and Jonathan Parker of Monahan Parker and Harold Parker Properties LP, owners; Rick Strauss of FME Architecture + Design, applicant; File Nos.: ED12-060; UP12-029; LLA12-003.

As required by state law, the project's potential environmental impacts have been assessed in a Draft Environmental Impact Report (DEIR) prepared for the project, which meets the provisions of the California Environmental Quality Act (CEQA). A 45-day public review and comment period on the adequacy of the DEIR commences on Friday, September 18, 2015 and concludes on Tuesday, November 10, 2015. In addition, the Planning Commission will hold a public hearing and consider comments on the DEIR on Tuesday, November 10, 2015 at 7:00pm.

MEETING DATE/TIME/LOCATION: Tuesday, November 10, 2015, 7:00 p.m. City Council Chambers, 1400 Fifth Ave at D St, San Rafael, CA FOR MORE INFORMATION: Contact Steve Stafford, the Project Planner, at (415) 458-5048 or steve.stafford@cityofsanrafael.org. Copies of the DEIR and supporting appendices are available for review at the Planning Division office, located in City Hall, 1400 Fifth Avenue. The office

is open from 8:30 a.m. to 5:00 p.m. on Monday and Thursday and 8:30 a.m. to 12:45 p.m. on Tuesday, Wednesday and Friday. A copy of the DEIR and appendices is also available at the Library, 1100 E Street, or online at www.cityofsanrafael.org/commdev-planning-proj-815b/.

WHAT WILL HAPPEN: You may comment on the DEIR. The Planning Commission will consider all public testimony and comments on the DEIR only. Public testimony on the merits of the project will not be accepted at this hearing. A separate public hearing on the merits of the project will be noticed and held at a future date. After the hearing, comments received on environmental issues shall be reviewed, responses prepared and a Final EIR completed for review and certification by the Planning Commission.

IF YOU CANNOT ATTEND: You may comment on the adequacy of the DEIR by sending or presenting a letter to the Community Development Department, Planning Division, City of San Rafael, P. O. Box 151560, San Rafael, CA 94915-1560. Attn: Steve Stafford, Associate Planner. Comments may also be sent by email to steve.stafford@cityofsanrafael.org.

At the above time and place, all letters received will be noted and all interested parties will be heard. If you challenge in court the matter described above, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered at, or prior to, the above referenced public hearing (Government Code Section 65009 (b) (2)).



Community Development Department - Planning Division P. O. Box 151560, San Rafael, CA 94915-1560 PHONE: (415) 485-3085/FAX: (415) 485-3184

Meeting Date:

November 10, 2015

Agenda Item:

Case Numbers:

ED12-060; UP12-029;

LLA12-003

Project Planner:

Steve Stafford (415) 458-5048

REPORT TO PLANNING COMMISSION

SUBJECT: 815 B St. (formerly 809 B St. and 1212 and 1214 2nd St.) - Review of Draft Environmental Impact Report (DEIR) (SCH # 201306053) prepared for a project proposing to demolish two single family residential structures and a commercial structure and construct a new 4-story mixed use building with 41 residential units above 1,939 square feet of ground-floor commercial space and 48 garage parking spaces; APNS: 011-256-12, -14, -15 &-32; Second/Third Mixed Use West (2/3 MUW) & Cross Street Mixed Use (CSMU) District Zones;), Rick Strauss of FME Architecture + Design, Applicant; Thomas Monahan and Jonathan Parker of Monahan Parker. Inc. and Harold Parker Properties LP, Owners; Case Number(s): ED12-060; UP12-029; LLA12-003

EXECUTIVE SUMMARY

The City of San Rafael is the lead agency responsible for overseeing environmental review for a project proposing to construct a new, 4-story, 42'-high, building with 41 upper-story rental units above 1,939 square feet of ground-floor commercial space and 48 garage parking spaces on four (4) adjacent Downtown parcels. The required and submitted applications for Planning entitlements include: an Environmental and Design Review Permit (ED12-060), Use Permit (UP12-029); and Lot Line Adjustment (LLA12-003).

In June 2013, the City prepared an Initial Study and released a Notice of Preparation (NOP) for an Environmental Impact Report (EIR). The NOP and Initial Study process established that the scope of the project would have potentially significant impacts, which could be reduced to a less-than-significant levels through mitigation measures with the exception of Aesthetics and Cultural Resources (Historical). The Commission conducted a public hearing on the NOP on June 23, 2013, and established that the scope of specific environmental impacts to be studied would be limited to: 1) Aesthetics; and 2) Cultural Resources (Historical) and approved a list of project alternatives to be studied in the DEIR, based upon the Initial Study and public comments.

Accordingly, a DEIR has been prepared and released for a public review and comment period, concluding on November 10, 2015 with this Commission meeting. The DEIR concludes the project's impacts to Aesthetics could be reduced to a less-than-significant level if recommended mitigation measures are implemented. However, the DEIR concludes that the project's impacts to Cultural Resources (Historical) would remain significant and unavoidable. Therefore, when the project merits come before the Commission at a later date for final consideration (along with the Final EIR), the Commission would be required to adopt a statement of overriding considerations if they choose to approve the project as proposed. A finding of overriding considerations means that the project's benefits (social, economic or other) are found to outweigh the significant, unavoidable cultural resource impacts.

Consistent with California Environmental Quality Act (CEQA), the DEIR was released for a 53-day public review period on September 18, 2015. The 53-day public review period exceeds the State-mandated 45day public review period. The purpose of this public hearing is to accept comments on the DEIR. Comments should focus on the environmental issues and project alternatives evaluated in the DEIR, not on the merits of the project, which will be the subject of a future public hearing before the Planning Commission.

RECOMMENDATION

It is recommended that the Planning Commission take the following action:

- 1. Accept public testimony on the DEIR; and
- 2. Direct staff to prepare a Final Environmental Impact Report (FEIR)/Response to comments.

PROPERTY FACTS

Address/Location:	809 B St.; 1212 and 1214 2 nd	Parcel Number(s):	011-256-12, -14, -15 & -
	St		32

Property	/ Size:	23,614 sf (Combined)	Neig	jhborhood:	Downto	own

	Site Characteristics							
	General Plan Designation	Zoning Designation	Existing Land-Use					
Project Site:	2 nd /3 rd Street Mixed Use (2/3MU)	2 nd /3 rd Street Mixed Use West (2/3 MUW) & Cross Street Mixed Use (CSMU)	Interim Church, Commercial Parking Lot, 1 Residence and 1 Vacant Structure					
North:	2/3 MU	2/3 MUW; CSMU	Residential above Commercial					
South:	2/3 MU	2/3 MUW; CSMU	Residential above Commercial					
East:	2/3 MU	2/3 MUW	Residential above Commercial					
West:	2/3 MU_	2/3 MUW	Lone Palm Ct. Apts.					

Site Description/Setting:

The subject property consists of four adjacent parcels, totaling approximately 0.53 acres in size, located in Downtown San Rafael. The parcels are currently developed with a single-story, approximately 5,000 square foot commercial building, a commercial parking lot with 45 parking spaces and two, two-story Victorian-era residences, located at 1212 and 1214 2nd Street that date to 1887 or earlier, one of which is a known local cultural resource, listed on the San Rafael Historical/Architectural Survey (dated 1976; updated 1986) and is currently uninhabitable due to fire damage sustained in 2006 (1212 2nd Street), and the other was later determined eligible for listing on the California Register of Historical Resources by survey evaluation (1214 2nd Street). The subject property has little vegetation and is relatively flat.

The site is located within the Downtown Parking Assessment District. The St. Vincent De Paul Society dining room is located immediately east of the site, on B Street. The 60-unit, Lone Palm Court apartments are located immediately west of the site, on C Street. A 12'-wide public right-of-way (ROW) easement, which provides vehicular and pedestrian access from C Street to the site and neighboring parcels, borders the northwestern property boundary. An existing Canary Island Palm tree, in poor health, is located within the 12'-wide ROW easement. The eastern property boundary of the site fronts B Street, which provides a pedestrian link between the Downtown and the Gerstle Park residential neighborhood. The southern property boundary of the site fronts 2nd Street, which is a one-way (eastbound) "major" arterial roadway.

BACKGROUND

Development History:

In 1951, a 210 square-foot storefront addition was constructed to the residential structure at 1214 2nd Street for use first as administrative offices and later as commercial retail services. Its current use is residential.

In 1967, a third two-story Victorian-era residence (1210 2nd Street), along with a two-story commercial building (811-813 B Street), were demolished during the construction of the existing surface parking lot on the site.

Since 2004, a religious institution or church has occupied the commercial building as an 'interim' use' (Use Permit UP04-031; Planning Commission approved).

Project Review:

Since 2005, numerous redevelopment proposals for the site have been submitted to the City for review. The current project was submitted on August 31, 2012. A summary of the project review, prior to review by the Design Review Board (DRB), is attached as Exhibit 3.

The project has been reviewed by the DRB on three (3) occasions. Through this process, the project has been redesigned to address many of the DRB's comments and recommendations related to mass, building articulation and relation to surrounding structures.

At the third DRB meeting, August 5, 2014, the DRB finally recommended approval of the proposed site and building design for the project, subject to the following conditions/modifications:

- Eliminate the support column at the corner of B and 2nd Streets, underneath the 'wrap-around' canopy projection at the pedestrian level;
- Eliminate the 2' bay window encroachment over the sidewalk/ROW along the 2nd St. frontage but keeping the building articulation by having the entire wall plane setback 2' from the property line;
- Extend the frieze detailing above the bay window 'tower' element (corner of B and 2nd Streets) along both building frontages. The frieze should be less wide but equally detailed;
- Provide a cornice cap on the 4th floor penthouses; and
- Final details on the site landscaping and permanent amenities for the "Outdoor Community Spaces" shall return to the Board as a consent item prior to building permit issuance.

A significant amount of time has lapsed since the original submittal in 2012. This has been due to a few periods during which the project was placed on hold at the request of the applicant. Furthermore, the applicant was not eager to address the DRB's recommendations which resulted in extra DRB meetings and redesigns to adequately address the DRB's comments and recommendations.

PROJECT DESCRIPTION

The project proposes to construct a new, 4-story, 41-unit, mixed-use building, with three floors of apartments above 1,939 square feet of ground-floor commercial space along the B Street frontage and 48 garage parking spaces (including 10 tandem parking spaces). The configuration of the proposed residential units consists of two types: 1) 30 1-bedroom/1-bath units (approximately 890 square feet in size and 2) 11 2-bedroom/2-bathroom units (ranging from 973 - 1,263 square feet in size). A majority of the units are designed with private decks with the exception of the 10 units along the B Street frontage which are designed with 'French' or 'Juliet' balconies. Common outdoor community space is provided by a patio on the 2nd level podium and roof deck. Both pedestrian access to the residential units and

vehicular access to the ground-floor garage are proposed along the B Street frontage (Exhibit 2, Project Plans).

The project's proposed landscape design consists of 2 main areas: streetscape plantings and infiltration planters. The proposed streetscape planting provides six new Crimson Spire Oak trees along the 2nd Street sidewalk. Along the B Street sidewalk, two existing Flowering Pear trees would remain and be augmented by two new Flowering Pear Trees. The infiltration zones are planting areas located at the street level along 2nd Street and also on the north side of property on the 2nd level podium. The function of the infiltration planters is to treat storm water run-off from the building roof, which will be collected by gutters and routed to the planters via down leaders. The project proposes to replace the existing Canary Island Palm tree, which is located in the 12'-wide ROW easement on the north side of the site and in declining health, with a new Canary Island Palm tree in the same location.

The project requests the following planning entitlements:

- 1. An Environmental and Design Review Permit (ED12-060) for the proposed building and site design:
- 2. A Use Permit (UP12-029) to allow the proposed residential use on the site, which is located within two commercial zoning districts; and
- 3. A Lot Line Adjustment (LLA12-003) for the consolidation of the existing four adjacent parcels that comprise the project site.

DRAFT EIR

Initial Study/Notice of Preparation (NOP):

An Initial Study was prepared for the project in June 2013. On June 21, 2013, a Notice of Preparation (NOP) was mailed and published for a 30-day public review and comment period, consistent with the CEQA Guidelines. The Initial Study/NOP evaluated the full range of potential environmental impacts of the project. The Initial Study concluded that:

- The effects upon Aesthetics and Cultural Resources (Historical) would be <u>significant</u> and unavoidable, requiring preparation of an Environmental Impact Report (EIR).
- The effects on Air Quality, Hazards and Hazardous Materials, Noise and Transportation/Traffic could be <u>potentially significant</u>, but could be <u>reduced to a less-than-significant</u> level through mitigation measures identified in the Initial Study. These mitigation measures are included in Table II-1: Summary of Impacts and Mitigation Measures, on pages 10 -13 of the DEIR.
- The project was found to have <u>no impact</u> or a <u>less-than-significant</u> impact upon the remaining environmental topics evaluated in the Initial Study, including Agriculture Resources, Biological Resources, Geology/Soils, Greenhouse Gas Emissions, Hydrology/Water Quality, Land Use/Planning, Mineral Resources, Population/Housing, Public Services, Recreation and Utilities/Service Systems.

On July 23, 2013, the Commission held a scoping meeting at the conclusion of the 30-day comment period and approved a list of project alternatives to be analyzed in the EIR, in addition to a "No project/No Development' alternative, including:

- Preserve and rehabilitate the two historic structures on-site while reducing the project to accommodate the historic structures ('Preservation Onsite' Alternative);
- Preserve and relocate one or both of the two historic structures off-site to a publicly-owned or
 private site allowing the project to be developed as proposed ('Preservation Offsite' Alternative);
 and

 Revised project design to incorporate substantial elements and features of the two historic structures, such as building facades, as part of the proposed project ('Adaptive Re-use' Alternative).

Notice of Completion (NOC) and Publication of DEIR:

Since June 2013, the City's environmental consultant has been working on preparation of the DEIR. During this time, the project was put on hold for over a year at the request of the applicant and the contract with the City's environmental consultant had to be updated given additional work that was required to prepare the DEIR.

The DEIR was completed and a NOC was distributed on September 18, 2015, pursuant to Section 15372 of the CEQA Guidelines. A Notice of Availability and public hearing was also mailed to all interested parties, including property owners, businesses and residents, within 300 feet of the site, as well as appropriate neighborhood groups (the Downtown Business Improvement District, Gerstle Park Neighborhood Association and the Federation of San Rafael Neighborhoods). Additionally, notice was posted on the site, along both the B Street and Second Street frontages, and published in the Marin Independent Journal newspaper on Saturday, September 19, 2015.

The DEIR was mailed to the State Clearinghouse (SCH# 201306053) and responsible State agencies at the start of the public review period. The DEIR was also made available for review online at the City of San Rafael website (http://www.cityofsanrafael.org/commdev-planning-proj-815b/), at the San Rafael Public Library, and at San Rafael City Hall Planning Division offices. A limited number of printed copies have also been available for loan, and electronic CD copies of the document have been available for purchase.

Pursuant to the CEQA-mandated 45-day public review period from receipt of the NOC, the City will accept written comments on the DEIR until the Commission hearing on November 10, 2015, which extends the public comment period an additional 8 days. Verbal comments will also be accepted at the Commission meeting, although the public is encouraged to submit comments in written format so that they can be accurately and adequately responded to in the Final EIR. Comments should be restricted to the scope and adequacy of the DEIR, and not focus the merits of the project. The Planning Commission will hold a separate, noticed public hearing on the merits of the project at a future date.

Draft DEIR Summary and Conclusions:

All impacts must be mitigated to the extent feasible. The City would be required to adopt a Statement of Overriding Considerations pursuant to Section 15093(a) of the CEQA Guidelines before approving any project having unavoidable significant effects. In this case, the DEIR concludes that the project would result in potentially significant and unavoidable impacts to: 1) Aesthetics; and 2) Cultural Resources (Historical). The DEIR identifies mitigation measures that could reduce the project's impacts to Aesthetics to a less-than-significant level. The DEIR concludes, however, that the project's impacts to Cultural Resources (Historical) would remain significant and unavoidable, thus requiring adoption of a Statement of Overriding Considerations:

Aesthetics

Aesthetics and visual quality impacts are analyzed in Chapter IV. A (pages 33 - 43) of the DEIR. As outlined in the DEIR, Painter Preservation & Planning, Architectural Historians, prepared a comprehensive Historic Resource Report (dated June 2013) as part of the environmental review of the project and determined the neighborhood surrounding the 2nd and B Street intersection retains its unique historic identity or character (i.e., train depot and surrounding railroad housing and commercial services) and appears eligible for listing as a Historic District under the California Register of Historic Resources under Criteria 1 (associated with events making significant contribution to local or regional history) and 3 (distinctive architectural or design characteristics).

Painter Preservation & Planning first analyzed aesthetics and visual quality impacts of the project design prior the Design Review Board's review (The Board reviewed the project design on August 20, 2013, and after project modifications, again on July 8, 2014 and recommended approval of the project design with minor changes and conditions on August 5, 2014) and determined:

"The proposed new structure has a negative effect on the present historic character of the neighborhood in the vicinity of the intersection of 2nd and B Streets. It has a particularly negative effect on 2nd Street, due to the loss of residential scale and amenities along this street, including front porches, architectural features such as bay windows, small scale architectural detailing, and the opportunity for interaction between people and the built environment in this location. The proposed design features at the corner of 2nd and B Street, and the retail frontages along B Street do not relate to the traditional historic character of this street and late 19th century commercial streets in general, which are typically more conducive to pedestrian activity. In addition, the historic character of the neighborhood, the late 19th century setting for the project, is significantly impacted with this proposal, due in part to the cumulative effect of prior demolitions in what was a highly intact neighborhood centered around the railroad station and early commercial development in this area." (page 38)

Partially in response to the City Engineer's refusal to allow bay windows or any other construction creating FAR (Floor Area Ratio) over the public sidewalk/right-of-way (ROW), design modifications were incorporated into the project throughout the review of the project by the Board which also reduced the scale of the building by stepping back the fourth floor and eliminated most deck and eave projections into the required setback and over the ROW.

Painter Preservation & Planning re-analyzed potential aesthetic and visual quality impacts of the final project design (after the Board recommended approval of the project design with minor changes and conditions) and determined the final project design:

"...presents a more positive scale relationship to 2nd and B Street at this important intersection. Corresponding changes in building articulation and form, however, present a negative appearance and therefore less positive relationship to the historic neighborhood than the design scheme presented in January 2013. The loss of such features as vertical bays, 'real' balconies, deep eave overhangs and sidewalk canopies has affected the design of the building, as have significant setbacks at the 2nd, 3rd and 4th floor levels. The materials, workmanship and architectural detailing of the building do not mitigate for this change in architectural design. The pedestrian environment, also an important positive feature of the built environment in this neighborhood, is not adequately addressed in this design scheme." (page 42)

Recommended Mitigation Measures for Aesthetics

The DEIR concludes that the final project design does not enhance the aesthetic setting of the historic built environment of the 2nd and B Street neighborhood and remains a potentially significant Aesthetic impact, in addition to causing the loss of historic resources. However, these impacts can be mitigated to a less-than-significant level with the following mitigation measure (pages 42-43):

 Mitigation Measure AES-1: Incorporate building elements that relate the new building to its historic context through the use of projecting bays, usable building balconies, deep eave overhangs, a substantial element at the building corner at 2nd and B Streets, and canopies at the ground floor that extend over the sidewalk.

Cultural Resources

Cultural resources impacts, both historical and archaeological, are analyzed in Chapter IV.B (pages 43 - 60) of the DEIR.

Historical Impacts

Implementation of the proposed project would demolish the two existing two-story residential buildings at 1212 and 1214 2nd Street, which are listed in the local register of historical resources (1212 2nd Street) and has been determined eligible for listing on the California Register of Historical Resources by survey evaluation (1214 2nd Street).

The Victorian-era residences at 1212 and 1214 2nd Street are historically significant for their association with patterns of local history under Criterion 1 of the California Register Eligibility Criteria, and for their architecture, meeting Criterion 3 of the California Register Eligibility Criteria. Demolition of the buildings will constitute a significant adverse impact as demolition of a historic resource cannot be mitigated to a less-than-significant level.

Recommended Mitigation Measures for Cultural Resources

The following mitigation measures are recommended as reasonable and feasible, and appropriate for the resources, given their significance and integrity. These mitigation measures would reduce significant adverse impact of demolition of the Victorian buildings but not to a level of insignificance. Therefore, without an action to adopt the Environmentally Superior Alternative, the Commission would need to adopt a Statement of Overriding Considerations prior to approval of the project as proposed:

- Mitigation Measure CULT-1A: The building at the subject property shall be documented. Documentation shall consist of a narrative, which may consist of the Historic Resource Report, and archivally-stable black and white photographs documenting the building exterior and interiors as they exist today, and the building's general setting. It is not necessary to photograph the property to HABS standards, as the integrity of the property does not warrant this level of documentation. This documentation will be produced and submitted to the California Room of the Marin County Free Library, and the Northwest Information Center at Sonoma State University (NWIC). Photographic negatives shall be retained by the City of San Rafael. Costs associated with CULT-1A are anticipated to be no greater than \$5,000.
- <u>Mitigation Measure CULT-1B</u>: Update the historic survey of the San Rafael with a focus on the San Rafael original townsite area (an approximately 16-block area) and evaluate the area in the immediate vicinity of 2nd and B Street (boundaries to be determined by the survey) for a potential historic district. Costs associated with CULT-1B are anticipated to be approximately \$20,000.
- Mitigation Measure CULT-1C: Develop an interpretive panel, to be installed at one of the corners at 2nd and B Street, which depicts historic photographs of the area, including historic buildings and the train track, a map of the resources, and provides information about the historic buildings and streetscape in the area. Costs associated with CULT-1C are anticipated to be approximately \$20,000.
- <u>Mitigation Measure CULT-1D</u>: Provide a duplicate of the photographs and information that is used for Mitigation Measure CULT-1C, the on-street interpretation of the 2nd and B Street area, and mount them in a prominent location, such as the lobby of the proposed building. Costs associated with CULT-1D are anticipated to be no greater than \$5,000.
- Mitigation Measure CULT-1E: Working with the Marin Historic Museum or an equivalent historical society or organization, develop programming that commemorates the history of the 2nd and B Street area, including the railroad station, to be presented as a lecture, exhibit, online

video, or similar public presentation. Costs associated with CULT-1E are anticipated to be no greater than \$5,000, assuming some volunteer time on the part of the partnering organization.

Archaeological Impacts

On October 1, 2001, the San Rafael City Council adopted Ordinance No. 1772 and Resolution No. 10933, which established procedures to identify, protect and preserve archaeological resources, and codified these in Chapter 2.19 of the San Rafael Municipal Code. The Archaeological Resource Protection Ordinance included the preparation of an Archaeological Sensitivity Map by a qualified archaeologist. This map identified geographic areas of archaeological sensitivity and assigned an archaeological sensitivity rating of 'high', 'medium' or 'low' based on a site's proximity to: 1) known and/or recorded sites containing archaeological resources; and 2) sites and/or geographic areas where studies or individual archaeological site assessments have been completed. This map was subsequently used by staff to create a citywide database ('PastFinder') in which to generate parcel-specific archaeological sensitivity reports for development proposals that involve excavation or grading.

Recommended Mitigation Measures for Archeological Resources

According to both the City's adopted Archaeological Sensitivity Map and PastFinder, the level of archaeological sensitivity on the subject site is 'low' and no archaeological evaluation is required. While no further archaeological review is necessary, the City's Archaeological Resource Protection Ordinance does prescribe standard conditions to mitigate and monitor archaeological finds during grading and construction activities associated with the project. By incorporating these required conditions, archaeological impacts can be mitigated to a less-than-significant level with the following mitigation measures (pages 10-11):

- <u>CULT-2</u>: If archeological or cultural resources are accidentally discovered during excavation/grading activities, all work will stop within 100 feet of the resource and a qualified archaeologist will be notified immediately. The qualified archaeologist will contact Federated Indians of Graton Rancheria (FIGR) and the Planning Division and coordinate the appropriate evaluation of the find and implement any additional treatment or protection, if required. No work shall occur in the vicinity until approved by the qualified archaeologist, FIGR and Planning staff. Prehistoric resources that may be identified include, but shall not be limited to, concentrations of stone tools and manufacturing debris made of obsidian, basalt and other stone materials, milling equipment such as bedrock mortars, portable mortars and pestles and locally darkened soils (midden) that may contains dietary remains such as shell and bone, as well as human remains. Historic archaeological resources that may be identified include, but are not limited to, small cemeteries or burial plots, structural foundations, cabin pads, cans with soldered seams or tops, or bottles or fragments of clear and colored glass; and
- <u>CULT-3</u>: If human remains are encountered (or suspended) during any project-related activity, all work will halt within 100 feet of the project and the County Coroner will be contacted to evaluate the situation. If the County Coroner determines that the human remains are of Native American origin, the County Coroner shall notify FIGR within 24-hours of such identification who will work with Planning staff to determine the proper treatment of the remains. No work shall occur in the vicinity without approval from Planning staff

Project Alternatives

Section V of the DEIR (pages 61-78) contains an analysis of the Project Alternatives. CEQA requires that an EIR describe and analyze a range of reasonable alternatives to a project, which would feasibly attain most of the basic objectives of the project, but would avoid or substantially lessen any of the significant environmental impacts of the project.

The sponsor submitted a list of project objectives, which were re-formatted in the EIR for conciseness as follows:

- To redevelop an under-utilized area of Downtown consistent with General Plan policies;
- To develop a mixed-use project that is appropriately designed for the immediate neighborhood considering the scale and architectural style of surrounding development;
- To meet the City's affordable housing requirements;
- To increase the economic vitality of the Downtown area; and
- To seek approval of a reasonably proposed density bonus with concessions and incentives as permitted under State law.

The following discussion summarizes the key aspects of the three alternatives focusing on whether the alternatives lessen the severity of the project's environmental impacts and would meet key project objectives:

No Project/No Development Alternative

The <u>No Project</u> alternative assumes the project site would generally remain in its existing condition and would not be subject to redevelopment. Under this alternative, the existing commercial building would continue to be occupied by a church tenant, the Victorian-era residence at 1214 2nd would continue to provide two rental units and the Victorian-era residence at 1212 2nd Street would remain vacant because public health and safety code violations prohibit the structure from being occupied. There would be no new mixed-use structure constructed on the project site. The <u>No Project</u> alternative would not achieve any of the project objectives. This alternative would not redevelop an under-utilized area of Downtown or increase the economic vitality of the Downtown area. This alternative would not help the City achieve in meeting its affordable housing goals. Additionally, this alternative would allow the existing residential building at 1212 2nd Street, which has been determined to be uninhabitable due to safety and building code violations, to continue to exist in its dilapidated condition and potentially become a greater public nuisance. Under this alternative, however, there would be no demolition of the existing structures, which are eligible for the California Register, so unlike the proposed project, there would be no impacts to Cultural Resources or Aesthetics.

The project sponsor, Monahan Parker, prepared a financial feasibility analysis of the four identified project alternatives under consideration in this EIR in March 2015 that was reviewed by City staff and subsequently revised in May 2015 in response to City comments (see Appendix A). With regard to the No Project alternative, the study concludes that without development of the proposed project, redevelopment of the project site would be postponed indefinitely, new residential and commercial development would not be created, new tax revenues would not be realized nor new commercial activity introduced into the Downtown through the proposed 41 residential units and ground floor commercial space.

Preservation Onsite Alternative

The <u>Preservation Onsite</u> alternative assumes the Victorian-era residential structures would be maintained and rehabilitated to meet the applicable health and safety codes. The remainder of the site would be redeveloped to provide a reduced scale, mixed-use residential/commercial development focused on the corner of 2nd and B Streets. The <u>Preservation Onsite</u> alternative would largely achieve all five of the project objectives: renovating the Victorian-era residences and constructing a reduced scale, mixed-use project that would revitalize an under-utilized area of Downtown, enhance the relationship of the project to the surrounding neighborhood in terms of scale, meet the City's housing needs requirements, although at a reduced level due to a reduction in the size of the proposed project (Monahan Parker's financial feasibility study assumes a loss of 14 units or 34% density for this alternative), and provide for a greater diversity of housing types in the Downtown. Twenty percent (20%) of the remaining reduced project units would be affordable housing units and the overall project would be eligible for a reasonably proposed Density Bonus under State law, thereby achieving some of the City's affordable

housing goals. The reduced project plus the revitalized two Victorian-era homes would increase the vitality of the Downtown area, although to a lesser degree than the proposed project. The retention and rehabilitation of the existing two Victorian-era residences and reduced project would enhance the relationship of the project to the surrounding neighborhood in terms of architectural style, provide an adequate setting for the historic structures, and would eliminate the loss of historic resources.

Unlike the proposed project, this alternative would not result in significant impacts to cultural resources, as preservation in place is the preferred method of treating historic resources. The setting of the structures would be affected, particularly for 1212 2nd Street, as the proposed 4-story project would immediately abut the 2-story house and overshadow it, as indicated in the scenario prepared by the applicant. However, this could be mitigated with improved design modifications to the proposed project that could step the proposed building mass further from the Victorian-era residences. Additionally, the <u>Preservation Onsite</u> alternative would result in reducing any potential significant environmental impacts to less-than-significant levels.

The applicant's financial feasibility analysis of the <u>Preservation Onsite</u> alternative concludes that it is not feasible from an economic perspective. One key assumption is that the two Victorian-era residences would be fully repaired to market standards and sold at market rate rather than rented as they have been in recent years (the fire damage to the 1212 2nd Street property in 2007 was not repaired and it has deteriorated to an uninhabitable state and therefore has not been a rental property since the fire). Monahan Parker's financial feasibility study found that the cost to renovate the Victorians (\$1.2 million) would be more than their market value estimate to sell them for \$1.13 million. The study further concludes that in addition to this minor loss in revenue for renovation and sale of the Victorian-era residences, the 34% reduction in the proposed project density would create a loss of \$4.27 million for the project sponsors and that it would not be financially feasible.

• Preservation Offsite Alternative

The <u>Preservation Offsite</u> alternative assumes the existing Victorian-era residences would be relocated to another suitable, privately-owned location off-site within the Downtown. This alternative could require significant work to prepare the new site prior to relocating the structures, including but not limited to: purchasing the property, grading and drainage improvements, utilities connections, construction of new foundations for the structures, and moving the structures to the new site. Once the existing structures were relocated to the new site, this alternative would require significant repairs to the exterior and interior of the structures to comply with Historic as well as California Building Code requirements, consistent with the Secretary of Interior's Standards, plus the installation of access and landscaping improvements.

After the existing Victorian-era structures were relocated, the project site would be developed in accordance with the proposed plans. This alternative would allow for the existing historically significant structures to be maintained off-site in a location and manner that protects their historic significance and reduces the project's significant unavoidable impact upon historic resources to a less than significant level.

City staff analyzed a number of potential, privately-owned, sites within and proximate to the project site and Downtown area that could be suitable for relocation of one or both Victorian-era residences. An initial list of eight undeveloped or underdeveloped sites were carefully evaluated and reduced to four sites that satisfy several criteria including: appropriate zoning, appropriate site area, reasonable proximity to the original site, and beneficial residential and historical context:

Alternative Site A – 1201 2nd St/745-747 B St.(APN: 012-075-06)

- Alternative Site B 712 D St. (APN: 012-073-28)
- Alternative Site C 1628 Fifth Ave.(APN: 011-193-06)
- Alternative Site D Between 1135 and 1145 Mission Ave. (APN: 011-213-03)

All four alternative sites are considered feasible in terms of the City's policies and Code requirements (pages 68-78). One of these alternate sites, Alternative Site A (1201 2nd St./745-747 B St.; APN: 012-075-06), is considered the most practical and is also the only site that represents an appropriate historic setting for the structures. While not preserving the same orientation as the existing buildings, Alternative Site A is within proximity of 2nd and B Street; is visible from this corner; and is adjacent to two historic structures that are also associated with 19th century San Rafael at this location. Moving the structures to this site would allow them to retain sufficient integrity of location and setting to maintain their historic status

The <u>Preservation Offsite</u> alternative would relocate and rehabilitate the Victorian-era structures while allowing development of the project proposal and thereby achieve the applicant's objectives. This alternative would result in a less-than-significant impact to cultural resources and, in the case of Alternative Site A, would retain and enhance the historic character of the B and 2nd Street neighborhood.

The applicant's financial feasibility analysis of the four sites evaluated within the <u>Preservation Offsite</u> alternative concludes that none are feasible from an economic perspective (Appendix A). The study assumes a uniform purchase price of \$750,000 for each of the four sites. Soft costs and construction costs were estimated for each site as follows:

- Site A: \$1,905,629Site B: \$1,904,629
- Site C: \$2,122,101 (substantial cost for PG&E power line and higher house moving cost)
- Site D: \$2,260,491 (additional engineering, grading, new foundation, retaining walls, and waterproofing increased costs for this site)

The analysis concludes that the cost to relocate the buildings results in a financial loss, as the estimated building cost to complete the proposed project plus <u>Preservation Offsite</u> alternative of \$22,430,000 is higher than the projected project building value of \$21,820,010, as calculated in the Residential Rent Roll.

One key assumption of the financial feasibility study for the <u>Preservation Offsite</u> alternative analysis is that the project sponsor would purchase the property for relocation, adding a substantial \$750,000 financial burden to the cost analysis. It is possible that land purchase may not be required, as was indicated to City Planning Department staff by the owner of one of the four sites. In this case, the owners expressed interest in receiving the structures at their site, while retaining ownership of the land. Based upon the cost estimates in the financial feasibility study, removing the land purchase cost estimate of \$750,000 and including an appropriate remuneration for the restored Victorian-era structures themselves would likely restore the overall project plus <u>Preservation Offsite</u> alternative to a profitable state, making the <u>Preservation Offsite</u> alternative financially feasible.

Adaptive Reuse Alternative

The <u>Adaptive Reuse</u> alternative assumes the that substantial elements of the existing Victorianera buildings, such as the building facades, would be incorporated into the new building and become part of the new uses, consistent with the project proposal. This alternative would allow for greater flexibility than the <u>Preservation Onsite</u> alternative, but would not fully preserve the buildings to the same degree as the <u>Preservation Onsite</u> alternative. The <u>Adaptive Reuse</u> alternative may address Aesthetic issues by better integrating the proposed project with the neighborhood through addressing scale and architectural design, but does not mitigate for the loss of historic resources. The <u>Adaptive Reuse</u> alternative does not preserve the historic resources in that it does not preserve the buildings. Aesthetic impacts cannot be addressed at this time due to the lack of a specific proposal that illustrates the Adaptive Reuse of the existing historic resources.

The <u>Adaptive Reuse</u> alternative would largely meet project objectives to revitalize this area of Downtown; meet the City's affordable housing objectives; increase economic vitality in this area; and achieve a reasonable density bonus. However, as stated earlier, it cannot reduce the loss of historic resources to a less-than-significant level and the potential of the <u>Adaptive Reuse</u> alternative to mitigate potentially significant Aesthetic impacts cannot be analyzed at this time based on the current project design which does not attempt to incorporate any of the substantial elements from the existing Victorian-era buildings into the project design.

The applicant's financial feasibility analysis of the <u>Adaptive Reuse</u> alternative did not draw a financial impact conclusion about this alternative but rather stated that incorporating architectural elements from the existing Victorian-era structures into the mixed-use project design that was reviewed and recommended for approval by the Design Review Board, with minor modifications and conditions, would not benefit the aesthetics of the building nor pay homage to the Victorian-era structures themselves. Therefore, whether the <u>Adaptive Reuse</u> alternative may be financially feasible is unknown; however, as stated earlier, it would not be a desirable solution to the significant Cultural Resources and Aesthetic impacts.

Environmentally Superior Alternative

CEQA requires that an Environmentally Superior Alternative be identified; that is, determining which of the alternatives analyzed by the DEIR would result in the fewest or least significant environmental impacts The DEIR concludes that the Environmentally Superior Alternative is the <u>Preservation Onsite</u> alternative, which is the preferred method of treating historic resources, preserves the two Victorian structures in place and rehabilitates them according to the Secretary of Interior's Standards for Rehabilitation, restoring them to a safe and habitable condition through a renovation that meets the Historic Building Code.

The <u>Preservation Onsite</u> alternative provides a mixed-use project that better addresses the architectural scale of the neighborhood and, although reduced in scope and therefore the ability to maximize project objectives, would still reasonably achieve the project objectives. Consistent with the recommended Mitigation Measures to reduce potentially significant Aesthetic impacts to a less-than-significant level, re-design of the project to achieve architectural compatibility with the 2nd and B Street neighborhood is feasible, and was, in fact, the original project design when the Design Review Board initiated their review of the project. This alternative would result in a design that achieves key project objectives, although at a smaller scale. The <u>Preservation Onsite</u> alternative would also preserve the historic character of the neighborhood and enhance the integrity of a potential historic district in this area.

The Planning Commission should, in their review of the DEIR, consider which, if any, alternative would be preferable to the project as proposed or which combination of alternatives and the project would best achieve the goal of reducing the identified significant adverse impacts to historic resources.

Public Benefits and Statement of Overriding Considerations

Given that the DEIR concludes that the project would result in significant, unavoidable impacts to Cultural Resources (Historical), in order to approve the project, the Commission would have to adopt a Statement of Overriding Considerations. This is not a topic for this meeting, but would be a finding that the Commission would have to make if they elect to approve the project when it returns for final action at a future date (project merits and Final EIR).

A Statement of Overriding Considerations reflects the ultimate balancing of competing public objectives (including environmental, legal, technical, social, and economic factors). Adopting a Statement of Overriding Considerations would mean that the Commission finds that on balance, the benefits of the project outweigh the significant unavoidable environmental impact(s).

In this case, the applicant has presented that the project by itself, development of infill downtown housing, as encouraged by the General Plan, including the provision of 20% housing affordability within the project, would provide enough public benefit to outweigh the impacts of the demolition of the cultural resources. Furthermore, the applicant contends that the condition of the cultural resources themselves are such as to not warrant their preservation.

Staff has previously initiated discussions with the applicant to explain that there may be additional public benefits needed in order for staff to be able to recommend adoption of the Statement of Overriding Considerations and strongly recommend that they may want to consider identifying additional public benefits to off-set the proposed impact to historic resources. These benefits would be in addition to the recommended mitigation measures in the DEIR.

CONCLUSIONS/NEXT STEPS

The DEIR has been prepared in accordance with the EIR preparation provisions of the CEQA Guidelines and the City's Environmental Assessment Procedures Manual. It is recommended that the Planning Commission accept public comments on the document and direct staff to prepare a Final EIR.

The EIR consultants will then prepare a written response to all comments, which will be published in a second volume entitled, "Final EIR/Response to Comments". Once the FEIR is completed, a follow-up review by the Planning Commission will be scheduled, concurrent with a review of the project merits and the Planning entitlements. It is anticipated that this FEIR review/project merits hearing by the Planning Commission will occur in Spring 2016.

CORRESPONDENCE

All correspondence received on the DEIR, in response to the NOC, is attached as Exhibit 4. At the time of the printing of the staff report, only two comments have been received, from the the State of California Department of Transportation (Caltrans) and the project sponsor.

In promoting their updated mission, vision and goals to reduce vehicle miles traveled (VMT) statewide and increase alternative modes of transportation, Caltrans provides the same comments that were originally provided during the EIR NOP scoping session:

- Please perform a queuing analysis to evaluate potential impacts on U.S. Highway 101 (The Focused Traffic Analysis for the project identifies that the project will impact the southbound 101 off-ramp to Mission Ave. and the northbound 101 off-ramp to 2nd St.). As lead agency, the City of San Rafael is responsible to mitigating all potentially significant project impacts, including needed improvements to the State Highway, presumably U.S. Highway 101. The project's fair share contribution, financing, scheduling, implementation responsibilities and the lead agency's monitoring should be fully discussed for all proposed mitigation measures; and
- The project is encouraged to develop Travel Demand Management (TDM) policies to promote smart mobility and use of the nearby San Rafael Transit Center and Marin Transit Routes 68, 122 and 125.
 To reduce regional VMT and traffic impacts to the State Highway, please consider the following TDM strategies:

- Project design to encourage walking, bicycling and convenient transit access;
- > Provide on-site showers and bicycle racks to accommodate employees using modes of active transportation;
- > Implement preferential carpool parking near the building entrance as an incentive for employees;
- > Encourage employer subsidy contributions to promote the use of public transit; and
- > Encourage public-private partnerships or employer contributions to provide improved transit or shuttle service to/from the project.

Monahan Parker, the project sponsor, comments that not all of their submitted Project Objectives were included in the DEIR, resulting in incomplete analysis and faulty conclusions of the Project Alternatives. Specifically, an important goal of the project, "To improve the site and neighborhood livability via development the site with an economically and technically feasible project", was left out when the seven (7) original Project Objectives were reworded to five (5) revised Project Objectives by staff to improve clarity and readability. The applicant also provides additional background on the history of proposed redevelopment of the project site.

Any additional comments received after the printing an distribution of the staff report will be forwarded to the Commission under separate cover.

OPTIONS

The Planning Commission has the following options:

- 1. Direct staff, by motion, to respond to comments on the DEIR and prepare the FEIR (staff recommendation);
- 2. Extend the public review period and continue the hearing; or
- Direct staff to prepare a revised DEIR and re-circulate for public review.

EXHIBITS

- 1. Vicinity/Location Map
- 2. Reduced Project Plans
- 3. Summary History of Project Review Prior to DRB Review
- 4. Public Comments on DEIR

Hard copy and CD of DEIR (previously distributed to the Planning Commission on September 18, 2015)

815 B Street

(Formerly 809 B Street and 1212 / 1214 2nd Street)



2ND AND **B STREET**

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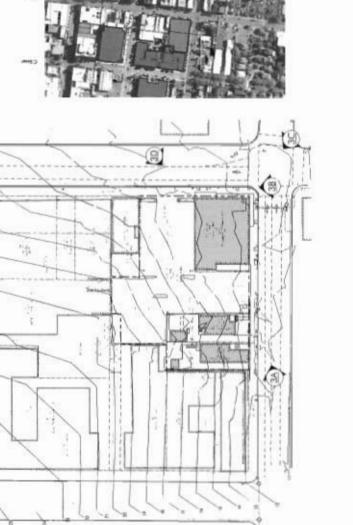
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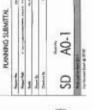


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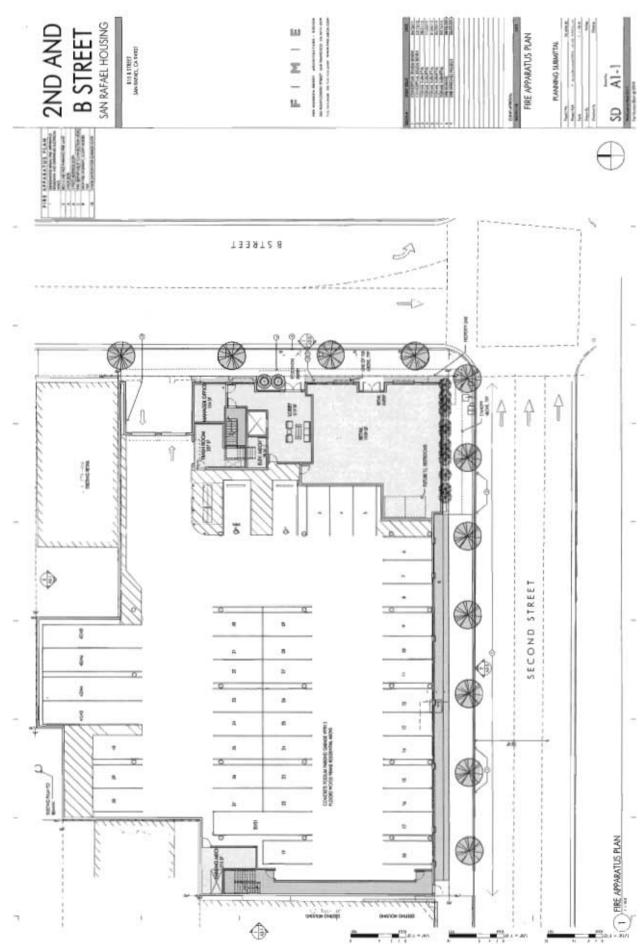
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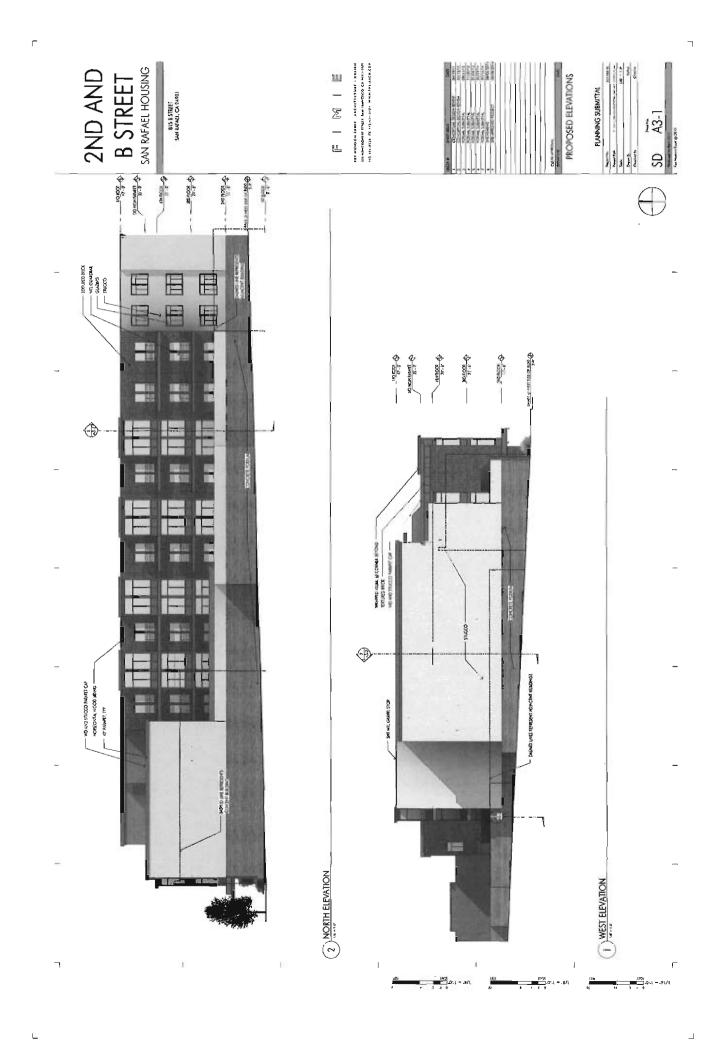
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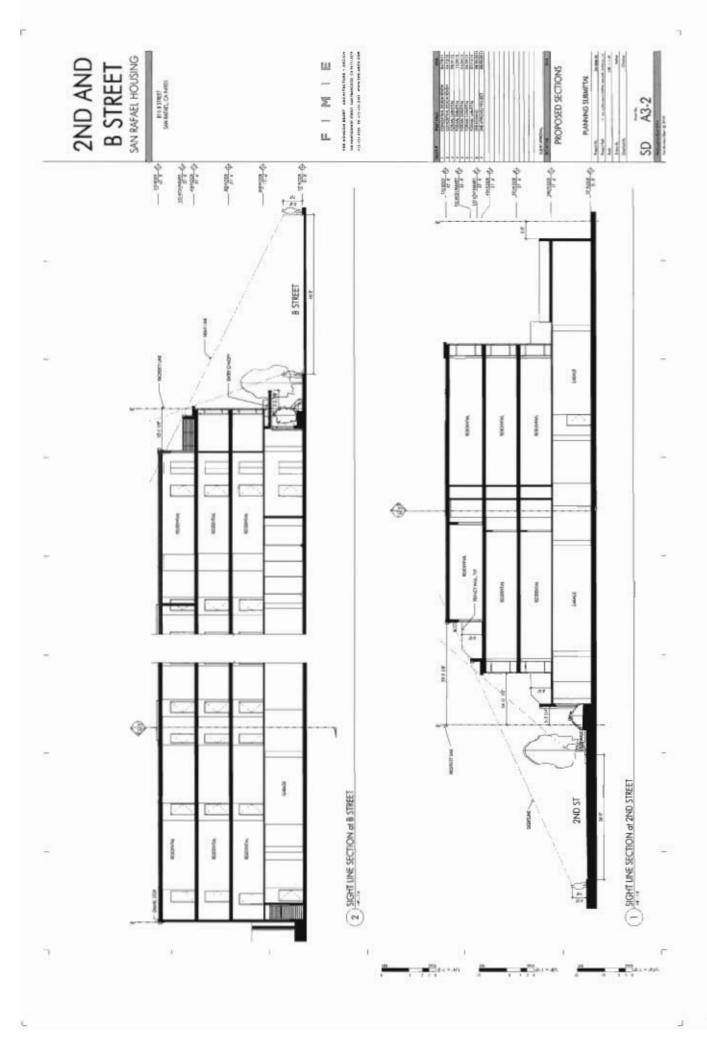
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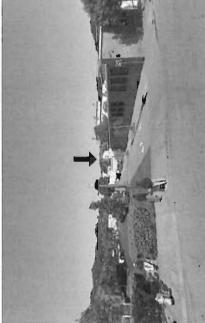
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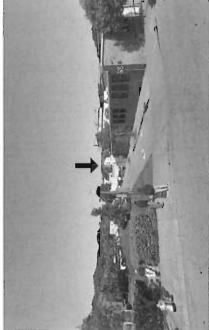




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Summary History of Project Review Prior to DRB Review 815 B Street (Currently 809 B Street and 1212 and 1214 2nd Street)

Conceptual Design Review

On May 8, 2012, the Board conducted Conceptual Design Review (CDR12-001) of the most recent redevelopment proposal for the site, which proposed to demolish all structures on the four adjacent parcels and construct a four-story, 42-unit, mixed-use building, with three floors of apartments above 2,063 square feet of ground-floor commercial space along the B Street frontage and 49 garage parking spaces (including 8 tandem parking spaces). At that time, the Board expressed support for the proposed contemporary design but found that it lacked adequate context (scale, colors and materials) with the existing design of the immediate neighborhood, particularly along the B Street frontage. The Board provided additional direction on recommended improvements to the proposed design of the project, as follows:

- The Board believed that the corner portion of the project is too big and too high; they
 recommended stepping back the top floor, providing a setback to create plaza-type building
 entrances and eliminating cantilever window and deck projections over the public right-of-way.
- The Board recommended greater 'stepback' of the fourth floor, generally, along both the B Street and 2nd Street frontages.
- The Board recommended greater building articulation and detailing, particularly with the windows along both the B Street and 2nd Street frontages.
- The Board requested specific details, including alternatives, on the proposed disposition of the existing Victoria-era structures on the site

A video of the Board's May 8, 2012 meeting may be viewed at http://www.cityofsanrafael.org/meetings/

Neighborhood Meeting

On March 12, 2013, pursuant to City Council Resolution No.8038, a Neighborhood Meeting was conducted by the applicant on-site, at the church facility located in the existing commercial building. Planning staff assisted by noticing the Neighborhood Meeting consistent with noticing requirements contained in Chapter 29 of the Zoning Ordinance. The Neighborhood Meeting was attended by approximately 20 residents and interested parties. Comments provided during the Neighborhood Meeting included:

- The two Victorian-era structures should be preserved and rehabilitated "at all costs" as part of the project either on-site or off-site, with relocation only if an appropriate alternative site is found.
- Meeting the City's parking standards is not enough; the parking demand for the project needs to be thoroughly evaluated and mitigated, if necessary, for impacts on the adjacent Gerstle Park neighborhood.
- The proposed design of the project is out of context with the predominant design character (architecture, scale, materials and colors) in the vicinity, particularly along B Street.
- The two Victorian-era structures should be preserved, relocated and rehabilitated but not at the expense of the proposed project or the proposed redevelopment of the site.
- The proposed project should provide better neighborhood context by reducing the building to two-stories and the site redevelopment should provide significant landscaping.
- The commercial space presence proposed by the project should be increased along the 2nd Street frontage.
- The corner treatment of the building design should push up rather than step down.

- The site provides great bicycle access to the Downtown, shopping and mass transit; it should be an important part of the project.
- The upper-story bay window and balcony projections over the sidewalk should be supported, as it helps to break up the building mass and is a fairly common practice in other cities.
- The extensive use of brick along the building exterior is excessive and overpowering; additional
 exterior materials should be incorporated in the building design to help break up the massing of
 the building.
- The interim church use indicated an interest in staying at the site, within the proposed new ground-floor commercial space.
- Local contractors and labor should be used in building the project.

Environmental Review

An Initial Study (IS12-001) has been prepared for the project by Newman Planning Associates (NPA) which has determined that the project will have "No Impact", a "Less Than Significant Impact" or a "Less Than Significant With Mitigation Incorporated" on the following environmental factors and do not warrant further study: Agriculture Resources, Air Quality, Biological Resources, Geology/Soils, Greenhouse Gas Emissions, Hazards/Hazardous Materials, Hydrology/Water Quality, Land Use/Planning, Mineral Resources, Noise, Population/Housing, Public Services, Recreation, Transportation/Traffic and Utilities/Service Systems.

The Initial Study determined that the project will have a "Potentially Significant Impact" on the following environmental impact categories:

- Aesthetics Impact to scenic resources or visual character or quality of the site and its surroundings due to the proposed design of the new 4-story building in relation to adjacent historic properties; and
- Cultural Resources Impact to historic resources due to the proposed demolition of two (2) historic structures (1212 and 1214 2nd Street) on the project site.

Due to these "Potentially Significant Impacts", the preparation of an Environmental Impact Report (EIR) is required for the project, which will focus on these potentially significant impacts as follows:

Aesthetics

The Initial Study is supported by an Historic Resource Report prepared by Diana Painter of Painter Preservation and Planning, dated June 2013, which determined that the proposed demolition of the historic resources at 1212 and 1214 2nd Street will have an effect on the known or 'listed' historic properties on B Street between 745 and 848 B Street and 1201 and 1115 2nd Street. The historic character of this important corner will be lost, and the urban design character will be affected by changes in the scale, design, materials, workmanship, detailing, and architectural character of the proposed new structure. The character of the street will also be affected by the proposed garage entrance on B Street, which will affect the pedestrian environment.

The Initial Study additionally determined the proposed new structure has a negative effect on the present historic residential and commercial character of the neighborhood in the vicinity of the intersection of 2nd and B Streets. It has a particularly negative effect on 2nd Street, due to the loss of residential scale and amenities along this street, including front porches, architectural features such as bay windows, and small scale architectural detailing, and the opportunity for interaction between people and the built environment in this location. The proposed design features at the corner of 2nd and B Street, and the retail frontages along B Street do not relate to the traditional historic character of this street and late nineteenth century commercial streets in general, which are typically more conducive to pedestrian activity. In addition, the historic character of the neighborhood, the late nineteenth century

setting for the project, is significantly impacted with this proposal, due in part to the cumulative effect of prior demolitions in what was a highly intact neighborhood centered around the railroad station and early commercial development in this area.

The EIR will include analysis of potential design mitigation measures as well as project alternatives to address this significant adverse impact.

Cultural Resources

The Initial Study, through the Historic Resource Report, finds that the residential structures at 1212 and 1214 2nd Street meet two of the four Eligibility Criteria of the State of California. These criteria are used by the State and local agencies to determine whether, under CEQA, impacts to a historic property as a result of a project proposal have the potential to create a substantial adverse change to the resource. In order to be eligible for listing on the California Register of Historic Resources and be determined significant, a historical resource must meet one or more of the four criteria. Therefore, the properties are deemed historic resources and proposed demolition is considered a "substantial adverse change". A substantial adverse change is defined as demolition, destruction, relocation, or alteration activities, which would impair historical significance. In addition to meeting one or more of the criteria, a property must also retain its integrity. Integrity is defined as a function of a property's location, design, setting, materials, workmanship, feeling and association. The Historic Resources Report finds that the structures both retain integrity. The proposed demolition of the historic structures at 1212 and 1214 2nd Street would be a potentially significant adverse impact, requiring the preparation of an EIR.

On June 24, 2013, a Notice of Preparation (NOP) was sent to the Office of Planning and Research State Clearinghouse and all interested parties (Planning Commissioners, responsible agencies, utility providers, neighborhood groups and property owners and occupants within a 300' radius) announcing the initiation of the EIR process, providing a 30-day review period and soliciting comments on the scope of issues to be addressed and alternatives that should be considered in the EIR. The 30-day review period for the NOP ended on July 23, 2013, culminating with the Planning Commission (Commission) holding a scoping session. The purpose of the public hearing was also to solicit those comments on the issues and alternatives to be studied in the EIR. At the scoping session, the Commission supported the determinations in the Initial Study and, after reviewing the project and accepting all public comments, identified 'legitimate' potential alternatives to the project which would feasibly attain most of the basic objectives of the project but avoid or substantially lessen the significant effects of the project. As directed by the Commission, these 'project alternatives', in addition to the 'no-project' alternative, include:

- 1. A reduced project which preserves either one or both historic structures on-site, either in their existing location or relocated on-site, and builds a smaller project ('Preservation On-site Cultural Resources' Alternative);
- 2. A reduced and redesigned project which preserves either one or both historic structure on-site, in their existing locations or relocated on-site, and responds to the significant adverse aesthetic impact by redesigning the project to better respect the historic physical context of B Street ('Preservation On-site Aesthetics/Contextual Design' Alternative);
- 3. A revised project which preserves and relocates either one or both historic structures off-site to a publicly-owned or privately-owned site ('Preservation Off-site Cultural Resources' Alternative);
- 4. A revised project which relocates one or both historic structures to an off-site location where they will be preserved and restored, and which responds to the significant adverse aesthetic impact by redesigning the project to better respect the historic physical context of B Street ('Preservation Offsite – Aesthetics/Contextual Design' Alternative);
- 5. A reduced and redesigned project which responds to the significant adverse aesthetic impact through modifications to project scale, massing, materials and pedestrian access to achieve a

- design that better respects the physical historic context of structures along B Street ('Aesthetics/Contextual Design' Alternative);
- 6. A revised project which reduces the loss of historic context by preserving the character-defining historic features of the two historic structures and incorporating these features into the project design ('Adaptive Reuse' Alternative).

A video of the Commission's July 23, 2013 scoping session may be viewed at http://www.cityofsanrafael.org/meetings/

DEPARTMENT OF TRANSPORTATION

DISTRICT 4
P.O. BOX 23660
OAKLAND, CA 94623-0660
PHONE (510) 286-5528
FAX (510) 286-5559
TTY 711
www.dot.ca.gov





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October 21, 2015

MRN101437 MRN-101-10.84 SCH # 2013062053

Mr. Steve Stafford City of San Rafael Community Development Department P.O. Box 151560 San Rafael, CA 94915-1560

2nd and B Streets Housing Development - Draft Environmental Impact Report

Dear Mr. Stafford:

Thank you for including the California Department of Transportation (Caltrans) in the environmental review process for the 2nd and B Streets Housing Development Project. Caltrans' new mission, vision, and goals signal a modernization of our approach to California's transportation system, in which we seek to reduce statewide vehicle miles traveled (VMT) and increase non-auto modes of active transportation. Our comments seek to promote the State's smart mobility goals and are based on the Draft Environmental Impact Report. Please reference the attached letter dated June 26, 2013 as these comments still apply.

Project Understanding

The proposed project would demolish two Victorian-era residences and a commercial structure to develop a new four-story mixed-use development on a 69,714 sq. ft. parcel in the northwestern quadrant of 2nd Street and B Street. Attributes of the development would include: 41 rental housing units on the top three floors, 1,939 sq. ft. of ground floor commercial space, and 48 parking spaces. In Section VI., the California Environmental Quality Act (CEQA) Required Assessment Conclusions, it is stated that "the 2nd and B Street San Rafael Housing project would significantly intensify development on the site."

Vehicular access to the project site would be gained via a two-way driveway located on the B Street frontage. Freeway access would be gained approximately half of a miles from the project site at the intersection of 2nd Street and U.S. 101 ramps. Noted on Table 2 of the focused traffic analysis (dated October 29, 2012), 90 percent of the northbound (NB) (30 percent) and southbound (SB) (60 percent) traffic would be traveling via U.S. 101.

Mr. Steve Stafford, City of San Rafael October 21, 2015 Page 2

Lead Agency

As the lead agency, the City of San Rafael is responsible for all project mitigation, including any needed improvements to State highways. The project's fair share contribution, financing, scheduling, implementation responsibilities and lead agency monitoring should be fully discussed for all proposed mitigation measures.

Focused Traffic Analysis

Please perform a queuing analysis to evaluate any potential impacts to U.S. 101 NB and SB mainlines. Figure 1 of the Focused Traffic Analysis for a Mixed Use Development at 2nd/B Streets indicate that project-related trips would impact the SB 101 off-ramp to Mission Avenue and NB 101 off-ramp to 2nd Street.

Transportation Demand Management

We also encourage you to develop Travel Demand Management (TDM) policies to encourage smart mobility and use of the nearby San Rafael Transit Center and Marin Transit routes 68, 122, and 125. To reduce regional VMT and traffic impacts to the State highway system please consider the TDM options listed below:

- Project design to encourage walking, bicycling, and convenient transit access,
- On-site showers and bicycle racks to accommodate employees using modes of active transportation,
- Adoption of preferential carpool parking near the building entrance as an incentive for employees,
- An aggressive trip reduction target with Lead Agency monitoring and enforcement,
- Employer subsidy contributions to promote the use of public transit, and
- Public-private partnerships or employer contributions to provide improved transit or shuttle service in the project area.

Should you have any questions regarding this letter or require additional information, please contact Cole Iwamasa at (510) 286-5534 or by email at: cole.iwamasa@dot.ca.gov.

Sincerely,

PATRICIA MAURICE District Branch Chief

Local Development - Intergovernmental Review

1101 5th Ave Ste 300 San Rafael CA 94901

November 4, 2015

Steve Stafford
City of San Rafael
Community Development Department
1400 Fifth Ave. -- PO Box 151560
San Rafael CA 94915 -- 1560

Subject: 2nd & B Street DEIR Response to Comments

Dear Mr. Stafford,

After review of the DEIR, we noticed that the Project Objectives have not been listed in their entirety, resulting in flawed and inaccurate conclusions of Project Alternatives. Our comments and questions are listed in the subsections of this letter below. We ask that these errors and inaccuracies be corrected in the Final EIR.

We also believe that the long Project History has not been provided to the Planning Commission or Public. We ask that this information included in the Final EIR, and the Public Record.

Property History:

It has been nearly two decades since the City of San Rafael Redevelopment Agency's release of their Request for Proposal (RFP) for the 'B Street Redevelopment Project' (see attached RFP dated October 1997), which identified 809 B Street, 813 B Street 1212 2nd Street, and 1214 2nd Street as blighted parcels for redevelopment per the attached Project Area Map (Exhibit B). The City of San Rafael's 'B Street Redevelopment Project' RFP included many Project Objectives in consonance with those of the Proposed Project. The Objectives per the RFP (Exhibit C), in their entirety, are:

- Create a high quality, active mixed use project to revitalize the "B" Street area that is consistent with *Our Vision of Downtown San Rafael* and the City's General Plan.
- Retain and/or enhance the historic character and pedestrian-friendly nature of the frontages of "A" and "B" Streets.
- Provide affordable and market rate housing in the downtown. Eliminate or rehabilitate substandard housing units. At a minimum, replace on site all housing units destroyed at comparable affordable rental rates.
- Create well designed buildings for significant entry statement at the "A" Street entrance to downtown.
- Eliminate blighted conditions in the area.
- Create jobs and improve economic vitality of the area.
- Complete construction and rehabilitation in the shortest time possible.

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PLANNING

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- Deliver retail tenants in the shortest time possible. Agency approval of tenants will be required.
- Minimize Agency financial assistance for the project.

This site has been identified by the San Rafael Redevelopment Agency to have numerous characteristics of blight, including high crime rates, depreciated or stagnant property values, and high vacancies with low lease rates. In the years since, the neighborhood condition has further deteriorated. The corner parking lot and the neighboring parcels are still utilized by transients daily. San Rafael Police Department Reports and comments from neighbors and residents of Gerstle Park all support the conclusion published nearly twenty years ago, that this blighted area should be redeveloped. After numerous design submissions, and City of San Rafael Design Review Board approval of the project design, Monahan Parker is eager to fulfill the goal of the City's former Redevelopment Agency as well as this project's stated Objectives for a revitalization of the Downtown B Street corridor, while benefitting the community as a whole.

Following review of the Draft EIR, dated September 2015, the Applicant would like to offer the following comments and clarifications.

Project Objectives

On page 21 of the Consultant's Report, five (5) Project Objectives are noted. Monahan Parker's October 31, 2014 submission of Project Objectives for the Proposed Project to The City of San Rafael, attached (Exhibit A), lists seven (7) project objectives. Objective #6 states, "To improve the site and neighborhood livability via developing the site with an **economically and technically feasible project**." This is an essential goal of the project and should be included in the EIR as such. Therefore we request that the Project Objectives on p. 21 of the DEIR be revised to include this important objective, and that the alternatives' discussion (discussed in detail below) be revised to include consideration of each alternative's conformance with this objective.

Comments & Action Required:

1. The DEIR did not list all Project Objectives as submitted on 10/31/14. These must be added to have an accurate discussion of alternatives in the FEIR.

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2. Project Objective #6 states; "To improve the site and neighborhood livability via developing the site with an economically and technically feasible project."

DEIR Alternatives Analysis

Preservation On-Site Alternative:

On page 64 of the DEIR it is stated that, "The Preservation Onsite Alternative would largely achieve all five of the project objectives...,". However,, this alternative is not consistent with the Project Objectives provided by the applicant to the City, specifically Objective #6, discussed above. As calculated in Exhibit #3 of the Applicant's May 14, 2015 Alternative Feasibility Study, the Preservation Onsite Alternative would result in a project loss of \$4,271,828, which includes costs for the rehabilitation of the two existing houses, and decreased size of the proposed project by 14 units. This analysis of building reduction is shown in Exhibit #1 of the Applicant's Alternative Feasibility Study, which was provided to the City on (3/10/15 & revised 5/14/15). This \$4.2M financial loss fails to meet the project's Objective #6 of creating an economically feasible project, due to the financial losses that shall be incurred due to the loss of the 14 units should this alternative be adopted. In addition to the failure of this alternative to achieve this objective, the alternative should be rejected because it is economically infeasible (See CEQA Guidelines Section 15126.6(f)(1), discussion of feasibility, which includes "economic viability").

In addition, the Applicant disagrees with the DEIR's statement on page 64, "The retention and rehabilitation of the existing two Victorian residences and reduced project would enhance the relationship of the project to the surrounding neighborhood in terms of architectural style, provide an adequate setting for the historical structures, and would eliminate the loss of historic resources." Because the extensive financial loss that would occur would render this project economically infeasible, this alternative would leave the existing structures and the neighborhood in its current blighted condition. This Alternative would leave two single family residences on an extremely busy street (that acts at one of the City's main arteries to Highway 101) and would be boxed-in between the Lone Palm Housing Complex to the West, and the Proposed Project to the East resulting in drastically decreased desirability as a residential unit due to limited light and air, proximity to traffic noise, limit vehicular access, resulting in decreased property value & rent-ability compared to similar properties in the area. We therefore request that the above statement on p. 64 of the DEIR be revised to reflect the likely outcome of this alternative.

Comments & Action Required:

3. Per the 5/14/15 Alternative Feasibility Study the on Site Preservation Alternative resulted in a financial loss, which results in this alternative failing to meet the project's Goals and Objectives.

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- 4. Even absent the above Objective #6, as described above, the On-Site Preservation Alternative is infeasible per criteria set forth in Guidelines Section 15126.6(f)(1).
- 5. The project sponsors believes that the DEIR is making an inaccurate claim that this Alternative would fulfill the project's Goals and Objectives because this alternative is not financially feasible.
- 6. The project sponsors Alternative Analysis submitted to the City on May 14, 2015 shows that the On-site Alternative results in a financial loss and therefore cannot be considered as a viable alternative.
- 7. Revise the language on page 64 of the DEIR to reflect the likely outcome of the Alternative, taking the omitted Project Goals and Objectives into consideration.

Preservation Off-Site Alternative

The applicant attempted to contact the property owners of the four relocation sites provided by the City of San Rafael regarding the availability of their parcels for relocation of the two houses on the Project site. As documented in the Alternatives Feasibility Study, none of the property owners expressed interest in selling their parcels. The DEIR concurs, and on page 72 notes that, "...in one case, the owners indicated [to City Planning Department staff] that although they did not want to sell their property, they expressed interest in knowing more about the potential for relocating the Victorian structures to their property." To date no property owner has step forward with interest in accepting the two buildings in question.

Our analysis (shown in Exhibit 9 of the Alternatives Feasibility Study) concludes that the cost of the project after relocation and rehabilitation of the two buildings location on 2nd Street would be \$22,430,000. The cost of the project with the Preservation Off-Site Alternative would be in excess of the Project's projected value of \$21,820,011, as calculated in Exhibits 2 & 11. The result of the Preservation Off-Site Alternative remains a financial failure, which fails to meet the project's goals and objectives. The DEIR's claims that any of these relocation sites satisfy the project goals and objectives is again incorrect, due to the fact that the Draft EIR does not take into consideration the Project's Objectives, specifically objective #6. As with the Preservation On-Site Alternative, the alternative should be rejected because it is economically infeasible (See CEQA Guidelines Section 15126.6(f)(1), discussion of feasibility, which includes "economic viability").

In response to the DEIR's analysis of the four potential relocation sites, the Applicant has the following comments:

Site A- 1201 2nd Street:

As noted by the DEIR, this site is an existing parking lot that is located amidst many commercial uses. The lot is fully occupied by reserved parking spaces of tenants of various businesses in the

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vicinity. Although the DEIR notes the parking may not be a zoning requirement for the office space on the same parcel, the reserved lot is currently fully occupied and used on a daily basis by its tenants. As noted in the DEIR, the Cross Street Mixed Use zoning present on this site does not allow for single-family or duplex residences. Each 1400 SF Victorian would have to be converted from a single unit, to a three residential unit building. Aside from the previously calculated restoration costs resulting in a loss, the multi-family renovation costs of each unit would be in addition, and result in an even larger financial loss to the project. It should be noted that the average living area of a triplex carved out of the existing structures would average 466 square feet each, which is below average living space for a rental unit in this area. The incurred cost of converting the two houses into triplexes would further increase the rehabilitation cost as well as further decrease the end product's value. Aside from the financial burdens of this Alternative, the property owner at Site-A has not expressed any interest in selling the parcel.

Site B-712 D Street:

As stated by the DEIR this site contains 36 parking spaces that are required by the office use onsite. Relocating the houses to this site would require providing the office use alternative parking space. In addition to the parcel's required parking, the relocation results in a financial loss for the project. Therefore, this Alternative fails to meet the Project's Objectives. In addition to the infeasibilities mentioned above, the owner of this parcel has not expressed any interest in selling the parcel, nor allowing relocation of the houses to the site.

Site C- 1628 Fifth Ave:

As the only vacant lot in the list of parcels for potential relocation, the Applicant thoroughly researched this option. Due to its location, 1628 Fifth Avenue is far from the historic context by which the historian has based her opinion of the structures historical significance. This site is not in proximity to the historic workforce housing, representative of turn of the century railroad neighborhoods. The immediate vicinity of 1628 Fifth Ave is a lush, affluent, tree-lined block, comprised of much larger homes (>2,300SF), and the modern school campus of Marin Academy. In addition, removing the historical context by which the building's historical significance is based, the project would incur a financial loss would again fail to meet the Project's Objectives. The owner of this parcel has not expressed to us any interest in selling the parcel.

Site D- 1135/1145 Mission Ave:

Site D is an existing parking lot with excessive slope, squeezed between two exisiting structures. The site access to this property is from Mission Avenue, which provides access to Downtown San Rafael and Highway 101 for many commuters. The high slope of this lot increases engineering & construction costs associated with relocating the Victorians to this site. Pursuing the relocation of the Victorians to this site fails to meet the Project Objectives, as it results in a financial loss to

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the project. Similar to the other sites, the owner of this parcel has not expressed any interest in selling the parcel, nor allowing relocation of the Victorians to the site.

Preservation Off-Site Alternative Financial Feasibility:

The DEIR claims that one of the four property owners is interested in taking the two structures while maintaining ownership of the property, which would then result in a reduction the construction cost of the project, and therefore financially feasible. Due to the lack of information provided in the DEIR validating this claim no evaluation of reduced relocation and reconstruction costs can be made. The DEIR does not provide the address for the interested property owner. Therefore the costs associated with relocating the buildings to the specific site (including meet zoning standards of multifamily dwelling which will impact construction costs) cannot be made. The information presented in the DEIR regarding an "interested property owner" is insufficient to make an accurate assessment of the feasibility of the economic impacts.

Comments & Action Required:

- 8. As documented in the DEIR, after multiple attempts to contact the property owners, none of the owners of the potential off-site relocation properties has stepped forward with interest to sell their property.
- 9. As documented in the DEIR, Off-Site relocation properties A, B, & D are currently being used as commercial parking areas for existing buildings with no response from ownership's desire to sell their properties. If the EIR is to seriously consider this alternative, it also must consider the potential impacts of developing replacement parking for the lost lots.
- 10. Off-Site relocation property C is zoned for residential use but is outside the historically significant district that the Historical Resource Report (June 2013) claims lends historical significance to the 2nd Street building; and no response from ownership regarding a desire to sell the property.
- 11. DEIR has documented that; "owners expressed interest in receiving the structures at their site, while retaining ownership of the land." To Date no information has been provided to the project sponsor regarding the specific property or property owner that an owner is interested in receiving the buildings. Without an actual property to evaluate and owner to discuss terms with no actual analysis can be conducted.
- 12. The Project Sponsor do not believe the Off-Site Alternative is a viable project Alternative without an available relocation property, that is historically appropriate, property zoned (or a willingness of the City of San Rafael to allow rezoning), and with a property owner willing to sell the property or receive the buildings to be relocated. Since none of the property owners of the City of San Rafael listed Off-Site Alternative relocation properties has shown any documentable interest in selling their property or receiving the structures; the property Sponsor requests that this alternative be removed as a potential alternative, unless the City of San Rafael can produce a written document before Certification of the

MONAHAN PARKER INC.

1101 5th Ave Ste 300 San Rafael CA 94901

Final EIR, from the property owner that they are willing to receive the structures or sell the property.

Adaptive Re-Use Alternative:

The Project sponsors believe, supported by our Architect's professional opinion Adaptive Re-Use of the existing buildings would not result in an homage to the historic nature of the neighborhood but, rather, would result in a contrived aesthetically unattractive appearance. The exterior architectural elements are in poor condition and would not enhance the appearance of the Approved Exterior of the Proposed Building. Please see attached letter from our Architect regarding the Adaptive Reuse Alternative. Therefore this alternative, while feasible, would not meet CEQA's requirement that alternatives "avoid or substantially lessen any of the significant effects of the project" (Guidelines, Section 15126.6(a).

Comments & Action Required:

- 13. Per the Project Architect's attached letter (Exhibit D) addressing Adaptive Re-Use this alternative would result in an aesthetically inferior appearance in comparison to the existing design, and therefore fails to meet the requirements of CEQA Guidelines section 15126.6(a). The exterior elements of the buildings in question are in poor condition and aesthetically would not mitigate the loss of the historic resource.
- 14. In light of the Project Architect's attached letter the project Sponsor requests that the Adaptive Reuse Alternative be determined to be not a viable project alternative.

Environmentally Superior Alternative:

Please see On-Site Preservation Alternatives Comments regarding this item since the DEIR claims that the On-Site Preservation Alternative is the Environmentally Superior Alternative.

Should the City determine that an additional alternative be necessary to meet CEQA requirements for a "range of reasonable alternatives (per Guidelines Section 15126.6(a)), in light of the infeasibility of several of those considered in the DEIR, we suggest that the project plus mitigation measures identified in the DEIR be formulated into a "Mitigated Project Alternative", which would be a feasible Environmentally Superior Alternative, and which we would wholeheartedly support.

MONAHAN PARKER INC.

1101 5th Ave Ste 300 San Rafael CA 94901

Environmentally Superior Alternative Comment:

15. Given the infeasibility of several of those considered in the DEIR, we suggest that the project plus mitigation measures identified in the DEIR be formulated into a "Mitigated Project Alternative", which would be a feasible Environmentally Superior Alternative.

Conclusion:

As described above, the project as proposed and designed will benefit the revitalization of the neighborhood and will provide much needed housing to the downtown area. This project site has been documented as a blighted location since 1996 and even the City of San Rafael's redevelopment agency made efforts to redevelop this location since 1997. This project would replace the existing dilapidated structures, remove the ability of transients to use this property for their daily use, and put 41-new residential units (six (6) of the forty-one (41) units shall be below market rate) into the downtown district with eyes on the street. We feel this alone is enough for the City Leaders to make a decision for overriding consideration due to the benefit this project provides. Additionally we support most of the mitigation measures listed on pages 10, 11, 12, & 13 of the DEIR. We ask the City Planning Commission to support our project and fulfill the vision of the San Rafael Redevelopment Agency in a project that replaces a blighted group of properties that have been an affliction on the downtown area for nearly twenty years.

Sincerely,

Robin Miller

Owner's Representative

MONAHAN PARKER

1101 5th Ave Suite 300 San Rafael CA 94901

October 31, 2014

City of San Rafael Planning Department Attn: Steve Stafford 1400 5th Ave, San Rafael, CA 94901

Subject:

2nd & B Street, Project Objectives,

Dear Steve,

Below is a list of the 2nd & B Street – Project Objectives as requested.

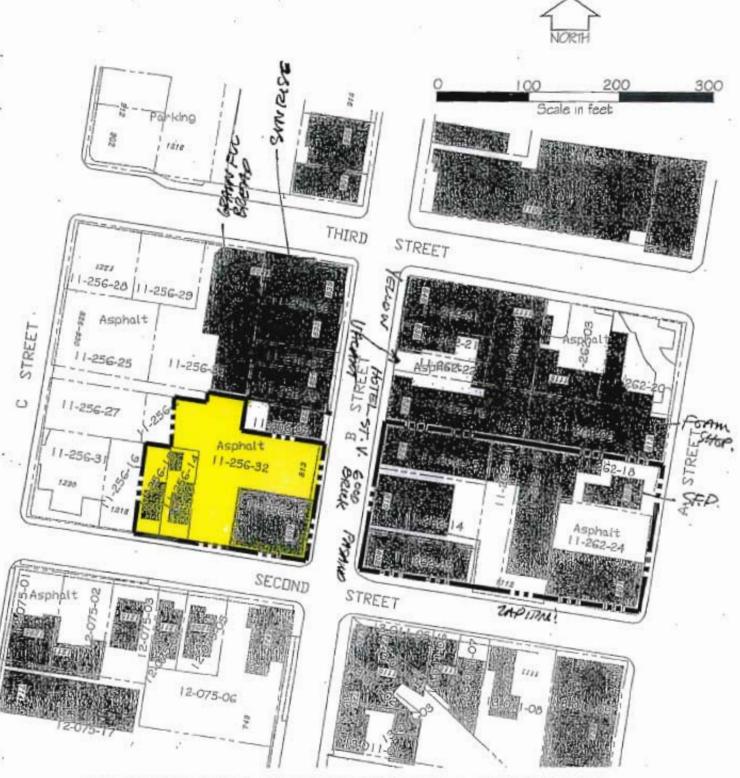
- 1. To redevelop a blighted area of downtown consistent with, and implementing, General Plan policies for Land Use, Community Design and Economic Vitality.
- 2. To develop a mixed-use project that is appropriately designed for the immediate project neighborhood, considering the scale and style of surrounding development.
- 3. To develop the site in a manner that would enhance the overall safety and quality of life in the project neighborhood.
- 4. To provide an economic benefit for the City and community through economic stimulus in the project area, increased tax revenues, and other economic benefits that would result from converting the partially vacant and low-intensity land use site to a generator of jobs, revenues, and economic activity in this economically emerging neighborhood.
- 5. To provide employment opportunities for area residents, in construction, maintenance, and other on-site jobs.
- 6. To improve the site and neighborhood livability via developing the site with an economically and technically feasible project.
- 7. To Increase the economic activity in the area to help support downtown merchants, restaurants and other businesses.

Should you have any questions please contact me tmm@monahanpacific.com. I look forwarded to seeing the Project Alternatives that the City of San Rafael Planning Department shall provide.

Sincerely,

Thomas Monahan

cc: Raffi Boyolan - raffi.boloyan@cityofsanrafacl.org.
Jonathan Parker
Robin Miller



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EXCERPT FROM B STREET REDEVELOPMENT RFP

Attachment A

EXCERPT FROM B STREET REDEVELOPMENT RFP PG.3

Request for Proposals
"B" Street Project Area

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REDEVELOPMENT AGENCY FINANCIAL ASSISTANCE

Redevelopment Agency financial assistance may be available depending on the merits of the proposed project. Additionally, the Agency is committed to working with the developer to expedite the processing of the City development approvals. Any Agency assistance required by the developer will need to be specified in the proposal as detailed in "Submittal Requirements" section below.

REDEVELOPMENT OBJECTIVES FOR "B" STREET PROJECT

- ♦ Create a high quality, active mixed use project to revitalize the "B" Street area that is consistent with Our Vision of Downtown San Rafael and the City's General Plan.
- ♦ Retain and/or enhance the historic character and pedestrian-friendly nature of the frontages of "A" and "B" Streets.
- O Provide affordable and market rate housing in the downtown. Eliminate or rehabilitate substandard housing units. At a minimum, replace on site all housing units destroyed at comparable affordable rental rates.
- ♦ Create well designed buildings for a significant entry statement at the "A" Street entrance to downtown.
- ♦ Eliminate blighted conditions in the area.
- ♦ Create jobs and improve economic vitality of the area.
- Omplete construction and rehabilitation in the shortest possible time.
- ♦ Deliver retail tenants in the shortest possible time. Agency approval of tenants will be required.
- Minimize Agency financial assistance for the project.

"B" STREET DEVELOPMENT CONCEPT

Active Mixed Use Development. The development concept for the "B" Street project is a mixed use project which must include housing (as described below), ground floor retail along "A" and "B" Streets, and any combination of office, retail, entertainment, or restaurant use and parking that is consistent with *Our Vision* and the General Plan. Active pedestrian uses along "A" and "B" Streets are desired. The tenants in the project should stimulate interest and vitality in this area of downtown for residents, employees and visitors. *Our Vision* specified the desired development in the Second/Third Street corridor (in part) as follows:

- Establish a vital, varied and compatible mix of office, retail and residential uses that utilizes the special strengths given this District by the high traffic volume and visibility of Second and Third Streets
- Make Second and Third Streets a very attractive, safe and efficient transportation corridor.
- Strengthen the unique character of each cross street and give special treatment to "B" Street as an area of strong historic character and the primary connection between the Gerstle Park Neighborhood and the Fourth Street Retail Core.



October 19, 2015

To City of San Rafael Planning Commission,

I am the Project Architect with 30 years of professional experience. FME is an award winning Architectural Firm and has been the project Architect for five years. We are the third architectural firm that has presented project designs to the City of San Rafael for this site. Since 2010 we have completely redesigned the project three different times based on direction from the City of San Rafael Design Review Board (DRB). What began as a modern 4-story building with tile and glass exterior is now a scaled down project with articulated roof canopies and vertical window bays. Rich brick and warm metal architectural details help evoke the historical fabric of the neighborhood. Each design scheme has incorporated a deep canopy at the retail frontage to engage the pedestrian scale on B Street and mimic the existing historical architectural elements of the buildings in the surrounding B Street neighborhood. A lush landscape wall will help screen the open parking garage from the traffic on 2nd street. To illustrate our design evolution and the benefits of the project I have attached Exhibit I to this letter which is a rendering of the DRB approved project design as well as the design parameters that were given to us by San Rafael DRB. Exhibit 2 (attached) shows the Evolution of the project's multiple designs. Exhibits 3 & 4 (attached) shows the DRB approved project design which include the various historical architectural elements found on the buildings in the B Street neighborhood. These historical architectural elements include, Bay Windows, Vertical Window Mullions, Canopies, Varying Roof Lines, contemporary Materials that reflect a historical vernacular, & Canopy Projections that mimic existing canopies existing in the neighborhood. The project also improves vehicular safety by removing the three existing driveways on 2nd street which is a very busy street and limiting vehicular access to B Street. The building capitalizes on a transit orientated green design that is located near public transportation, shall have an electrical car charging station within the garage, planted roof decks, onsite storm water filtrations systems, and solar applications.

We have studied Adaptive Reuse of the existing building elements from the structures located on 2nd street and conclude that this is not practical nor possible. There is no part of the building that should be incorporated into the proposed project. We do not believe that the Adaptive Reuse Alternative is a viable option for this project. Reusing portions of the two dilapidated structures on site does not provide a benefit to the historic character of the neighborhood. We have reviewed the Adaptive Reuse

Alternative in the Draft EIR and have studied the visual impacts of incorporating substantial elements of the existing Victorians into the project. The result of Adaptive Reuse detracts from the current architectural design which has been refined repeatedly over the past 5 + years and was ultimately embraced by the San Rafael DRB on 2014. It is our opinion that the Adaptive Reuse Alternative would not pay homage to the dilapidated Victorians; in fact it would produce a contrived exterior appearance of the proposed building and would result in an aesthetically unattractive project.

Thank You,

Rick Strauss, Architect
FME Architecture + Design

Mackenzie Bray, Architect, LEED AP
FME Architecture + Design

2ND AND B STREET: NEW SAN RAFAEL HOUSING

August 2014 - DRB Approved Project



DESIGN PARAMETERS

- Translation of Historic Context
- •Vibrant Pedestrian Retail Space
- Controlled Vehicle Access
- Transit Orientated Green Design
- •Community Enrichment



DESIGN EVOLUTION 2010-2015

DESIGN #1 May 2011



DESIGN #2 April 2012



DESIGN #3 March 2013



DESIGN #4 August 2014 DRB Approved Design



HISTORIC CONTEXT

Challenge: translate the articulation of the Historic District into a larger scale Contemporary mixed use building that meets the Current General Plan and Zoning

- · Bay Windows
- Vertical Window Mullions
- Canopies
- Varying Roof lines
- Materials contemporary interpretation of historic vernacular

HISTORIC CONTEXT





Bay Window Projections Vertical Mullion Articulation

HISTORIC CONTEXT





Pedestrian Scale Canopy Projections

VIBRANT PEDESTRIAN RETAIL SPACE

- Canopy overhang reduces scale at street level and visually separates sidewalk from building above
- Recessed storefront entries mimic those across the street
- Corner focal point provides continuation of retail along B Street

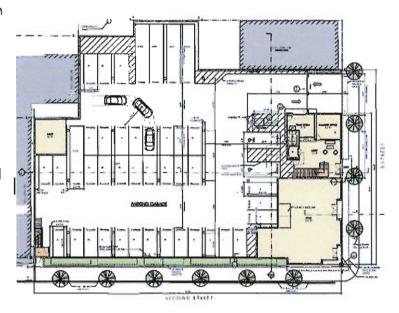


CONTROLLED VEHICULAR ACCESS

- Replace 3 existing curb cuts with curb and sidewalk. Use existing curb cut on non-busy street
- Endorsed by City Traffic Engineer

COMMUNITY ENRICHMENT

- General Plan made a fundamental move to increase density
- Increase access to amenities and services
- Accelerate growth in right direction to attract more residents and businesses
- · Preservation of green space



TRANSIT ORIENTED GREEN DESIGN

- Proximity to Public Transportation
- · Living wall/parking screen
- Planted roof decks
- On-site storm water filtration
- Solar applications
- Vehicle charging stations
- · Proximity to parking



MONAHAN PARKER

1101 5th Avenue, Suite 300 San Rafael, CA 94901

2nd & B Street

ENVIRONMENTAL IMPACT REPORT ALTERNATIVES FEASIBILITY STUDY

March 10, 2015

Rev 1: May 14, 2015

Per City Response Comments April 22, 2015

2nd & B Street

ENVIRONMENTAL IMPACT REPORT ALTERNATIVES FEASIBILITY STUDY

March 10, 2015 Per City Response Comments April 22, 2015 Rev 1: May 14, 2015

INDEX

Pre-Tab 1 Cover Page
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Revised Response Letter 4-28-2015
Original Response Letter 3-10-2015

Tab 1 Alternative #1 "Onsite Preservation"

Tab 2 Alternative #2 "Offsite Preservation"

Tab 3 Alternative #3 "Adaptive Reuse"

Tab 4 Alternative #4 "No Project"

Alternative #5 "Office Use"

Tab 5

MONAHAN PARKER INC.

1101 5th Ave Suite 300 San Rafael CA 94901

March 10, 2015

Steve Stafford City of San Rafael Community Development Department 1400 Fifth Ave. – PO Box 151560 San Rafael CA 94915 – 1560

RE: 815 B Street EIR - Revised Project Alternatives

Dear Steve,

This letter is in response to the City's requested EIR alternatives for the 815 B Street project as outlined in the Newman Planning Associates letter dated October 30, 2014. There are four project alternatives requested by the City, noted as Alternatives 1-4, as well as an additional. 5th Alternative, noted as the applicant's Alternative for an office building use at the project site:

Alternatives:

- 1. Preservation On-Site/Reduced Project;
- 2. Preservation Off-Site/Project Design as Proposed;
- 3. Adaptive Reuse;
- No Project;
- 5. Office Building Alternative (applicant alternative).

This letter includes Monahan Parker's evaluation of the five Project Alternatives. The City provided a list of Project Alternatives in late October 2014. However, we were unable to analyze the Alternatives until January 9, 2015 when we received the City's list of off site relocation properties associated with the Off-Site Alternative. From January 2015 to March 2015 we analyzed the five various Project Alternatives.

Our analysis of the aforementioned Alternatives has produced the following conclusions:

Alternative 1- On-Site Preservation:

On site preservation of the two structures (1212 & 1214 2nd St.) created a condition where the proposed building footprint was reduced by 19,881 square feet. This reduction to the building footprint resulted in a loss of 21 parking spaces and 14 units. This reduction to the building size and unit count resulted in a reduction in rental income and construction costs. This reduction to the rental income greatly outweighs the reduction to the development and construction costs associated with this project. We assumed as part of the conditions of approval, the City would

likely require that this project rehabilitate the two Victorian era structures. There is extensive work necessary to rehabilitate the two dilapidated structures which also has high costs associated with it. The unit at 1212- 2nd Street has suffered from fire and has been vacant for the past few years, where its condition has continued to deteriorate from exposure to the elements. The cost associated with rehabilitating these two structures far exceeds their market resale value resulting in a loss to the proposed project, rendering it un-financeable and failing to meet the project objectives.

Alternative 2- Off-Site Preservation:

The analysis for this Alternative is extremely speculative and fraught with issues that make this alternative unlikely, if not impossible. First, the four properties listed by the City as potential off site relocation properties are not for sale nor have we received any indication from the property owners that they have any interest in selling after many attempts to contact in regards to the possibility of the purchase. Relocation of the two 2nd street structures is contingent on City rezoning approval, avoiding appeals by the neighborhood, and obtaining City Planning & Building approval for the relocation & rehabilitation of the two structures. The cost to acquire the parcels (if they were available), combined with the cost to relocate, retrofit, & rehabilitate the residences, results in this option not being financially feasible. The numerous quantifiable and unquantifiable time and cost impacts of this Alternative make this assessment conceptual at best. Additionally, the marginal profitability of the proposed project is so minimal that the cost associated with the relocation alternative renders the project un-financeable. The cost required to complete the offsite relocation of the two properties renders this Alternative infeasible.

Alternative 3- Adaptive Re-Use:

The San Rafael Design Review Board (DRB) diligently studied the architecture of the proposed building. Over the past several years multiple project designs were proposed and modified at DRB's request to modify the architecture in effort to have the project's design, size, and architectural elements incorporated into the historical context of the neighborhood. The most recent project design is the result of these multiple design changes integrating historical elements into the overall building design and historical context of the neighborhood. This design was ultimately approved by DRB on August 5th 2014. After multiple meetings with our award winning architect Rick Strauss of FME – Architects, it was determined that Adaptive Reuse of the existing structures at 1212 & 1214 2nd street would not integrate into the current approved building design or the character of the neighborhood. The result of the adaptive reuse alternative would ultimately result in a contrived, un-aesthetically pleasing building design, which would not do justice to the proposed project, nor fit the historical context of the neighborhood or structures at 1212 & 1214 2nd Street. In conclusion, this Alternative does not meet the applicant's, nor the City's project goals.

Alternative 4- No Project.

The result of this alternative will result in no project being built. If this alternative is pursued, no development will happen at the Proposed Project site. No economic stimulus will be brought to this struggling area of Downtown San Rafael. The aged building will remain at 815 B Street, the parking lot will remain and will continue to be a locale for transient inhabitation and drug usage. The two Victorian structures shall remain on site without any improvements. The 1212 2nd street structure will continue to deteriorate and shall remain uninhabitable. In conclusion, this alternative does not fulfill the applicants project goals, nor the goals of the City.

Alternative 5- Office Development:

Although the proposed mixed-use residential & retail project is what has been applied for and is what the project applicant desires, the applicant has requested that an office development alternative be included in the EIR review process. The office use is in accordance with the planning and zoning requirements for this site, and provides economic benefit to the City and the applicant. The height, density, and zoning of the office use at this site conforms to the City standards and the project objectives. We request the office use for a project of comparable size, scale and density as the proposed project be included at as viable project alternative for the purposes of this EIR alternatives review. In conclusion, this is a viable Alternative to the Proposed Project.

Summary:

The 815 B Street Project is a small 41 residential unit project which is designed to provide housing to the San Rafael Downtown areas on a city block that has many challenging aspects associated with it. We believe that the project as proposed will provide the City with the opportunity to redevelop a blighted area of downtown, enhance the overall safety and quality of life in the neighborhood. We feel the proposed project will provide an economic benefit to the City and Community, which will enhance a 24-hour neighborhood in the downtown area. Due to its challenging neighborhood location and high development costs, the economics of the proposed project barely meet the criteria for financing. Any further significant costs impacts to the project make it economically infeasible from a development standpoint. We ask the City to make the determination of "over riding consideration" for the benefits of this project outweighing any potential drawbacks.

Sincere:	ly,

Robin Miller

815 B Street Project Onsite Alternatives Cost Summary

			PROPOSED	ALTERNATIVE	OFFITE ALTERNATIVE A	OFFITE ALTERNATIVE B OFFITE ALTERNATIVE C 712 D St.	OF FITE ALTERNATIVE C 1628 5th Ave	OFFITE ALTERNATIVE D 1135 Mission Ave	ADAPTIVE REUSE OF HISTORIC FEATURES	SITE TO REMAIN AS CURRENTLY OCCUPIED		OFFICE BUILDING ALTERNATIVE
SITE AREA	4- Parcels	л.	23,614	18,214	23,614		23,614	23,614	23,614			23,614
MAXIMUM BUILDING HEIGHT			45.0.	420"	42.0.	42.0"	42'-0	42.0	42.0.			420.
PROPOSED BUILDING HEIGHT			. 42'-0"	42-0"	42'-D*	42.0"	42'-0"	42'-0"	45'-0"			450.
MAXIMUM DENSITY ALLOWED		SLIND	44	4	41	- 4	14	14	4			41
DENSITY PROPOSED		STIND	41	30	30	30	30	30	30			30
SQUARE FOOTAGE Retail Garage Residential Gross	(37,566 SF Net)	ድ የ የ	1.939 20,000 47,775	1,939 14,800 34,775	1,939 20,000 47,775	1,939 20,000 47,775	1,939 20,000 47,775	1,939 20,000 47,775	1,939 20.000 47,775			1,939 20,030 47,775
TOTAL		P.S.	69,714	51,514	69,714		69,714	69,714	41,714			69,714
PARKING REQUIRED		Spaces	47	33	47	47	47	47	47			47
PARKING PROPOSED		Spaces	48	29	48	₹	84	87	48			48
COSTS			600				000	000000	00000		6	900
SOFT COSTS	(A&E Instrance, Clay Fe	CALE INMEDIATE CAY Fees (2005 markeline off.) &	2.250.000	2 000 000		2.250.000	2.250.000	2.250.000			÷ 14	2.250.000
BUILDING CDSTS Garage Retail Residential Residential Residential Siework Demokloon	-0 = V C	UNIT PRICE \$ 88 \$ 150 \$ 180 \$ 20	SUBTOTAL 1,750,000 \$ \$ 315,000 \$ \$ 8,000,000 \$ 475,000 \$	1,332,000 350,000 6,259,500 384,280 137,200		1,750,000 315,000 8,600,010 475,000 224,000	1,750,000 315,000 8,800,000 4,75,000	1,750,000 315,000 8,600,000 475,000			Garage 20,000SF @ \$48/5F \$ Lobby 3,500 SF \$ Office 31,000 SF @ \$200/SF \$ П Costs 31,000 SF @ \$75/SF \$	1,763,000 525,000 6,300,000 2,325,000
TOTAL	10 %		\$ 12,375,000 \$	944,298.00 \$	1,011,000.00	\$ 12,375,000 \$	12,375,000 \$	1,011,000.00	\$ 1,011,000.00			10,810,000
FINANCING AMOUNT FINANCING COST	75% of Project 9% for 24 months		\$13,218,750.00 \$ 10,715,458.50 \$ 2,375,000 \$ 1,928,783	10,715,458.50 \$	13,218,750.00 2,379,375	\$ 13,218,750.00 \$ \$ 2,379,375	13,219,750.00 \$	13,218,750.00	\$ 13,218,750.00 \$ 2,379,375		vs 40>	12,045,000.00 2,168,100
RESTORATION COST (2) VICTORIANS RELOCATION LAND COST RELOCATION COST (2) VICTORIANS RELOCATION SOFT COSTS Operating Deficit for 1214 2nd Rental (1397s)	12		v,	1,500,000 \$	987,879 750,000 78,000 167,750	\$ 987,879 5 \$ 750,000 \$ \$ 75,000 \$ \$ 166,750 \$	1,207,351 \$ 750.000 \$ 146,000 \$ 164,750 \$	1,385,991 700,000 96,000 174,500	, , , , , , , , , , , , , , , , , , ,	\$ 81,813		
TOTAL PROJECT COSTS		.	\$ 20,000,000 \$ 47,716,063	47 746 064 S	21 830 254	\$ 24 820 253 \$	22 407 726 \$	22 186 365 5	\$ 20.004.375 \$	3.084.813	en.	18 228 100

ALTERNATIVE #1 EXISTING RESIDENTIAL STRUCTURES REMAIN IN PLACE

1. PRESERVATION ON SITE ALTERNATIVE

This Alternative evaluates keeping the two existing buildings on site, retrofitting each residence to habitable standards, and reducing the size of the new proposed project. In order to do so, the proposed building plans were adjusted as shown on the attached floor plans. The following adjustments would be necessary to allow for the existing buildings at 1212 & 1214 Second St to remain on site. The reduced building footprint decreases the proposed parking from 48 to 27 spaces; a loss of 21 spaces, which results in a 44% reduction in overall parking for the project. The reduced building footprint results in a decreased unit count from 41 to 27; a loss of 14 units, which is a 34% reduction to the overall unit count for the project, and removes approximately 15,000 SF of interior space. See Exhibit #1 A-H attached.

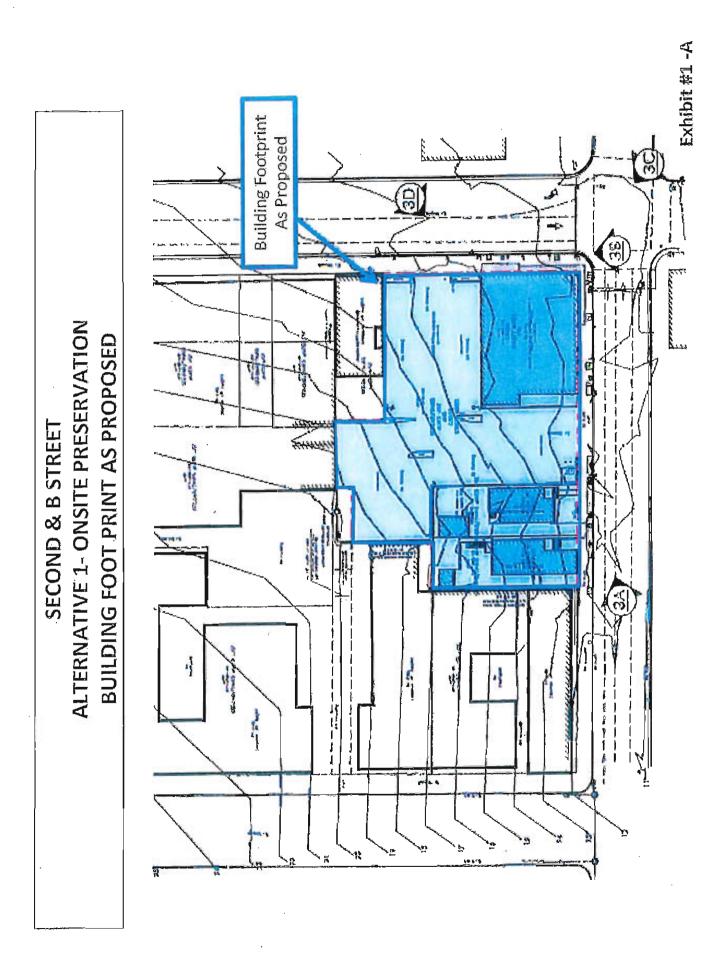
This Alternative is not feasible from an economic perspective. The proposed project is structured as a rental property, and residences at 1212 & 1214 2nd Street would be sold at market rate (approx. \$1,1350,000) after over approximately \$1.2M of improvements will have been completed. This calculation assumes the added garage at 1214 would be removed. The two residences were acquired by Monahan Parker for approximately \$968,000 back in 2002. Attached is a copy of the project summary proforma and a comparative proforma that shows the economic differences of Alternative 1 to the project as proposed. The proposed project is marginally economically viable as shown on the baseline financial analysis, See Exhibit #3. The Proposed Project has an estimated profit of \$1,620,011, while the altered project scope as result of On-Site Preservation has an estimated loss of \$4,271,828. The project sponsors will look to long-term appreciation to justify the minimal profitability of the proposed project. See attached Exhibit #2 for rent roll and estimated project value. The extremely poor condition of the two Victorian homes is shown in attached site photos under Exhibit #5, and is reflected in our cost estimate to rehabilitate the residences as shown in Exhibit #4.

Conclusion: The loss of 34% of the proposed rentable units creates a condition where the project is not economically viable. The loss of units for the Proposed Project, in addition to the funds lost

from the transaction of the restored single-family homes, is too much for this project to bear and causes the project to fail to meet the Project Goals and Objectives.

The following is a list of attached information that supports the our evaluation of the Preservation On Site Alternative:

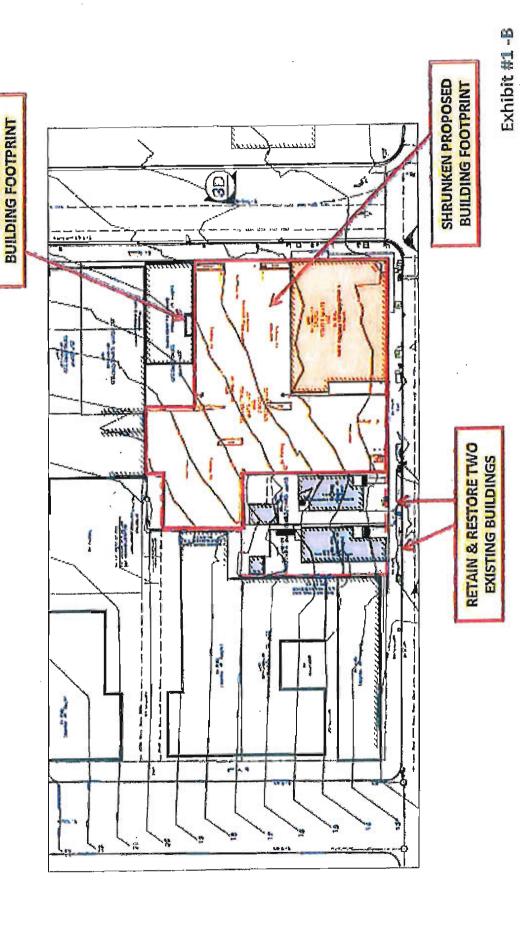
- 1. Onsite Alternative Project Floor Plans and Elevation study. [Exhibit #1].
- 2. Proposed Project vs. Onsite Preservation Rent Roll [Exhibit #2].
- 3. Project Summary Proforma as Proposed, with Alternative Impact Evaluation [Exhibit #3].
- 4. Cost summary for rehabilitation of residences and projected sales amount at 1212 & 1214 2nd Street [Exhibit #4].
- 5. Images of residences at 1212 & 1214 2nd Street [Exhibit #5].



SECOND & B STREET ALTERNATIVE 1- ONSITE PRESERVATION PRESERVATION OF BOTH BUILDINGS

HISTORIC PRESERVATION

ALTERNATIVE

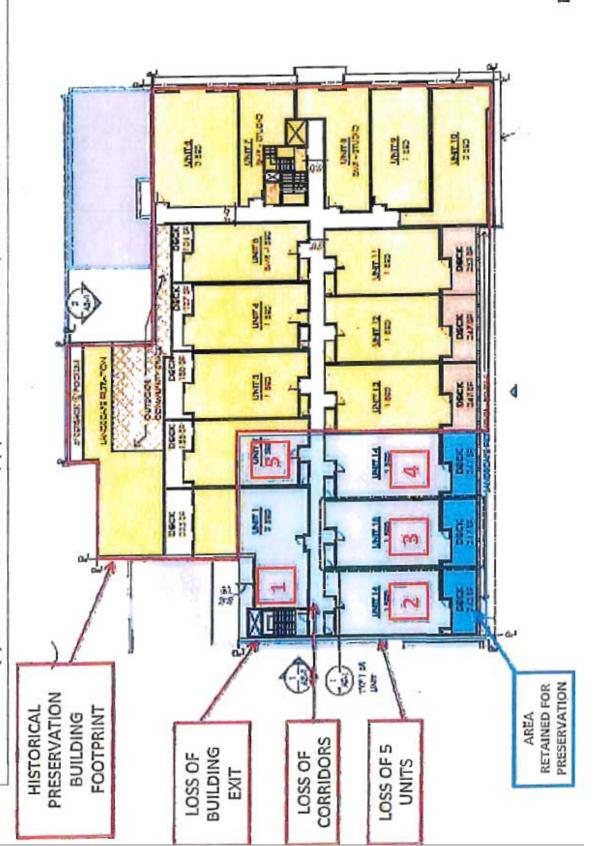


SECOND & B STREET ALTERNATIVE 1- ONSITE PRESERVATION IMPACTS AT GARAGE LEVEL

LOSS OF 21 PARKING SPACES & MECHANICAL ROOM. RELOCATION OF STAIRWAY/EGRESS P 問題 E 0.00 HISTORICAL PRESERVATION SUILDING FOOTPRIN 0 84. 60 9 4 LO m ROOM MECH NEW RETAINED FOR PRESERVATION RELOCATION JOSS OF LOSS OF OF STAIR/ STAIRS LOSS OF EGRESS EXT ROOM MECH

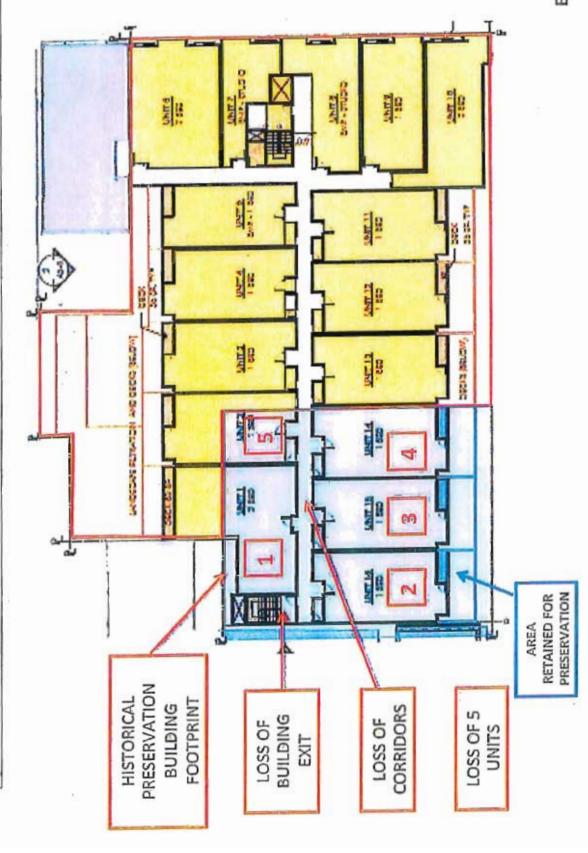
SECOND & B STREET ALTERNATIVE 1- ONSITE PRESERVATION IMPACTS AT 2nd LEVEL

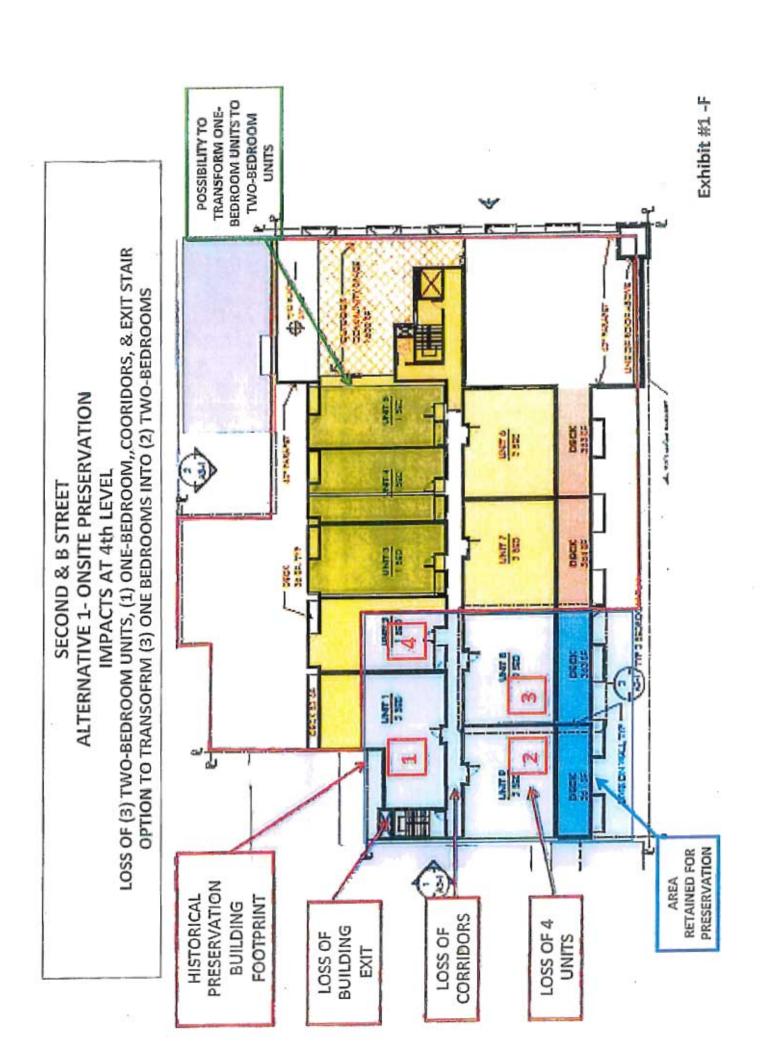
LOSS OF (1) TWO-BEDROOM UNIT, (4) ONE-BEDROOM UNITS, & COORIDORS & EXITS STAIRS



-130

LOSS OF (1) TWO-BEDROOM UNIT, (4) ONE-BEDROOM UNITS, COORIDORS, & EXITS STAIR ALTERNATIVE 1- ONSITE PRESERVATION **IMPACTS AT 3rd LEVEL** SECOND & B STREET





SECOND & B STREET ALTERNATIVE 1- ONSITE PRESERVATION



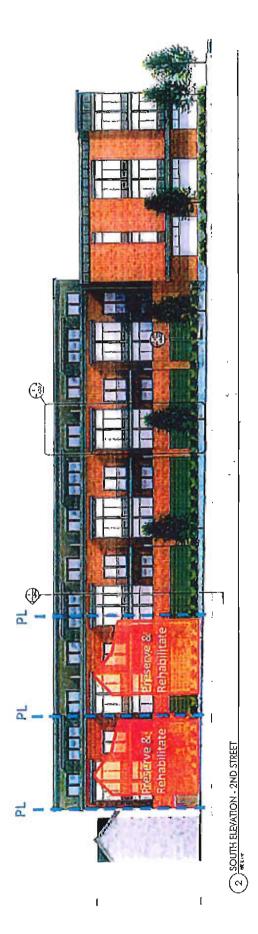
Proposed Project Summary – Without Alternative

- Total number of units proposed 41
 - · Total number of parking proposed 48

Historic Preservation Alt, BOTH BUILDINGS - Impact Summary

- Total number of units removed 14
- Total number of remaining units 27
- Reduction in units from proposed 34%
- Total number of parking spaces removed 21
- Total number of remaining parking spaces 27
- Reduction in parking spaces from proposed 43.75%

ALTERNATIVE 1- ONSITE PRESERVÁTION: BOTH BUILDINGS OVERVIEW (1212 & 1214 Second Street to be rehabilitated & sold) SECOND & B STREET



Historic Preservation Impact Summary

- 1212 & 1214 Second St. Houses Preserved & Rehabilitated
- Total number of units removed from proposed project- 14
- Total number of remaining units—27
- Reduction in units from proposed 34%
- Total number of parking spaces removed 21
- Total number of remaining parking spaces 27
- Reduction in units from proposed 43.75%

Project Summary - As Proposed

- Total number of units proposed 41.
- Total number of parking proposed 48
 - Residential Units 54,055 SF
- Total Building 76,435.SF

\$ 13,078,172.13

21,820,810.78

815 B Street PROPOSED PROJECT VS ONSITE PRESERVATION RESIDENTIAL RENT ROLL

/allon	nșila Preserv	Loss of SF per C				RENTALRATES	
		F F	level 2 units S level 3 unit Si level 4 unit Si Levels 2-4 co		/SF Month /SF Month		One Bedroo
		TOTAL	<u> </u>				
SITE - AL	ONS			ED PROJEC	PROPOS		
E PRESERVATIO		DSEO PROJECT ECTED RENTS		SQ FT_	UHITTYPE	UNIT NUMBER:	Floor 2
	S	2,768.85	\$	879	1-Bed	201	:1
	S	3,369.80	S	4462	2 8e d	595	5
	S	2,768.85	S	879	1- Bed	20 3	3
	\$	2,768.85	\$	879	1—Bed	264	4
1000	S	2,768.65	\$	879	1 Bed	205	9
2,76	3	2,768,85	\$	879	1 Bed	206	6
2,78	\$	2,768.85	\$	879	1: Bed	207	7
2,76	\$	2,768.85	\$	87,9	f Bed	208	8
2,76	\$	2,768.85	S	87 <i>8</i>	1 Bed	209	9
2,76	3	2,768.85	\$	879	1 Bed	210	10
2,76	3	2,768,85	\$	879	1 Bed	211	11
3,36	\$	3,369.80	\$	1162	2 Bed	212	12
7,09	S	1,090.91	\$	520	Sludio - BMR	213	13
1,09	S	1,091.89	\$	520	Sludio - BMR	., 214	14
2,76	S	2,768.85	ş	879	1 Bed	215	15
3,36	\$	3,369.80	\$	1162	2 Bed	216	18
TED RENTS	PROJECT	ED RENTS	PROJECT	SQ FT	UNIT TYPE	UNIT NUMBER	Floor 3
4120102	5	2,768.85	\$	879	1 -Bed	301	17
	S	3,369.80	\$ \$	1162	2-Bed	302	1 8
	\$	2,768.85	\$	879	1-Bed	303	19
	S	2,768.85	S	879	1 Bed	304	-28
	\$	2,768.85	\$	879	4-Bed	305	21
2,76	\$	2,768.85	S	879	1 Bed	306	22
2,768	\$	2,768.65	\$	679	1 Bed	307	23
2,768	5	2,768.85	\$	879	1 Bed	30B	24
2,780	S	2,768.85	\$ \$	879	1 Bed	309	25
2,768	S	2,768.85	\$	879	1 Beď	310	26
2.768	S	2,768.85	\$	879	1 Bed	311	27
3,366	S	3,369.80	\$	1162	2 Bed	312	28
1,090	S	1,090.91	S	520	Studio - BMR	313	29
1,001	ş	1,091.89	\$	520	Studjo - BMR	314	30
2,768	\$	2,768,85	\$.	B79	1 Bed	315	31
3,389	\$	3,369.80	\$	1162	2 Bed	316	32
ED RENTS	PROJECT	ED RENTS	PROJECTE	SQFT	UNIT TYPE	UNIT NUMBER	foor 4
	\$	3,369.80	\$	1162	2-Bed	461	33
	3	3,369,80	\$	1 16 2	2 -Bed	402	34
	S	2,768.85	\$	879	1 -Be d	403	35
2		3,369.80	\$	4162	2-Bed	404	36
2,788	8	2,768.85	\$	879	1 bed	405	37
3,389	\$	3,369.80	S	1162	2 Bed	406	38
2,788	S	2,768,85	\$ \$ \$	879	1 Bed	407	39
1,389	9	3,369.80	Ś	1162	2 Bed	408	40
2,768	5	2,768.85	s	879	1 Bed	409	41
71,654		113,423,50	9			GROSS RENTS	
2,149.	1 8	3,402.70	\$ \$			3% Vacancy	
69,505	\$	110,020.79	\$		RENTS	ADJUSTED MONTHLY	
		and the second			ENTO	AD HIGTED AND LET	
834,082. 212,849.	S	1,320,249.51 283,799.00	\$ \$			ADJUSTED ANNUAL R Operating Expenses An	
	-						
621,213.	S	1,036,450.51 4.76%	\$			NOI cap Rate	

PROJECTED VALUE

Exhibit 3

815 B Street ONSITE ALTERNATIVE MIXED-USE 27 UNIT APARTMENT

ROJECT INFORMATION	1				PROPOSED		ONSITE	
OITE AREA	4 D				PROJECT	F	ALTERNATIVE	05
SITE AREA	4- Parcels				23,614		18,214	
MAXIMUM BUILDING	HEIGHT				42'-0"		42'-0"	
PROPOSED BUILDIN	IG HEIGHT				42'-0"		42'-0"	
MAXIMUM DENSITY	ALLOWED				41		41	UNITS
DENSITY PROPOSE	ס				41		27	UNITS
SQUARE FOOTAGE Retail Garage Residential Gross TOTAL	(37,566 SF Net)				1,939 20,000 47,775 69,714	_	1,939 14,800 33,094 49,833	SF SF
TOTAL					09,714		48,033	SF.
PARKING REQUIRED	1				47		33	Spaces
PARKING PROPOSE	D				48		27	Spaces
OSTS								
PROJECT LAND REHAB (1212 & 1214) LAND			\$	3,000,000	\$	2,032,000 968,000	
SOFT COSTS	(A&E, Insurance, City Fees, taxes	s, markeling, etc.)		\$	2,250,000	\$	2,250,000	
BUILDING COSTS	QTY	UNI T PF	RICE		SUBTOTAL		SUBTOTAL	
Rehab 1212 & 121		\$	-	\$	- -		1,228,449.20	
Garag		\$	90	\$	1,800,000	\$	1,332,000	
Reta		\$	155		300,000	\$	300,000	
Residenti		\$	180	\$	8,600,000	\$	5,956,920	
Sitewo	'	\$	20	\$	472,000	\$	256,280	
Demolitio	•	\$	28	\$	224,000	\$	154,000	
Contingency TOTAL	y 10 %			\$ \$	1,140,000.0 12,536,000	\$	799,920.00 10,027,569	
70112				•	,,	8.	2000 G	
FINANCING AMOUNT	75% of Project			\$	13,339,500.00	\$	11,458,176.90	
FINANCING COST	9% for 24 months			\$	2,401,110	\$	2,062,472	
TOTAL PROJECT CO	STS			\$	20,200,000	\$	17,350,000	
See Above.						220.10	4. St 14. E. 17. St.	
EST. PROJECT VALU				\$	21,820,011	\$	13,078,172	
See Exhibit #2 for Project v	aluation.							
EST. PROJECT PROF	IT/LOSS			\$	1,620,011	\$	(4,271,828)	
					PROFIT		LOSS	

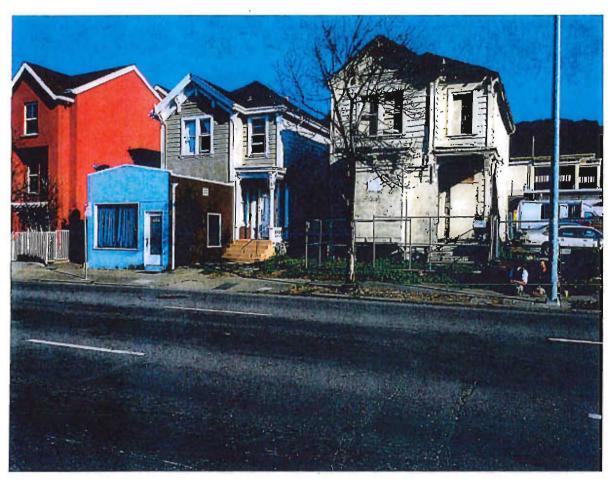
815 B Street San Rafael ON SITE PRESERVATION ALTERNATIVE REHABILITATION BUDGET & PROJECTED SALES AMOUNT

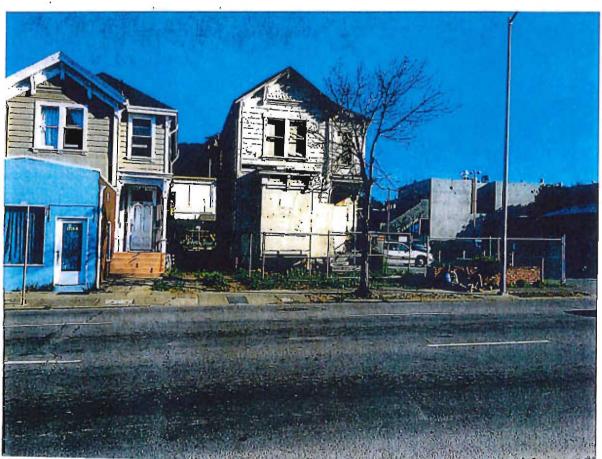
1212 & 1214 2nd Street - Rehab Budget

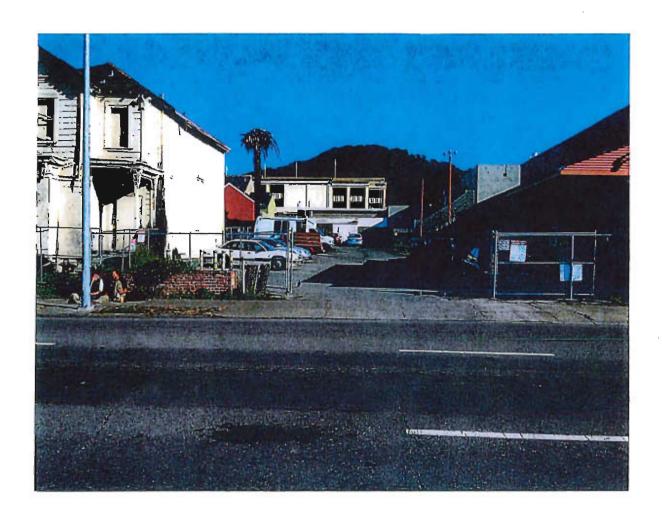
1212 & 1214 2hd Street Rends Saage			TOTAL
	1212	1 21 4	1212 & 1214 2nd St
SOFT COSTS			
Project Management (9 Months)	\$ 54,000.00	\$ 54,000.00	\$ 108,000.00
City Planning Plan Check Costs	\$ 2,000.00	\$ 2,000.00	\$ 4,000.00
City Building Plan Check Costs	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00
City Building Permit Costs	\$ 6,500.00	\$ 6,500.00	\$ 13,000.00
Civil Engineering	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00
Structural Engineering for new site	\$ 4,125.00	\$ 4,125.00	\$ 8,250.00
MEP Plans	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00
SUBTOTAL SOFT COSTS	\$ 75,625.00	\$ 75,625.00	\$ 151,250.00
CONSTRUCTION COSTS			
Lift Building for new foundation work	\$ 35,000.00	\$ 35,000.00	\$ 70,000.00
New Foundation	\$ 100,000.00	\$ 100,000.00	\$ 200,000.00
New Site Work	\$ 11,500.00	\$ 6,500.00	\$ 18,000.00
New Plumbing	\$ 14,000.00	\$ 14,000.00	\$ 28,000.00
New Electrical	\$ 14,500.00	\$ 14,500.00	\$ 29,000.00
New Mechanical	\$ 11,000.00	\$ 11,000.00	\$ 22,000.00
New Fire Sprinkler	\$ 25,000.00	\$ 25,000.00	\$ 50,000.00
New Smoke Detectors	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00
New Doors & Door Hardware	\$ 6,000.00	\$ 6,000.00	\$ 12,000.00
New Windows	\$ 15,000.00	\$ 15,000.00	\$ 30,000.00
Framing & Fire Repair	\$ 25,000.00	\$ -	\$ 25,000.00
New Roof & Gutters or Repairs	\$ 15,000.00	\$ 4,500.00	\$ 19,500.00
Siding & Exterior Trim Repair	\$ 35,000.00	\$ 7,000.00	\$ 42,000.00
Demo and Interior Clean out	\$ 13,500.00	\$ 5,000.00	\$ 18,500.00
Drywall & Plaster Repairs	\$ 17,600.00	\$ 4,400.00	\$ 22,000.00
Paint Interior	\$ 9,000.00	\$ 11,000.00	\$ 20,000.00
Paint Exterior	\$ 14,000.00	\$ 12,000.00	\$ 26,000.00
Deck & Railing Repairs	\$ 17,000.00	\$ -	\$ 17,000.00
Plumbing Fixtures	\$ 6,500.00	\$ 6,500.00	\$ 13,000.00
Eletrical Fixtures	\$ 7,500.00	\$ 7,500.00	\$ 15,000.00
Tile & Stone	\$ 11,200.00	\$ 6,500.00	\$ 17,700.00
Cabinets & vanities	\$ 12,600.00	\$ 5,400.00	\$ 18,000.00
Base, Case, & Crown	\$ 12,600.00	\$ 5,400.00	\$ 18,000.00

notes that price per SF based on EST. CLOSING COSTS appriasal inspections (terminte & home institle insurance ranfer tax proker fees	completed hom			\$ pers	1,135,200.00 structure. (1,000,00 (2,200.00 (11,352.00 (1,248.72 (56,760.00 (72,560.72
notes that price per SF based on EST. CLOSING COSTS appriasal inspections (terminte & home institle insurance tranfer tax	completed hom			pers	(1,000.00 (2,200.00 (11,352.00 (1,248.72 (56,760.00
notes that price per SF based on EST. CLOSING COSTS appriasal inspections (terminte & home institle insurance tranfer tax broker fees	completed hom			pers	(1,000.00 (2,200.00 (11,352.00 (1,248.72 (56,760.00
Projected Gross Sales Amount notes that price per SF based on EST. CLOSING COSTS appriasal inspections (terminte & home institle insurance tranfer tax	completed hom			s s s	(1,000.00 (2,200.00 (11,352.00 (1,248.72
notes that price per SF based on EST. CLOSING COSTS appriasal inspections (terminte & home institle insurance	completed hom			pers \$	(1,000.00 (2,200.00 (11,352.00
notes that price per SF based on EST. CLOSING COSTS appriasal inspections (terminte & home ins	completed hom			pers \$	(1,000.00 (2,200.00
notes that price per SF based on EST. CLOSING COSTS				per s	(1,000.00
notes that price per SF based on				4	
				4	
1212 & 1214 2nd Street - Rehab	& Land Cost To	tal		\$	2,196,449.20
Original Land Costs				\$	968,000.00
Hard Costs & Soft Costs				17	
TOTAL PROJECT COST	\$	686,124.60	\$ 542,324.60	\$	1,228,449.2
TOTAL CONSTRUCTION	\$	610,499.60	\$ 466,699.60	\$	1,077,199.2
Construction Contingency 10%	\$	48,963.60	\$ 48,963.60	\$	97,927.2
GC OH&P 16%	\$	67,536.00	\$ 67,536.00	\$	135,072.0
SUBTOTAL	\$	494,000.00	\$ 350,200.00	\$	844,200.0
General Conditions	\$	17,500.00	\$ 17,500.00	\$	35,000.0
Debris	\$	9,000.00	\$ 6,000.00	\$	15,000.0
	\$	12,000.00	\$ 12,000.00	\$	24,000.0
Appliances & install	\$	9,500.00	\$ 11,500.00	\$	21,000.0
Flooring & Carpet Appliances & install			\$	\$	16,500.0

STRUCTURES AT 1212 & 1214 2ND STREET EXHIBIT #5







ALTERNATIVE #2

OFF SITE PRESERVATION OF

TWO STRUCTURES

(As Proposed Project: Unchanged)

2. PRESERVATION OFF SITE ALTERNATIVE

This alternative evaluates relocating the two existing structures to a number of possible locations within the Central San Rafael Area. Four sites were identified by the City Planning Staff and were evaluated. The proposed 41-unit project would remain unchanged in this alternative.

The two houses currently located at 1212 & 1214 Second Street were studied as if they were relocated to the addresses below. The current owner names are also noted.

- 1. Site "A" 1201 Second Street (Still Family LLC.)
- 2. Site "B" 712 D Street (Sanjeev & Soloni Kharbanda Family Trust)
- 3. Site "C" 1628 Fifth Ave (Brian T. Pearce)
- 4. Site "D" Between 1135 & 1145 Mission Ave (Marin-Sonoma Investment Co. managed by West America Bank)

In an effort to determine the feasibility of the Off Site Preservation Alternative, each owner was identified through County records and contacted by phone if possible, email if possible and via US Mail to determine if they would consider selling their property. To date, none of the four property owners have expressed interest in selling. See attached correspondence, which also includes images of the parcels [Exhibit #6]. Aside from the unavailability of parcels to relocate these residences, this Alternative is still contingent on the speculation that the City would approve rezoning, relocation, planning & construction requests, and that there would not be an appeal from neighbors. These factors are unquantifiable from a timing perspective and have associated project delays in which the duration is currently unknown.

As part of this analysis, a house-moving contractor was asked to evaluate each proposed relocation site and to provide a proposal for relocation. Based on his evaluation, site C includes overhead cable & phone lines that must be moved prior to relocation efforts. See attached House-

Moving Contractor's Proposal [Exhibit #7]. The cost to rehabilitate the homes, including 1212 2nd Street, which is in very poor shape and uninhabited due to fire, incorporates the assumption that the City will require the relocated homes to be brought up to current building code standards.

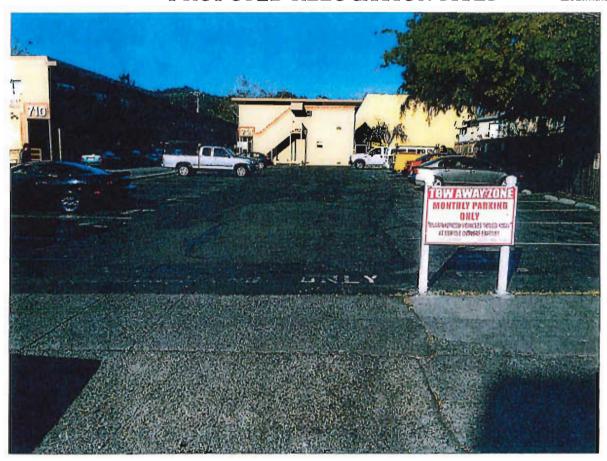
The relocation analysis included several components:

- 1. Cost to structurally stabilize the existing structure in order to brace it prior to transporting to another location.
- 2. Cost to relocate the structure to the new location, per bid.
- 3. Estimated cost to acquire the new parcel of land to receive the new structure.
- 4. Estimated cost to zone the new location to proper code assuming the city-planning department approved such a code change not objected to by neighbors.
- 5. Cost to install a new foundation to receive the newly relocated building.
- 6. Cost to structurally brace the existing structure and fit it to the new foundation.
- 7. Cost to upgrade the existing structure to current codes- including plumbing, electricity, fire suppression, HVAC.
- 8. Cost to improve the interior and exterior cosmetics of the existing structures including restoration of damaged Historical Victorian elements.
- 9. Cost of architectural plans, permits, city fees, etc.
- 10. Cost of utility connections, site work, landscaping.
- 11. Cost of marketing and sales for the completed structure.
- 12. Cost of financing the improvements, taxes, and insurance.
- 13. Cost of managing the approvals, relocation, refurbishment and sale of completed properties.

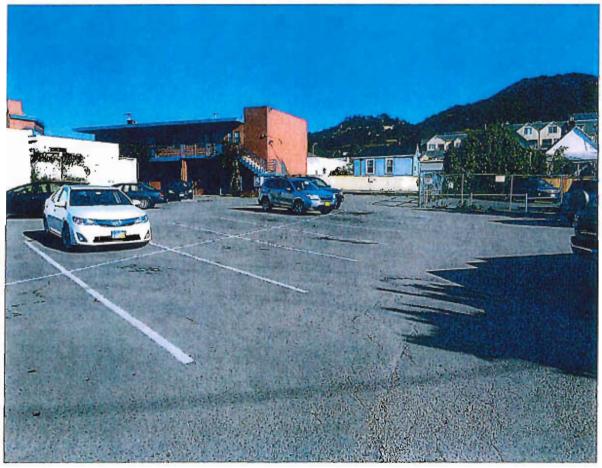
The costs to relocate and rehabilitate the homes per the above list and to the provided off-site locations are shown in Exhibit #8. Individual adjustments are shown to identify the unique costs associated with each site. Exhibit #9 provides the financial analysis comparing the project as proposed against the cost to acquire the parcel, relocate and rehabilitate each home (comparable residential rent prices were calculated using data from Lofts at Albert Park, Rafael Town Center & Lincoln Villa, as shown in Exhibit #10). In all cases, the relocation results in a financial loss, as the estimated building cost to complete the Offsite Alternative of \$22,430,000 is compared to the projected building value of \$21,820,010 as calculated in the Residential Rent Roll [Exhibit #11].

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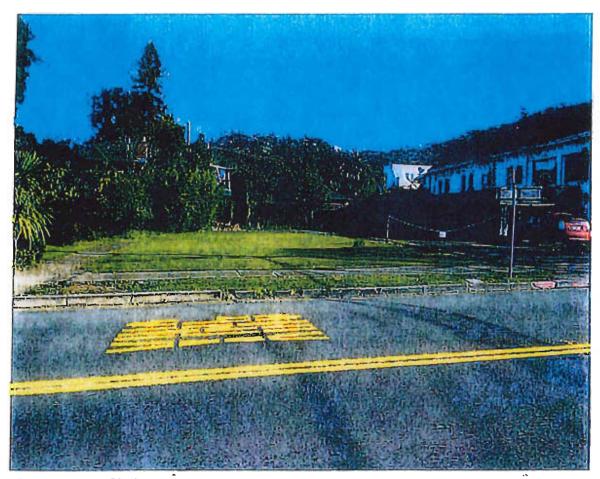
Conclusion: The complex scope of this Alternative provides for an extremely challenging relocation process. Aside from relocation of two homes in extremely poor condition, the unavailability of property for relocation, and excessive unknowns associated with this Alternative, make it very unappealing and the associated risk unquantifiable. Once projected value of the building is compared with necessary costs associated with this Alternative, the building is worth less than the cost of construction. This Alternative results in a financial loss being transferred to the proposed project, and creates financial impacts that render the proposed project financially infeasible.



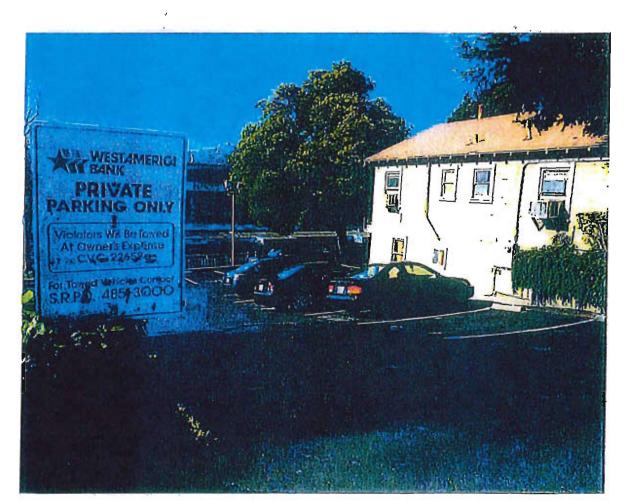
Site A: 1201 Second Street



Site B: 712 D Street



Site C: 1628 Fifth Ave



1101 Fifth Ave. Ste. 300 San Rafael, CA 94901

EXHIBIT 6

January 26, 2015

Still Family LLC. 1801 N. Troy St. Charlotte, NC 28206

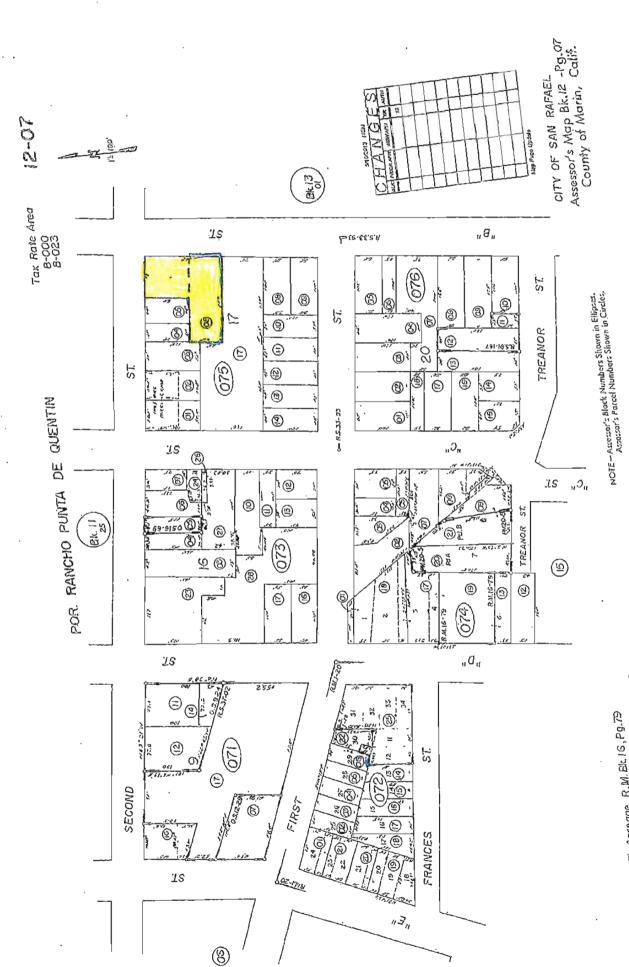
ECOPY

RE: 1201 Second St., San Rafael CA

Dear Manager or Principal for Still Family LLC.

I am writing you on behalf of Monahan Parker Corporation, a Real Estate Investment Company located in San Rafael California. We currently own and operate server other investment properties in the City of San Rafael. We are interested in purchasing your property located at 1201 Second St., APN: 012-075-06. Attached is an Assessor's map that indicates the precise property we are interested in potentially purchasing. This would be a direct purchase at far market value agreed upon between us. If you have a desire to selling your property please contact me at (415) 456-0600 ext. 29. Thank you for your time and attention to this inquiry.

Sincerely



ilva's Reyersion To Acreage R.M.Blr.16,Pg.79 ngelloft's Addition to San Rafael R.M. Blr.1-Pg.20 ngelloft's Addition to San Rafael Pull& ymnsite of San Rafael R.M. Rackl-Pull&

1101 Fifth Ave. Ste. 300 San Rafael, CA 94901

January 26, 2015

Sanjeev & Saloni Kharbanda Family Trust 5 Wood Circle South San Francisco CA 94080

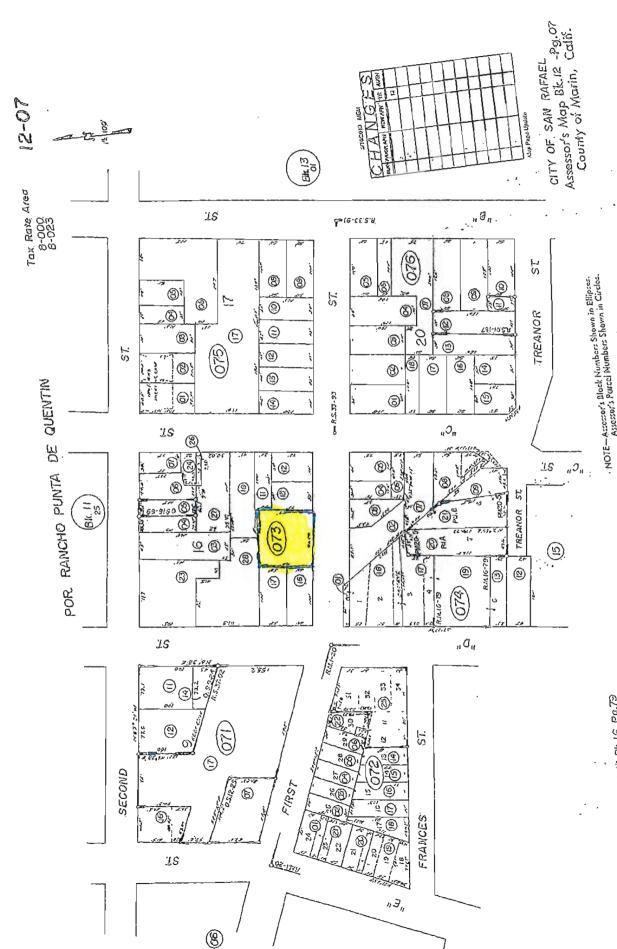
RE: Property 712 D. Street, San Rafael, CA

CO Y

Dear Trustee for Kharbanda Sanjeev & Saloni Trust,

I am writing you on behalf of Monahan Parker Corporation, a Real Estate Investment Company located in San Rafael California. We currently own and operate server other investment properties in the City of San Rafael. We are interested in purchasing your property located at 712 D Street., San Rafael, CA APN: 012-073-28. Attached is an Assessor's map that indicates the precise property we are interested in potentially purchasing. This would be a direct purchase at far market value agreed upon between us. If you have a desire to selling your property please contact me at (415) 456-0600 ext. 29. Thank you for your time and attention to this inquiry.

Sincerely,



Silva's Reversion To Acreage R.M.Bk.16,Pg.73 Angellatti's Addition to San Rafael R.M. BlcI-Pg.20 Townsite of San Rafael R.M. RackI-Pull &

1101 Fifth Ave. Ste. 800 San Rafael, CA 94901

January 26, 2015

Brian T. Pearce 55 Glenside Way San Rafael, CA 94903

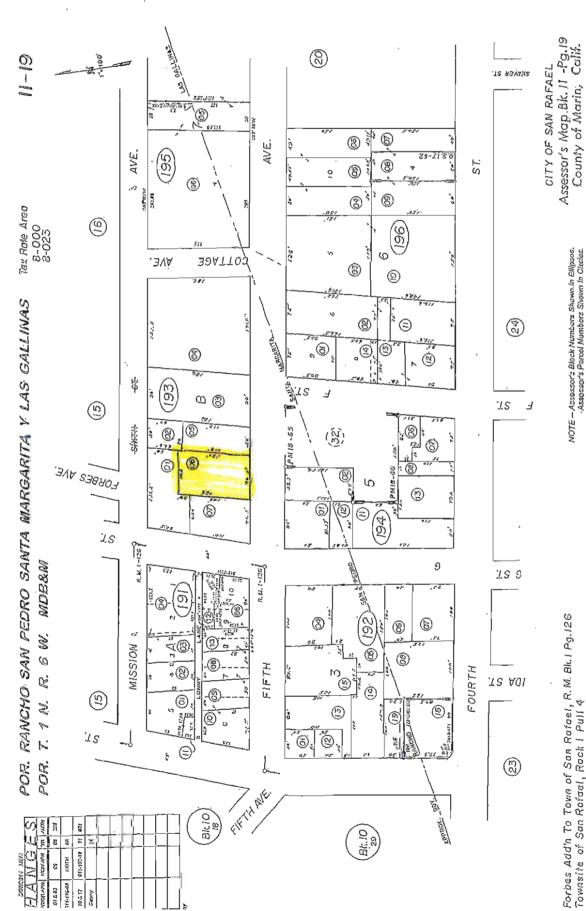
RE: 1628 Fifth Ave., San Rafael CA



Dear Mr. Brian T. Pearce,

I am writing you on behalf of Monahan Parker Corporation, a Real Estate Investment Company located in San Rafael California. We currently own and operate server other investment properties in the City of San Rafael. We are interested in purchasing your property located at 1628 Fifth Ave. San Rafael, CA, APN: 011-193-06. Attached is an Assessor's map that indicates the precise property we are interested in potentially purchasing. This would be a direct purchase at far market value agreed upon between us. If you have a desire to selling your property please contact me at (415) 456-0600 ext. 29. Thank you for your time and attention to this inquiry.

Sincerely



NOTE – Assassors Block Numbors Shown.In Ellipsos. . Assassor's Parcel Mumbors Shown In Circles.

1101 Fifth Ave. Ste. 300 San Rafael, CA 94901

January 26, 2015

West America Bank / Marin-Sonoma Investment Co 1108 Fifth Ave. San Rafael, CA 94901



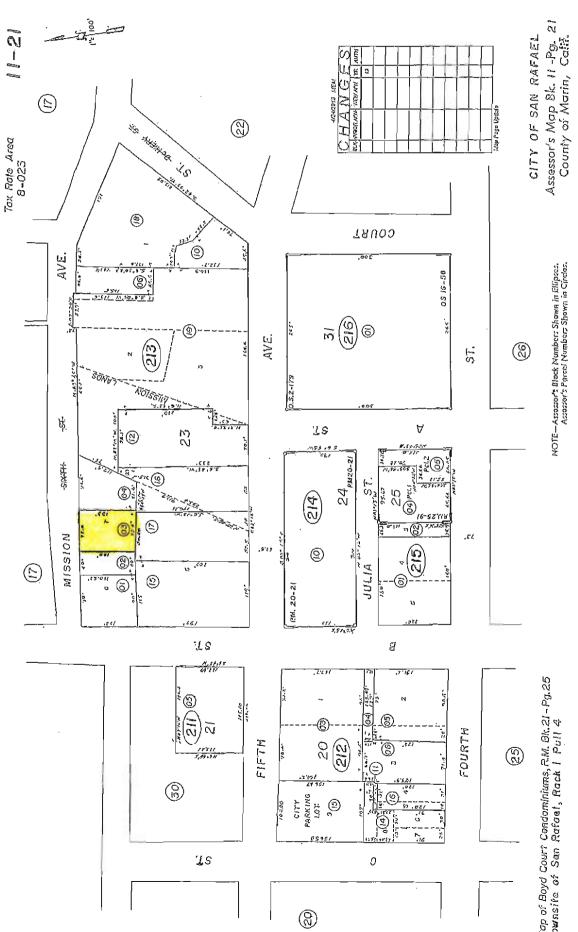
RE: Property Between 1135 & 1145 Mission Ave., San Rafael, CA

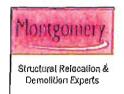
Dear Owner or Manager for Marin-Sonoma Investment Co.,

I am writing you on behalf of Monahan Parker Corporation, a Real Estate Investment Company located in San Rafael California. We currently own and operate server other investment properties in the City of San Rafael. We are interested in purchasing your property located between 1135 & 1145 Mission Ave., San Rafael, CA APN: 011-213-03. Attached is an Assessor's map that indicates the precise property we are interested in potentially purchasing Attached is an Assessor's map that indicates the precise property we are interested in potentially purchasing. This would be a direct purchase at far market value agreed upon between us. If you have a desire to selling your property please contact me at (415) 456-0600 ext. 29. Thank you for your time and attention to this inquiry.

Sincerely







N.D. MONTGOMERY CONTRACTORS, INC. 3611 51st Ave Sacramento, Ca 95823

Since 1875

Monahan Parker

rmiller@menahangacific.com

February 10, 2015

Attn: Robin Miller 1101 5th Ave Suite#300 San Rafael, Ca 94901 415-497-4536

QUOTE: 1212 & 1214 2nd St San Rafael house moves

N.D. Montgomery Contractors, Inc. is proud to provide the following budget estimate.

The Sites "A" & "B" located at 1201 Second Street and 712 D Street could work. Price for moving both houses is: \$78,000.

The slanted lot at Mission and B st. (Site "D") is harder. There is one power cable where we enter into the parking lot, and the retaining walls and foundations for this lot would also cost significantly be more. The price to move the two houses at Site "D" is: \$86,000 and the wire at this site may cost \$10,000. The lot on 5th st. (site "C") is not feasible, theoretically the cost to move the two houses is: \$96,000. For this site there are 5 major telephone/power cables and an additional allowance for this telephone/power line work starts at: \$150,000 this is considering that PG&E, AT&T, & Comcast all can/will remove and reinstall their overhead lines. The number of streets to close down and the amount of time the streets will need to be closed down for this site also further complicates the moving effort for this site.

Our prices are based upon Conditions and Exclusions:

- Pérmit costs
- Air Quality Survey & Permit
- Removal of hazardous material affected by the house moving operation
- Demolishing front addition and stairs
- Disconnecting Utilitles
- · Removing siding up to top of floor joists
- Utility costs for removing wires
- Tree trimming
- Police Escorts & Traffic control flashers if required

If you have any questions please contact Steve Montgomery at (916)825-9443 or by email at: steve@montgomery-contractors.com Thank you,

Class 8 C21 SB Certified# 1738531

Montgomery 3611 51st Ave / Sacramento, CA 95823 / 916-448-8602 Fax: 916-395-2510

815 B Street San Rafael OFF SITE RELOCATION ALTERNATIVE Relocation Feasibility & Budget

1212 & 1214 2nd Street - Relocation & Rehab Budget

		SITE A		SITEB		SITE C		SITE D	
	11	201 Second		712 D, st			1135	& 1145 Mission	
Address	_	o Response	-	No Response		No Response		No Interest	
Owner Interest in Selling	;	Yes		Yes	_	No		Yes	
Relocation Feasibility	Ciat	to Slight Slope	Fla	t to Slight Slope		Fiat Lot	(Downhill slope	
Site Condition	_	Parking Lot	110	Parking Lot		NÓNE		Parking Lot	
Existing Use	-	ss St. Mix Use	Res	idential / Office	٨	Iulti Fam-High	Mis	sion Res. / Office	
	1 6,6	33 3(7111111 032	,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		Density			
Zoning Allowed Use		old Family &	Re	sidential w-Use	-	All Residential		Multi Family &	
Allowed Ose	1 "	Office		mit / Multi Fam/				Office	
				Office					
Not Allowed Use		SFH		N/A		Commerical		SFH	
Lot Size SF		8820		9600		9639		7349	
f0f2lfe2L		2020							
		SITEA		SITE B		SITEC		SITE D	
(AND COSTS	\$	750,000.00	\$	750,000.00	\$	750,000.00	\$	700,000,00	
LAND COSTS	<u> </u>								
SOFT COSTS									
Project Management (9 Months)	\$	108,000.00	\$	108,000.00	\$	108,000.00	\$	108,000.00	
City Zoning Change/Variance	\$	3,000.00		2,000.00	\$	-	\$	3,000.00	
City Planning Plan Check Costs	\$	8,000.00		8,000.00	\$	8,000.00	\$	8,000.00	
City Bullding Plan Check Costs	\$	6,000.00		6,000.00	\$	6,000.00	\$.	6,000.00	
City Building Pemit Costs	\$	13,000.00		13,000.00	\$	13,000.00	\$	13,000.00	
Civil Engineering for new site	\$	12,050,00		12,000.00	\$	12,000.00	\$	15,000.00	
Structural Engineering for new site	\$	8,250.00		8,250.00		8,250.00	\$	12,000.00	
MEP Plans	\$	6,000.00	\$	6,000.00	\$	6,000.00	\$	6,000.00	
Utility Plans for Service Providers	\$	3,500.00		3,500.00	\$	3,500,00		3,500.00	
SUBTOTAL SOFT COSTS	\$	167,750.00		166,750.00	\$	164,750.00	\$	174,500.00	\$ 168,437.50
300101763011 66410	•							,	Average
CONSTRUCTION COSTS									
Eletrical Disconnect Cost	\$	3,500,00	\$	3,500.00		3,500,00		3,500.00	
Plumbing Disconnect Cost	\$	2,500.00	\$	2,500.00	\$	2,500.00	\$	2,500.00	
Structoral Bracing Cost	\$	8,000.00	\$	8,000.00	\$	8,000.00		8,000.00	
PG&E Power Line R&R Cost	\$	-	\$	~	\$	150,000.00		10,000.00	
Close Down Street Costs SRPD & DPW	\$	8,000.00	\$	8,000.00	\$	12,000.00		12,000.00	
House Moving Cost	\$	78,000.00	\$	78,000.00	\$	96,000.00		86,000.00	
New Grading	\$	25,000.00	\$	25,000.00	\$	25,000.00		55,000.00	
New Eletrical Service Install	\$	16,000.00	\$	16,000,00		16,000.00		16,000.00	
New Water Service Install	\$	13,000,00	\$	13,000.00	\$	13,000.00		13,000.00	
New Sewer Service Install	\$	16,000.00	\$	16,000,00	\$	16,000.00		16,000.00	
New Foundation	\$	20,000.00	\$	20,000.00	\$	20,000.00	\$	200,000.00	
Retaining Walls	\$	-	\$	-	\$	-	\$	26,000.00	
Water proefing	\$		\$	- .	\$	-	\$	25,000.00	
New Site Work	\$	18,000.00	\$	18,000.00	\$	18,000.00	\$	40,000.00	
New Planthing	\$	28,000.00	\$	28,000.00	\$	28,000.00	\$	28,000.00	
New Electrical	\$	29,000,00	\$	29,000.00		29,000.00	\$	29,000.00	
New Mechanical	\$	22,000.00	\$	22,000.00		22,000.00	\$	22,000.00	
New Fire Sprinkler	\$	50,000.00	\$	\$0,000.00		50,000.00	\$	50,000.00	
New Smoke Detectors	\$	2,000.00	\$	2,000.00		2,000.00		2,000.00	
New Doors & Door Hardware	\$	12,000.00	\$	12,000.00		12,000.00	\$	12,000.00	
New Windows	\$	30,000.00	\$	30,000.00	\$	39,000.00	\$	30,000.00	

Framing & Fire Repair	\$ 25,00,0.00	\$ 25,000.00	\$ 25,000.00	\$ 29,000.00	
New Roof & Guiters or Repairs	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	
Slding & Exterior Trim Repair	\$ 42,000.00	\$ 42,000.00	\$ 42,000.00	\$ 45,000.00	
Demo and Interior Clean out	\$ 18,500.00	\$ 18,500.00	\$ 18,500.00	\$ 18,500.00	
Drywali & Plaster Repairs	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	
Paint Interior	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	
Paint Exterior	\$ 26,000.00	\$ 26,000.00	\$ 26,000,00	\$ 26,000.00	
Deck & Railing Repairs	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00	
Plumbing Fixtures	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	
Eletrical Fixtures	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	
Tile & Stone	\$ 17,700.00	\$ 17,700,00	\$ 17,700,00	\$ 17,790.00	
Cabinets & vanities	\$ 18,000,00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	
Base; Case, & Crown	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	
Stairs and handrails	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00	
Flooring & Carpet	\$ 21,000.00	\$ 21,000.00	\$ 21,000.00	\$ 21,000.00	
Appliances & Install	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	
Debris	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000,00	
General Conditions	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	
SUBŤOTAL	\$ 774,200.00	\$ 774,200.00	\$ 946,200.00	\$ 1,086,200.00	\$ 895,200.00
GC OH&P 16%	\$ 123,872.00	\$ 123,872.00	\$ 151,392.00	\$ 173,792.00	Average
Construction Contingency 10%	\$ 89,807.20	\$ 89,807.20	\$ 109,759.20	\$ 125,999.20	
TOTAL CONSTRUCTION	\$ 987,879,20	\$ 987,879.20	\$ 1,207,351.20	\$ 1,385,991.20	\$ 1,142,275.20
•					Average
TOTAL PROJECT COST					
Land, Soft Costs & Construction Costs	\$ 1,905,629,20	\$ 1,904,629,20	\$ 2,122,101.20	\$ 2,260,491.20	

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EXHIBIT 9

815 B Street Project Offsite Alternatives MIXED-USE WITH 41-UNIT APARTMENT

	•									
PROJECT INFORMAT	rion						PROPOSED PROJECT		OFFSITE ALTERNATIVE	
SITEAREA		4- Parceis					23,614		23,615	SF
MAXIMUM BUILDI	NG HEIGHT						42'-0"		42'-0"	
PROPOSED BUILE	ÖING HEIGHT						42'-0"		42'-0"	
MAXIMUM DENSIT	TY ALLOWED						41		41	UNITS
DENSITY PROPOS	SED						41		41	UNITS
SQUARE FOOTAG Retail Garage	SE						1,939 · 20,000 ·		1,939 20,000	
Residential Gross		(37,566 SF Ne	t)				47,775	_	47,775	
TOTAL							69,714		69,714	SF
PARKING REQUIR	ED						47		47	Spaces
PARKING PROPOS	SED						48		48	Spaces
							•	•		
COSTS	·						PROPOSED PROJECT		OFFSITE ALTERNATIVE	
PROJECT LAND RELOCATION LAN	ĺD					\$	3,000,000	\$	3,000,000 750,000	
SOFT COSTS		(A&E, Insurance, City F	ees, laxe	s, markeling, e	elc.)	\$	2,250,000	\$	2,420,000	
BU(LDING COSTS		QTY		UNIT	PRICE		SUBTOTAL			
Relocation & Rehab	Construction		2		0		0	\$	1,142,275	
	Garage	20,000	SF	\$	88	\$	1,800,000	\$	1,800,000	
	Retail	1,940	SF	\$	150	\$	300,000	\$	300,000	
	Residential			\$	180	\$	8,600,000	\$	8,600,000	
	Sitework			\$	20	\$	472,000	Ş	472,000	
	Demolition	8,000	SF	\$	28	\$	224,000	Ş	224,000	
	Contingency	10	%			\$	1,140,000.0	\$	1,140,000.0	
TOTAL	_					\$	12,536,000	\$	13,678,275	
EINANOMO AMOUNT		7EW of Explosi				c	12 /00 000 00	c	4 Å 202 70e An	
FINANCING AMOUNT		75% of Project	(l			S	13,400,000.00	\$	14,323,706.40	
FINANCING COST		9% for 24 mon	(IIS			\$	2,412,000	\$	2,678,267	
TOTAL PROJECT O	· Agre					\$	20,200,000	ŝ	22,430,000	
IOIALFROJECIA	<i>/</i> U313					v	Z01Z001000	- 3	22,430,000	

& B Street Redevelopment parable Apartment Rentals

erty	Address	Phone	Bed	Bath	œ	Rent	Size	PSF	Notes
s at Albert Park Units: Built	 155 Anderson Drive www.lofsatalbertpark.com Jrits: 125 Built. 2001 	415.455.011.4	1 1 AVERAGE	~ ~ ~	๛๛๛	2,301 2,226 2,218 2,248.33	650 \$ 650 \$ 650 \$ 650 \$	3,54 3,42 3,41 3,46	unit:2405. • Unit:3104 • Unit:3305
Vacant: 5 %age: 4, Updated: Fe	Vacant: 5 %age: 4.0% Updated: February 2015	1.5	2 2 2 AVERAGE	0 0 0	67 64 64 64	2,624 2,674 2,524 2,607.33	846 \$ 987 \$ 846 \$ 893 \$	3.10 2.71 2.98 2.93	Unit 2108 None Available Unit 2202
		Parking: Utilities;	Parking: 1 provided per unit Utilities: \$35/\$45 Fee for monfhly water, sewer, garbage separate meter for electric, phone. etc.	· unit or month ir for elec	ly water, ctric, pho	sewer, garba ne. etc.	e		
rael Town Center 4 Units: 1 Built: 2 Vacant 2 %age: 1 Updated: F	enter 4th Street, San Rafael www.rafaeltowncenter.com Units; 113 Built: 2000 Vacant: 2 %age: 1.8% Updated: February 2015	415 982-9998	Studio 1 1 1 AVERAGE	£ 12 12 12	မော မောမာမ	1,927 1,810 2,060 2,339 2,069.67 66	487 \$ 560 \$ 671 \$ 759 \$ 663,33333 \$	3.96 3.23 3.07 3.08 3.13	3.96 Unit 508 3.23 Unit 311 3.07 Unit 318 3.08 Unit 323 3.13
	,	:	2 2 AVERAGE	. 22	6 € €	2,535 2,730 2,632.50	867 \$ 934 \$ 901 \$	2.92 2.92 2.92	2. None Available. 2. None Available 2.
	,	Parking: .Utilities:	Parking: 1 t⁴rovided per unit .Utilities: Seperately meter for electric, water	ater for e	leotric, w	ater			
ncoin Villa	1825 Lincoln Ave, San Rafael	415 453-6204	←	۲	↔	1,825	\$.059	2.81	
Units: 6- Built: 20 Vacant: 3 %age: 4- Updated: Fi	Units; 64 Built: 2012 Vacant, 3 %age; 4.7% Updated: February 2015	·	Ν	4	↔	2,600	1,000 \$	2,60	

SAN RAFAEL.AVERAGE 1 BEDROOM	The Car	Bath 1	63	Kent 2,048	Size 654 \$	r 69	3.13
SAN RAFAEL AVERAGE 2 BEDROOM	7	. 2	↔	2,613	931	€9-	2.81

815 B Street PROPOSED PROJECT RESIDENTIAL RENT ROLL

RENTAL RATES
3.15 /SP Month
2.90 /SF Month

One Bedroom \$ Two Bedroom \$

Floor 2	บหา หบพอธส	UNITTYPE	SQ FT	P.	OPOSED PROJECT
1	201	1 Bed	879	\$	2,768.85
2	202	2 Bed	· 1162	\$	3,369.80
3	203	'1 Bed	879	\$	2,768.85
4	204	1 Bed	879	\$	2,768.85
5	205	1 Bed	879	\$	2,768,85
6		1 Bed	879	\$	
	206			\$	2,768.85
7	207	1 Bed	879	\$	2,768.85
6	208	f Bed	879	\$	2,768,85
9	209	1 Bed	879	\$	2,768.85
10	210	1 Bed	879	\$	2,768.85
11	211	1 Bed	879	\$	2,768.85
12	212	2 Bed	1162	\$	3,369.80
13	213	Studio - BMR	520	\$	1,090.91
14	214	Studio - BMR	520	\$	1,001.89
15	215	1 Bed	879	š	2,768.85
				\$	· ·
16	216	2 Bed	1162	٧	3,369.80
Floor 3	UNIT NUMBER	UNIT TYPE	\$Q FT		CTED RENTS
17	301	1 Bed	879	ş	2,768,86
18	302	2 Bed	1162	\$	3,369.80
19	303	1 Bed	879	\$	2,768.85
20	304	1 Bed	879	\$	2,768.85
21	305	1 Bed	\$79	\$	2,769.85
22	306	1 Bed	879		2,768.85
23	307	1 Bed	879	\$ \$	2,768,85
	308	1 Bed	879	\$	
24					2,768.85
25	309	1 Bed	879	\$	2,768.65
26	310	1 Bed	879	\$	2,768.85
27	311	1 Bed	879	\$	2,768.85
28	312	2 Bed	1162	\$	3,369.80
29	313	Studio - BMR	520	8	1,090.91
30	314	Sľudlo - BMR	520	\$	1,091.89
31	315	1 Bed	879	š	2,768,85
32	316	2 Bed	1182	\$	3,369.80
Floor 4	UNIT NUMBER	UNIT TYPE	SQ FT_		CTED RENTS
33	401	2 Bed	1162	\$	3,369.80
34	402	2 Beď	1162	\$	3,369.80
35	403	1 Bed	879	Ş	2,768.85
36	404	2 Bed	1162	\$	3,369.80
37	405	1 bed	879	\$	2,768.85
38	406	2 Bed	1162	š	3,369.80
					•
39	407	1 Bed	879	\$	2,768,85
40	408	2 Bed	1162	\$	3,369,80
41	409	1 Bed	879	\$	2,768.85
	GROSS RENTS			\$	113,423.50
	3% Vácancy			\$	3,402.70
	ADJUSTED MONTHLY RENTS	<u>_</u>		\$	119,929.79
	ADJUSTEO ANNUAL RENTS			\$	1,320,249.51
	Operating Expenses Annual			\$	283,799.00
					•
	NOI		•	\$.	1,036,450.51
	Cap Rale				4.75%
	PROJECTED VALUE			. \$	21,820,010.78
· - · · · · · · · · · · · · · · · · · · 	1.1/00/20 ICD AVEOR			. ,	21,020,010,10

ALTERNATIVE #3 ADAPTIVE REUSE OF HISTORIC FEATURES IN PROPOSED DEVELOPMENT

3. ADAPTIVE REUSE

In the October 30th 2014 letter from Newman and Associates, instructions were provided for the "Adaptive Reuse Alternative" that suggest preserving the "character defining historic features" of the two Victorian Era Structures and incorporating them into the project design. This preservation and reintegration of historic features is considered "Adaptive Reuse." The letter goes on to state that "The Adaptive Reuse Alternative involves design modifications to the proposed project that include further modulating the mass and scale of at least a portion of the project design and employing materials and architectural details more closely reflecting the Victorian style."

Since 2005, Monahan Parker & its design teams have provided the City over five different design concepts, with multiple modifications per design concept. On August 5, 2014 San Rafael Design Review Board (DRB) approved a reduced height and bulk design of the project [Schematics shown in Exhibit #12], which incorporated the architectural elements of the surrounding historic buildings located on B Street. These elements add significant cost to the project, both in design and construction, and have been deemed acceptable by San Rafael DRB. The most recent approved design has incorporated Architectural elements that we would argue are character defining historic features such as the wrap around covered walkway, crown detail elements at the top of the 2nd & B street elevations and the increased verticality of the windows which reflect the historic character of the neighborhood. After multiple design meetings with our award-winning architect in effort to analyze the incorporation of "character defining historic features" into the approved design, we determined that this effort would result in a contrived and unaesthetically appealing project. This project would no longer integrate into the historic context of the neighborhood.

Conclusion: Incorporating architectural elements into the project after DRB previously approved the design, would create an altered design that would not benefit the aesthetics of the building nor act as homage to the Victorian structures at 1212 & 1214 Second Street.

2ND AND B STREET SAN PAPAEL HOUSING











2ND AND B STREET SAN RAFAEL HOUSING

ALS DISTREET SYNEWAS, CAP4701





PROPOSED ELEVATIONS

PLANNING SUBMEPTAL

A3-0

SOUTH ELEVATION - 2ND STREET

FIGURE INTO UNIVERSE CAMPINAL ACTOR SELECT, THE TRACE INCREDING

1) EAST ELEVATION - B STREET

2ND AND B STREET SAN RAFAEL HOUSING Stein Tit HOCKET! 1) SIGHT UNE SECTION of 2ND STREET 18690 2 SIGHT TIME SECTION of B STREET 2ND \$1 1 1

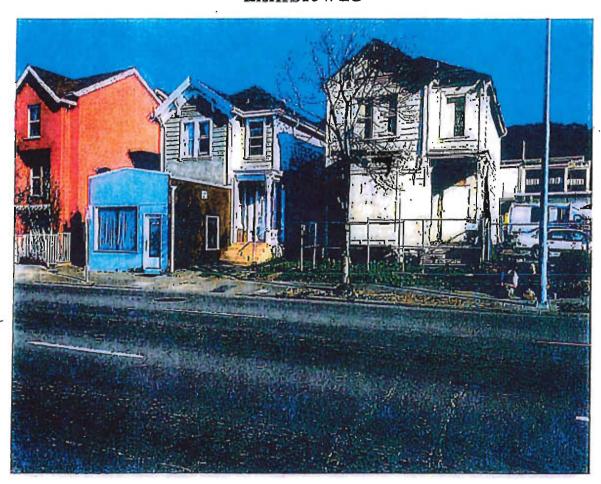
ALTERNATIVE #4 SITE TO REMAIN AS CURRENTLY OCCUPIED

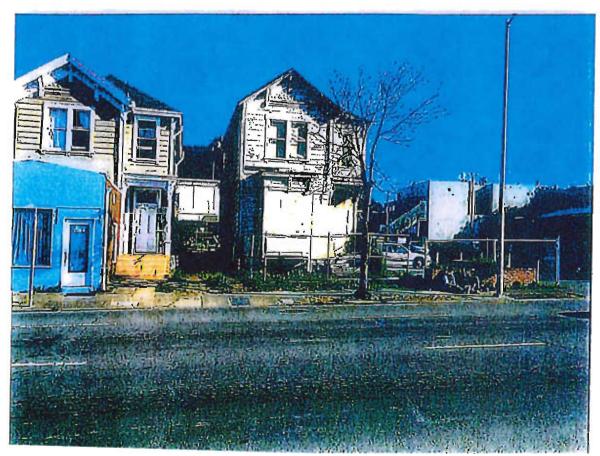
4. NO PROJECT ALTERNATIVE

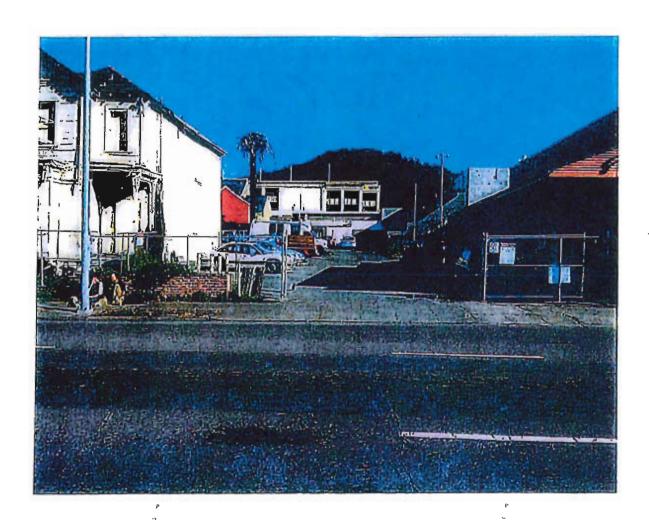
If the Proposed Project were not to be developed, the neighborhood would remain a blighted area in need of residential & economic stimulus. This project Alternative is for no development to take place at the Proposed Project site, and the site would remain as it is today. The residence at 1212 2nd Street would remain boarded up, uninhabitable and continue to deteriorate. The parking lot and neighboring buildings would continue to be a location for loitering and transient residents. No economic benefit would be brought to the community, and subject properties would remain unimproved. Current site conditions are shown in images within Exhibit #13.

Conclusion: Without the development of the Proposed Project, there would not be any improvement to the 2^{nd} & B Street location, no residential housing would be created to the proposed site tax basis and the site will remain status quo.

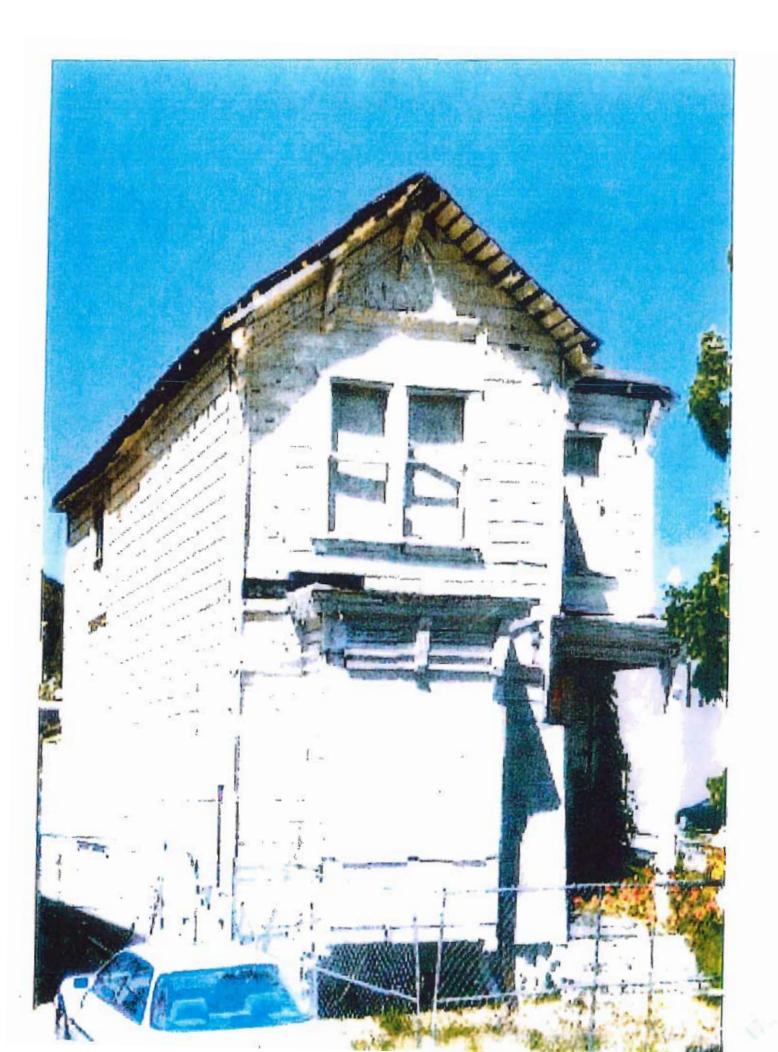
Current Site Conditions at 2nd and B Streets Exhibit #13





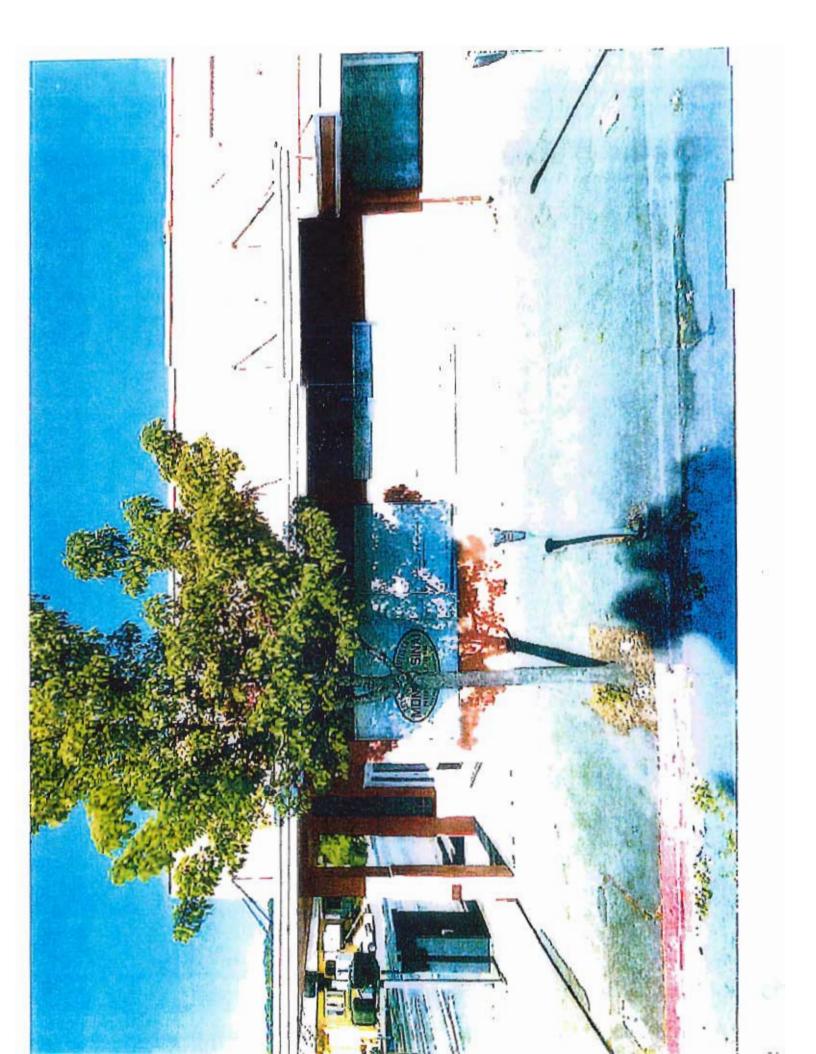


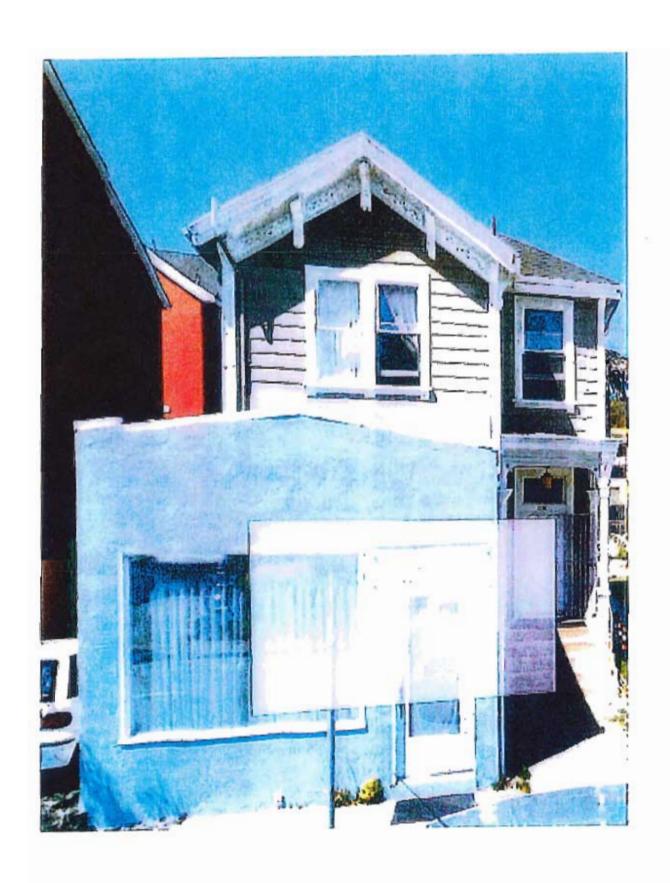






F2235





ALTERNATIVE #5 OFFICE DEVELOPMENT IN SUBSTITUTION OF RESIDENTIAL MIXED-USE

5. OFFICE BUILDING ALTERNATIVE

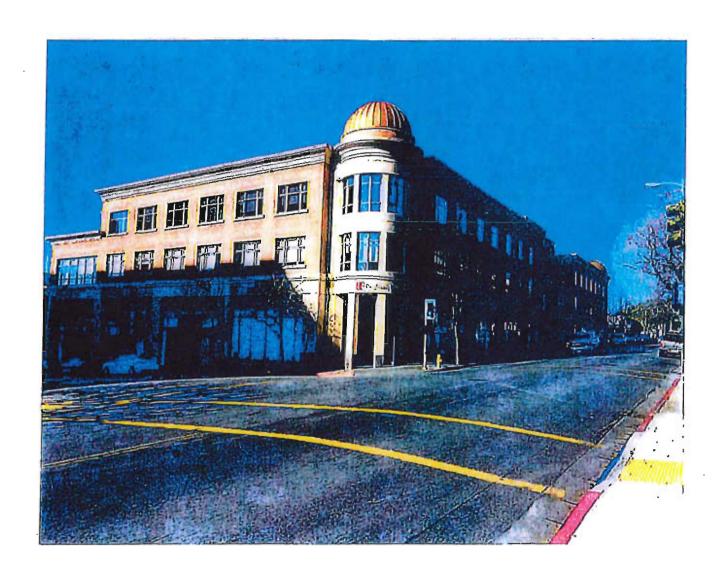
On October 31, 2014 Monahan Parker requested that the City study an Office Building concept as a project alternative. The office-building alternative consists of 20,000 SF of garage space, 3,500 SF of lobby, and 31,000 SF of office space on three stories. The 2/3 MUW zoning defines Office Use as a permitted use. Although the Proposed Project is preferred, a commercial office space that is in accordance with the Historic Character of the neighborhood is a feasible option for this site. Office use would have similar exterior architectural to the current proposed project, but would be subject to a full application and DRB review. Attached is a Proforma (Exhibit #14) of the Office Alternative, which should be incorporated into the EIR review for this project. Exhibit #15 is a possible schematic design & image of a similar property.

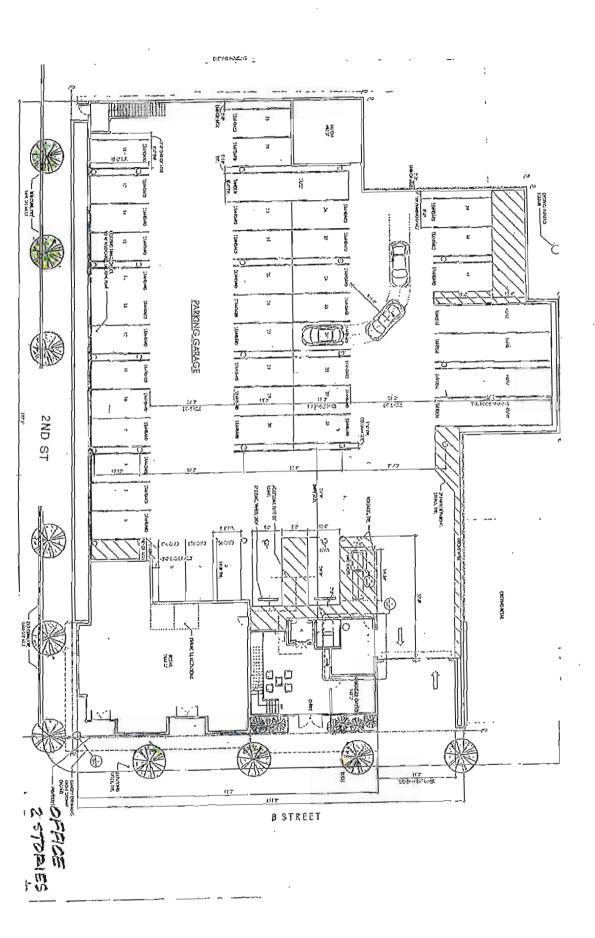
Conclusion: Construction of an office development would enhance the blighted neighborhood at 2nd and B Street by providing an economic stimulus. Similar to the Proposed Project, an office development would remove dilapidated & uninhabitable structures at 1212 & 1214 2nd Street, as well as decrease transient activity in the parking lot.

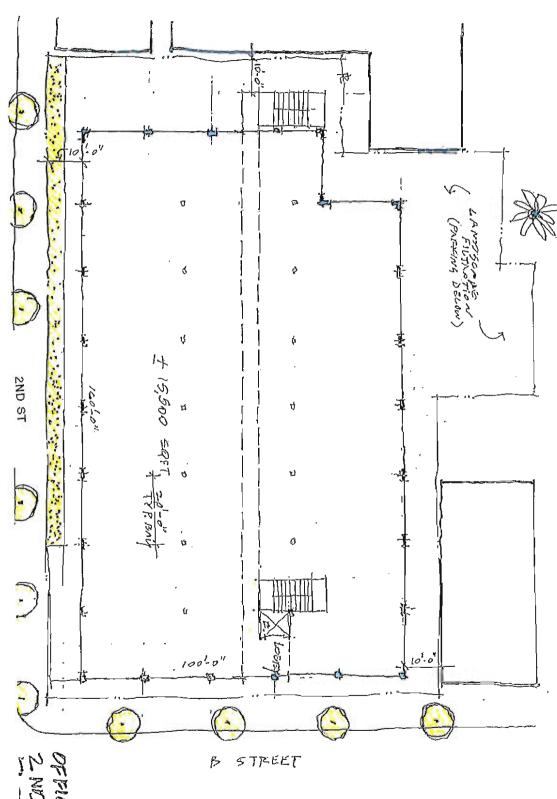
Exhibit 14

2ND & B STREET PROJECT ALTERNATIVES OFFICE PROFORMA

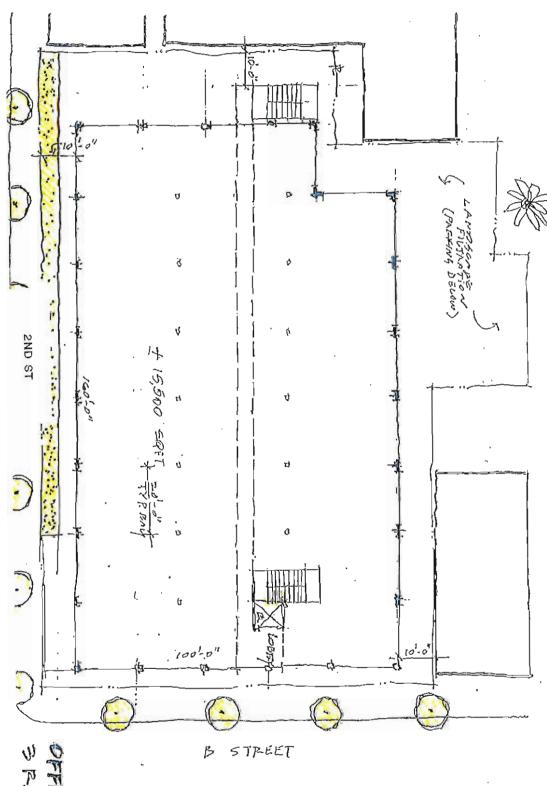
COST	LAND	\$	3,000,000.00
	BUILDING COST	Y	3,000,000.00
	GARAGE 20,000 SF @ \$75/SF	\$	1,500,000.00
	LOBBY 3,500 SF	\$	
	OFFICE SPACE 31,000 SF @ \$200/SF		6,200,000.00
	TI COSTS 31,000 SF @ \$75/SF	\$	
	SOFT COSTS	\$	
	TOTAL COSTS	\$	16,150,000.00
REVENUE			
	31,000 SF @ \$4.00/SF	\$	1,488,000.00
	2,000 SF @ \$4.00/SF	\$	96,000.00
	LESS 3% VÁCANCY	\$	(47,520.00)
	LESS OPERATING EXPENSES	\$	(300,000.00)
	NET OPERATING INCOME	\$	1,236,480.00
	CAP. RATE @ 6 CAP	\$	20,600,000.00
	LESS COST	\$	16,150,000.00
	•		
	TÓTAL PROFIT	\$	4,450,000.00







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MONAHAN PARKER 1101 5th Avenue Suite 300

San Rafael CA 94901

March 28, 2013

City of San Rafael Community Development Dept. Attn: Steve Stafford 1400 Fifth Ave. San Rafael, CA 94901

RE:

815 B Street, - Project Variance Request

Dear Steve,

Per your letter dated March 1, 20013 you stated that "...should the project continue to be designed with non-confirming useable outdoor areas the following must be submitted:"

- 1. A formal request for Variance, stating the section of the Zoning Ordinance which cannot be met by the project;
- 2. A Supporting Statement, describing how the projections meets all of the required findings as identified in Section 14.23.070 (Findings: Variances); and
- 3. The required Filing fee (Currently, \$3,767 deposit)

We are writing you in request of a Variance for section 14.16.130 (Exclusions to the required minimum yards) of the Municipal Code (Ord. 1838 § 34, 2005: Ord. 1663 § 1 (part), 1994: Ord. 1625 § 1 (part), 1992). Exclusions to the required minimum yard setbacks with regards to the bay windows at the upper story, which currently encroach 3'-10" into the required yard and eaves that project 5'-0" into the required yard.

We also request consideration for a Variance of a Right of Way Encroachment of upper story windows projecting 3'-6" to 3'-9" into the public right-of-way (ROW) along B-Street as well as for canopy overhangs projecting 2'-0" into the ROW along 2nd street and 4'-0" into the ROW along B street.

We request consideration for Variance of both of the previously stated encroachments for the following reasons:

The 815 B Street project as proposed meets the required findings as identified in Section 14.23.070. The B-street neighborhood of which this project is located is surrounded by buildings that have grandfathered non-code compliant architectural elements, such as eaves, bay windows, and other architectural elements that project into the public right of way. Strict application of the current setback requirements would deprive the 815 B street project of the privileges enjoyed by many of the other properties in the neighborhood. Granting of the requested variance will not constitute a conveyance of special privileges or activities inconsistent with the limitations upon other properties within the vicinity of the proposed 815 B Street project. We believe that granting of the requested variance will not be definimental to other properties or improvements within the neighborhood. The Architectural elements of which this variance is being requested is an existing condition on other buildings within the neighborhood. We feel these architectural elements allow the proposed project to better integrate aesthetically to this unique historically rich neighborhood. Per our review of the submittal plans the eaves, canopy overhangs, and bay windows do not project into the ROW more than 4'-0". These design elements were added in effort to emulate and pay homage to the historical buildings that make up this portion of the B Street neighborhood and the historical context of the project site.

We thank you for your consideration of this variance request. Please find attached a deposit check for \$3,767 for the required variance-filing fee.

Sincerely,

Robin Miller Project Manager

MONAHAN PARKER

1101 5th Avenue Suite 300 San Rafael CA 94901

3. Partial Preservation Alternative:

The partial preservation alternative involved the retention of one of the buildings on Second Street, either 1212 or 1214. Due to 1212's historic designation it was assumed this building would be rehabilitated. Due to 1212's location it was assumed that 1214 would be demolished and building at 1212 would be raised and relocated to the 1214 property. This would allow the historic 1212 building to be retained and relocated which allows for development to occur at the 1212 site.

Impacts:

- The proposed project would be reduced in size from 41 units to 33 units.
- The proposed project would operate at a \$72,860 Annual Loss.
- The proposed project parking would be reduced from 48 parking spaces to 42 parking spaces.
- The rehabilitation and relocation of 1212 Second Street along with the demolition of 1214 Second Steet would cost approximately \$950,000 with the 1214 land value at \$275,000. Market Rate sales price for the rehabilitated & relocated 1212 house is approximately \$510,000. The economic outcome for this portion of the alternative would result in \$750,000 loss.
- Project Sponsors would not proceed with project.
- Tax base increase would not be captured.
- · Affordable Housing units would not be created.
- Neighborhood would not gain benefit from new mixed-use project.
- · Construction jobs would not be created.

Relocation of 1212 & 1214 Second Street by Project Proponent and Another Party Alternative:

This alternative would involve the project sponsor offering to the public the 1212 & 1214 Second Street buildings at no cost. A new private party or parties who have to provide flat lots in San Rafael and a willing to share the cost with the project sponsor for raising the rehabilitating the structures.

Impacts:

- The cost impacts resulting from this alternative could vary depending on the undetermined no location for the Second Street Houses.
- The cost impact for delaying this project in efforts to offer to the public the homes, permit the raising and
 relocation, preparing the undetermined now locations for the houses, along with new utilities, foundations,
 rehabilitation of both buildings along with bring them both up to current code could range from, \$1,750,000 to
 \$2,250,000+.
- Project Sponsors would not proceed with project.
- Tax base increase would not be captured.
- Affordable Housing units would not be created.
- Neighborhood would not gain benefit from new mixed-use project.
- Construction jobs would not be created.

The alternatives outlined in the Architect + History letter are economically prohibitive for the proposed 2^{nd} & B Street project and would likely result in a no project scenario. If you have any questions please contact Robin Miller at (415) 456-0600.

Sincerely-

Robin Miller Project Manager

SECOND & B STREET PROJECT ALTERNATIVITYES

March 25, 2013

The California Environmental Quality Act (CEQA) Public Resources Code §21084.1 provides that any project that may cause a substantial adverse change in the significance of an historical resource is a project that may have a significant effect on the environment. Public Resources Code §5020.1(q) defines "substantial adverse change" as demolition, destruction, relocation, or alteration such that the significance of the historical resource would be impalred. According to Public Resources Code §5024.1, an historical resource is a resource that is listed in, or determined to be eligible for listing in the California Register of Historical Resources; included in a local register of historical resources; or is identified as significant in a historic resource survey if that survey meets specified criteria.

Since the proposed project at 809 B Street in San Rafael will result in significant unavoidable impacts to cultural resources, alternatives to the proposed project must be evaluated in order to provide an understanding of the effects of full project implementation, partial project implementation, or no project. The EIR for the proposed project at 809 B Street would need to describe and evaluate alternatives to the project as proposed, including a No Project alternative. This discussion is intended to inform a future EIR.

The purpose of this discussion is to focus on solutions that could potentially avoid or substantially lessening the significant environmental effects of a project. A range of alternatives should be studied even if those alternatives would impede to some degree the Project Proponent's objectives or would be more costly. Sufficient information about a range of reasonable alternatives should be developed to allow a meaningful evaluation, analysis and comparison with the project as proposed.

The following alternatives are focused on lessening impacts to Cultural Resources only. If there are other environmental impacts as a result of the proposed project at 809 B Street, then these alternatives may need to be amended to address these other impacts. The project site currently houses two older residences at 1212 and 1214 Second Street, an older one-story, commercial building at the corner of Second and B Streets, and surface parking (assessors parcel numbers 001-256-12, 001-256-13, 001-256-14, 001-256-32). The house at 1212 Second Street has been identified as an historical resource per the California Environmental Quality Act (CEQA).

No Project Alternative

Under the No Project alternative, there would be no demolition of the 1212 and 1214 Second Street buildings, one of which has been identified as an historical resource under CEQA and consequently none of the significant unavoidable impacts regarding cultural resources would occur. The site would remain as is with the one-story structure at the corner of 2nd and B Street retained, the older houses and the parking area behind left as they stand today. Obviously, the Project Proponent's objectives would not be met in the No Project Alternative. Further, the older houses at 1212 and 1214 Second Street would possibly deteriorate further.

Historic Preservation Alternative

The proposed project calls for demolition of the buildings at 1212 and 1214 Second Street to allow for construction of the four story residential structure that will develop the merged lots. The Historic Preservation Alternative incorporates both the houses at 1212 and 1214 Second Street into the project.

The houses would be rehabilitated and a small garden created behind and adjacent to the houses. Since these buildings have some association with the history of the railroad in San Rafael retaining their location is of importance to retaining the historic integrity. The renovation of 1212 and 1214 Second Street would meet the Secretary of the Interior's Standards for Rehabilitation. The later addition to the front of 1214 Second Street would be removed and the historic façade restored. The houses would be used as rental housing in this alternative.

New housing units could be added to the remainder of the site and would be smaller scale and their massing broken up similar to the development at the corner of 2nd and C Streets, west of the project site. The new bullding(s) would be focused on the corner of Second and B Streets, with frontages on both Second and B. This alternative would very likely lessen the impacts of the project to a less than significant level, but it would not meet the Project Proponent's objectives.

Partial Preservation Alternative

This alternative would demolish one of the two houses and retain the other. This would allow for a "representative example" of railroad housing to be retained on the site, while creating space for new housing units. Either 1214 Second Street could be retained and the front addition removed and the building restored or 1212 Second Street could be retained. Given the fire damage to 1212 Second Street, 1214 Second Street may be the better candidate for rehabilitation. The houses are very similar in their characteristics. 1214 is also in the more ideal location in terms of redeveloping the remainder of the site. If 1212 Second Street is selected for retention then it could be moved one lot to the west to the former location of 1214 Second Street. In either scenario the house would be rehabilitated to meet the Secretary of the Interior's Standards for Rehabilitation. Since these older houses have some association with the railroad retaining their location is of importance to retaining integrity. This alternative would allow for rental housing units to be developed on the remaining portion of site. Since only one of the houses would be retained, more new housing units could be accommodated on the site than in the Preservation Alternative. This alternative would potentially lessen the impacts of the project to a less than significant level, but it would not meet the Project Proponent's objectives.

Relocation of 1212 and 1214 Second Street by the Project Proponent and Another Party It should be noted at this time that no sites have been identified where these older houses could be relocated, although it would be reasonable to conclude the available property exists in San Rafael. However, similarly flat lots would be most ideal given the design of the houses. The houses could be moved together to a new location that could accommodate both or they could be moved to two different locations.

The potential implementation of this alternative is very speculative, with success depending on identifying a willing participant and local real estate conditions. Relocation is envisioned as being undertaken in partnership with a new party, with this new private party taking possession of the buildings and relocating them to an unspecified location. The Project Proponent would make the buildings available at no cost and the new party and the Project Proponent would share the cost of moving and rehabilitating the structures.

SECOND & B STREET ECONOMIC IMPACTS SUMMARY

NO PROJECT ALTERNATIVE

SUMMARY:

The no project alternative involve no demolition of the 1212 & 1214 2nd St. building. The site would remain as is with all structures remaining as they exist. The 1212 & 1214 2nd Steet houses may deteriorate further. No benefit to the neighborhood would occur from the creation of a new building, new residents, or increased tax base.

DESCRIPTION	PROFIT/LOSS NOTE	
1 1212 2nd Street Economic Outcome	0 no change	
2 1214 2nd Street Economic Outcome	0 no change	
3 809 B Street Economic Outcome	0 no change	
4 Architecture, Engineering, & City Fees	\$ (200,000.00) architecture, engineering, c	onsultants, & City Fees
,	\$ (200,000.00) SUBTOTAL	

HISTORIC ALTERNATIVE

SUMMARY:

The Historic Alternative involves the following; (1) preservation and rehabilitiation of the 1212 & 1214 2nd Street houses. Since the homes on 2nd street would not longer be including the development they most likely would be marketed and sold at market value. (2) A reduction in the proposed 815 B St. project from 41 residential units to 28 residential units due to not building out the project on the two parcels where 1212 & 1214 2nd Street homes current exist. NOTE: The reduction to the proposed building coupled with the rehabilitiation costs creates a senario that makes this project economic infeasible. Please see attached Historic Alternative breakdowns for details.

DESCRIPTION	PROFIT	/LOSS	NOTE
1 1212 2nd St. Economic Outcome	\$	(465,000)	sale of rehabilitied home net loss
2 1214 2nd St. Economic Outcome	\$	(15,000)	sale of rehabilitied home net loss
4 815 B St Redesign (A&E Fees)	\$	(60,000)	cost to redesign 815 B St. Building.
3 809 B street Economimc Outcome	\$	(134,016)	annual income from all units net loss
	\$	(540,000)	SUBTOTAL PROPERTY SALES
	\$	(134,016)	SUBTOTAL OF ANNUAL LOSSES

PARTIAL ALTERNATIVE

SUMMARY:

The Partial Alternative involves the following; (1) preservation, relocation, and rehabilitation of the 1212 2nd Street house. The rehabilitated and relocated house would then be marketed and sold at market value (2) The demolition of the 1214 2nd street house. (3) A reduction in the proposed 815 B St. project from 41 residential units to 36 residential units due to not building out the project on the 1214 2nd St. parcel where 1214 2nd Street homes current exist. NOTE: The reduction to the proposed building coupled with the rehabilitation costs creates a senario that makes this project economic infeasible. Please see attached Historic Alternative breakdowns for details.

DESCRIPTION	PROFIT/	LOSS	NOTE
1 Relocated & Rehabilitate 1212 2nd St.	\$	(785,000)	sale of relocated and rehabilitiated home net loss
to 1214 2nd Street. Demolish 1214 building.			plus cost to redesign building to new footprint.
Redesign 815 B St. Building to new footprint			
809 B street Economimc Outcome	\$	(72,860)	annual income from all units net loss
	\$	(785,000)	SUBTOTAL PROPERTY SALES
	\$	(72,860)	SUBTOTAL OF ANNUAL LOSSES

RELOCATION of 1212 & 1214 SECOND STREET BY ANOTHER PARTY ALTERNATIVE

SUMMARY:

The relocation with partnership with another party alternative, involves MonahanParker offering to the public both the 1212 & 1214 Second Street buildings at no cost. The new private party would take possession of the buildings an relocate them to new location that has not been specified at a shared cost by the project sponsor and new private party's cost. The house raising, moving, repairs, rehabilitation, new property location, permits, fees, plans, and City Staff review and approval shall shared.

1 Notify Public of Buildings avilability for relocation	\$ (200.00)	
2 Delay Construction of Project for minimum 90 days	\$ (30,000,00)	
3 Raising, relocating, rehabilitating both buildings	\$ (1,7\$0,000.00) \$	(2,2\$0,000.00)
	\$ (1.780,200,00) \$	(2.280.200.00) COST RANGE

SECOND & B St. - PROJECT AS PROPOSED 41 RESIDENTIAL UNITS & 1 RETAIL SPACE

TE: Rental rates have been adjusted from current comparable averages to account for subject property location, finishes, and projected date of

sing.		1						• .
JE T	SF		AVE \$/SF PROJECTED	ED RENTAL RATE	# of UNITS	GROSS REN	GROSS RENTS ALL UNITS	
edroom	1090	‹›	. 2.48 \$	2,703.20	14	ş	37,844.80	
edroom	898	‹ኁ	2,48 \$	2,227.04	16	- -	35,632.64	
edroom	790	⟨⟨⟩	2,74 \$	2,164.60	11	\$	23,810.60	
TAIL	2095	‹ን	3.00 \$	6,285.00	₽	‹ኁ	6,285,00	
						৵	103,573,04 Gross M	103,573.04 Gross Monthly Rents
	NOD.	ISTRUC	CONSTRUCTION COSTS		,	\$	1,242,876.48 Gro	1,242,876.48 Gross Annual Income
С П	SF		\$/SF	SUBTOTAL				
TAIL SF	2095	5 \$	200 \$	419,000		Ş	103,573.04 Gro	103,573.04 Gross Monthly Rents
rage SF	20317	2 \$	150 \$	3,047,550		, \$	(8,000.00) Op	(8,000.00) Operating Expenses
sidential	54,055	5 5	225 \$	12,162,375		<u>ۍ</u>	95,573.04 NOI/Monthly	J/Monthly
ARD COSTS			₩.	15,628,925			12 Months	onths
FT COSTS			-⟨^}	250,000		\$	1,146,876.48 NOI / ANNUAL)I / ANNUAL ·
AND COSTS			÷ζγ.	1,681,000				
IBTOTAL			\$	17,559,925		⊹\$	22,937,529.60 VA	22,937,529.60 VALUATION @ 5 CAP
ONTHLY DEBT SERVICE 5%	VICE 5%			(\$88,623)		٠ ٠	1,146,876.48	ANNUALNOI
NNUAL DEBT SERVICE 5%	/ICE 5%			(\$1,063,473.33)			(\$1,063,473.33)	ANNUAL DEBT SERVICE
						٠ ٠	83,403.15	ANNUAL INCOME
						-		

SECOND & STREET

HISTORIC PRESERVATION ALTERNATIVE ECONOMIC IMPACT TO 1212 & 1214 SECOND STREET PROPERTIES

SUMMARY:

would likely repair fire damage repairs, bringing the damaged house to code compliance, and make the improvements necessary to sell the rehabilitated homes. within the structure that will require additional architecture and engineering. Due to the economic impacts that would result from this alternative it is likely the The preservation of the houses will impact the proposed project in the amount of units, and parking spaces it provides as well the creating circulation issues preservation of these two houses, ownership would be forced to sell these properties at fair market value. In order to sell these two properties ownership The historic preservation plan involves, the preservation of 1212 & 1214 2nd St. both single family homes. Due potential outcome of this alternative being property proponents would elect to not proceed with the project.

	1212	1212 2nd Street Economic Analysis
Rehabilitation of 1212 2nd St.	45	700,000 Cost to Repair Structure and Make Habitable & Code Compliant
Land Value of 1212 2nd St.	⟨^	275,000 Land Value per Marin County Tax Assessor
PRESERVATION COST SUBTOTAL	ş	975,000
MARKET RATE SALES PRICE	€/}	510,000 Value based on comparable sales within the past 12 months. (See Attached)
PRESERVATION COST SUBTOTAL	٠٠٠	(975,000)
ECONOMIC OUTCOME (1212 2nd St. Preservation)	\$	(465,000) Loss
	1214	1214 2nd Street Economic Analysis
Rehabilitation of 1214 2nd St.	1 /}-	250,000 Cost to remove store front, restore exterior façade, & improve for sale
Land Value 1214 2nd St.	↔	275,000 Land Value per Marin County Tax Assessor
PRESERVATION COST SUBTOTAL	\$	525,000
MARKET RATE SALES PRICE		510,000 Value based on comparable sales within the past 12 months. (See Attached)
PRESERVATION COST SUBTOTAL	↔	525,000
ECONOMICOUTCOME (1214: 2nd St. Preservation)	<i>*</i> \$	(15;000) ³ Loss
815 B St. PROJECT ACHITECTURE & ENGINEERING FEES	- \$\dots	60,000 . Fees associated with redeisgn of the project
ECONOMICOUTCOME	\$	(60,000) Additional Costs
TOTAL ECONOMICIMBACT	· •	(540,000)

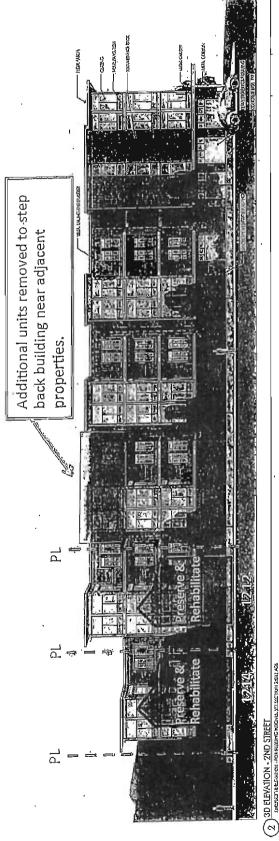
ADDITIONAL IMPACTS

Loss of 2 BMR Units (8 BMR Units to 6 BMR Units)

Loss of Marin County Tax Base for new building

Loss of residents and customers to the downtown area

(1212 & 1214 Second Street to be rehabilitated & sold) HISTORICAL PRESERVATION ALTERNATIVE OVERVIEW SECOND & B STREET



Historic Preservation Impact Summary

- 1212 & 1214 Second St. Houses Preserved & Rehabilitated
 - \$540,000 Loss for projected sales of both properties
- \$134,016 Annual Loss from removed units to proposed project
- Fotal number of units removed from proposed project 13
 - Total number of remaining units 28
- Reduction in units from proposed 33%
- Total number of parking spaces removed 18
- Total number of remaining parking spaces 30
- Reduction in units from proposed 37.5%

Project Summary – As Proposed

- Total number of units proposed 41
- Total number of parking proposed
 - Residential Units 54,055 SF
 - Total Building 76,435 SF
- Project Annual Income \$83,403 per year

SECOND & B STREET PARTIAL PRESERVATION ALTERNATIVE ECONOMIC IMPACT TO 1212 & 1214 SECOND STREET PROPERTIES

SUMMARY:

relocation of the 1212 2nd St. house will impact the proposed project in the amount of units and parking spaces it provides, as well the creating circulation issues property site, the necessary repairs to the house, and the improvements necessary to sell the rehabilitated home. The preservation & relocation of the 1212 2nd St. house will impact the proposed project in are reduction in the amount of units, and reduction in the amount of parking spaces it provides, as well the creating within the structure that will require additional architecture and engineering. Due to the economic impacts that would result from this alternative it is likely the circulation issues within the structure that will require additional architecture and engineering. Due outcome of this alternative being preservation of 1212 2nd The Partial Preservation plan involves, the demolition of 1214 2nd St. single family home, the relocation of the 1212 2nd Street single family home to the 1214 St. ownership, would be forced to sell these properties at fair market value. In order to sell these two properties ownership would likely repair fire damage repairs, bringing the damaged house to code compliance, and make the improvements necessary to sell the rehabilitated homes. The rehabilitation and property proponents would elect to not proceed with the project.

1212 2nd Street Economic Analysis

Rehabilitation/Relocation of 1212 2nd St. to 1214 2nd St.	ጭ	950,000 Cost to Repair Structure and Make Habitable & Code Compliant
Land Value of 1214 2nd St.	ፊን	275,000 Land Value per Marin County Tax Assessor
PRESERVATION COST SUBTOTAL	ረ ን	1,225,000
Market rate sales price	የ	500,000 Value based on comparable sales within the past 12 months
PRESERVATION COST SUBTOTAL	€ 7-	1,225,000 (see attached comparable sales)
ECONOMIC OUTCOWE (1212 2nd St. Preservation's Relocation)	ψ	(725,000) Loss
815 B St. PROJECT ACHITECTURE & ENGINEERING FEES	₹\$	60,000 Fees associated with redeisgn of the project
ECONOMÍC OUTCOME	ŧv⊱	(60,000) Additional Costs
TOTAL ECONOMÍC IMPACT	: -V>	(785,000.00)

ADDITIONAL IMPACTS

-oss of 1 BMR Unit (8 BMR Units to 7 BMR Units)

oss of (8) 2-Bedroom Units

Loss of 6 Parking Spaces

-oss of Marin County Tax Base for new Building

Loss of residents and customers to the downtown area

SECOND & B St. - PARTIAL ALTERNATIVE ECONOMIC IMPACTS TO 815 B STREET 33 RESIDENTIAL UNITS & 1 RETAIL SPACE LOSS OF (8) 2-BEDROOM UNITS

OTE: Rental rates have been adjusted from current comparable averages to account for subject property location, finishes, and projected date of asing.

																		CE			
					84,328.24 Gross Monthly Rents	nths	1,011,938.88 Gross Annual Income	84,328.24 Gross Monthly Rents	(8,000.00) Operating Expenses)[/Monthly	onths	JI / ANNUAL		18,318,777.60 VALUATION @ 5 CAP			ANNUAL NOI	ANNUAL DEBT SERVICE	ANNUAL INCOME		
GROSS RENTS ALL UNITS	29,735.20	24,497.44	. 23,810.60	6,285.00	84,328.24 Grd	12 Months	1,011,938.88 Gr	84,328.24 Gr	(8,000.00) op	76,328.24 NOI/Monthly	12 Months	915,938.88 NOI / ANNUAL		18,318,777.60 VA			915,938.88	(\$988,799.74)	(72,860.86)		
GROSS RE	ዯ	⊹∽	⊹∽	‹ኁ	÷		-ζγ-	᠊ᡃᡐ	·Ѵኁ	٠ د		\$.	٠	- \$^.			⊹		W.		
# of UNITS	11	11	11	Ä																	
TED RENTAL RATE	2,703.20	2,227.04	2,164.60	6,285.00					SUBTOTAL	419,000	3,047,550	10,929,375		14,395,925	. 250,000	1,681,000	16,326,925		(\$82,400)	(\$988,799.74)	
PROJECTED R	Υ.	↔	⊹∿	⊹∽						<i>ب</i>	⊹	4 5-		Ş	ş	-⟨Λγ	⟨⟨⟩				
AVE \$/SF	2.48	2.48	2.74	3.00				SOST	\$/SF	. 200	150	225									
AVE	⟨S	⊹∽	₹\$	‹›		٠		ICTION (٠ ٠	⊹	↔		٠							
SF	1090	868	790	2095				CONSTRUCTION COST	SF	2095	20317	48,575							RVICE 5%	RVICE 5%	
YPE	bedroom	bedroom	bedroom	ETAIL	1	•			TYPE	RETAIL SF	Garage SF	Residential		HARD COSTS	SOFT COSTS	LAND COSTS	SUBTOTAL		MONTHLY DEBT SERVICE 5%	ANNUAL DEBT SERVICE 5%	

Miller & Associates Real Estate Appraisers 70 Marina Court Drive

70 Marina Court Drive San Rafael, CA 94901

March 27, 2013

\$/SF

MONTHLY RATE

MonahanParker LLC 1101 5th Avenue Suite 300 San Rafael CA 94901

RE: Unit Pricing for proposed units at 809 B Street San Rafael

Dear Mr. Monahan.

This letter has been created per your request to provide you with the rental rates of units which are comparable to the units at the proposed 809 B Street project; in effort to provide you with a basis by which your firm may quantify the economic impacts project alternatives. Based on the information I have been provided 809 B Street project is planned to be a four story mixed-use building with 41 residential units and one retail space. The building design appears to be a podium design with a first floor parking garage and residential units above. The unit mix consists of 1-bedroom and 2- bedroom units ranging from 790 square feet to 1090 square feet.

Based on the building type, unit size, and location it is my opinion that following multifamily residential properties most closely reflect comparables to your proposed project:

SQ. FOOTAGE

RAFAEL TOWN CENTER 1050 Court St. San Rafael, CA 94901

UNIT TYPE

1 Bedroom	1 Bath	759	\$2,240	\$2.95
2 Bedroom	2 Bath	984	\$2,710	\$2.75
LOFTS at ALBERT PARK	4			
155 Andersen Drive Sa	•			
155 Andersen Drive Sa UNIT TYP	•	1 SQ. FOOTAGE	MONTHLY RATE	\$/SF
	•		MONTHLY RATE \$1,905	\$/SF \$2.54
UNIT TYP	Ē	SQ. FOOTAGE		

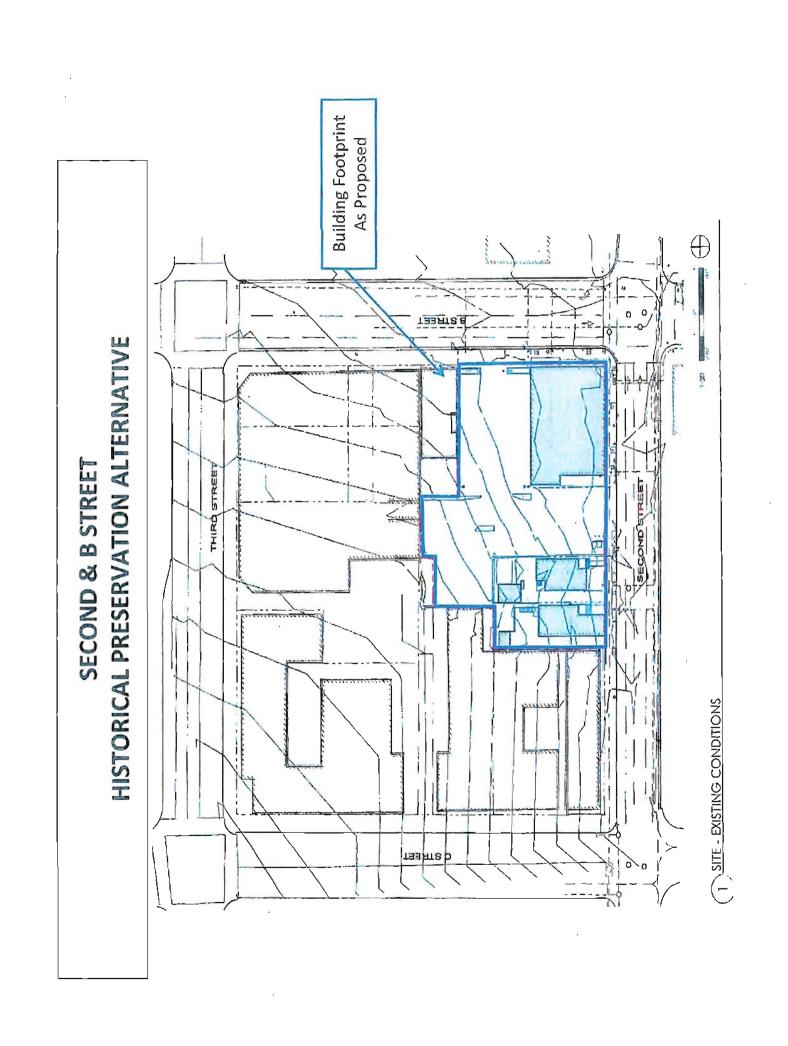
AVERAGE RENTAL RATE

UNIT TYPE	SQ. FOOTAGE	MONTHLY RATE	\$/SF
1 Bedroom 1 Bath	754.5	\$2,073	\$2.64
2 Bedroom 2 Bath	994.5	\$2,433	\$2.31

Attached to this letter is print out of the listings discussed in above. If you have any questions please feel free to contact me.

Sincerely,

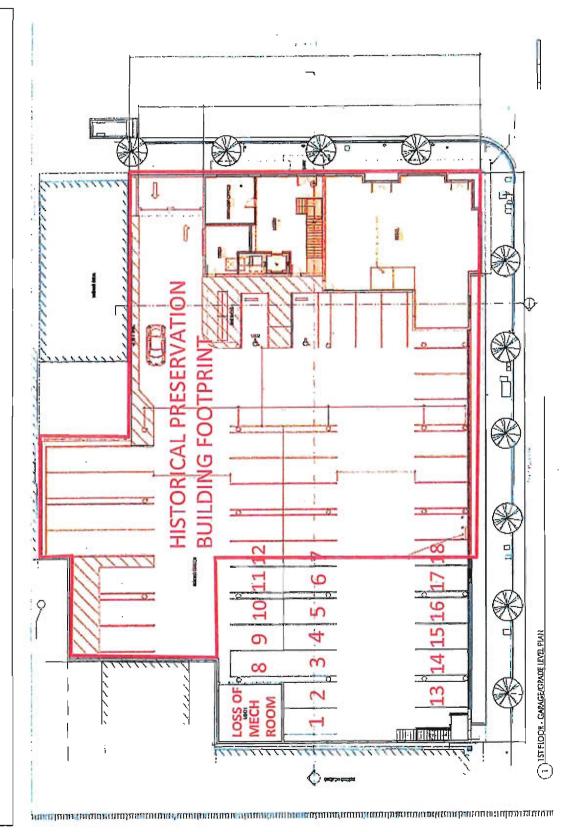
Patricia Miller Real Estate Appraiser DRE# 01224451



HISTORIC PRESERVATION ALTERNATIVE BUILDING FOOTPRINT \oplus HISTORICAL PRESERVATION ALTERNATIVE . 7.7 SECOND & B STREET THIRD STREET SITE - EXISTING CONDITIONS

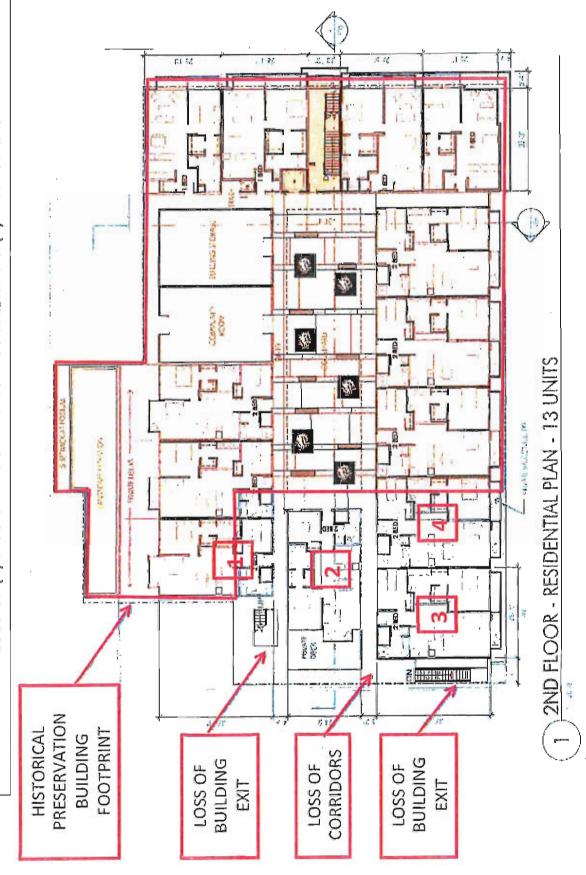


HISTORICAL PRESERVATION ALTERNATIVE IMPACTS AT GARAGE LEVEL LOSS OF 18 PARKING SPACES & MECHANICAL ROOM



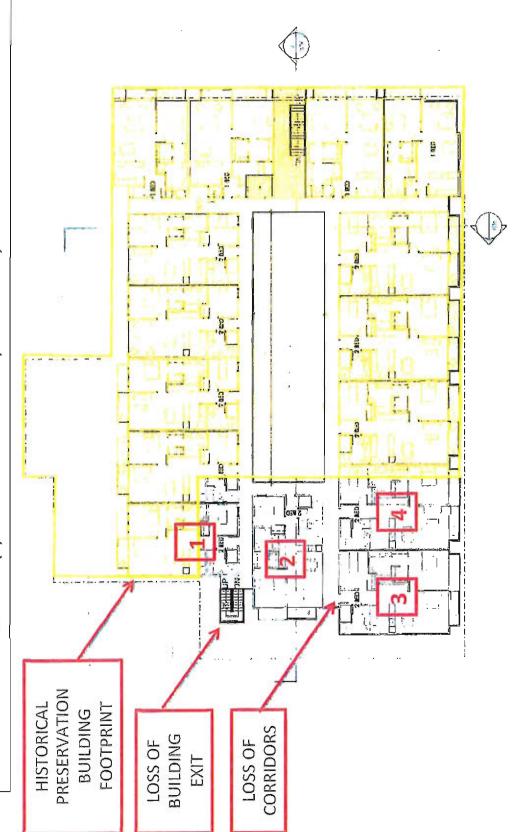
HISTORICAL PRESERVATION ALTERNATIVE IMPACTS AT 2nd LEVEL

LOSS OF (4) TWO-BEDROOM UNITS & COORIDORS & (2) EXITS STAIRS



HISTORICAL PRESERVATION ALTERNATIVE IMPACTS AT 3rd LEVEL

LOSS OF (4) TWO-BEDROOM UNITS, COORIDORS, & EXITS STAIR

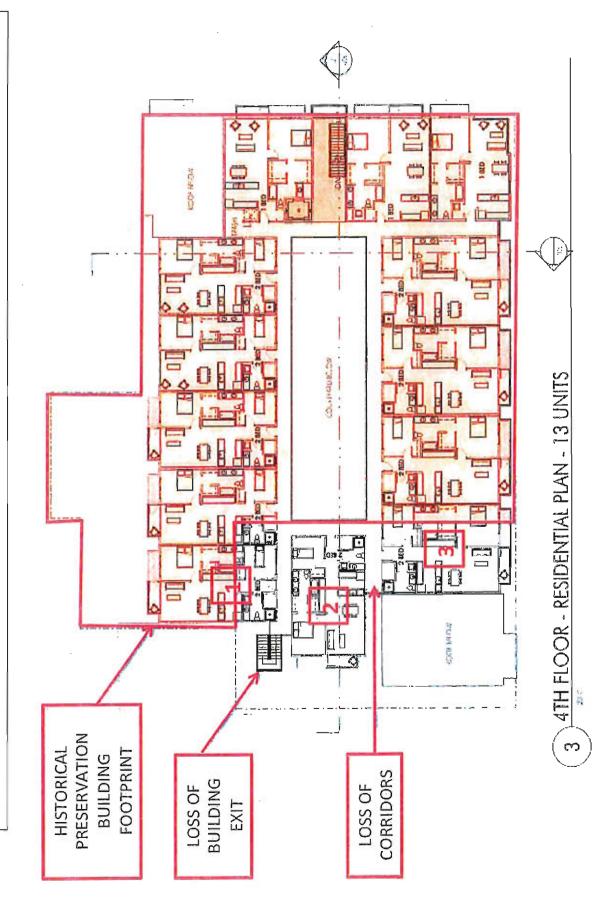


 $\binom{2}{2}$ 3RD FLOOR-RESIDENTIAL PLAN - 15 UNITS

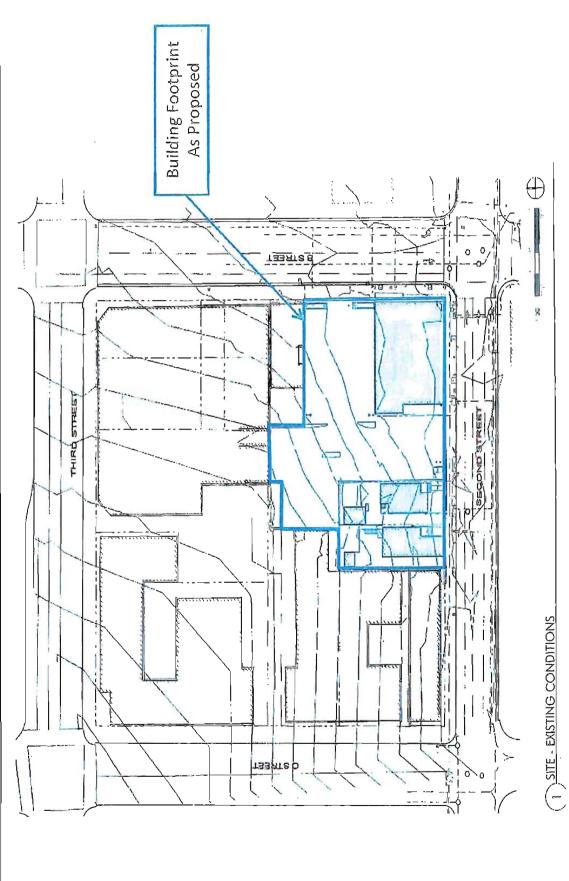


HISTORICAL PRESERVATION ALTERNATIVE IMPACTS AT 4th LEVEL

LOSS OF (3) TWO-BEDROOM UNITS, COORIDORS, & EXITS STAIR



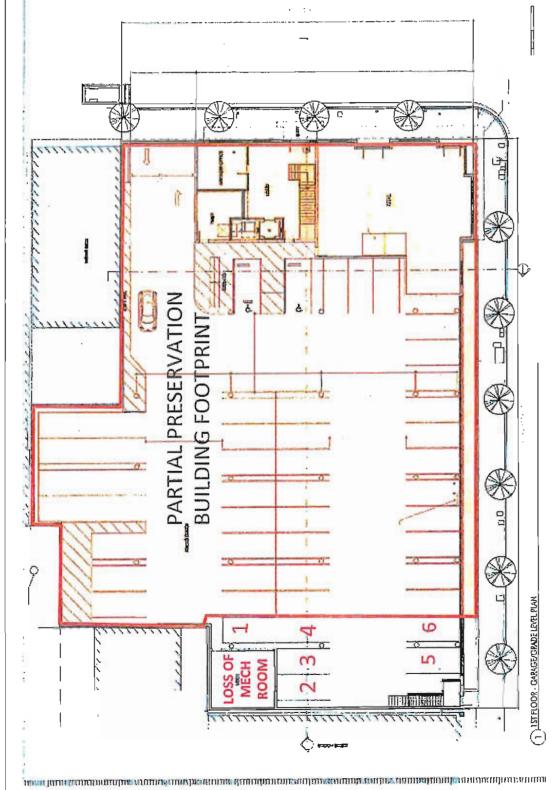
PARTIAL PRESERVATION ALTERNATIVE SECOND & B STREET



PARTIAL PRESERVATION ALTERNATIVE BUILDING FOOTPRINT \oplus PARTIAL PRESERVATION ALTERNATIVE H SECOND & B STREET THIRD STREET (1) SITE - EXISTING CONDITIONS

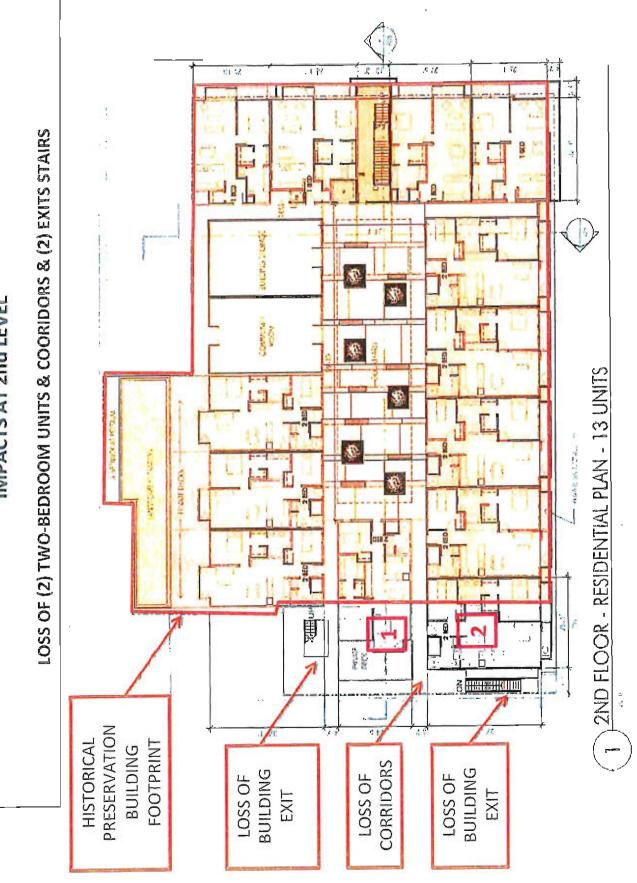
PARTIAL PRESERVATION ALTERNATIVE IMPACTS AT GARAGE LEVEL

LOSS OF 6 PARKING SPACES & MECHANICAL ROOM





PARTIAL PRESERVATION ALTERNATIVE IMPACTS AT 2nd LEVEL



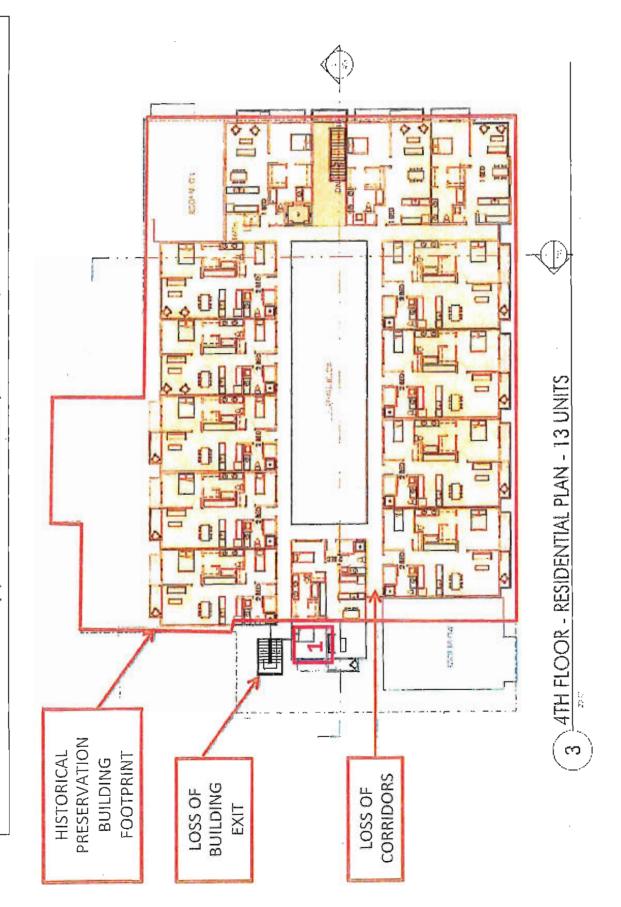
PARTIAL PRESERVATION ALTERNATIVE IMPACTS AT 3rd LEVEL

LOSS OF (2) TWO-BEDROOM UNITS, COORIDORS, & EXITS STAIR



PARTIAL PRESERVATION ALTERNATIVE IMPACTS AT 4th LEVEL

LOSS OF (1) TWO-BEDROOM UNITS, COORIDORS, & EXITS STAIR



SECOND & B STREET HISTORICAL PRESERVATION ALTERNATIVE



Proposed Project Summary - Without Alternative

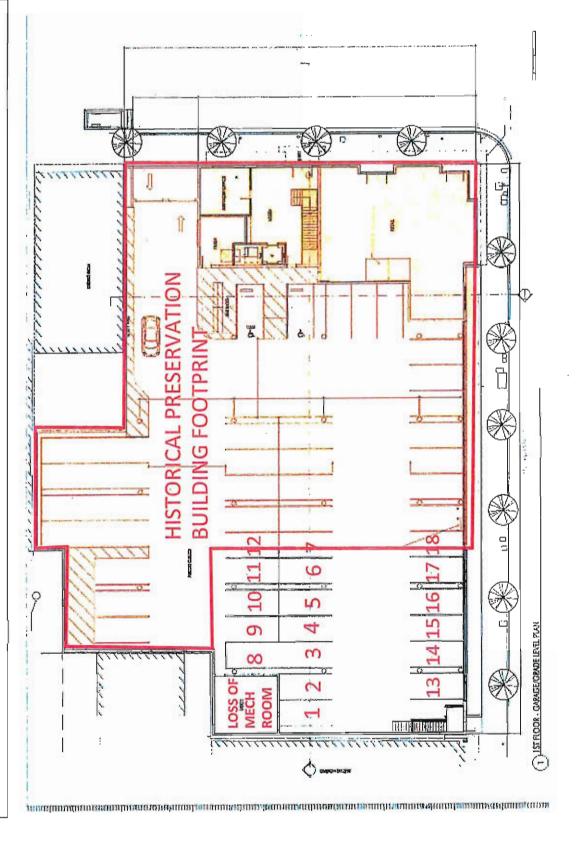
- Total number of units proposed 41
- Total number of parking proposed 48

Historic Preservation Alternative - Impact Summary

- Total number of units removed 11
- Total number of remaining units 30
 Reduction in units from proposed 27%
- Total number of parking spaces removed 18
- Total number of remaining parking spaces 30
 - Reduction in units from proposed 37.5%

HISTORICAL PRESERVATION ALTERNATIVE IMPACTS AT GARAGE LEVEL

LOSS OF 18 PARKING SPACES & MECHANICAL ROOM





SECOND & B STREET PARTIAL PRESERVATION ALTERNATIVE



Proposed Project Summary - Without Alternative

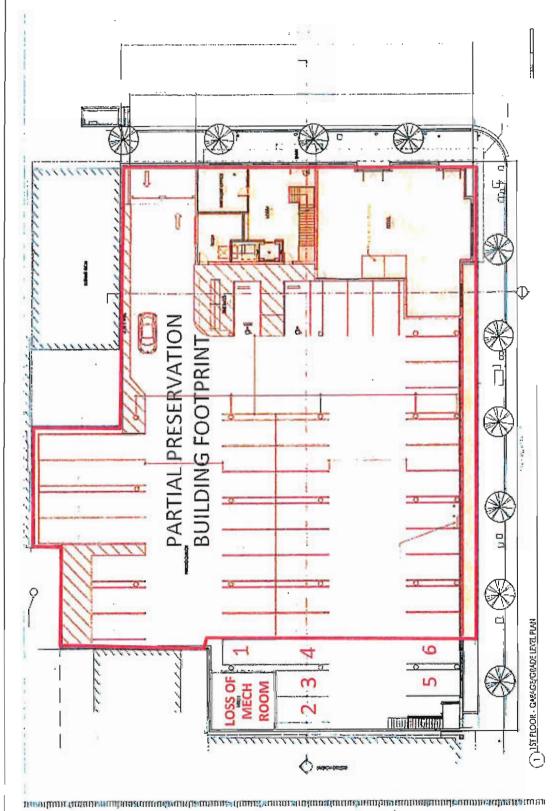
- Total number of units proposed 41
- Total number of parking proposed 48

Historic Preservation Alternative - Impact Summary

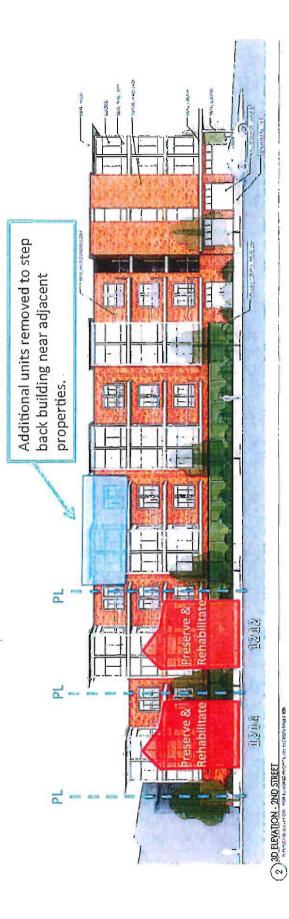
- Total number of units removed 5
- Total number of remaining units 36
- Reduction in units from proposed 13%
- Total number of parking spaces removed 6
- Total number of remaining parking spaces 42
 - Reduction in units from proposed 12.5%

PARTIAL PRESERVATION ALTERNATIVE IMPACTS AT GARAGE LEVEL

LOSS OF 6 PARKING SPACES & MECHANICAL ROOM



(1212 & 1214 Second Street to be rehabilitated & sold) HISTORICAL PRESERVATION ALTERNATIVE OVERVIEW 809 B STREET



Historic Preservation Impact Summary

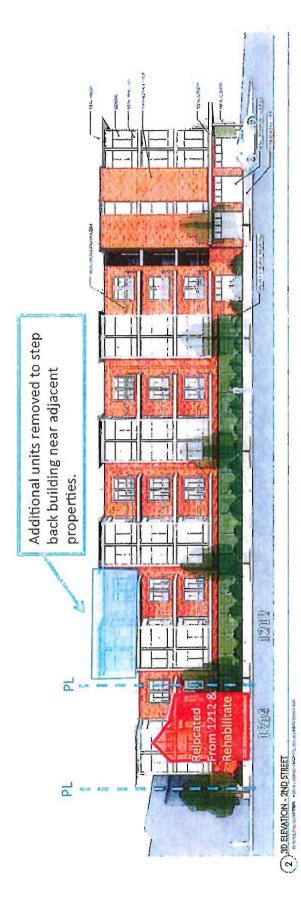
- 1212 & 1214 Second St. Houses Preserved & Rehabilitated
- \$490,000 Loss for projected sales of both properties
- \$134,016 Annual Loss from removed units to proposed project
- Total number of units removed from proposed project-13
- Total number of remaining units 28
- Reduction in units from proposed 33%
- Total number of parking spaces removed 18
- · Total number of remaining parking spaces 30
- Reduction in units from proposed 37.5%

Project Summary – As Proposed

- Total number of units proposed 41
- Total number of parking proposed 48
 - Residential Units 54,055 SF
- Total Building 76,435 SF
- Project Annual Income \$83,403 per year

809 B STREET PARTIAL PRESERVATION ALTERNATIVE OVERVIEW

1212 Second Street to be rehabilitated, relocated, & sold 1214 Second Street to be demolished



Partial Preservation Alternative - Impact Summary

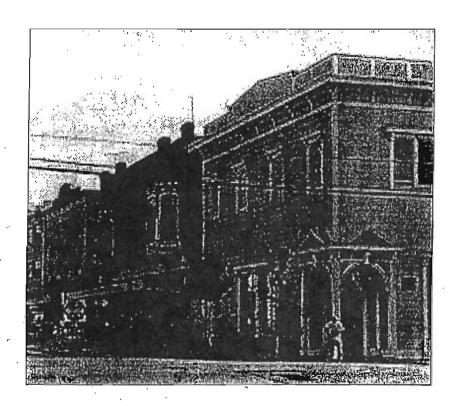
- 1212 Second Street to be rehabilitated, relocated, & sold
- \$725,000 Loss for projected sales 1212 Second St.
- \$72,860 Annual Loss from removed units to proposed project
 - Total number of units removed from proposed project 8
- Total number of remaining units 33
- Reduction in units from proposed 20%
- Total number of parking spaces removed 6
- Total number of remaining parking spaces 42
- Reduction in units from proposed 12.5%

Project Summary – As Proposed

- Total number of units proposed 41
- Total number of parking proposed—
 - Residential Units 54,055 SF
 - Total Building 76,435 SF
- Project Annual Income \$83,403 per year

REQUEST FOR DEVELOPER PROPOSALS

"B" STREET REDEVELOPMENT PROJECT AREA DOWNTOWN SAN RAFAEL



SAN RAFAEL REDEVELOPMENT AGENCY OCTOBER 1997

Request For Proposals "B" Street Project Area October 1997

INTRODUCTION

The City of San Rafael, through its Redevelopment Agency, is inviting proposals from qualified development professionals interested in creating an active mixed use project to be located in a redevelopment area bounded by "A", "B", Second and Third Streets, along with several adjacent properties in downtown San Rafael.

Proposals for "B" Street Redevelopment Project will be received by the San Rafael Redevelopment Agency at 1313 Fifth Avenue, P.O. Box 151560, San Rafael, California 94915-1560, attention Jake Ours until 5:00 p.m. on December 8, 1997. All proposals must include the information outlined in the "Submittal Requirements" section below.

BACKGROUND

The San Rafael Redevelopment Agency Board has identified a unique redevelopment opportunity in downtown San Rafael in the area generally consisting of the southern half of the block bounded by "A", "B", Second and Third Streets, and the southeastern quarter of the block bounded by "B", "C", Second and Third Streets. Attachment A is a map of the eleven parcels included in the project, which total approximately 1.5 acres. Attachment B is Summary of Property Descriptions for all eleven properties in the Project Area. Attachment C is a map of topography and utilities.

The "B" Street project is located in the Second/Third Street corridor of downtown within two blocks of the Fourth Street core area of San Rafael. The Fourth Street area is a continually growing, active retail and entertainment area for San Rafael and Marin County. The Agency is seeking a development on "B" Street to include commercial and residential uses which will complement the core area of downtown. In 1993, the City accepted *Our Vision of Downtown San Rafael*, a community plan for guiding the development and design of downtown which will be a guide for the "B" Street project. Attachment D is a downtown location map.

A major focus of the Agency's economic development and housing efforts has been in the downtown area over the last several years. In addition to the Agency-sponsored projects, the business and development community has exhibited a strong interest in the redevelopment of the downtown through many private retail and office projects in the area. The Agency has provided staff support for these projects as needed to assist them through the City approval process.

Attachment E is a downtown "What's Happening?" map and construction schedule. Downtown revitalization projects recently completed or underway include the following:

Downtown Housing

- ♦ Lone Palm Court began construction in September 1997. Lone Palm is a 60 unit, market rate and affordable housing project directly adjacent to the "B" Street project. Attachment F is a site plan for the Lone Palm project.
- ♦ The reuse of the Macy's site, located on Fourth Street a few blocks from the project area, will include the development of 106 housing units.
- Additional housing projects completed in the downtown include Centertown (60 units), Boyd Court (25 units) and One H Street (38 units).

Infrastructure

- The Agency is currently constructing the extension of Anderson Drive which, when completed, will connect to "A" Street at the eastern corner of the "B" Street project area. This extension will improve circulation between downtown and East San Rafael and will create a new entrance point for the downtown.
- The Agency has recently undertaken the undergrounding of the utilities along Second and Third Streets.
- New sidewalks, street trees, street lights and banners along Fourth Street have been installed by the Agency.

Office

- Fair Isaac is planning to construct a 406,000 square foot office complex on the 15 acre PG&E/City property at Second and Lindaro, within a block of the "B" Street project area.
- ♦ Proposed Kaiser medical offices, part of a mixed use project at Third and "A" Streets, will include approximately 20,000 square feet of office space, in addition to ground floor retail.
- ♦ The former Macy's site will include approximately 38,000 square feet of office facing Fifth Avenue.
- Onstruction of an office complex of 76,600 square feet is underway at Fifth and "B" Streets.
- A new office complex for the Marin Community Foundation, which will total approximately 25,000 square feet, is planned to be located on a City lot at Fifth and "E".

Retail/Entertainment

- The Agency is sponsoring the renovation of the Rafael Theater on Fourth Street into a three-screen theater by the Film Institute of Northern California.
- ♦ The 60,000 square foot Shamrock Center will be under construction this year and will be located between Irwin, Lincoln, Second and West Francisco. The Center will include Comp USA, Staples, LandRover.
- ♦ A pharmacy and optometrist are proposed to be located on the ground floor of the Kaiser medical offices to be located at Third and "A" Streets.
- Safeway has expressed an interest in relocating to a site at Second and "A" Streets, across the street from the "B" Street project.
- The former Macy's site is planned to include the development of approximately 25,000 square feet of ground floor retail.
- ♦ A new Walgreen's is proposed to be located at Third and Cijos Streets.

REDEVELOPMENT AGENCY FINANCIAL ASSISTANCE

Redevelopment Agency financial assistance may be available depending on the merits of the proposed project. Additionally, the Agency is committed to working with the developer to expedite the processing of the City development approvals. Any Agency assistance required by the developer will need to be specified in the proposal as detailed in "Submittal Requirements" section below.

REDEVELOPMENT OBJECTIVES FOR "B" STREET PROJECT

- ♦ Create a high quality, active mixed use project to revitalize the "B" Street area that is consistent with Our Vision of Downtown San Rafael and the City's General Plan.
- ♦ Retain and/or enhance the historic character and pedestrian-friendly nature of the frontages of "A" and "B" Streets.
- Provide affordable and market rate housing in the downtown. Eliminate or rehabilitate substandard housing units. At a minimum, replace on site all housing units destroyed at comparable affordable rental rates.
 - ♦ Create well designed buildings for a significant entry statement at the "A" Street entrance to downtown.
 - ♦ Eliminate blighted conditions in the area.
 - ♦ Create jobs and improve economic vitality of the area.
 - ♦ Complete construction and rehabilitation in the shortest possible time.
- ♦ Deliver retail tenants in the shortest possible time. Agency approval of tenants will be required.
- Minimize Agency financial assistance for the project.

"B" STREET DEVELOPMENT CONCEPT

Active Mixed Use Development. The development concept for the "B" Street project is a mixed use project which must include housing (as described below), ground floor retail along "A" and "B" Streets, and any combination of office, retail, entertainment, or restaurant use and parking that is consistent with *Our Vision* and the General Plan. Active pedestrian uses along "A" and "B" Streets are desired. The tenants in the project should stimulate interest and vitality in this area of downtown for residents, employees and visitors. *Our Vision* specified the desired development in the Second/Third Street corridor (in part) as follows:

- ♦ Establish a vital, varied and compatible mix of office, retail and residential uses that utilizes the special strengths given this District by the high traffic volume and visibility of Second and Third Streets
- Make Second and Third Streets a very attractive, safe and efficient transportation corridor.
- Strengthen the unique character of each cross street and give special treatment to "B" Street as an area of strong historic character and the primary connection between the Gerstle Park Neighborhood and the Fourth Street Retail Core.

- Focus neighborhood serving and specialty retail uses on the cross streets. These shops would add to the pedestrian environment of the cross street, and similar types of shops could cluster together on a given cross street to become a specialty area.
- Recognize the major opportunity for residential development throughout the District, especially on the cross streets. Both mixed use and multifamily development could work well in this District.
- Encourage attractive, creative and varied architecture, with: 1) design detail on all sides of buildings visible to the street or pedestrians; 2) sensitivity to the special design characteristics of some areas, such as the historic character of "B" Street; and 3) careful maintenance of existing historic buildings, especially on "B" Street.

Copies of Our Vision, which describes in more detail the vision for the whole Downtown area, as well as the Second/Third Street Corridor, are available upon request.

How many

Housing. All housing units destroyed in the project must be replaced on site, at comparable affordable rents. However, the Agency's goal is to achieve more units than those presently on site while still meeting the other Agency goals for the project. A housing density bonus is available for the provision of additional affordable housing.

Current Zoning/Development Standards. Attachment G is a zoning map. For purposes of the proposal, all clarifying zoning questions should be directed to Nancy Mackle, Senior Development Specialist at (415) 485-3460. After developer selection, it will be the developer's responsibility to work directly with the City Planning Department to ascertain any additional zoning requirements for the project. Agency staff will be available to assist in this process.

The following zoning information should be incorporated in the proposal concept:

- ♦ The majority of the project falls into the Cross Street Mixed Use (CSMU) zoning district. The exception is parcel 011-256-32, 813 "B" Street, which falls into the Second/Third Mixed Use West (2/3MUW) district.
- Duilding height can range from 42 feet (along "B" Street) up to 54 feet (along "A" Street), in accordance with the building height map. Attachment H is a building height map.
- ♦ The Floor Area Ratio for non-residential use is 1.5.
- Residential density allowed is 600 sf of lot per unit for all parcels with the exception of parcel 011-256-32, 813 "B" Street which requires 1,000 sf of lot per unit.

A residential density bonus is permitted with the provision of additional affordable housing and is determined on a case-by-case basis.

Parking/Driveways. The project area is within the downtown parking assessment district and is therefore entitled to use district facilities. The location of those facilities are shown in Attachment I. Parking for up to 1.0 FAR of the allowable building square footage can be provided by the parking district if it is available. Parking above the 1.0 FAR and for all residential uses must be provided in the "B" Street project area.

Parking standards are as follows:

Office (non medical)

1 space per 300 gross building sf

Retail

1 space per 250 gross building sf

Restaurant

1 space per 50 sf of floor area intended for public use

Theater

to be determined by a parking study 1 space/unit up to 900 sf/2 bedroom

Residential (multifamily)

1 space/unit up to 900 st/2 dedroom

1.5 spaces for 2 bedroom units over 900 sf

Re-use of the existing buildings for retail or office uses would not require additional parking. For substantial renovation or enlargements to existing buildings, a change in occupancy, or any modifications which would increase the amount of parking required, additional parking will be required for the upgraded portion of the project only.

Driveways along Second Street are not permitted.

Historic Character. The rehabilitation, renovation and new construction in the project should preserve or enhance the historic texture of the area, especially along "B" Street. Existing "B" Street buildings should be preserved to the extent practicable while still making the overall project feasible in terms of architectural design and financial considerations.

Environmental and Design Review. After final selection of a developer, the developer will be responsible for obtaining approvals from the City of San Rafael Planning and Building Divisions and any other public or private agencies. The Agency will allow a reasonable time for the developer to obtain approvals and will work to assist the developer as needed. The selection of a developer and a preliminary site plan by the Agency includes no guarantees about the City granting the requested development approvals.

Building Code and Accessibility Requirements. As summarized in Attachment B, many of the buildings in the "B" Street project do not meet housing and building code requirements. The proposal should assume that after renovation and construction is completed, the development will meet all code requirements and all housing units will be brought to safe and sanitary standards.

SCHEDULE

Deadline for Submitting Proposals
Review of Proposals/Interviews
Selection of Developer/ Exclusive Right to Negotiate
Negotiation of Development Agreement
Approval/Execution of Development Agreement
Design Completion and Design Review Completed
Land Assembly & Relocation Completed
Construction Completed
Lease up

December 8, 1997
December/January 1998
February 1998
February/March 1998
March/April 1998
Winter 1998/Spring 1999
Spring/Summer 1999
Spring 2000
Spring 2000

SUBMITTAL REQUIREMENTS

The Agency is seeking a clear but general description and site plan of the proposed development concept for the "B" Street project area. The Agency discourages the preparation of renderings, elevations or architectural drawings at this time. Please provide the following information in the detail necessary to explain the development concept, financial terms, and project's feasibility. Ten (10) copies of the proposal must be submitted.

Transmittal letter

Submit a cover or transmittal letter executed by an authorized signatory of the development firm.



Developer Identification

1. Developer name (if a development team, identify the lead entity).

2. Contact name and title. The contact should be an individual authorized to negotiate on behalf on the developer or development team. IP

3. Address, telephone number and fax number.

4. Legal form of the organization (e.g., corporation, partnership, etc.)

5. If applicable, list the development team, including architect and landscape architect firms.



Developer Experience

- 1. List or statement of relevant experience of developer and members of development team. Include experience working with public agencies and prior experience working in rehabilitation, historic preservation, and/or infill development projects.
- 2. Identify project names (at least three), including locations, project size, value and public contact names for each.
- 3. Include supporting materials such as annual reports, corporate profiles or resumes of team members.



Proposed Development Concept

- General description of the proposed project including summary of square footage, use, and architectural and/or historic character of the built improvements. Describe any new construction and/or rehabilitation proposed. Include a description of density, building heights, massing and site design. The Agency discourages the inclusion of renderings, elevations or architectural drawings at this time.
- 2. Include a conceptual site plan. Include one full scale set of plans and ten (10) reduced plans $(11" \times 17").$
- 3. Indicate all properties which will require acquisition.
- 4. Identify the number of housing units to be completed. Indicate size (square footage and number of bedrooms) and affordability levels of each (in terms of percentage of area median income). Describe any other amenities. Identify number of new units to be constructed and any rehabilitation of existing units.



- 5. Identify size (square footage) and type or category of retail, office or other tenants. Be as specific as possible.
- 6. Specify all existing buildings which will be demolished.
- 7. Describe nature or extent of rehabilitation of any existing buildings, particularly facade improvements along "A" and "B" Streets.
- 8. Indicate quantity and location of parking to be provided. Include estimate of potential parking revenues,
- 9. Describe schedule and phasing (if any) for the project and a proposed time frame for completion of design, construction and lease up.
- 10. Proposals may include additional properties adjacent the "B" Street Project Area, but must be submitted as an "Alternative Scenario" to the basic proposal. All financial and other submittal information would be required for the Alternative Scenario as well as the basic proposal.

 AT NOT STREET HAVE TO SEE PARKET TO SEE



Financial and Management Information

- 1. Provide a preliminary ten (10) year project proforma, including predevelopment costs, hard and soft construction costs, developer fees, financing assumptions, equity requirements, income (including parking revenue) and operating expense estimates. Include an estimated ten year cash flow projection, return on investment and return on equity. (Note that prevailing wage rates will be required to be paid on all construction contracts.)
- 2. Provide financial information sufficient to determine the developer's ability to undertake this project. (All financial information will be held strictly confidential to the fullest extent permitted by law.)
- 3. List prospective equity sources and construction and permanent lenders.
- 4. Describe the anticipated marketing program and lease-up schedule.
- 5. Describe the short term and long term ownership plan and management plan for the project.
- ⇒6. Specify the displacement of existing tenants. ✓
 - 7. Specify the amount, type and terms of Agency assistance required to make project feasible.
 - 8. Provide a disclosure statement which includes the following information on previous or current projects and/or on the development firm:
 - a) List current vacancy rates on the firm's commercial developments.
 - b) Explain any litigation or other legal disputes that could result in a financial settlement having a material adverse effect on the ability to execute this project.
 - c) List and explain any bankruptcy or foreclosure history.
 - d) List potentially competing projects in the area. including their location and status, including anticipated date of completion.



Additional requirements DRAWINGS

- 1. A good faith deposit of \$25,000 will be required at time of the Exclusive Right to Negotiate
- 2. Prevailing wage rates will be required to be paid for all construction contracts.
- 3. Non-discrimination clauses will be required to be included in all contracts and leases.
- 4. Appropriate insurance, business licenses, contractor licenses, and permits will be required prior to the start of any work on the project.

Submit proposals (10 copies) to:

Jake Ours

Economic Development Director
City of San Rafael
1313 Fifth Avenue
P.O. Box 151560
San Rafael, CA 94915-1560

Proposals must be received by 5:00 p.m. on December 8, 1997.

EVALUATION AND SELECTION OF PROPOSAL

Proposals will be evaluated by the City of San Rafael based the information submitted. Evaluations will be based on the following:

- O Proposer's demonstrated development experience
- O Evidence of financial capabilities of developer
- Ability to deliver tenant leases
- Satisfaction of affordable housing requirements
- ♦ Feasibility and quality of the project concept and conceptual site plans
- O Conformance to Our Vision and General Plan
- ♦ Financial assistance requested of the Agency

The chosen developer will be the firm judged to be best qualified and whose proposal and qualifications are deemed to be in the best interests of the San Rafael Redevelopment Agency. The staff recommendation will be considered and approved by the Redevelopment Agency. The City and Agency reserve the right to:

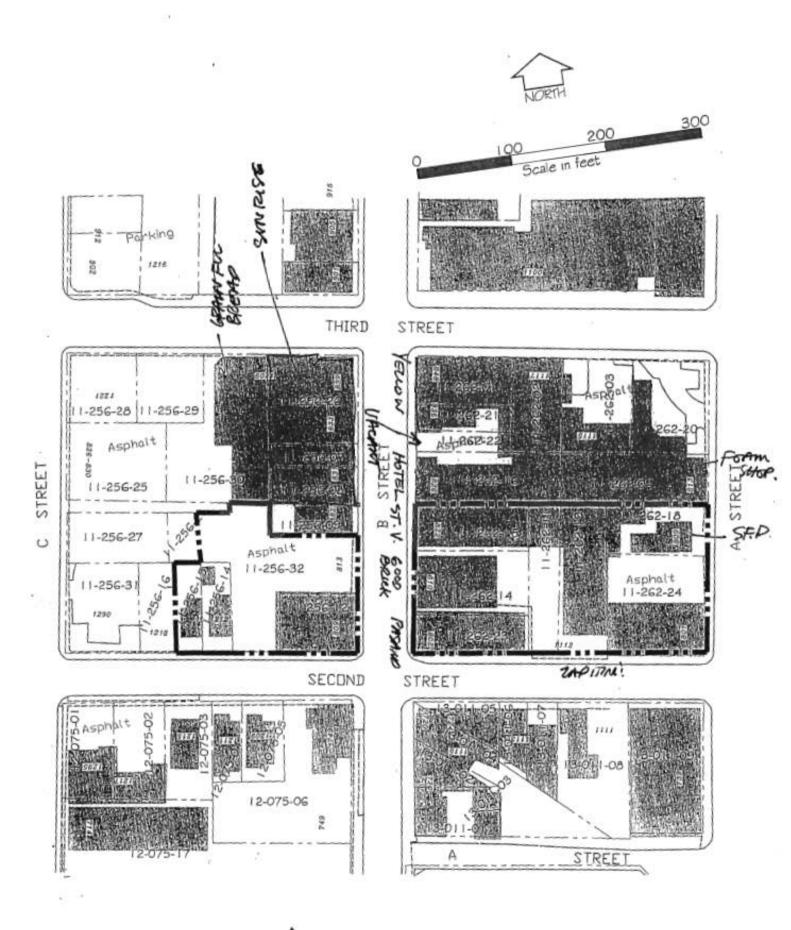
- ♦ Reject any or all proposals submitted.
- Request clarification of information submitted or to request additional information.

All materials submitted will become the property of the Agency.

Any questions concerning the proposal can be directed to Nancy Mackle, Senior Development Specialist at (415) 485-3460.

ATTACHMENTS

- A: "B" Street Project Area Map
- B: Summary of Property Descriptions
- C: "B" Street Project Area Map: Topography & Utilities
- D: Downtown Location Map
- E: "What's Happening in Downtown?" Map and Schedule
- F: Lone Palm Housing Site Plan
- G: Zoning Map
- H: Building Height Map
- I: Downtown Parking District Map



Attachment A

Actachment A

Project Area

"B" Street Project Area Summary of Property Descriptions October 1997

"B" STREET PROJECT AREA PROPERTIES

This summary includes general descriptions of eleven parcels which make up the "B" Street Project area. These descriptions provide basic information to assist developers in the preparation of a proposal for redevelopment of the area. The properties are as follows:

AP#	Address	Current Occupant
011-262-24	801 A Street	Marin Furniture Clinic
011-262-18	809 - 811 A Street	Residential units
011-262-23	802 B Street	Pasand's Restaurant
011-262-14	810 - 816 B Street	Thai Restaurant
011-262-15	822 B Street	St. Vincent de Paul
011-256-12	809 B Street	Centerpoint offices
011-256-32	813 B Street	Parking lot
011-262-19	1112 Second Street	Steve Zappetini & Sons
011-262-11	1112 Second (part of)	Steve Zappetini & Sons
011-256-14	1212 Second Street	Residential
011-256-15	1214 Second Street	Residential & Nail Salon

The following descriptions are based on available City records and limited visual inspections of the exterior of the properties. In general, the properties included in the "B" Street Project Area have been impacted by changing market needs, lack of maintenance and/or poor appearance. The leasable spaces are not the size or configuration most desired by current retail operations, and basic maintenance and investment in the properties has not been undertaken due to decreased rental rates and revenues.

801 A Street

Assessor Parcel Number:

011-262-24

Property Owner:

R.C. & Barbel Roberts

801 A Street

San Rafael, CA 94901

Lot Size:

10,000 square feet

Estimated Building Size:

5,584 square feet

Residential Units:

0

Parking Spaces:

10

Occupants: Marin Furniture Clinic occupies the entire building. There is a separate lease space at 1102 Second, also occupied by the Clinic.

Summary: The building and parking lot are maintained and attractive. The building on the back of 1112 Second is constructed on the property line and is visible across the parking lot. The lease space at 1102 Second has had high turnover; it is not visible, and is not associated with the parking lot on A Street.

809 and 811 A Street

Assessor Parcel Number:

011-262-18

Property Owner:

Philip Sheridan

PO Box 2244

San Rafael, CA 94912

Lot Size:

5,053 square feet

Building Size:

unknown

Residential Units:

estimated to be 3

Parking Spaces:

1

Occupants:

Residential uses

Summary: There are three structures on the site including one on the front of the site, another on the rear property line, and a separate garage on the north, however the actual number of units on the site is unclear. The structures are all wood frame, wood siding buildings and appear to be old although there is no historic designation on the property. The buildings are run down, the yard unkept and the garage appears to be storage for a commercial business. The generally unkept appearance of the building, added on porches, lack of landscaping and need of paint all detract from the appearance of the area.

802 B Street

Assessor Parcel Number:

011-262-23

Property Owner:

Venkateswara Lakireddy &

Parmaeswari Lakireddy 10% et al

C/O Reddy Realty 2286 Shattuck Ave Berkeley, CA 94704

Lot Size:

4,836 square feet

Building Size:

9,280 square feet (5,026 sf retail)

Residential Units:

6

Parking Spaces:

0

Occupants: Pasand's Restaurant on ground floor; residential uses upstairs

Summary: The building was constructed in 1986 and appears to be in good condition from the exterior. Four studio apartments and two one bedroom units are on the second floor. The architectural style of the building is consistent with relevant General Plan policies which encourage the utilization of the historic character of the area. The building is beginning to show external wear, and is in need of repainting and the planters need to be replanted. However, this wear is not extensive and could be easily addressed. The building has no onsite parking, but was not required to provide space when it was constructed. The ground floor has been occupied by Pasand's Restaurant since it opened so has not had a high turnover.

810, 812, 814, 816 B Street

Assessor Parcel Number:

011-262-14

Property Owner:

John Manzone 16.65% etal

Mary Ann Manzone 11.11% etal

6 Mt. Shasta Court San Rafael CA 94903

Lot Size:

7,164 square feet

Building Size:

7,824 square feet (3,912 sq. ft. of retail)

Residential Units:

4

Parking Spaces:

0

Occupants:

816 is Used Tool Shop; 810 is a Thai Restaurant;

812 and 814 are residential units

Summary: This masonry building is in need of a major upgrade and improvement. Seismic retrofit work was done under permit in 1994. The facade is in need of painting, repair and upgrades, especially on the ground floor. The building has an historic designation of "Good", however below the canopy, the facade appears to be a remodel with no historic character. The condition of the residential units is unknown, but a lack of permits for upgrades and improvements would indicate that there may be code and structural deficiencies.

810, 812, 814, 816 B Street (Continued)

Parking is provided in the rear of the building, but it is not intended for public use. Access to this area is by means of a narrow driveway of which five feet is on the adjacent northerly property (St. Vincent's). The adjacent property's right to use the driveway is recorded. Use of the rear area appears to be shared with the northerly property. A storage shed or container is in the rear corner and a toilet facility is located at the rear of the building. Retail tenants must exit the building and cross the open area to reach the toilet. An addition has been added on at the second floor for the residential uses and appears to be in need of repair. The lease space in 810 has no toilet facility, limited electrical outlets and lighting. The 816 lease space has been remodeled and upgraded on the interior as part of the various restaurant operations.

822 B Street

Assessor Parcel Number:

011 - 262 - 15

Property Owner:

St. Vincent de Paul's Society

PO Box 150527

San Rafael, CA 94915

Lot Size:

5,640 square feet

Building Size:

11,416 square feet

(4,800 sq.ft. retail ground floor 1,600 sq.ft. second floor)

Residential Units:

8

Parking Spaces:

0

Occupants: St. Vincent de Paul Free Dining Room on the ground floor, vacant retail space on the second floor, and 8 residential units and office/storage units on the second and third floors.

Summary: The building is wood frame and stucco. A 1981 remodel involved the construction of a new wood front facade that replicated the building's appearance in 1906. There are 14 units on the second and third floors, at least 8 of which are residential and the remainder are office and storage use. The sides and rear of the building are in need of painting and general maintenance. The external appearance of the site is not visually attractive due to the lack of maintenance. The building design and second floor access is not consistent with current demand, making use of the second floor difficult. The long, narrow ground floor area is not consistent with current retailing area design which requires shallower and smaller spaces.



809 B Street

Assessor Parcel Number:

011-256-12

Property Owner:

Jonathan Parker 1844 Union Street

San Francisco, CA 94123

Lot Size:

4,920 square feet

Building Size:

4,438 square feet

Residential Units:

0

Parking Spaces:

0

Occupants: Centerpoint administrative offices

Summary: The building was remodeled over the past year, under permit, for office use with the installation of partitions and ADA required bathroom. Exterior improvements were limited to painting, removal of exterior tile work and the demolition of a dilapidated equipment shed. The building design is substandard quality for improved office uses with the lack of exterior modifications and the retention of the window areas broken by partition walls.

813 B Street

Assessor Parcel Number:

011-256-32

Property Owner:

Jonathan Parker 50% etal Thomas Monahan 50% etal

1040 B St Suite 300

San Rafael Ca 94901

Lot Size:

13,038 square feet

Building Size:

0

Residential Units:

0

Parking Spaces:

46

Occupants:

Parking lot operated by California Parking Service

Summary: In 1976, the property was developed into a parking lot. The lot is paved, and the spaces clearly striped and marked, but there is litter, weeds and leaves on the perimeter of the lot and the landscaping has not been maintained. The parking lot lighting does not appear to be functioning and the sign and payment box is marked and damaged. Overall, the lot is not attractive and under utilized.

1112 Second Street

Assessor Parcel Number:

011-262-19

Property Owner:

David Zappetini Trust 50% etal

Russell Zappetini 50% etal 1112 Second Street

San Rafael, CA 94901

Lot Size:

7,383 square feet

Building Size:

estimated 6,530 square feet

Residential Units:

Parking Spaces:

0

Occupants: Steve Zappetini & Sons

Summary: The lot is part of the iron works facility located on lots 011-262-11 and 19 and has operated from this location for many years. In 1955, permits were granted to construct a 145 sq.ft, cement block office addition with a tar and gravel roof on the front of the existing 50 by 80 structure. A 550 gallon submerged tank and an adjacent gas pump are also indicated at the front of the building. The ground is paved, but stained with oil, grease and other substances. In general, the site is crowded and dirty, the activities overflow onto the sidewalks and street. blocking pedestrian and vehicular traffic. On site parking is not provided for either customers or delivery vehicles.

Part of 1112 Second Street

Assessor Parcel Number:

011-262-11

Property Owner:

David Zappetini Trust 50% etal

Russell Zappetini 50% et al

1112 Second Street San Rafael, CA 94901

Lot Size:

4,575 square feet

Building Size:

estimated 1,525 square feet

Residential Units:

0

Parking Spaces:

0

Occupants: Steve Zappetini & Sons

The lot is part of the iron works facility located on lots 011-262-11 and 19. The Summary: front 100 feet of the site is used for storage, circulation and equipment parking for parcel 19. The rear 50 feet contains a metal shed that appears to extend from property line to property line with a metal canopy on the front of the shed. The ground is paved, and is stained with oil, grease and other unidentified materials from the business use. The metal building is unpainted and the area is crowded with material and vehicles and is completely visible to the street.

1212 Second Street

Assessor Parcel Number: 011-256-14

Property Owner: Kenneth Proctor

> 8 Bayo Vista Way San Rafael, CA 94901

Lot Size:

2,700 square feet

Building Size:

estimated 1400 square feet

Residential Units:

Parking Spaces:

Occupants: Residential use

Summary: The building is a two story wood framed residential structure. The house was built in the late 1800's and has an historic designation of "Good". The structure and yard appear to have not been maintained and no permits are on file to indicate any improvements have been made to the property.

1214 Second Street

Assessor Parcel Number: 011-256-15

Dora J. Maggiolo Property Owner:

> 109 Floribel Avenue San Anselmo, CA 94960

Lot Size:

2,700 square feet

Building Size:

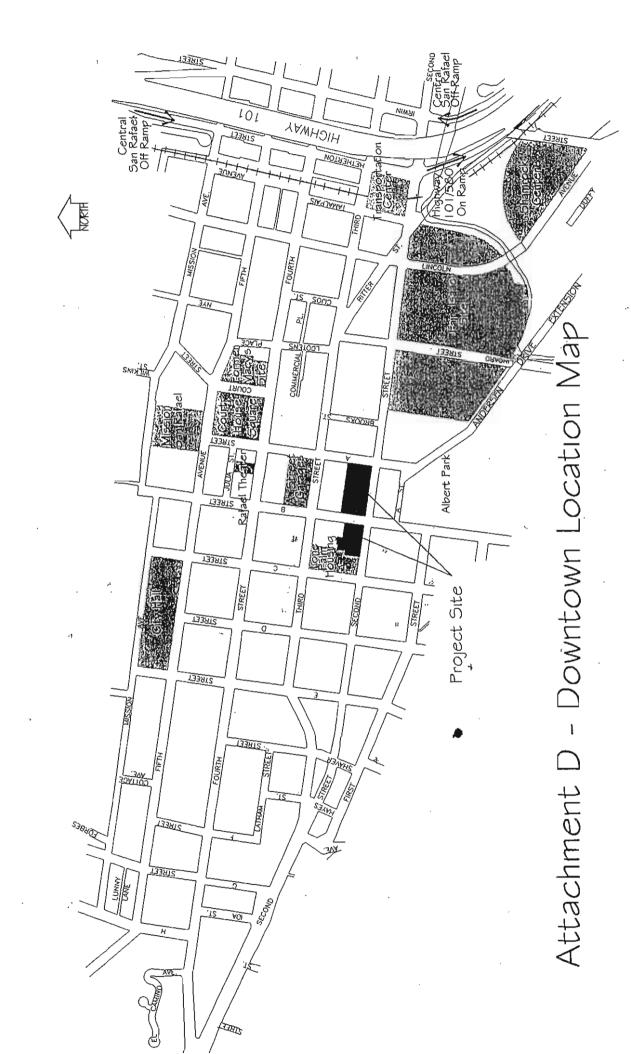
1,442 square feet

Residential Units: Parking Spaces:

1

Occupants: Residential; Nail salon

Summary: The house was built in the late 1800's, however it has no historic designation. It contains a two story residential structure and a small detached retail store (approximately 160 square feet) which abuts Second Street. In addition, three storage sheds are in the rear yard. From the exterior, it appears the structure and yard have not been maintained and no permits have been filed since to indicate any improvements have been made over the last twelve years to the property.

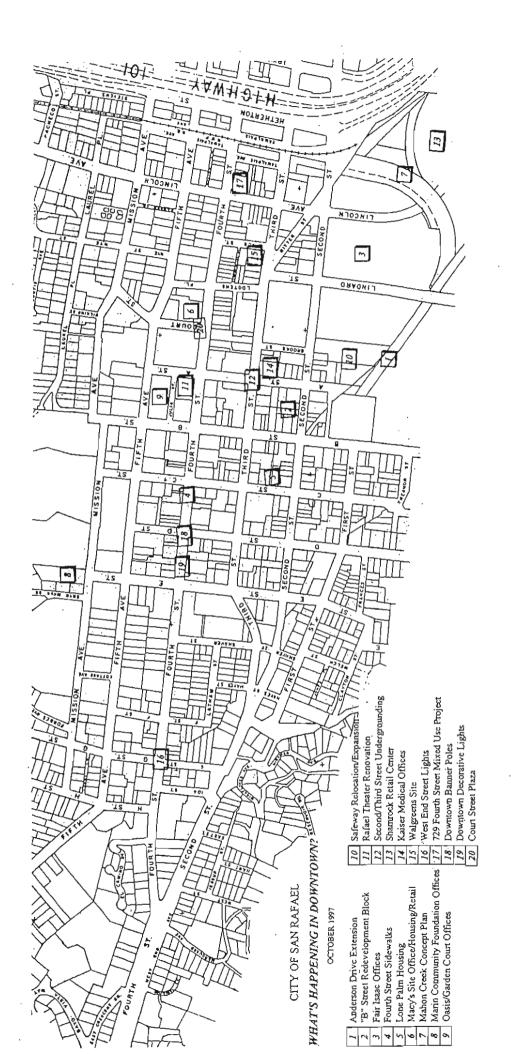


City of San Rafael Schedule for Downtown Area Projects revised October 13, 1997

Project

Status/Schedule

1	Anderson Drive Extension	Construction underway. Expect completion in Dec. 1997.
2	"B" Street Project	Developer Request for Proposals prepared. Expect to
	·	commence construction in 1999.
3	Fair Isaac	EIR underway. All City approvals by Feb. 1998. First phase
		construction will start June 1998 and be completed by
		December 1999.
4	Fourth Street Sidewalks	Construction underway. Expect completion by October 31st.
	•	
5	Lone Palm Housing	Commenced construction on August 5th. Expect completion
		in June 1998.
6	Macy's Site	Design Review Board approved September 1997. Expect
		completion of construction in Spring 1999.
7	Mahon Creek Concept Plan	EIR underway. Plan approval scheduled for January 1998.
		Construction to proceed as funds become available.
8	Marin Community Foundation	Public outreach completed July 1997. MCF preparing plans
	Office Building	to submit City application.
9.	Oasis/Garden Court (Fifth and	Construction underway. Expect completion in late 1998.
	"B" Street)	
10	Safeway Relocation/Expansion	Land assemblage efforts underway by private developer.
		Construction schedule unknown.
11	Rafael Theater	First Phase construction underway. Expect Second Phase
	o Maria de Companya de Company	completion in December 1998.
12	Second/Third Street	Commenced construction on August 4 th . Expect completion
1.0	Undergrounding	in March 1998.
13	Shamrock Center (CompUSA,	Construction scheduled to commence in October 1997. Expect completion in 9-12 months.
1.4	Staples, LandRover) Kaiser Medical Offices/	Scheduled for Planning Commission in November.
14	1 °	Complex includes parking garage and ground floor
	Pharmacy & Optometrist	pharmacy and optometrist. Expect construction in 1998.
1.5	(Third & "A" Street) Walgreens	Plans being prepared by developer for Third and Cijos
15	As a 181 certs	location. Expect construction in mid 1998.
16	West End Street Lights	Construction underway. Expect completion at end of
10	At est Tild anoct Tights	October 1997.
17	729 Fourth Street Mixed Use	Approved by Planning Commission and City Council,
'	Project (office, retail, and 30	subject to resolution of private legal issues regarding project
	units of housing)	access. Construction may be delayed until 1998.
18	Downtown Banner Poles	To be installed this holiday season.
	20,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
19	Downtown Decorative Lights	Funding approved by Agency Board. To be installed this
^ _		holiday season.
20	Court Street Plaza	A committee has been formed and has been meeting
~~		regularly to work on a plaza design.





Attachment F

Lone Palm Housing Site Plan

