File No. <u>180612</u>

_Committee Item No. ____<u>11</u>____ Board Item No. _____

Date _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date _July 23, 2018

Board of Supervisors Meeting Cmte Board

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		Motion		
		Resolution		
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$\overline{\boxtimes}$		Legislative Digest		
		Budget and Legislative Analyst Report		
		Youth Commission Report		
Π	Π	Introduction Form		
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П		Grant Information Form		
		Grant Budget		
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Completed by:	Erica Major	Date July 20, 2018
Completed by:	Erica Major	Date

[Administrative Code - San Francisco Special Tax Financing Law - Central SoMa]

Ordinance amending the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize special tax financing of certain facilities and services related to the Central SoMa Plan Area and to make other necessary amendments.

NOTE: Unchanged Code text and uncodified text are in plain Arial font.
 Additions to Codes are in <u>single-underline italics Times New Roman font</u>.
 Deletions to Codes are in <u>strikethrough italics Times New Roman font</u>.
 Board amendment additions are in <u>double-underlined Arial font</u>.
 Board amendment deletions are in strikethrough Arial font.
 Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. FINDINGS.

The Board of Supervisors of the City and County of San Francisco hereby finds, determines and declares:

A. The Central SoMa planning area (the "Central SoMa Plan Area") runs from 2nd Street to 6th Street, Market Street to Townsend Street, exclusive of those areas that are part of the Downtown Plan or in the C-3 zoning districts.

B. In 2008, the City adopted the Eastern Neighborhoods Plan, including new land use controls and proposed community improvements for the eastern part of the South of Market neighborhood ("SoMa"), as well as the Central Waterfront, Mission, and Showplace Square/Potrero Hill neighborhoods. At that time, the City determined that the development potential of the industrially-zoned part of East SoMa, coupled with the improved transit to be provided by the Central Subway, necessitated a subsequent, focused planning process that

took into account the city's growth needs and City and regional environmental goals. The Central SoMa Plan is the result of that subsequent process.

C. Since that time, the Planning Department released a draft Plan and commenced environmental review as required by the California Environmental Quality Act ("CEQA") in April 2013, released an Initial Study in February of 2014, released a revised Draft Plan and Implementation Strategy in August 2016, released the Draft Environmental Impact Report in December 2016, and released Responses to Comments on the Draft Environmental Impact Report in March 2018.

D. The vision of the Central SoMa Plan is to create a sustainable neighborhood by 2040, where the needs of the present are met without compromising the ability of future generations to meet their own needs, and the Central SoMa Plan seeks to achieve sustainability in each of its aspects – social, economic, and environmental – which will require implementing the following three strategies: 1) Accommodate growth, 2) Provide public benefits; and 3) Respect and enhance neighborhood character.

E. The Central SoMa Plan will accommodate development capacity for up to 33,000 jobs and 8,300 housing units by removing much of the Plan Area's industrially protective zoning and increasing height limits on many of the Plan Area's parcels.

F. The Planning Commission conducted a duly noticed public hearing on May 10, 2018 in accordance with Planning Code Section 340(c), to consider the General Plan Amendment, Planning Code and Administrative Code Amendment, Zoning Map Amendment, and Implementation Program related to the Central SoMa Plan Area. At the hearing, the Commission voted to recommend approval with modifications to the various ordinances, in Planning Commission Resolutions No. 20183, 20184, 20185, 20186, and 20187.

G. The Planning Commission conducted a duly noticed public hearing on May 10, 2018 to review and consider the Final Environmental Impact Report for the Central SoMa

Plan ("Final EIR") and found the Final EIR to be adequate, accurate and objective, thus reflecting the independent analysis and judgment of the Planning Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and by Motion No. 20182 certified the Final EIR for the Central SoMa Plan as accurate, complete, and in compliance with CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code. By Resolution No. 20183, the Planning Commission approved CEQA Findings, including a statement of overriding considerations, and adoption of a Mitigation Monitoring and Reporting Program ("MMRP"), under Case No. 2011. 1356E, for approval of the Central SoMa Plan.

H. The Central SoMa Plan and accompanying Public Benefits Program describe special tax financing for certain facilities and services.

I. In order to establish the legal authority for special tax financing of the facilities and services described in the Central SoMa Plan, the Board of Supervisors must make certain amendments to Article X of Chapter 43 of the Administrative Code.

J. The Board of Supervisors wishes to further amend Article X of Chapter 43 of the Administrative Code as it determines to be in the public interest.

Section 2. Article X of Chapter 43 of the San Francisco Administrative Code is hereby amended as follows:

A. Section 43.10.15 is hereby amended as follows:

SEC. 43.10.15. AUTHORIZED FACILITIES.

In addition to the facilities that may be financed under the Act, special taxes may be levied and bonds may be issued to finance or refinance the *following on any land in San Francisco:*

(a) The acquisition, installation and improvement of energy efficiency, water conservation, water pollution control, and renewable equipment with an estimated useful life

of five years or longer and/or energy efficiency, water conservation, water pollution control, and renewable energy improvements that are attached to or on real property and in buildings, whether such real property or buildings are privately or publicly owned. Energy efficiency, water conservation, water pollution control and renewable energy improvements may only be installed on a privately owned building and on privately owned real property with the prior written consent of the owner or owners of the building or real property.

- In addition to the Facilities that may be financed under the Act, special taxes may be levied *and bonds may be issued to finance (b)* The work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations. Only work certified as necessary to comply with seismic safety standards or regulations by local building officials may be financed. No project involving the dismantling of an existing building and its replacement by a new building, nor the construction of a new or substantially new building may be financed pursuant to this subparagraph. Work on gualified historical buildings or structures shall be done in accordance with the State Historical Building Code (Part 2.7 (commencing with Section 18950) of Division 13 of the Health and Safety Code). Work on privately owned property may only be financed with the prior written consent of the owner or owners of the privately owned property.

Sustainability studies and guideline documents related to development in the planning (c)area governed by the Central SoMa Plan & Implementation Strategy.

The purchase, construction, expansion, improvement, or rehabilitation of real or other (d)tangible property with an estimated useful life of three years or longer, whether such property is privately or publicly owned, if the Board of Supervisors has provided for the financing of such property in the resolution of formation for the special tax district and the ordinance levying the special taxes in the special tax district.

Β.

Section 43.10.16 is hereby amended as follows:

SEC. 43.10.16. AUTHORIZED SERVICES.

(a) In addition to the services that may be financed under the Act, special taxes may be levied to finance the following within San Francisco:

(i) Recreation program services, library services, maintenance services for elementary and secondary schoolsites and structures, and the operation and maintenance of museums and cultural facilities if they have been approved by the qualified electors, regardless of whether the qualified electors are landowners or registered voters.

(ii) Any other services that the Board of Supervisors has authorized in the resolution of formation for the special tax district and the ordinance levying the special taxes in the special tax district.

(b) It is hereby specifically provided that in proceedings under this Article to finance Services, the limitations set forth in the penultimate paragraph of Section 53313 shall not apply.

APPROVED AS TO FORM: DENNIS J. HERRER City Attomey By ∖RK D\⁄ƁL AK Deputy City Attorney

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Page 5

LEGISLATIVE DIGEST

[Administrative Code - San Francisco Special Tax Financing Law - Central SoMa]

Ordinance amending the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize special tax financing of certain facilities and services related to the Central SoMa Plan Area and to make other necessary amendments.

Existing Law

The Board of Supervisors has previously established various community facilities districts in the City under the Mello-Roos Act, and under the City's Special Tax Financing Law, constituting Article 43.10 of the Administrative Code ("Code"). Community facilities districts or special tax districts are formed for the purpose of financing and refinancing the acquisition, installation and improvement of certain capital improvements or to real property and in buildings, whether such real property or buildings are privately or publicly owned.

This Board of Supervisors is currently considering the establishment of City and County of San Francisco Special Tax District No. 2018-1 (Central SoMa) ("Special Tax District") pursuant to Chapter 43, Article X of the San Francisco Administrative Code (the "Code"), which Code incorporates the Mello-Roos Community Facilities Act of 1982, as amended ("Act"). The Special Tax District is being formed for the purpose of financing costs of public infrastructure and other authorized facilities and services necessary or incident to development of the Central SoMa Plan Area.

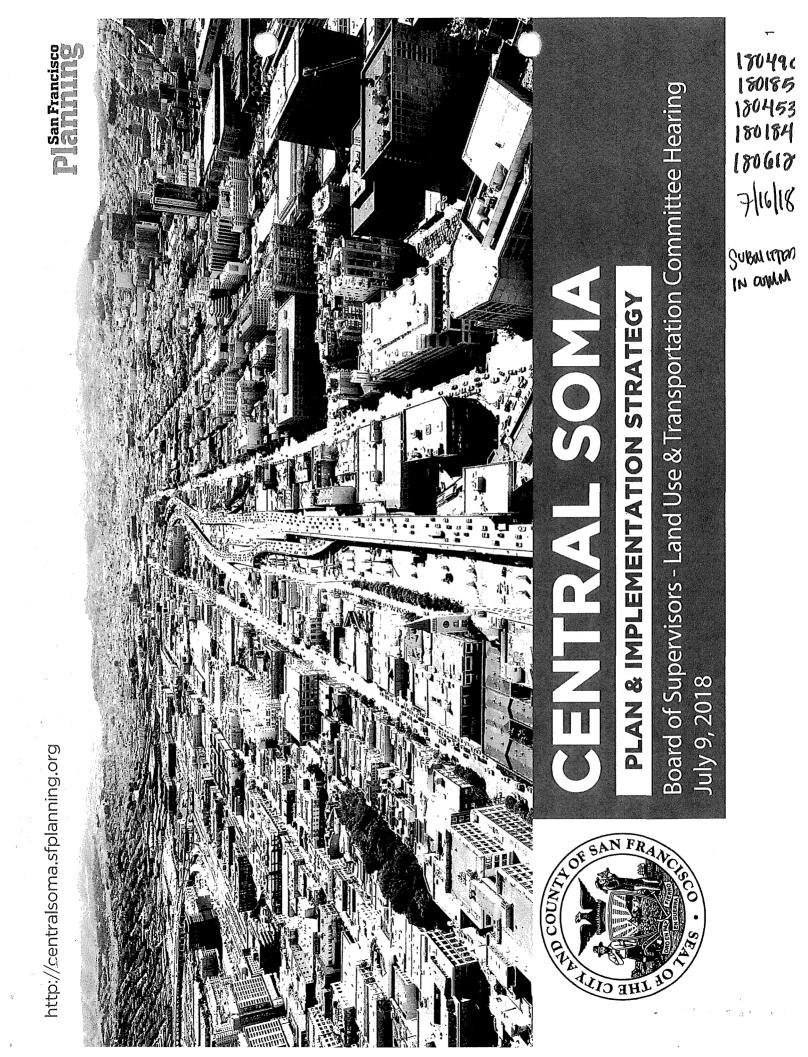
The Special Tax District will be located in the Central SoMA planning area. The Central SoMa Plan is to create a sustainable neighborhood by 2040. The Central SoMa Plan will accommodate development capacity for up to 33,000 jobs and 8,300 housing units by removing much of the Plan Area's industrially protective zoning and increasing height limits on many of the Plan Area's parcels.

The Central SoMa Plan and accompanying Public Benefits Program describe special tax financing for certain facilities and services. In order to establish the legal authority for special tax financing of the facilities and services described in the Central SoMa Plan, the Board of Supervisors must make certain amendments to the Code.

Background Information

The proposed Ordinance would amend Article 43.10 of the Administrative Code to allow financing by the Central SoMA Special Tax District of facilities and services supporting the Public Benefits Program.

As well, the amendments to the Code would permit the Board of Supervisors to approve other facilities and services identified in formation proceedings of other special tax districts to be established and located in the City from time to time.



TODAY'S PRESENTATION

1 Overview of the Central SoMa Plan

- » Plan vision & goals
- » Public Benefits package

2 Plan Evolution

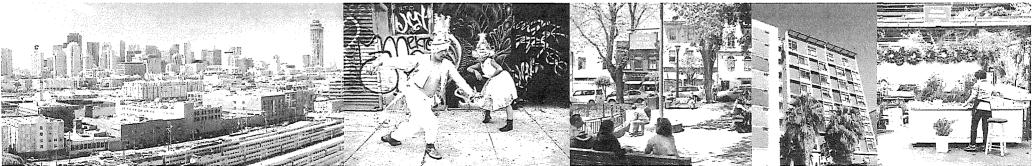
- » Changes from 2016 Draft Plan through May 10th Planning Commission Adoption
- Planning Commission Recommendations
- Conclusion

3

TODAY'S ACTIONS

- All All

- 1. Amendments to the General Plan (180490)
- 2. Amendments to the Planning Code and Administrative Code (180184)
- 3. Amendments to the Zoning Map (180185)
- 4. Approval of the Housing Sustainability District (180453)
- 5. Amendments to the Special Tax Financing Law (180612)



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CENTRAL SOMA PLAN - CONTENTS

General Plan

Planning Code & Administrative Code

Zoning Map

Implementation Program

(adopted by reference)

- Creation of the Central SoMa Plan
- Amendments to East SoMa & Western SoMa Plans
- Planning Code: creation of the Central SoMa Special Use District (SUD)
- Admin Code: PDR protection
- Amendments to Height and Bulk District Maps
- Amendments to Zoning Use District Maps
- Implementation Matrix
- Public Benefits Program
- Guide to Urban Design
- Key Development Sites Guidelines
- Key Streets Guidelines

CENTRAL SOMA PLAN - CONTENTS

Special Tax District

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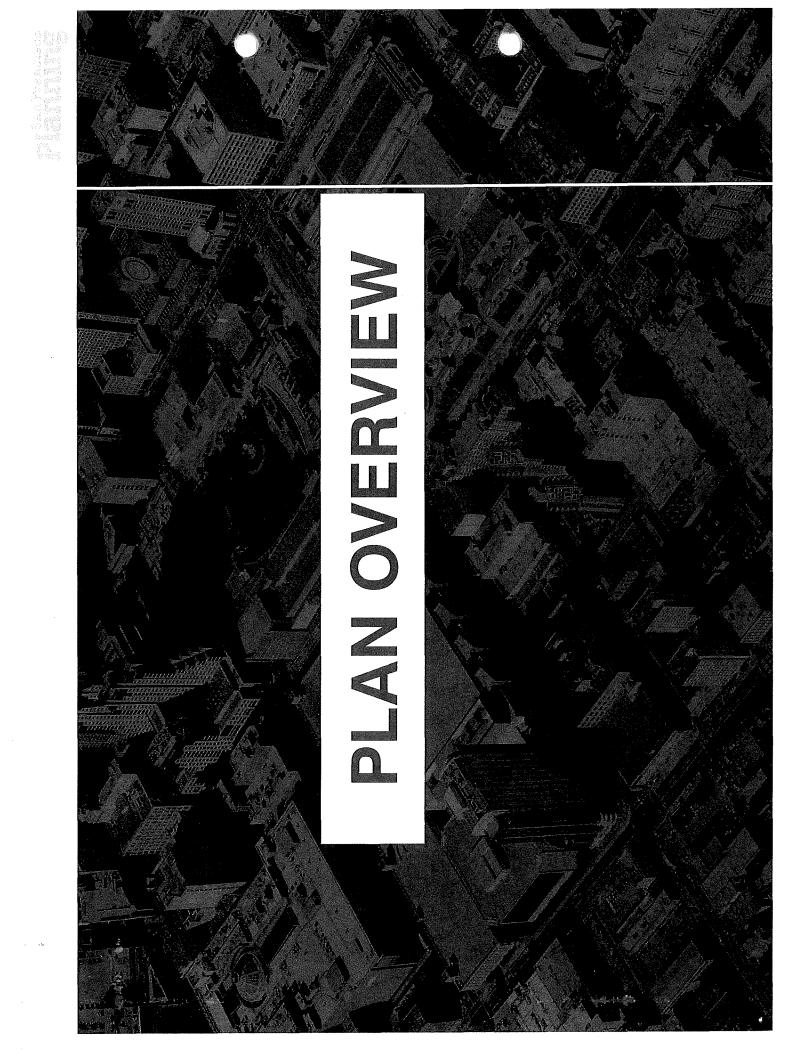
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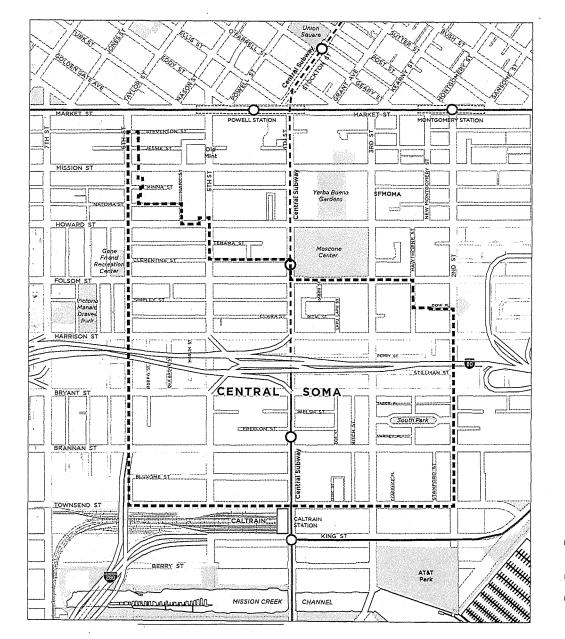
Housing Sustainability District

- Amendments to Administrative Code Special Tax Financing Law
- Resolutions of Intention (ROIs) and Ordinances to establish the Central SoMa Special Tax District*
- Amendments to Business & Tax Regulations and Planning Codes to create a Central SoMa Housing Sustainability District (HSD), pursuant to California AB73

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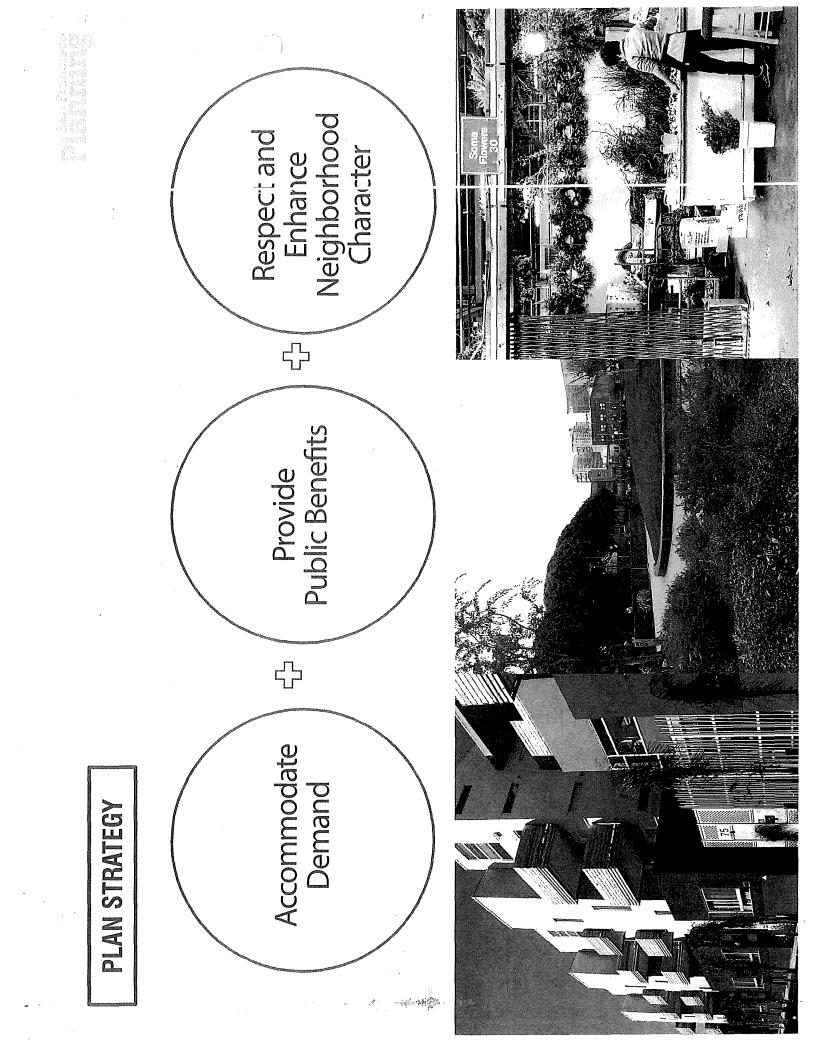


PLAN VISION A sustainable neighborhood: socially, economically, environmentally

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EXAMPLE 2 Central Subway under construction, expected to open in 2019

- BART/Muni Metro Subway
- Muni Metro (Surface)



PLAN PHILOSOPHY

keep what's great



Diversity of Residents and Jobs Diversity of Buildings and Architecture

Abundant Local and Regional Transit Renowned Culture and Nightlife

address what's not



Unaffordable Rents

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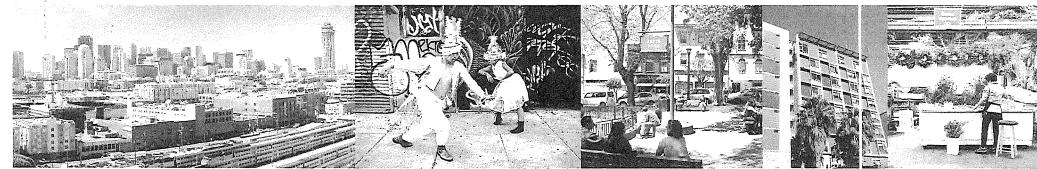
Unsafe and Unpleasant Streets

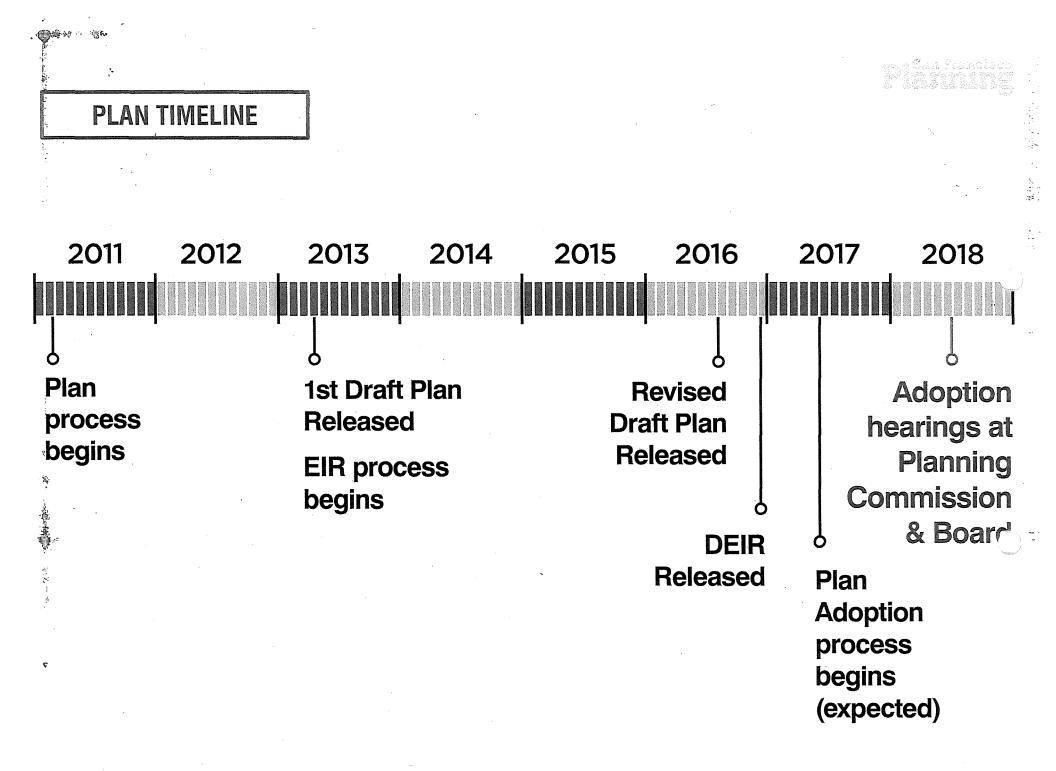
Lack of Public Parks and Greenery



PLAN GOALS

- 1. Accommodate a Substantial Amount of Jobs and Housing
- 2. Maintain the Diversity of Residents
- 3. Facilitate an Economically Diversified and Lively Jobs Center
- 4. Provide Safe and Convenient Transportation that Prioritizes Walking, Bicycling, and Transit
- 5. Offer an Abundance of Parks and Recreational Opportunities
- 6. Create an Environmentally Sustainable and Resilient Neighborhood
- 7. Preserve and Celebrate the Neighborhood's Cultural Heritage
- 8. Ensure that New Buildings Enhance the Character of the Neighborhood and the City



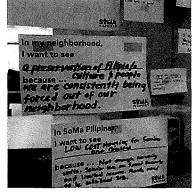


OUTREACH PROCESS: 2011 - 2018



- 15 public workshops, office hours, charrettes, walking tours
- Public surveys
- 17 hearings at Planning Commission & Historic Preservation Commission
- 2 informational hearings at Board of Supervisors (Land Use Committee)







OUTREACH: ADVOCACY GROUPS (PARTIAL LIST)

- 77 Dow Place HOA
- Alliance for Better District 6
- Arden HOA
- Asian Neighborhood Design
- California Culture and Music Association
- Central City SRO Collaborative Central Subway Outreach Committee Clementina Cares
- Eastern Neighborhoods Citizens Advisory Committee Filipino-American Development Foundation
 - Good Jobs for All
 - Housing Action Coalition (HAC)
 - **One Bluxome HOA**
- Rincon Hill /South Beach/Mission Bay Neighborhood Association
- San Francisco Bicycle Coalition San Francisco Planning and Urban Research (SPUR) San Francisco Senior and Disability Action San Francisco Youth Commission

SF BLU HOA

SoMa Community Coalition

SoMa Community Collaborative

SoMa Community Stabilization Fund Citizens Advisory Committee

SoMa Pilipinas

South Beach/Mission Bay Merchants Association

South of Market Action Network (SOMCAN)

South of Market Business Association (SOMBA)

South of Market Leadership Council

South of Market Project Area Committee (SOMPAC)

TODCO

Walk SF

We Are SoMa

Western Soma Taskforce

Yerba Buena Alliance

Yerba Buena Community Benefit District

YIMBY Action

VISUALIZATION - EXISTING DEVELOPMENT

) See

3-D Model of Existing Buildings (2016)

Digital Model k y Skidmore, Owings, & Merrill



VISUALIZATION - POTENTIAL DEVELOPMENT

Central SoMa Development Potential Anticipated Projects Outside of Central SoMa

- 33,000 jobs

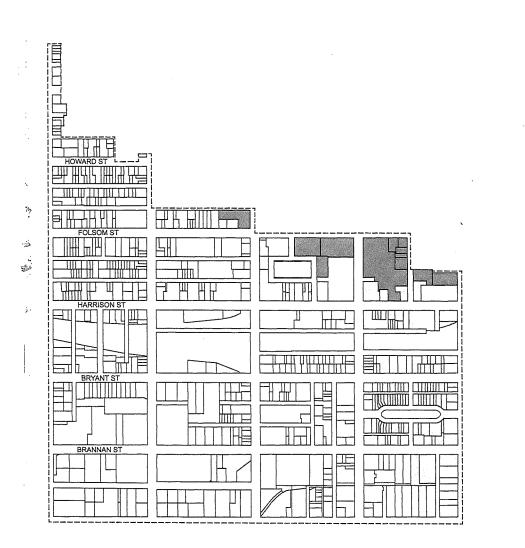
- 8,300 housing units

3-D Model of Potential Development

Digital Model by Skidmore, Owings, & Merrill

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EXISTING AND PROPOSED DEVELOPMENT CAPACITY



30 - 85 feet 130 - 160 feet 180 - 250 feet HHH260 - 400 feet FOLSOM S Ŀη Η rhh ΨНΕ HARRISON ST TI 副 月 F Ħ BRYANT ST Ψ -밑 Ц т<u>с.</u>.... **BRANNAN ST** 빌 F

0 feet

Proposed Development Capacity

Existing Development Capacity

PUBLIC BENEFITS PACKAGE

No Plan = \$500 million in Public Benefits Central SoMa Plan = \$2.2 Billion in Public Benefits

400% increase due to the Plan

Plus ~\$1 billion in increased General Fund tax revenues

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.

17

PUBLIC BENEFITS PACKAGE

i safe and comfortable streets for people	Affordable Housing 33 percent of total units	\$940 million
Image: Second stateImage: Second state </th <th>investment in both local and regional</th> <th>\$500 million</th>	investment in both local and regional	\$500 million
Repair (including Arts) no net loss of PDR space due to the Plan Complete Streets safe and comfortable streets for people \$110 million	transformative improvements such as	\$185 million
isafe and comfortable streets for people	Repair (including Arts) no net loss of	\$180 million
waiking and biking		\$110 million

(continued on next page)

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.

PUBLIC BENEFITS PACKAGE (CONTINUED)

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Community Services & Cultural Preservation funding towards community facilities and programs (e.g. health clinics, job training) and preservation of the Old Mint and other historic buildings	\$110 million
Environmental Sustainability a healthy, resilient, green, and resource-efficient neighborhood	\$70 million
Schools and Childcare funding to support growing population	\$65 million
TOTAL	\$2.16 billion

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.

PUBLIC BENEFITS: FUNDING SOURCES

FUNDING SOURCE

AMOUNT

Direct provision of benefits (e.g. on-site BMR units)	\$836 million
Central SoMa Special Tax District (NEW)	\$354 million
Eastern Neighborhoods Infrastructure Fee	\$240 million
Transportation Sustainability Fee	\$220 million
Jobs-Housing Linkage Fee	\$210 million
Affordable Housing Fee	\$180 million
Central SoMa Infrastructure Fee (NEW)	\$40 million
School Impact Fee	\$26 million
Child Care Fee	\$32 million
Central SoMa Community Facilities Fee (NEW)	\$20 million
TOTAL	\$2.16 billion

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.

NEW FUNDING SOURCES: RESIDENTIAL (2018 RATES)

:

NEW REQUIREMENT	TIER A (15'-45' height increase)	TIER B (50'-85' height increase)	TIER C (90'+ height increase)
Central SoMa Community Infrastructure Fee (\$/GSF)	\$0	\$10	\$0
Mello-Roos Special Tax District (CFD; \$/GSF/yr)	\$0	CONDO: \$3.30 (2% escalation)	CONDO: \$5.50 (2% escalation)
		RENTAL: \$0	RENTAL: \$0
Community Facilities Fee (\$/GSF)		\$1.30	

NOTE: Projects must meet all existing requirements (e.g. affordable housing, Eastern Nbhds Fee, etc.)

Plan Francisco Plan III. (K

NEW FUNDING SOURCES: NON-RESIDENTIAL (2018 RATES)

• NEW REQUIREMENT	TIER A & B (15'-85' height increase)	TIER C (90'+ height increase)
Central SoMa Community Infrastructure Fee (\$/GSF)	Office >50k sq ft: \$21.50 All other projects: \$41.50	Office >50k sq ft: \$0 All other projects: \$20
Mello-Roos Special Tax District (CFD; \$/GSF/yr)	\$0	\$:2.75 (4% escalation annually for 25 years, 2% thereafter)
Transferable Development Rights (Floor Area Ratios)	0	1.25 FAR
Community Facilities Fee (\$/GSF)	\$1.75	
POPOS 1 sq ft for every 50 GSF of development Production, Distribution, and Repair (PDR) 0ffice >50k: greater of 0.4 FAR or Sec. 202.8 (Prop.)		

NOTE: Projects must meet all existing requirements (e.g. affordable housing, Eastern Nohds Fee, etc.)

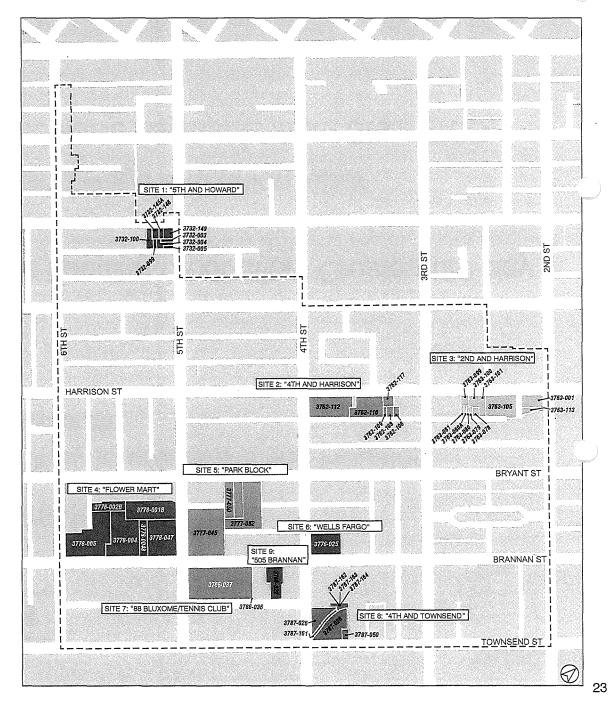
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KEY DEVELOPMENT SITES

PURPOSE

Larger sites where we have crafted more flexible / sitespecific zoning in exchange for a greater amount of public benefits, including:

- affordable housing
- parks & recreational facilities
- community facilities
- low-rent / extra PDR
- bike & ped improvements



HOUSING SUSTAINABILITY DISTRICT

CENTRAL SOMA HSD OVERVIEW

 Enacts California AB73 (Chiu) to create the first Housing Sustainability District in the state

BENEFITS

- Incentivizes & streamlines housing production: Creates 1/20-day ministerial process
- Incentivizes use of prevailing wage and union labor
- Qualifies SF for 'zoning incentive payments' from State (TBD)

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HOUSING SUSTAINABILITY DISTRICT

CENTRAL SOMA HSD MEETS AB73 REQUIREMENTS

- District must provide 20% BMR units (Central SoMa provides 33%)
- District must have an approved EIR to address environmental impacts
- Projects must provide 10% on-site BMR units
- Projects must meet wage and labor standards
 - » Pay prevailing wages (projects <75 units)
 - » Use skilled and trained workforce (projects 75+ units)

HOUSING SUSTAINABILITY DISTRICT

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CENTRAL SOMA LOCAL PROGRAM (Sec. 343)

- Projects that are NOT eligible:
 - » Projects over 160 ft (unless 100% affordable)
 - » Article 10 or 11 historic properties
 - » Properties containing existing units
 - » Projects with >25,000 GSF of office space

HOUSING SUSTAINABILITY DISTRICT

CENTRAL SOMA LOCAL PROGRAM (Sec. 343)

- 120-Day Review Process:
 - » Before applying: demonstrate compliance with EIR Mitigation Measures
 - » Design review
 - » Informational hearing
 - » Progress requirement: once approved, must seek a site/ building permit within 36 months of approval, or seek an extension

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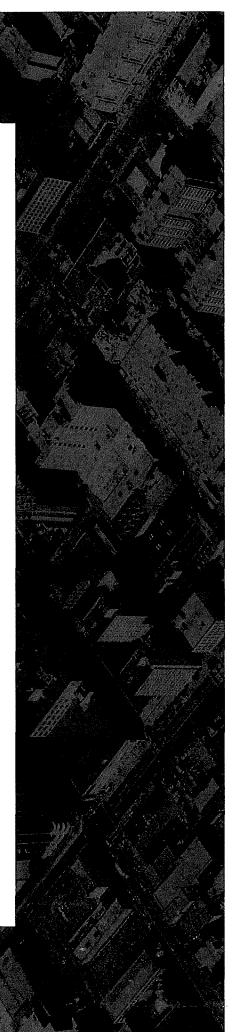
SPECIAL TAX DISTRICT - LEGISLATIVE ACTION

Administrative Code Chapter 43, Section 10: Special Tax Financing Law

- Proposed amendments would enable the City to spend Central SoMa Special Tax revenues on eligible Facilities and Services*, which may include, but are not limited to:
 - Grants to nonprofit/public social service organizations
 - Environmental sustainability, including air quality mitigation and technical studies/guidelines
 - Park programming and activation



PLAN EVOLUTION: 2016 DRAFT THROUGH CPC ADOPTION





PLAN EVOLUTION DURING ADOPTION PROCESS

KEY AREAS

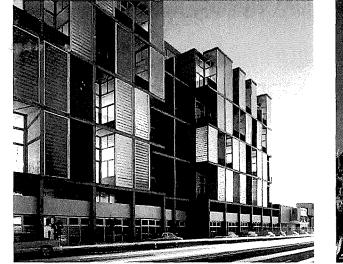
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- Jobs-Housing Balance
- Public Benefits Package
- Development Requirements

JOBS - HOUSING BALANCE

WHAT WE HEARD

- Maximize housing production, especially affordable units
- Streamline the production process
- Produce / protect affordable housing units upfront through aggressive site acquisition







JOBS - HOUSING BALANCE

HOW THE PLAN EVOLVED

- Housing production is now maxed out at the EIR cap (+17%, from 7100 to 8300 units)
- Central SoMa will be the state's 1st Housing Sustainability District (HSD) under AB73
- Some Key Sites are pursuing land dedication for affordable housing
- Continuing to work with MOHCD to leverage City programs:
 - » Acquisition / rehabilitation to stabilize existing units
 - » Securing additional housing locations in the broader SOMA neighborhood

PUBLIC BENEFITS

WHAT WE HEARD

- Maximize affordable housing (also see previous section)
- Provide funding for social/cultural programming (not just facilities)
- Plan for future capital needs at Yerba Buena Gardens
- Fund neighborhood cleaning & maintenance
- Work with SFUSD to support existing schools and plan for future growth
- Support development of Good Jobs (e.g. living wage and/or unionized) for low-income households
- Keep the Prop X Conditional Use for PDR replacement

HOW THE PLAN EVOLVED

- Increased housing = +230 more affordable units (2900 total)
- Additional \$70 million for public benefits from CFD (see below)
- A Good Jobs goal was added to General Plan amendments

ADDITIONAL FUNDING CATEGORIES	\$/YR	\$/25 YRS
Social & cultural programming (continue SoMa Stabilization Fund)	\$1,000,000	\$25 million
Park and greenery maintenance and activation	\$600,000	\$15 million
Capital for cultural amenities (e.g. Yerba Buena Gardens)	N/A	\$15 million
Neighborhood cleaning	\$350,000	\$8.75 million
Bessie Carmichael School supplemental services	\$250,000	\$6.25 million
TOTAL		\$70 million

PUBLIC BENEFITS

OTHER TOPICS REQUIRING DISCUSSION

- Eastern Neighborhoods Community Advisory Committee (CAC) & SoMa Stabilization CAC
 - » Because adjusting the CAC will require significant consideration of responsibilities and allocation of funding from projects, this will return to the Planning Commission and the Board as trailing legislation.
- Staff are working with SFUSD to assess future school capacity needs and how growth here and Citywide may be accommodated
- The Good Jobs goal may need to be fleshed out through trailing legislation

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PUBLIC BENEFITS

OTHER TOPICS REQUIRING DISCUSSION (CONT.)

- NOTE: There is no need for a Conditional Use requirement for PDR replacement under Prop X, since PDR replacement is explicitly required.
 - » In addition, any CU requirement applied to housing would make them ineligible for the Housing Sustainability District, affecting ~75% of units impacted (up to 1/2 of total units)

DEVELOPMENT REQUIREMENTS

WHAT WE HAVE HEARD

- Changing financial market has made some projects less feasible, particularly rental housing
- Want greater flexibility / exceptions (e.g. similar to a Planned Unit Development)

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DEVELOPMENT REQUIREMENTS

HOW THE PLAN EVOLVED

- Dropped the Mello-Roos Special Tax on rental housing to improve financial feasibility (\$1.75/sq ft)
- NOTE: Kept current zoning structure (no PUD-type exceptions possible)
 - » However, site-specific exceptions were crafted for individual Key Sites in Section 329(e).

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PLANNING COMMISSION RECOMMENDATIONS

PLANNING COMMISSION RECOMMENDATIONS - 5/10/18 ADOPTION HEARING

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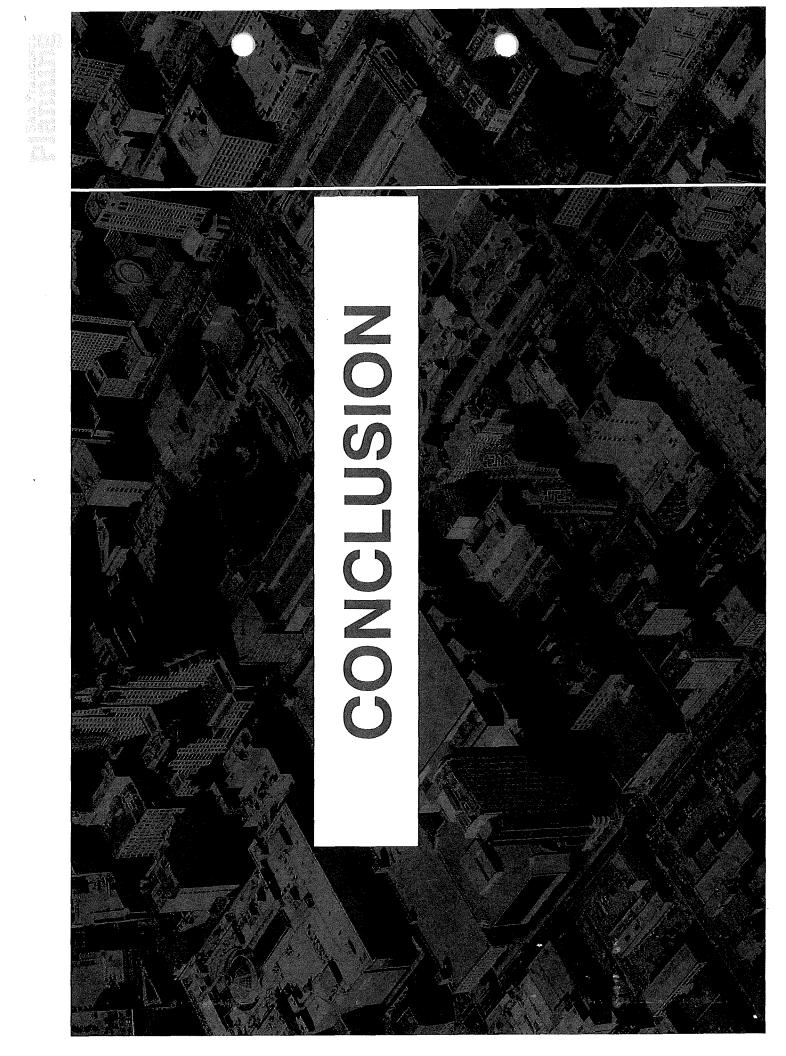
Change	Rationale
POPOS Design Exceptions	To allow greater flexibility and diversity of POPOS design.
Passenger & Freight Loading	To streamline and improve processes for reviewing passenger and freight loading.
Transportation Demand Management	To allow some relief for projects that have been designed assuming the same level of grandfathering as the citywide TDM ordinance.
Active Uses on Ground Floors	To allow some flexibility for micro-retail and hotel uses.
Alternate Uses in PDR Replacement Space	To support other desirable uses that cannot pay high rents.



PLANNING COMMISSION RECOMMENDATIONS - 5/10/18 ADOPTION HEARING

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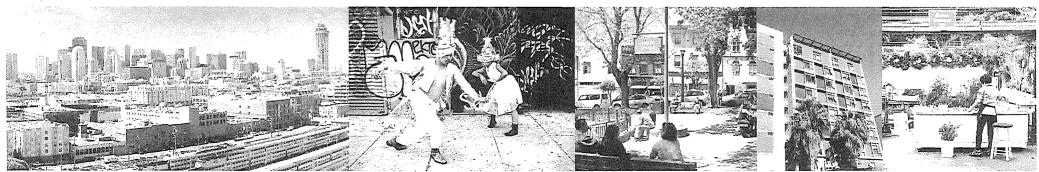
Change	Rationale
Key Development Sites	To craft exceptions to specific key sites, and to add an additional key site (505 Brannan Street)
Park Fee Waiver at 598 Brannan Street	To enable construction of a park on land currently owned by SFPUC.
Central SoMa Mello- Roos Special Tax District	To establish the purpose and application of the proposed Mello- Roos Special Tax District in Central SoMa.
SoMa Stabilization Fund	To allow Mello-Roos tax revenues to accrue to the fund.
Community Advisory Committee (CACs)	To split the existing Eastern Neighborhoods CAC into two more manageable geographies.
Other Clarifying Amendments	To correct and clarify the code amendments.

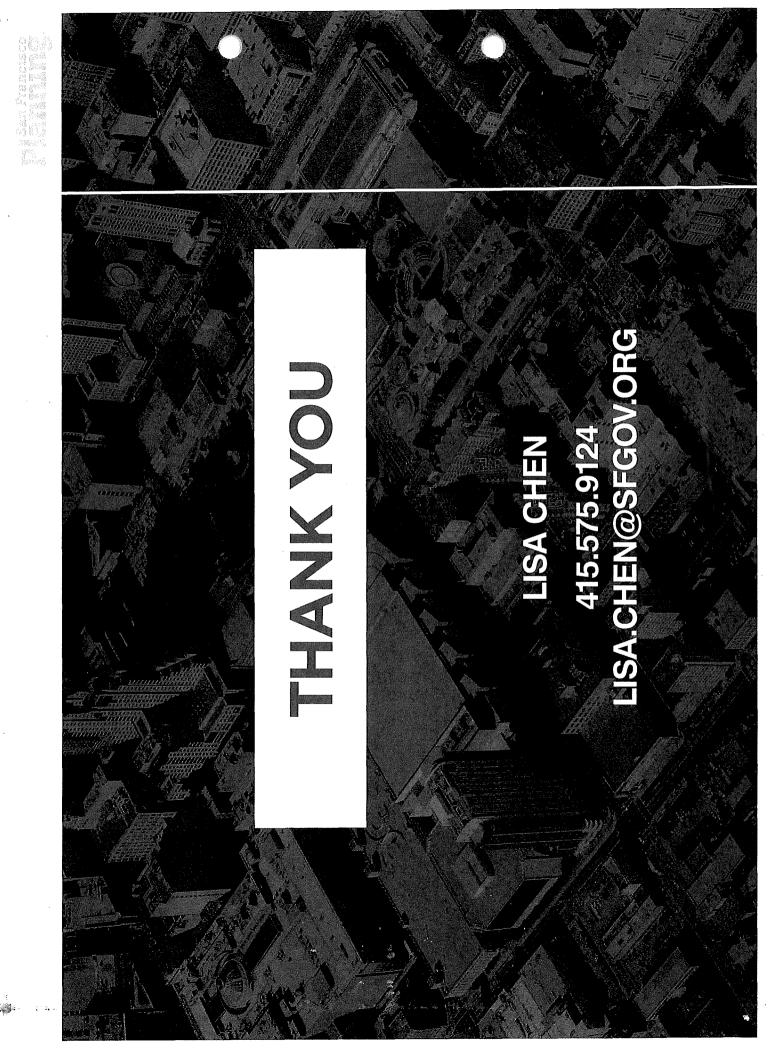




TODAY'S ACTIONS

- 1. Amendments to the General Plan (180490)
- 2. Amendments to the Planning Code and Administrative Code (180184)
- 3. Amendments to the Zoning Map (180185)
- 4. Approval of the Housing Sustainability District (180453)
- 5. Amendments to the Special Tax Financing Law (180612)





TATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT 2020 W. El Camino Avenue, Suite 500 Sacramento, CA 95833 (916) 263-2911 / FAX (916) 263-7453 www.hcd.ca.gov

July 6, 2018

San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place City Hall, Room 244 San Francisco, CA 94102-4689

RE: Housing Sustainability District Ordinance

Dear Members of the Board of Supervisors:

Thank you for submitting the City and County of San Francisco's ("San Francisco") proposed ordinance establishing a housing sustainability district in central south of Market ("HSD-Central SOMA"). This letter serves as the preliminary determination by the Department of Housing and Community Development (HCD) required pursuant to Government Code (Gov. Code) section 66202.

HCD has preliminarily determined that the proposed HSD-Central SOMA ordinance addresses the requirements of housing sustainability districts, pursuant to Gov. Code, §§ 66200 through 66210. Please note that HCD's determination is only preliminary and may be subject to change for reasons including, but not limited to, the preparation of guidelines, new information in an adopted ordinance, certification of compliance, or other subsequent submittals (Gov. Code, § 66209). In addition, HCD has not conducted a full review of any design review standards for consistency with Gov. Code § 66207. Finally, please be aware that the Legislature has not appropriated funds for a zoning incentive payment and as a result, San Francisco is not entitled to a zoning incentive payment pursuant to Gov. Code, § 66202, subdivision (a)(2) or § 66204, subdivision (b) at this time.

Once the proposed HSD-Central SOMA ordinance takes effect, please submit an acknowledgement of such to HCD. Additionally, in the event the Legislature appropriates funds for zoning inventive payments, San Francisco should submit an application for a zoning incentive payment, including all of the information required by Gov. Code, §§ 66202, subdivisions (a) and (b), and 66204, subdivision (b).

HCD commends San Francisco for its leadership in advancing the state's housing goals, including with this implementation of AB 73 (Chiu) to streamline and incentivize housing production. Streamlining and production incentives such as housing sustainability districts are critical tools to increase housing supply and affordability, while conserving existing housing stock affordable to lower income households. HCD applauds San Francisco's long-standing commitment, innovation and success in promoting the development, conservation and preservation of affordable housing.

EDMUND G. BROWN JR., Governor

San Francisco Board of Supervisors Housing Sustainability District Ordinance Page 2

If HCD can provide any additional assistance, or if you or your staff have any questions, please contact Paul McDougall, Housing Policy Manager, at paul.mcdougall@hcd.ca.gov.

Sincerely,

2 mm Odatus

Zachary Olmstead Deputy Director

[Administrative Code - San Francisco Special Tax Financing Law - Central SoMa]

Ordinance amending the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize special tax financing of certain facilities and services related to the Central SoMa Plan Area and to make other necessary amendments.

NOTE: Unchanged Code text and uncodified text are in plain Arial font.
 Additions to Codes are in single-underline italics Times New Roman font.
 Deletions to Codes are in strikethrough italics Times New Roman font.
 Board amendment additions are in double-underlined Arial font.
 Board amendment deletions are in strikethrough Arial font.
 Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. FINDINGS.

The Board of Supervisors of the City and County of San Francisco hereby finds, determines and declares:

A. The Central SoMa planning area (the "Central SoMa Plan Area") runs from 2nd Street to 6th Street, Market Street to Townsend Street, exclusive of those areas that are part of the Downtown Plan or in the C-3 zoning districts.

B. In 2008, the City adopted the Eastern Neighborhoods Plan, including new land use controls and proposed community improvements for the eastern part of the South of Market neighborhood ("SoMa"), as well as the Central Waterfront, Mission, and Showplace Square/Potrero Hill neighborhoods. At that time, the City determined that the development potential of the industrially-zoned part of East SoMa, coupled with the improved transit to be provided by the Central Subway, necessitated a subsequent, focused planning process that

Mayor Farrell BOARD OF SUPERVISORS took into account the city's growth needs and City and regional environmental goals. The Central SoMa Plan is the result of that subsequent process.

C. Since that time, the Planning Department released a draft Plan and commenced environmental review as required by the California Environmental Quality Act ("CEQA") in April 2013, released an Initial Study in February of 2014, released a revised Draft Plan and Implementation Strategy in August 2016, released the Draft Environmental Impact Report in December 2016, and released Responses to Comments on the Draft Environmental Impact Report in March 2018.

D. The vision of the Central SoMa Plan is to create a sustainable neighborhood by 2040, where the needs of the present are met without compromising the ability of future generations to meet their own needs, and the Central SoMa Plan seeks to achieve sustainability in each of its aspects – social, economic, and environmental – which will require implementing the following three strategies: 1) Accommodate growth, 2) Provide public benefits; and 3) Respect and enhance neighborhood character.

E. The Central SoMa Plan will accommodate development capacity for up to 33,000 jobs and 8,300 housing units by removing much of the Plan Area's industrially protective zoning and increasing height limits on many of the Plan Area's parcels.

F. The Planning Commission conducted a duly noticed public hearing on May 10, 2018 in accordance with Planning Code Section 340(c), to consider the General Plan Amendment, Planning Code and Administrative Code Amendment, Zoning Map Amendment, and Implementation Program related to the Central SoMa Plan Area. At the hearing, the Commission voted to recommend approval with modifications to the various ordinances, in Planning Commission Resolutions No. 20183, 20184, 20185, 20186, and 20187.

G. The Planning Commission conducted a duly noticed public hearing on May 10, 2018 to review and consider the Final Environmental Impact Report for the Central SoMa

Plan ("Final EIR") and found the Final EIR to be adequate, accurate and objective, thus reflecting the independent analysis and judgment of the Planning Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and by Motion No. 20182 certified the Final EIR for the Central SoMa Plan as accurate, complete, and in compliance with CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code. By Resolution No. 20183, the Planning Commission approved CEQA Findings, including a statement of overriding considerations, and adoption of a Mitigation Monitoring and Reporting Program ("MMRP"), under Case No. 2011. 1356E, for approval of the Central SoMa Plan.

H. The Central SoMa Plan and accompanying Public Benefits Program describe special tax financing for certain facilities and services.

I. In order to establish the legal authority for special tax financing of the facilities and services described in the Central SoMa Plan, the Board of Supervisors must make certain amendments to Article X of Chapter 43 of the Administrative Code.

J. The Board of Supervisors wishes to further amend Article X of Chapter 43 of the Administrative Code as it determines to be in the public interest.

Section 2. Article X of Chapter 43 of the San Francisco Administrative Code is hereby amended as follows:

A. Section 43.10.15 is hereby amended as follows:

SEC. 43.10.15. AUTHORIZED FACILITIES.

In addition to the facilities that may be financed under the Act, special taxes may be levied and bonds may be issued to finance or refinance the *following on any land in San Francisco:*

(a) <u>The</u> acquisition, installation and improvement of energy efficiency, water conservation, water pollution control, and renewable equipment with an estimated useful life

Page 3

of five years or longer and/or energy efficiency, water conservation, water pollution control, and renewable energy improvements that are attached to or on real property and in buildings, whether such real property or buildings are privately or publicly owned. Energy efficiency, water conservation, water pollution control and renewable energy improvements may only be installed on a privately owned building and on privately owned real property with the prior written consent of the owner or owners of the building or real property.

In addition to the Facilities that may be financed under the Act, special taxes may be levied and bonds may be issued to finance (b) <u>T</u>he work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations. Only work certified as necessary to comply with seismic safety standards or regulations by local building officials may be financed. No project involving the dismantling of an existing building and its replacement by a new building, nor the construction of a new or substantially new buildings or structures shall be done in accordance with the State Historical Building Code (Part 2.7 (commencing with Section 18950) of Division 13 of the Health and Safety Code). Work on privately owned property may only be financed with the prior written consent of the owner or owners of the privately owned property.

(c) Sustainability studies and guideline documents related to development in the planning area governed by the Central SoMa Plan & Implementation Strategy.

(d) The purchase, construction, expansion, improvement, or rehabilitation of real or other tangible property with an estimated useful life of three years or longer, whether such property is privately or publicly owned, if the Board of Supervisors has provided for the financing of such property in the resolution of formation for the special tax district and the ordinance levying the special taxes in the special tax district.

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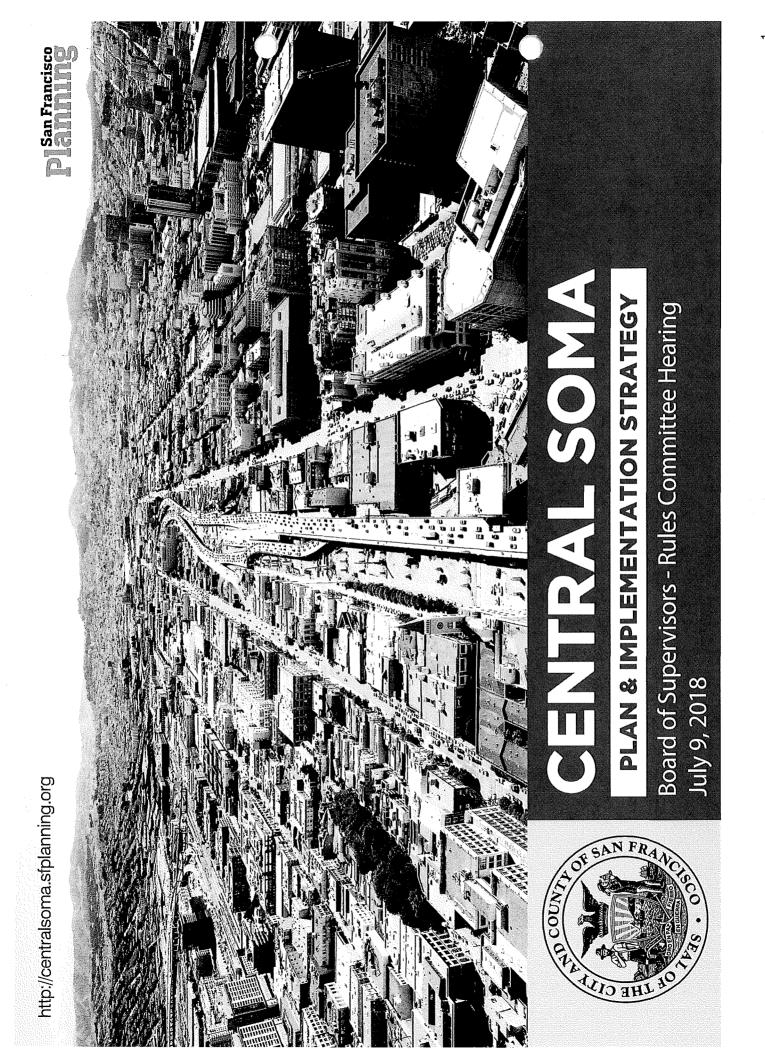
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B. Section 43.10.16 is hereby amended as follows:

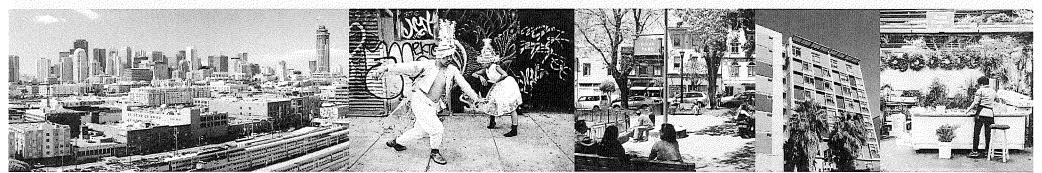




TODAY'S ACTIONS

Hearing to consider:

- 1. Amendments to Administrative Code
 - Section 35: PDR and Residential / Hotel Compatibility
 - Chapter 43, Section 10: Special Tax Financing Law
- 2. Amendments to Planning Code
 - Note: this item is intended to be heard at Land Use & Transportation Committee





TODAY'S PRESENTATION

1 Overview of the Central SoMa Plan

- » Plan vision & goals
- » Public Benefits package

2 Central SoMa Plan: Administrative Code Amendments

3 Central SoMa Special Tax District

- » Special Tax District Overview
- » Special Tax Financing Law Amendments



CENTRAL SOMA PLAN - CONTENTS

General Plan	 Creation of the Central SoMa Plan Amendments to East SoMa & Western SoMa Plans
Planning Code & Administrative Code	 Planning Code: creation of the Central SoMa Special Use District (SUD) Admin Code: PDR protection and Special Tax Financing Law
Zoning Map	 Amendments to Height and Bulk District Maps Amendments to Zoning Use District Maps
Implementation Program	 Implementation Matrix Public Benefits Program Guide to Urban Design Key Development Sites Guidelines Key Streets Guidelines

Bold text = items considered at Rules Committee on 7/9



CENTRAL SOMA PLAN - CONTENTS

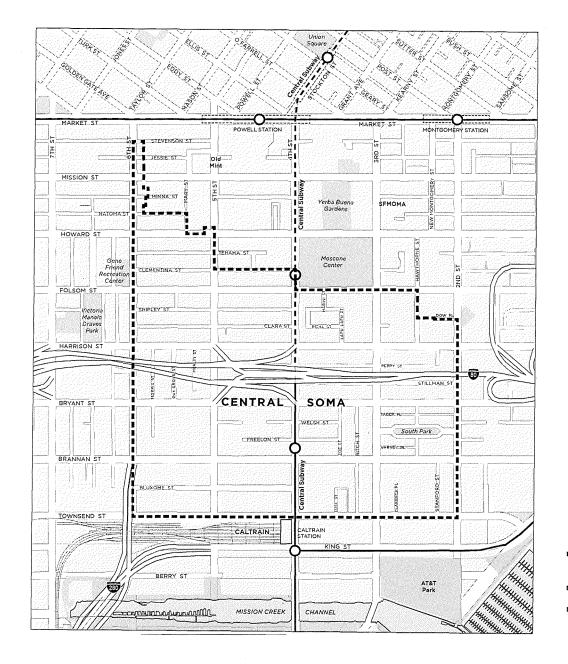
Special Tax District	 Resolutions of Intention (ROIs) and Ordinances to establish the Central SoMa Special Tax District
Housing Sustainability District	 Amendments to Business & Tax Regulations and Planning Codes to create a Central SoMa Housing Sustainability District (HSD), pursuant to California AB73



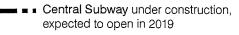
PLAN OVERVIEW

Nan Francisco

PLAN AREA



PLAN VISION A sustainable neighborhood: socially, economically, environmentally



- BART/Muni Metro Subway
 - Muni Metro (Surface)



PLAN STRATEGY

Respect and Enhance Neighborhood Character ß Provide Public Benefits Ð Accommodate Demand 12



PLAN PHILOSOPHY

keep what's great



Diversity of Residents and Jobs

- **Diversity of Buildings and Architecture**
- **Abundant Local** and Regional Transit



Renowned **Culture and** Nightlife

address what's not



Unaffordable **Rents**

Unsafe and Unpleasant **Streets**

Lack of Public Parks and Greenery

Inefficient Zoning and Insufficient Funding



PLAN GOALS

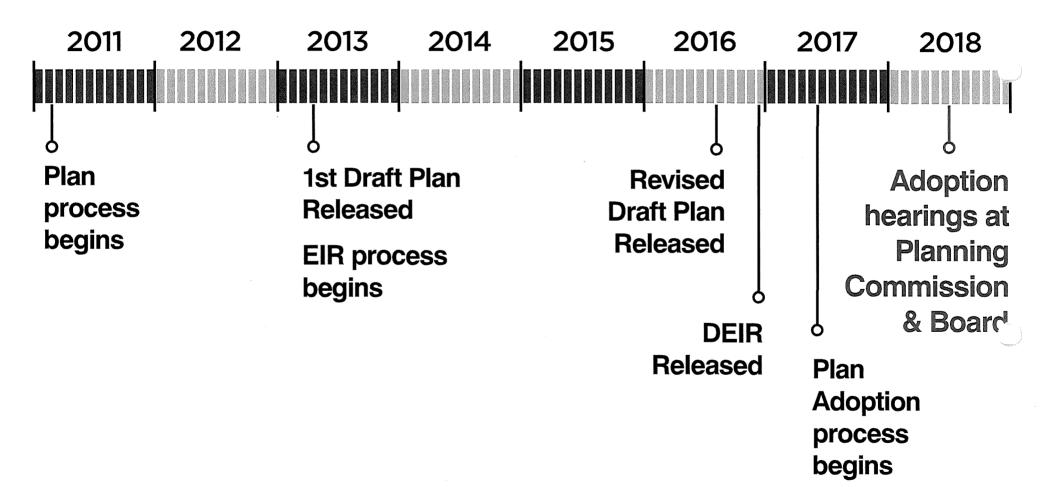
- Goal 1 Accommodate a Substantial Amount of Jobs and Housing
- Goal 2 Maintain the Diversity of Residents
- Goal 3 Facilitate an Economically Diversified and Lively Jobs Center
- Goal 4 Provide Safe and Convenient Transportation that Prioritizes Walking, Bicycling, and Transit



- Goal 5 Offer an Abundance of Parks and Recreational Opportunities
- Goal 6 Create an Environmentally Sustainable and Resilient Neighborhood
- Goal 7 Preserve and Celebrate the Neighborhood's Cultural Heritage
- Goal 8 Ensure that New Buildings Enhance the Character of the Neighborhood and the City



PLAN TIMELINE



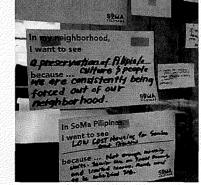


OUTREACH PROCESS: 2011 - 2018



- 15 public workshops, public surveys, office hours, charrettes, walking tours
- 17 hearings at Planning Commission & Historic Preservation Commission
- 2 informational hearings at Board of Supervisors (Land Use Committee)









OUTREACH: ADVOCACY GROUPS (PARTIAL LIST)

77 Dow Place HOA Alliance for Better District 6 Arden HOA Asian Neighborhood Design California Culture and Music Association **Central City SRO Collaborative Central Subway Outreach Committee Clementina Cares** Eastern Neighborhoods Citizens Advisory Committee **Filipino-American Development Foundation** Good Jobs for All Housing Action Coalition (HAC) One Bluxome HOA **Rincon Hill /South Beach/Mission Bay Neighborhood** Association San Francisco Bicycle Coalition San Francisco Planning and Urban Research (SPUR) San Francisco Senior and Disability Action San Francisco Youth Commission

SF BLU HOA

SoMa Community Coalition

SoMa Community Collaborative

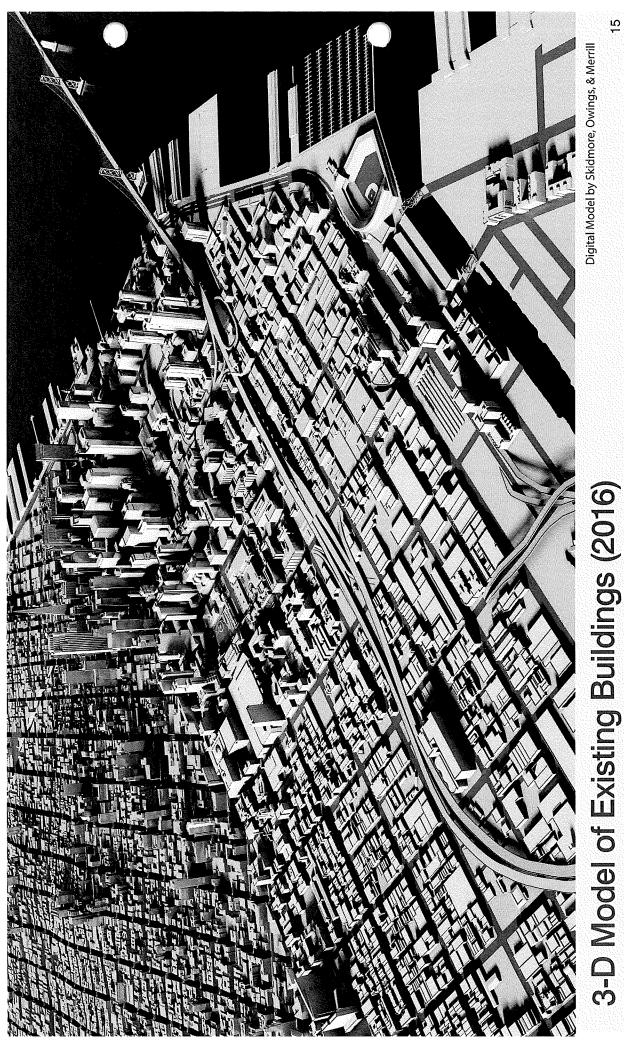
SoMa Community Stabilization Fund Citizens Advisory Committee

SoMa Pilipinas

South Beach/Mission Bay Merchants Association South of Market Action Network (SOMCAN) South of Market Business Association (SOMBA) South of Market Leadership Council South of Market Project Area Committee (SOMPAC) TODCO Walk SF We Are SoMa Western Soma Taskforce Yerba Buena Alliance Yerba Buena Community Benefit District YIMBY Action



VISUALIZATION - EXISTING DEVELOPMEN

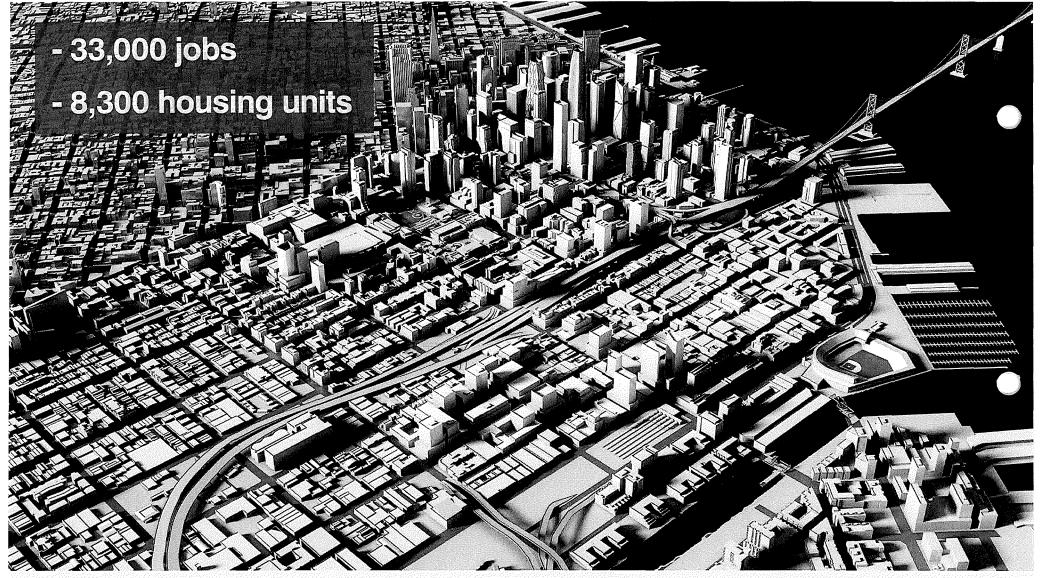


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VISUALIZATION - POTENTIAL DEVELOPMENT

Central SoMa Development PotentialAnticipated Projects Outside of Central SoMa

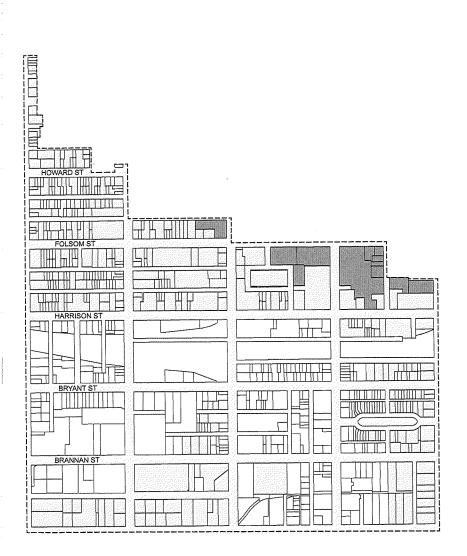


3-D Model of Potential Development

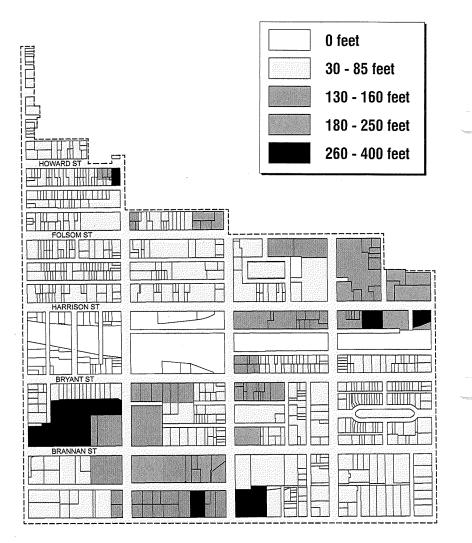
Digital Model by Skidmore, Owings, & Merrill



EXISTING AND PROPOSED DEVELOPMENT CAPACITY



Existing Development Capacity



Proposed Development Capacity



PROGRAM

PUBLIC BENEFITS: TOTAL (25 YEARS; 2017 DOLLARS)

No Plan = \$500 million in Public Benefits Central SoMa Plan = \$2.16 Billion in Public Benefits

400% increase due to the Plan

Plus ~\$1 billion in increased General Fund tax revenues

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.



PUBLIC BENEFITS PACKAGE

	Affordable Housing 33 percent of total units	\$940 million
	Transit investment in both local and regional service	\$500 million
	Parks and Recreation transformative improvements such as parks, plazas, and recreation centers	\$185 million
	Production, Distribution, & Repair (including Arts) no net loss of PDR space due to the Plan	\$180 million
X 35	Complete Streets safe and comfortable streets for people walking and biking	\$110 million

(continued on next page)

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.

PUBLIC BENEFITS PACKAGE (CONTINUED)

Community Services & Cultural Preservation funding towards community facilities and programs (e.g. health clinics, job training) and preservation of the Old Mint and other historic buildings	\$110 million
Environmental Sustainability a healthy, resilient, green, and resource-efficient neighborhood	\$70 million
Schools and Childcare funding to support growing population	\$65 million
ΤΟΤΑL	\$2.16 billion

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.

Planfrancisco



PUBLIC BENEFITS: FUNDING SOURCES (25 YEARS; 2018 DOLLARS)

FUNDING SOURCE

AMOUNT

Direct provision of benefits (e.g. on-site BMR units)	\$836 million
Central SoMa Special Tax District (NEW)	\$354 million
Eastern Neighborhoods Infrastructure Fee	\$240 million
Transportation Sustainability Fee	\$220 million
Jobs-Housing Linkage Fee	\$210 million
Affordable Housing Fee	\$180 million
Central SoMa Infrastructure Fee (NEW)	\$40 million
School Impact Fee	\$26 million
Child Care Fee	\$32 million
Central SoMa Community Facilities Fee (NEW)	\$20 million
TOTAL	\$2.16 billion

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.



NEW FUNDING SOURCES: RESIDENTIAL (2018 RATES)

NEW REQUIREMENT	TIER A (15'-45' height increase)	TIER B (50'-85' height increase)	TIER C (90'+ height increase)
Central SoMa Community Infrastructure Fee (\$/GSF)	\$0	\$10	\$0
Mello-Roos Special Tax District (CFD; \$/GSF/yr)	\$0	CONDO: \$3.30 (2% escalation)	CONDO: \$5.50 (2% escalation)
		RENTAL: \$0	RENTAL: \$0
Community Facilities Fee (\$/GSF)		\$1.30	

NOTE: Projects must meet all existing requirements (e.g. affordable housing, Eastern Nbhds Fee, etc.)



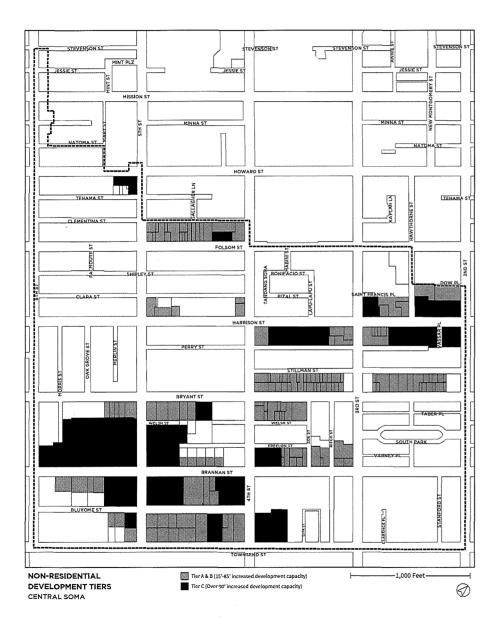
NEW FUNDING SOURCES: NON-RESIDENTIAL (2018 RATES)

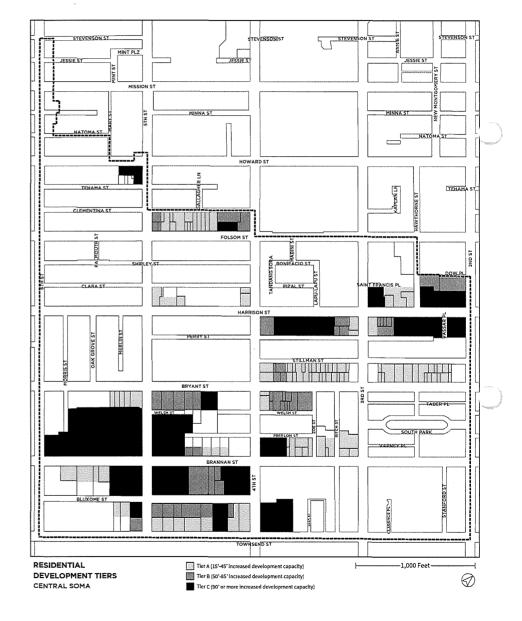
NEW REQUIREMENT	TIER A & B (15'-85' height increase)	TIER C (90'+ height increase)
Central SoMa Community Infrastructure Fee (\$/GSF)	Office >50k sq ft: \$21.50 All other projects: \$41.50	Office >50k sq ft: \$0 All other projects: \$20
Mello-Roos Special Tax District (CFD; \$/GSF/yr)	\$0	\$2.75 (4% escalation annually for 25 years, 2% thereafter)
Transferable Development Rights (Floor Area Ratios)	0	1.25 FAR
Community Facilities Fee (\$/GSF)	\$1.	75
POPOS	1 sq ft for every 50 GSF of development	
Production, Distribution, and Repair (PDR)	Office >50k: greater of 0.4	FAR or Sec. 202.8 (Prop X)

NOTE: Projects must meet all existing requirements (e.g. affordable housing, Eastern Nbhds Fee, etc.)



CENTRAL SOMA FEE TIERS







ADMIN CODE CHAPTER 35: PDR PROTECTION

Plan Francisco Planning

ADMINISTRATIVE CODE AMENDMENTS

Administrative Code Section 35: Residential and PDR Compatibility and Protection

THE WAY IT IS

- Residents cannot complain about noise and other nuisance issues (odors, loading, etc.) from a neighboring PDR use if it complies with all applicable regulations & permit conditions ("no kvetching")
- Sellers must disclose this rule to potential homebuyers

THE WAY IT WOULD BE

- Hotels would be added to the list of uses that cannot lodge groundless complaints
- Improvements to notification process would be added

ADMINISTRATIVE CODE AMENDMENTS

RATIONALE

- As Central SoMa evolves, PDR uses should be protected from complaints from lawfully emitted noise and other impacts
- Based on best practices:
 - » PDR and other 24-hour uses (e.g. entertainment) are part of a complete and mixed-use neighborhood
 - » Similar to the current process for entertainment uses (Admin Code Section 116)



ADMIN CODE CHAPTER 43: SPECIAL TAX FINANCING LAW



SPECIAL TAX DISTRICT - LEGISLATIVE ACTIONS

Administrative Code Chapter 43, Section 10: Special Tax Financing Law

Proposed amendments would enable the City to spend Central SoMa Special Tax revenues on eligible Facilities and Services*, which may include, but are not limited to:

- Grants to nonprofit/public social service organizations
- Environmental sustainability, including air quality mitigation and technical studies/guidelines
- Park programming and activation

Planning

SPECIAL TAX OVERVIEW

- Applicability: large Condo and Non-Residential projects
 - Exemptions: 100% Affordable Housing Projects; BMR units; Rental Housing; Production, Distribution & Repair (PDR) uses; Community Facilities
 - Annexation required before 1st Certificate of Occupancy (COO); Tax levy commences at 1st COO
- Revenues can be used to issue bonds
 - Accelerates the provision of public benefits
 - Taxable properties in the Special Tax District are subject to foreclosure/sale in the event of non-payment of special taxes*



SPECIAL TAX RATES (\$/SF, FY18-19 RATES)

Years 1-99: Facilities Tax*

Land Use	TIER A (15'-45' height increase)	TIER B (50'-85' height increase)	TIER C (90'+ height increase)
NON-RESIDENTIAL	\$0	\$0	\$2.75
CONDO	\$0	\$3.30	\$5.50

Years 100+: Services Tax Only

	TIERA	TIER B	TIER C
NON-RESIDENTIAL	\$0	\$0	\$0.69
CONDO	\$0	\$0.82	\$1.37

*Facilities tax may be spent on either capital facilities or services (e.g. maintenance, programming)



SPECIAL TAX DISTRICT: EXPENDITURE PLAN*

During Plan Buildout (25 years)

	Transit	\$160 million	
	Parks & Recreation	\$45 million	
*	Complete Streets \$10 m		
	Cultural Preservation & Community	\$69 million	
	Environmental Sustainability	\$64 million	
r.j	Schools & Childcare	\$6 million	
	ΤΟΤΑΙ	\$354 million	

Longer term needs (>25 years): could include, but are not limited to, Sea Level Rise adaptation and maintenance of capital facilities

*in FY2018-2019 dollars. Note that projects are non-binding, and the Public Benefits may be amended



SPECIAL TAX DISTRICT: CHANGES SINCE PLAN INTRODUCTION

Additional public benefits identified during adoption process

	\$/YR	\$/25 YRS
Social & cultural programs (e.g. SoMa Stabilization Fund)	\$1,000,000	\$25 million
Park and greenery maintenance and activation	\$600,000	\$15 million
Capital for cultural amenities (e.g. Yerba Buena Gardens)*	N/A	\$15 million
Neighborhood cleaning	\$350,000	\$8.75 million
Bessie Carmichael supplemental services	\$250,000	\$6.25 million
TOTAL		\$70 million

*If this funding is needed, it would be provided as a lump sum rather than an ongoing contribution..

Planning

ADMINISTRATION ENTITIES

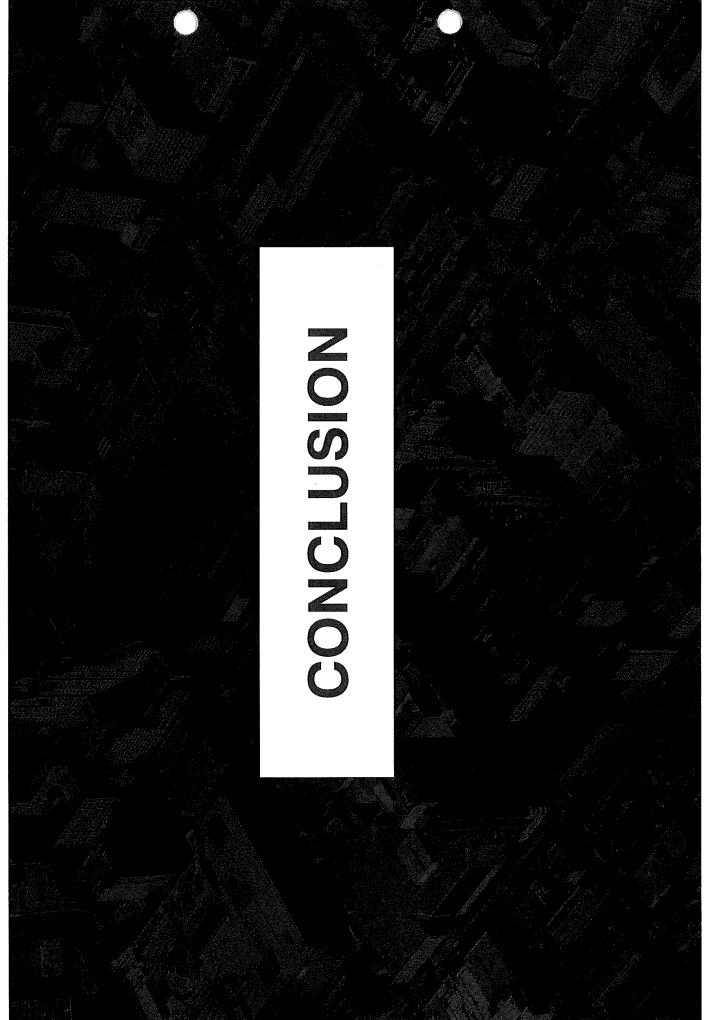
Capital Planning Committee	 Approve 5-year expenditure plan (subject to Board approval) Recommend changes in revenue allocation
Director of Public Finance	 Develop 5-year revenue forecast Authorize tax commencement Authorize bond issuances (subject to Board approval)
Interagency Plan Implementation Committee (IPIC)	 Develop 5-year Expenditure Plan Advisor to CPC & Director of Public Finance
Community Advisory Committees (CACs)	 Provide public oversight & advise on expenditure plan



COLLABORATION

- Joint Community Facilities Agreements (JCFAs)
 - Will be required for non-City agencies receiving tax revenues
 - Example: Regional transit providers (1/3 of transportation funding) will collaborate with City through IPIC and Mayor/ Board







COMMUNITY ADVISORY COMMITTEES (CAC)

Planning Commission Recommendation in Admin Code:

Amend the Eastern Neighborhoods Community Advisory Committee (CAC) and split it into two:

- SoMa-wide (East, West, and Central)
- Rest of Eastern Neighborhoods: Mission, Showplace Square / Potrero Hill, Central Waterfront

As this will require significant consideration of responsibilities and reallocation of funding, this will return to the Planning Commission and the Board as trailing legislation.



OTHER PLANNING CODE AMENDMENTS

Zoning amendments to create the Central SoMa Special Use District, including:

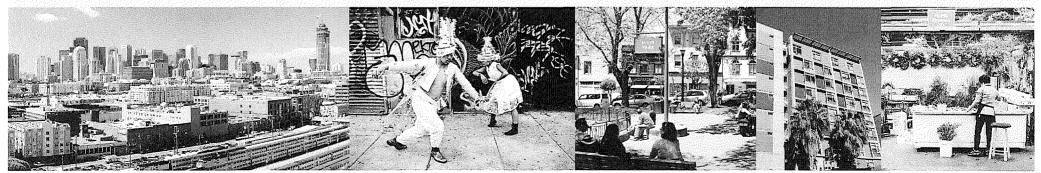
- Zoning district changes, including the newly created CMUO (Central SoMa Mixed Use Office)
- Urban design requirements
- Open space (POPOS) and environmental sustainability requirements
- Development exactions
- Changes to development review process



TODAY'S ACTIONS

Hearing to consider:

- 1. Amendments to Administrative Code
 - Section 35: PDR and Residential / Hotel Compatibility
 - Chapter 43, Section 10: Special Tax Financing Law
- 2. Amendments to Planning Code
 - Note: this item is intended to be heard at Land Use & Transportation Committee







SAN FRANCISCO FLOWER MART 180612

SUBAL (TTED IN COMMA 7/16/18

180490 180185 180453

June 29, 2018

Dear President Cohen and Members of the SF Board of Supervisors,

My name is Jeanne Boes, General Manager and Chief Operations Officer of the San Francisco Flower Mart LLC (SFFM). SFFM is the master tenant of the historic wholesale flower market at 6th & Brannan Streets in SoMa. I represent our members/ownership group and our 50+ tenants which make up the San Francisco Flower Mart. I am writing to express our support for the Central SoMa Plan and the Flower Mart Project.

To give you a brief history, the San Francisco Flower Mart has operated in the City of San Francisco since 1912. We were founded by groups of immigrant flower farmers to the Bay Area, Chinese, Italian and Japanese farmers of California cut flowers and plants. We have relocated our market four times over the years in SF, going from selling at the foot of Lotta's Fountain to our current location at 6th and Brannan Streets. These farmers even supported and worked their Japanese neighbors' farms during World War II, when Japanese Americans were relocated to internment camps. We have always stayed together in SF!

We are now at another transition in our life in the City, preparing to relocate to a temporary location at 2000 Marin Street, as our partner Kilroy Realty builds-out the new Flower Mart. We are eternally grateful for the support of both Supervisor Jane Kim, and Supervisor Aaron Peskin. These Supervisors worked tirelessly to assure that the temporary location of the SFFM will be at 2000 Marin Street and not at Piers 19 & 23 on the crowded, busy Embarcadero. This temporary site will assure the viability of our tenants during the buildout of the new Flower Mart at 6th & Brannan Streets.

Here is a snapshot of the SF Flower Mart. We are part of a \$26 billion US Industry; with retail sales in the US totaling \$7,500,000,000. This means we generate hundreds of millions of dollars annually in the City of San Francisco.

We house over 50 small businesses in the market (vendors), 26 of these vendors qualify as "Legacy Businesses" in SF. They are purveyors of cut flowers, potted plants, blooming plants and floral supply products. Products in our market at one time were only from the immediate Bay Area, now flowers come from all over the world. These products are delivered to our marketplace via the aid of the trucking and transportation industry. We are heavily reliant on semi-trucks and box trucks to receive and distribute our products.

In addition to showing our full support for the Plan and the Project, we want to bring attention to couple of very important issues as they relate to the viability of the wholesale flower market, parking and zoning requirements.

6TH & BRANNAN STREETS & SAN FRANCISCO, CA 94107 & 415.392-7944 & WWW.SANFRANCISCOFLOWERMART.COM & &





We employ over 350 blue-collar workers in the Flower Mart, and most of these workers drive their vehicles to work. They currently park on the surrounding streets and alley ways, with no cost to them. Our business depends on the use of personal vehicles -- vans, and box trucks. We are heavily reliant on transportation; public transportation is not an option for our vendors. In addition to the inaccessibility of public transit during our early morning hours, our vendors often arrive with trucks full of product. We operate during the hours of:

12 am to 3 pm, Monday, Wednesday and Friday 5 am to 3 pm, Tuesday, Thursday and Saturday Our peak hours of operation run from 5-6 am to 12-1 pm Monday-Friday.

We have over 4,300 registered buyers ("Badgeholders"), most of which are small business owners, who operate in every surrounding county of the Bay Area, including SF. Our customers load their vehicles with the product they purchase at the SFFM and deliver the product back to their businesses via personal vehicles, small trucks, or vans. Currently, our parking lot holds 144 customer cars and trucks and is often double parked to accommodate demand. Our vendors park their box trucks on the streets surrounding the market.

In the New Flower Mart Project we have been promised 150 car spaces and 25 truck parking spaces within the parking garage dedicated to the SFFM -- there is no way we can operate with less than that. In addition to those spaces within the project, we will also need to use the parking and loading spaces proposed on the streets surrounding the market for the early morning and late night hours.

Another issue that has been brought to our attention is the zoning requirement for PDR use to have transparent windows and doors on 60% of the ground floor street frontage. Looking at the current design and customer flow, either the windows would look into the refrigeration units causing temperature variations along with sunlight which would damage the product. Our perishable products need regulated stable environments to maximize shelf life. The other option woud have the windows opening into the back-of-house of the vendor's operation, resulting in a lack of privacy and security. This requirement would negatively affect the operations of our vendors in the market.

We urge you to approve the Central SoMa Plan, and the Flower Mart Project, which will allow our vendors to continue to grow and thrive for another 100 years in SF. Please also consider the exceptions for the Flower Mart Project related to the two issues described above.

Respectfully,

leanne Boes

General Manager, Chief Operations Officer SAN FRANCISCO FLOWER MART LLC

Central SoMa Zoning Analysis – Suggested Planning Code Amendments

The table below identifies issues in the proposed Central SoMa Planning Code amendments ordinance (BOS File No. 180184) that are of particular concern to the proposed Flower Mart Project. Suggested revisions are indicated in red.

Topic	Draft Planning Code Section:	Issue	Suggested Revision
Real States	ALL AND AND A DE	SFFM Proposed Amendments not Address	sed by Planning Commission
Parking	Proposed § 329(e)(3)(B)	The proposed ordinance does not provide an exception from the parking standards for the Key Sites, even though those properties are required to provide large PDR spaces, the future tenants of which are likely to require large amounts of parking. In particular, the success of the replacement Wholesale Flower Market will depend in large part on the provision of adequate parking (as required by KRC's agreement with the Wholesale Flower Market tenants) to accommodate a high volume of wholesale customers moving large amounts of goods. We propose the addition of an exception that would allow Key Sites to receive an exception to provide additional parking for wholesale /distribution uses.	 Proposed § 329(e)(3)(B) should be amended to allow Key Sites to seek an exception from the maximum accessory parking requirements in order to provide sufficient parking for large scale wholesale and distribution uses. (B) Exceptions the requirement that POPOS be open to the sky established in Section 138(d)(2)(B); or the commercial orientation of large sites established in Section 249.78(c)(6); or the accessory parking maximums set forth in Section 151.1, such that the Key Site identified in Section 329(e)(2)(F) may provide accessory parking for Wholesale Sales and Distribution uses up to a rate of one car per each 750 square feet of Gross Floor Area.
Transparent Fenestration of PDR	Proposed §§ 249.78(c)(1)(E) and 329(e)(3)(B)	The Proposed § 249.78(c)(1)(E) applies the transparency and fenestration requirements of existing Code Section 145.1 to PDR uses. The types of uses that occupy PDR space often involve machinery, noise, and abnormal operating hours, and are not the type of uses enhanced by ground floor transparency—nor are they the kinds of uses for which ground floor windows would enhance the pedestrian environment.	 Proposed § 329(e)(3)(B) should be amended to allow Key Sites to seek an exception from the requirement that PDR uses meet the transparency and fenestration requirements contained in § 249.78(c)(1)(E). (B) Exceptions the requirement that POPOS be open to the sky established in Section 138(d)(2)(B); or the commercial orientation of large sites established in Section 249.78(c)(6); or the requirement that PDR uses meet the transparency and fenestration requirements established in Section 249.78(c)(1)(E).

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POPOS	Amended § 138; Proposed § 329(e)(3)(B)	Under proposed § 329(e)(3)(B), Key Sites may seek an exception from "the requirement that POPOS be open to the sky established in Section 138(d)(2)(B)." But it is § 138(d)(2)(E)(i) that requires at grade open space to be open to the sky. Proposed § 138(d)(2)(B) requires that projects "on sites of 40,000 square feet or more and located	 Proposed § 329(e)(3)(B) regarding open space exceptions that should be corrected as follows: (B) Exceptions the requirement that POPOS be open to the sky established in Section 138(d)(2)(BE)(i); or the commercial orientation of large sites established in Section 249.78(c)(6).
		south of Bryant Street shall provide the required open space outdoors and may not pay an in-lieu fee."	
POPOS & Open Space In-Lieu Fee	Amended § 426	As amended, § 426 states that an in-lieu fee is required for each square foot of POPOS and non- residential open space that is required but not provided.	Amended § 426 should be revised such that an in lieu fee would not be required where a project obtains an exception only from the qualitative standards of the POPOS requirements, but where the project provides the amount of POPOS mandated by the Code. We suggest the following amendment:
			In the CMUO District, the usable open space requirement of Section 135.3 and the POPOS requirement of Section 138 may be satisfied through payment of a fee of \$890 for each square foot of required usable open space not provided. Payment of a fee shall not be required for any square footage of usable open space or POPOS that is provided in the amount required, but for which a variance or exception is granted for design standards otherwise applicable to such open space or POPOS
Living and Solar Roofs	Proposed §§ 249.78(d)(3) and 329(e)(3)(B)	Proposed § 249.78(d)(3) requires that Central SoMa buildings that are 160-feet-tall or less provide at least 50% of the roof area as living roof and comply with Building Code Section 5.201.1.2, which sets forth the requirements for solar systems on non-residential buildings.	 Proposed § 329(e)(3)(B) should allow for a Key Sites exception from the living roof and solar requirements as long as a comparable amount of required living roof and/or solar system area is provided elsewhere on the property. (B) Exceptions the requirement that POPOS be open to the sky established in Section 138(d)(2)(B); or the commercial orientation of large sites established in Section 249.78(c)(6); or the living and solar roofs requirements established in Section 249.78(d)(3), so long as a comparable amount of required living and/or solar roof area is provided elsewhere on the property.

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Tower Separation	Proposed §§ 132.4(d)(3) and 329(e)(3)(B)	Proposed § 329(e)(3)(B) states that Key Sites can seek an exception for the tower separation requirements in § 132.4, and Planning staff has advised that Key Sites are not required to meet the 4 criteria listed in proposed § 132.4(d)(3) in order to obtain this exception. However, this should be clarified in the Code language.	Proposed § 132.4(d)(3) should be amended to clarify that Key Sites can obtain an exception from the tower separation requirements without meeting the four criteria set forth in proposed § 132.4(d)(3)(B): <u>Through the procedures of Section 329, the Planning Commission may</u> reduce the separation required under subsection (A) if it finds that a Tower project meets all of the following criteria. Key Sites, as identified in § 329(e)(2), are not required to comply with the following criteria in order to obtain a reduction of the Building Separation requirements set forth in subsection (A), as the Key Sites are eligible for a general exception from the Building Separation requirements pursuant to § 329(e)(3)(B).
Key Sites Exceptions, Generally	Proposed § 329(d)(12)	The proposed language eliminates the ability of Central SoMa SUD projects to seek the PUD exceptions under § 304, which are currently available to LPA projects pursuant to existing § 329(d)(12). The Central SoMa Plan requires or encourages a mix of PDR, office, retail, and residential in a relatively dense environment, all while striving for a dense, walkable, and transit-oriented neighborhood. Some measure of flexibility in applying prescriptive Code standards is necessary in order to facilitate building typologies and mixes of uses that are relatively novel.	Revise amended § 329(d)(12) to allow Key Sites projects to seek PUD- type exceptions (as set forth in § 304) via an LPA: Where not specified elsewhere in this <u>Ss</u> ubsection (d), modification of other Code requirements <u>which that</u> could otherwise be modified as a Planned Unit Development (as set forth in Section 304), irrespective of the zoning district in which the property is located, <u>except that such</u> <u>modifications shall not be permitted for non-Key Sites projects in the</u> <u>Central SoMa Special Use District. Those projects on Key Sites, as</u> <u>identified in subsection (e) below, may obtain exceptions from those</u> <u>Code requirements that could be otherwise be modified as a Planned</u> <u>Unit Development.</u>

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Received in Committee 7/9/2018 Q10:30am

San Francisco Board of Supervisors City Hall San Francisco CA 94102

July 9, 2018

RE: CENTRAL SOMA PLAN Establishing The South of Market Community Advisory Committee

Honorable Supervisors:

The Department of City Planning now recommends establishing a new South of Market CAC by splitting the existing Eastern Neighborhoods Citizens Advisory Committee in two. That is a logical starting point, but falls far short of what is really need to ensure full public and community participation in determining the future of our dynamic Neighborhood.

The current Eastern Neighborhoods CAC suffers from two fatal flaws:

- 1. As the Department now admits, it is too big, attempting to provide community engagement for three very complex and different neighborhoods SOMA, the Mission District, and Potrero/Central Waterfront.
- Its scope of City development review is far too limited limited to just MTA, DPW, Park/Rec, and Childcare planning. The crucial Mayor's Office of Housing affordable housing programs are completely omitted, and also the Mayor's Offices of Community Development and Economic and Workforce Development.

To correct this, the scope of the purview of the new Central SOMA CAC must be substantially enlarged and very clearly specified, as follows (this would be a revision of the Eastern Neighborhoods ordinance section outlining that CAC's role):

"The SOMA CAC shall be the central community advisory body charged with providing input to City agencies and decision makers with regard to all activities related to implementation of the Central SOMA Plan and Eastern Neighborhoods Area Plans within the South of Market Special Use District by all City agencies, including but not limited to the City Planning Department, the Mayor's Office of Housing and Community Development, the Mayor's Office of Economic and Workforce Development, the Municipal Transportation Authority, the Recreation and Parks Department, the Department of Public Works, and the Arts Commission. The CAC is established for the purposes of providing input regarding Central SOMA Plan Area and Eastern Neighborhoods Plan Areas within the South of Market Special Use District on the (i) prioritization of Public Benefits, (ii) updating the Public Benefits program, (iii) programming of public investments in South of Market including community facilities districts, (iv) proposed revisions to planning code and zoning provisions, (v) relaying information to community members in the South of Market neighborhood regarding the status of development proposals, and (vi) providing input to plan area monitoring efforts as appropriate. The CAC shall be advisory, as appropriate, to the Planning Department, the Interagency Planning & Implementation Committee (IPIC), the Planning Commission, relevant City departments and agencies, and the Board of Supervisors."

Sincerely,

John Elberling President **BOARD of SUPERVISORS**



City Hall 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco 94102-4689 Tel. No. 554-5184 Fax No. 554-5163 TDD/TTY No. 554-5227

MEMORANDUM

TO: John Rahaim, Director, Planning Department Todd Rufo, Director, Office of Economic and Workforce Development

FROM:

Alisa Somera, Legislative Deputy Director Rules Committee

DATE: June 11, 2018

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee has received the following proposed legislation, introduced by Mayor Farrell on June 5, 2018:

File No. 180612

Ordinance amending the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize special tax financing of certain facilities and services related to the Central SoMa Plan Area and to make other necessary amendments.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: <u>alisa.somera@sfgov.org</u>.

c: Scott Sanchez, Planning Department Lisa Gibson, Planning Department AnMarie Rodgers, Planning Department Dan Sider, Planning Department Aaron Starr, Planning Department Joy Navarrete, Planning Department Laura Lynch, Planning Department Ken Rich, Office of Economic and Workforce Development Lisa Pagan, Office of Economic and Workforce Development Office of the Mayor San Francisco



Mark Farrell Mayor

TO: Angela Calvillo, Clerk of the Board of Supervisors FROM/Wayor Farrell RE: San Francisco Special Tax Financing Law DATE: June 5, 2018

Attached for introduction to the Board of Supervisors is an ordinance to amend the San Francisco Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize special tax financing of certain facilities and services related to the Central SoMa Plan Area and to make other necessary amendments.

Should you have any questions, please contact Andres Power 554-5168.

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200 SAN FRANCISCO, CALIFORNIA 94102-4681 TELEPHONE: (415) 554-6141