



San Francisco's Downtown: What Does the Future Hold?

February 28, 2023

March Babsin, Emerald Fund

CJ Higley, Farella Braun + Martel

Anne Taupier, San Francisco Office of Economic & Workforce Development

Jim Hakes, Handel Architects

Sujata Srivastava, SPUR

Panel



HANDEL ARCHITECTS LLP



Marc Babsin
Principal / President



Jim Hakes
Principal



CJ Higley
Partner



Sujata Srivastava
San Francisco
Director



Anne Taupier
Director of Joint
Development





JAMES HAKES, Principal, Handel Architects
2/28/2023

OFFICE-TO-RESIDENTIAL
- CONVERSION CANDIDATES



THE PACIFIC - BEFORE (DUGONI DENTAL SCHOOL 1967 - 2014)

CONTEXT:

HOUSING SHORTAGE

OFFICE VACANCIES

PRESS

POLITICS, POLICY

COMMITMENT TO URBAN CENTERS

RESILIENCE

CLIMATE CHANGE, SUSTAINABILITY

ADAPTIVE RE-USE OFFERS POTENTIAL WINS

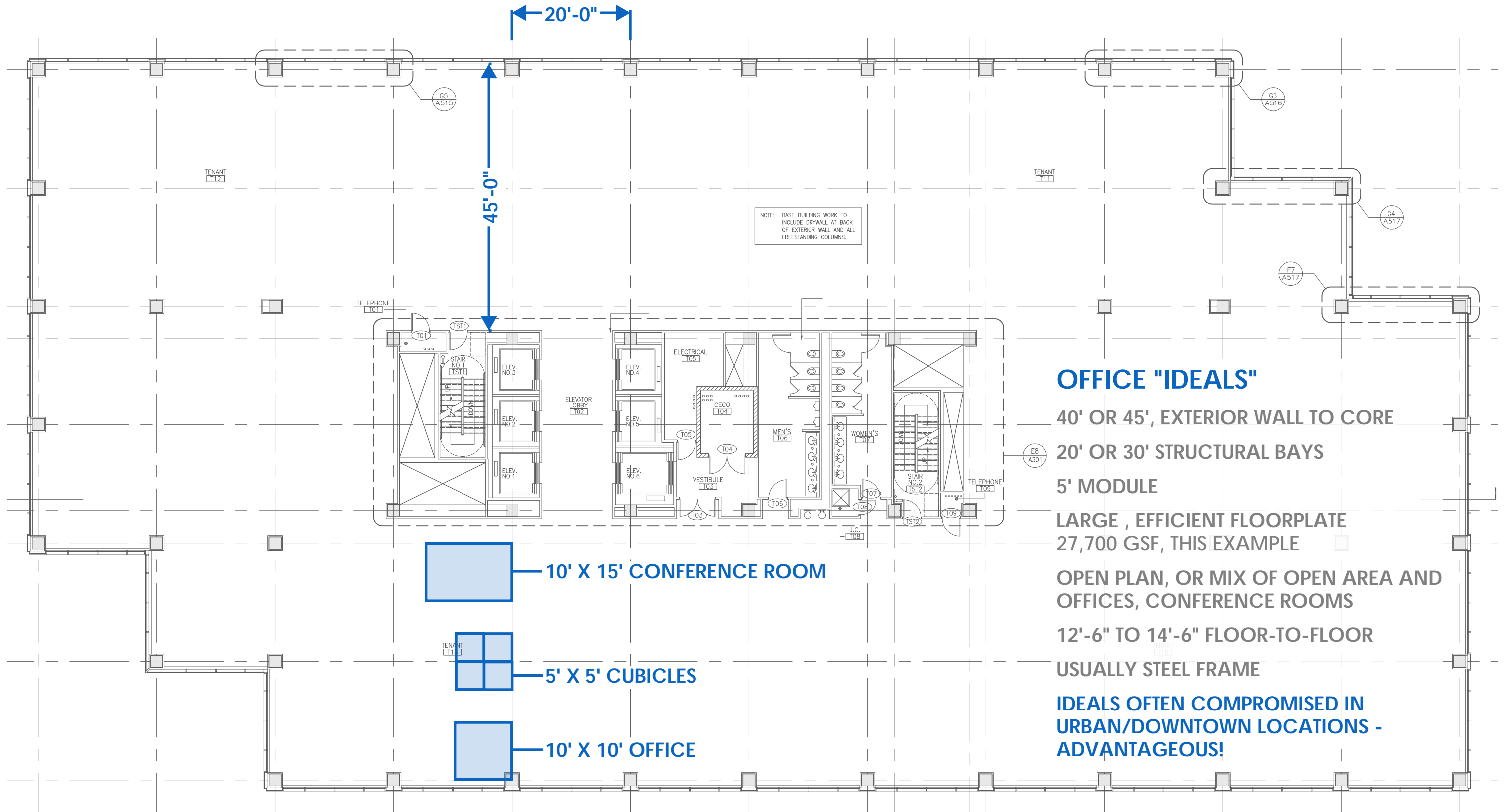
HOW TO IDENTIFY GOOD CANDIDATES?

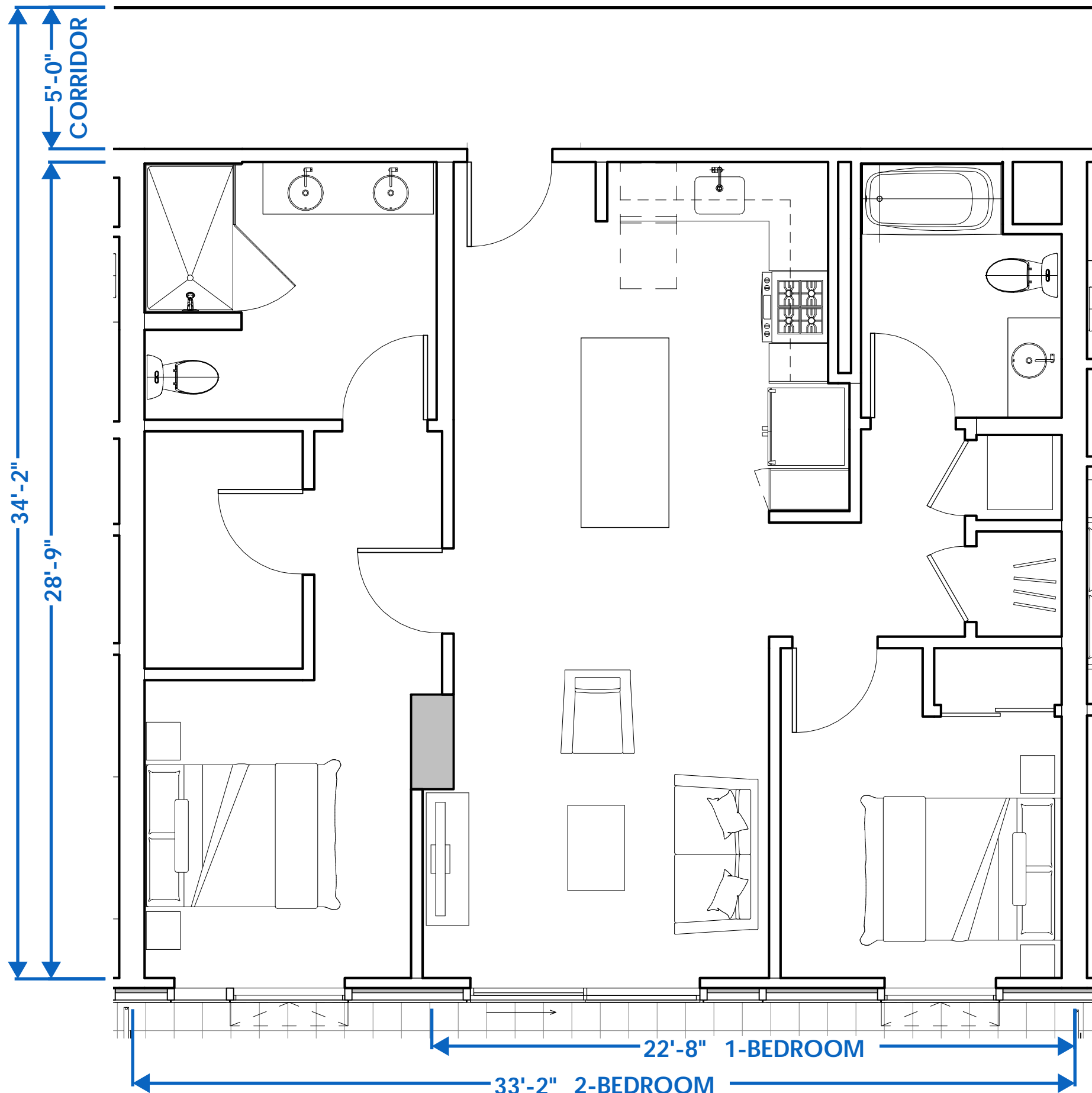


THE PACIFIC - AFTER (2017+)

CONSIDERATIONS - IT'S COMPLICATED

- INITIAL COST (HIGH - NOT BUYING A PARKING LOT)
- OPERATIONAL COST UNTIL CONSTRUCTION
- TENANT LEASE ISSUES
- LOCATION (MAY BE PRIME, OR MAY LACK RESI AMENITIES, GROCERY, PARKS, ETC.)
- BUILDING ERA / AGE (50's - 80's LIKELY EASIER THAN MORE HISTORIC BUILDINGS)
- HISTORIC PRESERVATION (MAY STILL NEED REVIEW, EVEN IF NOT LISTED)
- POLITICAL (SHOULD BE ADVANTAGEOUS)
- ENTITLEMENT PROCESS - CHANGE OF USE (A LONG TIME)
- PROP M IMPLICATIONS
- AFFORDABLE HOUSING STRATEGY
- PARKING (IF EXISTING, POTENTIALLY MORE THAN ALLOWED FOR NEW GROUND-UP PROJECT)
- PERMITTING (A LONG TIME)
- BUILDING CODE UPGRADE
- STRUCTURAL SEISMIC UPGRADE
- CONSTRUCTION SCHEDULE (POTENTIALLY FASTER)
- CONSTRUCTION COST (NOT ALWAYS LESS)
- ENVIRONMENTAL REMEDIATION (ASBESTOS, LEAD, ETC.)
- UNFORSEEN CONDITIONS
- SUSTAINABILITY STRATEGY (POTENTIALLY HIGH)
- EXTERIOR REPLACEMENT (LIKELY REPLACEMENT - AESTHETICS, OPERABLE WINDOWS, BALCONIES, ENERGY PERFORMANCE)
- MECHANICAL, ELECTRICAL, PLUMBING (LIKELY FULL REPLACEMENT)
- ELEVATORS, STAIRS, AND CORE (MAY NEED MAJOR RE-WORK)
- BUILDING RELATIONSHIP TO URBAN CONTEXT (LOBBY, STREETScape, ETC. - MAY NEED IMPROVEMENT)
- DESIGN / QUALITY LEVEL
- FLOOR-TO-FLOOR HEIGHT (OFFICES TYPICALLY TALLER - ADVANTAGEOUS FOR RESI)
- FLOORPLATE (OFFICE AND RESI IDEALS DIFFER - COMPROMISES ARE GOOD)**
- OPEN SPACE (REQUIRED BY PLANNING CODE - ROOF TERRACE, OR BALCONIES)
- RESIDENTIAL AMENITY PROGRAM
- CUSTOM INTERVENTIONS
- VIEW POTENTIAL (MAY BE GOOD IF A LOCALLY TALL BUILDING, OR LIMITED IF SHORTER)
- MARKETING, TARGET BUYER / RENTER
- REVENUE POTENTIAL, CONDO / RENTAL





RESIDENTIAL "IDEAL"

28' - 32' UNIT DEPTH

33' - 37', EXTERIOR WALL TO CORE

1,000 - 1,200 SF, 2-BEDROOM

600 - 800 SF, 1-BEDROOM

NOT MODULAR (USUALLY)
RIGHT-SIZING UNITS (AND LIVING AND
BEDROOMS SPACES) IS MORE IMPORTANT

GLASS LINE
NEED WINDOWS AT LIVING AND
BEDROOMS

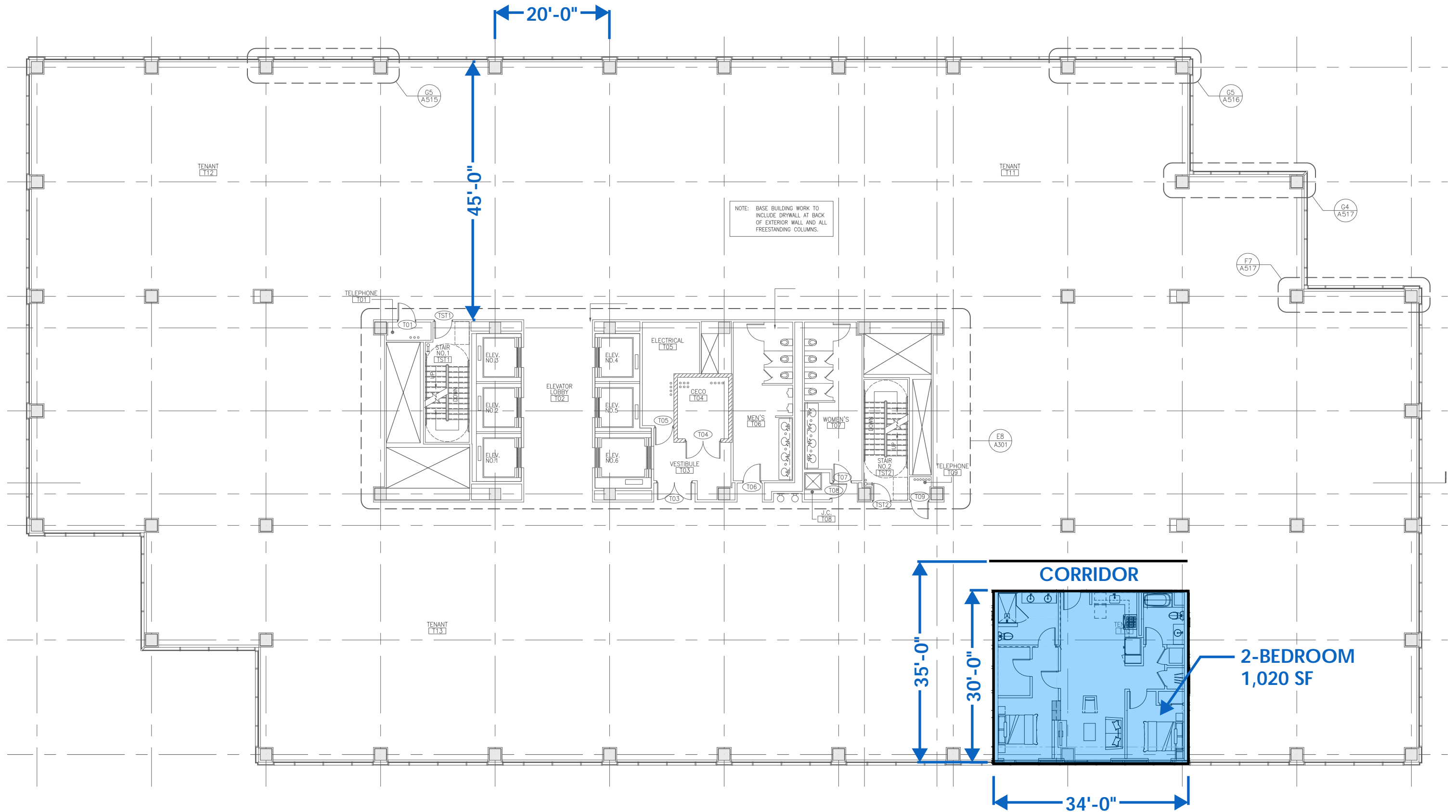
SMALLER FLOORPLATES
10,000 - 15,000 IN A TOWER, BUT MORE
VARIABLE IN LOW- OR MID-RISE

9'-8" TO 10'-6" FLOOR-TO-FLOOR

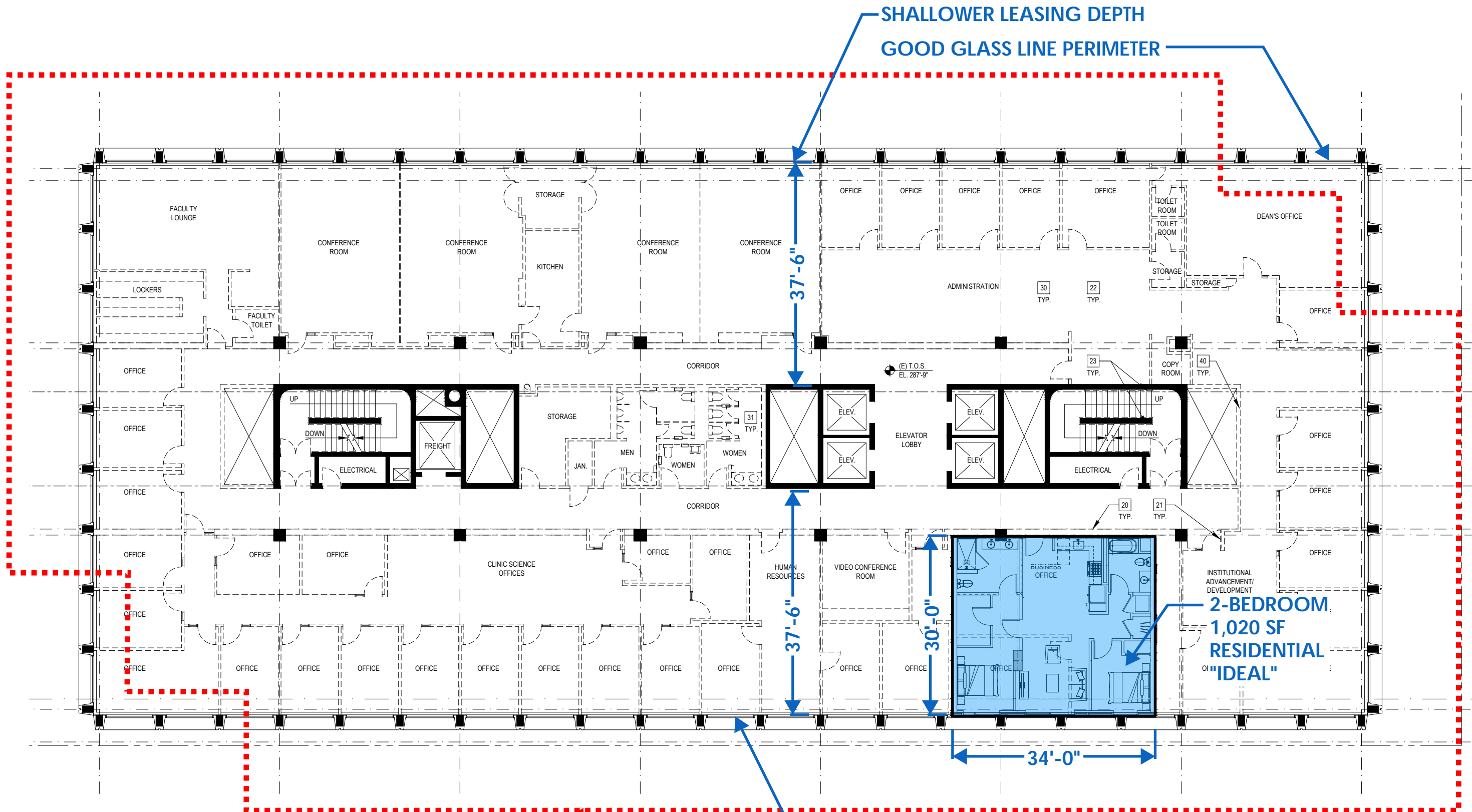
USUALLY CONCRETE FRAME

LARGER DIMENSIONS POSSIBLE - LEADS TO
MORE UNIQUE UNITS

0 1' 2' 4'
SCALE 1/4" = 1'-0"



0 4' 8' 16'
SCALE 1/16" = 1'-0"

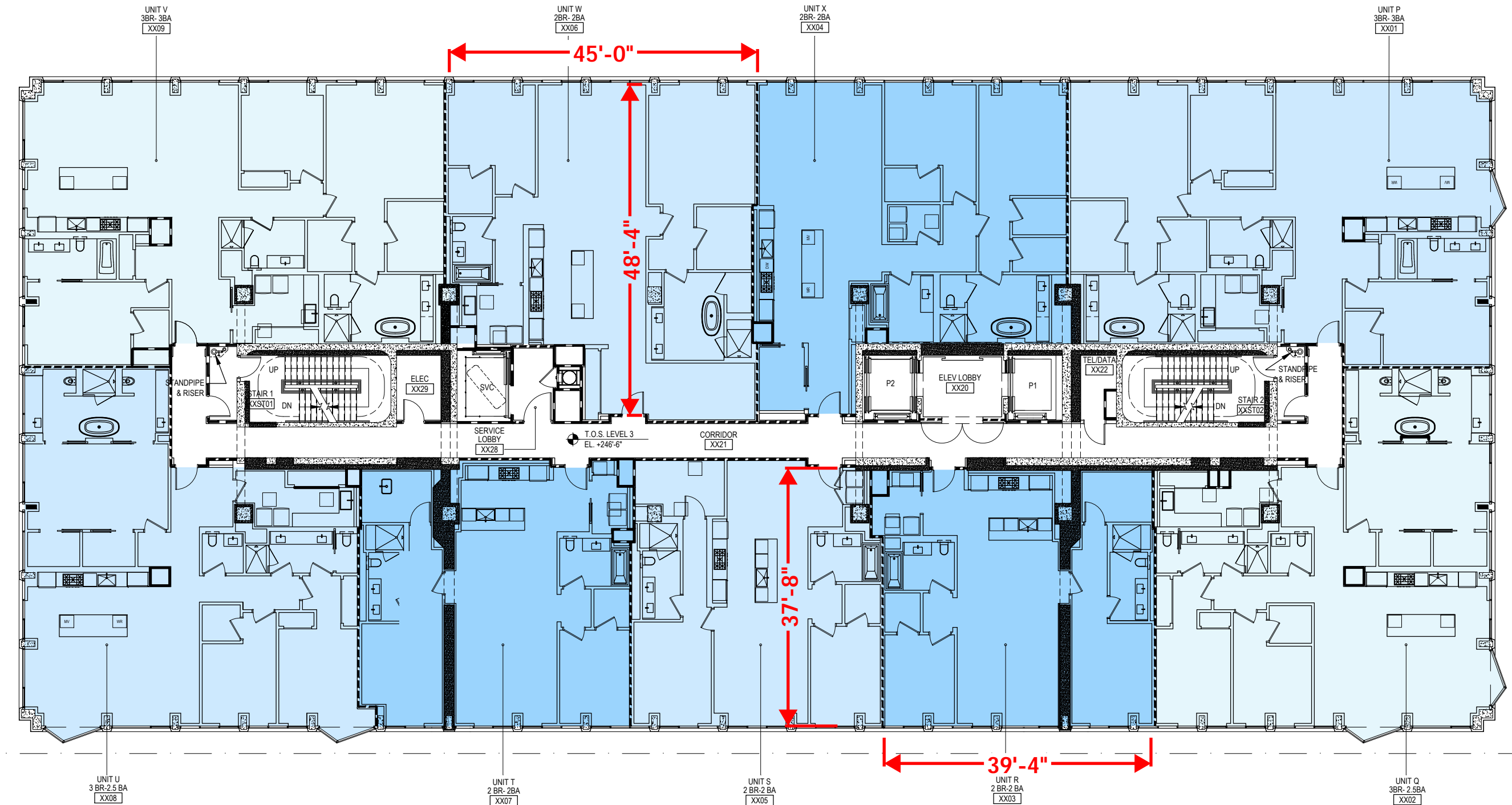


27,700 SF
"IDEAL" OFFICE FLOORPLATE

19,750 SF
URBAN "COMPROMISED" OFFICE FLOORPLATE
DUGONI DENTAL SCHOOL, SAN FRANCISCO, 2013
THE PACIFIC, 2017

2-BEDROOM
1,020 SF
RESIDENTIAL
"IDEAL"

0 4' 8' 16'
SCALE 1/16" = 1'-0"



THE PACIFIC, FEATURES:

RE-WORKED CORE / ONE COMMON CORRIDOR

ACCEPTED COMPROMISE / ADVANTAGE: UNITS LARGER THAN RESIDENTIAL "IDEAL"

OTHER ADVANTAGES: TALL FLOOR-TO-FLOOR, PARKING, LOCATION, BRIDGE AND BAY VIEWS

0 4' 8' 16'
SCALE 1/16" = 1'-0"



LATE 1950'S OFFICE BUILDING, CONVERSION TO:

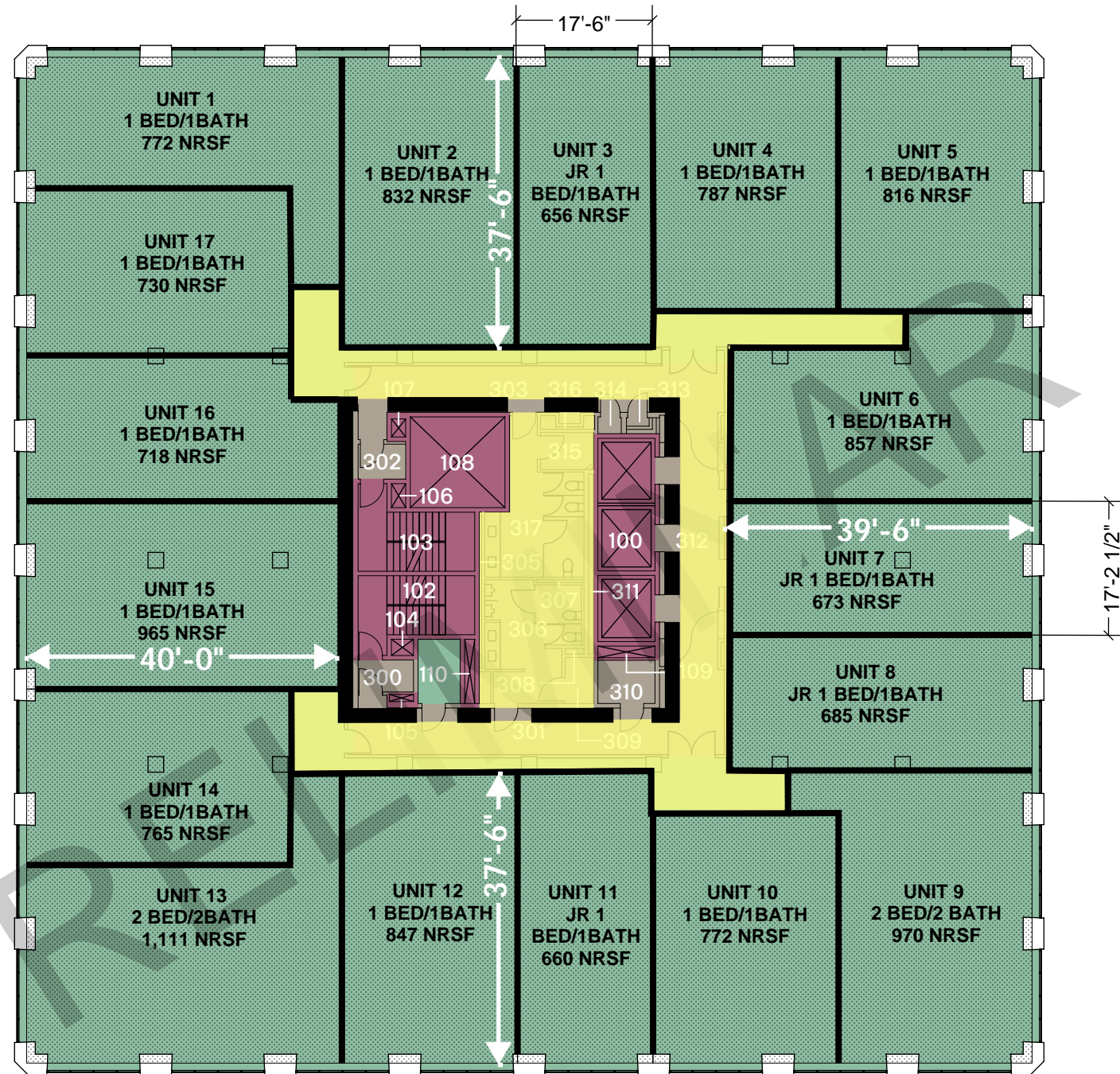
- 1.1M SQ.FT
- 500 RESIDENTIAL RENTAL UNITS
- AMENITY SPACE
- PARKING (EXISTING)

ADVANTAGES:

- ELONGATED, OPEN FLOORPLATE ALLOWS LAYOUT FLEXIBILITY
- GOOD GLASS LINE
- 80' WIDTH PROVIDES 34' - 41' UNIT DEPTH
- LARGER "FAMILY" UNIT SIZES, FITS CLIENT VISION

ACCEPTED COMPROMISES:

- LOW FLOOR-TO-FLOOR HEIGHT, EVEN BY RESIDENTIAL STANDARDS (COMMON ISSUE IN D.C.)
- COLUMNS IN CENTER FORCED UNEQUAL UNIT DEPTHS



1970'S OFFICE BUILDING, CONVERSION TO:

- 225,000 SQ.FT
- +/- 190 RESIDENTIAL RENTAL UNITS
- AMENITY SPACE
- NO PARKING

ADVANTAGES:

- 17,000 SF FLOORPLATE
- 37' - 40' UNIT DEPTH - APPROACHES RESIDENTIAL MAXIMUM BUT WORKABLE
- UNIT SIZES CLOSER TO "IDEAL"

ACCEPTED COMPROMISES:

- NO PARKING
- IMPACTED VIEWS ON TWO SIDES
- SOME NARROW AND DEEP UNITS - JR 1-BR WITH NESTED BEDROOMS
- CORE - DIFFICULT TO RECOVER SPACE (POTENTIALLY BIKE OR OTHER RESIDENT STORAGE)



IDENTIFYING CANDIDATES:

FLOORPLATE AS A BASIC CONSIDERATION:

- SHALLOWER LEASING DEPTHS, 35' - 40'
- SMALLER FLOORPLATE, 15,000 - 20,000 SF
- GOOD GLASS LINE ALLOWING LIVING AND BEDROOMS AT FULL PERIMETER

LOOK FOR OTHER ADVANTAGES:

- LOCATION
- VIEWS
- TALLER FLOOR-TO-FLOOR
- PARKING

NEXT DESIGN CHALLENGES:

- ELEVATOR AND STAIR CORE
- SEISMIC AND BUILDING CODE UPGRADES
- EXTERIOR REPLACEMENT / REMEDIATION
- MECHANICAL, ELECTRICAL, PLUMBING SYSTEMS
- OPEN SPACE
- ENTRY, LOBBY, AND AMENITIES

COMPROMISING TYPOLOGY IDEALS IS GOOD
EMBRACE CREATIVE THINKING

RESULT - IMPROVE OUR CONTEXT:

A NATURAL SYNERGY

- CONVERSIONS ADDRESS BOTH HOUSING AND OFFICE VACANCY SITUATIONS

IMPROVE RESILIENCY

- CODE, SEISMIC, SAFETY SYSTEMS TO CURRENT STANDARDS

SUSTAINABILITY

- LESS MATERIAL THAN AN ALL-NEW BUILDING
- IMPROVE ENERGY AND WATER USE TO CURRENT STANDARDS
- WALK TO TRANSIT, WORKPLACES, CULTURE, AMENITIES

COMMITMENT TO URBAN CENTERS

- ADDS VARIETY OF USE TO URBAN AND DOWNTOWN DISTRICTS
- KEEPS MORE OF CITY ACTIVATED EVENINGS AND WEEKENDS
- RESIDENTS SUPPORT LOCAL BUSINESSES AND CULTURE
- MORE HOUSING CHOICES, AND POTENTIALLY UNIQUE HOUSING PRODUCTS





HANDEL ARCHITECTS LLP
www.handelarchitects.com

James Hakes, AIA, NCARB
Principal

THANK YOU!



100 Van Ness

Location	San Francisco, CA
Size	510,000 SF 28 stories 418 apartments Average Floor Size: 15,000 SF
Built	1972-74
Target Demographic	Tech/upscale
Construction Cost	\$125M / \$300 SF in 2012 \$\$
Sustainability	GreenPoint rated
Client	Emerald Fund
Strategy	<ul style="list-style-type: none">–Part of 4-building CAA complex/headquarters.–NREA owned buildings after default by previous owner.–Local developer Emerald Fund teamed with NREA.–Office not viable in this district (at the time...).–Studied as CCRC, Mixed use hotel/student housing, apartments.–Market rate apartments determined to have highest/best use.–Began total building conversation in 2011.–Architect and GC engaged same time

100 VAN NESS

HIGH-RISE OFFICE BUILDING > 418 LUXURY RESIDENTIAL UNITS



Confluence of Factors

1. Vacant Office Building - no leases
2. Floorplate size - small
3. Zoning - Market/Octavia Plan
4. Economic Conditions - Great Recession



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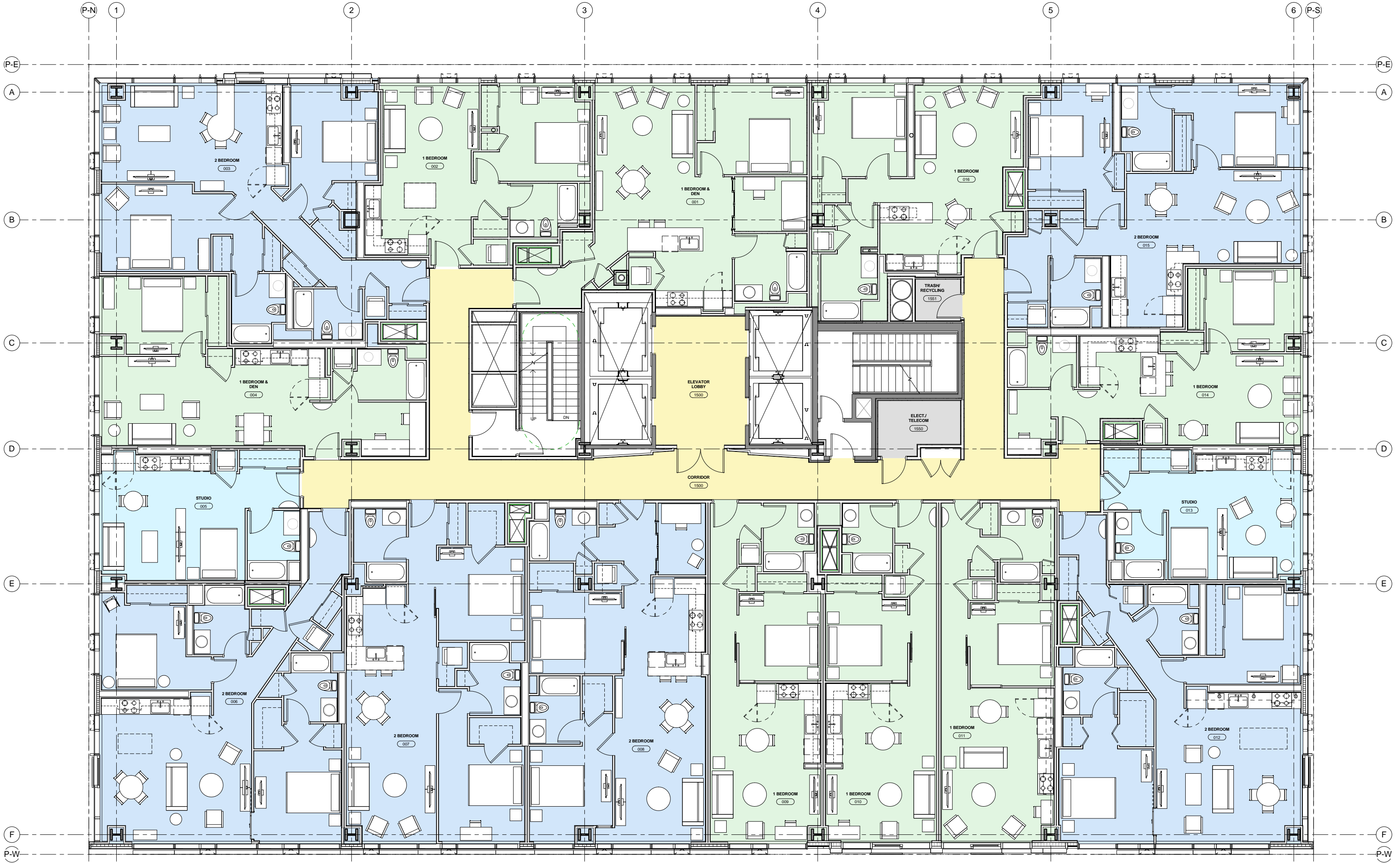
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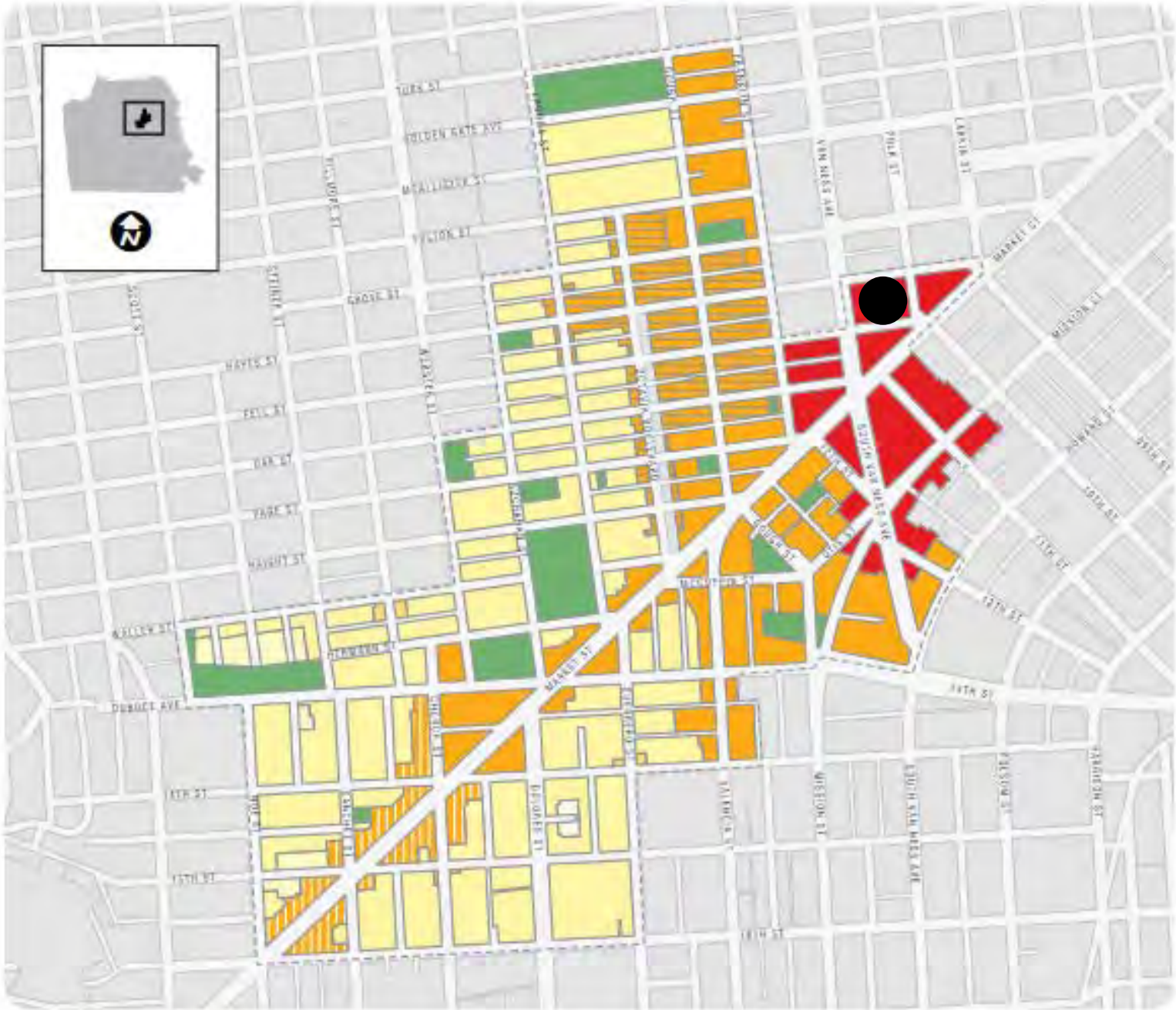
Uber
Square

Calif
of In





Market & Octavia Area Plan



Land Use Districts

0 500 1,000 2,000 Feet

MAP 01

Residential	Neighborhood Commercial Districts	Downtown Office/Residential
RH-1	NC-1	C-3-G (Van Ness & Market Downtown Resid. SUD)
RH-2	NCT-3	
RTO	HAYES NCT	
	UPR MARKET NCT	
		Public
		P

Highest & Best Use Analysis*

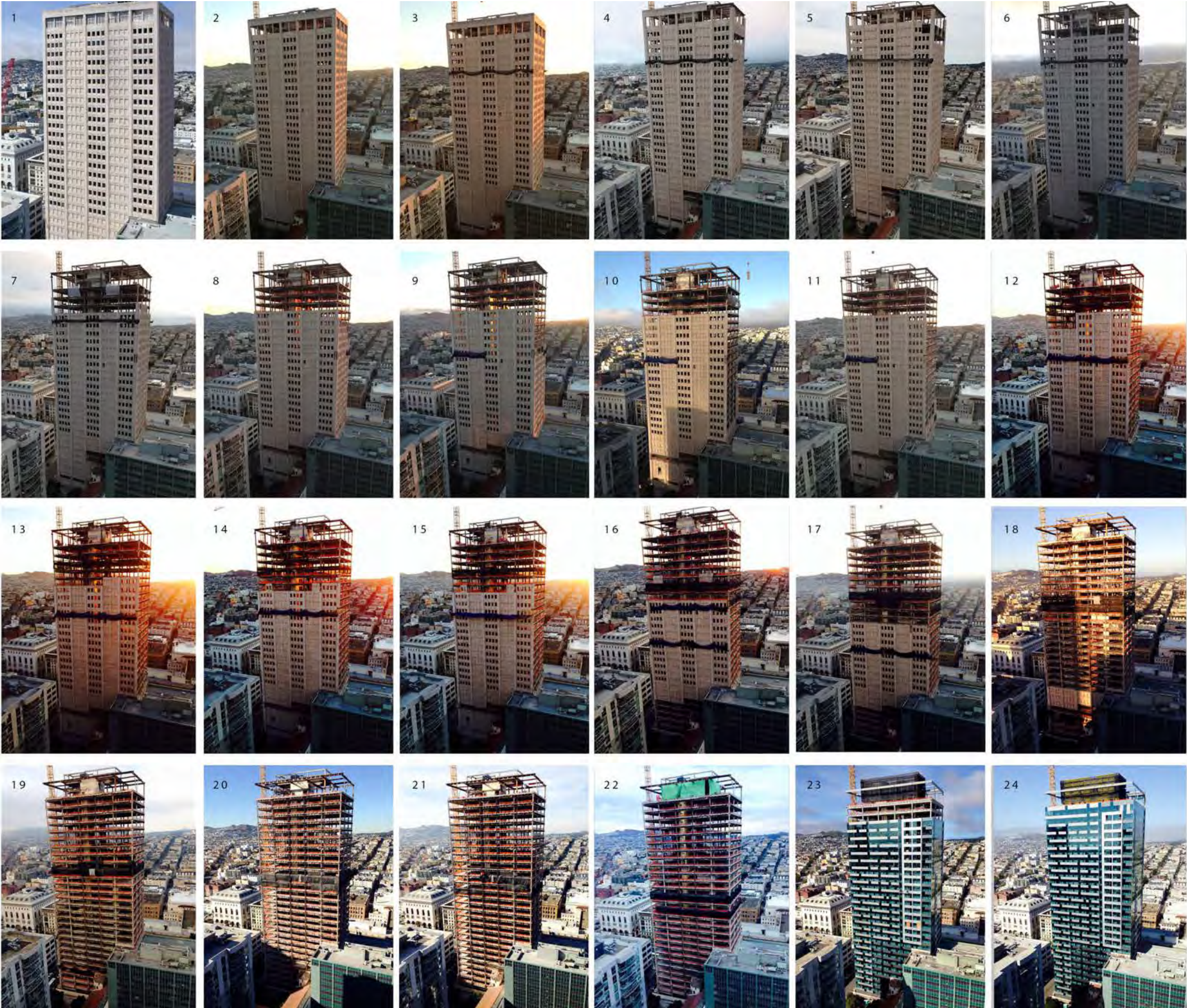
	<u>Cost to Improve</u>	<u>Resulting Value</u>
Office	Relatively low (Tenant Improvements)	Bleak - 35% vacancy
Residential	Significant (but less than ground up)	More promising

* At a particular moment in time - 2012



Fell Street

Before + After





Confluence of Factors

1. Economic Conditions - Great Recession
2. Vacant Office Building - no leases
3. Floorplate size - small
4. Zoning - Market/Octavia Plan



100 VAN NESS

SAN FRANCISCO, CA

SIZE

470,000 SF

OWNER / CLIENT

NREA / EMERALD FUND

ARCHITECT

SOLOMON CORDWELL BUENZ

VALUE

\$126 MILLION

COMPLETION DATE

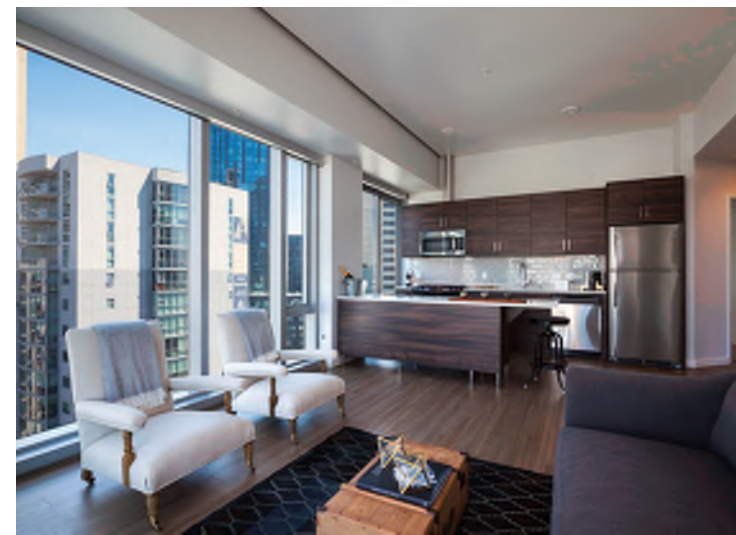
2015

ADAPTIVE
REUSE

RESIDENTIAL

GREEN
POINT
RATED

SEISMIC



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0 0.13 0.25 0.5 0.75 1 Miles



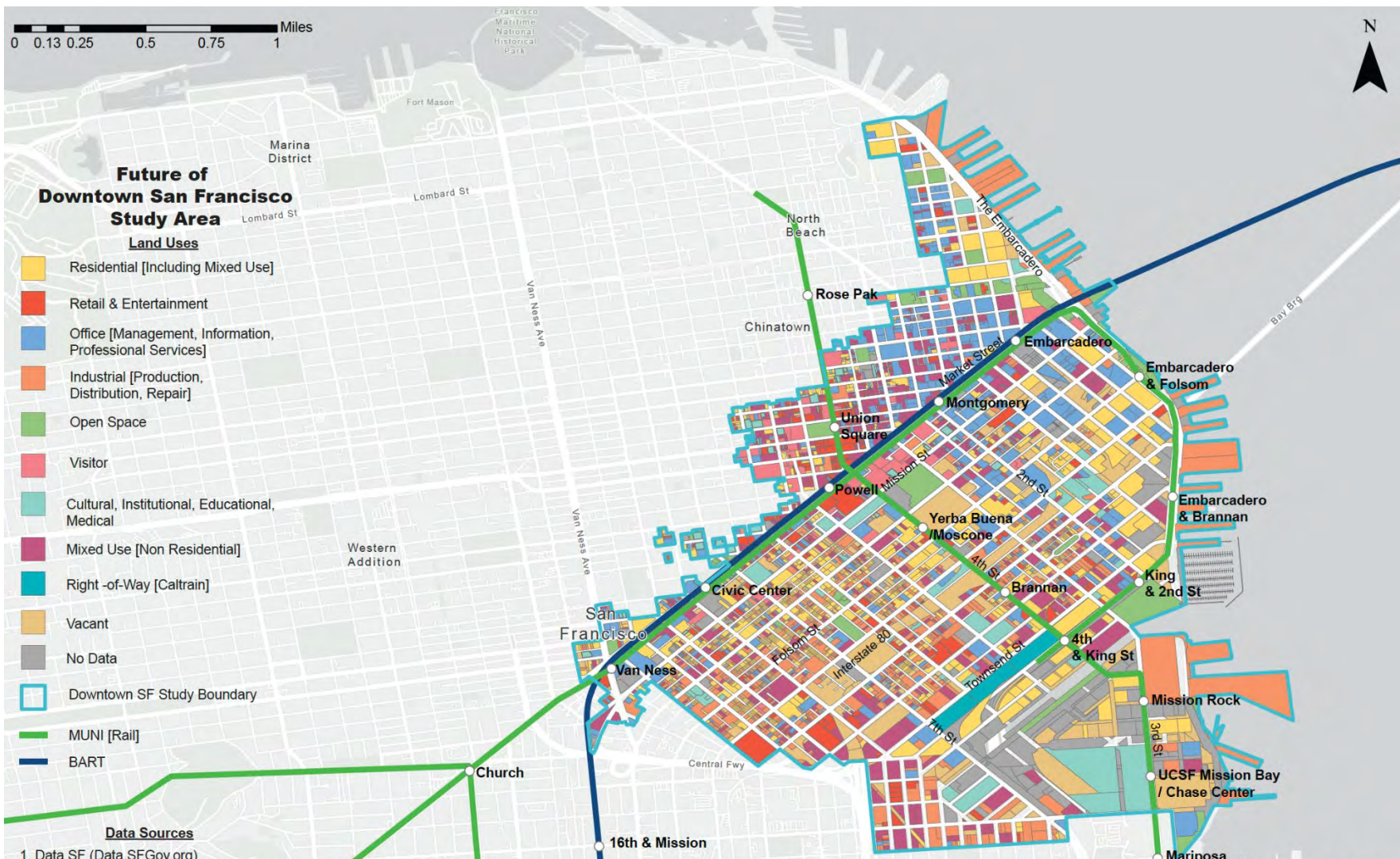
Future of Downtown San Francisco Study Area

Land Uses

- Residential [Including Mixed Use]
- Retail & Entertainment
- Office [Management, Information, Professional Services]
- Industrial [Production, Distribution, Repair]
- Open Space
- Visitor
- Cultural, Institutional, Educational, Medical
- Mixed Use [Non Residential]
- Right-of-Way [Caltrain]
- Vacant
- No Data
- Downtown SF Study Boundary
- MUNI [Rail]
- BART

Data Sources

1. Data SF (Data.SFGov.org)



R

Office-residential conversion - why?

- Flexible work has changed demand for office, resulting in high vacancy rates, lower property values, and lower tax revenues
- Diversification of land uses is one way for downtown to become more resilient and inclusive
- Conversion of office buildings to residential uses can help to reactivate downtown and provide housing in transit-rich areas of the city

Goals of the study

1. Understand the potential for conversion given physical, economic, and policy constraints
2. Identify the types of policies that could incentivize conversion



San Francisco



Area of Study | Downtown San Francisco



Scoring Criteria



Site Context

10%

- Walkability
- Transit
- Natural light
- View Obstruction
- Allows for south facing windows



Building Form

30%

- Shape of building
- How easy is it to plan units



Floor Plate

30%

- Window to Core distance
- Existing # of elevators



Envelope

10%

- Existing window to wall ratio
- Ease of window replacement



Servicing

20%

- Loading
- Parking
- Structure
- MEP

Building Typologies

High Rise



Low-Mid Rise



Urban Infill



Key issues to explore

- **Financial feasibility (HR&A Advisors)**
 - Relative financial performance of office vs. residential uses
 - Sensitivity analysis of city fees, inclusionary requirements, and market conditions on results
- **Regulatory barriers**
 - CEQA and approvals process
 - Historic conservation
 - Building code
- **Policy tools to enable conversion**
 - Affordability requirements
 - Impact fees
 - Property tax abatement
 - Other tools and incentives



San Francisco



Questions + Contact Information



Marc Babsin

Principal / President

marc@emeraldfund.com

HANDEL ARCHITECTS LLP



Jim Hakes

Principal

jhakes@handelarchitects.com



CJ Higley

Partner

cjhigley@fbm.com



Sujata Srivastava

San Francisco

Director

ssrivastava@spur.org



Anne Taupier

Director of Joint

Development

anne.taupier@sfgov.org

