

File No. 180453 Committee Item No. 3  
Board Item No. \_\_\_\_\_

**COMMITTEE/BOARD OF SUPERVISORS**  
AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date September 10, 2018

Board of Supervisors Meeting Date \_\_\_\_\_  
Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
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**OTHER** (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referral PC 050818</u>     |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referral FYI 050818</u>    |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>PLN Transmittal 051418</u> |
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Completed by: Erica Major Date September 7, 2018  
Completed by: Erica Major Date \_\_\_\_\_

1 [Business and Tax Regulations, Planning Codes - Central South of Market Housing  
2 Sustainability District]

3 **Ordinance amending the Business and Tax Regulations and Planning Codes to create**  
4 **the Central South of Market Housing Sustainability District (encompassing an area**  
5 **generally bounded on its western portion by Sixth Street, on its eastern portion by**  
6 **Second Street, on its northern portion by the border of the Downtown Plan Area (an**  
7 **irregular border that generally tracks Folsom, Howard, or Stevenson Streets), and on**  
8 **its southern portion by Townsend Street) to provide a streamlined and ministerial**  
9 **approval process for certain housing projects within the District meeting specific labor,**  
10 **on-site affordability, and other requirements; creating an expedited Board of Appeals**  
11 **process for appeals of projects within the District; and making approval findings under**  
12 **the California Environmental Quality Act, findings of public convenience, necessity,**  
13 **and welfare under Planning Code, Section 302, and findings of consistency with the**  
14 **General Plan, and the eight priority policies of Planning Code, Section 101.1.**

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

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

23 Section 1. Environmental and Planning Code Findings.

24 (a) On May 10, 2018 after a duly noticed public hearing, the Planning Commission  
25 certified the Final Environmental Impact Report (EIR) for the proposed Central SoMa Area  
Plan (the Project) by Motion No. 20182, finding the Final EIR reflects the independent

1 judgment and analysis of the City and County of San Francisco, is adequate, accurate and  
2 objective, and contains no significant revisions to the Draft EIR, and the content of the report  
3 and the procedures through which the Final EIR was prepared, publicized, and reviewed  
4 comply with the provisions of the California Environmental Quality Act (CEQA) (Public  
5 Resources Code Sections 21000 et seq.), the CEQA Guidelines (14 Cal. Code Regs.  
6 Sections 15000 et seq.) and Chapter 31 of the Administrative Code. Copies of the Planning  
7 Commission Motion and Final EIR are on file with the Clerk of the Board of Supervisors in File  
8 No. 180453 and are incorporated herein by reference.

9 (b) The Project evaluated in the Final EIR includes proposed amendments to the  
10 Planning Code, Administrative Code, and Zoning Map, as well as amendments to the General  
11 Plan to adopt the Central South of Market ("Central SoMa") Area Plan and other related  
12 amendments. The proposed Planning Code amendments and Business and Tax Regulations  
13 Code amendments set forth in this ordinance are within the scope of the Project evaluated in  
14 the Final EIR.

15 (c) At the same hearing during which the Planning Commission certified the Final EIR,  
16 the Planning Commission adopted findings under CEQA regarding the Project's  
17 environmental impacts, the disposition of mitigation measures, and project alternatives, as  
18 well as a statement of overriding considerations (CEQA Findings) and adopted a mitigation  
19 monitoring reporting program (MMRP), by Resolution No. 20188.

20 (d) At the same hearing, the Planning Commission, in Resolution No. 20188,  
21 recommended the proposed Planning Code amendments for approval and adopted findings  
22 that the actions contemplated in this ordinance creating the Central South of Market Housing  
23 Sustainability District are consistent, on balance, with the City's General Plan and eight  
24 priority policies of Planning Code Section 101.1. The Board adopts these findings as its own.  
25

1 A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No.  
2 180453, and is incorporated herein by reference.

3 (e) Pursuant to Planning Code Section 302, the Board of Supervisors finds that the  
4 Planning Code amendments and Business and Tax Regulations Code amendments will serve  
5 the public necessity, convenience, and welfare for the reasons set forth in Planning  
6 Commission Resolution No. 20188, and the Board incorporates such reasons herein by  
7 reference.

8 (f) The Board of Supervisors has reviewed and considered the Final EIR and the  
9 environmental documents on file referred to herein. The Board of Supervisors has reviewed  
10 and considered the CEQA Findings, and hereby adopts them as its own and incorporates  
11 them by reference as though such findings were fully set forth herein.

12 (g) The Board of Supervisors adopts the MMRP as a condition of this approval, and  
13 endorses those mitigation measures that are under the jurisdiction of other City Departments,  
14 and recommends for adoption those mitigation measures that are enforceable by agencies  
15 other than City agencies, all as set forth in the CEQA Findings and MMRP.

16 (h) The Board of Supervisors finds that no substantial changes have occurred in the  
17 proposed Project that would require revisions in the Final EIR due to the involvement of new  
18 significant environmental effects or a substantial increase in the severity of previously  
19 identified significant effects; no substantial changes have occurred with respect to the  
20 circumstances under which the proposed Project is to be undertaken that would require major  
21 revisions to the Final EIR due to the involvement of new environmental effects or a substantial  
22 increase in the severity of effects identified in the Final EIR, and no new information of  
23 substantial importance to the proposed Project has become available that indicates that (1)  
24 the Project will have significant effects not discussed in the Final EIR, (2) significant  
25 environmental effects will be substantially more severe, (3) mitigation measures or



1 alternatives found not feasible that would reduce one or more significant effects have become  
2 feasible or (4) mitigation measures or alternatives that are considerably different from those in  
3 the Final EIR would substantially reduce one or more significant effects on the environment.  
4

5 Section 2. The Business and Tax Regulations Code is hereby amended by revising  
6 Sections 8 and 26, to read as follows:  
7

8 **SEC. 8. METHOD OF APPEAL TO THE BOARD OF APPEALS.**

9 (a) Except for variance decisions and permits issued by the Entertainment Commission  
10 or its Director, *and as otherwise specified in this Section 8,* appeals to the Board of Appeals shall  
11 be taken within 15 days from the making or entry of the order or decision from which the  
12 appeal is taken. Appeals of variance decisions shall be taken within 10 days.

13 (b) Appeals to the Board of Appeals of permit decisions made pursuant to Planning Code  
14 Section 343 shall be taken within 10 days of the permit decision. This subsection (b) shall expire on the  
15 Sunset Date of Planning Code Section 343, as defined in that Section. Upon the expiration of this  
16 subsection, the City Attorney shall cause this subsection to be removed from the Business and Tax  
17 Regulations Code.

18 (c) Appeals of actions taken by the Entertainment Commission or its Director on the  
19 granting, denial, amendment, suspension, or revocation of a permit, or on denial of exceptions  
20 from regulations for an Extended-Hours Premises Permit, shall be taken within 10 days from  
21 the making of the decision. Nothing in this Section 8 is intended to require an appeal to the  
22 Board of Appeals if any provision of Article 15, Article 15.1 (Entertainment Regulations Permit  
23 and License Provisions), or Article 15.2 (Entertainment Regulations for Extended-Hours  
24 Premises) of the Police Code governing these permits otherwise provides.  
25

1            (d) Appeals shall be taken by filing a notice of appeal with the Board of Appeals and  
2 paying to said Board at such time a filing fee as follows:

3            ~~(a1)~~ **Zoning Administrator, Planning Department, Director of Planning,**  
4 **and Planning Commission.**

5            ~~(1A)~~ For each appeal from the Zoning Administrator's variance decision,  
6 the fee shall be \$600.

7            ~~(2B)~~ For each appeal from any order, requirement, decision, or other  
8 determination (other than a variance) made by the Zoning Administrator, the Planning  
9 Department or Commission or the Director of Planning, including an appeal from disapproval  
10 of a permit which results from such an action, the fee shall be \$600.

11            ~~(b2)~~ **Department of Building Inspection.**

12            ~~(1A)~~ For each appeal from a Department of Building Inspection denial,  
13 conditional approval, or granting of a residential hotel or apartment conversion permit, the fee  
14 shall be \$525.

15            ~~(2B)~~ For each appeal from the granting or denial of a building demolition,  
16 or other permit (other than residential hotel conversion), the fee shall be \$175.

17            ~~(3C)~~ For each appeal from the imposition of a penalty only, the fee shall  
18 be \$300.

19            ~~(e3)~~ **Police Department and Entertainment Commission.**

20            ~~(1A)~~ For each appeal from the denial or granting of a permit or license  
21 issued by the Police Department, Entertainment Commission, or the Director of the  
22 Entertainment Commission, to the owner or operator of a business, the fee shall be \$375; for  
23 each such permit or license issued to an individual employed by or working under contract to  
24 a business, the fee shall be \$150.

1                   (2B) For each appeal from the revocation or suspension of a permit or  
2 license by the Police Department, Entertainment Commission, or the Director of the  
3 Entertainment Commission, the fee shall be \$375 for an entity or individual.

4                   (d4) **Department of Public Works.** For each appeal from the decision of the  
5 Director of the Department of Public Works concerning street tree removal by a City agency,  
6 commission, or department, the fee shall be \$100.

7                   (e5) For each appeal from any other order or decision, the fee shall be \$300.

8                   (f6) For requests for rehearing under Section 16 of this Article 1, the fee shall  
9 be \$150.

10                  (g7) For requests for jurisdiction, the fee shall be \$150.

11                  (h8) An exemption from paying the full fee specified in Subsections (d)(1)  
12 *through (7)(a), (b), (c), (d), (e), (f), and (g)* herein may be granted upon the filing under penalty of  
13 perjury of a declaration of indigency on the form provided and approved by the Board. All  
14 agencies of the City and County of San Francisco are exempted from these fees.

15                  (i9) **Additional Requirements.**

16                  (jA) Notice of appeal shall be in such form as may be provided by the  
17 rules of the Board of Appeals.

18                  (2B) On the filing of any appeal, the Board of Appeals shall notify in  
19 writing the department, board, commission, officer or other person from whose action the  
20 appeal is taken of such appeal. On the filing of any appeal concerning a structural addition to  
21 an existing building, the Board of Appeals shall additionally notify in writing the property  
22 owners of buildings immediately adjacent to the subject building.

23                  (3C) *Except as otherwise specified in this subsection (d)(9)(C),* The Board of  
24 Appeals shall fix the time and place of hearing, which shall be not less than 10 nor more than  
25

1 45 days after the filing of said appeal, and shall act thereon not later than 60 days after such  
2 filing or a reasonable time thereafter.

3 (i) In the case of a permit issued by the Entertainment  
4 Commission or its Director, the Board of Appeals shall set the hearing not less than 15 days  
5 after the filing of said appeal, shall act thereon not more than 30 days after such filing, and  
6 shall not entertain a motion for rehearing.

7 (ii) In the case of a decision on a permit application made pursuant to  
8 Planning Code Section 343, the Board of Appeals shall set the hearing not less than 10 days after the  
9 filing of said appeal, shall act thereon not more than 30 days after such filing, and shall not entertain a  
10 motion for rehearing. This subsection (d)(9)(C)(ii) shall expire on the Sunset Date of Planning Code  
11 Section 343, as defined in that Section. Upon the expiration of this subsection, the City Attorney shall  
12 cause this subsection to be removed from the Business and Tax Regulations Code.

13 (4D) With respect to any decision of the Board of Appeals related to any  
14 "dwelling" in which "protected class members" are likely to reside (each as defined in  
15 Administrative Code Chapter 87), the Board of Appeals shall comply with the requirements of  
16 Administrative Code Chapter 87 which requires, among other things, that the Board of  
17 Appeals not base any decision regarding the development of such units on information which  
18 may be discriminatory to any member of a "protected class."

19 (5E) Pending decision by the Board of Appeals, the action of such  
20 department, board, commission, officer or other person from which an appeal is taken, shall  
21 be suspended, except for: (i) actions of revocation or suspension of permit by the Director of  
22 Public Health when determined by the Director to be an extreme public health hazard; (ii)  
23 actions by the Zoning Administrator or Director of the Department of Building Inspection  
24 stopping work under or suspending an issued permit; (iii) actions of suspension or revocation  
25 by the Entertainment Commission or the Director of the Entertainment Commission when the

1 suspending or revoking authority determines that ongoing operation of the activity during the  
2 appeal to the Board of Appeals would pose a serious threat to public safety; and (iv) actions of  
3 the Director of the Office of Cannabis awarding a Temporary Cannabis Business Permit.  
4

5 **SEC. 26. FACTS TO BE CONSIDERED BY DEPARTMENTS.**

6 (a) Subject to ~~§~~subsection (b) ~~below~~, in the granting or denying of any permit, or the  
7 revoking or the refusing to revoke any permit, the granting or revoking power may take into  
8 consideration the effect of the proposed business or calling upon surrounding property and  
9 upon its residents, and inhabitants thereof; and in granting or denying said permit, or revoking  
10 or refusing to revoke a permit, may exercise its sound discretion as to whether said permit  
11 should be granted, transferred, denied, or revoked.

12 \* \* \* \*

13 *(e) Notwithstanding subsection (a), the provisions of Planning Code Section 343 shall govern*  
14 *actions taken on the granting, denial, amendment, suspension, and revocation of permits regulated*  
15 *under that Section 343, not the standards set forth in subsection (a) of this Section 26. This subsection*  
16 *(e) shall become operative upon receipt of preliminary approval of Planning Code Section 343 by the*  
17 *California Department of Housing and Community Development under California Government Code*  
18 *Section 66202. This subsection shall expire by the operation of law in accordance with the provisions*  
19 *of Planning Code Section 343(k). Upon its expiration, the City Attorney shall cause this subsection to*  
20 *be removed from the Business and Tax Regulations Code.*

21  
22  
23 Section 3. The Planning Code is hereby amended by adding Section 343, to read as  
24 follows:

25 **SEC. 343. CENTRAL SOMA HOUSING SUSTAINABILITY DISTRICT.**

1           (a) Purpose. *This Section 343 establishes a Housing Sustainability District within the Central*  
2 *SoMa Plan Area (“Central SoMa Housing Sustainability District” or “Central SoMa HSD”) under*  
3 *California Government Code Sections 66200 et seq. The purpose of the Central SoMa Housing*  
4 *Sustainability District is to encourage the provision of on-site affordable housing in new residential*  
5 *and mixed-use projects in Central SoMa by providing a streamlined, ministerial approval process for*  
6 *such projects. The Central SoMa Plan anticipates that 33% of all new residential units produced*  
7 *within the Plan Area will be permanently affordable to households of very low, low, or moderate*  
8 *income. This Section 343 sets forth eligibility criteria, design review standards, and entitlement and*  
9 *approval procedures for projects seeking approval pursuant to the requirements of the Central SoMa*  
10 *Housing Sustainability District.*

11           (b) Geography. *The Central SoMa Housing Sustainability District shall include all parcels*  
12 *within the Central SoMa Special Use District, which is defined in Section 249.78(b). The entirety of the*  
13 *Central SoMa Special Use District is an “eligible location,” as that term is defined in California*  
14 *Government Code Section 66200(e).*

15           (c) Relationship to Other Planning Code Provisions. *Except as otherwise provided in this*  
16 *Section 343, all provisions of the Planning Code, including Section 249.78, that would be applicable to*  
17 *projects approved pursuant to this Section 343 shall apply to such projects. In the event of a conflict*  
18 *between other provisions of the Planning Code and this Section, this Section shall control.*

19           (d) Eligibility. *Projects seeking approval pursuant to this Section 343 shall meet all of the*  
20 *following requirements:*

21                   (1) The project is located in a zoning district that principally permits residential uses.

22                   (2) The project proposes no less than 50 dwelling units per acre, and no more than 750  
23 *dwelling units per acre.*

24                   (3) A majority of the project’s gross square footage is designated for residential uses.

25 *All non-residential uses must be principally permitted in the underlying zoning district and any*

1 applicable special use district(s), and may not include greater than 24,999 gross square feet of office  
2 space that would be subject to the annual limit on office development set forth in Sections 321 et seq.

3 (4) The project does not exceed a height of 160 feet, except that any project whose  
4 principal use is housing, where all such housing is restricted for a minimum of 55 years as affordable  
5 for "persons and families of low or moderate income," as defined in California Health & Safety Code  
6 Section 50093, shall be deemed to satisfy this subsection (c)(4) regardless of height.

7 (5) If the project sponsor seeks a density bonus pursuant to California Government  
8 Code Section 65915 et seq., the project sponsor demonstrates to the satisfaction of the Planning  
9 Department that the project would not result in a significant shadow impact.

10 (6) The project is not located on a lot containing a structure listed as a designated  
11 landmark pursuant to Article 10 of the Planning Code or a contributory or significant structure  
12 pursuant to Article 11 of the Planning Code.

13 (7) The project provides no less than 10% of its dwelling units as units affordable  
14 to very low or low income families, using one of complies with the following methods affordability  
15 requirements, as applicable:

16 (A) For ~~p~~Projects subject to Section 415, by electing to shall comply with  
17 Section 415 by choosing the On-Site Affordable Housing Alternative under Sections ~~415.5(g)(1)(A) or~~  
18 415.5(g)(1)(D); ~~or,~~ and shall provide no less than 10% of dwelling units as units affordable to  
19 very low or low income families.

20 (B) For ~~p~~Projects not subject to Section 415 shall provide no less than 10%  
21 of dwelling units as units affordable to very low or low income families, by entering into a  
22 regulatory agreement with the City that contains the terms specified in Section 206.6(f).

23 (8) The project does not demolish, remove, or convert to another use any existing  
24 dwelling unit(s).

1                   (9) The project complies with all applicable zoning and any adopted design review  
2 standards.

3                   (10) The project sponsor complies with all Mitigation Measures in the Central SoMa  
4 Environmental Impact Report (Central SoMa EIR) that the Planning Department determines are  
5 applicable to the project.

6                   (11) The project sponsor certifies that the project will comply with all applicable  
7 requirements of California Government Code Section 66201(f)(4).

8                   (12) The project shall comply with Government Code Section 66201(f)(5).

9                   (13) A project is not deemed to be for residential use if it is infeasible for actual use as  
10 a single or multifamily residence.

11                   (e) Approving Authority. The Planning Department is the approving authority designated to  
12 review permit applications for compliance with this Section 343.

13                   (f) Application.

14                   (1) Prior to submittal of an application for required approvals from the Planning  
15 Department, a project sponsor seeking to apply pursuant to this Section 343 shall submit an  
16 application for a preliminary project assessment (PPA), pursuant to Planning Department procedures.

17                   (2) In addition to any requirements under other provisions of this Code for submittal of  
18 application materials, an application under this Section 343 shall be submitted to the Department on a  
19 form prescribed by the Department and shall include at minimum the following materials:

20                   (A) A full plan set, including site plan, elevations, sections, and floor plans,  
21 showing total number of units, and number of and location of units affordable to very low or low  
22 income households;

23                   (B) All documentation required by the Department in its response to the project  
24 sponsor's previously-submitted PPA application;

25                   (C) Documentation sufficient to support determinations that:



1                                    (i) the project meets all applicable zoning and any adopted design  
2 review standards;

3                                    (ii) the project sponsor will implement any and all Mitigation Measures  
4 in the Central SoMa EIR that the Planning Department determines are applicable to the project,  
5 including but not limited to the following:

6                                    a. An agreement to implement any and all Mitigation Measures  
7 in the Central SoMa EIR that the Planning Department determines are applicable to the project; and

8                                    b. Scope(s) of work for any studies required as part of any and all  
9 Mitigation Measures in the Central SoMa EIR that the Planning Department determines are applicable  
10 to the project. An application pursuant to this Section 343 shall not be deemed complete until such  
11 studies are completed to the satisfaction of the Environmental Review Officer.

12                                    (iii) the project sponsor will comply with subsections (d)(10) and (d)(11)  
13 of this Section 343.

14                                    (g) **Decision and Hearing.** The Department shall exercise ministerial approval of projects that  
15 meet all the requirements in this Section 343. Section 329 of this Code shall not apply to projects that  
16 are approved pursuant to this Section 343.

17                                    (1) **Hearing.** The Planning Department shall conduct an informational public hearing  
18 for all projects that are subject to this Section 343 within 100 days of receipt of a complete application,  
19 as defined in subsection (f).

20                                    (2) **Decision.** Within 120 days of receipt of a complete application, as defined in  
21 subsection (f), the Planning Director or the Director's designee shall issue a written decision  
22 approving, disapproving, or approving subject to conditions, the project. The applicant and the  
23 Department may mutually agree to extend this 120-day period. If no written decision is issued within  
24 120 days of the Department's receipt of a complete application, or within the period mutually agreed  
25 upon by the Department and applicant, the project shall be deemed approved. The Planning Director

1 or the Director's designee shall include any certifications required by California Government Code  
2 Section 66205(e) in a copy of the written decision.

3 (3) **Grounds for Permit Denial.** The Department may deny a Central SoMa HSD  
4 project application only for one or more of the following reasons:

5 (A) The proposed project does not fully comply with this Section 343, including  
6 but not limited to meeting all adopted design review standards and demonstrating compliance with all  
7 applicable Mitigation Measures in the Central SoMa EIR that the Department determines are  
8 applicable to the project.

9 (B) The project sponsor has not submitted all of the information or paid any  
10 application fee required by this Section 343 and necessary for an adequate and timely design review or  
11 assessment of potential impacts on neighboring properties.

12 (C) The Department determines, based upon substantial evidence in light of the  
13 whole record of the public hearing on the project, that a physical condition on the site of development  
14 that was not known and could not have been discovered with reasonable investigation at the time the  
15 application was submitted would have a specific adverse impact upon the public health or safety and  
16 that there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. As used  
17 in this subsection (g)(3)(C), "specific adverse impact" means a significant, quantifiable, direct, and  
18 unavoidable impact based on identified objective written public health or safety standards, policies, or  
19 conditions, as in existence at the time the application is deemed complete.

20 (4) **Appeal.** The procedures for appeal to the Board of Appeals of a decision by the  
21 Department under this Section 343 shall be as set forth in Section 8 of the Business and Tax  
22 Regulations Code.

23 (5) **Discretionary Review.** No requests for discretionary review shall be accepted by  
24 the Planning Department or heard by the Planning Commission or Board of Appeals for projects  
25 subject to this Section 343. As long as the Planning Commission has delegated its authority to

1 the Planning Department to review applications for projects subject to this Section 343, the  
2 Planning Commission shall not hold a public hearing for discretionary review of projects  
3 subject to this Section 343.

4 ~~(6) Progress Requirement. The project sponsor of any project approved~~  
5 ~~pursuant to this Section 343 shall obtain the first site or building permit for the project from the~~  
6 ~~Department of Building Inspection within 36 months of the Department's issuance of a written~~  
7 ~~decision pursuant to subsection (g)(2) of this Section 343. If the project sponsor has not~~  
8 ~~obtained the first site or building permit from the Department of Building Inspection within 36~~  
9 ~~months, then as soon as is feasible after 36 months has elapsed, the Planning Director shall~~  
10 ~~hold a hearing requiring the project sponsor to report on the status of the project, to determine~~  
11 ~~whether the project sponsor has demonstrated good faith in its effort to obtain the first site or~~  
12 ~~building permit for the project. If the Planning Director finds that the project sponsor has not~~  
13 ~~demonstrated good faith in its efforts to obtain the first site or building permit for the project,~~  
14 ~~the Planning Director shall revoke the approvals for the project. Factors in determining~~  
15 ~~whether the project sponsor has demonstrated good faith in its efforts include, but are not~~  
16 ~~limited to, whether any delays are the result of conditions outside the control of the project~~  
17 ~~sponsor and whether changes in the financing of the project are necessary in order for~~  
18 ~~construction to proceed.~~ **Expiration of approval.** Approval of a project pursuant to this  
19 Section 343 shall expire if the project sponsor has not procured a building permit or site permit  
20 for construction of the project within 30 months of the date of the Department's issuance of a  
21 written decision pursuant to subsection (g)(2) of this Section 343. If the Planning Director finds  
22 that the project sponsor has demonstrated good faith in its efforts to obtain the first site or  
23 building permit for the project, the Planning Director may extend the approval for the project  
24 for a maximum of six additional months. Such deadline shall additionally be extended in the  
25

1 event of any appeal of such approval for the duration of the appeal, and in the event of  
2 litigation seeking to invalidate the approval for the duration of the litigation.

3 (h) **Design Review Standards.** Projects subject to this Section 343 shall be reviewed for  
4 compliance with the design standards set forth in the San Francisco Urban Design Guidelines and the  
5 Central SoMa Plan's Guide to Urban Design, which are on file with the Planning Department, as  
6 approved by the California Department of Housing and Community Development.

7 (i) **District Affordability Requirement.** At the request of the California Department of Housing  
8 and Community Development, the Planning Department shall demonstrate that at least 20% of the  
9 residential units constructed in the Central SoMa Housing Sustainability District during the life of the  
10 District and pursuant to this Section 343 will be affordable to very low, low-, and moderate-income  
11 households and subject to a recorded affordability restriction for at least 55 years.

12 (j) **Monitoring and Enforcement.** The Planning Department shall include, as conditions of  
13 approval of all projects approved pursuant to this Section 343, monitoring and enforcement provisions  
14 to ensure that the project meets all labor and wage requirements and complies with all identified  
15 applicable mitigation measures. Projects found to be in violation of any of these conditions shall be  
16 subject to the Administrative Enforcement Procedures in Section 176.1 of this Code, including  
17 initiation of abatement proceedings or referral to the City Attorney or District Attorney for prosecution,  
18 if not corrected within 90 days of service of any notice of violation issued under Section 176.1(c).

19 Conditions of approval shall include, but are not limited to:

20 (1) A project sponsor shall submit weekly reports to the Office of Labor Standards  
21 Enforcement, certifying that a project approved pursuant to this Section 343 is complying with  
22 subsections (d)(11) and (d)(12), if applicable to the project. Projects found to be in violation of  
23 subsections (d)(11) and (d)(12) shall be subject to penalties pursuant to Section 1741 of the Labor  
24 Code, in addition to any penalties assessed pursuant to Section 176.1 of this Code. All penalties shall  
25 be paid prior to issuance of the project's First Certificate of Occupancy.

1                   (2) The Planning Department shall monitor compliance with Central SoMa EIR  
2 Mitigation Measures.

3                   (3) The Planning Department shall monitor and report the construction of affordable  
4 housing units under the Central SoMa Housing Sustainability District in its annual Housing Inventory,  
5 which shall include the following information:

6                   (A) Number of projects approved pursuant to this Section 343.

7                   (B) Number of projects under construction pursuant to approvals obtained  
8 under this Section 343.

9                   (C) Number of projects completed pursuant to approvals obtained under this  
10 Section 343.

11                   (D) Number of dwelling units within projects completed pursuant to approvals  
12 obtained under this Section 343.

13                   (E) Number of dwelling units affordable to very low, low, moderate, and middle  
14 income households within projects completed pursuant to approvals obtained under this Section 343.

15                   **(k) Operative and Sunset Dates.**

16                   (1) This Section 343 shall become operative upon receipt of preliminary approval by  
17 the California Department of Housing and Community Development under California Government  
18 Code Section 66202 ("Operative Date").

19                   (2) This Section 343 shall expire by operation of law seven years from the Operative  
20 Date, unless this Section 343 is renewed by ordinance pursuant to Government Code Section 66201(g),  
21 in which case this Section 343 shall expire on the date specified in that ordinance ("Sunset Date").

22                   (3) Upon the expiration of this Section 343, the City Attorney shall cause this Section  
23 343 to be removed from the Planning Code. Pursuant to Government Code Section 66205(b), this  
24 Section 343 shall govern the processing and review of any complete application submitted pursuant to  
25 this Section 343 prior to the Sunset Date.

1  
2 Section 4. Effective Date; Operative Date.

3 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
4 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
5 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
6 Mayor's veto of the ordinance.

7 (b) Consistent with Section 343(k)(1) of the Planning Code, this ordinance in its  
8 entirety shall become operative upon receipt of preliminary approval by the California  
9 Department of Housing and Community Development under California Government Code  
10 Section 66202.

11  
12 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
13 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
14 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
15 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
16 additions, and Board amendment deletions in accordance with the "Note" that appears under  
17 the official title of the ordinance.

18  
19 APPROVED AS TO FORM:  
20 DENNIS J. HERRERA, City Attorney

21 By:   
22 PETER R. MILJANICH  
Deputy City Attorney

23 n:\legana\as2018\1200444\01291535.docx  
24  
25

**REVISED LEGISLATIVE DIGEST**  
(Amended in Committee, 7/23/2018)

[Business and Tax Regulations, Planning Codes - Central South of Market Housing Sustainability District]

**Ordinance amending the Business and Tax Regulations and Planning Codes to create the Central South of Market Housing Sustainability District (encompassing an area generally bounded on its western portion by Sixth Street, on its eastern portion by Second Street, on its northern portion by the border of the Downtown Plan Area (an irregular border that generally tracks Folsom, Howard, or Stevenson Streets), and on its southern portion by Townsend Street) to provide a streamlined and ministerial approval process for certain housing projects within the District meeting specific labor, on-site affordability, and other requirements; creating an expedited Board of Appeals process for appeals of projects within the District; and making approval findings under the California Environmental Quality Act, findings of public convenience, necessity, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

Existing Law

1. City law.

The Planning Code regulates development in the City, including residential and mixed-use developments. Article 3 of the Planning Code sets forth zoning procedures, including procedures for the City's consideration and approval of certain development permit applications.

Section 8 of the Business and Tax Regulations Code sets forth requirements for the appeal of permit decisions to the Board of Appeals, including the timeline for filing such appeals. Section 26 of the Business and Tax Regulations Code permits City departments to exercise discretion as to whether permits should be granted, transferred, denied, or revoked.

2. New State law.

Assembly Bill 73 (AB 73), California Government Code Sections 66200 et seq., authorizes local agencies to establish by ordinance one or more Housing Sustainability Districts (HSD) to provide a streamlined, ministerial approval process for residential and mixed use developments meeting certain requirements. Local agencies must obtain approval of any HSD ordinance from the California Department of Housing and Community Development.

AB 73 requires local agencies to prepare an Environmental Impact Report (EIR) to identify and mitigate the environmental impacts of the HSD designation. Projects approved under an HSD ordinance must implement applicable mitigation measures identified in the EIR.

An HSD ordinance must require that at least 20 percent of the residential units constructed within an HSD be affordable to very low, low-, and moderate-income households and subject to a recorded affordability restriction for at least 55 years.

Among other requirements, at least 10 percent of the units in any development project seeking approval under an HSD ordinance must be affordable for lower income households, unless the local agency has adopted a requirement that a greater percentage of the units be affordable for lower income households. Subject to certain exceptions, project sponsors must commit to complying with certain prevailing wage and skilled and trained workforce requirements when constructing a project approved under an HSD ordinance.

AB 73 authorizes local agencies to adopt design review standards applicable to development projects within the HSD.

If a development project meets the requirements of an HSD ordinance, the local agency must hold a hearing and issue a written decision on the project within 120 days of receipt of an application, and must exercise ministerial approval of the project. AB 73 limits the grounds on which a local agency may deny an application for approval under the HSD ordinance.

A local agency that establishes an HSD approved by the California Department of Housing and Community Development will be entitled to a zoning incentive payment, based on the number of new residential units constructed within the HSD, upon appropriation of funds by the California Legislature for that purpose.

#### Amendments to Current Law

The ordinance would add new Planning Code Section 343 to establish the Central SoMa Housing Sustainability District (Central SoMa HSD). The Central SoMa HSD would include all parcels within the proposed Central SoMa Special Use District.

The ordinance would create a streamlined, ministerial approval process for residential and mixed use developments meeting the requirements of AB 73 and other eligibility criteria. The ordinance would provide that the Planning Department, the Planning Commission, and the Board of Appeals will not exercise discretionary review of projects seeking approval under the Central SoMa HSD.

The ordinance would require the Planning Department to hold an informational hearing and issue a written decision on the project within 120 days of receiving a complete application.

The ordinance would create a process for expiration of the Planning Department's approval of a project under the Central SoMa HSD. If the project sponsor fails to obtain the first site or building permit for the project from the Department of Building Inspection within 30 months of the Planning Department's issuance of a written decision on the project, the approval would



expire. The ordinance would authorize the Planning Director to extend this approval for a maximum of 6 additional months.

The ordinance would require projects seeking approval under the Central SoMa HSD to construct all required affordable housing units on-site.

The ordinance would require the Planning Department to review projects seeking approval under the Central SoMa HSD for compliance with the design standards set forth in the San Francisco Urban Design Guidelines and the Central SoMa Plan's Guide to Urban Design.

The ordinance would require the Planning Department to monitor and enforce compliance with the requirements of the Central SoMa HSD ordinance.

The ordinance would amend Section 8 of the Business and Tax Regulations Code to expedite appeals to the Board of Appeals of permit decisions made under the Central SoMa HSD, as follows: such appeals must be taken within 10 days of the permit decision; the Board of Appeals must set the hearing no less than 10 days after the filing of the appeal; and the Board of Appeals must act on the appeal not more than 30 days after the filing, and shall not entertain a motion for rehearing.

The ordinance would amend Section 26 of the Business and Tax Regulations Code to provide that the Central SoMa HSD's ministerial approval process in Planning Code Section 343 will govern permit decisions.

The ordinance would become operative upon receipt of preliminary approval by the California Department of Housing and Community Development. The ordinance would expire by operation of law seven years after its operative date, unless renewed.

#### Background Information

This Legislative Digest reflects amendments made by the Land Use Committee of the Board of Supervisors on July 23, 2018. These amendments modify the process for expiration of approvals under the Central SoMa HSD, require HSD projects to construct all affordable housing units on-site, and clarify that the Planning Commission shall not hold a public hearing for discretionary review of HSD projects as long as the Planning Commission has delegated its authority to the Planning Department to review HSD projects.

**CENTRAL SOMA PLAN**

LEGISLATIVE AMENDMENTS PROPOSED BY SUPERVISOR KIM AT 7/23 LAND USE & TRANSPORTATION COMMITTEE

180184  
180185  
180453  
7/23/18

SUBMITTED IN COMM

#	Sec.	Legislation Page/Line	Change	Rationale
<b>HOUSING SUSTAINABILITY DISTRICT</b>				
<b>[File no. 180453 - Business and Tax Regulations, Planning Codes - Central South of Market Housing Sustainability District]</b>				
1	343(d)(7)	pg 10, lines 14-21	Modify project eligibility to require that projects seeking approval pursuant to this Section 343 elect the On-Site Affordable Housing Alternative under Sections 415.5(g)(1)(A). Projects not subject to Section 415 shall provide no less than 10% of dwelling units as units affordable to very low or low income families.	To incentivize production of on-site affordable housing units.
2	343(g)(5)	pg 13, line 25 to pg 14, line 3	Clarify the discretionary review requirement to specify that as long as the Planning Commission has delegated its authority to the Planning Department to review applications for projects subject to this Section 343, the Planning Commission shall not hold a public hearing for discretionary review of projects subject to this Section 343.	This clarifying amendment specifies that the Commission will not hold a hearing for discretionary review of these projects as long as the Planning Commission has delegated its review authority to the Planning Department. This amendment would clarify that the Board of Supervisors is not purporting to unilaterally delegate the Commission's permit review authority.
3	343(g)(6)	pg 14, line 18 to pg 16, line 2	Establish expiration of approval: Approval of a project pursuant to this Section 343 shall expire if the project sponsor has not procured a building permit or site permit for construction of the project within 30 months of the date of the Department's issuance of a written decision pursuant to subsection (g)(2) of this Section 343. If the Planning Director finds that the project sponsor has demonstrated good faith in its efforts to obtain the first site or building permit for the project, the Planning Director may extend the approval for the project for a maximum of six additional months. Such deadline shall additionally be extended in the event of any appeal of such approval for the duration of the appeal, and in the event of litigation seeking to invalidate the approval for the duration of the litigation.	To reduce delays in housing production by requiring approved projects to commence construction within a reasonable timeline.
<b>ZONING MAP</b>				
<b>[File no. 180184 - Planning Code, Zoning Map - Central South of Market Special Use District]</b>				
4	Section 2, subsection (c)	pg 15, line 13	Amend Height and Bulk District Map HT01 for the development on Assessor's Block 3777, Lot 052 to increase the permitted height/bulk from 45-X to 50-X.	With a special height exemption pursuant to Section 263.32 (eligible for properties that provide 100% affordable housing), this would allow the affordable housing building at 595 Brannan to achieve a height of 70', thus enabling an extra floor of affordable units.
<b>PLANNING CODE &amp; ADMINISTRATIVE CODE</b>				
<b>[File no. 180184 - Administrative, Planning Codes - Central South of Market Area Plan]</b>				
5	249.78(c)(5)(B)	pg 65, line 21; pg 67, lines 8-9 and 14-27	Amend the PDR Requirements to: (1) remove grocery stores from the definition of "community building space"; (2) require that the 25% space reduction for below market rate PDR space provide the lower rent for the life of the development project; and, (3) when a development application is submitted, require the project sponsor to demonstrate that they notified existing PDR tenants about the proposed project and provided them with information about the PDR Relocation Fund (as described in the Central SoMa Implementation Program Document) and PDR Sector Assistance for Displaced Businesses available from the Office of Economic and Workforce Development (OEWD) or its successor agency.	To incentivize provision of below market rate PDR space and to support existing PDR businesses with relocation.
6	263.33(c)(2)	pg 84, line 24	Allow the development on Assessor's Block 3763, Lot 105 to receive the special height exemption for residential use, in addition to hotel.	To encourage housing production by allowing flexibility for this site to be developed as housing in addition to, or instead of, a hotel.
7	329(e)(3)(A)	pg 98, lines 20-23	Include donation of land for satisfaction of Jobs-Housing Linkage fee pursuant to Section 413.7 as a qualified amenity provided by Key Sites, if the value of the land donated is equal to or greater than the fee amount owed.	Corrects oversight based on benefits proposed by Key Sites.

#	Sec.	Legislation Page/Line	Change	Rationale
8	329(e)(3)(B)(i v)	pg 99, lines 1-4	On the Key Site identified in Section 329(e)(2)(E), allow exception to the lot coverage limits in Section 249.78(d)(4), the street frontage requirements in Section 145.1, and the protected pedestrian-, cycling-, and transit-oriented street frontage requirements of Section 155(r).	Certain exceptions were developed recognizing the specific needs and opportunities of certain Key Development Sites. However, these exceptions should not be broadly applicable to all the Key Sites.
9	329(e)(3)(B)(v i)	pg 99, lines 7-10	On the Key Site identified in Section 329(e)(2)(H), remove the exception to the protected pedestrian-, cycling-, and transit-oriented street frontage requirements of Section 155(r). Add possible exemptions to include the street frontage requirements in Section 145.1, and the required ground floor commercial uses in Section 145.4.	
10	413.7(a)	pg 101, lines 21-23	Clarify that projects that satisfy all or a portion of the Jobs-Housing Linkage fee via land dedication pursuant to Section 413.7 may receive a credit against such requirements up to the value of the land donated.	The code as introduced was contradictory, as it specified that projects could meet part or all of their Jobs-Housing Linkage fee obligation through land dedication, but later said the proposed land must be equal to or greater in value than the fee obligation. This clarification is consistent with our other land dedication policies.
11	840 (Table 840)	pg 186, line 22 to pg 190, line 13	Make conforming edits to the MUG General District Zoning Control Table to correct numbering and cross-references, and to add references to various requirements in the Central SoMa SUD.	Conforming edits to address the zoning amendments introduced on July 16th.
12	841 (Table 841)	pg 192, line 6 to pg 195, line 21	Make conforming edits to the MUR General District Zoning Control Table to correct numbering and cross-references, and to add references to various requirements in the Central SoMa SUD.	Conforming edits to address the zoning amendments introduced on July 16th.
13	848	pg 208, lines 1-6	Correct the residential off-street parking code references in the CMUO District Zoning Control Table.	Corrects cross-references.
14	Uncodified section	pg 216, lines 5-18	For a residential Tower on Block 3786, Lot 035, the following controls shall apply, provided the project meets its Inclusionary Housing requirements pursuant to Planning Code Section 415 by providing BMR units entirely on-site:(a) A 5-foot setback is required for the Tower Portion for the entire frontage along Fourth Street, and a 25-foot setback is required for the Tower Portion for the entire southwest property line frontage directly opposite the property at Block 3786, Lot 322.(b) The residential Tower may have a horizontal separation of not less than 40 feet from the Tower Portion of an approved or proposed Tower on Block 3786, Lot 322.(c) The maximum Gross Floor Area of any residential Tower floor shall be 12,500 gross square feet.(d) The maximum length of a Residential tower shall be 165 feet.	To facilitate an increase in residential units in the tower at 636 4th Street, provided the project provides affordable housing units on-site.
<b>IMPLEMENTATION PROGRAM DOCUMENT [ADOPTED BY REFERENCE]</b>				
15	Public Benefits Program	n/a	Amend the Implementation Program Document to: (1) In the Cultural Preservation and Community Services category, create a \$10million PDR Relocation Fund and subtract \$5million from the Restoration of the US Mint building; and, (2) subtract \$5million from the Environmental Sustainability & Resilience category (\$4 million from "Enhanced stormwater management in complete streets" and \$1million from "Water recycling and stormwater management in parks").	To support existing PDR businesses and mitigate the impacts of displacement by providing relocation assistance, including business services and support with rent and moving costs.
16	Key Development Site Guidelines	n/a	Edit the description of Key Development Site 3 to specify that the hotel may be developed as a residential building, and to remove the reference to 500 hotel rooms.	Conforming amendment with item #6 (Section 263.33) above.

**CENTRAL SOMA PLAN**

**AMENDMENTS PROPOSED BY SUPERVISOR KIM AT 7/16 LAND USE & TRANSPORTATION COMMITTEE**

= non-substantive edits

#	Sec.	Page / Line	Change	Rationale / Notes
1	Section 2, Finding (d)	pg 8, lines 1-16	Add a finding establishing intent for the Board of Supervisors to revise the jurisdiction and composition of Citizen Advisory Committees (CACs) to guide Plan implementation.	To advance future legislation to revise the Eastern Neighborhoods CAC and split it into two bodies, one serving the three SoMa Plan Areas (East, Central, and West SoMa), and one serving the southern Plan Areas (Mission, Showplace Square / Potrero Hill, and Central Waterfront). A process would be developed to incorporate the recommendations of neighborhood stakeholders and community members.
2	Section 2, Finding (e)	pg 8, lines 17-24	Add a finding establishing intent for the Board of Supervisors to develop a "Good Jobs Policy."	To advance future legislation to promote good jobs with living wages in the Plan area.
3	128.1(b)	pg 20, line 25; pg 21, line 1-2	Clarify the FAR definition for Transferable Development Rights to exclude: - lot area devoted to land dedicated to the City for public parks or recreation centers - lot area devoted to development of affordable housing buildings	Clarifying amendment
4	128.1(c)	pg 21, line 15	Reverse the terms "Development Lot" and "Transfer Lot".	Corrects drafting error in sequence of terms.
5	132.4(d)(1)(B)(iv)	pg 24; lines 1-2	Increase allowed streetwall architectural modulation from five feet to eight feet.	Preserves the sense of a substantial edifice while allowing for inset balconies.
6	135.3	pg 32, lines 10-12	Clarify that satisfaction of POPOS under 138 satisfies the open space requirements of 135.3.	Corrects drafting error to properly cross-reference Section 138.
7	138(a)(2)	pg 33, lines 2-3	Clarify that retail uses are not required to provide POPOS.	Corrects drafting error to include retail uses. Retail uses (like institutional uses) would still need to provide usable open space per Section 135.3.
8	138(d)(2), subsections (A) & (B); 138(e)(2)	pg 35, line 14-19; pg 37, line 19-21	Update references to point to appropriate subsections.	Corrects drafting error in references within Section 138.
9	138(d)(2)(E)(i)	pg 36, lines 4-5	Allow up to 10% of outdoor POPOS to be under a cantilevered portion of the building if the building is at least 20 feet above grade.	Facilitates architectural creativity in projects while maintaining the goal of having outdoor POPOS feel outdoors.
10	138(d)(2)(F)(ii)	pg 36, lines 13-14	Allow up to 25% of indoor POPOS to have ceiling height of less than 20 feet.	This change would facilitate the creation of mezzanines within the POPOS.
11	151.1	pg 42, lines 4-6	Change parking requirements to up to 0.25 spaces/unit principally permitted or up to 0.5 spaces/unit with a Conditional Use Authorization.	To limit parking in this transit-rich district, in keeping with the citywide TDM program.
12	155(r)(2)(J)	pg 51, line 7	Update reference to point to 329(e)(3)(B).	Corrects drafting error in references
13	155(u)	pg 52, lines 1-5	Add to the Driveway Loading and Operations Plan (DLOP) the requirement that projects include a Passenger Loading Plan. Whereas the DLOP focuses on issues within the building, the PLP would focus on on-street loading issues.	The Passenger Loading Plan is a new concept aimed at minimizing the impact of passenger drop-offs, particularly on high injury corridors. All of the projects required to do such a Plan would also be required to undertake the DLOP, so there's synergy in merging the two efforts.
14	249.78(c)(1)	pg 64, lines 18-23	Allow "active uses" to only be to a depth of 10 feet from the street (as opposed to the current standard of 25 feet) for 1) micro-retail uses on minor streets, 2) along minor streets as long there is a doorway every 25 feet.	Active use requirements are to ensure proper street activation. However, some flexibility may be beneficial in the case of micro-retail uses (i.e., uses less than 1,000 square feet), along narrow streets and alleys, and on small corner lots where the requirements of one frontage impinge on the perpendicular frontage.
15	249.78(c)(1)(D)	pg 64, line 16-17	Add that hotels are allowed as an active commercial use per 145.4.	Hotels generally have very active ground floors, including lobbies, bars, and restaurants.
16	249.78(c)(4)	pg 65, lines 6-9	Modify the Micro-Retail definition to require that spaces measure no less than 100 gross square feet, and modify the requirement so that it applies to new non-residential development only.	To provide a minimum micro-retail size to ensure usable retail space, and to allow maximum flexibility for residential projects.
17	249.78(c)(4)	pg 65, line 9, 12	Key site exception - Micro Retail requirements (c)(4) - make it clear that it refers to "lots" not "sites."	Clarifying amendment

18	249.78(c)(5)	pg 66 line 7-12	Clarify PDR replacement language to indicate that the requirement would only apply to the nonresidential portion, and would exclude residential & POPOS.	Clarifying amendment
19	249.78(c)(5)(B)	pg 65, lines 20-22; pg 66, line 19	Expand the uses allowed to fulfill the PDR requirements of large office projects to also include nonprofit community services, city-owned public facilities, and Legacy Businesses. Amend the eastern boundary of the area where the off-site PDR requirement may be satisfied from Embarcadero Street to Second Street.	Like PDR, these uses are beneficial to the community and can only pay limited rent. The eastern boundary for off-site PDR replacement is being amended to conform with the Plan area boundary.
20	249.78(d)(3)(C)	pg 69, lines 3-6	Allow projects the flexibility to provide their living and solar roof elements of subsections 249.78(d)(3)(C)(i)-(v) on any rooftops within the subject project, provided the equivalent amount of square footage is provided.	To allow some flexibility
21	249.78(d)(5)(C)	pg 70, lines 5-6	Clarify lot merger restrictions to exempt the Key Site identified in 329(e)(2)(C), consistent with the Key Development Site Guidelines.	Clarifying amendment
22	249.78(d)(7)	pg 72, line 1	Wind standard - clarify that projects must meet the Nine Hour Criterion <i>with mitigations</i>	Clarifying amendment
23	249.78(d)(9)	pg 72, line 16-25; pg 73, line 1-3	In the Central SoMa SUD, - allow units above 85' in height to meet exposure requirements if they are 15' back from the property line, - allow 10% of units at or below 85' to have an exposure of 15'x15' instead of 25'x25'; and, - do not require the increase in setback at every horizontal dimension that increases of 5' at each subsequent floor.	These changes would make a rule of commonly granted exceptions.
24	263.32, 263.33, 263.34	pg 83, line 6-7, pg 84, lines 16-17, pg 85, lines 6-7	Clarify that projects that comply with these Special Height Exception sections do not need a Conditional Use approval.	Corrects oversight such that dedicated affordable housing sites can receive the height bonus just as sites that build units or that dedicate land for open space.
25	263.32(b)(1)	pg 82, lines 21-24	Clarify that sites that donate land for affordable housing are eligible for this Special Height Exception.	The purpose of this height bonus is to incentive projects to provide sites for affordable housing and open space - provide benefits that are otherwise difficult to site in a dense neighborhood. This change is in keeping with the intent of this section in that it maintains the benefit for projects in 160' height districts.
26	263.32(c)(3)	pg 83, lines 23-25	Clarify that sites that utilize this Special Height Exception to exceed 160 feet are still subject to controls in Section 270 for mid-rise projects and not towers.	Clarifying amendment
27	Table 270(h)	pg 90, line 11	For Perry Street, make the Base Height "none".	This is the correct change to effectuate the goal of treating Perry St. like current northern sides of alleys, as discussed in the Central SoMa Plan's Implementation Matrix.
28	329(d)	pg 96, lines 10-11	Add a subsection referencing the ability to grant exceptions for wind per the controls contained in Section 249.78(d)(7).	Corrects drafting error to properly cross-reference 249.78(d)(7) and 329(d).
29	329(d)	pg 96, lines 4-5	Add a subsection referencing the ability to grant tower separation exceptions per the controls contained in Section 132.4(d)(3)(B).	Corrects drafting error to properly cross-reference 132.4(d)(3)(B) and 329(d).
30	329(d)	pg 95, lines 18-21, pg 96, lines 6-7	Add a subsection enabling exceptions for the freight loading requirements of Sections 154 and 155, and to allow the "Driveway and Loading Operations Plans" (DLOP) per Section 155(u) to be used when evaluating this exemption.	These are commonly granted exceptions that are important to maintain but would otherwise be removed based on proposed changes to 329(d)(12).
31	329(d)	pg 96, lines 8-9	Add a subsection allowing for exceptions for exposure requirements under Section 140/249.78	This is a commonly granted exception that is important to maintain but would otherwise be removed based on proposed changes to 329(d)(12).
32	329(d)	pg 96, lines 12-13	Add a subsection allowing for exceptions to lot coverage requirements pursuant to 249.78 for projects that convert from nonresidential to residential.	Clarifying amendment

33	329(e)(2)(A)	pg 97, lines 20-23	Inclusion of land for affordable housing per Sec 419.6 (Alternatives to the Inclusionary Housing Component) as qualified amenities to be considered a Key Site.	Corrects oversight based on benefits proposed by Key Sites (for residential projects only).
34	329(e)(3)	pg 97, line 17	Clarify that Key Sites may utilize the exceptions granted in 329(d).	Extra language needed to make sure intent of this section is clear.
35	329(e)(3)(B)	pg 98, Lines 3-4	Clarify that Key Sites can have exceptions for tower separation even greater than the exception in 132.4	Clarifying non-substantive amendment
36	329(e)(3)(B)	pg 97, line 9-25; pg 98, line 1-6	Limit certain exceptions to specific Key Development Sites, as discussed in the Key Development Sites Guidelines.	Certain exceptions were developed recognizing the specific needs and opportunities of certain Key Development Sites. However, these exceptions should not be broadly applicable to all the Key Sites.
37	Add new section 329(e)(3)(B)(i)	pg 98, lines 11-16	On the Key Site identified in Section 329(e)(2)(B), the ground floor non-residential height in Sections 145.1 and 249.78(d)(B) may be reduced to 14'. In addition, the apparent mass reduction controls in Section 270(h)(2) may be reduced as follows: (A) on the building frontage on Harrison Street: 50%; (B) on the building frontage on Fourth Street: None.	
38	Add new section 329(e)(3)(B)(ii)	pg 98, lines 17-21	On the Key Site identified in Section 329(e)(2)(C), exception to the lot coverage limits in Section 249.78(d)(4), the micro-retail requirement in 249.78(c)(4), the active use requirement in Section 145.1, and the ground floor commercial use requirements in Section 145.4. In addition, the site may be permitted to seek a Conditional Use Authorization to establish a Formula Retail Limited Restaurant, pursuant to Section 303.1.	
39	Add new section 329(e)(3)(B)(iii)	pg 98, lines 22-23	On the Key Site identified in Section 329(e)(2)(D), exception to the requirement in Section 138(d)(2)(E)(i) that ground floor POPOS be open to the sky.	
40	Add new section 329(e)(3)(B)(iv)	pg 98, lines 24-25	On the Key Site identified in Section 329(e)(2)(G), exception to the PDR space requirements of Section 249.78(c)(5).	
41	Add new section 329(e)(3)(B)(v)	pg 99, lines 1-6	On the Key Site identified in Section 329(e)(2)(H), exception to the protected pedestrian-, cycling-, and transit-oriented street frontage requirements of Section 155(r) and to the required nonresidential use in Section 249.78(c)(6). In addition, the usable open space requirement pursuant to Section 135 may be reduced to 60 square feet of usable open space required for each dwelling unit if all private.	
42	413.7	pg 102, lines 8-13	Require the Director of Property to either conduct or approve the land appraisal for land dedication in satisfaction of the Jobs-Housing Linkage Fee requirement	Clarifying amendment
43	418.7(a)	pg 106 line 21 through pg 107, line 8; pg 108 lines 7-8	Update SoMa Stabilization Fund to allow funding to accrue from the Central SoMa Community Facilities District.	Change necessary to legalize the funding structure proposed by the Plan.
44	418.7(b)(2)	pg 107, lines 20-23	Update SoMa Stabilization Fund to reference Central SoMa Implementation Program Document	Change necessary to legalize the funding structure proposed by the Plan.
45	426	pg 120, lines 4-9	Clarify that the POPOS in-lieu fee should not be charged where exceptions from design standards are granted.	Clarifying amendment

46	434	pg 132, line 9 through pg 134, line 4	Add a definition that describes the purpose, applicability, and requirements of the Central SoMa Mello-Roos Community Facilities District (CFD). This CFD should be applicable to projects that (1) include new construction or net additions of more than 40,000 gross square feet, (2) the project site includes residential development in Central SoMa Development Tiers B and C and/or non-residential development in Central SoMa Development Tier C; and, (3) the proposed project is greater in size than what would have been allowed without the Central SoMa Plan.	This language was previously proposed for inclusion but was not ready for discussion until this time.
47	848	pg 202; lines 8-20	Add a cross-reference in the CMUO table to the residential lot coverage requirements in 249.78.	Non-substantive amendment but not included in the Case Report
48	Zoning map amendments & various conforming sections in Planning Code	Zoning map ordinance: pg 4, line 17-19; pg 5, line 4-5; p 6, line 20; pg 7, line 15 & 22	Modify the proposed zoning as follows: - Keep the MUR zoning on the portions of Assessor blocks 3725, 3732, 3750, 3751, 3752 and 3753 that are currently zoned MUR - Rezone the WMUG- and M-zoned parcels in block 3733 in the Plan Area and the WMUG-zoned parcels in block 3752 to MUR - With the exception of parcels that are part of Key Development Sites, rezone the SALI-zoned parcels on blocks 3777, 3778, 3785 to MUG	To increase housing development by limiting hotels and other non-residential uses.



# SAN FRANCISCO PLANNING DEPARTMENT

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May 14, 2018

Ms. Angela Calvillo, Clerk  
Honorable Mayor Farrell  
Honorable Supervisor Kim  
Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

**Re: Transmittal of Planning Department Case Number 2018-004477PCA  
Central SoMa Housing Sustainability District  
Board File No. 180453  
Planning Commission Recommendation: Approval with Modification**

Dear Ms. Calvillo, Mayor Farrell and Supervisor Kim,

On May 10, 2018, the Planning Commission conducted duly noticed public hearing at regularly scheduled meeting to consider the proposed Ordinance, introduced by Mayor Farrell and Supervisor Kim, that would amend the Planning Code and Business and Tax Regulations Code to create the Central SoMa Housing Sustainability District ("HSD"). At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

1. Clarify that the Planning Commission delegates its authority to the Planning Department to review applications for Central SoMa HSD projects.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me or Paolo Ikezoe at [paolo.ikezoe@sfgov.org](mailto:paolo.ikezoe@sfgov.org)/415-575-9137.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel A. Sider".

Daniel A. Sider  
Office of Executive Programs, Planning Department



**Transmittal Materials**

**CASE NO. 2018-004477PCA  
Central SoMa Housing Sustainability District**

cc:

Erica Major, Office of the Clerk of the Board  
Alisa Somera, Office of the Clerk of the Board  
Sarah Dennis-Philips, Mayor's Office  
Moses Corrette, Aide to Supervisor Kim  
Barbara Lopez, Aide to Supervisor Kim  
Peter Miljanich, Deputy City Attorney  
Victoria Wong, Deputy City Attorney

Attachments :

Planning Commission Resolution No. 20188  
Planning Department Case Report for Case No. 2018-004477PCA



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Resolution No. 20188 HEARING DATE MAY 10, 2018

*Project Name:* Central SoMa Housing Sustainability District – Planning Code and Business and Tax Regulations Code Amendments  
*Record No.:* 2018-004477PCA  
*Staff Contact:* Paolo Ikezoe, Senior Planner, Citywide Planning  
(415) 575-9137; [paolo.ikezoe@sfgov.org](mailto:paolo.ikezoe@sfgov.org)

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RESOLUTION ADOPTING AND RECOMMENDING THAT THE BOARD OF SUPERVISORS APPROVE AMENDMENTS TO THE SAN FRANCISCO PLANNING CODE AND BUSINESS AND TAX REGULATIONS CODE TO ESTABLISH THE CENTRAL SOUTH OF MARKET HOUSING SUSTAINABILITY DISTRICT, DELEGATING TO PLANNING DEPARTMENT STAFF CERTAIN REVIEW, AND MAKING FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE, FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1, AND FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

WHEREAS, on May 1, 2018, Mayor Mark Farrell and Supervisor Jane Kim introduced an ordinance for Planning Code and Business and Tax Regulations Code Amendments to establish and implement the Central South of Market Housing Sustainability District ("Central SoMa HSD").

WHEREAS, Assembly Bill 73 ("AB 73"), California Government Code Sections 66200 et seq., which took effect January 1, 2018, authorizes local municipalities to designate by ordinance one or more Housing Sustainability Districts ("HSD") to provide a streamlined, ministerial approval process for residential and mixed use developments meeting certain requirements. AB 73 requires local agencies to prepare an Environmental Impact Report ("EIR") to identify and mitigate the environmental impacts of designating an HSD. Projects approved under an HSD ordinance must implement applicable mitigation measures identified in the EIR.

WHEREAS, the Planning Code and Business and Tax Regulation Code Amendments would establish the Central SoMa HSD, which would provide a streamlined, ministerial process for approval by the Planning Department of developments in the Central South of Market Plan Area meeting the requirements of AB 73 and other eligibility criteria, and the Amendments propose to change the requirement to hold a Planning Commission hearing to consider discretionary review of these development proposals, in order to meet the streamlining requirements of AB 73.

WHEREAS, these amendments contain proposals for changes to standards from those currently established by the Planning Code and Business and Tax Regulations Code, including but not

limited to those for review and approval of residential and mixed-use developments and appeals of permit decisions to the Board of Appeals.

WHEREAS, this Resolution adopting and recommending that the Board of Supervisors approve the Planning Code and Business and Tax Regulation Code Amendments is a companion to other legislative approvals relating to the Central South of Market Plan (“Central SoMa Plan”), including recommendations that the Board of Supervisors approve amendments to the General Plan, Planning Code, Administrative Code, and Zoning Map, and an Implementation Program.

WHEREAS, These Planning Code and Business and Tax Regulations Code Amendments, together with the proposed General Plan, Planning Code, Administrative Code, and Zoning Map Amendments and the Implementation Program document, provide a comprehensive set of policies and implementation programming to realize the vision of the Plan. The Planning Code and Business and Tax Regulations Code Amendments help to implement the Central SoMa Plan by streamlining approval of residential and mixed-use development projects meeting certain eligibility criteria and thereby encouraging construction of on-site, permanently affordable housing units in the Plan Area. The Planning Code and Business and Tax Regulations Code Amendments will help the City achieve the Central SoMa Plan’s goal of 33% affordable units across all new housing produced in the Plan Area, and may qualify the City for incentive payments from the State of California, which the City may use to provide additional community benefits in Central SoMa. The Planning Commission incorporates by reference the general findings and overview concerning the Central SoMa Plan as set forth in Planning Commission Resolution No. 20184 governing General Plan Amendments.

WHEREAS, the Planning Code governs permitted land uses and planning standards in the City. The Business and Tax Regulations Code provides the legislative basis for, direction to, and limitations on the review, approval, denial, and revocation of permits by executive agencies of the City. Thus, conforming amendments to the Planning Code and Business and Tax Regulations Code are required in order to establish and implement the Central SoMa HSD. An ordinance, attached hereto as Exhibit C, has been drafted in order to make revisions to the Business and Tax Regulations Code and Planning Code necessary to implement the proposed Central SoMa HSD. This ordinance amends Business and Tax Regulations Code Section 8 and 26 and adds Planning Code Section 343 to establish and implement the HSD. The City Attorney’s Office has reviewed the draft ordinance and approved it as to form.

WHEREAS, on May 10, 2018, after a duly noticed public hearing, the Commission adopted the General Plan, Planning Code, Administrative Code, and Zoning Map Amendments and the Implementation Program document to give effect to the Central SoMa Plan.

WHEREAS, on May 10, 2018, after a duly noticed public hearing, the Commission reviewed and considered 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 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 Business and Tax Regulation Code.

WHEREAS, on May 10, 2018, by Motion No. 20183, the 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.

WHEREAS, the Final EIR analyzes the creation of a Housing Sustainability District in the Central SoMa Plan Area. The Planning Code and Business and Tax Regulations Code Amendments are within the scope of the Project evaluated in Final EIR.

WHEREAS, the Planning Code and Business and Tax Regulations Code Amendments would require developments approved under the Central SoMa HSD to implement applicable mitigation measures identified in the Final EIR.

WHEREAS, on May 10, 2018, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on the Planning Code and Business and Tax Regulation Code Amendments.

WHEREAS, Planning Department staff recommends adoption of this Resolution adopting and recommending that the Board of Supervisors approve the Planning Code and Business and Tax Regulation Code Amendments.

**NOW, THEREFORE, BE IT RESOLVED**, that the Commission hereby delegates its authority to the Planning Department to review applications for development eligible for streamlined review as part of under the Central SoMa HSD. The Planning Commission would not hold a public hearing for discretionary review of applications for eligible development under the Central SoMa HSD if the legislation is adopted substantially as proposed.

**AND BE IT FURTHER RESOLVED**, that the Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed Planning Code and Business and Tax Regulation Code Amendments for the following reasons:

1. The Planning Code and Business and Tax Regulation Code Amendments establish and implement the Central SoMa HSD, which will streamline approval of residential and mixed-use development projects that provide at least 10% on-site affordable housing and comply with certain prevailing wage and skilled and trained workforce requirements. The Planning Code and Business and Tax Regulations Code Amendments will help the City achieve the Central SoMa Plan's goal of 33% affordable units across all new housing produced in the Plan Area, and may qualify the City for incentive payments from the State of California, which the City may use to provide additional community benefits in Central SoMa.
2. The Planning Code and Business and Tax Regulations Code Amendments will help implement the Central SoMa Plan, which 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.

3. The Planning Code and Business and Tax Regulations Code Amendments will help implement the Central SoMa Plan, which will maintain the diversity of residents by requiring that more than 33% of new housing units are affordable to low- and moderate-income households, and by requiring that these new units be built in SoMa.
4. The Planning Code and Business and Tax Regulations Code Amendments will help implement the Central SoMa Plan, which will facilitate an economically diversified and lively jobs center by requiring most large sites to be jobs-oriented, by requiring production, distribution, and repair uses in many projects, and by allowing retail, hotels, and entertainment uses in much of the Plan Area.
5. The Planning Code and Business and Tax Regulations Code Amendments will help implement the Central SoMa Plan, which will provide safe and convenient transportation by funding capital projects that will improve conditions for people walking, bicycling, and taking transit.
6. The Planning Code and Business and Tax Regulations Code Amendments will help implement the Central SoMa Plan, which will offer parks and recreational opportunities by funding the construction and improvement of parks and recreation centers in the area and requiring large, non-residential projects to provide publicly-accessible open space.
7. The Planning Code and Business and Tax Regulations Code Amendments will help implement the Central SoMa Plan, which will create an environmentally sustainable and resilient neighborhood by requiring green roofs and use of non-greenhouse gas emitting energy sources. A proposal to include a Mello-Roos Community Facilities District ("CFD") in the Central SoMa Plan is also under consideration. This CFD would provide funding for environmental sustainability and resilience strategies to improve air quality, provide biodiversity, and help manage stormwater. The CFD would also help to create an environmentally sustainable and resilient neighborhood.
8. The Planning Code and Business and Tax Regulations Code Amendments will help implement the Central SoMa Plan, which will preserve and celebrate the neighborhood's cultural heritage by helping to fund the rehabilitation and maintenance of historic buildings. The CFD under consideration for addition to the Central SoMa Plan would provide funding to help preserve the Old Mint and for cultural and social programming for the neighborhood's existing residents and organizations. The CFD would also help to preserve and celebrate the neighborhood's cultural heritage.
9. The Planning Code and Business and Tax Regulations Code Amendments will help implement the Central SoMa Plan, which will ensure that new buildings enhance the character of the neighborhood and the City by implementing design controls that would generally help protect the neighborhood's mid-rise character and street fabric, create a strong street wall, and facilitate innovative yet contextual architecture.

**AND BE IT FURTHER RESOLVED**, that the Commission finds the Planning Code and Business and Tax Regulation Code Amendments are in general conformity with the General Plan, as it is proposed to be amended, as set forth in Planning Commission Resolution No. 20184, and for the following reasons:

**HOUSING ELEMENT:**

**Objective 1**

Identify and make available for development adequate sites to meet the City's housing needs, especially permanently affordable housing.

**Policy 1.1**

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

*The proposed Ordinance will require 10% of units in any HSD project to be affordable to households of very low or low income. HSD projects subject to San Francisco's Section 415 inclusionary requirements must satisfy this requirement through the on-site option, and then may choose to provide the rest of the requirement on-site (affordable units at AMI levels required in 415) or through payment of the off-site fee option.*

**Policy 1.2**

Focus housing growth and infrastructure necessary to support growth according to community plans. Complete planning underway in key opportunity areas.

**Policy 1.10**

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

*The proposed Ordinance will accelerate entitlements and require provision of at least 10% on-site affordable housing for eligible projects in the Central SoMa Plan Area. The Central SoMa Plan envisions dense new housing and commercial space in one of the most transit-served areas in the region. Existing regional transit nodes on Market Street and at the 4th and King Caltrain station bookend the Plan Area, and a future Central Subway will connect the neighborhood to the rest of the city and region. The Area Plan also calls for large scale investments in pedestrian and bicycle infrastructure.*

**Objective 2**

Retain existing housing units, and promote safety and maintenance standards, without jeopardizing affordability.

**Policy 2.1**

Discourage the demolition of sound existing housing, unless the demolition results in a net increase in affordable housing.

**Policy 2.2**

Retain existing housing by controlling the merger of residential units, except where a merger clearly creates new family housing.

*The proposed Ordinance will not allow projects to participate in the Central SoMa HSD if they propose demolishing or merging any existing residential units.*

### Objective 3

Protect the affordability of the existing housing stock, especially rental units.

#### Policy 3.1

Preserve rental units especially rent controlled units, to meet the City's affordable housing needs.

*The proposed Ordinance will not allow projects to participate in the Central SoMa HSD if they propose demolishing or merging any existing residential units, including rental units subject to Rent Control.*

### Objective 4

Foster a housing stock that meets the needs of all residents across lifecycles.

#### Policy 4.4

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

*The proposed Ordinance will require 10% of units in any HSD project, whether it consist of rental or ownership units, to be permanently affordable to households of very low or low income.*

#### Policy 4.5

Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

*100% affordable housing projects of any height will be eligible to participate in the proposed HSD and receive ministerial approval, if they meet all criteria of Section 343. All mixed income housing projects developed pursuant to the proposed Ordinance will be required to provide 10% of units on-site permanently affordable to very low or low income households.*

#### Policy 4.6

Encourage an equitable distribution of growth according to infrastructure and site capacity.

*The proposed Ordinance encourages new housing growth in the Central SoMa Plan Area. The Central SoMa Area Plan plans for new housing and commercial space, orienting major growth around a major transportation investment, the Central Subway. The Central Subway will add to an already dense transit network, in a neighborhood in close proximity to many jobs, services and activities, allowing new residents and employees of the neighborhood to rely on transit to get around. Additionally, the Plan calls for over \$2 billion in infrastructure investments, including open space, childcare and improved sustainable transportation facilities, to serve current and future residents, employees and visitors.*

Objective 7

Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms or capital.

Policy 7.5

Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval process.

*100% affordable housing projects of any height will be eligible to participate in the proposed HSD and receive ministerial approval, if they meet all criteria of Section 343. All mixed income housing projects developed pursuant to the proposed Ordinance will be required to provide 10% of units on-site permanently affordable to very low or low income households.*

Objective 10

Ensure a streamlined, yet thorough, and transparent decision-making process.

Policy 10.1

Create certainty in the development entitlement process, by providing clear community parameters for development and consistent application of these regulations.

*The proposed Ordinance will offer ministerial approval to projects meeting the clear, consistent requirements of proposed Section 343. Ministerial approvals offer an increased degree of certainty in the entitlement process.*

Policy 10.2

Implement planning process improvements to both reduce undue project delays and provide clear information to support community review.

*In addition to offering ministerial approval to qualifying projects, reducing project delay, the proposed Section 343 would require all HSD projects undergo a publicly noticed informational hearing prior to receiving approval. This hearing, which would be held in accordance with the Brown Act, would provide an opportunity for community review of the HSD project.*

Policy 10.3

Use best practices to reduce excessive time or redundancy in local application of CEQA.

Policy 10.4

Support state legislation and programs that promote environmentally favorable projects.

*The proposed Ordinance would implement locally a State Law (AB73) intended to promote environmentally favorable projects, and streamline environmental and entitlement review of such projects.*

Objective 11

Support and respect the diverse and distinct character of San Francisco's neighborhoods.

Policy 11.1



Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility and innovative design, and respects existing neighborhood character.

Policy 11.2

Ensure implementation of accepted design standards in project approvals.

Policy 11.3

Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

*The proposed Ordinance would require all HSD projects to undergo design review, and comply with all adopted design standards in the Urban Design Guidelines as well as the Central SoMa Plan's Guide to Urban Design.*

Policy 11.7

Respect San Francisco's historic fabric, by preserving landmark buildings and ensuring consistency with historic districts.

*The proposed Ordinance would not allow any project on a parcel containing a building listed in Articles 10 or 11 to participate in the HSD and receive ministerial approvals.*

Objective 12

Balance housing growth with adequate infrastructure that serves the city's growing population.

Policy 12.1

Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

Policy 12.2

Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

Policy 12.3

Ensure new housing is sustainably supported by the City's public infrastructure.

*The proposed Ordinance encourages new housing growth in the Central SoMa Plan Area. The Central SoMa Area Plan plans for new housing and commercial space, orienting major growth around a major transportation investment, the Central Subway. The Central Subway will add to an already dense transit network, in a neighborhood in close proximity to many jobs, services and activities, allowing new residents and employees of the neighborhood to rely on transit to get around. Additionally, the Plan calls for over \$2 billion in infrastructure investments, including open space, childcare and improved sustainable transportation facilities, to serve current and future residents, employees and visitors.*

Objective 13

Prioritize sustainable development in planning for and constructing new housing.

Policy 13.1

Support “smart” regional growth that locates new housing close to jobs and transit.

*The proposed Ordinance will accelerate entitlements of certain qualifying housing projects in the Central SoMa Plan Area. The zoning proposed in the Central SoMa Plan Area is flexible, allowing housing or commercial space on most properties. Any housing developed in Central SoMa will be in very close proximity to the region’s largest job center – both existing jobs as well as new jobs in commercial buildings enabled by the Plan – and transit.*

Policy 13.2

Promote sustainable land use patterns that integrate housing with transportation in order to increase transit, pedestrian and bicycle mode share.

*The proposed Ordinance will accelerate entitlements of certain qualifying housing projects in the Central SoMa Plan Area. The Central SoMa Plan envisions dense new housing and commercial space in one of the most transit-served areas in the region. Existing regional transit nodes on Market Street and at the 4th and King Caltrain station bookend the Plan Area, and a future Central Subway will connect the neighborhood to the rest of the city and region. The Area Plan also calls for large scale investments in pedestrian and bicycle infrastructure.*

CENTRAL SOMA AREA PLAN:

GOAL 1: INCREASE THE CAPACITY FOR JOBS AND HOUSING

Objective 1.1

INCREASE THE AREA WHERE SPACE FOR JOBS AND HOUSING CAN BE BUILT

Policy 1.1.1

Retain existing zoning that supports capacity for new jobs and housing.

Policy 1.1.2

Replace existing zoning that restricts capacity for development with zoning that supports capacity for new jobs and housing.

*The proposed Ordinance would allow housing projects complying with all zoning controls adopted as part of the Central SoMa Plan the option to participate in the HSD, provided all eligibility criteria of Section 343 are met. The proposed Ordinance would not allow mixed-income projects over 160 feet in height to participate in the HSD, however 100% affordable projects of any height would be potentially eligible to participate in the HSD*

Objective 1.2

INCREASE HOW MUCH SPACE FOR JOBS AND HOUSING CAN BE BUILT

Policy 1.2.1

Increase height limits on parcels, as appropriate.

Policy 1.2.2

Allow physical controls for height, bulk, setbacks, and open space to determine density

*The proposed Ordinance would allow projects meeting all height limits and physical controls set by the Central SoMa Area Plan the option to participate in the HSD, provided all other eligibility criteria of Section 343 are met. The proposed Ordinance would not allow mixed-income projects over 160 feet in height to participate in the HSD, however 100% affordable projects of any height would be potentially eligible to participate in the HSD.*

**GOAL 2: MAINTAIN THE DIVERSITY OF RESIDENTS**

Objective 2.1

**MAINTAIN THE EXISTING STOCK OF HOUSING**

Policy 2.1.1

Continue implementing controls that maintains the existing supply of housing.

*The proposed Ordinance will not allow projects to participate in the Central SoMa HSD if they propose demolishing or merging any existing residential units, including rental units subject to Rent Control.*

Objective 2.2

**MAINTAIN THE AFFORDABILITY OF THE EXISTING HOUSING STOCK**

Policy 2.2.1

Continue implementing controls and strategies that help maintain the existing supply of affordable housing.

*The proposed Ordinance will not allow projects to participate in the Central SoMa HSD if they propose demolishing or merging any existing residential units, including rental units subject to Rent Control.*

Objective 2.3

**ENSURE THAT AT LEAST 33 PERCENT OF NEW HOUSING IS AFFORDABLE TO VERY LOW, LOW, AND MODERATE-INCOME HOUSEHOLDS**

Policy 2.3.1

Set affordability requirements for new residential development at rates necessary to fulfill this objective.

Policy 2.3.3

Ensure that affordable housing generated by the Central SoMa Plan stays in the neighborhood.

*The proposed Ordinance will require 10% of units in any HSD project to be affordable to households of very low or low income. HSD projects subject to San Francisco's Section 415 inclusionary requirements must satisfy this requirement through the on-site option, and then may choose to provide the rest of the requirement on-site (affordable units at AMI levels required in 415) or through payment of the off-site fee*

*option. 100% affordable housing projects of any height are potentially eligible to participate in the HSD if they meet all other eligibility requirements in Section 343.*

Objective 2.4

SUPPORT HOUSING FOR OTHER HOUSEHOLDS THAT CANNOT AFFORD MARKET RATE HOUSING

Policy 2.4.1

Continue implementing strategies that support the development of "gap" housing.

*The proposed Ordinance will require 10% of units in any HSD project to be affordable to households of very low or low income. HSD projects subject to San Francisco's Section 415 inclusionary requirements must satisfy this requirement through the on-site option, and then may choose to provide the rest of the requirement on-site (affordable units at AMI levels required in 415) or through payment of the off-site fee option. 100% affordable housing projects of any height are potentially eligible to participate in the HSD if they meet all eligibility requirements in Section 343.*

GOAL 8: ENSURE THAT NEW BUILDINGS ENHANCE THE CHARACTER OF THE NEIGHBORHOOD AND THE CITY

Objective 8.7

ESTABLISH CLEAR RULES FOR DEVELOPMENT

Policy 8.7.1

Whenever possible, delineate via the Planning Code what is allowed and not allowed in new development.

*The proposed Ordinance would allow housing projects complying with all zoning controls adopted as part of the Central SoMa Plan the option to participate in the HSD, provided all eligibility criteria of Section 343 are met.*

**AND BE IT FURTHER RESOLVED**, that the Commission adopts and incorporates by reference as though fully set forth herein the CEQA Findings set forth in Commission Motion No. 20183.

**AND BE IT FURTHER RESOLVED**, that the Commission adopts and incorporates by reference as though fully set forth herein the Mitigation Monitoring and Reporting Program, the requirements of which are made conditions of this approval.

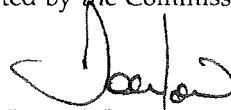
**AND BE IT FURTHER RESOLVED**, that the Commission finds the Planning Code and Business and Tax Regulation Code Amendments are in general conformity with Planning Code Section 101.1 as set forth in Planning Commission Resolution No. 20184.

**AND BE IT FURTHER RESOLVED**, that the Commission adopts the Planning Code and Business and Tax Regulation Code Amendments as reflected in an ordinance approved as to form by the City Attorney attached hereto as Exhibit C, and incorporated herein by reference, and recommends their approval by the Board of Supervisors.

**Resolution No. 20188  
May 10, 2018**

**Case No. 2018-004477PCA  
Planning Code and Business and Tax Regulations**

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on May 10, 2018.



Jonas P. Ionin  
Commission Secretary

AYES: Hillis, Fong, Johnson, Koppel, Melgar, Moore, Richards

NOES: None

ABSENT: None

ADOPTED: May 10, 2018

FILE NO.

ORDINANCE NO.

1 [Business and Tax Regulations, Planning Codes - Central South of Market Housing  
2 Sustainability District]

3 **Ordinance amending the Business and Tax Regulations and Planning Codes to create**  
4 **the Central South of Market Housing Sustainability District (encompassing an area**  
5 **generally bounded on its western portion by Sixth Street, on its eastern portion by**  
6 **Second Street, on its northern portion by the border of the Downtown Plan Area (an**  
7 **irregular border that generally tracks Folsom, Howard, or Stevenson Streets), and on**  
8 **its southern portion by Townsend Street) to provide a streamlined and ministerial**  
9 **approval process for certain housing projects within the District meeting specific labor,**  
10 **on-site affordability, and other requirements; creating an expedited Board of Appeals**  
11 **process for appeals of projects within the District; and making approval findings under**  
12 **the California Environmental Quality Act, findings of public convenience, necessity,**  
13 **and welfare under Planning Code, Section 302, and findings of consistency with the**  
14 **General Plan, and the eight priority policies of Planning Code, Section 101.1.**

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

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

23 Section 1. Environmental and Planning Code Findings.

24 (a) On \_\_\_\_\_, 2018 after a duly noticed public hearing, the Planning  
25 Commission certified the Final Environmental Impact Report (EIR) for the proposed Central  
SoMa Area Plan (the Project) by Motion No. \_\_\_\_\_, finding the Final EIR reflects

1 A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No.  
2 \_\_\_\_\_, and is incorporated herein by reference.

3 (e) Pursuant to Planning Code Section 302, the Board of Supervisors finds that the  
4 Planning Code amendments and Business and Tax Regulations Code amendments will serve  
5 the public necessity, convenience, and welfare for the reasons set forth in Planning  
6 Commission Resolution No. \_\_\_\_\_, and the Board incorporates such reasons herein  
7 by reference.

8 (f) The Board of Supervisors has reviewed and considered the Final EIR and the  
9 environmental documents on file referred to herein. The Board of Supervisors has reviewed  
10 and considered the CEQA Findings, and hereby adopts them as its own and incorporates  
11 them by reference as though such findings were fully set forth herein.

12 (g) The Board of Supervisors adopts the MMRP as a condition of this approval, and  
13 endorses those mitigation measures that are under the jurisdiction of other City Departments,  
14 and recommends for adoption those mitigation measures that are enforceable by agencies  
15 other than City agencies, all as set forth in the CEQA Findings and MMRP.

16 (h) The Board of Supervisors finds that no substantial changes have occurred in the  
17 proposed Project that would require revisions in the Final EIR due to the involvement of new  
18 significant environmental effects or a substantial increase in the severity of previously  
19 identified significant effects; no substantial changes have occurred with respect to the  
20 circumstances under which the proposed Project is to be undertaken that would require major  
21 revisions to the Final EIR due to the involvement of new environmental effects or a substantial  
22 increase in the severity of effects identified in the Final EIR, and no new information of  
23 substantial importance to the proposed Project has become available that indicates that (1)  
24 the Project will have significant effects not discussed in the Final EIR, (2) significant  
25 environmental effects will be substantially more severe, (3) mitigation measures or

1 the independent judgment and analysis of the City and County of San Francisco, is adequate,  
2 accurate and objective, and contains no significant revisions to the Draft EIR, and the content  
3 of the report and the procedures through which the Final EIR was prepared, publicized, and  
4 reviewed comply with the provisions of the California Environmental Quality Act (CEQA)  
5 (Public Resources Code Sections 21000 et seq.), the CEQA Guidelines (14 Cal. Code Regs.  
6 Sections 15000 et seq.) and Chapter 31 of the Administrative Code. Copies of the Planning  
7 Commission Motion and Final EIR are on file with the Clerk of the Board of Supervisors in File  
8 No. \_\_\_\_\_ and are incorporated herein by reference.

9 (b) The Project evaluated in the Final EIR includes proposed amendments to the  
10 Planning Code, Administrative Code, and Zoning Map, as well as amendments to the General  
11 Plan to adopt the Central South of Market ("Central SoMa") Area Plan and other related  
12 amendments. The proposed Planning Code amendments and Business and Tax Regulations  
13 Code amendments set forth in this ordinance are within the scope of the Project evaluated in  
14 the Final EIR.

15 (c) At the same hearing during which the Planning Commission certified the Final EIR,  
16 the Planning Commission adopted findings under CEQA regarding the Project's  
17 environmental impacts, the disposition of mitigation measures, and project alternatives, as  
18 well as a statement of overriding considerations (CEQA Findings) and adopted a mitigation  
19 monitoring reporting program (MMRP), by Resolution No. \_\_\_\_\_.

20 (d) At the same hearing, the Planning Commission, in Resolution No. \_\_\_\_\_,  
21 recommended the proposed Planning Code amendments for approval and adopted findings  
22 that the actions contemplated in this ordinance creating the Central South of Market Housing  
23 Sustainability District are consistent, on balance, with the City's General Plan and eight  
24 priority policies of Planning Code Section 101.1. The Board adopts these findings as its own.  
25



1 alternatives found not feasible that would reduce one or more significant effects have become  
2 feasible or (4) mitigation measures or alternatives that are considerably different from those in  
3 the Final EIR would substantially reduce one or more significant effects on the environment.  
4

5 Section 2. The Business and Tax Regulations Code is hereby amended by revising  
6 Sections 8 and 26, to read as follows:  
7

8 **SEC. 8. METHOD OF APPEAL TO THE BOARD OF APPEALS.**

9 (a) Except for variance decisions and permits issued by the Entertainment Commission  
10 or its Director, and as otherwise specified in this Section 8, appeals to the Board of Appeals shall  
11 be taken within 15 days from the making or entry of the order or decision from which the  
12 appeal is taken. Appeals of variance decisions shall be taken within 10 days.

13 (b) Appeals to the Board of Appeals of permit decisions made pursuant to Planning Code  
14 Section 343 shall be taken within 10 days of the permit decision. This subsection (b) shall expire on the  
15 Sunset Date of Planning Code Section 343, as defined in that Section. Upon the expiration of this  
16 subsection, the City Attorney shall cause this subsection to be removed from the Business and Tax  
17 Regulations Code.

18 (c) Appeals of actions taken by the Entertainment Commission or its Director on the  
19 granting, denial, amendment, suspension, or revocation of a permit, or on denial of exceptions  
20 from regulations for an Extended-Hours Premises Permit, shall be taken within 10 days from  
21 the making of the decision. Nothing in this Section 8 is intended to require an appeal to the  
22 Board of Appeals if any provision of Article 15, Article 15.1 (Entertainment Regulations Permit  
23 and License Provisions), or Article 15.2 (Entertainment Regulations for Extended-Hours  
24 Premises) of the Police Code governing these permits otherwise provides.  
25

1            (d) Appeals shall be taken by filing a notice of appeal with the Board of Appeals and  
2 paying to said Board at such time a filing fee as follows:

3            (a1) **Zoning Administrator, Planning Department, Director of Planning,**  
4 **and Planning Commission.**

5            (1A) For each appeal from the Zoning Administrator's variance decision,  
6 the fee shall be \$600.

7            (2B) For each appeal from any order, requirement, decision, or other  
8 determination (other than a variance) made by the Zoning Administrator, the Planning  
9 Department or Commission or the Director of Planning, including an appeal from disapproval  
10 of a permit which results from such an action, the fee shall be \$600.

11            (b2) **Department of Building Inspection.**

12            (1A) For each appeal from a Department of Building Inspection denial,  
13 conditional approval, or granting of a residential hotel or apartment conversion permit, the fee  
14 shall be \$525.

15            (2B) For each appeal from the granting or denial of a building demolition,  
16 or other permit (other than residential hotel conversion), the fee shall be \$175.

17            (3C) For each appeal from the imposition of a penalty only, the fee shall  
18 be \$300.

19            (e3) **Police Department and Entertainment Commission.**

20            (1A) For each appeal from the denial or granting of a permit or license  
21 issued by the Police Department, Entertainment Commission, or the Director of the  
22 Entertainment Commission, to the owner or operator of a business, the fee shall be \$375; for  
23 each such permit or license issued to an individual employed by or working under contract to  
24 a business, the fee shall be \$150.

1                   (2B) For each appeal from the revocation or suspension of a permit or  
2 license by the Police Department, Entertainment Commission, or the Director of the  
3 Entertainment Commission, the fee shall be \$375 for an entity or individual.

4                   (d4) **Department of Public Works.** For each appeal from the decision of the  
5 Director of the Department of Public Works concerning street tree removal by a City agency,  
6 commission, or department, the fee shall be \$100.

7                   (e5) For each appeal from any other order or decision, the fee shall be \$300.

8                   (f6) For requests for rehearing under Section 16 of this Article 1, the fee shall  
9 be \$150.

10                  (g7) For requests for jurisdiction, the fee shall be \$150.

11                  (h8) An exemption from paying the full fee specified in ~~§~~subsections (d)(1)  
12 ~~through (7)(a), (b), (c), (d), (e), (f), and (g)~~ herein may be granted upon the filing under penalty of  
13 perjury of a declaration of indigency on the form provided and approved by the Board. All  
14 agencies of the City and County of San Francisco are exempted from these fees.

15                  (i9) **Additional Requirements.**

16                  (jA) Notice of appeal shall be in such form as may be provided by the  
17 rules of the Board of Appeals.

18                  (zB) On the filing of any appeal, the Board of Appeals shall notify in  
19 writing the department, board, commission, officer or other person from whose action the  
20 appeal is taken of such appeal. On the filing of any appeal concerning a structural addition to  
21 an existing building, the Board of Appeals shall additionally notify in writing the property  
22 owners of buildings immediately adjacent to the subject building.

23                  (3C) Except as otherwise specified in this subsection (d)(9)(C), ~~t~~The Board of  
24 Appeals shall fix the time and place of hearing, which shall be not less than 10 nor more than  
25

1 45 days after the filing of said appeal, and shall act thereon not later than 60 days after such  
2 filing or a reasonable time thereafter.

3 *(i)* In the case of a permit issued by the Entertainment  
4 Commission or its Director, the Board of Appeals shall set the hearing not less than 15 days  
5 after the filing of said appeal, shall act thereon not more than 30 days after such filing, and  
6 shall not entertain a motion for rehearing.

7 *(ii)* In the case of a decision on a permit application made pursuant to  
8 Planning Code Section 343, the Board of Appeals shall set the hearing not less than 10 days after the  
9 filing of said appeal, shall act thereon not more than 30 days after such filing, and shall not entertain a  
10 motion for rehearing. This subsection (d)(9)(C)(ii) shall expire on the Sunset Date of Planning Code  
11 Section 343, as defined in that Section. Upon the expiration of this subsection, the City Attorney shall  
12 cause this subsection to be removed from the Business and Tax Regulations Code.

13 *(4D)* With respect to any decision of the Board of Appeals related to any  
14 "dwelling" in which "protected class members" are likely to reside (each as defined in  
15 Administrative Code Chapter 87), the Board of Appeals shall comply with the requirements of  
16 Administrative Code Chapter 87 which requires, among other things, that the Board of  
17 Appeals not base any decision regarding the development of such units on information which  
18 may be discriminatory to any member of a "protected class."

19 *(5E)* Pending decision by the Board of Appeals, the action of such  
20 department, board, commission, officer or other person from which an appeal is taken, shall  
21 be suspended, except for: *(i)* actions of revocation or suspension of permit by the Director of  
22 Public Health when determined by the Director to be an extreme public health hazard; *(ii)*  
23 actions by the Zoning Administrator or Director of the Department of Building Inspection  
24 stopping work under or suspending an issued permit; *(iii)* actions of suspension or revocation  
25 by the Entertainment Commission or the Director of the Entertainment Commission when the

1 suspending or revoking authority determines that ongoing operation of the activity during the  
2 appeal to the Board of Appeals would pose a serious threat to public safety; and (iv) actions of  
3 the Director of the Office of Cannabis awarding a Temporary Cannabis Business Permit.  
4

5 **SEC. 26. FACTS TO BE CONSIDERED BY DEPARTMENTS.**

6 (a) Subject to ~~§~~subsection (b) ~~below~~, in the granting or denying of any permit, or the  
7 revoking or the refusing to revoke any permit, the granting or revoking power may take into  
8 consideration the effect of the proposed business or calling upon surrounding property and  
9 upon its residents, and inhabitants thereof; and in granting or denying said permit, or revoking  
10 or refusing to revoke a permit, may exercise its sound discretion as to whether said permit  
11 should be granted, transferred, denied, or revoked.

12 \* \* \* \*

13 (e) Notwithstanding subsection (a), the provisions of Planning Code Section 343 shall govern  
14 actions taken on the granting, denial, amendment, suspension, and revocation of permits regulated  
15 under that Section 343, not the standards set forth in subsection (a) of this Section 26. This subsection  
16 (e) shall become operative upon receipt of preliminary approval of Planning Code Section 343 by the  
17 California Department of Housing and Community Development under California Government Code  
18 Section 66202. This subsection shall expire by the operation of law in accordance with the provisions  
19 of Planning Code Section 343(k). Upon its expiration, the City Attorney shall cause this subsection to  
20 be removed from the Business and Tax Regulations Code.

21  
22  
23 Section 3. The Planning Code is hereby amended by adding Section 343, to read as  
24 follows:

25 **SEC. 343. CENTRAL SOMA HOUSING SUSTAINABILITY DISTRICT.**

1           (a) Purpose. This Section 343 establishes a Housing Sustainability District within the Central  
2 SoMa Plan Area (“Central SoMa Housing Sustainability District” or “Central SoMa HSD”) under  
3 California Government Code Sections 66200 et seq. The purpose of the Central SoMa Housing  
4 Sustainability District is to encourage the provision of on-site affordable housing in new residential  
5 and mixed-use projects in Central SoMa by providing a streamlined, ministerial approval process for  
6 such projects. The Central SoMa Plan anticipates that 33% of all new residential units produced  
7 within the Plan Area will be permanently affordable to households of very low, low, or moderate  
8 income. This Section 343 sets forth eligibility criteria, design review standards, and entitlement and  
9 approval procedures for projects seeking approval pursuant to the requirements of the Central SoMa  
10 Housing Sustainability District.

11           (b) Geography. The Central SoMa Housing Sustainability District shall include all parcels  
12 within the Central SoMa Special Use District, which is defined in Section 249.78(b). The entirety of the  
13 Central SoMa Special Use District is an “eligible location,” as that term is defined in California  
14 Government Code Section 66200(e).

15           (c) Relationship to Other Planning Code Provisions. Except as otherwise provided in this  
16 Section 343, all provisions of the Planning Code, including Section 249.78, that would be applicable to  
17 projects approved pursuant to this Section 343 shall apply to such projects. In the event of a conflict  
18 between other provisions of the Planning Code and this Section, this Section shall control.

19           (d) Eligibility. Projects seeking approval pursuant to this Section 343 shall meet all of the  
20 following requirements:

21                   (1) The project is located in a zoning district that principally permits residential uses.

22                   (2) The project proposes no less than 50 dwelling units per acre, and no more than 750  
23 dwelling units per acre.

24                   (3) A majority of the project’s gross square footage is designated for residential uses.

25 All non-residential uses must be principally permitted in the underlying zoning district and any

1 applicable special use district(s), and may not include greater than 24,999 gross square feet of office  
2 space that would be subject to the annual limit on office development set forth in Sections 321 et seq.

3 (4) The project does not exceed a height of 160 feet, except that any project whose  
4 principal use is housing, where all such housing is restricted for a minimum of 55 years as affordable  
5 for "persons and families of low or moderate income," as defined in California Health & Safety Code  
6 Section 50093, shall be deemed to satisfy this subsection (c)(4) regardless of height.

7 (5) If the project sponsor seeks a density bonus pursuant to California Government  
8 Code Section 65915 et seq., the project sponsor demonstrates to the satisfaction of the Planning  
9 Department that the project would not result in a significant shadow impact.

10 (6) The project is not located on a lot containing a structure listed as a designated  
11 landmark pursuant to Article 10 of the Planning Code or a contributory or significant structure  
12 pursuant to Article 11 of the Planning Code.

13 (7) The project provides no less than 10% of its dwelling units as units affordable to  
14 very low or low income families, using one of the following methods:

15 (A) For projects subject to Section 415, by electing to comply with Section 415  
16 by choosing the On-Site Affordable Housing Alternative under Sections 415.5(g)(1)(A) or  
17 415.5(g)(1)(D); or

18 (B) For projects not subject to Section 415, by entering into a regulatory  
19 agreement with the City that contains the terms specified in Section 206.6(f).

20 (8) The project does not demolish, remove, or convert to another use any existing  
21 dwelling unit(s).

22 (9) The project complies with all applicable zoning and any adopted design review  
23 standards.

1                   (10) The project sponsor complies with all Mitigation Measures in the Central SoMa  
2 Environmental Impact Report (Central SoMa EIR) that the Planning Department determines are  
3 applicable to the project.

4                   (11) The project sponsor certifies that the project will comply with all applicable  
5 requirements of California Government Code Section 66201(f)(4).

6                   (12) The project shall comply with Government Code Section 66201(f)(5).

7                   (13) A project is not deemed to be for residential use if it is infeasible for actual use as  
8 a single or multifamily residence.

9                   (e) Approving Authority. The Planning Department is the approving authority designated to  
10 review permit applications for compliance with this Section 343.

11                   (f) Application.

12                   (1) Prior to submittal of an application for required approvals from the Planning  
13 Department, a project sponsor seeking to apply pursuant to this Section 343 shall submit an  
14 application for a preliminary project assessment (PPA), pursuant to Planning Department procedures.

15                   (2) In addition to any requirements under other provisions of this Code for submittal of  
16 application materials, an application under this Section 343 shall be submitted to the Department on a  
17 form prescribed by the Department and shall include at minimum the following materials:

18                   (A) A full plan set, including site plan, elevations, sections, and floor plans,  
19 showing total number of units, and number of and location of units affordable to very low or low  
20 income households;

21                   (B) All documentation required by the Department in its response to the project  
22 sponsor's previously-submitted PPA application;

23                   (C) Documentation sufficient to support determinations that:

24                   (i) the project meets all applicable zoning and any adopted design  
25 review standards;



1 (ii) the project sponsor will implement any and all Mitigation Measures  
2 in the Central SoMa EIR that the Planning Department determines are applicable to the project,  
3 including but not limited to the following:

4 a. An agreement to implement any and all Mitigation Measures  
5 in the Central SoMa EIR that the Planning Department determines are applicable to the project; and

6 b. Scope(s) of work for any studies required as part of any and all  
7 Mitigation Measures in the Central SoMa EIR that the Planning Department determines are applicable  
8 to the project. An application pursuant to this Section 343 shall not be deemed complete until such  
9 studies are completed to the satisfaction of the Environmental Review Officer.

10 (iii) the project sponsor will comply with subsections (d)(10) and (d)(11)  
11 of this Section 343.

12 (g) Decision and Hearing. The Department shall exercise ministerial approval of projects that  
13 meet all the requirements in this Section 343. Section 329 of this Code shall not apply to projects that  
14 are approved pursuant to this Section 343.

15 (1) Hearing. The Planning Department shall conduct an informational public hearing  
16 for all projects that are subject to this Section 343 within 100 days of receipt of a complete application,  
17 as defined in subsection (f).

18 (2) Decision. Within 120 days of receipt of a complete application, as defined in  
19 subsection (f), the Planning Director or the Director's designee shall issue a written decision  
20 approving, disapproving, or approving subject to conditions, the project. The applicant and the  
21 Department may mutually agree to extend this 120-day period. If no written decision is issued within  
22 120 days of the Department's receipt of a complete application, or within the period mutually agreed  
23 upon by the Department and applicant, the project shall be deemed approved. The Planning Director  
24 or the Director's designee shall include any certifications required by California Government Code  
25 Section 66205(e) in a copy of the written decision.

1                   (3) Grounds for Permit Denial. The Department may deny a Central SoMa HSD  
2 project application only for one or more of the following reasons:

3                   (A) The proposed project does not fully comply with this Section 343, including  
4 but not limited to meeting all adopted design review standards and demonstrating compliance with all  
5 applicable Mitigation Measures in the Central SoMa EIR that the Department determines are  
6 applicable to the project.

7                   (B) The project sponsor has not submitted all of the information or paid any  
8 application fee required by this Section 343 and necessary for an adequate and timely design review or  
9 assessment of potential impacts on neighboring properties.

10                   (C) The Department determines, based upon substantial evidence in light of the  
11 whole record of the public hearing on the project, that a physical condition on the site of development  
12 that was not known and could not have been discovered with reasonable investigation at the time the  
13 application was submitted would have a specific adverse impact upon the public health or safety and  
14 that there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. As used  
15 in this subsection (g)(3)(C), "specific adverse impact" means a significant, quantifiable, direct, and  
16 unavoidable impact based on identified objective written public health or safety standards, policies, or  
17 conditions, as in existence at the time the application is deemed complete.

18                   (4) Appeal. The procedures for appeal to the Board of Appeals of a decision by the  
19 Department under this Section 343 shall be as set forth in Section 8 of the Business and Tax  
20 Regulations Code.

21                   (5) Discretionary Review. No requests for discretionary review shall be accepted by  
22 the Planning Department or heard by the Planning Commission or Board of Appeals for projects  
23 subject to this Section 343.

24                   (6) Progress Requirement. The project sponsor of any project approved pursuant to  
25 this Section 343 shall obtain the first site or building permit for the project from the Department of

1 Building Inspection within 36 months of the Department's issuance of a written decision pursuant to  
2 subsection (g)(2) of this Section 343. If the project sponsor has not obtained the first site or building  
3 permit from the Department of Building Inspection within 36 months, then as soon as is feasible after  
4 36 months has elapsed, the Planning Director shall hold a hearing requiring the project sponsor to  
5 report on the status of the project, to determine whether the project sponsor has demonstrated good  
6 faith in its effort to obtain the first site or building permit for the project. If the Planning Director finds  
7 that the project sponsor has not demonstrated good faith in its efforts to obtain the first site or building  
8 permit for the project, the Planning Director shall revoke the approvals for the project. Factors in  
9 determining whether the project sponsor has demonstrated good faith in its efforts include, but are not  
10 limited to, whether any delays are the result of conditions outside the control of the project sponsor and  
11 whether changes in the financing of the project are necessary in order for construction to proceed.

12 (h) Design Review Standards. Projects subject to this Section 343 shall be reviewed for  
13 compliance with the design standards set forth in the San Francisco Urban Design Guidelines and the  
14 Central SoMa Plan's Guide to Urban Design, which are on file with the Planning Department, as  
15 approved by the California Department of Housing and Community Development.

16 (i) District Affordability Requirement. At the request of the California Department of Housing  
17 and Community Development, the Planning Department shall demonstrate that at least 20% of the  
18 residential units constructed in the Central SoMa Housing Sustainability District during the life of the  
19 District and pursuant to this Section 343 will be affordable to very low, low-, and moderate-income  
20 households and subject to a recorded affordability restriction for at least 55 years.

21 (j) Monitoring and Enforcement. The Planning Department shall include, as conditions of  
22 approval of all projects approved pursuant to this Section 343, monitoring and enforcement provisions  
23 to ensure that the project meets all labor and wage requirements and complies with all identified  
24 applicable mitigation measures. Projects found to be in violation of any of these conditions shall be  
25 subject to the Administrative Enforcement Procedures in Section 176.1 of this Code, including

1 initiation of abatement proceedings or referral to the City Attorney or District Attorney for prosecution,  
2 if not corrected within 90 days of service of any notice of violation issued under Section 176.1(c).

3 Conditions of approval shall include, but are not limited to:

4 (1) A project sponsor shall submit weekly reports to the Office of Labor Standards  
5 Enforcement, certifying that a project approved pursuant to this Section 343 is complying with  
6 subsections (d)(11) and (d)(12), if applicable to the project. Projects found to be in violation of  
7 subsections (d)(11) and (d)(12) shall be subject to penalties pursuant to Section 1741 of the Labor  
8 Code, in addition to any penalties assessed pursuant to Section 176.1 of this Code. All penalties shall  
9 be paid prior to issuance of the project's First Certificate of Occupancy.

10 (2) The Planning Department shall monitor compliance with Central SoMa EIR  
11 Mitigation Measures.

12 (3) The Planning Department shall monitor and report the construction of affordable  
13 housing units under the Central SoMa Housing Sustainability District in its annual Housing Inventory,  
14 which shall include the following information:

15 (A) Number of projects approved pursuant to this Section 343.

16 (B) Number of projects under construction pursuant to approvals obtained  
17 under this Section 343.

18 (C) Number of projects completed pursuant to approvals obtained under this  
19 Section 343.

20 (D) Number of dwelling units within projects completed pursuant to approvals  
21 obtained under this Section 343.

22 (E) Number of dwelling units affordable to very low, low, moderate, and middle  
23 income households within projects completed pursuant to approvals obtained under this Section 343.

24 (k) Operative and Sunset Dates.

1                   (1) This Section 343 shall become operative upon receipt of preliminary approval by  
2 the California Department of Housing and Community Development under California Government  
3 Code Section 66202 ("Operative Date").

4                   (2) This Section 343 shall expire by operation of law seven years from the Operative  
5 Date, unless this Section 343 is renewed by ordinance pursuant to Government Code Section 66201(g),  
6 in which case this Section 343 shall expire on the date specified in that ordinance ("Sunset Date").

7                   (3) Upon the expiration of this Section 343, the City Attorney shall cause this Section  
8 343 to be removed from the Planning Code. Pursuant to Government Code Section 66205(b), this  
9 Section 343 shall govern the processing and review of any complete application submitted pursuant to  
10 this Section 343 prior to the Sunset Date.

11  
12                   Section 4. Effective Date; Operative Date.


13                   (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
14 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
15 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
16 Mayor's veto of the ordinance.

17                   (b) Consistent with Section 343(k)(1) of the Planning Code, this ordinance in its  
18 entirety shall become operative upon receipt of preliminary approval by the California  
19 Department of Housing and Community Development under California Government Code  
20 Section 66202.

21  
22                   Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
23 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
24 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
25 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

1 additions, and Board amendment deletions in accordance with the "Note" that appears under  
2 the official title of the ordinance.

3  
4 APPROVED AS TO FORM:  
5 DENNIS J. HERRERA, City Attorney

6 By:   
7 PETER R. MILJANICH  
8 Deputy City Attorney

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# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Planning Code Text Amendment HEARING DATE: MAY 10, 2018

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
**415.558.6378**

Fax:  
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Planning  
Information:  
**415.558.6377**

*Project Name:* Central SOMA Housing Sustainability District  
*Case Number:* 2018-004477PCA [Board File No. 180453]  
*Initiated by:* Mayor Farrell, Supervisor Kim / Introduced May 1, 2018  
*Staff Contact:* Paolo Ikezoe, Senior Planner  
paolo.ikezoe@sfgov.org, 415-575-9137  
*Recommendation:* **Approval**

### PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Business and Tax Regulation Code and create a new Planning Code Section, 343, establishing the Central SoMa Housing Sustainability District (HSD). The proposed HSD would meet all requirements of AB 73, the state law adopted in 2017 enabling the creation of Housing Sustainability Districts, including specifying eligibility requirements for projects wishing to participate in the Central SoMa HSD and establishing procedures for application, review, and approval. Eligible housing projects in the Central SoMa HSD would be offered a ministerial approval process.

### BACKGROUND

A detailed summary of AB73, including the law's requirements for Housing Sustainability Districts, was provided in a [memo](#) to the Planning Commission on April 26<sup>th</sup> for the informational hearing on May 3. That same memo included analysis of the Central SoMa Plan Area's suitability as an HSD, as well as a broad overview of additional eligibility requirements a local ordinance would add in order to tailor the Central SoMa HSD to local context. The draft ordinance, introduced on May 1, defines the geography and project eligibility standards, as well as design review, approval and appeal processes for a Central SoMa HSD. In order to enable ministerial approval of housing permits as AB73 requires, the ordinance would amend the Business and Tax Regulation code as necessary. If approved and certified by the California Department of Housing and Community Development (HCD), the Central SoMa HSD would likely be the first Housing Sustainability District in the state, and would make San Francisco eligible for two 'zoning incentive payments' from the state.

### ISSUES AND CONSIDERATIONS

#### Geography

The Central SoMa HSD would include all parcels within the Central SoMa Special Use District (see attached map). Within that geography, individual projects would have to meet all of the eligibility criteria outlined below in order to qualify for entitlement under the HSD. The parcels within the Central SoMa Special Use District comprise approximately 168 acres, or less than 1 percent of San Francisco's land area,

thus meeting AB73's requirement that an individual HSD must be no larger than 15 percent of a city or county's land area.

**AB73 Environmental Review Requirement**

AB73 requires local agencies to prepare an EIR to identify and mitigate, to the extent feasible, the environmental impacts of designating a Housing Sustainability District. Residential and mixed-use developments approved under the HSD must implement applicable mitigation measures identified in this EIR.

The proposed Central SoMa HSD does not change any height, bulk, land use, or density standards proposed in the Central SoMa Area Plan. Projects seeking approval under the HSD must demonstrate compliance with all applicable zoning and design review standards, and will be required to implement any mitigation measures identified in the Central SoMa EIR that the Planning Department determines are applicable to the project. The Central SoMa Plan EIR analyzes the potential creation of the Central SoMa HSD.

**Project Eligibility**

Within the Central SoMa HSD, a housing project would need to meet all of the following eligibility criteria in order to participate in the HSD's streamlined, ministerial approval process:

1. The project must be located in a zoning district that principally permits residential uses.
2. The project must propose no less than 50 dwelling units per acre and no more than 750 dwelling units per acre.
3. The majority of the project's square footage must be residential uses. Any non-residential uses proposed in the project must be principally permitted, and the project may not include greater than 24,999 gross square feet of office space that would be subject to the annual limit on office development.
4. The project must not exceed a height of 160 feet, unless it is a 100% affordable housing project, in which case it is exempt from this height limit.
5. If seeking a density bonus, the project must demonstrate to the satisfaction of the Planning Department that the project would not result in a significant shadow impact.
6. The project must not be located on a parcel containing a structure listed in Articles 10 or 11 of the Planning Code.
7. The project must include at least 10% of dwelling units on-site as units permanently affordable to very low or low income households.
8. The project must not demolish, remove or convert to another use any existing dwelling unit(s).
9. The project must comply with all applicable zoning and adopted design review standards.
10. The project must comply with all Mitigation Measures in the Central SoMa EIR that the Planning Department determines are applicable to the project.
11. If proposing 75 units or more, the project must use a skilled and trained workforce to construct the project. This threshold drops to projects of 50 or more on January 1, 2022.
12. If proposing 74 units or fewer, the project must pay prevailing wages to all workers involved in the construction of the project. This threshold drops to 49 units or fewer on January 1, 2022.

**Application**

In order to allow for timely review of Central SoMa HSD projects, Section 343 would include a detailed list of required application materials and specific criteria for deeming an application complete. Prior to



submission of an HSD application, all HSD projects would be required to file a Preliminary Project Assessment (PPA) with the Department. Required application materials include:

1. A full plan set, showing total number of units, including the number and location of units affordable to Very Low or Low Income households;
2. All documentation required by the Department in its response to the project sponsor's previously-submitted PPA application;
3. Documentation sufficient to support a determination that the project sponsor will implement any and all Mitigation Measures in the Central SOMA EIR that the Planning Department determines are applicable to the project, including but not limited to:
  - a. An affidavit agreeing to implement any and all Mitigation Measures identified as applicable to the project; and
  - b. Scope(s) of work for any studies required as part of any and all Mitigation Measures identified as applicable to the project; an application will not be deemed complete until such studies are completed to the satisfaction of the Environmental Review Officer;
4. An affidavit agreeing to pay prevailing wages or hire skilled and trained workforce for all construction workers involved in completing the project, if that is required.

Once a Central SoMa application is deemed complete, the Department will have 120 days to review and make a determination of approval or disapproval of the project.

### **Design Review and Approval Process**

AB73 mandates a 120 day timeline for an approving authority (in this case, the Planning Department) to issue a written decision on the project. As noted above, the 120 day timeline would not start until the Department deems an HSD project's application complete. In addition to the Planning Code, HSD projects would be reviewed in accordance with the recently adopted Urban Design Guidelines, as well as the Central SoMa Plan's Guide to Urban Design. Projects found to meet all requirements of Section 343, including compliance with all design review standards and Mitigation Measures, will be approved ministerially by the Department.

The Department may only deny an application for a Central SoMa HSD project in the following cases:

1. The proposed project does not fully comply with Section 343, including full compliance with adopted design review standards and all applicable Mitigation Measures.
2. The project sponsor has not submitted all of the information or paid the application fee required by Section 343.
3. The Department determines, based on substantial evidence, that a physical condition on the site of development that was not known would have a specific adverse impact on the public health or safety, and that there is no feasible method to satisfactorily mitigate or avoid the adverse impact.

### **Public Hearing**

AB73 requires that a public hearing, conducted in accordance with the Brown Act, be held on all HSD projects. The proposed Central SoMa HSD would require such a hearing be held at the Planning Department, within 100 days of receipt of a complete application, and before a final decision is issued on

the project. This hearing would be noticed in accordance with the Department's proposed standard notification procedures.

### **Appeal Process**

Projects meeting all requirements of the proposed Section 343 and electing to take part in the Central SoMa HSD will receive ministerial approval. As such, they would not require further environmental review or Discretionary Review. Any appeals of an HSD project approval must be filed with the Board of Appeals within 10 days of the approval decision. The Board of Appeals is required to set a hearing on an HSD project appeal within 10 days of the filing of that appeal and must make a decision within 30 days of the filing.

### **Progress Requirement**

Section 343 will require Central SoMa HSD projects to submit a first site or building permit to the Department of Building Inspection within 36 months of Planning approval. If this milestone is not met, the Planning Director must hold a hearing and revoke the approval if the project sponsor cannot demonstrate good faith efforts to begin construction.

### **Monitoring and Enforcement**

Central SoMa HSD projects shall have compliance with wage and/or labor standards and Mitigation Measures written into their conditions of approval. Projects found to be in violation of these conditions will be subject to enforcement procedures in Section 176.1 of the Planning Code. Additionally, Section 343 requires Central SoMa HSD project sponsors to submit weekly reports to the Office of Labor Standards Enforcement (OLSE) and directs OLSE to monitor and enforce compliance with wage and/or labor standards. Projects found in violation are required to pay any penalties assessed by the Planning Department or OLSE prior to issuance of the project's First Certificate of Occupancy.

Section 343 also directs the Planning Department to monitor the number of projects electing to participate in the HSD, as well as the number and affordability levels of units within those projects.

### **Operative and Sunset Dates**

Should the Central SoMa Housing Sustainability District be approved by the Board of Supervisors, the ordinance would then be sent to the California Department of Housing and Community Development (HCD) for approval. Only upon approval by HCD would the ordinance become operative. AB73 mandates that HSDs have an effectiveness period of no more than ten years, with an extension of up to an additional ten years. The proposed ordinance would have the District sunset seven years from the effective date, unless the Board of Supervisors acts to renew the ordinance. Any project application submitted prior to the sunset date would be eligible for processing under the terms of the HSD.

### **Implementation**

Allowing for ministerial approvals of housing projects within a specified timeframe, as AB 73 requires, will involve some changes to the Department's current procedures. However, many of those changes already being proposed as part of the Department's process improvements, or are similar to procedures adopted as part of the Department's implementation of SB35. Processing and approving Central SoMa HSD projects within AB73's specified 120 day timeframe will require increased focus and attention at the beginning of the entitlement process, particularly during the Preliminary Project Assessment (PPA)

process and when determining an application's completeness. The 120-day approval timeline required by AB73 is roughly two months shorter than the shortest timeline proposed in the Mayor's process improvements Executive Directive (6 months for housing projects not requiring CEQA review). As proposed for all projects under the Executive Directive related process improvements, the Planning Department will start the timeline for review and approval upon receipt of a complete application for a "stable project".

### **General Plan Compliance**

The proposed ordinance is consistent with the following objectives and policies of the General Plan.

#### **HOUSING ELEMENT:**

##### **Objective 1**

Identify and make available for development adequate sites to meet the City's housing needs, especially permanently affordable housing.

##### **Policy 1.1**

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

*The proposed Ordinance will require 10% of units in any HSD project to be affordable to households of very low or low income. HSD projects subject to San Francisco's Section 415 inclusionary requirements must satisfy this requirement through the on-site option, and then may choose to provide the rest of the requirement on-site (affordable units at AMI levels required in 415) or through payment of the off-site fee option.*

##### **Policy 1.2**

Focus housing growth and infrastructure necessary to support growth according to community plans. Complete planning underway in key opportunity areas.

##### **Policy 1.10**

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

*The proposed Ordinance will accelerate entitlements and require provision of at least 10% on-site affordable housing for eligible projects in the Central SoMa Plan Area. The Central SoMa Plan envisions dense new housing and commercial space in one of the most transit-served areas in the region. Existing regional transit nodes on Market Street and at the 4th and King Caltrain station bookend the Plan Area, and a future Central Subway will connect the neighborhood to the rest of the city and region. The Area Plan also calls for large scale investments in pedestrian and bicycle infrastructure.*

##### **Objective 2**

Retain existing housing units, and promote safety and maintenance standards, without jeopardizing affordability.

##### **Policy 2.1**

Discourage the demolition of sound existing housing, unless the demolition results in a net increase in affordable housing.

Policy 2.2

Retain existing housing by controlling the merger of residential units, except where a merger clearly creates new family housing.

*The proposed Ordinance will not allow projects to participate in the Central SoMa HSD if they propose demolishing or merging any existing residential units.*

Objective 3

Protect the affordability of the existing housing stock, especially rental units.

Policy 3.1

Preserve rental units especially rent controlled units, to meet the City's affordable housing needs.

*The proposed Ordinance will not allow projects to participate in the Central SoMa HSD if they propose demolishing or merging any existing residential units, including rental units subject to Rent Control.*

Objective 4

Foster a housing stock that meets the needs of all residents across lifecycles.

Policy 4.4

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

*The proposed Ordinance will require 10% of units in any HSD project, whether it consist of rental or ownership units, to be permanently affordable to households of very low or low income.*

Policy 4.5

Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

*100% affordable housing projects of any height will be eligible to participate in the proposed HSD and receive ministerial approval, if they meet all criteria of Section 343. All mixed income housing projects developed pursuant to the proposed Ordinance will be required to provide 10% of units on-site permanently affordable to very low or low income households.*

Policy 4.6

Encourage an equitable distribution of growth according to infrastructure and site capacity.

*The proposed Ordinance encourages new housing growth in the Central SoMa Plan Area. The Central SoMa Area Plan plans for new housing and commercial space, orienting major growth around a major transportation investment, the Central Subway. The Central Subway will add to an already dense transit network, in a neighborhood in close proximity to many jobs, services and activities, allowing new residents and employees of the neighborhood to rely on transit to get around. Additionally, the Plan calls for over \$2 billion in infrastructure investments, including open space, childcare and improved sustainable transportation facilities, to serve current and future residents, employees and visitors.*

Objective 7

Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms or capital.

Policy 7.5

Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval process.

*100% affordable housing projects of any height will be eligible to participate in the proposed HSD and receive ministerial approval, if they meet all criteria of Section 343. All mixed income housing projects developed pursuant to the proposed Ordinance will be required to provide 10% of units on-site permanently affordable to very low or low income households.*

Objective 10

Ensure a streamlined, yet thorough, and transparent decision-making process.

Policy 10.1

Create certainty in the development entitlement process, by providing clear community parameters for development and consistent application of these regulations.

*The proposed Ordinance will offer ministerial approval to projects meeting the clear, consistent requirements of proposed Section 343. Ministerial approvals offer an increased degree of certainty in the entitlement process.*

Policy 10.2

Implement planning process improvements to both reduce undue project delays and provide clear information to support community review.

*In addition to offering ministerial approval to qualifying projects, reducing project delay, the proposed Section 343 would require all HSD projects undergo a publicly noticed informational hearing prior to receiving approval. This hearing, which would be held in accordance with the Brown Act, would provide an opportunity for community review of the HSD project.*

Policy 10.3

Use best practices to reduce excessive time or redundancy in local application of CEQA.

Policy 10.4

Support state legislation and programs that promote environmentally favorable projects.

*The proposed Ordinance would implement locally a State Law (AB73) intended to promote environmentally favorable projects, and streamline environmental and entitlement review of such projects.*

Objective 11

Support and respect the diverse and distinct character of San Francisco's neighborhoods.

Policy 11.1

Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility and innovative design, and respects existing neighborhood character.

Policy 11.2

Ensure implementation of accepted design standards in project approvals.

Policy 11.3

Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

*The proposed Ordinance would require all HSD projects to undergo design review, and comply with all adopted design standards in the Urban Design Guidelines as well as the Central SoMa Plan's Guide to Urban Design.*

Policy 11.7

Respect San Francisco's historic fabric, by preserving landmark buildings and ensuring consistency with historic districts.

*The proposed Ordinance would not allow any project on a parcel containing a building listed in Articles 10 or 11 to participate in the HSD and receive ministerial approvals.*

Objective 12

Balance housing growth with adequate infrastructure that serves the city's growing population.

Policy 12.1

Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

Policy 12.2

Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

Policy 12.3

Ensure new housing is sustainably supported by the City's public infrastructure.

*The proposed Ordinance encourages new housing growth in the Central SoMa Plan Area. The Central SoMa Area Plan plans for new housing and commercial space, orienting major growth around a major transportation investment, the Central Subway. The Central Subway will add to an already dense transit network, in a neighborhood in close proximity to many jobs, services and activities, allowing new residents and employees of the neighborhood to rely on transit to get around. Additionally, the Plan calls for over \$2 billion in infrastructure investments, including open space, childcare and improved sustainable transportation facilities, to serve current and future residents, employees and visitors.*

Objective 13

Prioritize sustainable development in planning for and constructing new housing.

Policy 13.1

Support "smart" regional growth that locates new housing close to jobs and transit.

*The proposed Ordinance will accelerate entitlements of certain qualifying housing projects in the Central SoMa Plan Area. The zoning proposed in the Central SoMa Plan Area is flexible, allowing housing or commercial space on most properties. Any housing developed in Central SoMa will be in very close proximity to the region's largest job center – both existing jobs as well as new jobs in commercial buildings enabled by the Plan – and transit.*

Policy 13.2

Promote sustainable land use patterns that integrate housing with transportation in order to increase transit, pedestrian and bicycle mode share.

*The proposed Ordinance will accelerate entitlements of certain qualifying housing projects in the Central SoMa Plan Area. The Central SoMa Plan envisions dense new housing and commercial space in one of the most transit-served areas in the region. Existing regional transit nodes on Market Street and at the 4th and King Caltrain station bookend the Plan Area, and a future Central Subway will connect the neighborhood to the rest of the city and region. The Area Plan also calls for large scale investments in pedestrian and bicycle infrastructure.*

CENTRAL SOMA AREA PLAN:

GOAL 1: INCREASE THE CAPACITY FOR JOBS AND HOUSING

Objective 1.1

INCREASE THE AREA WHERE SPACE FOR JOBS AND HOUSING CAN BE BUILT

Policy 1.1.1

Retain existing zoning that supports capacity for new jobs and housing.

Policy 1.1.2

Replace existing zoning that restricts capacity for development with zoning that supports capacity for new jobs and housing.

*The proposed Ordinance would allow housing projects complying with all zoning controls adopted as part of the Central SoMa Plan the option to participate in the HSD, provided all eligibility criteria of Section 343 are met. The proposed Ordinance would not allow mixed-income projects over 160 feet in height to participate in the HSD, however 100% affordable projects of any height would be potentially eligible to participate in the HSD*

Objective 1.2

INCREASE HOW MUCH SPACE FOR JOBS AND HOUSING CAN BE BUILT

Policy 1.2.1

Increase height limits on parcels, as appropriate.

Policy 1.2.2

Allow physical controls for height, bulk, setbacks, and open space to determine density

*The proposed Ordinance would allow projects meeting all height limits and physical controls set by the Central SoMa Area Plan the option to participate in the HSD, provided all other eligibility criteria of Section 343 are met.*

*The proposed Ordinance would not allow mixed-income projects over 160 feet in height to participate in the HSD, however 100% affordable projects of any height would be potentially eligible to participate in the HSD.*

**GOAL 2: MAINTAIN THE DIVERSITY OF RESIDENTS**

**Objective 2.1**

**MAINTAIN THE EXISTING STOCK OF HOUSING**

**Policy 2.1.1**

Continue implementing controls that maintains the existing supply of housing.

*The proposed Ordinance will not allow projects to participate in the Central SoMa HSD if they propose demolishing or merging any existing residential units, including rental units subject to Rent Control.*

**Objective 2.2**

**MAINTAIN THE AFFORDABILITY OF THE EXISTING HOUSING STOCK**

**Policy 2.2.1**

Continue implementing controls and strategies that help maintain the existing supply of affordable housing.

*The proposed Ordinance will not allow projects to participate in the Central SoMa HSD if they propose demolishing or merging any existing residential units, including rental units subject to Rent Control.*

**Objective 2.3**

**ENSURE THAT AT LEAST 33 PERCENT OF NEW HOUSING IS AFFORDABLE TO VERY LOW, LOW, AND MODERATE-INCOME HOUSEHOLDS**

**Policy 2.3.1**

Set affordability requirements for new residential development at rates necessary to fulfill this objective.

**Policy 2.3.3**

Ensure that affordable housing generated by the Central SoMa Plan stays in the neighborhood.

*The proposed Ordinance will require 10% of units in any HSD project to be affordable to households of very low or low income. HSD projects subject to San Francisco's Section 415 inclusionary requirements must satisfy this requirement through the on-site option, and then may choose to provide the rest of the requirement on-site (affordable units at AMI levels required in 415) or through payment of the off-site fee option. 100% affordable housing projects of any height are potentially eligible to participate in the HSD if they meet all other eligibility requirements in Section 343.*

**Objective 2.4**

**SUPPORT HOUSING FOR OTHER HOUSEHOLDS THAT CANNOT AFFORD MARKET RATE HOUSING**

**Policy 2.4.1**



Continue implementing strategies that support the development of “gap” housing.

*The proposed Ordinance will require 10% of units in any HSD project to be affordable to households of very low or low income. HSD projects subject to San Francisco’s Section 415 inclusionary requirements must satisfy this requirement through the on-site option, and then may choose to provide the rest of the requirement on-site (affordable units at AMI levels required in 415) or through payment of the off-site fee option. 100% affordable housing projects of any height are potentially eligible to participate in the HSD if they meet all eligibility requirements in Section 343.*

**GOAL 8: ENSURE THAT NEW BUILDINGS ENHANCE THE CHARACTER OF THE NEIGHBORHOOD AND THE CITY**

**Objective 8.7**  
**ESTABLISH CLEAR RULES FOR DEVELOPMENT**

**Policy 8.7.1**

Whenever possible, delineate via the Planning Code what is allowed and not allowed in new development.

*The proposed Ordinance would allow housing projects complying with all zoning controls adopted as part of the Central SoMa Plan the option to participate in the HSD, provided all eligibility criteria of Section 343 are met.*

**RECOMMENDATION**

The Department recommends that the Commission *approve* the proposed Ordinance and adopt the attached Draft Resolution to that effect.

**BASIS FOR RECOMMENDATION**

The Department supports the proposed creation of a Central SoMa HSD for the following reasons:

1. Streamlines approval of housing projects meeting certain clear criteria  
*The ordinance would be the first in San Francisco to allow ministerial approval of housing projects. This strategy would help expedite the delivery of housing in the Central SoMa area. The Central SoMa HSD would rely on the extensive analysis completed as part of the Central SoMa EIR, as well as years of community planning completed as part of the Central SoMa Area Plan, to offer projects meeting all adopted zoning and design standards, as well as all local eligibility criteria outlined in Section 343, ministerial approvals. Ministerial approval should cut significant time and uncertainty from the entitlement process, and could act as a strong incentive for property owners and developers to pursue housing projects, including the provision of at least 10% on-site affordable units and either pay prevailing wages or use skilled and trained workforces. This process would also incentivize projects to pursue complete compliance with the Planning Code and design standards and reduce the number of projects seeking exceptions or variances.*
2. Incentivizes on-site affordable housing but allows flexibility

*This ordinance reflects AB73's requirement that at least 10% of units in all HSD projects be made permanently affordable to very low or low income households. Any Central SoMa HSD projects subject to Section 415 requirements would be required to satisfy at least 10% of their 415 requirement through the on-site option, and would then have the option of satisfying the remainder of their 415 requirement on-site, or through payment of the off-site fee (which MOHCD would then use to construct additional affordable housing). Any Central SoMa projects seeking to use the HSD process not otherwise subject to Section 415 requirements (i.e. projects of 9 units or fewer) would also be required to meet the 10% on-site requirement in Section 343.*

3. Incentivizes payment of prevailing wages or use of skilled and trained workforce for construction  
*The certainty and time savings offered by a ministerial process could potentially incentivize project sponsors to participate in the Central SoMa HSD and take on the often higher costs of paying prevailing wages or using skilled and trained workforces to construct their projects.*
4. Potential to receive 'zoning incentive' payments from the State, adding to benefits package of Central SoMa Plan

*If approved by the Board of Supervisors and by the California Department of Housing and Community Development, this ordinance would qualify San Francisco to receive two zoning incentive payments from the State, one when the ordinance is approved by HCD and another when the HSD sunsets (assuming buildout of the HSD has met all the requirements of AB73, particularly that at least 20 percent of all units constructed pursuant to the HSD are below market rate). Though the actual amount of funding available for these payments are not yet clear, any funds received could then be leveraged or programmed for additional community benefits in the Central SoMa Plan Area.*

The Department recommends amending the Progress Requirement in subsection (6) to clarify what action the Director may take in a case where a project sponsor is able to demonstrate good faith progress towards obtaining a first site or building permit for the project. The Department's recommendation is to allow the Director to extend entitlements for 12 months at a time, and requiring the project sponsor to submit a first site or building permit within that time or face another hearing.

## REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it with modifications.

## ENVIRONMENTAL REVIEW

AB 73 requires preparation of an EIR to identify and mitigate, to the extent feasible, the environmental impacts of designating an HSD. The proposed Central SoMa HSD ordinance requires eligible projects to be comply with all height, bulk, density, and land use standards set forth in the Central SoMa Plan and evaluated in the Central SoMa Plan EIR. Projects seeking approval under the HSD will be required to implement any Mitigation Measures identified in the Central SoMa Plan that the Planning Department determines are applicable to the project, in order to be eligible for approval under the HSD.

The Central SoMa Plan EIR analyzes the creation of an HSD in the Plan Area. The Department published the Draft Environmental Impact Report in December 2016 and the Response to Comments in March 2018. The Planning Commission will consider certification of the Final Environmental Impact Report on the Central SoMa Plan and adoption of CEQA findings prior to consideration of this item at a hearing on May 10, 2018.

**PUBLIC COMMENT**

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

**Attachments:**

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Map of Central SOMA Housing Sustainability District
- Exhibit C: Board of Supervisors File No. 180453

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180453

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**To:** Mchugh, Eileen (BOS)  
**Subject:** RE: Old Mint Central SoMa Letter

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**From:** Son, Chanbory (CPC)  
**Sent:** Tuesday, August 14, 2018 11:26 AM  
**To:** Lau, Jon (ECN) <[jon.lau@sfgov.org](mailto:jon.lau@sfgov.org)>; Rahaim, John (CPC) <[john.rahaim@sfgov.org](mailto:john.rahaim@sfgov.org)>; Frye, Tim (CPC) <[tim.frye@sfgov.org](mailto:tim.frye@sfgov.org)>; Switzky, Joshua (CPC) <[joshua.switzky@sfgov.org](mailto:joshua.switzky@sfgov.org)>; Chen, Lisa (CPC) <[lisa.chen@sfgov.org](mailto:lisa.chen@sfgov.org)>; Ionin, Jonas (CPC) <[jonas.ionin@sfgov.org](mailto:jonas.ionin@sfgov.org)>; Calvillo, Angela (BOS) <[angela.calvillo@sfgov.org](mailto:angela.calvillo@sfgov.org)>; Andrew Wolfram <[andrew@tefarch.com](mailto:andrew@tefarch.com)>; Aaron Jon Hyland - HPC <[aaron.hyland.hpc@gmail.com](mailto:aaron.hyland.hpc@gmail.com)>; Black, Kate (CPC) <[kate.black@sfgov.org](mailto:kate.black@sfgov.org)>; Ellen Johnck <[Ellen@EllenJohnckConsulting.com](mailto:Ellen@EllenJohnckConsulting.com)>; Richard S. E. Johns <[RSEJohns@yahoo.com](mailto:RSEJohns@yahoo.com)>; Dianematsuda@hotmail.com; Jonathan Pearlman <[jonathan.pearlman.hpc@gmail.com](mailto:jonathan.pearlman.hpc@gmail.com)>; Rich Hillis ([richhillissf@gmail.com](mailto:richhillissf@gmail.com)) <[richhillissf@gmail.com](mailto:richhillissf@gmail.com)>; Melgar, Myrna (CPC) <[myrna.melgar@sfgov.org](mailto:myrna.melgar@sfgov.org)>; 'Rodney Fong' <[planning@rodneyfong.com](mailto:planning@rodneyfong.com)>; Johnson, Milicent (CPC) <[milicent.johnson@sfgov.org](mailto:milicent.johnson@sfgov.org)>; Koppel, Joel (CPC) <[joel.koppel@sfgov.org](mailto:joel.koppel@sfgov.org)>; Moore, Kathrin (CPC) <[kathrin.moore@sfgov.org](mailto:kathrin.moore@sfgov.org)>; Richards, Dennis (CPC) <[dennis.richards@sfgov.org](mailto:dennis.richards@sfgov.org)>; Brown, Vallie (BOS) <[vallie.brown@sfgov.org](mailto:vallie.brown@sfgov.org)>; Cohen, Malia (BOS) <[malia.cohen@sfgov.org](mailto:malia.cohen@sfgov.org)>; Fewer, Sandra (BOS) <[sandra.fewer@sfgov.org](mailto:sandra.fewer@sfgov.org)>; Kim, Jane (BOS) <[jane.kim@sfgov.org](mailto:jane.kim@sfgov.org)>; Peskin, Aaron (BOS) <[aaron.peskin@sfgov.org](mailto:aaron.peskin@sfgov.org)>; Ronen, Hillary <[hillary.ronen@sfgov.org](mailto:hillary.ronen@sfgov.org)>; Safai, Ahsha (BOS) <[ahsha.safai@sfgov.org](mailto:ahsha.safai@sfgov.org)>; MandelmanStaff, [BOS] <[mandelmanstaff@sfgov.org](mailto:mandelmanstaff@sfgov.org)>; Tang, Katy (BOS) <[katy.tang@sfgov.org](mailto:katy.tang@sfgov.org)>; Yee, Norman (BOS) <[norman.yee@sfgov.org](mailto:norman.yee@sfgov.org)>  
**Cc:** Feliciano, Josephine (CPC) <[josephine.feliciano@sfgov.org](mailto:josephine.feliciano@sfgov.org)>; Chen, Lisa (CPC) <[lisa.chen@sfgov.org](mailto:lisa.chen@sfgov.org)>  
**Subject:** Old Mint Central SoMa Letter

Everyone,  
Please accept this letter on behalf of the Historic Preservation Commission regarding the Central SoMa Public Benefits Package and the Old U.S. Mint.

Sincerely,

**Chanbory Son, Executive Secretary  
Commission Affairs**

San Francisco Planning Department  
1650 Mission Street, Suite 400 San Francisco, CA 94103  
Direct: 415.575.6926 | [www.sfplanning.org](http://www.sfplanning.org)  
[San Francisco Property Information Map](#)



# SAN FRANCISCO PLANNING DEPARTMENT

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August 14, 2018

Land Use and Transportation Committee of the Board of Supervisors  
City Hall, Legislative Chamber, Room 250  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Re: Central SoMa Public Benefits Package and the Old U.S. Mint

Chair Katy Tang and Members of the Land Use and Transportation Committee,

At its August 1, 2018 hearing the Historic Preservation Commission (HPC) discussed the proposal to reduce the amount of potential funding from the Central SoMa Public Benefits Program towards the rehabilitation of the Old U.S. Mint (Old Mint), City Landmark No. 236. While a much greater investment is needed to realize the full potential of the Old Mint, the HPC strongly encourages the Land Use Committee to recommend retention of the 1% allocation (potentially \$20,000,000) considering its potential as a facility that supports the community and the City's history.

Built in 1874, The Old Mint is not only a locally-designated Landmark; it is listed as a National Historic Landmark, the highest recognition bestowed upon only the most significant places in America. In 1997, the federal government sold the Old Mint to the City of County of San Francisco for one dollar on the condition that it would be rehabilitated for public use. In 2015 the Old Mint was listed by the National Trust for Historic Preservation on its America's eleven most endangered places due to lack of investment. Despite stops and starts to revive the Old Mint, the City Family has made significant progress over the last three years by actively working with community partners to reposition the structure as one that represents the activity, safety, and stability of the surrounding neighborhood.

The HPC supports the many goals of the Public Benefits Package and agrees that the Central SoMa Plan should not shoulder the entire cost of rehabilitating the structure. The 1% allocation is a fraction of the total resources required to bring the Old Mint to current safety standards but remains a critical contribution to realizing its potential. As one of the most significant public buildings in the West, our community partners, along with the City family, are committed to sharing the financial responsibilities to reimagine the Old Mint as an anchor of safety, utility, and in service to the many communities that make up Central SoMa. The HPC strongly urges the Land Use Committee and the Board of Supervisors to retain the opportunity for the Old Mint to potentially capture \$20,000,000 from the Public Benefits Package commitment.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Wolfram".

Andrew Wolfram  
President  
Historic Preservation Commission

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

cc: Board of Supervisors  
Angela Calvillo, Clerk of the Board of Supervisors  
Historic Preservation Commission  
Planning Commission  
Jonas Ionin, Office of Commission Affairs  
Jon Lau, Mayor's Office of Employment and Workforce Development  
John Rahaim, Planning Department  
Timothy Frye, Planning Department  
Josh Switzky, Planning Department  
Lisa Chen, Planning Department

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

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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 incentive 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.

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COMMITTEE  
7/16/18

San Francisco Board of Supervisors  
Housing Sustainability District Ordinance  
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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](mailto:paul.mcdougall@hcd.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Zachary Olmstead". The signature is fluid and cursive, with a long horizontal stroke at the end.

Zachary Olmstead  
Deputy Director





South of Market Community Action Network  
1110 Howard Street | SF, CA 94103 | phone (415) 255-7693 | [www.somcan.org](http://www.somcan.org)

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SUBMITTED +  
PRESENTED  
IN COMM

Clerk of the Board of Supervisors  
Environmental Review Officer  
#1 Dr. Carlton B. Goodlett Place  
Room #244  
San Francisco, CA 94102

June 11, 2018

*Via Hand Delivery*

**RE: Central SoMa Plan – Appeal of the 5/10/18 Planning Commission Decisions**

Dear Clerk of the Board and the Members of the Board of Supervisors:

The South of Market Community Action Network (SOMCAN) appeals the following decisions concerning the Central SoMa Plan (“the Plan”). The Plan Area is bounded by Second Street on the east, Sixth Street on the west, Townsend Street on the south, and an irregular border that goes along Folsom, Howard, and Stevenson Streets to the north.

- 1) Certification of the Environmental Impact Report (EIR) and Adoption of Findings and Evaluation of Mitigation Measures and Alternatives and a Statement of Overriding Considerations

The final resolutions for the relevant appeals are attached as **Exhibit A**. Evidence in support of the appeals is attached as **Exhibits A-D**.

**I. Citizens appeal the decisions made by the Planning Commission to certify the Environmental Impact Report (EIR) and adopt Findings and Evaluation of Mitigation Measures and Alternatives and a Statement of Overriding Considerations, State Clearinghouse No. 2013042070 (Exhibit A, Resolutions)**

The appeals related to CEQA are filed on the following bases.

- The EIR is inadequate, incomplete, and deficient
- Inadequate and incomplete analysis of and failure to disclose the severity of the level of impact for the following environmental impacts:
  - Creation of a Second Financial District
  - Existing Youth and Family Special Use District
  - Transportation and Ride Hailing Companies
  - State Density Bonus Laws
  - Economic Impacts from Displacement and Increase in Vehicle Miles Travelled

- Residential Units Not Being Used as Traditional Housing
- The 5M Project
- New Office Space and Lack of Local Hiring Requirements
- Consideration of Continued PDR Uses
- Lack of Affordability of Housing Incentivized by the Plan and Socioeconomic Makeup of New Residents
- Open Space
- Stabilization of Non-Profit Organizations
- Health Impacts
- Density of Workers Based on Square Footage of Office Space and Auxiliary Jobs is Under Calculated
- Failure to adopt all feasible mitigations and alternatives
- Strong disagreement with Responses to Comments on the Draft Environmental Impact Report
- Inadequate and incomplete Findings, Evaluation of Mitigation Measures and Alternatives, and Statement of Overriding Considerations

## **II. Exhibits (Attached)**

### **Exhibit A:** Resolutions

20182 EIR Certification

20183 CEQA Findings

**Exhibit B:** Letters (including comments submitted on the Plan EIR during the EIR comment period)

**Exhibit C:** Links to videos of hearings in which testimony was given on the Central SoMa Plan

**Exhibit D:** Transcript Planning Commission Hearing, May 10, 2018 on the Central SoMa Plan

Thank you,

Angelica Cabande

Organizational Director, South of Market Community Action Network



**South of Market Community Action Network**  
1110 Howard Street | SF, CA 94103 | phone (415) 255-7693 | [www.somcan.org](http://www.somcan.org)

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February 13, 2017

Lisa M. Gibson  
Acting Environmental Review Officer  
1650 Mission Street  
Suite 400  
San Francisco, CA 94103  
and via e-mail [Lisa.Gibson@sfgov.org](mailto:Lisa.Gibson@sfgov.org)

Re: Planning Department Case 2011.1356E  
State Clearinghouse No. 2013042070

Dear Ms. Gibson:

The South of Market Community Action Network ("SOMCAN") is a multi-racial, community organization that educates, organizes, and mobilizes immigrant and low-income South of Market ("SoMa") residents to fight for improvements to their quality of life by engaging in the decision making processes that affect their neighborhood and greater San Francisco. Our mission is to build and support a strong, organized community that takes collective action to achieve equity, and social and economic justice. SOMCAN works to address gentrification and displacement issues in SoMa and San Francisco.

We respectfully submit this comment letter on the Central SoMa Plan Draft Environmental Impact Report (the "DEIR"), which encompasses the area of South of Market bounded by 2nd Street (east); 6th Street (west); Townsend Street (south); and an irregular border jogging between Folsom, Howard and Stevenson Streets (north).

### **Comment Period Extension Period Should Have Been Granted**

Firstly, we object again on the grounds that there has been insufficient time for the public to review this nearly 700 page long technical document. We, along with other community members, submitted a letter dated February 3, 2017 requesting for an extension of the comment period, which Planning denied.

Since 2000, SOMCAN has worked to educate and organize the community particularly around land use issues. With only 60 days from the release of the DEIR to the closing of the comment period, and the fact that the DEIR was released on December 14, 2016 just prior to the holidays, there has not been enough time for our organization to complete a thorough review, technical and otherwise, of the DEIR, as well as present the contents to community members, and compile their feedback. This a fatal flaw and fundamental deficiency of this DEIR that it has not sufficiently been available to the public for review and comment.

### **A More Extensive and Thorough Public Review Needed of DEIR Given Relaxing of Project Level Reviews**

This is not a project level EIR. This is a Plan Area EIR that comes to us in the new era of “by-right” development encouraged at the State level (there is once again legislation pending at the State level to allow development “by-right” without any project level environmental review or public hearings) and at our local level, with this Central SoMa Plan proposing a radical relaxing of development controls.

In the past, Area Plans have been written with the presumption that more detailed environmental review will be done as projects are proposed by developers during the implementation of the Area Plans. This will almost certainly not be the case here, yet the public has not been allowed a reasonable time to review this DEIR and provide comment; and Planning has ignored the fact that the City is reducing the public’s ability to comment on implementation of the Central SoMa Plan going forward.

The following are SOMCAN’s comments to the DEIR as we have best been able to compile them given the insufficient time Planning has afforded our organization to engage residents of SoMa in a thorough review and understanding of the contents of this DEIR.

#### **SOMCAN’s areas of concern are:**

- 1. The Central SoMa Plan Creates a Second Financial District at the Expense of Families, Youth and Seniors Living, Working and Going to School in SoMa.**
- 2. The Central SoMa Plan Disregards the *SoMa Youth and Family Special Use District***
- 3. The Inadequate Transportation Infrastructure and Impact of Ride Hailing Companies Within and Adjacent to the Plan Area of the DEIR are Not Fully Considered**
- 4. The Proposed Intensity of Development and Relaxing of Development Controls Have Not Been Evaluated With Respect to State Density Bonus Laws in the DEIR**
- 5. The Economic Impacts From Displacement Were Not Analyzed in the DEIR**
- 6. The DEIR Omits Analyses of the Current Trend of Residential Units Not Being Used as Traditional Housing**
- 7. The 5M Project Must be Included in the DEIR Analysis**
- 8. The Impacts of New Office Space and Lack of Local Hiring Requirements are Not Properly Presented or Studied in the DEIR**

9. **Consideration of Continued PDR Uses in Central SoMa is Inadequate**
10. **The DEIR Does Not Address the Lack of Affordability of Housing Incentivized By the Plan and the Socioeconomic Makeup of New Residents That Will Result**
11. **The Plan Continues to Provide an Inadequate Amount of Open Space in SoMa By Relying on POPOS**
12. **The Plan Does Not Address the Stabilization of SoMa based Non-Profit Organizations**
13. **The DEIR Does Not Adequately Study the Health Impacts from Increased Noise, Degraded Air Quality, Pedestrian Safety Hazards, and Increased Wind Speeds**

#### **EXPLANATION OF CONCERNS:**

1. **The Central SoMa Plan Creates a Second Financial District at the Expense of Families, Youth and Seniors Living, Working and Going to School in SoMa**

The area defined as the Central SoMa Plan Area is a neighborhood. While we are not opposed to further growth, we are opposed to Planning's proposed transformation of this neighborhood into a new Financial District. The scale of development and the mix of commercial, office and high end luxury development described in the Plan are not conducive to a healthy neighborhood.

There are many established aspects to what constitutes a healthy neighborhood that the DEIR should be studied against. We demand that this DEIR be studied against the City's Healthy Development Measurement Tool (HDMT), which was developed by Planning in partnership with the Department of Public Health and community organizations during the Eastern Neighborhoods rezoning<sup>1</sup>. Please refer to the Eastern Neighborhoods Community Health Impact Assessment (ENCHIA)<sup>2,3</sup>.

Youth, families and seniors in SoMa demand a family-friendly neighborhood, human scale, safety for pedestrians of all ages and abilities, with access to light and air, and neighborhood services close by. The Plan as proposed is completely out of character with the goal of sustaining Central SoMa as a neighborhood and a dynamic employment center co-existing in a mutually supportive way. Instead of building towards the long-established community and City goal of creating a family-friendly neighborhood in Central SoMa, the DEIR proposes a second Financial District, which will harm the health of existing and future populations.

2. **The Central SoMa Plan Disregards the *SoMa Youth and Family Special Use District***

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<sup>1</sup> [http://www.who.int/hia/conference/poster\\_bhatia\\_2.pdf](http://www.who.int/hia/conference/poster_bhatia_2.pdf)

<sup>2</sup> <http://www.pewtrusts.org/en/multimedia/data-visualizations/2015/hia-map/state/california/eastern-neighborhoods-community>

<sup>3</sup> <http://www.pewtrusts.org/~media/assets/2007/09/hiareportenchia.pdf?la=en>

The Central SoMa Plan incorporates areas that are covered under the *SoMa Youth and Family Special Use District*<sup>4</sup> was adopted by the Board of Supervisors in January 2009. The *SoMa Youth and Family Special Use District*'s purpose is to expand the stock of affordable housing, as well as protect and enhance the health and environment of youth and families in SoMa. The Central SoMa Plan does not adequately take into account the *SoMa Youth and Family Special Use District* and instead of strengthening its controls, the DEIR undermines its goals.

We demand that as part of the Central SoMa Plan, projects within the *SoMa Youth and Family Special Use District* are required to undergo review and approval by resident groups and community organizations before they are considered by the Planning Department. We are demanding that this community approval process function similarly to other Special Use Districts in the City such as the *Bernal Heights Special Use District*.<sup>5</sup>

Planning has abused the *SoMa Youth and Family Special Use District* since it was established during the Eastern Neighborhood rezoning. These abuses including the re-mapping of the *SoMa Youth and Family Special Use District* by the Hearst and Forest City's 5M development, which covers five city blocks near 5th and Mission Streets. The 5M project gained approval in December 2015 for a large office tower by re-mapping the boundaries of the *SoMa Youth and Family Special Use District* with justifications by the Planning Department that this Special Use District does not have strong controls. SOMCAN, along with several other community-based organizations, have been demanding strong controls since *before* 2009 for the *SoMa Youth and Family Special Use District* so we can protect youth, families and seniors in the neighborhood. Planning has ignored our calls to strengthen this *SoMa Youth and Family Special Use District* through the Central SoMa rezoning process. The Central SoMa Plan must be revised to address this deficiency.

The environmental impact of displacement is clear and further criticized in our point #5 below. As long as Planning continues to promote the displacement of youth, families and seniors from Central SoMa in favor of large scale office and luxury housing developments, there will be an increasing and compounding environmental impact which has not been studied or reported in the DEIR. We demand that Planning revises the Central SoMa Plan in partnership with the community to strengthen the controls of the *SoMa Youth and Family Special Use District* in order to stabilize and grow our economically and racially diverse community.

### **3. The Inadequate Transportation Infrastructure and Impact of Ride Hailing Companies Within and Adjacent to the Plan Area of the DEIR are Not Fully Considered**

The transportation infrastructure within and adjacent to the plan area of the Central SoMa DEIR lags far behind the infrastructure needs of both past and current growth. This is true, even if you factor in the transportation improvements that are underway, such as the Central Subway.

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<sup>4</sup> [http://sf-planning.org/sites/default/files/FileCenter/Documents/1479-SoMa\\_YFZ\\_SUD\\_Legislation.pdf](http://sf-planning.org/sites/default/files/FileCenter/Documents/1479-SoMa_YFZ_SUD_Legislation.pdf)

<sup>5</sup> [http://masonkirby.com/wp-content/uploads/2010/03/nwbhdrb\\_infopacket.pdf](http://masonkirby.com/wp-content/uploads/2010/03/nwbhdrb_infopacket.pdf)

The Central SoMa Plan is predicated on the construction of the Central Subway that connects Central SoMa with Chinatown. The Central Subway addresses a transit need that is long overdue as public transit for SoMa has been inadequate for decades. Because of years of lack of infrastructure improvements, the Central Subway is addressing a past need, not a present or future need. As State Senator Scott Wiener has said, "San Francisco's unfunded transportation needs are billions and billions of dollars" because "MTA has a long history of not moving quickly enough on important capital projects"<sup>6</sup> Thus, even with the new Central Subway, the transportation infrastructure will continue to be inadequate.

There is also mention of the construction of the new Transbay Terminal just to the east of the Central SoMa Plan Area. However, Transbay Terminal won't be completed for some time, and it is unclear whether it will connect with CalTrain. Also, proximity to BART should not factor into the Central SoMa Plan because it runs down Market Street which is two to three long blocks north of the Central SoMa Plan Area. BART is not only far from the Plan Area, it has its own issues with capital obsolescence, and is hardly in condition to accommodate dramatic growth.

The DEIR is also negligent in assessing the new impacts of ride-hailing/ Transportation Network Company (TNC) services like Uber and Lyft. The references in the DEIR on pages IV.D-65 and IV.D-76 are completely inadequate. Their impact can in no way be equated with bicycles in terms of traffic or environmental impact. Their vehicles circle endlessly as they aim to be proximate to the next person who orders their services such as rides and food deliveries. As more office space and more residences are built in the Plan Area, the volume and impacts from these services will increase dramatically. The DEIR completely ignores this environmental impact.

The increase in ride-hailing/ TNC traffic not only increases "Vehicle Miles Traveled" (the new CEQA standard in assessing traffic impacts) it will also impact the "Level of Service" (the CEQA previous standard) at many intersections. It will also impact pedestrian safety in ways that have not been studied. All of these omissions-- inadequately evaluating the transportation infrastructure needs of the current and increased future population and the lack of proper analysis of ride-sharing traffic-- make the DEIR dangerously deficient.

#### **4. The Proposed Intensity of Development and Relaxing of Development Controls Have Not Been Evaluated With Respect to State Density Bonus Laws in the DEIR**

In 2016, the City passed the "Density Done Right" legislation allowing 100% affordable housing developments to apply for a significant increase in height and number of units without any rezoning. Also during 2016, legislation passed at the State level to enable developers throughout California to more easily take advantage of State Density Bonus incentives.

The DEIR references these laws on p. II-22 but only in reference to increased heights. It's unclear how the State Density Bonus will or will not be applied to heights and to unit counts for

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<sup>6</sup> <http://www.sfexaminer.com/wiener-proposes-major-fundraising-legislation-for-transportation-agencies-statewide/>

market rate developments, especially in light of Planning's approval of the project at 333 12th Street, the first housing development in San Francisco to be approved with applying the State Density Bonus. The DEIR also references the Density Bonus for affordable housing projects on p. VI-2 but says that the increased number of units has not been considered for the DEIR. The DEIR is incomplete if it does not completely study the impacts of increased heights and increased number of units for both affordable and market rate housing.

The DEIR must also completely disclose to the public where developers are eligible to use either the State Density Bonus Program, or the San Francisco "Density Done Right" program. The DEIR must clearly indicate on maps where those sites are located, and must compare the new proposed zoning and its resulting intensity of use with the potential intensity of use if developers take either the State or Local density bonus. The DEIR must compare the relative impacts of these two scenarios on the environment. Without these analyses for each project within the plan area, as well as the overall impacts, the DEIR is inadequate.

#### **5. The Economic Impacts From Displacement Were Not Analyzed in the DEIR**

Regardless of the assertions in the DEIR, there are environmental impacts due to displacement of residents from their homes or small businesses in SoMa, especially when considering the huge increase in "Vehicle Miles Traveled" that will result with this proposed Central SoMa Plan.

There are several ways that the Central SoMa Plan encourages displacement in an area already suffering from increased no-fault evictions and skyrocketing rents. A UC Berkeley study in collaboration with UCLA shows that SoMa is undergoing "advanced gentrification."<sup>7</sup> Gentrification happens when more affluent people replace less wealthy people. The DEIR encourages luxury, high end housing in SoMa, which in turn encourages the price of other housing to increase. Landlords of adjacent properties begin to charge more rent to cash in on the new populations in the nearby luxury condos or new high-end shops.

The DEIR upzones large swaths of Central SoMa. Upzoning of property increases the values of the underlying land, which leads to increased costs for residential and commercial tenancies and increased sale prices. Therefore existing residents or small businesses that are paying less than the new market rate will be forced out. Upzoning incentivizes tearing down existing housing and existing small businesses so that developers can maximize the new build-out potential of that property. Coupled with the relaxing of local controls and push to have less local approval hearings, there will be less incentive for developers to provide "right to return" or provide increased levels of affordability to existing residents or businesses that will be forced out when the buildings are torn down.

There are no new protections being implemented by the DEIR for existing tenants and community serving institutions and businesses. Other than the push to preserve certain historic areas and buildings, there are no new protections in place to prevent displacement that the City

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<sup>7</sup> <http://www.urbandisplacement.org/map/sf>



knows will occur due to the new development that will be incentivized by this Central SoMa Plan (as exhibited in Plan Bay Area “Communities of Concern”). As shown in a University of California Berkeley report on transit oriented development and gentrification<sup>89</sup>, areas in the Bay Area that have convenient access to transit are areas most likely to suffer gentrification and displacement, including SoMa.<sup>10</sup> The Central SoMa Plan talks about increasing land values as a primary reason for the underlying elements of the Central SoMa Plan, yet it does not adequately take into account the fact that increased land values cause speculation and displacement. The increased land values presented in the Central SoMa Plan’s various “menu” options is a recipe for massive displacement of existing residents and small businesses.

Large-scale displacement creates a significant environmental impact when considering CEQA’s “Vehicle Miles Travelled” standard. Working class and lower income households get displaced outside San Francisco and their commutes increase, increasing their “Vehicle Miles Travelled.” When people who work in SoMa are displaced, they will often retain their employment in SoMa, therefore their “Vehicle Miles Travelled” will increase. Many existing residents in SoMa can not afford the luxury homes that are and will be built in SoMa and access to affordable housing is extremely limited, so if for any reason they need to move out, it’s highly unlikely they will move be able to stay in the neighborhood.

Furthermore, much of the luxury housing that gets built doesn’t provide housing even though it’s approved by Planning to be residential housing units. When these units are used as “pied-a-terres” or “short term rentals” or “corporate rentals” or “student housing”, they are not helping to alleviate any housing shortage, because although they are approved by Planning as residential use, they are not in fact used for residential purposes. Therefore people are being displaced and commuting farther for work, meanwhile the new housing units aren’t necessarily supporting residents being able to live in homes close to their work.

Replacing low income residents with higher income residents replaces a population with lower car ownership with a population that has a higher rate of car ownership.<sup>11 12</sup> More affluent people are also more likely to use ride-hailing/ TNC services than public transit. They have access to the smartphone-based apps and can pay more for a ride than public transit riders. This puts more single vehicles on the road that are idling and circling in their competition for fare-paying customers. There are also tech shuttles that service SoMa residents to take them to their offices on the Peninsula. The impacts of the increased “Vehicle Miles Travelled” caused by the new, more affluent populations which is encouraged in the DEIR is not considered in the document.

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<sup>8</sup> <http://ucconnect.berkeley.edu/transit-oriented-development-and-commercial-gentrification-exploring-linkages>

<sup>9</sup> <http://www.urbandisplacement.org/map/sf>

<sup>10</sup> <http://communityinnovation.berkeley.edu/reports/Gentrification-Report.pdf>

<sup>11</sup> <http://socrates.berkeley.edu/~raphael/BerubeDeakenRaphael.pdf>

<sup>12</sup> <http://www.sciencedirect.com/science/article/pii/S0965856400000185>

This means that gentrification has a “quadruple” environmental impact by lengthening the commute times of people working in SoMa from their new place of residence outside of San Francisco; replacing these people with a population more likely to own and use automobiles; increasing the number of people living in SoMa as a “bedroom” community for their commute on a shuttle to the Peninsula; and increasing use of ride-hailing/ TNC services whose vehicles constantly idle and circle in competition for rides. None of these impacts of gentrification on the environment have been studied, which is a significant flaw in the DEIR.

## **6. The DEIR Omits Analyses of the Current Trend of Residential Units Not Being Used as Traditional Housing**

Cities across the US and even Canada are learning that developers are not producing housing units to be used for housing people. Many cities are now fully realizing the negative impacts of the push to “build, build, build”, an ideology fully embraced by this Central SoMa Plan. Footnoted here are examples of Vancouver<sup>13</sup> and New York City<sup>14</sup> that show that in world where real estate is solely developed as a commodity and home-sharing is corporatized, often new condos are not being occupied by local residents, or any people at all. Also footnoted is a map of vacant units in San Francisco indicating that many of our City’s vacant units are in SoMa.<sup>15</sup>

We are not opposed to building new housing, but we feel that it is environmentally important to ask the question, who are we building new housing for? Without adequate controls and enforcement in place:

- SRO’s in SoMa will not continue to be used as open and accessible affordable housing options;
- new condos will be affordable only as high end luxury housing or sitting vacant because they are owned by investors who have no intention of living in these units;
- new condos will be used as commercial “short term rentals” instead of as residential use;
- new condos will be used as “corporate rentals” instead of as residential use; and
- other buildings will be used as “student housing” instead of residential use.

The inadequacy of the DEIR is that it studies the impacts of residential development as though it will be used for residences. The environmental impacts of corporate rentals, short term rentals and other commercial uses are different from residential uses. Without sufficient controls and enforcement, there is no way to ensure that new housing that is incentivized to be built under this new land use Plan will be used as housing.

## **7. The 5M Project Must be Included in the DEIR Analysis**

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<sup>13</sup> <http://www.theglobeandmail.com/real-estate/vancouver/dark-windows-illuminate-problems-in-vancouvers-real-estate-market/article31822833/>

<sup>14</sup> <https://www.nytimes.com/2015/02/08/nyregion/stream-of-foreign-wealth-flows-to-time-warner-condos.html>

<sup>15</sup> <http://www.antievictionmappingproject.net/vacant.html>

The DEIR has moved 5M from being “Plan-induced growth to cumulative growth” per footnote on p. IV-5. The problem is that 5M is the largest single development within the boundaries of the Central SoMa Plan Area. It created new rules for development (its own Special Use District) that were based on recommendations from a draft version of the Central SoMa Plan.

Furthermore, new development in the Central SoMa Plan Area is being proposed in this Plan at a scale that is conversely driven by the scale of development that Planning pushed to approve for 5M. With 5M being the largest single development in Central SoMa, they must be considered together in the Central SoMa Plan. They have linked, not dissociated as separate, cumulative impacts. 5M is not built and its construction timeline is not clear. 5M should be studied as a principal contributor to the environmental impacts of the Central SoMa Plan. The omission of any analyses of the impacts of the 5M project in the DEIR is a critical flaw of the DEIR.

#### **8. The Impacts of New Office Space and Lack of Local Hiring Requirements are Not Properly Presented or Studied in the DEIR**

The DEIR is inadequate on the grounds that it does not incorporate all the City’s policies with respect to office space development controls. Page III-19 of the DEIR details the City’s pipeline of office developments with respect to Planning Code Section 321, which caps large office construction at 950,000 square feet per year. The way that this section III.C.2 is presented is unclear since there is additional office space development that is not subject to this cap because the cap only applies to “large office.” Furthermore, this section of the DEIR fails to incorporate the voter approved Proposition O passed in November of 2016, which significantly increased the large office cap to include an increased amount of office space at the Shipyard. The Plan is focused on constructing a massive amount of new office space and essentially makes SoMa a second Financial District (this is true for all the Project Alternatives as well). The DEIR’s lack of clarity on how it will comply with Prop M requirements, especially in light of the passage of Proposition O, is a critical flaw.

Given the intensity of new high-end office space that is being proposed, the fact that “local hiring and training goals” are still in the section of the DEIR called “Areas of Controversy and Issues to be Resolved” (p. S-79) is not only offensive to the community, but is potentially very damaging environmentally. With this approach, Planning is saying that new jobs in SoMa will be for people who are not current residents which indicates an in-migration of new people. Planning is also saying that current residents of SoMa will have to move somewhere else to find work. What are the environmental impacts of all this forced migration? This is not analyzed in the DEIR. Also, as new, more affluent people move into SoMa displacing current residents who live and work in SoMa, how much farther will those displaced workers have to travel and what is the resulting environmental impact? Again this is not analyzed in the DEIR.

#### **9. Consideration of Continued PDR Uses in Central SoMa is Inadequate**

Page S-4 of the DEIR clearly indicates that Planning has not created an actual plan for Production, Distribution and Repair (PDR) uses in its vision for Central SoMa. This has historically been one of San Francisco's most important areas for PDR uses, which ensured a diversification of the economic base of the city and job opportunities for people with trade credentials, not just advanced university degrees.

The DEIR indicates that it is removing "protective zoning" for PDR, but there is no complete report of how much PDR has been lost since the implementation of the Eastern SoMa Plan, which was in part intended to protect against the loss of PDR. Creating "incentives to fund, build, and protect PDR uses" is problematic since features that appear to be incentives today will quickly not be incentives tomorrow depending on land use, financial, and capitalization macro conditions that are driving the development market at any particular time.

There are many innovative mixed-use building types, but the prospect of "require(ing) PDR space as part of large commercial developments" seems to be a limited application. It would be important to understand what precedent there is for such a mix of uses in new developments and how likely it would be to have PDR on the ground level of a large commercial tower. What kind of PDR would it be? Who would be employed?

For all PDR, we are concerned that there be increasing job opportunities for SoMa residents and diversification of San Francisco's economy. This will protect San Francisco against "boom and bust" cycles; it will ensure that there is less regional impact on the environment that comes when sectors of the economy are segregated geographically; and will therefore result in less "Vehicle Miles Traveled."

The Plan calls for adding technology jobs to SoMa, yet these jobs are largely inaccessible to existing community residents. SoMa needs a diversity of job types in the neighborhood that are not only accessible to community residents but provide a living wage that can support workers to stay in the neighborhood. This is highlighted especially in the types of jobs provided by production, distribution, and repair businesses that provide jobs for working class residents and are jobs that cannot afford to be lost. PDR businesses also provide essential support to other industries and sectors so should be proximate to those other functions for them to be viable and effective. More consideration of continued PDR use is required in the DEIR.

#### **10. There is No Proof that the Plan will Accomplish its Goal of Alleviating Housing Prices or Maintaining a Diversity of Residents**

The Plan states as one of its main goals accommodating housing demand and addressing such demand to alleviate housing prices. The Plan, however, does not provide any studies or figures that support the claim that new development will drive down housing costs. As a result, the goal of the Plan of maintaining the diversity of residents, here in terms of socioeconomic makeup, appears empty. The Plan would cause a greater increase in the number of people living and working in the area than would be seen without the Plan, as shown in the DEIR. As the DEIR states on page V-10, "what effect development under the Plan would have on housing

affordability is a matter of considerable controversy,” and that “the influx of real estate investment and higher income, residents may increase gentrification of a neighborhood, with displacement of households being a negative outcome.”

Further study must be done regarding what effects new housing development will have on housing prices if the Plan is serious about its commitment to maintaining a diversity of residents in the area. If new housing development under the Plan-- the majority of which is market-rate-- cannot be proven to bring down housing prices, the Plan will then only work to exacerbate the gentrification and displacement crisis in the area. Studies must be done to address these facts if the Plan is to move forward in meeting its core goals, especially as they relate to affordability and maintaining a diversity of residents.

#### **11. The Plan Continues to Provide an Inadequate Amount of Open Space in SoMa By Relying on POPOS**

The SoMa is the most open space deficient neighborhood in San Francisco<sup>16</sup>, along with the neighboring Tenderloin. Instead of providing sufficient, green and publicly accessible open space, Planning has been defaulting to providing new open space for SoMa through Privately Owned Public Open Spaces (POPOS)<sup>17</sup>. POPOS have a negative impact on the community for many reasons:

- These spaces aren't truly open to the public, activity is discouraged and hours are limited;
- POPOS are not protected by the Proposition K Shadow Ordinance because they are not open spaces owned by the City's Rec and Park Department;
- Because there's no Prop K protection, it's difficult to establish a standard of shadow protection for these open spaces because CEQA is not specific on this matter;
- These spaces do not represent the type of open space that is public and accessible for use by youth, families, and seniors (like a public park); and
- POPOS overly regulate the types of activities allowed and have restrictive hours that limit access;

SoMa has such a lack of places for public recreation and truly accessible open spaces that there must be a clear plan for creating new public open spaces that are owned and managed by Rec and Park.

#### **12. The Plan Does Not Address the Stabilization of SoMa based Non-Profit Organizations**

The Central SoMa Plan has no provision for stabilizing nonprofit organizations in the neighborhood. As studied by Supervisor Kim, MOHCD, and the Northern California Community

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<sup>16</sup> [http://default.sfplanning.org/publications\\_reports/library\\_of\\_cartography/OpenSpaceMap.pdf](http://default.sfplanning.org/publications_reports/library_of_cartography/OpenSpaceMap.pdf)

<sup>17</sup> <http://sf-planning.org/privately-owned-public-open-space-and-public-art-popos>

Loan Fund, the escalation in property values, and the lack of commercial rent control has put nonprofit organizations at imminent risk of displacement.<sup>1819</sup>

By encouraging the construction of a second financial district, commercial rents will become increasingly more expensive placing nonprofit organizations even more at risk. Low income and immigrant communities in SoMa rely on many of these nonprofit organizations for basic services and to be able to survive in the community. Without these organizations, SoMa residents will be further at risk for displacement.

As noted elsewhere in this letter, displacement does result in environmental impacts. Therefore, the DEIR is deficient in that it does not recommend strategies for stabilizing nonprofit organizations in SoMa.

### **13. The DEIR Does Not Adequately Study the Health Impacts from Increased Noise, Degraded Air Quality, Pedestrian Safety Hazards, and Increased Wind Speeds**

On page V-3, section V.B.6 “Wind” it says that “Subsequent future development anticipated under the Plan could alter wind in a manner that substantially affects public areas.” Organizations that work with seniors and people with disabilities in SoMa are concerned that any increase in wind speeds caused by the heights and bulk of the proposed buildings in Central SoMa will cause a hardship and injury to seniors and people with disabilities at both public open spaces and in the public rights of way.

Noise in SoMa is already the worst in the City.<sup>20</sup> Any increase in noise levels from construction incentivized by the Central SoMa Plan (p. VI-44 says it would be “significant” and that Mitigation Measure M-NO-2a “would be insufficient to reduce the construction-related noise impacts to a less than significant level” on p VI-45). Noise levels especially from construction activity have not been studied in the DEIR. Also after construction, the degraded air quality from increased traffic, increased idling from vehicles stuck in traffic or increased ride-hailing vehicles, or from increased truck traffic will all have detrimental impacts.

We are also concerned about the vulnerability of seniors and people with disabilities while walking in the neighborhood to injury from vehicle collisions. Providing sidewalk extensions may help in some areas, but the extent of increase in automobile traffic is under-reported in the DEIR, and the potential incidents of pedestrian injuries from automobiles is also under-estimated. These environmental impacts are not sufficiently studied in the DEIR.

### **Conclusion: Preparation of the DEIR Did Not Sufficiently Allow for Public Input**

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<sup>18</sup> <https://www.nccif.org/npdmitigation/>

<sup>19</sup> <https://sfgov.legistar.com/View.ashx?M=F&ID=2730532&GUID=77CFF0CE-7AC6-4569-ACEE-D2568711018F>

<sup>20</sup> [http://default.sfplanning.org/publications\\_reports/library\\_of\\_cartography/Noise.pdf](http://default.sfplanning.org/publications_reports/library_of_cartography/Noise.pdf)

The Central SoMa Plan DEIR is inadequate and should be revised with the additional suggested studies and recirculated to address the critical flaws we outlined above. Going forward, a version of the Central SoMa Plan that creates a family-friendly neighborhood would be SOMCAN's preferred alternative. We are recommending that Planning study a new alternative that supports growth of SoMa in a way that supports the needs of current and future youth, families and seniors. None of the alternatives currently outlined in the plan supports this vision or these needs, and instead will reshape SoMa to be San Francisco's second Financial District with little regard to the protection of the environment of existing residents, small businesses, non-profits and PDR spaces.

The preparation of this DEIR did not adequately allow for incorporation of community input. For example, the boundaries of the Central SoMa Plan changed significantly during 2016, and the public was not sufficiently noticed. Despite SOMCAN's history in engaging with a diverse and large constituency in SoMa, SOMCAN was not provided an opportunity to participate in TODCO's "community alternative", and therefore we can not endorse this alternative. While the Mid-Rise Alternative has intriguing elements, it does not come close to being a vision that we can embrace. The changes in boundaries, the brief public comment on the published DEIR all make it impossible for the SOMCAN, its members and the larger SoMa community to adequately assess the Plan or any of its proposed alternatives.

As a public disclosure document, the Central SoMa DEIR is wholly insufficient and a new alternative should be studied that fully supports families and seniors in SoMa, and the DEIR should be recirculated for public input and review.

*Sincerely,*

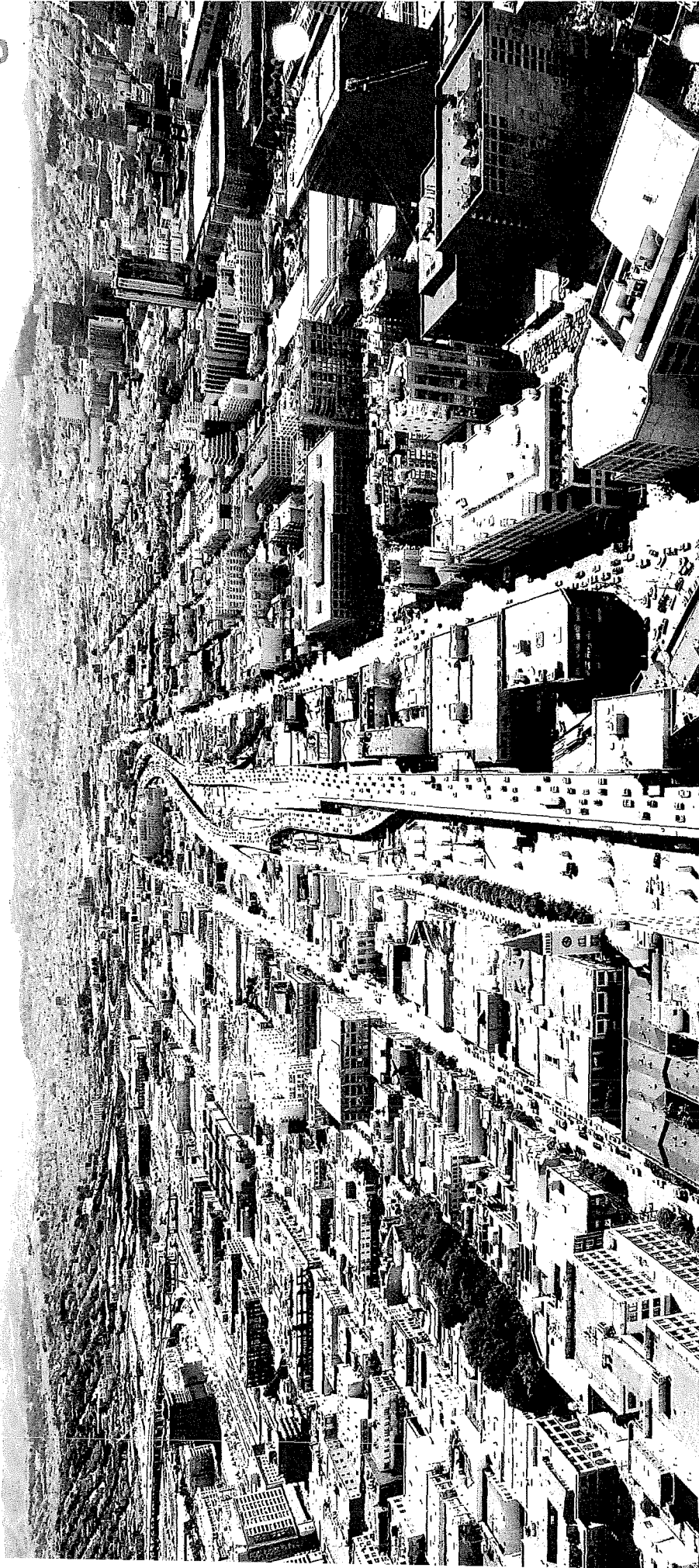
Angelica Cabande  
SOMCAN  
Organizational Director

Joseph Smooke  
SOMCAN  
Board Chair



<http://centralsoma.sfplanning.org>

San Francisco  
**Planning**



# CENTRAL SOMA

## PLAN & IMPLEMENTATION STRATEGY

Board of Supervisors - Land Use & Transportation Committee Hearing

July 9, 2018

180490  
180185  
180453  
180184  
180618

7/16/18

SUBMITTED  
IN COMMA



# 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
- 3 **Planning Commission Recommendations**
- 4 **Conclusion**

# 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)



# 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

(continued on next page)

# CENTRAL SOMA PLAN - CONTENTS

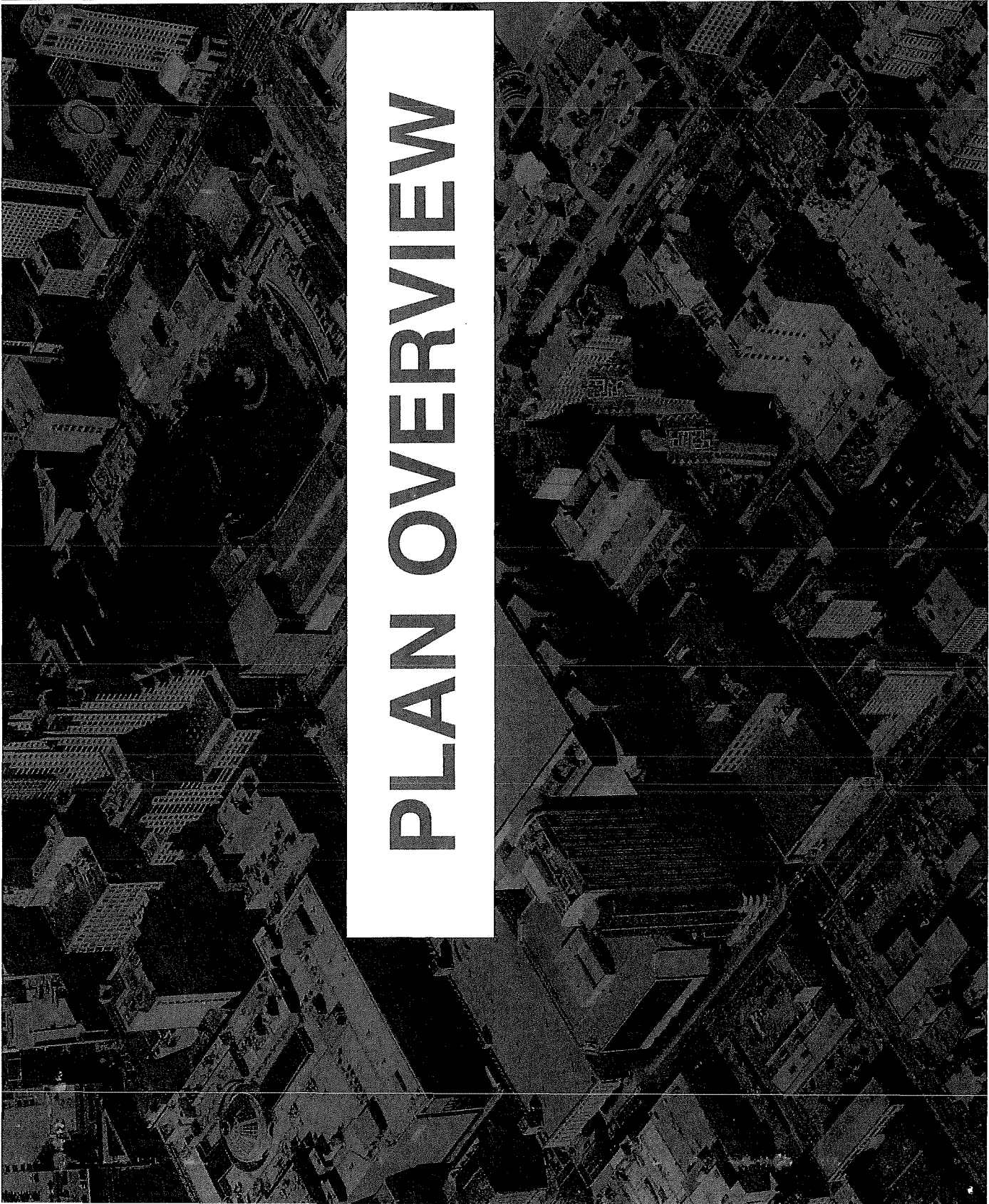
## Special Tax District

- Amendments to Administrative Code Special Tax Financing Law
- Resolutions of Intention (ROIs) and Ordinances to establish the Central SoMa Special Tax District\*

## Housing Sustainability District

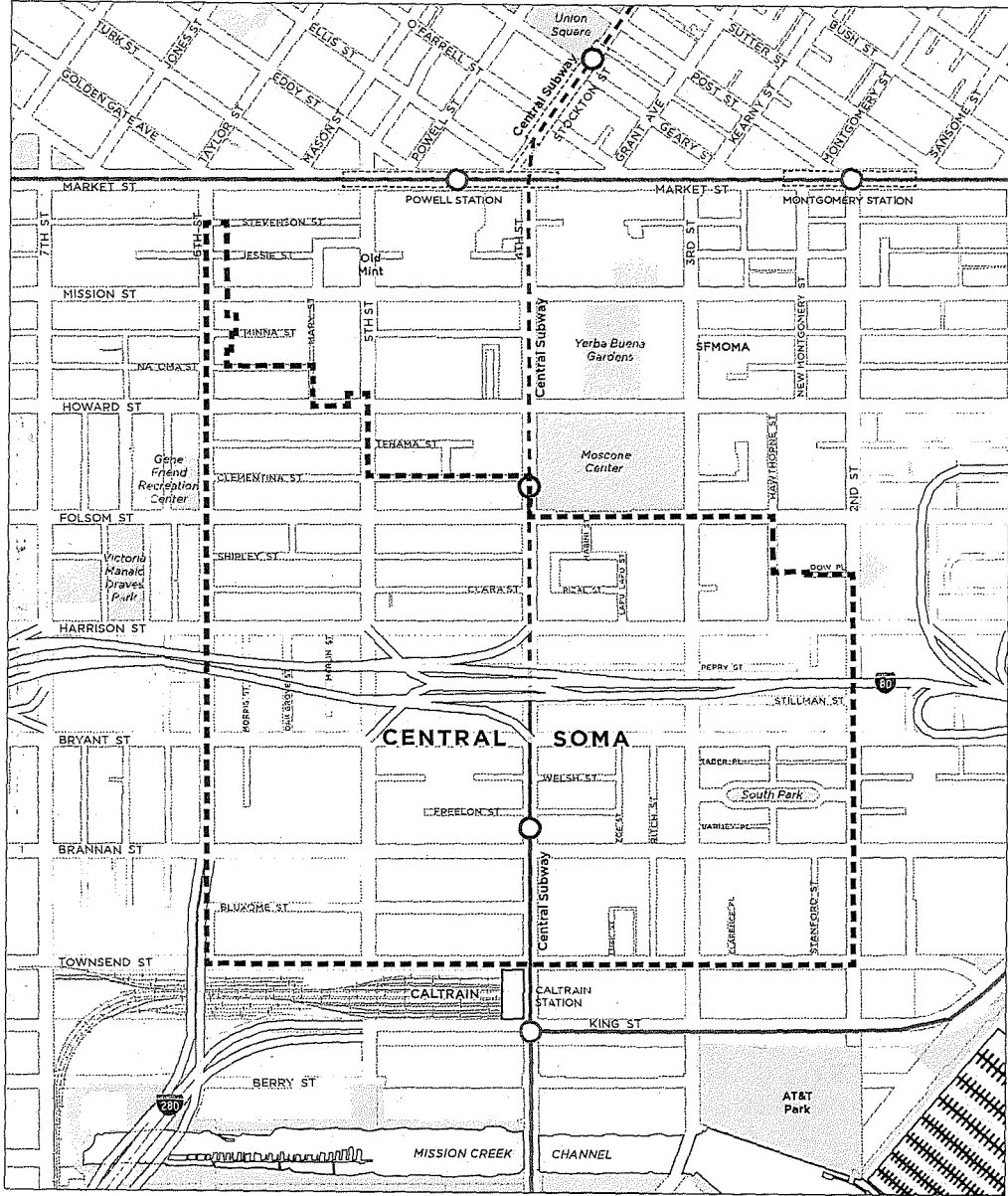
- Amendments to Business & Tax Regulations and Planning Codes to create a Central SoMa Housing Sustainability District (HSD), pursuant to California AB73

\* Trailing legislation



# PLAN OVERVIEW

**PLAN AREA**



**PLAN VISION**  
**A sustainable neighborhood:**  
**socially, economically,**  
**environmentally**

- ■ — Central Subway under construction, expected to open in 2019
- BART/Muni Metro Subway
- Muni Metro (Surface)



**PLAN STRATEGY**

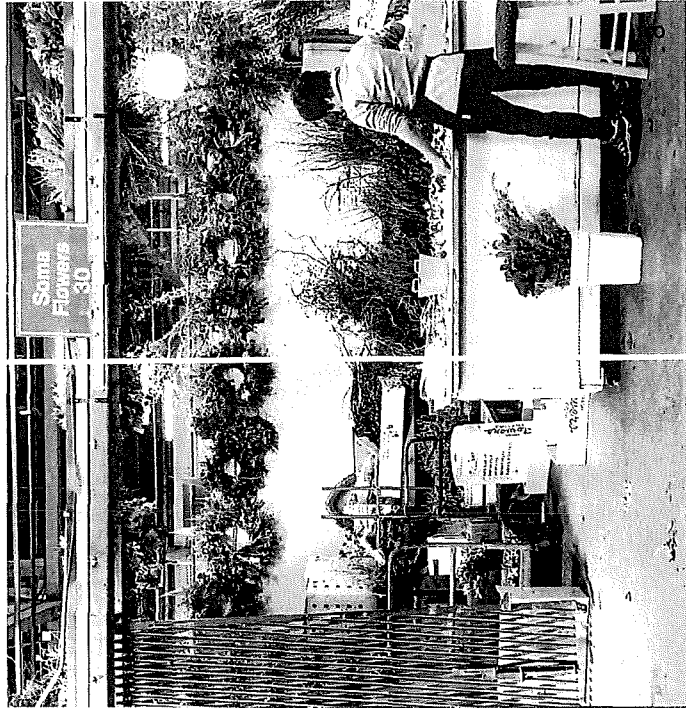
Accommodate  
Demand



Provide  
Public Benefits



Respect and  
Enhance  
Neighborhood  
Character



**PLAN PHILOSOPHY**

keep what's great



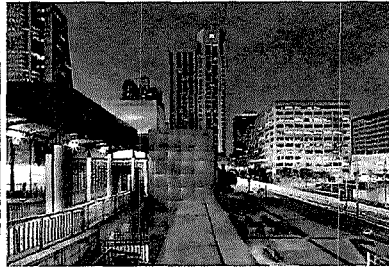
**Diversity of Residents and Jobs**



**Diversity of Buildings and Architecture**



**Abundant Local and Regional Transit**



**Renowned Culture and Nightlife**

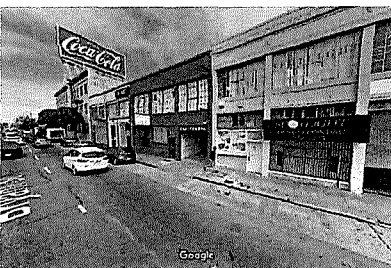
address what's not



**Unaffordable Rents**



**Unsafe and Unpleasant Streets**



**Lack of Public Parks and Greenery**



**Inefficient Zoning and Insufficient Funding**

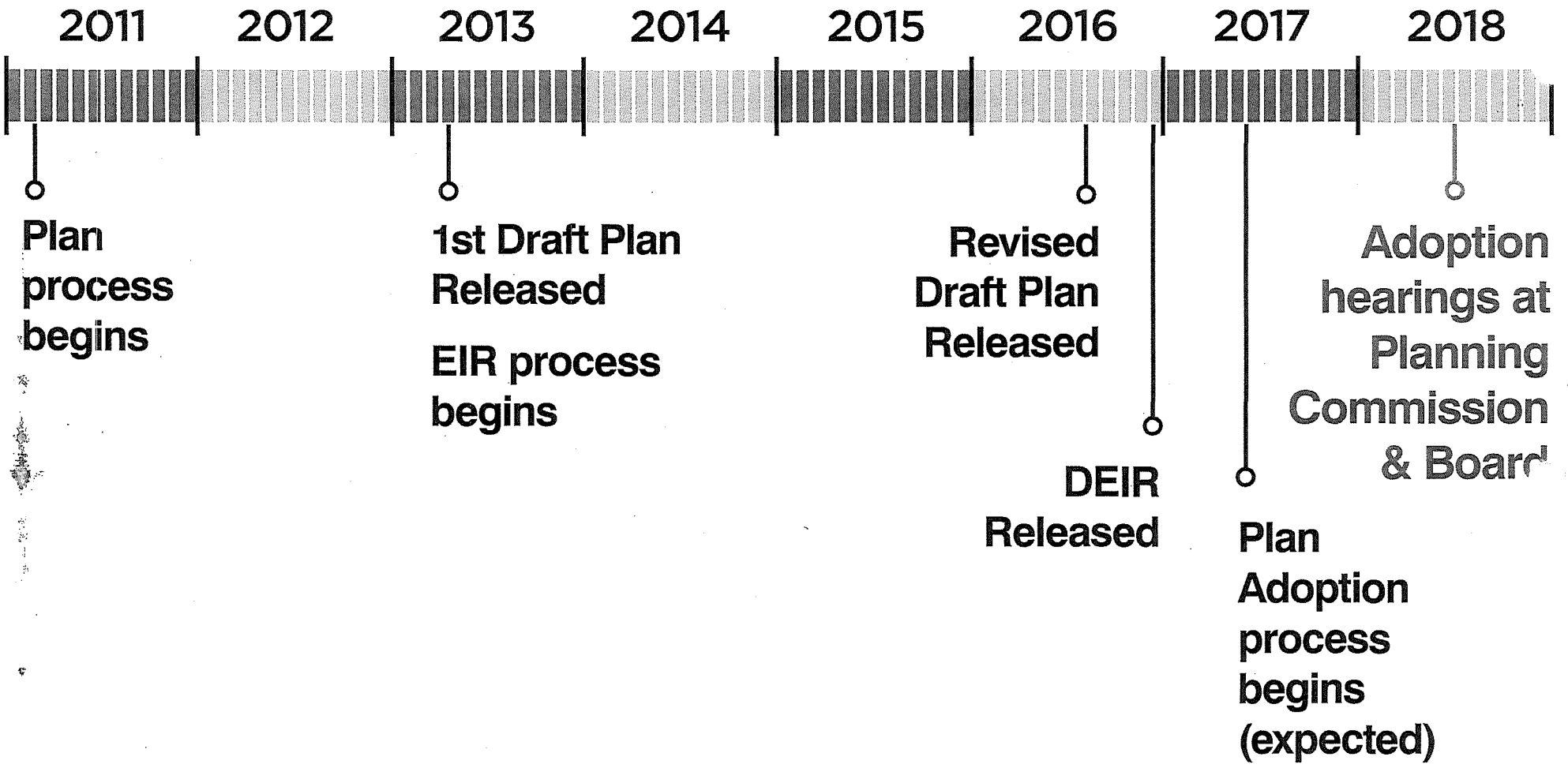


## PLAN GOALS

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



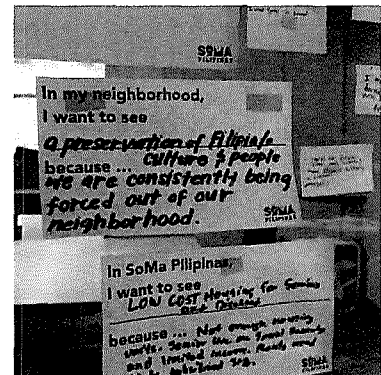
**PLAN TIMELINE**



# 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**

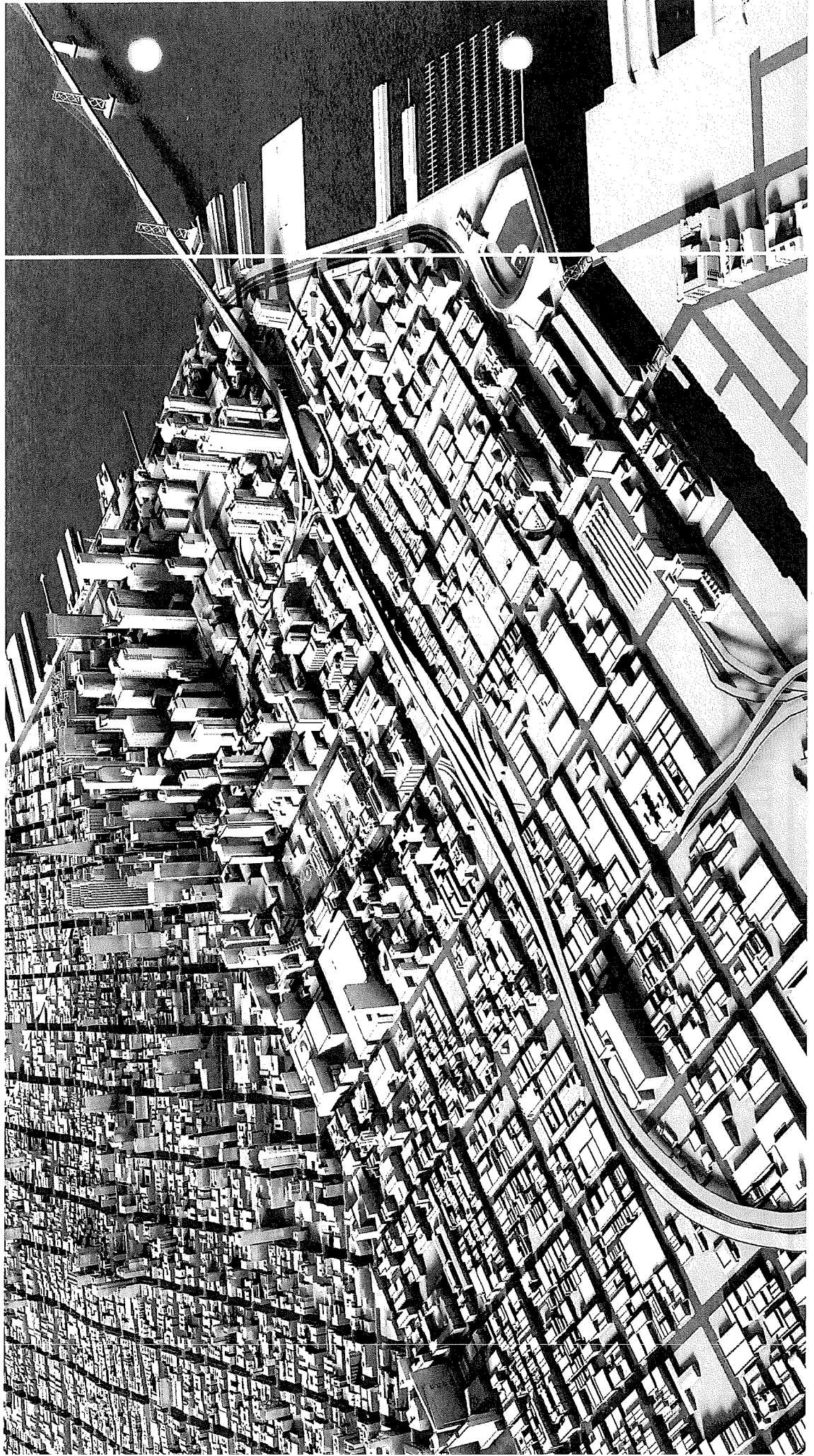
**Western Soma Taskforce**

**Yerba Buena Alliance**

**Yerba Buena Community Benefit District**

**YIMBY Action**

**VISUALIZATION - EXISTING DEVELOPMENT**



3-D Model of Existing Buildings (2016)

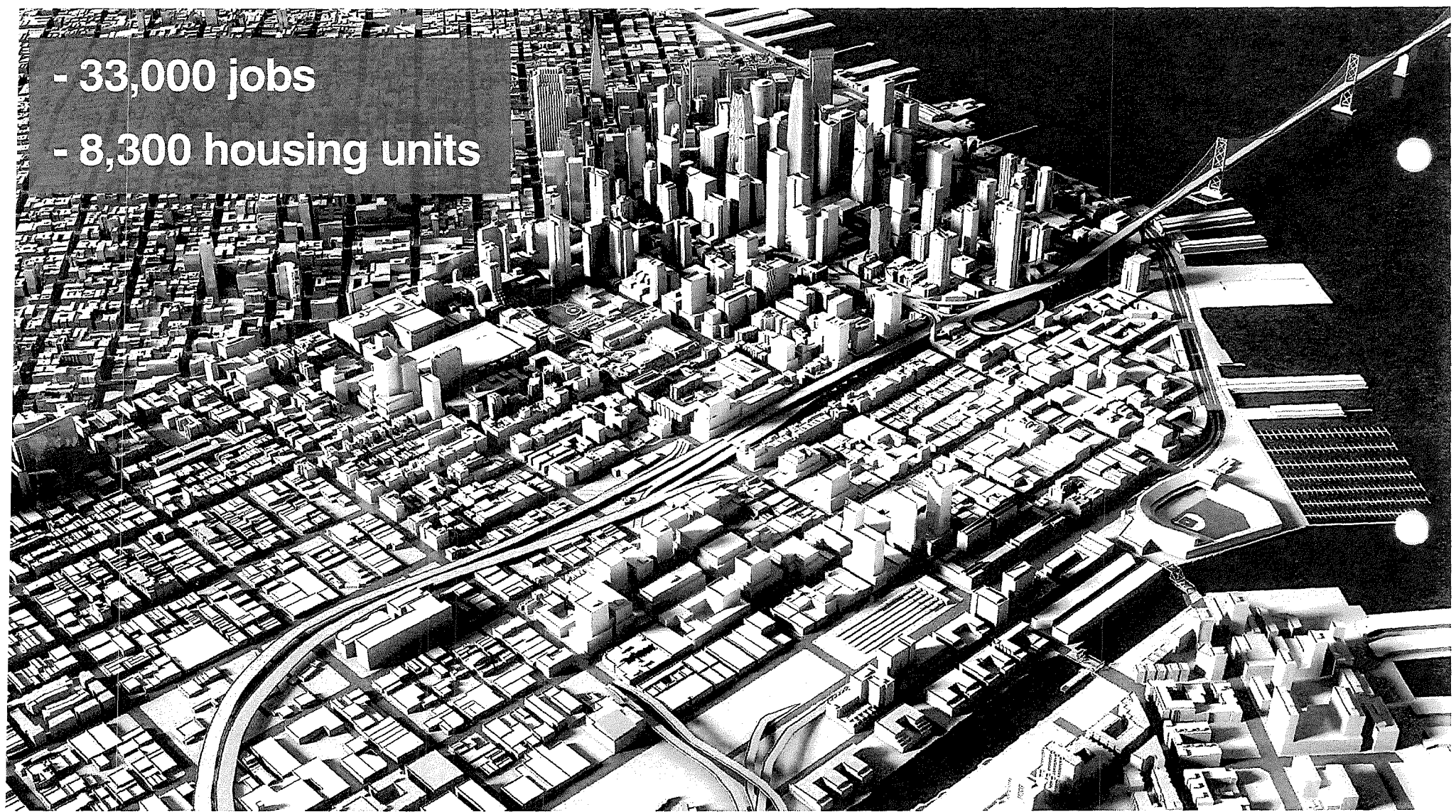


# VISUALIZATION - POTENTIAL DEVELOPMENT

Central SoMa Development Potential

Anticipated Projects Outside of Central SoMa

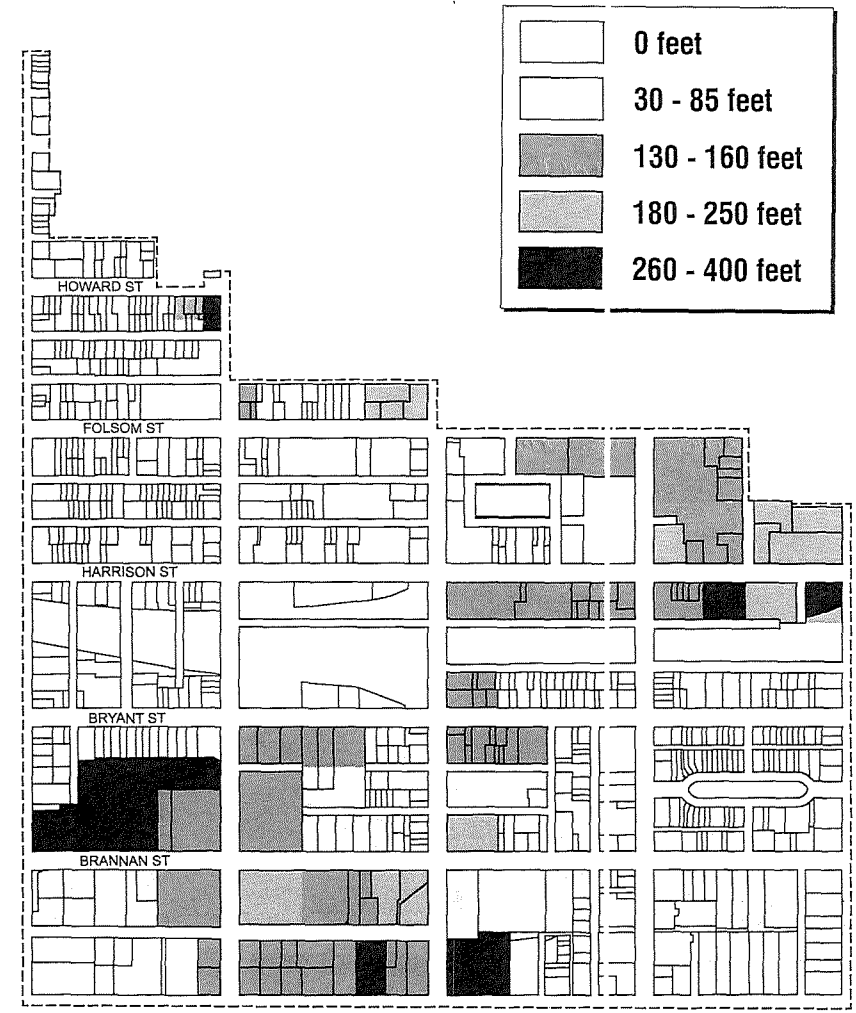
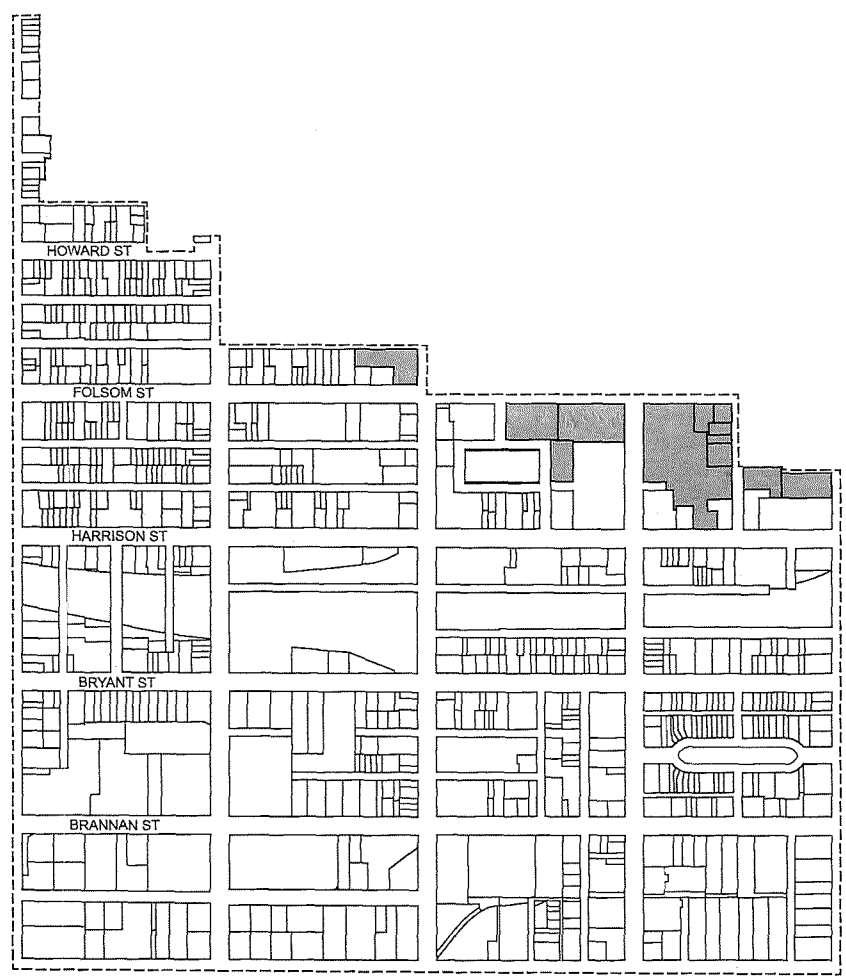
- 33,000 jobs
- 8,300 housing units



3-D Model of Potential Development

Digital Model by Skidmore, Owings, & Merrill

# EXISTING AND PROPOSED DEVELOPMENT CAPACITY



Existing Development Capacity

Proposed Development Capacity

## **PUBLIC BENEFITS PACKAGE**

**No Plan = \$500 million in Public Benefits**

**Central SoMa Plan = \$2.2 Billion in Public Benefits**

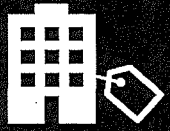


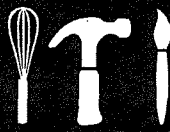

**400% increase due  
to the Plan**

**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.






**PUBLIC BENEFITS PACKAGE**

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

(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)**

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

**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
<b>TOTAL</b>	<b>\$2.16 billion</b>

**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)
<b>Central SoMa Community Infrastructure Fee (\$/GSF)</b>	\$0	\$10	\$0
<b>Mello-Roos Special Tax District (CFD; \$/GSF/yr)</b>	\$0	<b>CONDO:</b> \$3.30 (2% escalation)	<b>CONDO:</b> \$5.50 (2% escalation)
<b>Community Facilities Fee (\$/GSF)</b>		<b>RENTAL:</b> \$0	<b>RENTAL:</b> \$0
		\$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)	

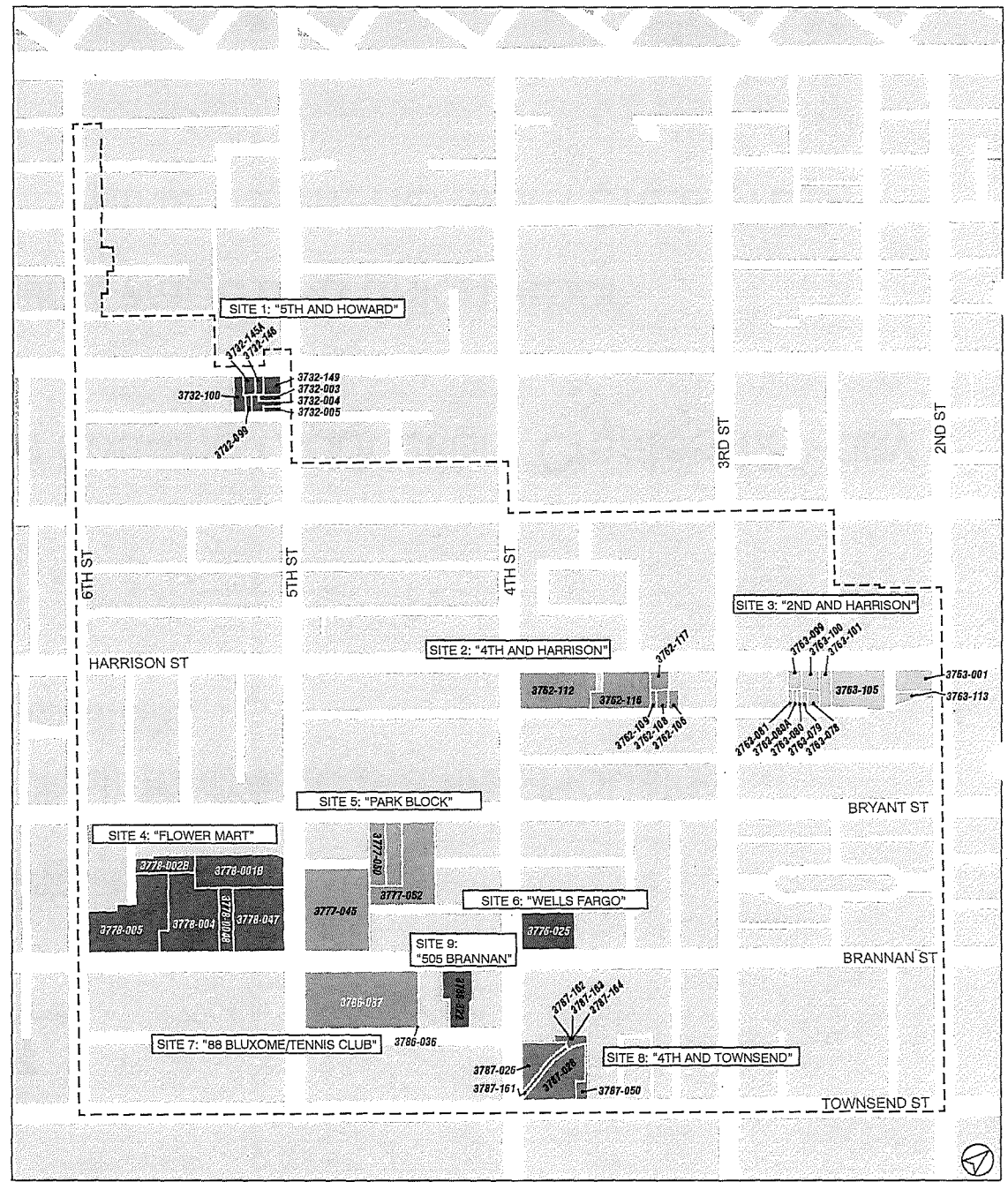
**NOTE:** Projects must meet all existing requirements (e.g. affordable housing, Eastern Nohds Fee, etc.)

# KEY DEVELOPMENT SITES

## PURPOSE

Larger sites where we have crafted more flexible / site-specific 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 120-day ministerial process
- Incentivizes use of prevailing wage and union labor
- Qualifies SF for 'zoning incentive payments' from State (TBD)

## 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

### 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


## **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

**\*NOTE:** As identified in the forthcoming Resolutions of Intention, or ROIs

An aerial, black and white photograph of a city, likely New York City, showing a dense grid of buildings and streets. The image is rotated 90 degrees clockwise. A white rectangular box is centered on the page, containing the title text. Two circular punch holes are visible at the top of the page.

# **PLAN EVOLUTION: 2016 DRAFT THROUGH CPC ADOPTION**

**PLAN EVOLUTION DURING ADOPTION PROCESS**

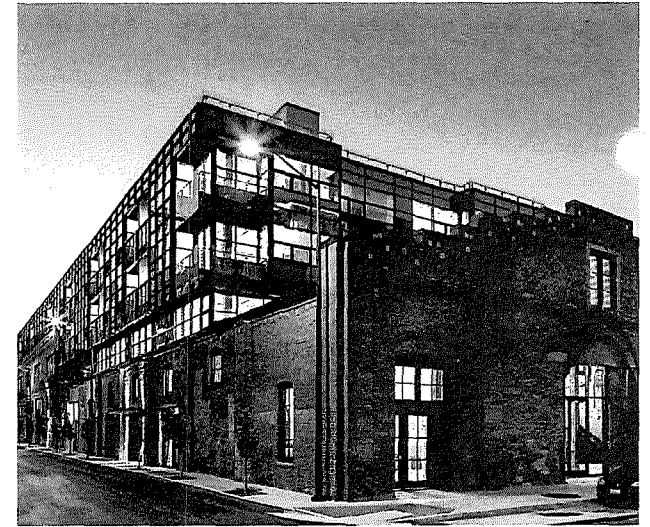
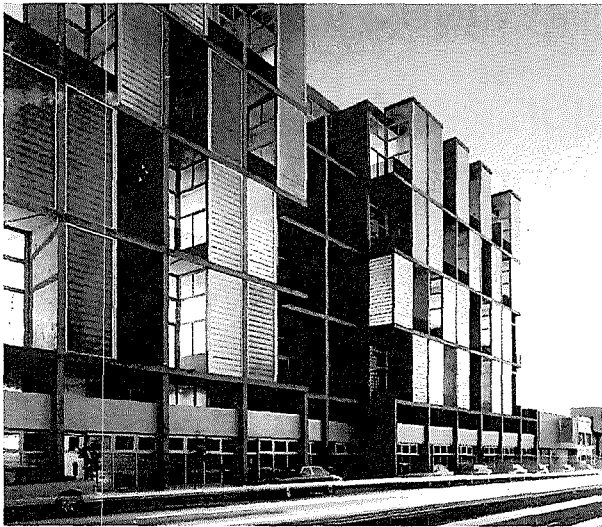
**KEY AREAS**

- 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



## JOB - 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



**PUBLIC BENEFITS**

**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**

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

**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

## PUBLIC BENEFITS

Planning

### 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

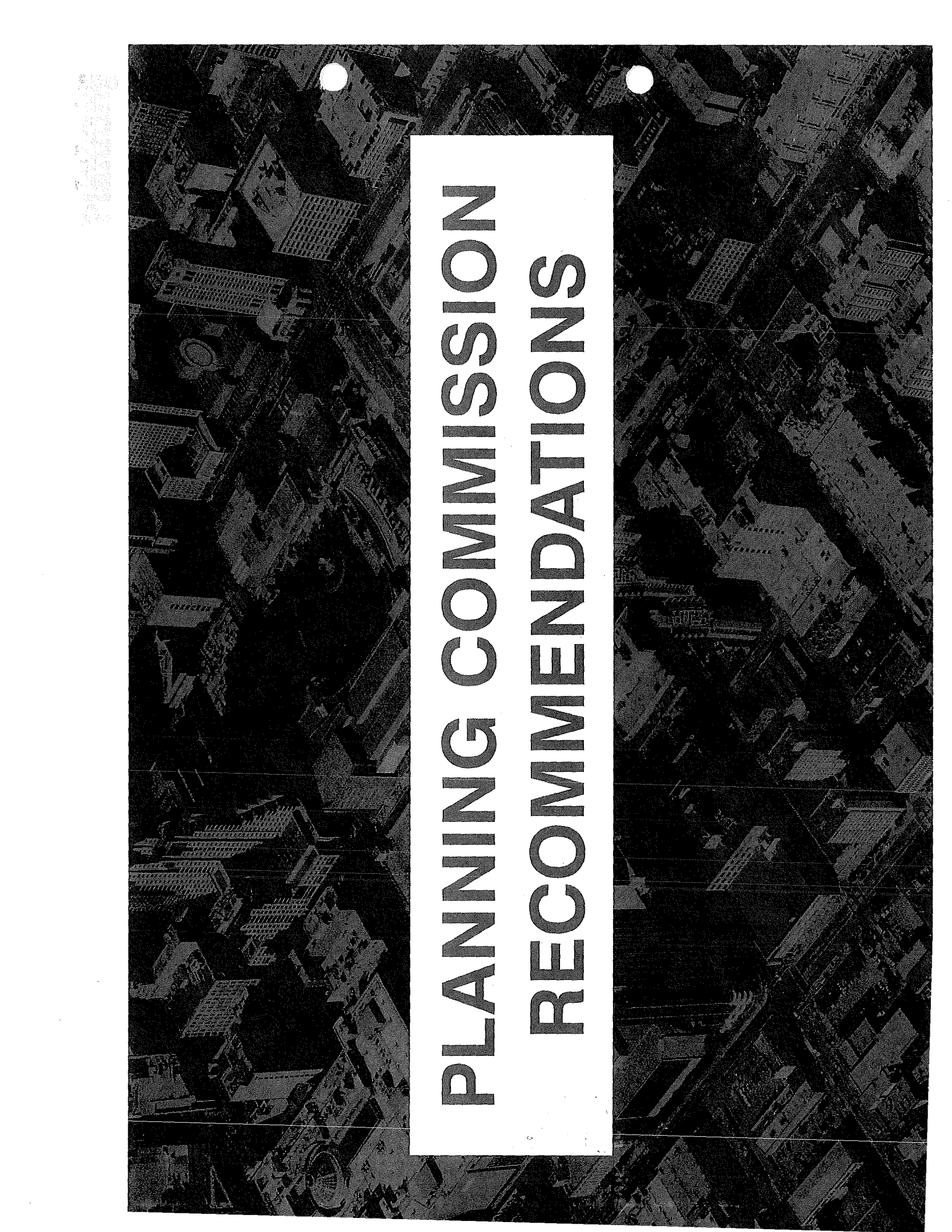
### WHAT WE HAVE HEARD

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

## 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).

An aerial, black and white photograph of a city grid, showing numerous buildings and streets. The image is oriented vertically. A white rectangular box is centered horizontally, containing the title text. Two circular punch holes are visible at the top edge of the page.

# PLANNING COMMISSION RECOMMENDATIONS

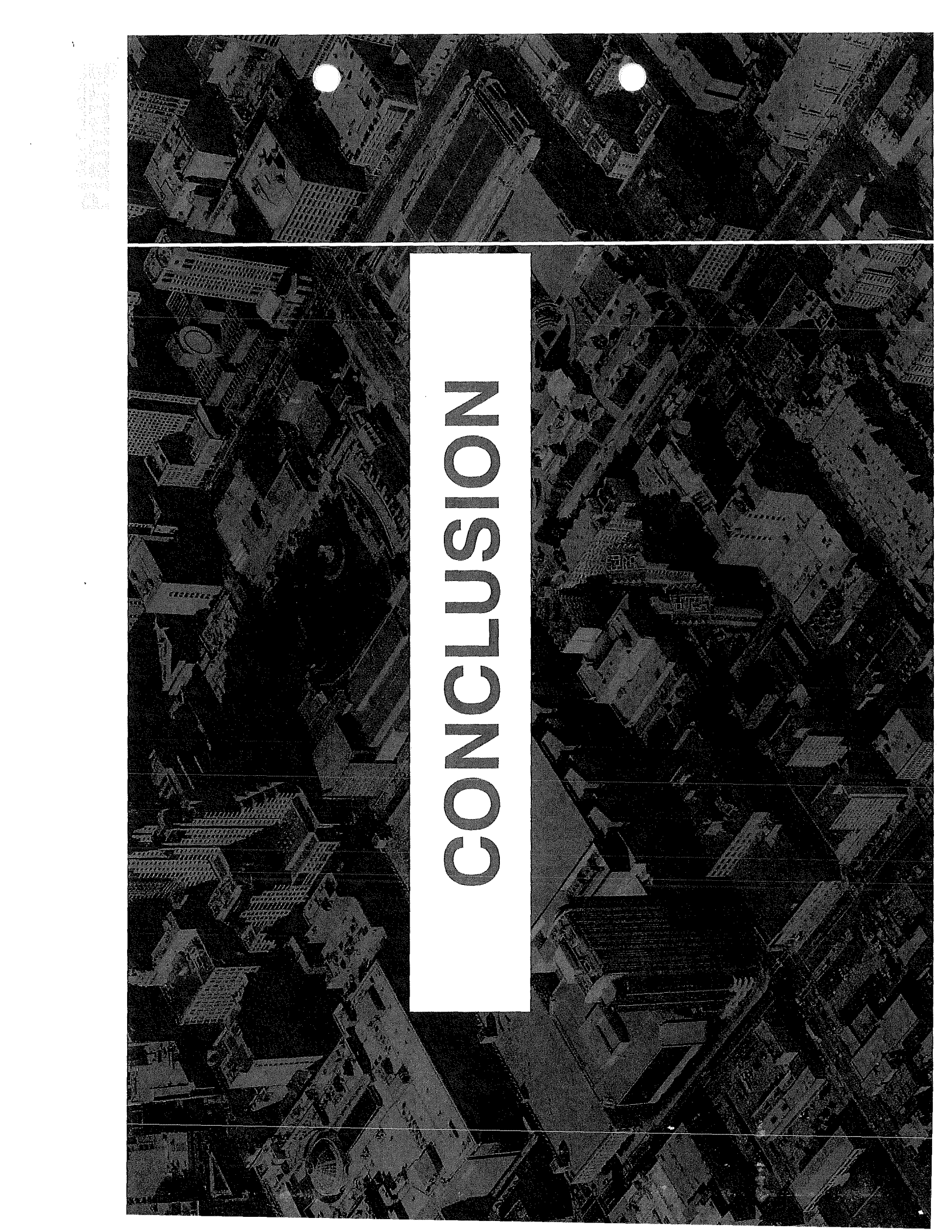
**PLANNING COMMISSION RECOMMENDATIONS - 5/10/18 ADOPTION HEARING**

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

**PLANNING COMMISSION RECOMMENDATIONS - 5/10/18 ADOPTION HEARING**

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




An aerial, black and white photograph of a dense urban grid, likely New York City, showing numerous skyscrapers and buildings. A central white vertical bar contains the word "CONCLUSION" in a bold, sans-serif font. Two circular punch holes are visible at the top of the page.

# CONCLUSION

## 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)**



An aerial, black and white photograph of a city, likely San Francisco, showing a dense grid of buildings and streets. A prominent white vertical bar is centered on the page, containing the text 'THANK YOU'. To the right of the bar, the name 'LISA CHEN', a phone number '415.575.9124', and an email address 'LISA.CHEN@SFGOV.ORG' are printed in white, bold, sans-serif font. Two white circular punch holes are visible at the top of the page.

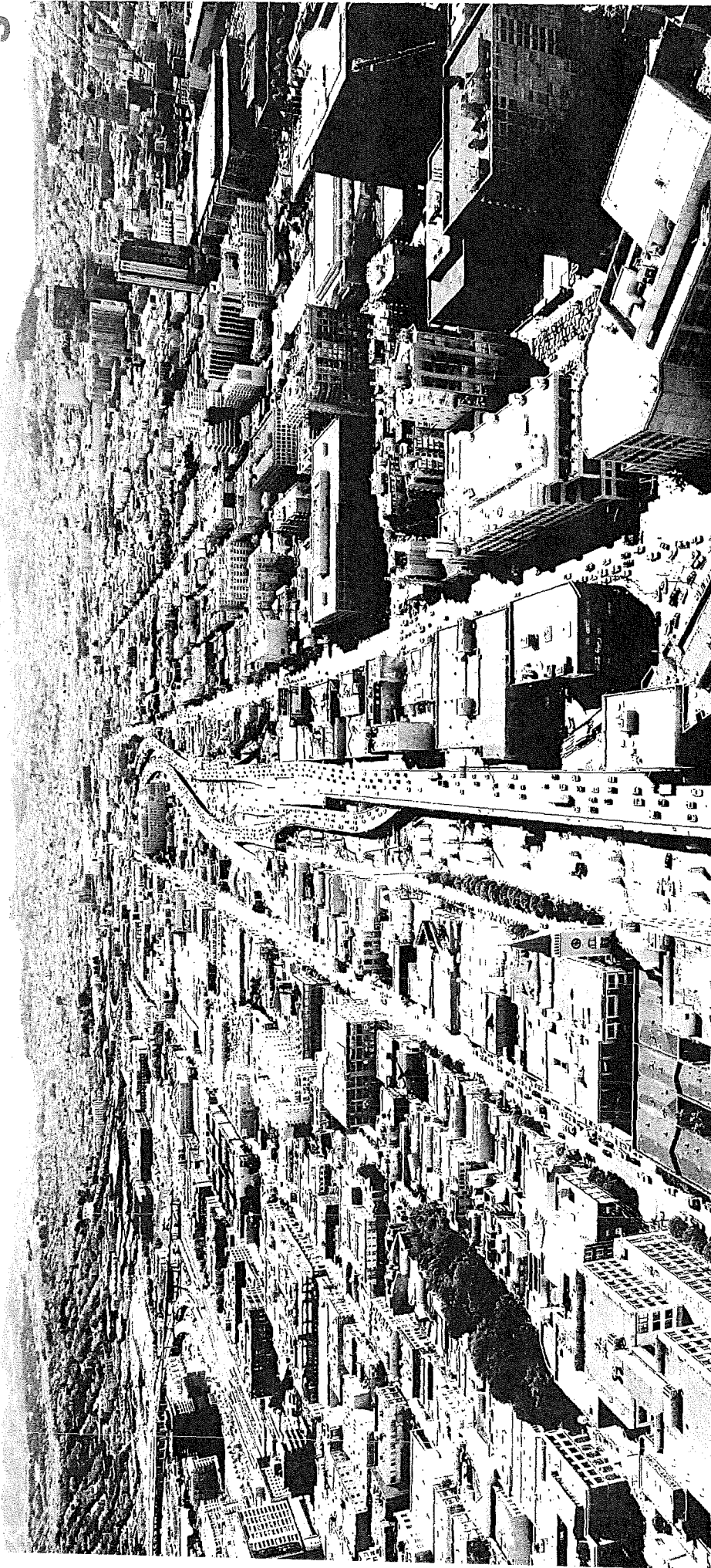
**THANK YOU**

**LISA CHEN**

**415.575.9124**

**LISA.CHEN@SFGOV.ORG**





# CENTRAL SOMA

## PLAN & IMPLEMENTATION STRATEGY

Board of Supervisors - Land Use & Transportation Committee Hearing

July 9, 2018

180490  
180185  
180453

# 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 Planning Commission Adoption
- 3 Planning Commission Recommendations**
- 4 Conclusion**

# TODAY'S ACTIONS

## Hearing to consider:

1. Amendments to the General Plan
2. Amendments to the Zoning Map
3. Approval of the Implementation Program
4. Approval of the Housing Sustainability District (HSD)

**Note:** Amendments to the Planning Code and Administrative Code were referred on 7/9 from Rules Committee to Land Use & Transportation, to be heard on 7/16.



# 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

\* Considered at Rules Committee on 7/9

(continued on next page)

# 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

\* Will be considered at GAO Committee on 7/18



# PLAN OVERVIEW

**PLAN STRATEGY**

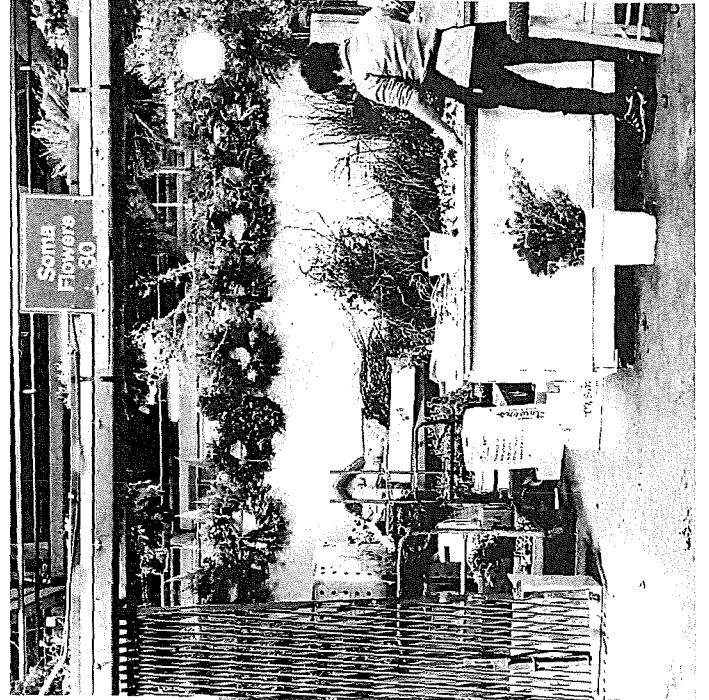
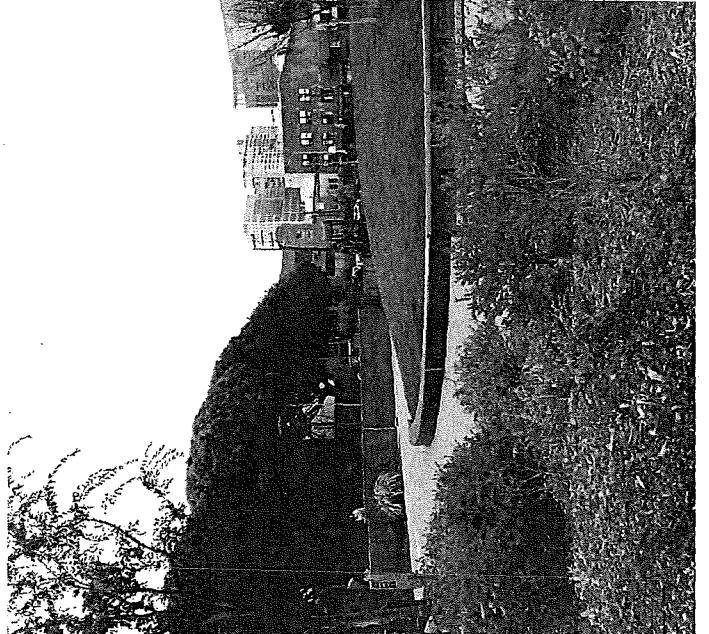
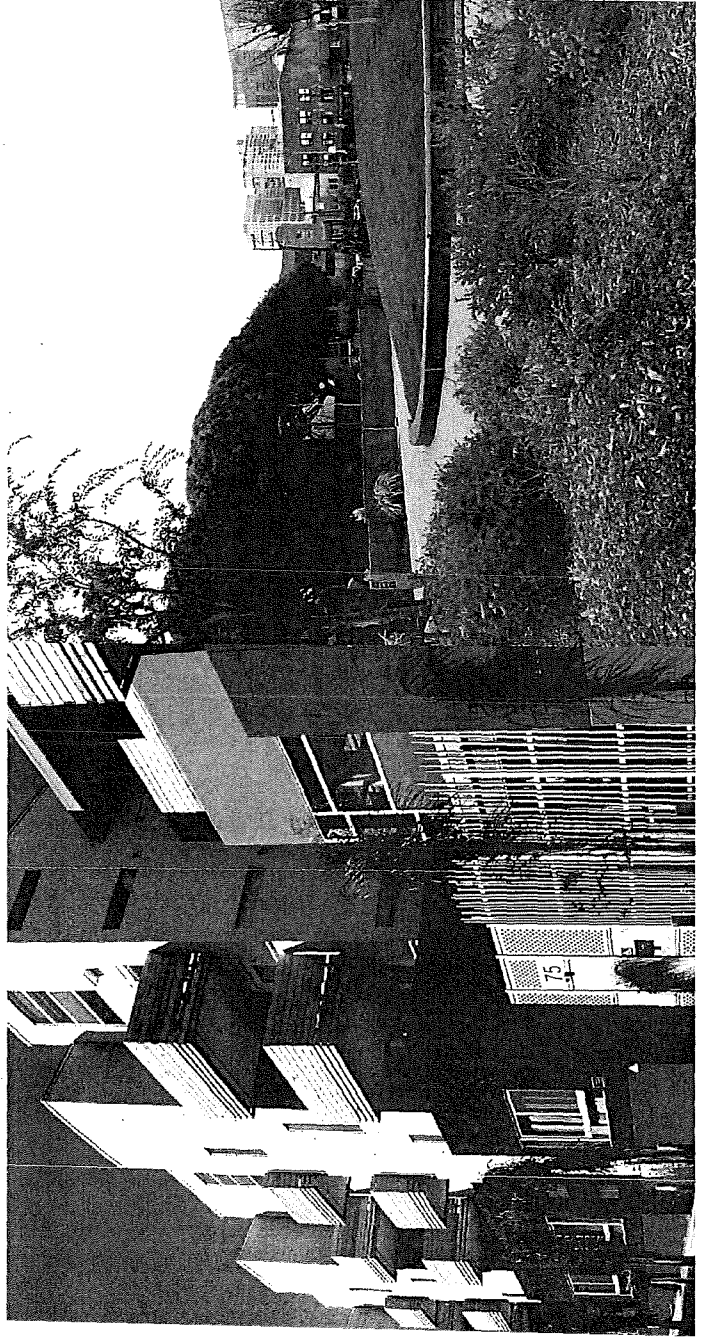
*Accommodate  
Demand*



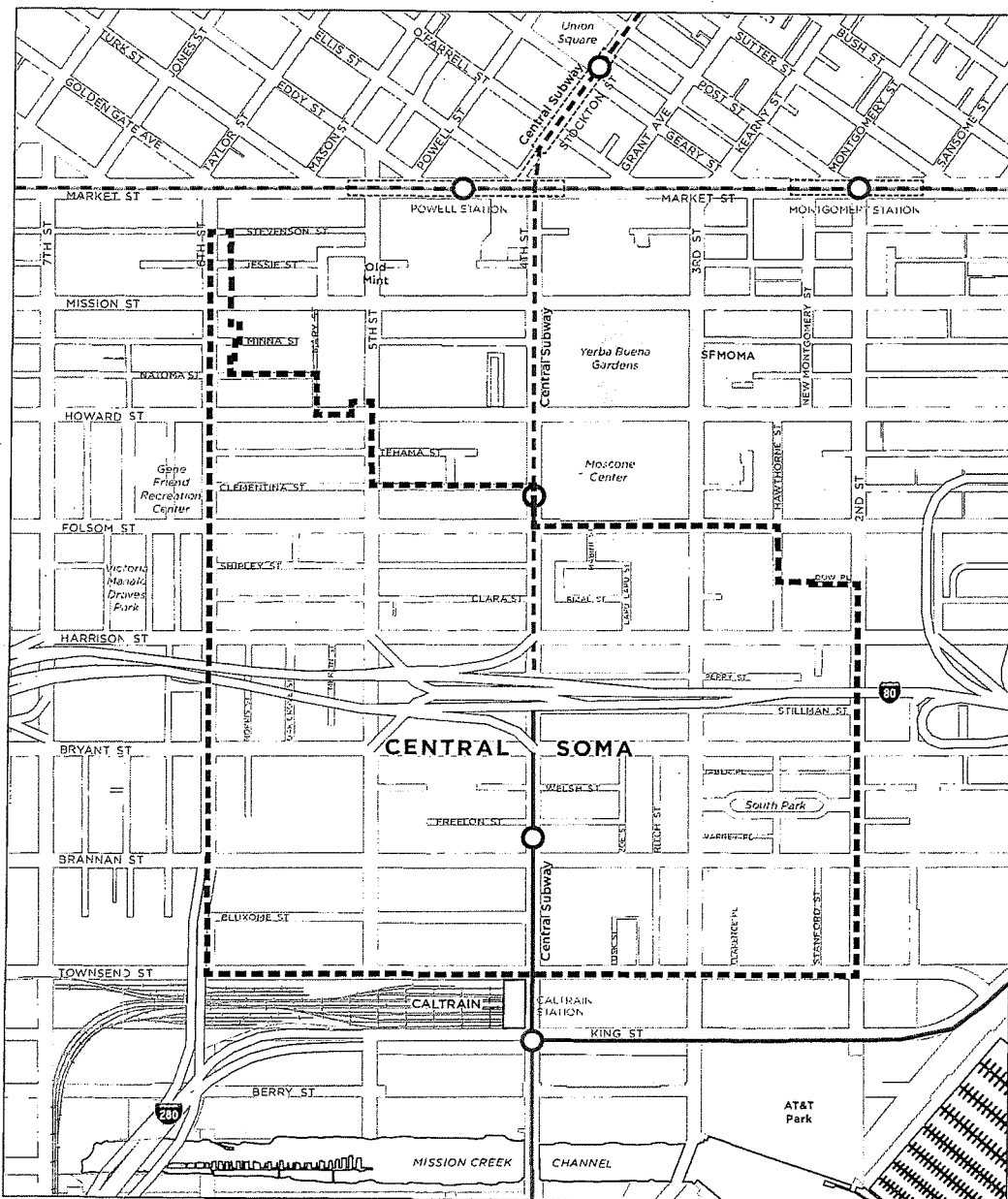
*Provide  
Public Benefits*



*Respect and  
Enhance  
Neighborhood  
Character*



**PLAN AREA**

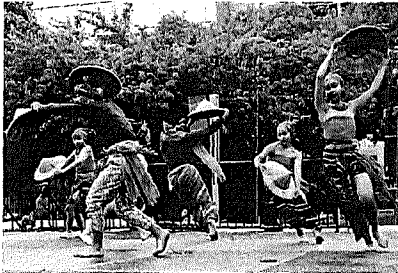


**PLAN VISION**  
**A sustainable neighborhood:**  
**socially, economically,**  
**environmentally**

- Central Subway under construction, expected to open in 2019
- BART/Muni Metro Subway
- Muni Metro (Surface)

# PLAN PHILOSOPHY

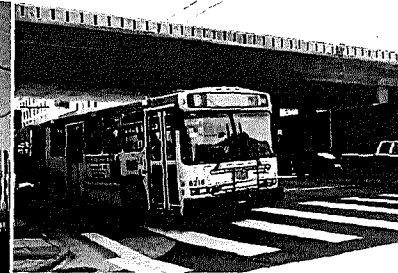
*keep what's great*



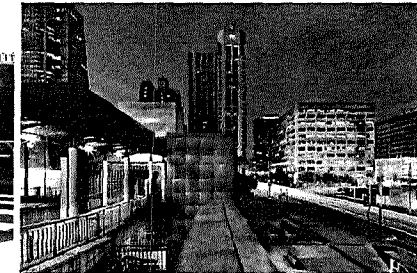
**Diversity of Residents and Jobs**



**Diversity of Buildings and Architecture**



**Abundant Local and Regional Transit**



**Renowned Culture and Nightlife**

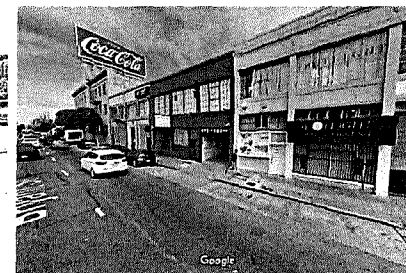
*address what's not*



**Unaffordable Rents**



**Unsafe and Unpleasant Streets**



**Lack of Public Parks and Greenery**



**Inefficient Zoning and Insufficient Funding**

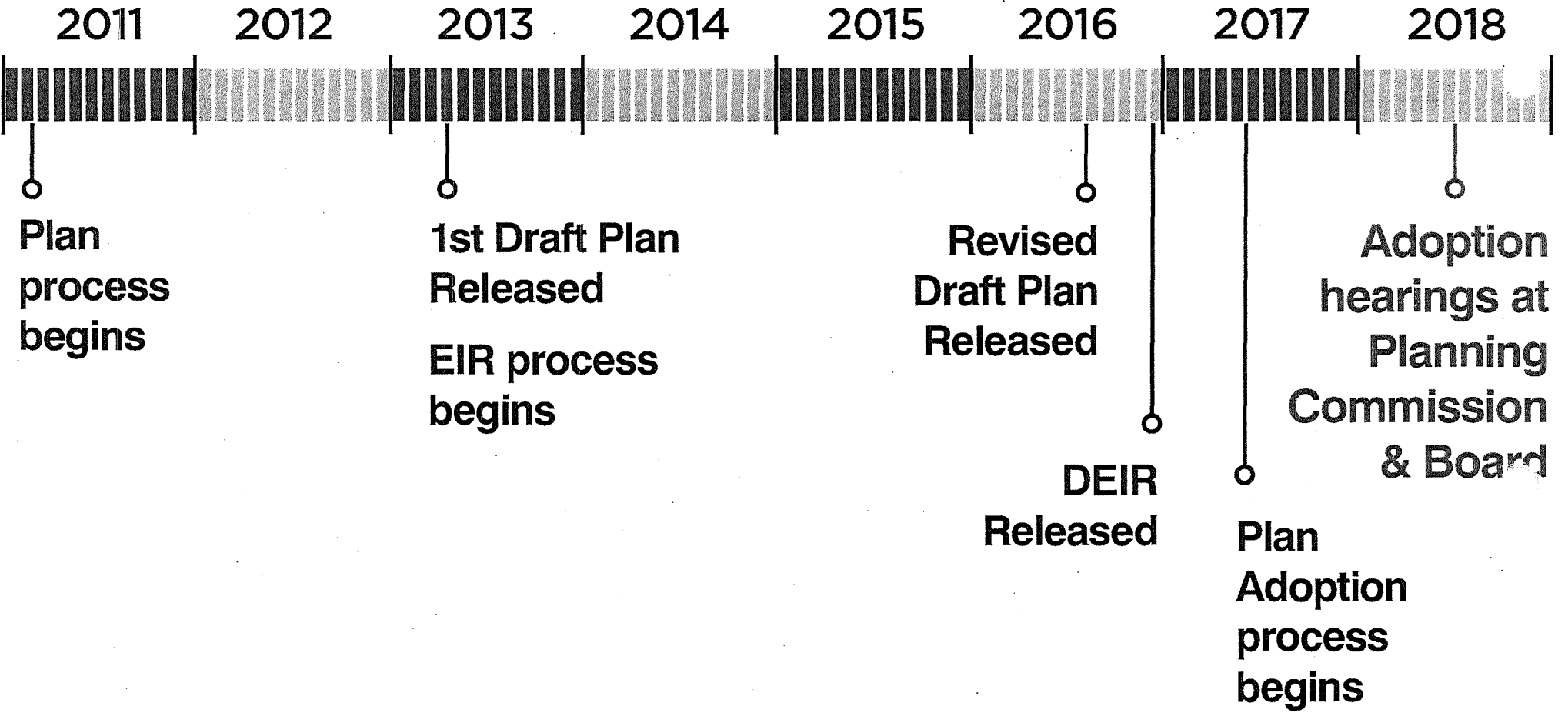
**PLAN GOALS**

- 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**

**PLAN GOALS**

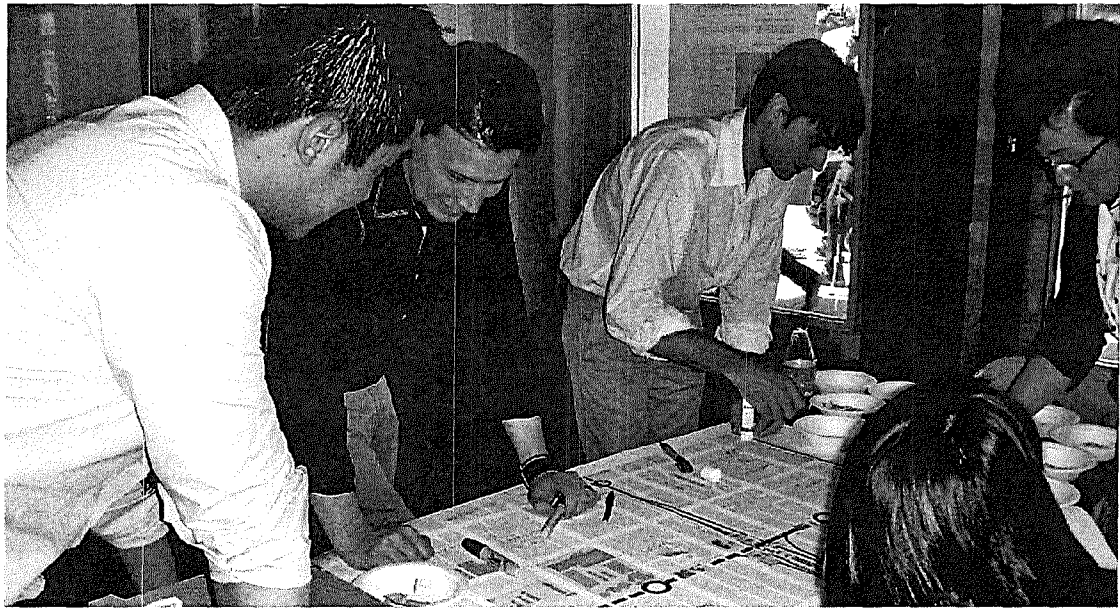
- Goal 5* **Offer an Abundance of Parks and Recreational Opportunities**
- Goal 6* **Create an Environmentally Sustainable and Resilient Neighborhood**
- Goal 7* **Preserve and Celebrate the Neighborhood's Cultural Heritage**
- Goal 8* **Ensure that New Buildings Enhance the Character of the Neighborhood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

**PLAN TIMELINE**

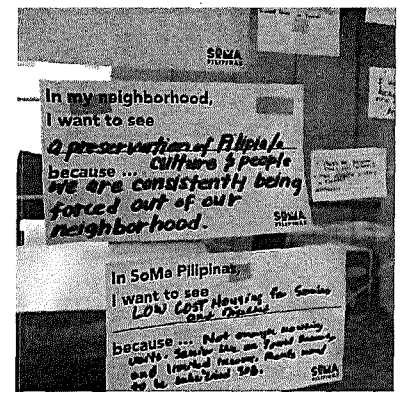




# OUTREACH PROCESS: 2011 - 2018



- 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**

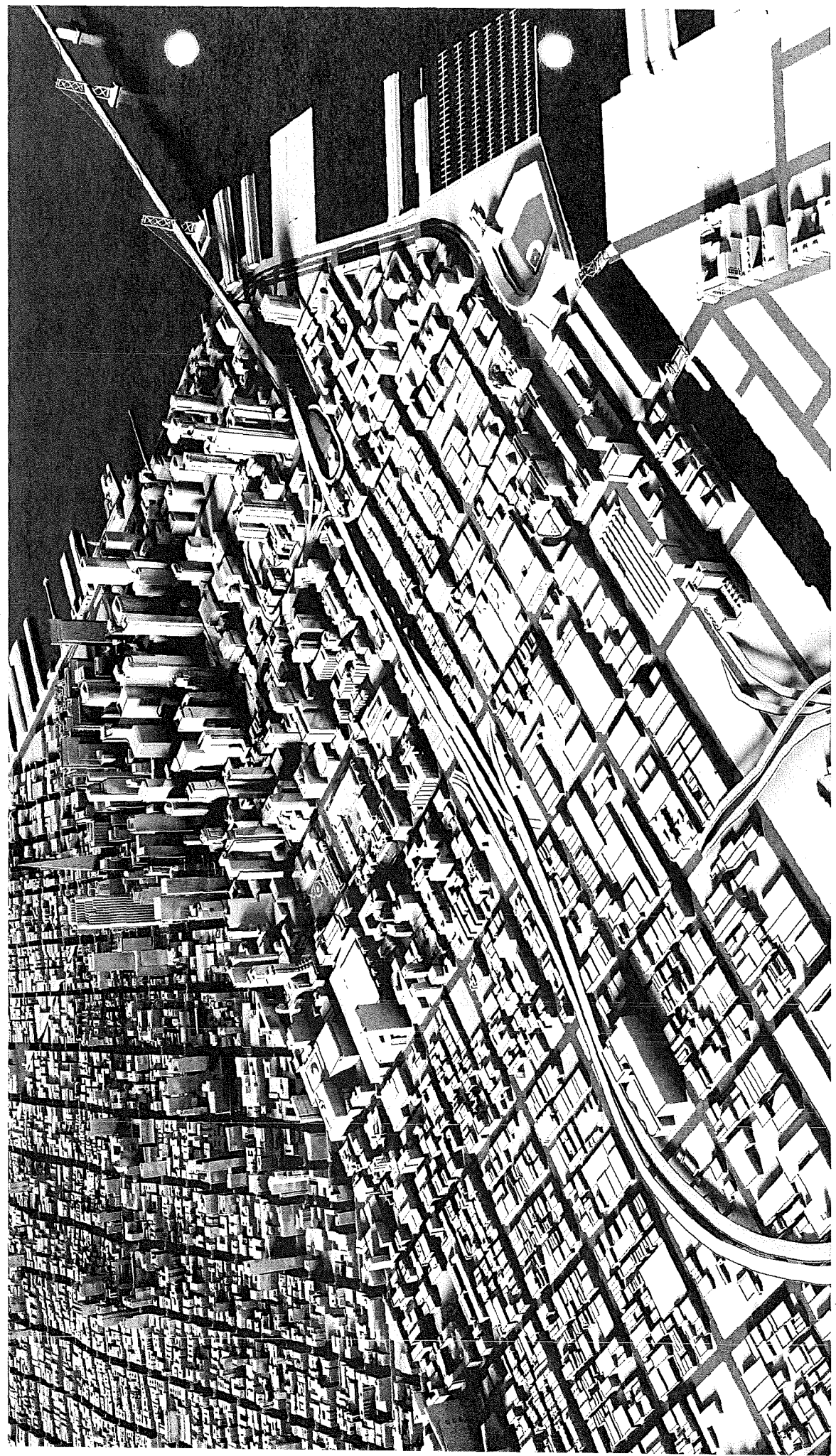
**Western Soma Taskforce**

**Yerba Buena Alliance**

**Yerba Buena Community Benefit District**

**YIMBY Action**

**VISUALIZATION - EXISTING DEVELOPMENT**



*3-D Model of Existing Buildings (2016)*

Digital Model by 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

# EXISTING AND PROPOSED DEVELOPMENT CAPACITY



*Existing Development Capacity*

*Proposed 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.


**PUBLIC BENEFITS PACKAGE**

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

(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)**

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

**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
<b>TOTAL</b>	<b>\$2.16 billion</b>

**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)**

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

**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)
<b>Central SoMa Community Infrastructure Fee (\$/GSF)</b>	<b>Office &gt;50k sq ft: \$21.50</b> <b>All other projects: \$41.50</b>	<b>Office &gt;50k sq ft: \$0</b> <b>All other projects: \$20</b>
<b>Mello-Roos Special Tax District (CFD; \$/GSF/yr)</b>	\$0	\$2.75 (4% escalation annually for 25 years, 2% thereafter)
<b>Transferable Development Rights (Floor Area Ratios)</b>	0	1.25 FAR
<b>Community Facilities Fee (\$/GSF)</b>		\$1.75
<b>POPOS</b>	1 sq ft for every 50 GSF of development	
<b>Production, Distribution, and Repair (PDR)</b>	<b>Office &gt;50k:</b> greater of 0.4 FAR or Sec. 202.8 (Prop X)	

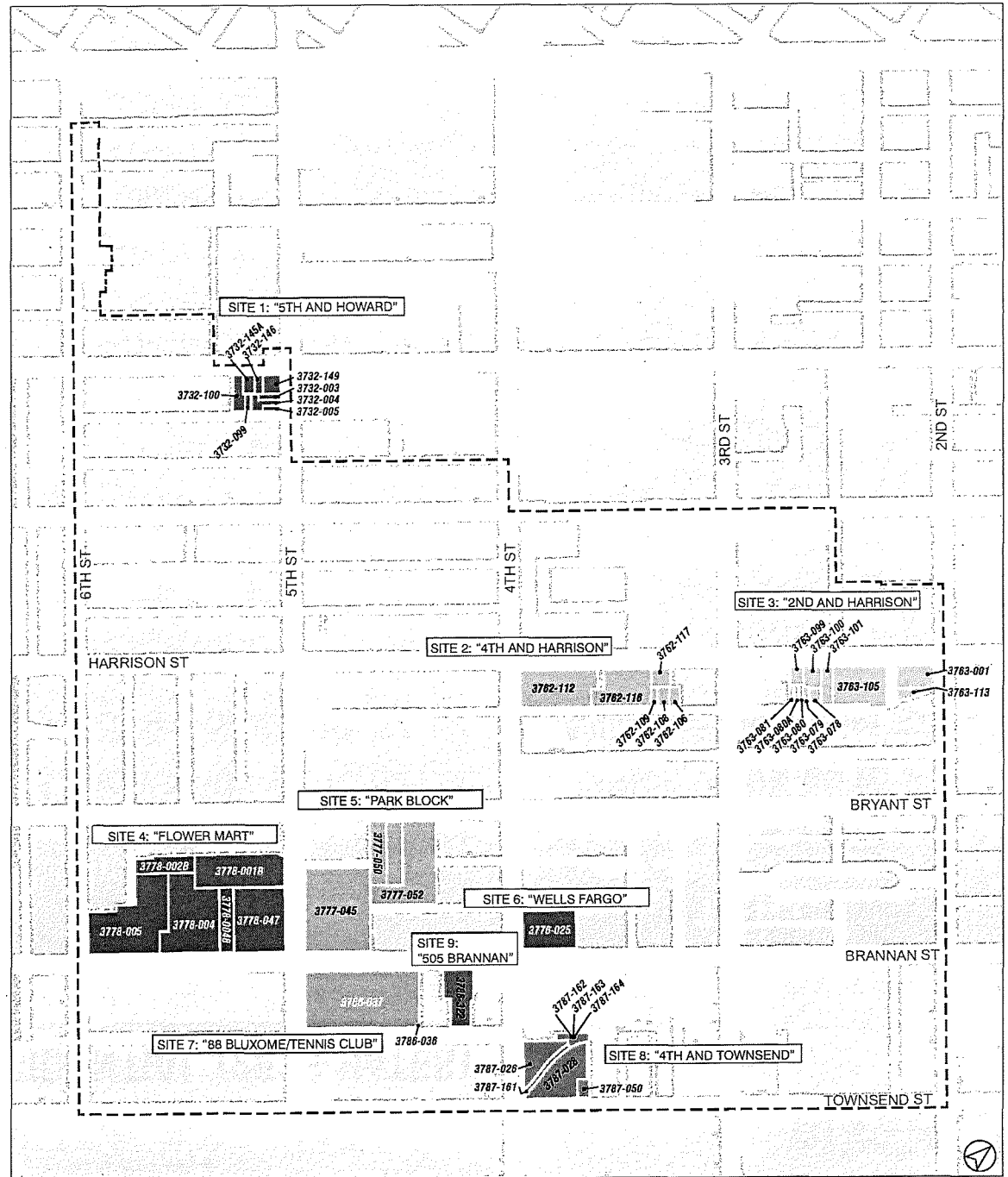
**NOTE:** Projects must meet all existing requirements (e.g. affordable housing, Eastern Nbhds Fee, etc.)

# KEY DEVELOPMENT SITES

## PURPOSE

Larger sites where we have crafted more flexible / site-specific 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 120-day ministerial process
- Incentivizes use of prevailing wage and union labor
- Qualifies SF for 'zoning incentive payments' from State (TBD)

## 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

### **CENTRAL SOMA LOCAL PROGRAM (Sec. 343)**

- Projects that are NOT eligible:
  - » Projects over 160 ft (unless 100% affordable)
  - » Article 10 or 11 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 at Planning Commission
  - » Progress requirement: once approved, must seek a site/building permit within 36 months of approval, or seek an extension



**PLAN EVOLUTION: 2016  
DRAFT THROUGH CPC  
ADOPTION**



## PLAN EVOLUTION DURING ADOPTION PROCESS

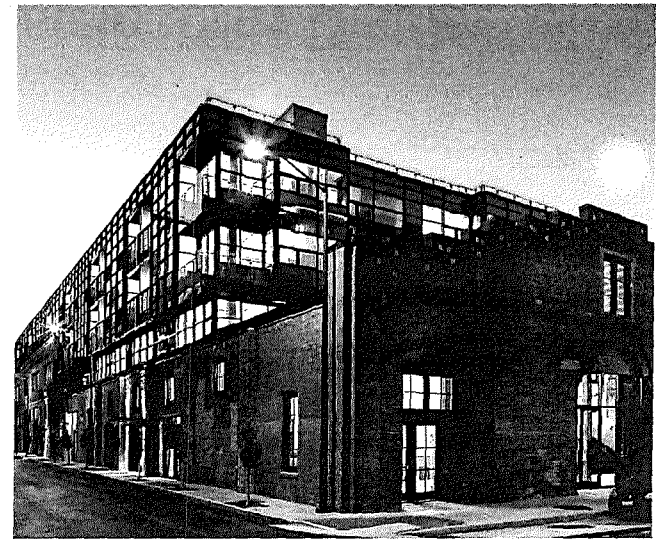
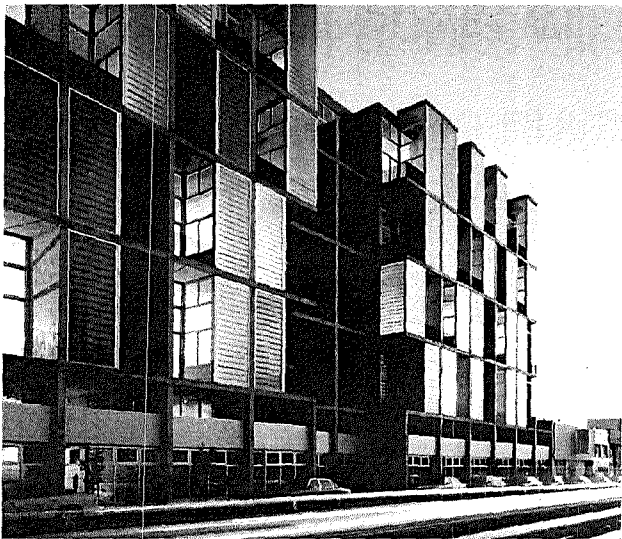
### KEY AREAS

- 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

**PUBLIC BENEFITS**

**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**

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

## 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

## 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)



## 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)

# PLANNING COMMISSION RECOMMENDATIONS

**PLANNING COMMISSION RECOMMENDATIONS - 5/10/18 ADOPTION HEARING**

- POPOS Design Exceptions
- Passenger & Freight Loading
- TDM Grandfathering
- Active Uses on Ground Floors
- Alternate Uses in PDR Replacement Space

## PLANNING COMMISSION RECOMMENDATIONS - 5/10/18 ADOPTION HEARING

- Key Site Guidelines
- Park Fee Waiver for Park at 598 Brannan Street
- Central SoMa Special Tax District
- Public Oversight: Eastern Neighborhoods CAC & SoMa Stabilization CAC
- Other clarifying amendments

# CONCLUSION

# TODAY'S ACTIONS


## Hearing to consider:

1. Amendments to the General Plan
2. Amendments to the Zoning Map
3. Approval of the Implementation Program
4. Approval of the Housing Sustainability District (HSD)

**Note:** Amendments to the Planning Code and Administrative Code were referred on 7/9 from Rules Committee to Land Use & Transportation, to be heard on 7/16.







**THANK YOU**

**LISA CHEN**

**415.575.9124**

**LISA.CHEN@SFGOV.ORG**



# SAN FRANCISCO FLOWER MART

180490  
180185  
180453  
180184  
180617

SUBMITTED IN COMMA  
7/16/18

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 6<sup>th</sup> & 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 6<sup>th</sup> 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 6<sup>th</sup> & 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.





## SAN FRANCISCO FLOWER MART

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 would 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,

A handwritten signature in black ink, appearing to read "Jeanne Boes".

Jeanne 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
<b>SFFM Proposed Amendments not Addressed by Planning Commission</b>			
Parking	Proposed § 329(e)(3)(B)	<p>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.</p> <p>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.</p>	<p>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.</p> <p><i>(B) Exceptions. . . the requirement that POPOS be open to the sky established in Section 138(d)(2)(B); <del>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.</del></i></p>
Transparent Fenestration of PDR	Proposed §§ 249.78(c)(1)(E) and 329(e)(3)(B)	<p>The Proposed § 249.78(c)(1)(E) applies the transparency and fenestration requirements of existing Code Section 145.1 to PDR uses.</p> <p>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.</p>	<p>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).</p> <p><i>(B) Exceptions. . . the requirement that POPOS be open to the sky established in Section 138(d)(2)(B); <del>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).</del></i></p>

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POPOS	Amended § 138; Proposed § 329(e)(3)(B)	<p>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.</p> <p>Proposed § 138(d)(2)(B) requires that projects “on sites of 40,000 square feet or more and located south of Bryant Street shall provide the required open space outdoors and may not pay an in-lieu fee.”</p>	<p>Proposed § 329(e)(3)(B) regarding open space exceptions that should be corrected as follows:</p> <p><i><u>(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).</u></i></p>
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.	<p>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:</p> <p><i><u>. . . 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 . . .</u></i></p>
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-foot-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.	<p>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.</p> <p><i><u>(B) Exceptions. . . . the requirement that POPOS be open to the sky established in Section 138(d)(2)(B); <del>or the commercial orientation of large sites established in Section 249.78(c)(6);</del> 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.</u></i></p>

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):  <i><u>Through the procedures of Section 329, the Planning Commission may 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).</u></i>
Key Sites Exceptions, Generally	Proposed § 329(d)(12)	<p>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).</p> <p>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.</p>	<p>Revise amended § 329(d)(12) to allow Key Sites projects to seek PUD-type exceptions (as set forth in § 304) via an LPA:</p> <p>Where not specified elsewhere in this § subsection (d), modification of other Code requirements <del>which</del> <u>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 modifications shall not be permitted for non-Key Sites projects in the Central SoMa Special Use District. Those projects on Key Sites, as identified in subsection (e) below, may obtain exceptions from those Code requirements that could be otherwise be modified as a Planned Unit Development.</u></p>



**SPUR**

San Francisco | San Jose | Oakland

July 6, 2018

Land Use & Transportation Committee  
San Francisco Board of Supervisors  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

RE: July 9, 2018 Agenda Items Nos. 6, 7 & 8  
**Central SoMa Plan Amendments to the General Plan, Planning Code and Zoning Maps  
(Board File Nos. 180490, 180185, 180453)**

Dear Supervisors Tang, Kim and Safai:

Thank you for the opportunity to weigh in with SPUR's support for the Central SoMa Plan. SPUR is very pleased to see that the approval of the Central SoMa Plan and its implementing actions are finally before you. We urge you to approve this ambitious plan as quickly as possible. The city has been working with the community for several years to get this Plan completed, and it is time to get it across the finish line.

Why should the Central SoMa Plan be approved? What do we see are its merits?

1. **Central SoMa is the right location for jobs:** Central SoMa is an area that is key to San Francisco and to the region. It lies adjacent to the Financial District, an existing dense jobs center, and it holds the most links to regional transportation infrastructure. Downtown San Francisco is the area in the region with the lowest rate of driving to work and one of the few places within the region where people can and do commute by public transportation.

This is therefore the right place — from an environmental standpoint, a jobs agglomeration standpoint and others — for accommodating a significant amount of growth for both jobs and housing, but particularly for the 40,000 jobs this Plan contemplates.

2. **The Central SoMa Plan helps to address the housing shortage and the affordability crisis:** With recent amendments, this plan now accommodates 8,300 homes, which is an increase from what was originally planned. Additionally, the housing sustainability district, which uses David Chiu's AB 73 from last year, will help expedite the production of these units which have already been considered through this planning process.

We would also support future efforts to add housing in the Central SoMa Plan and elsewhere in San Francisco and the region without coming at the expense of jobs in regional-transit locations.

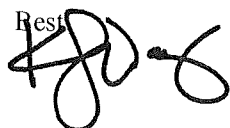
- 3. The Central SoMa Plan provides for unprecedented public benefits:** The growth accommodated by this Plan is expected to one day fund up to \$2 billion in public benefits towards affordable housing, transportation, open space, sustainability and many other needs for the city and this neighborhood. These benefits will be transformative...once the Plan is approved and once that development moves forward. But we have been waiting for the plan's completion for long enough. In the meantime, the economy has been shifting, construction costs have been rising and the feasibility of development moving forward is now shakier than it was a few years ago.

In that spirit, now is better than later. Displacement of both residents and businesses from San Francisco is happening in part because there is more competition for homes and office space. Quote unquote "normal" office jobs for nonprofits, engineering and architecture firms and other businesses are being shifted to downtown Oakland in the best case, but also to more suburban locations or other regions, because of the increased cost to lease office space in San Francisco.

The Central SoMa Plan is a thoughtful and ambitious plan to improve the neighborhood for residents, workers and visitors. It will increase housing opportunities, provide significant affordability, expand green space, transform the experience of being on the street, maintain a vital mix of uses, allow a diverse mix of businesses to remain in San Francisco and more. SPUR urges you to support this Plan as quickly as possible in order to set in motion the processes that will bring these benefits to Central SoMa, San Francisco and the region.

Thank you for your consideration. Let me know if you have any questions.

Res



Kristy Wang  
Community Planning Policy Director

cc: SPUR Board of Directors  
Mayor Mark Farrell and staff  
ore Supervisor London Breed and staff  
John Rahaim, Lisa Chen / Planning Department

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

May 8, 2018

Planning Commission  
Attn: Jonas Ionin  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Commissioners:

On May 1, 2018, Mayor Farrell introduced the following legislation:

**File No. 180453**

**Ordinance amending the Business and Tax Regulations and Planning Codes to create the Central South of Market Housing Sustainability District (encompassing an area generally bounded on its western portion by Sixth Street, on its eastern portion by Second Street, on its northern portion by the border of the Downtown Plan Area (an irregular border that generally tracks Folsom, Howard, or Stevenson Streets), and on its southern portion by Townsend Street) to provide a streamlined and ministerial approval process for certain housing projects within the District meeting specific labor, on-site affordability, and other requirements; creating an expedited Board of Appeals process for appeals of projects within the District; and making approval findings under the California Environmental Quality Act, findings of public convenience, necessity, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

The proposed ordinance is being transmitted pursuant to Planning Code, Section 302(b), for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk  
Land Use and Transportation Committee

c: John Rahaim, Director of Planning  
Aaron Starr, Acting Manager of Legislative Affairs  
Scott Sanchez, Zoning Administrator  
Lisa Gibson, Environmental Review Officer  
AnMarie Rodgers, Director of Citywide Planning  
Laura Lynch, Environmental Planning  
Joy Navarrete, Environmental Planning

BOARD of SUPERVISORS



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## MEMORANDUM

TO: Maggie Weiland, Acting Executive Director, Entertainment Commission  
Cynthia Goldstein, Executive Director, Board of Appeals  
Tom Hui, Director, Department of Building Inspection  
Mohammed Nuru, Director, Public Works  
William Scott, Police Chief, Police Department

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: May 8, 2018

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Mayor Farrell on May 1, 2018:

**File No. 180453**

**Ordinance amending the Business and Tax Regulations and Planning Codes to create the Central South of Market Housing Sustainability District (encompassing an area generally bounded on its western portion by Sixth Street, on its eastern portion by Second Street, on its northern portion by the border of the Downtown Plan Area (an irregular border that generally tracks Folsom, Howard, or Stevenson Streets), and on its southern portion by Townsend Street) to provide a streamlined and ministerial approval process for certain housing projects within the District meeting specific labor, on-site affordability, and other requirements; creating an expedited Board of Appeals process for appeals of projects within the District; and making approval findings under the California Environmental Quality Act, findings of public convenience, necessity, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

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: [Erica.Major@sfgov.org](mailto:Erica.Major@sfgov.org).



Referral from the Board of Supervisors

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May 8, 2018

c: Crystal Stewart, Entertainment Commission  
Gary Cantara, Board of Appeals  
William Strawn, Department of Building Inspection  
Carolyn Jayin, Department of Building Inspection  
David Steinberg, Public Works  
Jeremy Spitz, Public Works  
Jennifer Blot, Public Works  
John Thomas, Public Works  
Lena Liu, Public Works  
Rowena Carr, Police Department  
Asja Steeves, Police Department  
Sergeant Rachael Kilshaw, Police Department

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

July 26, 2018

Planning Commission  
Attn: Jonas Ionin  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Commissioners:

On July 23, 2018, the Land Use and Transportation Committee amended the following ordinances. The Office of the City Attorney has advised that these ordinances requires an additional Planning Commission hearing:

**File No. 180185      Planning Code, Zoning Map - Central South of Market Special Use District**

Ordinance amending the Zoning Map of the Planning Code to create the Central South of Market (SoMa) Special Use District and make other amendments to the Height and Bulk District Maps and Zoning Use District Maps consistent with the Central SoMa Area Plan, encompassing an area generally bounded on its western portion by Sixth Street, on its eastern portion by Second Street, on its northern portion by the border of the Downtown Plan Area (an irregular border that generally jogs along Folsom, Howard and Stevenson Streets), and on its southern portion by Townsend Street; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

**File No. 180453      Business and Tax Regulations, Planning Codes - Central South of Market Housing Sustainability District**

Ordinance amending the Business and Tax Regulations and Planning Codes to create the Central South of Market Housing Sustainability District (encompassing an area generally bounded on its western portion by Sixth Street, on its eastern portion by Second Street, on its northern portion by the border of the Downtown Plan Area (an irregular border that generally tracks Folsom, Howard, or Stevenson Streets), and on its southern portion by Townsend Street) to provide a streamlined and ministerial approval process for certain housing projects within the District meeting specific labor, on-site affordability, and other requirements; creating an expedited Board of Appeals process for appeals of projects within the District; and making approval findings under the California Environmental Quality Act, findings of public convenience, necessity, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

**File No. 180184      Administrative, Planning Codes - Central South of Market Area Plan**

Ordinance amending the Administrative and Planning Codes to give effect to the Central South of Market Area Plan, encompassing an area generally bounded on its western portion by Sixth Street, on its eastern portion by Second Street, on its northern portion by the border of the Downtown Plan Area (an irregular border that generally jogs along Folsom, Howard and Stevenson Streets), and on its southern portion by Townsend Street; making approval findings under the California Environmental Quality Act, including adopting a statement of overriding considerations; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

The proposed ordinance is being transmitted pursuant to Planning Code, Section 302, for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board




By: Erica Major, Assistant Clerk  
Land Use and Transportation Committee

- c: John Rahaim, Director
- Scott Sanchez, Zoning Administrator
- Lisa Gibson, Environmental Review Officer
- Devyani Jain, Deputy Environmental Review Officer
- AnMarie Rodgers, Director of Citywide Planning
- Dan Sider, Director of Executive Programs
- Aaron Starr, Manager of Legislative Affairs
- Joy Navarrete, Environmental Planning
- Laura Lynch, Environmental Planning

OFFICE OF THE MAYOR  
SAN FRANCISCO



MARK FARRELL  
MAYOR

TO:  Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Mayor Farrell  
RE: Business and Tax Regulations, Planning Codes - Central South of Market  
Housing Sustainability District  
DATE: May 1, 2018

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Attached for introduction to the Board of Supervisors is an ordinance amending the Business and Tax Regulations and Planning Codes to create the Central South of Market Housing Sustainability District (encompassing an area generally bounded on its western portion by Sixth Street, on its eastern portion by Second Street, on its northern portion by the border of the Downtown Plan Area (an irregular border that generally tracks Folsom, Howard, or Stevenson Streets), and on its southern portion by Townsend Street) to provide a streamlined and ministerial approval process for certain housing projects within the District meeting specific labor, on-site affordability, and other requirements; creating an expedited Board of Appeals process for appeals of projects within the District; and making approval findings under the California Environmental Quality Act, findings of public convenience, necessity, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Please note that this legislation is co-sponsored by Supervisor Kim.

Should you have any questions, please contact Andres Power (415) 554-5168.

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