



March 19, 2017

Hon. London Breed
San Francisco Board of Supervisors
City Hall Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: 2675 Folsom Street
File No. 161146 (CEQA Appeal)
Hearing Date: March 21, 2017

Dear President Breed and Supervisors,

On behalf of Axis Development Group (Axis), the Respondent in the 2675 Folsom Street CEQA Appeal (Board of Supervisors File No. 161146), on Friday March 17, 2017, we submitted a batch of documents into the Administrative Record that consists primarily of previously vetted and approved documents from prior hearings on the validity of the Eastern Neighborhoods Programmatic Environmental Impact Report (EN PEIR). **The documents did not include any new information that had not previously been considered by the Board of Supervisors** or referenced in the technical studies prepared by Planning Department. We submitted the documents to ensure that they were part of the Administrative Record should there be continuing legal actions related to the validity of the EN PEIR.

Over the past six (6) months, the Board of Supervisors has heard three (3) CEQA appeals challenging the validity of the EN PEIR. In each instance, Planning Department staff has presented substantial evidence supporting the validity of the EN PEIR. These documents are relevant to the 2675 Folsom Street CEQA Appeal and the validity of the EN PEIR and were submitted into the Administrative Record simply to document that the Planning Department has consistently produced substantial evidence of the validity of the EN PEIR, that the arguments raised by appellants challenging the EN PEIR are nearly identical, and that in each instance those challenges have been defeated and the EN PEIR upheld. **Again, none of this information is new information as it was all part of previous challenges heard by the Board of Supervisors related to the EN PEIR.**

The following is a summary of the documents submitted. They fall into the following two categories:

1. A mixture of public record documents (Board Package, Hearing Transcripts) associated with the Board's approval of other development projects that, like 2675 Folsom Street, rely on the EN PEIR for compliance with the California Environmental Quality Act (CEQA); and,
2. Hard copies of reports and studies that ALH identified, and relied on, in preparation of its study on Gentrification and Displacement issues that was included with Board Package/Staff Report for 2675 Folsom Street.

CATEGORY 1 - Public Record Documents

2070 Bryant Street:

- Board Package, approved Motion and Hearing Transcript associated with 2070 Bryant Street project that the Board of Supervisors approved on September 14, 2016 (unanimously) after appeal of its CEQA/Community Plan Exemption (CPE) authorization that was based on the EN PEIR. The Board determined that the EN PEIR was not fundamentally flawed as the appellants claimed.

1296 Shotwell Street:

- Board Package, approved Motion and Hearing Transcript associated with the 1296 Shotwell Street project that the Board of Supervisors approved on February 14, 2017 (unanimously) after appeal of its CEQA/Exemption that was based on the EN PEIR. The Board determined that the EN PEIR was not fundamentally flawed as the appellants claimed.

340 Bryant Street:

- Hearing Transcript and Approved Motion, associated with the 340 Bryant Street project that the Board of Supervisors approved, on appeal, on April 7, 2015 after the project's CEQA/CPE was appealed. In approving the CEQA/CPE the Board rejected the appellants claim that the CPE and the EN PEIR was fundamentally flawed.

1515 South Van Ness

- Board Package and Hearing Transcript associated with the November 15, 2016 hearing on the 1515 South Van Ness project.

CATEGORY 2 – Background Reports and Studies on Displacement and Gentrification

On Monday, March 13, 2017, the Planning Department submitted their updated response to the 2675 Folsom Street CEQA Appeal. As part of that response, two technical studies were also submitted. One of those technical studies was a report prepared by Amy Herman from ALH Urban & Regional Economics (ALH), commissioned by the City to assess the causes of displacement, issues surrounding gentrification and the lack of causality between new market rate housing and displacement, completed a literature review of the following documents. The report cited numerous background reports and studies. The document submitted on Friday, March 17, 2017, by this office included copies of those background reports and studies for the Administrative Record. Specifically, they include the following background report and studies each of which is cited in the ALH report:

- SF City Controller “Inclusionary Housing Working Group Report, Sept. 2016.
- SF City Controller “Effects of limiting Market Rate Housing in the Mission” Sept 2015.
- Lance Freeman and Frank Braconi, “Gentrification and Displacement: New York City the 1990s” *Journal of the American Planning Association*; Winter 2004;

- Terra McKinnish, Randall Walsh, Kirk White. “Who Gentrifies Low-Income Neighborhoods?” Natl Bur Economic Research Working Paper (May 2008).
- Ingrid Gould Ellen, Katherine M. O'Regan, “How Low-Income Neighborhoods Change: Entry, Exit, and Enhancement,” *Regional Science and Urban Economics*, Volume 41, Issue 2 (March 2011).
- Silva Mathema, “Gentrification: An Updated Literature Review,” *Poverty & Race Research Action Council* (October 2013).
- Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, “Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup,” (August 2014).
- Joe Cortright, “How *Governing* got it wrong: The problem with confusing gentrification and displacement,” *Cityobservatory.org* Commentary (June 2, 2015).
- Richard Florida, “The Complicated Link Between Gentrification and Displacement,” *Citylab* (Atlantic Magazine), September 8, 2015.
- University of California, Berkeley, “Urban Displacement Project,” (funded by the U.S. Department of Housing and Urban Development (December 2015).
- Miriam Zuk, Karen Chapple, “Housing Production, Filtering and Displacement: Untangling the Relationships,” University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016).
- Lei Ding, Jackelyn Hwang, Eileen Divringi, “Gentrification and Residential Mobility in Philadelphia,” Federal Reserve Bank of Philadelphia, (September 2016).
- Derek Hyra, “Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy,” *Cityscape*, Volume 18, Number 3, Office of Policy Development and Research, U.S. Dept HUD (November 2016).
- Mac Taylor, Legislative Analyst, California Legislative Analyst’s Office, “California’s High Housing Costs: Causes and Consequences,” March 17, 2015.
- Mac Taylor, Legislative Analyst, California Legislative Analyst’s Office, “Perspectives on Helping Low-Income Californians Afford Housing,” (February 2016).
- Paavo Monkkonen, Associate Professor UCLA “Understanding and Challenging Opposition to Housing Construction in California’s Urban Areas,” Housing, Land Use and Development Lectureship & White Paper, December 1, 2016.

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If you have any questions, please do not hesitate to contact me at (415) 273-9670.

Very truly yours,



Alexis M. Pelosi