

Acheson Commons

1987 Shattuck/2111, 2125, 2145 University/1922, 1930 Walnut Street

Application Statement – November 19, 2010

Equity Residential is proud to present Acheson Commons, a proposal for adaptive reuse and rehabilitation and new construction on the historic Acheson Block, which is bounded by Shattuck Avenue on the west, University Avenue on the south, Walnut Street on the east, and Berkeley Way on the north. The project proposes to rehabilitate and reuse the historic Acheson Physicians Building, and to rehabilitate, reuse and add to the McFarlane Building, 2111-2113 and 2125 University Avenue, and Ace Hardware (formerly Sills) buildings.



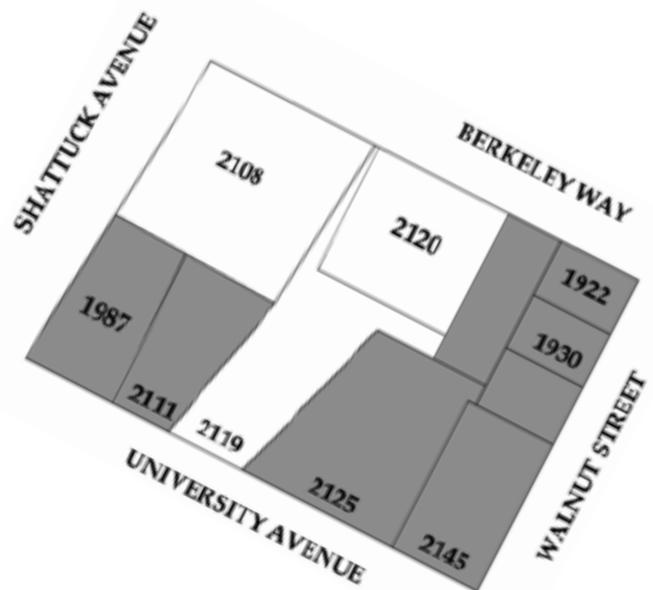
Acheson Commons proposes 203 new dwelling units, three live/work units and 20,000 square feet of rehabilitated commercial space (10K food service and 10K retail). The total project site is 47,557 square feet, and is bifurcated by an existing mixed-use building (which is already owned by Equity Residential) constructed in 2003. The specific proposal, by address, is as follows:

The proposed project includes the following addresses:

- 1987 Shattuck Avenue
- 211-2113 University Avenue
- 2125 University Avenue
- 2145 University Avenue
- 1922 Walnut Street
- 1930 Walnut Street

2125 University Avenue (Acheson Physicians Building, "A")

- Retain and rehabilitate entire historic structure



- Adapt and reuse existing structure to include 21 new dwelling units

2145 University Avenue (Ace Hardware, "B")

- Retain and rehabilitate historic facades
- Historically sensitive addition of five stories of residential to include 35 new dwelling units

1922/1930 Walnut Street (Brown Shingles, "C")

- Attempt to relocate existing brown shingle structures to a suitable new location
- Develop new mixed use building with three units of ground floor live/work space around a central courtyard on the ground floor
- Develop 78 new dwelling units in a six story building

1987 Shattuck/2111-13 University (McFarlane Building, "D")

- Retain and rehabilitate historic facades
- Historically sensitive addition of five stories of residential to include 69 new dwelling units

Acheson Commons will revitalize the historic Acheson Block in the core of Downtown Berkeley, one block from the Berkeley BART Station. The project will preserve and restore the existing historic facades of the structures facing Shattuck and University Avenues at significant expense, while providing new, transit-oriented, sustainable housing opportunities that includes a below market-rate component. The rehabilitation of the historic storefronts is a significant undertaking. A great deal of detail and attention will be provided to retain the existing historic features while bringing the buildings up to current standards and modern systems for new retail users.

The proposed project retains the fine grain of retail storefronts along two of Berkeley's most prominent Downtown streets providing visual and pedestrian interest for storefronts that have, at best, been only marginally successful over the last 15 years. The proposed reinvestment, and new residential population, has the potential to create a more vibrant, active, and revenue generating retail area where none has existed in decades, consistent with many of the goals of the pending Downtown Area Plan.

Project Amenities and Community Benefits

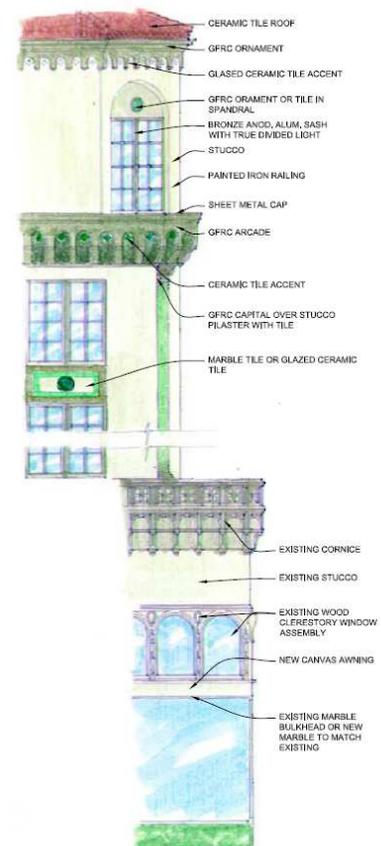
- Green Building
- 203 transit oriented and sustainable infill housing units
- Adaptive reuse of historic resources
- Native/drought tolerant biodiverse landscape design
- Strong pedestrian activity nodes
- Retain and increase tax and retail revenues generated for Berkeley
- Take advantage of the public investment in transit infrastructure in the Downtown

- Proximity to Downtown retail goods and services and BART
- No existing residential neighborhood adjacency
- No traffic or parking impacts
- Project scale and historic resources

Permits Requested

It should be noted here that the proposed project is consistent with the Downtown Area Plan as it is currently drafted, as well as Measure R, which Berkeley voters overwhelmingly approved in November. **The variances that are requested as Density Bonus Concessions/Incentives would not be required if the Downtown Area Plan were in place and implemented.**

- Structural Alteration Permit per BMC 3.24 (Buildings A, B, and D), Landmarks Preservation Ordinance
- Design Review (Building C) per Section 23E.08 of the Zoning Ordinance
- Use Permits per the Zoning Ordinance (BMC Chapter 23). The findings for each of the following permits are located at the end of this Applicant Statement:
 - 23E.36.030.A to allow mixed use development
 - 23C.08.020.A to allow demolition (applicant’s will attempt to move the structures) of two vacant residential buildings, the historic context for which is no longer relevant
 - 23E.36.070.B.1 to allow a fourth floor in a mixed-use project
 - 23E.36.070.D to allow reduced open space (40,600 s.f. required, 15,982 proposed)
- Density Bonus Concessions/Incentives
 - Variance to exceed floor/area ratio (3 allowed, 4.2 proposed to accommodate density bonus floor area, including concession/incentive)
 - Variance to exceed height limit/stories (3 floors allowed for base project, 4th floor allowed with UPPH for mixed use, 5th floor with density bonus, portion of 5th and all of 6th floor proposed as concession/incentive pursuant to State of California Density Bonus Law)



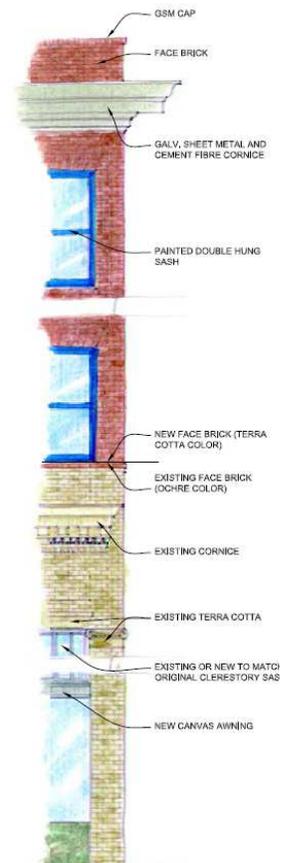
Pursuant to the Zoning Ordinance the project requires the City make the General Non-Detriment finding (23B.32.040), which also includes finding consistency with the Purposes of the

underlying (C-1) zoning district and a finding to reduce the project's open space pursuant to Zoning Ordinance section 23E.36.090.C and consistent with the requirements envisioned by the Downtown Area Plan.

Architectural Program

All of the existing structures that are a part of this application have been allowed to deteriorate over the last couple of decades by the previous property owner. The current owner and project applicant will reverse this course and restore the structures to their once stately early 20th century prominence. In general all extant 'character defining' historic fabric of the structures on University Avenue will be retained and repaired as is appropriate to the specific materials and building assemblies. Missing features will be replicated where sufficient documentation of the original configuration exists. The interiors of these structures were not described or considered in the landmark nominations or designations, and are not subject to the purview of the LPC. For the purposes of the LPC review it should be noted that the portions of the project involving the buildings on University Avenue (which are mostly landmarked) will be in conformance with these provisions of the Secretary's Standards (somewhat abbreviated here):

1. A property shall be used for its historic purpose.
2. The historic character shall be retained and preserved.
3. Each property shall be recognized as product of its own time.
4. Significant changes accumulated over time shall be retained and protected.
5. Distinctive features shall be preserved.
6. Deteriorated features shall be preserved, or replaced per documentation
7. Harmful cleaning or stabilization measures shall be avoided.
8. Archaeological resources shall be protected and preserved.
9. New additions shall be removable in the future.



The two shingled 'Structures of Merit' at 1922 and 1930 Walnut Street will be removed as part of the project: the intent is that these residential buildings are relocated to another site, and if that effort fails, demolish. While they would be preserved as objects, and useful again as dwellings, the buildings probably could not later be found to be eligible for the National Register. In fact, they are not eligible now because the context in which they were built has been essentially lost over the course of the 20th century.

The largest question regarding the project vis-a-vis the Secretary's Standards are the treatment of buildings B and D: Consistent with Berkeley's General Plan the character defining features (essentially the entire facades) of both of these structures are incorporated in situ into larger new structures. The design of the new work eschews the contemporary practice of extreme contrasts between new and old: we feel that this diminishes and disrespects the historic structure. Standard Nine states that:

1) 'New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property'. As stated above all visible exterior historic fabric will be preserved and protected.

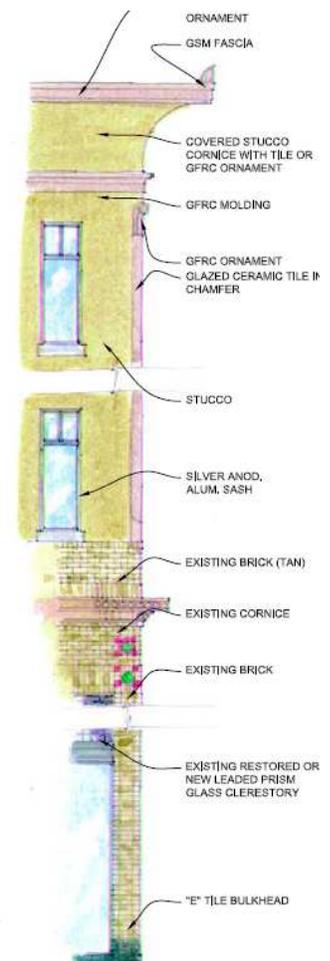
2) 'The new work shall be differentiated from the old'. The new work shall be differentiated quite clearly from the old by use of different materials and detailing, as well as by setting portions of the new upper stories back from the historic facades and parapets.

3) The new work... shall be compatible with the a) massing, b) size, c) scale and d) architectural features.....'.

a) The massing of the new work is comparable to upper stories of structures contemporary with the landmark buildings, such as are common in the downtown. The example of 2111 University (which is not a landmark) features the exact materials and detailing of the first floor of the Acheson Building, but lacks the upper stories of the latter. Our design for the new upper stories at 2111 follows the Acheson precedent closely, but with clear differences in specific details and materials. The approach to 2101 and 2145 are similar. The relatively simple massing does not unduly draw attention from the existing historic structures.

b) The size of the additions repurpose the existing fabric into bases for larger structures, following the base/shaft/capital composition of traditional buildings. The actual experience of the intact historic fabric remains available to passersby, and we posit that the additions are in fact compatible with the existing construction, because such juxtapositions of size are common to the period, as seen in the adjacent Wells Fargo Building and Amanda's Cafe (2144 and 2122 Shattuck Avenue, respectively).

c) The scale (which is different from massing or size) of the new work is compatible because it follows the cues of the historic fabric for the size,



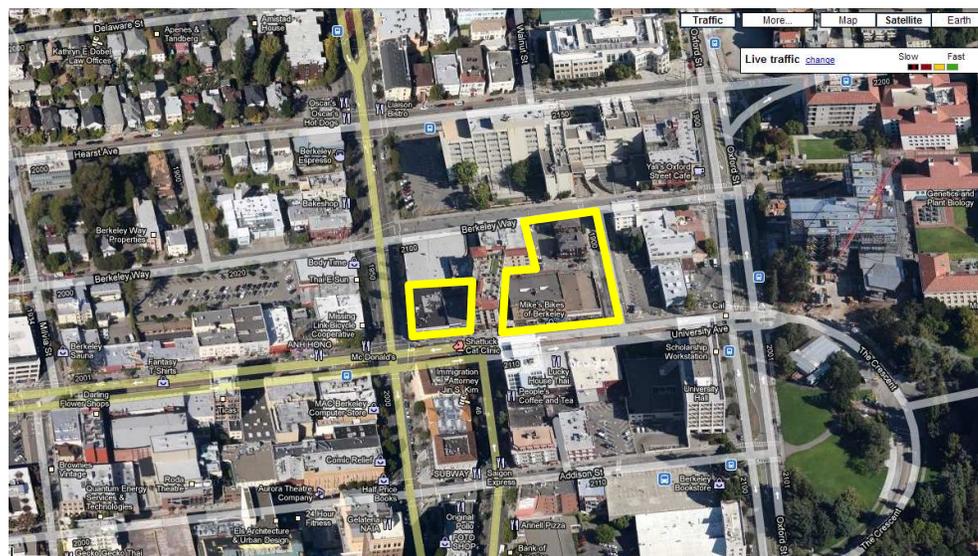
amount and placement of detailing, the clearly legible height of floors, the pattern of distinct window openings,

d) The architectural features are compatible because they are imagined and designed in the same manner as the existing historic details: as free interpretations and combinations of motifs taken from a wide range of historic precedents in Berkeley and elsewhere. The new work, while it has its own character, is simpler than the historic work and does not seek to overpower it visually: the historic fabric remains the richest part of the building.



Existing Setting

The project site is located in the heart of downtown Berkeley, at the terminus of the historic rail lines that carried people and goods from Oakland into the downtown. The site consists of approximately one half of the block bound by Shattuck and University Avenues, Walnut Street, and Berkeley Way. The entire site has been improved at some level and the existing structures were generally constructed at the turn of the last century. The project site is located in the midst of one of the most intensely developed areas of Berkeley. Land to the north, south, east, and west is all developed for



commercial and residential uses. The Berkeley BART station is only one block from the project site.

Existing Site Data					
Address	Lot Size	Zoning	Adj. Zoning	Ex. Use	Ex. Bldg Area
2598	47,557 s.f.	C-1	C-2, C-1	office, retail, food service	65,220 s.f.

Acheson Commons Surrounding Uses and Zoning		
Direction	Use	Zoning
North	UC Helios Project	C-1
South	Office/retail	C-2
East (north half of lot)	office/retail/residential	C-1
West	Retail/food service	C-1

Parking and Open Space

The existing buildings are legal non-conforming in that they do not provide the parking required by the current zoning ordinance. Currently the project site supports approximately 65,220 square feet of space. Approximately 6,000 square feet is devoted to residential uses (requires 6 spaces), 18,664 is office (requires 37 spaces), 15,832 is food service (requires 53 parking spaces), and 24,022 is retail (requires 48 spaces). All totaled, the existing zoning ordinance would require 144 off street parking spaces.

Pursuant to the zoning ordinance, the parking requirement for the proposed project is based on the new floor area plus any changes of use that involve higher parking requirements. The proposed project will reduce the food service floor area from 15,832 square feet to 10,000 square feet. The total retail will be reduced from 24,022 square feet to 10,000 square feet. The office use will be eliminated and replaced with residential floor area.

The new parking requirement is limited to the new uses. The proposed residential floor area is 140,000 square feet, but there exists 6,000 square feet of residential currently. The net new residential is 136,000 square feet that requires 136 parking spaces. There is also credit relevant to the existing Building A, which is offices. Offices require two spaces per 1,000 square feet; the residential only requires one per 1,000 square feet. The proposed food service is 10,000 square feet, which requires 33 spaces. The retail is reduced to 10,000 square feet, which requires 20 spaces. The total gross parking requirement is 189 parking spaces. With the credit for the legal non-conforming aspects of the project, the net new parking requirement is only 45 new parking spaces. A total of 50 new spaces are proposed at the rear of Building C with access from Berkeley Way. The proposed project exceeds the City of Berkeley’s parking requirements

and located one block from the Downtown Berkeley BART station, UC Berkeley campus, and myriad employment destinations.

Open Space for Acheson Commons		
203 Dwelling Units	40,600 square feet required	15,982 proposed

The reduced open space is warranted for two reasons. First, the project will include several well designed on site open spaces that will provide opportunities for tenants' use. Secondly, the project site is only one block from the City's largest open space feature, the University of California at Berkeley. The UC campus offers a plethora of open space opportunities for passive and active recreation. More open space could be provided on site, there are ample opportunities for the additional space. However, it is not necessary to provide that level of open space in this urban setting, so close to such an immense open space resource on the UC campus. If the City of Berkeley, through the entitlement process, requires more open space then it would be provided on site on other roof top areas.

Housing Affordability Statement /Density Bonus

The proposed project program and development intensity are consistent with the draft Downtown Area Plan and the Measure R advisory vote that was just passed overwhelmingly by Berkeley citizens. However, because the DAP is not officially adopted and implemented the project must proceed with the density bonus scenario using current zoning requirements that have a lower allowance for development. In addition, in order to receive the density bonus and concessions/incentives, the project must provide the affordable units on site. The applicant's preference is to provide the City of Berkeley with an in-lieu fee for the affordable units, consistent with the Downtown Area Plan, so that the City can use that money in the Housing Trust Fund to build more service enriched housing in the Downtown. Should that opportunity avail itself before this entitlement is granted the applicant wishes to participate.

The proposed project is a rental housing project. The proposal includes 11% of its base project units at a 60% AMI affordability level. That entitles the project to receive a 35% density bonus and two incentives/concessions. The two requested concessions/incentives are the two variances needed to facilitate the 44 units listed above, in "Permits Requested". The concession/incentive request is the result of the high cost of constructing the base project and density bonus units. The costs are particularly high with this project because of the complexity of the construction on a split site, and the extensive historic rehabilitation that is required as previously described.

Dwelling Unit and Density Bonus Summary for Acheson Commons					
Base	Units	Below	35%	Concession/Incentive	TOTAL Units

Residential Unit Count - Floors 2 and 3	subject to Mixed Use Bonus (Use Permit) - Floor 4	Market Rate Units/AMI (and as a % of Base Units)	Density Bonus Units	Units	
86 units	43 units	10 units @ 60% AMI (11%)	30 Units	44 units	203

Findings for Requested Use Permits

23B.32.040 General Non-Detriment Finding for 23E.36.030.A (to allow mixed use development), and 23E.36.070.B.1 (to allow a fourth floor in a mixed-use project)

- A. The Board may approve an application for a Use Permit, either as submitted or as modified, only upon finding that the establishment, maintenance or operation of the use, or the construction of a building, structure or addition thereto, under the circumstances of the particular case existing at the time at which the application is granted, will not be detrimental to the health, safety, peace, morals, comfort or general welfare of persons residing or working in the area or neighborhood of such proposed use or be detrimental or injurious to property and improvements of the adjacent properties, the surrounding area or neighborhood or to the general welfare of the City.
- B. Prior to approving any Use Permit the Board must also make any other findings required by either the general or District regulations applicable to that particular Use Permit.

The proposed project will not be a detriment to the neighborhood or the City in general. The proposed project represents a significant improvement to the Downtown and its environs. The project proposes sustainable, transit oriented developed as envisioned by the General Plan and by SB 375, the State of California’s climate change law. The project is also consistent with Berkeley’s Climate Action Plan because it places thoughtful, well designed residential density with ground floor commercial uses in a setting that is extremely well served by transit. The new residents from the project will shop and use services in the downtown, increasing the economic vitality of the district. The newly updated inviting retail and restaurant spaces will attract additional shoppers to Downtown and complement and expand the use of the existing and future cultural and entertainment activities.

Additional required findings are presented below.

23E.36.090.C for 23E.36.070.D to allow reduced open space (40,600 s.f. required, 15,982 proposed)

For any Use Permit under Section 23E.36.070.D or E, the proposed use or structure must satisfy at least one of the following general purposes:

1. To encourage use of the ground floor for commercial purposes where appropriate.
2. To encourage utilization of public transit and existing off-street parking facilities in the area of the proposed building.
3. To facilitate the construction of residential or tourist hotel uses where appropriate.
4. To permit consistency with the building setbacks existing in the immediate area where a residential building setback would not serve a useful purpose.

The proposed project satisfies findings 1, 2, and 3, above. The project will rehabilitate and reuse existing ground floor commercial space in the heart of Downtown Berkeley. The site is one block from the Berkeley BART station and does not provide excessive parking facilities so residents will use public transportation. The project proposes to construct 203 new residential dwelling units where 8 currently exist.

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23C.08.020.A. Move vacant residential structures off site (demolition)

The Board may approve a Use Permit to demolish a building containing one or more dwelling units if it makes the findings required by the foregoing section, and that:

1. The demolition will remove a structure that is hazardous, unusable or is infeasible to repair; or
2. The demolition is necessary to permit construction approved pursuant to this Ordinance, of at least the same number of dwelling units as the demolished structure.

The second finding is appropriate in this case. The structures have lost their historic context because of the development that occurred around them over the course of the last century. As a result, what is left are two unremarkable brown shingle structures that are otherwise found all over Berkeley. The removal of these structures will allow for the construction of 78 new dwelling units.

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